

# Electrolux 1980

Annual Report



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## Annual General Meeting

The Annual General Meeting will be held at 10.00 a.m. on Thursday, May 21, 1981, at the head office of Skandinaviska Enskilda Banken, Konferenssalen, 2 Sergels Torg, Stockholm.

## Right to attend and vote at the Annual General Meeting

Shareholders wishing to attend and vote at the Annual General Meeting must be registered in the share register maintained by Värdepapperscentralen VPC AB, no later than Monday, May 11, 1981.

Shareholders whose shares are registered in the names of trustees through the trust department of a bank or stockbroker must temporarily register the shares in their own names in order to be able to vote at the Annual General Meeting. Such temporary registration must be completed no later than Monday, May 11, 1981.

## Notice of intention to attend the Annual General Meeting

Shareholders wishing to attend the Annual General Meeting must, in addition to being registered as above, notify the company no later than 4.00 p.m. on Monday, May 18, 1981. Notification should be made in writing to AB Electrolux, Dept HK-J, S-105 45 Stockholm, Sweden, or by telephone during office hours to +46 (8) 738 67 93 or +46 (8) 738 67 91.

## Payment of dividend

The declaration of dividend as decided by the Annual General Meeting will include notification of the day upon which the share register and the list of nominees will be closed for reconciliation and determination of entitlement to dividend. The Board of Directors has proposed May 25, 1981. Subject to the Annual General Meeting approving this proposal it is expected that dividends will be distributed by Värdepapperscentralen VPC AB on June 2, 1981.

## Notification of change of address

Shareholders who have changed their name, address or the number of their bank account should report the fact as soon as possible to their trustee or Värdepapperscentralen VPC AB, Box 7444, S-103 91 Stockholm, Sweden.

# Electrolux Group in 1980

	1980	1979
Sales (Mkr)	<b>22,874</b>	15,137
Operating result after depreciation (Mkr)	<b>1,728</b>	1,308
Result after financial income and expenses (Mkr)	<b>1,003</b>	915
Adjusted profit per share (SKr) (for calculation see Note 6 page 17)	<b>20:05</b>	18:25 <sup>1)</sup>
Return on total assets less current assets, % (Note 4 page 53)	<b>14.9</b>	16.6
Return on equity, after tax, %	<b>16.2</b>	16.7
Capital expenditure (Mkr)	<b>2,515</b>	863
of which opening value in companies acquired during the year	<b>1,285</b>	148
Total number of employees	<b>103,000</b>	82,000
of which in Sweden	<b>40,000</b>	28,100

## Parent Company

Profit after tax (Mkr)	<b>187</b>	147
Dividend, total (Mkr) <sup>2)</sup>	<b>186</b>	145
Skr/share <sup>2)</sup>	<b>7:50</b>	6:00 <sup>1)</sup>

<sup>1)</sup> After bonus issue during 1980

<sup>2)</sup> For 1980, proposal of the Board of Directors

# Operations in 1980

The Report of the Directors of AB Electrolux is incorporated in this report for the Group

The principal feature of the sustained growth of the Electrolux Group in 1980 was the acquisition of Gränges. The Extraordinary General Meeting held on February 15, 1980, approved the proposal of the Board of Directors to make an offer to the shareholders of Gränges AB to sell their shares to AB Electrolux in exchange for convertible debentures. As a result of the offer 6,627,250 shares were transferred, and a further 295,900 shares were bought later. At the year-end AB Electrolux owned 6,923,150 shares, corresponding to 95.5% of the share capital.

Including Gränges the sales of the Group rose by 51% in 1980 to 22,874 Mkr. Excluding Gränges the rise was 13.5%. The consolidated result after financial income and expenses rose by 10% to 1,003 Mkr, of which Gränges accounted for 103 Mkr after allowing for internal interest charges on the capital used for the acquisition. After extraordinary items but before appropriations and taxes the result amounted to 1,054 Mkr (934). The consolidated financial statements do not include Hugin, Norlett, Progress and Johnson Metall as these companies were acquired at the beginning of 1981.

After a strong start to sales during the first part of 1980 demand slackened slightly during the second quarter continuing weak throughout the second half of the year in many of the Group's principal markets. Thanks to the Group's wide-ranging product program and wide geographical spread of sales and production the effects of the declining demand were largely balanced out. Excluding Gränges it was possible to hold the operating result after depreciation in relation to sales at an unchanged level of 8.6%. The operating result after depreciation including Gränges represented 7.6% on sales.

Motor products, especially chain saws, showed further favourable progress from the previous year, which was helped by the company's restructuring process in production and selling. Commercial cleaning and services showed sustained successful expansion. Industrial products achieved higher sales and earnings. The

demand for household appliances and office products declined. During the year the Group moved into new fields, namely non-ferrous metals and contracting through the acquisition of Gränges and TV manufacturing through the purchase of the French company Océanic.

## Sales

Group sales in 1980 amounted to Mkr 22,874 (15,137). Companies acquired in 1980 contributed Mkr 6,465, of which Gränges had sales of Mkr 5,689. Companies disposed of during the year had 1979 sales of Mkr 176.

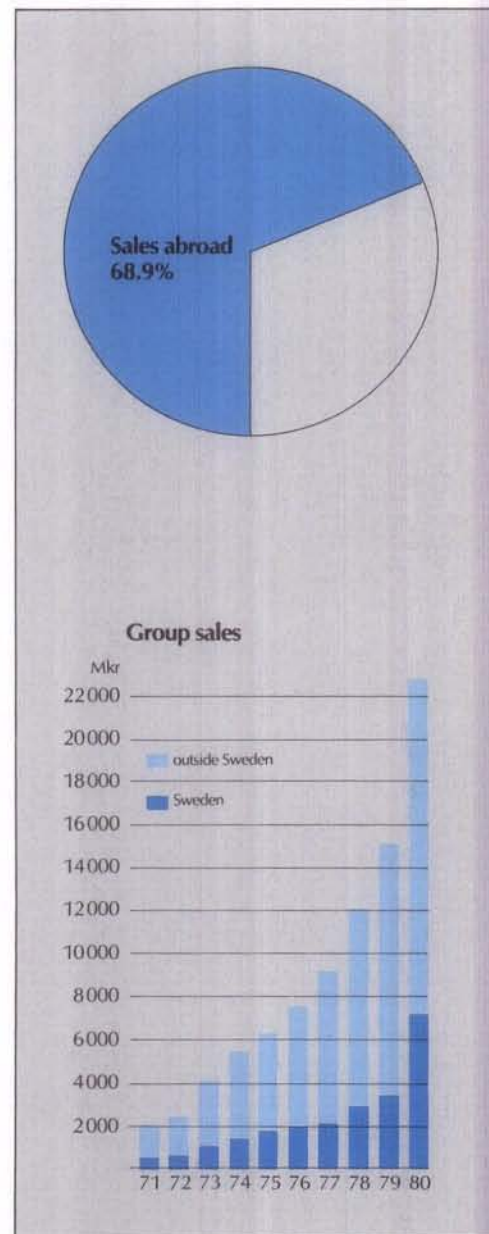
Sales to customers abroad (inc. Gränges) rose to Mkr 15,752 (11,639), accounting for 68.9% of total Group sales. The percentage share in 1979 (ex Gränges) was 76.9%. Foreign sales accounted for 44.7% of the Gränges group's total.

Exports from the Group's companies in Sweden (inc. Gränges) amounted to Mkr 5,075 (2,818). Income to Sweden over and above this in the form of dividends, royalties and interest amounted to Mkr 233 (181).

In 1980 the Swedish production units accounted for 59% (52) of the total output of the Group. The 1980 share excluding Gränges was 46%.

## Results

The consolidated result after depreciation according to plan was Mkr 1,728 (1,308), the equivalent of 7.6% (8.6) on total sales. The operating results after depreciation according to plan by product line are shown in the table below.



After net financial items the result amounted to Mkr 1,003 (915), a rise of Mkr 88 or approximately 10%. Newly acquired companies contributed Mkr 111 to the result after financial income and expenses, of which Gränges accounted for Mkr 103. Companies disposed of in 1980 reported a result of Mkr 3 in 1979.

