

Interim Report January – June 2014

Stockholm, July 18, 2014

Highlights of the second quarter of 2014

	Read more
• Net sales amounted to SEK 26,330m (27,674).	2
• Sales declined by 4.9%, whereof currencies had a negative impact of 1.1%.	2
• Operating income improved for major appliances in Europe and North America and for Professional Products. Good performance in Latin America in a weak market.	4
• Operating income, excluding items affecting comparability, amounted to SEK 1,167m (1,037), an improvement of 13%.	2
• Strong cash flow of SEK 3.3bn (2.6).	7
• Restructuring costs of SEK 1.1bn for the previously announced program charged to operating income within items affecting comparability.	8
• Income for the period, including items affecting comparability, was SEK –92m (642), and earnings per share SEK –0.32 (2.24).	12

Financial overview

SEKm ¹⁾	First half 2013	First half 2014	Change, %	Q2 2013	Q2 2014	Change, %
Net sales	53,002	51,959	–2	27,674	26,330	–5
Organic growth, %	4.9	0.2		5.9	–3.8	
Operating income	1,757	1,916	9	1,037	1,167	13
Margin, %	3.3	3.7		3.7	4.4	
Income after financial items	1,424	1,577	11	859	984	15
Income for the period	1,064	1,260	18	642	815	27
Earnings per share, SEK ¹⁾²⁾	3.72	4.40		2.24	2.85	
Operating cash flow after investments ³⁾	–108	3,184	3,048	2,599	3,307	27

¹⁾ Figures are excluding items affecting comparability. Items affecting comparability amounted to SEK –1,104m (0) for the second quarter of 2014, see page 12. Items affecting comparability includes costs for restructuring programs to make the Group's production competitive and other restructuring measures to reduce costs.

²⁾ Basic, based on an average of 286.3 (286.2) million shares for the second quarter, excluding shares held by Electrolux.

³⁾ Excluding financial items paid, taxes paid, restructuring payments and acquisitions and divestments of operations.

For earnings per share after dilution, see page 12.

For definitions, see page 24.

About Electrolux

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 2013, Electrolux had sales of SEK 109 billion and about 61,000 employees. For more information go to <http://group.electrolux.com/>.



Electrolux

Market overview

Market overview

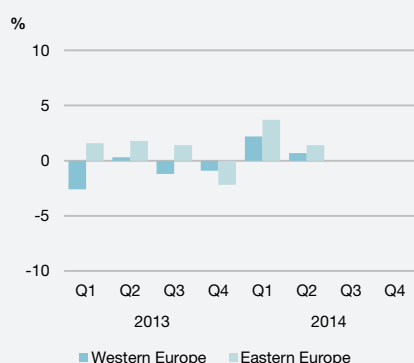
Demand in Europe improved somewhat in the second quarter, Western Europe increased by 1% and Eastern Europe by 1%. In total, the European market was up by 1%.

In the second quarter, market demand for core appliances in North America increased by approximately 6% year-over-year.

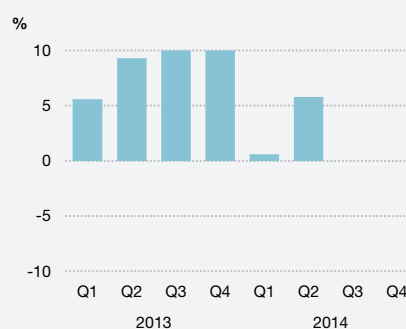
Market demand in Australia is estimated to have declined.

Demand in the growth markets Southeast Asia and China also declined. Demand for appliances in Brazil showed a sharp downturn. The economic slowdown and the FIFA World Cup had an adverse impact on demand for appliances in the second quarter. Most other Latin American markets also declined.

Industry shipments of core appliances in Europe*



Industry shipments of core appliances in the US*



*Units, year-over-year, %.

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

The second quarter in summary*

- Sales declined by 4.9%, primarily as an effect of the slowdown in market demand in Latin America. Currencies had a negative impact of 1.1%.
- Mix improvements across most business areas.
- Improved results in EMEA, North America and for Professional Products.
- Good performance for Latin America in a weak market.
- Price increases and mix improvements offset the negative impact from currency movements.

SEKm	First half 2013	First half 2014	Change, %	Q2 2013	Q2 2014	Change, %
Net sales	53,002	51,959	-2.0	27,674	26,330	-4.9
Change in net sales, %, whereof						
Organic growth	—	—	0.2	—	—	-3.8
Changes in exchange rates	—	—	-2.2	—	—	-1.1
Operating income						
Major Appliances Europe, Middle East and Africa	9	341	n.m.	-2	199	n.m.
Major Appliances North America	1,120	1,062	-5	663	680	3
Major Appliances Latin America	512	359	-30	261	142	-46
Major Appliances Asia/Pacific	254	123	-52	148	102	-31
Small Appliances	67	-8	n.m.	50	-41	n.m.
Professional Products	171	298	74	112	172	54
Other, common group costs, etc.	-376	-259	n.m.	-195	-87	n.m.
Operating income, excluding items affecting comparability	1,757	1,916	9	1,037	1,167	13
Margin, %	3.3	3.7		3.7	4.4	
Items affecting comparability	-82	-1,122	n.m.	—	-1,104	n.m.
Operating income	1,675	794	-53	1,037	63	-94
Margin, %	3.2	1.5		3.7	0.2	

* All comments are excluding items affecting comparability. For items affecting comparability, see page 12.

Net sales for the Electrolux Group declined by 4.9% in the second quarter of 2014, whereof changes in exchange rates had a negative impact of 1.1%. The decrease was mainly attributable to weak market demand in Latin America.

Operating income increased to SEK 1,167m (1,037), corresponding to a margin of 4.4% (3.7).

In Europe, operating income was positively impacted by the ongoing restructuring program to reduce overhead costs and to mix improvements.

Results in North America increased due to mix improvements and price increases.

Latin America showed a good performance in a weak market. Sales and earnings were negatively affected by the sharp downturn in demand in Brazil and Argentina, but actions were taken to reduce costs.

Costs related to the consolidation of refrigerator production to Thailand and marketing spend in China impacted earnings in Asia/Pacific.

Operating income for Small Appliances declined, primarily due to lower sales volumes in North America and Latin America.

Professional Products reported strong improvements in sales and earnings.

In addition, operating income includes insurance compensation related to the fire at the Electrolux warehouse for refrigerators and freezers in Curitiba, Brazil, in 2013, which was reported within Common group costs.

Effects of changes in exchange rates

Exchange-rate movements had a negative impact of approximately SEK -430m on operating income year-over-year in the quarter. Major Appliances Latin America, Asia/Pacific and Europe, Middle East and Africa were impacted by a continued strong US dollar and euro against local currencies year-over-year, especially in emerging markets. Price increases and mix improvements mitigated the negative impact from currencies.

Financial net

Net financial items for the second quarter of 2014 amounted to SEK -183m (-178).

Income for the period

Income for the period amounted to SEK 815m (642), corresponding to SEK 2.85 (2.24) in earnings per share. For earnings per share including items affecting comparability, see page 12.

