

# Interim Report January – March 2014

Stockholm, April 25, 2014

## Highlights of the first quarter of 2014

	Read more
• Net sales amounted to SEK 25,629m (25,328).	2
• Organic sales growth was 4.5%, while currencies had a negative impact of –3.3%.	2
• All business areas showed organic sales growth.	4
• Operating income, excluding items affecting comparability, amounted to SEK 749m (720), corresponding to a margin of 2.9% (2.8).	2
• Strong cash-flow improvement.	7
• Income for the period, including items affecting comparability, was SEK 431m (361), and earnings per share SEK 1.50 (1.26).	11

## Financial overview

SEKm <sup>1)</sup>	Q1 2013	Q1 2014	Change, %
Net sales	25,328	25,629	1
Organic growth, %	3.8	4.5	
Operating income	720	749	4
Margin, %	2.8	2.9	
Income after financial items	565	593	5
Income for the period	422	445	5
Earnings per share, SEK <sup>1)2)</sup>	1.48	1.55	
Operating cash flow after investments <sup>3)</sup>	–2,707	–123	95

<sup>1)</sup> Figures are excluding items affecting comparability. Items affecting comparability amounted to SEK –18m (–82) for the first quarter of 2014, see page 11. Items affecting comparability includes costs for restructuring programs to make the Group's production competitive and other restructuring measures to reduce costs.

<sup>2)</sup> Basic, based on an average of 286.2 (286.2) million shares for the first quarter, excluding shares held by Electrolux.

<sup>3)</sup> Excluding financial items paid, taxes paid, restructuring payments and acquisitions and divestments of operations.

For earnings per share after dilution, see page 11.

For definitions, see page 23.

## 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/>.



**Electrolux**

# Market overview

## Market overview

In the first quarter, market demand for core appliances in North America increased slightly year-over-year. Severe winter weather conditions at the start of the year negatively impacted the overall market demand. Demand in Europe recovered somewhat in the first quarter, Western Europe increased by 2% and Eastern Europe by 4%. In total, the European market was up with 3%.

Market demand in Australia is estimated to have declined.

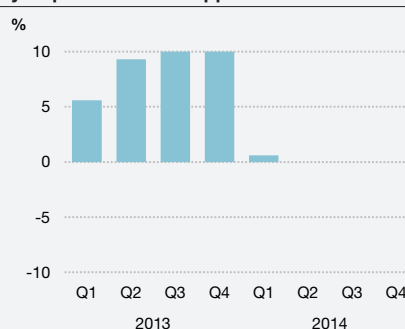
Demand in Southeast Asia and China continued to show growth. Demand for appliances in Brazil declined, while other Latin American markets showed growth.

### Industry shipments of core appliances in Europe\*



\*Units, year-over-year, %

### Industry shipments of core appliances in the US\*



\*Units, year-over-year, %

## The first quarter in summary\*

- Organic growth of 4.5%.
- Organic sales growth in all business areas.
- Recovery in operating income for Major Appliances Europe, Middle East and Africa.
- Severe winter weather conditions impacted sales volumes in North America during January and February, but volumes recovered strongly in March.
- Good performance for Professional Products and Small Appliances.
- Negative impact from currency movements affected all business areas, this was, however, mitigated by price increases to a large extent.

SEKm	Q1 2013	Q1 2014	Change, %
<b>Net sales</b>	<b>25,328</b>	<b>25,629</b>	<b>1.2</b>
<b>Change in net sales, %, whereof</b>			
Organic growth	—	—	4.5
Changes in exchange rates	—	—	-3.3
<b>Operating income</b>			
Major Appliances Europe, Middle East and Africa	11	142	n.m.
Major Appliances North America	457	382	-16
Major Appliances Latin America	251	217	-14
Major Appliances Asia/Pacific	106	21	-80
Small Appliances	17	33	94
Professional Products	59	126	114
Other, common Group costs, etc.	-181	-172	5
<b>Operating income, excluding items affecting comparability</b>	<b>720</b>	<b>749</b>	<b>4</b>
Margin, %	2.8	2.9	—
Items affecting comparability	-82	-18	—
<b>Operating income</b>	<b>638</b>	<b>731</b>	<b>15</b>
Margin, %	2.5	2.9	—

\* All comments are excluding items affecting comparability. For items affecting comparability, see page 11.

Net sales for the Electrolux Group increased by 1.2% in the first quarter of 2014. Organic growth was 4.5%, while changes in exchange rates had a negative impact of -3.3%. The organic sales growth was mainly attributable to Latin America, Professional Products and the operations in Asia/Pacific.

Operating income increased to SEK 749m (720), corresponding to a margin of 2.9% (2.8).

In Europe, operating income was positively impacted by a recovery in the market, mix improvements and cost savings.

Results in North America were negatively affected by harsh weather conditions at the start of the year, but recovered strongly in March.

In Latin America, price increases and mix improvements largely offset the weaker market conditions, currency headwinds and higher rate of inflation.

Increased marketing spend in China and costs related to the consolidation of refrigerator production to Thailand affected earnings in Asia/Pacific.

Professional Products and Small Appliances reported continued positive earnings trend.

### Effects of changes in exchange rates

Exchange rate movements had a negative impact of approximately SEK -620m on operating income year-over-year in the quarter. 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. Price increases and mix improvements mitigated to a large extent the negative impact from currencies.

### Financial net

Net financial items for the first quarter of 2014 amounted to SEK -156m (-155).

### Income for the period

Income for the period amounted to SEK 431m (361), corresponding to SEK 1.50 (1.26) in earnings per share, see page 11.

### Events during the first quarter of 2014

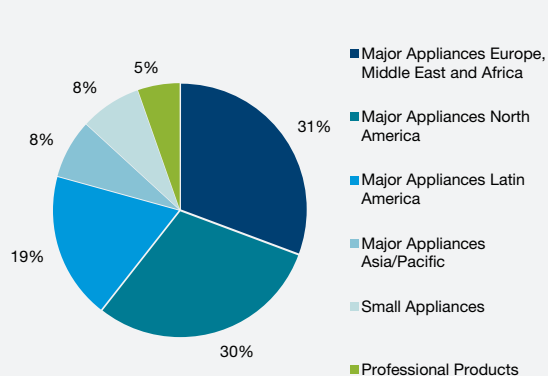
#### March 26. Annual General Meeting 2014 in Stockholm

Ronnie Leten was elected new Chairman of the Board. He succeeded Marcus Wallenberg who declined re-election. Petra Hedengran was elected new Board Member and Barbara Milian Thoralfsson declined re-election. At the statutory Board meeting following the AGM, Torben Ballegaard Sørensen was elected Deputy Chairman. The proposed dividend of SEK 6.50 (6.50) per share was adopted. For more information about the AGM, visit [www.electrolux.com/agm2014](http://www.electrolux.com/agm2014).

