



Thinking of you  
**Electrolux**

# Consolidated Results 2013

Stockholm, January 31, 2014

## Highlights of the fourth quarter of 2013

[Read more](#)

- Net sales amounted to SEK 28,891m (29,185). 2
- Organic sales growth was 3.6%, while currencies had a negative impact of –4.6%. 2
- All business areas showed organic sales growth, sales were particularly strong in North America for Professional Products and Small Appliances. 4
- Operating income, excluding items affecting comparability, amounted to SEK 1,223m (1,590), corresponding to a margin of 4.2% (5.4). 2
- Operating income includes a negative impact from currencies of SEK –442m. 3
- Restructuring charges of SEK 1,487m and an impaired ERP of SEK 906m were, as previously communicated, charged to operating income within items affecting comparability. 8
- Solid cash flow. 7
- Income for the period, including items affecting comparability, was SEK –987m (242), and earnings per share SEK –3.44 (0.84). 3
- The Board proposes a dividend for 2013 of SEK 6.50 (6.50) per share. 9

## Financial overview

SEKm <sup>1)</sup>	2012	2013	Change, %	Q4 2012	Q4 2013	Change, %
Net sales	109,994	109,151	–1	29,185	28,891	–1
Organic growth, %	5.5	4.5		7.5	3.6	
Operating income	5,032	4,055	–19	1,590	1,223	–23
Margin, %	4.6	3.7		5.4	4.2	
Income after financial items	4,186	3,379	–19	1,394	1,071	–23
Income for the period	3,252	2,809	–14	1,129	1,089	–4
Earnings per share, SEK <sup>2)</sup>	11.36	9.81		3.94	3.80	
Operating cash flow <sup>3)</sup>	4,779	1,809	–62	1,446	1,242	–14

1) Figures are excluding items affecting comparability. Items affecting comparability amounted to SEK –2,393m (–1,032) for the fourth quarter of 2013 and to SEK –2,475m (–1,032) for the full year of 2013, see page 12. Items affecting comparability includes costs for restructuring programs to make the Group's production competitive and other restructuring measures to reduce costs.

2) Basic, based on an average of 286.2 (286.1) million shares for the fourth quarter and 286.2 (285.9) million shares for the full year of 2013, excluding shares held by Electrolux.

3) Excluding financial items paid, taxes paid and acquisitions and divestments of operations.

For earnings per share after dilution, see page 12.

For definitions, see page 22.

For further information, please contact:  
Catarina Ihre, Vice President Investor Relations, at +46 8 738 60 87  
Merton Kaplan, Analyst Investor Relations at +46 8 738 70 06

### About Electrolux

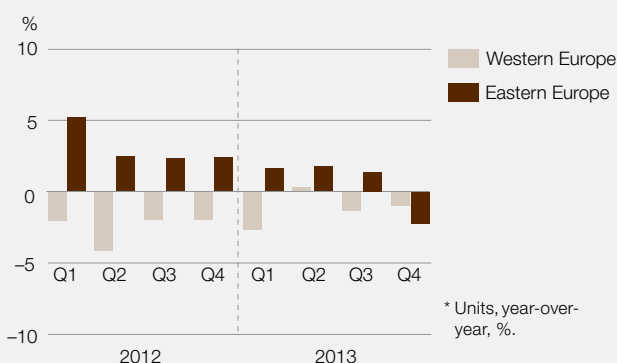
Electrolux is a global leader in household appliances and appliances for professional use, selling more than 50 million products to customers in more than 150 markets every year. The company makes thoughtfully designed, innovative solutions based on extensive consumer research, meeting the desires of 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 2013, Electrolux had sales of SEK 109 billion and about 61,000 employees. For more information go to <http://group.electrolux.com/>.

## Market overview

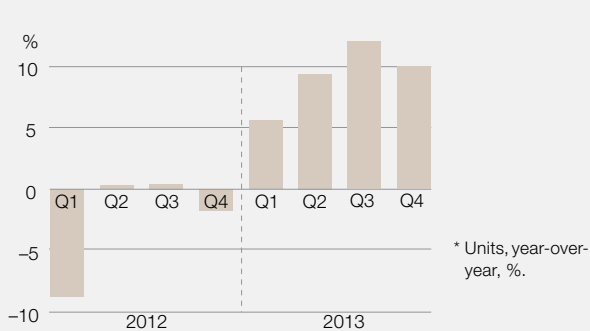
Market demand for core appliances in North America increased by 10%. Demand in Western Europe declined by 1% and in Eastern Europe by 2%. Market demand in Australia is estimated to have declined somewhat.

Demand in Southeast Asia and China continued to show growth. Demand for appliances in Brazil declined, while other Latin American markets showed growth.

Industry shipments of core appliances in Europe\*



Industry shipments of core appliances in the US\*



Sources: Europe: GfK. North America: AHAM. For other markets there are no comprehensive market statistics.

## The fourth quarter in summary\*

SEKm	2012	2013	Change, %	Q4 2012	Q4 2013	Change, %
<b>Net sales</b>	<b>109,994</b>	<b>109,151</b>	<b>-0.8</b>	<b>29,185</b>	<b>28,891</b>	<b>-1.0</b>
<b>Change in net sales, %, whereof</b>						
Organic growth	-	-	4.5	-	-	3.6
Changes in exchange rates	-	-	-5.3	-	-	-4.6
<b>Operating income</b>						
Major Appliances Europe, Middle East and Africa	1,105	347	-69	335	227	-32
Major Appliances North America	1,452	2,136	47	337	453	34
Major Appliances Latin America	1,590	979	-38	657	224	-66
Major Appliances Asia/Pacific	746	467	-37	211	96	-55
Small Appliances	461	391	-15	219	227	4
Professional Products	588	510	-13	155	172	11
Other, common Group costs, etc.	-910	-775	15	-324	-176	46
<b>Operating income, excluding items affecting comparability</b>	<b>5,032</b>	<b>4,055</b>	<b>-19</b>	<b>1,590</b>	<b>1,223</b>	<b>-23</b>
Margin, %	4.6	3.7		5.4	4.2	
Items affecting comparability	-1,032	-2,475		-1,032	-2,393	
<b>Operating income</b>	<b>4,000</b>	<b>1,580</b>	<b>-61</b>	<b>558</b>	<b>-1,170</b>	<b>-310</b>
Margin, %	3.6	1.4		1.9	-4.0	

\* All comments are excluding items affecting comparability. For items affecting comparability, see page 12.

- Organic growth of 3.6%.
- Organic sales growth in all business areas.
- Continued strong growth in North America.
- Good performance for Professional Products and Small Appliances.
- Continued price pressure and unfavorable currency movements impacted operations in Europe.
- Negative impact from currency movements affected earnings across all business areas, particularly in emerging markets.

Net sales for the Electrolux Group decreased by 1.0% in the fourth quarter of 2013. Organic growth was 3.6%, while changes in exchange rates had a negative impact of -4.6%. The organic sales growth was mainly attributable to Professional Products, the operations in North America, Asia/Pacific and Small Appliances.

Operating income declined to SEK 1,223m (1,590), corresponding to a margin of 4.2% (5.4), including unfavorable currency movements of SEK -442m.

In Europe, a continued weak market environment and price pressure in several of the Group's core markets had an adverse impact on operating income.

Operating income in Latin America was negatively impacted by negative currency movements and lower volumes related to the fire in September 2013 in the warehouse for refrigerators and freezers in Curitiba, Brazil.

Increased marketing spend related to the product launch in China, the Group's largest launch in 2013 and 2014, impacted earnings for Asia/Pacific for the quarter.

Earnings and margins for Major Appliances North America stayed on a very healthy level, excluding positive one-offs, and increased slightly in local currency. Manufacturing underabsorption due to inventory reduction and negative customer mix impacted earnings.

Professional Products and Small Appliances showed a continued positive development in earnings.

#### Effects of changes in exchange rates

Exchange-rate movements had a negative impact of SEK -442m on operating income year-over-year in the quarter. The impact of transaction effects was SEK -375m, results from hedging operations SEK 50m and translation effects SEK -117m. Operations in Latin America, Asia/Pacific and Europe, Middle East and Africa were impacted by a stronger US dollar and euro against local currencies, especially in emerging markets.

#### Financial net

Net financial items for the fourth quarter of 2013 improved to SEK -152m (-196), mainly due to lower interest rates.

#### Income for the period

Income for the period amounted to SEK -987m (242), corresponding to SEK -3.44 (0.84) in earnings per share, see page 12.

#### Full year of 2013

Net sales for the Electrolux Group in the full year of 2013 amounted to SEK 109,151m (109,994). Net sales declined by 0.8%. Organic growth was 4.5%, while changes in exchange rates had a negative impact of -5.3%.

Operating income declined to SEK 4,055m (5,032), corresponding to a margin of 3.7% (4.6), including unfavorable currency movements of SEK -1,460m. Increased sales volumes and product-mix improvements contributed to operating income, while continued weak markets in Europe and unfavorable currency development had an adverse impact on operating income.

Income after financial items amounted to SEK 3,379m (4,186). Income for the period was SEK 2,809m (3,252), corresponding to SEK 9.81 (11.36) in earnings per share.

#### Events during the fourth quarter of 2013

##### November 13. Electrolux Capital Markets Day

At Electrolux capital markets day, a status update on the Group's strategy, focusing on actions to drive profitable growth and further improve operational excellence was presented. The program included an overview of the current business environment and expectations for next year. Total market demand is still anticipated to be slightly positive in the fourth quarter. Market demand in 2014 is also expected to be slightly positive, with growth in North America and Asia/Pacific partly offset by a flat market in Europe and a slow-down in Brazil from the high levels seen in 2013. Other factors affecting Electrolux in 2014 include a slightly positive price/mix development, with a negative price trend in Europe mitigated by a positive product mix. Cost savings will be approximately SEK 1 billion for the full year. Investments in R&D and marketing will be slightly higher than in 2013, mainly as a result of marketing costs related to product launches in Asia and higher global R&D spending. The impact on earnings from raw-material costs is estimated to be roughly flat.

