

Electrolux
Annual Report
1974

Nine-Year Summary of Operations

(Amounts in MKr, unless otherwise stated)

Group	1974 ¹⁾	1973 ²⁾	1972	1971	1970	1969	1968	1967	1966
Sales	5,535.8	4,181.8	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	+ 32.4	+ 67.9	+ 17.4	+ 13.5	+ 18.1	+ 19.3	+ 20.9	+ 2.6	+ 1.3
Operating result after ordinary depreciation	556.2	393.5	250.1	160.3	128.1	102.7	93.4	·	·
Operating result as a percentage of sales	10.0	9.4	10.0	7.6	6.9	6.5	7.0	·	·
Result before appropriations and taxes	469.1	370.6	253.4	152.1	123.5	111.6	104.6	·	·
Group profit ³⁾	92.6	139.1	95.4	70.2	63.3	45.8	52.9	32.0	26.2
Profit in Kr per share ⁴⁾	17.45	14.05	9.35	5.65	4.45	4.20	3.90	·	·
Investment in real estate, machinery, equipment and tools	348.3	259.7	133.6	83.1	110.8	108.2	71.2	71.6	·
whereof relating to companies acquired during the year	17.1	52.1	26.5	6.6	8.0	13.1	10.0	14.6	·
Wages, salaries and remuneration	1,777.9	1,374.0	798.0	707.1	657.6	554.0	434.7	361.9	382.3
Average number of employees	63,531	51,126	35,624	33,642	32,724	29,171	23,282	21,127	21,962
Sales per employee, excl. contract cleaning companies (tKr)	112.2	94.1	84.9	75.8	66.9	61.1	56.9	52.0	48.7
Total dividend, Parent Company ⁵⁾	68.6	62.4	49.9	38.0	30.4	26.6	22.8	15.2	15.2
Dividend per share (revised for issues ⁵⁾) (Kr)	5.50	5.00	4.00	3.05	2.45	2.125	1.825	1.225	1.225
Approximate number of shareholders	32,000	29,000	20,000	18,000	18,000	15,000	15,000	14,700	13,000

¹⁾ National Union Electric Corporation (NUE), USA, is included as from 1974.

²⁾ Facit Group, Sweden, is included from 1973 onwards.

³⁾ Result after appropriations, taxes and minority interests.

⁴⁾ "Result from Current Operations before Taxes" less 50% tax and minority interests. The calculation is made on basis of the number of shares issued as at December 31, 1974, (12,480,000). Regarding NUE, see page 26.

⁵⁾ For 1974 in accordance with the Board's proposal.

Abbreviated Denominations

Kr = Swedish Kronor

tKr = thousands of Swedish Kronor

MKr = millions of Swedish Kronor

On December 31, 1974

£1 sterling = Kr 9.56

US\$ 1 = Kr 4.07

MKr 1 = £ 105,000 approximately =
US\$ 246,000 approximately

cm = centimetres

m² = square metres

m³ = cubic metres

sq.ft. = square feet

cu.ft. = cubic feet

1974 Annual Report

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Annual General Meeting

The Annual General Meeting will be held on Wednesday, May 21, 1975 at 10 a.m. in the company's offices at Luxbacken 1 on Lilla Essingen in 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 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 stock-broker, must temporarily register the shares in their own names in order to be able to attend the Annual General Meeting. 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 not later than 2 p.m. on Friday, May 16, 1975. Notification should be made by letter addressed to AB Electrolux, Dept. HK-J, S-105 45 Stockholm, 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 to determine who is entitled to receive dividend. The Board of Directors has suggested May 23, 1975 as the reconciliation date. Providing that the Annual General Meeting decides in favour of this proposal, dividends will be distributed by Värdepapperscentralen VPC AB on May 30, 1975.

Electrolux 1974 – Summary

Group sales increased by 32.4 % to MKr 5,536.

Operating result after ordinary depreciation increased by 41.3 % to MKr 556.2.

Result before appropriations and taxes increased by 26.6 % to MKr 469.1.

Adjusted profit per share was SKr 17.45 as compared with SKr 14.05 for 1973.

Return on working capital increased from 12.3 % in 1973 to 13.3 %.

The Group provided Sweden with export revenues as well as dividends, royalties and interest totalling MKr 1,234 as compared with MKr 1,004 for 1973.

Investments in real estate, machinery, equipment and tools increased by MKr 88 and amounted to MKr 348.

The average number of employees was 63,531 of which 23,048 were employed in

Sweden. The corresponding figures for 1973 were 51,126 and 22,240 respectively.

Wages, salaries and remuneration during the year amounted to MKr 1,778 compared with MKr 1,374 during 1973.

92.1 % of the outstanding shares of National Union Electric Corporation, USA—one of the USA's leading manufacturers of vacuum cleaners—were acquired in July for US\$ 52.9 million.

At the end of the year, there were 208 operating companies in the Group with activities in 42 countries.

Profit after taxes of the Parent Company amounted to MKr 69.1 as compared with MKr 72.7 for 1973.

The Board of Directors of AB Electrolux proposes a dividend of Kr 5.50 per share, for which MKr 68.6 is appropriated as compared with MKr 62.4 for the 1973 operations.

Operations in 1974

The Report of the Directors of the Parent Company is included in the presentation of the entire Group. The operations of National Union Electric Corporation, Greenwich, Connecticut, USA, sometimes referred to as NUE, are included in the Financial Statements for the 1974 operations.

General Review

The Future outlook included in the Annual Report for 1973 estimated that Group sales would increase by about 15 per cent during 1974, despite energy problems and expected cost increases. The operating result from current operations before taxes was estimated to show a rise of about the same rate. These estimates were made with the reservation that no restrictive measures would be taken against trade and industry in those countries in which Electrolux operates.

The economy was affected to a lesser extent than expected by the energy shortage in 1974, since the restriction of oil supplies which was in effect at the beginning of the year, was lifted during the Spring. Nevertheless, increased costs for energy and other heavy cost increases led to rises in production costs which were greater than expected. The price trend, especially for raw materials, led to balance-of-payment problems for countries with little or no exports of raw materials. These problems in some countries combined with accumulation of capital in certain other countries created disturbances on the international money market, resulting in unstable currency exchange rates. Credit restrictions

in Sweden to some extent forced borrowers to obtain loans on foreign capital markets, where fluctuations in currency exchange rates had an effect upon the actual cost of the loan.

The world economy worsened in 1974. Economic activity weakened in most countries, especially the USA, Japan, West Germany and Great Britain.

Despite the international recession, Sweden, Norway and most of the oil-producing countries experienced favourable economic trends.

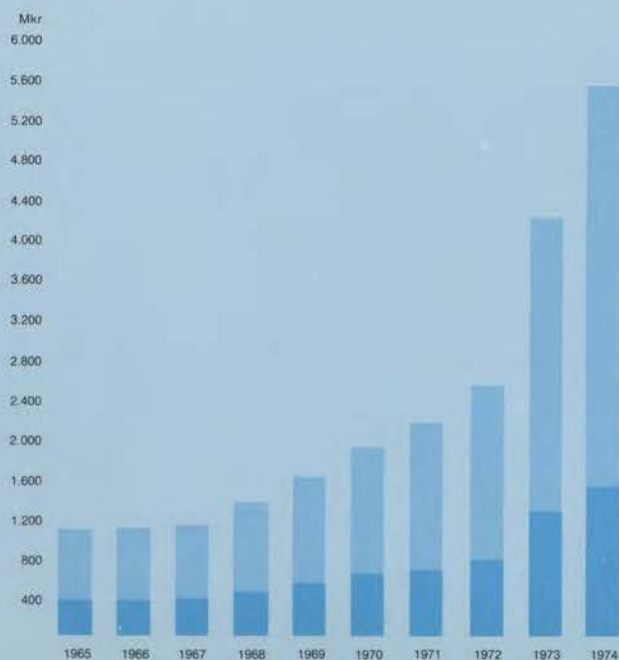
For the Electrolux Group, with operations in a large number of countries, the uneven business trend created a situation where the decline on some markets was offset by an upswing on other markets. The Electrolux Group has therefore continued its favourable development during 1974. Both sales and operating result exceeded the corresponding figures for the previous year.

Sales

Group sales increased during 1974 by 32.4% and amounted to MKr 5,536 as compared with MKr 4,182 for 1973. Sales were distributed over the different operations as follows (MKr):

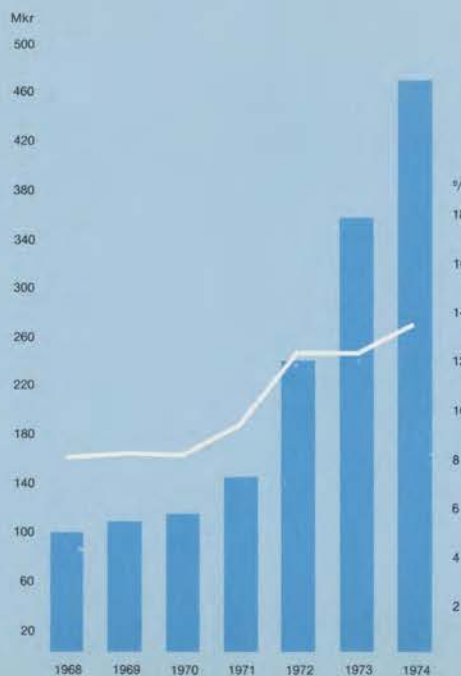
GROUP SALES

Outside Sweden
Sweden



GROUP RESULT AND RETURN ON WORKING CAPITAL

Return on working capital
Result of current operations before taxes



	1974	1973
Electrolux	3,555	3,050
Commercial Cleaning	382	238
Facit	980	894
National Union Electric Corporation (NUE)	619	
Total	5,536	4,182

Of total sales, 1,526 (27,6 %) was attributable to customers in Sweden and 4,010 (72,4 %) to customers outside Sweden. The corresponding figures for 1973 were MKr 1,229 (29,4 %) and MKr 2,953 (70,6 %), respectively.

Group sales by territorial distribution is shown on page 8. Within Europe, excluding Sweden, sales by countries were as follows:

	1974	1973
Great Britain	509.8	461.8
Norway	318.6	195.8
West Germany	314.5	303.2
France	296.0	255.5
Denmark	217.7	207.2
Finland	199.6	153.5
Other	598.1	485.6
Total	2,454.3	2,062.6

During 1974, the Group provided Sweden with an export revenue of MKr 1,155 as compared with MKr 975 during 1973. Dividends, royalties and interest remitted to Sweden amounted to MKr 79 as compared with MKr 69 during 1973.

The sales of the Parent Company, AB Electrolux, amounted to MKr 1,657 as compared with 1,335 in 1973. Of the Parent Company sales, MKr 1,131 was to Group companies and MKr 526 to other customers. The corresponding values for 1973 were MKr 957 and MKr 378, respectively. Exports of the Parent Company increased to MKr 676 and amounted to 40.3 % of total sales of the Parent Company.

Result

The Group's result after ordinary depreciation amounted to MKr 556. After non-operating and exceptional items, the result before appropriations and taxes was MKr 469, representing an increase of 26.6 % as compared with 1973.

The result after ordinary depreciation in 1974 represented 10.0 % of sales turnover compared with 9.4 % for 1973. The adjusted profit per share was Kr 17.45 as compared with Kr 14.05 in 1973. The return on working capital¹⁾ increased from 12.3 % for the previous year to 13.3 %.

1) Return on working capital is defined as the Operating result after ordinary depreciation plus non-operating income expressed as a percentage of the total assets increased by the inventory reserves.

The Parent Company's result before appropriations and taxes increased from MKr 184.2 in 1973 to MKr 220.0. Allocations to environment fund and special investment fund amounted to MKr 40.6. After appropriations of MKr 140.1 and taxes amounting to MKr 10.8, a net profit of MKr 69.1 was achieved, as compared with MKr 72.7 for 1973.

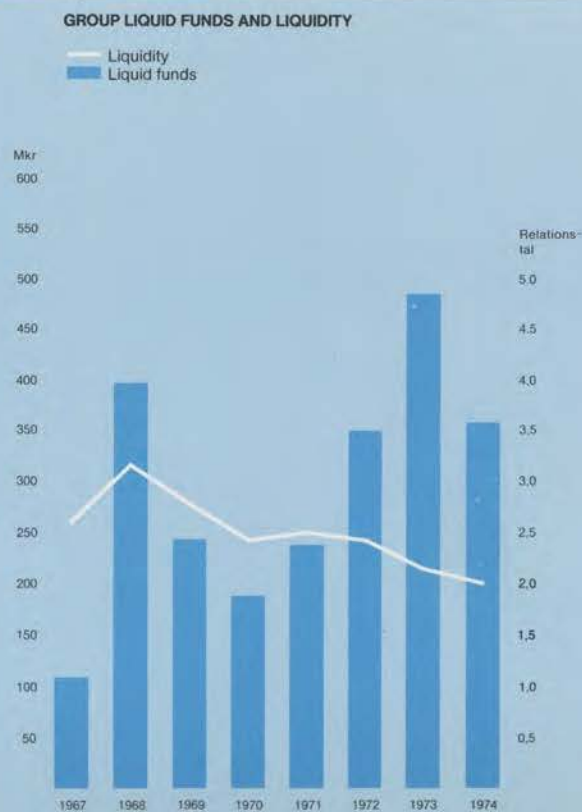
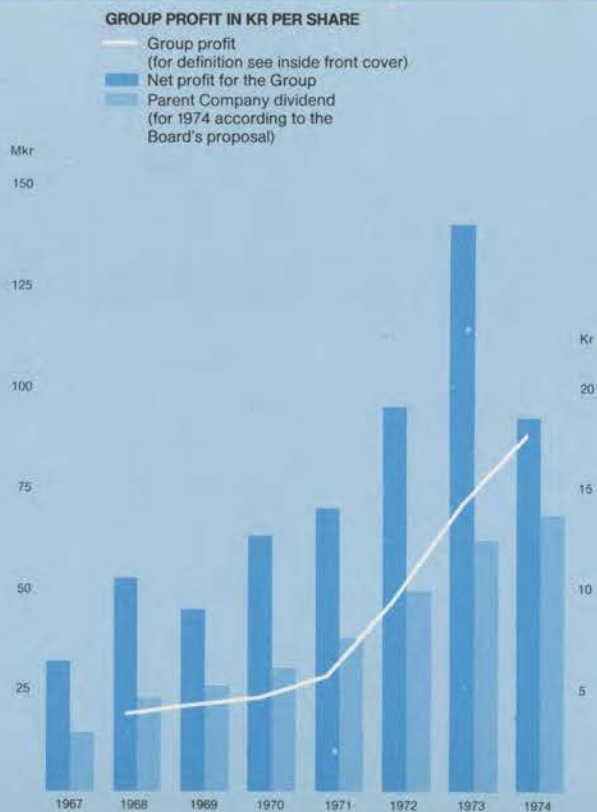
Production

Production capacity at Group factories was utilized to a high degree. Severe price increases of raw materials and components, however, increased the cost of manufacturing. In Sweden, difficulties in recruiting skilled workers limited production to some degree.

In 1974, the Swedish factories accounted for 66.8 % of total Group manufacturing volume (excluding production in NUE's factories) as compared with 64.8 % for 1973.

Liquidity and Borrowings

Cash and bank balances including promissory notes amounted at year end to MKr 267



as compared with MKr 352 in 1973. Liquidity expressed as the ratio of total current assets (before general inventory reserves deduction) to total short-term liabilities was 2.02 as compared with 2.12 for 1973.

