



 **Electrolux**  
Annual Report 1973

# Eight-Year Summary of Operations

(Amounts in MKr, unless otherwise stated)

Group	1973	1973	1972	1971	1970	1969	1968	1967	1966
	(incl. Facit)	(excl. Facit)							
Sales	4,181.8	3,287.9	2,490.9	2,121.9	1,869.3	1,582.9	1,326.9	1,097.8	1,070.3
Percentage change compared with previous year	+ 67.9	+ 32.0	+ 17.4	+ 13.5	+ 18.1	+ 19.3	+ 20.9	+ 2.6	+ 1.3
Operating result after ordinary depreciation	393.5	385.8	250.1	160.3	128.1	102.7	93.4	.	.
Operating result as a percentage of sales	9.4	11.7	10.0	7.6	6.9	6.5	7.0	.	.
Result before appropriation and taxes	370.6	371.9	253.4	152.1	123.5	111.6	104.6	.	.
Group profit <sup>1)</sup>	139.1	150.3	95.4	70.2	63.3	45.8	52.9	32.0	26.2
Profit in Kr per share <sup>2)</sup>	28.10	29.10	18.75	11.25	8.90	8.40	7.80	.	.
Investment in real estate, machinery, equipment and tools	259.7	223.9	133.6	83.1	110.8	108.2	71.2	71.6	.
whereof relating to companies acquired during the year	52.1	39.8	26.5	6.6	8.0	13.1	10.0	14.6	.
Wages, salaries and remuneration	1,374.0	997.2	798.0	707.1	657.6	554.0	434.7	361.9	382.3
Average number of employees	51,126	39,885	35,624	33,642	32,724	29,171	23,282	21,127	21,962
Sales per employee, excl. contract cleaning companies (tKr)	94.1	101.5	84.9	75.8	66.9	61.1	56.9	52.0	48.7
Total dividend, Parent Company <sup>3)</sup>	62.4	.	49.9	38.0	30.4	26.6	22.8	15.2	15.2
Dividend per share (revised for issues <sup>3)</sup> ) (Kr)	10.00	.	8.00	6.10	4.90	4.25	3.65	2.45	2.45
Approximate number of shareholders	29,000	.	20,000	18,000	18,000	15,000	15,000	14,700	13,000

<sup>1)</sup> Result after appropriations, taxes and minority interest

<sup>2)</sup> "Result from Current Operations before Taxes" less 50% tax and the minority interests. The calculation is made on basis of the number of shares issued as at December 31, 1973 (6,240,000).

<sup>3)</sup> For 1973 in accordance with the Board's proposal.

Cover picture:

The administrative centre of the Electrolux Group is situated on the island of Lilla Essingen in Stockholm, Sweden.



# Summary of 1973



## 1973 Annual Report

### The Group

Sales increased in 1973 by 67.9% from MKr 2,491 to MKr 4,182 (excl. Facit MKr 3,288).

Operating result after ordinary depreciation increased by 57.3% from MKr 250 to MKr 394 (excl. Facit MKr 386).

Result before appropriation and taxes increased from MKr 253 to MKr 371 (excl. Facit MKr 372).

Net profit amounted to MKr 139 as against MKr 95 the previous year. (Excluding Facit the net profit was MKr 150).

The average number of employees in 1973 was 51,126 (excl. Facit 39,885) as against 35,624 in 1972.

Wages, salaries and remuneration during the year amounted to MKr 1,374 (excl. Facit MKr 997) as against MKr 798 in 1972.

### Parent Company

Profit after taxes amounted to MKr 73 as against MKr 50 in 1972.

The Board of Directors propose a dividend of Kr 10.00 per share.

### Abbreviated Denominations

Kr = Swedish Kronor

tKr = thousands of Swedish Kronor

MKr = millions Swedish Kronor

On December 31, 1973;

£1 sterling = Kr 10.60

US \$1 = Kr 4.57

MKr 1 = £94,000 approximately =

US \$220,000 approximately

cm = centimetres

m<sup>2</sup> = square metres

sq.ft. = square feet

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# Annual General Meeting

The Annual General Meeting will be held on Monday, May 20, 1974, at 2 p.m. in the company's offices at Lilla Essingen, Stockholm.

## Right to Participate in the Annual General Meeting

Since the Company operates under the Law on Simplified Share Handling, the names of shareholders who wish to participate in the Annual General Meeting must be entered in the share register maintained by Värdepapperscentralen VPC AB (i.e. the institution in charge of the new handling system), not later than 10 days prior to the Annual General Meeting.

Shareholders who have had their shares registered in trusteeship, either through the trust department of a bank or a private stockbroker, must temporarily register the shares in their own names in order to be able to attend the Annual General Meeting. This re-registration must be completed not later than 10 days prior to the Annual General Meeting.

## Registration of Participation in the Annual General Meeting

Shareholders who wish to participate in the Annual General Meeting must, in addition to being registered as mentioned above, notify the offices of the Company at Luxbacken 1, Lilla Essingen, Stockholm, not later than 2 p.m. on Thursday, May 16, 1974. Registration may be made by letter addressed to AB Electrolux, S-105 45 Stockholm, Sweden, or by telephone (8-13 01 00, extension 1124 or 1794).

## Payment of Dividends

The dividend declaration, as decided by the Annual General Meeting, will include notification of the day, when the share register and the list of nominees, etc., maintained in conjunction with the share register, is to be reconciled. The Board of Directors has suggested May 22, 1974, as the reconciliation date.

On acceptance of this suggestion at the Annual General Meeting, it is expected that the dividends will be distributed by Värdepapperscentralen VPC AB on May 30, 1974, to those whose names were entered in the share register or in the above-mentioned list of nominees at the reconciliation date.



# Aktiebolaget Electrolux

## Board of Directors

*Regular Members* Ragnar Söderberg, Stockholm, Chairman  
(deceased on April 21, 1974)  
Gunnar Arpi, Uppsala  
Gunnar Engellau, Gothenburg  
Karl-Gustav Lagerström, Alingsås\*)  
Johnny Niklasson, Motala\*)  
Lord Luke of Pavenham, Odell Castle, Great Britain  
Åke T. Vrethem, Djursholm  
Hans Werthén, Stockholm

*Deputy Members* Sune Andersson, Västervik\*)  
Gösta Bystedt, Lidingö  
Arthur Grimborg, Mariestad\*)  
Sven Olving, Gothenburg  
Jacob Palmstierna, Djursholm

\*) Employee representatives

**Management** Hans Werthén, Managing Director, (President)  
Gösta Bystedt, Deputy Managing Director, (Executive Vice President)  
Harry Eriksson, Deputy Managing Director, (Executive Vice President)  
Anders Scharp, Deputy Managing Director, (Executive Vice President)  
Folke Heibert  
Yngve Lindholm (Elkhart, Indiana, USA)  
Owe Werner

**Other Chief Executives** Nils Eliasson  
John-Jacob Engellau  
Leif Lindgren  
Bo Palmberg  
Lennart Ribohn  
Kim Scharf

## Auditors

*Regular Auditors* Arne Holmén, Chartered Accountant  
Bruno Svensson, Chartered Accountant

*Deputy Auditors* Jan Nordenbäck, Chartered Accountant  
Sten Lundvall, Chartered Accountant



Basic model in the Electrolux cleaning range is the vacuum cleaner (Z320 in the picture) which is supplemented by the ZE 1 motor-driven power nozzle (small picture on left) and the ZS 1 carpet cleaning unit (small picture on right). Shown in the small picture in centre is the Z500 upright vacuum cleaner manufactured by Electrolux Ltd., Great Britain.



# Operations in 1973

Included in the Financial Statements for the Group for 1973 is the Facit Group, sometimes referred to in this report as Facit.

In order to facilitate an assessment of the development of the Group, the Annual Report for 1973 deals with the Group, both including and excluding the Facit operations.

The Report of the Directors of the Parent Company is included in the presentation of the entire Group.

## General Review

### Sales, Result and Production

The forecast of the Group's sales and results for 1973 in the 1972 Annual Report was cautious because of the economic uncertainty in certain countries at that time. Business trends though were appreciably more favourable than expected, and as a result the Electrolux Group—both including and excluding the Facit Group—achieved new record figures for sales and profits in 1973.

Consequently, Group sales in 1973 exceeded Kr 4.2 thousand millions (excl. Facit Kr 3.3 thousand millions). The Result before appropriations and taxes amounted to MKr 371 (excl. Facit MKr 372). The return on working capital was unchanged during the year. Excluding Facit though, the

return increased from 12.4% to 14.5%. (Return on working capital is calculated as the relationship between the Operating result after ordinary depreciation plus non-operating income, and total assets increased by the inventory reserves.)

Production capacity at Group factories was utilized to a high degree and productivity was further increased. It proved possible to obtain the required quantities of raw materials and components necessary for manufacturing programmes but substantial price increases occurred during the latter part of the year.

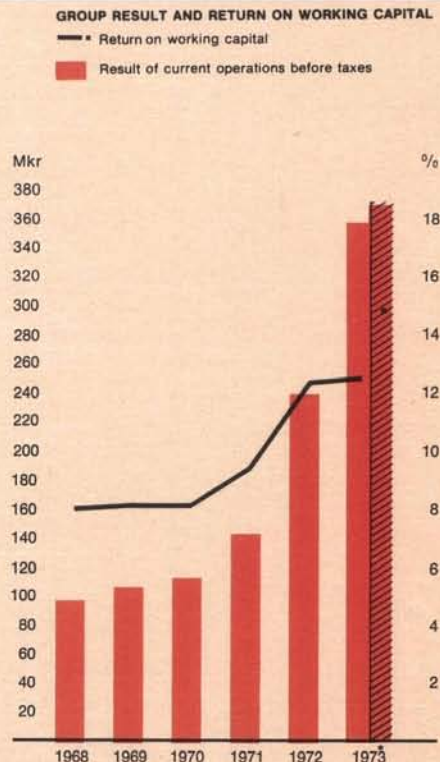
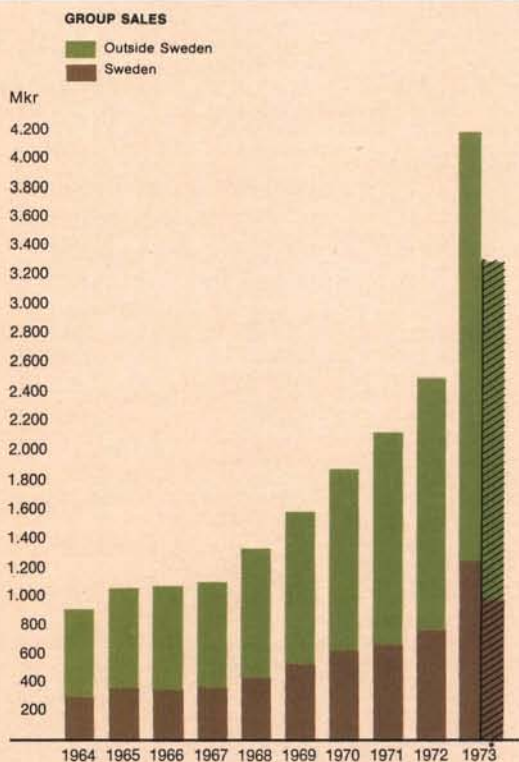
In 1973 the Swedish factories accounted for 64.8% of total Group manufacturing volume. Exclusive of Facit the percentage was 57.2% as compared with

56.6% in 1972. In 1973 the Group provided Sweden with an export income of MKr 975 (excl. Facit MKr 642), compared with MKr 444 for Electrolux in the previous year.

Dividends, royalties, and interest remitted to Sweden in 1973 amounted to MKr 69 (excl. Facit MKr 68). The comparative amount for Electrolux in 1972 was MKr 36.

### Sales

Group sales in 1973 amounted to MKr 4,182 (excl. Facit MKr 3,288) as compared with MKr 2,491 in 1972, or an increase of 67.9% (excl. Facit 32.0%). MKr 1,229 (29.4%) of the sales was accounted for by customers in Sweden and MKr 2,953 (70.6%) by customers outside Sweden. The corresponding figures excluding the





Facit Group were MKr 961 (29.2%) to customers in Sweden and MKr 2,327 (70.8%) to customers outside Sweden, which may be compared with MKr 768 (30.8%) and MKr 1,723 (69.2%) for the previous year.

Excluding contract and industrial cleaning operations, 72.6% of the Group's sales were outside Sweden (excl. Facit 73.4%).

A territorial distribution of Group sales is shown in tabular form below. Within Europe, excluding Sweden, sales by countries were as follows:

Great Britain	MKr	461.8
West Germany	MKr	303.2
France	MKr	255.5
Denmark	MKr	207.2
Norway	MKr	195.8
Finland	MKr	153.5
Other	MKr	485.6
Total		<u>MKr 2,062.6</u>

The sales of the Parent Company, AB Electrolux, came to MKr 1,335. This figure is not fully comparable with that for the previous year when AB Electrolux concluded an agreement with Facit-Halda AB, under the terms of which this company is to trade on a commission basis for the account of AB Electrolux with effect from 1973. A similar agreement was concluded at the end of 1972 between AB Addo and AB Electrolux.

Sales to Group companies by the Parent Company amounted to MKr 957 and to other customers MKr 378.

AB Electrolux' exports in 1973

increased by MKr 188 to MKr 601 and amounted to 45.0% of total Company sales.

## Liquidity and Borrowings

Group liquidity during the year continued to be strong. Cash and bank balances including promissory notes at year-end amounted to MKr 352 (excl. Facit MKr 293) as compared with MKr 292 in 1972. Liquidity, measured as the ratio between total current assets (adjusted by the amount of the general inventory reserves) and total short-term liabilities, was 2.12 (excl. Facit 2.09) as against 2.42 in 1972.

Among the factors having a favourable effect on liquidity was the improvement in the collection period of accounts receivable (excl. bills receivable) during the year. At year-end, accounts receivable amounted to 22.9% (excl. Facit 23.0%) of 1973 sales as against 25.0% in 1972. In addition, the turnover rate of inventories excluding Facit showed a positive trend during the year. At year-end, inventories excluding Facit amounted to 25.4% (incl. Facit 28.6%) of 1973 sales. The corresponding figure for the previous year was 27.9%.

## Capital Expenditures

Group investment in real estate, machinery, equipment and tools during the year amounted to MKr 260 as against MKr 134 in 1972. Major additions included:

- The *Motala factory* (Sweden), which in 1973 was enlarged in two stages, first by

8,400 m<sup>2</sup> (90,400 sq. ft.) to provide increased capacity for the assembly of refrigerators, stoves and dishwashers, and secondly by 4,200 m<sup>2</sup> (45,200 sq. ft.) as an expansion of the absorption unit plant. In total, investments during the year amounted to approximately MKr 20.

- The *Västervik factory* (Sweden) was expanded during the year by 4,200 m<sup>2</sup> (45,200 sq. ft.) to increase production capacity for vacuum cleaners and commercial electric motors.
- Investments amounting to MKr 8 were made in the *Strömstad factory* (Sweden). These have allowed the factory to commence manufacture of stove canopies and heating elements for absorption refrigerators, and start assembling of typewriters. In addition, a new department was added for injection moulding plastic components, which are supplied mainly to other Group factories.
- A new factory and office building was erected in Elkhart, Indiana (USA), at a cost of MKr 8 for the subsidiary companies *Dometic Sales Corporation* and *Keltec Inc.*
- The American subsidiary company *Lago Calc Inc.* acquired a factory and office building in Canoga Park, California (USA), during the year.
- The *Bräkne-Hoby factory* (Sweden), forming part of the

## Territorial Distribution of Group Sales

	1973		1973*)		1972		1971		1970		1969		1968	
	MKr	%	MKr	%	MKr	%	MKr	%	MKr	%	MKr	%	MKr	%
Sweden	1,229.0	29.4	960.9	29.2	768.4	30.8	661.7	31.2	629.0	33.6	539.0	34.1	434.0	32.7
Europe excl. Sweden	2,062.6	49.3	1,678.6	51.0	1,215.5	48.8	1,020.5	48.0	871.9	46.6	732.3	46.2	619.7	46.7
North America	300.7	7.2	191.5	5.8	167.5	6.7	124.1	5.9	99.9	5.4	66.8	4.2	51.4	3.9
Central and South America	223.3	5.3	140.1	4.3	115.8	4.7	119.2	5.6	102.5	5.5	116.2	7.4	106.4	8.0
Australia and New Zealand	222.1	5.3	213.0	6.5	142.6	5.7	126.4	6.0	106.2	5.7	66.9	4.2	58.3	4.4
Other areas	144.1	3.5	103.8	3.2	81.1	3.3	70.0	3.3	59.8	3.2	61.7	3.9	57.1	4.3
Total	4,181.8	100.0	3,287.9	100.0	2,490.9	100.0	2,121.9	100.0	1,869.3	100.0	1,582.9	100.0	1,326.9	100.0

\*) excl. Facit.



Facit Group is to be expanded by a total of 9,300 m<sup>2</sup> (100,100 sq. ft.) during 1974 to give increased production capacity for typewriters. This cost is estimated at MKr 7.

— An expansion of approximately 2,400 m<sup>2</sup> (25,800 sq. ft.) is to take place during 1974 at the *Överum* factory (Sweden), forming part of the Facit Group, in order to achieve more efficient production flow and higher capacity for window manufacture. In addition, the forging shop at the *Överum* factory is to be modernized at an estimated cost of approximately MKr 5.