Events during the second quarter of 2014

May 28. Issue of new bond loan

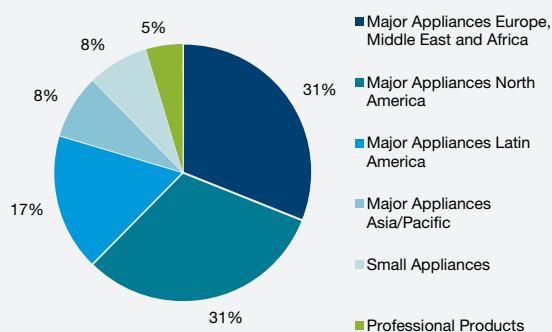
During the second quarter 2014 Electrolux issued a SEK 1,000m bond loan under its EMTN (Euro Medium Term Note) program, with maturity on May 28, 2019. The bond is listed on the Luxembourg Stock Exchange. The proceeds of the offering will be used for general corporate purposes. The transaction had a marginal impact on Electrolux total outstanding debt, as the company at the same time repurchased bonds with maturities in 2015 and 2016 representing approximately the same total loan amount. Detailed information on the bond loan and terms of the issuance is found on the Group's website under Electrolux Long-term bond issues.

First half of 2014

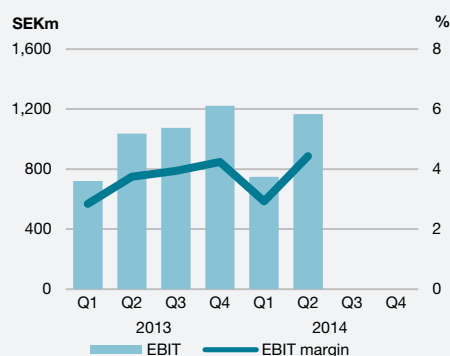
Net sales for the Electrolux Group in the first half of 2014 amounted to SEK 51,959m (53,002). Net sales declined by 2.0%. Organic growth was 0.2%, while changes in exchange rates had a negative impact of -2.2%.

Operating income improved to SEK 1,916m (1,757), corresponding to a margin of 3.7% (3.3). Income for the period was SEK 1,260m (1,064), corresponding to SEK 4.40 (3.72) in earnings per share. For earnings per share including items affecting comparability, see page 12.

Share of sales by business area in Q2 2014



Operating income and margin*



* Excluding items affecting comparability.

Business areas

Major Appliances Europe, Middle East and Africa

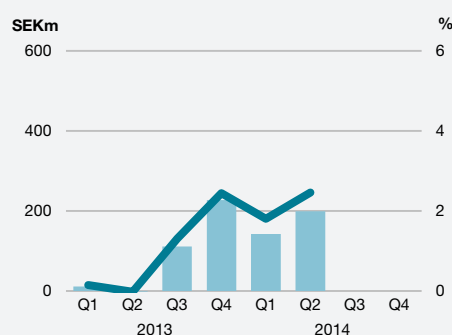
In the second quarter of 2014, the overall market growth for core appliances in Europe slowed down somewhat sequentially but continued to improve. The overall market in Europe increased 1% year-over-year. Western Europe grew 1% and Eastern Europe 1%. The market recovery was particularly strong in the Iberian countries, the UK and Poland. Germany and Switzerland also improved, while the Nordics, France and Italy declined.

Organic sales declined in the second quarter year-over-year. This was primarily a result of lower sales volumes in Europe but also in the Middle East and Africa. The weakening of demand in some of the Electrolux core markets as well as active portfolio management accounted for the decline in sales volumes. Electrolux strong focus on its most profitable product categories improved the product mix.

Operating income rose as a result of the ongoing structural actions to reduce overhead costs and enhance efficiency as well as mix improvements. Higher sales of built-in kitchen prod-

ucts improved the mix in the quarter, while lower sales volumes and price pressure negatively impacted operating income.

Operating income and margin



Industry shipments of core appliances in Europe, units, year-over-year, %	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
Western Europe	-1	-1	2	0	1
Eastern Europe (excluding Turkey)	0	1	2	2	1
Total Europe	-1	-1	2	1	1
SEKm					
Net sales	33,436	15,635	15,972	8,040	8,107
Organic growth, %	-0.2	-0.7	-0.5	2.5	-2.2
Operating income	347	9	341	-2	199
Operating margin, %	1.0	0.1	2.1	0.0	2.5

Major Appliances North America

In the second quarter, market demand for core appliances in North America increased 6% year-over-year. Market demand for major appliances, including microwave ovens and home comfort products, such as room air-conditioners, increased by 7% during the quarter.

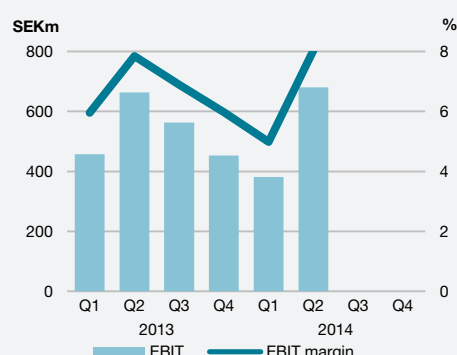
Electrolux sales in North America were unchanged year-over-year. Sales continued to increase in several of the core appliances product categories while sales of room-air-conditioners declined significantly. In addition, sales of refrigerators and laundry products were impacted by a fire at one of the Group's suppliers.

Product mix improvements within several categories of core appliances offset significantly lower sales volumes of room-air conditioners and laundry products.

Operating income improved mainly due to an improved product mix, but also to some extent to price increases. A strong focus on premium products led to an improved product mix.

The cooking factory in L'Assomption, Canada, is being closed in mid-July 2014, with production transferred to Memphis, Tennessee, USA.

Operating income and margin



Industry shipments of appliances in the US, units, year-over-year, %	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
Core appliances	9	7	3	9	6
Microwave ovens and home comfort products	-6	-7	4	-14	12
Total Major Appliances	5	3	4	1	7
SEKm					
Net sales	31,864	16,126	16,128	8,448	8,464
Organic growth, %	7.6	7.4	0.4	3.2	0.5
Operating income	2,136	1,120	1,062	663	680
Operating margin, %	6.7	6.9	6.6	7.8	8.0

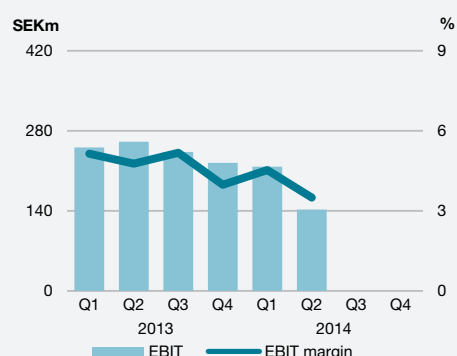
Major Appliances Latin America

In the second quarter of 2014, market demand for core appliances in Brazil declined sharply year-over-year due to the slow-down in the economy and the FIFA World Cup, which had an adverse impact on demand for appliances. Demand in several other Latin American markets also declined during the quarter.

Organic sales in Latin America declined by 19% in the quarter, year-over-year. The weak market conditions in Brazil and other Latin American countries had an adverse impact on sales volumes.

Operating income was affected by the weak market but cost savings and production cut-backs partly compensated for the deterioration in sales volumes. In addition, price increases offset continued currency headwinds and a high rate of inflation.