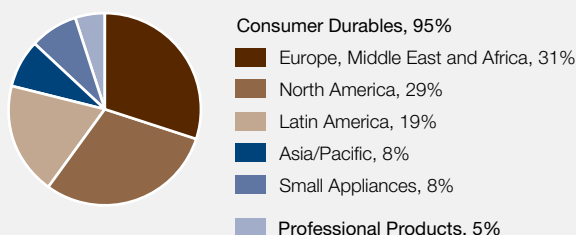
##### November 28. Launch of premium appliances range in China

Electrolux has launched a full range of kitchen and laundry appliances exclusively designed for the Chinese market. It is the Group's largest product launch this year and is a key initiative for growth in this important market. The new range covers more than 60 products and includes refrigerators, washing machines, cooking hobs, hoods and dish sterilizers.

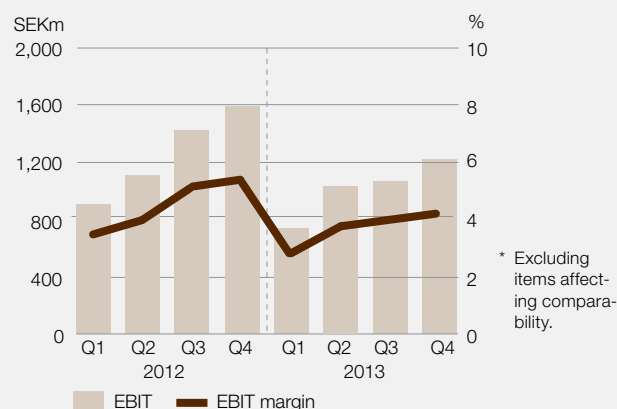
##### November 29. Stefano Marzano retired from Electrolux

The Chief Design Officer Stefano Marzano, member of Group Management, announced the retirement from his position as of year-end 2013. Read more on page 10.

#### Share of sales by business area for the full year 2013



#### Operating income and margin\*



\* Excluding items affecting comparability.

## Business areas

### Major Appliances Europe, Middle East and Africa

#### Industry shipments of core appliances in Europe, units, year-over-year, %

	2012	2013	Q4 2012	Q4 2013
Western Europe	-2	-1	-2	-1
Eastern Europe (excluding Turkey)	3	0	2	-2
<b>Total Europe</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>

#### SEKm

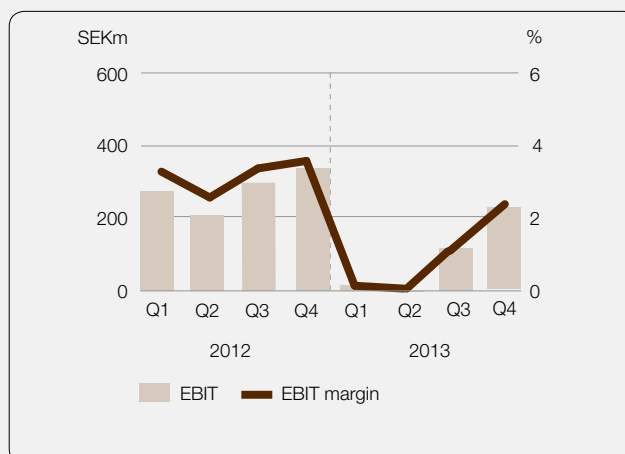
	2012	2013	Q4 2012	Q4 2013
Net sales	34,278	33,436	9,216	9,281
Organic growth, %	-0.9	-0.2	-2.5	1.1
Operating income	1,105	347	335	227
Operating margin, %	3.2	1.0	3.6	2.4

In the fourth quarter of 2013, the overall market for core appliances in Europe declined year-over-year. Demand in Western Europe declined by 1% compared with the preceding year. Demand declined in for Electrolux important markets as the Nordic countries, Italy, France and Benelux, while Germany and the UK saw some growth. Demand in Eastern Europe declined by 2%, driven by a slowdown in Russia. Demand improved somewhat in Poland.

Organic sales in Europe increased somewhat year-over-year. The product mix improved, but this was offset by a continued price pressure. The new products under the Electrolux brand, The Inspiration Range, continued to improve the product mix. In the quarter, market shares increased in several regions under own strategic brands.

Operating income declined in the fourth quarter. Unfavorable currency movements and price pressure were the main factors.

During the fourth quarter, actions were initiated to reduce overhead costs and to improve the competitiveness within manufacturing, as previously announced, see page 8.



### Major Appliances North America

#### Industry shipments of appliances in the US, units, year-over-year, %

	2012	2013	Q4 2012	Q4 2013
Core appliances	-2	9	-2	10
Microwave ovens and home comfort products	1	-6	1	-3
<b>Total Major Appliances</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>7</b>

#### SEKm

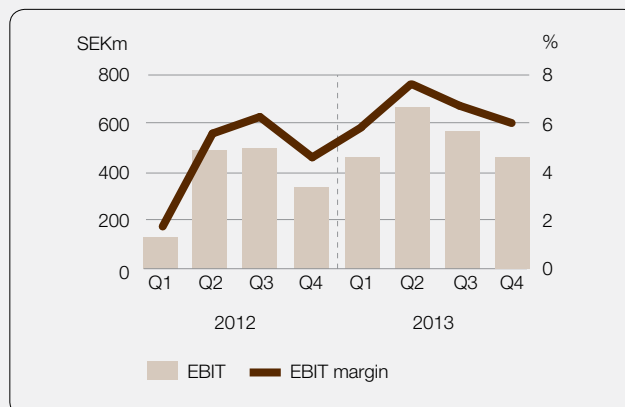
	2012	2013	Q4 2012	Q4 2013
Net sales	30,684	31,864	7,207	7,573
Organic growth, %	6.9	7.6	17.7	7.6
Operating income	1,452	2,136	337	453
Operating margin, %	4.7	6.7	4.7	6.0

In the fourth quarter, market demand for core appliances in North America rose by approximately 10% year-over-year. Market demand for major appliances including microwave ovens and home comfort products, such as room air-conditioners, increased by 7% during the quarter.

In the fourth quarter, the organic sales growth in North America was 7.6%, due to higher volumes of core appliances. The favorable market environment, previous launches of new products and new distribution channels had a positive impact on sales. Electrolux sales volumes rose in several of the core appliance product categories and the Group continued to capture market shares in these categories.

Operating income increased somewhat in local currency, excluding positive one-offs. Volume growth contributed positively. Lower manufacturing volumes, due to inventory reduction, led to under-absorption, which together with changed customer mix affected the operating income negatively.

In the quarter, agreements were settled with participants in pen-



sion plans to receive a lump-sum payment for accrued pension rights and thereby leave the plan. This resulted in an accounting gain of SEK 133m, which is included in the operating income for the quarter, see page 10.

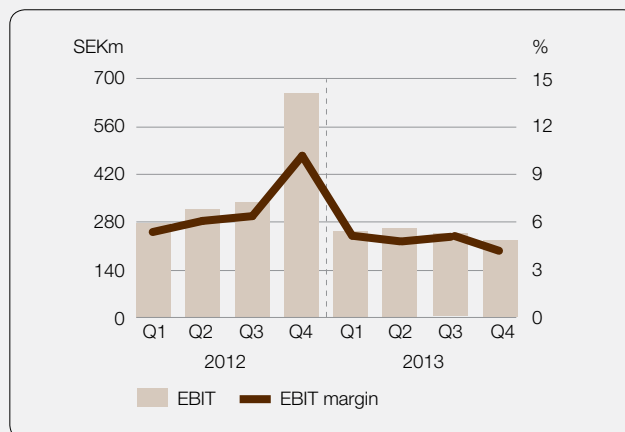
### Major Appliances Latin America

SEKm	2012	2013	Q4 2012	Q4 2013
Net sales	22,044	20,695	6,411	5,639
Organic growth, %	20.6	6.1	19.2	0.4
Operating income	1,590	979	657	224
Operating margin, %	7.2	4.7	10.2	4.0

In the fourth quarter of 2013, market demand for core appliances in Latin America is estimated to have declined year-over-year, mainly as a result of a continued slowdown in Brazil. The market demand for the corresponding period last year was partly driven by the government's incentive program for appliances.

In Latin America, the Group showed slightly positive organic growth year-over-year, mainly driven by price increases and an improved mix. The fire in September 2013, at Electrolux warehouse for refrigerators and freezers in Curitiba, Brazil, impacted volumes negatively in the fourth quarter.

Operating income declined for the fourth quarter, partly due to the volume losses related to the fire in the warehouse in Brazil. Continued headwinds from currency movements also impacted the results as the Brazilian real and other Latin American currencies weakened versus the US dollar. Negative currency movements affected the overall profit with about SEK –130m, but was to some extent offset by price increases.



### Major Appliances Asia/Pacific

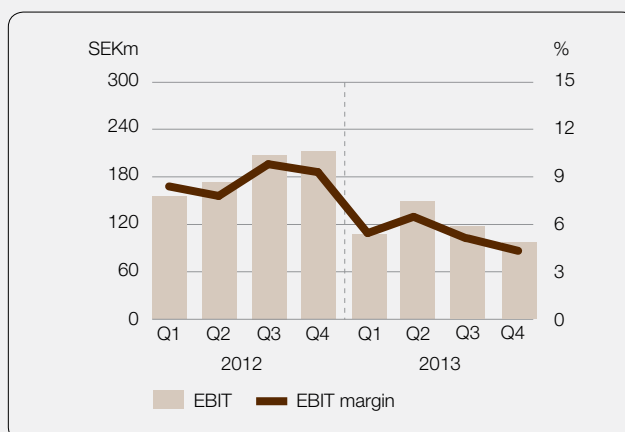
SEKm	2012	2013	Q4 2012	Q4 2013
Net sales	8,405	8,653	2,259	2,157
Organic growth, %	2.9	10.8	3.4	4.3
Operating income	746	467	211	96
Operating margin, %	8.9	5.4	9.3	4.5

In the fourth quarter of 2013, market demand for major appliances in Southeast Asia and China is estimated to have grown year-over-year, while market demand in Australia declined somewhat.