Accounts receivable at the end of year amounted to 20.9 % of sales. The corresponding figure for the previous year was 22.9 %. Liquidity has been improved by transfer of accounts receivable amounting to MKr 125 and due from Swedish customers to a factoring company.

In Sweden, AB Electrolux floated a debenture loan during November of MKr 75 with a maturity period of 15 years. In connection with the acquisition of a majority shareholding in National Union Electric Corporation, a multi-currency loan was obtained abroad amounting to US\$ 54 million with an initial maturity period of 5 years. The intention is to convert this loan into a loan with a longer maturity period at a suitable opportunity. Further loans have been made abroad as a result of the stricter enforcement of foreign currency regulations in Sweden during the year.

Capital Expenditures

Group total investment in real estate, machinery, equipment and tools during the year amounted to MKr 348 compared with MKr 260 in 1973. Of this amount MKr 17 related to companies acquired during the year (not including NUE) as compared with MKr 52 for the previous year.

Major investments during the year included:

Expansion of the Mariestad factory (Sweden) for increased production capacity of refrigerator and freezer units at a cost of approximately MKr 35. An investment of MKr 30 in the Motala factory (Sweden) for increased production of "K" products. Extension of the Bräkne-Hoby (Sweden) factory by 8,400 m² (90,500 sq.ft.), at a cost of MKr 7.

A new joinery factory in Överum (Sweden) with an area of 3,000 m² (32,300 sq. ft.) for

the manufacture of windows.

As the result of a joint venture with local interests in Iran, a factory for the manufacture of refrigerator units, vacuum cleaners, etc. is under construction in Saveh, 130 km from Tehran. The total investment approximately amounts to MKr 70.

Acquisition of a factory in Rheims (France) of an area of 10,000 m² (107,600 sq. ft.) for the manufacture and assembly of vacuum cleaners. In Senlis (France) the central warehouse for finished products was enlarged by 5,000 m² (53,800 sq. ft.).

In Brazil the factory in Juiz de Fora was expanded by 3,600 m² (38,800 sq. ft.) for increased production of typewriters.

In the USA, within the operations of NUE, warehouse and factory buildings for the manufacture of vacuum cleaners in Bloomington, Illinois, were expanded by 19,600 m², (210,000 sq. ft.), and in Woodbridge, New Jersey, the warehouse and administrative offices of the Emerson Quiet Kool Company, responsible for the manufacture of room air-conditioner units were enlarged by 5,600 m² (60,000 sq. ft.).

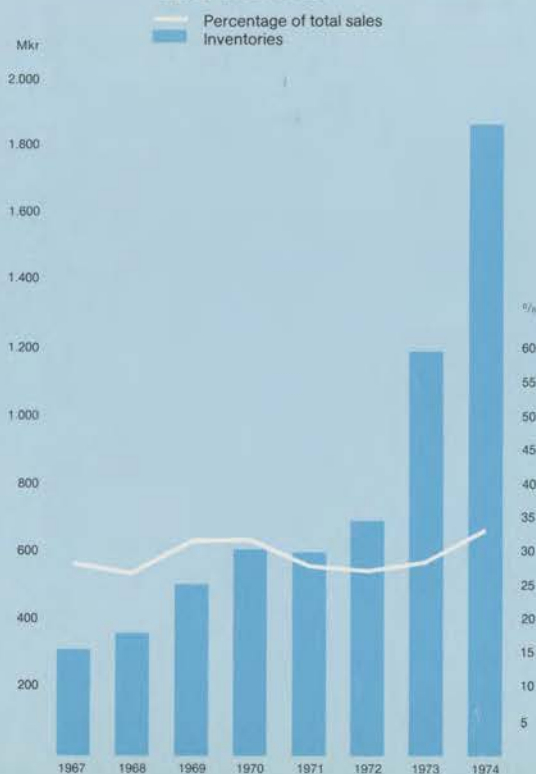
Acquired and newly-formed companies

In July 1974 AB Electrolux acquired 92.1 % of the outstanding shares of National Union Electric Corporation (NUE), Greenwich, Connecticut, USA. A report of the company's operations is provided on pages 20, 21 and 42.

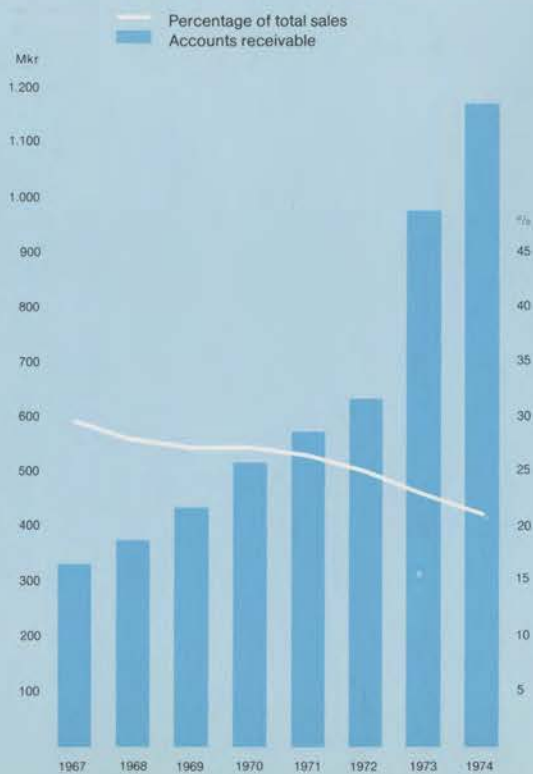
At last year end, two companies were established in Iran under the terms of an agreement with local interests on a joint venture involving the Electrolux Manufacturing Company, Tehran, which will manufacture vacuum cleaners, refrigerators, etc., and the Savalux Trading Company, which imports Electrolux products. The sale of Electrolux products in Iran is effected through a local distributor.

Electrolux Götaverken Global Shipperservices AB (EGGS), which is owned equally by AB Electrolux and AB Götaverken, Gothenburg,

GROUP INVENTORIES



GROUP ACCOUNTS RECEIVABLE



has established companies in Tokyo and Singapore for marine service and ship cleaning.

Allmänna Svenska Städtings AB (ASAB) has acquired 80% of the shares in the French company Clarté S.A., Paris, which undertakes commercial and industrial contract cleaning.

The marketing of K-products in Austria has been transferred from Electrolux GmbH, Vienna, to a newly-formed company, Electrolux Küchengeräte GmbH, Vienna.

A company, Oy Electrolux-Yhtiöt Ab (Electrolux-Bolagen AB), was formed at year end in order to coordinate the administration of Finnish operations.

Oy Electrolux-Kodinkoneet Ab (Electrolux Hushållsmaskiner AB) was formed for the marketing of K-products in Finland. In addition, all of the shares were acquired in Kone Lamminen Oy, Tampere, Finland, which manufactures fully automatic car washers of the brush type. Electrical and electronic components are also manufactured and marketed, some of which are used in the company's own car washers. Electrolux also intends to use the company's premises for the assembly of environmental products, catering and materials handling equipment and steel fittings.

In Great Britain, the cleaning company, Commercial Cleaning Services Ltd., owned jointly by Electrolux and ISS-International Service System A/S, Copenhagen, acquired a company which is specialized in high-pressure cleaning of motor vehicles.

In Sweden, Cisternskydd AB, Alstermo, manufacturers of chemicals for use as corrosive protection in water, heating and cooling systems, was acquired.

AB Överums Bruk (Sweden) acquired the remaining portion of the shares in Reventa Produkter AB (Sweden), which manufactures and markets windows, and all of the shares in Modul-Fasad AB, Traryd, (Sweden), and Modul-Fönster AB, Trelleborg (Sweden) which also manufacture and market windows. These

acquisitions will supplement the window production line already operating in Överum.

AB Electrolux acquired 50% of the shares in Zig-Zag Fabriks AB, Malmköping (Sweden), manufacturers of bathroom cabinets and other bathroom fittings.

One half of the shares in Hillberg Distance Control HDC AB, Gävle (Sweden), have been acquired. The company manufactures electrical alarm equipment.

Facit AB acquired all of the shares in AB Formverktyg, Stockholm, which is a company wellknown in the tooling business.

At the end of the year, the manufacture and marketing of environmental products and catering, hospital and industrial equipment was transferred from AB Electrolux to a subsidiary, Electrolux-Wascator AB, Alingsås (Sweden).

Sale of Real Estate

As a consequence of the continuous restructuring and co-ordination of Group operations, the need for premises and buildings is constantly changing. During the year, Facit AB sold office buildings in Malmö, Helsingborg and Solna. AB Överums Bruk sold an office building in Malmö and approximately 6,700 hectares (16,500 acres) of timber land. In addition, real estate was sold in Belgium and Norway. One office lease was sold in France and one in Great Britain.

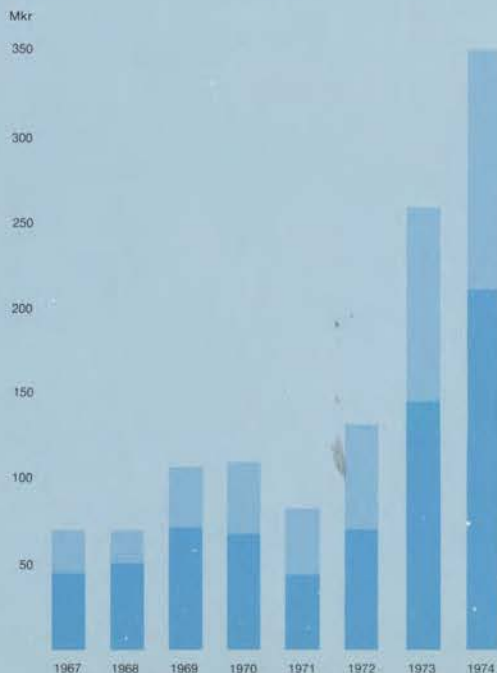
Research and Product Development

The Group has expanded its resources for research and product development on vacuum cleaners and has acquired new technical knowledge within the area of room air-conditioners as a result of the acquisition of National Union Electric Corporation.

At the end of the year, Electrolux owned over 3,700 current patents and patent applications, protecting Group products in some 70 countries. Approximately 550 of these patent

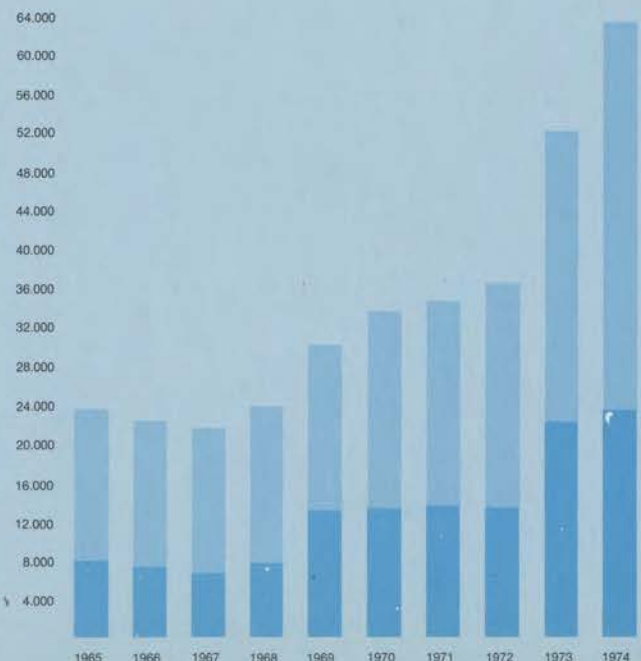
GROUP INVESTMENTS IN REAL ESTATE, MACHINERY, EQUIPMENT AND TOOLS

Outside Sweden
Sweden



GROUP NUMBER OF EMPLOYEES (annual average)

Outside Sweden
Sweden



rights are registered in USA, and 1,300 in the Common Market countries. Just over 400 of these patent rights are related to the Facit operation and nearly 200 are related to National Union Electric Corporation.

Group trademarks are protected by approximately 2,600 registrations in some 150 countries. Of these registrations, about 700 are related to the Facit operations and 100 to National Union Electric Corporation.

Personnel

The average number of Group employees totalled 63,531 compared with 51,126 in 1973. The total for 1974 includes 6,576 employees in companies acquired during the year.

The average number of employees during 1974 is as follows:

	Wage earners	Others	Total	%
Parent Company	6,657	2,644	9,301	15
Group Companies in Sweden	10,246	3,501	13,747	21
Total in Sweden	16,903	6,145	23,048	36
Group Companies outside Sweden	22,761	17,722	40,483	64
Total for the Group	39,664	23,867	63,531	100

The portion of employees in Swedish Group companies was 36 % as compared with 44 % in 1973. The total number of employees in commercial cleaning companies increased from 9,831 to 14,181, of which 4,554 or 32 % were employed in Sweden.

Wages, salaries and remuneration amounted to (tKr):

	1974	1973
Parent Company		
Board of Directors and Company management	2,004	1,617
Wage earners	206,904	172,393

Others	137,253	118,140
	<u>346,161</u>	<u>292,150</u>

Group

Board of Directors and Company management	23,081	17,941
Wage earners	888,254	652,302
Others	866,603	703,726
	<u>1,777,938</u>	<u>1,373,969</u>

Wages, salaries and remuneration to employees in Sweden amounted to MKr 826 or 46 % of the total wages, salaries and remuneration within the Group. The corresponding amount in 1973 was MKr 719 and 52 % respectively. For the Parent Company and the Swedish Group companies social charges for employees—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 MKr 227 as compared with MKr 154 in 1973.

Loans and Contingent Liabilities relating to Shareholders and Others

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

to Parent Company employees tKr 67

Contingent liabilities on which information is possibly required totalled:

to Parent Company employees tKr 559

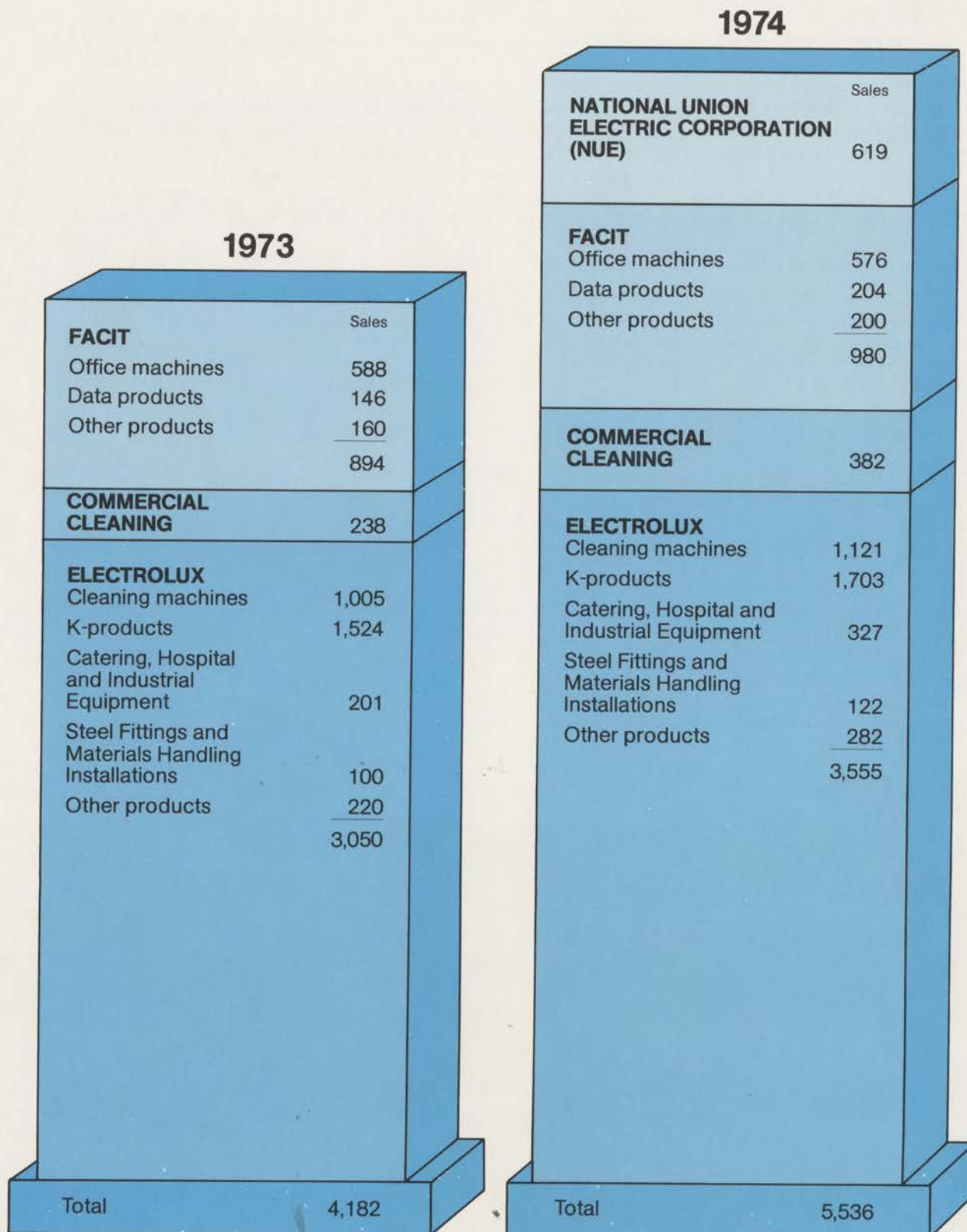
Since it is not possible for the Company to determine the extent to which employees and their relatives are shareholders, all loans and contingent liabilities involving employees are included. These loans and contingent liabilities were incurred before the effective date of the law restricting the Company's right to grant and assure such loans or assume contingent liabilities for shareholders and others.

