

Interim Report January - June 2016

Stockholm, July 20, 2016

Highlights of the second quarter of 2016

- Net sales amounted to SEK 29,983m (31,355).
- Organic sales declined by -0.9%, acquired growth was 0.1% and currency translation had a negative impact of -3.6% on net sales.
- Improved results across most business areas.
- Four of six business areas achieved an operating margin above 6%.
- Operating income increased to SEK 1,564m (921), corresponding to a margin of 5.2% (2.9).
- Strong operating cash flow after investments of SEK 4.1bn (2.9).
- Income for the period was SEK 1,079m (608), and earnings per share was SEK 3.75 (2.12).

Financial overview

SEKm	Q2 2016	Q2 2015	Change, %	First half 2016	First half 2015	Change, %
Net sales	29,983	31,355	-4	58,097	60,442	-4
Organic growth, %	-0.9	7.0		0.3	3.2	
Acquired growth, %	0.1	0.1		0.1	0.1	
Changes in exchange rates, %	-3.6	12.0		-4.3	13.0	
Operating income	1,564	921	70	2,832	1,437	97
Margin, %	5.2	2.9		4.9	2.4	
Income after financial items	1,448	815	78	2,611	1,265	106
Income for the period	1,079	608	77	1,954	947	106
Earnings per share, SEK ¹⁾	3.75	2.12		6.80	3.30	
Operating cash flow after investments	4,141	2,993	38	3,561	2,402	48
Return on net assets, %	—	—		25.7	10.8	

¹⁾ Basic based on an average of 287.4 (287.4) million shares for the second quarter and 287.4 (286.9) million shares for the first half of 2016, excluding shares held by Electrolux.

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 2015, Electrolux had sales of SEK 124 billion and about 58,000 employees. For more information, go to www.electroluxgroup.com

AB Electrolux (publ) 556009-4178



Market overview

Market overview for the second quarter

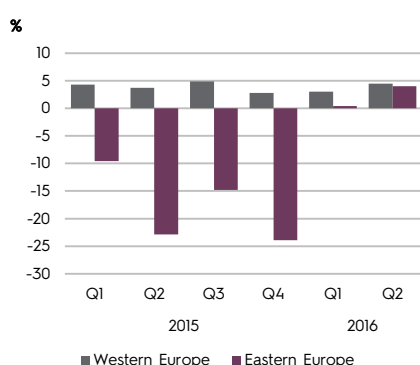
Market demand for core appliances in Europe increased by 4% in the second quarter. The market in Western Europe improved by 5% and Eastern Europe by 4%.

Market demand for core appliances in North America increased by 3%.

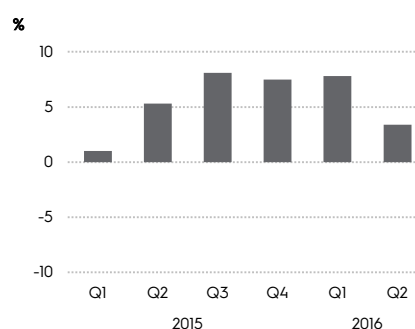
Market demand for core appliances in Australia, Southeast Asia and China increased.

Demand for core appliances in Brazil continued to deteriorate and most other Latin American markets also declined.

Industry shipments of core appliances in Europe*



Industry shipments of core appliances in the US*



*Units, year-over-year, %.

Sources: Europe: Electrolux estimates, North America: AHAM. For other markets, there are no comprehensive market statistics.

The second quarter in summary

- Organic sales growth for Major Appliances EMEA and Professional Products.
- Continued strong earnings trend for Major Appliances EMEA and Major Appliances North America.
- Weak market environment in Latin America continued to impact sales and earnings in the region.
- Results for Major Appliances Asia/Pacific improved mainly due to favorable development in Southeast Asia.
- Stable results for Professional Products.
- Actions to improve profitability for Small Appliances continued.
- Currency headwinds continued to impact earnings negatively.

SEKm	Q2 2016	Q2 2015	Change, %	First half 2016	First half 2015	Change, %
Net sales	29,983	31,355	-4.4	58,097	60,442	-3.9
Change in net sales, %, whereof						
Organic growth	-0.9	7.0		0.3	3.2	
Acquisitions	0.1	0.1		0.1	0.1	
Changes in exchange rates	-3.6	12.0		-4.3	13.0	
Operating income						
Major Appliances Europe, Middle East and Africa	567	426	33	1,120	797	41
Major Appliances North America	742	401	85	1,237	344	260
Major Appliances Latin America	69	107	-36	100	284	-65
Major Appliances Asia/Pacific	150	135	11	245	187	31
Small Appliances	6	-4	n.m.	50	-12	n.m.
Professional Products	222	220	1	427	390	9
Other, Common Group costs, etc.	-192	-364	47	-347	-553	37
Operating income	1,564	921	70	2,832	1,437	97
Margin, %	5.2	2.9		4.9	2.4	

Net sales for the Electrolux Group decreased by 4.4% in the second quarter of 2016. Organic sales declined by 0.9%, acquisitions had a positive impact on sales of 0.1% and currency translation had a negative impact of 3.6%. Major Appliances EMEA and Professional Products reported organic sales growth. Sales for Major Appliances North America were impacted by lower sales of products under private labels. Weak markets continued to impact sales for Major Appliances Latin America. Sales for Major Appliances Asia/Pacific declined as a result of repositioning and reduced sales activities in China. Sales for Small Appliances also declined mainly as a result of measures to reposition operations and exiting from unprofitable product categories.

Operating income increased to SEK 1,564m (921), corresponding to a margin of 5.2% (2.9).

Operating income for Major Appliances EMEA continued to improve. Increased sales volumes, higher cost efficiency and product-mix improvements contributed to the positive earnings trend.

Operating income for Major Appliances North America improved year-over-year, mainly as a result of increased cost efficiency, higher sales volumes and an improved product mix.

Continued weak markets had a negative impact on earnings in Latin America.

Operating income for Major Appliances Asia/Pacific improved primarily due to positive development in South-east Asia.

Operating income for Small Appliances improved. Activities to restore profitability are in progress.

Professional Products continued to report a stable earnings trend.

Effects of changes in exchange rates

Changes in exchange rates had a negative impact of SEK 478m on operating income year-over-year. The impact of transaction effects was SEK -425m. The negative impact refers mainly to a stronger US dollar against several currencies primarily in Latin America but also to currencies in Europe and the Middle East and Africa, compared with the same period of the previous year. This was partly mitigated by price/mix increases. Translation effects in the quarter amounted to SEK -53m.

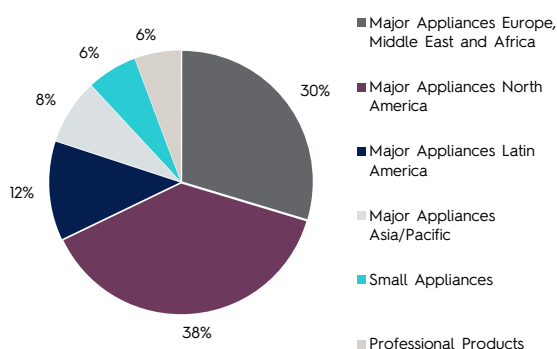
Financial net

Net financial items for the second quarter amounted to SEK -116m (-106).

Income for the period

Income for the period amounted to SEK 1,079m (608), corresponding to SEK 3.75 (2.12) in earnings per share.

