

# Electrolux

REPORTS OF THE DIRECTORS AND AUDITORS FOR 1969

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*Electrolux has a dishwasher for every need and every family size. Shown here is a popular console model.*

## SUMMARY OF 1969

The Parent Company's sales turnover increased by 24.3%, from SKr 470 million to SKr 584 million.

The Group's external sales increased by 19.3%, from SKr 1,327 million to SKr 1,583 million.

The net profit of the Parent Company amounted to SKr 27.5 million as against SKr 24.6 million in 1968.

The net profit of the Group amounted to SKr 45.8 million as against SKr 52.9 million in 1968.

The Board of Directors propose a dividend of SKr 7.— per share.

## ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Wednesday, May 13, 1970, at 10 a. m. in the Canteen of the Essingen organization, Luxgatan 15, Lilla Essingen, Stockholm.

Shareholders who wish to participate in the proceedings of the Annual General Meeting should notify the Company's offices at St. Eriksgatan 63, Stockholm, not later than Saturday, May 9, 1970, between 10 a. m. and 2 p. m.

The dividend declared for 1969 will be payable immediately after the Annual General Meeting against coupon No. 66 at the Company's offices in Stockholm or at the offices of Skandinaviska Banken or Stockholms Enskilda Bank.

In Great Britain, shareholders may collect the dividend from Baring Brothers & Co. Ltd., 8, Bishopsgate, London E. C. 2, and in Switzerland from MM Pictet & Cie, 6, rue Diday, Geneva.



## AKTIEBOLAGET ELECTROLUX

### Board of Directors:

#### *Members*

RAGNAR SÜDERBERG, (Chairman), Stockholm  
MARCUS WALLENBERG, (Deputy Chairman), Stockholm  
GUNNAR ENGELLAU, Gothenburg  
LORD LUKE OF PAVENHAM, Odell Castle, Bedfordshire, Great Britain  
ÅKE T. VRETHEM, Djursholm  
HANS WERTHÉN, (Managing Director), Stockholm

#### *Deputies*

GUNNAR ARPI, Uppsala  
GÖSTA BYSTEDT, Lidingö  
SVEN OLIVING, Gothenburg

### Management:

HANS WERTHÉN, Managing Director  
GÖSTA BYSTEDT, Deputy Managing Director  
HARRY ERIKSSON  
FOLKE HEIBERT  
YNGVE LINDHOLM  
ANDERS SCHARP  
OWE WERNER

### Auditors:

ARNE HOLMÉN, Chartered Accountant  
BRUNO SVENSSON, Chartered Accountant

#### *Deputies*

SIGURD LÖFGREN, Chartered Accountant  
STEN LUNDVALL, Chartered Accountant

# GENERAL REVIEW OF THE GROUP AND REPORT OF THE DIRECTORS

The structure of the Electrolux Group has taken on an increasingly international character in the past few years, a development that applies to manufacturing and marketing and also in part to product development. The arrangement of this Annual Report has been adjusted accordingly in that the Report of the Directors for the Parent Company forms part of the presentation for the Group as a whole.

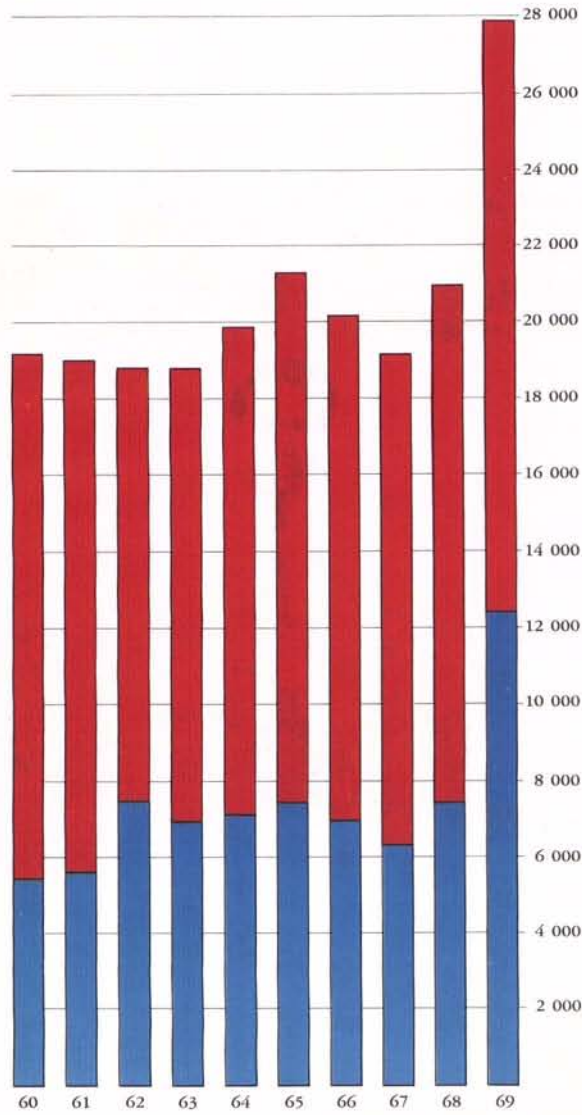
## Five-year summary

<i>Group</i>		1969	1968	1967	1966	1965
Sales .....	SKr mill.	1,582.9	1,326.9	1,097.8	1,070.3	1,056.2
Net profit after taxes .....	„	45.8	52.9	32.0	26.2	35.7
Profit before exceptional items of income and cost, year-end appropriations and taxes .....	„	114.6	97.8			
Such profit per share .....	SKr	30.16 <sup>1)</sup>	25.74 <sup>1)</sup>			
Investments in machinery and real estate .....	SKr mill.	87.1 <sup>2)</sup>	59.5	57.9	51.8	38.4
Wages, salaries and remunerations .....	„	521.1	402.6	334.7	357.2	345.2
Average number of employees		27,910	20,964	19,150	20,110	21,409
Number of employees as at December 31 .....		29,139	21,653	18,990		
Sales per employee (excl. cleaning companies) .....	SKr	67,600	63,300	57,300	53,200	49,300
<i>Parent Company</i>						
Sales .....	SKr mill.	584.1	470.0	388.9	405.4	419.9
Net profit after taxes .....	„	27.5	24.6	18.9	16.0	20.1
Net profit per share .....	SKr	7 <sup>1)</sup>	13	10	8	11
Investment in machinery and real estate .....	SKr mill.	32.5	25.9	28.7	26.0	16.1
Wages, salaries and remunerations .....	„	157.5	134.5	116.2	120.4	118.0
Average number of employees		6,006	5,222	4,611	5,049	5,595
Number of employees as at December 31 .....		6,180	5,719	4,589		
Dividend per share (for 1969 as proposed) .....	SKr	7 <sup>1)</sup>	6 <sup>1)</sup>	8	8	8
Total dividend declared (for 1969 as proposed) .....	SKr mill.	26.6	22.8	15.2	15.2	15.2
<sup>1)</sup> On twice the number of shares (3,800,000)						
<sup>2)</sup> Including buildings and machinery owned by companies acquired in 1969	SKr mill.	13.1	10.0	14.6	—	0.2

Note: On December 31, 1969,  
£ 1 = SKr 12.39 and \$ 1 = SKr 5.16  
SKr 1 million = £ 80,700 approx. = \$ 193,800 approx.

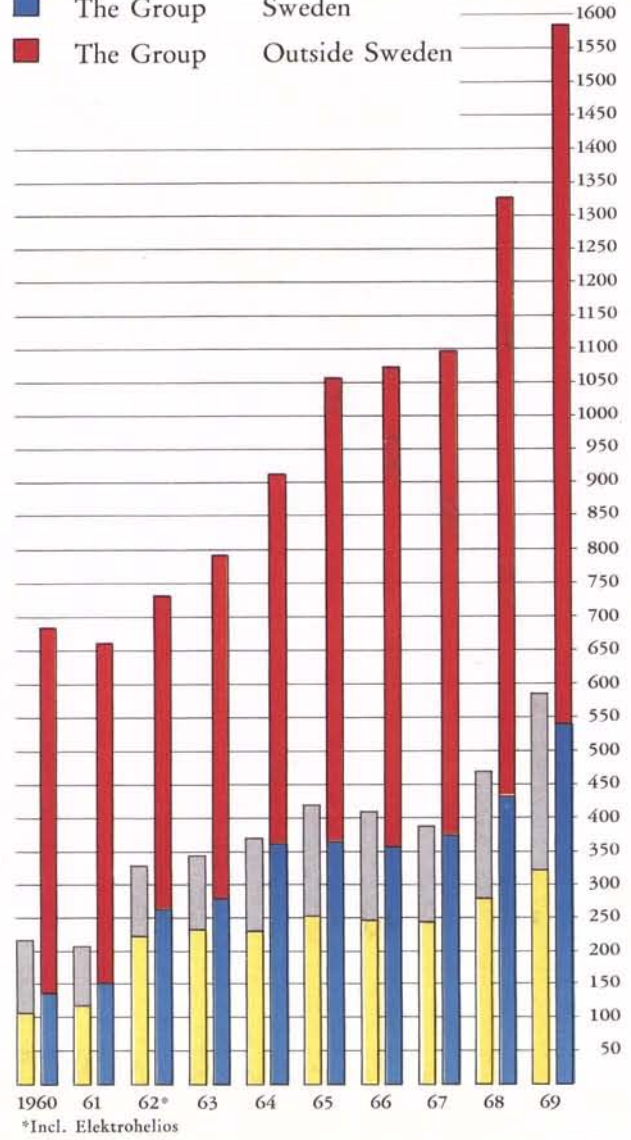
**Number of employees  
in the Electrolux Group 1960—1969**

- Companies outside Sweden
- Swedish Companies



**Sales 1960—1969**

- AB Electrolux Sweden
- AB Electrolux Export
- The Group Sweden
- The Group Outside Sweden







*Electrolux salesmen know how to get about all over the world. A sampan may be the handiest means to negotiate a river in Thailand.*



## General information about the Electrolux Group

In the year 1969 sales expansion was achieved in most activities of the Group. Substantial cost increases, though, particularly in raw materials and wages and salaries, which only partly could be absorbed by higher selling prices, gave much cause for concern. In order to maintain profit margins, a further growth of the sales volume will be necessary as well as intensification of efficiency and cost control measures in all phases of the business. Considerable additional capital resources will be required in developing this policy, especially as a relatively large percentage of sales are on a hire-purchase basis, requiring a substantial amount of capital for the financing of customers' accounts receivable. As at December 31, 1969, before appropriations for reserves, the amount outstanding in respect of customer hire-purchase transactions represented 31 % of the company's turnover for 1969.

For several reasons there was a substantial increase in inventories within the Group. As mentioned later, several new product series were introduced, generally involving the establishing of buffer stocks at time of change-over. Sales expanded, which led to larger finished goods inventories. Several new companies were brought into the Group, and the inventories of these are included in the balance sheet as at December 31, 1969. A rapid development within the British organization in the leasing of freezers to customers occurred during the year. Products to the value of SKr 17 million were leased to customers as at December 31, 1969, compared with SKr 3 million as at December 31, 1968. As sub-contractors, due to labour shortage, were not always able to keep contracted delivery times, certain factories increased supplies of semifinished goods, in order to ensure being able to meet the demand for finished goods. The delivery period for sheet steel was uncertain with prices rising which made necessary some stock-piling of material.

\*

During 1969 AB Electrolux started its first subsidiary company in the United States of America, viz. the Dometic Sales Corporation, Elkhart, Indiana. This company markets refrigerators for caravans and certain other leisure equipment under the DOMETIC brand name. The DOMETIC brand caravan refrigerator is also, as hitherto, sold in the United States by Ward & Son Incorporated, City of Industry, California, and in Canada by Greg Lund Products Ltd., Oakville, Ontario.