The organic sales growth during the quarter was due to price increases and an improved product mix. Sales increased in all regions.

Operating income developed well in the quarter in Australia and New Zealand, but was under pressure in Southeast Asia due to start-up costs in the new refrigerator plant in Rayong in Thailand. In China, Electrolux intensified the launch of the new range of products for the Chinese market. The launch was the Group's largest in 2013, and it continues well through 2014, with more than 60 new products for kitchen and laundry in the important growth market China. The cost for these launch activities had an adverse impact on earnings, but the underlying operating profit margin continued to improve.

The negative currency development continued during the quarter as the US dollar strengthened against the Australian dollar and several other currencies in emerging markets. The product mix improved though, due to new products in China and Southeast Asia, which contributed to operating income.



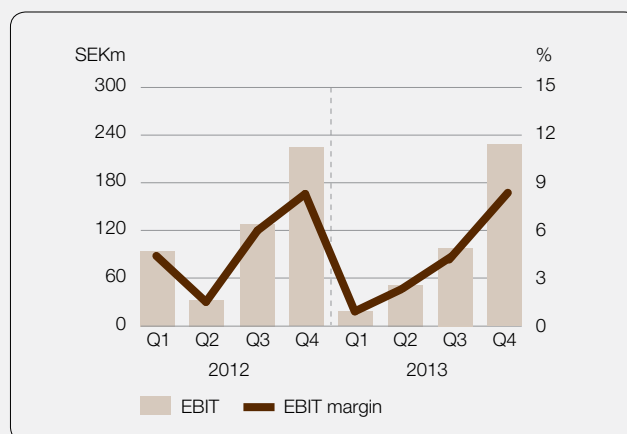
## Small Appliances

SEKm	2012	2013	Q4 2012	Q4 2013
Net sales	9,011	8,952	2,689	2,697
Organic growth, %	6.0	4.4	7.5	4.8
Operating income	461	391	219	227
Operating margin, %	5.1	4.4	8.1	8.4

In the fourth quarter of 2013, market demand for vacuum cleaners in Europe is estimated to have declined, while demand in North America is estimated to have increased year-over-year.

Group sales increased year-over-year in the fourth quarter due to higher volumes, higher prices and an improved product mix. Sales volumes of small domestic appliances and handheld vacuum cleaners were strong and increased in most regions, particularly in Asia/Pacific and Europe. The significance of sales related to small domestic appliances is increasing.

Operating income for the fourth quarter improved year-over-year. Product-mix improvements and higher prices contributed to the good earnings trend in the quarter. 2013 was an intensive launch year and the new products have improved the mix.



## Professional Products

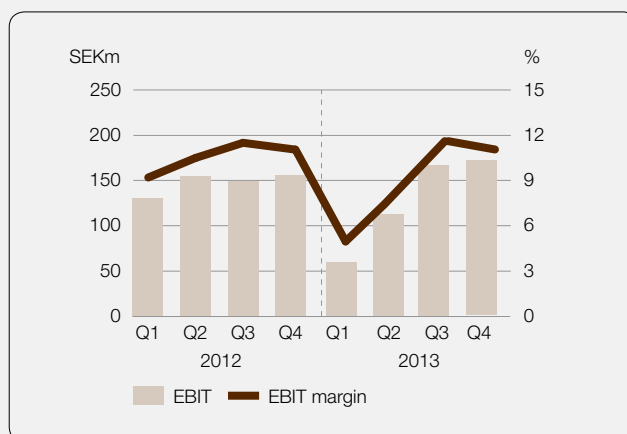
SEKm	2012	2013	Q4 2012	Q4 2013
Net sales	5,571	5,550	1,402	1,544
Organic growth, %	-3.9	1.7	-8.9	10.6
Operating income	588	510	155	172
Operating margin, %	10.6	9.2	11.1	11.1

In the fourth quarter, market demand in Southern and Northern Europe, where Electrolux holds a strong position, remained weak and declined year-over-year, while demand in emerging markets and in the US increased somewhat.

Electrolux sales increased strongly year-over-year in the fourth quarter particularly due to higher volumes. This is a result of the Group's strategic initiatives to grow in new markets and segments. Sales were particularly strong in emerging markets and in the US. Both sales of professional food-service equipment and professional laundry equipment increased.

Operating income in the fourth quarter improved year-over-year, primarily as a result of higher sales volumes. Price increases also positively impacted results.

Investments in new products to promote growth in new markets and channels also impacted results. The market introduction of the ultra-luxury product range, Electrolux Grand Cuisine, continued throughout the year.



## Cash flow

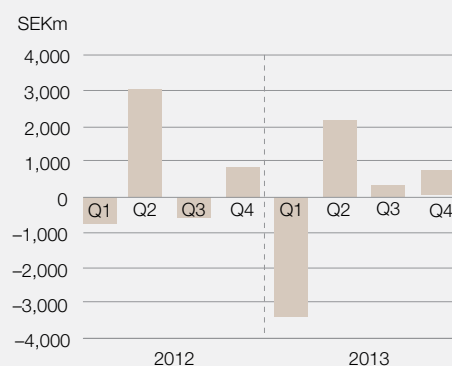
SEKm	2012	2013	Q4 2012	Q4 2013
Operations	7,789	7,013	2,359	1,801
Change in operating assets and liabilities	1,528	-675	437	837
Capital expenditure	-4,538	-4,529	-1,350	-1,396
<b>Operating cash flow</b>	<b>4,779</b>	<b>1,809</b>	<b>1,446</b>	<b>1,242</b>
Acquisitions and divestments of operations	-164	-205	—	-3
Financial items paid, net	-673	-540	-223	-122
Taxes paid	-1,564	-1,343	-465	-405
<b>Cash flow from operations and investments</b>	<b>2,378</b>	<b>-279</b>	<b>758</b>	<b>712</b>
Dividend	-1,868	-1,860	—	—
Sale of shares	212	—	—	—
<b>Total cash flow, excluding change in loans and short-term investments</b>	<b>722</b>	<b>-2,139</b>	<b>758</b>	<b>712</b>

Cash flow from operations and investments in the fourth quarter of 2013 was in line with the previous year and amounted to SEK 712m (758). The trend for the cash flow and working capital in the fourth quarter of 2013 reflects a normal seasonal pattern with increased sales and declining inventories. The positive cash flow during the second, third and fourth quarters has not fully compensated for the negative cash flow in the first quarter.

Payments for the ongoing restructuring and cost-cutting programs amounted to SEK 259m in the quarter and to SEK 603m in the full year of 2013.

Investments in the fourth quarter mainly related to investments within manufacturing facilities for new products. Major projects are the cooker plant in Memphis, Tennessee, in the US and the refrigerator plant in Rayong in Thailand. The cooker plant in Memphis is receiving investment support from state authorities.

### Cash flow from operations and investments



## Financial position

### Net debt

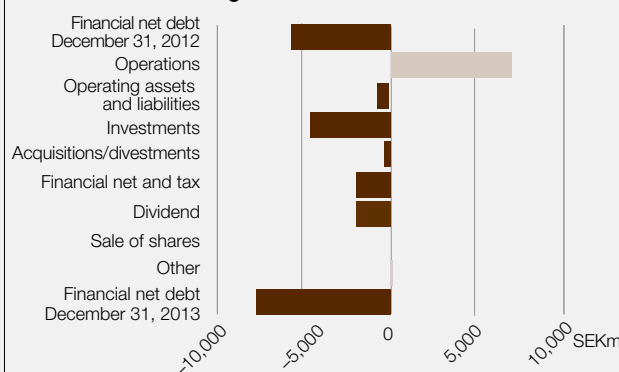
SEKm	Dec. 31, 2012	Dec. 31, 2013
Borrowings	13,088	14,905
Liquid funds	7,403	7,232
<b>Financial net debt</b>	<b>5,685</b>	<b>7,673</b>
Net provisions for post-employment benefits	4,479	2,980
<b>Net debt</b>	<b>10,164</b>	<b>10,653</b>
Net debt/equity ratio	0.65	0.74
<b>Equity</b>	<b>15,726</b>	<b>14,308</b>
Equity per share, SEK	54.96	49.99
Return on equity, %	14.4	4.4
Equity/assets ratio, %	23.2	20.8

The financial net debt increased by SEK 1,988m during the year as a result of the negative cash flow from operations and investments as well as the dividend payment. Net provision for post-employment benefits declined by SEK 1,499m. Net debt increased somewhat compared to 2012.

Long-term borrowings as of December 31, 2013, including long-term borrowings with maturities within 12 months, amounted to SEK 12,207m with average maturity of 3.3 years, compared to SEK 11,005m and 3.1 years at the end of 2012. During 2014 and 2015, long-term borrowings in the amount of SEK 3,067m will mature.

Liquid funds as of December 31, 2013, amounted to SEK 7,232m (7,403), excluding short-term back-up facilities. Electrolux has two unused committed back-up facilities. One EUR 500m multi-currency revolving credit facility, approximately SEK 4,400m, maturing in 2018 and a credit facility of SEK 3,400m maturing in 2017.

### Cash flow and change in financial net debt



**Net assets and working capital**

Average net assets for the year amounted to SEK 27,148m (27,070). Net assets as of December 31, 2013, amounted to SEK 24,961m (25,890). Adjusted for items affecting comparability, i.e., restructuring provisions, average net assets amounted to SEK 28,915m (28,112), corresponding to 26.5% (25.6) of net sales.

Working capital as of December 31, 2013, amounted to SEK -5,800m (-6,505), corresponding to -5.1% (-5.7) of annualized net sales. The return on net assets was 5.8% (14.8), and 14.0% (17.9), excluding items affecting comparability.