After net extraordinary items amounting to Mkr 51 (19) the result before appropriations and taxes amounted to Mkr 1,054 (934).

The adjusted profit per share was Skr 20:05 (18:25). The method of calculation is explained in Note 6 on page 17. The return on total assets less current liabilities

was 14.9% (16.6). The after tax yield on equity was 16.2% (16.7). The yield before taxes on risk capital was 24.4% (27.5). (For definition see page 53). The non-restricted equity, as shown in the consolidated balance sheet, amounted to Mkr 1,085 (917). An amount of Mkr 21 is to be transferred to restricted equity.

#### Group sales by country in Europe and by region

	1980		1980		1979	
	inc. Gränges Mkr	%	ex. Gränges Mkr	%	Mkr	%
Sweden	7,122	31.1	3,976	23.1	3,498	23.1
France	2,651	11.6	2,551	14.8	2,038	13.4
Great Britain	1,600	6.9	1,285	7.5	1,202	7.9
West Germany	1,122	4.9	725	4.2	733	4.8
Norway	930	4.0	732	4.3	661	4.4
Switzerland	717	3.1	655	3.8	647	4.3
Finland	631	2.8	428	2.5	373	2.5
Denmark	613	2.7	382	2.2	398	2.6
Holland	401	1.8	319	1.9	309	2.1
Other	1,250	5.5	966	5.6	878	5.8
Europe	17,037	74.4	12,019	69.9	10,737	70.9
North America	3,585	15.7	3,249	18.9	2,993	19.8
Central and South America	746	3.3	714	4.2	545	3.6
Asia	716	3.2	645	3.8	434	2.9
Oceania	417	1.8	415	2.4	332	2.2
Africa	373	1.6	143	0.8	96	0.6
Total	22,874	100.0	17,185	100.0	15,137	100.0

#### Sales by product line

	1980		1980		1979	
	inc. Gränges Mkr	%	ex. Gränges Mkr	%	Mkr	%
Household appliances	10,675	46.6	10,675	62.1	9,613	63.5
Industrial products	2,654	11.6	2,654	15.4	2,300	15.2
Motor products	1,572	6.9	1,572	9.2	1,155	7.6
Office products	1,162	5.1	1,162	6.8	1,074	7.1
Commercial services	1,122	4.9	1,122	6.5	995	6.6
Gränges	5,689	24.9	—	—	—	—
Total	22,874	100.0	17,185	100.0	15,137	100.0

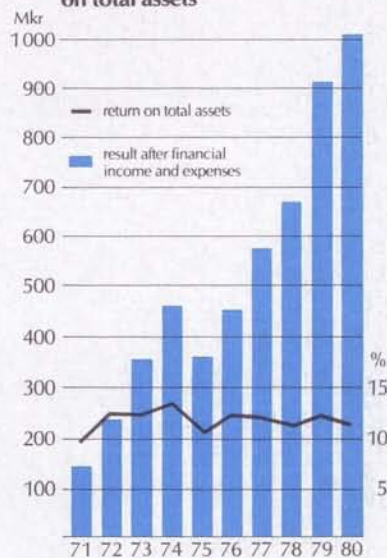
#### Operating results after depreciation by product line

	1980		1979	
	Mkr	% <sup>1)</sup>	Mkr	% <sup>1)</sup>
Household appliances	883	8.3	847	8.8
Industrial products	154	5.8	107	4.7
Motor products	212	13.5	159	13.8
Office products	122	10.5	118	11.0
Commercial services	107	9.5	77	7.7
Total ex. Gränges	1,478	8.6	1,308	8.6
Gränges products <sup>2)</sup>	250	4.4	—	—
Total	1,728	7.6	1,308	8.6

<sup>1)</sup> As % on sales of respective product line.

<sup>2)</sup> Results by activities are shown on pages 44-49.

#### Group result and return on total assets



## Financing, liquid assets and equity/assets ratio

The Group's cash and bank balances and short-term investments amounted to Mkr 683 (378) at the year-end, of which Gränges had Mkr 308.

Funds provided from operations during the year amounted to Mkr 1,310 (952) in 1980. Long-term liabilities increased by Mkr 3,142 (770), of which Mkr 1,511 related to the borrowings of companies acquired during the year. Funds provided from sales of fixed assets amounted to Mkr 252.

Capital expenditure on real property, machinery, equipment and production tools amounted to Mkr 2,515 (863). Of this total Mkr 1,285 represented the opening values in the books of companies acquired during the year.

Self-financing expressed as the ratio between funds provided from operations and total capital expenditure, excluding the opening values in the books of newly-acquired companies was 107% (133).

Working capital, excluding liquid assets and short-term investments, rose by Mkr 1,455, of which Mkr 1,209 was attributable to Gränges. Inventories were 30.3% of sales and accounts receivable 15.9%. The corresponding figures for 1980 ex. Gränges were 31.3% (28.7) and 14.9% (19.6) respectively.

Acquired companies, principally Gränges, led to the balance sheet total rising by Mkr 6,562, or 58.2%. Ex. Gränges the balance sheet total rose by Mkr 1,382, or 12.3%.

The rate of turnover of capital employed, expressed as the ratio between sales and the balance sheet total was 1.28. The corresponding 1980 figure ex. Gränges was 1.35 (1.34).

Net financial expenses amounted to Mkr 725 (net expenses of 393). Net financial expenses of the Gränges group amounted to Mkr 147. The increase in financial expenses was partly due to higher interest rates than in 1979 and partly to higher borrowings.

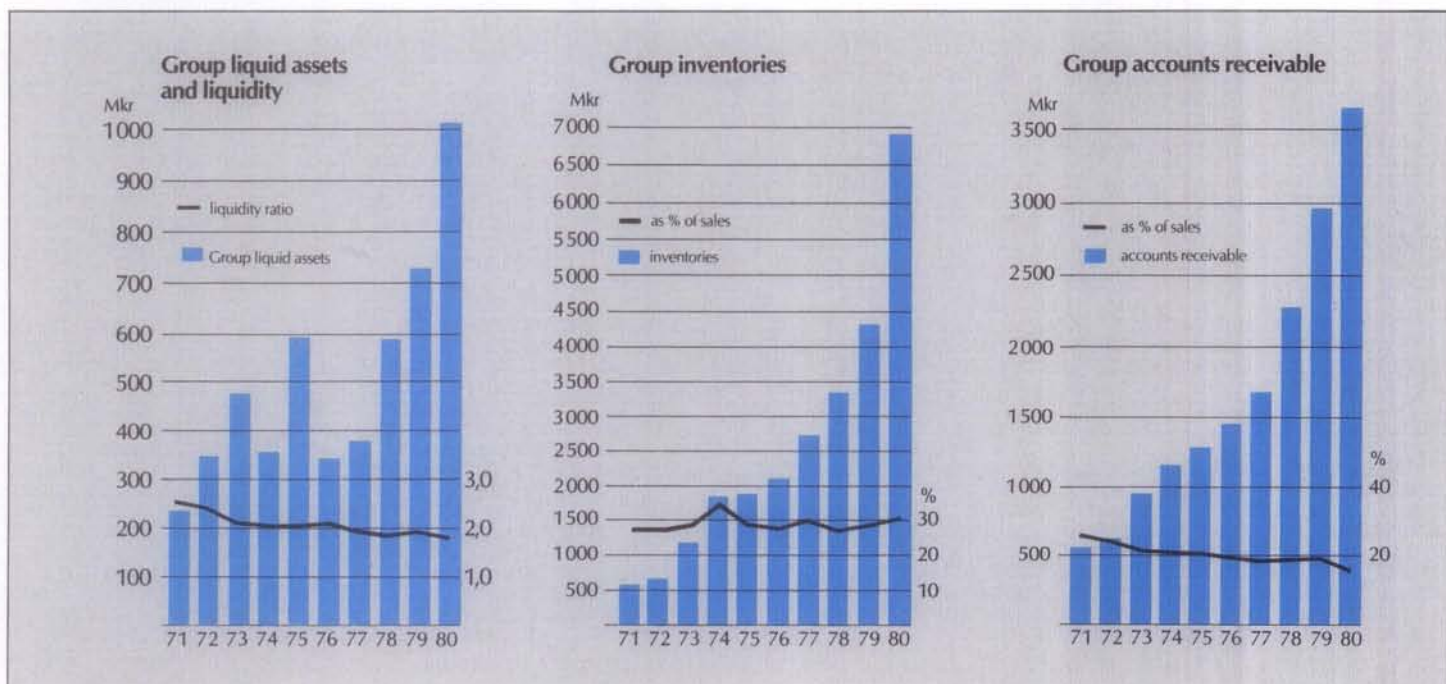
The working capital ratio, expressed as the ratio between current assets and cur-

rent liabilities was 1.80. The corresponding 1980 ratio ex. Gränges was 1.83 (1.94).

