

Press Release

For further information,
please contact:

Catrina Ihre
Vice President
Investor Relations
+46 8 738 60 87

Electrolux Press Hotline
+46 8 657 65 07

President and CEO Jonas Samuelson's comments on the results
for the first quarter 2016

Good earnings development in the quarter

Electrolux operating income of SEK 1,268 million for the first quarter 2016 more than doubled compared to the first quarter the previous year. Major Appliances EMEA continued the positive trend and delivered an operating margin over 6% for the quarter and the last 12 months. Major Appliances North America achieved a significant turnaround compared with the weak first quarter 2015. Furthermore, the earnings trend in Professional Products remained positive and operating income in Asia/Pacific and Small Appliances also improved. The performance in the important Latin America region continued to be impacted by a weak market and currency environment.

The appliance market continued to grow in Western Europe and was particularly strong in Italy, Germany and the UK. Most markets in Eastern Europe also grew. Russia appears to have stabilized at low levels following the significant downturn in 2015. Electrolux gained market share in the focus segments premium branded built-in kitchen and laundry. Organic growth of 7%, driven by higher volumes and improved mix, together with strong focus on cost efficiency, contributed positively. We confirm our expectations for market demand growth and forecast the Western European market to grow by 2-3% in 2016 and the market in Eastern Europe by approximately 2%.

Our operations in North America continued to recover and operating income increased significantly year-over-year. Revenue growth of 6% and improved cost efficiency contributed to the results. The work to stabilize and increase efficiency in the cooking plant in Memphis is making progress according to plan. Volume growth in the US market for appliances has remained healthy and increased by 8% in the first quarter. We now expect market demand for appliances to grow by 4-5% in 2016.

The financial performance in Major Appliances Latin America continued to be affected by the weak market situation and unfavorable currency rates. Market demand for appliances in Latin America in general weakened significantly year-over-year in most markets. As a consequence, Electrolux sales volumes decreased in the quarter while market shares were stable. To mitigate these market conditions and currency headwinds, we continued to reduce structural costs and also increased prices. We expect the Latin American market, mainly Brazil, to remain weak in 2016.

In Asia/Pacific, operating income increased following a good development in Australia, New Zealand and Southeast Asia. Earnings were also positively impacted by the repositioning and reduced sales activities in China. This work will continue. Small Appliances benefited from cost reductions and improved sales in more profitable categories and markets. Professional Products continued the profitable growth trajectory in both Laundry Systems and Food Service.

The focus on increasing the operating margin of the Group will continue throughout the year, with emphasis on product cost efficiency leveraging initiatives including modularization and automation, and launches of innovative premium products delivering great consumer experiences. The strong efforts to improve financial results in the challenging Latin America region, as well as the refocus of the Small Appliances business area will also have continued high priority.

Stockholm, April 28, 2016
Jonas Samuelson
President and CEO

Electrolux discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 08.00 CET on April 28, 2016.

Electrolux is a global leader in home appliances and appliances for professional use, based on deep consumer insight. We offer thoughtfully designed, innovative and sustainable solutions, developed in close collaboration with professional users. The products include refrigerators, ovens, cookers, hobs, dishwashers, washing machines, vacuum cleaners, air conditioners and small domestic appliances. Under esteemed brands including Electrolux, AEG, Zanussi, Frigidaire and Electrolux Grand Cuisine, the Group sells more than 60 million products to customers in more than 150 markets every year. In 2015, Electrolux had sales of SEK 124 billion and 58,000 employees. For more information go to www.electroluxgroup.com