Electrolux

Press Release, August 11, 1998

ELECTROLUX HALF-YEARLY REPORT 1998

	First half		*Second quarter*	
	1998	*1997*	***1998***	*1997*
Net sales, SEKm	**60,875**	57,273	**32,308**	30,928
Operating income excl. items affecting comparability, SEKm	**3,045**	2,328	**1,669**	1,324
Items affecting comparability, SEKm1)	**555**	-1,896	**555**	-1,896
Operating income, SEKm	**3,600**	432	**2,224**	-572
Income after financial items, SEKm	**2,923**	-264	**1,863**	-947
Income before taxes, SEKm	**2,943**	-311	**1,868**	-911
Net income, SEKm	**1,897**	-398	**1,230**	-753
Net income per share, SEK2)	**5.20**	-1.10	**3.35**	-2.05

1) Items affecting comparability in 1998 include capital gains totalling approximately SEK 555m, and in 1997 a capital gain of SEK 604m as well as a provision of SEK 2,500m for the current restructuring program.
2) Share split 5:1 in June 1998. The figure for the previous year has been adjusted accordingly.

- **Good growth in sales and income in Europe and North America**
- **All business areas report continued favorable trends and higher operating income**
- **Considerably higher income for white goods**
- **Charge of SEK 175m within Household Appliances for doubtful receivables and additional adjustments in Brazil and Asia**
- **Continued streamlining through divestment of operations**
- **Restructuring program on track**

AB ELECTROLUX (publ)
LUXBACKEN 1
SE-105 45 STOCKHOLM, SWEDEN

INVESTOR RELATIONS
PHONE +46 8 738 60 03
FAX +46 8 656 60 90

WEBSITE AND E-MAIL
WWW.ELECTROLUX.COM

Sales and income

Sales for Electrolux in the first half of 1998 amounted to SEK 60,875m, as against SEK 57,273m for the first half of 1997. This corresponds to an increase of 6%, of which +1% refers to changes in exchange rates, -1% to changes in Group structure, and +6% to price/mix/volume. For changes in Group structure, see ”Major changes in the Group” on page 4.

Operating income including items affecting comparability rose to SEK 3,600m (432), corresponding to 5.9% of sales. Income after financial items improved to SEK 2,923m (-264), corresponding to 4.8% of sales, and income before taxes rose to SEK 2,943m (-311), corresponding to 4.8% of sales. Net income amounted to SEK 1,897m (-398), which corresponds to SEK 5.20 (-1.10) per share.

Items affecting comparability during the first half of 1998 include capital gains totalling approximately SEK 555m on divestment of major operations. Corresponding items in 1997 included a capital gain of SEK 604m as well as a provision of SEK 2,500m for current restructuring.

Excluding items affecting comparability, operating income rose by 31% to SEK 3,045m (2,328), income after financial items by 45% to SEK 2,368m (1,632), and income before taxes by 51% to SEK 2,388m (1,585).

During the second quarter of 1998 a charge of approximately SEK 175m was taken within Household Appliances for doubtful receivables and additional adjustments in Brazil and Asia.

Changes in exchange rates did not have any significant effect on income for the period.

All three business areas achieved higher operating income over the period, with Household Appliances and Professional Appliances reporting the biggest increases. In geographical terms, operating income for the Group rose in North America and Europe, but declined in Latin America and Asia.

The second quarter

Group sales for the second quarter of 1998 amounted to SEK 32,308m (30,928). This corresponds to an increase of 4.5%, of which –1% refers to changes in exchange rates, -0.5% to changes in Group structure, and +6% to price/mix/volume.

Operating income including items affecting comparability amounted to SEK 2,224m (-572), corresponding to 6.9% of sales. Income after financial items amounted to SEK 1,863m (-947), corresponding to 5.8% of sales. Income before taxes was SEK 1,868m (-911), which corresponds to 5.8% of sales. Net income amounted to SEK 1,230m (-753), and net income per share to SEK 3.35 (-2.05).

