

Press Release

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Electrolux sets provision of MEUR 25 related to unfavorable court ruling in France

Stockholm, Sweden, July 17, 2018

A court in France has today ruled that a reorganization procedure of a former subsidiary has been extended to Electrolux Home Products France SAS (“EHP France”), Electrolux sales company for major appliances in France. The decision relates to a dispute over the 2014 divestment of the subsidiary, which has subsequently failed to develop a viable business. As a consequence of the court ruling, Electrolux will set a provision of MEUR 25 (MSEK 254) to cover potential costs. The provision will affect the Group’s operating profit in the second quarter of 2018.

In 2014, EHP France decided to cease its manufacturing operations in Revin, France. To preserve as many employment opportunities as possible, EHP France set up a new company, Société Ardennaise Industrielle (“SAI”). The purpose was to facilitate a transfer of employees and operations to Selni Group, a French motor manufacturer, whose plan was to convert the operations into motor production.

Despite Electrolux significant contributions, SAI did not manage to develop a viable business, and was earlier this year placed in reorganization. The appeals court of Amiens has now concluded that the reorganization proceedings of SAI shall be extended to include EHP France, as former owner of SAI. This ruling means that EHP France is automatically put into reorganization proceedings. Electrolux will now, in accordance with accounting principles, set a provision related to potential costs. The provision will be reported as a non-recurring item in the results for the second quarter of 2018, affecting the business area Major Appliances Europe, Middle East and Africa. The Q2 interim report will be published on July 18, 2018.

Electrolux will work to secure that its major appliances business in France can continue without interruption. Electrolux will analyze the ruling and evaluate its options, including the possibility to appeal.

This is information that AB Electrolux is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 1430 CET on July 17, 2018.