

**Press Release**

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

## Organic growth and cost efficiency contributed to earnings

**Electrolux operating income amounted to SEK 1.5 billion in the third quarter of 2015, an increase of 8% year-over-year. Our largest business areas, Major Appliances EMEA and Major Appliances North America, which together comprise 65% of the Group's sales, achieved good organic growth and strong improvement in earnings. Professional Products continued to perform well. The weak macro-economic environment in Brazil had a negative impact on Major Appliances Latin America. The Group had a strong cash generation of SEK 3.2 billion in the quarter**

Demand for appliances continued to improve in almost all markets in Europe. In Western Europe, there has been positive growth for seven consecutive quarters. In this market, Major Appliances EMEA continued to actively manage the product portfolio and gained market share in profitable segments such as built-in kitchen. Our ongoing cost savings programs continued to contribute to earnings. We expect the total European market to grow by 1–2% in 2015, including deterioration in demand in Russia and Ukraine.

Major Appliances North America achieved good organic growth in the quarter and volumes increased in almost all categories within core appliances. Profitability within food preservations is now being restored. Earnings in this segment have in previous quarters been impacted by the transition of the product ranges, following the new energy requirements imposed in the second half of 2014. Actions are underway to ramp up the cooking plant in Memphis, which has been slower than anticipated. The US market for appliances continued to be solid and we now expect growth in the range of 4-6% for the full year.

The market environment in Brazil continued to be challenging. Demand for appliances weakened significantly in the quarter which affected sales volumes and earnings. To mitigate the weak market we have taken cost reduction actions, and we also implemented price increases to compensate for currency headwinds. The decline in operating income in Brazil was to some extent mitigated by stronger financial performance in Argentina and Chile. The macro-economic outlook in Brazil remains weak.

Our operations in Major Appliances Asia/Pacific were impacted by lower sales in China, as we are reducing the business scope in the Chinese market, while profitability in Australia and Southeast Asia remained good. Professional Products continued to perform well and the business area achieved its highest operating margin ever in a quarter.

As previously announced, we continue to explore the possibility of a reasonable settlement with the U.S. Department of Justice regarding the pending acquisition of GE Appliances. At the same time, we are also preparing to defend ourselves in court in November and we are confident of the merits of our case. We believe that the appliance industry is more competitive than ever and we remain confident that the acquisition will enhance our ability to deliver even



more innovative products at a better value to consumers, builders and retailers. 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, October 23, 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 08.01 CET on October 23, 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).