At the extraordinary general meeting on February 15, 1980, members approved the proposal of the Board of Directors to make an offer to shareholders of Gränges AB to sell their shares in Gränges to AB Electrolux. For every share in Gränges AB they were offered one unit of AB Electrolux convertible debentures with a nominal value of SKr 100, carrying 10% annual interest and entitling the owner to convert into "B" shares of AB Electrolux. The conversion rate was SKr 150, which was adjusted to SKr 120 after the bonus issue made in 1980.

As a result of the offer 6,627,250 shares in Gränges AB were tendered and debentures to the value of SKr 662,725,000 were issued.

During the period the offer was open Electrolux acquired 1,591,104 shares in Gränges AB via a Swedish group com-



pany at an average cost of SKr 85:50 per share. These shares were exchanged for debentures on the terms of the offer, this amount being included in the above-mentioned total debentures, and the debentures were sold before the end of the year. Since then AB Electrolux has acquired a further 295,900 shares for cash, as a result of which the holding at the year-end totalled 6,923,150 shares. The Board of Directors has applied for compulsory purchase of the outstanding shares in Gränges AB.

In addition to the debentures issued to shareholders of Gränges, Electrolux had at the year-end three debenture loans outstanding totalling Mkr 210. The interest rate on these debentures is 8% and the conversion rate into "B" shares in Electrolux is SKr 86. During the year debentures to a value of Mkr 58.7 were presented for conversion. Of this total conversions corresponding to Mkr 58.5 were registered before the year-end and 680,453 "B" shares in AB Electrolux were issued. The registered share capital thereafter amounted to SKr 1,239,272,650, divided into 1,000,000 "A" shares and 23,785,453 "B" shares. As convertible debentures presented but not registered by the Swedish Patent and Registration Office as converted by the year-end corresponded to 1,622 "B" shares, the number of shares entitled to receive a dividend for 1980 amounted in total to 24,787,075.

The four debenture loans outstanding at the year-end therefore amounted to some Mkr 872, of which Mkr 662.7 had a conversion rate of SKr 120 and Mkr 209.6 had a rate of SKr 86. If all the debentures are converted the share capital will be increased by 7,960,128 "B" shares with a par value of SKr 50, corresponding to a total of around Mkr 398 and the legal reserve will be increased by around Mkr 474.

As the balance sheet total rose by 58.2%, the ratio between risk capital (note 9, page 53) and the balance sheet total declined to 29.9% (34.3). If all the debenture loans had been converted at December 31,

1980, the ratio would have been 34.8% (36.6).

The price for the outstanding minority shareholdings in Jonsereids AB has been settled by arbitration on February 10, 1981, at SKr 89:67 per share. However, as a result of pledging collateral for the outstanding amount AB Electrolux became the owner of these shares in 1980.

The dispute that has been going on since 1979 over the outstanding minority shares in Facit has been concluded by conciliation through Linköping District Court on March 9, 1981. According to this decision the price has been fixed at SKr 275 per share. By placing the sum on deposit AB Electrolux will become the owner of these shares.

AB Electrolux subscribed for and paid up 45% of the share capital and loan stock of ESV Förvaltnings AB, which is acquiring through Elefac Finans AB, one of its subsidiary companies, Swedish accounts receivable and hire purchase claims of the Electrolux Group's Swedish companies. At the year-end the Electrolux Group had obtained Mkr 360 financing through Elefac Finans AB.

AB Electrolux also subscribed for and paid up 33 $\frac{1}{3}$ % of the share capital of EPE International AB, which is i.a. acquiring foreign accounts receivable from the Electrolux Group's Swedish companies through one of its subsidiary companies Electrolux International AB. At the year-end the Electrolux Group had received Mkr 428 financing through Electrolux International AB.

In 1980, the Central Bank of Sweden granted general permission for the expatriation of Electrolux shares up to a nominal value of Mkr 100. By the year-end shares to a value of Mkr 25 had been utilized under the permit.

One of the Electrolux Group's Norwegian companies, Electrolux Industrier A/S, Oslo, made a share exchange offer of 5

"B" shares in AB Electrolux for every 3 shares in A/S Norlett. This acquisition was completed in 1981, as a result of which 225,000 "B" shares were transferred from Sweden to Norway.

In Canada the wholly-owned company Euroclean Holdings Limited acquired further shares in Pioneer Chain Saw Corporation Inc. in exchange for 90,000 "B" shares in AB Electrolux, these shares also being transferred from Sweden.

## Acquisition, formation and sale of companies

As mentioned above, 96% of the share capital of Gränges AB was acquired. Gränges' main business is the production and processing of non-ferrous metals, building and contracting. This acquisition involves integration into the semi-manufactures stage.

In France the Group acquired a majority of the shares in Océanic S.A., Romainville, Paris. This company manufactures and sells TV sets for the French market.

In the USA the commercial cleaning business of Rollins Building Services was acquired from Rollins Inc., Atlanta, Georgia. There are some 1,700 employees.

The Group's shareholding in Dataroyal Inc., Nashua, New Hampshire, was increased to more than 80%.

In Canada the Group acquired a further 34% of the shares in the chain saw manufacturer Pioneer Chain Saw Corporation Inc., Peterborough, thereafter owning 84%.

In Great Britain the Columbus-Dixon group, Wembley, was acquired. The company manufactures and markets commercial cleaning equipment and cleaning agents.

Electrolux' 50% shareholding in Servisystem Ltd, Great Britain, was disposed of to International Service System (ISS), Copenhagen.

In Norway the acquisition was completed after the year-end of A/S Norlett, Askim, which has subsidiary companies in 6

countries including Sweden. Norlett manufactures and sells powered lawnmowers, garden machines and snow-clearing machines.

The Group's Danish company A/S Scan-Atlas Husholdningsapparater acquired the business of A/S Ernst Voss Fabrik, Fredericia, which is Denmark's largest manufacturer of domestic cookers, as well as a minority interest in C&G Banken A/S, Copenhagen.

In Sweden Aktiv-Fischer AB, Morgongåva, was acquired. The business mainly consists of the manufacture and sale of agricultural equipment. As a result of the purchase of Volvo BM's share of Svenska Skördetröskor HB, Hallsberg, Swedish production of harvesters now takes place solely within the Electrolux Group.

Darenas AB, Åtvidaberg, whose business consists of the manufacture and sale of cleaning agents and the marketing of commercial cleaning machines, was acquired from ISS.

As of January 2, 1981, AB Electrolux took over all the shares in Hugin Kassaregister AB and Hugin Hemmaskiner AB, Stockholm. The name of the latter company has since been changed to Svenska Hemmaskiner AB. The activities of Hugin Kassaregister AB consist of the manufacture and sale of cash registers, mainly electronic models. Svenska Hemmaskiner AB assembles and markets vacuum-cleaners.

After the year-end all the shares in Progress Elektrogeräte Mauz & Pfeiffer GmbH, Stuttgart, were acquired together with two associate companies. The Progress group is one of West Germany's largest companies in the vacuum-cleaner industry.

As of January 1, 1981, the majority of the shares were acquired in the French company S.A. Lequeux, Paris, which is Europe's largest manufacturer of sterilization equipment (autoclaves).