Items affecting comparability in 1998 include capital gains totalling approximately SEK 555m. The corresponding items in 1997 include a capital gain of SEK 604m and a provision of SEK 2,500m for the current restructuring program.

During the second quarter, a charge of approximately SEK 175m was taken within Household Appliances for doubtful receivables and additional adjustments in Brazil and the ASEAN countries, of which approximately SEK 125m referred to Brazil, and approximately SEK 50m to the ASEAN countries.

The improvement in operating income is traceable mainly to the Household Appliances business area, although Professional Appliances and Outdoor Products also reported higher income than in the second quarter of 1997.

Cash flow

Cash flow generated by the Group's business operations after capital expenditure amounted to SEK 425m (-3). The improvement was achieved despite a seasonal increase in tied-up capital referring to accounts receivable, and is traceable mainly to higher operating income and lower capital expenditure.

Equity and net debt/equity ratio

Group equity including minority interests as of June 30, 1998 amounted to SEK 22,186m (21,961), which corresponds to SEK 60.60 (60.00) per share.

The return on equity after taxes was 18.4% (-3.5), and the return on net Group assets was 16.5% (1.9). Exclusive of items affecting comparability, the return on equity after taxes was 14.9% (8.2), and the return on net Group assets was 14.0% (10.4).

Net borrowings declined to SEK 22,091m (23,333). The net debt/equity ratio improved somewhat to 1.00 (1.06). This ratio was adversely affected by the Group's increased stake in Electrolux do Brasil as of November 1997, which reduced minority interests as reported in the balance sheet.

Liquid funds at the end of the period amounted to SEK 8,744m (8,171).

Unless otherwise indicated, all figures given above have been calculated inclusive of items affecting comparability.

Major changes in the Group

Current restructuring program

The current restructuring program was authorized by the Board in June 1997, and has proceeded according to plan. During the first half of 1998, 3,300 employees left the Group, of whom 1,700 in the first quarter and 1,600 in the second. Total personnel cutbacks in accordance with the program thus amounted to about 7,100 as of June 30, 1998. Approximately SEK 1,180m of the provision of SEK 2,500m has been utilized.

To date, 12 smaller plants have been shut down or divested, mainly within the Professional Appliances business area in Europe. Negotiations regarding shutdowns have been initiated or completed at 5 plants within Household Appliances in Europe. In addition, 22 warehouses have been shut down, and decisions have been made regarding the shutdown of an additional 16.

Acquisitions and divestments

As of January 1, the Group divested the operation in agricultural implements, which in 1997 had sales of SEK 257m and about 250 employees, as well as the SIA group, which markets items for interior decoration and in 1997 had sales of SEK 535m and about 270 employees.

As of January 1, the Group also sold Senkingwerk GmbH, which manufactures heavy-duty equipment for industrial laundries. In 1997 the company had sales of over SEK 200m and about 170 employees.

As of June 12, the Group divested the US operation in kitchen and bathroom cabinets, which is run through the Schrock Cabinet Company. An agreement has also been reached regarding divestment as of July 1 of the corresponding operation in Europe, comprising Ballingslöv AB in Sweden, Dansk Formpladeindustri A/S in Denmark, and the Paula Rosa division in the UK. All operations in the kitchen and bathroom cabinets product line, which in 1997 had sales of SEK 2,137m and about 2,200 employees, have thus been divested.

Divestment of major operations generated capital gains totalling approximately SEK 555m during the second quarter. A capital gain of approximately SEK 275m on the divestment of the European operation in kitchen and bathroom cabinets will be reported in the third quarter

At the end of July, a letter of intent was signed regarding the divestment of the operation in cleaning equipment within Professional Appliances, which includes such products as vacuum cleaners and wet/dry cleaners and scrubbers. The operation in central vacuum-cleaning systems is not included in the divestment. The buyer is Nilfisk Advance of Denmark, which specializes in similar products and is a member of the listed NKT Holding group. The divested operation has annual sales of approximately SEK 850m and about 850 employees. The agreement will be finalized in September, subject to the usual due diligence as well as approval by the relevant authorities.

