

Interim Report January - March 2017

Stockholm, April 28, 2017

Highlights of the first quarter of 2017

- Net sales amounted to SEK 28,883m (28,114).
- Organic sales declined by 3%, while currency translation had a positive impact of 6% on net sales.
- Operating income increased to SEK 1,536m (1,268), corresponding to a margin of 5.3% (4.5).
- Improved results across all business areas.
- Continued good profitability for Major Appliances EMEA, Major Appliances North America, Major Appliances Asia/Pacific and Professional Products.
- Operating income for Major Appliances Latin America and Home Care & SDA recovered.
- Income for the period increased to SEK 1,083m (875), and earnings per share was SEK 3.77 (3.04).

Financial overview

SEKm	Q1 2017	Q1 2016	Change, %
Net sales	28,883	28,114	2.7
Organic growth, %	-2.8	1.8	
Acquisitions, %	0.3	0.1	
Divestments, %	-0.7	-	
Changes in exchange rates, %	5.9	-5.2	
Operating income	1,536	1,268	21.1
Margin, %	5.3	4.5	
Income after financial items	1,434	1,163	23
Income for the period	1,083	875	24
Earnings per share, SEK ¹⁾	3.77	3.04	
Operating cash flow after investments	-958	-580	365
Return on net assets, %	29.8	22.8	

1) Basic, based on an average of 287.4 (287.4) million shares for the first quarter of 2017, excluding shares held by Electrolux.

For definitions, see page 24.

About Electrolux

Electrolux is a global leader in household appliances and appliances for professional use, selling more than 60 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 2016, Electrolux had sales of SEK 121 billion and about 55,000 employees. For more information, go to www.electroluxgroup.com

AB Electrolux (publ) 556009-4178



Market overview

Market overview for the first quarter

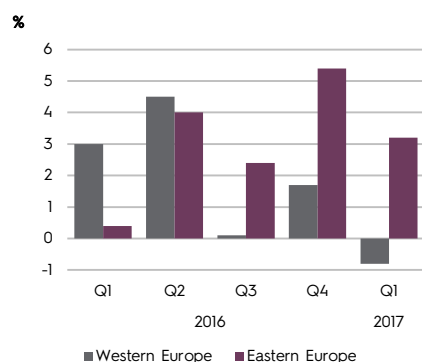
In the first quarter, market demand for core appliances in Europe was in line with the corresponding period in the previous year. Demand in Western Europe declined by 1% while demand in Eastern Europe increased by 3%.

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

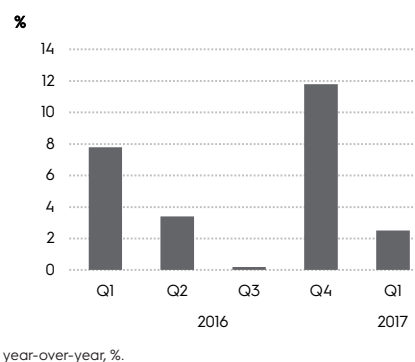
Market demand for appliances in Australia and China is estimated to have increased while demand in Southeast Asia decreased.

Demand for core appliances in Brazil continued to deteriorate but at a lower pace than in the previous quarters. Demand in Argentina and Chile improved.

INDUSTRY SHIPMENTS OF CORE APPLIANCES IN EUROPE*



INDUSTRY SHIPMENTS OF CORE APPLIANCES IN THE US*



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

The first quarter in summary

- Improved results across all business areas.
- Operating income for Major Appliances EMEA was stable and the margin improved mainly as a result of mix improvements and cost efficiencies, offsetting currency and raw-material headwinds.
- Operating income for Major Appliances North America continued to develop favorably due to cost efficiencies.
- Professional Products strengthened its position in several markets and earnings continued to improve.
- Operating income for Major Appliances Latin America and Home Care & SDA recovered.
- Acquisitions of Kwikot Group and Grindmaster Cecilware completed and announcement of the acquisition of Anova, which was completed in April.

SEKm	Q1 2017	Q1 2016	Change, %
Net sales	28,883	28,114	2.7
Change in net sales, %, whereof			
Organic growth	-2.8	1.8	
Acquisitions	0.3	0.1	
Divestments	-0.7	-	
Changes in exchange rates	5.9	-5.2	
Operating income			
Major Appliances Europe, Middle East and Africa	558	553	1
Major Appliances North America	605	495	22
Major Appliances Latin America	101	31	226
Major Appliances Asia/Pacific	112	95	18
Home Care & SDA	70	44	59
Professional Products	249	205	21
Other, Common Group costs, etc.	-159	-155	n.m.
Operating income	1,536	1,268	21
Margin, %	5.3	4.5	

Net sales for the Electrolux Group were positively impacted by 5.9% due to currency translation effects, while organic sales declined by 2.8%. Acquisitions and divestments had a net negative impact of 0.4%. Major Appliances Asia/Pacific and Professional Products reported organic sales growth. Sales for Major Appliances EMEA declined due to lower sales volumes. Sales for Major Appliances North America were impacted by increased price pressure in the market and lower sales volumes of products under private labels. Continued weak markets impacted sales for Major Appliances Latin America. Sales for Home Care & SDA also declined, mainly as a result of actions to exit from unprofitable product categories.

Operating income increased to SEK 1,536m (1,268), corresponding to a margin of 5.3% (4.5).

Operating income for Major Appliances EMEA was stable. Higher cost efficiency and product-mix improvements offset the negative impact from currency and raw-material headwinds.

Operating income for Major Appliances North America improved year-over-year, mainly due to increased cost efficiency in operations.

Operating income for Major Appliances Latin America and Home Care & SDA recovered following business restructuring.

Stable earnings development was reported for Major Appliances Asia/Pacific.

Professional Products continued to report a favorable sales and earnings trend.

Effects of changes in exchange rates

Changes in exchange rates had a positive year-over-year impact of SEK 10m on operating income. The impact of transaction effects was SEK -11m. This was a net impact of currency headwinds in EMEA, related to a weaker British pound and Egyptian pound, and to currency tailwinds related to stronger currencies in Latin America. Translation effects in the quarter amounted to SEK 21m.

Financial net

Net financial items for the first quarter amounted to SEK -102m (-105).

Income for the period

Income for the period amounted to SEK 1,083m (875), corresponding to SEK 3.77 (3.04) in earnings per share.

Events during the first quarter of 2017

February 1. Electrolux has appointed Ricardo Cons as head of Major Appliances Latin America

Electrolux has appointed Ricardo Cons as head of Major Appliances Latin America, and Executive Vice President of AB Electrolux. Ricardo Cons has been interim head of the business area since October 1, 2016, replacing Ruy Hirschheimer who has resigned from the company.

February 6. Electrolux acquire fast-growing smart kitchen appliance company Anova

Electrolux has acquired Anova, the U.S. based provider of the Anova Precision Cooker, an innovative connected device for sous vide cooking that enables restaurant-quality results in the home. The acquisition provides a significant opportunity for profitable growth in this emerging product category. Anova's direct-to-consumer business model and digital focus are also of strong strategic interest to Electrolux. Read more on page 21.