Operating income and margin



SEKm	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
Net sales	20,695	10,357	8,854	5,472	4,064
Organic growth, %	6.1	12.6	-3.2	17.6	-19.0
Operating income	979	512	359	261	142
Operating margin, %	4.7	4.9	4.1	4.8	3.5

Major Appliances Asia/Pacific

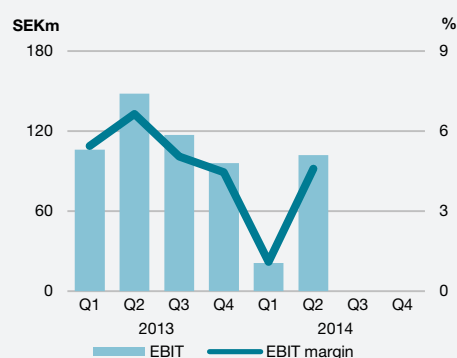
In the second quarter of 2014, market demand for major appliances declined in Australia and also in the growth markets of China and Southeast Asia year-over-year.

Electrolux showed organic sales growth in the second quarter. Increased sales volumes in China and Southeast Asia more than offset slightly lower volumes in Australia. Price increases also contributed to the favorable trend in net sales.

Operating income declined, mainly as a result of a negative country mix. Costs related to new refrigeration products and consolidation of production to the plant in Rayong in Thailand from Australia also had an adverse impact on earnings, as well continued launch costs in China for the new range of products for the domestic market.

The negative impact of currency movements continued during the quarter, with a stronger US dollar year-over-year against the Australian dollar and several other currencies in emerging markets, although this was to a large extent offset by price increases.

Operating income and margin



SEKm	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
Net sales	8,653	4,175	4,149	2,227	2,221
Organic growth, %	10.8	9.1	5.6	7.7	3.3
Operating income	467	254	123	148	102
Operating margin, %	5.4	6.1	3.0	6.6	4.6

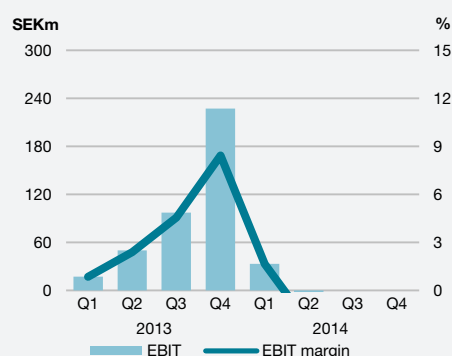
Small Appliances

In the second quarter of 2014, market demand for vacuum cleaners in Europe and North America is estimated to have increased somewhat year-over-year.

Sales for the operations in Small Appliances declined mainly due to lower sales volumes. Lower sales of upright vacuum cleaners in the US and weak market conditions in Latin America impacted sales in the quarter. Sales of small domestic appliances continued to increase year-over-year and displayed good growth in several regions.

Operating income for the second quarter declined year-over-year, primarily as a result of the lower sales volumes in North America and Latin America. The second quarter is normally a seasonally weak quarter. Price pressure and negative currency development in emerging markets impacted results. Restructuring measures to take out costs in North America also had a negative impact on earnings for the quarter.

Operating income and margin



SEKm	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
Net sales	8,952	4,124	3,939	2,104	1,938
Organic growth, %	4.4	3.7	-2.3	6.5	-6.6
Operating income	391	67	-8	50	-41
Operating margin, %	4.4	1.6	-0.2	2.4	-2.1

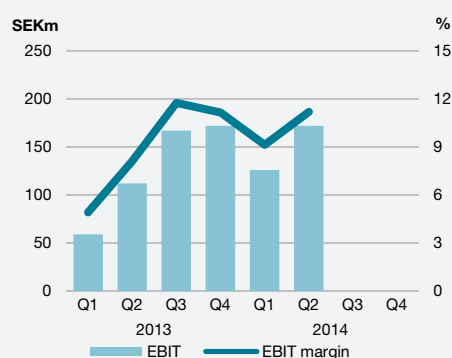
Professional Products

Market demand for professional food-service and professional laundry equipment in Europe, where Electrolux holds a strong position, is estimated to have been slightly positive in the second quarter. Demand in the US and emerging markets also displayed growth year-over-year.

Electrolux sales increased strongly in the second quarter of the year and the Group gained market shares. Good sales growth in Western Europe, which accounts for more than 60% of sales, was the main contributor to this development. Sales in growth markets continued to be strong. This was primarily the result of the Group's strategic initiatives to grow in new markets and segments as well as launches of new products. Both sales for professional food-service equipment and professional laundry equipment displayed good growth.

Operating income and margin showed strong improvements compared with the year-earlier period mainly as a result of higher sales volumes. An improved cost structure also contributed to the results.

Operating income and margin



SEKm	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
Net sales	5,550	2,584	2,916	1,383	1,536
Organic growth, %	1.7	-6.4	10.5	-1.7	8.0
Operating income	510	171	298	112	172
Operating margin, %	9.2	6.6	10.2	8.1	11.2

Cash flow

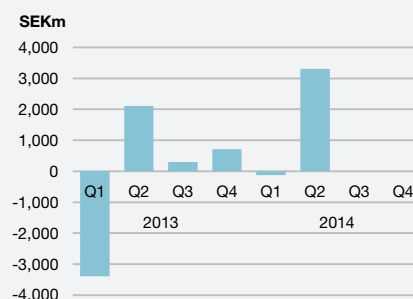
Operating cash flow after investments in the second quarter of 2014 improved significantly compared with the preceding year and amounted to SEK 3,307m (2,599). Cash flow improved in most business areas. The improvement refers mainly to working capital, particularly to improvements in trade receivables and accounts payable. Higher earnings and lower capital expenditure also impacted cash flow positively in the quarter.

Payments for the ongoing restructuring and cost-cutting programs amounted to SEK 253m in the quarter.

Investments in the second quarter mainly related to investments in new products.

The dividend payment for 2013 of SEK 1,861m was distributed to shareholders during the quarter.

Operating cash flow after investments



SEKm	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
EBITDA ¹⁾	7,616	3,537	3,820	1,919	2,114
Change in operating assets and liabilities	-675	-1,680	797	1,764	1,957
Operating cash flow	6,941	1,857	4,617	3,683	4,071
Investments in fixed assets ²⁾	-4,529	-1,965	-1,433	-1,084	-764
Operating cash flow after investments	2,412	-108	3,184	2,599	3,307
Restructuring payments	-603	-232	-471	-92	-253
Acquisitions and divestments of operations	-205	-202	-1	-1	-
Operating cash flow after structural changes	1,604	-542	2,712	2,506	3,054
Financial items paid, net	-540	-280	-316	-200	-211
Taxes paid	-1,343	-463	-502	-200	-276
Free cash flow³⁾	-279	-1,285	1,894	2,106	2,567
Dividend	-1,860	-1,860	-1,861	-1,860	-1,861
Total cash flow, excluding change in loans and short-term investments	-2,139	-3,145	33	246	706

¹⁾ Operating income excluding items affecting comparability plus depreciation and amortization plus other non-cash items.

²⁾ Investments excluding acquisitions and divestments of operations.

³⁾ Cash flow from operations and investments.

Financial position

The financial net debt decreased by SEK 934m during the second quarter of 2014 as a result of the strong operating cash flow after investments. Net provision for post-employment benefits increased by SEK 224m. In total, net debt decreased by SEK 710m during the second quarter.