Negotiations have been initiated with Voltas Ltd in India for establishment of a jointly owned company in which Electrolux would have a majority stake. The company would be based on the Voltas operation in refrigerators, washing machines and compressors. Voltas Ltd is part of the Tata Group and is one of the major white-goods manufacturers in India. The operation in question has annual sales of approximately INR 2,300m (approximately SEK 450m).

Changes in voting rights for B-shares and stock split

The Annual General Meeting on April 29 approved the Board's proposals for a change in the Articles of Association involving an increase in the voting rights of B-shares from 1/1000 to 1/10 of a vote and a stock split of 5:1. The total number of shares after the split amounts to 366.2 million, of which 10 million are A-shares and 356.2 million B-shares.

Shares with the new par value and increased voting rights were traded as of June 2 on all the exchanges where the Group is listed in Europe, and as of June 11 in the US. Electrolux B-shares are listed in the US within the NASDAQ system as depositary receipts (ADRs). The relation between an ADR and a B-share was also adjusted, so that an ADR now equals two B-shares instead of one.

Operations by business area

Household Appliances

The market for white goods in Western Europe rose in volume by 7% in comparison with the first half of 1997. In geographical terms, the increase is traceable mainly to the UK, Germany and Spain, although an improvement was reported in virtually all other Western European countries. The Group achieved higher sales volume, and both operating income and margin improved.

The US market for white goods increased by more than 11% in volume. Group sales showed good growth, and a marked improvement in operating income and margin for white goods was reported.

Demand for room air-conditioners in the US was weak during the first quarter, but increased considerably during the second. Operating income for the US operation within this product area was lower than in the previous year.

Demand for white goods in Brazil decreased substantially during both the first and second quarters in comparison with the first two quarters of 1997. Operating income for the Brazilian operation declined considerably as a result of lower volume, costs referring to additional personnel cutbacks of about 400 during the second quarter, and a charge for doubtful receivables. Since mid-1997 the number of employees in Brazil has been reduced by 30% or about 1,900 persons, of whom almost 1,000 left during 1998.

Total Group operating income for white goods rose considerably for both the second quarter and the period as a whole.

Among other operations within Household Appliances, demand for floor-care products increased somewhat in both Europe and the US. Income for this product line improved over last year on the basis of good growth in sales and operating income for the American operation.

Higher sales, particularly in North America, led to improved income for leisure appliances. Increased operating income was also reported for the components product line on the basis of good demand and higher sales volume in both Europe and the US.

The Household Appliances business area reported higher sales and operating income, as well as improved margin.

Professional Appliances

Demand for food-service equipment in Western Europe showed no significant increase, and Group sales were largely unchanged in comparison with last year. Operating income for this product line rose considerably on the basis of ongoing restructuring, although from a low level. The operation in food and beverage vendors reported continued strong growth in sales and substantially higher income.

Market conditions for laundry equipment in Europe improved somewhat, and this product line achieved higher sales despite weaker demand in the US and Oceania. Growth in sales volume together with a change in structure led to higher operating income and improved margin.

The operation in refrigeration equipment reported an increase in sales on the basis of stronger demand in several European countries and higher sales volumes in new markets such as Latin America. Operating income rose from last year’s low level.

Sales for cleaning equipment were somewhat lower than last year. However, operating income improved as a result of restructuring, also from a low level in 1997.

Sales for the Professional Appliances business area as a whole were somewhat higher than last year. Both operating income and margin improved.

Outdoor Products

Demand for chainsaws for professional users was largely unchanged from last year. The markets in Western Europe and North America showed growth, while a sharp downturn was reported in Southeast Asia and Oceania. Husqvarna achieved somewhat higher sales volume. Both operating income and margin remained at high levels.

In contrast, the market for hobby chainsaws in North America declined in volume, and Group sales in this product area were lower than last year. The US market for garden equipment showed good growth in several areas, however. The operation in outdoor products within Frigidaire Home Products reported higher sales and operating income.