Within the Gränges group S.A. Gränges Graver N.V. is being reconstructed in col-

laboration with the Belgian state. At the year-end Gränges owned 49% of the share capital. In 1980 the contracting activities of Gränges Trading & Contracting were transferred to Gränges Hedlund. During the year the business of IFÖ Sanitär AB, Simrishamn, the seat belt manufacturer Evert Larsson Industri AB, Kungälv and the car seat belt business of Hansaliv GmbH, Elmshorn, West Germany were acquired. Johnson Metall AB, Örebro, was acquired in January, 1981. In the middle of March, 1981 Gränges reached an agreement with the Swedish State Power Board that the Board was to acquire the greater part of Gränges Kraft as of July 1, 1981, for Mkr 1,010. This transaction is subject to the approval of the government.

### Capital expenditure

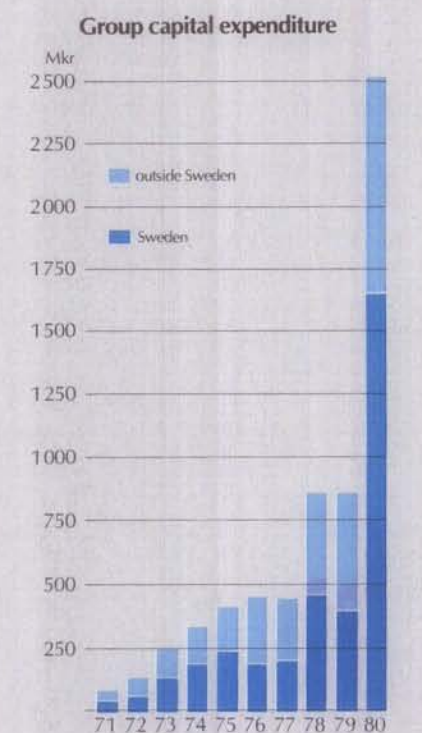
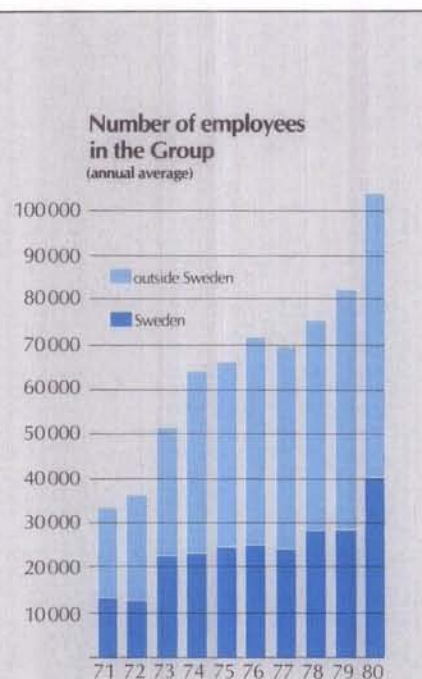
Capital expenditure by the Group (inc. Gränges) in 1980 on real property, machinery, equipment and production tools totalled Mkr 2,515 (863). This total includes the value of the fixed assets of companies acquired during the year, amounting to Mkr 1,285 (304), of which Mkr 1,201 in Gränges.

Capital spending in Sweden amounted to Mkr 1,652 (401), of which Mkr 972 represents the opening value of acquired companies. Capital expenditure by the Gränges group totalled Mkr 275 in 1980.

The largest investment projects during the year at existing units related to the extension and rationalization of production at the Mariestad plant (refrigerators and freezers), the Motala and Strömstad plants (cookers, kitchen fans, caravan refrigerators), the Alingsås plant (catering and food service equipment), the Revin plant in France (washing machines), and the chain saw business at Huskvarna, Brastad and Gothenburg. In Gränges most of the expenditure related to raising production capacity for thin copper and brass strip in Finspång and for copper tubes at Wirsbo Bruk.

### Employees

The average number of employees in the Group rose in 1980 by 20,914 to





102,944, of which 16,928 joined the Group through the acquisition of Gränges.

The number of employees, wages, salaries and other remuneration are shown by country in the list on page 50. The complete statutory list has been attached to the annual report filed with the National Patent and Registration Office.

The average number of employees in the labour-intensive commercial services business was 19,410 (19,200), of which 8,064 were in Sweden (7,174).

Bonuses of Mkr 1 (1) were paid to senior executives in Sweden and of Mkr 6 (6) abroad.

The drop in the demand in export markets for typewriters during the second half of the year in conjunction with a changeover from mechanical machines to new models of electronic typewriter calling for a reduced labour content has made it necessary to reduce the number of employees at the Svängsta, Bräkne-Hoby and Sölvesborg plants.

At Gränges reduced demand for aluminium sheet and plate products and sections led to short-time working at the Finspång plant.

The Group's activities in personnel planning and executive development have continued, including a broadly based program of seminars for young employees at which members of Group management participated.

Executive development is important against the background of the Group's policy of concentrating mainly on internal recruitment of executives. The disadvantages that can arise if internal recruitment is pushed too far are being avoided as a result of the broader recruitment base that comes from regular company acquisitions.

In 1980 Electrolux invited the employees at its Swedish units to buy shares in the company on advantageous terms. Approx. 1,400 employees bought a total of 125,000 shares. A new offer is being prepared which will take the form of an employees' share saving fund scheme.

#### Average number of employees

	1980 inc. Gränges	%	1980 ex. Gränges	%	1979	%
Parent company	6,311	6.1	6,311	7.4	6,406	8.0
Group companies in Sweden	33,736	32.8	22,568	26.2	21,716	26.0
Total in Sweden	40,047	38.9	28,879	33.6	28,122	34.0
Group companies abroad	62,897*	61.1	57,137	66.4	53,908	66.0
	102,944*	100.0	86,016	100.0	82,030	100.0

\* of which in the management assignment in Liberia 3,950.

#### Wages, salaries and other remuneration (Mkr)

	1980 inc. Gränges	1980 ex. Gränges	1979
<b>Parent company</b>			
Board of Directors, managing director	3.5	3.5	3.1
Other employees	428.0	428.0	400.3
<b>Other Swedish companies</b>			
Boards of Directors, managing directors	13.8	6.8	6.5
Other employees	2,114.7	1,304.7	1,177.8
<b>Foreign companies</b>			
Board of Directors, managing directors	55.1	50.5	47.4
Other employees	2,787.6	2,657.1	2,301.0
<b>Total for the Group</b>	<b>5,402.7</b>	<b>4,450.6</b>	<b>3,936.1</b>
Social security charges in Sweden	1,058.5	712.4	640.0
abroad	639.0	615.7	494.0
<b>Total personnel costs</b>	<b>7,100.2</b>	<b>5,778.7</b>	<b>5,070.1</b>

#### Sales and results per employee

The table below shows the various income statement items in relation to the number of employees in the Group on an annual basis. The number of employees on an annual basis in 1980 was 99,000 excluding employees in Liberia and in 1979 82,000. (The sales of the Liberian operations is not included in the consolidated figures).

	1980 SKr per employee	1979 SKr per employee
Sales	231,050	184,530
- Personnel costs	- 71,720	- 55,160
- Other operating expenses, depreciation, interest, etc	-148,685	-117,985
= Result before appropriations and taxes	10,645	11,385
- Taxes	- 1,345	- 2,365
- Dividend	- 1,877	- 1,765
= Funds retained in the business to compensate for inflation and to provide for future growth, thereby increasing the job security of the employees and other interest groups	7,423	7,255

### Group added value

	1980	%	1979	%
	Mkr		Mkr	
Sales	22,874		15,137	
- cost of purchased goods and services	-13,394		- 8,860	
= added value	9,480	100.0	6,277	100.0
- personnel costs	- 7,100	-74.9	- 4,525	-72.1
- depreciation	- 652	- 6.9	- 444	- 7.1
- net financial items	- 725	- 7.6	- 393	- 6.2
+ extraordinary items, net	51	0.5	19	0.3
= Profit before appropriations and taxes	1,054	11.1	934	14.9
- taxes	- 133	- 1.4	- 194	- 3.1
- dividend (1980: proposed)	- 186	- 2.0	- 145	- 2.3
= Retained in the business	735	7.7	595	9.5

The dividend therefore corresponds to 2.6% (2.9) of total personnel costs.