Territorial Distribution of Group Sales

	1974		1973		1972		1971		1970		1969		1968	
	MKr	%	MKr	%	MKr	%	MKr	%	MKr	%	MKr	%	MKr	%
Sweden	1,526.3	27.6	1,229.0	29.4	768.4	30.8	661.7	31.2	629.0	33.6	539.0	34.1	434.0	32.7
Europe excl. Sweden	2,454.3	44.3	2,062.6	49.3	1,215.5	48.8	1,020.5	48.0	871.9	46.6	732.3	46.2	619.7	46.7
North America	839.7	15.2	300.7	7.2	167.5	6.7	124.1	5.9	99.9	5.4	66.8	4.2	51.4	3.9
Central and South America	265.4	4.8	223.3	5.3	115.8	4.7	119.2	5.6	102.5	5.5	116.2	7.4	106.4	8.0
Australia and New Zealand	222.7	4.0	222.1	5.3	142.6	5.7	126.4	6.0	106.2	5.7	66.9	4.2	58.3	4.4
Other areas	227.4	4.1	144.1	3.5	81.1	3.3	70.0	3.3	59.8	3.2	61.7	3.9	57.1	4.3
Total	5,535.8	100.0	4,181.8	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

Product Review

Group sales analysed by operations and product lines (MKr).



Electrolux

Cleaning Machines

The product line of cleaning machines includes vacuum cleaners, floor polishers for domestic use and cleaning machines. Sales increased during 1974 by 11.5% and amounted to MKr 1,121 as compared with MKr 1,005 for 1973. Electrolux including NUE, is one of the world's leading enterprises in the world for vacuum cleaners.

Vacuum cleaners and floor polishers

During the year, the Electrolux Group including NUE sold 4.2 million vacuum cleaners and floor polishers for household use.

Especially good sales results were reported for Group companies in Australia, Great Britain and Norway as well as by Electrolux Svenska Försäljnings AB. This increase in sales is a result of the growing popularity of textiles and wall-to-wall fitted carpets and by the continued expansion of the sales organizations.

The sales of household floor polishers is relatively greater in those countries where wall-to-wall fitted carpets are less common. The greatest sales were achieved in Brazil, France, Spain and Venezuela.

Industrial cleaning machines

The product line includes machines and equipment for cleaning of large premises such as offices, factories, schools and hospitals; it also includes street sweeping machines and outdoor cleaning machines as well as installations for high-pressure cleaning within the pulp, food-processing and engineering industries, for washing of cars and for cleaning of oil tankers, building frontages etc. Experiences gained by Group companies which undertake commercial and industrial cleaning operations are used in the development of these products.

Larger machines for outdoor cleaning are manufactured by Bröderna Brodd AB in Skänninge (Sweden) while other products are manufactured by Euroclean AB in Åmål (Sweden). The production lines for commercial cleaning machines which were formerly located in other plants throughout Sweden have been moved in stages to Åmål during the year. Product development of commercial cleaning machines has also been transferred to Åmål and has been coordinated with the development of systems for high-pressure cleaning.

To co-ordinate the marketing of commercial cleaning products, the operation previously conducted by Electrolux Städutensilier AB has been transferred to Euroclean AB.

ELECTROLUX fully automatic dishwasher BF 80

ELECTROLUX fully automatic washing machine Superstar Electronic WH 42





"K" products

The line of "K"-products includes a wide range of refrigerators, refrigerator-freezers, chest and upright freezers, washing machines, spin dryers, drying cabinets, mangles, stoves, dish washers, kitchen ventilators, kitchen fittings, heaters and the "Assistent" household appliance. Sales of these products amounted to MKr 1,703 during 1974 as compared with MKr 1,524 for 1973. The product line is still the Group's largest and accounted for 31% of total Group sales, including NUE. This percentage was 36% in 1973. The following table gives the number of units sold:

	1974	1973
Refrigerators and freezers	1,303,000	1,357,000
Electric stoves	321,000	284,000
Electric radiators	265,000	264,000
Washing machines, drying cabinets and mangles	104,000	85,000
Dishwashers	34,000	23,000

Declining sales in some markets have been offset by sales increases in other markets, and total sales have increased by 11.8%. Sales of caravan refrigerators in the USA were greatly affected by the energy crisis at the start of the year, and even though conditions improved during the year, the 1973 level was not reached. The decreasing value of the US dollar has also contributed to this decline. On the other hand, sales of "K" products have increased in Sweden, Norway, Great Britain and in the oil-exporting countries.

"K" products are mostly manufactured in Sweden, Denmark, Norway, Great Britain and West Germany.

*ELECTROLUX Cooker de Luxe in three colours
—Copper Line, Poppy and White*

*ELECTROLUX Future Line
—refrigerator, freezer and refrigerator/freezer in Copper Line colouring*



Catering, Hospital and Industrial Equipment

The activities of the division include the development, manufacture and marketing of a complete line of products for catering equipment primarily designed for restaurants, ships and hospitals. The product line also includes central sterilization stations and other hospital equipment. The division also manufactures sterilization and purification equipment for the pharmaceutical industry, painting and heat treatment plants for other industrial use and washing machines and other equipment for commercial use.

Sales of this product range for 1974 amounted to MKr 327. This figure cannot be compared with the sales figure of MKr 201 for 1973, since the Wascator operation was included only for four months during 1973. The sales of the division, excluding the Wascator operation, increased by 35 %.

New building starts decreased during the year in Sweden. However, this declining market has been compensated by increased sales of this range of products to older establishments where kitchens and laundries have been modernized to a greater degree than hitherto. Sales of equipment to catering services have also increased as a result of greater use of frozen, ready-cooked meals as well as an increase in dining out, which led to a proliferation of neighbourhood restaurants and eating houses.

The product range has been successively adapted to the changing market, and a decline in sales within one sector of the market has been compensated by an increase of sales in another sector made possible by goal oriented product development.

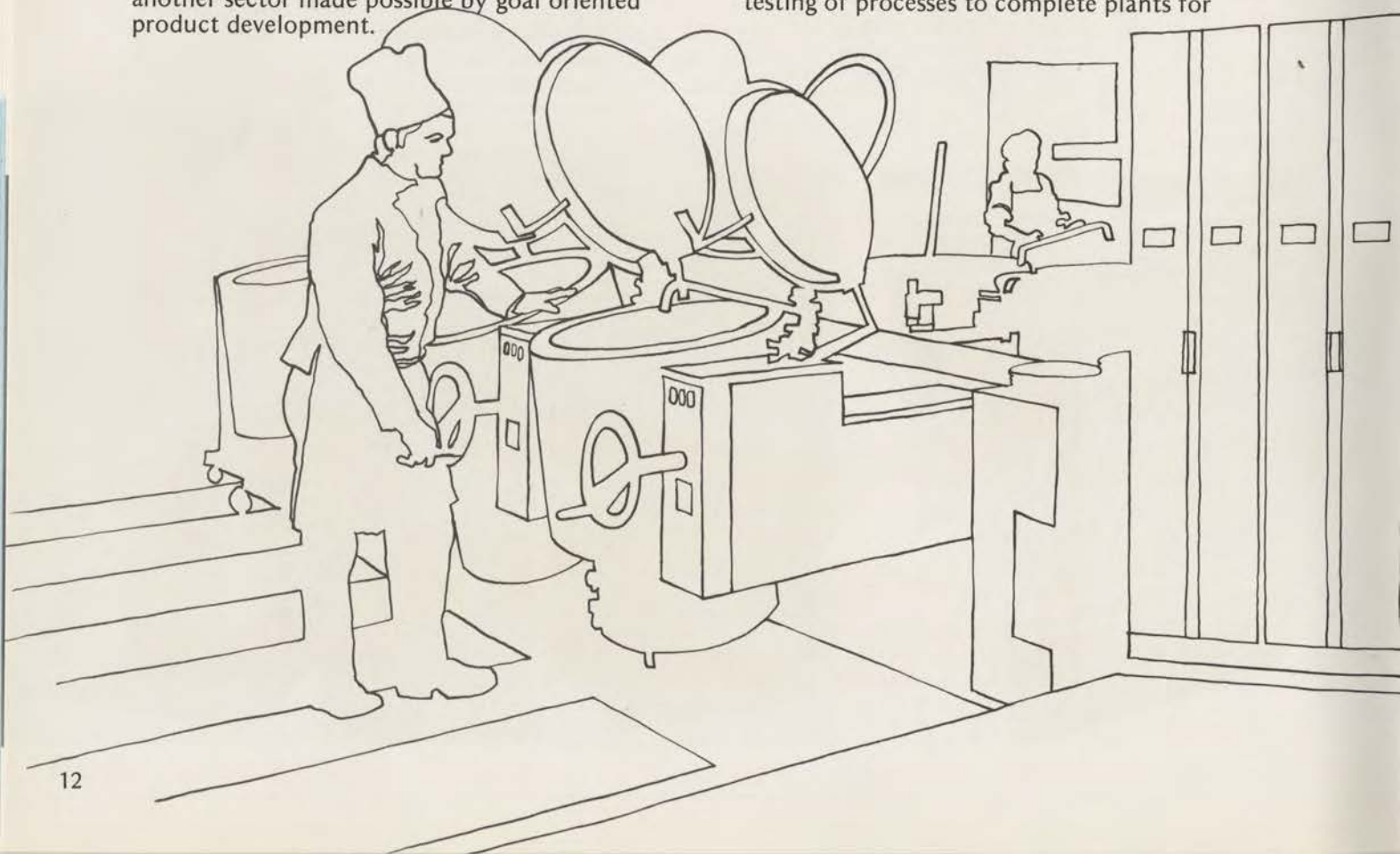
The Swedish market is too small to provide sufficient scope for expansion for this division. Activity in established export markets therefore has been increasingly stimulated and the product range has been introduced on new markets. Promotional efforts in Eastern European countries and in the oil-producing countries have resulted in a number of major orders for complete lines of equipment for catering services, sterilization stations and laundries.

Sales of water purification and distillation apparatus have also shown growth. These products will comprise a valuable complement to the autoclave range for the pharmaceutical industry.

The production line in Sweden for large washing machines for industrial and commercial use has been moved during the year from Ronneby to a newly-built plant in Ljungby. A sales company, Italwascator S.p.A has been established in Milan for the marketing of Wascator-products in Italy.

The trend for heat treating equipment is towards complete installations. Some large installations have been delivered during the year to the automobile industry.

An intensive research programme is being conducted at the factory in Getinge (Sweden) within the area of fermentation, i.e. chemical processes generated by micro-organisms, and the first company-manufactured fermenter was delivered during the autumn. Fermentation processes are used to manufacture medicinal preparations such as antibiotics, vaccines and vitamins as well as protein-rich food products and fodder. The range of fermentation system also includes smaller installations for the testing of processes to complete plants for



industrial purposes with a volume of 100 m³. (353 cu. ft.).

An acquired patent has permitted the development and introduction of a "cold light lamp" during the year. Even at very high light intensity, this lamp causes only a slight rise in the temperature and can therefore be expected to find applications in a large number of areas, such as within research and medical care.

At year end, the Environmental products division was integrated with the Catering Hospital and Industrial equipment division and transferred into a subsidiary company, Electrolux-Wascator AB. The products in these two lines have a similarity in marketing approach and customer categories and the purpose of the merger is to take advantage of the opportunities for rationalization and attainment of greater efficiency in marketing which can be achieved within a joint organization.

Steel Fittings and Materials Handling Installations

The division for steel fittings and materials handling installations designs, manufactures and markets steel fittings for industry and offices as well as complete industrial and warehouse buildings with highly mechanized and computer-controlled system for materials handling.

1974 sales amounted to MKr 122 as compared with MKr 100 for 1973.

Orders received for the steel fittings range, which includes storage racks, pallet racks, cabinets, filing equipment and prefabricated partitions, have been satisfactory during the year. The Norwegian market recorded increased sales of Truck-Compactus installations for freezer stores.

In view of the fact that the Swedish market for the division's product range is relatively limited, the sales network has been expanded during the year and now covers most of the European market.

During 1974 delivery was made of the largest materials handling installations to-date in the form of automatic storage equipment for milk handling at the Central Dairy in Moscow. Orders for this type of installation were good during the year and many large orders were received for delivery in 1975 and 1976.

The industrial environment and problems encountered in creating better working conditions have had a great influence on the design of certain parts of the product range. Many new products for the improvement of the working environment were introduced on the market during 1974 and were well received. This applies especially to employee lounges for industry, clothes lockers and equipment at the working location.

ELECTROLUX employee lounge for industry—a complete room for comfort and relaxation



Other Products

Fractional horse power electric motors

Fractional horse power electric motors are manufactured in Sweden at the Electrolux factories in Västervik and by AB Överums Bruk. During the year, 2.5 million units were manufactured in Sweden. Of this volume, approximately 0.7 million units were used in finished Group products such as vacuum cleaners, carpet nozzles, dishwashers, shop and office machines, the "Assistent" household appliance and air-cushion lawn mowers.

Motors were also delivered to external customers for use in electrical car equipment such as windscreen wipers, heaters, air-conditioners, cooling fans and headlamp wipers as well as in sewing machines. External sales increased by 33 % from MKr 49 in 1973 to MKr 65 in 1974. This sales increase is a result of larger sales volumes obtained through research and product development work conducted in close collaboration with customers.

Level control and cable navigation

The subsidiary AB Svensk Nivåkontroll in Malmö, Sweden, manufactures and delivers automatic electronic level regulating systems for petroleum products as well as systems for ship navigation.