March 2. Electrolux strengthens professional offering of beverage products by acquiring Grindmaster-Cecilware

Electrolux has acquired Grindmaster-Cecilware, a leading U.S. based manufacturer of hot, cold and frozen beverage dispensing equipment, including coffee machines. The acquisition broadens Electrolux offering in its food service business and will accelerate the growth of the Professional Products business area by increasing access to the U.S. market. Read more on page 20.

March 20. Electrolux presents progress For the Better in 2016 Sustainability Report

The Electrolux Group has published its latest Sustainability Report, with facts and figures showing continued progress in key areas of sustainability during 2016.

March 21. Don't Overwash – new project drives sustainable care habits

The Electrolux Group is spreading the word on more sustainable clothing care habits through The Care Label Project, launched by its AEG brand along with key partners from the fashion industry. At the heart of the project is a new care label: 'Don't Overwash'.

March 23. Electrolux Annual General Meeting 2017

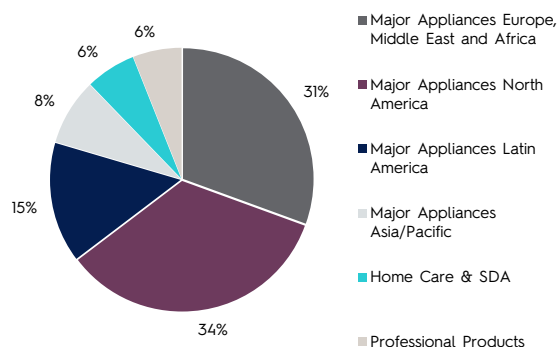
Petra Hedengran, Hasse Johansson, Ronnie Leten, Ulla Litzén, Bert Nordberg, Fredrik Persson, David Porter, Jonas Samuelson and Ulrika Saxon were re-elected to the Board of Directors. Kai Wärn was elected new Board member. Ronnie Leten was re-elected Chairman of the Board. The proposed dividend of SEK 7.50 per share was adopted.

April 3. Management change in AB Electrolux

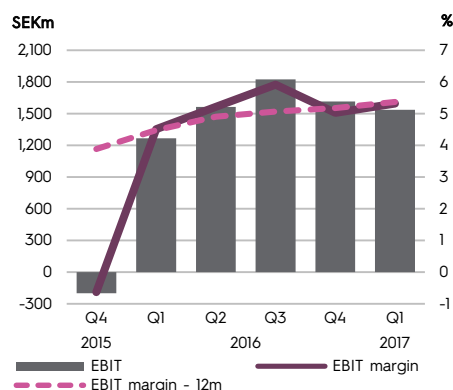
MaryKay Kopf, Chief Marketing Officer and member of Group Management, has decided to leave her position, effective May 1. Electrolux has appointed Lars Hygrell, currently Senior Vice President Marketing and Brands within the business area Major Appliances EMEA, as her successor.

For more information, visit www.electroluxgroup.com

SHARE OF SALES BY BUSINESS AREA IN THE FIRST QUARTER OF 2017



OPERATING INCOME AND MARGIN



The EBIT margin - 12m is excluding costs related to GE Appliances, see page 20.

Business areas

Major Appliances Europe, Middle East and Africa

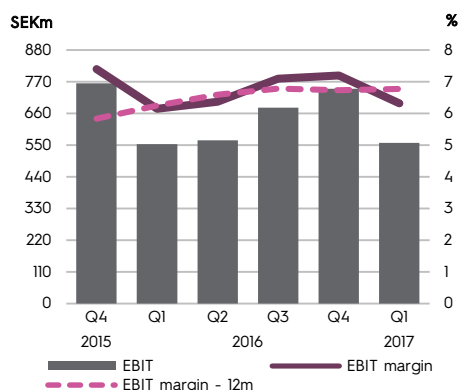
In the first quarter, overall market demand in Europe was in line with the corresponding period in the previous year. Demand in Western Europe declined by 1% and the slow-down referred to such markets as the UK, Italy and Germany while most other markets improved. Demand in Eastern Europe increased by 3%.

Organic sales for Electrolux operations in EMEA declined by 2.4% in the quarter. This was mainly related to lower sales volumes in MEA and in some Western European markets. The product mix improved due to a continued focus on the most profitable product categories and the Group continued to gain market shares under premium brands.

Operating income was stable and in line with the previous year. Product-mix improvements and continued cost efficiency measures offset the negative impact from currency headwinds and raw-material cost increases.

During the quarter, the previously announced acquisition of South Africa's leading water-heater producer Kwikot Group was completed. The operations are included in the consolidated accounts for Electrolux as of March 1. For more information on the acquisition and the underlying rationale, see page 20.

OPERATING INCOME AND MARGIN



Industry shipments of core appliances in Europe, units, year-over-year, %

	Q1 2017	Q1 2016	Full year 2016
Western Europe	-1	3	3
Eastern Europe (excluding Turkey)	3	0	4
Total Europe	0	3	3
SEKm			
Net sales	8,830	9,001	37,844
Organic growth, %	-2.4	7.1	3.5
Acquisitions, %	0.6	-	-
Operating income	558	553	2,546
Operating margin, %	6.3	6.1	6.7

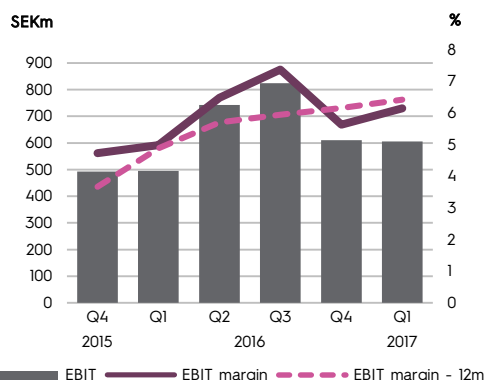
Major Appliances North America

In the first quarter, market demand for core appliances in North America improved by 3%. Market demand for major appliances, including microwave ovens and home-comfort products such as room air-conditioners, also increased by 3%.

Electrolux operations in North America reported an organic sales decline of 7% in the quarter. Sales volumes of core appliances declined mainly due to lower sales under private labels. Price pressure in the market had a negative impact on sales.

Operating income in the first quarter increased, mainly as a result of improved efficiency in operations which more than offset the negative impact from price pressure and lower volumes.

OPERATING INCOME AND MARGIN



Industry shipments of appliances in the US, units, year-over-year, %

	Q1 2017	Q1 2016	Full year 2016
Core appliances	3	8	6
Microwave ovens and home-comfort products	5	-3	-1
Total Major Appliances US	3	4	3
SEKm			
Net sales	9,850	9,937	43,402
Organic growth, % ¹⁾	-7.0	5.7	-0.9
Operating income	605	495	2,671
Operating margin, %	6.1	5.0	6.2

¹⁾ The organic growth in the first quarter and the full year of 2016 was negatively impacted by 0.2% and 0.2%, respectively, related to the transfer of operations under the Kelvinator brand in North America to the business area Professional Products.