---

## Structural changes

As communicated in the Q3 report in October 2013, Electrolux is taking actions to reduce annual costs by SEK 1.8bn for a charge of SEK 3.4bn.

Costs savings are planned to be achieved through manufacturing footprint restructuring as well as overhead-cost reductions. These actions relate mainly to Major Appliances Europe, Middle East and Africa, but also to other business areas and Group Staff.

In the fourth quarter of 2013, restructuring costs amounting to SEK 1.5bn were charged to operating income within items affecting comparability. In addition, in the fourth quarter operating income within items affecting comparability was impacted by an impairment of parts of an IT platform in the amount of SEK 0.9bn, see page 12.

The remaining part of the total charges approximately SEK 2,0bn is expected to be taken during 2014.



## Annual General Meeting 2014

The Annual General Meeting of AB Electrolux will be held on Wednesday, March 26, 2014, at the Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, Stockholm, Sweden.

### Proposed dividend

The Board of Directors proposes a dividend for 2013 of SEK 6.50 (6.50) per share, for a total dividend payment of approximately SEK 1,860m (1,860). The proposed dividend corresponds to approximately 66% (57) of income for the period, excluding items affecting comparability. Monday, March 31, 2014, is proposed as record date for the dividend.

The Group's goal is for the dividend to correspond to at least 30% of income for the period, excluding items affecting comparability. Historically, Electrolux dividend rate has been considerably higher than 30%. Electrolux has a long tradition of high total distribution to shareholders that includes repurchases and redemptions of shares as well as dividends.

### Proposal for resolution on acquisition of own shares

Electrolux has previously, on the basis of authorizations by the Annual General Meetings, acquired own shares. The purpose of the repurchase programs has been to adapt the Group's capital structure, thus contributing to increased shareholder value and to use these shares to finance potential company acquisitions and as a hedge for the company's share-related incentive programs.

The Board of Directors makes the assessment that it continues to be advantageous for the company to be able to adapt the company's capital structure, thereby contributing to increased shareholder value, and to continue to be able to use repurchased shares on account of potential company acquisitions and the company's share-related incentive programs.

The Board of Directors proposes the Annual General Meeting 2014 to authorize the Board of Directors, for the period until the next Annual General Meeting, to resolve on acquisitions of shares in the company and that the company may acquire as a maximum so many B shares that, following each acquisition, the company holds at a maximum 10% of all shares issued by the company.

As of January 31, 2014, Electrolux holds 22,708,321 B shares in Electrolux, corresponding to 7.4% of the total number of shares in the company.

### Nomination Committee

In accordance with decision by the Annual General Meeting, Electrolux Nomination Committee shall consist of six members. The members should be one representative of each of the four largest shareholders in terms of voting rights that wish to participate in the committee, together with the Chairman of the Electrolux Board and one additional Board member.

The members of the Nomination Committee have been appointed based on the ownership structure as of August 31, 2013. Börje Ekholm, Investor AB, is the Chairman of the committee. The other owner representatives are Kaj Thorén, Alecta, Marianne Nilsson, Swedbank Robur funds, and Johan Sidenmark, AMF. The committee also includes Marcus Wallenberg and Torben Ballegaard Sørensen, Chairman and Director, respectively, of Electrolux.

The Nomination Committee will prepare proposals for the Annual General Meeting in 2014 regarding Chairman of the Annual General Meeting, Board members, Chairman of the Board, remuneration for Board members, Auditor, Auditor's fees and, to the extent deemed necessary, proposal regarding amendments of the current instruction for the Nomination Committee.

Shareholders who wish to submit proposals to the Nomination Committee should send an email to [nominationcommittee@electrolux.com](mailto:nominationcommittee@electrolux.com).

## Other items

### Pension agreement in the US

In the fourth quarter of 2013, Electrolux made an agreement with pension plan participants in the US to accept a lump-sum payment of SEK 880m in total in lieu of accrued pension rights and thereby leave the plan. This has reduced Electrolux defined benefit obligation by SEK 1,020m. The difference between the agreed payment and the obligation led to an accounting gain of approximately SEK 140m, which has been reported within operating income. This had no impact on the cash flow.

### Conversion of shares

According to the company's articles of association, owners of Class A shares have the right to have such shares converted to Class B shares. Conversion reduces the total number of votes in the company. When such a conversion has occurred, the company is obligated by law to disclose any such changes.

In October 2013, at the request of shareholders, 20,186 Class A shares were converted to Class B shares. The total number of votes thereafter amounts to 38,265,316. The total number of registered shares in the company amounts to 308,920,308 shares, of which 8,192,539 are Class A shares and 300,727,769 are Class B shares.

### Changes in Group Management

Chief Design Officer Stefano Marzano, member of Group Management, left his position at year-end 2013. The new head of design will report to Chief Technology Officer Jan Brockmann in Group Management.

### Asbestos litigation in the US

Litigation and claims related to asbestos are pending against the Group in the US. Almost all of the cases refer to externally supplied components used in industrial products manufactured by discontinued operations prior to the early 1970s. The cases involve plaintiffs who have made substantially identical allegations against other defendants who are not part of the Electrolux Group.

As of December 31, 2013, the Group had a total of 2,980 (2,864) cases pending, representing approximately 3,040 (approximately 2,936) plaintiffs. During the fourth quarter of 2013, 253 new cases with 253 plaintiffs were filed and 226 pending cases with approximately 226 plaintiffs were resolved.

It is expected that additional lawsuits will be filed against Electrolux. It is not possible to predict the number of future lawsuits. In addition, the outcome of asbestos lawsuits is difficult to predict and Electrolux cannot provide any assurances that the resolution of these types of lawsuits will not have a material adverse effect on its business or on results of operations in the future.

## Risks and uncertainty factors

As an international group with a wide geographic spread, Electrolux is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity, the giving of credit and financial instruments.

Risk management in Electrolux aims to identify, control and reduce risks. This work begins with the description of risks and risk

management, see the 2012 Annual Report on page 74. No significant risks other than the risks described there are judged to have occurred.

Risks, risk management and risk exposure are described in more detail in the Annual Report 2012, [www.electrolux.com/annualreport2012](http://www.electrolux.com/annualreport2012).

### Press releases 2013

January 31	Electrolux recognized in three prestigious sustainability rankings
<b>February 1</b>	<b>Consolidated results 2012 and CEO Keith McLoughlin's comments</b>
February 15	Notice convening the Annual General Meeting of AB Electrolux
February 15	Bert Nordberg proposed as new Board Member of AB Electrolux
February 22	Electrolux Annual Report 2012 is published
March 25	Electrolux restated figures for 2012 following the change in pension accounting standards
March 26	Electrolux issues bond loan
March 27	Bulletin from AB Electrolux Annual General Meeting 2013
April 4	Electrolux Sustainability Report 2012 now available online
<b>April 25</b>	<b>Interim report January-March 2013 and CEO Keith McLoughlin's comments</b>
<b>July 19</b>	<b>Interim report January-June 2013 and CEO Keith McLoughlin's comments</b>

July 23	Electrolux appoints new Head of Investor Relations
September 13	Dates for financial reports from Electrolux in 2014
September 16	Electrolux ranked Household Durables Industry Leader in the Dow Jones Sustainability World Index
September 24	Nomination committee appointed for Electrolux Annual General Meeting 2014
October 8	Electrolux praised for action and reporting on emissions
<b>October 25</b>	<b>Interim report January-September 2013 and CEO Keith McLoughlin's comments</b>
October 31	Conversion of shares in AB Electrolux
November 13	Electrolux Capital Markets Day 2013
November 28	Electrolux unveils premium appliances range in China
November 29	Chief Design Officer Stefano Marzano to retire from Electrolux

## Parent Company AB Electrolux

The Parent Company comprises the functions of the Group's head office, as well as five companies operating on a commission basis for AB Electrolux.

As from 2013, the main financial flows for the business area Major Appliances Europe, Middle East and Africa are included in the Parent Company reporting, which affects the financial statements significantly.

Net sales for the Parent Company, AB Electrolux, for the full year of 2013 amounted to SEK 28,856m (6,125) of which SEK 23,484m (2,959) referred to sales to Group companies and SEK 5,372m (3,166) to external customers. Income after financial items was SEK -1,861m (948), including dividends from subsidiaries in the amount of SEK 2,004m (1,259). Income for the period amounted to SEK -909m (1,119). The Parent Company reports group contribution in the income statement as appropriations for the first time in 2013. Corresponding changes have been made in the 2012 financial statements.

Capital expenditure in tangible and intangible assets was SEK 524m (320). Liquid funds at the end of the period amounted to SEK 2,795m, as against SEK 1,986 at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 12,531m, as against SEK 15,269m at the start of the year. Dividend payment to shareholders for 2013 amounted to SEK 1,860m.

The income statement and balance sheet for the Parent Company are presented on page 20.

Stockholm, January 31, 2014

Keith McLoughlin  
President and CEO

### New pension accounting standards as of 2013

Electrolux applies the amended standard for pension accounting, IAS 19 Employee Benefits, as of January 1, 2013. The main change is that the option to use the corridor approach – previously applied by Electrolux – has been removed. Opening balances for 2013 and reported figures for 2012 have been restated to enable comparison. The impact of the restatement on the financial statements, operating income per business area and key ratios of Electrolux for 2012 was presented in a press release on March 25, 2013. An Excel sheet comprising restated figures in more detail including the interim periods is available for download at <http://www.electrolux.com/ias19/>.

All historical unrecognized actuarial gains or losses are included in the measurement of the net defined benefit liability. This increases the net pension liability for 2012 by SEK 4,618m and reduces equity by SEK 4,098m. Operating income for 2012 is reduced by SEK 150m, which is a result of interest costs and return on pension liabilities and -assets no longer being reported within operating income and that amortization of the actuarial losses no longer are used. Financing costs for the net pension liability are reported within the financial net which deteriorates by SEK 174m. Income for the period after tax declines by SEK 234m. The restatement has no impact on the cash flow. A short description of the amended standard is presented below. See also Note 1 in Electrolux Annual Report for 2012, [www.electrolux.com/annualreport2012](http://www.electrolux.com/annualreport2012).