The automatic level regulation equipment includes different electronic overflow prevention devices, which are now required by law on oil tanks in Sweden.

A navigation system for ships, known as the Wire Navigation System WNS, has been acquired. The system, which is a Swedish invention, was developed over a period of 15 years and has been in full-scale operation in Sweden since 1968. WNS, which is patented, permits safe navigation in harbour entrances, inside harbours and in narrow channels, even under conditions of poor visibility. Live cables on the bottom of the channel transmit impulses to the ship's receiving instrument, which specifies the ship's position in relation to the cable with great accuracy. WNS has been used for several years in entrances to such harbours as Umeå and Degerhamn in Sweden.

Lawn mowers

The Flymo Group develops, manufactures and markets electric and gasoline (petrol) powered air-cushion lawn mowers. The former AB Greenlux operation, used in conjunction with the sale of air-cushion lawn mowers, has been discontinued. 1974 sales of lawn mowers was unchanged at MKr 85 compared with 1973. This lack of growth in sales can be attributed to the fact that the summer was unusually dry and cold over large areas of Europe and to the economic conditions in many of the countries in which the products are sold.

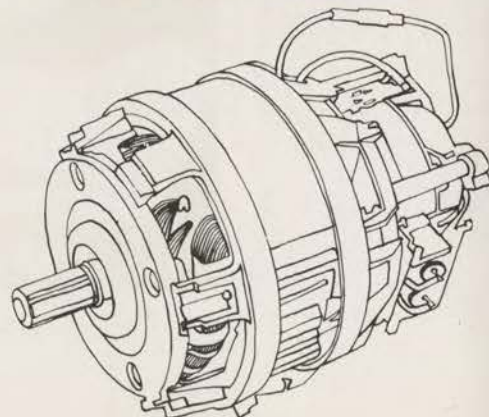
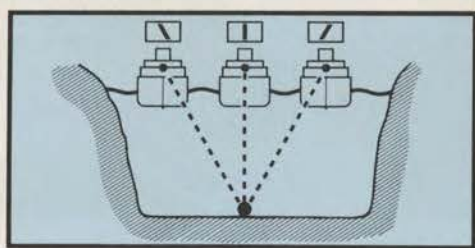
The largest production entity is located in Darlington, Great Britain, from which components and finished products are exported to more than 70 countries. Manufacture and assembly also take place in West Berlin, Australia, New Zealand and South Africa.

A rider-operated air-cushion tractor-mower has been designed for commercial use. It has a cutting width of 75 cm and is intended for use on golf courses, in parks and in large gardens. A new series of smaller electric powered lawn mowers with a cutting width of 38 cm has also been developed for use on smaller areas. The motors for these lawn mowers have been developed by Electrolux and are manufactured at the factories in Västervik, Sweden, and Luton, Great Britain.

Rider air-cushion lawnmower
—Flymo SP75



The pictures below show a sketch outline of the WNS as well as the system's receiver and antenna



Refuse compaction

AB Orwak, Sävsjö, Sweden, has developed a compactor for handling waste products from restaurants, department stores, industrial kitchens, hotels, offices and factories. The compactor compresses most types of refuse to about 20% of their original volume. Besides reducing the volume and lowering transport costs, the system also permits a reduction in storage space for refuse as well as improved hygiene. AB Orwak's products are marketed primarily through the international sales organization of AB Electrolux.

Refuse compactor
—ORWAK 5030



Environmental products

The Environmental Systems division develops and markets equipment for the transport and treatment of sewage water. These products are marketed through Group companies, licensees or external agencies.

Sales by license have been further developed. An exclusive license agreement for the vacuum sewage system has been concluded with Mitsui & Co. Ltd. for Japan and certain other countries in the Far East. The first license agreement for the micro-flotation system developed by the division has been signed with Imperial Chemical Industries (ICI) Ltd. for Great Britain and Ireland.

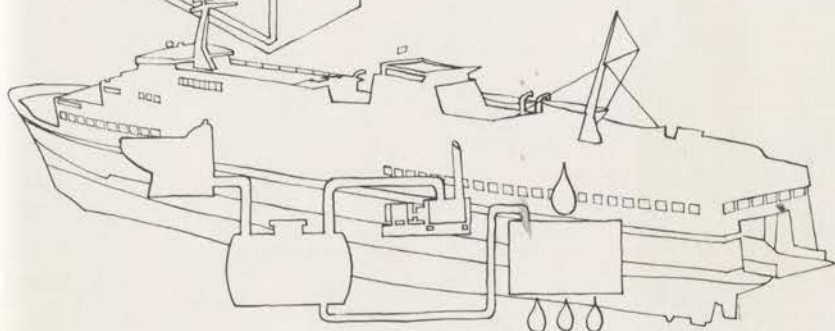
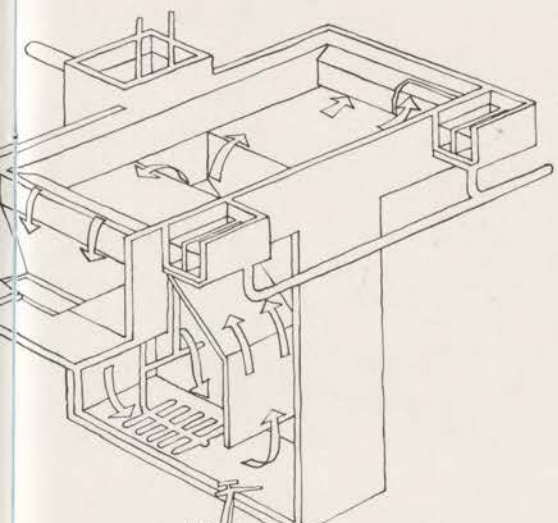
Sales of the vacuum system for sewage transport from residences have followed a favourable trend, especially in West Germany and Holland, where construction has commenced on a number of large projects.

The deliveries of similar systems for ships have also increased substantially due to the rapid growth of passenger ferries in Europe. A large number of northern European shipping lines have equipped their new car and passenger ferries with Electrolux vacuum systems.

The installation-related technical advantages of the vacuum system have been instrumental in inducing a growing number of ship yards to install the system on cargo vessels, tankers and offshore vessels. Anticipated bans on the discharge of sewage water along the coasts have further heightened the demands on shipping companies to equip their vessels with non-polluting toilet systems. Deliveries of vacuum toilet systems for installation in passenger cars have also been made to the Swedish State Railways.

Complete sewage treatment plants based on the micro-flotation system developed by Electrolux have been delivered to customers in Sweden and Finland.

Under the terms of an agreement with Svedala Arbrå AB, Arbrå (Sweden), Electrolux has acquired the development rights to a mechanical foam destructor for the suppression of foam in process and waste water within the chemical and pulp industries.



Commercial Cleaning

Commercial cleaning operations have continued to expand both in Sweden and abroad. 1974 sales amounted to MKr 382, which represents an increase of MKr 144, of which MKr 94 are accounted for by companies acquired during the year. The average number of employees in the commercial cleaning operations increased by 4,350 during 1974 and totalled 14,181, of which 4,554 were employed in Sweden.

Contract cleaning

Some of the contract cleaning operations are conducted jointly with ISS-International Service System A/S, Copenhagen (Denmark). Contract cleaning in Sweden is conducted by Allmänna Svenska Städnings AB (ASAB), which is jointly owned by ISS and AB Electrolux and which, together with its own subsidiaries, achieved an increase in sales in 1974 of 44.4 % to MKr 205. Companies acquired by ASAB during the year accounted for MKr 30 of this sales. The favourable sales trend is a result of concentration on increasingly technically qualified cleaning in factories, offices and shops.

ASAB acquired a minority share holding

in Förenade Tvätt AB, Stockholm, during the year and intends to acquire the remaining shares in the company during 1975. This acquisition is further evidence of ASAB's concentration on environmental service activity. During the autumn, ASAB purchased a majority share holding in Clarté S.A., Paris, which is a well-established company in the French contract cleaning market. During the year, the Group acquired additional shares in Norsk Rengjøringselskap A/S, Oslo, from ISS, bringing its total shareholding up to 50%. The company reported sales of MKr 72 in 1974.

Ship cleaning

During 1973, AB Electrolux and AB Götaverken decided to establish a joint service company called Electrolux Götaverken Global Shipperservices (EGGS), Gothenburg. The idea was to combine Götaverken knowledge of ship repairs and ship maintenance with Electrolux experience and knowledge of international operations and in regard to ship cleaning. The system for high-pressure cleaning developed by Euroclean AB has proved to be very effective for this type of cleaning as well.

BRODDWAY cleaning machine—manufactured by BRÖDERNA BRODD AB



Ship cleaning on board the Norwegian m/s Tyr in the harbour of Dubai



Work was begun on building up the organisation during the first six months of 1974. EGGs has established subsidiaries and started operations in Brazil, Dubai, Japan and Singapore.

Service either in harbour or on voyage offered by EGGs to the international maritime trade includes the cleaning of engine rooms, various tanks and cargo holds and other spaces on board ship. Surface treatment, blasting and painting of tanks and decks as well as repair and maintenance work are also included among the company's services.

EGGS has concluded a collaboration agreement with Nico International, Gothenburg, resulting in the formation of a jointly-owned company for marketing and product development. The agreement also provides that EGGs shall develop service systems for cleaning and finishing in Europe as well.



Window cleaning carried out by personnel from ASAB

Facit

Office machines

Office machines is the general term for calculators, typewriters and accounting machines. Sales of these products increased from MKr 588 to MKr 601 in 1974, including the service operations which were transferred to Electrolux.

The printing electronic calculator introduced during 1973, the 1145, has been supplemented with two new models during 1974—the 1147 and the 1149. These are designed and manufactured in their entirety at the plant in Åtvidaberg and have been favourably received on the markets. Both were awarded the design prize at the Hanover Fair in West Germany in 1974.

A pocket calculator was launched on the market at the end of the year. It was designed by Facit and is manufactured at the factory in Åtvidaberg.

The increased demand for electronic calculators has led to a quadrupling of the capacity of the electronic calculator line at the factory in Åtvidaberg. Development work has been concentrated to the factory at Åtvidaberg and there is collaboration with the Japanese Sharp Corporation for the purpose of broadening the product range.

The downward price trend for electronic

calculators has continued during the year, especially in the USA, where Lago Calc Inc., Canoga Park, California, reported a loss.

The output of mechanical calculators has been adjusted in line with reduced sales now forecast by reason of the conversion to electronic calculators. The demand for mechanical four-function machines has, however, remained at a reasonable level and the production of these machines has been transferred completely to the Brazilian Facit subsidiary. The range of two- and three-function machines has been limited to the more competitive, compact models and the production of these machines is now undertaken solely in the factory in Strömstad.

Facit's Typewriter division has a sound product range with satisfactory sales during the year. Production and sales volume show a favourable development compared with the previous year. A growing market is anticipated in the oil countries in the Middle East, where Arabic typewriters must provide for typing from right to left. Most of Facit's typewriters are manufactured at the three Swedish plants in Svängsta, Bräkne-Hoby and Sölvesborg, but some component production and assembly of various typewriter models takes place in Åtvidaberg and Strömstad as well as in Juiz de Fora in Brazil.

Data products

At the beginning of 1974, an agreement was reached with the Datasaab division of Saab-Scania AB on the transfer of Facit's product development and sales of system products. However, Facit will also in the future carry out the

*Printing electronic calculator
—FACIT 1149*



*Electronic pocket calculator
—FACIT 1101*



Office furniture system —FACIT 80



marketing in certain areas, e.g. the Eastern European countries. The transfer has been executed during the year and Facit's marketing has been concentrated to peripheral data products. The sales of these products totalled MKr 204 in 1974.



*Alphanumerical printer
—FACIT 4554*

Punched tape products still comprise a large portion of the sales, but are expected to decline in importance as new products such as magnetic tape units and recorders are introduced.

In December of 1974, the Facit 4554 was introduced to the world market. This machine is an alphanumerical printer with a printing speed of 60 digits per second. It is designed for use as a peripheral unit together with mini-computers and computer display screens.

Facit previously signed an agreement of several years' duration referring to terminal equipment for banks. These products have caused a loss during 1974 as well as in 1973 and deliveries will be completed in 1975.

Other Products

Office furniture

The Furniture division develops, manufactures and markets furniture for offices. Sales to customers in 1974 amounted to MKr 62,



*Electric office typewriter
—FACIT 1820*

an increase of MKr 15 over the previous year. Sales outside of Sweden have increased and totalled about 40% of total sales.

Most of the sales comprised the "Data series"—a line of wooden products of oak or teak with leg assemblies of stove-enamelled rectangular tubing—and the "Ekonom series"—made entirely of wood. Other lines of furniture include a functionally advanced furniture line called "Facit 80", comprising wooden pieces with oak or white enamel finishes and leg assemblies of round stove-enamelled steel tubing. New storage units and the new sound-absorbing partition system have been added to this series. During the year, the "New Facit 80" series achieved international renown. The line was shown at exhibitions in Stockholm, Helsinki, London, Amsterdam, Paris and Chicago and was accorded a good reception on all occasions.

Sawmill products

22,000 m³ (777,000 cu. ft.) of spruce and pinewood timber were produced by the Sawmill division in 1974. Most of the output was sold on markets outside of Sweden.

The favourable price trend which existed during the first six months and the expansion of the operation to include the manufacture of packaging materials were responsible for the good sales results.

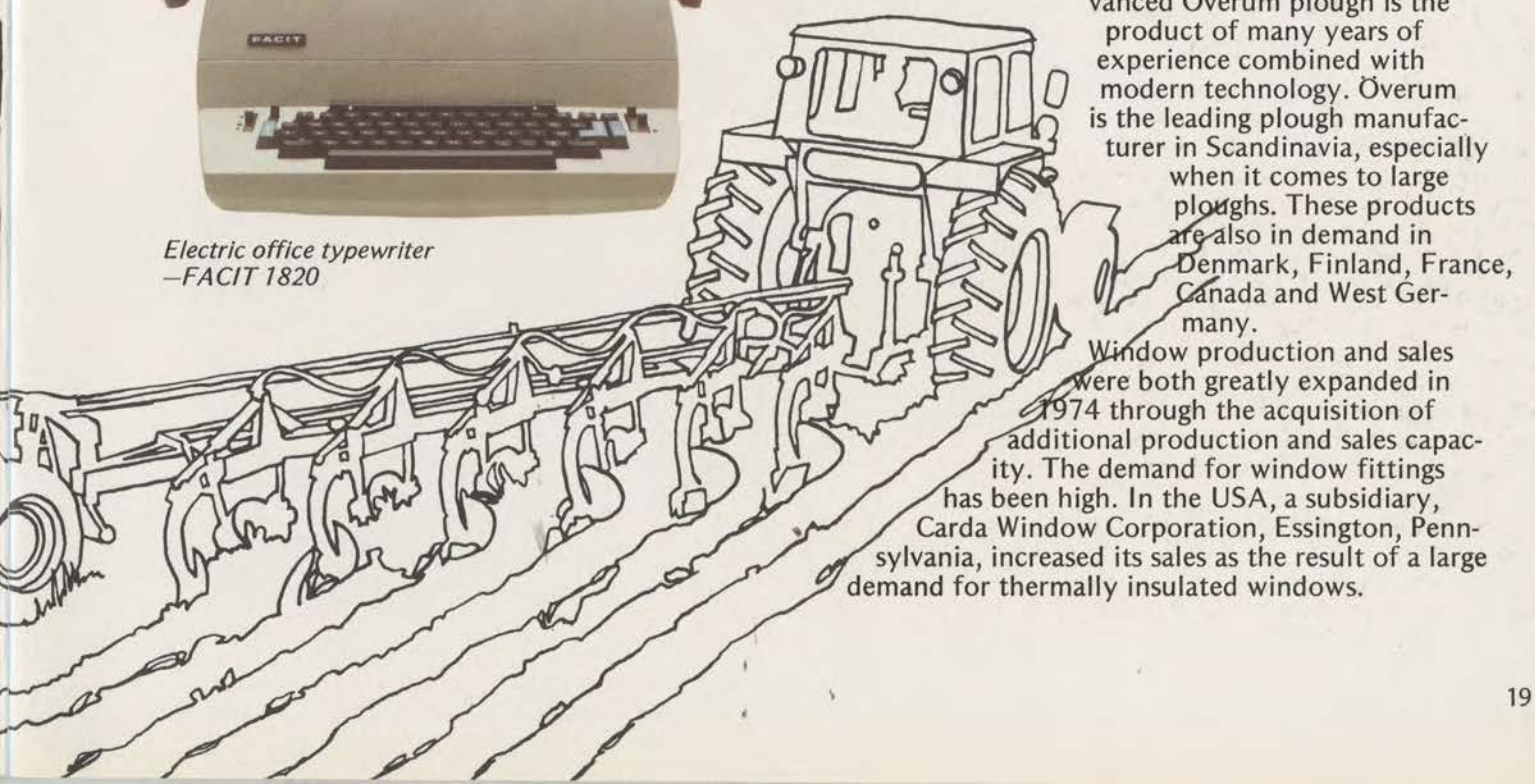
Owing to the current economic climate, orders in hand for delivery in 1975 represent only a minor portion of the sawmill's production capacity—a situation which is universal throughout the sawmill industry.