Share of sales by business area in the second quarter of 2016



Events during the second quarter of 2016

April 6. Electrolux Annual General Meeting 2016

Petra Hedengran, Hasse Johansson, Ronnie Leten, Bert Nordberg, Fredrik Persson and Ulrika Saxon were re-elected to the Board of Directors. Ulla Litzén, David Porter and Jonas Samuelson were elected new Board members. Ronnie Leten was re-elected Chairman of the Board. The proposed dividend of SEK 6.50 per share was adopted.

April 11. Electrolux unveils blast chiller for households and other innovations in taste

A compact blast chiller for domestic use was one of several cooking innovations presented by Electrolux at the Eurocucina kitchen fair in Milan, Italy, on April 12-17. As the chosen supplier to half of Europe's Michelin-star restaurants, Electrolux is uniquely positioned to translate expertise from professional chefs into products that help consumers achieve great-tasting meals at home.

June 28. Electrolux acquires wine cabinet company in Asia Pacific

Electrolux has agreed to acquire Vintec, an Australia and Singapore-based company which supplies a wide range of climate-controlled wine cabinets throughout the Asia Pacific region.

With annual sales of more than AUD 22 million (approximately SEK 139 million), Vintec sells products under the market leading brands Vintec and Transtherm for both residential and professional customers. About two thirds of sales are in Australia, where Vintec also engages over 9,000 consumers through the Vintec Club.

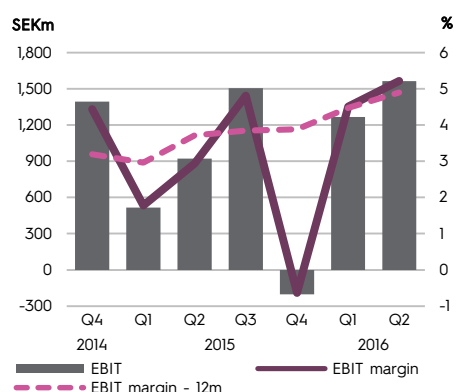
The transaction is expected to close in Q3, 2016. Operations will be included in the business area Major Appliances Asia/Pacific.

For more information, visit www.electroluxgroup.com

First half of 2016

Net sales for Electrolux in the first half of 2016 amounted to SEK 58,097m (60,442). Organic sales growth was 0.3%, acquisitions had a positive impact on sales of 0.1% and currency translation had a negative impact of 4.3%. Operating income increased to SEK 2,832m (1,437), corresponding to a margin of 4.9% (2.4). Income for the period amounted to SEK 1,954m (947), corresponding to SEK 6.80 (3.30) in earnings per share.

Operating income and margin



The EBIT margin - 12m is excluding costs related to GE Appliances, see page 21.

Business areas

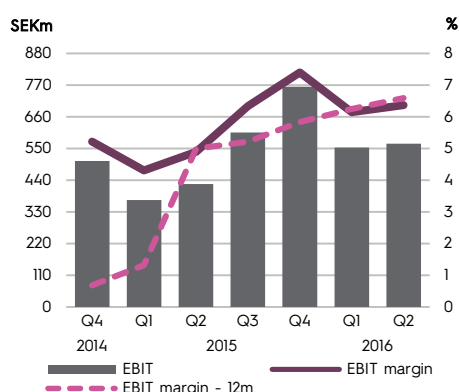
Major Appliances Europe, Middle East and Africa

In the second quarter, demand in Western Europe increased by 5%, improving in most markets. Growth was particularly strong in Spain, the Nordics and the UK. Demand in Eastern Europe increased by 4% year-over-year. Market demand improved in all markets. Overall, market demand in Europe increased by 4%.

Electrolux operations in EMEA reported an organic sales growth of 5% in the second quarter. This growth was mainly a result of increased sales volumes and an improved product mix. Sales increased in most markets both in Western and Eastern Europe and the Group continued to gain market shares under premium brands. A strong focus on the most profitable product categories continued to improve the product mix.

Operating income and margin increased significantly as a result of higher sales volumes, increased cost efficiency particularly within manufacturing, and product-mix improvements. This positive trend in earnings more than offset currency headwinds in the quarter which were related to the weakening of the British pound, in particular.

Operating income and margin



Industry shipments of core appliances in Europe, units, year-over-year, %	Q2 2016	Q2 2015	First half 2016	First half 2015	Full year 2015
Western Europe	5	4	4	5	5
Eastern Europe (excluding Turkey)	4	-23	3	-17	-17
Total Europe	4	-4	4	-1	-1
SEKm					
Net sales	8,897	8,699	17,898	17,307	37,179
Organic growth, %	5.2	2.7	6.2	2.8	4.4
Operating income	567	426	1,120	797	2,167
Operating margin, %	6.4	4.9	6.3	4.6	5.8

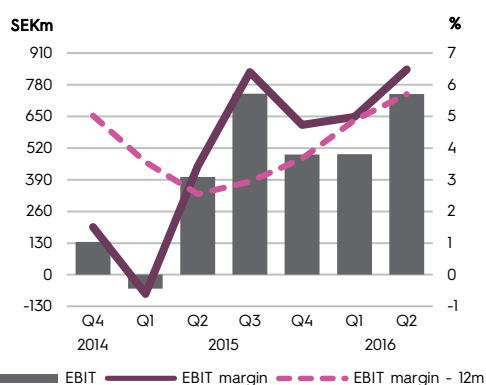
Major Appliances North America

In the second quarter, market demand for core appliances in North America increased by 3% year-over-year. Market demand for major appliances, including microwave ovens and home-comfort products, such as room air-conditioners, was in line with the same period previous year.

Electrolux operations in North America reported an organic sales decline of 1.5% in the quarter. Sales of core appliances declined somewhat, driven by products under private labels, while sales of products under own brands increased. Sales of room air-conditioners and dehumidifiers grew significantly.

Operating income for the second quarter improved as a result of increased cost efficiency, higher volumes and product-mix improvements.

Operating income and margin



Industry shipments of appliances in the US, units, year-over-year, %	Q2 2016	Q2 2015	First half 2016	First half 2015	Full year 2015
Core appliances	3	5	5	3	6
Microwave ovens and home-comfort products	-5	18	-3	11	14
Total Major Appliances US	0	10	2	6	8
SEKm					
Net sales	11,450	11,717	21,387	21,030	43,053
Organic growth, % ¹⁾	-1.5	11.4	1.7	4.2	4.9
Operating income	742	401	1,237	344	1,580
Operating margin, %	6.5	3.4	5.8	1.6	3.7

¹⁾ The organic growth in the second quarter and the first half was negatively impacted by 0.2% and 0.2% respectively related to the transfer of operations under the Kelvinator brand to the business area Professional Products.

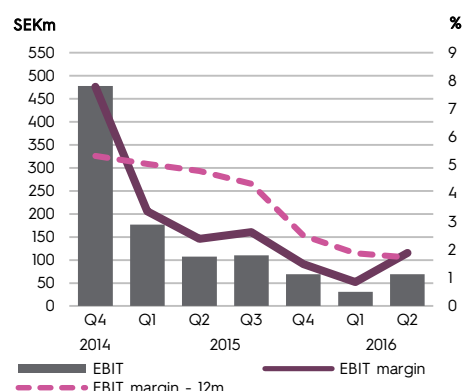
Major Appliances Latin America

In the second quarter, the macro-economic environment in Brazil continued to weaken and impacted market demand for core appliances, which declined significantly year-over-year. Market demand has deteriorated for six consecutive quarters. Demand in several other Latin American markets, such as Argentina and Chile, also declined.

Electrolux operations in Latin America continued to be impacted by this weak market development and organic sales declined by 7% during the quarter.

Operating income for the operations deteriorated. The Group continued to take actions to adjust the cost base to the lower demand. Price increases offset continued currency headwinds.