The amended standard requires the present value of defined benefit obligations and the fair value of plan assets to be recognized in the financial statements as a net defined benefit liability. Following the amendment, the reported net defined benefit liability corresponds to the actual net obligations for pensions for Electrolux.

As in the past, service costs are reported within operating income. Electrolux classifies the net pension obligation as a financial liability and report financing costs in the financial net. The discount rate is used to calculate the financing costs of the net pension obligation. The standard thereby removes the use of an expected return on the plan assets.

Future changes in the net defined benefit liability as a result of, for example, adjustments to discount rates, mortality rates as well as return on plan assets deviating from the discount rate are presented in other comprehensive income as they occur.

### Accounting and valuation principles

Electrolux applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34, Interim Financial Reporting, and ÅRL, the Swedish Annual Accounts Act and recommendation RFR 2, Accounting for legal entities, issued by the Swedish Financial Reporting Board. There are no changes in the Group's accounting and valuation principles compared with the accounting and valuation principles described in Note 1 of the Annual Report 2012.

*This report has not been audited.*

## Consolidated income statement

SEKm	2012	2013	Q4 2012	Q4 2013
<b>Net sales</b>	<b>109,994</b>	<b>109,151</b>	<b>29,185</b>	<b>28,891</b>
Cost of goods sold	-87,807	-87,892	-22,970	-23,187
<b>Gross operating income</b>	<b>22,187</b>	<b>21,259</b>	<b>6,215</b>	<b>5,704</b>
Selling expenses	-11,673	-11,564	-3,227	-3,149
Administrative expenses	-5,541	-5,646	-1,402	-1,350
Other operating income/expenses	59	6	4	18
Items affecting comparability	-1,032	-2,475	-1,032	-2,393
<b>Operating income</b>	<b>4,000</b>	<b>1,580</b>	<b>558</b>	<b>-1,170</b>
Margin, %	3.6	1.4	1.9	-4.0
Financial items, net	-846	-676	-196	-152
<b>Income after financial items</b>	<b>3,154</b>	<b>904</b>	<b>362</b>	<b>-1,322</b>
Margin, %	2.9	0.8	1.2	-4.6
Taxes	-789	-232	-120	335
<b>Income for the period</b>	<b>2,365</b>	<b>672</b>	<b>242</b>	<b>-987</b>
<b>Items that will not be reclassified to income for the period:</b>				
Remeasurement of provisions for post-employment benefits	-917	1,851	-653	182
Income tax relating to items that will not be reclassified	51	-636	-12	-160
	-866	1,215	-665	22
<b>Items that may be reclassified subsequently to income for the period:</b>				
Available for sale instruments	23	-69	32	-1
Cash flow hedges	34	41	37	92
Exchange-rate differences on translation of foreign operations	-1,532	-1,518	-71	-109
Income tax relating to items that may be reclassified	-2	29	-3	-4
	-1,477	-1,517	-5	-22
<b>Other comprehensive income, net of tax</b>	<b>-2,343</b>	<b>-302</b>	<b>-670</b>	<b>0</b>
<b>Total comprehensive income for the period</b>	<b>22</b>	<b>370</b>	<b>-428</b>	<b>-987</b>
Income for the period attributable to:				
Equity holders of the Parent Company	2,362	671	241	-987
Non-controlling interests	3	1	1	-
<b>Total</b>	<b>2,365</b>	<b>672</b>	<b>242</b>	<b>-987</b>
Total comprehensive income for the period attributable to:				
Equity holders of the Parent Company	26	374	-427	-986
Non-controlling interests	-4	-4	-1	-1
<b>Total</b>	<b>22</b>	<b>370</b>	<b>-428</b>	<b>-987</b>
Earnings per share, SEK	8.26	2.35	0.84	-3.44
Diluted, SEK	8.24	2.34	0.83	-3.43
Number of shares after buy-backs, million	286.1	286.2	286.1	286.2
Average number of shares after buy-backs, million	285.9	286.2	286.1	286.2
Diluted, million	286.6	287.3	287.0	287.7

## Items affecting comparability

SEKm	2012	2013 <sup>1)</sup>	Q4 2012	Q4 2013
<b>Restructuring provisions and write-downs</b>				
Manufacturing footprint restructuring	-1,032	-594	-1,032	-512
Program for reduction of overhead costs	-	-975	-	-975
Impairment of ERP system	-	-906	-	-906
<b>Total</b>	<b>-1,032</b>	<b>-2,475</b>	<b>-1,032</b>	<b>-2,393</b>

1) Of the total restructuring measures of SEK 2,5bn in 2013 approximately SEK 1,4bn will have a cash flow impact.

## Consolidated balance sheet

SEKm	Dec. 31, 2012	Dec. 31, 2013
<b>Assets</b>		
Property, plant and equipment	16,693	17,264
Goodwill	5,541	4,875
Other intangible assets	5,079	4,011
Investments in associates	16	221
Deferred tax assets	4,156	4,385
Financial assets	333	279
Pension plan assets	286	445
Other non-current assets	481	752
<b>Total non-current assets</b>	<b>32,585</b>	<b>32,232</b>
Inventories	12,963	12,154
Trade receivables	18,288	19,441
Tax assets	609	746
Derivatives	184	268
Other current assets	3,607	4,405
Short-term investments	123	148
Cash and cash equivalents	6,835	6,607
<b>Total current assets</b>	<b>42,609</b>	<b>43,769</b>
<b>Total assets</b>	<b>75,194</b>	<b>76,001</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the Parent Company</b>		
Share capital	1,545	1,545
Other paid-in capital	2,905	2,905
Other reserves	-1,146	-2,658
Retained earnings	12,381	12,482
<b>Total equity</b>	<b>15,685</b>	<b>14,274</b>
Non-controlling interests	41	34
<b>Total equity</b>	<b>15,726</b>	<b>14,308</b>
Long-term borrowings	10,005	11,935
Deferred tax liabilities	1,117	1,026
Provisions for post-employment benefits	4,765	3,425
Other provisions	4,551	4,522
<b>Total non-current liabilities</b>	<b>20,438</b>	<b>20,908</b>
Accounts payable	20,590	20,607
Tax liabilities	1,287	1,331
Short-term liabilities	11,971	12,886
Short-term borrowings	2,795	2,733
Derivatives	241	194
Other provisions	2,146	3,034
<b>Total current liabilities</b>	<b>39,030</b>	<b>40,785</b>
<b>Total equity and liabilities</b>	<b>75,194</b>	<b>76,001</b>
<b>Contingent liabilities</b>	<b>1,610</b>	<b>1,458</b>

## Change in consolidated equity

SEKm	Dec. 31, 2012	Dec. 31, 2013
<b>Opening balance</b>	<b>20,644</b>	<b>15,726</b>
<b>Changes in accounting policy<sup>1)</sup></b>	<b>-2,998</b>	<b>-</b>
<b>Restated opening balance</b>	<b>17,646</b>	<b>15,726</b>
<b>Total comprehensive income for the period</b>	<b>22</b>	<b>370</b>
Share-based payment	-141	77
Sale of shares	212	-
Dividend	-1,860	-1,860
Dividend to non-controlling interests	-	-
Acquisition of operations	-153	-5
<b>Total transactions with equity holders</b>	<b>-1,942</b>	<b>-1,788</b>
<b>Closing balance</b>	<b>15,726</b>	<b>14,308</b>

1) The effect of the amended standard for pension accounting, IAS 19 Employee Benefits, as of January 1, 2013.

## Consolidated cash flow statement

SEKm	2012	2013	Q4 2012	Q4 2013
<b>Operations</b>				
Operating income	4,000	1,580	558	-1,170
Depreciation and amortization	3,251	3,356	796	876
Restructuring provisions	457	1,855	924	2,141
Other non-cash items	81	222	81	-46
Financial items paid, net	-673	-540	-223	-122
Taxes paid	-1,564	-1,343	-465	-405
<b>Cash flow from operations, excluding change in operating assets and liabilities</b>	<b>5,552</b>	<b>5,130</b>	<b>1,671</b>	<b>1,274</b>
<b>Change in operating assets and liabilities</b>				
Change in inventories	-1,710	165	993	1,306
Change in trade receivables	-119	-1,932	-435	-974
Change in accounts payable	3,086	609	296	-217
Change in other operating assets, liabilities and provisions	271	483	-417	722
<b>Cash flow from change in operating assets and liabilities</b>	<b>1,528</b>	<b>-675</b>	<b>437</b>	<b>837</b>
<b>Cash flow from operations</b>	<b>7,080</b>	<b>4,455</b>	<b>2,108</b>	<b>2,111</b>
<b>Investments</b>				
Acquisition of operations <sup>1)</sup>	-164	-205	-	-3
Capital expenditure in property, plant and equipment	-4,090	-3,535	-1,275	-1,189
Capital expenditure in product development	-477	-442	-180	-95
Capital expenditure in software	-574	-514	-177	-61
Other <sup>2)</sup>	603	-38	282	-51
<b>Cash flow from investments</b>	<b>-4,702</b>	<b>-4,734</b>	<b>-1,350</b>	<b>-1,399</b>
<b>Cash flow from operations and investments</b>	<b>2,378</b>	<b>-279</b>	<b>758</b>	<b>712</b>
<b>Financing</b>				
Change in short-term investments	206	-25	366	9
Change in short-term borrowings	-325	1,151	148	1,065
New long-term borrowings	2,569	3,039	1,512	-
Amortization of long-term borrowings	-3,063	-1,851	-2,744	-5
Dividend	-1,868	-1,860	-	-
Sale of shares	212	-	-	-
<b>Cash flow from financing</b>	<b>-2,269</b>	<b>454</b>	<b>-718</b>	<b>1,069</b>
<b>Total cash flow</b>	<b>109</b>	<b>175</b>	<b>40</b>	<b>1,781</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6,966</b>	<b>6,835</b>	<b>6,836</b>	<b>4,971</b>
<b>Exchange-rate differences referring to cash and cash equivalents</b>	<b>-240</b>	<b>-403</b>	<b>-41</b>	<b>-145</b>
<b>Cash and cash equivalents at end of period</b>	<b>6,835</b>	<b>6,607</b>	<b>6,835</b>	<b>6,607</b>

1) Includes the purchase and subsequent divestment of the Electrolux head-office building. Electrolux remaining investment in the real estate company is SEK 200m.