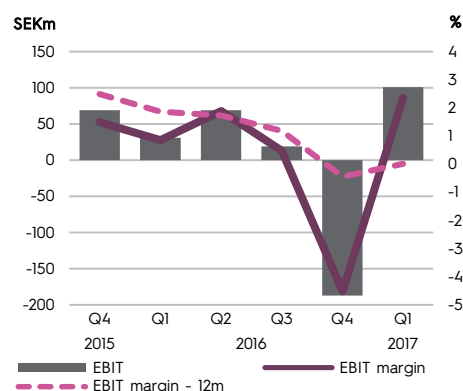
Major Appliances Latin America

In the first quarter, the weak macro-economic environment in Brazil continued to impact market demand for core appliances, which declined year-over-year, although the market decline was not as sharp as in the previous quarters. Demand in Argentina and Chile improved.

Electrolux operations in Latin America reported an organic sales decline of 2.5% during the quarter. Sales volumes increased in several markets, although a negative mix and price pressure impacted sales negatively.

Operating income recovered as a result of improved cost efficiencies in operations. Measures continued to be taken to structurally reduce costs and mitigate under-absorption of fixed costs in production. Currencies also had a positive year-over-year impact on operating income.

OPERATING INCOME AND MARGIN



SEKm	Q1 2017	Q1 2016	Full year 2016
Net sales	4,301	3,643	15,419
Organic growth, %	-2.5	-11.3	-10.8
Operating income	101	31	-68
Operating margin, %	2.3	0.9	-0.4

Major Appliances Asia/Pacific

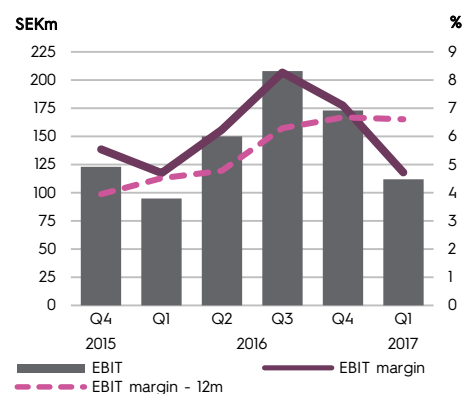
In the first quarter, overall market demand for appliances in Australia increased. The market in China is estimated to have grown year-over-year mainly as a result of higher demand for air-conditioners. Market demand in Southeast Asia declined.

Electrolux reported organic sales growth of 8.1% in the first quarter. This was a result of higher sales volumes in China and favorable sales development in Southeast Asia. The acquisition of the wine cabinet company Vintec had a positive impact of 1.3% on sales.

Operating income improved somewhat year-over-year. Higher sales volumes and cost efficiencies contributed to earnings. Operations in Australia and New Zealand reported stable earnings development.

After the end of the quarter, Electrolux signed an agreement to form a joint venture in China with Midea Group Co. Ltd. The purpose is to grow the AEG brand in China by combining its premium products and brand with Midea's strong sales and distribution network.

OPERATING INCOME AND MARGIN



SEKm	Q1 2017	Q1 2016	Full year 2016
Net sales	2,374	2,022	9,380
Organic growth, %	8.1	-5.4	1.3
Acquisitions, %	1.3	-	0.5
Operating income	112	95	626
Operating margin, %	4.7	4.7	6.7

Home Care & Small Domestic Appliances

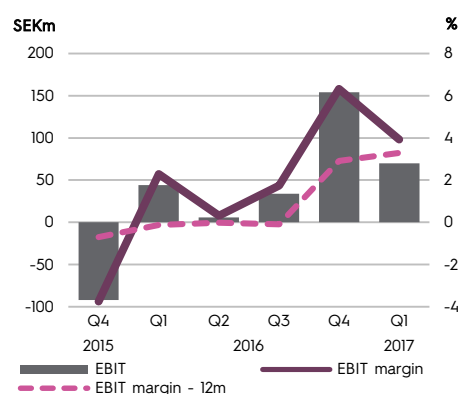
In the first quarter, the market for cordless, hand-held vacuum cleaners in Europe and Asia Pacific continued to increase significantly year-over-year while demand for corded vacuum cleaners declined in several markets.

The Electrolux Group's organic sales declined by 3.3% in the quarter. Active product portfolio management and exiting unprofitable product categories continued to impact volumes negatively while the product mix improved. The 2016 divestment of the Eureka brand in the US, had a negative impact of 9.2% on net sales.

Operating income continued to recover. A positive mix trend and cost efficiencies impacted earnings for the quarter.

In April, Electrolux completed the acquisition of the US-based smart kitchen appliance company Anova. For more information on the acquisition and the underlying rationale, see page 21.

OPERATING INCOME AND MARGIN



SEKm	Q1 2017	Q1 2016	Full year 2016
Net sales	1,786	1,927	8,183
Organic growth, %	-3.3	-6.1	-8.2
Divestments, %	-9.2	-	-
Operating income	70	44	238
Operating margin, %	3.9	2.3	2.9

Professional Products

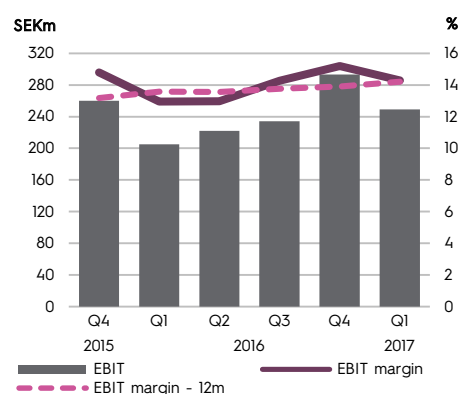
Overall market demand in the first quarter for professional food-service and professional laundry equipment improved year-over-year. Demand in Electrolux core markets in Western Europe improved. The markets in the US and Japan also improved, while demand in emerging markets showed a mixed pattern.

Organic growth for Electrolux was 8%. Sales of both laundry equipment and food-service equipment increased. Sales grew across all markets, particularly in Europe and Japan. A strong product offering in both food-service and laundry equipment contributed to the positive sales trend in most markets.

Operating income and margin continued to improve year-over-year. Higher sales volumes had positive impact on operating income. Investments in product development to strengthen positions in existing and new segments and markets continued.

During the quarter, Electrolux acquired the US-based Grindmaster-Cecilware, a manufacturer of hot, cold and frozen beverage dispensing equipment. For more information on the acquisition and the underlying rationale, see page 20.

OPERATING INCOME AND MARGIN



SEKm	Q1 2017	Q1 2016	Full year 2016
Net sales	1,742	1,584	6,865
Organic growth, % ¹⁾	8.0	4.3	4.4
Acquisitions, %	-	1.4	0.6
Operating income	249	205	954
Operating margin, %	14.3	12.9	13.9

¹⁾ The organic growth in the first quarter and the full year of 2016 was positively impacted by 1.2% 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

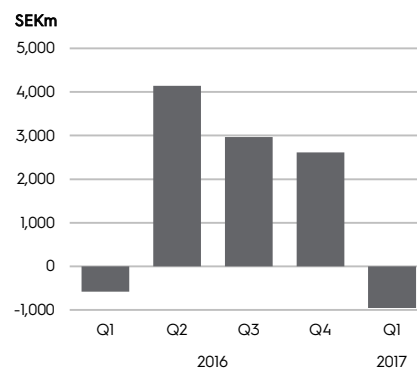
Operating cash flow after investments amounted to SEK -958m (-580) in the first quarter of 2017.

