



# Q1 Results 2008

April 28, 2008

Hans Stråberg  
President and CEO

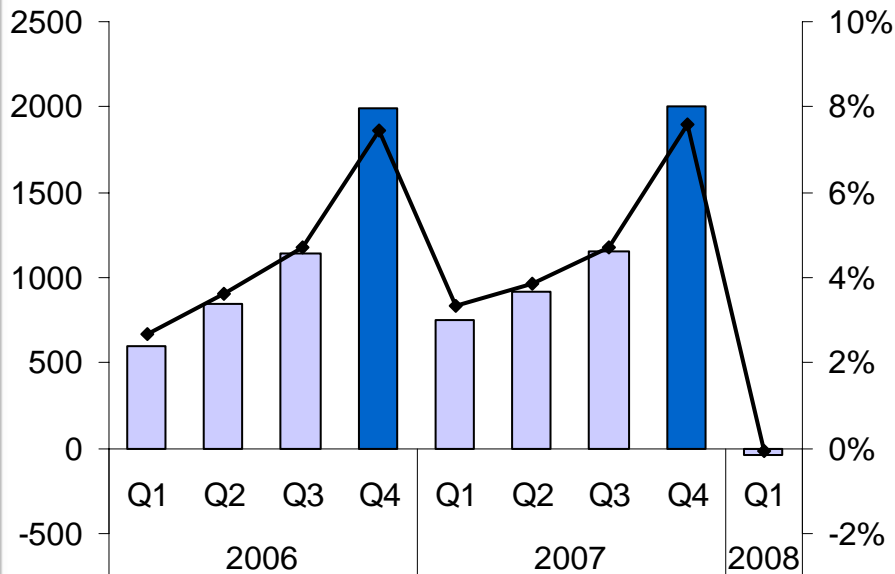
Fredrik Rystedt  
CFO

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# Q1 Highlights

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■ EBIT (SEKb)    ◆ EBIT margin (%)



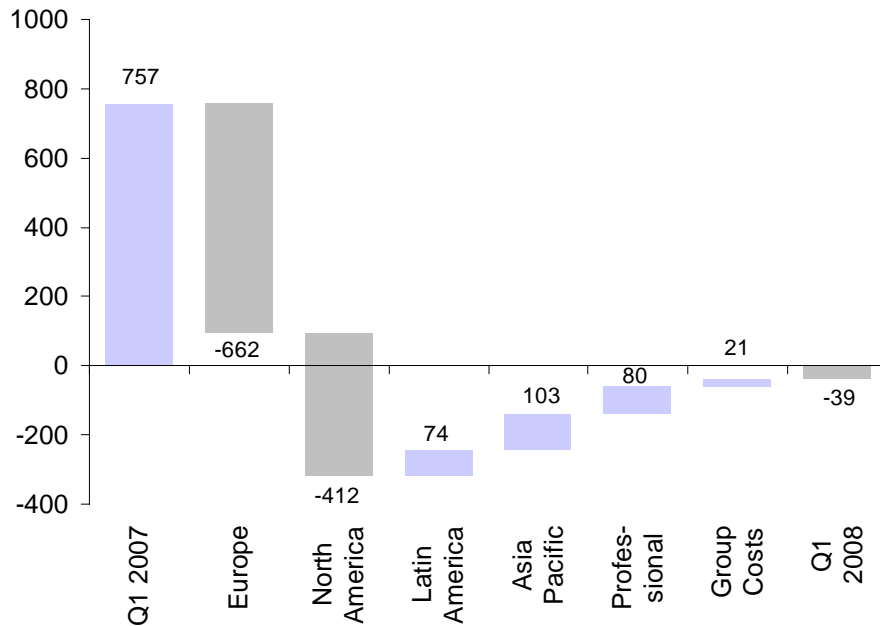
(SEKm)	<u>Q1 2007</u>	<u>Q1 2008</u>
Sales	24,930	24,193
EBIT	757	-39
Margin	3.0%	-0.2%

- Sharp decline in US market
- Weak markets in Western Europe and increased product costs
- Net sales decreased by 1% in comparable currencies
- Net negative non-recurring items of SEK 430m
- Cost relating to the US launch amounting to SEK 120m
- Strong results in all other sectors