### Acquired and Newly Formed Companies

AB Electrolux owns more than 97% of all shares in Facit AB. The acquisition of these shares was effected by the shareholders of Facit AB, agreeing to an exchange of their shares, receiving 5 newly issued series "B" shares in AB Electrolux for every 16 shares in Facit AB. In accordance with the provisions of the Swedish Companies Act, AB Electrolux has requested discharge of the remaining Facit shares.

Jointly with Det Danske Rengørings Selskab A/S (DDRS), Copenhagen, AB Electrolux has acquired a cleaning company in the Netherlands, Schoonmaakbedrijf Mercurius B.V., Ermelo, and also Cubus Golv AB, Stockholm. The operations of the latter company are mainly marketing and leasing of floor

carpeting, office furniture and office machines. These operations will be coordinated with ASAB's cleaning operations. Cubus Golv AB owns Brettman Cubus Golv AB (Sweden), a company which sells and lays floor coverings.

During 1973 AB Electrolux acquired the manufacturing and sales rights of level control equipment for oil tanks. Marketing is carried out through the subsidiary AB Svensk Nivåkontroll, Malmö (Sweden), on commission for AB Electrolux. The Group has acquired approximately 94% of the share capital of Siegas Metallwarenfabrik Wilhelm Loh KG, Siegen (West Germany). This acquisition also includes Wilhelm Loh & Co. GmbH as well as Siegas Verwaltungs GmbH. Siegas Metallwarenfabrik, which has two factories, one in Siegen and one in Rudersdorf, is concerned primarily with the manufacture and sale of caravan refrigerators in the German market.

In order to intensify and expand sales of white goods and complete kitchens ("K" products) in the important West German market, AB Electrolux has formed a separate sales company—Electrolux Küchentechnik GmbH, Hamburg.

From the Corona Group, AB Electrolux has acquired all shares in Växjö Rostfritt AB, Växjö (Sweden), and also its Wascator enterprise in Sweden. Included in the acquisition of the Wascator enterprise are the shares in A/S

Wascator, Gentofte (Denmark), and the majority shareholding in Wascator S.A., Paris. In addition, receivables, liabilities and personnel of the Wascator companies in Norway and Great Britain have been taken over by the local Electrolux companies. Negotiations are in progress for similar arrangements in Italy in 1974.

The Wascator sector manufactures and markets commercial washing machines for laundrettes and similar installations as well as industrial washing machines for large-scale commercial laundries.

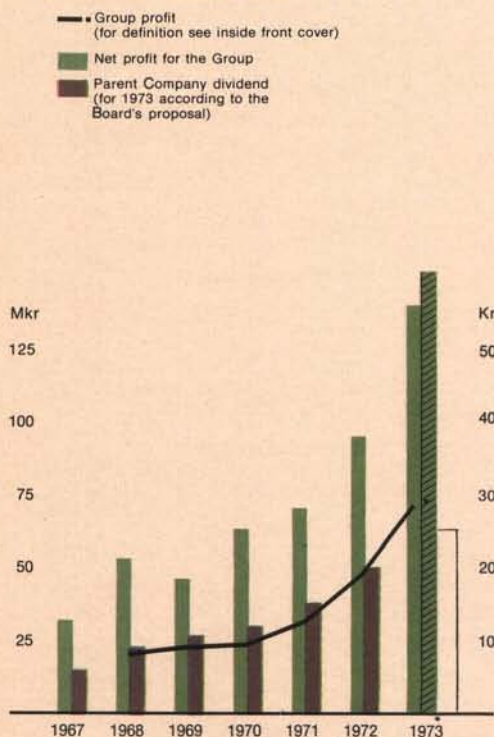
Växjö Rostfritt AB develops, manufactures and markets mainly stainless steel equipment for sale to hospitals.

The Group acquired all shares in AB Ballingslövs Träförädling (Sweden), a company which manufactures kitchen fittings and wardrobes.

Electrolux acquired 90% of the shares in AB Orwak, Sävsjö (Sweden), which company manufactures and markets fully-enclosed systems for compacting waste from department stores, shops, restaurants, and the like.

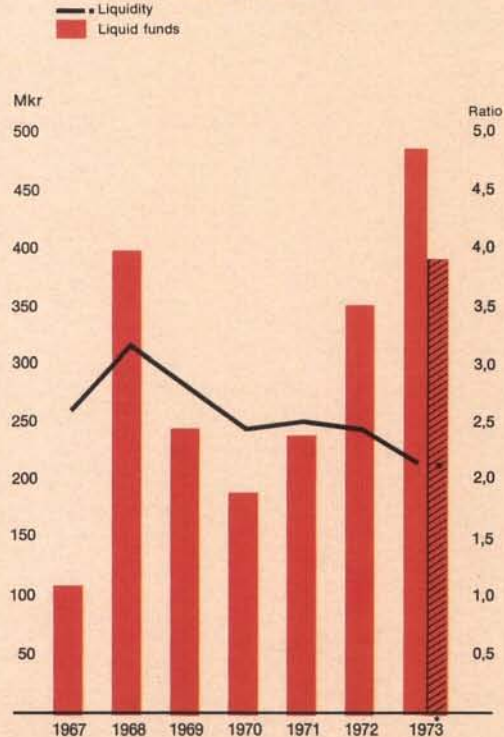
The Group acquired Eltronia Signal AB, Nyköping (Sweden), which manufactures and markets telecommunications systems for hotels, and also Ingeniörsfirman Göte Andersson AB, (IGAB), Nyköping, which holds a number of agencies in the field of industrial electronics and electric automation.

GROUP PROFIT IN KR PER SHARE



\*excl. Facit

GROUP LIQUID FUNDS AND LIQUIDITY



\*excl. Facit



In Malaysia, AB Electrolux has formed Electrolux Malaysia Sendirian Berhad, Kuala Lumpur, jointly with a local company to sell traditional Electrolux products such as vacuum cleaners and floor polishers.

Through AB Överums Bruk, the Group has acquired all shares in Strömsholmens Mekaniska Verkstad AB, Tranås (Sweden), which manufactures and markets front loaders and hydraulic equipment.

Jointly with the former general agent in the United States of America, AB Överums Bruk has formed a company, Carda Window Corporation, Essington, Pennsylvania (USA), to market special windows, primarily for hospitals, offices, schools, and similar buildings. AB Överums Bruk owns 51% of the shares. Production is at the window factory in Överum (Sweden).

A cleaning company has been established in Buenos Aires, Argentina, Electrolux Maritima S.R.L., which is chiefly concerned with ship cleaning.

In Brazil, the Group's cleaning organization was further reinforced through the acquisition by Electrolux Serviços Ltda. of the company Orbram S/A Organização E. Brambilla Rio-grandense de Serviços S.A. in Porto Alegre. At year-end a jointly owned company was formed in Rio de Janeiro, Brazil, Götaverken-Electrolux Serviços Marítimos Ltda., for ship cleaning. In Finland, the Group has acquired the cleaning company

of Pirkan Puhdistuspalvelu Oy, Tampere.

Electrolux has also acquired 50.2% of the share capital in the West German cleaning company Skandinavische Reinigungs- und Dienstleistungs-GmbH, Hamburg.

In Iran, Electrolux and the local representative have formed a cleaning company called Electrolux Iran Services Co. Ltd., Tehran. AB Electrolux owns 51% of the shares.

At year-end AB Electrolux, together with the Japanese company Mitsui, formed NESCO Ltd., Tokyo, for contract cleaning. In the beginning of 1974 Electrolux formed, together with local interests, a cleaning company, Electrolux Services (H.K.) Ltd. in Hong Kong.

In Dubai, AB Electrolux, AB Götaverken and local interests have jointly formed Gulf Lux Marine Services Ltd., which undertakes the cleaning of vessels, primarily oil tankers.

#### Sale of Companies

Electrolux Pty. Ltd., Australia, has sold all shares in Scott Bonnar Ltd., Thebarton, a company which manufactures and markets large lawn-mowers and other lawn maintenance machines.

#### Sale of Real Estate

Facit has sold its share of the office block at Norrmalmstorg in Stockholm. Properties in Luleå, Norrköping and Örkelljunga (all in Sweden) have also been sold.

AB Original-Odhner's and some of AB Addo's properties in

the Swedish cities Gothenburg and Malmö respectively have been sold to the local municipality, from whom these properties are now rented by the respective companies.

AB Överums Bruk's forest land in northern Småland, Sweden, approximately 6,700 hectares (16,500 acres) was sold at the turn of the year. This transaction will be reported in the 1974 accounts.

## Research and Product Development

Group facilities for research and product development have been substantially improved by the technical knowledge in electronics and precision engineering that has been acquired through the merger of Electrolux and Facit.

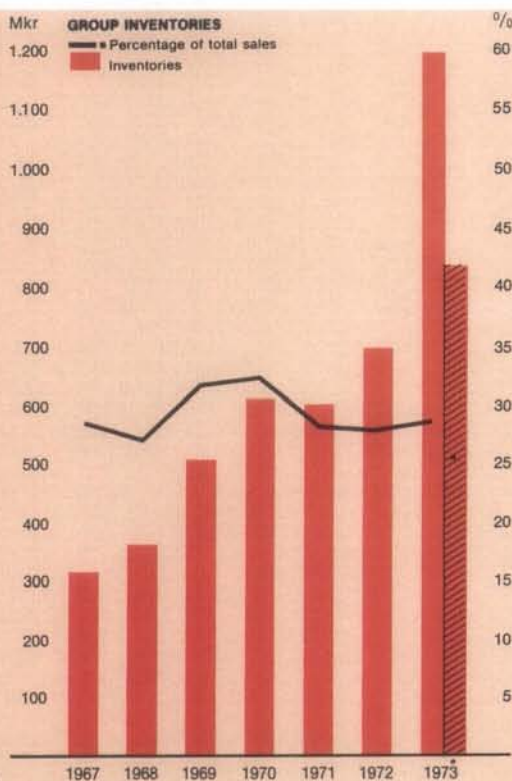
Total development costs during the year amounted to MKr 71 (excl. Facit MKr 40) or 1.7% of Group sales (excl. Facit 1.2%).

At present Electrolux owns approximately 3,500 current patents and patent applications protecting Group products in 65 countries. Approximately 500 of these patent rights are registered in USA. In the nine EEC countries, they number about 1,100.

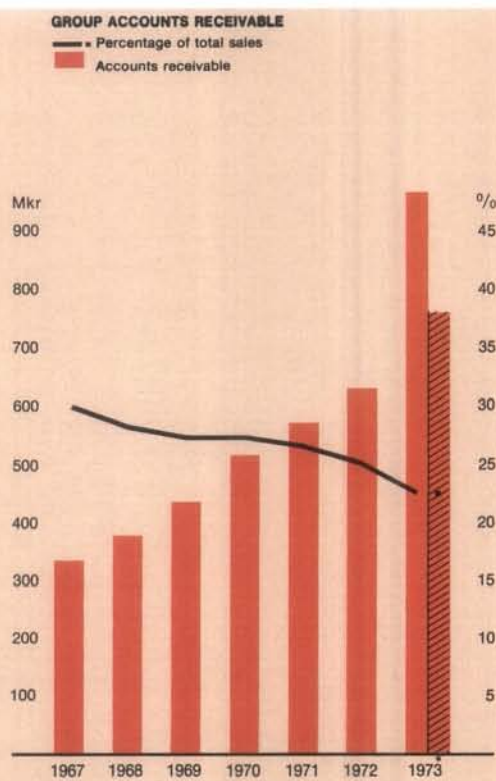
Group trademarks are protected by approximately 2,300 registrations in some 140 countries.

## Personnel

The average number of Group employees in 1973 totalled 51,126 (excl. Facit 39,885) as compared



\*excl. Facit



\*excl. Facit



with 35,624 during the previous year. Included in the 1973 figure are the employees of companies acquired during the year. These

### Parent Company

Board of Directors,  
Managing Director and  
other Senior Executives  
Wage earners  
Others

### Group

Board of Directors,  
Managing Directors and  
other Senior Executives  
Wage earners  
Others

came to 13,229, of which the Facit Group accounted for 11,241. Wages, salaries and remuneration during the year amounted to:

	1973	1973 (excl. Facit)	1972
	tKr	tKr	tKr
Parent Company			
Board of Directors, Managing Director and other Senior Executives	1,617		1,519
Wage earners	153,988		122,407
Others	98,882		97,760
	<u>254,487</u>		<u>221,686</u>
Group			
Board of Directors, Managing Directors and other Senior Executives	17,941	14,240	10,942
Wage earners	652,302	470,462	348,709
Others	703,726	512,493	438,301
	<u>1,373,969</u>	<u>997,195</u>	<u>797,952</u>

The figures of the Parent Company for wages, salaries and remuneration as well as for number of employees exclude the commission companies, AB Addo and Facit-Halda AB.

In addition to wages, salaries and remuneration, Group operations have borne social charges for personnel. For the Parent Company and the Swedish subsidiary companies, these costs—comprising contributions to the General Supplementary Pension Scheme (ATP), the Pension Registration Institute (PRI) and other pension plans, as well as employer's charges and premiums to group life insurance, etc.—amounted to approximately MKr 154 (excl. Facit MKr 98) during 1973.

The number of employees in

Sweden during 1973 amounted to 44% (excl. Facit 37%) of the total number of Group employees, compared with 36% in 1972. Wages, salaries and remuneration in Sweden amounted to MKr 719 corresponding to 52% of the grand total of Group wages, salaries and other remuneration (excl. Facit MKr 459 or 46% of the grand total).

### Loans and Contingent Liabilities relating to Shareholders and Others

The outstanding loans of AB Electrolux, on which information must be included in the Report of the Directors under the terms of the Swedish Companies Act, totalled:

to Members of the Board and the Managing Director	tKr —
---	-------

to Parent Company  
employees tKr 229  
Contingent liabilities, on which  
information is required, totalled:  
to Members of the Board  
and the Managing  
Director tKr —  
to Parent Company  
employees tKr 837

(Since it is not possible for the Company to determine the extent, to which employees and their relatives are shareholders, all loans and contingent liabilities involving employees are included.)

These loans and contingent liabilities were incurred before the effective date of the law restricting the Company's right to grant and assure such loans and liabilities respectively for shareholders and others.

### Development of the Facit Group

AB Electrolux has concluded an agreement with Facit-Halda AB (Sweden) whereby AB Electrolux has, with effect from 1973, taken over this company's operations as well as the assets and liabilities relating to the operations.

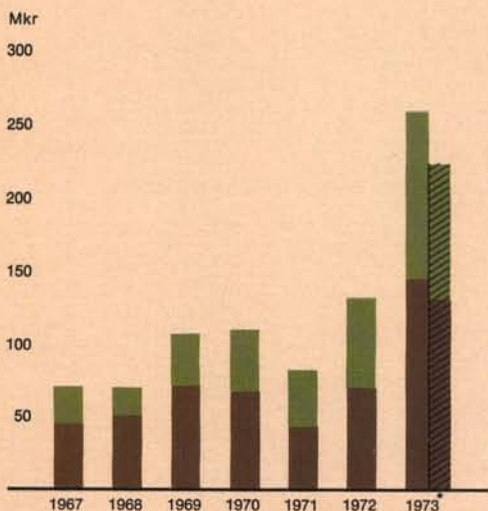
Facit-Halda AB is to continue operations under own name on commission for AB Electrolux. The agreement provides that the conditions governing the procedure for redeeming shares in Facit AB will not be changed.

An agreement to the above effect was also concluded between AB Addo and AB Electrolux, at the end of 1972.

During 1973 the Facit Group

GROUP INVESTMENTS IN REAL ESTATE,  
MACHINERY, EQUIPMENT AND TOOLS

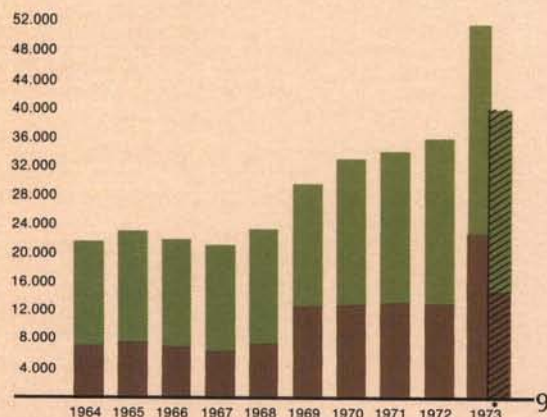
Outside Sweden  
Sweden



\*excl. Facit

GROUP NUMBER OF EMPLOYEES  
(annual average)

Outside Sweden  
Sweden



\*excl. Facit



showed considerable expansion, primarily in the typewriter and calculator product sectors.

Production increased substantially at the Halda factory at Svängsta (Sweden) and at the Örsätter factory at Ätvidaberg (Sweden).

The name Multo as well as the premises and machinery of Facit at Örkelljunga (Sweden) were transferred to ABU Aktiebolag, Svängsta (Sweden), according to an agreement, concluded during the year. At Örkelljunga, AB Multo previously was engaged in the production of mechanical calculators as well as in contracting work. Continued employment for most of the employees with AB Multo was thus assured.

Facit's chemical technical operations were sold to International Service System A/S, Copenhagen.