Agricultural implements, castings and windows

Agricultural implements, castings and windows are manufactured at AB Överums Bruk (Sweden) which also makes some of the group's range of fractional horsepower electric motors.

AB Överums Bruk has manufactured ploughs since the end of the 19th century. Today's advanced Överum plough is the product of many years of experience combined with modern technology. Överum is the leading plough manufacturer in Scandinavia, especially when it comes to large ploughs. These products are also in demand in Denmark, Finland, France, Canada and West Germany.

Window production and sales were both greatly expanded in 1974 through the acquisition of additional production and sales capacity. The demand for window fittings has been high. In the USA, a subsidiary, Carda Window Corporation, Essington, Pennsylvania, increased its sales as the result of a large demand for thermally insulated windows.



National Union Electric Corporation (NUE)

In July of 1974, AB Electrolux acquired 1,878,693 shares or 92.1 % of the outstanding shares of National Union Electric Corporation (NUE) for US\$ 28 per share. The acquisition was financed by a multi-currency loan of US\$ 54 million with an initial maturity period of 5 years. The intention is to convert this loan into a loan with a longer maturity period at a suitable opportunity.

Although NUE was incorporated in 1929, the origin of the enterprise can be traced to the founding of its major division, the Eureka Company, in 1910. Eureka merged into NUE in 1960.

NUE's head office is situated in Greenwich, Connecticut. The company's operations, which

include the manufacture and sale of household floor care products, room air-conditioners and plastic products, consist of three operating divisions and one wholly-owned subsidiary in Canada.

NUE's range of products, together with the appliance products of other manufacturers, are marketed through more than 37,000 retail outlets in the USA and Canada.

Household vacuum cleaners and floor polishers

The range of Eureka vacuum cleaners comprises a large number of models of both the traditional canister type, with motor-driven carpet nozzles, and upright models.

*EMERSON
room air-conditioner*



Production facilities are situated in Blomington, Illinois, some 200 km (120 miles) southwest of Chicago.

A new factory building was completed in 1973 of 5,100 m² (54,900 sq. ft.), and during the spring of 1975, additional factory and storage premises of 19,600 m² (210,000 sq. ft.) were occupied. These expansions have increased the production and storage capacity of the plant to meet the rising demand for Eureka's products.

EUREKA upright vacuum cleaner—model 2093



Room air-conditioners

The Emerson Quiet Kool Company in Woodbridge, New Jersey, has been manufacturing room air-conditioners for over 25 years. The product range includes units with capacities ranging from 1,250 to 6,750 Kcal/h for private as well as commercial use.

The factory's output is distributed through the company's own sales branches and through independent dealers. The expansion of the sales organization begun during 1973 was continued during 1974.

At the beginning of 1975, an expansion of the company's warehouse and office buildings was completed, increasing floor area by 5,600 m² (60,000 sq. ft.).

During the autumn of 1974, a new line of units equipped with an energy-saving device called the "WATT WATCHER" was introduced on the market. This device improves operating efficiency and resulted in a good reception for these products.

Plastic components

The Napco Plastics Company, Napoleon, Ohio, is responsible for the manufacture of plastic components used in Eureka's products. The division also produces plastic component parts to many large customers within a variety of industries. The company's production equipment has been further improved during the year to counteract rising production costs.

Canada

Onward Manufacturing Company Ltd., Kitchener, Ontario, assembles Eureka vacuum cleaners for the Canadian market and also markets room air-conditioners manufactured by Emerson Quiet Kool and other appliance products manufactured by non-Group companies.

EUREKA floor care equipment—model 1286



Future Outlook

Due to the unstable economic situation throughout the world and the uncertainty as to the general business trend, it has proved difficult to budget the operations of the Electrolux Group for 1975.

A new—and important—factor for the Group represents the acquisition during 1974 of the National Union Electric Corporation in the USA—now a subsidiary company of the Electrolux Group. This company, which primarily markets locally produced domestic vacuum cleaners and room air-conditioners and sells well on the American market, has a comprehensive sales network, which is also very suitable to the marketing of other products which are manufactured or marketed by Electrolux in other countries.

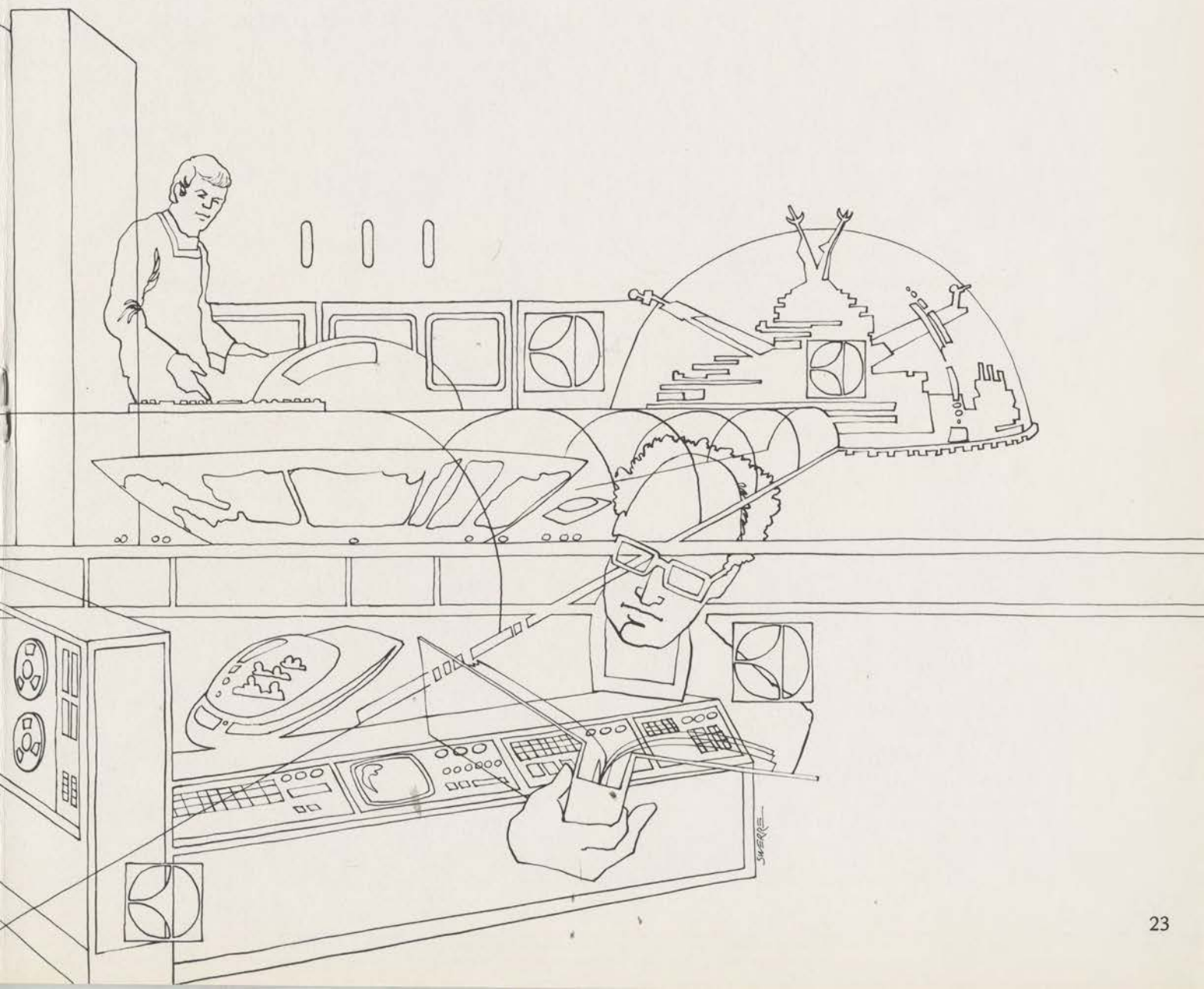
Thanks to this acquisition the Electrolux Group has obtained increased geographical coverage, which, combined with a constantly pursued diversification of the production programme, automatically provides a distribution of risks. It is improbable, therefore, that the main product groups would all be subject to stagnation with reductions in sales at the same time on all markets of importance.

Electrolux is intent on continuing investments in the oil-producing countries which are expected to show rapid economic expansion. Simultaneously, efforts will be made to further strengthen Electrolux' position in other countries where the Group is represented, including the Eastern European states.



The Board of Directors predict continued progress in sales and profit for 1975 but bearing in mind the abovementioned circumstances, it is difficult to express this progress in absolute or relative terms. The target also in 1975 is for an expansion of Group sales and profit of minimum 15 per cent although realization is more problematical than in previous years.

As in previous years, the expansion is intended to be *partly* within the scope of existing Group companies, *partly* through joint venture commitments or the formation of new subsidiary companies and *partly* through the acquisition of outside companies or of interests in such companies.



Proposal of the Board regarding the Distribution of Profits and Bonus Issue of shares in AB Electrolux

Profit brought forward from previous years	Kr 14,929,606
added to which this year's net profit	Kr 69,094,203
having at the disposal of the Annual General Meeting	Kr 84,023,809

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

Payment of dividend to shareholders, Kr 5.50 per share	Kr 68,640,000
To be carried forward	Kr 15,383,809
Total	Kr 84,023,809

AB Electrolux' share capital amounts to Kr 624,000,000, which represents 12,480,000 shares, which have been registered as fully paid. As it is expected that the company will raise additional working capital in Sweden as well as on the international capital market, where great importance is placed on the borrowers Equity, and as the company's share capital in other respects ought to be adapted to the expanding operations, the Board recommend that the Annual General Meeting resolve that the share capital of the company be increased to Kr 748,800,000 through a bonus issue of shares of Kr 124,800,000.

It is recommended that the bonus issue of shares be transacted in the following manner:

Writing-up of the book value of buildings	MKr 68.0
Writing-up of the book value of shares in Electrolux Ltd., Luton, Great Britain	MKr 48.0
Electrolux Industrier A/S, Oslo, Norway	MKr 8.8
	<u>MKr 124.8</u>

Land and buildings owned by the company have a book value of MKr 144.1 and have by the 1975 general real estate assessment been given a preliminary assessed value of MKr 215.4. After the writing-up as per above, the book value of land and buildings would total MKr 212.1. The writing-up precludes that final permits of acquisition be granted for certain properties acquired during the year and that the 1975 preliminary assessed values will be confirmed as final ones. If the final assessed values would be lower than the preliminary ones the recommended writing-up of real estates will if necessary be reduced and the writing-up of shareholdings in subsidiary companies will be increased correspondingly.

Electrolux Ltd., Luton, which among others owns the Electrolux company in Australia, shows good profit progress. The company with its own subsidiaries is included in the Group balance sheet as at December 31, 1974, with an equity of about MKr 193. After the above writing-up, the shares held by AB Electrolux would have a book value of MKr 192.5. As the properties of the English company in Luton are included in the said balance sheet with a value of £ 1,733,000 or MKr 16,6 whilst a realistic value is estimated to lie between £ 7 and 8 million or MKr 67-76, there exists a substantial hidden reserve.

On the Annual General Meeting approving the above proposal, 2,496,000 new shares each of a par value of Kr 50 will be issued, whereby the shareholders will receive, free of payment, for each holding of 5 old shares of a par value of Kr 50 a new series "B" share of a par value of Kr 50. Old series "A" shares consequently entitle the shareholders to new series "B" shares (not series "A" shares).

The new bonus shares will be granted the same rights as the present shares with an entitlement to participation in the company's profits as from the 1975 operations. Prescribed stamp tax for the new shares shall be paid and absorbed by the company.

The Board of Directors and the Managing Director take this opportunity to thank all employees in Sweden and outside Sweden for their excellent achievements during 1974.

Stockholm, March 20, 1975

Gunnar Engellau
Luke
Jacob Palmstierna

Hans Werthén
Chairman of the Board

Gösta Bystedt
Managing Director

Karl-Gustav Lagerström
Johnny Niklasson
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 end of the year directly or indirectly owned more than 50% of the share capital or subscribed capital or where a Group relationship otherwise existed.

The consolidated accounts include Allmänna Svenska Städtings AB (ASAB), Stockholm, Commercial Cleaning Services Ltd., Birmingham, Great Britain, Netto-Service S.A., Brussels, Belgium, and Schoonmaakbedrijf Mercurius B.V., Ermelo, The Netherlands, 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 Rengørings 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 by including Electrolux' shares of the results for the year in the Consolidated Profit and Loss Statement and by adjusting the book value of the shareholdings in these companies in the Consolidated Balance Sheet to correspond with Electrolux' share in the equity of the companies.

The number of operating in the Group as at December 31, 1974 totalled 208. The total number of companies at the year end was 313.

Minority interests as at December 31, 1974, existed in 63 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 rates of exchange applicable at the year end.

As a consequence of differences in rates of exchange during 1974, the Operating result has been affected adversely to the extent of MKr 55-60, whereof MKr 45-50 can be related to differences in rates of exchange during the second half of 1974. The amount has been arrived at, partly as a consequence that banks' paying rates as well as conversion rates as at December 31, 1974, for some currencies deviated from original conversion rates, and partly as a consequence that non-Swedish subsidiaries' results have been converted into Swedish Kronor at rates, which differ from the conversion rates of 1973. AB Electrolux' long-term US\$-loans were maintained as at December 31, 1974 at the original amounts in Swedish

Kronor (the profit in rate of exchange of about MKr 10 has not been included in these accounts).

Valuation of Inventories

The inventories of the respective Group companies have been valued at the lowest of acquisition or replacement cost adjusted for obsolescence. Except for NUE, the acquisition value has been calculated on the basis that the products in stock at the year-end were the latest acquired according to the FIFO method (first-in, first-out). This principle means that "inflation profits of inventories" are included in the Operating result. However, the importance of these profits for the Electrolux Group are reduced partly by price freezes, price controls, profit restrictions or other measures aimed at maintaining original margins which exist on several markets, partly by the competitive situations which does not allow any greater price increases beyond costs actually incurred.