Demand for garden equipment in Europe also showed good growth. Income for the European operation improved, mainly due to a considerable increase for Flymo.

The Outdoor Products business area achieved higher sales and operating income in comparison with last year.

The CEO's comments

The market continued to show strong growth during the first half of the year in both Europe and the US. These two regions account respectively for more than half and one-third of Group sales. The markets in Southeast Asia continued to decline, as expected. The market for white goods in Brazil was also weaker, and is now at a low level following a sharp decline since the second quarter of 1997.

The Group achieved good sales growth in Europe, particularly in Eastern Europe, and also in North America. For comparable units and after adjustments for exchange-rate effects, sales rose by 6% in both the first and second quarters.

Operating income rose considerably in both the second quarter and the entire first half. The improvement is traceable mainly to white goods in North America and Europe and to Professional Appliances, and is largely the result of increased sales and lower costs. Restructuring has also contributed to the improvement, particularly within Professional Appliances. The effects of the ongoing restructuring program on income will increase continuously.

Disappointments during the period include the continued decline in operating income for the operation in Brazil. The Brazilian white-goods market decreased during the second quarter by more than 30% from an already low level, and we have yet to see a turnaround. We have been forced to make additional personnel cutbacks, and we have also taken a charge of SEK 125m, mainly for doubtful receivables.

In addition, the trends for income in Household Appliances in Germany and the UK remained unsatisfactory. However, we should see gradual improvement in both countries as the restructuring program starts to generate effects.

In Asia, sales in the ASEAN countries declined by about 50%. Japan also showed a downturn. However, these countries account for only a small percentage of total Group sales. We are making further adjustments in the ASEAN countries, and a charge totalling SEK 50m was taken in the second quarter. In both China and India, where operations are still in the development stage, we achieved gradual growth in sales during the first half of the year. Although the operation in China will continue to have an adverse effect on income for 1998, we expect to achieve positive operating income in India.

Exclusive of items affecting comparability and the charge for Brazil and Asia, operating margin for the second quarter rose to 5.7%, which is the highest margin for any quarter since 1989. Although we are still a long way from our target of 6.5-7%, we can nevertheless observe that operating margin has improved gradually over the last four quarters, from 3.9%. In each of these four quarters, all three business areas reported higher income than in the corresponding quarter of the previous year. The return on equity for the first half of 1998 was in line with the Group's goal of 15%.

Restructuring program

As indicated by the report, the current restructuring program is on track. By June 30, we had implemented approximately 60% of the scheduled personnel cutbacks and had either authorized or implemented the shutdown of about 70% of the total number of plants covered by the program. About 50% of the provision for restructuring has been utilized, and we still estimate that the total provision will be adequate.

Most of the measures included in the restructuring program refer to white goods and floor-care products in Europe, and to operations in Professional Appliances. It is also mainly within the latter area that we have shut down a number of smaller plants to date. The first shutdown of a major plant will be in floor-care products and is scheduled for the end of the third quarter.

Within white goods in Europe, decisions have been made regarding the shutdown of three plants for refrigerators and freezers. Two of these will be closed during the second half of 1998, and the third in 1999. These changes involve production transfers of about one million units, and will result in considerably improved capacity utilization in this product area. Comprehensive rationalization is also under way for both white goods and floor-care products in Germany, but will not be completed until the end of 1999.

While we proceed with the consolidation of production we are also working on other projects, which include reducing the number of product variants by developing new common product platforms. Important changes are also being made to increase efficiency in marketing, sales, and logistics. Within white goods in Europe, we will be able to reduce total warehousing space by about 25% on the basis of our current investment in IT, more efficient warehouse control, and a higher share of deliveries directly from the plant to the customer.

The various restructuring measures have thus far been implemented on schedule and without any major disruptions. However, we have mainly been in the decision-making phase to date, and major changes in terms of shutdowns and production transfers are ahead of us.