At places, where the Group has been represented by both Facit and Electrolux companies, it has been possible to effect savings by coordinating administration or parts of it, e.g. in Sweden, Denmark and Finland. In Sweden a coordination of the service organizations has also taken place. In conjunction with the sale of the Facit property at Norrmalmstorg in Stockholm, the personnel employed there was transferred to the Electrolux premises at Lilla Essingen, Stockholm. Electrolux and Facit operations in Gothenburg, Sweden, have been centralized in premises which

belonged to AB Original-Odhner. The property has though now been acquired by the City of Gothenburg through Hantverks- och Industrihus i Göteborg AB, (HIGAB), which rents it to Facit. Facit and Addo operations in the United States have been integrated and are now carried out under the name of Facit-Addo Inc., with the head office in Secaucus, New Jersey. Dometic Incorporated, a subsidiary of AB Electrolux, owns just over 81% of the shares in this company. Facit-Addo Inc. owns Lago Calc Inc. in Canoga Park (Los Angeles), California, which manufactures electronic calculators.

Early in 1974 parts of the Facit Data Division were sold to Saab-Scania AB (Sweden). Under the agreement Saab-Scania, through its Data and Electronics Division, took over systems product development and marketing of the Facit Data Division, whilst Facit retains responsibility for production.

The agreement does not include Facit operations in the OEM field (Original Equipment Manufacturer) or Group investment in materials handling and engineering electronics.

During 1973 the Facit Group received training subsidies from the Swedish Labour Market Board for the Swedish factories in Gothenburg, Malmö and Strömstad, amounting to MKr 17, which has been included in the accounts as income in 1973.

The average number of employees in the Facit Group during 1973 was 11,241 compared with 11,305 during the previous year. Revision of the 1972 figure has been made to take into consideration the sale of Multo and Facit's chemical technical operations.

The reduction of personnel in Sweden by 2,400 announced 1972 by the then Management of Facit was substantially revised following the acquisition by Electrolux.

In 1973 the Facit Group achieved a sales turnover of MKr 894, representing an increase of 24.7% as compared with previous year. Of total sales for 1973 MKr 626 or 70.0% was accounted for by customers outside Sweden. Exports of Facit products from Sweden amounted to MKr 333 as against MKr 264 in 1972.

Operating result after ordinary depreciation amounted to a profit of MKr 8. Non-operating costs of MKr 20 exceeding the corresponding income were incurred though, which resulted in a loss being shown of MKr 12 from current operations before taxes.

Exceptional items of income amounted to MKr 35, primarily comprising capital gains from the sale of real estates. Exceptional items of costs in respect of the reorganization of Group operations amounted to MKr 24.

Before appropriations and taxes a loss of MKr 1 was shown compared with a loss of MKr 121 in 1972.

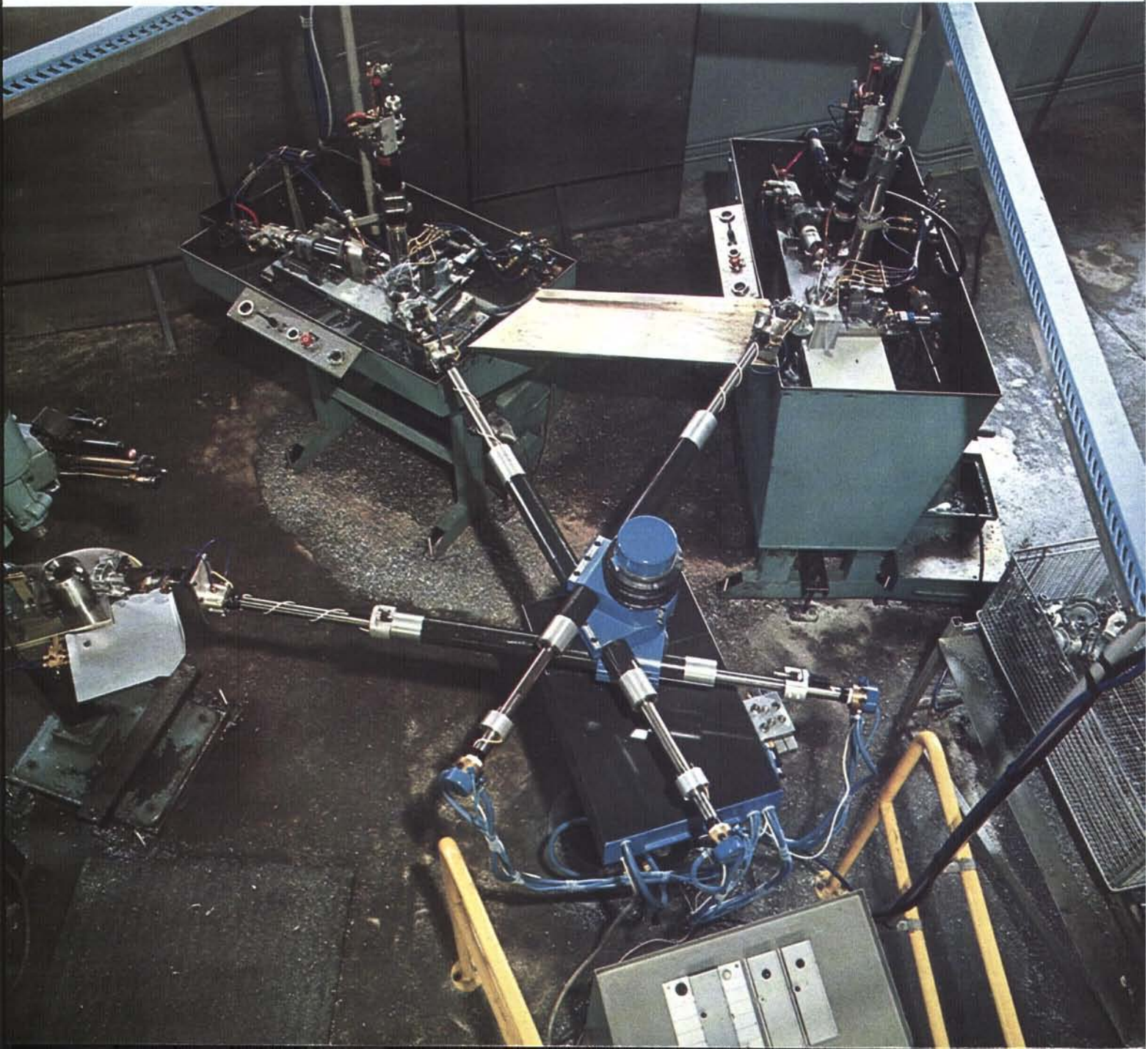
## Number of Employees (annual average)

	1973				1973*)				1972			
	Workers	Others	Total	%	Workers	Others	Total	%	Workers	Others	Total	%
Parent Company	5,581	2,307	7,888	16	5,581	2,307	7,888	20	4,474	2,220	6,694	19
Group companies in Sweden, excluding contract cleaning	6,283	3,577	9,860	19	1,292	1,207	2,499	6	798	989	1,787	5
Contract cleaning in Sweden	4,016	476	4,492	9	4,016	476	4,492	11	3,746	467	4,213	12
Total in Sweden	15,880	6,360	22,240	44	10,889	3,990	14,879	37	9,018	3,676	12,694	36
Group companies outside Sweden, excluding contract cleaning	8,530	15,017	23,547	46	6,715	12,952	19,667	49	5,782	13,240	19,022	53
Contract cleaning outside Sweden	5,031	308	5,339	10	5,031	308	5,339	14	3,699	209	3,908	11
Total outside Sweden	13,561	15,325	28,886	56	11,746	13,260	25,006	63	9,481	13,449	22,930	64
Grand total for the Group	29,441	21,685	51,126	100	22,635	17,250	39,885	100	18,499	17,125	35,624	100

\*) Excl. Facit.



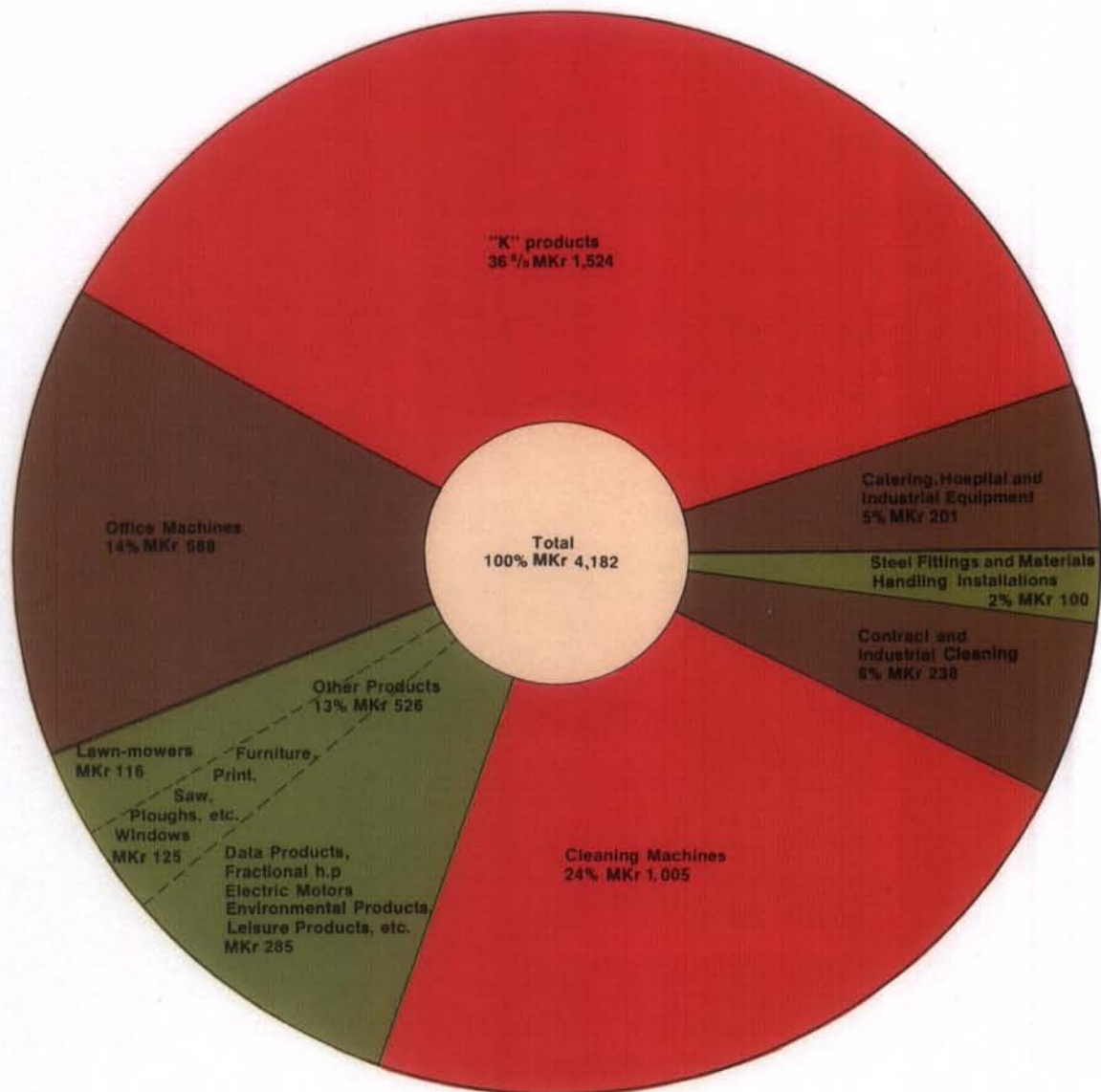
Right: the Electrolux MPP 1515 for the control and operation of MHU robots or other industrial production systems. Below: the MHU JUNIOR, fitted with three arms, installed in the Electrolux factory at Ankarsrum (Sweden). The robot is moving windscreen wiper gear casings, which are drilled and tapped at different machining stations.





# Product Review

The diagram shows a breakdown of Group sales by product line. (For a more detailed description of the range within the various product lines see pages 13—24.)





## Cleaning Machines

Sales of the Cleaning Machines product line comprising vacuum cleaners and floor polishers for household use, and industrial cleaning machines, totalled MKr 1,005 in 1973.

### Vacuum Cleaners and Floor Polishers

In 1973 the Electrolux Group sold about 1.9 million vacuum cleaners and floor polishers for household use. Group companies in Australia, Belgium, Finland, Great Britain and New Zealand as well as Electrolux Svenska Försäljningsaktiebolag (Sweden) were particularly successful.

As a result of the growing popularity of fitted and plastic floor coverings, sales of household floor polishers show wide differences in different markets. In Scandinavia only a small number were sold. The largest markets are France, Brazil, Venezuela and Spain in that order.

### Industrial Cleaning Machines

The Electrolux Group manufactures and markets commercial cleaning machines for use in offices, factories, schools and hospitals. In addition, the subsidiary company Bröderna Brodd AB, Skänninge (Sweden), manufactures and markets street sweeping machines and outdoor cleaning machines as well as large brushes, primarily for cleaning machines. In 1974 a smaller sweeping machine designed for indoor cleaning is to be manufactured and marketed.

The subsidiary company Euroclean AB manufactures and markets equipment and systems for high-pressure cleaning using water with chemical additives.

The Euroclean method of cleaning is used in the food, pulp and paper, and engineering industries, and for washing cars, cleaning oil tankers and building frontages, among others.

In 1973 head office and manufacturing plant of Euroclean AB was moved from Alingsås to Åmål (both in Sweden). Production has increased; some of the components for the high-pressure units, which were previously purchased from subcontractors, are now manufactured by the company.

*Broddway Junior, a small street sweeping machine, designed to be towed by a tractor, jeep or similar vehicle.*





## Contract and Industrial Cleaning

Contract and industrial cleaning operations have continued to expand. Sales in 1973 amounted to MKr 238, an increase of 52.6%. Of this, MKr 43 is accounted for by companies acquired during the year.

1973 was a successful year for the partly-owned company Allmänna Svenska Städtings AB, (ASAB), Sweden. Sales amounted to MKr 142 as compared with MKr 123 in 1972, an increase of 15.4%.

The steadily increasing demands for a better indoor environment in offices and industrial premises has led to new assignments for ASAB. Operations are continually directed towards more technically advanced methods. These include the external and internal cleaning of aircraft, hygienic cleaning of food establishments and hospitals, and comprehensive cleaning of industrial premises on a continuous year-round basis or during the industrial vacation period.

Apart from cleaning operations, ASAB also leases fitted carpeting for offices and similar premises, the rental charges including cleaning services.

Bröderna Brodd AB, Skänninge, Sweden, carries out contract cleaning, which includes the cleaning of streets, roads and parks. These operations have shown a satisfactory development as have the operations of the cleaning companies in Australia, Brazil, the Dominican Republic, Great Britain and South Africa as well as in the 49%-owned company in Norway.



*Mechanical sweeping of clay dust at Höganäs AB, Höganäs (Sweden), carried out by Allmänna Svenska Städtings AB.*

The Group has increased its coverage in the international cleaning market by formation and acquisition of new and existing companies (see page 7, *Acquired and Newly Formed Companies*).

During the year Electrolux concluded a cooperation agreement with the Swedish company AB Götaverken, Gothenburg, for the establishment of a worldwide network of service stations for the cleaning of ships, general maintenance work and minor repairs either in port or at sea. Since early 1974, this service is provided in Buenos Aires, Dubai and Rio de Janeiro.



## "K" products

The range of "K" products includes various models of refrigerators, upright and chest freezers (both absorption and compressor models), refrigerated merchandisers and display freezers for shops, electric stoves, hotplates and kitchen ventilators. Also included in the range of "K" products are fully-automatic dishwashers and washing machines, spin dryers, drying cabinets and mangles, as well as various types of heating appliances including electric radiators, electric and oil heaters. This range of products also includes kitchen cabinets and the "Assistent" kitchen machine. The colour Poppy, Avocado and Antique Gold are gradually introduced on various "K" products and are in great demand on a more and more colour conscious market.

Sales of "K" products in 1973 amounted to MKr 1,524, an

increase of 34.6%. Profitability has been satisfactory in spite of rising prices of raw materials and components during the year. The backlog of orders on some sub-contractors has in certain cases resulted in extended delivery times.

The energy crisis caused a substantial drop in the sale of caravans in the United States of America, with a resulting drop during the last months of the year, in sale of caravan refrigerators, which are accounted for primarily by this market.

Through the acquisition of approximately 94% of the shares in Siegas Metallwarenfabrik, Wilhelm Loh KG, Siegen, West Germany, which manufactures and sells absorption refrigerators etc., Electrolux is provided a complement to the previous range of models, primarily on the West German market.

In order to intensify and develop sales of "K" products in the West German market, a separate sales company, Electrolux Küchentechnik GmbH, Hamburg, has been formed. This company has taken over most of the sales of "K" products previously handled by Electrolux GmbH, Hamburg. This latter company now concentrates on marketing Group cleaning machines.

The figures below show sales of units in 1973:

Refrigerators and freezers, including caravan refrigerators	1,357,000
Electric stoves	284,000
Electric radiators	264,000
Washing machines, drying cabinets and mangles	85,000
Dishwashers	23,000

*Electrolux Poppy—kitchen equipment in one of the new colours. The kitchen fittings are manufactured by the Group company AB Ballingslövs Träförädling, Ballingslöv (Sweden).*





## Catering, Hospital and Industrial Equipment

The Division for Catering, Hospital and Industrial Equipment develops, manufactures and markets a complete line of products for catering equipment—primarily designed for restaurants, ships and hospitals—central sterilization stations and other hospital equipment, sterilization and purification equipment for the pharmaceutical industry as well as painting and heat treating installations.