Cash flow for the first quarter is normally low and reflects a seasonal pattern involving the build-up of inventories.

Acquisitions of operations had a negative impact of SEK 2,399m on cash flow for the quarter and referred to the acquisition of Kwikot Group and Grindmaster-Cecilware, see page 20.

The first of two installments for the 2016 dividend payment of SEK 7.50 per share was distributed to shareholders during the quarter and the cash flow was impacted by SEK -1,078m.

OPERATING CASH FLOW AFTER INVESTMENTS



SEKm	Q1 2017	Q1 2016	Full year 2016
Operating income adjusted for non-cash items ¹⁾	2,451	2,320	10,545
Change in operating assets and liabilities	-2,742	-2,371	1,328
Operating cash flow	-291	-51	11,873
Investments in tangible and intangible assets	-732	-636	-3,390
Changes in other investments	65	107	657
Operating cash flow after investments	-958	-580	9,140
Acquisitions and divestments of operations	-2,399	-3	176
Operating cash flow after structural changes	-3,357	-583	9,316
Financial items paid, net ²⁾	-79	-61	-514
Taxes paid	-243	-201	-1,194
Cash flow from operations and investments	-3,679	-845	7,608
Dividend	-1,078	-	-1,868
Share-based payments	-492	-54	-57
Total cash flow, excluding changes in loans and short-term investments	-5,249	-899	5,683

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

²⁾ For the period January 1 to March 31. Interests and similar items received SEK 3m (28), interests and similar items paid SEK -68m (-63) and other financial items paid SEK -14m (-26).

Financial position

Net debt

The financial net debt as of March 31, 2017, of SEK 1,756m, increased by SEK 5,565m compared to the net cash position of SEK 3,809m as of December 31, 2016. This is an effect of a negative cash flow from acquisitions amounting to SEK -2,399m, the dividend payment of SEK -1,078m and the seasonally low cash flow in the first quarter.

Net provisions for post-employment benefits declined to SEK 3,590m. In total, net debt increased by SEK 4,986m in the first quarter of 2017.

Long-term borrowings as of March 31, 2017, including long-term borrowings with maturities within 12 months, amounted to SEK 8,445m with average maturity of 2.4 years, compared to SEK 8,451m and 2.7 years at the end of 2016.

During 2017, long-term borrowings in the amount of approximately SEK 500m will mature.

Liquid funds as of March 31, 2017, amounted to SEK 8,092m, a decrease of SEK 5,919m compared to SEK 14,011m as of December 31, 2016.

Net assets and working capital

Average net assets for the first quarter of 2017 amounted to SEK 20,612m (22,225), corresponding to 17.8% (19.8) of annualized net sales. Net assets as of March 31, 2017, amounted to SEK 23,126m (23,037).

Working capital as of March 31, 2017, amounted to SEK -12,288m (-9,882), corresponding to -10.6% (-8.9) of annualized net sales.

Return on net assets was 29.8% (22.8), and return on equity was 25.2% (24.2).

Net debt

SEKm	March 31, 2017	March 31, 2016	Dec. 31, 2016
Short-term loans	1,085	1,427	1,074
Short-term part of long-term loans	1,498	2,646	499
Trade receivables with recourse	162	300	234
Short-term borrowings	2,745	4,373	1,807
Financial derivative liabilities	139	296	419
Accrued interest expenses and prepaid interest income	17	64	24
Total short-term borrowings	2,901	4,733	2,250
Long-term borrowings	6,947	8,261	7,952
Total borrowings¹⁾	9,848	12,994	10,202
Cash and cash equivalents	7,534	9,486	12,756
Short-term investments	211	11	905
Financial derivative assets	102	145	100
Prepaid interest expenses and accrued interest income	245	252	250
Liquid funds²⁾	8,092	9,894	14,011
Financial net debt	1,756	3,100	-3,809
Net provisions for post-employment benefits	3,590	5,968	4,169
Net debt	5,346	9,068	360
Net debt/equity ratio	0.32	0.65	0.02
Equity	16,702	13,969	17,738
Equity per share, SEK	58.11	48.61	61.72
Return on equity, %	25.2	24.2	29.4
Equity/assets ratio, %	21.7	19.5	24.7

¹⁾ Whereof interest-bearing liabilities in the amount of SEK 9,530m as of March 31, 2017, SEK 12,306m as of March 31, 2016 and SEK 9,525m as of December 31, 2016.

²⁾ Electrolux has one unused committed back-up multicurrency revolving credit facility of EUR 1,000m, approximately SEK 9,500, maturing 2021 with two extension options of one year each and one unused committed credit facility of USD 150m, approximately SEK 1,300m, maturing 2017.

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 March 31, 2017, the Group had a total of 3,298 (3,310) cases pending, representing approximately 3,361 (approximately 3,377) plaintiffs. During the first quarter of 2017, 339 new cases with 339 plaintiffs were filed and 274 pending cases with approximately 274 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. Risks, risk management and risk exposure

are described in more detail in the 2016 Annual Report, www.electrolux.com/annualreport2016

No significant risks other than the risks described there are judged to have occurred.

Press releases 2017

February 1	Electrolux Consolidated Results 2016 and CEO Jonas Samuelson's comments
February 1	Electrolux appoints Ricardo Cons as Head of Major Appliances Latin America
February 6	Electrolux to acquire fast-growing smart kitchen appliance company Anova
February 10	Kai Wörn proposed new Board Member of AB Electrolux
February 14	Notice convening the AGM of AB Electrolux
February 28	Electrolux Annual Report 2016 is published
March 2	Electrolux strengthens professional offering of beverage products by acquiring Grindmaster-Cecilware
March 20	Electrolux presents progress For the Better in 2016 Sustainability Report
March 21	Don't Overwash - new project drives sustainable care habits
March 24	Bulletin from AB Electrolux AGM 2017
April 3	Management change in AB Electrolux, MaryKay Kopf, Chief Marketing Officer, has decided to leave her position

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 quarter in 2017 amounted to SEK 8,186m (8,160) of which SEK 6,794m (6,646) referred to sales to Group companies and SEK 1,392m (1,514) to external customers. Income after financial items was SEK 1,199m (431), including dividends from subsidiaries in the amount of SEK 1,020m (102). Income for the period amounted to SEK 1,197m (388).

Capital expenditure in tangible and intangible assets was SEK 80m (42). Liquid funds at the end of the period amounted to SEK 2,807m, as against SEK 9,167m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 14,124m, as against SEK 15,582m at the start of the year. Dividend payment to shareholders for 2016 amounted to SEK 2,155m, whereof SEK 1,078 has been paid during the first quarter and SEK 1,078m has been reported as a current liability.

The income statement and balance sheet for the Parent Company are presented on page 18.

Stockholm, April 28, 2017

AB Electrolux (publ)
556009-4178

Jonas Samuelson
President and CEO

The report has not been audited.