Long-term borrowings as of June 30, 2014, including long-term borrowings with maturities within 12 months, amounted to SEK 12,208m with average maturity of 3.1 years, compared to SEK 12,207m and 3.3 years at the end of 2013. During the second quarter, Electrolux issued a SEK 1,000m bond loan under its EMTN (Euro Medium Term Note) program, with a maturity on May 28, 2019, and at the same time repurchased bonds with maturities in 2015 and 2016, representing approximately the same total loan amount, see page 3. During 2015, long-term borrowings in the amount of SEK 2,561m will mature.

Liquid funds as of June 30, 2014, amounted to SEK 6,991m (7,313), excluding short-term back-up facilities. Electrolux has two unused committed back-up facilities. One EUR 500m multi-

currency revolving credit facility, approximately SEK 4,590m, maturing in 2018 and a credit facility of SEK 3,400m maturing in 2017.

Net assets and working capital

Average net assets for the period amounted to SEK 24,943m (27,826). Net assets as of June 30, 2014, amounted to SEK 24,030m (27,322). Adjusted for items affecting comparability, i.e., restructuring provisions, average net assets amounted to SEK 27,574m (29,614), corresponding to 26.5% (27.9) of net sales.

Working capital as of June 30, 2014, amounted to SEK -7,253m (-3,998), corresponding to -6.8% (-3.6) of annualized net sales. The return on net assets was 6.4% (12.0), and 13.9% (11.9), excluding items affecting comparability.

Net debt

SEKm	Dec. 31, 2013	June 30, 2013	June 30, 2014
Borrowings	14,905	15,882	14,455
Liquid funds	7,232	7,313	6,991
Financial net debt	7,673	8,569	7,464
Net provisions for post-employment benefits	2,980	2,851	3,424
Net debt	10,653	11,420	10,888
Net debt/equity ratio	0.74	0.72	0.83
Equity	14,308	15,902	13,142
Equity per share, SEK	49.99	55.56	45.90
Return on equity, %	4.4	13.1	5.1
Equity/assets ratio, %	20.8	22.6	18.9

Structural changes

In 2013, Electrolux communicated actions to reduce annual costs by SEK 1.8bn for a charge of SEK 3.4bn. Cost savings will be achieved through manufacturing footprint restructuring as well as through overhead-cost reductions. These actions relate mainly to Major Appliances Europe, Middle East and Africa, but also to other business areas and Group Staff.

Until the first quarter of 2014, restructuring costs amounting to SEK 1.5bn had been charged to operating income within items affecting comparability.

During the second quarter of 2014, restructuring costs amounting to SEK 1.1bn were charged to operating income within items affecting comparability, see page 12. In total, SEK 2.6bn in restructuring charges have been taken, of the total amount of the SEK 3.4bn plan.

When this program ends, Electrolux will eliminate the practice of "items affecting comparability" and take any potential future restructuring charges directly to earnings.

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 June 30, 2014, the Group had a total of 2,966 (2,890) cases pending, representing approximately 3,034 (approximately 2,953) plaintiffs. During the second quarter of 2014, 248 new cases with 256 plaintiffs were filed and 199 pending cases with approximately 199 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. This work begins with the description of risks and

risk management, see the 2013 Annual Report on page 76. No significant risks other than the risks described there are judged to have occurred.

Risks, risk management and risk exposure are described in more detail in the Annual Report 2013, www.electrolux.com/annualreport2013.

Press releases 2014

January 22	Electrolux named Industry Leader in RobecoSAM annual rating
January 31	Consolidated results 2013 and CEO Keith McLoughlin's comments
February 21	Notice convening the Annual General Meeting of AB Electrolux
February 21	Changes to the Board of AB Electrolux
February 21	Electrolux Annual Report 2013 is published
March 6	Electrolux Capital Markets Day in Charlotte, USA, November 2014
March 26	Electrolux unveils new climate impact target in 2013 Sustainability Report
March 27	Bulletin from AB Electrolux Annual General Meeting 2014

April 25	Interim Report January-March 2014 and CEO Keith McLoughlin's comments
May 7	Electrolux Design Lab Top 100+ are online
May 28	Electrolux issues Bond Loan

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 half of 2014 amounted to SEK 13,604m (13,587) of which SEK 10,945m (11,126) referred to sales to Group companies and SEK 2,659m (2,461) to external customers. Income after financial items was SEK 837m (732), including dividends from subsidiaries in the amount of SEK 774m (910). Income for the period amounted to SEK 290m (42).

Capital expenditure in tangible and intangible assets was SEK 166m (224). Liquid funds at the end of the period amounted to SEK 2,192m, as against SEK 2,795m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 11,018m, as against SEK 12,531m at the start of the year. Dividend payment to shareholders for 2013 amounted to SEK 1,861m.

The income statement and balance sheet for the Parent Company are presented on page 21.

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 Annual Report 2013.

This report has not been audited.

The Board of Directors and the President and CEO certify that the Interim Report for the period January – June 2014 gives a true and fair overview of the Parent Company AB Electrolux and the Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 17, 2014

Ronnie Leten
Chairman of the Board of Directors

Torben Ballegaard Sørensen
Deputy Chairman of the Board of Directors

Lorna Davis
Board member

Petra Hedengran
Board member

Hasse Johansson
Board member

Keith McLoughlin
Board member, President and CEO

Bert Nordberg
Board member

Fredrik Persson
Board member

Ulrika Saxon
Board member

Ola Bertilsson
*Board member,
employee representative*

Gunilla Brandt
*Board member,
employee representative*

Ulf Carlsson
*Board member,
employee representative*

Consolidated income statement

SEKm	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
Net sales	109,151	53,002	51,959	27,674	26,330
Cost of goods sold	-87,892	-42,731	-42,021	-22,247	-21,145
Gross operating income¹⁾	21,259	10,271	9,938	5,427	5,185
Selling expenses	-11,564	-5,654	-5,541	-2,988	-2,854
Administrative expenses	-5,646	-2,857	-2,539	-1,397	-1,292
Other operating income/expenses	6	-3	58	-5	128
Items affecting comparability	-2,475	-82	-1,122	—	-1,104
Operating income	1,580	1,675	794	1,037	63
Margin, %	1.4	3.2	1.5	3.7	0.2
Financial items, net	-676	-333	-339	-178	-183
Income after financial items	904	1,342	455	859	-120
Margin, %	0.8	2.5	0.9	3.1	-0.5
Taxes	-232	-339	-116	-217	28
Income for the period	672	1,003	339	642	-92
Items that will not be reclassified to income for the period:					
Remeasurement of provisions for post-employment benefits	1,851	1,653	-390	923	-147
Income tax relating to items that will not be reclassified	-636	-410	34	-228	37
	1,215	1,243	-356	695	-110
Items that may be reclassified subsequently to income for the period:					
Available for sale instruments	-69	-14	23	1	28
Cash flow hedges	41	82	-88	85	-5
Exchange-rate differences on translation of foreign operations	-1,518	-286	724	57	937
Income tax relating to items that may be reclassified	29	-9	19	-17	-8
	-1,517	-227	678	126	952
Other comprehensive income, net of tax	-302	1,016	322	821	842
Total comprehensive income for the period	370	2,019	661	1,463	750
Income for the period attributable to:					
Equity holders of the Parent Company	671	1,003	339	642	-92
Non-controlling interests	1	—	—	—	—
Total	672	1,003	339	642	-92
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	374	2,019	662	1,463	749
Non-controlling interests	-4	—	-1	—	1
Total	370	2,019	661	1,463	750
Earnings per share, SEK	2.35	3.50	1.18	2.24	-0.32
Diluted, SEK	2.34	3.49	1.18	2.23	-0.32
Number of shares after buy-backs, million	286.2	286.2	286.3	286.2	286.3
Average number of shares after buy-backs, million	286.2	286.2	286.3	286.2	286.3
Diluted, million	287.3	287.0	287.8	287.0	287.9

¹⁾ As of 2014, selling and administrative costs in the factories are included in cost of goods sold. This reporting change reduces the reported gross operating income annually by approximately SEK 450m with the corresponding reductions in the line items selling and administrative expenses. The change in calculation has no impact on operating income and previous periods have not been restated.

