



Thinking of you
Electrolux

Press release

Stockholm, January 31, 2014

President and CEO Keith McLoughlin's comments on the results for the full year and the fourth quarter of 2013

Continued strong organic growth and restructuring activities moving ahead

In 2013, Electrolux delivered organic sales growth of 4.5%, the second consecutive year ahead of our annual target of 4%. Over the past two years, growth in local currencies including acquisitions was 14%. Our ambition to increase our rate of new product launches and expand our market coverage combined with our consumer insight work is paying off in terms of both sales growth and market share. Increased sales volumes and mix improvements had a positive effect on earnings while the challenging European market and unfavorable currency development had an adverse impact.

In October, we communicated the continuation of the manufacturing footprint program aimed at strengthening overall competitiveness. We also initiated a new overhead cost reduction program. Both of these programs are mainly directed towards the restoration of profitability in Major Appliances EMEA. During the fourth quarter several initiatives were started and a charge of SEK 1.5bn was taken. The remaining planned charges of SEK 2.0bn, will be taken during 2014 as different various actions are initiated.

In the fourth quarter all six business areas showed organic sales growth. Particularly, growth was strong for Major Appliances North America, Asia/Pacific, Small Appliances and in Professional Products. The slow development in Europe and global currency effects continued to impact earnings.

In Europe, the market remained weak. Sales grew slightly in the quarter and we captured market share under our strategic brands, which is the result of extensive product launches over the past two years. For 2014, we expect demand for core appliances to be slightly positive.

North America recorded another quarter of strong organic sales growth of close to 8%. Earnings in the quarter remained on a high level. For 2014, we expect market demand for core appliances in the US to grow by 4%.

In the fourth quarter, there was a slight increase in organic sales growth for Electrolux in Latin America. The slowdown in the Brazilian economy had a negative effect on organic growth. The slower sales development as well as continued significant currency headwinds had a negative impact on earnings. We foresee lower demand in Brazil over the next few quarters, although our fundamental view of the market is unchanged and we expect demand to pick up again.

Organic growth continued in all regions in Asia/Pacific. The launch of a completely new product range in China proceeded successfully. This was the Group's largest launch in 2013, more than 60 new kitchen and laundry products were introduced in the important Chinese growth market. The launch will continue in 2014. Organic sales growth in Australia was positive, driven by price and mix and a gradual recovery in the market. Southeast Asia also demonstrated positive organic growth. Margins were impacted by launch costs in China and Southeast Asia.

Professional Products and Small Appliances recorded stronger results in the fourth quarter. For both business areas this was the result of successful product launches, cost reductions and the strong sales momentum in emerging markets.

Our strategy has paid off over the past two years with a growth trajectory that hasn't been seen in the Group for many years. Due to headwinds in the European market and significant currency fluctuations our earnings have declined. However, the actions that have been initiated will address the European situation to improve its profitability. We will also,



Thinking of you
Electrolux

over time, mitigate the currency headwinds through internal actions. We expect to deliver according to our strategy in terms of margins, asset velocity, return on investments and growth, to create continued economic value for all our stakeholders.

Stockholm, January 31, 2014
Keith McLoughlin
President and CEO

For further information, please contact: Electrolux Press Hotline, +46 8 657 65 07.

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 2012 Electrolux had sales of SEK 110 billion and about 61,000 employees. For more information go to <http://group.electrolux.com>.

Electrolux discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 0800 CET on Jan 31, 2014.