During 1973 sales of this product range amounted to MKr 201 as compared with MKr 142 in 1972.

Through the acquisition of Växjö Rostfritt AB and the Wascator Division, the Group range has become even more competitive both in the Swedish and in the international market.

In view of the fact that the Swedish market for this Division's highly-specialized product range is limited, operations have for several years been increasingly concentrated outside Sweden.

Among the larger export orders received is the agreement concluded with the airline company

Egypt Air for the delivery of a complete in-flight kitchen to the airport in Cairo. In addition, the Division has concluded an agreement for the delivery to the Soviet Union of a plant for the production of frozen pre-cooked meals.

Group sales of catering equipment to cruise liners and ferries as well as to cargo ships have developed satisfactorily.



*On the left Wascoclean 63, dry-cleaning machine with a capacity of 4—6 kilogram each wash, mainly for use in hotels, motels, coin cleaning establishments and laundrettes. On the right Wascomat 73, washing machine with a capacity of 7 kilogram each wash, mainly for use in laundrettes. Both machines can be acquired with yellow, orange, green or stainless frontage. Manufacturer is the Wascator Division.*





## Steel Fittings and Materials Handling Installations

The division concerned with steel fittings and materials handling installations develops, manufactures and markets a product range embracing filing and storage equipment such as storage racks, cabinets, pallet racks, roller conveyors and pre-fabricated partitions for factory and office use, all made of steel. In addition, the division plans, produces and markets complete industrial buildings and storage buildings made of steel. Materials handling installations are planned as complete systems and customer-built for industrial and wholesale companies in versions ranging from manually operated units to installations worth several million Kronor, often highly mechanized and computer-controlled.

Internal conveyors and communications systems like the TELELIFT general goods conveyor system and the TELETUBE pneumatic dispatch system are also marketed.

The general improving business trend in 1973 had a favourable effect on the influx of orders for this division. The possibilities in Sweden for a 30% tax deduction on investments in machinery and equipment made before June 30, 1973, prompted several companies to bring forward their investment plans.

Sales amounted to MKr 100. Major products comprised storage racks, pallet racks, partitions and high-density storage systems.

The product line of industrial robots marketed by a sales department organized within the Parent Company has been expanded. A new and smaller robot "MHU-Junior", has been developed. It is intended for use

in rapid operations with light-weight components, e.g. for feeding various types of presses.

In many instances robot installations eliminate repetitive manual routine work and the danger of personal injury. Furthermore, robots are insensitive to noise, heat, cold, draughts, radiation, light, darkness, poor ventilation, etc. and can therefore be used in a working environment that would generally be unsuitable. Apart from increasing productivity, the robot consequently also helps to improve the

working environment. Electrolux is well equipped to satisfy the growing need for such equipment in the Swedish and the international market.

*Central spare parts stores supplied to Volvo Europa N.V., Ghent, Belgium. Storage racking is 7.5 metres tall and 54 metres long and holds 15,000 items. The installation is equipped with five picking cranes.*





## Office Machines

Office machines is the general term for calculators, typewriters and accounting machines. Sales trends for these product groups in 1973 have been favourable.

For the entire office machine product line, sales amounted

machines, in conjunction with renewed and added confidence within the organization and on the part of customers, has also contributed to the increase in sales. It has been possible to utilize fully available production capacity for electronic calculators,

the Group are produced at the Örsätter factory at Ätvidaberg (Sweden) and by the Group company Lago Calc Inc., Canoga Park (Los Angeles), USA, as well as by the Sharp Corporation in Japan with whom Facit has been cooperating since 1966. As a



**ADDO D5X**  
—display-type electronic calculator manufactured by Lago Calc Inc., Canoga Park, California, USA.



**FACIT 1175**  
—printing electronic calculator manufactured by Lago Calc Inc., Canoga Park, California, USA.



**FACIT 1145**  
—printing electronic calculator manufactured at the Örsätter factory in Sweden.

to MKr 588 in 1973, an increase of MKr 112 as compared with the previous year. The increase was mainly in the product groups electronic calculators and typewriters. Sales of mechanical calculators have continued to decline.

This favourable development was due to an improvement in business conditions primarily in markets outside Sweden. Extension of the product range of calculating and typing

typewriters and accounting machines.

The calculator market is characterized by continuing rapid expansion as regards electronic calculators. The transition from mechanical to electronic machines, which has already taken place where display-type calculators are concerned, is now beginning to spread to printing calculators (machines with a paper tape) at an accelerating rate. Calculators marketed by

result the product range has been broadened to meet market requirements.

Rapid technological developments in electronics have led to a drastic curtailment in the average life of electronic calculators, as yet primarily for display-type models. An interesting market development is to be expected with regard to electronic printing calculators where technological progress has now enabled such models to be



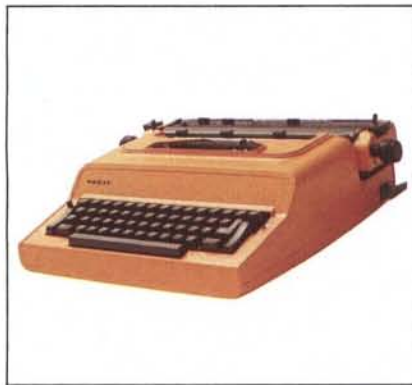
manufactured at lower cost than previously. The 1145 electronic printing model marketed in 1973 and manufactured at the Örsätter factory has been well received and is generally regarded as an advanced design. Interesting printing models have also been

several markets, and it attracted widespread interest. This machine is primarily intended for small offices. Typewriters are manufactured at the factories in Svängsta (Sweden) and Bräkne-Hoby (Sweden). Production also takes place at other factories in

In spite of a marked overall increase in typewriter production it has not been possible to satisfy the demand resulting from improved business conditions and marketing operations. In order to increase production capacity, an extension of the factory at



**FACIT 1820**  
—an advanced electric office typewriter.



**FACIT 1840**  
—a compact electric typewriter for small office.



**FACIT 1620 or Facit Privat**  
—a manual typewriter primarily designed for home use.

produced by Lago Calc Inc. An improved development programme at the Örsätter factory and at Lago Calc Inc. is planned to exploit the future market potential in this field.

Typewriters marketed include the electric standard typewriter, the manual standard typewriter and the portable typewriter—all well-known and highly successful for several years past. In 1973 a compact electric typewriter, the model 1840, was introduced on

the Group. Components are obtained from the plants in Ätvidaberg (Sweden) and Malmö (Sweden). An assembly line has been started in Strömstad (Sweden).

Assembly of the manual typewriter is now carried out in Brazil by Facit S.A. at its factory in Juiz de Fora, north of Rio de Janeiro. — The production capacity has been increased through an extension of the factory.

Bräkne-Hoby by approximately 9,000 m<sup>2</sup> (97,000 sq. ft.) is in progress.

Accounting machines marketed by the Group are manufactured in Malmö (Sweden) and Gothenburg (Sweden). Limited production capacity has resulted in delayed deliveries, with the result that it has not always been possible to satisfy the demand. A streamlining of the product range and improved production facilities are expected to have a favourable effect on delivery capacity in 1974.





*Assembly of electronic calculators with tally roll at the Örsätter factory, Åtvidaberg (Sweden). The Örsätter factory is Facit's largest and most modern factory.*



## Other Products

### Data Products

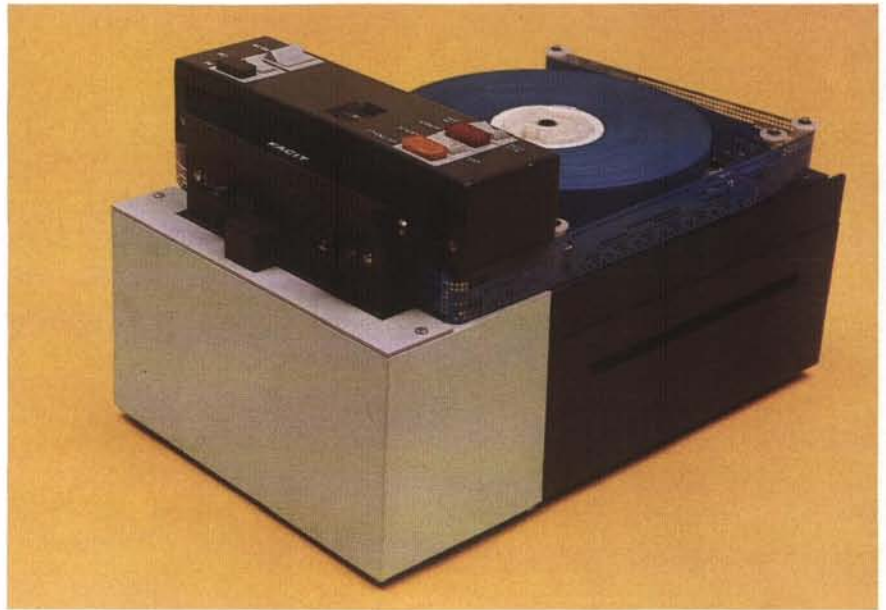
The range of data products in 1973 embraced systems products, such as "fingertip data" and system M (data processing and data collection systems) as well as OEM products (products sold to other manufacturers for inclusion in their own systems).

Early in 1974 the product development and marketing of system products were transferred to the Data and Electronics Division of Saab-Scania. However, the production of these items will still be undertaken by the Electrolux Group.

The transfer did not include OEM products nor materials handling and engineering electronics equipment.

During the year, the influx of orders for OEM products was good. The established range is well represented among punched paper tape products and input and output machines. New products in the typing field, for magnetic recording on cassette tapes (Facit 4203), and of a new tape reader (Facit 4020), were marketed in 1973.

During the course of the year, Facit acquired the general agency in Sweden, Norway and Finland for the Redactron word processor manufactured in USA. Redactron is basically an electric typewriter combined with a magnetic memory. This system provides excellent facilities for editing. Letters, words, sentences and complete paragraphs in a typed manuscript can be changed without having to retype the entire text. Letters can be combined with desired addresses, variable text can be inserted in standard text, e.g. in quotations, etc. The machine automatically prints out stored text at high speed—950 strokes a minute.



*FACIT 4020, paper tape reader, that can be included either in systems for controlling various types of workshop equipment or as surrounding unit to a mini computer.*

Sales of data products during the year amounted to MKr 146 as compared with MKr 114 for the previous year. The amounts also include sales of system products for the respective years.

### Lawn-mowers

The FLYMO Group develops, manufactures and markets electrically and petrol engine powered air-cushion lawn-mowers. The demand for Greenlux services, which comprise various forms of lawn maintenance and outdoor cleaning, was inadequate, and AB Greenlux therefore terminated its agencies and certain other operations during the year. The remaining branches, Flymo lawn-mowers and Ariens products, have been transferred to the Flymo Group. Operations of the FLYMO Group are now concentrated on lawn-mowers for private use, in which field future prospects are judged to be good. Product development takes place at Arlöv, Malmö (Sweden). The

Flymo factory in Darlington (Great Britain) is the largest production unit and exports to more than 70 countries. Manufacture is also undertaken in West Berlin, Australia, New Zealand and South Africa.

The range of lawn-mowers comprises models with cutting widths from 38 cm up to 52 cm. Sales of the electric models have increased heavily in recent years and in 1973 represented more than half the number of units sold.

Sales of this product line increased during the year by 14.6% over 1972 to MKr 116.

### Fractional Horsepower Electric Motors

Fractional horsepower electric motors are manufactured at the Swedish factory at Västervik and by AB Överums Bruk, Sweden, a member of the Facit Group. During the year production increased to 2.1 million units (excl. Facit 1.9 million), of which



approximately 660,000 motors (excl. Facit approximately 600,000) were used in Group products such as vacuum cleaners, office machines, the "Assistent" kitchen machine and Flymo air-cushion lawn-mowers. Other motors supplied to external customers are fitted in cars (windscreen wipers, heaters, air conditioning equipment, cooling fans, headlamp wipers), sewing machines, office machines, cash registers, etc. Sales to external customers increased by approximately 25% amounting to MKr 49.

Research and product development in close cooperation with

customers continued during the year and resulted in new projects in which the motor is a primary component. One application is a new headlamp cleaning device which was introduced and supplied to a motor manufacturer outside Sweden for fitting to cars exported to Sweden. This same cleaning device will be used on Swedish-manufactured cars in 1974.

#### **Leisure Products**

In 1973, caravan refrigerators were the largest selling item among leisure products. Additional to caravan refrigerators, the range of leisure products includes closed flush toilet systems for

caravans and boats, gas-driven central heating installations for caravans, and ventilation systems for caravans and boats.

In 1973, Electrolux obtained the manufacturing and sales rights in a number of countries for a rebound wall, for tennis training called "BALL-BACK". Sales activities were started during 1973 in the Netherlands and West Germany, and in 1974 it is expected that sales will be promoted in several other countries.

#### **Environmental Products**

The range of products marketed by the Environmental Systems Division includes equipment for

*Lawn Lady 33—air-cushion lawn-mower from FLYMO, manufactured at the Darlington factory in Great Britain.*





the discharge and treatment of sewage. The basic product is a vacuum toilet system, which can be installed in dwellings as well as in ships, railway coaches, etc. Also included in the range is a micro-flotation system for the chemical purification of sewage.

Marketing of this Division's products is handled by various Group companies. Sales rights in some markets have been transferred through licensing agreements with agents and companies outside the Electrolux Group. In 1973, Electrolux concluded a licence agreement with AB Gustavsbergs Fabriker (Sweden), giving the latter company sole manufacturing and sales rights for the Electrolux Vacuum System in Sweden with effect from 1974. This agreement does not embrace sales to ships or railways, and is one of the steps taken towards reorganizing sales activities of the Environmental Systems Division in Sweden. As a result of the agreement, the division is now concentrating on the expanding purification plant market as well as railway and marine sales.

Sales through subsidiary companies have progressed favourably. In Denmark, for example, several large summer cottage developments have been provided with the Electrolux vacuum toilet system and in some cases also with chemical plants for the treatment of sewage. In addition, two large orders for vacuum toilet systems have been received from a French and a German shipyard.

The sales network for the marine industry now covers the world's 20 major maritime nations. The product range has been broadened by a purification plant for passenger vessels based on the Electrolux Micro-flotation system combined with a sludge incinerator. Developments within the



*AB Överums Bruk (Sweden) manufactures special windows, window fittings and prefabricated facing units, primarily for hotels, offices, hospitals, etc. Products are marketed under the Carda trade name.*

Environmental Systems Division for the purification plant range in 1973 have been good. During the year, customers for complete purification plants have included Fagersta AB, KemaNord AB, Timmele Färgeri AB, Hällefors municipality. The micro-flotation system developed by the Environmental Systems Division forms the central feature of the plants supplied.

In 1973, as a complement to the micro-flotation system, a new flotation system for small purification plants has been developed. This system will be introduced on the market during 1974.

#### **Office Furniture**

The Furniture Division develops, manufactures and markets furniture for offices. The range consists primarily of "Facit Data", a line of wooden units in oak or teak and leg assemblies of stove-enamelled square-section tubing. Other lines of furniture include "Facit Ekonom", entirely of wood, and "Facit 80", a range of advanced furniture with wooden components in oak or with a white paint finish and leg assemblies of stove-enamelled steel tubing. Also included in the range are posture chairs, swivel

chairs, armchairs and conference chairs. A sound-absorbing partition system for office landscaping is also manufactured including optional mounting of various fittings such as storage cabinets, notice boards, etc.

Arising from the favourable business trend prevailing during the year, the influx of orders increased substantially. Production capacity has increased to give improved deliveries.

Invoicing to customers amounted to MKr 47, an increase of 18% as compared with the previous year. Sales outside Sweden increased and amounted to approximately 32% of total invoicing.

