

Press Release

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President and CEO Keith McLoughlin's comments on the results for
the fourth quarter 2015

Continued earnings recovery in our major business areas

Our two largest business areas, Major Appliances EMEA and Major Appliances North America, continued to make progress with strong improvement in operating income year-over-year. In parallel, our operations within Professional Products achieved record level results, whereas the weak macro-economic situation in Brazil had a negative impact on the operating income in Major Appliances Latin America. The Group's reported operating income for the fourth quarter 2015 was SEK -202 million and includes costs for the not completed acquisition of GE Appliances of SEK 1,659 million. Excluding these costs, the Group achieved an operating margin of 4.6% in the quarter. Operating cash flow was strong and amounted to SEK 1.6 billion. Excluding the costs related to GE Appliances, the operating cash flow was more than SEK 3 billion in the quarter.

Demand for appliances continued to grow in all markets in Western Europe and was particularly strong in the Nordics, Spain and the UK. Most markets in Eastern Europe, outside of Russia and Ukraine, also showed positive growth. In this market, Major Appliances EMEA showed good organic growth and managed to profitably grow its market share. Segments within built-in kitchen and laundry contributed positively and the operating margin was 7.4% for the quarter – the highest level since 2010. We expect the Western European market to grow by 2-3% in 2016 and the market in Eastern Europe by approximately 2%, although the development in Russia and Ukraine remains uncertain.

Our operations in North America continued to recover strongly in the quarter. Positive volume growth in most categories and an improved mix contributed to results. Profitability in refrigeration and freezers has been restored and the work to ramp up and increase efficiency in the new cooking plant in Memphis is making progress. Volume growth in the US market ended the year strongly. We expect the market to continue to be solid in 2016 and forecast demand for appliances to grow by 3-4%.

Earnings in Major Appliances Latin America were significantly affected by the weak market situation in Brazil. As a consequence, sales volumes decreased in the quarter. To mitigate the weak market and currency headwinds we have continued to increase prices and reduce structural costs. Other markets in Latin America, including Argentina, showed positive growth, which partly compensated for the weakness in Brazil. We expect the Brazilian market to remain weak in 2016.

In the quarter, a cost reduction program was initiated within the business area Small Appliances with the aim of restoring profitability. Operations have been negatively impacted by lower volumes in several key markets and have also been negatively impacted by currency headwinds. We expect these actions to reach full effect from end of 2016, with estimated annual cost savings of SEK 120m.

In December, GE took the decision to terminate the agreement related to the acquisition of GE Appliances. Although we are disappointed that the acquisition is not being completed, we are confident that Electrolux has strong capabilities to continue to grow and develop the position as a leading, global appliance manufacturer. The strategy to

grow profitably in promising segments, product categories and emerging markets remains, supported by a strong balance sheet and good cash generation.

It is now time for me to pass the baton to my successor as President and CEO; Jonas Samuelson, and return to my family in the U.S. Jonas knows the company very well and has a proven track record in several key positions within the company. With his background I am certain Jonas is the right next leader for Electrolux, to continue to execute the strategy of becoming a consumer driven company leveraging on our global scale, with a strong focus on generating value for our shareholders.

Stockholm, January 28, 2016

Keith McLoughlin

President and CEO

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 January 28, 2016.

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 2015 Electrolux had sales of SEK 124 billion and 58,000 employees. For more information go to www.electroluxgroup.com.