Items affecting comparability

SEKm	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
Restructuring provisions and write-downs					
Manufacturing footprint restructuring	-594	-82	-923	—	-923
Program for reduction of overhead costs	-975	—	-199	—	-181
Impairment of ERP system	-906	—	—	—	—
Total	-2,475	-82	-1,122	—	-1,104

¹⁾ Of the total restructuring measures of SEK 2.5bn in 2013 approximately SEK 1.4bn will have a cash flow impact.

Consolidated balance sheet

SEKm	Dec. 31, 2013	June 30, 2013	June 30, 2014
Assets			
Property, plant and equipment	17,264	16,970	17,460
Goodwill	4,875	5,249	4,924
Other intangible assets	4,011	5,107	3,786
Investments in associates	221	216	222
Deferred tax assets	4,385	3,886	4,427
Financial assets	279	325	310
Pension plan assets	445	559	485
Other non-current assets	752	690	936
Total non-current assets	32,232	33,002	32,550
Inventories	12,154	13,950	14,493
Trade receivables	19,441	19,222	17,427
Tax assets	746	610	787
Derivatives	268	538	126
Other current assets	4,405	3,952	4,604
Short-term investments	148	124	77
Cash and cash equivalents	6,607	6,427	6,522
Total current assets	43,769	44,823	44,036
Total assets	76,001	77,825	76,586
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	-2,658	-1,371	-1,978
Retained earnings	12,482	12,785	10,639
Total equity	14,274	15,864	13,111
Non-controlling interests	34	38	31
Total equity	14,308	15,902	13,142
Long-term borrowings	11,935	11,908	10,180
Deferred tax liabilities	1,026	1,123	782
Provisions for post-employment benefits	3,425	3,410	3,909
Other provisions	4,522	4,330	4,591
Total non-current liabilities	20,908	20,771	19,462
Accounts payable	20,607	21,606	22,647
Tax liabilities	1,331	1,306	1,155
Short-term liabilities	12,886	12,188	12,439
Short-term borrowings	2,733	3,791	4,058
Derivatives	194	143	198
Other provisions	3,034	2,118	3,485
Total current liabilities	40,785	41,152	43,982
Total equity and liabilities	76,001	77,825	76,586
Contingent liabilities	1,458	1,834	1,467

Change in consolidated equity

SEKm	Dec. 31, 2013	June 30, 2013	June 30, 2014
Opening balance	15,726	15,726	14,308
Total comprehensive income for the period	370	2,019	661
Share-based payment	77	19	35
Dividend	-1,860	-1,860	-1,861
Acquisition of operations	-5	-2	-1
Total transactions with equity holders	-1,788	-1,843	-1,827
Closing balance	14,308	15,902	13,142

Consolidated cash flow statement

SEKm	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
Operations					
Operating income	1,580	1,675	794	1,037	63
Depreciation and amortization	3,356	1,631	1,781	809	913
Restructuring provisions	1,855	-157	651	-95	851
Other non-cash items	222	156	123	76	34
Financial items paid, net	-540	-280	-316	-200	-211
Taxes paid	-1,343	-463	-502	-200	-276
Cash flow from operations, excluding change in operating assets and liabilities	5,130	2,562	2,531	1,427	1,374
Change in operating assets and liabilities					
Change in inventories	165	-1,126	-1,876	30	-419
Change in trade receivables	-1,932	-1,025	2,651	-983	1,268
Change in accounts payable	609	999	1,310	1,896	647
Change in other operating assets, liabilities and provisions	483	-528	-1,288	821	461
Cash flow from change in operating assets and liabilities	-675	-1,680	797	1,764	1,957
Cash flow from operations	4,455	882	3,328	3,191	3,331
Investments					
Acquisition of operations ¹⁾	-205	-202	-1	-1	-
Capital expenditure in property, plant and equipment	-3,535	-1,501	-1,120	-816	-631
Capital expenditure in product development	-442	-233	-153	-124	-89
Capital expenditure in software	-514	-283	-150	-150	-74
Other ²⁾	-38	52	-10	6	30
Cash flow from investments	-4,734	-2,167	-1,434	-1,085	-764
Cash flow from operations and investments	-279	-1,285	1,894	2,106	2,567
Financing					
Change in short-term investments	-25	-2	70	-2	44
Change in short-term borrowings	1,151	639	-32	-1,931	-40
New long-term borrowings	3,039	3,025	1,006	1,015	1,000
Amortization of long-term borrowings	-1,851	-841	-1,244	-4	-1,239
Dividend	-1,860	-1,860	-1,861	-1,860	-1,861
Cash flow from financing	454	961	-2,061	-2,782	-2,096
Total cash flow	175	-324	-167	-676	471
Cash and cash equivalents at beginning of period	6,835	6,835	6,607	7,112	5,949
Exchange-rate differences referring to cash and cash equivalents	-403	-84	82	-9	102
Cash and cash equivalents at end of period	6,607	6,427	6,522	6,427	6,522

¹⁾ Includes the purchase and subsequent divestment of the Electrolux head-office building in 2013. Electrolux remaining investment in the real estate company is SEK 200m.

²⁾ Includes grants related to investments of SEK 222m for the full year of 2013.

Key ratios

SEKm unless otherwise stated	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
Net sales	109,151	53,002	51,959	27,674	26,330
Organic growth, %	4.5	4.9	0.2	5.9	-3.8
Items affecting comparability	-2,475	-82	-1,122	—	-1,104
Operating income	1,580	1,675	794	1,037	63
Margin, %	1.4	3.2	1.5	3.7	0.2
Income after financial items	904	1,342	455	859	-120
Income for the period	672	1,003	339	642	-92
Capital expenditure, property, plant and equipment	-3,535	-1,501	-1,120	-816	-631
Operating cash flow after investments	2,412	-108	3,184	2,599	3,307
Earnings per share, SEK ¹⁾	2.35	3.50	1.18	2.24	-0.32
Equity per share, SEK	49.99	55.56	45.90	—	—
Capital-turnover rate, times/year	4.0	3.8	4.2	—	—
Return on net assets, %	5.8	12.0	6.4	—	—
Return on equity, %	4.4	13.1	5.1	—	—
Net debt	10,653	11,420	10,888	—	—
Net debt/equity ratio	0.74	0.72	0.83	—	—
Average number of shares excluding shares owned by Electrolux, million	286.2	286.2	286.3	286.2	286.3
Average number of employees	60,754	60,418	60,040	60,333	59,776
Excluding items affecting comparability					
Operating income	4,055	1,757	1,916	1,037	1,167
Margin, %	3.7	3.3	3.7	3.7	4.4
Earnings per share, SEK ¹⁾	9.81	3.72	4.40	2.24	2.85
Capital-turnover rate, times/year	3.8	3.6	3.8	—	—
Return on net assets, %	14.3	11.9	13.9	—	—