When calculating the book value of substantially all of its inventories NUE has as from 1974 adopted the LIFO method (last-in, first-out) as against the previously applied FIFO method. This change means a reduction of the book value of the inventories of MKr 28. As the Electrolux Group accounts are prepared according to Swedish practice and as the Parent Company applies uniform principles in preparing the Group accounts, the amount mentioned above has been treated as a change of the inventory reserve in the Group profit and loss statement.

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 company indices and in other countries in a similar manner.

The depreciation rate for buildings and land improvements is 3% annually. For machinery and equipment, the depreciation rates vary between 7% and 20% annually. 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 under unified rules at a rate of at least 33.3% per year.

In the Group accounts, the trading result for the Facit companies has been charged with fiscal depreciation on buildings, machinery and equipment, as for 1973. As soon as recalculation of the values of these assets have been made, Electrolux' ordinary depreciation rules will be applied. Depreciation on production tools, however, has been applied in accordance with Electrolux' ordinary depreciation rules.

The result for National Union Corporation (NUE), acquired during 1974, has also been charged with fiscal depreciation. A change to Electrolux' existing principles will be made during 1975.

Fiscal depreciation is depreciation as determined primarily by fiscal and legal considerations.

The difference between fiscal and ordinary depreciation is reported under appropriations. Depreciation has also been charged on the amount, to which buildings have been revalued, in connection with bonus issues of shares.

For tax purposes, 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 tax-related restrictions, Patent rights and Goodwill have been written off entirely against Free reserves, i.e. treated in the same way as values in excess of par (see Note 18 of the Notes to the Financial Statements for the Group).

Facit

A separate Profit and Loss Statement for the Facit Group is given on page 41.

National Union Electric Corporation (NUE)

The shares of National Union Corporation (NUE) were acquired in July 1974. As stated in the proposed recommendations issued by the Swedish Association of Chartered Accountants, the Group's Profit and Loss Statement includes NUE's figures for the whole of 1974 deducting as a special item the amount, which corresponds to that part of NUE's result for the year that refers to the pre-acquisition period. In the Group's Profit and Loss Statement is included AB Electrolux' interest charge for the second half of 1974 rela-

ting to the loan of US\$ 54,000,000, which was obtained to finance the acquisition of the NUE shares. In computing the profit per share shown under "Nine-year Summary of Operations" (inside front cover), the first half of 1974 has been charged with a computed interest of MKr 12.5 in order to obtain a theoretical result for the year.

AB Electrolux

In accordance with commission agreements with AB Addo and Facit-Halda AB, the Profit and Loss Statement of AB Electrolux for 1974 includes the result of the operations of these companies. However, as a step in the final co-ordination of the Facit Group, AB Electrolux has transferred the assets and liabilities of these companies to Facit AB as at December 31, 1974. The operations are conducted by Facit AB from January 1, 1975 onwards.

Assets and liabilities attributable to the operations in Alingsås, Ljungby, Getinge and Malmö (Sweden) relating to the product range of catering, hospital and industrial equipment as well as commercial washing machines have been transferred at book values as at December 31, 1974 from AB Electrolux to a separate company, Electrolux-Wascator AB, Alingsås.

Certain accounts receivable have been transferred to Electrolux Svenska Försäljningsaktiebolag.

Current assets totalling MKr 351 have been transferred. Accounts receivable accounted for MKr 156 and Inventories, net, for MKr 96. Fixed assets at a total net book value of MKr 30 have also been transferred. This has affected short-term liabilities of MKr 279 and long-term liabilities of MKr 102.

The italicized notes below are intended to assist readers not familiar with Swedish corporate law and accounting practices and do not appear in the original Swedish text.

Investment funds

Under Swedish tax laws, up to 40% of annual profits before tax may be allocated to a special fund for future investments in fixed assets, subject to official approval. The amounts set aside are deductible for tax purposes but 46% of this allocation must be deposited in a non-interest-bearing account with the Bank of Sweden. When, with special authorization, the fund is used for its intended purpose of writing down investments in property, plant and equipment, the corresponding amount is released from the blocked account. Fiscal depreciation is not applicable to investments thus written-down and taxable income will therefore be higher. Amounts re-transferred to free reserves are subject to tax plus a surcharge.

In accordance with a recently enacted law in Sweden, Swedish companies are required to allocate to a "Special investment fund" 15% of 1974 profits before taxes and appropriations to investment funds. The amount appropriated, which is deductible for tax purposes, must be deposited in a non-interest-bearing account with the Bank of Sweden.

Special investment fund deposit remaining with the Bank of Sweden five years are repayable to the Company and become subject to taxation at that time.

Reserve for unrealized profit in inventories of Group Companies outside Sweden

Appropriations to a so-called reserve for unrealized profit are, in accordance with Swedish tax law, permitted companies which sell outside Sweden through foreign subsidiaries. The provisions relate to the mark-up includ-

ed in the value of goods purchased from the Parent Company and still remaining in the subsidiaries' inventories at the year end. (See page 39, Note 8)

Appropriation to environment fund

In accordance with a recently enacted law in Sweden, Swedish Companies are required to allocate to a "Environment fund" 20 per cent of 1974 profits before taxes and appropriations to the investment funds. The amount appropriated, which is deductible for tax purposes, must be deposited in a non-interest-bearing account in the Bank of Sweden.

Subject to approval by the Government or the National Labor Market Board, the Environment fund may be utilized for investments designed to improve the work environment of the Company's employees. Approval of the employees' representatives is also required for withdrawals from the fund.

Environment fund deposit remaining in the Bank of Sweden five years are repayable to the Company and become subject to taxation at that time.

General inventory reserves

In accordance with Swedish tax regulations, appropriations to inventory reserves are tax-deductible up to a maximum of 60% of the inventories priced at the lower of cost or market at year end (after provision for obsolescence) or, alternatively, of the average of those values for the two preceding years. Transfers from these reserves to the profit and loss account would, in normal circumstances, constitute taxable income.

The Electrolux Group—Consolidated Profit & Loss Statement

(Amounts in MKr)	1974		1973	
<i>Operating Income and Costs</i>				
Sales (Note 1)	5,535.8		4,181.8	
Manufacturing, selling and administrative costs etc.	-4,821.7		-3,675.1	
Operating result before depreciation	714.1		506.7	
Ordinary depreciation*)				
Buildings and land improvements	- 20.4		-17.0	
Machinery, equipment and tools	-137.5	- 157.9	-96.2	- 113.2
OPERATING RESULT AFTER ORDINARY DEPRECIATION	556.2		393.5	
<i>Non-operating Income and Costs</i>				
Dividends	1.9		0.1	
Share of earnings in non-Group companies	0.1		0.6	
Interest:				
Received from other than Group companies	42.8		27.9	
Paid to other than Group companies	-125.2		-52.7	
Relating to pension fund	- 12.7	- 93.1	-10.8	- 34.9
RESULT FROM CURRENT OPERATIONS BEFORE TAXES	463.1		358.6	
<i>Exceptional Items of Income and Costs</i>				
Capital gains from sale of real estate, leases and securities (Note 2)	35.3		43.2	
Costs of share issues	- 1.8		- 3.9	
Alteration and relocation costs	- 2.1		- 2.0	
Amortization of patent rights, leases etc.	- 0.0		- 0.6	
Amortization of goodwill	- 0.1		- 0.3	
Exceptional costs relating to change in the Group's structure (Note 3)	- 25.3	6.0	-24.4	12.0
RESULT BEFORE APPROPRIATIONS AND TAXES	469.1		370.6	
<i>Appropriations</i>				
Amounts utilized from the investment funds (Note 4)	7.2		5.6	
Writing-down of the amount utilized from the investment funds (Note 4)	- 7.2		- 5.6	
Depreciation exceeding ordinary (Note 5)	- 17.5		- 8.3	
Appropriation to special investment funds	- 25.0		-	
Appropriation to environment funds	- 34.1		-	
Appropriation to investment funds (Note 6)	- 0.3		-28.3	
Increase of general inventory reserves	-133.8		-66.2	
Increase of other financial reserves (Note 7)	- 6.8	- 217.5	-10.7	- 113.5
RESULT BEFORE TAXES	251.6		257.1	
Taxes	- 141.7		- 114.1	
Profit after Taxes	109.9		143.0	
Net result National Union Electric Corp., USA (first 6 months)	- 9.7		-	
Minority interests	- 7.6		- 3.9	
GROUP PROFIT FOR THE YEAR	92.6		139.1	

*) For definition, see page 25.

The Electrolux Group

ASSETS (Amounts in MKr)	December 31, 1974		December 31, 1973	
<i>Current Assets</i>				
Liquid funds				
Cash and bank balances	265.0		349.7	
Promissory notes	2.0		2.0	
Repurchased debentures (Parent Company)	2.5		—	
Bills receivable from customers	67.8		79.1	
Securities	20.2	357.5	47.8	478.6
Receivables				
Due from customers	1,159.1		956.9	
Miscellaneous (Note 8)	204.9	1,364.0	107.0	1,063.9
Inventories (Note 8)	1,867.1		1,197.6	
General inventory reserves	-437.3	1,429.8	-303.9	893.7
		3,151.3		2,436.2
<i>Blocked Account for Investment Funds</i>		5.4		4.0
<i>Fixed Assets</i>				
Receivables				
Miscellaneous		110.9		72.1
Shareholdings (Note 11)		47.8		7.0
Machinery and equipment (Note 12)	281.7		207.2	
Factory, office and other buildings (Note 13)	415.4		375.3	
New plants under construction	58.9	756.0	23.2	605.7
Leases		2.2		1.4
		916.9		686.2
TOTAL ASSETS		4,073.6		3,126.4
<i>Assets Pledged</i>				
Mortgages on property		317.2		282.9
Floating mortgages		135.5		66.8
Miscellaneous		7.7		6.3

Consolidated Balance Sheet

LIABILITIES AND EQUITY (Amounts in MKr)	December 31, 1974		December 31, 1973	
<i>Short-term Liabilities</i>				
Bills payable to suppliers	49.8		52.2	
Due to suppliers	395.3		294.8	
Due to customers	39.0		29.9	
Bank loans etc. (Note 14)	548.6		375.0	
Miscellaneous (Note 15)	570.2	1,602.9	417.3	1,169.2
Taxes payable		171.0		123.1
		1,773.9		1,292.3
<i>Long-term Liabilities</i>				
Mortgages loans, promissory note loans	658.5		256.0	
Miscellaneous (Note 16)	45.1		58.8	
Appropriated to pensions	282.8	986.4	251.5	566.3
Debenture loans (Note 17)	90.1		22.8	
Bond loans	36.2	126.3	38.1	60.9
		1,112.7		627.2
<i>Special Appropriations</i>				
Investment funds	34.0		40.3	
Special investment funds	25.0		—	
Working environment funds	34.1	93.1	—	40.3
<i>Minority Interests</i>		54.4		30.7
<i>Equity (Note 18)</i>				
Share capital	624.0		624.0	
Statutory reserves	235.6	859.6	222.8	846.8
Free reserves		87.3		150.0
Group profit for the year		92.6*)		139.1*)
		1,039.5		1,135.9
TOTAL LIABILITIES AND EQUITY		4,073.6		3,126.4
<i>Contingent Liabilities</i>		110.9		75.2
(including discounted bills)		(21.7)		(9.3)
*) Before allocation to statutory reserves of		4.6		4.0

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)	1974	1973 ¹⁾	1972
Funds received			
Funds from internal sources*)	376.3	276.7	184.3
Sale of fixed assets	58.7	83.8	39.1
Increase of long-term liabilities, etc.	509.2	112.7	99.8
TOTAL FUNDS RECEIVED	944.2	473.2	323.2
Funds used			
Investments in real estate, machinery, equipment and tools	348.3	259.7	133.6
Investments in other fixed assets	80.5	— 7.1	3.4
Change in the Group's structure, etc. ²⁾	148.5	45.4	38.9
TOTAL FUNDS USED	577.3	298.0	175.9
Change in working capital	366.9	175.2	147.3
<i>Details of "Change in working capital"</i>			
Increase of inventories	+669.5	+241.7	+ 94.5
Increase of short-term receivables	+300.1	+170.1	+ 73.1
Increase of short-term liabilities	—481.5	—320.0	—132.2
Decrease/increase of liquid funds	—121.2	+ 83.4	+111.9
	+366.9	+175.2	+147.3
<i>*) Details of "Funds from internal sources"</i>			
Profit before taxes and capital gains	+199.0	+210.0	+154.8
Appropriations	+200.1	+113.5	+ 77.3
Depreciation of buildings, machinery, equipment and tools (incl. writing-down of amount utilized from the investment funds)	+182.6	+118.8	+ 67.2
Depreciation of intangible assets	+ 0.1	+ 0.9	+ 1.1
Taxes	—141.7	—114.1	— 78.2
Dividend to shareholders	— 62.4	— 49.9	— 38.0
Deposit on blocked account for investment funds	— 1.4	— 2.5	— 0.1
Writing-down of shares in non-Group companies	—	0.0	+ 0.2
	+376.3	+276.7	+184.3

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

²⁾ This includes partly net book value, MKr 33.2, as at January 1, 1974, of buildings, machinery and equipment belonging to NUE, partly change in free reserves of the Electrolux Consolidated Balance Sheet in the consolidation of NUE, MKr 69.9 (Note 18).

Notes to the Financial Statements for the Group

Note 1 Sales

Sales refer to invoiced sales excluding value-added and sales taxes.

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

Capital gains have among others accrued in 1974 from the sale of AB Överums Bruk's forestland holdings and from the sale of real estate and leases in Facit AB, S.A. Electrolux, France, Facit Addo Ltd., Great Britain, and from the sale of securities in AB Electrolux.

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

Included under this heading are restructuring costs of a non-recurrent nature relating to Facit companies.

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

Amounts have been utilized from investment funds in 1974 by AB Electrolux, AB Ballingslövs Träförädling (Sweden) and A/S Scan-Atlas Husholdningsapparater, Denmark.

Note 5 Depreciation exceeding ordinary

The difference between ordinary and fiscal depreciation is reported under this heading. The depreciation is calculated using the same principles as those used in 1973.

	1974	1973
	MKr	MKr
<i>Buildings and land improvements</i>		
Ordinary depreciation	20.4	17.0
Fiscal depreciation	-20.1	-17.9
Difference	0.3	- 0.9
<i>Machinery, equipment and tools</i>		
Ordinary depreciation	137.5	96.2
Fiscal depreciation	-155.3	-103.6
Difference	- 17.8	- 7.4

Note 6 Appropriations to investment funds

Tax-deductible investment fund appropriations were among others made by Facit A/S, Norway.

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 some countries, however, additional appropriations may be made. Such appropriations are reported in the Consolidated Profit and Loss Statement under the above heading.

Note 8 Current Assets: Receivables miscellaneous

This heading includes receivables deriving from property sales which fall due within 12 months, import deposits abroad, receivables due from suppliers and employees as well as prepaid expenses.

Note 9 Inventories

Regarding the valuation of inventories, see under "Principles of accounting", page 25.

Note 10 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 Husholdningsapparater, Copenhagen and relating to sales of kitchen fittings. Also included are long-term bank deposits.

Note 11 Shareholdings

The increase arose in connection with the acquisition of NUE, which already owned shares in two non-Group companies.