Consolidated income statement

SEKm	Q1 2017	Q1 2016	Full year 2016
Net sales	28,883	28,114	121,093
Cost of goods sold	-22,880	-22,344	-95,820
Gross operating income	6,003	5,770	25,273
Selling expenses	-3,219	-3,026	-13,208
Administrative expenses	-1,352	-1,380	-5,812
Other operating income/expenses	104	-96	21
Operating income	1,536	1,268	6,274
Margin, %	5.3	4.5	5.2
Financial items, net	-102	-105	-693
Income after financial items	1,434	1,163	5,581
Margin, %	5.0	4.1	4.6
Taxes	-351	-288	-1,088
Income for the period	1,083	875	4,493
Items that will not be reclassified to income for the period:			
Remeasurement of provisions for post-employment benefits	388	-1,576	-236
Income tax relating to items that will not be reclassified	-153	443	44
	235	-1,133	-192
Items that may be reclassified subsequently to income for the period:			
Available-for-sale instruments	3	-20	43
Cash flow hedges	79	-37	-82
Exchange-rate differences on translation of foreign operations	216	-669	328
Income tax relating to items that may be reclassified	-23	2	-20
	275	-724	269
Other comprehensive income, net of tax	510	-1,857	77
Total comprehensive income for the period	1,593	-982	4,570
Income for the period attributable to:			
Equity holders of the Parent Company	1,083	875	4,494
Non-controlling interests	0	0	-1
Total	1,083	875	4,493
Total comprehensive income for the period attributable to:			
Equity holders of the Parent Company	1,593	-981	4,570
Non-controlling interests	0	-1	0
Total	1,593	-982	4,570
Earnings per share			
Basic, SEK	3.77	3.04	15.64
Diluted, SEK	3.75	3.03	15.55
Average number of shares¹⁾			
Basic, million	287.4	287.4	287.4
Diluted, million	288.7	288.7	289.0

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

Consolidated balance sheet

SEKm	March 31, 2017	March 31, 2016	Dec. 31, 2016
Assets			
Property, plant and equipment	18,807	17,971	18,725
Goodwill	6,884	4,942	4,742
Other intangible assets	3,569	3,144	3,112
Investments in associates	221	211	210
Deferred tax assets	5,957	6,186	6,168
Financial assets	286	267	287
Pension plan assets	330	384	345
Other non-current assets	416	785	400
Total non-current assets	36,470	33,890	33,989
Inventories	15,752	15,390	13,418
Trade receivables	19,436	16,890	19,408
Tax assets	665	611	701
Derivatives	110	143	103
Other current assets	4,738	5,026	4,568
Short-term investments	211	11	905
Cash and cash equivalents	7,534	9,486	12,756
Total current assets	48,446	47,557	51,859
Total assets	84,916	81,447	85,848
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	-1,196	-2,462	-1,471
Retained earnings	13,418	11,952	14,729
Equity attributable to equity holders of the Parent Company	16,672	13,940	17,708
Non-controlling interests	30	29	30
Total equity	16,702	13,969	17,738
Long-term borrowings	6,947	8,261	7,952
Deferred tax liabilities	726	587	580
Provisions for post-employment benefits	3,920	6,352	4,514
Other provisions	5,991	5,682	5,792
Total non-current liabilities	17,584	20,882	18,838
Accounts payable	29,345	25,522	28,283
Tax liabilities	721	731	771
Dividend payable	1,078	-	-
Other liabilities	14,336	13,393	15,727
Short-term borrowings	2,745	4,373	1,807
Derivatives	163	344	432
Other provisions	2,242	2,233	2,252
Total current liabilities	50,630	46,596	49,272
Total equity and liabilities	84,916	81,447	85,848

Change in consolidated equity

SEKm	March 31, 2017	March 31, 2016	Full year 2016
Opening balance	17,738	15,005	15,005
Total comprehensive income for the period	1,593	-982	4,570
Share-based payments	-474	-54	31
Dividend to equity holders of the Parent Company	-2,155	-	-1,868
Dividend to non-controlling interests	-	-	-
Total transactions with equity holders	-2,629	-54	-1,837
Closing balance	16,702	13,969	17,738

Consolidated cash flow statement

SEKm	Q1 2017	Q1 2016	Full year 2016
Operations			
Operating income	1,536	1,268	6,274
Depreciation and amortization	996	982	3,934
Other non-cash items	-81	70	337
Financial items paid, net ¹⁾	-79	-61	-514
Taxes paid	-243	-201	-1,194
Cash flow from operations, excluding change in operating assets and liabilities	2,129	2,058	8,837
Change in operating assets and liabilities			
Change in inventories	-2,002	-1,420	1,493
Change in trade receivables	211	752	-467
Change in accounts payable	832	-709	72
Change in other operating assets, liabilities and provisions	-1,783	-994	230
Cash flow from change in operating assets and liabilities	-2,742	-2,371	1,328
Cash flow from operations	-613	-313	10,165
Investments			
Acquisition of operations	-2,399	-3	-160
Divestment of operations	-	-	336
Capital expenditure in property, plant and equipment	-591	-539	-2,830
Capital expenditure in product development	-75	-53	-274
Capital expenditure in software	-66	-44	-286
Other	65	107	657
Cash flow from investments	-3,066	-532	-2,557
Cash flow from operations and investments	-3,679	-845	7,608
Financing			
Change in short-term investments	694	97	-799
Change in short-term borrowings	-297	-318	-31
New long-term borrowings	-	-	-
Amortization of long-term borrowings	-363	-4	-2,669
Dividend	-1,078	0	-1,868
Share-based payments	-492	-54	-57
Cash flow from financing	-1,536	-279	-5,424
Total cash flow	-5,215	-1,124	2,184
Cash and cash equivalents at beginning of period	12,756	10,696	10,696
Exchange-rate differences referring to cash and cash equivalents	-7	-86	-124
Cash and cash equivalents at end of period	7,534	9,486	12,756

¹⁾ For the period January 1 to March 31 2017. Interests and similar items received SEK 3m (28), interests and similar items paid SEK -68m (-63) and other financial items paid SEK -14m (-26). For the full year 2016. Interests and similar items received SEK 123m, interests and similar items paid SEK -345m and other financial items paid SEK -292m.

Key ratios

SEKm unless otherwise stated	Q1 2017	Q1 2016	Full year 2016
Net sales	28,883	28,114	121,093
Organic growth, %	-2.8	1.8	-1.1
Operating income	1,536	1,268	6,274
Margin, %	5.3	4.5	5.2
Income after financial items	1,434	1,163	5,581
Income for the period	1,083	875	4,493
Capital expenditure, property, plant and equipment	-591	-539	-2,830
Operating cash flow after investments	-958	-580	9,140
Earnings per share, SEK ¹⁾	3.77	3.04	15.64
Equity per share, SEK	58.11	48.61	61.72
Capital-turnover rate, times/year	5.6	5.1	5.8
Return on net assets, %	29.8	22.8	29.9
Return on equity, %	25.2	24.2	29.4
Net debt	5,346	9,068	360
Net debt/equity ratio	0.32	0.65	0.02
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4	287.4
Average number of employees	54,112	55,779	55,400

¹⁾ Basic, based on average number of shares excluding shares held by Electrolux.
For definitions, see page 24.