Operating income and margin



SEKm	Q2 2016	Q2 2015	First half 2016	First half 2015	Full year 2015
Net sales	3,659	4,476	7,302	9,737	18,546
Organic growth, %	-6.7	11.4	-9.3	6.3	-1.5
Operating income	69	107	100	284	463
Operating margin, %	1.9	2.4	1.4	2.9	2.5

Major Appliances Asia/Pacific

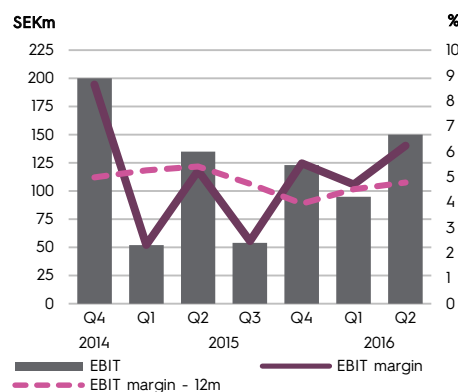
In the second quarter, overall market demand for core appliances in Australia is estimated to have increased year-over-year. Market demand in Southeast Asia and China also increased.

Electrolux organic sales declined during the second quarter. Repositioning and reduced sales activities in China continued to impact overall sales while other regions reported sales growth. Sales in Australia and New Zealand also continued to show favorable trends. Sales in Southeast Asia increased significantly as a result of higher sales volumes across all product categories.

Operating income and margin improved year-over-year, primarily due to the favorable development in Australia, New Zealand and Southeast Asia. A positive country and product mix contributed to earnings in the quarter.

The concentration of refrigerator production to the Group's production facility in Rayong in Thailand was completed during the quarter and new products are being launched in several markets.

Operating income and margin



SEKm	Q2 2016	Q2 2015	First half 2016	First half 2015	Full year 2015
Net sales	2,407	2,576	4,429	4,817	9,229
Organic growth, %	-2.0	0.7	-3.5	-0.7	-5.1
Acquisitions, %	—	0.8	—	0.9	0.8
Operating income	150	135	245	187	364
Operating margin, %	6.2	5.2	5.5	3.9	3.9

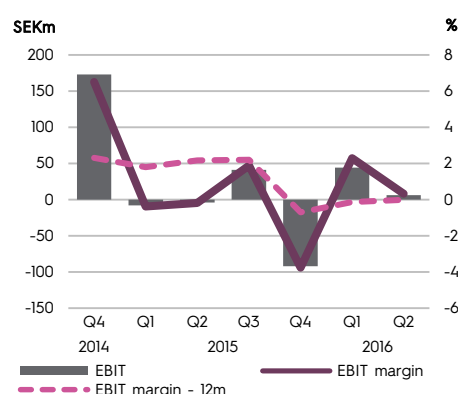
Small Appliances

In the second quarter, market demand for vacuum cleaners in Europe is estimated to have declined year-over-year, while demand for cordless hand-held vacuum cleaners increased significantly. Market demand for vacuum cleaners in North America and Asia Pacific declined.

Electrolux organic sales declined by 12% in the quarter. Europe displayed sales growth, while most other regions declined. The actions to reposition operations and exit unprofitable product categories, mainly in North America, continued. Further, weak market development in several regions also had a negative impact on sales.

Operating income improved year-over-year. A positive sales mix impacted earnings, due to increased sales in the premium segment in Europe. The program to restore profitability, including cost reductions, downsizing of activities and active product portfolio management, continued and contributed positively to operating income for the quarter.

Operating income and margin



SEKm	Q2 2016	Q2 2015	First half 2016	First half 2015	Full year 2015
Net sales	1,858	2,198	3,785	4,337	8,958
Organic growth, %	-12.3	2.6	-9.2	-1.6	-3.8
Operating income	6	-4	50	-12	-63
Operating margin, %	0.3	-0.2	1.3	-0.3	-0.7

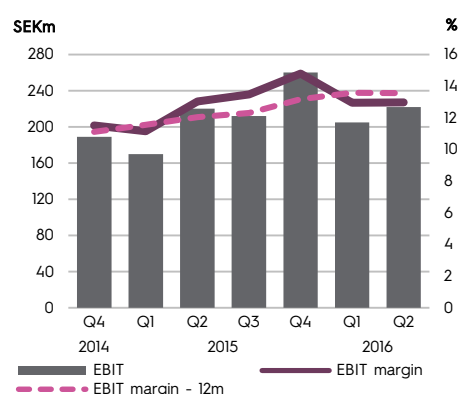
Professional Products

Overall market demand in the second quarter for professional food-service and professional laundry equipment improved year-over-year, but the pattern was mixed. Demand in the core markets for Electrolux in Western Europe was stable. The US posted year-over-year growth, while emerging markets declined.

Electrolux organic sales were stable. The sales increase in the quarter was mainly related to acquisitions. Sales of laundry equipment increased in several markets and were particularly strong in Western Europe and Japan. Sales of food-service equipment reported a good trend in most markets, but declined overall due to lower project sales in the Middle East and Africa. A strong product offering in both food-service and laundry equipment contributed to the positive sales trend in most markets. The acquisition in 2015 of the professional dishwasher manufacturer Veetsan in China, had a positive impact on sales of 1.4%.

Operating income and margin were stable and in line with the same period in the preceding year. Investments in product development, new segments and markets continued.

Operating income and margin



SEKm	Q2 2016	Q2 2015	First half 2016	First half 2015	Full year 2015
Net sales	1,712	1,689	3,296	3,214	6,546
Organic growth, % ¹⁾	1.1	5.1	2.7	4.1	2.8
Acquisitions, %	1.4	—	1.4	—	1.2
Operating income	222	220	427	390	862
Operating margin, %	13.0	13.0	13.0	12.1	13.2

¹⁾ The organic growth in the second quarter and the first half was positively impacted by 1.3% and 1.3% respectively related to the transfer of operations under the Kelvinator brand in North America from the business area Major Appliances North America.

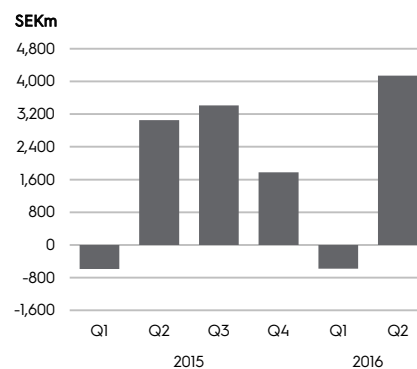
Cash flow

Operating cash flow after investments in the second quarter of 2016 far exceeded the level in the preceding year and amounted to SEK 4,141m (2,993). The main contributor to this strong cash flow is the improvement in earnings but also to some extent lower capital expenditure.

The dividend payment for 2015 of SEK 1,868m was distributed to shareholders during the quarter.

Operating cash flow after investments in the first half of 2016 amounted to SEK 3,561m (2,402).

Operating cash flow after investments



SEKm	Q2 2016	Q2 2015	First half 2016	First half 2015	Full year 2015
Operating income adjusted for non-cash items ¹⁾	2,707	2,043	5,027	3,609	7,235
Change in operating assets and liabilities	1,855	1,910	-516	548	2,822
Operating cash flow	4,562	3,953	4,511	4,157	10,057
Investments in tangible and intangible assets	-678	-889	-1 314	-1 642	-3 640
Changes in other investments	257	-71	364	-113	328
Operating cash flow after investments	4,141	2,993	3,561	2,402	6,745
Acquisitions and divestments of operations	–	-78	-3	-78	-91
Operating cash flow after structural changes	4,141	2,915	3,558	2,324	6,654
Financial items paid, net ²⁾	-117	-107	-178	-123	-513
Taxes paid	-430	-420	-631	-701	-1,277
Cash flow from operations and investments	3,594	2,388	2,749	1,500	4,864
Dividend	-1,868	-1,868	-1,868	-1,868	-1,870
Share-based payments	-3	–	-57	–	–
Total cash flow, excluding changes in loans and short-term investments	1,723	520	824	-368	2,994

¹⁾ Operating income adjusted for depreciation, amortization and other non-cash items.

