

Press Release

For further information,
please contact:

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

Electrolux Press Hotline
+46 8 657 65 07

President and CEO Keith McLoughlin's comments on the results for the fourth quarter 2014.

Earnings Continue to Improve

Electrolux' earnings increased in the fourth quarter of 2014 and the operating income rose by 20 percent to SEK 1,472 million. This is the result of an operational recovery in several major regions; Europe, Latin America and Asia/Pacific. Professional Products also continued to show a solid performance. Earnings in North America were impacted by the transition to comply with the new energy standards. Of the Group's six business areas, five reached an EBIT margin of more than 6 percent in the quarter.

The initiatives to restore profitability in our operations in Europe continue to show good results. Cost savings in combination with higher efficiency in the production and an active product portfolio management led to a significant improvement in the operating income. An improved product mix has offset lower sales volumes and a structural price pressure. The growth in built-in kitchen continued. We expect the total European market to grow by 1-2 percent in 2015, although the development in Russia is very uncertain.

The North American operations continued to show organic sales growth as the product mix improved. However, volumes fell to some extent, as a result of lower sales within freezers and a continued weak market for air-conditioners. As in the third quarter, earnings were negatively impacted by the major transition required to meet new energy standards which affect refrigeration and freezers. We expect continued impact from this transition process also in the first half of 2015. The new cooking plant in Memphis is still being ramped up, which has an impact on the cost efficiency. For 2015, we expect continued market growth in North America in the range of 3-5 percent.

The market environment in Latin America remains challenging, and demand in the region continued to deteriorate in the quarter. Under such conditions it is encouraging that we managed to increase sales volumes in the important Brazilian market. Price increases in combination with measures to reduce costs have led to good results. Demand in Latin America appears to be stabilizing although there is a high degree of uncertainty, particularly in light of the recent depreciation of several currencies in the region.

Cost reductions in our operations in Asia/Pacific contributed to a good earnings development in the final quarter of 2014. Market demand in Australia improved towards the end of the year, after several quarters of negative growth, whereas demand in China and most markets in Southeast Asia remained weak. In this environment, the Group managed to increase sales volumes, with particular strength in Southeast Asia.

The manufacturing footprint program launched in 2004 is now in its final stage. The aim of the program is to increase the Group's competitiveness through moving manufacturing from high-cost regions into low-cost regions. Today, almost 70 percent of our production is in low-cost countries compared with 25 percent ten years ago. Although there will likely be restructuring programs going forward, we expect these to be much less extensive. Thus, from this year we will charge restructuring costs directly to earnings.

2014 was a good year for Electrolux and we generated more than SEK 6.6 billion in cash flow, representing a cash conversion of almost 140 percent. The Group is well positioned to continue to grow profitably also in 2015, with a focus on further increasing

shareholder value. We expect to close the pending acquisition of GE Appliances during the year, which will strongly contribute to the achievement of the Group's vision of being the best appliances company in the world as measured by our customers, employees and shareholders.

Stockholm, January 28, 2015
Keith McLoughlin
President and CEO

Electrolux discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 08.00 CET on January 28, 2015.

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 2014, Electrolux had sales of SEK 112 billion and about 60,000 employees. For more information go to www.electroluxgroup.com.