In the Western Hemisphere a newly established subsidiary company in Bridgetown, Barbados, West Indies, commenced selling vacuum cleaners and floor polishers.

A subsidiary company was established in Hong Kong, which will sell the company's products in the Hong Kong area and also serve as a base for the intensification of sales activities by agents in the Far East.

In West Germany, AB Electrolux established—in co-operation with Electrolux GmbH, Hamburg—a financing company called Electrolux Finanz GmbH, for the purpose of financing hire-purchase sales of the German subsidiary companies.

AB Electrolux acquired all of the shares in J. F. Quatfass N. V., Diemen, Holland. Quatfass is a very well-known brand name in the field of catering equipment for hotels, restaurants and cafés. The company owns manufacturing and administration buildings in Diemen. After alterations now in progress, the activities of all the Dutch Electrolux companies will be moved to these premises, which will result in savings in the form of rents, administration, etc. Through the acquisition of Quatfass, new products have been added to the catering equipment previously sold in Holland, equipment which is chiefly manufactured at the AB Electrolux factories at Alingsås.





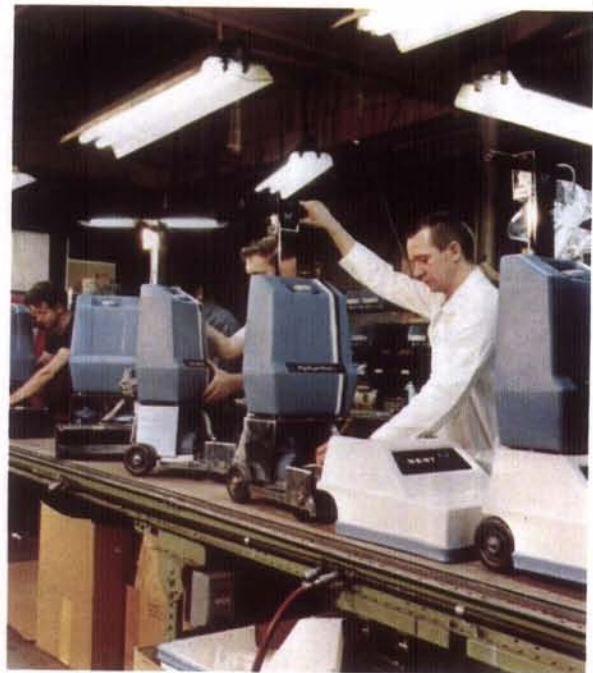
*An efficient dry and wet pick-up vacuum cleaner made by Electrolux.*

The expansion of the Electrolux business in the field of commercial cleaning continued as planned. The British subsidiary in Luton, together with Det Danske Rengørings Selskab A/S (DDRS) of Copenhagen, acquired all of the shares in Commercial Cleaning Services Ltd., Birmingham. The Electrolux subsidiary companies in Brazil and Trinidad started a commercial cleaning service under their own administration.

Commercial cleaning equipment, comprising machines, chemicals and utensils, is now sold by Electrolux companies in virtually all the European countries.

In December 1969, AB Electrolux became the majority shareholder in Keltec Inc., Elkhart, Indiana, U. S. A. This company, which is one of the four largest in the United States of America in the field of commercial cleaning machines, manufactures and markets its products under the Kent brand name, among others. During the last three years the company has made important investments in the development of a series of new machines. The acquisition of Keltec Inc. by the Electrolux Group will considerably strengthen the position of Electrolux in the commercial cleaning machine market.

In the Annual Report for 1968 it was noted that AB Electrolux had acquired half of the shares in Städtensilier AB (SUAB), Stockholm, whose company name was later changed to Electrolux



*Kent cleaning machines on the production line at Keltec Inc., Elkhart, Indiana, U. S. A., a corporation in which Electrolux is the principal shareholder.*

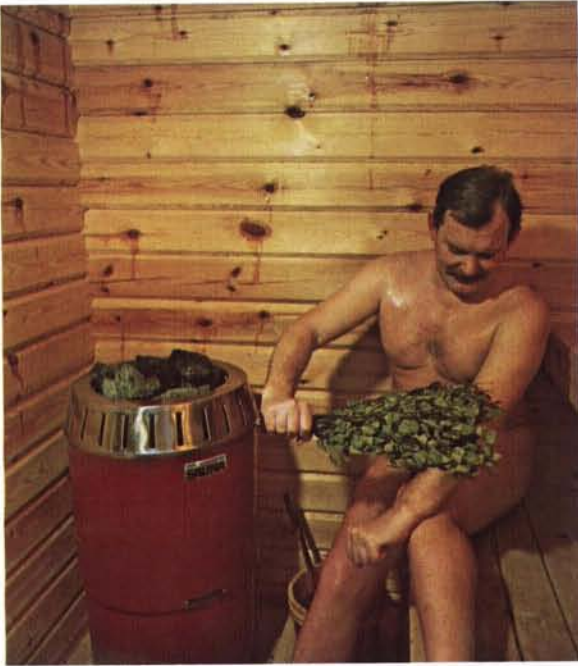
Städtensilier AB. All the remaining shares in this company were acquired by AB Electrolux during 1969.

At the end of 1969, OY Elektroheliös AB, Helsinki, a wholly-owned subsidiary company of AB Electrolux, which markets refrigerators, freezers, washing machines, vacuum cleaners, etc., acquired all of the shares in OY Slev, Esbo Köping, Finland, whose production chiefly consists of electric cookers. Through the acquisition of this company, OY Elektroheliös AB, Helsinki, incorporated electric cookers in its marketing programme thereby providing a complete line of appliances. As a result, its competitive ability was improved, and an increase in the turnover of the previous range of products became possible. For economic reasons, the administrative and sales organizations of Elektroheliös and Slev were merged into Slev's premises at Esbo.

\*

OY Slev AB also manufactures sauna stoves. Since the demand for sauna installations for private homes has shown a sharply rising trend, the marketing of sauna stoves is being intensified in most European countries. The United States of America and West Germany have also shown great interest in this product. In Sweden sauna stoves will be sold by AB Ankarsrums Bruk, whilst elsewhere sales will be effected through subsidiary companies or independent agents.





*A sauna stove manufactured by OY Slev AB.*

Electrolux acquired the exclusive right to manufacture and sell a Swedish invention called the impulse shower outside Scandinavia as well as a non-exclusive right to manufacture such impulse showers in Scandinavia. The basic principle of the impulse shower is a rapid alternation between cold and hot water, which is regulated by a transistorized impulse signal. This rapid alternation combined with the water pressure results in a light massage of the skin, stimulating blood circulation. Medical experts recommend this shower on account of the healthy vascular exercise it offers.

\*

With the aim of achieving longer production runs and thereby improved competitiveness, AB Electrolux und AB Svartå Bruk OY, Svartå, Finland, reached an agreement on the rationalization of the production of steel fittings and the exchange of experience concerning production techniques and production planning. The sales of steel fittings in the Finnish market will be conducted exclusively through the wholly-owned Electrolux subsidiary, OY Electrolux-Kahete AB (previously called OY Electrolux AB) in Helsinki. AB Electrolux also acquired the right to sell, outside Finland, steel fittings manufactured by Svartå Bruk. By means of an agreement reached with Telelift GmbH für Büro-rationalisierung & Co. KG,



*The impulse shower holds an important position in the expanding Electrolux range of products.*

Munich, the steel fitting division of AB Electrolux acquired the exclusive sales rights for Sweden and Denmark for a system of automatic internal transport within offices, hospitals, etc.

The division also acquired exclusive agent's rights in Sweden, Denmark and Finland as well as sales rights in Norway for conveyors manufactured by Fredenhagen KG, Offenbach am Main, West Germany. The Huddinge Hospital outside Stockholm, which is under construction, will be equipped with a transport installation from Fredenhagen.

Exclusive sales rights for the Swedish market were obtained for a flexible partition wall of steel designed by Hjo Mekaniska Verkstad and known as the "section wall".

AB Electrolux also obtained the exclusive sales rights for Scandinavia for a system for compact storage purposes manufactured by Futurum-verken AB and known as the "Comprima system".

By a licence agreement, AB Electrolux acquired the right to manufacture and sell Loctrac—a mechanical stock handling system with electromagnetic closing—in Denmark, Finland, Iceland, Norway and Sweden.

\*



**SWEDEN**  
Manufacture at 9 factories.  
Sales through the Parent  
Company and 11 Subsidiaries.





## Electrolux

The map illustrates the Electrolux organization. The Subsidiary Companies have a large number of branch offices, not included here for lack of space.

The Electrolux Group embraces some 70 manufacturing and/or selling companies in 32 countries.

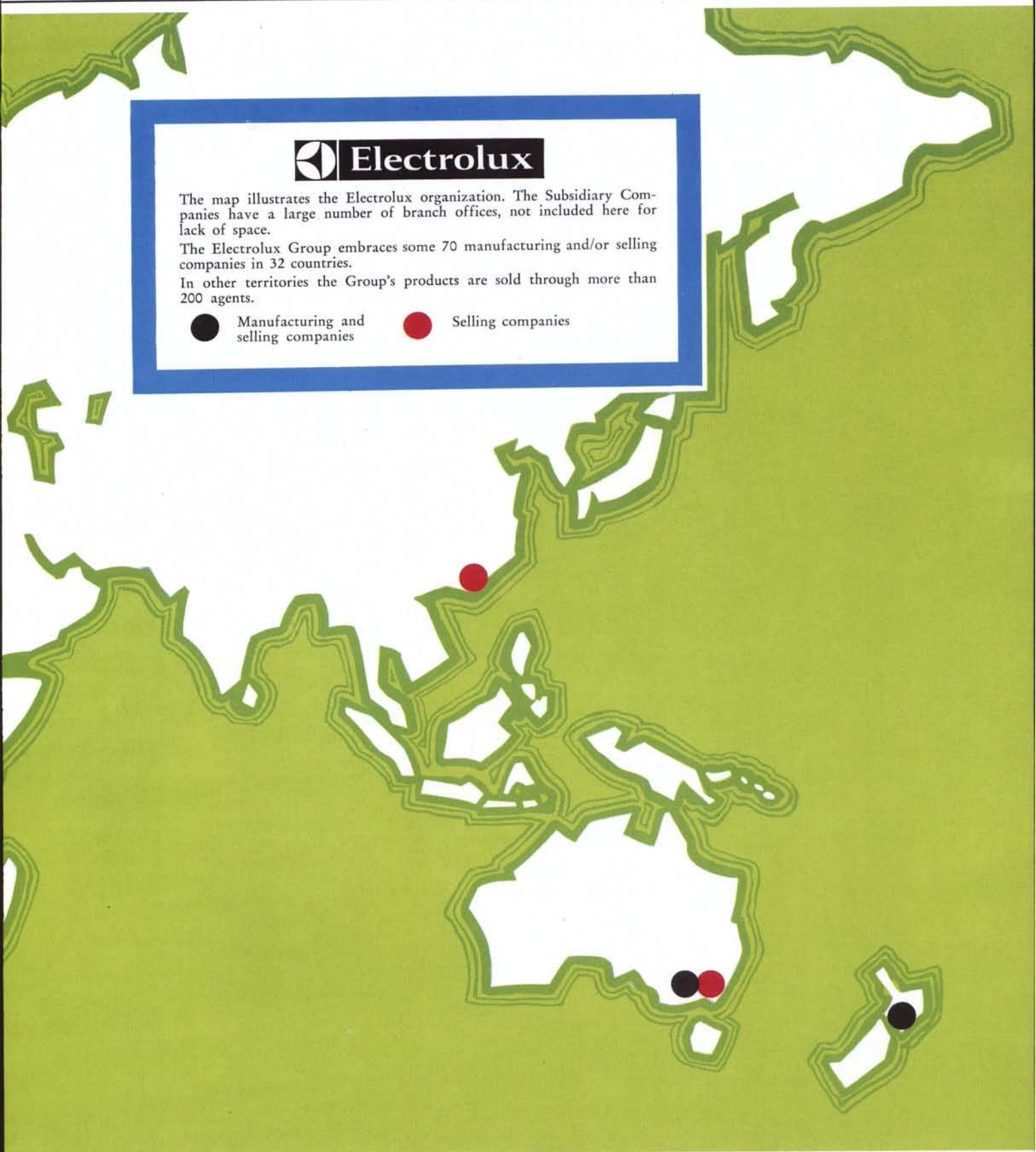
In other territories the Group's products are sold through more than 200 agents.