Note 12 Machinery and equipment

Net book value, December 31, 1973	MKr	207.2
Net book value relating to machinery and equipment in NUE	MKr	21.6
Acquisitions in 1974, including machinery and equipment owned by companies acquired during the year (excl. NUE)	MKr	235.2
Book value of machinery and equipment sold and scrapped	MKr	- 17.4
Increase in calculated reserve for remaining reconditioning costs	MKr	- 9.6
Fiscal depreciation 1974	MKr	-155.3
	MKr	281.7

The above acquisition total includes machinery and equipment in newly-acquired companies (excl. NUE) amounting to MKr 9.2. Regarding accrued reconditioning costs, see note 14 to the Parent Company's Financial Statements. Acquisition against investment fund of MKr 0.2 has been made in addition to amount stated above.

Note 13 *Factory, office and other buildings (including land improvements)*

Net book value, December 31, 1973	MKr	375.3
Net book value relating to properties in NUE	MKr	11.6
Acquisitions in 1974, including properties belonging to companies acquired during the year (excl. NUE)	MKr	70.1
Appreciations in subsidiary companies	MKr	5.3
Book value of properties etc. sold and scrapped	MKr	— 26.8
Fiscal depreciation 1974	MKr	— 20.1
	<u>MKr</u>	<u>415.4</u>

The above acquisition total includes properties in newly-acquired companies (excl. NUE) of a total value of MKr 79. Acquisitions against investment funds of MKr 7.0 have been made in addition to amount stated above.

Note 14 *Bank loans, etc.*

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

Note 15 *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 appropriations in subsidiaries outside Sweden, sales and value-added taxes and miscellaneous accrued expenses.

Note 16 *Long-term liabilities, miscellaneous*

This heading includes loans for which collaterals in the form of mortgage or guarantees have not been required. Also included are long-term liabilities arising from company acquisitions.

Note 17 *Debenture loans*

The increase refers to the debenture loan of MKr 75 mentioned on page 6.

Note 18 *Equity*

The book value of shareholdings in subsidiary companies has been eliminated against the respective subsidiary company's paid-in capital in consolidation. The net difference received (value in excess of par) has been deducted from Free Reserves. At the consolidation of NUE, a value in excess of par of MKr 152.6 arose; Free Reserves of NUE amounted to MKr 82.7. The Group's Free Reserves was thus reduced by the difference between the two amounts or MKr 69.9. This explains the decrease as against 1973. As at December 31, 1973, the net difference between book values of shareholdings and the respective subsidiary company's paid-in capital was a minor value in excess of par that was deducted from Free Reserves.

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

AB Electrolux—Profit & Loss Statement

(Amounts in MKr)	1974		1973	
<i>Operating Income and Costs</i>				
Sales (Note 1)	1,657.4		1,335.2	
Manufacturing, selling and administrative costs etc. (Note 2)	-1,411.5		-1,150.9	
Operating result before depreciation	245.9		184.3	
<i>Ordinary depreciation*)</i>				
Buildings and land improvements	- 6.8		- 5.4	
Machinery, equipment and tools	-52.4	- 59.2	-40.5	- 45.9
OPERATING RESULT AFTER ORDINARY DEPRECIATION	186.7		138.4	
<i>Non-operating Income</i>				
Royalties (including amounts received from Group companies 7.7 and 6.4 respectively)	9.2		8.1	
Dividends from Group companies	65.1		55.8	
Dividends from non-Group companies	0.0		0.3	
Interest received from Group companies	9.0		3.8	
Other interest received	8.5	91.8	11.5	79.5
<i>Non-operating Costs</i>				
Interest paid to Group companies	- 1.5		- 2.9	
Interest relating to pension fund	- 7.3		- 6.1	
Other interest paid	-44.0	- 52.8	-10.2	- 19,2
RESULT FROM CURRENT OPERATIONS BEFORE TAXES	225.7		198.7	
<i>Exceptional Items of Income and Costs</i>				
Capital gain from sale of real estate and securities	0.8		0.6	
Costs of share issues	- 0.2		- 2.3	
Alteration and relocation costs	- 0.6		- 0.4	
Amortization of patents	- 0.8		- 1.3	
Amortization of goodwill	- 4.1		- 5.0	
Costs related to changes in structure (Note 3)	- 0.8	- 5.7	- 6.1	- 14.5
RESULT BEFORE APPROPRIATIONS AND TAXES (Note 4)	220.0		184.2	
<i>Appropriations</i>				
Amount utilized from the investment fund (Note 5)	4.7		3.4	
Writing-down of the amount utilized from the investment fund (Note 5)	- 4.7		- 3.4	
Depreciation exceeding ordinary (Note 6)	-12.3		-10.6	
Increase of general inventory reserve (Note 7)	-96.0		-53.0	
Appropriation to investment funds	-		-22.0	
Appropriation to special investment funds	-17.4		-	
Appropriation to environment fund	-23.2		-	
Change of reserves for not realized profit in inventories of Group companies outside Sweden (Note 8)	8.8		-11.0	
Appropriation to guarantee reserve	-	- 140.1	- 4.9	- 101.5
RESULT BEFORE TAXES	79.9		82.7	
Taxes (Note 9)	- 10.8		- 10.0	
NET PROFIT FOR THE YEAR	69.1		72.7	

*) For definition, see page 25.

AB Electrolux

ASSETS (Amounts in MKr)	December 31, 1974*)		December 31, 1973	
<i>Current Assets</i>				
<i>Liquid funds</i>				
Cash and bank balances	109.9		149.3	
Promissory note	2.0		2.0	
Repurchased debentures	2.5		--	
Bills receivable from customers	8.2	122.6	11.1	162.4
<i>Receivables</i>				
Due from customers	55.5		190.7	
Due from Group companies (Note 10)	228.8		217.0	
Miscellaneous (Note 11)	16.7	301.0	22.5	430.2
Taxes receivable		1.8		--
Inventories	345.9		416.5	
General inventory reserve (Note 7)	-191.6	154.3	-233.6	182.9
		579.7		775.5
<i>Blocked Investment Account</i>		3.1		1.0
<i>Fixed Assets</i>				
<i>Receivables</i>				
Due from Group companies (Note 12)	45.5		61.4	
Miscellaneous	15.2	60.7	19.4	80.8
<i>Shareholdings</i>				
Group companies (Note 13)	827.2		520.5	
Non-Group companies	1.3	828.5	1.9	522.4
<i>Machinery and equipment (Note 14)</i>				
Factory, office and other buildings (Note 15)	144.1		133.9	
New plants under construction	39.3	257.5	10.5	221.4
Patent rights	1.7		2.5	
Goodwill	4.6	6.3	13.9	16.4
		1,153.0		841.0
TOTAL ASSETS		1,735.8		1,617.5
<i>Assets Pledged</i>				
Mortgages on property		161.2		139.6
Floating mortgages		9.7		9.7

*) As a result of changes in structure the figures of 1974 and 1973 are not comparable. See page 26 under the heading of "Principles of Accounting, AB Electrolux".

Balance Sheet

LIABILITIES AND EQUITY (Amounts in MKr)	December 31, 1974		December 31, 1973	
<i>Short-term Liabilities</i>				
Due to Group companies	4.5		80.5	
Due to suppliers	98.8		136.5	
Due to customers	6.5		11.8	
Bank loans etc.	28.8		63.2	
Wages, salaries, vacation pay, PAYE taxes etc.	59.9		76.6	
Miscellaneous (Note 16)	30.8	229.3	40.3	408.9
Taxes payable		—		10.5
		229.3		419.4
<i>Long-term Liabilities</i>				
Due to Group companies	3.6		24.0	
Mortgage loans and promissory note loans (Note 17)	388.3	391.9	120.8	144.8
Miscellaneous (Note 18)		20.2		31.1
Appropriated to pensions Pensions Registration Institute (PRI)	84.3		105.0	
Other pension plans	11.7	96.0	19.2	124.2
Debenture loans (Note 19)		86.2		18.3
		594.3		318.4
<i>Special Appropriations</i>				
Reserve for unrealized profit in inventories of Group companies outside Sweden (Note 8)		15.0		23.9
Investment fund for operations		17.3		23.2
Special investment fund		17.4		—
Environment fund		23.2		—
		72.9		47.1
<i>Equity</i>				
Share capital (Note 20)	624.0		624.0	
Statutory reserve	131.3	755.3	131.3	755.3
Profit brought forward	14.9		4.6	
Net profit for the year	69.1	84.0	72.7	77.3
		839.3		832.6
TOTAL LIABILITIES AND EQUITY		1,735.8		1,617.5
Unappropriated earnings as per Balance Sheets of December 31, 1973 and December 31, 1972, respectively		77.3		95.3
Deduct: Dispositions resolved by the Annual General Meetings in 1974 and 1973 respectively, Payment of Dividend		62.4		49.9
Transfer to Share capital and Statutory reserve		—		40.8
		14.9		4.6
<i>Contingent Liabilities</i>				
On behalf of Group companies		174.5		83.4
As a result of changes in structure (Note 21)		70.1		—
Other contingent liabilities		21.8		43.0
		266.4		126.4
(including discounted bills receivable)		(8.2)		(32.7)

SHAREHOLDINGS OF AB ELECTROLUX

<i>Company</i>	<i>Percentage held</i>	<i>Par value 1,000 in the currency concerned</i>	<i>Book value tKr</i>	
GROUP COMPANIES IN SWEDEN				
Facit AB, Åtvidaberg	97.4	SKr 77,889	60,868	
AB Ballingslövs Träförädling, Ballingslöv	100	SKr 765	25,000	
Electrolux-Wascator AB, Alingsås	100	SKr 25,000	25,000	
Allmänna Svenska Städtings AB, Stockholm	50.2	SKr 3,260	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	
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 Götaverken Global Shipperservices AB, Gothenburg	50	SKr 500	500	
Zig-Zag Fabriks AB, Malmköping	50	SKr 10	450	
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	
AB Schaub & Co., Stockholm	100	SKr 100	100	
Elektro-Helios Fastighets AB, Stockholm	100	SKr 100	100	
AB Orwak, Sävsjö	90	SKr 90	90	
Centralkassan AB, Stockholm	100	SKr 50	50	
AB Elektroservice, Stockholm	100	SKr 25	25	
Liljendahl Patenter AB, Stockholm	100	SKr 20	20	
AB Lux, Stockholm	100	SKr 20	20	
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 Wascator, Stockholm	100	SKr 5	5	
GROUP COMPANIES OUTSIDE SWEDEN				
<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	A/S Scan-Atlas Husholdningsapparater, Copenhagen	99.6	DKr 59,780	47,450
	Electrolux A/S, Copenhagen	100	DKr 7,000	5,700
	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 Elektroheliol Ab, Helsinki	100	Fmk 10,000	12,150
	Kone-Lamminen Oy, Tampere	100	Fmk 1,400	2,300
	Oy Liesimyynti-Spissförsäljnings Ab, Köklax	51	Fmk 1,020	1,200
	Oy Electrolux-Kodinkoneet Ab, Helsinki	100	Fmk 1,000	1,100
	Oy Electrolux Kahete Ab, Helsinki	100	Fmk 300	0
	Suomen Atlas Talouskonemyynti Oy, Helsinki	95	Fmk 200	0
France	S.A. Electrolux, Paris	100	FF 49,997	47,040
	Levin France S.a.r.l., Neuilly	100	FF 50	0
	Wascator S.A., Paris	59.4	FF 297	0

<i>Company</i>		<i>Percentage held</i>	<i>Par value 1,000 in the currency concerned</i>	<i>Book value tKr</i>
GROUP COMPANIES OUTSIDE SWEDEN				
<i>Europe</i>				
Holland	Electrolux Nederland B.V., Diemen	100	Hfl 4,000	5,700
	Schoonmaakbedrijf Mercurius B.V., Ermelo	50.1	Hfl 538	5,000
	J.F. Quatfass B.V., Diemen	100	Hfl 200	300
	Elektroheliolus B.V., Diemen	100	Hfl 200	0
	Electrolux-Quatfass B.V., Diemen	56.5	Hfl 1,300	0
Italy	Electrolux S.p.A., Milan	100	Lit 800,000	4,500
	Italwascator S.p.A., Milan	100	Lit 100,000	600
Luxembourg	Kreft S.a.r.l., Vianden	98.7	FLux 24,675	5,900
Norway	Electrolux Industrier A/S, Oslo	100	NKr 10,500	5,000
	Electrolux Rengjøringsmaskiner A/S, Oslo	100	NKr 3,000	1,000
	Norsk Rengjøringssselskap A/S, Oslo	50	NKr 1,250	970
	Helimatic A/S, Oslo	100	NKr 10	0
Portugal	Electrolux Ltda., Lisbon	83.3	Esc. 8,333	900
Switzerland	Electrolux AG, Zurich	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	£ 11,997	144,500
	Electrolux (Commercial Equipment) Ltd., Luton	100	£ 1,450	15,725
	Flymo Ltd., Watford	99.9	£ 849	8,792
West Germany	Electrolux GmbH, Berlin	100	DM 9,000	21,148
	Wilhelm Loh & Co. GmbH, Siegen	100	DM 7,980	13,500
	Electrolux Küchentechnik GmbH, Hamburg	99.9	DM 6,990	12,100
	Electrolux GmbH, Hamburg	84.3	DM 5,060	9,400
	Electrolux Finanz GmbH, Hamburg	99.8	DM 4,990	6,800
	Electrolux Kälte- und Wärmetechnik GmbH, Hamburg	100	DM 1,000	1,300
	Electrolux Lagersystem GmbH, Hamburg	100	DM 500	400
	Lux GmbH, Berlin	100	DM 750	0
	Siegas Verwaltungs GmbH, Siegen	100	DM 20	0
	Austria	Electrolux GmbH, Vienna	100	ÖS 15,000
<i>North America</i>				
Canada	Dometic Canada Ltd., Oakville	100	C\$ 300	1,500
	Dometic Sales of Canada Ltd., Oakville	100	without face value	1,400
USA	National Union Electric Corporation, Greenwich, Connecticut	92.1	without face value	235,533
	Dometic Sales Corporation, Elkhart, Indiana	100	without face value	2,100
	Dometic Incorporated, Secaucus, New Jersey	100	without face value	0
	Keltec Incorporated, Elkhart, Indiana	100	without face value	0
<i>Latin America</i>				
Argentina	S.A. Electrolux, Buenos Aires	100	APs 2,600	800
Brazil	Cia Electrolux S.A., São Paulo	96.9	Cruz. 9,693	5,375
	Electrolux Serviços Ltda., São Paulo	94.9	Cruz. 4,747	3,400
	Electrolux Comercial e Serviços Marítimos Ltda., São Paulo	82.9	Cruz. 746	300
Colombia	Electrolux S.A., Bogotá	91.0	CPs 1,819	0

<i>Company</i>		<i>Percentage held</i>	<i>Par value 1,000 in the currency concerned</i>	<i>Book value tKr</i>
GROUP COMPANIES OUTSIDE SWEDEN				
<i>Latin America</i>				
Dominican Republic	Electrolux Lagares C. por A., Santo Domingo	51.0	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	19,000
<i>Other areas</i>				
Hong Kong	Electrolux (Far East) Ltd., Hong Kong	100	HK\$ 50	0
	Electrolux Services Ltd., Hong Kong	50	HK\$ 250	0
Iran	Electrolux Iran Services Co. Ltd., Tehran	50.9	Rials 1,018	60
Japan	Nesco Ltd., Tokyo	50	Yen 50,000	100
Malaysia	Electrolux Malaysia Sendirian Berhad, Kuala Lumpur	50	ML\$ 100	180
New Zealand	Electrolux Ltd., Wellington	100	NZ\$ 1,000	7,000
Zambia	Electrolux (Zambia) Ltd., Ndola	100	Kwa 10	0
<i>Total shareholdings in Group companies</i>				<u>827,161</u>
NON-GROUP COMPANIES ETC.				
<i>Sweden</i>				
	Vakuumsystem AB, Solna	24.8	SKr 50	50
	Swedvelop Hospiral Equipment AB, Stockholm		SKr 25	20
	Servi-Data AB, Stockholm	1.0	SKr 0	0
	AB Sukab, Stockholm	6.3	SKr 2	0
	Svensk Interkontinental Lufttrafik AB (S.I.L.A.), Stockholm	0.7	SKr 800	0
	Svenska MTM-gruppen AB, Stockholm	0.4	SKr 0	0
	Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund u.p.a., Stockholm, debentures of 1972		SKr 75	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	GF75 Société S.A.R.L., Paris		FF 70	65
	La Maison de Suède à Paris S.A., Paris		FF 11	0
Luxembourg	ADELA Investment Co., S.A.		US\$ 129	618
	SIFIDA Investment Co., S.A.		US\$ 100	517
Peru	Valinka S.A., Lima	18	Soles 2,797	20
	Electrolux S.A., Lima	29	Soles 23,173	0
<i>Total shareholdings in non-Group companies</i>				<u>1,290</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, 1975

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.