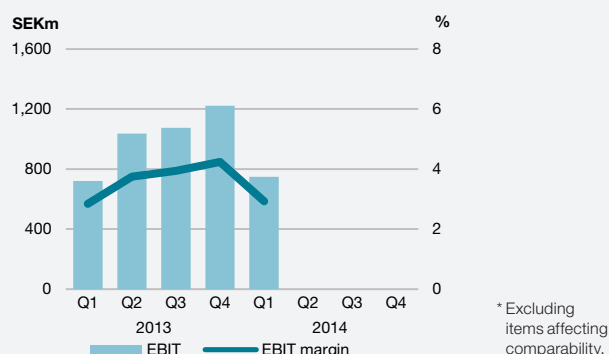
#### March 26. Electrolux unveils new climate impact target in 2013 Sustainability Report

Electrolux has set a new target to halve the Group's CO<sub>2</sub> impact by 2020 compared to 2005. The new carbon target to halve the climate impact will cut greenhouse gases from approximately 50 to 25 million tonnes in four key areas: product use, manufacturing, transport and elimination of gases with high global warming potential. Read more in the sustainability report for 2013. <http://annualreports.electrolux.com/2013/en/Sustainability/Carbon-target.html>.

Share of sales by business area in Q1 2014



Operating income and margin\*



# Business areas

## Major Appliances Europe, Middle East and Africa

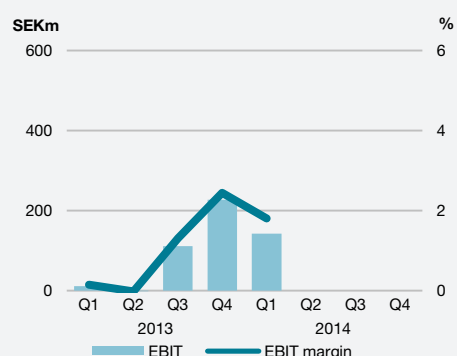
In the first quarter of 2014, the overall market demand for core appliances in Europe showed a year-over-year improvement following a prolonged period of declining markets. Demand increased in most regions. Western Europe grew by 2% and Eastern Europe by 4%. The market recovery was particularly strong in Germany, the Iberian countries, Italy and Poland. The Nordic region and the Benelux countries also improved, while the UK and Switzerland declined.

Operations in Europe reported organic sales growth primarily as a result of an improved mix, but also due to increased volumes following the more favorable market trend. Market shares increased under the Group's own strategic brands, mainly within built-in kitchen products.

Operating income rose as a result of an improved mix and lower costs. The extensive product launches over the past two years and strong focus on the most profitable product categories, brands and sales channels have contributed to the positive trend in operating income. Higher sales of built-in kitchen products improved the mix in the quarter. The ongoing structural

actions to reduce costs and enhance efficiency within operations also contributed to operating income, while unfavorable currency movements and price pressure negatively impacted operating income.

### Operating income and margin



Industry shipments of core appliances in Europe, units, year-over-year, %	Full year 2013	Q1 2013	Q1 2014
Western Europe	-1	-3	2
Eastern Europe (excluding Turkey)	0	2	4
<b>Total Europe</b>	<b>-1</b>	<b>-2</b>	<b>3</b>
SEKm			
Net sales	33,436	7,595	7,865
Organic growth, %	-0.2	-3.8	1.3
Operating income	347	11	142
Operating margin, %	1.0	0.1	1.8

## Major Appliances North America

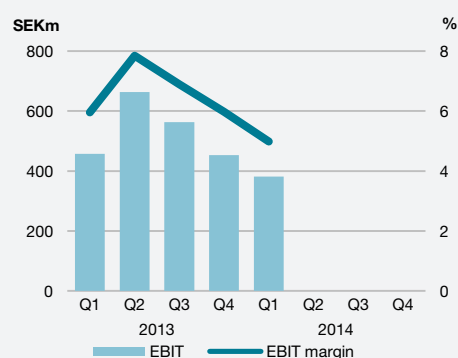
In the first quarter, market demand for core appliances in North America increased slightly year-over-year. Severe winter weather conditions at the start of the year negatively impacted the overall market demand. Market demand for major appliances, including microwave ovens and home comfort products, such as room air-conditioners, was unchanged during the quarter.

Operations in North America showed slight organic sales growth. Sales volumes, which declined in the quarter, were impacted by the weak market at the start of the year. Price increases and higher sales of cooking products and refrigerators mitigated lower sales volumes in such product categories as freezers and room-air conditioners.

Operating income declined mainly due to lower volumes, while an improved product mix and higher prices contributed to the results for the quarter. Operations were negatively affected by the above mentioned weather conditions in January and February. However, there was a strong recovery in March.

The consolidation of cooking products production to Memphis, Tennessee, USA, from L'Assomption, Quebec, Canada, is now in its final stage. It has been decided to close the factory in L'Assomption in July 2014.

### Operating income and margin



Industry shipments of appliances in the US, units, year-over-year, %	Full year 2013	Q1 2013	Q1 2014
Core appliances	9	6	1
Microwave ovens and home comfort products	-6	1	-3
<b>Total Major Appliances</b>	<b>5</b>	<b>5</b>	<b>0</b>
SEKm			
Net sales	31,864	7,678	7,664
Organic growth, %	7.6	12.2	0.4
Operating income	2,136	457	382
Operating margin, %	6.7	6.0	5.0

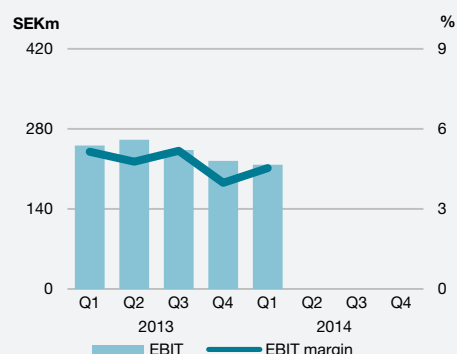
## Major Appliances Latin America

In the first quarter of 2014, market demand for core appliances in Brazil is estimated to have declined somewhat year-over-year, mainly due to a slowdown in the economy. Demand in the corresponding period of 2013 was partly driven by a government-incentive program for appliances. Several other Latin American markets displayed slight growth during the quarter.

In Latin America, the Group reported strong organic growth, mainly driven by higher prices and an improved mix in most regions. Price increases mitigated inflation and currency headwinds to some extent.