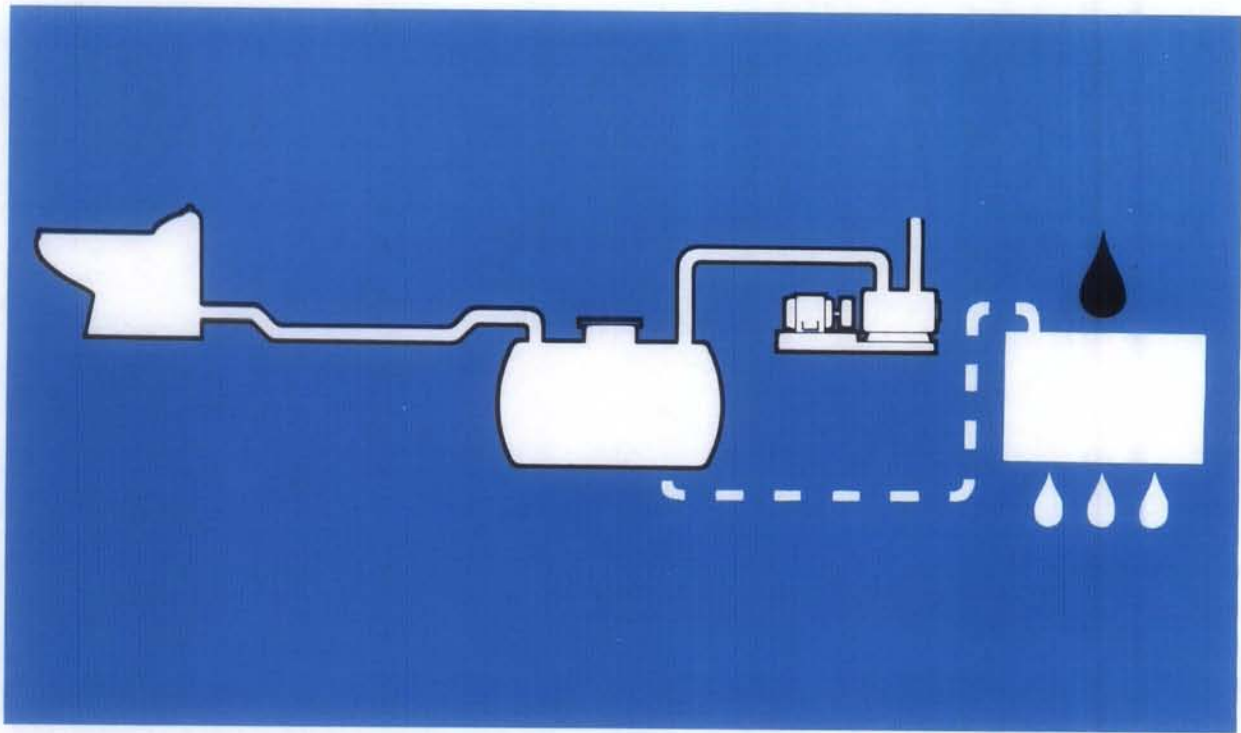


Manufacturing and selling companies



Selling companies





*The principle of the Electrolux vacuum system is that the soil sewage is conveyed by air suction instead of by large quantities of water. A vacuum pump creates a vacuum in the storage tank and its*

*pipng system. A special vacuum toilet replaces the conventional water closet. An advanced sewage treatment technique has been developed for the Electrolux vacuum system.*

During recent years, nature conservancy matters have been the subject of increasing interest, and demands have been made for the solution of problems arising from water pollution, etc. Electrolux is actively developing this market by means of the acquisition, as reported in the Annual Report for 1968, of the right to further develop and offer for sale in virtually all markets outside Sweden the vacuum system invented by Mr. Joel Liljendahl. AB Electrolux is a shareholder in Vakuumsystem AB, which covers the Swedish market for large vacuum systems, installations and sewage plants, while Electrolux covers the Swedish market for smaller projects and special applications. The latter sales activity is handled by AB Ankarsrums Bruk. Research and manufacturing is carried out at the Essingen factory (Stockholm).

One of the world's leading manufacturers of small houses, National Homes Corporation, Lafayette, Indiana, U. S. A., found the vacuum system both technically and economically so valuable that in 1969 the corporation purchased the licence rights for the U. S. A. and certain neighbouring countries.

The licence rights to a method for disinfection of water discharged from hospitals as well as the licence rights to a method for water purification

by flotation were acquired by AB Electrolux from Mr. Olof Sköldbberg.

The Flymo Group expanded its organization during 1969 with new sales companies in Belgium, France and Italy. From Frökontolets Maskinavdelning AB, Getinge—a subsidiary of W. Weibull AB, Landskrona—AB Flymo acquired the machine department of that company together with the general agencies for lawnmowers, etc. of the Hako and Jacobsen brands and thereby created a wider product range in Sweden.

AB Electrolux acquired in 1968 the business activity in laundry and dishwashing machines of AB Bencoverken, Tygelsjö. During 1969 the building, from which the business had operated, was also acquired. AB Flymo, Malmö, moved its office to this building, which resulted in savings relating to premises costs, etc.

\*

The remaining property within the Ekenäs area in Motala was sold to the city of Motala. Absorption refrigerator units are manufactured in these premises. A new factory for the manufacture of these units is being built within the Charlottenborg area, which is owned by the Electrolux organization in Motala and which is the location for the company's modern factory



for the manufacture of electric cookers. After this expansion the premises within this new area will comprise approximately 56,000 sq. m. of factory and office space.

The property belonging to Electrolux (Nederland) Productie N. V., Groningen, was sold to N. V. Philips Gloeilampenfabrieken, Eindhoven, Holland.

A/S Scan-Atlas Husholdningsapparater, Copenhagen, sold such sites and buildings as the company anticipates not to need for its future business activities.

In addition to its factory at Lundtofte (Copenhagen), A/S Scan-Atlas Husholdningsapparater has a factory at Nykøbing-Falster, Denmark, which manufactures kitchen cupboards and other fittings. This plant is being expanded by a workshop area of 5,700 sq. m. It is anticipated that this work will be completed before the summer holiday of 1970.

The Getinge factory, which specializes in sterilization equipment for hospitals, was expanded by 1,500 sq. m.

The operations at Skogstorp outside Eskilstuna, taken over from AB Alfa-Laval, Stockholm, in 1968, are being gradually transferred to the Säfte factory. In order to meet the demand, especially for installations for automatic, com-



*Air-cushioned Flymo lawn-mowers in two versions, one with a two-stroke engine and the other electrically powered.*



*The Electrolux ventilator with its very high efficiency is ideally suited for use in caravans, boats, etc.*

puterized stock handling, the company decided to expand the Säfte factory by an additional 5,000 sq. m.

During the year the British subsidiary company commenced an expansion and modernization programme for the manufacturing facilities at the Luton factory. The programme includes a new paint shop and centralization of all plating operations, together with an additional mechanical and assembly line for the manufacture of refrigerators. The work is expected to be completed by the end of 1970.

During the last quarter of 1969 AB Ankarsrums Bruk completed the construction of a new, modern die-casting plant, which will be the principal supplier of die-cast parts to the Swedish Electrolux factories.

\*

Additional areas at Lilla Essingen, Stockholm, are being converted into open-plan offices. The intention is to concentrate all office work in the Stockholm area to the premises at Lilla Essingen within a year or two.

\*

#### LOCALIZATION GRANTS, ETC.

For the expansion of the Säfte factory, which was completed during 1969, The National Labour Board approved a localization loan of SKr 1,325,000 and a localization grant of SKr 408,000. For the most recently agreed expansion of the factory, The National Labour Board has preliminarily approved a loan of SKr 945,000 and a grant of SKr 1,045,000. During 1969 the company received SKr 1,154,000 of the above-mentioned loans.





*Electrolux are specialists in catering equipment. This picture shows an installation at Telefon AB L. M. Ericsson, Stockholm.*

#### PRODUCT DEVELOPMENT

An experienced specialist staff of 275 technicians in the Electrolux central laboratories at Lilla Essingen in Stockholm increased their activities during the year in basic research, the development of new products and the further development of products already in production. In addition, the manufacturing companies in Great Britain, France, Germany and Denmark carried out certain development work in collaboration with the central laboratories.

The intensified work, during 1969, on product development and production research involved the largest annual investment hitherto for this purpose. The result has been extensive innovations in the Company's household products, including a new series of refrigerators and electric cookers, as well as improvements within the whole product range, as is shown in the following summary.

A pilot series of a more effective motor for vacuum cleaners was produced. After final testing it will be gradually incorporated with the Company's products, beginning during 1970.

In Great Britain all three of the cylindrical-type vacuum cleaners previously sold were replaced

by new models with improved accessories, including a new type of combination nozzle.

The latest vacuum cleaner models, one equipped with a flex winder, went into production in the French company. A new hand vacuum cleaner with a new reversible combination nozzle was also introduced together with two new floor polishers. The West German organization now also sells the two latest vacuum cleaner models. In addition, the factory in Berlin manufactures a power nozzle for carpets, which is being sold in increasingly large quantities, particularly in France, Italy, Norway, Sweden and West Germany.

Commercial cleaning machines, which are manufactured at the Electrolux factory at Lilla Essingen, Stockholm, have been further improved. The machines are also exported to non-European countries.

Electric panel radiators are manufactured by A/S Elektra, Eidsvoll, Norway, a member of the Electrolux Group. In 1969, this company introduced a new range of electric panel radiators, now also marketed in Sweden. The demand for electric panel radiators is expected to rise sharply





*A drying plant, manufactured by the Electrolux Alingsås factory and installed at the Valmet OY tractor factory at Jyväskylä, Finland.*

as a result of the increasing interest in environmental matters.

During the year a new counter model dishwasher was introduced, and the dishwashing programme now consists of a wide console model, a narrow console model and two counter models.

A new type of ventilator was introduced in Europe, North America, South Africa and Australia. It is based on the same principle as an aeroplane wing, i. e. a partial vacuum is created on its upper side and the air is sucked out. The ventilator is totally independent of wind direction and is therefore well suited for boats and caravans, for example.

For the past two years development has been proceeding for the manufacturing of small and medium sized compressor operated refrigerators. For export, mainly to EFTA countries, these products are being manufactured at the Mariestad factory. Import of these products from outside manufacturers to Sweden and to the subsidiary companies within the EFTA territory, for the purpose of supplementing the Electrolux manufacture, will now be discontinued.

A new series of gas and electrically operated absorption refrigerators for caravans was introduced. These refrigerators, chiefly intended for the North American market, will be manufactured at the Motala factory. They are equipped with automatic defrosting and have a completely new electrical arrangement, which is controlled from the inside of the cabinet thus permitting a reduction of the external dimensions. A new series of kerosine-operated absorption refrigerators came into production at the beginning of 1970 at the A/S Scan-Atlas Husholdningsapparater, Copenhagen, an Electrolux subsidiary.