# Income development

## Operating income Q1/Q1

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- Europe
  - Non-recurring items
  - Product costs
- North America
  - Weak market
  - US launch
- Strong market in Latin America
- China and Southeast Asia show strong sales development
- Price increase and strong volumes in Food-service equipment

# Extra costs during the first Quarter

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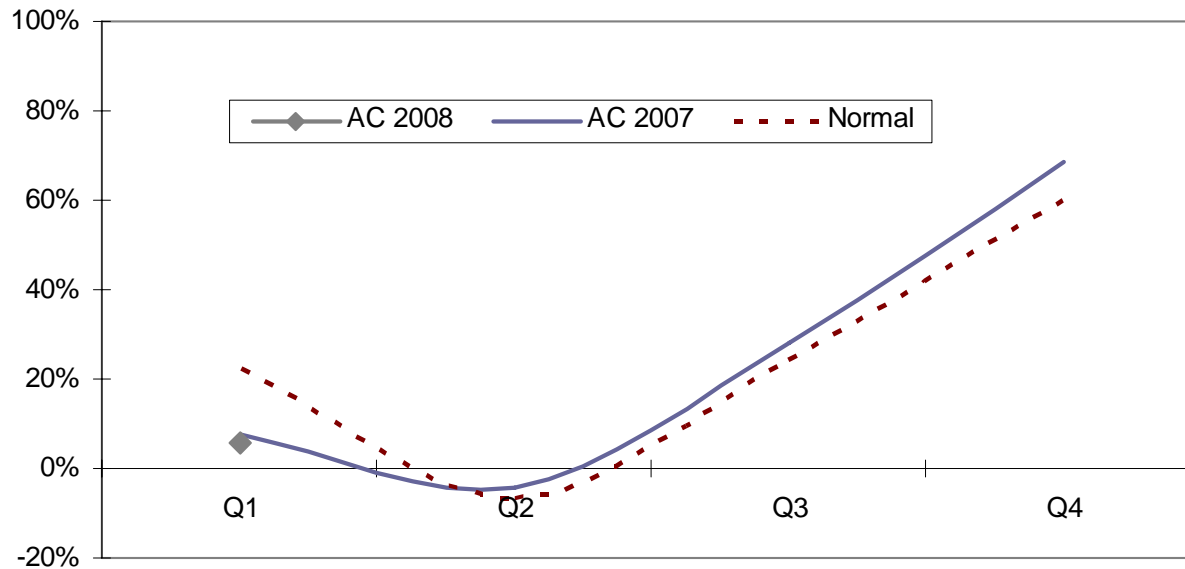
SEKm	Q1 08
<b>Restructuring:</b>	
Europe	
▪ Cost Cutting Program	-360
▪ Component issue	-120
▪ Capital Gain	+130
North America	
▪ Litigation	-80
<b>Restructuring total</b>	<b>-430</b>
<b>Other costs</b>	
▪ Launch North America	-120
<b>Total</b>	<b>-550</b>

# Cash flow seasonality

2007 & 2008 versus Normal – percentage of cash flow made per quarter

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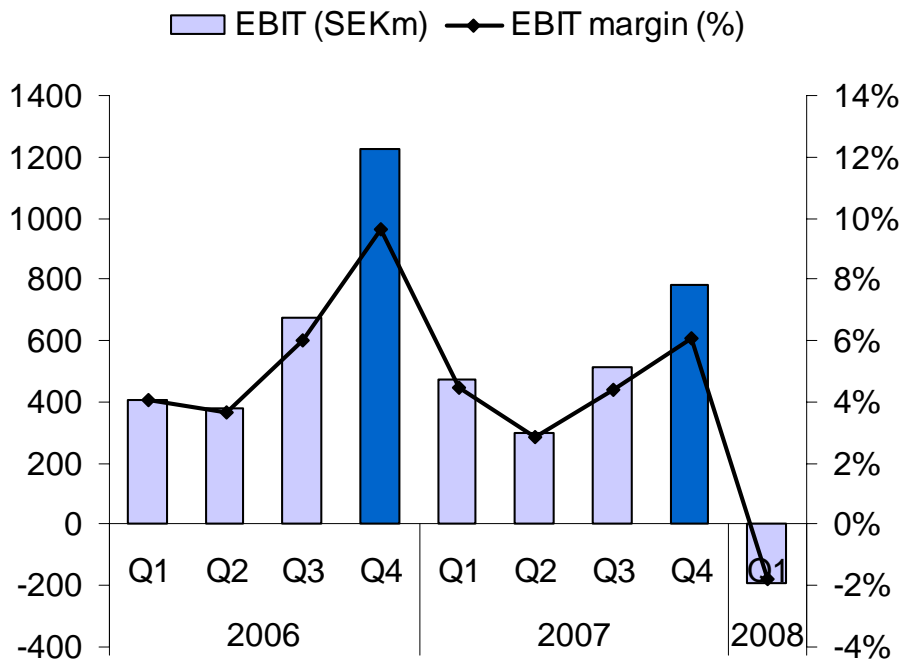
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- 2007 Cash Flow development quite in line with normal Electrolux seasonal pattern
- Q1 2008 quite in line with normal pattern as well