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, 2017	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
Number of shares as of March 31, 2017	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	March 31, 2017		March 31, 2016		Dec. 31, 2016	
	Average	End of period	Average	End of period	Average	End of period
ARS	0.5720	0.5797	0.5935	0.5557	0.5813	0.5717
AUD	6.74	6.82	6.14	6.23	6.36	6.54
BRL	2.83	2.81	2.17	2.28	2.48	2.78
CAD	6.75	6.68	6.18	6.26	6.46	6.73
CHF	8.91	8.91	8.47	8.44	8.67	8.90
CLP	0.0136	0.0134	0.0121	0.0121	0.0127	0.0135
CNY	1.30	1.29	1.29	1.25	1.29	1.31
EUR	9.53	9.53	9.27	9.23	9.45	9.55
GBP	11.12	11.14	12.05	11.65	11.60	11.16
HUF	0.0308	0.0310	0.0297	0.0294	0.0303	0.0308
MXN	0.4482	0.4762	0.4739	0.4709	0.4605	0.4388
RUB	0.1521	0.1580	0.1154	0.1209	0.1288	0.1486
THB	0.2554	0.2596	0.2360	0.2305	0.2431	0.2532
USD	8.95	8.92	8.41	8.10	8.58	9.06

Net sales by business area

SEKm	Q1 2017	Q1 2016	Full year 2016
Major Appliances Europe, Middle East and Africa	8,830	9,001	37,844
Major Appliances North America	9,850	9,937	43,402
Major Appliances Latin America	4,301	3,643	15,419
Major Appliances Asia/Pacific	2,374	2,022	9,380
Home Care & SDA	1,786	1,927	8,183
Professional Products	1,742	1,584	6,865
Total	28,883	28,114	121,093

Change in net sales by business area

Year-over-year, %	Q1 2017	Q1 2017 In local currencies
Major Appliances Europe, Middle East and Africa	-1.9	-1.8
Major Appliances North America	-0.9	-7.0
Major Appliances Latin America	18.1	-2.5
Major Appliances Asia/Pacific	17.4	9.4
Home Care & SDA	-7.3	-12.5
Professional Products	10.0	8.0
Total change	2.7	-3.2

Operating income by business area

SEKm	Q1 2017	Q1 2016	Full year 2016
Major Appliances Europe, Middle East and Africa	558	553	2,546
Margin, %	6.3	6.1	6.7
Major Appliances North America	605	495	2,671
Margin, %	6.1	5.0	6.2
Major Appliances Latin America	101	31	-68
Margin, %	2.3	0.9	-0.4
Major Appliances Asia/Pacific	112	95	626
Margin, %	4.7	4.7	6.7
Home Care & SDA	70	44	238
Margin, %	3.9	2.3	2.9
Professional Products	249	205	954
Margin, %	14.3	12.9	13.9
Common Group costs, etc.	-159	-155	-693
Operating income	1,536	1,268	6,274
Margin, %	5.3	4.5	5.2

Change in operating income by business area

Year-over-year, %	Q1 2017	Q1 2017 in local currencies
Major Appliances Europe, Middle East and Africa	0.9	-1.6
Major Appliances North America	22.2	15.4
Major Appliances Latin America	225.8	228.8
Major Appliances Asia/Pacific	17.9	6.5
Home Care & SDA	59.1	67.1
Professional Products	21.5	19.9
Total change	21.1	19.2

Working capital and net assets

SEKm	March 31, 2017	% of annualized net sales	March 31, 2016	% of annualized net sales	Dec. 31, 2016	% of annualized net sales
Inventories	15,752	13.6	15,390	13.9	13,418	10.5
Trade receivables	19,436	16.8	16,890	15.2	19,408	15.2
Accounts payable	-29,345	-25.4	-25,522	-23.0	-28,283	-22.2
Provisions	-8,233		-7,915		-8,044	
Prepaid and accrued income and expenses	-9,005		-8,373		-10,732	
Taxes and other assets and liabilities	-893		-352		-733	
Working capital	-12,288	-10.6	-9,882	-8.9	-14,966	-11.7
Property, plant and equipment	18,807		17,971		18,725	
Goodwill	6,884		4,942		4,742	
Other non-current assets	4,492		4,407		4,009	
Deferred tax assets and liabilities	5,231		5,599		5,588	
Net assets	23,126	20.0	23,037	20.8	18,098	14.2
Annualized net sales, calculated at end of period exchange rates	115,431		110,888		127,490	
Average net assets	20,612	17.8	22,225	19.8	20,957	17.3
Annualized net sales, calculated at average exchange rates	115,532		112,456		121,093	

Net assets by business area

SEKm	Assets			Equity and liabilities			Net assets		
	March 31, 2017	March 31, 2016	Dec. 31, 2016	March 31, 2017	March 31, 2016	Dec. 31, 2016	March 31, 2017	March 31, 2016	Dec. 31,2016
Major Appliances Europe, Middle East and Africa	23,766	20,999	21,573	19,231	18,015	20,713	4,535	2,984	860
Major Appliances North America	16,556	17,129	15,163	13,475	12,259	12,463	3,081	4,870	2,700
Major Appliances Latin America	12,811	11,214	12,364	6,693	5,516	6,148	6,118	5,698	6,216
Major Appliances Asia/Pacific	5,913	5,327	5,688	3,800	3,437	3,846	2,113	1,890	1,842
Home Care & SDA	3,912	4,210	4,181	3,099	2,890	3,385	813	1,320	796
Professional Products	4,659	3,233	3,399	2,694	2,286	2,556	1,965	947	843
Other ¹⁾	8,877	9,057	9,124	4,376	3,729	4,283	4,501	5,328	4,841
Total operating assets and liabilities	76,494	71,169	71,492	53,368	48,132	53,394	23,126	23,037	18,098
Liquid funds	8,092	9,894	14,011	–	–	–	–	–	–
Total borrowings	–	–	–	9,848	12,994	10,202	–	–	–
Pension assets and liabilities	330	384	345	3,920	6,352	4,514	–	–	–
Dividend payable	–	–	–	1,078	–	–	–	–	–
Equity	–	–	–	16,702	13,969	17,738	–	–	–
Total	84,916	81,447	85,848	84,916	81,447	85,848	–	–	–

¹⁾ Includes common functions and tax items.