The Electrolux kitchen machine, the "Assistent", was introduced on the market in 1940 and was the first kitchen machine in Sweden. It proved to be reliable, dependable in operation and practical in function while at the same time simple and sturdy in construction. This machine has been gradually improved and the latest model is called the Assistent Variomat. It is equipped with a timer and the speed can be varied by means of a thyristor, which ensures that the appropriate speed for different types of work can be easily set. The machine can also be delivered with a liquidizer.





*The Future Line luxury series of refrigerators and freezers has coloured door panels: light green, copper-tone, teak and—as shown here—oak.*

A luxury model electric cooker, with indicators and an automatic master clock mounted on a decorative ramp located at the rear of the stove, was introduced last summer. Towards the end of the year this cooker was supplemented by a model equipped with automatic oven-cleaning. The oven-cleaning cooker satisfies an important consumer desire, as manual oven-cleaning is one of the heavier and more troublesome kitchen tasks.

Also developed was an electric cooker with an extra large and wide lower oven and a smaller oven conveniently situated at eye level. All control knobs are located on an illuminated panel beside the upper oven, easily accessible and clearly visible but out of the children's reach. This cooker will be introduced on the market in the spring of 1970.

During 1969, a new cooker canopy with variable regulation of the fan speed was also introduced. A model equipped with a charcoal filter will be introduced on the market during 1970.

At the Västervik factory, the development of a type of air conditioning for motor-cars continues. It is calculated that within a few years an in-

creasing number of cars will be equipped with such units, which supply hot or cold air as desired. Certain commutator motors have been redesigned with the aim of limiting the number of models. In addition, windscreen wiper units, which have been further improved during the past year, are also marketed.

Flymo's range of air cushioned lawn-mowers equipped with combustion engines was extended with an electrically operated model, also based on the air cushion principle. The market for electrically operated lawn-mowers is considered to be promising.

## SALES

The rising standard of living has brought with it a more wide-spread demand for simplification of household work. This is partly the reason for the increased demand for mechanical auxiliary devices for households, which has been reflected in the Electrolux sales figures in recent years. In the year 1969, Electrolux achieved a new record in sales of 1,200,000 vacuum cleaners and floor polishers, thereby further strengthening its position as one of the world's leading manufacturers of these products. The sales expansion was equally spread over the whole world, and new sales records were reached by no less than 19 subsidiary companies.

Also for the Group's other main line of products—refrigerators, upright and chest-type freezers as well as combination cabinets—a new record sales figure of 909,000 products was achieved, a result reached in the face of very keen competition. These record sales figures are indicative of the Company's traditional policy of relying upon quality for sales development. The great increases in sales of refrigerators for caravans in the U. S. A. and Canada continued. During 1969, the Motala factory delivered 159,000 refrigerators to these markets. Caravan refrigerators were also sold to Australia, France and Great Britain, and to some other parts of the world.

Approximately 150,000 electric cookers for household use were sold, primarily in Scandinavia and Finland. About 340,000 electric panel radiators were sold, chiefly in Norway, Great Britain and Sweden. Sales of dishwashers increased strongly in Sweden as compared with 1968. Intensified marketing with nation-wide campaigns in the press, etc. contributed to the growth in



sales. Strong sales support was also obtained by an excellent report published by the Consumer Institute following testing of the product. Sales of washing machines also continued to rise, chiefly in Scandinavia, whilst sales of ironers maintained last year's figures.

\*

Swedish customers' confidence in Electrolux and its products is reflected in the number of products delivered. During the 1960's, thus the last 10 years, 1.1 million Electrolux manufactured vacuum cleaners and floor polishers, just over 1.3 million refrigerators, upright and chest-type freezers and combination cabinets, and over half a million electric cookers were sold in Sweden.

\*

The Group's external sales amounted to SKr 1,583 million as compared with SKr 1,327 million for 1968. The increase thus was SKr 256 million, or just over 19%. SKr 539 million, or 34.1%, of total sales were attributable to customers in Sweden and SKr 1,044 million, or 65.9%, to customers outside Sweden. For 1968, the corresponding figures were 32.7% and 67.3% respectively. The growth of the ratio of Swedish customers is chiefly explained by the fact that Allmänna Svenska Städtings AB, which conducts business in Sweden only and in 1969 achieved a sales value of SKr 75.3 million, was incorporated with the Electrolux Group.

#### GROUP SALES BY TERRITORIES

	1969		1968		1967		1966		1965	
<i>External sales</i>	SKr mill.	%	SKr mill.	%	SKr mill.	%	SKr mill.	%	SKr mill.	%
<i>EEC countries</i>										
Belgium, France, Holland, Italy, Luxemburg, West Germany	237.8	15.0	224.8	16.9	211.9	19.3	218.6	20.5	211.9	20.1
<i>EFTA countries<sup>1)</sup></i>										
Austria, Denmark, Finland, Great Britain, Norway, Portugal, Sweden, Switzerland	1,010.2	63.8	812.3	61.2	650.4	59.3	611.7	57.1	609.4	57.7
<i>Subsidiary companies in Latin America</i>										
Argentina, Barbados, Brazil, Colombia, Guatemala, Mexico, Peru, Trinidad, Uruguay, Venezuela	106.1	6.7	98.0	7.4	81.6	7.4	85.9	8.0	78.2	7.4
<i>Australia and New Zealand</i>	66.9	4.2	58.3	4.4	56.4	5.1	59.2	5.5	56.6	5.4
<i>Other markets</i>	161.9	10.3	133.5	10.1	97.5	8.9	94.9	8.9	100.1	9.4
<b>Total Group Sales</b>	<b>1,582.9</b>	<b>100.0</b>	<b>1,326.9</b>	<b>100.0</b>	<b>1,097.8</b>	<b>100.0</b>	<b>1,070.3</b>	<b>100.0</b>	<b>1,056.2</b>	<b>100.0</b>

<sup>1)</sup> Whereof customers in Sweden 539 34.1 434 32.7 374 34.1 356 33.3 361 34.2

Net Sales of the Parent Company (AB Electrolux) amounted to SKr 584 million as compared with SKr 470 million in the preceding year, an increase of SKr 114 million or 24%. Sales to companies within the Group amounted to SKr 330.8 million and other sales to SKr 253.2

million. For 1968, the corresponding figures were SKr 251.1 million and SKr 218.9 million respectively. Exports amounted to SKr 263 million, representing 45% of total sales, as compared with SKr 190.4 million and 40.5% in the preceding year.



*Interior view of the new die-casting plant at AB Ankarsrums Bruk.*

## PRODUCT REVIEW

Below is a brief review of the products and activities within the Electrolux Group:

### *Vacuum cleaners*

Various types for different uses, ranging from hand models to larger, more powerful machines for offices, hotels, etc.

### *Floor polishers*

Several models for household use.

### *Commercial cleaning equipment*

Large-size machines for scrubbing, suction and polishing. Also includes cleaning implements and chemical products.

### *Commercial cleaning*

Commercial cleaning in several countries, mainly in partnership with Det Danske Rengørings Selskab A/S.



<i>Refrigerators, freezers, etc.</i>	Products for household use in many different sizes for both compressor and absorption operation. The latter models may also provide for dual-operation (e. g. kerosine and electricity). The commercial range includes display cabinets for shops, with or without built-in compressors.
<i>Cookers, table stoves, and cooker canopies</i>	Mainly sold in the Scandinavian countries. Electrolux holds a leading position in Sweden and Norway in the electric cooker field.
<i>"Assistent" kitchen machine</i>	A versatile machine, supplied with various accessories like meat mincer or maize grinder, liquidizer, etc.
<i>Dishwashing machines</i>	Table-top dishwashers and fully automatic consoles.
<i>Laundry appliances</i>	A complete range of machines and appliances consisting of fully automatic and semi-automatic washing machines, spin dryers, drying cabinets and ironers.
<i>Heating appliances</i>	Electric radiators, electric and oil stoves, radiant heaters and water heaters.
<i>The Complete Kitchen</i>	A modular system, which includes kitchen cabinets, sink units, etc. in addition to other kitchen equipment.
<i>Heating, ventilation and sanitation products</i>	Bathtubs, water radiators, fire hydrants, sanitary ware, high- and low-pressure valves, safety valves, etc.
<i>Sauna stoves, impulse showers, and ventilators for boats and caravans</i>	New products in the sales programme.
<i>Catering equipment, sterilization and industrial products</i>	Catering equipment for all purposes, central sterilization, paint-spraying and heat-treatment plants and different kinds of hospital appliances.
<i>Fractional h. p. motors, windscreen wiper units</i>	Commutator motors for use in sewing machines and cash registers, automotive equipment, etc.
<i>Lawn-mowers</i>	Motor-driven lawn-mowers based on the air cushion principle.
<i>Vacuum sewage system</i>	Based on Mr. Joel Liljendahl's well-known invention.
<i>Steel fittings and materials handling equipment</i>	These products are developed, manufactured and sold by the Division for Interior Steel Fittings and comprise shelving, compact storage installations, partition walls, etc., as well as internal conveyors for factories and hospitals. Complete materials handling installations are delivered in different versions ranging from simple hand-operated units to computer-controlled, fully automatic installations.

## FACTORIES

There are at present 29 factories within the Electrolux Group, 9 of which are situated in Sweden. Below are the locations of these factories and the products mainly produced there:

### SWEDEN

<i>Alingsås</i>	Catering equipment, industrial ovens
<i>Ankarsrum</i>	Electric cookers, the "Assistent" kitchen machine; bath tubs, water heaters, and miscellaneous other heating, ventilation and sanitation products; die-cast parts for other Electrolux factories in Sweden
<i>Essingen (Stockholm)</i>	Commercial cleaning machines, impulse showers
<i>Getinge</i>	Sterilization equipment for hospitals, etc.
<i>Mariestad</i>	Compressor refrigerators, freezers, combination cabinets
<i>Motala</i>	Absorption refrigerators, electric cookers, washing machines
<i>Säffle</i>	Materials handling equipment, interior steel fittings
<i>Tygelsjö</i>	Dishwashers, washing machines
<i>Västervik</i>	Household vacuum cleaners, fractional h. p. motors

### OUTSIDE SWEDEN

<i>Argentina</i>	<i>Buenos Aires</i>	Vacuum cleaners, floor polishers
<i>Australia</i>	<i>Melbourne</i>	Vacuum cleaners, floor polishers, air cushioned lawn-mowers
<i>Brazil</i>	<i>São Paulo</i>	Vacuum cleaners, floor polishers
<i>Colombia</i>	<i>Bogotá</i>	Vacuum cleaners, floor polishers
<i>Denmark</i>	<i>Lundtofte (Copenhagen)</i>	Refrigerators, freezers
	<i>Nykøbing-Falster</i>	Wooden kitchen fittings
<i>Finland</i>	<i>Köklaks</i>	Electric cookers, sauna stoves
<i>France</i>	<i>Courbevoie</i>	Vacuum cleaners, floor polishers
<i>Holland</i>	<i>Diemen</i>	Catering equipment
<i>Italy</i>	<i>Milan</i>	Vacuum cleaners, floor polishers
<i>Mexico</i>	<i>Mexico City</i>	Vacuum cleaners
<i>Norway</i>	<i>Eidsvoll</i>	Electric cookers, electric radiators
<i>New Zealand</i>	<i>Wellington</i>	Vacuum cleaners, floor polishers
<i>Peru</i>	<i>Lima</i>	Vacuum cleaners, floor polishers
<i>Spain</i>	<i>Madrid</i>	Vacuum cleaners
<i>Great Britain</i>	<i>Luton</i>	Vacuum cleaners, refrigerators, electric radiators
	<i>Darlington</i>	Air cushioned lawn-mowers
<i>South Africa</i>	<i>Johannesburg</i>	Vacuum cleaners, floor polishers
<i>USA</i>	<i>Elkhart, Indiana</i>	Commercial cleaning machines
<i>West Germany</i>	<i>Berlin</i>	Vacuum cleaners, freezers, commercial freezing installations, air cushioned lawn-mowers





*OY Slev AB in Finland—a new member of the Electrolux international group of companies—manufactures electric cookers and sauna stoves.*

## OUTLOOK

As indicated already in this report, the Electrolux operations during 1969 were characterized by the development of new product lines and expansion, both in the form of increased sales of traditional products and through acquisition of companies, divisions, etc. Modernization of manufacturing processes continued together with the intensification of efficiency measures. These will be continued unabated in 1970.