Note 2 Manufacturing, selling and administrative costs etc.

General administrative costs during 1974 amounted to MKr 4.1 as compared with MKr 2.9 for 1973. These amounts are included under the above heading.

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

Under this heading are reported non-recurrent costs referring to 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 10.0, representing the losses of these companies. (The corresponding losses for the previous year were MKr 23.3.)

Note 5 Amounts utilized from the investment fund and Writing-down of the amounts utilized from the investment fund

The Investment Fund has been utilized during 1974 to finance the factory expansion in Bräkne-Hoby.

Note 6 Depreciation exceeding ordinary

This heading includes the difference between ordinary and fiscal depreciation. Depreciation is calculated using the same principles as those used in 1973.

	1974	1973
	MKr	MKr
<i>Buildings and land improvements</i>		
Ordinary depreciation	6.8	5.4
Fiscal depreciation	-7.3	-6.6
Difference	-0.5	-1.2
<i>Machinery, equipment and tools</i>		
Ordinary depreciation	52.4	40.5
Fiscal depreciation	-64.2	-49.9
Difference	-11.8	-9.4

Note 7 Increase of general inventory reserve

In connection with the transfer of assets and liabilities to Facit AB and Electrolux-Wascator AB (see under "Principles of accounting", page 26) inventories have been transferred after deductions for general inventory reserve.

Reserve brought forward, January 1, 1974	MKr 233.6
Transferred reserves	MKr -138.0
Appropriation December 31, 1974	MKr 96.0
Reserve carried forward December 31, 1974	MKr 191.6

The reserve carried forward amounts to 55.4% of the gross inventory value reduced by reserves for obsolescence. The corresponding percentage for the previous year was 56.1%.

Note 8 Change of reserve for unrealized profits in inventories of Group companies outside Sweden

The reserve comprises the difference between the Parent Company's invoiced prices and manufacturing costs for those products which remained in the inventories of the receiving foreign subsidiaries reduced by locally made inventory reserves regarding Group products at the end of the year. This item does not affect the operations of AB Electrolux, but is merely a fiscal appropriation, and is therefore in contrast to previous year, reported as an appropriation. The corresponding figures for 1973 have been altered accordingly.

Note 9 Taxes

As from 1974, dividends, royalty revenues etc, will be reported as gross amounts, i.e. including foreign taxes of MKr 5.3, which are included under this heading.

Note 10 Current assets: Receivables due from Group companies

Trading receivables from subsidiaries for transactions with a maximum credit period of one year are reported under this heading. Other trading receivables are reported under the heading "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 owned by employees and prepaid expenses.

Note 12 *Fixed Assets: Receivables due from Group companies*

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

Note 13 *Shareholdings in Group companies*

The increase from the previous year is attributable to the acquisition of new companies, mainly NUE, for MKr 235.5 (see page 6), and the subscriptions of new shares in subsidiaries.

The book value of shareholdings in some subsidiaries have been reduced by MKr 14. The shares of C.A. Electrolux, Caracas, Venezuela, have been increased by the same amount, which lies within the face value.

Note 14 *Machinery and equipment*

Net book value, December 31, 1973	MKr	107.0
(before reductions for reserve for reconditioning costs of MKr 30.0)		
Acquisitions in 1974	MKr	90.9
Fiscal depreciation in 1974	MKr	- 64.2
Net book value on machines and equipment transferred within the Group	MKr	- 20.0
	MKr	113.7
Calculated reserve for remaining reconditioning costs	MKr	- 39.6
	MKr	74.1

Acquisitions and depreciation in 1974 include MKr 26.4 for production tools. The heading "machinery and equipment" above reports the tanks leased by the commission company AB Gårdscisterner (ABG) at acquisition cost including costs for reconditioning and freight to the user. This value is used as the basis for fiscal depreciation. The "Calculated reserve for remaining reconditioning costs" is then deducted from the resultant net value. Machinery and equipment of the Parent Company was insured against fire for a value of MKr 400.5.

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

Net book value, December 31, 1973	MKr	133.9
Acquisitions in 1974	MKr	17.5
Fiscal depreciation in 1974	MKr	- 7.3
	MKr	144.1

In addition to the above, acquisitions totalling MKr 4.7 have been charged against the investment fund.

At the end of the year, the Parent Company's properties had an assessed value of MKr 179.4 including a special machinery value of MKr 4.7. The buildings were insured against fire for a value of MKr 368.8

Note 16 *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 17 *Mortgage loans, promissory note loans*

Included under this entry is a multi-currency loan for US\$ 54 million with an initial maturity period of 5 years, obtained in connection with the acquisition of National Union Electric Corporation.

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 *Debenture loan*

The increase refers to the debenture loan of MKr 75 mentioned on page 6.

Note 20 *Share capital*

1,000,000 "A" shares at Kr 50 each	MKr	50.0
11,480,000 "B" shares at Kr 50 each	MKr	574.0
12,480,000 shares	MKr	624.0

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.

Note 21 *Contingent liabilities relating to changes in structure*

This entry includes potential responsibility for amounts due to suppliers, wages and salaries, accrued vacation pay, etc., which have been transferred from AB Electrolux to Electrolux-Wascator AB, Electrolux Svenska Försäljnings AB and Elektroheliös Försäljnings AB as well as Facit AB relating to the termination of the commission agreements between AB Electrolux on the one hand and AB Addo and Facit-Halda AB on the other hand. The two last mentioned companies' assets and liabilities have been transferred to Facit AB as at December 31, 1974 while the companies' operations have been transferred as from January 1, 1975.

The Facit Group

Result

The Facit Group as referred to in the result summary below comprises the Facit operations, existing as at the beginning of 1973 and having pursued such activities during 1973 and 1974. The effect of commission agreements between AB Electrolux and AB Addo and Facit-Halda AB respectively have been eliminated. Subsidiary companies which now are owned by "old" Electrolux companies are included in this summary.

(Amounts in MKr)	1974	1973
Sales	979.8	893.9
Manufacturing, selling and administrative costs etc.	-898.4	-863.6
Depreciation	- 35.8	- 22.6
RESULT AFTER DEPRECIATION	45.6	7.7
Non-operating income and costs	- 31.9	- 19.5
RESULT FROM CURRENT OPERATIONS BEFORE TAXES	13.7	- 11.8
Capital gains from sale of real estate, leases and securities	31.2	35.0
Cost of share issues	- 0.1	- 0.1
Exceptional costs relating to change in the Group's structure	- 25.3	- 24.4
RESULT BEFORE APPROPRIATION AND TAXES	19.5	- 1.3
Increase of general inventory reserve	- 4.5	+ 0.6
Appropriations to Environment and Special investment funds	- 14.6	-
Other Appropriations	- 4.8	- 3.7
RESULT BEFORE TAXES	- 4.4	- 4.4

Assets and liabilities

In view of the fact that the Facit Group has now been integrated and co-ordinated to a great extent with Electrolux, a balance sheet is not given for the Facit group. Accounts receivable and inventories amounted to the following sums as at December 31, 1974 and 1973, respectively (MKr):

	<u>December 31, 1974</u>	<u>December 31, 1973</u>
Accounts receivable	248.2	200.8
Inventories	466.6	362.8

Reference is made to "Principles of accounting" on page 25 and "Notes to the Financial Statements for the Group" on page 31, which also apply to the Facit consolidated financial statements.

National Union Electric Corporation (NUE)

Result

In the following summary the consolidated operations of NUE and the costs incurred by Electrolux for the financing of the acquisition are included with a standard deduction for 50% tax.

(Amounts in MKr)	1974
Sales	619.0
Manufacturing, selling and administrative costs etc.	-547.4
Depreciation	- 10.1
RESULT AFTER DEPRECIATION	<u>61.5</u>
Non-operating items, net	- 21.8
RESULT BEFORE TAXES	<u>39.7</u>
Taxes	- 18.8
Net result during first half of the year	- 9.7
Minority interest	- 1.5
GROUP NET RESULT DURING SECOND HALF OF THE YEAR	<u>9.7</u>

When calculating the book value of inventories NUE has as from 1974 adopted the LIFO method (last-in, first-out) as against the previously applied FIFO method (first-in, first-out). The resulting difference MKr 28.0 has reduced inventories and affected the Result before taxes.

Balance Sheet

A summary of NUE's consolidated balance sheet as at December 31, 1974, is shown below (Amounts in MKr).

ASSETS		LIABILITIES AND EQUITY	
<i>Current Assets</i>		<i>Short-term Liabilities</i>	
Cash and bank balances	18.2	Due to suppliers	20.8
Accounts and notes receivable	119.1	Bank loans etc.	50.9
Miscellaneous	8.7	Miscellaneous	26.7
Inventories	<u>177.8</u>	Taxes payable	36.8
	<u>323.8</u>		<u>135.2</u>
<i>Fixed Assets</i>		<i>Long-term Liabilities</i>	
Miscellaneous	12.6		<u>85.5</u>
Shareholdings, non-Group companies	41.3		
Machinery, equipment and buildings	41.5	<i>Equity</i>	<u>198.5</u>
	<u>95.4</u>		
TOTAL ASSETS	<u>419.2</u>	TOTAL LIABILITIES AND EQUITY	<u>419.2</u>

Report of the Auditors

As auditors of Aktiebolaget Electrolux we herewith submit the following audit report for the year 1974.

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 share capital to be increased by MKr 124.8 through a bonus issue of shares to be transacted partly by writing-up of the book value of land and buildings for MKr 68.0 partly by writing-up of the book value of shareholdings in subsidiary companies totalling MKr 56.8. Under presumption that the preliminary assessed values of land and buildings given at the 1975 real estate assessment be confirmed as final assessed values, and that permits of acquisition are granted for certain properties acquired during the year, we have nothing to object against the proposed writing-up.

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

Dividend to shareholders	Kr 68,640,000
To be carried forward	Kr 15,383,809
	<u>Kr 84,023,809</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, 1974, 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, 1975











































Arne Holmen
Chartered Accountant

Bruno Svensson
Chartered Accountant

THE ELECTROLUX GROUP

Specifications of operations in the countries, where Electrolux is represented by affiliated companies

-  Contract cleaning
-  Sales
-  Manufacture

		Manufacture	
Argentina 350 employees			vacuum cleaners, floor polishers
Australia 2,725 employees			vacuum cleaners, floor polishers, air cushion lawn-mowers
Barbados 45 employees			
Belgium 360 employees			
Brazil 4,740 employees			vacuum cleaners, floor polishers, electronic and mechanical calculators, typewriters, duplicating machines
Colombia 800 employees			vacuum cleaners, floor polishers
Denmark 1,900 employees			refrigerators, upright freezers, chest freezers, stoves, kitchen cabinets, office chairs
Dominican Republic 65 employees			
Dubai 20 employees			
Finland 815 employees			car washing machines, electronic products
France 4,110 employees			vacuum cleaners, floor polishers
Guatemala 45 employees			
Guyana 30 employees			
Holland 880 employees			catering equipment
Hong Kong 15 employees			
India 220 employees			mechanical adding and calculating machines
Iran 85 employees			
Italy 1,020 employees			
Japan 45 employees			
Canada 180 employees			vacuum cleaners
Lebanon 75 employees			
Luxembourg 195 employees			absorption refrigerators
Malaysia 40 employees			
Mexico 510 employees			vacuum cleaners, commercial cleaning machines
Norway 2,965 employees			electric cookers, electric radiators
New Zealand 315 employees			vacuum cleaners, floor polishers
Paraguay 10 employees			
Peru 330 employees			vacuum cleaners, floor polishers, absorption refrigerators
Portugal 135 employees			
Switzerland 615 employees			
Singapore 150 employees			
Spain (incl. Canary Islands) 575 employees			vacuum cleaners
Great Britain 5,730 employees			vacuum cleaners, refrigerators, upright freezers, kitchen cabinets, air-cushion lawn-movers, radiators
Sweden 23,050 employees			vacuum cleaners, commercial cleaning machines, "K" products, catering, hospital and industrial equipment, steel fittings and materials handling installations, office machines, data products, fractional h.p. electric motors, environmental products, office furniture, sawmill products, agricultural implements, contract castings, windows etc.
South Africa 1,670 employees			vacuum cleaners, floor polishers
Trinidad 140 employees			
Uruguay 10 employees			
USA 3,815 employees			vacuum cleaners, commercial cleaning machines, electronic calculators, room air-conditioners, plastic parts, etc.
Venezuela 665 employees			
West Germany 3,725 employees			absorption refrigerators, vacuum cleaners, chest freezers, commercial refrigerator units, air-cushion lawn-movers
Zambia 5 employees			
Austria 355 employees			

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

Aktiebolaget Electrolux

Board of Directors

Regular Members

Hans Werthén, Executive Chairman
Gösta Bystedt, Managing Director (President)
Gunnar Engellau, Chairman, AB Volvo
Karl-Gustav Lagerström*)
Johnny Niklasson*)
Jacob Palmstierna, Deputy Managing Director
(Executive Vice President),
Skandinaviska Enskilda Banken
Lord Luke of Pavenham, Chairman, Electrolux
Ltd., Great Britain
Åke T. Vrethem, Deputy Chairman, ASEA

Deputy Members

Sune Andersson*)
Harry Eriksson, Senior Deputy Managing Director
(Senior Executive Vice President)
Arthur Grimborg*)
Sven Olving, Professor, Chalmers Tekniska
Högskola
Peter Wallenberg, Chairman, Atlas Copco AB

Group Executive Committee

Hans Werthén, Executive Chairman of the Board
of Directors of AB Electrolux
Gösta Bystedt, Managing Director (President)
Harry Eriksson, Senior Deputy Managing Director
(Senior Executive Vice President)
Anders Scharp, Deputy Managing Director
(Executive Vice President)

Other Chief Executives

Nils Eliasson	Bertil Ljungquist
Lars Emilsson	Simon Liliedahl
John-Jacob Engellau	Lennart Ribohn
Folke Heibert	Kim Scharf
Leif Lindgren	Owe Werner
Yngve Lindholm	



AB Electrolux Board of Directors from left to right: Karl-Gustav Lagerström, Sven Olving, Jacob Palmstierna, Björn Made (secretary), Harry Eriksson, Gösta Bystedt, Hans Werthén, Åke T. Vrethem, Gunnar Engellau, Lord Luke of Pavenham, Peter Wallenberg, Sune Andersson, Johnny Niklasson and Arthur Grimborg.



Electrolux

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