Operating income in local currencies declined somewhat in the first quarter. Price increases and an improved mix largely offset the continued currency headwinds and high rate of inflation.

### Operating income and margin



SEKm	Full year 2013	Q1 2013	Q1 2014
Net sales	20,695	4,885	4,790
Organic growth, %	6.1	7.4	14.8
Operating income	979	251	217
Operating margin, %	4.7	5.1	4.5

## Major Appliances Asia/Pacific

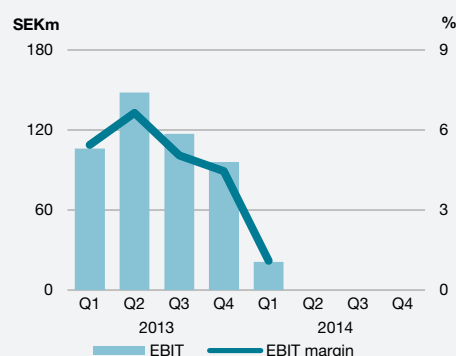
In the first quarter of 2014, market demand for major appliances in Southeast Asia and China is estimated to have grown year-over-year, while market demand in Australia declined somewhat.

The organic sales growth in the quarter was the result of higher sales volumes and price increases. Sales increases were particularly strong in China and Southeast Asia.

Operating income declined. Costs related to the consolidation of refrigeration production to the new plant in Rayong in Thailand from Australia impacted results for the quarter. In China, the launch of the new range of products for the domestic market continued. The cost of these launch activities had an adverse impact on earnings.

The negative year-over-year impact of currency movements continued during the quarter as the US dollar strengthened against the Australian dollar and several other currencies in emerging markets.

### Operating income and margin



SEKm	Full year 2013	Q1 2013	Q1 2014
Net sales	8,653	1,948	1,928
Organic growth, %	10.8	10.5	8.4
Operating income	467	106	21
Operating margin, %	5.4	5.4	1.1

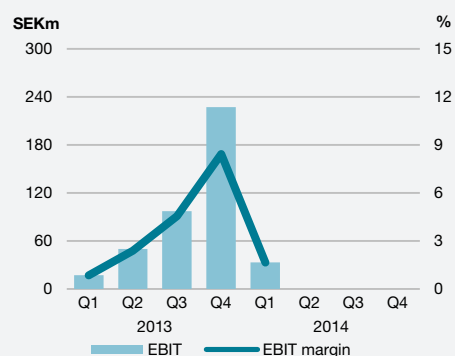
## Small Appliances

In the first quarter of 2014, market demand for vacuum cleaners in Europe increased, while demand in North America is estimated to have declined year-over-year.

The organic growth in the first quarter for Small Appliances is the result of an improved product mix. Increased sales of vacuum cleaners in Europe and of premium products – particularly within small domestic appliances and rechargeable vacuum cleaners – in Latin America and Asia/Pacific improved the product mix. The significance of sales of small domestic appliances is increasing.

Operating income for the first quarter improved year-over-year. Product-mix improvements, which were the result of intensive launches of new products during 2013, contributed to the positive earnings trend for the quarter.

### Operating income and margin



SEKm	Full year 2013	Q1 2013	Q1 2014
Net sales	8,952	2,020	2,001
Organic growth, %	4.4	1.1	2.0
Operating income	391	17	33
Operating margin, %	4.4	0.8	1.6

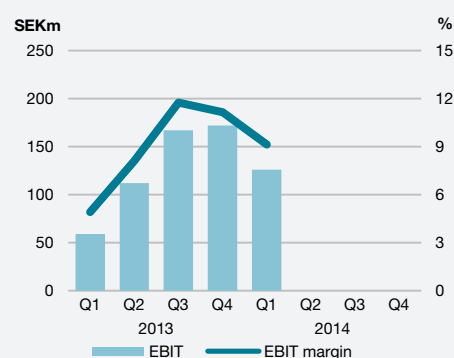
## Professional Products

Market demand for professional food-service and professional laundry equipment in Europe, where Electrolux holds a strong position, is estimated to have been stable in the first quarter, while demand in the US and emerging markets continued to display growth compared with the corresponding period in the preceding year.

Electrolux sales increased strongly in the first quarter of the year and the Group gained market shares. This was primarily the result of the Group's strategic initiatives to grow in new markets and segments as well as launches of new products. Sales were particularly strong in the US and emerging markets, but growth was also positive in Western Europe, which accounts for about 60% of sales. Sales for professional food-service equipment and professional laundry equipment increased.

Operating income in the first quarter for Professional Products improved compared with the year-earlier period as a result of higher sales volumes and a positive price trend. An improved cost structure also contributed to the results.

### Operating income and margin



SEKm	Full year 2013	Q1 2013	Q1 2014
Net sales	5,550	1,201	1,380
Organic growth, %	1.7	-11.2	13.3
Operating income	510	59	126
Operating margin, %	9.2	4.9	9.1

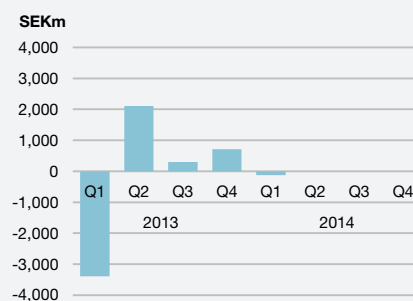
# Cash flow

Operating cash flow after investments in the first quarter of 2014 improved significantly compared with the previous year and amounted to SEK –123m (–2,707). The improvement refers mainly to working capital and to changes in trade receivables and accounts payable. Lower investments also impacted the cash flow in the quarter.

Cash flow for the first quarter is normally weak and reflects a pattern with seasonal build up of inventories. Payments for the ongoing restructuring and cost-cutting programs amounted to SEK 218m in the quarter.

Investments in the first quarter mainly related to investments in new products.

## Operating cash flow after investments



SEKm	Full year 2013	Q1 2013	Q1 2014
EBITDA <sup>1)</sup>	7,616	1,618	1,706
Change in operating assets and liabilities	-675	-3,444	-1,160
<b>Operating cash flow</b>	<b>6,941</b>	<b>-1,826</b>	<b>546</b>
Investments in fixed assets <sup>2)</sup>	-4,529	-881	-669
<b>Operating cash flow after investments</b>	<b>2,412</b>	<b>-2,707</b>	<b>-123</b>
Restructuring payments	-603	-140	-218
Acquisitions and divestments of operations	-205	-201	-1
<b>Operating cash flow after structural changes</b>	<b>1,604</b>	<b>-3,048</b>	<b>-342</b>
Financial items paid, net	-540	-80	-105
Taxes paid	-1,343	-263	-226
<b>Free cash flow<sup>3)</sup></b>	<b>-279</b>	<b>-3,391</b>	<b>-673</b>
Dividend	-1,860	–	–
<b>Total cash flow, excluding change in loans and short-term investments</b>	<b>-2,139</b>	<b>-3,391</b>	<b>-673</b>

<sup>1)</sup> Operating income excluding items affecting comparability plus depreciation and amortization plus other non-cash items.