Continued streamlining

Streamlining of the Group continued during the first half of the year. Operations with total sales of over SEK 3 billion and about 2,900 employees have been divested. Two of these operations, Överums Bruk and SIA, were devoted to products outside the Group's core business areas. On the other hand, the operation in kitchen and bathroom cabinets was divested because it was a non-strategic product area. The operation in Senkingwerk, devoted to heavy-duty industrial laundry equipment, is not large enough to be competitive or achieve satisfactory profitability.

We have signed a letter of intent with the Danish company Nilfisk regarding the divestment of the operation in professional cleaning equipment. This operation is also too small for a market that is generally fragmented, and has been reporting weak profitability for many years. A merger with Nilfisk Advance, one of the major players in the industry, will create a company with a considerably stronger global position and a leading position in Europe.

Market conditions in the second half

We expect continued growth in demand in most product areas in Europe during the second half of the year. However, the white-goods market will not show the same high growth rate during the third and fourth quarters in comparison with strong corresponding quarters in 1997. The total market upturn for 1998 will probably be higher than our estimate of 2-3% at the beginning of the year.

Demand in the US was very strong in the first and second quarters and is expected to remain at a high level.

Market trends in Brazil are very difficult to forecast. We have implemented various measures in preparation for continued weak conditions.

Stable market conditions in Europe and the US and the positive effects of the current restructuring program should lead to a considerable improvement in income for the full year 1998, exclusive of items affecting comparability.

Stockholm, August 11, 1998

Michael Treschow
President and CEO

CONSOLIDATED INCOME STATEMENT, SEKm

	First half		**Second quarter**		Full year
	1998	1997	**1998**	1997	1997
Net sales	**60,875**	57,273	**32,308**	30,928	113,000
Cost of goods sold[1)]	**-45,486**	-42,329	**-24,265**	-22,879	-83,144
Selling expenses[1)]	**-9,114**	-9,335	**-4,690**	-4,889	-18,850
Administrative expenses[1)]	**-3,168**	-3,105	**-1,661**	-1,729	-6,201
Other operating income/ expense	**-62**	-176	**-23**	-107	-255
Operating income before items affecting comparability*	**3,045**	2,328	**1,669**	1,324	4,550
Margin, %	***5.0***	*4.1*	***5.2***	*4.3*	*4.0*
Items affecting comparability	**555**	-1,896	**555**	-1,896	-1,896
Operating income	**3,600**	432	**2,224**	-572	2,654
Margin, %	***5.9***	*0.8*	***6.9***	*-1.8*	*2.3*
Financial items, net	**-677**	-696	**-361**	-375	-1,422
Income after financial items	**2,923**	-264	**1,863**	-947	1,232
Margin, %	***4.8***	*-0.5*	***5.8***	*-3.1*	*1.1*
Minority interests in income before taxes	**20**	-47	**5**	36	51
Income before taxes	**2,943**	-311	**1,868**	-911	1,283
Margin, %	***4.8***	*-0.5*	***5.8***	*-2.9*	*1.1*
Taxes	**-1,046**	-87	**-638**	158	-931
Net income	**1,897**	-398	**1,230**	-753	352
** Including depreciation in the amount of:*	***-2,107***	*-2,175*	***-1,049***	*-1,091*	*-4,266*

1) The principles for distributing costs have been revised and the figures for 1997 have been adjusted accordingly.

CONSOLIDATED BALANCE SHEET, SEKm

	June 30, 1998	June 30, 1997
Fixed assets	**27,149**	28,506
Inventories	**17,933**	18,394
Accounts receivable	**25,781**	24,627
Other receivables	**3,946**	4,553
Liquid funds	**8,744**	8,171
Total assets	**83,553**	84,251
Shareholders' equity	**21,355**	19,906
Minority interests	**831**	2,055
Interest-bearing liabilities and provisions	**30,835**	31,504
Non-interest-bearing liabilities and provisions	**30,532**	30,786
Total shareholders' equity and liabilities	**83,553**	84,251