The present policy as reflected in the activities in 1969 should ensure continued expansion of the trading of the Group. In addition, the Group's ability to meet competition should thereby be strengthened, not only in Sweden but also in the international market, where Electrolux has to compete with companies enjoying various forms of subsidies.

Estimates of the Group's development during

1970 indicate a continued growth of sales of 10 % to 15 % with a similar growth in operating profit.

The Group plans to finance this expansion of operations from its own funds. Investments in buildings and machinery are estimated at around SKr 60 million, excluding possible new company acquisitions. After substantial investments in research, product development and new constructions during the past year, such capital investments are expected to increase at a more moderate pace.

A prerequisite, however, for the continued success of the Group is that Government authorities in Sweden and/or elsewhere refrain from taking action that limits the development of private enterprise, its financing possibilities, etc., and that no serious disturbances appear in the world economy.





*A newly-installed product display at the Motala factory.*

## Results for the Group and Parent Company

### GENERAL

As already mentioned, about two thirds of the total Group turnover relates to sales to customers outside Sweden, which reflects the international structure of the Electrolux Group. For several reasons, particularly import restrictions, manufacture must often take place outside Sweden. Product development and central administration is to a large extent carried out by the Parent Company. This results in the greater part of the Group's operating profit being earned by the subsidiary companies that remit royalties and dividends to Sweden. This should be taken into consideration when evaluating the operating result of the Parent Company.

In consequence of current changes in the Group's structure the Profit and Loss Statement for the Group as well as that for the Parent Company have been rearranged in order to give a clearer presentation. Where appropriate, previously reported figures for 1968 have been regrouped to permit better comparability between the years.

### RESULT FOR THE GROUP

The sales expansion resulted in additional appropriations for hire-purchase reserves. Reserves for bad debts are calculated according to a uniform, conservative principle. Due to credit difficulties in many countries, causing slowness of payments, an increase in the provisions for bad

debt reserves has had to be made in 1969. These increases in reserves and the adjustments of the reserves for guarantee commitments resulted in a net charge to the operating profit of SKr 6.1 million, whereas in 1968 relief was given to operating profit to the extent of SKr 1.4 million.

In order to provide better comparability between the years, initial depreciation of buildings and machinery in some companies, and, in respect to the Parent Company (see below), the difference between fiscally allowed and calculated depreciation of machinery and equipment as well as certain acquisitions of tools have been reported as an exceptional cost item in the Group's Profit and Loss Statement. For subsidiary companies outside Sweden estimates are not made of calculated depreciation in line with the policies of the Parent Company, but for these subsidiary companies, collectively, fiscally allowed and calculated depreciation will approximately balance.

Below, under the heading "Result of the Parent Company", a reserve written back of SKr 2 million has not affected the Group's result, as the results were not charged, when the reserve was originally created.

In 1969, the profit before "Exceptional items of income and costs" amounted to SKr 114.6 million as compared with SKr 97.8 million in 1968, an



increase of SKr 16.8 million or just over 17%. Group profits after taxes amounted to SKr 45.8 million, as compared with SKr 52.9 million in 1968. In 1969, though, the charges for "Exceptional cost items" and the appropriations for inventory reserves within the Group were greater than in the previous year. The Group's Profit and Loss Statement and its Balance Sheet are shown on pages 25—27 and Notes on the accounts on page 33 onwards.

## RESULT OF THE PARENT COMPANY

### 1 RESERVES WRITTEN BACK

A reserve of SKr 2 million, established in 1948 for investments in subsidiary companies outside Sweden, was written back in 1969, as the tax authorities no longer consider it deductible.

In addition, a taxed reserve of SKr 187,000 for receivables with subsidiary companies, no longer needed, was written back. Both these amounts were included in the operating result.

### 2 DEPRECIATION OF BUILDINGS, MACHINERY AND EQUIPMENT

#### a) *Fiscally allowed*

Through changes in the tax legislation, effective on July 1, 1969, new stipulations apply to the depreciation of real estate, implying that certain land improvements may be subject to annual depreciation. Further, certain parts of and accessories to buildings may be written off as equipment. The new rules may be applied to expenses incurred after 1964. In addition, factory buildings may, from 1969 onwards, be depreciated by 4% annually, the calculation being based on the acquisition value. For employee buildings the depreciation rate now varies between 1.5% and 1.75% annually; again the calculation being based on the acquisition value.

In the 1969 accounts the Company has adopted the new depreciation arrangements, including an initial deduction of 2% of activated costs during 1969 for new constructions, additions to and alterations of buildings.

Machinery and equipment as well as leases are depreciated at the rate of 30% of the book value. Patent rights and goodwill are depreciated by an annual amount of 20% of the acquisition value.

Furthermore, acquisitions to the amount of SKr 2,271,000 were charged to the Reserve for Replacement of Buildings during 1969.

#### b) *As calculated*

For calculation purposes the Company bases depreciation on the replacement values—estimated on the basis of the insurance companies' value index—as long as the assets are in use. The rate for calculated depreciation of buildings is 3%. The depreciation rates applied to machinery and equipment vary between 7% and 25%. Machinery in multiple-shift operation, are thus depreciated at a higher rate; however, the depreciation rates for machinery and equipment older than 15 years are reduced.

### 3 DEPRECIATION OF TOOLS

Tooling costs to the amount of SKr 21.1 million were written off during the year as compared with SKr 11.7 million in 1968.

### 4 EXTRAORDINARY DEPRECIATION OF BUILDINGS, MACHINERY, EQUIPMENT AND TOOLS

In 1968, the calculated depreciation for buildings, machinery and equipment approximately balanced the fiscally allowed depreciation. In consequence of more extensive acquisitions of machinery, etc. and due to certain transfers from real estate to equipment made according to the new legislation, the 1969 fiscal depreciation of machinery, equipment, etc.—with continued application of the 30% rule—was considerably higher than the calculated depreciation. The difference, SKr 4.4 million, is shown as an exceptional cost item as is the initial deduction on real estate, SKr 224,000. Also included in the extraordinary depreciation, are SKr 8.2 million relating to expenses for tools, which were purchased for new product lines, new designs, etc., but which will not be used until 1970.

### 5 NET PROFIT

after taxes amounts to SKr 27.5 million as compared with SKr 24.6 million in 1968. For further details, reference is made to the Profit and Loss Statement and the Balance Sheet for AB Electrolux, pages 29—31, which together with the notes on page 33 onwards and the supplementary information about Electrolux, page 38, constitute integrated parts of the Annual Report.





# THE ELECTROLUX GROUP

## CONSOLIDATED PROFIT AND LOSS STATEMENT

	1969 SKr 1,000	1968 SKr 1,000
<i>Operating income and costs</i>		
Invoiced net sales excl. added-value tax and turnover tax respectively .....	1,582,864	1,326,856
Sale of licence rights (Note 1) .....	8,111	—
	<u>1,590,975</u>	<u>1,326,856</u>
Deduct:		
Manufacturing, selling and administrative costs .....	1,447,835	1,206,957
	<u>143,140</u>	<u>119,899</u>
<i>Non-operating income</i>		
Dividends received from non-Group companies .....	7	2,112
Interest received .....	<u>21,963</u>	<u>16,669</u>
	21,970	18,781
<i>Non-operating costs</i>		
Interest paid .....	<u>18,174</u>	<u>14,466</u>
Operating profit before depreciation .....	146,936	124,214
Deduct: Normal depreciation (Note 2)		
Buildings and land improvements .....	6,368	4,628
Machinery and equipment .....	<u>25,919</u>	<u>21,822</u>
	32,287	26,450
<b>OPERATING PROFIT AFTER NORMAL DEPRECIATION .....</b>	<b>114,649</b>	<b>97,764</b>
<i>Exceptional items of income and cost</i>		
Capital gain from sale of real estate and miscellaneous securities (Note 3) .....	+ 8,787	+ 12,586
Costs of share issues (including SKr 2,280 with the Parent Company) .....	./ 2,944	./ 77
Extraordinary depreciation of buildings, machinery, equipment and tools (Note 2) .....	./ 13,840	./ 6,575
Alteration and re-location costs .....	./ 6,157	./ 5,545
Depreciation of goodwill, patent rights and leases, and writing-down of shareholdings (Note 4) .....	<u>./ 2,771</u>	<u>./ 151</u>
	./ 22,768	./ 12,271
	97,724	98,002
<i>Year-end appropriations</i>		
Reserve for replacement of buildings:		
Appropriation (Note 5) .....	./ 1,437	./ 834
Amount utilized .....	+ 2,271	—
Writing-down of buildings .....	./ 2,271	—
Investment funds:		
Appropriation (Note 6) .....	./ 1,324	—
Amount utilized .....	+ 300	+ 18,562
Writing-down of buildings .....	./ 300	./ 13,704
Writing-down of machinery .....	—	./ 4,858
Increase of inventory reserves (Note 7) .....	<u>./ 14,698</u>	<u>./ 8,151</u>
	./ 17,459	./ 8,985
	80,265	89,017
Taxes .....	<u>33,554</u>	<u>35,832</u>
Profit after taxes .....	46,711	53,185
Deduct: Minority interests .....	<u>873</u>	<u>287</u>
<b>GROUP PROFIT FOR THE YEAR .....</b>	<b><u>45,838</u></b>	<b><u>52,898</u></b>

During 1968, a capital gain from the sale of shares in Electrolux Corporation, New York, was reported amounting to SKr 241,839,000 of which SKr 17,839,000 was appropriated to tax payments and SKr 224,000,000 for an increase of the share capital and the statutory reserve.