### Outlook for 1981

The economic recession that occurred in most industrialized economies during the spring of 1980 deepened during the autumn. No improvement has been discernible since then, except for in the USA and Canada, where increased demand was noted in connection with the temporary cut in interest rates – demand that was not affected by the return to higher interest rates later. As long as the present high interest rates persist in many other countries, no significant economic recovery can be expected. Indeed, owing to the anti-inflationary policies being pursued in several countries, a further decline cannot be ruled out. However, there are some signs to indicate that a number of expansionist factors may bring about an upturn as early as in 1981.

Against such a background it is difficult to make any forecast for the Group for 1981. The advantageous spread of risks resulting from far-reaching diversification and extensive distribution in a great many countries, however, gives the group some degree of resistance to such dips in demand as affect one or other of the Group's product lines or markets. The acquisition of Gränges further increases the spread of risks. Moreover, the produc-

tion and processing of non-ferrous metals is out of phase with the economic cycle for household appliances, which still contribute most to the results of the Group, but which have diminished in relative importance over the past decade from more than 90 per cent to some 40 per cent, owing to the substantial expansion resulting from our diversification policy.

There are some favourable factors worth mentioning that will offset a possible persistent weak economy in 1981, such as:

- A large number of costly structural changes and reorganizations in 1980 are expected to make their full contribution to cost saving in 1981.
- A new washing machine program has been introduced and is now beginning to generate cash income, compared with 1980 when the greater part of the development and launching costs were taken in the income statement.
- From the start of the year several newly-acquired companies will be making a positive contribution to the results of the Group.
- The demand for caravan refrigerators, which showed persistent weakness in 1980, is expected to pick up considerably in 1981, especially in the USA and Canada.

### Parent company

Parent company sales in 1980 amounted to Mkr 2,433 (2,254), of which Mkr 2,094 (2,009) were sales to Group companies and Mkr 339 (245) to outside customers. Parent company exports amounted to Mkr 1,119 (954), corresponding to 46.0% (42.3) of total sales.

After appropriations of Mkr 135 and taxes of Mkr 23 the parent company profit amounted to Mkr 187 (147). The Board of Directors proposes the declaration of a dividend of SKr 7:50 (SKr 6:00) for 1980, totalling Mkr 185.9 (144.6).

- The rate of turnover of capital employed is expected to rise in 1981 owing to the relative decrease in capital tied up in inventories. Additional capital will be released through the sale of Gränges' electricity production operations, which will be finalized by the end of June in accordance with the agreement.

The risk capital ratio, which has decreased during the last years due to the heavy expansion is expected to increase through higher rate of turnover of capital and continued disposal of low-yielding assets. This has a double effect. At the same time as assets are reduced, equity increases by possible capital gains – in excess of the sale of Gränges' electric power operations.

Dividends received by AB Electrolux are also estimated to be largely sufficient in 1981, as in previous years, to cover the parent company's dividend to shareholders with an unchanged dividend policy.

The Group's progress in the longer term is naturally even more difficult to forecast than it is for 1981, but, bearing in mind the considerable spread of risks the Group is well prepared to face the future.

# The Electrolux Share

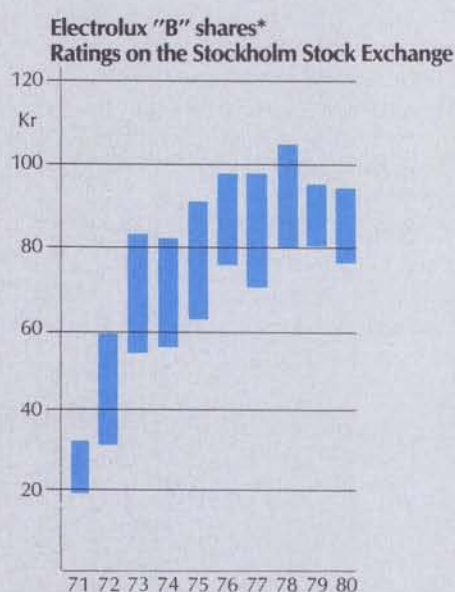
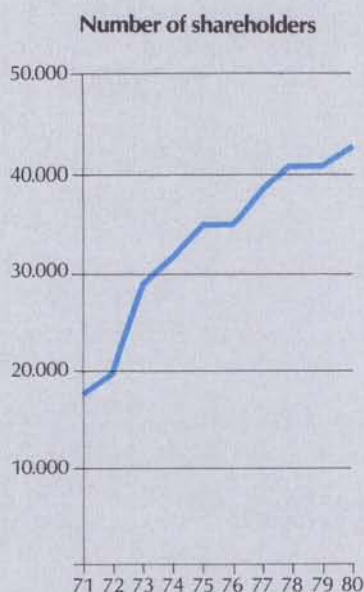
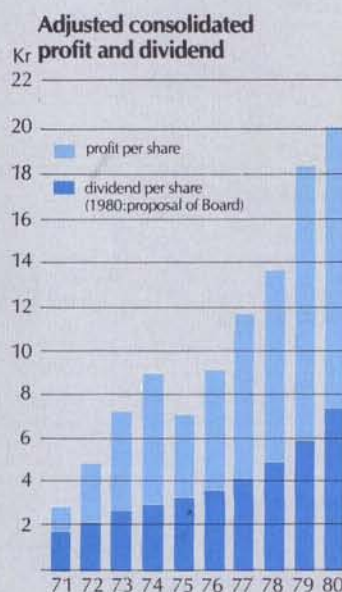
## MAJOR SHAREHOLDERS

(Febr 1981)

	Number of shares	% of share capital	% of voting rights
ASEA AB .....	5,546,776	22.36	49.33
SPP .....	980,438	3.95	0.10
Skandia Group .....	823,143	3.32	0.08
Investor AB .....	531,246	2.14	14.42
Hans Werthén and family .....	500,305	2.01	0.05
The National Swedish Pension Insurance Fund, Fourth Fund Board .....	402,500	1.62	0.04
Förvaltnings AB Providentia .....	360,170	1.45	7.57
AB Exportinvest .....	332,000	1.34	0.03
Trygg Ömsesidig Livförsäkring .....	325,000	1.31	0.03
AB Custos .....	294,990	1.19	18.86

## ELECTROLUX CONVERTIBLE DEBENTURE LOANS AS OF DEC 31, 1980

	Nominal value	Interest rate	Total nom value Dec 31, 1980	Conversion right from	Conversion rate	No. of shares after full conversion
Loan 1 .....	120	8%	95,994,000	Jan -80	86	1,116,209
Loan 2 .....	120	8%	936,000	Jan -80	86	10,883
Loan 3 .....	130	8%	112,688,290	Jan -80	86	1,310,328
Loan 4 .....	100	10%	662,725,000	Jan -82	120	5,522,708
			872,343,290			7,960,128



\*The "B" shares are also quoted on the London and Geneva stock exchanges



From left to right – Anders Scharp, Harry Eriksson, Hans Werthén and Gösta Bystedt.