2) Includes grants related to investments of SEK 20m for Q4 of 2013 and SEK 222m for the full year of 2013.

## Key ratios

SEKm unless otherwise stated	2012	2013	Q4 2012	Q4 2013
Net sales	109,994	109,151	29,185	28,891
Organic growth, %	5.5	4.5	7.5	3.6
Items affecting comparability	-1,032	-2,475	-1,032	-2,393
Operating income	4,000	1,580	558	-1,170
Margin, %	3.6	1.4	1.9	-4.0
Income after financial items	3,154	904	362	-1,322
Income for the period	2,365	672	242	-987
Capital expenditure, property, plant and equipment	-4,090	-3,535	-1,275	-1,189
Operating cash flow	4,779	1,809	1,446	1,242
Earnings per share, SEK <sup>1)</sup>	8.26	2.35	0.84	-3.44
Equity per share, SEK	54.96	49.99	—	—
Capital-turnover rate, times/year	4.1	4.0	—	—
Return on net assets, %	14.8	5.8	—	—
Return on equity, %	14.4	4.4	—	—
Net debt	10,164	10,653	—	—
Net debt/equity ratio	0.65	0.74	—	—
Average number of shares excluding shares owned by Electrolux, million	285.9	286.2	286.1	286.2
Average number of employees	59,478	60,754	61,047	61,228
<b>Excluding items affecting comparability</b>				
Operating income	5,032	4,055	1,590	1,223
Margin, %	4.6	3.7	5.4	4.2
Earnings per share, SEK <sup>1)</sup>	11.36	9.81	3.94	3.80
Capital-turnover rate, times/year	3.9	3.8	—	—
Return on net assets, %	17.9	14.0	—	—

1) Basic, based on average number of shares, excluding shares owned by Electrolux.

For definitions, see page 22.

## Shares

Number of shares	Outstanding A-shares	Outstanding B-shares	Outstanding shares, total	Shares held by Electrolux	Shares held by other shareholders
Number of shares as of January 1, 2013	8,212,725	300,707,583	308,920,308	22,785,490	286,134,818
Conversion of A-shares into B-shares	-20,186	20,186	—	—	—
Sale of shares	—	—	—	—	—
Shares allotted to senior managers under the Performance Share Program	—	—	—	-77,169	77,169
<b>Number of shares as of December 31, 2013</b>	<b>8,192,539</b>	<b>300,727,769</b>	<b>308,920,308</b>	<b>22,708,321</b>	<b>286,211,987</b>
As % of total number of shares				7.4%	

## Exchange rates

SEK	Dec. 31, 2012	Dec. 31, 2013
AUD, average	6.99	6.29
AUD, end of period	6.76	5.75
BRL, average	3.46	3.03
BRL, end of period	3.19	2.76
CAD, average	6.74	6.32
CAD, end of period	6.55	6.04
EUR, average	8.70	8.67
EUR, end of period	8.58	8.91
GBP, average	10.69	10.23
GBP, end of period	10.48	10.67
HUF, average	0.0300	0.0292
HUF, end of period	0.0295	0.0300
USD, average	6.73	6.52
USD, end of period	6.52	6.47

## Net sales by business area

SEKm	2012	2013	Q4 2012	Q4 2013
Major Appliances Europe, Middle East and Africa	34,278	33,436	9,216	9,281
Major Appliances North America	30,684	31,864	7,207	7,573
Major Appliances Latin America	22,044	20,695	6,411	5,639
Major Appliances Asia/Pacific	8,405	8,653	2,259	2,157
Small Appliances	9,011	8,952	2,689	2,697
Professional Products	5,571	5,550	1,402	1,544
Other	1	1	1	—
<b>Total</b>	<b>109,994</b>	<b>109,151</b>	<b>29,185</b>	<b>28,891</b>

## Operating income by business area

SEKm	2012	2013	Q4 2012	Q4 2013
Major Appliances Europe, Middle East and Africa	1,105	347	335	227
Margin, %	3.2	1.0	3.6	2.4
Major Appliances North America	1,452	2,136	337	453
Margin, %	4.7	6.7	4.7	6.0
Major Appliances Latin America	1,590	979	657	224
Margin, %	7.2	4.7	10.2	4.0
Major Appliances Asia/Pacific	746	467	211	96
Margin, %	8.9	5.4	9.3	4.5
Small Appliances	461	391	219	227
Margin, %	5.1	4.4	8.1	8.4
Professional Products	588	510	155	172
Margin, %	10.6	9.2	11.1	11.1
Common Group costs, etc.	-910	-775	-324	-176
<b>Total Group, excluding items affecting comparability</b>	<b>5,032</b>	<b>4,055</b>	<b>1,590</b>	<b>1,223</b>
<b>Margin, %</b>	<b>4.6</b>	<b>3.7</b>	<b>5.4</b>	<b>4.2</b>
Items affecting comparability	-1,032	-2,475	-1,032	-2,393
<b>Operating income</b>	<b>4,000</b>	<b>1,580</b>	<b>558</b>	<b>-1,170</b>
<b>Margin, %</b>	<b>3.6</b>	<b>1.4</b>	<b>1.9</b>	<b>-4.0</b>

## Change in net sales by business area

Year-over-year, %	2013	2013 in comparable currencies	Q4 2013	Q4 2013 in comparable currencies
Major Appliances Europe, Middle East and Africa	-2.5	-0.2	0.7	1.1
Major Appliances North America	3.8	7.6	5.1	7.6
Major Appliances Latin America	-6.1	6.1	-12.0	0.4
Major Appliances Asia/Pacific	3.0	10.8	-4.5	4.3
Small Appliances	-0.7	4.4	0.3	4.8
Professional Products	-0.4	1.7	10.1	10.6
<b>Total change</b>	<b>-0.8</b>	<b>4.5</b>	<b>-1.0</b>	<b>3.6</b>

## Change in operating income by business area

Year-over-year, %	2013	2013 in comparable currencies	Q4 2013	Q4 2013 in comparable currencies
Major Appliances Europe, Middle East and Africa	-68.6	-68.7	-32.2	-31.6
Major Appliances North America	47.1	52.1	34.4	49.3
Major Appliances Latin America	-38.4	-30.1	-65.9	-59.7
Major Appliances Asia/Pacific	-37.4	-32.3	-54.5	-49.6
Small Appliances	-15.2	-11.0	3.7	11.3
Professional Products	-13.3	-11.8	11.0	11.7
<b>Total change, excluding items affecting comparability</b>	<b>-19.4</b>	<b>-14.4</b>	<b>-23.1</b>	<b>-17.0</b>



## Working capital and net assets

SEKm	Dec. 31, 2012	% of annualized net sales	Dec. 31, 2013	% of annualized net sales
Inventories	12,963	11.3	12,154	10.6
Trade receivables	18,288	15.9	19,441	17.0
Accounts payable	-20,590	-17.9	-20,607	-18.0
Provisions	-6,697		-7,556	
Prepaid and accrued income and expenses	-7,467		-7,933	
Taxes and other assets and liabilities	-3,002		-1,299	
<b>Working capital</b>	<b>-6,505</b>	<b>-5.7</b>	<b>-5,800</b>	<b>-5.1</b>
Property, plant and equipment	16,693		17,264	
Goodwill	5,541		4,875	
Other non-current assets	8,003		5,263	
Deferred tax assets and liabilities	2,158		3,359	
<b>Net assets</b>	<b>25,890</b>	<b>22.5</b>	<b>24,961</b>	<b>21.8</b>
Average net assets	27,070	24.6	27,148	24.9
Average net assets, excluding items affecting comparability	28,112	25.6	28,915	26.5

## Net assets by business area

SEKm	Assets		Equity and liabilities		Net assets	
	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013
Major Appliances Europe, Middle East and Africa	22,800	22,936	14,067	14,408	8,733	8,528
Major Appliances North America	12,106	12,886	7,293	7,606	4,813	5,280
Major Appliances Latin America	13,337	12,875	6,601	6,321	6,736	6,554
Major Appliances Asia/Pacific	4,933	4,866	2,708	2,852	2,225	2,014
Small Appliances	4,528	4,756	2,973	3,202	1,555	1,554
Professional Products	2,664	2,720	1,681	1,760	983	960
Other <sup>1)</sup>	7,137	7,285	6,292	7,214	845	71
<b>Total operating assets and liabilities</b>	<b>67,505</b>	<b>68,324</b>	<b>41,615</b>	<b>43,363</b>	<b>25,890</b>	<b>24,961</b>
Liquid funds	7,403	7,232	—	—	—	—
Interest-bearing receivables	—	—	—	—	—	—
Interest-bearing liabilities	—	—	13,088	14,905	—	—
Pension assets and liabilities	286	445	4,765	3,425	—	—
Equity	—	—	15,726	14,308	—	—
<b>Total</b>	<b>75,194</b>	<b>76,001</b>	<b>75,194</b>	<b>76,001</b>	<b>—</b>	<b>—</b>

1) Includes common functions, tax items and restructuring provisions.