#### **Sawmill Products**

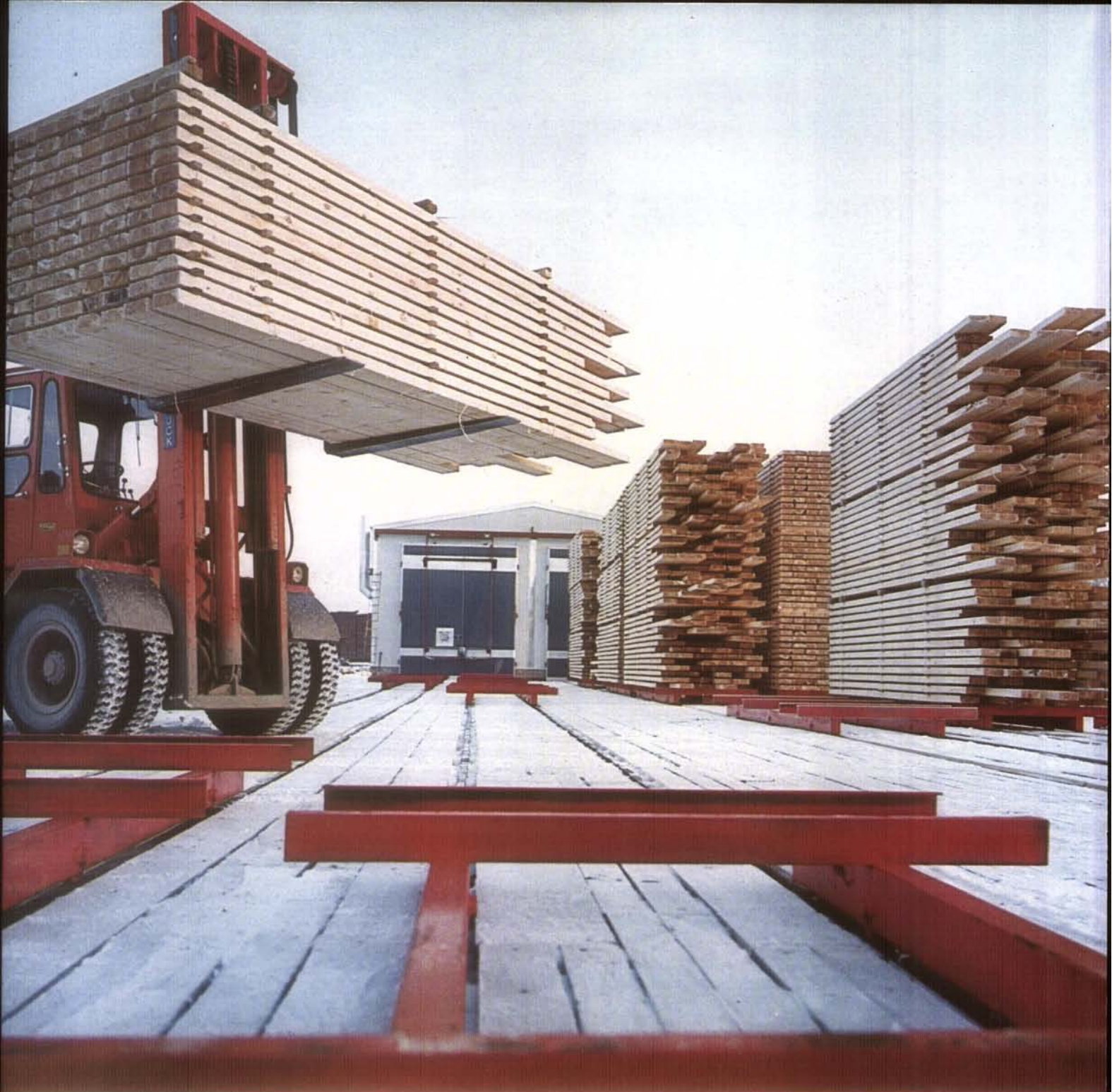
In the Sawmill Division, 21,000 cubic metres (741,600 cubic feet) of spruce and pine-wood timber were produced in 1973. Production of hardwood has though been discontinued. Most of the output is sold to markets outside Sweden.

Prices rose steadily in the first half of the year until the month of August, when they tailed off into uncertainty, when the Swedish Authorities froze the price of sawn timber. This resulted in a certain reluctance to close deals and that purchasers held off taking deliveries of timber already contracted.

Due to the favourable trends, invoicing doubled as compared with the previous year and amounted to MKr 9 million.

The year was marked by intensive investment activity involving an overhaul of the entire manufacturing and handling process. A new sorting plant, equipped with modern electronic measuring facilities had been installed by the year end. A small dimensioned sawtimber line is being





installed to back up existing frame sawline. A wood-drying plant and warehouse have also been erected.

**Agricultural Implements, Contract Castings and Windows**  
Production of agricultural implements, contract castings and windows takes place at AB Överums Bruk (Sweden). Sales during the year amounted to MKr 62 compared with MKr 52 in 1972.

Marketing of windows is chiefly directed towards the institutional sector such as hospitals, offices, schools, etc.

#### **Storage Tanks**

During 1973, AB Gårdscisterner (ABG), Sweden, acquired at the end of 1972, has started leasing mobile storage tanks used predominantly for the storage of oil products. The tanks are leased to the holder and the company is responsible for regular maintenance and reconditioning.

*Stacking of timber for drying at the Group sawmill at Ätvidaberg (Sweden). In the background the modern wood-drying plant.*



# Future Outlook

The management's estimation of the likely development is that, despite energy problems, expected cost increases, etc., the Group sales will increase by approximately 15 per cent as compared with 1973. The Operating result from current operations before taxes is estimated to show a rise of about the same rate. These estimates are based upon no serious restrictions being introduced for trade and industry in countries where Electrolux operates.

When assessing the outlook of the Group for 1974 as well as for subsequent years, the following should be borne in mind:

1. In Sweden Electrolux already has a dominant share of the market for most of its products. Therefore sales expansion of the Group is expected to take place mainly outside Sweden. The production, however, being largely, as previously, from Swedish factories providing wages and other cost increases can be balanced by improved productivity and increased selling prices.
2. Electrolux is one of the world's largest manufacturers of household vacuum cleaners. Today the sales volume of "K" products is comparable with that of the largest continental manufacturers. Electrolux estimates that the Group will be able to maintain and strengthen its position within these product areas.  
The erection of new blocks of flats is expected to decline, particularly in Sweden and West Germany, but the demand for remodelling of kitchens and bathrooms is increasing. Kitchen remodelling is a promising market for Electrolux with its complete range of products including interior fittings. The latter are manufactured by the subsidiary companies AB Ballingslövs Träförädling, Ballingslöv, one of the leaders in Sweden in the production of high quality kitchen wooden fittings etc., and A/S Scan-Atlas Husholdningsapparater, Nykøbing-Falster, Denmark.
3. Electrolux also invests in the expansion of industrial and commercial products including materials handling equipment, catering installations and sterilization equipment. The latest addition in this field is the acquisition of Växjö Rostfritt AB (Sweden), which includes manufacture of stainless steel products for hospitals, and the Wascator Division which produces semi-industrial washing machines for laundrettes and industrial washing machines for large-scale commercial laundries. Other interesting products are industrial robots and self contained systems for compressing garbage from departmental stores, hospitals, shops, restaurants, etc. The Group will continue to pursue the expansion of industrial and commercial products and of environmental care and leisure products.
4. Through the acquisition of the Facit Group, new product groups were added of which some are related to the traditional Electrolux line of products. The merger makes possible a better total utilization of the existing production capacity. On the marketing and administrative sides there are opportunities for streamlining. The objective of Electrolux is to continue to expand the Facit activities. Included in these plans are the extensions of the Bräkne-Hoby typewriter factory and the Överum window factory and the modernization of the Överum forging shop, all in Sweden. Investments in machinery and equipment are made continuously at the Facit factories. Sub-assemblies for typewriter components are now being supplied from Sweden to Brazil for local fabrication primarily for the important Brazilian market. In the matter of calculating machines, Facit is well equipped with modern factories at Örsätter, Ätvidaberg (Sweden), and at Canoga Park, California, USA, both manufacturing electronic machines with the latest technological developments.
5. The oil-producing countries are expected to achieve a rapid economic expansion and therefore offer interesting future markets. Electrolux is at present examining the possibilities of initiating joint ventures in Ecuador and Iran, for example.  
Another promising market is the USA, where Electrolux is planning further development, primarily in household refrigerators and freezers, the "Assistent" kitchen machine as well as catering and sterilization equipments. Discussions are in progress concerning the acquisition of slightly more than 50 per cent of the shares in National Union Electric Corporation (NUE), Greenwich, Connecticut, a company with a wide-spread sales organization suitable for the marketing of among others the above-mentioned products. Sales turnover for NUE for 1973 was US \$141 million, or MKr 644, and a net profit of US \$7,997,000 or MKr 36.5. Exports to the Eastern European states are expected to grow, especially for Facit products.
6. Electrolux plans to continue investing in contract and industrial cleaning activities.
7. As Electrolux is geographically spread throughout the world, and as the product programme is diversified, a distribution of risks automatically takes place. In other words, it is very unlikely that several main products would be subject to stagnation or decline in sales simultaneously.
8. The liquidity of the Electrolux Group is still good, which together with short as well as long-term borrowing facilities, makes further expansion financially feasible. The good





*New office furniture system developed by Facit in 1973.*

liquidity is to a great extent a result of the improvements in trading which has been achieved in recent years. Expansion requires, of course, additional investments which should as earlier be financed partly from retained profits and partly by long-term borrowings. The pre-requisite for continued expansion of the Group is thus adequate operating results.

9. It is intended that the

expansion of the Group shall take place *in part* within the framework of existing Group companies, *in part* through acquisitions of outside companies or purchases of shares in such companies, *in part* through the formation of new subsidiary companies or joint ventures in which cooperation generally is established with local interests. Expansion may refer to but need not be limited to, the present product areas of the Group.

Despite the present economic difficulties in many parts of the world Electrolux management has confidence in future trading prospects.

#### **Profit & Loss Statements and Balance Sheets**

The Profit & Loss Statements and the Balance Sheets as well as the Notes to the Financial Statements (pages 28—42) constitute an integrated part of the Annual Report.



# Proposal of the Board regarding the Distribution of Profits and the Split of Shares in AB Electrolux

After transfers to share capital of MKr 40.8 and the payment of dividends to shareholders totalling MKr 49.9 as decided by the Annual General Meeting in 1973,

unappropriated profits remained, amounting to Kr 4,597,421 added to which is the net profit for 1973 Kr 72,732,185

leaving at the disposal of the Annual General Meeting Kr 77,329,606

The Board of Directors propose the following distribution of the above surplus:

Payment of dividends to shareholders Kr 10.00 per share	Kr 62,400,000
Transfer to unappropriated profits	<u>Kr 14,929,606</u>
Total	<u>Kr 77,329,606</u>

In 1973, the Board proposed that the face value of the Company's shares should be changed from Kr 100 to Kr 50 each (split). Such a change requires an amendment to the Articles of Association, for which a resolution has to be adopted at two successive General Meetings. At 1973 year's General Meeting the proposed amendment to the Articles of Association was adopted. The Board of Directors recommend 1974 year's General Meeting to confirm the adoption of this resolution. As soon as this amendment to the Articles of Association has been registered, the change in the face value of the Company's shares will be implemented.

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The Board of Directors and the Managing Director take this opportunity to thank all employees in the Electrolux Group for their excellent achievements during the past year.

Stockholm, March 21, 1974.

Ragnar Söderberg  
*Chairman of the Board*

Gunnar Arpi  
Karl-Gustav Lagerström  
Johnny Niklasson

Hans Werthén  
*Managing Director*

Gunnar Engellau  
Luke  
Åke T. Vrethem

/ Harry Eriksson



# Principles of Accounting

## General

The consolidated accounts include the Parent Company and all companies, in which AB Electrolux at the year-end directly or indirectly owned more than 50% of the share capital or subscribed capital respectively, or where Group relationship otherwise existed.

The consolidated accounts include Allmänna Svenska Städtning AB (ASAB), Stockholm, Commercial Cleaning Services Ltd., Birmingham (Great Britain), Netto-Service S.A., Brussels (Belgium), Skandinavische Reinigungs- und Dienstleistungs-GmbH, Hamburg (West Germany) and Schoonmaakbedrijf Mercurius B.V., Ermelo (Holland), as more than half the nominal share capital of these companies is owned by the Electrolux Group. According to the original collaboration agreement between AB Electrolux and Det Danske Rengörings Selskab A/S (DDRS), Copenhagen (Denmark), the Electrolux Group was to hold 49% of the share capital in jointly-owned cleaning companies. However, as the Group has acquired more than 49% of the share capital in the above companies, Electrolux has undertaken not to use its majority holdings thus obtained in contravention of the spirit of the collaboration agreement.

Companies, in which Electrolux owns at least 20% but less than 50% of the share capital, are included in the Group accounts in such way that Electrolux' share of the result for the year is included in the Consolidated Profit and Loss Statement, and that in the Consolidated Balance Sheet adjustment has been made of the book value of the shareholdings in these companies in order to correspond with the Electrolux' share in the equity of the companies.

The number of operating companies in the Group as at December 31, 1973, totalled approximately 180. The total number of companies at year-end was 279.

Minority interests as at December 31, 1973, existed in 54 operating subsidiary companies.

In the consolidated accounts the shares held by the Parent Company in subsidiaries have, as before, been eliminated against the respective subsidiary's amount of share capital (par value method; see also Note 18 of the Notes to the Financial Statements for the Group).

## Foreign Currency

The accounts of non-Swedish subsidiaries have been converted into Swedish Kronor at the rates of exchange applicable at year-end.

## Valuation of Inventories

The inventories of the respective Group companies have been valued at the lowest of acquisition or replacement cost with deductions for obsolescence.

The total inventory value for the Group is shown after deduction of a provision for unrealized profits in inventories. This provision represents the difference between the price billed by the supplying Electrolux companies and the costs of manufacturing the products that remained in stock at the receiving Group companies at year-end.

## Depreciation

The Group makes a distinction in the accounting between ordinary depreciation and fiscal depreciation.

*Ordinary depreciation* for buildings and land improvements as well as machinery and equipment is based on the replacement value, which in Sweden is derived from insurance companies' indices and in other countries in a similar manner.

The depreciation rate for buildings and land improvements is 3% per year. For machinery and equipment the depreciation rates applied varied between 7% and 20% per year. Vehicles are written down at 25% per year.

In order to eliminate the effects of different depreciation rules in different countries ordinary depreciation for production tools is applied according to unified rules with at least 33.3% per year.

In the Group accounts the trading result for the included Facit companies has as in 1972 been charged with fiscal depreciation. As from 1974 the Facit companies will separate fiscal depreciation and ordinary depreciation in the same way as the other Group companies.

*Fiscal depreciation* relates to depreciation where primarily fiscal and legal considerations prevail.

The difference between fiscal depreciation and ordinary depreciation is as from 1973 reported under appropriations. The figures for 1972 have been adjusted accordingly.

For the purpose of taxation, Patent rights and Goodwill are included in the Balance Sheet of the Parent Company at the cost of acquisition less accumulated amortization. Thus the net value for tax purposes is equal to the book value. Depreciation at 20% of the cost of acquisition has been charged to the result for the respective years. In the Consolidated Financial Statements, where there are no limitations from a taxation point of view, Patents rights and Goodwill have been entirely written-off against Free reserves. The Consolidated Balance Sheet and the Consolidated Profit and Loss Statement thus reflect both the position and the result that would have been reported if Patent rights and Goodwill had been fully written-off during the year of acquisition.

## Facit

In order to facilitate an assessment of the development of the Group, the Annual Report for 1973 deals with the Group including and excluding the Facit Group. The Facit Group relates to the operations carried on by Facit as at the beginning of 1973. Thus the effect of commission agreements concluded between AB Electrolux and AB Addo and Facit-Halda AB respectively have been eliminated. Further, subsidiaries now owned by "old" Electrolux companies have been included in Facit.

## AB Electrolux

In accordance with the commission agreements with AB Addo and Facit-Halda AB, the Profit and Loss Statement of AB Electrolux includes the result of these companies' operations. Further, the Balance Sheet includes these companies' assets and liabilities. The difference between transferred assets and liabilities is reported under the heading "Short-term liabilities due to subsidiaries". Commission agreements have also been concluded between, on the one hand AB Gårdscisterner (ABG), Stockholm, as from January 1, 1973, AB Svensk Nivåkontroll, Malmö (Sweden), as from May 1, 1973, and on the other hand AB Electrolux. As from these dates, the operations of these companies are included in the 1973 accounts of AB Electrolux. Further, the accounts of AB Electrolux include the Swedish Wascator operations as from September 1, 1973 (see page 7 Acquired and Newly Formed Companies).



# The Electrolux Group—Consolidated Profit & Loss Statement

(Amounts in MKr)	1973 (incl. Facit)	1973 (excl. Facit)	1972
<i>Operating Income and Costs</i>			
Sales (Note 1)	4,181.8	3,287.9	2,490.9
Manufacturing, selling and administrative costs etc.	—3,675.1	—2,811.5	—2,173.6
Operating result before depreciation	506.7	476.4	317.3
Ordinary depreciation*)			
Buildings and land improvements	— 17.0	— 13.1	— 10.8
Machinery, equipment and tools	— 96.2 —113.2	— 77.5 — 90.6	— 56.4 — 67.2
OPERATING RESULT AFTER ORDINARY DEPRECIATION	393.5	385.8	250.1
<i>Non-operating Income and Costs</i>			
Dividends	0.1	0.1	0.1
Share of earnings in non-Group companies	0.6	0.6	0.7
Interest:			
Received from other than Group companies	27.9	25.4	16.3
Paid to other than Group companies	— 52.7	— 35.6	— 23.6
Relating to pension fund	— 10.8 — 34.9	— 5.9 — 15.4	— 4.8 — 11.3
RESULT FROM CURRENT OPERATIONS BEFORE TAXES	358.6	370.4	238.8
<i>Exceptional Items of Income and Costs</i>			
Capital gains from sale of real estate, leases and securities (Note 2)	43.2	8.2	18.8
Costs of share issues	— 3.9	— 3.8	— 1.2
Alteration and relocation costs	— 2.0	— 2.0	— 1.7
Writing-down of shares in non-Group companies	—	—	— 0.2
Amortization of patent rights, leases etc.	— 0.6	— 0.6	— 0.5
Amortization of goodwill	— 0.3	— 0.3	— 0.6
Exceptional costs relating to change in the Group's structure (Note 3)	— 24.4 12.0	— 1.5	— 14.6
RESULT BEFORE APPROPRIATIONS AND TAXES	370.6	371.9	253.4
<i>Appropriations</i>			
Amount utilized from the investment funds (Note 4)	5.6	5.6	—
Writing-down of the amount utilized from the investment funds (Note 4)	— 5.6	— 5.6	—
Depreciation exceeding ordinary (Note 5)	— 8.3	— 8.3	— 6.1
Appropriation to investment funds (Note 6)	— 28.3	— 24.8	— 5.5
Increase of general inventory reserves	— 66.2	— 66.8	— 65.3
Increase of other financial reserves (Note 7)	— 10.7 —113.5	— 10.5 —110.4	— 0.4 — 77.3
RESULT BEFORE TAXES	257.1	261.5	176.1
Taxes	—114.1	—107.4	— 78.2
Profit after Taxes	143.0	154.1	97.9
Minority interests	— 3.9	— 3.8	— 2.5
GROUP PROFIT FOR THE YEAR	139.1	150.3	95.4

\*) For definition, see page 28.