STATEMENT OF CHANGES IN FINANCIAL POSITION, SEKm

	First half, 1998	First half, 1997
Operating income excl. capital gains	**3,045**	2,328
Depreciation according to plan	**2,107**	2,175
Changes in operating assets and liabilities	**-4,254**	-2,397
Divestment of operations	**970**	925
Capital expenditure	**-1,634**	-2,056
Other	**191**	-978
Liquid funds generated by operations	**425**	-3
Change in long-term loans	**-2,388**	-3,898
Financial items	**-677**	-696
Taxes paid	**-682**	-1,650
Dividends	**-915**	-915
Exchange-rate differences referring to net liquidity	**-50**	-355
Change in net liquid funds	**-4,287**	-7,517

NET SALES BY BUSINESS AREA, SEKm

	First half, 1998	First half, 1997	Change, %	**Second quarter, 1998**	Second quarter, 1997	Change, %	Full year, 1997
Household Appliances	**41,652**	39,759	4.8	**21,512**	20,873	3.1	81,419
Professional Appliances	**5,721**	5,565	2.8	**2,999**	3,159	-5.1	11,413
Outdoor Products	**12,403**	10,882	14.0	**7,246**	6,265	15.7	18,087
Other[1)]	**1,099**	1,067	3.0	**551**	631	-12.7	2,081
Total	**60,875**	57,273	6.3	**32,308**	30,928	4.5	113,000

1) Gotthard Nilsson, etc.

OPERATING INCOME BY BUSINESS AREA, SEKm

	First half, 1998	First half, 1997	Change, %	**Second quarter, 1998**	Second quarter, 1997	Change, %	Full year, 1997
Household Appliances	**1,692**	1,358	24.6	**813[1)]**	575	41.4	2,943
Margin, %	***4.1***	*3.4*		***3.8***	*2.8*		*3.6*
Professional Appliances	**326**	94	246.8	**223**	146	52.7	340
Margin, %	***5.7***	*1.7*		***7.4***	*4.6*		3.0
Outdoor Products	**1,239**	1,105	12.1	**751**	664	13.1	1,680
Margin, %	***10.0***	*10.2*		***10.4***	*10.6*		*9.3*
Other[2)]	**-24**	11		**-25**	59		67
Holding costs[3)]	**-188**	-240		**-93**	-120		-480
Items affecting comparability	**555**	-1,896		**555**	-l,896		-l,896
Total	**3,600**	432		**2,224**	-572		2,654

1) Including a charge of SEK 175m in Brazil and Asia and excluding the operation in SIA.
2) Gotthard Nilsson, etc.
3) As of the first quarter of 1998 these items are not distributed among the different business areas. The figures for the previous year have been adjusted accordingly.

KEY RATIOS

	First half, 1998	**First half, 1998 excl. items affecting compar-ability**	First half, 1997	First half, 1997 excl. items affecting compar-ability	Full year, 1997 excl. items affecting compar-ability
Net income per share, SEK[1]	**5.20**	**4.20**	-1.10	2.50	4.85
Return on equity, %[2]	**18.4**	**14.9**	-3.5	8.2	7.9
Return on net assets, %[3]	**16.5**	**14.0**	1.9	10.4	10.2
Net debt/equity ratio[4]	**1.00**	**1.00**	1.06	0.98	0.86
Capital expenditure, SEKm	**1,634**	**1,634**	2,056	2,056	4,329
Average number of employees	**101,400**	**101,400**	107,700	107,700	105,950
Sales outside Sweden, %	**95**	**95**	95	95	95

	Second quarter, 1998	Second quarter, 1998 excl. items affecting comparability	Second quarter, 1997	Second quarter, 1997 excl. items affecting comparability
Net income per share, SEK[1]	**3.35**	2.35	-2.05	1.50
Capital expenditure, SEKm	**923**	923	1,250	1,250
Average number of employees	**101,600**	101,600	107,100	107,100
Sales outside Sweden, %	**95**	95	95	95

1) After a stock split of 5:1 the number of shares amounts to 366.2 million. Figures for the previous year have been adjusted accordingly.
2) Annualized net income for the year, expressed as a percentage of opening equity.
3) Annualized operating income, expressed as a percentage of average net assets.
4) Net borrowings, i.e. interest-bearing liabilities less liquid funds, in relation to adjusted equity. The latter is defined as equity including minority interests.