²⁾ For the period January 1 to June 30. Interests and similar items received SEK 52m (70), interests and similar items paid SEK -243m (-229) and other financial items paid SEK -59m (-25).

Financial position

Net debt

The financial net debt as of June 30, 2016, of SEK 1,271m, declined by SEK 627m compared to SEK 1,898m as of December 31, 2015. This is a result of the strong cash flow in the first half of 2016. Net provisions for post-employment benefits increased to SEK 6,455m. In total, net debt increased by SEK 1,319m in the first half of 2016.

Long-term borrowings and short-term part of long-term loans as of June 30, 2016, amounted to SEK 8,407m with average maturity of 3.2 years, compared to SEK 11,000m and 2.8 years at the end of 2015.

In the second quarter, long-term borrowings in the amount of SEK 2,656m were amortized. There are no more maturities of long-term borrowings in 2016.

Liquid funds as of June 30, 2016, amounted to SEK 8,988m (8,759), excluding short-term back-up facilities.

Net assets and working capital

Average net assets for the first half of 2016 amounted to SEK 22,032m (26,668), corresponding to 19.0% (22.1) of annualized net sales. Net assets as of June 30, 2016, amounted to SEK 21,648m (25,286).

Working capital as of June 30, 2016, amounted to SEK -11,706m (-9,022), corresponding to -9.5% (-7.3) of annualized net sales.

Return on net assets was 25.7% (10.8), and return on equity was 27.3% (11.8).

Net debt

SEKm	June 30, 2016	June 30, 2015	Dec. 31, 2015
Short-term loans	1,267	1,749	1,499
Short-term part of long-term loans	-	3,373	2,677
Trade receivables with recourse	321	312	328
Short-term borrowings	1,588	5,434	4,504
Financial derivative liabilities	241	175	215
Accrued interest expenses and prepaid interest income	23	42	55
Total short-term borrowings	1,852	5,651	4,774
Long-term borrowings	8,407	8,256	8,323
Total borrowings¹⁾	10,259	13,907	13,097
Cash and cash equivalents	8,538	8,258	10,696
Short-term investments	3	78	108
Financial derivative assets	191	164	141
Prepaid interest expenses and accrued interest income	256	259	254
Liquid funds²⁾	8,988	8,759	11,199
Financial net debt	1,271	5,148	1,898
Net provisions for post-employment benefits	6,455	4,060	4,509
Net debt	7,726	9,208	6,407
Net debt/equity ratio	0.55	0.57	0.43
Equity	13,922	16,078	15,005
Equity per share, SEK	48.44	55.94	52.21
Return on equity, %	27.3	11.8	9.9
Equity/assets ratio, %	19.0	21.4	20.8

¹⁾ Whereof interest-bearing liabilities in the amount of SEK 9,674m as of June 30, 2016, SEK 13,378m as of June 30, 2015 and SEK 12,499m as of December 31, 2015.

²⁾ Electrolux has one unused committed back-up multicurrency revolving credit facility of EUR 1,000m, approximately SEK 9,400m, expiring in 2021 with two extension options of one year each. Electrolux also has two unused committed credit facilities, one of USD 300m, approximately SEK 2,500m, maturing in 2018 and one of USD 150m, approximately SEK 1,300m, maturing in 2016.

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 June 30, 2016, the Group had a total of 3,218 (3,201) cases pending, representing approximately 3,282 (approximately 3,260) plaintiffs. During the second quarter of 2016, 356 new cases with 356 plaintiffs were filed and 448 pending cases with approximately 451 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.

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 2015 Annual Report on page 70. 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 2015, www.electrolux.com/annualreport2015

Press releases 2016

January 5	Electrolux remains in the forefront of connected appliances
January 11	Keith McLoughlin to retire from Electrolux and will be succeeded by Jonas Samuelson as President and CEO
January 20	Electrolux tops industry for the 5th year in global sustainability ranking
January 22	Tomas Eliasson, Chief Financial Officer of AB Electrolux, has decided to resign
January 28	Consolidated Results 2015 and CEO Keith McLoughlin's comments
January 28	New heads of Major Appliances EMEA and Major Appliances North America
February 15	Changes to the Board of AB Electrolux
February 23	Management changes in AB Electrolux, new CFO and Head of Small Appliances

February 24	Electrolux Capital Markets Day 2016
February 26	Notice convening the AGM of AB Electrolux
March 2	Electrolux Annual Report 2015 is published
March 21	Electrolux presents initiative For the Better in 2015 Sustainability Report
April 7	Bulletin from Electrolux AGM 2016
April 11	Electrolux unveils blast chiller for households and other innovations in taste at Eurocucina 2016
April 28	Electrolux interim report January-March 2016 and CEO Jonas Samuelson's comments
June 28	Electrolux acquires wine cabinet company in Asia Pacific

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 half of 2016 amounted to SEK 15,947m (15,320) of which SEK 12,902m (12,338) referred to sales to Group companies and SEK 3,045m (2,982) to external customers. Income after financial items was SEK 2,165m (1,400), including dividends from subsidiaries in the amount of SEK 1,438m (1,708). Income for the period amounted to SEK 2,036m (1,476).

Capital expenditure in tangible and intangible assets was SEK 105m (101). Liquid funds at the end of the period amounted to SEK 5,241m, as against SEK 7,346m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 13,230m, as against SEK 13,176m at the start of the year. Dividend payment to shareholders for 2015 amounted to SEK 1,868m.

The income statement and balance sheet for the Parent Company are presented on page 19.

The report has not been audited.

The Board of Directors and the President and CEO certify that the Interim Report for the period January - June 2016 gives a true and fair overview of the Parent Company AB Electrolux and the Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 19, 2016