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

Shares

Number of shares	Outstanding A-shares	Outstanding B-shares	Outstanding shares, total	Shares held by Electrolux	Shares held by other shareholders
Number of shares as of January 1, 2014	8,192,539	300,727,769	308,920,308	22,708,321	286,211,987
Conversion of A-shares into B-shares	—	—	—	—	—
Sale of shares	—	—	—	—	—
Shares allotted to senior managers under the Performance Share Program	—	—	—	-108,437	108,437
Number of shares as of June 30, 2014	8,192,539	300,727,769	308,920,308	22,599,884	286,320,424
As % of total number of shares				7.3%	

Exchange rates

SEK	Dec. 31, 2013	June 30, 2013	June 30, 2014
AUD, average	6.29	6.59	5.97
AUD, end of period	5.75	6.23	6.32
BRL, average	3.03	3.19	2.86
BRL, end of period	2.76	3.04	3.05
CAD, average	6.32	6.42	6.00
CAD, end of period	6.04	6.43	6.29
EUR, average	8.67	8.56	8.98
EUR, end of period	8.91	8.79	9.18
GBP, average	10.23	10.10	10.94
GBP, end of period	10.67	10.27	11.44
HUF, average	0.0292	0.0289	0.0293
HUF, end of period	0.0300	0.0298	0.0296
USD, average	6.52	6.53	6.55
USD, end of period	6.47	6.73	6.72

Net sales by business area

SEKm	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
Major Appliances Europe, Middle East and Africa	33,436	15,635	15,972	8,040	8,107
Major Appliances North America	31,864	16,126	16,128	8,448	8,464
Major Appliances Latin America	20,695	10,357	8,854	5,472	4,064
Major Appliances Asia/Pacific	8,653	4,175	4,149	2,227	2,221
Small Appliances	8,952	4,124	3,939	2,104	1,938
Professional Products	5,550	2,584	2,916	1,383	1,536
Other	1	1	1	—	—
Total	109,151	53,002	51,959	27,674	26,330

Operating income by business area

SEKm	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
Major Appliances Europe, Middle East and Africa	347	9	341	-2	199
Margin, %	1.0	0.1	2.1	0.0	2.5
Major Appliances North America	2,136	1,120	1,062	663	680
Margin, %	6.7	6.9	6.6	7.8	8.0
Major Appliances Latin America	979	512	359	261	142
Margin, %	4.7	4.9	4.1	4.8	3.5
Major Appliances Asia/Pacific	467	254	123	148	102
Margin, %	5.4	6.1	3.0	6.6	4.6
Small Appliances	391	67	-8	50	-41
Margin, %	4.4	1.6	-0.2	2.4	-2.1
Professional Products	510	171	298	112	172
Margin, %	9.2	6.6	10.2	8.1	11.2
Common group costs, etc.	-775	-376	-259	-195	-87
Total Group, excluding items affecting comparability	4,055	1,757	1,916	1,037	1,167
Margin, %	3.7	3.3	3.7	3.7	4.4
Items affecting comparability	-2,475	-82	-1,122	—	-1,104
Operating income	1,580	1,675	794	1,037	63
Margin, %	1.4	3.2	1.5	3.7	0.2

Change in net sales by business area

Year-over-year, %	First half 2014	First half 2014 in local currencies	Q2 2014	Q2 2014 in local currencies
Major Appliances Europe, Middle East and Africa	2.2	-0.5	0.8	-2.2
Major Appliances North America	0.0	0.4	0.2	0.5
Major Appliances Latin America	-14.5	-3.2	-25.7	-19.0
Major Appliances Asia/Pacific	-0.6	5.6	-0.3	3.3
Small Appliances	-4.5	-2.3	-7.9	-6.6
Professional Products	12.8	10.5	11.1	8.0
Total change	-2.0	0.2	-4.9	-3.8

Change in operating income by business area

Year-over-year, %	First half 2014	First half 2014 in local currencies	Q2 2014	Q2 2014 in local currencies
Major Appliances Europe, Middle East and Africa	n.m.	n.m.	n.m.	n.m.
Major Appliances North America	-5.2	-4.7	2.6	3.3
Major Appliances Latin America	-29.9	-20.5	-45.6	-39.0
Major Appliances Asia/Pacific	-51.6	-46.0	-31.1	-27.2
Small Appliances	n.m.	n.m.	n.m.	n.m.
Professional Products	74.3	71.8	53.6	50.0
Total change, excluding items affecting comparability	9.0	13.6	12.5	14.1

Working capital and net assets

SEKm	Dec. 31, 2013	% of annualized net sales	June 30, 2013	% of annualized net sales	June 30, 2014	% of annualized net sales
Inventories	12,154	10.6	13,950	12.6	14,493	13.6
Trade receivables	19,441	17.0	19,222	17.3	17,427	16.3
Accounts payable	-20,607	-18.0	-21,606	-19.5	-22,647	-21.2
Provisions	-7,556		-6,448		-8,076	
Prepaid and accrued income and expenses	-7,933		-7,642		-7,608	
Taxes and other assets and liabilities	-1,299		-1,474		-842	
Working capital	-5,800	-5.1	-3,998	-3.6	-7,253	-6.8
Property, plant and equipment	17,264		16,970		17,460	
Goodwill	4,875		5,249		4,924	
Other non-current assets	5,263		6,338		5,254	
Deferred tax assets and liabilities	3,359		2,763		3,645	
Net assets	24,961	21.8	27,322	24.6	24,030	22.5
Average net assets	27,148	24.9	27,826	26.2	24,943	24.0
Average net assets, excluding items affecting comparability	28,915	26.5	29,614	27.9	27,574	26.5

Net assets by business area

SEKm	Assets			Equity and liabilities			Net assets		
	Dec. 31, 2013	June 30, 2013	June 30, 2014	Dec. 31, 2013	June 30, 2013	June 30, 2014	Dec. 31, 2013	June 30, 2013	June 30, 2014
Major Appliances Europe, Middle East and Africa	22,936	22,406	21,683	14,408	13,086	13,770	8,528	9,320	7,913
Major Appliances North America	12,886	14,702	14,989	7,606	10,021	10,303	5,280	4,681	4,686
Major Appliances Latin America	12,875	13,710	12,860	6,321	6,631	6,357	6,554	7,079	6,503
Major Appliances Asia/Pacific	4,866	4,918	5,150	2,852	2,679	2,792	2,014	2,239	2,358
Small Appliances	4,756	4,436	4,426	3,202	2,694	2,824	1,554	1,742	1,602
Professional Products	2,720	2,725	2,956	1,760	1,796	1,964	960	929	992
Other ¹⁾	7,285	7,056	7,046	7,214	5,724	7,070	71	1,332	-24
Total operating assets and liabilities	68,324	69,953	69,110	43,363	42,631	45,080	24,961	27,322	24,030
Liquid funds	7,232	7,313	6,991	—	—	—	—	—	—
Interest-bearing receivables	—	—	—	—	—	—	—	—	—
Interest-bearing liabilities	—	—	—	14,905	15,882	14,455	—	—	—
Pension assets and liabilities	445	559	485	3,425	3,410	3,909	—	—	—
Dividend payable	—	—	—	—	—	—	—	—	—
Equity	—	—	—	14,308	15,902	13,142	—	—	—
Total	76,001	77,825	76,586	76,001	77,825	76,586	—	—	—

¹⁾ Includes common functions, tax items and restructuring provisions.