# The Electrolux Group

ASSETS (Amounts in MKr)	December 31, 1973 (incl. Facit)		December 31, 1973 (excl. Facit)		December 31, 1972	
<i>Current Assets</i>						
Liquid funds						
Cash and bank balances	349.7		291.2		247.8	
Promissory notes	2.0		2.0		44.1	
Repurchased debentures (Parent Company)	—		—		0.1	
Bills receivable from customers	79.1		55.4		40.8	
Securities (Note 8)	56.0		50.8		24.7	
Payment on account received for securities	—	8.2	478.6	—	8.2	349.3
Receivables						
Due from customers (Note 9)	956.9		756.1		623.9	
Due from Group companies	—		109.8		—	
Miscellaneous (Note 10)	107.0	1,063.9	77.8	943.7	80.7	704.6
Inventories (Note 11)	1,197.6		834.8		695.0	
General inventory reserves	—	303.9	893.7	—	294.1	540.7
		2,436.2			1,875.6	1,527.6
<i>Blocked Account for Investment Funds</i>		4.0			3.6	1.2
<i>Fixed Assets</i>						
Receivables						
Due from Group companies	—		17.4		—	
Miscellaneous (Note 12)	72.1	72.1	63.8	81.2	35.5	35.5
Shareholdings						
Group companies	—		76.3		—	
Non-Group companies	7.0	7.0	6.4	82.7	4.4	4.4
Machinery and equipment (Note 13)	207.2		173.3		136.6	
Factory, office and other buildings (Note 14)	375.3		308.4		227.6	
New plants under construction	23.2	605.7	21.3	503.0	5.2	369.4
Leases		1.4		1.3		1.7
		686.2		668.2		411.0
<b>TOTAL ASSETS</b>		3,126.4		2,547.4		1,939.8
<i>Assets Pledged</i>						
Mortgages on property	282.9		211.6		105.5	
Floating mortgages	66.8		24.6		5.8	
Miscellaneous	6.3		6.3		1.3	



# Consolidated Balance Sheet

LIABILITIES AND EQUITY (Amounts in MKr)	December 31, 1973 (incl. Facit)		December 31, 1973 (excl. Facit)		December 31, 1972	
<i>Short-term Liabilities</i>						
Due to Group companies	—		40.9		—	
Bills payable to suppliers	52.2		27.0		22.9	
Due to suppliers	294.8		254.6		171.3	
Due to customers	29.9		23.9		27.2	
Bank loans etc. (Note 15)	375.0		271.6		142.8	
Miscellaneous (Note 16)	417.3	1,169.2	304.5	922.5	270.2	634.4
Taxes payable		123.1		116.7		88.7
		1,292.3		1,039.2		723.1
<i>Long-term Liabilities</i>						
Mortgages loans, promissory note loans	256.0		207.8		120.2	
Miscellaneous (Note 17)	58.8		49.1		36.7	
Appropriated to pensions	251.5	566.3	141.0	397.9	138.7	295.6
Debenture loan	22.8		18.3		20.7	
Bond loan	38.1	60.9	—	18.3	—	20.7
		627.2		416.2		316.3
<i>Minority Interests</i>		30.7		18.7		16.4
<i>Investment Funds</i>		40.3		33.4		10.4
<i>Equity</i>						
Share capital	624.0		624.0		475.0	
Statutory reserves (Note 18)	222.8	846.8	182.5	806.5	137.2	612.2
Free reserves (Note 19)		150.0		83.1		166.0
Group profit for the year (Note 19)		139.1*)		150.3*)		95.4
		1,135.9		1,039.9		873.6
<b>TOTAL LIABILITIES AND EQUITY</b>		3,126.4		2,547.4		1,939.8
<i>Contingent Liabilities</i>						
On behalf of Group companies	—		23.0		—	
Other contingent liabilities	75.2		45.0		40.2	
		75.2		68.0		40.2
(including discounted bills)		(9.3)		(4.5)		(2.8)
*) Before allocation to statutory reserves of		4.0		2.8		

Submitted for audit:

Arne Holmén  
Chartered Accountant

Bruno Svensson  
Chartered Accountant



# The Electrolux Group— Consolidated Statement of Source and Use of Funds

(Amounts in MKr)	1973 (incl. Facit) <sup>1)</sup>	1973 (excl. Facit)	1972
<b>Funds received</b>			
Funds from internal sources*)	276.7	297.3	184.3
Sale of fixed assets	83.8	24.6	39.1
Increase of long-term liabilities, etc.	112.7	102.3	99.8
<b>Total funds received</b>	<b>473.2</b>	<b>424.2</b>	<b>323.2</b>
<b>Funds used</b>			
Investments in real estate, machinery, equipment and tools	259.7	223.9	133.6
Investments in other fixed assets	— 7.1	124.1	3.4
Change in the Group's structure, etc.	45.4	— 28.6	38.9
<b>Total funds used</b>	<b>298.0</b>	<b>319.4</b>	<b>175.9</b>
<b>Change in working capital</b>	<b>175.2</b>	<b>104.8</b>	<b>147.3</b>
<i>Details of "Change in working capital"</i>			
Increase of inventories	+ 241.7	+ 139.8	+ 94.5
Increase of short-term receivables	+ 170.1	+ 239.1	+ 73.1
Increase of short-term liabilities	— 320.0	— 316.1	— 132.2
Increase of liquid funds	+ 83.4	+ 42.0	+ 111.9
	+ 175.2	+ 104.8	+ 147.3
<i>*) Details of "Funds from internal sources"</i>			
Profit before taxes and capital gains	+ 210.0	+ 249.5	+ 154.8
Appropriations	+ 113.5	+ 110.4	+ 77.3
Depreciation of buildings, machinery, equipment and tools (incl. writing-down of amount utilized from the investment funds)	+ 118.8	+ 96.2	+ 67.2
Depreciation of intangible assets	+ 0.9	+ 0.9	+ 1.1
Taxes	— 114.1	— 107.4	— 78.2
Dividend to shareholders	— 49.9	— 49.9	— 38.0
Deposit on blocked account for investment funds	— 2.5	— 2.4	— 0.1
Writing-down of shares in non-Group companies	0.0	—	+ 0.2
	+ 276.7	+ 297.3	+ 184.3

<sup>1)</sup> The calculation has taken into account the total balances brought forward from Electrolux and Facit.



# Notes to the Financial Statements for the Group

## Note 1 Sales

Sales refer to invoiced sales excluding value-added and sales taxes. The total invoicing of the Group includes the sales reported by companies acquired during 1973, representing MKr 227, covering the sales reported by these companies after the day on which they were acquired.

## Note 2 Capital gains from sale of real estate, leases and securities

In 1973, substantial capital gains have accrued from the sale of real estate by the following companies Electrolux Pty. Ltd., Australia; K. A. Hartmann Maskinfabrik A/S, Denmark; Facit GmbH, West Germany; Facit AB, AB Original-Odhner, Addos Fastighets AB, AB Åtvidabergs-huset, all Swedish companies, as well as from sale of securities by Facit AB.

## Note 3 Exceptional costs relating to change in the Group's structure

Included under this heading are non-recurring costs relating to changes in the structure of the Group as alteration and relocation costs, costs of discontinuing of certain activities and costs of redundant personnel, all referring to the Facit Group.

## Note 4 Amount utilized from the investment funds and Writing-down of the amount utilized from the investment funds

In 1973, amounts have been utilized from the investment funds by AB Electrolux for the enlargement of the Swedish factories at Mariestad and Motala as well as by AB Ballingslövs Träförädling, Sweden, and OY Elektroheliolux AB, Finland.

## Note 5 Depreciation exceeding ordinary

This heading includes the difference between ordinary and fiscal depreciation. The fiscal depreciation is calculated according to the same principles as those used in 1972. Mobil storage tanks for lease have been written down at 15%. For the Facit companies only fiscal depreciation has been charged.

	1973	1972
	(incl. Facit)	
	MKr	MKr
<i>Buildings and land improvements</i>		
Ordinary depreciation	—17.0	—10.8
Fiscal depreciation	17.9	11.4
Difference	0.9	0.6
<i>Machinery, equipment and tools</i>		
Ordinary depreciation	—96.2	—56.4
Fiscal depreciation	103.6	61.9
Difference	7.4	5.5

## Note 6 Appropriations to investment funds

Tax-deductible investment fund appropriations were made by AB Electrolux, AB Ballingslövs Träförädling, Sweden, S.A. Electrolux, France, and Facit GmbH, West Germany.

## Note 7 Increase of other financial reserves

All companies within the Electrolux Group apply uniform principles for the calculation of obsolescence in inventories, doubtful accounts receivable, guarantee obligations etc. irrespective of local tax regulations. In certain countries, however, it is permissible to make

appropriations over and above these principles. Such appropriations are reported in the Consolidated Profit & Loss Statement under the above heading. Also included is the additional appropriation to guarantee reserve made by AB Electrolux. See Note 7 to the Financial Statements for AB Electrolux.

## Note 8 Securities

This heading includes i.a. shares in National Homes Corporation, Lafayette, Indiana, USA, to the value of MKr 8.2, which represents the original purchase price. Under an agreement concluded in 1971, AB Electrolux has been guaranteed payment corresponding to at least the original purchase price when selling these shares. The guaranteed amount of US \$1,600,000 was received during 1971 as a payment on account. While awaiting the final sale of these shares, the payment on account is reported under a separate heading.

## Note 9 Current Assets; Receivables due from customers

The amount reported as at December 31, 1973, includes receivables of MKr 70 held by companies acquired during 1973.

## Note 10 Current Assets; Receivables, Miscellaneous

Included under this heading are receivables due within 12 months and deriving from property sales, import deposits, receivables from suppliers and employees, and pre-paid expenses.

## Note 11 Inventories

The amount reported as at December 31, 1973, includes the inventories of MKr 86 held by



companies acquired during 1973.

Regarding the valuation of inventories see also Principles of accounting, page 28.

**Note 12** *Fixed Assets; Receivables, Miscellaneous*

Included under this heading are receivables deriving from property sales, amounts due from dealers on promissory notes, and mortgage bonds payable to A/S Scan-Atlas Husholdningsapparat, Copenhagen, and relating to sales of kitchen fittings. Also included are long-term bank deposits.

**Note 13** *Machinery and equipment*

Net book value, December 31, 1972	MKr	136.6
Net book value, brought forward relating to machinery and equipment transferred from Facit	MKr	28.5
Acquisitions in 1973, including machinery and equipment owned by companies acquired during the year	MKr	185.1
Book value of sold and scrapped machinery etc.	MKr	— 9.4
Calculated reserve for remaining re-conditioning costs	MKr	— 30.0
Fiscal depreciation in 1973	MKr	— 103.6
<u>Net book value, December 31, 1973</u>	<u>MKr</u>	<u>207.2</u>

The above acquisition sum includes machinery and equipment of MKr 27.1 held by companies acquired during the year. Regarding the reconditioning costs see Note 14 of Notes to the Financial Statements for AB Electrolux. In addition to the above, acquisitions amounting to MKr 0.6, against the investment funds, has been made in OY Elektroheliös AB, Helsinki.

**Note 14** *Factory, office and other buildings (including land improvements)*

Net book value, December 31, 1972	MKr	227.6
Net book value brought forward relating to real estate transferred from Facit	MKr	81.6
Appreciation in connection with bonus issue of shares in 1973	MKr	13.0
Other appreciation (see below)	MKr	13.2
Acquisitions in 1973, including real estate owned by companies acquired during the year	MKr	81.3
Book value of sold and scrapped real estate etc.	MKr	— 23.5
Fiscal depreciation in 1973	MKr	— 17.9
<u>Net book value, December 31, 1973</u>	<u>MKr</u>	<u>375.3</u>

In addition to the above, acquisitions, totalling MKr 5.0, have been charged against the investment funds of AB Electrolux and AB Ballingslövs Träförädling, Sweden.

In connection with a bonus issue of shares in Electrolux Pty. Ltd., Australia, buildings have been appreciated by MKr 13.2.

The above acquisition amount includes real estate of MKr 25.0 owned by companies acquired during the year.

**Note 15** *Bank loans*

Also included under this heading are such repayments on long-term loans due within one year.

**Note 16** *Short-term Liabilities, Miscellaneous*

Included here are reserves for guarantee obligations, accrued vacation pay, wages and salaries unpaid at the end of the year, PAYE taxes, reserves for severance pay and corresponding appro-

priations in subsidiaries outside Sweden, sales and value-added taxes and miscellaneous accrued expenses.

**Note 17** *Long-term Liabilities, Miscellaneous*

This heading includes loans, for which collaterals in form of mortgages or guarantees have not been required. Also included are long-term liabilities accruing in connection with company acquisitions.

**Note 18** *Statutory reserves*

In addition to statutory reserves provided in each company, this item includes the net difference between the share capital of subsidiaries and the value of these shares recorded in the books of the Parent Company (values in excess of par have been deducted from values below par). Changes from 1972 include bonus issues of shares by subsidiaries, differences between book value and nominal share capital in newly acquired companies, increases of statutory reserves in subsidiaries, new conversion values due to altered foreign exchange rates etc.

**Note 19** *Free reserves and Group profit for the year*

Provision has not been made for possible taxation in Sweden and/or in other countries on unappropriated profits of non-Swedish subsidiaries, which may be transferred to the Parent Company in the form of dividends. Currency regulations in certain countries may also affect the possibilities of transferring profits to the Parent Company.



# AB Electrolux— Profit & Loss Statement

(Amounts in MKr)	1973		1972		
<i>Operating Income and Costs</i>					
Sales (Note 1)		1,335.2		882.0	
Manufacturing, selling and administrative costs, etc. (Note 2)		—1,161.9		—774.3	
Operating result before depreciation		173.3		107.7	
Ordinary depreciation*)					
Buildings and land improvements		— 5.4		— 5.0	
Machinery, equipment and tools		—40.5	—45.9	—27.4	— 32.4
<b>OPERATING RESULT AFTER ORDINARY DEPRECIATION</b>		<b>127.4</b>		<b>75.3</b>	
<i>Non-operating Income</i>					
Royalties (including amounts received from Group companies 6.4 and 5.2 respectively)		8.1		6.6	
Dividends from Group companies		55.8		34.7	
Dividends from non-Group companies		0.3		0.3	
Interest received from Group companies		3.8		3.1	
Other interest received		11.5	79.5	10.2	54.9
<i>Non-operating Costs</i>					
Interest paid to Group companies		— 2.9		— 0.9	
Interest relating to pension fund		— 6.1		— 4.4	
Other interest paid		—10.2	—19.2	— 6.2	— 11.5
<b>RESULT FROM CURRENT OPERATIONS BEFORE TAXES</b>		<b>187.7</b>		<b>118.7</b>	
<i>Exceptional Items of Income and Costs</i>					
Capital gain from sale of real estate and securities		0.6		0.9	
Costs of share issues		— 2.3		— 1.1	
Alteration and relocation costs		— 0.4		— 0.3	
Writing-down of shares in non-Group companies		—		— 0.2	
Amortization of patents		— 1.3		— 1.1	
Amortization of goodwill		— 5.0		— 1.6	
Costs relating to changes in structure of the Facit Group (Note 3)		— 6.1	—14.5	—	— 3.4
<b>RESULT BEFORE APPROPRIATIONS AND TAXES (Note 4)</b>		<b>173.2</b>		<b>115.3</b>	
<i>Appropriations</i>					
Amount utilized from the investment fund (Note 5)		3.4		—	
Writing-down of the amount utilized from the investment fund (Note 5)		— 3.4		—	
Depreciation exceeding ordinary (Note 6)		—10.6		— 7.0	
Appropriation to guarantee reserve (Note 7)		— 4.9		—	
Increase of general inventory reserve (Note 8)		—53.0		—41.0	
Appropriation to investment fund		—22.0	—90.5	— 4.0	— 52.0
<b>RESULT BEFORE TAXES</b>		<b>82.7</b>		<b>63.3</b>	
Taxes		—10.0		— 13.2	
<b>NET PROFIT FOR THE YEAR</b>		<b>72.7</b>		<b>50.1</b>	

\*) For definition, see page 28.