# Consumer Durables Europe

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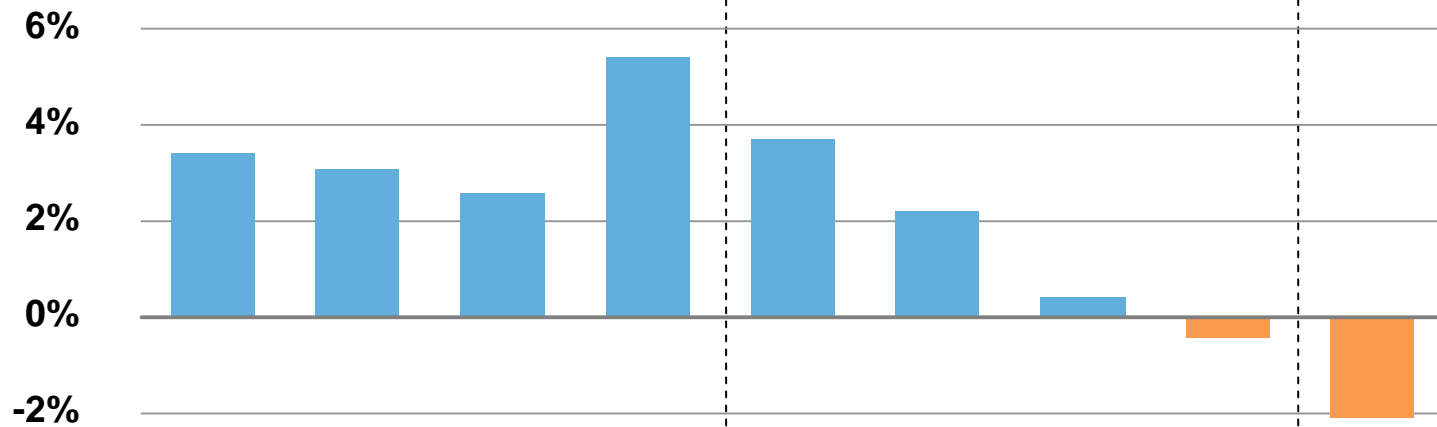
(SEKm)	<u>Q1 2007</u>	<u>Q1 2008</u>
Sales	10,554	10,525
EBIT	470	-192
Margin	4.5%	-1.8%

- Demand
  - Weakening in Western Europe
  - Increasing in Eastern Europe
- Sales in line with previous year
- Negative operating income
  - Non-recurring items
  - Weak markets in Western Europe
  - Extra costs related to 2007 product launch
- Increased operating income and margin for Floor-care products

# Market development in Europe

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## Quarterly comparison, year-on-year



	2006				2007				2008
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
West. Europe	4%	1%	1%	4%	1%	1%	-1%	-4%	-4%
East. Europe	1%	9%	6%	7%	14%	5%	5%	10%	5%

**Innovative Built-in appliances.** It's a strange fact that when most people are designing and planning a new kitchen they start with the units. We suggest a revolution. Start with the items that have an impact on your life instead of the appliances. The Electrolux Built-in range with its distinctive "light bar" styling is packed with ideas that help. These products are automatic, intuitive and help you bring out the best in that living room called the kitchen. From the Steam Oven that provides restaurant-standard succulence to the Infinite Induction Hob that allows the use of any size or shape of pot or pan. In short, every Built-in appliance features innovations created with you in mind. Begin there and you'll never look back.