## AB Electrolux Board of Directors

### Members

HANS WERTHÉN, Chairman of the Board (Executive)  
 PETER WALLENBERG, Deputy Chairman, Chairman of the Board, Atlas Copco AB.  
 GÖSTA BYSTEDT, Managing Director (President)  
 HARRY ERIKSSON, Deputy Managing Director  
 NILS HOLGERSON, Executive Chairman of the Board, Beijerinvest AB  
 ROLF KARLSSON, Local Chairman, Swedish Metal Workers' Union, Strömstad\*  
 KARL-GUSTAV LAGERSTRÖM, Local Chairman, Swedish Industrial Salaried Employees Association, Alingsås\*  
 SVEN OLIVING, Vice Chancellor, Chalmers Institute of Technology  
 JACOB PALMSTIERNNA, Managing Director, Skandinaviska Enskilda Banken  
 ÅKE T. VRETHEM, Deputy Chairman of the Board, ASEA AB

### Deputy Members

BO ABRAHAMSSON, Managing Director, Gränges AB.  
 PER-OLOF EDMAN, Local Chairman, Swedish Metal Workers' Union, Ankarsrum\*  
 RUNO ERIKSSON, Local Chairman, Swedish Supervisory Employees' Association, Motala\*  
 BIRGIT MALMENSTAM-SKYTT, Association Secretary, Swedish Shareholders' Association  
 ANDERS SCHARP, Deputy Managing Director

\* Representative of the employees

## Group Management

### The Group Executive Committee

HANS WERTHÉN, Executive Chairman  
 GÖSTA BYSTEDT, Managing Director (President)  
 HARRY ERIKSSON, Deputy Managing Director (Senior Executive Vice President)  
 ANDERS SCHARP, Deputy Managing Director

### Other Chief Executives of AB Electrolux

CHRISTER BRANDBERG, Finance  
 LARS EMILSSON, Motala, Torsvik and Strömstad factories  
 GUNNAR ERICSSON, International Projects  
 FOLKE HEIBERT, Food Service Equipment, Hospital Equipment, etc  
 CARL-OLOF LARSSON, Purchasing  
 SIMON LILIEDAHL, International Sales  
 LEIF LINDGREN, Risk Management  
 BERTIL LJUNGQUIST, Administration  
 JAN PRISING, Vacuum cleaners  
 LENNART RIBOHN, Accounting  
 OWE WERNER, Research and Development

## Auditors

### Regular Auditors

ARNE HOLMÉN, Authorized Public Accountant  
 JAN NORDENBÄCK, Authorized Public Accountant

### Deputy Auditors

KJELL ANDERSSON, Authorized Public Accountant  
 JÖRGEN SCHUMACHER, Authorized Public Accountant

# Electrolux Group Consolidated Income Statement

(Amounts in Mkr)	1980	1979
<b>Operating income and expenses</b>		
Sales (Note 1)	22,874	15,137
Manufacturing, selling and administrative expenses (Note 2)	- 20,494	- 13,385
Operating result before depreciation	2,380	1,752
Depreciation according to plan		
Goodwill (Note 3)	- 32	- 34
Machinery, equipment and tools (Note 4)	- 543	- 364
Buildings (Note 4)	- 74	- 45
Land and other real property (Note 4)	- 3 - 652	- 1 - 444
Operating result after depreciation	1,728	1,308
<b>Financial income and expenses</b>		
Dividends on shares and participations	6	2
Interest income	239	94
Interest expenses	- 988	- 472
Other financial income and expenses (Note 5)	18 - 725	- 17 - 393
Result after financial income and expenses (Note 6)	1,003	915
<b>Extraordinary income and expenses (Note 7)</b>		
Result before appropriations	51	19
	1,054	934
<b>Appropriations</b>		
Change in inventory reserves	- 340	- 328
Provision to investment reserves	- 2	- 4
Brought back from investment reserves	2	8
Depreciation in excess of plan (Note 4)	- 142	- 88
Utilized from investment reserves for depreciation	4	5
Provision to compulsory investment reserve	- 78	-
Change in other financial reserves (Note 8)	- 13 - 569	- 14 - 421
Profit before taxes	485	513
Taxes	- 133	- 194
Profit after taxes	352	319
Net results of subsidiary companies for pre-acquisition period	- 4	- 11
Minority interests	- 11	- 8
Net profit	337	300

# Electrolux Group Consolidated Balance Sheet

Assets (Amounts in Mkr)	December 31, 1980		December 31, 1979	
<b>Current assets</b>				
Cash and bank deposits	633		357	
Shares and participations	1		0	
Bonds and other securities	49		21	
Bills receivable	330	1,013	351	729
Accounts receivable	3,646		2,960	
Prepaid expenses and accrued income	174		97	
Other current receivables (Note 9)	543	4,363	245	3,302
Inventories		6,942		4,340
Advance payments to suppliers		35		28
		<u>12,353</u>		<u>8,399</u>
<b>Blocked accounts at the Central Bank of Sweden for investment and other reserves</b>		<u>23</u>		<u>19</u>
<b>Fixed assets</b>				
Shares and participations (Note 10)	456		47	
Bonds and other securities	21	477	4	51
Bills receivable	2		0	
Long-term receivables	627	629	218	218
Leases and similar rights	3		3	
Goodwill (Note 11)	220	223	163	166
Advance payments to suppliers	48		22	
Fixed plant under construction (Note 12)	166		119	
Machinery, equipment and tools (Note 13)	2,213		1,209	
Buildings (Note 14)	1,377		858	
Land and other real property (Note 15)	323	4,127	209	2,417
		<u>5,456</u>		<u>2,852</u>
<b>Total assets</b>		<u>17,832</u>		<u>11,270</u>
<b>Pledged assets</b>				
Property mortgages		1,018		497
Floating charges		829		513
Other pledged assets:				
Receivables		578		5
Inventories		56		-
Other		-		6
		<u>2,481</u>		<u>1,021</u>

<b>Liabilities and shareholders' equity</b> (Amounts in Mkr)	<b>December 31, 1980</b>		<b>December 31, 1979</b>	
<b>Current liabilities</b>				
Bills	193		154	
Suppliers	1,651		1,088	
Tax payable	23		126	
Accrued expenses and deferred income	1,216		790	
Other current liabilities	1,086		665	
Advance receipts from customers	301	4,470	101	2,924
Bank loans		2,359		1,406
		<u>6,829</u>		<u>4,330</u>
<b>Long-term liabilities</b>				
Debenture loans	246		179	
Bond loans	668		48	
Mortgage loans, promissory notes	2,169	3,083	1,385	1,612
Latent tax liabilities (Note 16)	515		12	
Negative goodwill (Note 17)	79		64	
Other long-term liabilities	513	1,107	478	554
Pension provisions				
Pensions Registration Institute	1,002		555	
Other	211	1,213	179	734
		<u>5,403</u>		<u>2,900</u>
<b>Convertible debenture loans</b> (Note 18)		<u>872</u>		<u>268</u>
<b>Untaxed reserves</b> (Note 19)				
Inventory reserves		1,175		828
Accumulated depreciation in excess of plan (Note 20)		550		416
Investment reserves (Note 21)	15		15	
Special investment reserves (Note 22)	1		1	
Work environment reserves (Note 23)	4		5	
Compulsory investment reserves	78	98	0	21
Other untaxed reserves (Note 8)		87		0
		<u>1,910</u>		<u>1,265</u>
<b>Minority interests</b>		<u>76</u>		<u>63</u>
<b>Shareholders' equity</b> (Note 24)				
Restricted equity				
Share capital				
1,000,000 "A" shares à SEK 50			964	
23,785,453 "B" shares à SEK 50	1,239			
Restricted reserves	418	1,657	563	1,527
Non-restricted equity				
Non-restricted reserves	748		617	
Net profit	337	1,085	300	917
		<u>2,742</u>		<u>2,444</u>
<b>Total liabilities and shareholders' equity</b>		<u>17,832</u>		<u>11,270</u>
<b>Contingent liabilities</b> (Note 25)				
Discounted bills		119		55
Guarantees and other contingent liabilities		561		176
Capitalized value of pensions commitments in excess of amount shown as liability		39		18
		<u>719</u>		<u>249</u>

# Group Statement of Sources and Use of Funds

(Amounts in Mkr)	1980	1979
<b>Sources of funds</b>		
Internally generated funds*	1,310	952
Sales of fixed assets	252	113
Conversion of convertible debentures	58	-
Increase in long-term liabilities, including convertible debentures	3,142	770
	<b>4,762</b>	<b>1,835</b>
<b>Use of funds</b>		
Capital expenditure on land, buildings, machinery, equipment and tools	2,515	863
Investments in shares and participations	409	-
Increase in long-term receivables	454	10
Changes in Group structure, etc.	- 71	48
	<b>3,307</b>	<b>921</b>
<b>Change in working capital</b>	<b>1,455</b>	<b>914</b>
<b>Specification of change in working capital</b>		
Increase in inventories	+2,602	+ 967
Increase in current receivables	+1,068	+ 632
Increase in current liabilities	-2,499	- 827
Increase in liquid assets	+ 284	+ 142
	<b>+1,455</b>	<b>+ 914</b>
<b>* Specification of internally generated funds</b>		
Result before appropriations**	+1,039	+ 915
Depreciation	+ 652	+ 444
Reversal of negative goodwill	- 42	- 54
Capital gains on sale of fixed assets	- 57	- 38
Taxes	- 133	- 194
Deposits to blocked accounts for investment reserves	- 4	0
Dividend	- 145	- 121
	<b>+1,310</b>	<b>+ 952</b>
**Result before appropriations	<b>1,054</b>	<b>934</b>
Net results of subsidiary companies for pre-acquisition period	- 4	- 11
Minority interests	- 11	- 8
	<b>1,039</b>	<b>915</b>



# Notes on the Consolidated Statements

## Accounting and valuation principles

### Principles of consolidation

The consolidated financial statements include AB Electrolux and all the companies in which AB Electrolux directly or indirectly owned at the year-end more than 50% of the voting rights attached to the total share capital or participation certificates.

