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Electrolux

Press release

Stockholm, April 25, 2014

President and CEO Keith McLoughlin's comments on the results for the first quarter of 2014

Continued good growth

Electrolux continued to achieve strong organic sales growth, totaling 4.5% for the quarter. Following a long period of market decline, European demand for appliances improved during the first quarter of 2014. The results for our European operations recovered during the quarter, driven by an improved product mix and lower costs. Our operations in North America were negatively affected by the harsh weather conditions in early 2014. However, the underlying performance remains solid with a very strong recovery in March.

The work to restore profitability in Europe and to reduce costs is now gradually impacting the financial performance. Operating income for our operations in EMEA increased to just over SEK 140 million in a seasonally weak quarter. The market has stabilized and demand increased in several major markets, such as Germany, France and Italy. We now expect European market demand to increase by 1-3% in 2014. Our overall market shares remain stable, while at the same time the mix is improving, driven mainly by higher sales of built-in kitchen products. The overhead cost-reduction program is ongoing and progressing according to plan.

Although our volumes in North America in January and February were impacted by the unusually severe weather conditions, we remain confident that the market will continue to recover. We also noted a strong volume rebound during March. Market demand for appliances in the US is expected to grow by 4% in 2014. Furthermore, our mix is expected to continue to improve with a strong focus on the premium segments.

Organic sales growth in Latin America was close to 15% for the quarter, primarily driven by price increases and mix improvements, which compensated for continued currency headwinds. However, the economic slowdown in Brazil impacted our earnings. Although our fundamental view on this region remains positive, visibility in Latin America is low in the near term relative to volume growth. Further, currencies continue to fluctuate and inflation is on the rise in most markets.

We continue to invest in future growth in Asia/Pacific. The major launch of a completely new product range in China continued and will be ongoing throughout the year. Results for the quarter were also impacted by costs related to our manufacturing footprint program and the consolidation of refrigeration production from Australia to Thailand. The new refrigerator plant in Rayong, which was inaugurated in 2013, will play an important role to support our growth in the Asian markets.

Through price and mix improvements, we continue to mitigate currency headwinds. In parallel, efforts to reduce costs and optimize our global production structure continue. Combined with our work to further speed-up the pace of innovative product launches in the market, this provides us with the foundation for profitable growth.

Stockholm, April 25, 2014
Keith McLoughlin
President and CEO

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Electrolux is a global leader in home appliances, based on deep consumer insight and developed in close collaboration with professional users. We offer thoughtfully designed, innovative solutions for households and businesses, with products such as refrigerators, dishwashers, washing machines, cookers, vacuum cleaners, air conditioners and small domestic appliances. Under esteemed brands including Electrolux, AEG, Zanussi, Frigidaire and Electrolux Grand Cuisine, the Group sells more than 50 million products to customers in more than 150 markets every year. In 2013 Electrolux had sales of SEK 109 billion and 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 08.00 CET on April 25, 2014.