NET SALES AND INCOME PER QUARTER

		1st qtr	2nd qtr	3rd qtr	4th qtr	Full year
Net sales, SEKm	**1998**	**28,567**	**32,308**			
	1997	26,345	30,928	27,906	27,821	113,000
Operating income, SEKm	**1998**	**1,376**	**2,224**			
	Margin, %	***4.8***	***6.9***			
	1997	1,004	-572	1,102	1,120	2,654
	Margin, %	*3.8*	*-1.8*	*3.9*	*4.0*	*2.3*
	1997[1)]	1,004	1,324	1,102	1,120	4,550
	Margin, %	*3.8*	*4.3*	*3.9*	*4.0*	*4.0*
Income after financial items, SEKm	**1998**	**1,060**	**1,863**			
	Margin, %	***3.7***	***5.8***			
	1997	683	-947	750	746	1,232
	Margin, %	*2.6*	*-3.1*	*2.7*	*2.7*	*1.1*
	1997[1)]	683	949	750	746	3,128
	Margin, %	*2.6*	*3.1*	*2.7*	*2.7*	*2.8*
Income before taxes, SEKm	**1998**	**1,075**	**1,868**			
	1997	600	-911	764	830	1,283
	1997[1)]	600	985	764	830	3,179
Net income, SEKm	**1998**	**667**	**1,230**			
	1997	355	-753	462	288	352
	1997[1)]	355	562	462	403	1,782
Income per share, SEK	**1998**	**1.85**	**3.35**			
	1997	0.95	-2.05	1.25	0.80	0.95
	1997[1)]	0.95	1.55	1.25	1.10	4.85

1) Excluding costs of SEK 2,500m for the current restructuring program and a capital gain of SEK 604m.

NET SALES BY BUSINESS AREA, PER QUARTER, SEKm

		1st qtr	2nd qtr	3rd qtr	4th qtr	Full year
Household Appliances	**1998**	**20,140**	**21,512**			
	1997	18,886	20,873	20,809	20,851	81,419
Professional Appliances	**1998**	**2,722**	**2,999**			
	1997	2,406	3,159	2,814	3,034	11,413
Outdoor Products	**1998**	**5,157**	**7,246**			
	1997	4,617	6,265	3,819	3,386	18,087
Other[1)]	**1998**	**548**	**551**			
	1997	436	631	464	550	2,081

1) Gotthard Nilsson, etc.

OPERATING INCOME BY BUSINESS AREA, PER QUARTER, SEKm

		1st qtr	2nd qtr	3rd qtr	4th qtr	Full year
Household Appliances	**1998**	**879**	**813**[1)]			
	Margin, %	***4.4***	***3.8***			
	1997	783	575	728	857	2,943
	Margin, %	*4.1*	*2.8*	*3.5*	*4.1*	*3.6*
Professional Appliances	**1998**	**103**	**223**			
	Margin, %	***3.8***	***7.4***			
	1997	-52	146	116	130	340
	Margin, %	*-2.2*	*4.6*	*4.1*	*4.3*	*3.0*
Outdoor Products	**1998**	**488**	**751**			
	Margin, %	***9.5***	***10.4***			
	1997	441	664	343	232	1,680
	Margin, %	*9.6*	*10.6*	*9.0*	*6.9*	*9.3*
Other [2)]	**1998**	**1**	**-25**			
	1997	-48	59	35	21	67
Holding costs[3)]	**1998**	**-95**	**-93**			
	1997	-120	-120	-120	-120	-480

1) Including a charge of SEK 175m in Brazil and Asia and excluding the operation in SIA.
2) Gotthard Nilsson, etc.
3) As of the first quarter of 1998 these items are not distributed among the different business areas.
The figures for the previous year have been adjusted accordingly.

This report has not been audited.

The results for the third quarter will be published on October 29, 1998.
Financial information from Electrolux is also available on the Internet
at www.electrolux.com