THE ELECTRO  
CONSOLIDATED

ASSETS	<i>As at Dec. 31, 1969</i> SKr 1,000		<i>As at Dec. 31, 1968</i> SKr 1,000	
<i>Current assets</i>				
<i>Liquid assets</i>				
Cash, postal giro and bank balances (Note 8) ..	89,544		107,009	
Promissory notes and bank deposits (Note 8) ..	110,743		248,961	
Bills receivable from customers .....	31,936		29,460	
Securities .....	<u>11,628</u>	243,851	<u>14,820</u>	400,250
Receivables				
Customers .....	431,354		374,612	
Miscellaneous (Note 9) .....	<u>55,776</u>	487,130	<u>33,091</u>	407,703
Inventories (Note 10) .....	524,521		370,276	
Deduct:				
Reserve for unrealized profit in inventories of subsidiary companies (Note 11) .....	16,201		9,966	
Inventory reserves (Note 7) .....	<u>137,331</u>	370,989	<u>120,535</u>	239,775
		<u>1,101,970</u>		<u>1,047,728</u>
<i>Blocked investment account with the Bank of Sweden ..</i>		—		138
<i>Fixed assets</i>				
Miscellaneous receivables (Note 12) .....		25,725		12,351
Shareholdings (Note 13) .....		10,514		1,557
Machinery and equipment (Note 14) .....	84,046		64,413	
Factory, office and other buildings (Note 15) ..	146,061		122,348	
New plants under construction .....	<u>8,853</u>	238,960	<u>13,515</u>	200,276
Goodwill, patent rights and leases (Note 16) ....		9,874		—
		<u>285,073</u>		<u>214,184</u>
TOTAL ASSETS .....		<u>1,387,043</u>		<u>1,262,050</u>
Assets pledged:				
Mortgages on buildings .....		66,768		37,759
Mortgages on the business .....		4,804		—
Promissory note .....		—		5,400
Other .....		471		745



# UX GROUP

## BALANCE SHEET

### LIABILITIES AND CAPITAL

	<i>As at Dec. 31, 1969</i> SKr 1,000		<i>As at Dec. 31, 1968</i> SKr 1,000	
<i>Short-term liabilities</i>				
Bills payable to suppliers .....	9,443		11,213	
Due to suppliers .....	129,059		90,060	
Due to customers .....	7,942		7,828	
Bank loans .....	84,495		58,705	
Miscellaneous (Note 17) .....	<u>159,332</u>	390,271	<u>132,372</u>	300,178
Taxes payable (Note 18) .....		51,291		71,757
		<u>441,562</u>		<u>371,935</u>
<i>Long-term liabilities</i>				
Mortgage loans, promissory note loans .....	60,819		43,679	
Debenture loan .....	<u>26,990</u>	87,809	<u>28,820</u>	72,499
Miscellaneous liabilities .....		6,372		3,360
Appropriated to pensions .....		80,643		67,838
		<u>174,824</u>		<u>143,697</u>
<i>Reserve for exchange risks</i> .....		3,000		3,000
<i>Reserve for replacement of buildings</i> .....		—		834
<i>Investment funds</i> .....		1,324		300
<i>Minority interests (Note 19)</i> .....		<u>7,869</u>		<u>1,664</u>
		<u>9,193</u>		<u>2,798</u>
<i>Capital and surplus</i>				
Share capital of Parent Company .....	380,000		190,000	
Statutory reserves (Note 20) .....	<u>166,343</u>	546,343	<u>128,249</u>	318,249
Free reserves (Note 21) .....		166,283		145,473
Group profit for the year (Note 21) .....		45,838*)		52,898
Capital gain on sale of shares in Electrolux Corporation, New York .....		—		224,000
		<u>758,464</u>		<u>740,620</u>
<b>TOTAL LIABILITIES AND CAPITAL</b> .....		<u><u>1,387,043</u></u>		<u><u>1,262,050</u></u>
Contingent liabilities .....		21,329		23,801
(whereof discounted bills receivable) .....		(6,917)		(9,945)

Submitted for audit.

BRUNO SVENSSON  
Auditor, authorized by the  
Stockholm Chamber of Commerce

ARNE HOLMEN  
Auditor, authorized by the  
Stockholm Chamber of Commerce

\*) Before appropriation of SKr 987,000 to statutory reserves

THE ELECTROLUX GROUP  
CONSOLIDATED STATEMENT OF  
SOURCE AND USE OF FUNDS

	1969 SKr 1,000	1968 SKr 1,000
<b>FUNDS RECEIVED</b>		
Funds from internal sources*) .....	72,510	67,442
Sale of shares in Electrolux Corporation (after deduction of tax and stamp duty) .....	—	278,629
Sales of other fixed assets .....	28,952	21,267
Increase of long-term liabilities, etc. ....	36,498	19,542
<b>TOTAL OF FUNDS RECEIVED</b> .....	<b>137,960</b>	<b>386,880</b>
<b>FUNDS USED</b>		
Investments in real estate, machinery and equipment ..	87,114	59,499
Investments in other non-current assets .....	34,976	3,456
Effect of altered rates of exchange owing to devaluation, etc. ....	733	1,634
Difference between purchase price and equity in newly acquired companies .....	13,726	8,898
<b>TOTAL OF FUNDS USED</b> .....	<b>136,549</b>	<b>73,487</b>
<b>CHANGE IN WORKING CAPITAL</b>	<b>1,411</b>	<b>313,393</b>
<i>Details of change in working capital</i>		
Increase of inventories .....	+ 148,010	+ 44,281
Increase of short-term receivables .....	+ 79,427	+ 45,780
Increase of short-term liabilities .....	— 69,627	— 66,541
Increase/decrease of liquid funds .....	— 156,399	+ 289,873
	+ 1,411	+ 313,393
*) Details		
Profit before taxes and capital gains .....	+ 70,605	+ 76,144
Year-end appropriations .....	+ 17,459	+ 8,985
Depreciation of buildings, machinery and equipment (Notes 14 and 15) .....	+ 37,891	+ 30,678
Depreciation of goodwill, patent rights and leases, and writing-down of shareholdings .....	+ 2,771	+ 151
Taxes .....	— 33,554	— 35,832
Dividends to shareholders .....	— 22,800	— 15,200
Withdrawals from blocked investment account .....	+ 138	+ 2,516
Capital gain on sale of shares in Electrolux Corporation .....	—	— 224,000
Increase of share capital .....	—	+ 224,000
	<b>72,510</b>	<b>67,442</b>



# AB ELECTROLUX

## PROFIT AND LOSS STATEMENT

	1969 SKr 1,000	1968 SKr 1,000
<i>Operating income and costs</i>		
Invoiced net sales excl. added-value tax and turnover tax respectively (Note 22) .....	584,052	469,968
Sale of licence rights (Note 1) .....	8,111	—
	592,163	469,968
<i>Deduct:</i>		
Manufacturing and selling costs, etc. ....	540,756	435,098
	51,407	34,870
<i>Non-operating income</i>		
Royalties (whereof from subsidiary companies SKr 3,559,000 and SKr 4,822,000 respectively) ..	3,881	4,906
Dividends received from subsidiary companies (Note 23) .....	24,855	14,884
Dividends received from other companies ....	1	2,112
Interest received from subsidiary companies ....	1,423	1,117
Other interest received .....	17,554	13,017
	47,714	36,036
<i>Non-operating costs</i>		
Interest paid to subsidiary companies .....	1,009	262
Other interest paid .....	7,569	6,139
General administration expenses (Note 24) ....	13,515	10,499
	22,093	16,900
Operating profit before depreciation .....	77,028	54,006
<i>Deduct: Normal depreciation (Note 2)</i>		
Buildings and land improvements .....	2,948	1,882
Machinery and equipment .....	9,874	8,687
	12,822	10,569
<b>OPERATING PROFIT AFTER NORMAL DEPRECIATION</b> .....	<b>64,206</b>	<b>43,437</b>
<i>Exceptional items of income and cost</i>		
Capital gain from sale of real estate (Note 25)	+ 3,366	+ 1,168
Stamp and registration costs for bonus issue ..	./ 2,280	./ 3
Extraordinary depreciation of buildings, machinery, equipment and tools (Note 2) .....	./ 12,843	./ 4,914
Alteration and re-location costs .....	./ 2,994	./ 5,187
Writing-down of shareholdings in subsidiary companies .....	—	./ 52
Depreciation of goodwill, patent rights and leases, and writing-down of shareholdings in non-Group companies (Note 4) .....	./ 2,593	./ 9
	./ 18,430	./ 10,162
<i>Year-end appropriations</i>	46,862	34,443
<i>Reserve for replacement of buildings:</i>		
Appropriation (Note 5) .....	./ 1,437	./ 834
Amount utilized .....	+ 2,271	—
Writing-down of buildings .....	./ 2,271	—
<i>Investment funds:</i>		
Amount utilized .....	—	+ 18,562
Writing-down of buildings .....	—	./ 13,704
Writing-down of machinery .....	—	./ 4,858
Increase of inventory reserves (Note 26) .....	./ 14,965	./ 3,035
Increase of reserve for obsolescence .....	—	./ 833
	./ 16,402	./ 4,702
	30,460	29,741
Taxes .....	3,000	5,161
<b>NET PROFIT FOR THE YEAR</b> .....	<b>27,460</b>	<b>24,580</b>

During 1968, a capital gain from the sale of shares in Electrolux Corporation, New York, was reported amounting to SKr 241,839,000 of which SKr 17,839,000 was appropriated to tax payments and SKr 224,000,000 for an increase of the share capital and the statutory reserve.

AB ELEC  
BALANC

ASSETS	<i>As at Dec. 31, 1969</i> SKr 1,000		<i>As at Dec. 31, 1968</i> SKr 1,000	
<i>Current assets</i>				
Liquid assets				
Cash, postal giro and bank balances (Note 8) ..	28,264		68,093	
Promissory notes and bank deposits (Note 8) ..	110,743		248,961	
Bills receivable from customers .....	<u>7,435</u>	146,442	<u>14,648</u>	331,702
Receivables				
Customers .....	45,773		46,482	
Subsidiary companies (Note 27) .....	173,290		91,279	
Miscellaneous (Note 28) .....	<u>14,486</u>	233,549	<u>6,053</u>	143,814
Inventories .....	197,123		145,058	
Deduct: Inventory reserve .....	<u>102,000</u>	95,123	<u>87,035</u>	58,023
<i>Fixed assets</i>		<u>475,114</u>		<u>533,539</u>
Receivables				
Subsidiary companies (Note 29) .....	52,894		38,866	
Miscellaneous (Note 30) .....	<u>15,659</u>	68,553	<u>7,242</u>	46,108
Shareholdings				
Subsidiary companies (Note 31) .....	145,423		111,783	
Non-Group companies (Note 13) .....	<u>9,197</u>	154,620	<u>515</u>	112,298
Machinery and equipment (Note 32) .....	31,827		24,731	
Factory, office and other buildings (Note 33) .....	54,773		45,321	
New plants under construction .....	<u>5,007</u>	91,607	<u>12,440</u>	82,492
Goodwill and patents (Note 16) .....		<u>8,180</u>		—
		<u>322,960</u>		<u>240,898</u>
TOTAL ASSETS .....		<u>798,074</u>		<u>774,437</u>
Assets pledged:				
Mortgages on buildings (Note 34) .....		38,718		23,903
Chattel mortgages .....		1,500		—
Promissory note .....		—		5,400
Blocked bank deposits .....		328		373



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## SHEET

### LIABILITIES AND CAPITAL

	<i>As at Dec. 31, 1969</i>		<i>As at Dec. 31, 1968</i>	
	SKr 1,000		SKr 1,000	
<i>Short-term liabilities</i>				
Due to subsidiary companies .....	7,977		3,540	
Due to suppliers .....	57,674		43,224	
Due to customers .....	1,366		2,249	
Salaries and wages, holiday compensation, and PAYE taxes .....	35,105		26,011	
Miscellaneous (Note 35) .....	15,646	117,768	16,900	91,924
Taxes payable .....		6,000		28,749
		<u>123,768</u>		<u>120,673</u>
<i>Long-term liabilities</i>				
Due to subsidiary companies .....	2,514		2,455	
Mortgage loans .....	27,081		15,298	
Debenture loans .....	26,990	56,585	28,820	46,573
Appropriated to pensions (Note 36)				
PRI pensions .....	34,864		29,352	
Other pensions .....	13,464	48,328	14,137	43,489
		<u>104,913</u>		<u>90,062</u>
<i>Reserve for unrealized profits in inventories of subsidiary companies outside Sweden</i> .....		8,501		6,636
<i>Reserve for replacement of buildings</i> .....		—		834
<i>Capital and Surplus</i>				
Share capital (Note 37) .....	380,000		190,000	
Statutory reserve .....	76,000	456,000	38,000	228,000
Free reserve .....		25,000		25,000
Profit brought forward .....	52,432		54,652	
Net profit for the year .....	27,460		24,580	
Capital gain on the sale of shares in Electrolux Corporation, New York .....	—	79,892	224,000	303,232
		<u>560,892</u>		<u>556,232</u>
<b>TOTAL LIABILITIES AND CAPITAL</b> .....		<u>798,074</u>		<u>774,437</u>
Profit as per Balance Sheets of December 31, 1968, and December 31, 1967, respectively .....		303,232		41,852
Taxed reserves .....		—		28,000
		303,232		69,852
Deduct: Distributions adopted by the Annual General Meetings in 1969 and 1968:				
Dividends declared .....		22,800		15,200
Bonus issue .....		190,000		—
Appropriation to statutory reserve .....		38,000		—
		<u>52,432</u>		<u>54,652</u>
<i>Contingent liabilities:</i>				
For the benefit of subsidiary companies....		41,360		
Other .....		4,935		
		<u>46,295</u>		42,152
(whereof discounted bills receivable) .....		(0)		(96)