AB Electrolux (publ)
556009-4178

Ronnie Leten
Chairman of the Board of Directors

Petra Hedengran
Board member

Hasse Johansson
Board member

Ulla Litzén
Board member

Bert Nordberg
Board member

Fredrik Persson
Board member

David Porter
Board member

Jonas Samuelson
Board member, President and CEO

Ulrika Saxon
Board member

Ola Bertilsson
*Board member,
employee representative*

Gunilla Brandt
*Board member,
employee representative*

Ulf Carlsson
*Board member,
employee representative*

Consolidated income statement

SEKm	Q2 2016	Q2 2015	First half 2016	First half 2015	Full year 2015
Net sales	29,983	31,355	58,097	60,442	123,511
Cost of goods sold	-23,636	-25,477	-45,980	-49,424	-99,913
Gross operating income	6,347	5,878	12,117	11,018	23,598
Selling expenses	-3,246	-3,177	-6,272	-6,267	-12,719
Administrative expenses	-1,442	-1,526	-2,822	-2,973	-6,019
Other operating income/expenses	-95	-254	-191	-341	-2,119
Operating income	1,564	921	2,832	1,437	2,741
Margin, %	5.2	2.9	4.9	2.4	2.2
Financial items, net	-116	-106	-221	-172	-640
Income after financial items	1,448	815	2,611	1,265	2,101
Margin, %	4.8	2.6	4.5	2.1	1.7
Taxes	-369	-207	-657	-318	-533
Income for the period	1,079	608	1,954	947	1,568
Items that will not be reclassified to income for the period:					
Remeasurement of provisions for post-employment benefits	-383	1,551	-1,959	756	343
Income tax relating to items that will not be reclassified	98	-396	541	-217	-114
	-285	1,155	-1,418	539	229
Items that may be reclassified subsequently to income for the period:					
Available-for-sale instruments	-4	-5	-24	5	-39
Cash flow hedges	8	-66	-29	-49	-28
Exchange-rate differences on translation of foreign operations	1,018	-1,172	349	-20	-1,454
Income tax relating to items that may be reclassified	-18	36	-16	10	29
	1,004	-1,207	280	-54	-1,492
Other comprehensive income, net of tax	719	-52	-1,138	485	-1,263
Total comprehensive income for the period	1,798	556	816	1,432	305
Income for the period attributable to:					
Equity holders of the Parent Company	1,079	608	1,954	947	1,566
Non-controlling interests	0	1	0	1	2
Total	1,079	609	1,954	948	1,568
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	1,797	557	816	1,431	307
Non-controlling interests	1	-1	0	1	-2
Total	1,798	556	816	1,432	305
Earnings per share					
Basic, SEK	3.75	2.12	6.80	3.30	5.45
Diluted, SEK	3.73	2.11	6.76	3.28	5.42
Average number of shares¹⁾					
Basic, million	287.4	287.4	287.4	286.9	287.1
Diluted, million	289.0	289.0	288.9	288.7	288.9

¹⁾ Average number of shares excluding shares held by Electrolux.

Consolidated balance sheet

SEKm	June 30, 2016	June 30, 2015	Dec. 31, 2015
Assets			
Property, plant and equipment	18,421	18,829	18,450
Goodwill	5,121	5,371	5,200
Other intangible assets	3,150	3,654	3,401
Investments in associates	205	232	209
Deferred tax assets	6,198	5,305	5,889
Financial assets	269	319	284
Pension plan assets	408	514	397
Other non-current assets	583	1,260	858
Total non-current assets	34,355	35,484	34,688
Inventories	16,093	15,297	14,179
Trade receivables	17,632	18,596	17,745
Tax assets	757	907	730
Derivatives	191	179	149
Other current assets	4,781	5,018	5,176
Short-term investments	3	78	108
Cash and cash equivalents	8,538	8,258	10,696
Total current assets	47,995	48,333	48,783
Total assets	82,350	83,817	83,471
Equity and liabilities			
Equity attributable to equity holders of the Parent Company			
Share capital	1,545	1,545	1,545
Other paid-in capital	2,905	2,905	2,905
Other reserves	-1,459	-305	-1,739
Retained earnings	10,901	11,899	12,264
Equity attributable to equity holders of the Parent Company	13,892	16,044	14,975
Non-controlling interests	30	34	30
Total equity	13,922	16,078	15,005
Long-term borrowings	8,407	8,256	8,323
Deferred tax liabilities	593	662	645
Provisions for post-employment benefits	6,863	4,574	4,906
Other provisions	5,736	5,427	5,649
Total non-current liabilities	21,599	18,919	19,523
Accounts payable	27,894	26,414	26,467
Tax liabilities	575	979	813
Other liabilities	14,254	13,054	14,529
Short-term borrowings	1,588	5,434	4,504
Derivatives	281	181	222
Other provisions	2,237	2,758	2,408
Total current liabilities	46,829	48,820	48,943
Total equity and liabilities	82,350	83,817	83,471

Change in consolidated equity

SEKm	June 30, 2016	June 30, 2015	Dec. 31, 2015
Opening balance	15,005	16,468	16,468
Total comprehensive income for the period	816	1,432	305
Share-based payments	-31	46	102
Dividend to equity holders of the Parent Company	-1,868	-1,868	-1,868
Dividend to non-controlling interests	-	-	-2
Total transactions with equity holders	-1,899	-1,822	-1,768
Closing balance	13,922	16,078	15,005

Consolidated cash flow statement

SEKm	Q2 2016	Q2 2015	First half 2016	First half 2015	Full year 2015
Operations					
Operating income	1,564	921	2,832	1,437	2,741
Depreciation and amortization	905	1,016	1,887	1,976	3,936
Other non-cash items	238	106	308	196	558
Financial items paid, net ¹⁾	-117	-107	-178	-123	-513
Taxes paid	-430	-420	-631	-701	-1,277
Cash flow from operations, excluding change in operating assets and liabilities	2,160	1,516	4,218	2,785	5,445
Change in operating assets and liabilities					
Change in inventories	27	42	-1,393	-942	-306
Change in trade receivables	11	123	763	1,928	1,672
Change in accounts payable	1,300	1,395	591	838	1,798
Change in other operating assets, liabilities and provisions	517	350	-477	-1,276	-342
Cash flow from change in operating assets and liabilities	1,855	1,910	-516	548	2,822
Cash flow from operations	4,015	3,426	3,702	3,333	8,267
Investments					
Acquisition of operations	–	-78	-3	-78	-91
Capital expenditure in property, plant and equipment	-554	-671	-1,093	-1,327	-3,027
Capital expenditure in product development	-55	-105	-108	-174	-359
Capital expenditure in software	-69	-113	-113	-141	-254
Other	257	-71	364	-113	328
Cash flow from investments	-421	-1,038	-953	-1,833	-3,403
Cash flow from operations and investments	3,594	2,388	2,749	1,500	4,864
Financing					
Change in short-term investments	8	–	105	21	-9
Change in short-term borrowings	-154	209	-472	5	84
New long-term borrowings	–	1,447	–	1,447	1,447
Amortization of long-term borrowings	-2,656	-1,904	-2,660	-1,909	-2,632
Dividend	-1,868	-1,868	-1,868	-1,868	-1,870
Share-based payments	-3	–	-57	–	–
Cash flow from financing	-4,673	-2,116	-4,952	-2,304	-2,980
Total cash flow	-1,079	272	-2,203	-804	1,884
Cash and cash equivalents at beginning of period	9,486	8,109	10,696	9,107	9,107
Exchange-rate differences referring to cash and cash equivalents	131	-123	45	-45	-295
Cash and cash equivalents at end of period	8,538	8,258	8,538	8,258	10,696

¹⁾ For the period January 1 to June 30. Interests and similar items received SEK 52m (70), interests and similar items paid SEK -243m (-229) and other financial items paid SEK -59m (-25).

Key ratios

SEKm unless otherwise stated	Q2 2016	Q2 2015	First half 2016	First half 2015	Full year 2015
Net sales	29,983	31,355	58,097	60,442	123,511
Organic growth, %	-0.9	7.0	0.3	3.2	2.2
Operating income	1,564	921	2,832	1,437	2,741
Margin, %	5.2	2.9	4.9	2.4	2.2
Income after financial items	1,448	815	2,611	1,265	2,101
Income for the period	1,079	608	1,954	947	1,568
Capital expenditure, property, plant and equipment	-554	-671	-1,093	-1,327	-3,027
Operating cash flow after investments	4,141	2,993	3,561	2,402	6,745
Earnings per share, SEK ¹⁾	3.75	2.12	6.80	3.30	5.45
Equity per share, SEK	48.44	55.94	48.44	55.94	52.21
Capital-turnover rate, times/year	—	—	5.3	4.5	5.0
Return on net assets, %	—	—	25.7	10.8	11.0
Return on equity, %	—	—	27.3	11.8	9.9
Net debt	7,726	9,208	7,726	9,208	6,407
Net debt/equity ratio	0.55	0.57	0.55	0.57	0.43
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4	287.4	286.9	287.1
Average number of employees	55,770	57,675	55,822	58,529	58,265

¹⁾ Basic, based on average number of shares excluding shares held by Electrolux.
For definitions, see page 23.