## Net sales and income per quarter

SEKm	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full year 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full year 2013
Net sales	25,875	27,763	27,171	29,185	109,994	25,328	27,674	27,258	28,891	109,151
Operating income	907	1,112	1,423	558	4,000	638	1,037	1,075	-1,170	1,580
Margin, %	3.5	4.0	5.2	1.9	3.6	2.5	3.7	3.9	-4.0	1.4
Operating income, excluding items affecting comparability	907	1,112	1,423	1,590	5,032	720	1,037	1,075	1,223	4,055
Margin, %	3.5	4.0	5.2	5.4	4.6	2.8	3.7	3.9	4.2	3.7
Income after financial items	712	910	1,170	362	3,154	483	859	884	-1,322	904
Income after financial items, excluding items affecting comparability	712	910	1,170	1,394	4,186	565	859	884	1,071	3,379
Income for the period	499	701	923	242	2,365	361	642	656	-987	672
Earnings per share, SEK <sup>1)</sup>	1.76	2.44	3.22	0.84	8.26	1.26	2.24	2.29	-3.44	2.35
Earnings per share, SEK, excluding items affecting comparability <sup>1)</sup>	1.76	2.44	3.22	3.94	11.36	1.48	2.24	2.29	3.80	9.81
Items affecting comparability <sup>2)</sup>	—	—	—	-1,032	-1,032	-82	—	—	-2,393	-2,475
Number of shares after buy-backs, million	286.1	286.1	286.1	286.1	286.1	286.2	286.2	286.2	286.2	286.2
Average number of shares after buy-backs, million	285.4	286.1	286.1	286.1	285.9	286.2	286.2	286.2	286.2	286.2

1) Basic, based on average number of shares, excluding shares owned by Electrolux.

2) Restructuring provisions, write-downs and capital loss on divestments.

## Net sales and operating income by business area per quarter

SEKm	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Full year 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full year 2013
<b>Major Appliances Europe, Middle East and Africa</b>										
Net sales	8,265	8,216	8,581	9,216	34,278	7,595	8,040	8,520	9,281	33,436
Operating income	271	205	294	335	1,105	11	-2	111	227	347
Margin, %	3.3	2.5	3.4	3.6	3.2	0.1	0.0	1.3	2.4	1.0
<b>Major Appliances North America</b>										
Net sales	7,107	8,599	7,771	7,207	30,684	7,678	8,448	8,165	7,573	31,864
Operating income	131	488	496	337	1,452	457	663	563	453	2,136
Margin, %	1.8	5.7	6.4	4.7	4.7	6.0	7.8	6.9	6.0	6.7
<b>Major Appliances Latin America</b>										
Net sales	5,149	5,183	5,301	6,411	22,044	4,885	5,472	4,699	5,639	20,695
Operating income	278	316	339	657	1,590	251	261	243	224	979
Margin, %	5.4	6.1	6.4	10.2	7.2	5.1	4.8	5.2	4.0	4.7
<b>Major Appliances Asia/Pacific</b>										
Net sales	1,841	2,198	2,107	2,259	8,405	1,948	2,227	2,321	2,157	8,653
Operating income	155	172	208	211	746	106	148	117	96	467
Margin, %	8.4	7.8	9.9	9.3	8.9	5.4	6.6	5.0	4.5	5.4
<b>Small Appliances</b>										
Net sales	2,105	2,105	2,112	2,689	9,011	2,020	2,104	2,131	2,697	8,952
Operating income	93	25	124	219	461	17	50	97	227	391
Margin, %	4.4	1.2	5.9	8.1	5.1	0.8	2.4	4.6	8.4	4.4
<b>Professional Products</b>										
Net sales	1,408	1,462	1,299	1,402	5,571	1,201	1,383	1,422	1,544	5,550
Operating income	130	154	149	155	588	59	112	167	172	510
Margin, %	9.2	10.5	11.5	11.1	10.6	4.9	8.1	11.7	11.1	9.2
<b>Other</b>										
Net sales	—	—	—	1	1	1	—	—	—	1
Operating income, common group costs, etc.	-151	-248	-187	-324	-910	-181	-195	-223	-176	-775
<b>Total Group, excluding items affecting comparability</b>										
Net sales	25,875	27,763	27,171	29,185	109,994	25,328	27,674	27,258	28,891	109,151
Operating income	907	1,112	1,423	1,590	5,032	720	1,037	1,075	1,223	4,055
Margin, %	3.5	4.0	5.2	5.4	4.6	2.8	3.7	3.9	4.2	3.7
<b>Items affecting comparability</b>										
	—	—	—	-1,032	-1,032	-82	—	—	-2,393	-2,475
<b>Total Group</b>										
Net sales	25,875	27,763	27,171	29,185	109,994	25,328	27,674	27,258	28,891	109,151
Operating income	907	1,112	1,423	558	4,000	638	1,037	1,075	-1,170	1,580
Margin, %	3.5	4.0	5.2	1.9	3.6	2.5	3.7	3.9	-4.0	1.4

## Fair value and carrying amount on financial assets and liabilities

SEKm	Full year 2012		Q4 2012		Q4 2013	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
<b>Per category</b>						
Financial assets at fair value through profit and loss	1,853	1,853	1,853	1,853	2,021	2,021
Available-for-sale	229	229	229	229	160	160
Loans and receivables	20,406	20,406	20,406	20,406	20,664	20,664
Cash	3,493	3,493	3,493	3,493	3,871	3,871
<b>Total financial assets</b>	<b>25,981</b>	<b>25,981</b>	<b>25,981</b>	<b>25,981</b>	<b>26,716</b>	<b>26,716</b>
Financial liabilities at fair value through profit and loss	241	241	241	241	171	171
Financial liabilities measured at amortized cost	33,524	33,390	33,524	33,390	35,405	35,275
<b>Total financial liabilities</b>	<b>33,765</b>	<b>33,631</b>	<b>33,765</b>	<b>33,631</b>	<b>35,576</b>	<b>35,446</b>

### Fair value estimation

Valuation of financial instruments at fair value is done at the most accurate market prices available. Instruments which are quoted on the market, e.g., the major bond and interest-rate future markets, are all marked-to-market with the current price. The foreign-exchange spot rate is used to convert the value into SEK. For instruments where no reliable price is available on the market, cash flows are discounted using the deposit/swap curve of the cash flow currency. If no proper cash flow schedule is available, e.g., as in the case with forward-rate agreements, the underlying schedule is used for valuation purposes.

To the extent option instruments are used, the valuation is based on the Black & Scholes' formula. The carrying value less impairment

provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market-interest rate that is available to the Group for similar financial instruments. The Group's financial assets and liabilities are measured according to the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data.

## Fair value measurement hierarchy

Financial assets, SEKm	Full year 2012			Q4 2012			Q4 2013		
	Level 1	Level 2	Total	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>Financial assets</b>	<b>552</b>	<b>—</b>	<b>552</b>	<b>552</b>	<b>—</b>	<b>552</b>	<b>279</b>	<b>—</b>	<b>279</b>
Financial assets at fair value through profit and loss	323	—	323	323	—	323	119	—	119
Available for sale	229	—	229	229	—	229	160	—	160
<b>Derivatives</b>	<b>—</b>	<b>183</b>	<b>183</b>	<b>—</b>	<b>183</b>	<b>183</b>	<b>—</b>	<b>241</b>	<b>241</b>
Derivatives for which hedge accounting is not applied, i.e., held for trading	—	12	12	—	12	12	—	93	93
Derivatives for which hedge accounting is applied	—	171	171	—	171	171	—	148	148
<b>Short-term investments and cash equivalents</b>	<b>1,347</b>	<b>—</b>	<b>1,347</b>	<b>1,347</b>	<b>—</b>	<b>1,347</b>	<b>1,661</b>	<b>—</b>	<b>1,661</b>
Financial assets at fair value through profit and loss	1,347	—	1,347	1,347	—	1,347	1,661	—	1,661
<b>Total financial assets</b>	<b>1,899</b>	<b>183</b>	<b>2,082</b>	<b>1,899</b>	<b>183</b>	<b>2,082</b>	<b>1,940</b>	<b>241</b>	<b>2,181</b>
<b>Financial liabilities</b>									
<b>Derivatives</b>	<b>—</b>	<b>241</b>	<b>241</b>	<b>—</b>	<b>241</b>	<b>241</b>	<b>—</b>	<b>171</b>	<b>171</b>
Derivatives for which hedge accounting is not applied, i.e., held for trading	—	95	95	—	95	95	—	78	78
Derivatives for which hedge accounting is applied	—	146	146	—	146	146	—	93	93
<b>Total financial liabilities</b>	<b>—</b>	<b>241</b>	<b>241</b>	<b>—</b>	<b>241</b>	<b>241</b>	<b>—</b>	<b>171</b>	<b>171</b>

The Group strives for arranging master-netting agreements (ISDA) with the counterparts for derivative transactions and has established such agreements with the majority of the counterparts, i.e., if a counterparty will default, assets and liabilities will be netted. Derivatives are presented gross in the balance sheet.

The disclosure of this information in the interim report is a consequence of updated disclosure requirements in IAS 34 Interim Financial Reporting. The information was earlier provided yearly in the notes to the financial statements in the Annual Report.