## SPECIFICATION OF SHAREHOLDINGS OF AB ELECTROLUX

SUBSIDIARY COMPANIES	Number of shares	Par value SKr 1,000	Book value SKr 1,000
Allmänna Svenska Städnings AB, Stockholm	13,760	1,376	11,290
A/S Atlas Svenska Försäljnings AB, Malmö	2,500	250	—
AB Carex, Stockholm	50	5	5
Centralkassan AB, Stockholm	50	5	5
AB Elektro-Apparat, Alingsås	1,000	500	500
Elektro-Helios Fastighets AB, Stockholm	100	100	100
Elektroheliol Försäljnings AB, Stockholm	5,000	500	500
AB Electrolux Lebanon Limited, Stockholm	50	5	5
Electrolux Städutensilier AB, Stockholm	2,500	250	273
Electrolux Svenska Försäljnings AB, Stockholm	60,000	6,000	6,000
AB Elektroservice, Solna	250	25	25
AB Flymo, Malmö	20,000	2,000	9,498
Getinge Mekaniska Verkstads AB, Getinge	600	60	3,000
Liljendahls Patenter AB, Stockholm	200	20	20
AB Lux, Stockholm	200	20	20
Nordic Pool AB, Stockholm	50	5	5
AB Rebon, Stockholm	1,000	100	100
AB Sollidenverken, Borås	6,500	650	650
Verkstads AB Bällsta, Stockholm	15,000	750	750
Försäljnings AB Volta, Stockholm	2,000	200	200
			<u>32,946</u>
Shares in Subsidiary Companies outside Sweden			112,477
(as per special permit not specified in the Annual Report)			<u>145,423</u>

OTHER COMPANIES	Number of shares	Par value	Book value SKr 1,000
ADELA Investment Company S.A., Luxemburg	1,040	US\$ 104,000	515
Kalinga Svenska Ltd., Calcutta	3,498	Rup 349,800	—
La Maison de Suède à Paris S.A., Paris	1,200	Frs 120,000	—
National Homes Corp., Lafayette, Indiana, USA	65,074	US\$ 1,600,000	7,708
Norsk Rengjøringselskap A/S, Oslo	1,470	NKr 735,000	479
Servi-Data AB, Stockholm	1	SKr 100	—
AB Sukab, Stockholm	17	SKr 1,700	—
Svensk Interkontinental Lufttrafik AB, (S.I.L.A.), Stockholm	4,000	SKr 400,000	—
AB Svensk Värmemätning C.B. System, Stockholm	650	SKr 52,000	—
Svenska MTM-gruppen AB, Stockholm	1	SKr 100	—
TV-främjandet, AB Television & Co., Stockholm	10	SKr 10,000	—
Vakuumsystem AB, Solna	495	SKr 49,500	495
			<u>9,197</u>

With reference to the Auditors' Report included in the Annual Report, we certify that the above Profit and Loss Statement and Balance Sheet agree with the Company's accounts.

Stockholm in April, 1970.

BRUNO SVENSSON  
*Auditor, authorized by the  
Stockholm Chamber of Commerce*

ARNE HOLMÉN  
*Auditor, authorized by the  
Stockholm Chamber of Commerce*



## NOTES ON THE ACCOUNTS OF THE PARENT COMPANY AND THE GROUP

### General

The consolidated accounts include all companies, in which AB Electrolux at the year-end held, directly or indirectly, 50 % or more of the share capital.

The consolidated accounts include Allmänna Svenska Städtings AB (ASAB), Stockholm, and Commercial Cleaning Services Ltd., Birmingham, Great Britain, as 50.036 % and 50.1 % respectively of the share capital—at par value—of these companies is held by the Electrolux Group. According to the original co-operation agreement between AB Electrolux and Det Danske Rengørings Selskab A/S (DDRS), Copenhagen, the Electrolux Group should hold 49 % of the share capital in the mutually owned cleaning companies. As AB Electrolux has acquired more than 49 % of the share capital in ASAB, Electrolux has undertaken not to use its majority rights, attained through the increased shareholding, in conflict with the spirit of the co-operation agreement with DDRS. With respect to the Group's ownership of shares in the aforementioned British cleaning company, a similar undertaking has been given.

Minority interests were held in nine subsidiaries.

In the preparation of the Consolidated Balance Sheet, the Parent Company's holdings of shares in subsidiary companies have been eliminated against the share capital of each subsidiary company (par value method). See also note 20.

The final accounts of the subsidiary companies outside Sweden have been converted to Swedish currency (SKr) at the official rates of exchange on December 31, 1969.

#### Note 1 *Sale of licence rights*

Relates to licence rights for vacuum system products transferred from the Parent Company to National Homes Corporation, Lafayette, Indiana.

#### Note 2 *Depreciation*

The new regulations for depreciation effective as from July 1, 1969, have been applied for the Parent Company. Part of the depreciation is shown as extraordinary (cf. page 23).

#### Note 3 *Capital gain on sale of real estate and certain securities*

A/S Scan-Atlas Husholdningsapparater, Copenhagen, sold part of its real estate at Lundtofte, the Parent Company sold the remainder of the Ekenäs factory at Motala, and Electrolux (Nederland) Productie N. V., Groningen, sold its factory.

#### Note 4 *Depreciation of goodwill, patent rights, leases, and writing-down of shareholdings in non-Group companies*

Goodwill and patents were depreciated by 20 %. The shares in National Homes Corporation were written down to market value as at December 31, 1969.

#### Note 5 *Reserve for replacement of buildings, appropriation*

In accordance with current tax regulations 75 % of the fiscal capital gain on the sale of the remaining part of the Ekenäs factory at Motala was appropriated to this reserve.

#### Note 6 *Investment funds, appropriation*

Tax-deductible appropriations for investment funds were made by A/S Scan-Atlas Husholdningsapparater, Copenhagen, and by Electrolux S. A., Paris.

#### Note 7 *Increase of inventory reserves*

During 1969, the Parent Company's inventory reserve increased by SKr 15.0 million, while a small decrease of SKr 0.3 million was reported for the subsidiary companies. In the balance sheet figures for 1969 such inventory reserves are included as already existed in companies acquired during 1969.

#### Note 8 *Cash, postal giro and bank balances, Promissory notes and bank deposits*

The decrease from the preceding year reflects the fact that a large portion of the cash received in 1968 at the sale of the shares in Electrolux Corporation, New York, has been used for the expansion of operations and for the acquisition of new companies.

Note 9 *Current assets: Receivables, Miscellaneous*

These consist of receivables from the sale of real estate, import deposits, receivables from suppliers and personnel and prepaid expenses.

Note 10 *Inventories*

The increase in 1969 is commented upon on page 7.

Note 11 *Reserve for unrealized profit in inventories of subsidiary companies*

The reserve, representing the difference between the manufacturing cost and the billing price of the supplying group company for such goods as remained at the year-end in the stock of another group company, has been deducted directly from the inventory values. Last year this reserve was shown on the liability side of the Balance Sheet.

Note 12 *Fixed assets, Miscellaneous receivables*

These consist of receivables arising from the Parent Company's sale of real estate and mortgage receivables with A/S Scan-Atlas Husholdnings-apparater, Copenhagen, in respect of the sale of kitchen equipment.

Note 13 *Shareholdings in other companies*

During the year the Parent Company acquired shares in National Homes Corporation, Lafayette, Indiana (cf. Note 4), Norsk Rengjøringselskap A/S, Oslo, and Vakuum System AB, Solna.

Note 14 *Machinery and equipment*

	SKr 1,000
Net book value as at December 31, 1968 ..	64,413
<i>Add:</i>	
Net book value transferred from Factory Buildings in Sweden following new legislation on depreciation of real estate (cf. Note 15) ..	1,683 66,096
Acquisitions in 1969 including machinery and equipment owned by companies acquired during the year ..	+ 52,387
Book value of machinery, sold or scrapped, etc. ....	./ 3,498
Depreciation in 1969 ....	./ 30,939
	<u>84,046</u>

SKr 5,020,000 of the depreciation is shown as extraordinary.

During 1968 acquisitions amounting to SKr 4,858,000 were charged against the Investment Fund for Operations in the Parent Company.

Note 15 *Factory, office and other buildings (including land improvements)*

	SKr 1,000
Net book value as at December 31, 1968 ..	122,348
<i>Deduct:</i>	
Net book value transferred to Machinery and Equipment following new legislation on depreciation of real estate (cf. Note 14) ..	1,683 120,665
Acquisitions in 1969 including real estate owned by companies acquired during the year .....	+ 36,818
Appreciation of book value (see below) .....	+ 8,602
Book value of real estate, sold or scrapped, etc. ....	./ 13,072
Depreciation in 1969 ....	./ 6,952
	<u>146,061</u>

SKr 584,000 of the depreciation is shown as extraordinary.

In addition, acquisitions amounting to SKr 2,271,000 were charged to the Reserve for Replacement of Buildings, and SKr 300,000 of the Investment Fund at Getinge Mekaniska Verkstads AB was used for construction work.

In connection with bonus issues of shares, appreciation of real estate was made at AB Ankarsrums Bruk and at Electrolux S. A., Paris.

During 1968, acquisitions amounting to SKr 13,704,000 were charged to the Parent Company's Investment Fund for Operations, as then mentioned in the note regarding New Plants under Construction.

Note 16 *Goodwill and patents*

Shown as goodwill is the fee payable to Instamatic Corporation, Elkhart, Indiana, for the marketing rights for caravan refrigerators under the brand name of "Dometic".

Included in patents is the payment to Lijendahl Vacuum Company Ltd., Switzerland, for patent rights for the vacuum system.



Note 17 *Short-term liabilities, Miscellaneous*

Included here are reserves for guarantee repairs, accrued holiday compensation, wages and salaries unpaid at the year-end, PAYE taxes, reserves for severance payments and the like at subsidiaries outside Sweden, sales tax, added-value tax, sundry accrued costs, and such part of long-term liabilities as are payable within one year.

Note 18 *Taxes payable*

The decrease from 1968 is mainly due to an amount of SKr 17,839,000 included in that year for capital gains tax on the sale of shares in Electrolux Corporation, New York.

Note 19 *Minority interests*

The increase relates to minority share holdings in several companies in the area of commercial cleaning and cleaning equipment.

Note 20 *Statutory reserves*

Included in the statutory reserves are the net differences between the share capital of subsidiary companies and the value of these shares in the books of the Parent Company (values in excess of par have been deducted from values below par).

The increase during the year is mainly a result of the bonus issue of shares, which required the raising of the statutory reserve of the Parent Company by SKr 38 million.