We were thinking:  
In the ideal kitchen, there's  
one essential ingredient.

Share more of our thinking at [www.electrolux.com](http://www.electrolux.com)

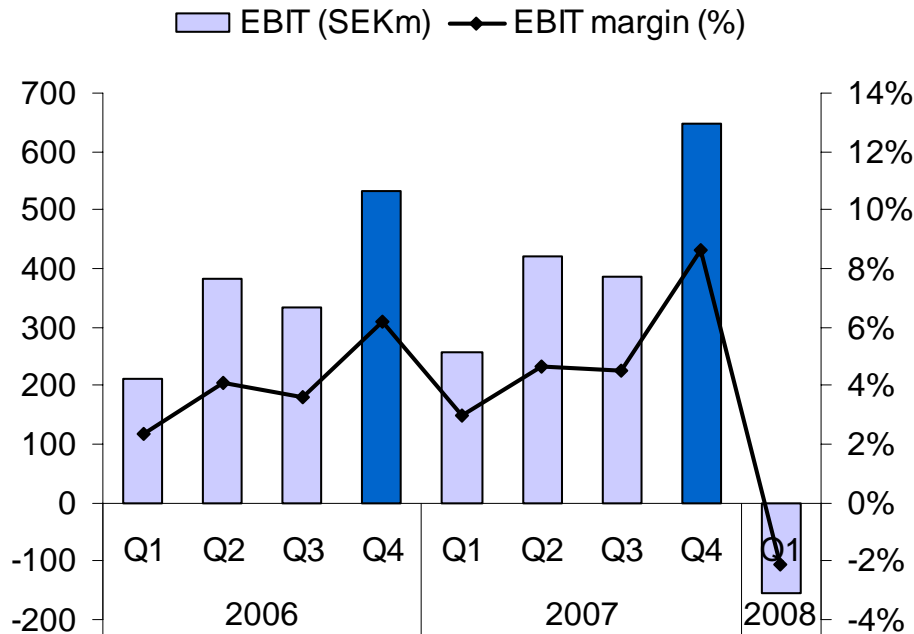
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# Consumer Durables North America

