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Electrolux

Press release

Stockholm, October 20, 2014

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

Continued earnings recovery

In the third quarter of 2014, the Group's operating income increased by almost 30% to SEK 1.4 billion compared with the same period in 2013, and cash flow after investments improved by SEK 600 million to SEK 1.6 billion. The main factor behind this result is a strong operational recovery in Europe. The Latin American and Asia/Pacific operations performed well in challenging macro-economic conditions. Our sales and earnings in North America remain at a good level and continue to strongly contribute to the Group's overall result.

Our operations in Europe continue to recover as a result of strong focus on cost savings, production efficiency and product portfolio management. Despite continued difficult market conditions, with a recent weakening of leading indicators and consumer confidence in a number of countries across both Western and Eastern Europe, we have managed to significantly improve results. During the third quarter we achieved an operating income of SEK 484 million, with an operating margin of 5.5%, compared with SEK 111 million in the same period of 2013.

Our work to restore and secure long-term profitability in Europe includes cost reductions and a focus on improving the product mix, but also actions related to the manufacturing footprint program initiated ten years ago. As parts of the final stages in this program, consultations are initiated with employee representatives regarding the production in Mariestad, Sweden, and Schwanden, Switzerland. Decisions will be taken after the consultations.

Both Major Appliances Latin America and Major Appliances Asia/Pacific have been facing challenging market conditions with slow demand in several markets. Although market demand in Brazil has stabilized following the very weak spring and summer, other parts of Latin America have continued to deteriorate. In Asia/Pacific, we have noted a weakening in demand in Australia, and also in the Chinese market. Under these conditions, it is very encouraging to see that both business areas have performed well and have been able to adapt to the new situation in a timely manner.

Major Appliances North America continues to deliver results with a good contribution to the Group's earnings. Sales growth in the region remains healthy. Earnings were impacted by major transitions required to meet new energy standards from the Department of Energy as well as a continued weak market for air-conditioners. The transition has been slower and more complex than anticipated. Our operations within Professional Products continue to improve with an expansion of the operating margin.

In September, we announced the largest acquisition ever in the 95-year history of the company. The planned acquisition of GE Appliances is an important strategic move for Electrolux which will give us a significant presence in one of the largest appliances market. GE's premium, high-quality appliances complement our own brands and enhance our competitiveness as a global appliance maker. We expect a closing of the acquisition during 2015.

We are excited about the upcoming transaction to acquire GE Appliances. However, we are continuing the work in all our business areas with the aim of further increasing growth and profitability. This work provides the foundation for reaching our vision of being the best appliance company in the world as measured by our customers, employees and shareholders.

Stockholm, October 20, 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 October 20, 2014.