<sup>2)</sup> Investments excluding acquisitions and divestments of operations.

<sup>3)</sup> Cash flow from operations and investments.

# Financial position

The financial net debt increased by SEK 725m during the first quarter as a result of the negative cash flow from operations and investments. Cash flow is normally seasonally weak in the first quarter. Net provision for post-employment benefits increased by SEK 220m. In total, net debt increased by SEK 945m compared to 2013.

Long-term borrowings as of March 31, 2014, including long-term borrowings with maturities within 12 months, amounted to SEK 12,219m with average maturity of 3.0 years, compared to SEK 12,207m and 3.3 years at the end of 2013. During 2014 and 2015, long-term borrowings in the amount of SEK 3,070m will mature.

Liquid funds as of March 31, 2014, amounted to SEK 6,492m (7,740), excluding short-term back-up facilities. Electrolux has two unused committed back-up facilities. One EUR 500m multi-

currency revolving credit facility, approximately SEK 4,500m, maturing in 2018 and a credit facility of SEK 3,400m maturing in 2017.

## Net assets and working capital

Average net assets for the period amounted to SEK 25,400m (27,468). Net assets as of March 31, 2014, amounted to SEK 25,839m (29,045). Adjusted for items affecting comparability, i.e. restructuring provisions, average net assets amounted to SEK 27,662m (29,280), corresponding to 27.0% (28.9) of net sales.

Working capital as of March 31, 2014, amounted to SEK -4,623m (-1,814), corresponding to -4.5% (-1.8) of annualized net sales. The return on net assets was 11.5% (9.3), and 10.8% (9.8), excluding items affecting comparability.

## Net debt

SEKm	Dec. 31, 2013	March 31, 2013	March 31, 2014
Borrowings	14,905	16,798	14,890
Liquid funds	7,232	7,740	6,492
<b>Financial net debt</b>	<b>7,673</b>	<b>9,058</b>	<b>8,398</b>
Net provisions for post-employment benefits	2,980	3,698	3,200
<b>Net debt</b>	<b>10,653</b>	<b>12,756</b>	<b>11,598</b>
Net debt/equity ratio	0.74	0.88	0.94
<b>Equity</b>	<b>14,308</b>	<b>14,429</b>	<b>12,380</b>
Equity per share, SEK	49.99	50.41	43.24
Return on equity, %	4.4	9.6	12.9
Equity/assets ratio, %	20.8	21.1	18.1

# Structural changes

As previously communicated in 2013, Electrolux is taking actions to reduce annual costs by SEK 1.8bn for a charge of SEK 3.4bn. Cost 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. The remaining part of the total charges is expected to be taken during 2014.

In the first quarter of 2014, restructuring costs amounting to SEK 18m were charged to operating income within items affecting comparability, see page 11.



# Other items

## 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 March 31, 2014, the Group had a total of 2,917 (2,871) cases pending, representing approximately 2,977 (approximately 2,934) plaintiffs. During the first quarter of 2014, 273 new cases with 273 plaintiffs were filed and 336 pending cases with approximately 336 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.

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## 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 2013 Annual Report on page 76. 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 2013, [www.electrolux.com/annualreport2013](http://www.electrolux.com/annualreport2013).

### Press releases 2014

<b>January 22</b>	Electrolux named Industry Leader in RobecoSAM annual rating
<b>January 31</b>	Consolidated results 2013 and CEO Keith McLoughlin's comments
<b>February 21</b>	Notice convening the Annual General Meeting of AB Electrolux
<b>February 21</b>	Changes to the Board of AB Electrolux
<b>February 21</b>	Electrolux Annual Report 2013 is published
<b>March 6</b>	Electrolux Capital Markets Day in Charlotte, November 2014
<b>March 26</b>	Electrolux unveils new climate impact target in 2013 Sustainability Report
<b>March 27</b>	Bulletin from AB Electrolux Annual General Meeting 2014

# 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.

Net sales for the Parent Company, AB Electrolux, for the first quarter in 2014 amounted to SEK 6,706m (7,224) of which SEK 5,432m (6,089) referred to sales to Group companies and SEK 1,274m (1,135) to external customers. Income after financial items was SEK 580m (21), including dividends from subsidiaries in the amount of SEK 685m (0). Income for the period amounted to SEK 601m (9).

Capital expenditure in tangible and intangible assets was SEK 123m (99). Liquid funds at the end of the period amounted to SEK 2,311m, as against SEK 2,795m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 11,289m, as against SEK 12,531m at the start of the year. Dividend payment to shareholders for

2013 amounted to SEK 1,861m and is reported as current liability at the end of the period.

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

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Stockholm, April 25, 2014

Keith McLoughlin  
President and CEO

## 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 2013.

*This report has not been audited.*

# Consolidated income statement

SEKm	Full year 2013	Q1 2013	Q1 2014
<b>Net sales</b>	<b>109,151</b>	<b>25,328</b>	<b>25,629</b>
Cost of goods sold	-87,892	-20,484	-20,876
<b>Gross operating income<sup>1)</sup></b>	<b>21,259</b>	<b>4,844</b>	<b>4,753</b>
Selling expenses	-11,564	-2,666	-2,687
Administrative expenses	-5,646	-1,460	-1,247
Other operating income/expenses	6	2	-70
Items affecting comparability	-2,475	-82	-18
<b>Operating income</b>	<b>1,580</b>	<b>638</b>	<b>731</b>
Margin, %	1.4	2.5	2.9
Financial items, net	-676	-155	-156
<b>Income after financial items</b>	<b>904</b>	<b>483</b>	<b>575</b>
Margin, %	0.8	1.9	2.2
Taxes	-232	-122	-144
<b>Income for the period</b>	<b>672</b>	<b>361</b>	<b>431</b>
<b>Items that will not be reclassified to income for the period:</b>			
Remeasurement of provisions for post-employment benefits	1,851	730	-243
Income tax relating to items that will not be reclassified	-636	-182	-3
	1,215	548	-246
<b>Items that may be reclassified subsequently to income for the period:</b>			
Available for sale instruments	-69	-15	-5
Cash flow hedges	41	-3	-83
Exchange-rate differences on translation of foreign operations	-1,518	-343	-213
Income tax relating to items that may be reclassified	29	8	27
	-1,517	-353	-274
<b>Other comprehensive income, net of tax</b>	<b>-302</b>	<b>195</b>	<b>-520</b>
<b>Total comprehensive income for the period</b>	<b>370</b>	<b>556</b>	<b>-89</b>
Income for the period attributable to:			
Equity holders of the Parent Company	671	361	431
Non-controlling interests	1	-	-
<b>Total</b>	<b>672</b>	<b>361</b>	<b>431</b>
Total comprehensive income for the period attributable to:			
Equity holders of the Parent Company	374	556	-87
Non-controlling interests	-4	-	-2
<b>Total</b>	<b>370</b>	<b>556</b>	<b>-89</b>
Earnings per share, SEK	2.35	1.26	1.50
Diluted, SEK	2.34	1.26	1.50
Number of shares after buy-backs, million	286.2	286.2	286.2
Average number of shares after buy-backs, million	286.2	286.2	286.2
Diluted, million	287.3	287.0	287.7