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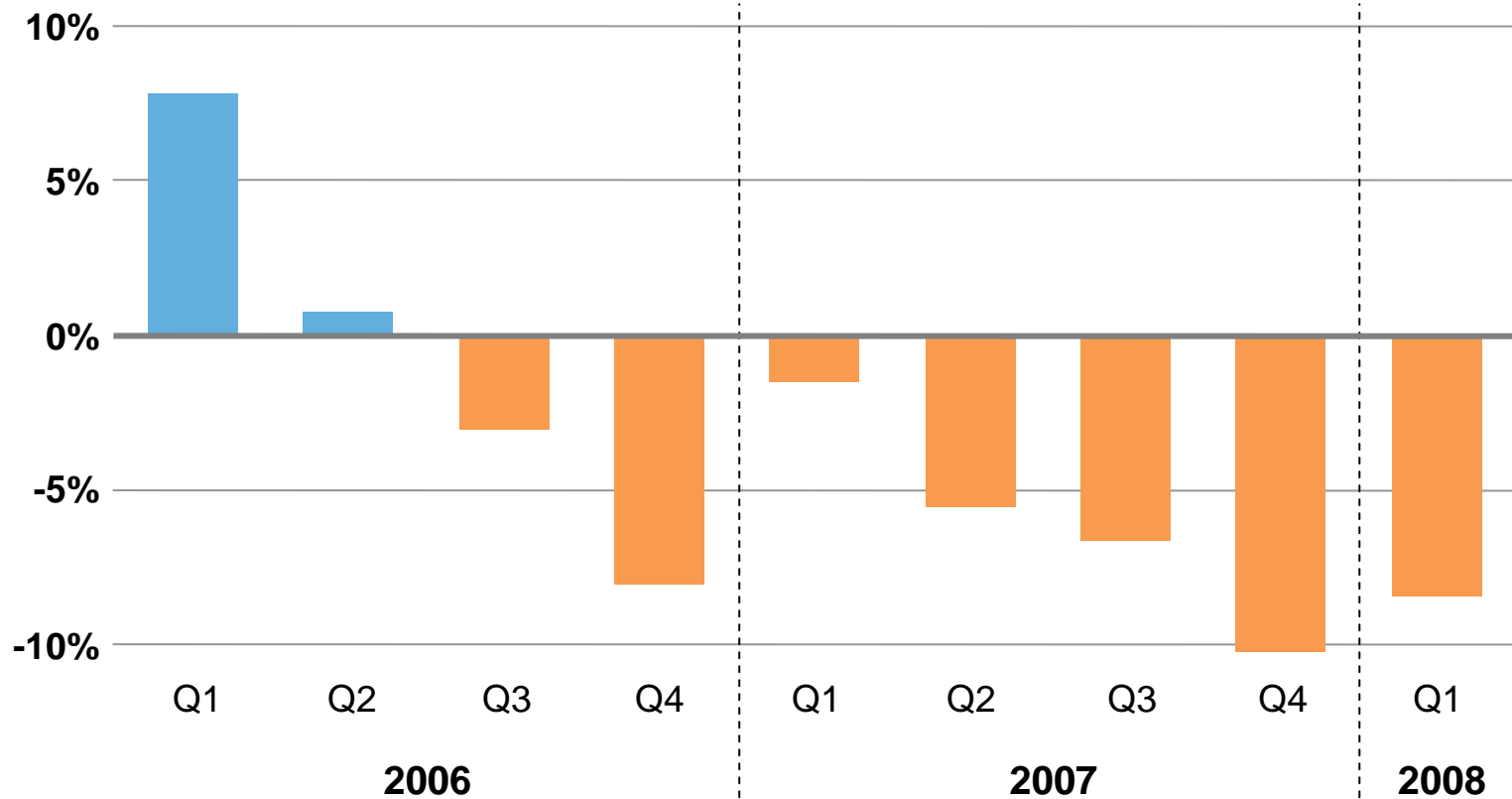
(SEKm)	<u>Q1 2007</u>	<u>Q1 2008</u>
Sales	8,622	7,275
EBIT	258	-154
Margin	3.0%	-2.1%

- Strong decline in market demand
  - Impacted sales and operating income
- Selective price increases
- Extra costs
  - SEK 80m for cost of litigation
  - SEK 120m for product launch
- Good market acceptance for new products
  - Available at more than 1500 floors
- Improved operating income for Floor-care

# Market development in North America

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## Quarterly comparison, year-on-year





*"My kids aren't impressed with my being on TV.  
What really impresses them is how fast I can now boil water."*



With my new Electrolux collection of premium appliances, I can quickly entertain my biggest fans. My family. Now I know why Electrolux appliances have been used in fine European homes and restaurants for over 70 years. The full line of appliances is designed with ingenious features to help you be even more amazing. Like the Electrolux Induction Hybrid Cooktop:

**Boil water in 90 seconds** with induction technology.  
**More responsive than gas or electric**, so you can instantly adjust the heat to a delicate simmer or bring to a quick boil.  
**Surface remains cooler** with induction technology, so it's easy to clean.  
With Electrolux you can be even more amazing.

Be Even More Amazing.  
Drop into our virtual kitchen. Go to [electroluxappliances.com](http://electroluxappliances.com).

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our kitchen  
appliances

[VIEW THE COLLECTION](#)



boil water  
in 90 seconds

[SEE HOW IT WORKS](#)



preview our  
virtual kitchen

[COME INSIDE](#)