Shares

Number of shares	A-shares	B-shares	Shares, total	Shares held by Electrolux	Shares held by other shareholders
Number of shares as of January 1, 2016	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
Number of shares as of June 30, 2016	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
As % of total number of shares				7.0%	

Exchange rates

SEK	June 30, 2016		June 30, 2015		Dec. 31, 2015	
Exchange rate	Average	End of period	Average	End of period	Average	End of period
ARS	0.5690	0.5859	0.9417	0.9064	0.9059	0.6481
AUD	6.31	6.15	6.47	6.33	6.31	6.13
BRL	2.64	2.28	2.82	2.65	2.57	2.15
CAD	6.55	6.30	6.73	6.66	6.57	6.06
CHF	8.67	8.47	8.75	8.85	8.71	8.50
CLP	0.0128	0.0122	0.0134	0.0129	0.0129	0.0119
CNY	1.28	1.28	1.33	1.33	1.34	1.30
EUR	9.42	9.28	9.34	9.22	9.35	9.19
GBP	11.40	11.94	12.71	12.95	12.84	12.45
HUF	0.0297	0.0296	0.0303	0.0293	0.0302	0.0293
MXN	0.4567	0.4677	0.5468	0.5256	0.5298	0.4865
RUB	0.1318	0.1207	0.1443	0.1478	0.1375	0.1152
THB	0.2416	0.2356	0.2515	0.2438	0.2454	0.2336
USD	8.49	8.36	8.30	8.24	8.40	8.41

Net sales by business area

SEKm	Q2 2016	Q2 2015	First half 2016	First half 2015	Full year 2015
Major Appliances Europe, Middle East and Africa	8,897	8,699	17,898	17,307	37,179
Major Appliances North America	11,450	11,717	21,387	21,030	43,053
Major Appliances Latin America	3,659	4,476	7,302	9,737	18,546
Major Appliances Asia/Pacific	2,407	2,576	4,429	4,817	9,229
Small Appliances	1,858	2,198	3,785	4,337	8,958
Professional Products	1,712	1,689	3,296	3,214	6,546
Total	29,983	31,355	58,097	60,442	123,511

Change in net sales by business area

Year-over-year, %	Q2 2016	Q2 2016 in local currencies	First half 2016	First half 2016 in local currencies
Major Appliances Europe, Middle East and Africa	2.3	5.2	3.4	6.2
Major Appliances North America	-2.3	-1.5	1.7	1.7
Major Appliances Latin America	-18.3	-6.7	-25.0	-9.3
Major Appliances Asia/Pacific	-6.6	-2.0	-8.1	-3.5
Small Appliances	-15.5	-12.3	-12.7	-9.2
Professional Products	1.4	2.5	2.6	4.1
Total change	-4.4	-0.8	-3.9	0.4

Operating income by business area

SEKm	Q2 2016	Q2 2015	First half 2016	First half 2015	Full year 2015 ¹⁾
Major Appliances Europe, Middle East and Africa	567	426	1,120	797	2,167
Margin, %	6.4	4.9	6.3	4.6	5.8
Major Appliances North America	742	401	1,237	344	1,580
Margin, %	6.5	3.4	5.8	1.6	3.7
Major Appliances Latin America	69	107	100	284	463
Margin, %	1.9	2.4	1.4	2.9	2.5
Major Appliances Asia/Pacific	150	135	245	187	364
Margin, %	6.2	5.2	5.5	3.9	3.9
Small Appliances	6	-4	50	-12	-63
Margin, %	0.3	-0.2	1.3	-0.3	-0.7
Professional Products	222	220	427	390	862
Margin, %	13.0	13.0	13.0	12.1	13.2
Common Group costs, etc.	-192	-364	-347	-553	-2,632
Operating income	1,564	921	2,832	1,437	2,741
Margin, %	5.2	2.9	4.9	2.4	2.2

¹⁾ Material profit or loss items in operating income by business area and in Common Group costs in 2015 are specified on page 21 and in Note 7 in the Annual Report 2015.

Change in operating income by business area

Year-over-year, %	Q2 2016	Q2 2016 in local currencies	First half 2016	First half 2016 in local currencies
Major Appliances Europe, Middle East and Africa	33.1	36.9	40.5	45.3
Major Appliances North America	85.0	88.8	259.6	275.9
Major Appliances Latin America	-35.5	-18.7	-64.8	-56.5
Major Appliances Asia/Pacific	11.1	18.9	31.0	44.7
Small Appliances	250.0	172.9	516.7	337.6
Professional Products	0.9	2.5	9.5	12.1
Total change	69.8	81.2	97.1	114.1

Working capital and net assets

SEKm	June 30, 2016		June 30, 2015		Dec. 31, 2015	
	SEKm	% of annualized net sales	SEKm	% of annualized net sales	SEKm	% of annualized net sales
Inventories	16,093	13.1	15,297	12.4	14,179	11.5
Trade receivables	17,632	14.4	18,596	15.0	17,745	14.3
Accounts payable	-27,894	-22.7	-26,414	-21.4	-26,467	-21.4
Provisions	-7,973		-8,185		-8,057	
Prepaid and accrued income and expenses	-9,602		-7,942		-9,406	
Taxes and other assets and liabilities	38		-374		-228	
Working capital	-11,706	-9.5	-9,022	-7.3	-12,234	-9.9
Property, plant and equipment	18,421		18,829		18,450	
Goodwill	5,121		5,371		5,200	
Other non-current assets	4,207		5,465		4,752	
Deferred tax assets and liabilities	5,605		4,643		5,244	
Net assets	21,648	17.6	25,286	20.4	21,412	17.3
Annualized net sales, end of period exchange rates	122,745		123,710		123,772	
Average net assets	22,032	19.0	26,668	22.1	24,848	20.1
Annualized net sales, average exchange rates	116,194		120,884		123,511	

Net assets by business area

SEKm	Assets			Equity and liabilities			Net assets		
	June 30, 2016	June 30, 2015	Dec. 31, 2015	June 30, 2016	June 30, 2015	Dec. 31, 2015	June 30, 2016	June 30, 2015	Dec. 31, 2015
Major Appliances Europe, Middle East and Africa	21,314	21,363	21,746	18,098	16,355	19,326	3,216	5,008	2,420
Major Appliances North America	17,358	17,611	16,601	14,449	12,960	11,747	2,909	4,651	4,854
Major Appliances Latin America	12,307	12,974	11,692	6,022	6,258	5,893	6,285	6,716	5,799
Major Appliances Asia/Pacific	5,535	5,819	5,422	3,694	3,812	3,822	1,841	2,007	1,600
Small Appliances	4,194	4,866	4,551	2,742	3,450	3,251	1,452	1,416	1,300
Professional Products	3,283	3,216	3,070	2,402	2,145	2,188	881	1,071	882
Other ¹⁾	8,963	8,695	8,793	3,899	4,278	4,236	5,064	4,417	4,557
Total operating assets and liabilities	72,954	74,544	71,875	51,306	49,258	50,463	21,648	25,286	21,412
Liquid funds	8,988	8,759	11,199	–	–	–	–	–	–
Total borrowings	–	–	–	10,259	13,907	13,097	–	–	–
Pension assets and liabilities	408	514	397	6,863	4,574	4,906	–	–	–
Dividend payable	–	–	–	–	–	–	–	–	–
Equity	–	–	–	13,922	16,078	15,005	–	–	–
Total	82,350	83,817	83,471	82,350	83,817	83,471	–	–	–

¹⁾ Includes common functions and tax items.