Net sales and income per quarter

SEKm	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Full year 2016
Net sales	28,883					28,114	29,983	30,852	32,144	121,093
Operating income	1,536					1,268	1,564	1,826	1,616	6,274
Margin, %	5.3					4.5	5.2	5.9	5.0	5.2
Income after financial items	1,434					1,163	1,448	1,725	1,245	5,581
Income for the period	1,083					875	1,079	1,267	1,272	4,493
Earnings per share, SEK ¹⁾	3.77					3.04	3.75	4.41	4.43	15.64
Number of shares excluding shares owned by Electrolux, million	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	287.4	287.4	287.4	287.4

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

Net sales and operating income by business area

SEKm	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Full year 2016
Major Appliances Europe, Middle East and Africa										
Net sales	8,830					9,001	8,897	9,579	10,367	37,844
Operating income	558					553	567	680	746	2,546
Margin, %	6.3					6.1	6.4	7.1	7.2	6.7
Major Appliances North America										
Net sales	9,850					9,937	11,450	11,189	10,826	43,402
Operating income	605					495	742	824	610	2,671
Margin, %	6.1					5.0	6.5	7.4	5.6	6.2
Major Appliances Latin America										
Net sales	4,301					3,643	3,659	3,968	4,149	15,419
Operating income	101					31	69	19	-187	-68
Margin, %	2.3					0.9	1.9	0.5	-4.5	-0.4
Major Appliances Asia/Pacific										
Net sales	2,374					2,022	2,407	2,515	2,436	9,380
Operating income	112					95	150	208	173	626
Margin, %	4.7					4.7	6.2	8.3	7.1	6.7
Home Care & SDA										
Net sales	1,786					1,927	1,858	1,960	2,438	8,183
Operating income	70					44	6	34	154	238
Margin, %	3.9					2.3	0.3	1.7	6.3	2.9
Professional Products										
Net sales	1,742					1,584	1,712	1,641	1,928	6,865
Operating income	249					205	222	234	293	954
Margin, %	14.3					12.9	13.0	14.3	15.2	13.9
Other										
Operating income, Common Group costs, etc.	-159					-155	-192	-173	-173	-693
Total Group										
Net sales	28,883					28,114	29,983	30,852	32,144	121,093
Operating income	1,536					1,268	1,564	1,826	1,616	6,274
Margin, %	5.3					4.5	5.2	5.9	5.0	5.2

Parent Company income statement

SEKm	Q1 2017	Q1 2016	Full year 2016
Net sales	8 186	8,160	33,954
Cost of goods sold	-6 912	-6,598	-27,939
Gross operating income	1 274	1,562	6,015
Selling expenses	-732	-949	-3,763
Administrative expenses	-438	-317	-1,711
Other operating expenses	-	-	-2,379
Operating income	104	296	-1,838
Financial income	1 165	223	4,037
Financial expenses	-70	-88	-86
Financial items, net	1 095	135	3,951
Income after financial items	1 199	431	2,113
Appropriations	59	69	3,298
Income before taxes	1 258	500	5,411
Taxes	-61	-112	-1,027
Income for the period	1 197	388	4,384

Parent Company balance sheet

SEKm	March 31, 2017	March 31, 2016	Dec. 31 2016
Assets			
Non-current assets	35 128	35,131	34,019
Current assets	21 201	23,836	25,823
Total assets	56 329	58,967	59,842
Equity and liabilities			
Restricted equity	4 811	4,562	4,788
Non-restricted equity	14 124	13,495	15,582
Total equity	18 935	18,057	20,370
Untaxed reserves	390	442	396
Provisions	1 405	1,507	1,406
Non-current liabilities	6 534	7,793	7,561
Current liabilities	29 065	31,168	30,109
Total equity and liabilities	56 329	58,967	59,842

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 2016 Annual Report.

Preparations for new accounting standards

During the first quarter of 2017, Electrolux preparatory work related to new accounting standards to be applied after 2017 has mainly involved IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. The following information should be considered in addition to the information provided under "New or amended accounting standards to be applied after 2016" on page 104 in the annual report 2016.

IFRS 9 Financial Instruments. Electrolux has created a new model for calculating bad debt provisions related to trade receivables. The new model is based on expected losses instead of incurred losses. Electrolux will use the simplified approach for trade receivables, i.e. the provision will equal the lifetime expected loss. Calculations done show a non-material increase in the bad debt provision for the Group.

IFRS 15 Revenue from Contracts with Customers. The identified effects from reclassification between net sales and operating cost lines (reducing net sales) as well as from changes in the timing of revenue recognition, related to the delivery of finished products and sale of service contracts, have been assessed as not material for the Group.

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

SEKm	March 31, 2017		March 31, 2016		Dec. 31, 2016	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Per category						
Financial assets at fair value through profit and loss	480	480	3,629	3,629	6,640	6,640
Available for sale	126	126	117	117	123	123
Loans and receivables	20,455	20,455	17,555	17,555	20,777	20,777
Cash	6,499	6,499	5,496	5,496	5,920	5,920
Total financial assets	27,560	27,560	26,797	26,797	33,460	33,460
Financial liabilities at fair value through profit and loss	162	162	344	344	432	432
Financial liabilities measured at amortized cost	38,974	38,875	38,038	37,856	37,927	37,808
Total financial liabilities	39,136	39,037	38,382	38,200	38,359	38,240

The Group strives for arranging master-netting agreements (ISDA) with the counterparts for derivative transactions and has established such agreements with the majority of the counterparts, 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 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 March 31, 2017, the fair value for Level 1 financial assets was SEK 495m (3,603) 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 March 31, 2017, the fair value of Level 2 financial assets was SEK 110m (143) and financial liabilities SEK 162m (344).

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	March 31, 2017	March 31, 2016	Dec. 31, 2016
Group			
Pledged assets	6	29	6
Contingent liabilities	1,281	1,496	1,311
Parent Company			
Pledged assets	–	–	–
Contingent liabilities	1,611	1,587	1,611

Note 4 Divested operations

In December 2016, Electrolux divested the North American vacuum-cleaner brand Eureka and related assets, which had a positive impact on cash flow of SEK 336m. The positive impact on operating income was SEK 107m.

Note 5 Acquisitions

The amounts presented below are based on preliminary purchase price allocations and will be subject to change.

Acquisitions

SEKm	Grindmaster - Cecilware	Kwikot
Consideration:		
Paid at closing	835	1,630
Deferred consideration	-	143
Total consideration	835	1,773
Recognized amounts of identifiable assets acquired and liabilities assumed at fair value:		
Total identifiable net assets acquired	266	629
Assumed net debt ¹⁾	-111	-207
Goodwill	680	1,351
Total	835	1,773

¹⁾ Whereof total acquired cash and cash equivalents SEK 66m.

Acquisitions in the first quarter of 2017

Grindmaster-Cecilware

On February 28, 2017, Electrolux completed the acquisition of the US based Grindmaster-Cecilware business by acquiring 100% of the business via a purchase of all shares in the parent company of the Grindmaster-Cecilware Group in a cash transaction. The acquisition broadens Electrolux offering in its food service business and will accelerate the growth of the Professional Products business area by increasing access to the U.S. market.

Grindmaster-Cecilware is a leading U.S. based manufacturer of hot, cold and frozen beverage dispensing equipment, including coffee machines. Grindmaster-Cecilware had net sales in excess of USD 65 million in 2016 and approximately 200 employees. The company is based in Louisville, Kentucky and has manufacturing facilities in Louisville and in Rayong, Thailand.

Goodwill in the above transaction primarily relates to the increase in market presence in North America, one of the largest global markets for professional appliances. Goodwill is not expected to be deductible for income tax purposes.

Net sales and operating income in the acquired business during the period January 1, 2017, up until the date the acquisition was completed amounted to USD 11.8m and USD 1.3m respectively, approximately SEK 106m and SEK 12m respectively. The income statement of the business will be included in Electrolux consolidated accounts from March 1, 2017, however with a time lag of one month. Thus, the January 1 – March 31 financial statements of Electrolux includes only the acquisition balance of Grindmaster-Cecilware, not the financial outcome for the period from the acquisition date until the end of the reporting period.