Net sales and income per quarter

SEKm	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full year 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full year 2014
Net sales	25,328	27,674	27,258	28,891	109,151	25,629	26,330			
Operating income	638	1,037	1,075	-1,170	1,580	731	63			
Margin, %	2.5	3.7	3.9	-4.0	1.4	2.9	0.2			
Operating income, excluding items affecting comparability	720	1,037	1,075	1,223	4,055	749	1,167			
Margin, %	2.8	3.7	3.9	4.2	3.7	2.9	4.4			
Income after financial items	483	859	884	-1,322	904	575	-120			
Income after financial items, excluding items affecting comparability	565	859	884	1,071	3,379	593	984			
Income for the period	361	642	656	-987	672	431	-92			
Earnings per share, SEK ¹⁾	1.26	2.24	2.29	-3.44	2.35	1.50	-0.32			
Earnings per share, SEK, excluding items affecting comparability ¹⁾	1.48	2.24	2.29	3.80	9.81	1.55	2.85			
Items affecting comparability ²⁾	-82	—	—	-2,393	-2,475	-18	-1,104			
Number of shares after buy-backs, million	286.2	286.2	286.2	286.2	286.2	286.2	286.3			
Average number of shares after buy-backs, million	286.2	286.2	286.2	286.2	286.2	286.2	286.3			

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

²⁾ Restructuring provisions, write-downs and capital loss on divestments.

Net sales and operating income by business area per quarter

SEKm	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full year 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full year 2014
Major Appliances Europe, Middle East and Africa										
Net sales	7,595	8,040	8,520	9,281	33,436	7,865	8,107			
Operating income	11	-2	111	227	347	142	199			
Margin, %	0.1	0.0	1.3	2.4	1.0	1.8	2.5			
Major Appliances North America										
Net sales	7,678	8,448	8,165	7,573	31,864	7,664	8,464			
Operating income	457	663	563	453	2,136	382	680			
Margin, %	6.0	7.8	6.9	6.0	6.7	5.0	8.0			
Major Appliances Latin America										
Net sales	4,885	5,472	4,699	5,639	20,695	4,790	4,064			
Operating income	251	261	243	224	979	217	142			
Margin, %	5.1	4.8	5.2	4.0	4.7	4.5	3.5			
Major Appliances Asia/Pacific										
Net sales	1,948	2,227	2,321	2,157	8,653	1,928	2,221			
Operating income	106	148	117	96	467	21	102			
Margin, %	5.4	6.6	5.0	4.5	5.4	1.1	4.6			
Small Appliances										
Net sales	2,020	2,104	2,131	2,697	8,952	2,001	1,938			
Operating income	17	50	97	227	391	33	-41			
Margin, %	0.8	2.4	4.6	8.4	4.4	1.6	-2.1			
Professional Products										
Net sales	1,201	1,383	1,422	1,544	5,550	1,380	1,536			
Operating income	59	112	167	172	510	126	172			
Margin, %	4.9	8.1	11.7	11.1	9.2	9.1	11.2			
Other										
Net sales	1	-	-	-	1	1	-			
Operating income, common group costs, etc.	-181	-195	-223	-176	-775	-172	-87			
Total Group, excluding items affecting comparability										
Net sales	25,328	27,674	27,258	28,891	109,151	25,629	26,330			
Operating income	720	1,037	1,075	1,223	4,055	749	1,167			
Margin, %	2.8	3.7	3.9	4.2	3.7	2.9	4.4			
Items affecting comparability										
	-82	-	-	-2,393	-2,475	-18	-1,104			
Total Group										
Net sales	25,328	27,674	27,258	28,891	109,151	25,629	26,330			
Operating income	638	1,037	1,075	-1,170	1,580	731	63			
Margin, %	2.5	3.7	3.9	-4.0	1.4	2.9	0.2			

Fair value and carrying amount on financial assets and liabilities

SEKm	Full year 2013		June 30, 2013		June 30, 2014	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Per category						
Financial assets at fair value through profit and loss	2,021	2,021	1,537	1,537	1,972	1,972
Available for sale	160	160	215	215	183	183
Loans and receivables	20,664	20,664	21,012	21,012	18,850	18,850
Cash	3,871	3,871	3,810	3,810	3,457	3,457
Total financial assets	26,716	26,716	26,574	26,574	24,462	24,462
Financial liabilities at fair value through profit and loss	171	171	137	90	198	198
Financial liabilities measured at amortized cost	35,405	35,275	37,465	37,305	36,074	35,946
Total financial liabilities	35,576	35,446	37,602	37,395	36,272	36,144

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 that is available to the Group 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.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data.

Fair value measurement hierarchy

Financial assets, SEKm	Full year 2013			June 30, 2013			June 30, 2014		
	Level 1	Level 2	Total	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets	279	—	279	325	—	325	310	—	310
Financial assets at fair value through profit and loss	119	—	119	110	—	110	127	—	127
Available for sale	160	—	160	215	—	215	183	—	183
Derivatives	—	241	241	—	500	500	—	126	126
Derivatives for which hedge accounting is not applied, i.e., held for trading	—	93	93	—	168	168	—	90	90
Derivatives for which hedge accounting is applied	—	148	148	—	332	332	—	36	36
Short-term investments and cash equivalents	1,661	—	1,661	927	—	927	1,719	—	1,719
Financial assets at fair value through profit and loss	1,661	—	1,661	927	—	927	1,719	—	1,719
Total financial assets	1,940	241	2,181	1,252	500	1,752	2,029	126	2,155
Financial liabilities									
Derivatives	—	171	171	—	136	136	—	198	198
Derivatives for which hedge accounting is not applied, i.e., held for trading	—	78	78	—	75	75	—	53	53
Derivatives for which hedge accounting is applied	—	93	93	—	61	61	—	145	145
Total financial liabilities	—	171	171	—	136	136	—	198	198

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.

The disclosure of this information in the interim report is a consequence of updated disclosure requirements in IAS 34 Interim Financial Reporting. The information was earlier provided yearly in the notes to the financial statements in the Annual Report.