Net sales and income per quarter

SEKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Full year 2016	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Full year 2015
Net sales	28,114	29,983				29,087	31,355	31,275	31,794	123,511
Operating income	1,268	1,564				516	921	1,506	-202	2,741
Margin, %	4.5	5.2				1.8	2.9	4.8	-0.6	2.2
Income after financial items	1,163	1,448				450	815	1,361	-525	2,101
Income for the period	875	1,079				339	608	1,014	-393	1,568
Earnings per share, SEK ¹⁾	3.04	3.75				1.18	2.12	3.53	-1.38	5.45
Number of shares excluding shares owned by Electrolux, million	287.4	287.4				287.4	287.4	287.4	287.4	287.4
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4				286.6	287.4	287.4	287.4	287.1

¹⁾ Basic, based on average number of shares excluding shares held by Electrolux.

Net sales and operating income by business area

SEKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Full year 2016	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Full year 2015 ¹⁾
Major Appliances Europe, Middle East and Africa										
Net sales	9,001	8,897				8,608	8,699	9,540	10,332	37,179
Operating income	553	567				371	426	605	765	2,167
Margin, %	6.1	6.4				4.3	4.9	6.3	7.4	5.8
Major Appliances North America										
Net sales	9,937	11,450				9,313	11,717	11,610	10,413	43,053
Operating income	495	742				-57	401	743	493	1,580
Margin, %	5.0	6.5				-0.6	3.4	6.4	4.7	3.7
Major Appliances Latin America										
Net sales	3,643	3,659				5,261	4,476	4,190	4,619	18,546
Operating income	31	69				177	107	110	69	463
Margin, %	0.9	1.9				3.4	2.4	2.6	1.5	2.5
Major Appliances Asia/Pacific										
Net sales	2,022	2,407				2,241	2,576	2,192	2,220	9,229
Operating income	95	150				52	135	54	123	364
Margin, %	4.7	6.2				2.3	5.2	2.5	5.5	3.9
Small Appliances										
Net sales	1,927	1,858				2,139	2,198	2,169	2,452	8,958
Operating income	44	6				-8	-4	41	-92	-63
Margin, %	2.3	0.3				-0.4	-0.2	1.9	-3.8	-0.7
Professional Products										
Net sales	1,584	1,712				1,525	1,689	1,574	1,758	6,546
Operating income	205	222				170	220	212	260	862
Margin, %	12.9	13.0				11.1	13.0	13.5	14.8	13.2
Other										
Net sales	-	-				-	-	-	-	-
Operating income, Common Group costs, etc.	-155	-192				-189	-364	-259	-1,820	-2,632
Total Group										
Net sales	28,114	29,983				29,087	31,355	31,275	31,794	123,511
Operating income	1,268	1,564				516	921	1,506	-202	2,741
Margin, %	4.5	5.2				1.8	2.9	4.8	-0.6	2.2

¹⁾ Material profit or loss items in operating income by business area and Common Group costs in 2015 are specified on page 21 and in Note 7 in the Annual Report 2015.

Parent Company income statement

SEKm	Q2 2016	Q2 2015	First half 2016	First half 2015	Full year 2015
Net sales	7,787	7,766	15,947	15,320	33,179
Cost of goods sold	-6,457	-6,596	-13,055	-12,928	-28,005
Gross operating income	1,330	1,170	2,892	2,392	5,174
Selling expenses	-784	-885	-1,733	-1,819	-3,855
Administrative expenses	-389	-361	-706	-734	-1,789
Other operating income	1	—	1	—	—
Other operating expenses	—	-282	—	-282	-519
Operating income	158	-358	454	-443	-989
Financial income	1,491	1,393	1,714	1,975	3,830
Financial expenses	85	-237	-3	-132	-702
Financial items, net	1,576	1,156	1,711	1,843	3,128
Income after financial items	1,734	798	2,165	1,400	2,139
Appropriations	54	65	123	111	156
Income before taxes	1,788	863	2,288	1,511	2,295
Taxes	-140	19	-252	-35	103
Income for the period	1,648	882	2,036	1,476	2,398

Parent Company balance sheet

SEKm	June 30, 2016	June 30, 2015	Dec. 31, 2015
Assets			
Non-current assets	35,204	34,965	35,214
Current assets	18,819	18,711	24,559
Total assets	54,023	53,676	59,773
Equity and liabilities			
Restricted equity	4,652	4,562	4,562
Non-restricted equity	13,230	12,244	13,176
Total equity	17,882	16,806	17,738
Untaxed reserves	433	381	450
Provisions	1,356	1,521	1,446
Non-current liabilities	7,876	7,823	7,843
Current liabilities	26,476	27,145	32,296
Total equity and liabilities	54,023	53,676	59,773

Notes

Note 1 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 2015.

Note 2 Fair values and carrying amounts of financial assets and liabilities

SEKm	June 30, 2016		June 30, 2015	
	Fair value	Carrying amount	Fair value	Carrying amount
Per category				
Financial assets at fair value through profit and loss	2,423	2,423	3,643	3,643
Available for sale	113	113	181	181
Loans and receivables	18,416	18,416	19,900	19,900
Cash	5,681	5,681	3,706	3,706
Total financial assets	26,633	26,633	27,430	27,430
Financial liabilities at fair value through profit and loss	281	281	180	180
Financial liabilities measured at amortized cost	37,705	37,568	39,983	39,793
Total financial liabilities	37,986	37,849	40,163	39,973

The Group strives for arranging master-netting agreements (ISDA) with the counterparties for derivative transactions and has established such agreements with the majority of the counterparties, i.e., if a counterparty will default, assets and liabilities will be netted. Derivatives are presented gross in the balance sheet.

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. At June 30, the fair value for Level 1 financial assets was SEK 2,345m (3,645) and for financial liabilities SEK 0m (0).

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities either directly or indirectly. At June 30, the fair value of Level 2 financial assets was SEK 191m (179) and financial liabilities SEK 281m (180).

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data. Electrolux has no financial assets or liabilities qualifying for Level 3.

Note 3 Pledged assets and contingent liabilities

SEKm	June 30, 2016	June 30, 2015	Dec.31, 2015
Group			
Pledged assets	32	32	27
Contingent liabilities	1,705	2,755	1,312
Parent Company			
Pledged assets	–	–	–
Contingent liabilities	1,616	3,155	1,615

Operations by business area yearly

SEKm	2015	2014	2013	2012 ¹⁾	2011
Major Appliances Europe, Middle East and Africa					
Net sales	37,179	34,438	33,436	34,278	34,029
Operating income	2,167	232	-481	178	675
Margin, %	5.8	0.7	-1.4	0.5	2.0
Major Appliances North America					
Net sales	43,053	34,141	31,864	30,684	27,665
Operating income	1,580	1,714	2,136	1,347	146
Margin, %	3.7	5.0	6.7	4.4	0.5
Major Appliances Latin America					
Net sales	18,546	20,041	20,695	22,044	17,810
Operating income	463	1,069	979	1,590	820
Margin, %	2.5	5.3	4.7	7.2	4.6
Major Appliances Asia/Pacific					
Net sales	9,229	8,803	8,653	8,405	7,852
Operating income	364	438	116	746	736
Margin, %	3.9	5.0	1.3	8.9	9.4
Small Appliances					
Net sales	8,958	8,678	8,952	9,011	8,359
Operating income	-63	200	309	461	543
Margin, %	-0.7	2.3	3.5	5.1	6.5
Professional Products					
Net sales	6,546	6,041	5,550	5,571	5,882
Operating income	862	671	510	588	841
Margin, %	13.2	11.1	9.2	10.6	14.3
Other					
Net sales	–	1	1	1	1
Operating income, common Group costs, etc.	-2,632	-743	-1,989	-910	-744
Total Group					
Net sales	123,511	112,143	109,151	109,994	101,598
Operating income	2,741	3,581	1,580	4,000	3,017
Margin, %	2.2	3.2	1.4	3.6	3.0

¹⁾ 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.