In addition, the accounts include companies which are 50% owned by the Group and where the Group and the other shareholder(s) may only make joint decisions concerning the jointly-owned company's affairs. The operating results of such companies accounted for 0.3% of the Group's operating result after depreciation.

AVS Norlett and Johnson Metall AB, which were acquired at year-end, have not been consolidated. Likewise the consolidated statements do not include the Hugin and Progress Groups, as they were acquired as of Jan 1, 1981.

The balance sheets and income statements of foreign subsidiary companies have been converted into Swedish kronor at the exchange rates prevailing on December 31.

The share of minority owners in taxed equity is recorded as minority interests.

The number of active companies in the Group was 364 at the year-end (287). The total number of companies in the Group was 587 (456).

On December 31, 1980, there were minority interests in 54 (81) active subsidiary companies.

The consolidated accounts have been drawn up using the purchase method, which involves the following:

The purchase values of shares and participation certificates have been eliminated against the existing taxed and untaxed equity of the acquired company at the time of acquisition, the untaxed equity having been reduced by the estimated latent tax liability. The difference remaining after this procedure has been allocated on the basis of the available accounting records to machinery and equipment and real property. Insofar as it is not possible to allocate the remaining amount in this way it is recorded as goodwill.

In cases where the acquisition took place at a price below the equity value of the acquired company, the difference, "negative goodwill", is recorded among "Long-

term liabilities". This situation has arisen with the acquisition of companies that did not show satisfactory profitability at the time of acquisition and which were considered capable of meeting the Group's profitability requirements only after a number of years. The recorded negative goodwill is reversed by amounts that correspond to the forecast sub-normal result of the respective acquired company at the time of acquisition, calculated on the basis of the Group's profitability requirements. The reason for basing this reversal on forecast and not on actual results is that the latter, depending on the extent to which the acquired company is structurally reorganized, can be difficult to quantify. In the case of acquired companies that are considered capable of meeting the Group's profitability requirements from the time of acquisition the negative goodwill is used to write down the value of fixed assets. The negative goodwill arising in connection with the acquisition of the Gränges Group has been provided to a revaluation reserve relating to shares in other companies, which have been added through the acquisition of Gränges.

In the annual reports for the years before 1978 the booked negative goodwill related to Facit, acquired in 1973. In accordance with what was then regarded as good accounting practice this negative goodwill was reversed at the same rate as the depreciation of other goodwill, viz. 10% per annum. As a retroactive change in this principle is not practicable this negative goodwill item is reversed in accordance with the earlier principle.

The following accounting principles have been applied in drawing up the consolidated balance sheet and the consolidated income statement.

- The equity shown in the books of subsidiary companies at the time of acquisition has been eliminated.
- Real property, machinery and equipment have been depreciated on the basis of adjusted values, viz. the historic cost as seen from the Group's point of view.
- Companies acquired during the year have been treated in the income statement as if they had belonged to the Group for the whole year, while the profit made by the company in the pre-acquisition period is shown as a special deduction in the income statement. In the French company Océanic, which was acquired during the year, the loss in 1980 for the period up to the acquisition date has been compensated by the previ-

ous owners. In the consolidated income statement, therefore, the results of Océanic is included from the date of acquisition.

Gränges, which was acquired during the year, has been treated in the accounts as follows:

In order to provide a better indication of the operations of the Group after the acquisition of Gränges a theoretical internal interest expense corresponding to the interest which would have been paid on the loan raised to finance the acquisition if Gränges had belonged to the Group for the whole year has been included in the accounts. This amount of Mkr 20.2 has been allocated in the income statement half under "Taxes" and half under "Result of subsidiary companies for the pre-acquisition period". As a deduction in the latter item Gränges is included with a Mkr 13.1 profit for the pre-acquisition period.

- Gross accounting has been applied to the untaxed reserves of acquired companies in respect of latent tax liabilities, estimated at 50%. The latent tax liabilities are recorded among long-term liabilities.

As regards real property, machinery and equipment, and goodwill, net accounting has been applied in respect of the latent tax liability.

- Depreciation of goodwill is recorded under the heading "Depreciation", while the reversal of negative goodwill is included in the operating result before depreciation.

The residual amounts in respect of goodwill/negative goodwill are shown as separate items in the consolidated balance sheet.

### Depreciation of buildings, machinery and equipment, etc

Buildings, machinery and equipment, and production tools are depreciated according to a plan which is based on the acquisition cost of the assets before write-downs against investment or similar reserves. The depreciation periods are determined by the estimated economic service life of the assets. The following depreciation rates are generally applied:

Buildings	2-4%
Machinery and equipment	7-20%
Vehicles	20-25%
Production tools	33.3%

In cases where assets have been revalued to

the estimated historic cost to the Group in connection with the preparation of the consolidated balance sheet the depreciation has been based on the adjusted values.

The difference between fiscal depreciation and historic cost depreciation according to plan is shown in the income statement as "Depreciation in excess of plan" under "Appropriations" and in the balance sheet as an untaxed reserve. Accumulated depreciation in excess of plan on buildings has been netted off against revaluations. "Depreciation in excess of plan" includes amounts charged against investment and similar reserves.

Depreciation on the written up values of fixed assets is recorded as "Depreciation in excess of plan". The amount is directly written off the assets item concerned in the balance sheet.

#### Valuation of inventories

Inventories have been valued at the lowest of acquisition cost in accordance with the

first-in first-out method (FIFO), the actual replacement cost or their actual value. The necessary provisions have been made for risks of obsolescence.

Some American companies use the last-in first-out method (LIFO) for determining the book value of their inventories. The consolidated accounts of the Electrolux Group are drawn up, wherever possible, using Swedish accounting practice. In order to obtain uniform principles in the Group the effect of using the LIFO method compared with the FIFO method used by Electrolux is shown in the accounts as a general inventory reserve.

#### Foreign currency receivables and liabilities

##### Parent company

Current receivables and current and long-term liabilities have been converted at the exchange rates prevailing on December 31 (accounting date), while unrealised foreign exchange losses and profits have been set off

against each other. The net profit arising has not been included in the operating result.

Long-term foreign currency receivables have been shown at the lower of the rates on the date the claim arose and the accounting date. In the case of a direct connection between a long-term receivable and a long-term loan, both the receivable and the loan have been shown at the same rates.

##### Group

Swedish subsidiary companies value their foreign currency receivables and liabilities in accordance with the same principles as the Parent Company. See above.

In the case of foreign subsidiary companies receivables and liabilities in other currencies than their own have been converted in accordance with local laws and practice, generally at the accounting date rate.

(Amounts in Mkr)

#### Note 1 Sales

By sales is meant the value of sales excluding value added taxes and sales taxes.

#### Note 2 Manufacturing, selling and administrative expenses

This item includes a Mkr 42 reversal of negative goodwill (54). See "Accounting and valuation principles".

#### Note 3 Depreciation, goodwill

Goodwill arising from the use of the purchase method of consolidation is depreciated at an annual rate of 10%.

#### Note 4 Depreciation according to plan/depreciation in excess of plan

For depreciation according to plan see "Accounting and valuation principles". The difference between depreciation according to plan and fiscal depreciation is shown below.