Parent Company income statement

SEKm	Full year 2013	First half 2013	First half 2014	Q2 2013	Q2 2014
Net sales	7,224	13,587	13,604	6,363	6,898
Cost of goods sold	-5,870	-11,710	-11,893	-5,840	-6,107
Gross operating income	1,354	1,877	1,711	523	791
Selling expenses	-830	-1,716	-1,592	-886	-846
Administrative expenses	-538	-857	-706	-319	-404
Other operating income	9	9	2	—	—
Other operating expenses	—	—	-174	—	-174
Operating income	-5	-687	-759	-682	-633
Financial income	92	1,077	968	985	165
Financial expenses	-66	-345	-131	-279	-34
Financial items, net	26	732	837	706	131
Income after financial items	21	45	78	24	-502
Appropriations	-5	28	88	33	73
Income before taxes	16	73	166	57	-429
Taxes	-7	-31	124	-24	118
Income for the period	9	42	290	33	-311

Parent Company balance sheet

SEKm	Dec. 31, 2013	June 30, 2013	June 30, 2014
Assets			
Non-current assets	33,001	33,909	33,266
Current assets	22,027	20,966	19,220
Total assets	55,028	54,875	52,486
Equity and liabilities			
Restricted equity	4,562	4,562	4,562
Non-restricted equity	12,531	13,477	11,018
Total equity	17,093	18,039	15,580
Untaxed reserves	558	565	530
Provisions	1,843	1,019	1,793
Non-current liabilities	11,472	11,443	9,737
Current liabilities	24,062	23,809	24,846
Total equity and liabilities	55,028	54,875	52,486
Pledged assets	—	—	—
Contingent liabilities	1,815	1,752	2,159

Operations by business area yearly

SEKm	2009	2010	2011	2012	2013
Major Appliances Europe, Middle East and Africa					
Net sales	40,500	36,596	34,029	34,278	33,436
Operating income	1,912	2,297	709	1,105	347
Margin, %	4.7	6.3	2.1	3.2	1.0
Major Appliances North America					
Net sales	32,694	30,969	27,665	30,684	31,864
Operating income	1,299	1,442	250	1,452	2,136
Margin, %	4.0	4.7	0.9	4.7	6.7
Major Appliances Latin America					
Net sales	13,302	16,260	17,810	22,044	20,695
Operating income	809	951	820	1,590	979
Margin, %	6.1	5.8	4.6	7.2	4.7
Major Appliances Asia/Pacific					
Net sales	7,037	7,679	7,852	8,405	8,653
Operating income	378	793	736	746	467
Margin, %	5.4	10.3	9.4	8.9	5.4
Small Appliances					
Net sales	8,464	8,422	8,359	9,011	8,952
Operating income	763	802	543	461	391
Margin, %	9.0	9.5	6.5	5.1	4.4
Professional Products					
Net sales	7,129	6,389	5,882	5,571	5,550
Operating income	668	743	841	588	510
Margin, %	9.4	11.6	14.3	10.6	9.2
Other					
Net sales	6	11	1	1	1
Operating income, common Group costs, etc.	-507	-534	-744	-910	-775
Total Group, excluding items affecting comparability					
Net sales	109,132	106,326	101,598	109,994	109,151
Operating income	5,322	6,494	3,155	5,032	4,055
Margin, %	4.9	6.1	3.1	4.6	3.7
Items affecting comparability	-1,561	-1,064	-138	-1,032	-2,475
Total Group, including items affecting comparability					
Net sales	109,132	106,326	101,598	109,994	109,151
Operating income	3,761	5,430	3,017	4,000	1,580
Margin, %	3.4	5.1	3.0	3.6	1.4

Electrolux applies the amended standard for pension accounting, IAS 19 Employee Benefits, as of January 1, 2013. Reported figures for 2012 have been restated to enable comparison. Reported figures for previous years have not been restated.

Five-year review

SEKm unless otherwise stated	2009	2010	2011	2012	2013
Net sales	109,132	106,326	101,598	109,994	109,151
Organic growth, %	-4.8	1.5	0.2	5.5	4.5
Items affecting comparability	-1,561	-1,064	-138	-1,032	-2,475
Operating income	3,761	5,430	3,017	4,000	1,580
Margin, %	3.4	5.1	3.0	3.6	1.4
Income after financial items	3,484	5,306	2,780	3,154	904
Income for the period	2,607	3,997	2,064	2,365	672
Capital expenditure, property, plant and equipment	2,223	3,221	3,163	4,090	-3,535
Operating cash flow after investments	7,730	5,357	3,407	5,273	2,412
Earnings per share, SEK	9.18	14.04	7.25	8.26	2.35
Equity per share, SEK	66	72	73	55	50
Dividend per share, SEK	4.00	6.50	6.50	6.50	6.50
Capital-turnover rate, times/year	5.6	5.4	4.6	4.1	4.0
Return on net assets, %	19.4	27.8	13.7	14.8	5.8
Return on equity, %	14.9	20.6	10.4	14.4	4.4
Net debt	665	-709	6,367	10,164	10,653
Net debt/equity ratio	0.04	-0.03	0.31	0.65	0.74
Average number of shares excluding shares owned by Electrolux, million	284.0	284.6	284.7	285.9	286.2
Average number of employees	50,633	51,544	52,916	59,478	60,754
Excluding items affecting comparability					
Operating income	5,322	6,494	3,155	5,032	4,055
Margin, %	4.9	6.1	3.1	4.6	3.7
Earnings per share, SEK	13.56	16.65	7.55	11.36	9.81
Capital-turnover rate, times/year	5.4	5.1	4.3	3.9	3.8
Return on net assets, %	26.2	31.0	13.5	17.9	14.0

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. The key ratios exclude items affecting comparability.

Financial goals

- Operating margin of >6%
- Capital-turnover rate >4 times
- Return on net assets >20%
- Average annual growth >4%

Definitions

Capital indicators

Annualized sales

In computation of key ratios where capital is related to net sales, the latter are annualized and converted at year-end-exchange rates and adjusted for acquired and divested operations.

Net assets

Total assets exclusive of liquid funds, pension plan assets and interest-bearing financial receivables less operating liabilities, non-interest-bearing provisions and deferred tax liabilities.

Working capital

Current assets exclusive of liquid funds and interest-bearing financial receivables less operating liabilities and non-interest-bearing provisions.

Total borrowings

Total borrowings consist of interest-bearing liabilities, fair-value derivatives, accrued interest expenses and prepaid interest income, and trade receivables with recourse.

Net debt

Total borrowings less liquid funds.

Net debt/equity ratio

Net borrowings in relation to equity.

Equity/assets ratio

Equity as a percentage of total assets less liquid funds.

Other key ratios

Organic growth

Sales growth, adjusted for acquisitions, divestments and changes in exchange rates.

Operating cash flow after investments

Cash flow from operations and investments excluding financial items paid, taxes paid, restructuring payments and acquisitions and divestment of operations.

Earnings per share

Income for the period divided by the average number of shares after buy-backs.

Operating margin

Operating income expressed as a percentage of net sales.

Return on equity

Income for the period expressed as a percentage of average equity.

Return on net assets

Operating income expressed as a percentage of average net assets.

Capital-turnover rate

Net sales in relation to average net assets.

Shareholders' information

President and CEO Keith McLoughlin's comments on the second-quarter results 2014

Today's press release is available on the Electrolux website <http://www.electrolux.com/ir>

Telephone conference

A telephone conference is held at 09.00 CET on July 18, 2014. The conference is chaired by Keith McLoughlin, President and CEO of Electrolux. Mr. McLoughlin is accompanied by Tomas Eliasson, CFO.

A slide presentation on the second-quarter results of 2014 will be available on the Electrolux website <http://www.electrolux.com/ir>

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

You can also listen to the presentation on the internet at

<http://www.electrolux.com/interim-report-webcast>

For further information, please contact:

Catarina Ihre, Vice President Investor Relations at
+46 (0)8 738 60 87

Merton Kaplan, Analyst Investor Relations at
+46 (0)8 738 70 06

Calendar 2014

Financial reports 2014

Interim report January – September

October 20

AB Electrolux (publ)

Postal address SE-105 45 Stockholm, Sweden **Visiting address** S:t Göransgatan 143, Stockholm

Telephone: +46 (0)8 738 60 00

Website:

<http://group.electrolux.com>