<sup>1)</sup> As of 2014, selling and administrative costs in the factories are included in cost of goods sold. This reporting change reduces the reported gross operating income annually by approximately SEK 450m with the corresponding reductions in the line items selling and administrative expenses. The change in calculation has no impact on operating income and previous periods have not been restated.

## Items affecting comparability

SEKm	Full year 2013 <sup>1)</sup>	Q1 2013	Q1 2014
<b>Restructuring provisions and write-downs</b>			
Manufacturing footprint restructuring	-594	-82	-
Program for reduction of overhead costs	-975	-	-18
Impairment of ERP system	-906	-	-
<b>Total</b>	<b>-2,475</b>	<b>-82</b>	<b>-18</b>

<sup>1)</sup> Of the total restructuring measures of SEK 2.5bn in 2013 approximately SEK 1.4bn will have a cash flow impact.

Financial data quarterly and yearly can be downloaded and viewed at [www.electrolux.com/ir](http://www.electrolux.com/ir). There is a graph section where you can view trends as well as compare financial items.

# Consolidated balance sheet

SEKm	Dec. 31, 2013	March 31, 2013	March 31, 2014
<b>Assets</b>			
Property, plant and equipment	17,264	16,526	17,106
Goodwill	4,875	5,396	4,777
Other intangible assets	4,011	5,033	3,822
Investments in associates	221	212	225
Deferred tax assets	4,385	3,936	4,115
Financial assets	279	318	277
Pension plan assets	445	284	451
Other non-current assets	752	577	832
<b>Total non-current assets</b>	<b>32,232</b>	<b>32,282</b>	<b>31,605</b>
Inventories	12,154	13,984	13,621
Trade receivables	19,441	17,882	18,038
Tax assets	746	766	787
Derivatives	268	261	167
Other current assets	4,405	3,681	4,646
Short-term investments	148	123	122
Cash and cash equivalents	6,607	7,112	5,949
<b>Total current assets</b>	<b>43,769</b>	<b>43,809</b>	<b>43,330</b>
<b>Total assets</b>	<b>76,001</b>	<b>76,091</b>	<b>74,935</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Parent Company</b>			
Share capital	1,545	1,545	1,545
Other paid-in capital	2,905	2,905	2,905
Other reserves	-2,658	-1,498	-2,929
Retained earnings	12,482	11,437	10,829
<b>Total equity</b>	<b>14,274</b>	<b>14,389</b>	<b>12,350</b>
Non-controlling interests	34	40	30
<b>Total equity</b>	<b>14,308</b>	<b>14,429</b>	<b>12,380</b>
Long-term borrowings	11,935	11,059	11,946
Deferred tax liabilities	1,026	1,139	692
Provisions for post-employment benefits	3,425	3,982	3,651
Other provisions	4,522	4,379	4,499
<b>Total non-current liabilities</b>	<b>20,908</b>	<b>20,559</b>	<b>20,788</b>
Accounts payable	20,607	19,397	21,293
Tax liabilities	1,331	1,201	1,268
Dividend payable	—	1,860	1,861
Short-term liabilities	12,886	10,856	11,499
Short-term borrowings	2,733	5,432	2,676
Derivatives	194	222	236
Other provisions	3,034	2,135	2,934
<b>Total current liabilities</b>	<b>40,785</b>	<b>41,103</b>	<b>41,767</b>
<b>Total equity and liabilities</b>	<b>76,001</b>	<b>76,091</b>	<b>74,935</b>
<b>Contingent liabilities</b>	<b>1,458</b>	<b>1,830</b>	<b>1,463</b>

# Change in consolidated equity

SEKm	Dec. 31, 2013	March 31, 2013	March 31, 2014
<b>Opening balance</b>	<b>15,726</b>	<b>15,726</b>	<b>14,308</b>
<b>Total comprehensive income for the period</b>	<b>370</b>	<b>556</b>	<b>-89</b>
Share-based payment	77	8	23
Dividend	-1,860	-1,860	-1,861
Acquisition of operations	-5	-1	-1
<b>Total transactions with equity holders</b>	<b>-1,788</b>	<b>-1,853</b>	<b>-1,839</b>
<b>Closing balance</b>	<b>14,308</b>	<b>14,429</b>	<b>12,380</b>

# Consolidated cash flow statement

SEKm	Full year 2013	Q1 2013	Q1 2014
<b>Operations</b>			
Operating income	1,580	638	731
Depreciation and amortization	3,356	822	868
Restructuring provisions	1,855	-62	-200
Other non-cash items	222	80	89
Financial items paid, net	-540	-80	-105
Taxes paid	-1,343	-263	-226
<b>Cash flow from operations, excluding change in operating assets and liabilities</b>	<b>5,130</b>	<b>1,135</b>	<b>1,157</b>
<b>Change in operating assets and liabilities</b>			
Change in inventories	165	-1,156	-1,457
Change in trade receivables	-1,932	-42	1,383
Change in accounts payable	609	-897	663
Change in other operating assets, liabilities and provisions	483	-1,349	-1,749
<b>Cash flow from change in operating assets and liabilities</b>	<b>-675</b>	<b>-3,444</b>	<b>-1,160</b>
<b>Cash flow from operations</b>	<b>4,455</b>	<b>-2,309</b>	<b>-3</b>
<b>Investments</b>			
Acquisition of operations <sup>1)</sup>	-205	-201	-1
Capital expenditure in property, plant and equipment	-3,535	-685	-489
Capital expenditure in product development	-442	-109	-64
Capital expenditure in software	-514	-133	-76
Other <sup>2)</sup>	-38	46	-40
<b>Cash flow from investments</b>	<b>-4,734</b>	<b>-1,082</b>	<b>-670</b>
<b>Cash flow from operations and investments</b>	<b>-279</b>	<b>-3,391</b>	<b>-673</b>
<b>Financing</b>			
Change in short-term investments	-25	—	26
Change in short-term borrowings	1,151	2,570	8
New long-term borrowings	3,039	2,010	6
Amortization of long-term borrowings	-1,851	-837	-5
Dividend	-1,860	—	—
<b>Cash flow from financing</b>	<b>454</b>	<b>3,743</b>	<b>35</b>
Total cash flow	175	352	-638
Cash and cash equivalents at beginning of period	6,835	6,835	6,607
Exchange-rate differences referring to cash and cash equivalents	-403	-75	-20
Cash and cash equivalents at end of period	6,607	7,112	5,949

