

# Press release

Stockholm, July 19, 2013



Thinking of you  
**Electrolux**

*President and CEO Keith McLoughlin's comments on the results for the second quarter of 2013*

## **Strong performance in North America compensated weak development in Europe**

**Electrolux in North America maintained strong sales and earnings growth during the second quarter, which is expected to continue throughout the year. All of our operations in Europe continued to suffer from weak demand resulting in negative price development. Latin America showed strong top-line growth, while earnings were impacted by negative currency movements.**

Operations in North America reported another quarter of strong earnings. In the first half of 2013, our EBIT margin was close to 7%, which is a record for the first six-month period in North America. This strong momentum was driven by an improved US appliance market, a strong product offering in all price segments and that we now have access to all major distribution channels. Rising appliance consumption in North America is largely due to the strengthening of the housing market and this development is expected to continue. As a result, we now believe that demand for appliances in the US will increase by 5-7% in 2013.

In the second quarter, Electrolux Major Appliances in Europe performed in line with the first quarter and generated a breakeven result. Although this represents a weak bottom line result, our gross margin is solid and showed a healthy recovery compared with last year. This is primarily attributable to our activities to remain cost competitive by improving our manufacturing footprint, capitalizing on our shared global strength and the launch of high-end appliances under the Electrolux brand to ensure a positive product mix. Despite these improvements, we believe that 2013 will continue to be a challenging year in Europe, although gradually improving during the second half.

In Latin America, organic growth of Electrolux sales was close to 18% in the quarter. The EBIT was lower compared with the same period last year due to negative currency effects in Brazil, although to a lesser degree than in the first quarter. Given the current level of the Brazilian real, we expect a negative currency impact in Latin America throughout the rest of the year.

Despite the difficult situation in Europe, it is encouraging to note that the Group's organic growth of 6% in the second quarter is above our target of 4% through a cycle. Looking ahead to next year and beyond, we expect demand in Europe to rebound and in combination with our measures in the region, earnings will recover. We also expect the recovery in North America to continue for some time, considering the strong start of this year demand is still 23% below the peak year of 2006. As we have discussed in the past, Electrolux has globally diversified its revenue base and emerging markets now account for more than 35% of our sales. In a few years time, our ambition is to increase our exposure to be 50%.

In combination with the above, the Group's strategy to bring more consumer-relevant innovation to the market at a faster pace provides a solid foundation for Electrolux to meet and exceed all key financial objectives.

Stockholm, July 19, 2013

Keith McLoughlin  
President and Chief Executive Officer

Electrolux discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act.  
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**About Electrolux**

Electrolux is a global leader in household appliances and appliances for professional use, selling more than 50 million products to customers in more than 150 markets every year. The company makes thoughtfully designed, innovative solutions based on extensive consumer research, meeting the desires of today's consumers and professionals. Electrolux products include refrigerators, dishwashers, washing machines, cookers, air conditioners and small appliances such as vacuum cleaners, all sold under esteemed brands like Electrolux, AEG, Zanussi and Frigidaire. In 2012, Electrolux had sales of SEK 110 billion and about 61,000 employees. For more information go to <http://group.electrolux.com/>