Other items like bonus issues of shares in subsidiary companies, differences between book and par values of the share capital of companies acquired during the year, increases of the statutory reserves of subsidiary companies and changed conversion rates following alterations of foreign exchange rates occurred during the year, offset each other.

Note 21 *Free reserves and Group profit for the year*

No provision has been made for taxation in Sweden and/or abroad on unappropriated earnings of foreign sub-

sidary companies which may be transferred to the Parent Company in the form of dividends. The currency regulations in certain countries may also affect the possibilities of transferring profits to the Parent Company.

Note 22 *Invoiced net sales*

The invoicing of AB Electrolux (the Parent Company) relates to deliveries to subsidiary companies as well as to customers buying directly from the Parent Company.

Note 23 *Dividends from shareholdings in subsidiary companies*

The increase is due to dividends being received from some subsidiary companies from whom dividends were not received in the previous year.

Note 24 *General administration expenses*

In considering these expenses it should be noted that because of the international organization and structure of the Group, General administration expenses include certain costs in the central administration of subsidiary companies. In return, the Parent Company receives income in the form of dividends and royalties shown under Non-Operating Income.

Note 25 *Capital gain from sale of real estate*

The amount relates mainly to the sale of the remaining part of the Ekenäs factory at Motala.

Note 26 *Increase of the inventory reserve*

The reserve represents 51.7 % of the gross inventory value, consideration to obsolescence having been duly given.

Note 27 *Current Assets: Receivables, Subsidiary Companies*

Shown under this heading are trade receivables from subsidiary companies in respect of transactions with a maximum payment period of one year. Other trade receivables will be found under the heading "Fixed Assets, Receivables, Subsidiary Companies".

Note 28 *Current Assets: Receivables, Miscellaneous*

Included here are receivables from suppliers, advance payments on current assets, payments on account to the Pension Registration Institute (PRI), amounts owed by employees, added-value tax and prepaid expenses. Also included are short-term receivables connected with the sale of real estate.

Note 29 *Fixed Assets: Receivables, Subsidiary Companies*

Shown here are amounts made available to subsidiary companies by the Parent Company as loans and also other receivables which have become long-term.

Note 30 *Fixed Assets: Receivables, Miscellaneous*

The increase relates to long-term receivables connected with the sale of real estate.

Note 31 *Shareholdings in subsidiary companies*

	SKr million
<i>Acquisitions including newly-formed companies</i>	
Allmänna Svenska Städtings AB, Stockholm .....	11.3
Electrolux Städutensilier AB, Stockholm .....	0.3
Companies outside Sweden ....	<u>10.9</u>
	22.5
New share issues in subsidiary companies outside Sweden ....	<u>11.2</u>
	<u>33.7</u>

Note 32 *Machinery and equipment*

	SKr 1,000
Net book value as at December 31, 1968 ..	24,731
<i>Add:</i>	
Net book value transferred from Factory Buildings, following new legislation on depreciation of real estate (cf. Note 33) .....	<u>1,523</u> 26,254
Acquisitions during 1969 ..	+ 19,830
Depreciation during 1969 ..	<u>./. 14,257</u>
	<u>31,827</u>

SKr 4,383,000 of the depreciation is shown as extraordinary.

During 1968 acquisitions to the amount of SKr 4,858,000 were charged to the Investment Fund for Operations.

Note 33 *Factory, office and other buildings (including land improvements)*

Net book value	SKr 1,000
as at December 31, 1968 ..	45,321
<i>Deduct:</i>	
Net book value transferred to Machinery and Equipment, following new legislation on depreciation of real estate (cf. Note 32) ..	<u>1,523</u> 43,798
Acquisitions during 1969 ..	+ 17,868
Book value of real estate, sold or scrapped .....	<u>./. 3,721</u>
Depreciation during 1969 ..	<u>./. 3,172</u>
	<u>54,773</u>

SKr 224,000 of the depreciation is shown as extraordinary.

In addition, acquisitions to the amount of SKr 2,271,000 were charged to the Reserve for Replacement of Buildings. During 1968 acquisitions to the amount of SKr 13,704,000 were charged to the Investment Fund for Operations, as was then mentioned in the note regarding New Plants under Construction.

Note 34 *Assets pledged, Mortgages on buildings*

The liabilities, for which mortgages have been pledged, amounted to SKr 35,119,000 as at December 31, 1969.

Note 35 *Short-term liabilities, Miscellaneous*

Included here are the reserve for guarantee repairs, accrued expenses, amortizations on mortgage and debenture loans payable within a year, and interest on mortgage and debenture loans accrued as at the year-end.

Note 36 *Appropriated to pensions*

The pension liability, which corresponds to the required pension reserve, has increased by SKr 4.8 million during the year. SKr 2.4 million of that amount is interest, which has been charged to Interest paid.

Note 37 *Share capital*

320,000 "A"-shares of SKr 100.— .....	SKr 32,000,000
3,480,000 "B"-shares of SKr 100.— .....	SKr 348,000,000
3,800,000 shares .....	<u>SKr 380,000,000</u>

The holder of each "A"-share is entitled to one vote and of each "B"-share to 1/1000 of a vote.

All shares carry the same right to participation in the Company's assets and profits.



## Proposed distribution of profits in AB Electrolux

In addition to the Free Reserve of SKr 25 million, the following amounts are at the disposal of the Annual General Meeting:

Profit brought forward .....	SKr 52,432,201
Net profit for 1969 .....	SKr 27,460,533
Total .....	<u>SKr 79,892,734</u>

The Board of Directors propose the following distribution:

Payment of a dividend to shareholders against coupon No. 66 of SKr 7.— per share .....	SKr 26,600,000
To be carried forward .....	SKr 53,292,734
	<u>SKr 79,892,734</u>

The Board of Directors and the Managing Director would like to take this opportunity to thank all employees, within Sweden as well as outside, for their excellent accomplishments during 1969.

Stockholm, March 17, 1970.

RAGNAR SÖDERBERG  
*Chairman of the Board*

MARCUS WALLENBERG

GUNNAR ENGELLAU

LUKE

ÅKE T. VRETHEM

HANS WERTHÉN  
*Managing Director*

/ H. ERIKSSON

## SUPPLEMENTARY INFORMATION ABOUT ELECTROLUX

Number of employees	Dec. 31, 1969		Averages for	
			1969	1968
<i>Parent Company:</i>				
Wage earners .....	4,351		4,236	3,485
Others .....	1,829		1,770	1,737
	<u>6,180</u>		<u>6,006</u>	<u>5,222</u>
<i>Swedish subsidiary companies:</i>				
Wage earners .....	4,846	Excl. ASAB (1,071)	4,613	Excl. ASAB (1,036) 928
Others .....	1,863	(1,428)	1,800	(1,396) 1,318
	<u>6,709</u>	<u>(2,499)</u>	<u>6,413</u>	<u>(2,432)</u> 2,246

The increase over 1968 for the Swedish subsidiary companies is mainly due to Allmänna Svenska Stådnings AB (ASAB) having been incorporated with the Group.

*The Parent Company and the Swedish subsidiary companies together:*

Wage earners .....	9,197	Excl. ASAB (5,422)	8,849	Excl. ASAB (5,272)	4,413
Others .....	3,692	(3,257)	3,570	(3,166)	3,055
	<u>12,889</u>	<u>(8,679)</u>	<u>12,419</u>	<u>(8,438)</u>	<u>7,468</u>

*Subsidiary companies outside Sweden:*

Wage earners .....	7,224	Excl. CCS (5,624)	6,774	Excl. CCS (5,192)	4,980
Others .....	9,026	(8,945)	8,717	(8,636)	8,516
	<u>16,250</u>	<u>(14,569)</u>	<u>15,491</u>	<u>(13,828)</u>	<u>13,496</u>

The increase over 1968 for the subsidiary companies outside Sweden is mainly due to Commercial Cleaning Services Ltd. (CCS), Birmingham, having been incorporated with the Group.

*Total number of employees in the Electrolux Group:*

Wage earners .....	16,421	Excl. ASAB and CCS (11,046)	15,623	Excl. ASAB and CCS (10,464)	9,393
Others .....	12,718	(12,202)	12,287	(11,802)	11,571
	<u>29,139</u>	<u>(23,248)</u>	<u>27,910</u>	<u>(22,266)</u>	<u>20,964</u>

Salaries, wages and remunerations	SKr 1,000	
	1969	1968
<i>Parent Company:</i>		
Board of Directors, Managing Directors and other senior executives .....	1,591	1,180
Wage earners .....	89,044	71,818
Others .....	66,865	61,498
	<u>157,500</u>	<u>134,496</u>

<i>Swedish subsidiary companies:</i>		
Boards of Directors, Managing Directors and other senior executives .....	992	477
Wage earners .....	64,910	18,038
Others .....	57,521	39,696
	<u>123,423</u>	<u>58,211</u>

The increase over 1968 for the Swedish subsidiary companies is mainly due to Allmänna Svenska Stådnings AB (ASAB) and Electrolux Stådutensilier AB having been incorporated with the Group.

*Subsidiary companies outside Sweden:*

Boards of Directors, Managing Directors and other senior executives .....	6,321	4,968
Wage earners .....	77,452	62,333
Others .....	156,448	142,623
	<u>240,221</u>	<u>209,924</u>

*Total 1969 amount of salaries, wages and remunerations in the Electrolux Group:*

Boards of Directors, Managing Directors and other senior executives .....	8,904	6,625
Wage earners .....	231,406	152,189
Others .....	280,834	243,817
	<u>521,144</u>	<u>402,631</u>

In addition to the salaries, wages and remunerations specified above, the Parent Company and the Swedish subsidiary companies have defrayed social charges for personnel (ATP, PRI, pensions, group life insurance, etc.) totalling approximately SKr 38 million.

### Rateable values

At the year-end the land and buildings owned by the Parent Company had a rateable value of SKr 107.7 million, including a separate value for machinery of SKr 4.4 million.

### Insurance values

Parent Company's buildings .. SKr 159.3 million  
Parent Company's machinery, equipment, etc. .... SKr 244.2 million

### Number of shareholders

At the year-end AB Electrolux had approximately 15,000 shareholders.





## AUDITORS' REPORT

As auditors of Aktiebolaget Electrolux we beg to submit the following Auditors' Report for the year 1969.

We have checked the Annual Report, examined the Accounts, Minutes of Meetings and other documents giving information on the financial position and administration of the Company, and carried out other examinations deemed necessary.

The Accounts have been checked by means of random tests by the Company's internal auditors who have submitted to us reports of their examinations.

The regulations laid down in the Swedish Companies Act relative to the accounting of shareholdings and consolidated accounts have been observed.

During the audit we have found no grounds for adverse criticism of the documents presented to us, the Company's Accounts, the verification of the assets or the administration of the Company.

To the disposal of the Annual General Meeting are, in addition to the Free Reserve of SKr 25 million reported in the Balance Sheet, unappropriated earnings of SKr 79,892,734. The Board and the Managing Director propose the following distribution:

Dividend to the shareholders .....	SKr	26,600,000
To be carried forward .....	SKr	53,292,734
		<u>SKr 79,892,734</u>

This proposal is not at variance with the regulations of the Swedish Companies Act in respect of appropriation to the Statutory Reserve or with good commercial practice with regard to the position of the Group and to the result of its activity.

We recommend

*that* the Balance Sheet as at December 31, 1969, included in the Annual Report and signed by us, be approved

*that* the available Profit be distributed in accordance with the above proposal, and

*that* the Board of Directors and the Managing Director be granted discharge for the past financial year's administration.

Stockholm in April, 1970.

BRUNO SVENSSON  
*Auditor, authorized by the  
Stockholm Chamber of Commerce*

ARNE HOLMEN  
*Auditor, authorized by the  
Stockholm Chamber of Commerce*