## Parent Company income statement

SEKm	2012	2013	Q4 2012	Q4 2013
<b>Net sales</b>	<b>6,125</b>	<b>28,856</b>	<b>1,676</b>	<b>7,899</b>
Cost of goods sold	-4,638	-25,382	-1,377	-7,197
<b>Gross operating income</b>	<b>1,487</b>	<b>3,474</b>	<b>299</b>	<b>702</b>
Selling expenses	-1,297	-3,783	-415	-1,170
Administrative expenses	-469	-1,196	-205	-71
Other operating income	293	9	122	-
Other operating expenses	-38	-1,874	-37	-1,865
<b>Operating income</b>	<b>-24</b>	<b>-3,370</b>	<b>-236</b>	<b>-2,404</b>
Financial income	1,918	2,335	435	399
Financial expenses	-946	-826	-453	-265
<b>Financial items, net</b>	<b>972</b>	<b>1,509</b>	<b>-18</b>	<b>134</b>
<b>Income after financial items</b>	<b>948</b>	<b>-1,861</b>	<b>-254</b>	<b>-2,270</b>
Appropriations	180	187	47	105
<b>Income before taxes</b>	<b>1,128</b>	<b>-1,674</b>	<b>-207</b>	<b>-2,165</b>
Taxes	-9	765	46	813
<b>Income for the period</b>	<b>1,119</b>	<b>-909</b>	<b>-161</b>	<b>-1,352</b>

## Parent Company balance sheet

SEKm	Dec. 31, 2012	Dec. 31, 2013
<b>Assets</b>		
Non-current assets	33,436	33,001
Current assets	16,008	22,027
<b>Total assets</b>	<b>49,444</b>	<b>55,028</b>
<b>Equity and liabilities</b>		
Restricted equity	4,562	4,562
Non-restricted equity	15,269	12,531
<b>Total equity</b>	<b>19,831</b>	<b>17,093</b>
Untaxed reserves	581	558
Provisions	1,097	1,843
Non-current liabilities	9,573	11,472
Current liabilities	18,362	24,062
<b>Total equity and liabilities</b>	<b>49,444</b>	<b>55,028</b>
<b>Pledged assets</b>	<b>-</b>	<b>-</b>
<b>Contingent liabilities</b>	<b>1,692</b>	<b>1,815</b>

## Operations by business area yearly

SEKm	2009	2010	2011	2012	2013
<b>Major Appliances Europe, Middle East and Africa</b>					
Net sales	40,500	36,596	34,029	34,278	33,436
Operating income	1,912	2,297	709	1,105	347
Margin, %	4.7	6.3	2.1	3.2	1.0
<b>Major Appliances North America</b>					
Net sales	32,694	30,969	27,665	30,684	31,864
Operating income	1,299	1,442	250	1,452	2,136
Margin, %	4.0	4.7	0.9	4.7	6.7
<b>Major Appliances Latin America</b>					
Net sales	13,302	16,260	17,810	22,044	20,695
Operating income	809	951	820	1,590	979
Margin, %	6.1	5.8	4.6	7.2	4.7
<b>Major Appliances Asia/Pacific</b>					
Net sales	7,037	7,679	7,852	8,405	8,653
Operating income	378	793	736	746	467
Margin, %	5.4	10.3	9.4	8.9	5.4
<b>Small Appliances</b>					
Net sales	8,464	8,422	8,359	9,011	8,952
Operating income	763	802	543	461	391
Margin, %	9.0	9.5	6.5	5.1	4.4
<b>Professional Products</b>					
Net sales	7,129	6,389	5,882	5,571	5,550
Operating income	668	743	841	588	510
Margin, %	9.4	11.6	14.3	10.6	9.2
<b>Other</b>					
Net sales	6	11	1	1	1
Operating income, common Group costs, etc.	-507	-534	-744	-910	-775
<b>Total Group, excluding items affecting comparability</b>					
Net sales	109,132	106,326	101,598	109,994	109,151
Operating income	5,322	6,494	3,155	5,032	4,055
Margin, %	4.9	6.1	3.1	4.6	3.7
Items affecting comparability	-1,561	-1,064	-138	-1,032	-2,475
<b>Total Group, including items affecting comparability</b>					
Net sales	109,132	106,326	101,598	109,994	109,151
Operating income	3,761	5,430	3,017	4,000	1,580
Margin, %	3.4	5.1	3.0	3.6	1.4

Electrolux applies the amended standard for pension accounting, IAS 19 Employee Benefits, as of January 1, 2013, see page 11. Reported figures for 2012 have been restated to enable comparison. Reported figures for previous years have not been restated.

## Five-year review

SEKm unless otherwise stated	2009	2010	2011	2012	2013
Net sales	109,132	106,326	101,598	109,994	109,151
Organic growth, %	-4.8	1.5	0.2	5.5	4.5
Items affecting comparability	-1,561	-1,064	-138	-1,032	-2,475
Operating income	3,761	5,430	3,017	4,000	1,580
Margin, %	3.4	5.1	3.0	3.6	1.4
Income after financial items	3,484	5,306	2,780	3,154	904
Income for the period	2,607	3,997	2,064	2,365	672
Capital expenditure, property, plant and equipment	2,223	3,221	3,163	4,090	-3,535
Operating cash flow	6,603	4,587	2,745	4,779	1,809
Earnings per share, SEK	9.18	14.04	7.25	8.26	2.35
Equity per share, SEK	66	72	73	55	50
Dividend per share, SEK	4.00	6.50	6.50	6.50	6.50 <sup>1)</sup>
Capital-turnover rate, times/year	5.6	5.4	4.6	4.1	4.0
Return on net assets, %	19.4	27.8	13.7	14.8	5.8
Return on equity, %	14.9	20.6	10.4	14.4	4.4
Net debt	665	-709	6,367	10,164	10,653
Net debt/equity ratio	0.04	-0.03	0.31	0.65	0.74
Average number of shares excluding shares owned by Electrolux, million	284.0	284.6	284.7	285.9	286.2
Average number of employees	50,633	51,544	52,916	59,478	60,754

1) Proposed by the board.

Excluding items affecting comparability					
Operating income	5,322	6,494	3,155	5,032	4,055
Margin, %	4.9	6.1	3.1	4.6	3.7
Earnings per share, SEK	13.56	16.65	7.55	11.36	9.81
Capital-turnover rate, times/year	5.4	5.1	4.3	3.9	3.8
Return on net assets, %	26.2	31.0	13.5	17.9	14.0

### Financial goals over a business cycle

The financial goals set by Electrolux aim to strengthen the Group's leading, global position in the industry and assist in generating a healthy total yield for Electrolux shareholders. The objective is growth with consistent profitability. The key ratios exclude items affecting comparability.

### Financial goals

- Operating margin of >6%
- Capital-turnover rate >4 times
- Return on net assets >20%
- Average annual growth >4%

## Definitions

### Capital indicators

#### Annualized sales

In computation of key ratios where capital is related to net sales, the latter are annualized and converted at year-end-exchange rates and adjusted for acquired and divested operations.

#### Net assets

Total assets exclusive of liquid funds, pension plan assets and interest-bearing financial receivables less operating liabilities, non-interest-bearing provisions and deferred tax liabilities.

#### Working capital

Current assets exclusive of liquid funds and interest-bearing financial receivables less operating liabilities and non-interest-bearing provisions.

#### Total borrowings

Total borrowings consist of interest-bearing liabilities, fair-value derivatives, accrued interest expenses and prepaid interest income, and trade receivables with recourse.

#### Net debt

Total borrowings less liquid funds.

#### Net debt/equity ratio

Net borrowings in relation to equity.

#### Equity/assets ratio

Equity as a percentage of total assets less liquid funds.

#### Other key ratios

##### Organic growth

Sales growth, adjusted for acquisitions, divestments and changes in exchange rates.

##### Operating cash flow

Cash flow from operations and investments excluding financial items paid, taxes paid and acquisitions and divestment of operations.

##### Earnings per share

Income for the period divided by the average number of shares after buy-backs.

##### Operating margin

Operating income expressed as a percentage of net sales.

##### Return on equity

Income for the period expressed as a percentage of average equity.

##### Return on net assets

Operating income expressed as a percentage of average net assets.

##### Capital-turnover rate

Net sales in relation to average net assets.

## President and CEO Keith McLoughlin's comments on the fourth-quarter results 2013

Today's press release is available on the Electrolux website  
<http://www.electrolux.com/ir>

### Telephone conference

A telephone conference is held at 9.00 CET on Friday, January 31, 2014. The conference is chaired by Keith McLoughlin, President and CEO of Electrolux. Mr. McLoughlin is accompanied by Tomas Eliasson, CFO.

A slide presentation on the four-quarter results of 2013 will be available on the Electrolux website <http://www.electrolux.com/ir>

Details for participation by telephone are as follows:  
 Participants in Sweden should call +46 8 505 564 74  
 Participants in UK/Europe should call +44 203 364 5374  
 Participants in US should call +1 855 753 2230

You can also listen to the presentation at  
<http://www.electrolux.com/interim-report-webcast>

#### For further information

Investor Relations and Financial Information: +46 (0)8 738 60 03.

Financial information from Electrolux is available at  
<http://www.electrolux.com/ir>

#### Calendar 2014

##### Financial reports 2014

Interim report January – March	April 25
Interim report January – June	July 18
Interim report January – September	October 20

##### Annual Report 2013

Available at the Group's website      Week 10

##### Annual General Meeting 2014

Electrolux Annual General Meeting 2014 will be held on March 26 at the Stockholm Waterfront Congress Centre, situated at Nils Ericsons Plan 4 in Stockholm, Sweden.

#### Factors affecting forward-looking statements

*This report contains "forward-looking" statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Such statements include, among others, the financial goals and targets of Electrolux for future periods and future business and financial plans. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but may not be limited to the following; consumer demand and market conditions in the geographical areas and industries in which Electrolux operates, effects of currency fluctuations, competitive pressures to reduce prices, significant loss of business from major retailers, the success in developing new products and marketing initiatives, developments in product liability litigation, progress in achieving operational and capital efficiency goals, the success in identifying growth opportunities and acquisition candidates and the integration of these opportunities with existing businesses, progress in achieving structural and supply-chain reorganization goals.*

*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 January 31, 2014.*

#### AB ELECTROLUX (PUBL)

##### Postal address

SE-105 45 Stockholm, Sweden

##### Visiting address

S:t Göransgatan 143

##### Media hotline

+46 8 657 65 07

##### Telefax

+46 8 738 74 61

##### Investor Relations

+46 8 738 60 03

##### Website

[www.electrolux.com/ir](http://www.electrolux.com/ir)

##### E-mail

[ir@electrolux.se](mailto:ir@electrolux.se)

##### Reg. No.

556009-4178