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## Press release

Stockholm, July 18, 2014

President and CEO Keith McLoughlin's comments on the results for the second quarter of 2014

### Continued earnings recovery in our major markets

**The improvement in our European operations continued in the second quarter and operating income increased significantly over last year. At the same time, the development in North America continues to show a solid trend. We also managed to show good performance in Latin America, in weakened market conditions. In total, the Group's operating income increased to SEK 1,167 million with a strong cash flow of SEK 3.3bn.**

A positive impact from the ongoing cost-reduction program in Europe, combined with an improved product mix in such areas as built-in kitchen products, led to a significant improvement in our operating income in EMEA. Market development in Europe continued to show a dispersed pattern, with growth increasing in the Iberian countries and in the UK in the second quarter, while there was a weakening in France and the Nordic countries. We reconfirm our view that European market demand will increase by 1-3% in 2014.

As previously communicated, we have concluded a review of our manufacturing operations in Italy. In May, we reached an agreement with the Italian trade unions and authorities, which entails significant cost reductions. The agreement will contribute to our efforts to restore long-term profitability for Major Appliances EMEA.

As expected, the mix continued to improve in our North American operations. We have a strong focus on growing in premium segments, such as cooking products and multi-door refrigeration. Volumes of core appliances continued to increase. However, we saw deterioration in our overall sales volumes, mainly as a result of lower sales within room air-conditioning. Sales volumes in the quarter were also negatively affected by a fire at one of our suppliers of components within the refrigeration and laundry segments. The US appliance market continues to recover, driven by both replacement demand and housing, with a total expected growth of 4% in 2014.

Our sales volumes in Latin America began to slow already in the second half of 2013. As the macro-economic environment deteriorated further during the spring, we had a significant decline in sales volumes during the second quarter. The slowdown was further fueled by a temporary negative impact on sales related to the FIFA World Cup. In order to mitigate the weakened market, we have taken actions to adapt and reduce costs. We were also able to increase prices to compensate for currency headwinds and inflation. Although we remain confident that Latin America will continue to grow in the medium to longer term, visibility in the near term is low.

The Group's overall profitability shows a recovery both in the second quarter, and in the first half of the year compared with the same period in 2013. We will continue to launch new, innovative products in parallel with optimizing global production with a strong focus on cost efficiency. This will enable us to continue to generate a solid cash flow and shareholder value.

Stockholm, July 18, 2014  
Keith McLoughlin  
President and CEO

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Electrolux is a global leader in home appliances, based on deep consumer insight and developed in close collaboration with professional users. We offer thoughtfully designed, innovative solutions for households and businesses, with products such as refrigerators, dishwashers, washing machines, cookers, vacuum cleaners, air conditioners and small domestic appliances. Under esteemed brands including Electrolux, AEG, Zanussi, Frigidaire and Electrolux Grand Cuisine, the Group sells more than 50 million



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products to customers in more than 150 markets every year. In 2013 Electrolux had sales of SEK 109 billion and 61,000 employees. For more information go to <http://group.electrolux.com>.

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 07.50 CET on July 18, 2014.