

**Press Release**

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President and CEO Keith McLoughlin's comments on the results for the first quarter 2015.

## Margins in Europe continue to improve

**Results in Major Appliances EMEA continued to strengthen and the EBIT margin improved to 4.3% in the first quarter of 2015 compared to 1.8% a year ago. Earnings in Major Appliances Asia/Pacific and Professional Products also increased. As previously communicated, the operating income for Major Appliances North America was negative for the first quarter, mainly due to the challenges within refrigeration and freezers following new energy requirements. Operations in Latin America continued to perform well in a weakening market environment. The Group's operating income amounted to SEK 516 million for the first quarter of 2015.**

A strong product mix, with focus on high-margin categories such as built-in kitchen products, contributed to a positive organic growth in Major Appliances EMEA. In parallel, the cost-savings programs previously initiated impacted earnings positively. Overall market demand in Europe stabilized and increased by 1% in the quarter. The UK and Germany showed particular strength, while the Russian market declined sharply. Excluding Russia, the market grew by 4%. The European market for appliances is expected to grow by 1–2% in 2015.

Electrolux operations in North America continued to be negatively impacted by the transition of the product ranges within refrigeration and freezers. This transition is a consequence of the new energy requirements imposed during the second half of 2014. Earnings were also affected by the ramp up of the cooking plant in Memphis, which has been slower than anticipated. A program to restore profitability and increase efficiencies in production is under way. It will require most of 2015 before actions taken will show full effect. We expect full-year market growth in North America to be towards the lower end of the previously communicated range of 3-5%.

The market environment in Latin America has been challenging. Demand for appliances deteriorated in the quarter, which also affected our sales volumes. However, continued price increases in combination with cost savings largely mitigated the deterioration in the market. Although the quarterly results were weaker compared with a year ago, our organization in Latin America has been well prepared to take timely actions. The macro-economic outlook for the region has weakened in the past few months, particularly for Brazil, and market growth for appliances remains uncertain.

Earnings in Asia/Pacific improved, driven by higher sales volumes in Southeast Asia and Australia, and increased cost efficiency. The integration of the recently acquired business BeefEater, an Australian barbecue producer, has proceeded well.

In 2015, Electrolux is continuing to launch new product ranges with innovative features and designs, with the goal of being at the forefront in the market for appliances. Furthermore, work to strengthen cost efficiency through a higher degree of common platforms and through modularization in production flows is proceeding well. These are important areas for future profitable growth for Electrolux.

The preparation work for the integration of GE Appliances is progressing well and according to plan. In addition to synergies of USD 300 million that were initially

communicated, we have identified further synergies of USD 50 million, mainly within purchasing. We anticipate that a closure of the acquisition will be completed during the year. The acquisition is expected to strongly contribute to the achievement of the Electrolux vision of being the best appliance company in the world as measured by our customers, employees and shareholders.

Stockholm, April 24, 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 April 24, 2015.*

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 products to customers in more than 150 markets every year. In 2014 Electrolux had sales of SEK 112 billion and 60,000 employees. For more information go to [www.electroluxgroup.com](http://www.electroluxgroup.com).