Material profit or loss items in operating income ¹⁾	2015	2014	2013	2012	2011
Major Appliances Europe, Middle East and Africa	–	-1,212	-828	-927	-34
Major Appliances North America	-158 ²⁾	-39 ²⁾	–	-105	-104
Major Appliances Latin America	–	-10	–	–	–
Major Appliances Asia/Pacific	–	-10	-351	–	–
Small Appliances	-190	–	-82	–	–
Professional Products	–	–	–	–	–
Common Group cost	-1,901 ²⁾	-77 ²⁾	-1,214	–	–
Total Group	-2,249	-1,348	-2,475	-1,032	-138

¹⁾ For more information, see Note 7 in the Annual Report 2015.

²⁾ Refers to costs related to the not completed acquisition of GE Appliances. Costs for preparatory integration work of SEK 39m for 2014 and SEK 158m for 2015 have been charged to operating income for Major Appliances North America. Common Group cost includes transaction costs of SEK 110m for 2014 and SEK 408m for 2015 and a termination fee paid to General Electric in December 2015 of USD 175m, corresponding to SEK 1,493m. In total, costs of SEK 2,059m related to GE Appliances were charged to operating income in 2015 of which SEK 63m in the first quarter SEK 195m in the second quarter, SEK 142m in the third quarter and SEK 1,659m in the fourth quarter.

Five-year review

SEKm unless otherwise stated	2015	2014	2013	2012 ¹⁾	2011
Net sales	123,511	112,143	109,151	109,994	101,598
Organic growth, %	2.2	1.1	4.5	5.5	0.2
Operating income	2,741	3,581	1,580	4,000	3,017
Margin, %	2.2	3.2	1.4	3.6	3.0
Income after financial items	2,101	2,997	904	3,154	2,780
Income for the period	1,568	2,242	672	2,365	2,064
Material profit or loss items in operating income ²⁾	-2,249	-1,348	-2,475	-1,032	-138
Capital expenditure, property, plant and equipment	-3,027	-3,006	-3,535	4,090	3,163
Operating cash flow after investments	6,745	6,631	2,412	5,273	3,407
Earnings per share, SEK	5.45	7.83	2.35	8.26	7.25
Equity per share, SEK	52.21	57.52	49.99	54.96	72.51
Dividend per share, SEK	6.50	6.50	6.50	6.50	6.50
Capital-turnover rate, times/year	5.0	4.5	4.0	4.1	4.6
Return on net assets, %	11.0	14.2	5.8	14.8	13.7
Return on equity, %	9.9	15.7	4.4	14.4	10.4
Net debt	6,407	9,631	10,653	10,164	6,367
Net debt/equity ratio	0.43	0.58	0.74	0.65	0.31
Average number of shares excluding shares owned by Electrolux, million	287.1	286.3	286.2	285.9	284.7
Average number of employees	58,265	60,038	60,754	59,478	52,916

¹⁾ 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.

²⁾ For more information, see table on page 21 and Note 7 in the Annual Report 2015.

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.

Financial goals

- Operating margin of >6%
- Capital-turnover rate >4 times
- Return on net assets >20%
- Average annual organic growth >4%

Definitions

This report includes financial measures as required by the financial reporting framework applicable to Electrolux, which is based on IFRS. In addition, there are other measures and indicators that are used to follow-up, analyze and manage the business and to provide Electrolux stakeholders with useful financial information on the Group's financial position, performance and development in a consistent way. These other measures and indicators are considered essential in supporting the Group's financial goals to achieve a combination of continuous growth, high profitability, a stable cash flow, and an optimal capital base to generate a high total return for Electrolux shareholders. Thus, there are measures related to growth, profitability and capital, share-based measures and capital indicators which are considered relevant to present on a continuous basis. Below is a list of definitions of all measures and indicators used, referred to and presented in this report

Computation of average amounts and annualized income statement measures

In computation of key ratios where averages of capital balances are related to income statement measures, the average capital balances are based on the opening balance and all quarter-end closing balances included in the reporting period, and the income statement measures are annualized, translated at average rates for the period. In computation of key ratios where end-of-period capital balances are related to income statement measures, the latter are annualized, translated at end-of-period exchange rates. Adjustments are made for acquired and divested operations

Growth measures

Change in net sales

Current year net sales for the period less previous year net sales for the period as a percentage of previous year net sales for the period.

Organic growth

Change in net sales, adjusted for acquisitions, divestments and changes in exchange rates.

Acquired growth

Change in net sales less organic growth. Acquired growth relates to net sales reported by acquired operations within 12 months after the acquisition date.

Profitability measures

Operating margin (EBIT margin)

Operating income (EBIT) expressed as a percentage of net sales.

Return on net assets

Operating income (annualized) expressed as a percentage of average net assets.

Return on equity

Income for the period (annualized) expressed as a percentage of average total equity.

Capital measures

Net debt/equity ratio

Net debt in relation to total equity.

Equity/assets ratio

Total equity as a percentage of total assets less liquid funds.

Capital turnover-rate

Net sales (annualized) divided by average net assets.

Share-based measures

Earnings per share

Income for the period attributable to equity holders of the Parent Company divided by the average number of shares excluding shares held by Electrolux.

Equity per share

Total equity divided by total number of shares excluding shares held by Electrolux.

Capital indicators

Liquid funds

Cash and cash equivalents, short-term investments, financial derivative assets¹⁾ and prepaid interest expenses and accrued interest income¹⁾.

Working capital

Total current assets exclusive of liquid funds, less non-current other provisions and total current liabilities exclusive of total short-term borrowings.

Net assets

Total assets exclusive of liquid funds and pension plan assets, less deferred tax liabilities, non-current other provisions and total current liabilities exclusive of total short-term borrowings.

Total borrowings

Long-term borrowings and short-term borrowings, financial derivative liabilities¹⁾, accrued interest expenses and prepaid interest income¹⁾.

Total short-term borrowings

Short-term borrowings, financial derivative liabilities¹⁾, accrued interest expenses and prepaid interest income¹⁾.

Interest-bearing liabilities

Long-term borrowings and short-term borrowings exclusive of liabilities related to trade receivables with recourse¹⁾.

Financial net debt

Total borrowings less liquid funds.

Net provision for post-employment benefits

Provisions for post-employment benefits less pension plan assets.

Net debt

Financial net debt and net provision for post-employment benefits.

Other measures

Operating cash flow after investments

Cash flow from operations and investments adjusted for financial items paid, taxes paid and acquisitions/divestments of operations.

¹⁾ See table Net debt on page 8.

Shareholders' information

President and CEO Jonas Samuelson's comments on the second quarter results 2016

Today's press release is available on the Electrolux website www.electroluxgroup.com/ir

Telephone conference 09.00 CET

A telephone conference is held at 09.00 CET today, July 20. The conference will be chaired by Jonas Samuelson, President and CEO of Electrolux. Mr. Samuelson will be accompanied by Anna Ohlsson-Leijon, CFO.

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

Slide presentation for download:
www.electroluxgroup.com/ir

Link to webcast:
www.electroluxgroup.com/q2-2016

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Calendar 2016

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