**INTRODUCING ELECTROLUX**

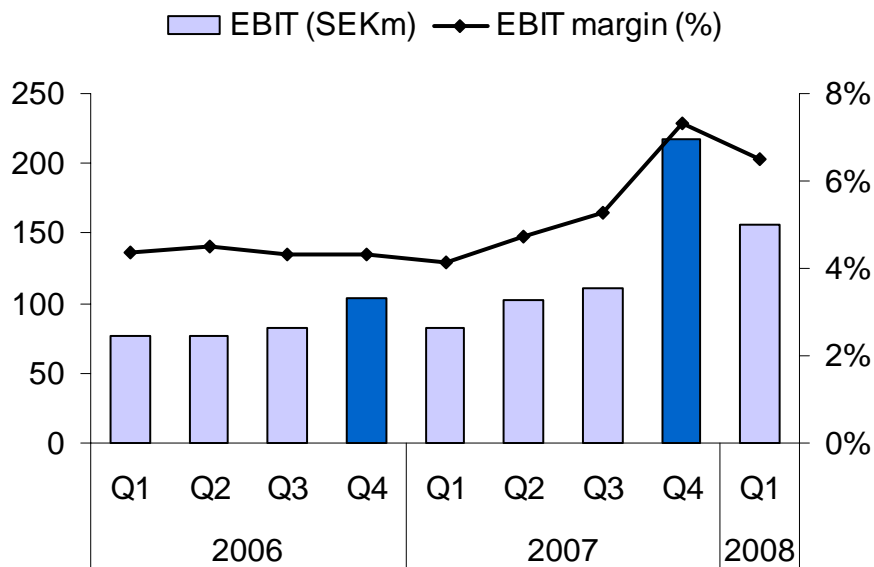
BRINGING OVER 70 YEARS  
OF EUROPEAN DESIGN TO YOUR HOME.

**EUROPE'S** LEADING PREMIUM APPLIANCE BRAND™



# Consumer Durables Latin America

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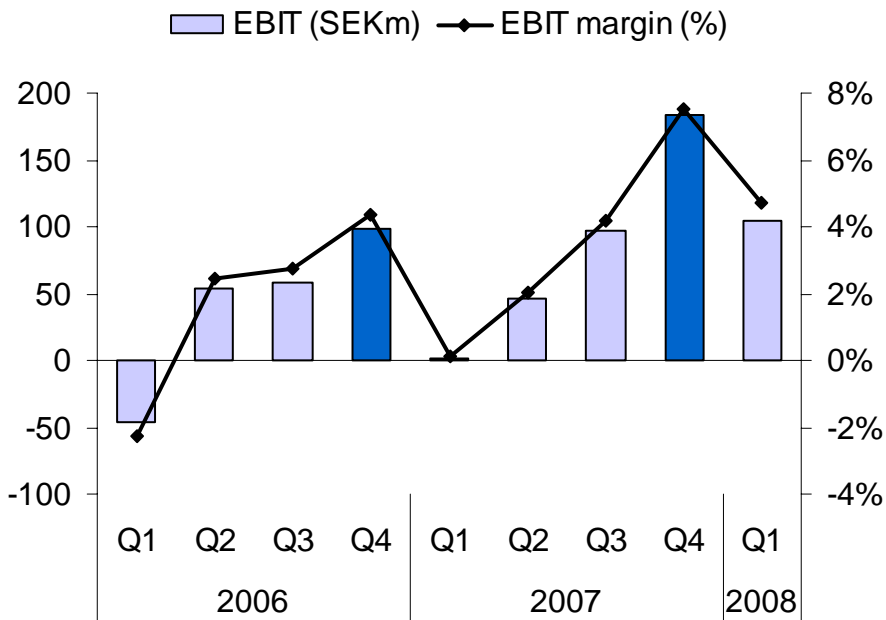
- Market volume up 11% in Q1
- Electrolux volumes up 20%
- Improved operating income
  - Positive product mix trend
  - Improved productivity

(SEKm)	<u>Q1 2007</u>	<u>Q1 2008</u>
Sales	1,983	2,404
EBIT	82	156
Margin	4.1%	6.5%