<sup>1)</sup> Includes the purchase and subsequent divestment of the Electrolux head-office building in 2013. Electrolux remaining investment in the real estate company is SEK 200m.

<sup>2)</sup> Includes grants related to investments of SEK 222m for the full year of 2013.

# Key ratios

SEKm unless otherwise stated	Full year 2013	Q1 2013	Q1 2014
Net sales	109,151	25,328	25,629
Organic growth, %	4.5	3.8	4.5
Items affecting comparability	-2,475	-82	-18
Operating income	1,580	638	731
Margin, %	1.4	2.5	2.9
Income after financial items	904	483	575
Income for the period	672	361	431
Capital expenditure, property, plant and equipment	-3,535	-685	-489
Operating cash flow after investments	2,412	-2,707	-123
Earnings per share, SEK <sup>1)</sup>	2.35	1.26	1.50
Equity per share, SEK	49.99	50.41	43.24
Capital-turnover rate, times/year	4.0	3.7	4.0
Return on net assets, %	5.8	9.3	11.5
Return on equity, %	4.4	9.6	12.9
Net debt	10,653	12,756	11,598
Net debt/equity ratio	0.74	0.88	0.94
Average number of shares excluding shares owned by Electrolux, million	286.2	286.2	286.2
Average number of employees	60,754	60,660	60,632
<b>Excluding items affecting comparability</b>			
Operating income	4,055	720	749
Margin, %	3.7	2.8	2.9
Earnings per share, SEK <sup>1)</sup>	9.81	1.48	1.55
Capital-turnover rate, times/year	3.8	3.5	3.7
Return on net assets, %	14.3	9.8	10.8

<sup>1)</sup> Basic, based on average number of shares, excluding shares owned by Electrolux.  
For definitions, see page 23.

# Shares

	Outstanding A-shares	Outstanding B-shares	Outstanding shares, total	Shares held by Electrolux	Shares held by other shareholders
Number of shares					
Number of shares as of January 1, 2013	8,192,539	300,727,769	308,920,308	22,708,321	286,211,987
Conversion of A-shares into B-shares	—	—	—	—	—
Sale of shares	—	—	—	—	—
Shares allotted to senior managers under the Performance Share Program	—	—	—	-108,437	108,437
<b>Number of shares as of March 31, 2014</b>	<b>8,192,539</b>	<b>300,727,769</b>	<b>308,920,308</b>	<b>22,599,884</b>	<b>286,320,424</b>
As % of total number of shares				7.3%	

# Exchange rates

SEK	Dec. 31, 2013	March 31, 2013	March 31, 2014
AUD, average	6.29	6.70	5.80
AUD, end of period	5.75	6.80	5.99
BRL, average	3.03	3.22	2.77
BRL, end of period	2.76	3.24	2.87
CAD, average	6.32	6.40	5.88
CAD, end of period	6.04	6.42	5.87
EUR, average	8.67	8.50	8.89
EUR, end of period	8.91	8.35	8.95
GBP, average	10.23	10.05	10.74
GBP, end of period	10.67	9.86	10.80
HUF, average	0.0292	0.0287	0.0290
HUF, end of period	0.0300	0.0274	0.0291
USD, average	6.52	6.46	6.48
USD, end of period	6.47	6.52	6.49

## Net sales by business area

SEKm	Full year 2013	Q1 2013	Q1 2014
Major Appliances Europe, Middle East and Africa	33,436	7,595	7,865
Major Appliances North America	31,864	7,678	7,664
Major Appliances Latin America	20,695	4,885	4,790
Major Appliances Asia/Pacific	8,653	1,948	1,928
Small Appliances	8,952	2,020	2,001
Professional Products	5,550	1,201	1,380
Other	1	1	1
<b>Total</b>	<b>109,151</b>	<b>25,328</b>	<b>25,629</b>

## Operating income by business area

SEKm	Full year 2013	Q1 2013	Q1 2014
Major Appliances Europe, Middle East and Africa	347	11	142
Margin, %	1.0	0.1	1.8
Major Appliances North America	2,136	457	382
Margin, %	6.7	6.0	5.0
Major Appliances Latin America	979	251	217
Margin, %	4.7	5.1	4.5
Major Appliances Asia/Pacific	467	106	21
Margin, %	5.4	5.4	1.1
Small Appliances	391	17	33
Margin, %	4.4	0.8	1.6
Professional Products	510	59	126
Margin, %	9.2	4.9	9.1
Common Group costs, etc.	-775	-181	-172
<b>Total Group, excluding items affecting comparability</b>	<b>4,055</b>	<b>720</b>	<b>749</b>
<b>Margin, %</b>	<b>3.7</b>	<b>2.8</b>	<b>2.9</b>
Items affecting comparability	-2,475	-82	-18
<b>Operating income</b>	<b>1,580</b>	<b>638</b>	<b>731</b>
<b>Margin, %</b>	<b>1.4</b>	<b>2.5</b>	<b>2.9</b>

## Change in net sales by business area

Year-over-year, %	Q1 2014	Q1 2014 in comparable currencies
Major Appliances Europe, Middle East and Africa	3.6	1.3
Major Appliances North America	-0.2	0.4
Major Appliances Latin America	-1.9	14.8
Major Appliances Asia/Pacific	-1.0	8.4
Small Appliances	-0.9	2.0
Professional Products	14.9	13.3
<b>Total change</b>	<b>1.2</b>	<b>4.5</b>

## Change in operating income by business area

Year-over-year, %	Q1 2014	Q1 2014 in comparable currencies
Major Appliances Europe, Middle East and Africa	n.m.	n.m.
Major Appliances North America	-16.4	-16.1
Major Appliances Latin America	-13.5	-0.9
Major Appliances Asia/Pacific	-80.2	-76.0
Small Appliances	94.1	104.4
Professional Products	113.6	112.6
<b>Total change, excluding items affecting comparability</b>	<b>4.0</b>	<b>12.2</b>