# AB Electrolux

ASSETS (Amounts in MKr)	December 31, 1973		December 31, 1972	
<i>Current Assets</i>				
Liquid funds				
Cash and bank balances	149.3		137.5	
Promissory note	2.0		40.0	
Repurchased debentures	—		0.1	
Bills receivable from customers	11.1		15.2	
Shareholdings in non-Group companies (Note 9)	8.2		8.2	
Payment on account received for securities	—8.2	162.4	—8.2	192.8
Receivables				
Due from customers	190.7		157.2	
Due from Group companies (Note 10)	217.0		154.7	
Miscellaneous (Note 11)	22.5	430.2	31.6	343.5
Inventories	416.5		315.0	
General inventory reserve (Note 8)	—233.6	182.9	—180.6	134.4
		775.5		670.7
<i>Blocked Investment Account</i>		1.0		0.2
<i>Fixed Assets</i>				
Receivables				
Due from Group companies (Note 12)	61.4		41.4	
Miscellaneous	19.4	80.8	7.2	48.6
Shareholdings				
Group companies (Note 13)	520.5		283.9	
Non-Group companies	1.9	522.4	1.7	285.6
Machinery and equipment (Note 14)	77.0		51.6	
Factory, office and other buildings (Note 15)	133.9		110.9	
New plants under construction	10.5	221.4	2.4	164.9
Patent rights	2.5		2.9	
Goodwill	13.9	16.4	1.6	4.5
		841.0		503.6
<b>TOTAL ASSETS</b>		<b>1,617.5</b>		<b>1,174.5</b>
<i>Assets Pledged</i>				
Mortgages on property (Note 16)		139.6		79.5
Floating mortgages		9.7		4.5
Blocked bank deposits		0.0		0.2
Bills receivable		—		1.0



# Balance Sheet

LIABILITIES AND EQUITY (Amounts in MKr)	December 31, 1973		December 31, 1972	
<i>Short-term Liabilities</i>				
Due to Group companies	80.5		43.6	
Bills payable	—		0.2	
Due to suppliers	136.5		82.3	
Due to customers	11.8		16.1	
Bank loans etc.	63.2		10.3	
Wages, salaries, vacation pay, PAYE taxes etc.	76.6		47.7	
Miscellaneous (Note 17)	40.3	408.9	61.6	261.8
Taxes payable		10.5		17.2
		419.4		279.0
<i>Long-term Liabilities</i>				
Due to Group companies	24.0		2.5	
Mortgage loans and promissory note loans	120.8	144.8	52.7	55.2
Miscellaneous (Note 18)		31.1		30.1
Appropriated to pensions (Note 19)				
Pensions Registration Institute (PRI)	105.0		87.6	
Other pensions plans	19.2	124.2	19.6	107.2
Debenture loans		18.3		20.7
		318.4		213.2
Reserve for Unrealized Profit in Inventories of Group Companies outside Sweden (Note 20)		23.9		12.4
Investment Fund		23.2		4.6
<i>Equity</i>				
Share capital (Note 21)	624.0		475.0	
Statutory reserve	131.3	755.3	95.0	570.0
Profit brought forward	4.6		45.2	
Net profit for the year	72.7	77.3	50.1	95.3
		832.6		665.3
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,617.5</b>		<b>1,174.5</b>
Unappropriated earnings as per Balance Sheets of December 31, 1972, and December 31, 1971, respectively		95.3		117.2
Deduct: Dispositions resolved by the Annual General Meetings in 1973 and 1972 respectively, Payment of Dividend		49.9		38.0
Transfer to Share capital and Statutory reserve		40.8		34.0
		4.6		45.2
<i>Contingent Liabilities</i>				
On behalf of Group companies		83.4		37.5
Other contingent liabilities		43.0		9.8
		126.4		47.3
(including discounted bills receivable)		(32.7)		(0)



## SHAREHOLDINGS OF AB ELECTROLUX

Company	Percentage held	Par value 1,000 in the currency concerned	Book value tKr	
<b>GROUP COMPANIES IN SWEDEN</b>				
Facit AB, Åtvidaberg	97.3	SKr 77,854	60,839	
AB Ballingslövs Träförädling, Ballingslöv	100	SKr 765	25,000	
Allmänna Svenska Städning AB, Stockholm	50.2	SKr 2,508	9,000	
Växjö Rostfritt AB, Växjö	100	SKr 2,000	6,100	
Electrolux Svenska Försäljnings AB, Stockholm	100	SKr 6,000	6,000	
AB Flymo, Malmö	100	SKr 4,000	6,000	
Euroclean AB, Stockholm	100	SKr 3,000	3,900	
Bröderna Brodd AB, Skänninge	100	SKr 60	3,240	
AB Schaub & Co., Stockholm	100	SKr 3,000	3,000	
Getinge Mekaniska Verkstads AB, Getinge	100	SKr 1,000	1,000	
Verkstads AB Bällsta, Stockholm	100	SKr 750	750	
AB Sollidenverken, Stockholm	100	SKr 650	650	
Elektroheliol Försäljnings AB, Stockholm	100	SKr 500	500	
AB Elektro-Apparat, Alingsås	100	SKr 500	500	
Electrolux Städutensilier AB, Stockholm	100	SKr 250	250	
A/S Atlas Svenska Försäljnings AB, Stockholm	100	SKr 250	250	
Försäljnings AB Volta, Stockholm	100	SKr 200	200	
Cubus Golv AB, Stockholm	50.1	SKr 100	100	
AB Rebon, Stockholm	100	SKr 100	100	
AB Orwak, Sävsjö	90	SKr 90	100	
Elektro-Helios Fastighets AB, Stockholm	100	SKr 100	100	
AB Elektroservice, Stockholm	100	SKr 25	25	
Liljendahl Patenter AB, Stockholm	100	SKr 20	20	
AB Lux, Stockholm	100	SKr 20	20	
Centralkassan AB, Stockholm	100	SKr 5	5	
AB Carex, Stockholm	100	SKr 5	5	
AB Gårdscisterner, Stockholm	100	SKr 5	5	
Nordic Pool AB, Stockholm	100	SKr 5	5	
AB Svensk Nivåkontroll, Malmö	100	SKr 5	5	
AB Harry Wennberg, Stockholm	100	SKr 5	5	
<b>GROUP COMPANIES OUTSIDE SWEDEN</b>				
<i>Europe</i>				
Belgium	Electrolux S.A., Brussels	99.8	Bfrs 19,950	2,000
	Netto-Service S.A., Brussels	50.7	Bfrs 636	500
Denmark	Electrolux A/S, Copenhagen	100	DKr 7,000	5,700
	A/S Scan-Atlas Husholdningsapparater, Copenhagen	99.6	DKr 49,780	40,200
	A/S Vestfrost, Esbjerg	50	DKr 1,823	5,000
	A/S Wascator, Gentofte	100	DKr 6,000	4,450
Eire	Electrolux Ltd., Dublin	100	£ 0	0
Finland	OY Electrolux Kahete AB, Helsinki	100	Fmk 300	0
	OY Elektroheliol AB, Köklax	100	Fmk 6,000	7,300
	Suomen Atlas Talouskonemyynti OY, Helsinki	95	Fmk 200	0
	OY Liesimynti-Spissförsäljnings AB, Köklax	51	Fmk 1,020	1,200
France	S.A. Electrolux, Paris	99.9	FF 29,970	37,500
	Levin France S.a.r.l., Neuilly	100	FF 50	0
	Wascator S.A., Paris	59.4	FF 149	0



Company		Percentage held	Par value 1,000 in the currency concerned	Book value tKr
<b>GROUP COMPANIES OUTSIDE SWEDEN</b>				
<i>Europe</i>				
Holland	Electrolux B.V., Diemen	100	Hfl 499	0
	Elektroheliol B.V., Diemen	100	Hfl 200	0
	Electrolux-Quatfass B.V., Diemen	56.5	Hfl 1,300	0
	J.F. Quatfass B.V., Diemen	100	Hfl 200	300
	Schoonmaakbedrijf Mercurius B.V., Ermelo	50.1	Hfl 38	4,400
Italy	Electrolux S.p.A., Milan	100	Lit 800,000	4,500
Luxembourg	Kreft S.a.r.l., Vianden	97.5	DM 20	4,600
Norway	Electrolux Rengjøringsmaskiner A/S, Oslo	100	NKr 3,000	1,000
	Electrolux Industrier A/S, Oslo	100	NKr 7,000	5,000
	Helimatic A/S, Oslo	100	NKr 10	0
<i>Europe</i>				
Portugal	Electrolux Ltda., Lisbon	83.3	Esc. 8,333	900
Switzerland	Electrolux AG, Rüsclikon	100	Sfrs 1,997	2,000
Spain	Electrolux S.A., Madrid	97.5	Ptas 58,503	3,600
	Electrolux Canarias S.A., Las Palmas	50	Ptas 2,500	200
Great Britain	Electrolux Ltd., Luton	100	£ 9,997	144,500
	Electrolux (Commercial Equipment) Ltd., Luton	100	£ 1,199	13,500
	Flymo Ltd., Watford	100	£ 648	6,700
	Swedish Royal Refrigeration Ltd., Garden City	51	£ 1,020	0
West Germany	Electrolux GmbH, Berlin	100	DM 6,000	16,000
	Electrolux Küchentechnik GmbH, Hamburg	99.9	DM 6,990	12,100
	Lux GmbH, Berlin	100	DM 750	0
	Electrolux GmbH, Hamburg	84.3	DM 5,060	9,400
	Electrolux Kälte- und Wärmetechnik GmbH, Hamburg	100	DM 1,000	1,300
	Electrolux Finanz GmbH, Hamburg	99.8	DM 4,990	6,800
	Electrolux Lagersystem GmbH, Hamburg	100	DM 500	400
	Skandinavische Reinigungs- und Dienstleistungs-GmbH, Hamburg	50.2	DM 316	2,350
	Siegas Vervaltungs GmbH, Siegen	100	DM 20	0
Wilhelm Loh & Co. GmbH, Siegen	100	DM 5,980	10,100	
Austria	Electrolux GmbH, Vienna	100	ÖS 8,000	0
<i>North America</i>				
Canada	Dometic Canada Ltd., Oakville	100	C \$ 300	1,500
	Dometic Sales of Canada Ltd., Oakville	100	C \$ 300 <sup>1)</sup>	1,400
USA	Dometic Incorporated, Secaucus, New Jersey	100	US \$ 2,400 <sup>1)</sup>	11,500
	Dometic Sales Corporation, Elkhart, Indiana	100	US \$ 500 <sup>1)</sup>	2,100
	Keltec Incorporated, Elkhart, Indiana	100	US \$ 150 <sup>1)</sup>	370
<i>Latin America</i>				
Argentina	S.A. Electrolux, Buenos Aires	100	APs 2,000	800
Brazil	Cia Electrolux S.A., São Paulo	95.6	Cruz. 6,693	3,200
	Electrolux Comercial e Serviços Marítimos Ltda., São Paulo	82.9	Cruz. 746	500
	Electrolux Serviços Ltda., São Paulo	94.9	Cruz. 4,747	3,400
Colombia	Electrolux S.A., Bogotá	91.0	CPs 1,819	0

<sup>1)</sup> Paid-up share capital



Company		Percentage held	Par value 1,000 in the currency concerned	Book value tKr
<b>GROUP COMPANIES OUTSIDE SWEDEN</b>				
<i>Latin America</i>				
Dominican Republic	Electrolux Lagares C. por A., Santo Domingo	51	RD\$ 10	0
Mexico	Electrolux S.A. de C.V., Mexico City	100	MPs 14,996	0
	Distribuidora Electrolux S.A., Mexico City	98.4	MPs 25	0
	Industrias Electrolux S.A., Mexico City	98.7	MPs 296	0
Uruguay	Electrolux S.A., Montevideo	99.8	UPs 29,950	0
Venezuela	C.A. Electrolux, Caracas	100	Bol. 29,994	5,000
<i>Other areas</i>				
Hong Kong	Electrolux (Far East) Ltd., Hong Kong	100	HK\$ 50	0
Iran	Electrolux Iran Services Co. Ltd., Tehran	50.9	Rials 1,018	60
New Zealand	Electrolux Ltd., Wellington	100	NZ\$ 1,000	7,000
South Africa	Electrolux (Pty) Ltd., Johannesburg	100	Rand 800	2,500
Zambia	Electrolux (Zambia) Ltd., Ndola	100	Kwa 10	0
<i>Total shareholdings in Group Companies</i>				<u>520.504</u>
<b>NON-GROUP COMPANIES, ETC.</b>				
<i>Sweden</i>				
	Bostadsrättsföreningen Lundagård, Malmö	.	SKr 196	196
	Vakuumsystem AB, Solna	24.8	SKr 50	50
	Bostadsrättsföreningen Stenstaden, Malmö	.	SKr 12	12
	Servi-Data AB, Stockholm	1	SKr 0	0
	AB Sukab, Stockholm	6.3	SKr 2	0
	Svensk Interkontinental Lufttrafik AB (S.I.L.A.), Stockholm	0.7	SKr 400	0
	Svenska MTM-gruppen AB, Stockholm	0.4	SKr 0	0
	Swedvelop Hospital Equipment AB, Stockholm	5	SKr 10	0
	Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund u.p.a., Stockholm, debentures of 1972	.	SKr 75	0
	Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund u.p.a., Malmö	.	SKr 0	0
	Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund u.p.a., Säffle, lease in Lotten No. 3	.	SKr 1	0
	Svenska Riksbyggen, Mariestad, lease in Flugan No. 1	.	SKr 7	0
<i>Outside Sweden</i>				
France	La Maison de Suède à Paris S.A., Paris	3.1	FF 120	0
Luxembourg	ADELA Investment Co. S.A.	0.2	US \$ 129	618
	SIFIDA Investment Co. S.A.	0.8	US \$ 100	517
Norway	Norsk Rengjøringselskap A/S, Oslo	49	NKr 735	479
Peru	Electrolux S.A., Lima	29	Soles 19,696	0
	Valinka S.A., Lima	18	Soles 180	20
<i>Total shareholdings in non-Group Companies</i>				<u>1,892</u>

With reference to the Report of the Auditors we certify that the Financial Statements in the preceding pages agree with the company's accounts.

Stockholm in April, 1974.

Arne Holmén  
Chartered Accountant

Bruno Svensson  
Chartered Accountant



# Notes to the Financial Statements for AB Electrolux

## Note 1 Sales

Sales refer to invoiced sales excluding value-added tax. Invoicing relates to deliveries to subsidiaries as well as to customers who buy directly from the Parent Company. Excluding the commission companies AB Addo and Facit-Halda AB, the turnover amounted to MKr 1,166.8.

## Note 2 Manufacturing, selling and administrative costs, etc.

General administrative costs or the Parent Company's expenses for the management and their secretaries as well as remuneration to the members of the board of directors and external auditors amounted to MKr 2.9 in 1973, the corresponding figure for 1972 being MKr 2.7. These amounts are included under the above heading.

## Note 3 Costs relating to changes in the structure of the Facit Group

Under this heading the same kind of costs is reported as in Note 3 to the Notes of the Financial Statements for the Group and relating to the operations transferred from AB Addo and Facit-Halda AB in accordance with the commission agreement.

## Note 4 Result before appropriations and taxes

As a consequence of the commission agreements with AB Addo and Facit-Halda AB the Result before appropriations and taxes has been reduced by MKr 23.3, being the losses of these companies. This amount has been included in the Result before appropriations and taxes for the Facit Group. The net result of the last-mentioned operations, a loss of MKr 1.3, is shown in the Profit & Loss Statement of the Electrolux Group, page 29.

## Note 5 Amount utilized from the investment fund and Writing-down of the

amount utilized from the investment fund

The investment fund has during 1973 been utilized for enlargements of the factories at Mariestad and Motala.

## Note 6 Depreciation exceeding ordinary

This heading includes the difference between ordinary and fiscal depreciation.

Fiscal depreciation is calculated according to the same principles as those used in 1972. Mobil storage tanks for lease have been written down at 15%.

Buildings and land improvements	1973 MKr	1972 MKr
Ordinary depreciation	— 5.4	— 5.0
Fiscal depreciation	6.6	5.7
Difference	1.2	0.7

## Machinery, equipment and tools

Ordinary depreciation	— 40.5	— 27.4
Fiscal depreciation	49.9	33.7
Difference	9.4	6.3

## Note 7 Appropriation to guarantee reserve

Appropriations to guarantee reserve have earlier not been allowed as a deduction for tax purposes. The appropriations have therefore hitherto been made to a taxed (smaller) reserve, so calculated that the company's result after tax has been the same as if the appropriation had been deductible. However, as from 1973 the fiscal legislation in Sweden has been changed, so that such appropriations are allowed as a deduction for tax purposes. In order to report comparable figures the operating result has been charged with normal

appropriations, and the increase of the reserve, due to the change in the fiscal legislation, is reported under the above heading.

## Note 8 Increase of general inventory reserve

The reserve amounts to 56.1% of the gross inventory value, from which an adequate amount for obsolescence has been deducted. Inventories transferred from AB Addo and Facit-Halda AB are included in the gross inventory value. The corresponding percentage for the previous year was 57.3%.

## Note 9 Shareholdings in non-Group companies and Payment on account received for securities

See Note 8 of the Notes to the Financial Statements for the Group.