The operations is included in business area Professional Products.

Kwikot Group

In November 2016, Electrolux announced the agreement to acquire South Africa's leading water heater producer Kwikot Group (Kwikot Proprietary Limited and its affiliates). On March 1, 2017, following regulatory approval, Electrolux acquired all shares in Kwikot Pty Ltd, the parent company in the Kwikot Group, via a cash transfer. The acquisition broadens Electrolux home comfort product range and offers a strong platform for growth opportunities in Africa. The acquisition significantly strengthens Electrolux presence in South Africa.

Kwikot is based in Johannesburg where it also has production and its main warehouse. In the financial year ending June 30, 2016, Kwikot Group had sales of approximately ZAR 1.13 billion (approximately SEK 730 million), and an operating profit margin of more than 20%. The company has about 800 employees.

Goodwill represents the value of increasing Electrolux presence in Southern Africa. Goodwill is not expected to be deductible for income tax purposes.

Net sales and operating income in the acquired business during the period January 1, 2017, up until the date the acquisition was completed amounted to ZAR 168m and ZAR 30m respectively, approximately SEK 112m and SEK 20m respectively. For the period from the acquisition date until the end of the reporting period the acquired business has contributed to net sales and operating income (including amortization of surplus values) by ZAR 84m and ZAR 7m respectively, equivalent to SEK 57m and SEK 5m respectively.

The operations within Kwikot Group is included in business area Major Appliances EMEA.

Acquisitions after the first quarter of 2017

Anova

On April 4 Electrolux completed the acquisition of the US based smart kitchen appliance company, Anova. The agreement to acquire the company was announced on February 6, 2017. The agreed up-front cash payment in the transaction amounts to USD 115m, with a potential additional amount of up to USD 135m to be paid depending on future financial performance. Part of the mentioned cash payment and contingent pay-out is in the form of remuneration to key employees connected to post-closing service. The acquisition provides a significant opportunity for profitable growth in this emerging product category. Anova's direct-to-consumer business model and digital focus are of strong strategic interest to Electrolux.

Anova is a U.S. based provider of the Anova Precision Cooker, an innovative connected device for sous vide cooking that enables restaurant-quality results in the home. Net Sales in 2016 amounted to around USD 40m. The company has approximately 70 employees and contractors globally and is headquartered in San Francisco, California. Sales are primarily carried out online - directly to consumer and through major retailers.

The acquisition accounting is under preparation and will be disclosed in the interim report January - June 2017.

Operations will be reported within business area Home Care & SDA.

Transaction costs

Costs for the acquisition efforts related to the acquisitions described above amount to 56m and have been expensed as incurred during the respective acquisition process in 2016 (SEK 16m) and 2017 (SEK 40m). The costs have been reported in operating income.

Operations by business area yearly

SEKm	2012 ¹⁾	2013	2014	2015	2016
Major Appliances Europe, Middle East and Africa					
Net sales	34,278	33,436	34,438	37,179	37,844
Operating income	178	-481	232	2,167	2,546
Margin, %	0.5	-1.4	0.7	5.8	6.7
Major Appliances North America					
Net sales	30,684	31,864	34,141	43,053	43,402
Operating income	1,347	2,136	1,714	1,580	2,671
Margin, %	4.4	6.7	5.0	3.7	6.2
Major Appliances Latin America					
Net sales	22,044	20,695	20,041	18,546	15,419
Operating income	1,590	979	1,069	463	-68
Margin, %	7.2	4.7	5.3	2.5	-0.4
Major Appliances Asia/Pacific					
Net sales	8,405	8,653	8,803	9,229	9,380
Operating income	746	116	438	364	626
Margin, %	8.9	1.3	5.0	3.9	6.7
Home Care & SDA					
Net sales	9,011	8,952	8,678	8,958	8,183
Operating income	461	309	200	-63	238
Margin, %	5.1	3.5	2.3	-0.7	2.9
Professional Products					
Net sales	5,571	5,550	6,041	6,546	6,865
Operating income	588	510	671	862	954
Margin, %	10.6	9.2	11.1	13.2	13.9
Other					
Net sales	1	1	1	-	-
Operating income, common Group costs, etc.	-910	-1,989	-743	-2,632	-693
Total Group					
Net sales	109,994	109,151	112,143	123,511	121,093
Operating income	4,000	1,580	3,581	2,741	6,274
Margin, %	3.6	1.4	3.2	2.2	5.2

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.

Material profit or loss items in operating income ¹⁾	2012	2013	2014	2015	2016
Major Appliances Europe, Middle East and Africa	-927	-828	-1,212	-	-
Major Appliances North America	-105	-	-39 ²⁾	-158 ²⁾	-
Major Appliances Latin America	-	-	-10	-	-
Major Appliances Asia/Pacific	-	-351	-10	-	-
Home Care & SDA	-	-82	-	-190	-
Professional Products	-	-	-	-	-
Common Group cost	-	-1,214	-77 ²⁾	-1,901 ²⁾	-
Total Group	-1,032	-2,475	-1,348	-2,249	-

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

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	2012 ¹⁾	2013	2014	2015	2016
Net sales	109,994	109,151	112,143	123,511	121,093
Organic growth, %	5.5	4.5	1.1	2.2	-1.1
Operating income	4,000	1,580	3,581	2,741	6,274
Margin, %	3.6	1.4	3.2	2.2	5.2
Income after financial items	3,154	904	2,997	2,101	5,581
Income for the period	2,365	672	2,242	1,568	4,493
Material profit or loss items in operating income ²⁾	-1,032	-2,475	-1,348	-2,249	—
Capital expenditure, property, plant and equipment	-4,090	-3,535	-3,006	-3,027	-2,830
Operating cash flow after investments	5,273	2,412	6,631	6,745	9,140
Earnings per share, SEK	8.26	2.35	7.83	5.45	15.64
Equity per share, SEK	54.96	49.99	57.52	52.21	61.72
Dividend per share, SEK	6.50	6.50	6.50	6.50	7.50
Capital-turnover rate, times/year	4.1	4.0	4.5	5.0	5.8
Return on net assets, %	14.8	5.8	14.2	11.0	29.9
Return on equity, %	14.4	4.4	15.7	9.9	29.4
Net debt	10,164	10,653	9,631	6,407	360
Net debt/equity ratio	0.65	0.74	0.58	0.43	0.02
Average number of shares excluding shares owned by Electrolux, million	285.9	286.2	286.3	287.1	287.4
Average number of employees	59,478	60,754	60,038	58,265	55,400

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.

²⁾ For more information, see table on page 22 and Note 7 in the Annual Report.

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 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. 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.

Acquisitions

Change in net sales, adjusted for organic growth, changes in exchange rates and divestments. The impact from acquisitions relates to net sales reported by acquired operations within 12 months after the acquisition date.

Divestments

Change in net sales, adjusted for organic growth, changes in exchange rates and acquisitions. The impact from divestments relates to net sales reported by the divested operations within 12 months before the divestment 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 first quarter results 2017

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, April 28. 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/q1-2017

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