## Working capital and net assets

SEKm	Dec. 31, 2013	% of annualized net sales	March 31, 2013	% of annualized net sales	March 31, 2014	% of annualized net sales
Inventories	12,154	10.6	13,984	13.8	13,621	13.2
Trade receivables	19,441	17.0	17,882	17.7	18,038	17.5
Accounts payable	-20,607	-18.0	-19,397	-19.2	-21,293	-20.6
Provisions	-7,556		-6,514		-7,433	
Prepaid and accrued income and expenses	-7,933		-8,581		-8,731	
Taxes and other assets and liabilities	-1,299		812		1,175	
<b>Working capital</b>	<b>-5,800</b>	<b>-5.1</b>	<b>-1,814</b>	<b>-1.8</b>	<b>-4,623</b>	<b>-4.5</b>
Property, plant and equipment	17,264		16,526		17,106	
Goodwill	4,875		5,396		4,777	
Other non-current assets	5,263		6,140		5,156	
Deferred tax assets and liabilities	3,359		2,797		3,423	
<b>Net assets</b>	<b>24,961</b>	<b>21.8</b>	<b>29,045</b>	<b>28.7</b>	<b>25,839</b>	<b>25.0</b>
Average net assets	27,148	24.9	27,468	27.1	25,400	24.8
Average net assets, excluding items affecting comparability	28,915	26.5	29,280	28.9	27,662	27.0



## Net assets by business area

SEKm	Assets			Equity and liabilities			Net assets		
	Dec. 31, 2013	March 31, 2013	March 31, 2014	Dec. 31, 2013	March 31, 2013	March 31, 2014	Dec. 31, 2013	March 31, 2013	March 31, 2014
	Major Appliances Europe, Middle East and Africa	22,936	20,802	21,625	14,408	11,478	12,964	8,528	9,324
Major Appliances North America	12,886	14,130	14,005	7,606	8,269	8,492	5,280	5,861	5,513
Major Appliances Latin America	12,875	13,889	12,982	6,321	6,690	6,797	6,554	7,199	6,185
Major Appliances Asia/Pacific	4,866	4,888	4,910	2,852	2,465	2,651	2,014	2,423	2,259
Small Appliances	4,756	4,380	4,461	3,202	2,618	2,986	1,554	1,762	1,475
Professional Products	2,720	2,603	2,743	1,760	1,608	1,780	960	995	963
Other <sup>1)</sup>	7,285	7,375	7,266	7,214	5,894	6,483	71	1,481	783
<b>Total operating assets and liabilities</b>	<b>68,324</b>	<b>68,067</b>	<b>67,992</b>	<b>43,363</b>	<b>39,022</b>	<b>42,153</b>	<b>24,961</b>	<b>29,045</b>	<b>25,839</b>
Liquid funds	7,232	7,740	6,492	—	—	—	—	—	—
Interest-bearing receivables	—	—	—	—	—	—	—	—	—
Interest-bearing liabilities	—	—	—	14,905	16,798	14,890	—	—	—
Pension assets and liabilities	445	284	451	3,425	3,982	3,651	—	—	—
Dividend payable	—	—	—	—	1,860	1,861	—	—	—
Equity	—	—	—	14,308	14,429	12,380	—	—	—
<b>Total</b>	<b>76,001</b>	<b>76,091</b>	<b>74,935</b>	<b>76,001</b>	<b>76,091</b>	<b>74,935</b>	<b>—</b>	<b>—</b>	<b>—</b>

<sup>1)</sup> Includes common functions, tax items and restructuring provisions.

## Net sales and income per quarter

SEKm	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full year 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full year 2014
Net sales	25,328	27,674	27,258	28,891	109,151	25,629				
Operating income	638	1,037	1,075	-1,170	1,580	731				
Margin, %	2.5	3.7	3.9	-4.0	1.4	2.9				
Operating income, excluding items affecting comparability	720	1,037	1,075	1,223	4,055	749				
Margin, %	2.8	3.7	3.9	4.2	3.7	2.9				
Income after financial items	483	859	884	-1,322	904	575				
Income after financial items, excluding items affecting comparability	565	859	884	1,071	3,379	593				
Income for the period	361	642	656	-987	672	431				
Earnings per share, SEK <sup>1)</sup>	1.26	2.24	2.29	-3.44	2.35	1.50				
Earnings per share, SEK, excluding items affecting comparability <sup>1)</sup>	1.48	2.24	2.29	3.80	9.81	1.55				
Items affecting comparability <sup>2)</sup>	-82	—	—	-2,393	-2,475	-18				
Number of shares after buy-backs, million	286.2	286.2	286.2	286.2	286.2	286.2				
Average number of shares after buy-backs, million	286.2	286.2	286.2	286.2	286.2	286.2				

<sup>1)</sup> Basic, based on average number of shares, excluding shares owned by Electrolux.

<sup>2)</sup> Restructuring provisions, write-downs and capital loss on divestments.

# Net sales and operating income by business area per quarter

SEKm	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full year 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full year 2014
<b>Major Appliances Europe, Middle East and Africa</b>										
Net sales	7,595	8,040	8,520	9,281	33,436	7,865				
Operating income	11	-2	111	227	347	142				
Margin, %	0.1	0.0	1.3	2.4	1.0	1.8				
<b>Major Appliances North America</b>										
Net sales	7,678	8,448	8,165	7,573	31,864	7,664				
Operating income	457	663	563	453	2,136	382				
Margin, %	6.0	7.8	6.9	6.0	6.7	5.0				
<b>Major Appliances Latin America</b>										
Net sales	4,885	5,472	4,699	5,639	20,695	4,790				
Operating income	251	261	243	224	979	217				
Margin, %	5.1	4.8	5.2	4.0	4.7	4.5				
<b>Major Appliances Asia/Pacific</b>										
Net sales	1,948	2,227	2,321	2,157	8,653	1,928				
Operating income	106	148	117	96	467	21				
Margin, %	5.4	6.6	5.0	4.5	5.4	1.1				
<b>Small Appliances</b>										
Net sales	2,020	2,104	2,131	2,697	8,952	2,001				
Operating income	17	50	97	227	391	33				
Margin, %	0.8	2.4	4.6	8.4	4.4	1.6				
<b>Professional Products</b>										
Net sales	1,201	1,383	1,422	1,544	5,550	1,380				
Operating income	59	112	167	172	510	126				
Margin, %	4.9	8.1	11.7	11.1	9.2	9.1				
<b>Other</b>										
Net sales	1	—	—	—	1	1				
Operating income, common group costs, etc.	-181	-195	-223	-176	-775	-172				
<b>Total Group, excluding items affecting comparability</b>										
Net sales	25,328	27,674	27,258	28,891	109,151	25,629				
Operating income	720	1,037	1,075	1,223	4,055	749				
Margin, %	2.8	3.7	3.9	4.2	3.7	2.9				
<b>Items affecting comparability</b>	-82	—	—	-2,393	-2,475	-18				
<b>Total Group</b>										
Net sales	25,328	27,674	27,258	28,891	109,151	25,629				
Operating income	638	1,037	1,075	-1,170	1,580	731				
Margin, %	2.5	3.7	3.9	-4.0	1.4	2.9				