# Consumer Durables Asia/Pacific & Rest of world

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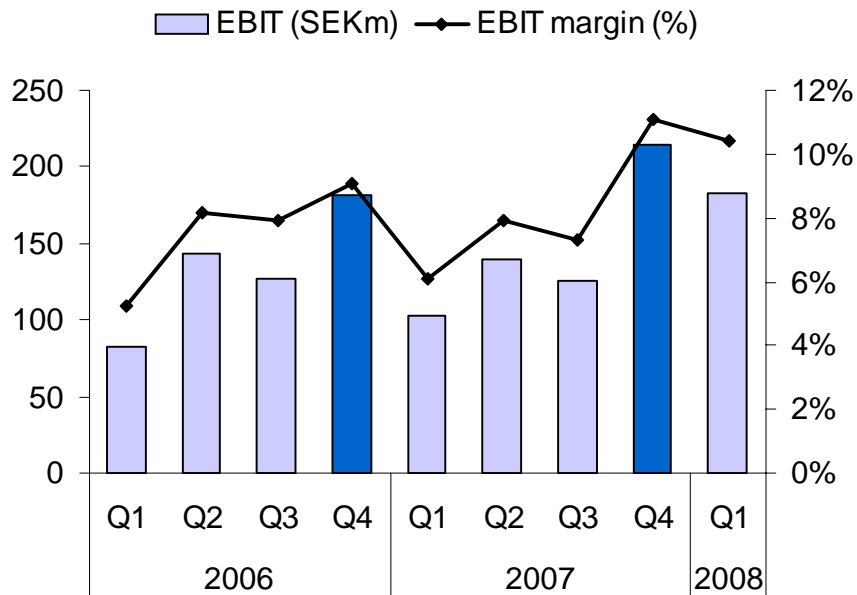


- Sales up 8% in comparable currencies
- Australia/New Zealand improved operating income
- China still loss making but positive trend
- Strong growth in Southeast Asia with good profitability

(SEKm)	<u>Q1 2007</u>	<u>Q1 2008</u>
Sales	2,076	2,228
EBIT	2	105
Margin	0.1%	4.7%

# Professional Products

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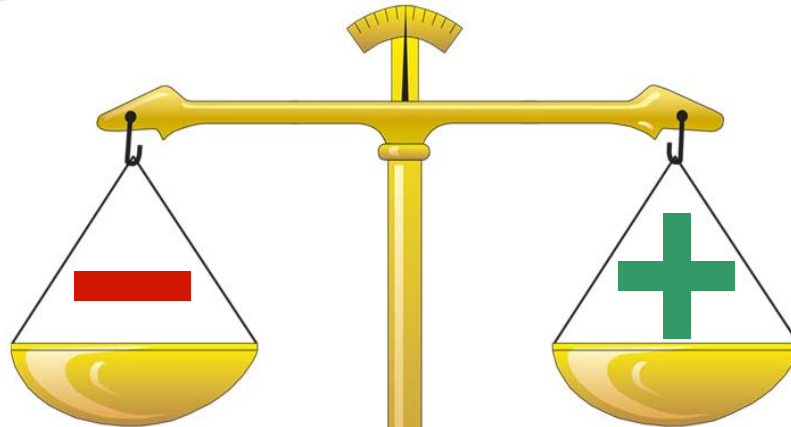
- Improved sales due to strong performance in food-service
- Operating income improved in both food-service and laundry equipment

(SEKm)	<u>Q1 2007</u>	<u>Q1 2008</u>
Sales	1,688	1,753
EBIT	103	183
Margin	6.1%	10.4%

# Outlook for 2008; Operating income 2008 expected to be in-line with 2007

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## - Europe

- Costs of reducing complexity and product launches
- Cost related to new products

## - North America

- Costs for launch in US
- Impact from weak markets

## - Raw materials

## + Savings

- Restructuring
- Purchasing
- Reduction of personnel in Europe
- More activities are initiated

## + Launch in Europe

- Mix
- Cost out

## + Improvement in result

- Professional Products
- Latin America
- Asia Pacific
- Floor care

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# Factors affecting forward-looking statements

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## **Factors affecting forward-looking statements**

This presentation contains “forward-looking” statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Such statements include, among others, the financial goals and targets of Electrolux for future periods and future business and financial plans. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but may not be limited to the following: consumer demand and market conditions in the geographical areas and industries in which Electrolux operates, effects of currency fluctuations, competitive pressures to reduce prices, significant loss of business from major retailers, the success in developing new products and marketing initiatives, developments in product liability litigation, progress in achieving operational and capital efficiency goals, the success in identifying growth opportunities and acquisition candidates and the integration of these opportunities with existing businesses, progress in achieving structural and supply-chain reorganization goals.