## Note 10 Current Assets; Receivables due from Group companies

Trading receivables from subsidiaries in respect of transactions with a maximum credit period of one year are shown under this heading. Other trading receivables are reported under "Fixed Assets; Receivables due from Group companies".

## Note 11 Current Assets; Receivables, Miscellaneous

Included under this heading are receivables from suppliers, advance payments on current assets, payments on account to the Pensions Registration Institute (PRI), amounts owed by employees and pre-paid expenses.

## Note 12 Fixed Assets; Receivables due from Group companies

Reported under this heading are amounts lent by the Parent Company to subsidiaries and other receivables, which have become long-term in nature.



**Note 13** *Shareholdings, Group companies*

The increase from previous year is attributable to the acquisition of new companies (see page 7), the issue of new shares in subsidiaries and the writing-up of the book value of AB Electrolux' shareholdings in certain subsidiaries by MKr 71.0, made in connection with the Parent Company's issue of bonus shares during 1973.

The book value of shares in certain subsidiaries has been written down by MKr 1.5. Simultaneously the value of shares in subsidiaries showing good profitability have been written up by the same amount. The total book value of shareholdings has thus not been affected by these adjustments.

**Note 14** *Machinery and equipment*

Net book value, December 31, 1972	MKr	51.6
Machinery and equipment acquired through commission agreements, etc. (at book value)	MKr	8.7
Acquisitions in 1973	MKr	96.6
Fiscal depreciation in 1973	MKr	— 49.9
	MKr	<u>107.0</u>
Calculated reserv for remaining re-conditioning costs	MKr	— 30.0
Net book value, December 31, 1973	MKr	<u>77.0</u>

Acquisitions and depreciation for 1973 include MKr 21.0 relating to production tools.

The heading "Acquisitions in 1973" above reports the tanks leased by the commission com-

pany AB Gårdscisterner (ABG) at acquisition cost including costs for reconditioning and freight to the user, which is the value used as the basis for fiscal depreciation. The reconditioning is estimated to take place over a six-years period.

The machinery and equipment of the Parent Company had a fire insurance value of MKr 467.0 at the year-end.

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

Net book value, December 31, 1972	MKr	110.9
Appreciation in connection with bonus issue of shares in 1973	MKr	13.0
Acquisitions in 1973	MKr	17.6
Book value of sold real estate, etc.	MKr	— 1.0
Fiscal depreciation in 1973	MKr	— 6.6
Net book value, December 31, 1973	MKr	<u>133.9</u>

In addition to the above, acquisitions totalling MKr 3.4 have been charged against the investment fund. At the year-end, the Parent Company's land and buildings had an assessed value of MKr 146.5, including a special machinery value of MKr 4.6. The buildings had a fire insurance value of MKr 264.3.

**Note 16** *Assets Pledged; Mortgages on property*

The liabilities, etc., for which mortgages have been pledged, amounted to MKr 135.8 as at December 31, 1973.

**Note 17** *Short-term Liabilities, Miscellaneous*

This item includes reserves for guarantee obligations, accrued

expenses and short-term liabilities, which have arisen in connection with the acquisition of companies.

**Note 18** *Long-term Liabilities, Miscellaneous*

Included under this entry are long-term liabilities, which have arisen in connection with the acquisition of companies.

**Note 19** *Appropriated to pensions*

Pension liabilities not included in "Appropriated to pensions" and amounting to MKr 1.6 are covered by capital in the Independent Pension Fund of the Addo Group.

MKr 6.1 of the allocations for the year relate to interest.

**Note 20** *Reserve for Unrealized Profit in Inventories of Subsidiaries outside Sweden*

This reserve represents the difference between invoice price and manufacturing cost of the Parent Company for the products, which remained in stock with the receiving subsidiaries at the end of the year.

**Note 21** *Share capital*

500,000 "A" shares at Kr 100 each	MKr	50.0
5,740,000 "B" shares at Kr 100 each	MKr	574.0
6,240,000 shares	MKr	<u>624.0</u>

Each "A" share entitles the holder to one vote and each "B" share to 1/1000th of a vote. All shares carry the same right to participation in the Company's assets and profits.



# Report of the Auditors

As auditors of Aktiebolaget Electrolux we herewith submit the following audit report for the year 1973.

We have examined the Annual Report, taken due note of 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, as laid down in the Swedish Companies Act, concerning the reporting of shareholdings and consolidated accounts as well as the regulations concerning loans, pledged assets and contingent liabilities regarding those persons, whose rights to receive loans are restricted, have been complied with.

During the audit we have found no grounds for criticism of the documents presented to us, the company's accounts, the verification of assets or the administration of the company. The adjustment of the book values of certain shareholdings, which has been made, does not give rise to any objections.

The Board of Directors and the Managing Director propose the following distribution of the surplus available:

Dividend to shareholders	Kr 62,400,000
To be carried forward	<u>Kr 14,929,606</u>
	<u>Kr 77,329,606</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 the result of its activities.

We recommend

- that* the Balance Sheet as at December 31, 1973, included in the Annual Report and signed by us, be approved,
- that* the available surplus be distributed in accordance with above proposal, and
- that* the Board of Directors and the Managing Director be granted discharge for the period covered by the Annual Report.

Stockholm in April, 1974.

Arne Holmén  
Chartered Accountant

Bruno Svensson  
Chartered Accountant



# Electrolux on the Major Markets

*The greatest portion of Group sales takes place outside Sweden. Operations on some of the major markets are outlined below.*

## Great Britain

AB Electrolux began to introduce vacuum cleaners at an early stage on the European market. In this respect, Great Britain seemed to be one of the natural sales areas and as early as 1919 sales were organized on an agency basis. Electrolux Ltd. was founded in 1921.

The first Electrolux vacuum cleaners sold in Great Britain were assembled from parts manufactured in Sweden. As sales grew, the need for local production became increasingly urgent. In 1926 Electrolux Ltd. purchased factory premises at Luton, Bedfordshire, not far from London, and this was the first Electrolux factory outside the boundaries of Sweden.

Today, Electrolux Ltd. is the largest Group company outside Sweden. Administration and production are both located at Luton.

In brief, the current product range, apart from vacuum cleaners and refrigerators, both of which are manufactured in a large number of sizes and models, embraces upright freezers, radiators, assembling of components for complete Electrolux kitchens and spare parts.

In 1973 nearly 1.1 million products were manufactured at the Luton factory, which represents an increase of more than 100% over the past ten years. Approximately 30% of all vacuum cleaners and

refrigerators manufactured at Luton are exported, and Electrolux Ltd. accounts for approximately 50% of Great Britain's total exports of refrigerators.

Other products marketed in Great Britain include commercial refrigeration installations for supermarkets etc., catering and hospital equipment, laundry equipment for commercial usage, toilet and ventilation systems for boats and caravans and Euroclean products.

During the year a special sales company, Electrolux (Commercial Equipment) Ltd., Luton, acquired the marketing rights for Wascator laundry equipment in Great Britain.

Other Electrolux companies in Great Britain are Swedish Royal Refrigeration Ltd. in Welwyn Garden City, Herts., and Commercial Cleaning Services Ltd. at Birmingham. The former company markets refrigerated merchandisers and display freezers primarily to stores and supermarkets, whilst the latter company, which is jointly owned with Det Danske Rengørings Selskab A/S, (DDRS), provides contract cleaning services.

Also situated in Great Britain is Flymo Ltd., Watford, Herts., which markets air-cushion lawnmowers manufactured in the company's factory at Darlington.

*Queen Elizabeth II visits the Electrolux stand at the Ideal Home Exhibition at Olympia in London. Left: Maurice Aitken, Deputy Managing Director of Electrolux Ltd., Luton, Great Britain. Centre: Lord Luke, Chairman of the Board of Electrolux Ltd., Luton, and member of the Board of Directors of AB Electrolux.*







*Cleaning wine barrels in a wine cellar at Besigheim (West Germany) and a bus in Ludwigsburg (West Germany) with the aid of EUROCLEAN 512, a robust and highly efficient all-round unit for high-pressure cleaning.*

Facit is represented in Great Britain by Facit-Addo Ltd., Rochester. This company was formed in 1973 and has taken over the operations of the British subsidiary companies of Facit AB and AB Addo. It is a sales company and markets office machines, office furniture, etc.

During the year the number of Electrolux employees in Great Britain totalled an average of 5,270, and total sales amounted to MKr 462, corresponding to 11% of the Group sales.

### **West Germany**

The first German subsidiary company in the Electrolux Group was established in the early 1920s. Manufacture of vacuum cleaners was begun later on a smaller scale

in Berlin. Operations expanded rapidly. However, World War II put a stop to business expansion, and manufacture in Berlin could not be resumed until 1948. Present-day production includes various vacuum cleaner models, power nozzles for vacuum cleaners, chest freezers, a range of commercial refrigerator units, and Flymo air-cushion lawnmowers.

Hamburg is the central locality for Electrolux in West Germany, and the head office of a number of subsidiary companies marketing vacuum cleaners, floor polishers, the vacuum toilet system, leisure products, "K" products, catering and hospital equipment, steel fittings, materials handling systems and Euroclean products.

Through the acquisition of Siegas Metallwarenfabrik, this company's factories in Siegen and Rudersdorf are now within the Group. Manufacture consists primarily of caravan refrigerators.

Facit is represented by Facit GmbH in Düsseldorf, which markets office machines.

Cleaning operations are carried out in West Germany by Skandinavische Reinigungs- und Dienstleistungs-GmbH, Hamburg, a company jointly owned by Electrolux and Det Danske Rengørings Selskab A/S, (DDRS).

There are 3,700 Electrolux employees in West Germany and sales amounted to MKr 303 during the year.



*The head-office of the Electrolux organization in France with central repair shop and warehouse for finished products. The building is located near the town Senlis, just north of Paris.*



## France

The main company of the French Electrolux organization is S.A. Electrolux, the head-office and warehouse of which are situated in Senlis, just north of Paris. This company was founded during the 1920s. In 1927 a factory in the Paris suburb of Courbevoie was purchased and the manufacture of vacuum cleaners and floor polishers was started. Production is still centred on these products.

Of the products manufactured at Courbevoie approximately 25% are exported, mostly floor polishers.

Direct selling is predominant in the domestic market. The product range sold by this method consists primarily of vacuum cleaners and floor polishers. Other products sold by direct selling are

refrigerators, upright freezers, washing machines and dishwashers.

Other sales effected via a special sales outlet, includes caravan refrigerators, refrigerators sold direct to building contractors, steel fittings and materials handling installations, Euroclean products, vacuum toilets and the Monomatic toilet system.

The Electrolux-owned company Levin Franc S.a.r.l., Paris, markets refrigerated merchandisers and display freezers as well as refrigerated cold stores.

Air-cushion lawn-mowers are marketed by Flymo S.A., Paris.

During the year Wascator S.A., Paris, joined the Electrolux Group. This company, which is majority-owned, markets commercial

washing machines and household dishwashers.

Facit is represented by Facit Addo S.A., Colombes (Paris), which sells office machines and office furniture.

The Electrolux companies in France has a total of approximately 3,000 employees. Most of them are active in the nationwide sales and service organization. Apart from sales offices in Paris, Electrolux has some 100 branch offices throughout the whole of France. Also included in the organization are approximately 25 service workshops, of which some are coordinated with branch offices while others are independent.

Total sales in France amounted to MKr 255 during the year.



*Electrolux subsidiary companies Dometic Sales Corporation and Keltec Inc. in Elkhart, Indiana, USA, moved to new erected premises in 1973. The building, which houses factory, warehouse and office premises, covers a floor area of approximately 18,800 m<sup>2</sup> (202,400 sq.ft.).*



## Denmark

The first Electrolux company in Denmark was founded as early as 1919. Today there are several Group companies in the Copenhagen area, all of them with their administration located to the subsidiary company A/S Scan-Atlas Husholdningsapparater at Lundtofte, near Copenhagen. A/S Facit, Ballerup, is also moving to Lundtofte in 1974. Other companies are A/S Wascator in Gentofte and the partly-owned A/S Vestfrost in Esbjerg.

Briefly, production in Denmark embraces chest freezers (manufactured at Lundtofte), kitchen cabinets (manufactured at Nykøbing-Falster), office chairs (manufactured at Fjerritslev) and refrigerators, upright freezers and chest freezers (manufactured by A/S Vestfrost in Esbjerg).

In addition to products manufactured in Denmark, sales include vacuum cleaners, environmental products, Euroclean pro-

ducts, steel fittings and materials handling installations, catering, hospital and industrial equipment, office machines and office furniture.

During the year the average number of Electrolux employees in Denmark totalled to 1,740 and total sales during the year amounted to MKr 207.

## USA

In 1969 a subsidiary company, Dometic Sales Corporation, Elkhart, Indiana, was formed to market caravan refrigerators and certain other leisure products. In the U.S. market these refrigerators are sold chiefly to caravan manufacturers.

In 1969 AB Electrolux acquired a majority shareholding in Keltec Inc., Elkhart, Indiana. This company manufactures and markets commercial cleaning machines under the Kent trademark. Almost all imports to and exports

from the United States are channeled through the subsidiary company Dometic Incorporated, Secaucus, New Jersey.

Facit-Addo Inc., Secaucus, New Jersey, sells office machines on the U.S. market. The Lago Calc Inc. calculator factory at Canoga Park (Los Angeles), California, is owned by Facit-Addo Inc., and manufactures electronic calculators. During the year this company began to use a new factory building.

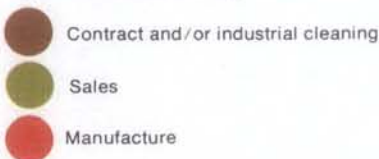
The Carda Window Corporation, Essington, Pennsylvania, sells special windows on the U.S. market, chiefly to the institutional sector. This company, in which Electrolux has a majority shareholding, was formed in 1973.


















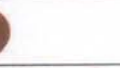




In total, there are 700 Electrolux employees in the United States and sales in USA/Canada amounted to MKr 301 during the year.






















# THE ELECTROLUX GROUP

Below a specification of operations in the countries, where Electrolux is represented by affiliated companies.



	Manufacture	
<b>Argentina</b> 350 employees		vacuum cleaners, floor polishers
<b>Australia</b> 2,460 employees		vacuum cleaners, floor polishers, air-cushion lawn-mowers
<b>Barbados</b> 40 employees		
<b>Belgium</b> 380 employees		
<b>Brazil</b> 2,180 employees		vacuum cleaners, floor polishers, electronic and mechanical calculators, typewriters, duplicating machines
<b>Colombia</b> 480 employees		vacuum cleaners, floor polishers
<b>Denmark</b> 1,740 employees		refrigerators, upright freezers, chest freezers, office chairs, kitchen cabinets
<b>Dominican Republic</b> 10 employees		
<b>Dubai</b> Newly formed		
<b>Finland</b> 360 employees		
<b>France</b> 3,000 employees		vacuum cleaners, floor polishers
<b>Guatemala</b> 40 employees		
<b>Guyana</b> 30 employees		
<b>Holland</b> 900 employees		catering equipment
<b>Hong Kong</b> Newly formed		
<b>India</b> 200 employees		mechanical adding and calculating machines
<b>Iran</b> 50 employees		
<b>Italy</b> 830 employees		1) vacuum cleaners, floor polishers
<b>Japan</b> Newly formed		
<b>Canada</b> 120 employees		
<b>Lebanon</b> 70 employees		
<b>Luxembourg</b> 130 employees		absorption refrigerators

1) Manufacture terminated in 1973

	Manufacture	
<b>Malaysia</b> Newly formed		
<b>Mexico</b> 460 employees		vacuum cleaners, commercial cleaning machines
<b>Norway</b> 860 employees		electric stoves, electric radiators
<b>New Zealand</b> 300 employees		vacuum cleaners, floor polishers
<b>Peru</b> 330 employees		vacuum cleaners, floor polishers, absorption refrigerators
<b>Portugal</b> 130 employees		
<b>Switzerland</b> 610 employees		
<b>Singapore</b> 120 employees		
<b>Spain (incl. Canary Islands)</b> 540 employees		vacuum cleaners
<b>Great Britain</b> 5,270 employees		vacuum cleaners, refrigerators, upright freezers, kitchen cabinets, air-cushion lawn-mowers, radiators
<b>Sweden</b> 22,240 employees		vacuum cleaners, floor polishers, commercial cleaning machines, "K" products, catering, hospital and industrial equipment, steel fittings and materials handling installations, office machines, data products, electric motors, environmental products, office furniture, sawmill products, agricultural implements, contract castings, windows, etc.
<b>South Africa</b> 1,330 employees		vacuum cleaners, floor polishers
<b>Trinidad</b> 100 employees		
<b>Uruguay</b> 20 employees		
<b>USA</b> 700 employees		commercial cleaning machines, electronic calculators
<b>Venezuela</b> 690 employees		
<b>West Germany</b> 3,700 employees		absorption refrigerators, vacuum cleaners, chest freezers, commercial refrigerator units, air-cushion lawn-mowers
<b>Zambia</b> 5 employees		
<b>Austria</b> 350 employees		

In addition, Electrolux is represented by licensees, sales agents and other representatives around the world.









# Electrolux

Luxbacken 1, Lilla Essingen • S-105 45 Stockholm, Sweden  
Telephone 8-13 01 00 • Telex 11600 Elhead S  
Cable Electrolux Stockholm