# Fair value and carrying amount on financial assets and liabilities

SEKm	Full year 2013		Q1 2013		Q1 2014	
	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	2,021	2,021	2,775	2,775	1,959	1,959
Available-for-sale	160	160	214	214	156	156
Loans and receivables	20,664	20,664	19,517	19,517	19,556	19,556
Cash	3,871	3,871	3,189	3,189	2,859	2,859
<b>Total financial assets</b>	<b>26,716</b>	<b>26,716</b>	<b>25,695</b>	<b>25,695</b>	<b>24,531</b>	<b>24,531</b>
Financial liabilities at fair value through profit and loss	171	171	220	220	236	236
Financial liabilities measured at amortized cost	35,405	35,275	36,091	35,888	36,076	35,916
<b>Total financial liabilities</b>	<b>35,576</b>	<b>35,446</b>	<b>36,311</b>	<b>36,108</b>	<b>36,312</b>	<b>36,152</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 2013			Q1 2013			Q1 2014		
	Level 1	Level 2	Total	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>Financial assets</b>	<b>279</b>	<b>—</b>	<b>279</b>	<b>317</b>	<b>—</b>	<b>317</b>	<b>277</b>	<b>—</b>	<b>277</b>
Financial assets at fair value through profit and loss	119	—	119	103	—	103	121	—	121
Available for sale	160	—	160	214	—	214	156	—	156
<b>Derivatives</b>	<b>—</b>	<b>241</b>	<b>241</b>	<b>—</b>	<b>260</b>	<b>260</b>	<b>—</b>	<b>167</b>	<b>167</b>
Derivatives for which hedge accounting is not applied, i.e., held for trading	—	93	93	—	9	9	—	53	53
Derivatives for which hedge accounting is applied	—	148	148	—	251	251	—	114	114
<b>Short-term investments and cash equivalents</b>	<b>1,661</b>	<b>—</b>	<b>1,661</b>	<b>2,412</b>	<b>—</b>	<b>2,412</b>	<b>1,671</b>	<b>—</b>	<b>1,671</b>
Financial assets at fair value through profit and loss	1,661	—	1,661	2,412	—	2,412	1,671	—	1,671
<b>Total financial assets</b>	<b>1,940</b>	<b>241</b>	<b>2,181</b>	<b>2,729</b>	<b>260</b>	<b>2,989</b>	<b>1,948</b>	<b>167</b>	<b>2,115</b>
<b>Financial liabilities</b>									
<b>Derivatives</b>	<b>—</b>	<b>171</b>	<b>171</b>	<b>—</b>	<b>220</b>	<b>220</b>	<b>—</b>	<b>236</b>	<b>236</b>
Derivatives for which hedge accounting is not applied, i.e., held for trading	—	78	78	—	98	98	—	68	68
Derivatives for which hedge accounting is applied	—	93	93	—	122	122	—	168	168
<b>Total financial liabilities</b>	<b>—</b>	<b>171</b>	<b>171</b>	<b>—</b>	<b>220</b>	<b>220</b>	<b>—</b>	<b>236</b>	<b>236</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	Full year 2013	Q1 2013	Q1 2014
<b>Net sales</b>	<b>28,856</b>	<b>7,224</b>	<b>6,706</b>
Cost of goods sold	-25,382	-5,870	-5,786
<b>Gross operating income</b>	<b>3,474</b>	<b>1,354</b>	<b>920</b>
Selling expenses	-3,783	-830	-746
Administrative expenses	-1,196	-538	-302
Other operating income	9	9	2
Other operating expenses	-1,874	—	—
<b>Operating income</b>	<b>-3,370</b>	<b>-5</b>	<b>-126</b>
Financial income	2,335	92	803
Financial expenses	-826	-66	-97
<b>Financial items, net</b>	<b>1,509</b>	<b>26</b>	<b>706</b>
<b>Income after financial items</b>	<b>-1,861</b>	<b>21</b>	<b>580</b>
Appropriations	187	-5	15
<b>Income before taxes</b>	<b>-1,674</b>	<b>16</b>	<b>595</b>
Taxes	765	-7	6
<b>Income for the period</b>	<b>-909</b>	<b>9</b>	<b>601</b>

# Parent Company balance sheet

SEKm	Dec. 31, 2013	March 31, 2013	March 31, 2014
<b>Assets</b>			
Non-current assets	33,001	33,743	33,042
Current assets	22,027	19,357	20,659
<b>Total assets</b>	<b>55,028</b>	<b>53,100</b>	<b>53,701</b>
<b>Equity and liabilities</b>			
Restricted equity	4,562	4,562	4,562
Non-restricted equity	12,531	13,433	11,289
<b>Total equity</b>	<b>17,093</b>	<b>17,995</b>	<b>15,851</b>
Untaxed reserves	558	573	544
Provisions	1,843	1,060	1,724
Non-current liabilities	11,472	10,637	11,479
Current liabilities	24,062	22,835	24,103
<b>Total equity and liabilities</b>	<b>55,028</b>	<b>53,100</b>	<b>53,701</b>
<b>Pledged assets</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Contingent liabilities</b>	<b>1,815</b>	<b>1,650</b>	<b>1,733</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. 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 after investments	7,730	5,357	3,407	5,273	2,412
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
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
<b>Excluding items affecting comparability</b>					
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 after investments**

Cash flow from operations and investments excluding financial items paid, taxes paid, restructuring payments 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.

# Shareholders' information

## **President and CEO Keith McLoughlin's comments on the first-quarter results 2014**

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, April 25, 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 first-quarter results of 2014 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>

Financial information from Electrolux is available at

<http://www.electrolux.com/ir>

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## **Calendar 2014**

Financial reports 2014

Interim report January – June

July 18

Interim report January – September

October 20

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