	1980	1979
Machinery, equipment and tools		
Depreciation according to plan	543	364
Fiscal depreciation	-660	-442
Reversal of depreciation in excess of plan on sold assets	6	7
Difference	-111	-71
Buildings		
Depreciation according to plan	74	45
Fiscal depreciation	-101	-56
Difference	-27	-11

Land and other real property		
Depreciation according to plan	3	1
Fiscal depreciation	-3	-2
Difference	0	-1

Total difference -138 - 83

In addition, depreciation has been charged against investment and similar reserves as follows:

	1980	1979
Investment reserves		
Machinery, equipment and tools	-	-1
Buildings	-3	-3
Work environment reserves		
Machinery, equipment and tools	-1	-1
Total	-4	-5

Total depreciation in excess of plan -142 - 88

#### Note 5 Other financial income and expenses

This item includes foreign exchange fluctuations on loans in the amount of Mkr 10 and capital gains on sales of quoted shares.

**Note 6 Adjusted profit per share**

	1980	1979
Result after financial income and expenses	1.003	915
Results of subsidiary companies relating to pre-acquisition period	- 40	- 30
Minority interest	- 20	- 12
Adjusted pre-tax profit	943	873
Tax at 47.6% and 50.0% respectively	- 449	- 436
Tax reduction on 1975 and 1976 share issues (Annell allowance)	+ 3	+ 3
Adjusted profit after tax	497	440
The above standard rate tax for 1980 has been reduced by the effect of Gränges' accumulated fiscal losses		
Profit per share (24,787,075 and 24,105,000 shares respectively)	20:05	18:25

**Note 7 Extraordinary income and expenses**

	1980	1979
Sales of fixed assets		
Capital gains, real property	58	39
Capital losses, real property	-	- 2
Capital gains, shares	16	5
Capital losses, shares	- 9	- 4
Other extraordinary income	20	-
Other extraordinary expenses	- 34	- 19
	51	19

The capital gains in 1980 include the sale of real property in Alingsås (Mkr 13), and of office and residential property owned by Gränges in Stockholm (Mkr 11).

Other extraordinary income includes reversal of provision for capital contribution within the Gränges-group of an amount of Mkr 14.

Other extraordinary expenses consisted mainly of closure expenses (Mkr 23).

**Note 8 Change in other financial reserves**

In principle all the companies in the Group apply uniform methods for calculating inventory obsolescence, doubtful debts, guarantees, etc, regardless of local tax rules. However, in some countries further provisions are permitted. These are shown in the consolidated income statement under the above heading. In the 1979 balance sheet these provisions were recorded half as shareholders' equity and half as latent tax liabilities, but from 1980 they are included among untaxed reserves under the heading "Other untaxed reserves".

**Note 9 Other current receivables**

This item includes advance settlement for the acquisition of Johnson Metall AB (Mkr 20) and A/S Norlett, Norway, (Mkr 15), neither of which companies have been consolidated.

**Note 10 Shares and participations**

	Num-ber	Perce-n-tage hold-ing	Nomi-nal value	Book value
Holdings of AB Electrolux as shown in the list on page 23.				31
SWEDISH COMPANIES				
SSAB Svenskt Stål AB	5,000,000	25	500.0	700
Perstorp AB	224,577	12	11.2	40
Korselbränna AB	112,000	35	11.2	11
Gotthard Nilsson AB	45,401	28	4.5	10
AB Bergslagens Gem. Kraftförvaltning	84,952	24	8.5	6
Vesterdallelfvens Kraft AB	2,500	50	2.5	3
Nyby Uddeholm AB	12,999	10	13.0	0
FOREIGN COMPANIES				
S.A. Gränges Graver N.V., Belgium	29,940	49	41.7	82
Arno S.A., Brazil	48,902,634	13	6.8	33
C&G Banken A/S, Denmark	-	31	7.7	8
Tornado Ibérica S.A., Spain	25,000	50	1.4	3
Climar S.A., Venezuela	2,180	45	2.2	3
Lepper-Dominit Transformatoren GmbH, West Germany	1	2	1.4	2
Scandex Aluminium N.V., Holland	725	49	1.5	1
Facit Asia Ltd., India	41,200	39	2.1	1
Gränges (Nigeria) Ltd., Nigeria	160,000	40	1.3	1
Other				7
				942
Less: Reserve for valuation adjustment				- 486
				456

**Note 11 Goodwill**

	1980	1979
Opening balance	163	142
Addition for companies acquired	90	57
Depreciation	- 32	- 34
Less: sold companies	- 1	- 2
Closing balance	220	163

**Note 12 Fixed plant under construction**

	1980	1979
Opening balance	119	48
Net change during the year, including opening values in books of acquired companies	47	73
Corrections arising from changes in conversion rates, sales, etc	-	- 2
Closing balance	166	119

**Note 13 Machinery, equipment and tools**

	1980	1979
Acquisition value	5,055	2,881
Accumulated depreciation according to plan	-2,842	-1,672

Residual value according to plan	2,213	1,209
Accumulated depreciation in excess of plan	- 550	- 416

Net book value **1,663** 793

Electrolux Ltd., Luton, has in excess of book depreciation made fiscal depreciation in an accumulated amount of Mkr 145.

#### Note 14 Buildings

	1980	1979
Acquisition value	2,023	1,179
Accumulated depreciation according to plan	- 872	- 520
Residual value according to plan	1,151	659
Accumulated depreciation in excess of plan	- 102	- 88
Non-depreciated part of revaluation	328	287
Net book value	1,377	858

#### Note 15 Land and other real property

	1980	1979
Acquisition value	223	128
Accumulated depreciation according to plan	- 23	- 10
Residual value according to plan	200	118
Accumulated depreciation in excess of plan	- 2	- 2
Non-depreciated part of revaluation	125	93
Net book value	323	209

#### Note 16 Latent tax liabilities

This item principally consists of latent tax liabilities in the amount of Mkr 608 relating to untaxed reserves in acquired companies.

#### Note 17 Negative goodwill

	1980	1979
Opening balance	64	117
Addition for companies acquired during the year	58	3
Reversal as in Note 2	- 42	- 54
Less: sold companies	- 1	- 2
Closing balance	79	64

#### Note 18 Convertible debenture loans

See Note 11 on the balance sheet of AB Electrolux.

#### Note 19 Untaxed reserves

Minority interests account for Mkr 18 of the recorded untaxed reserves.

#### Note 20 Accumulated depreciation in excess of plan

	1980	1979
Opening balance	416	309
Depreciation in excess of plan	117	86
Depreciation against investment reserves	1	2
Miscellaneous adjustments/sold equipment	16	19
Closing balance	550	416

#### Note 21 Investment reserves

	1980	1979
Opening balance	15	22
Brought back/provision in final accounts	- 1	- 4
Utilized for depreciation of buildings	- 3	- 3
Addition	4	-
Closing balance	15	15

#### Note 22 Special investment reserves

	1980	1979
Opening balance	1	1
Utilized for depreciation	-	-
Closing balance	1	1

#### Note 23 Work environment reserves

	1980	1979
Opening balance	5	7
Utilized for depreciation of machinery, equipment and tools	- 1	- 2
Closing balance	4	5

#### Note 24 Shareholders' equity

	Share capital	Restr. reserves	Non-restr. reserves	Net profit	Total
Opening balance	964	563	617	300	2,444
Bonus issue	241	- 241	-	-	-
Conversion of debentures	34	24	-	-	58
Transfer of 1979 profit	-	-	300	- 300	-
Dividend	-	-	- 145	-	- 145
Revaluation of fixed assets	-	30	-	-	30
Transfer between reserves	-	9	- 9	-	-
Adjustments for exchange rate fluctuations, etc	-	33	- 15	-	18
Net profit	-	-	-	337	337
Closing balance	1,239	418	748	337	2,742

#### Note 25 Pledged assets and contingent liabilities

In addition to what is stated in the consolidated balance sheet as pledged assets on page 12, shares in a subsidiary to Gränges AB have been pledged.

Contingent liabilities as per the consolidated balance sheet do not include the obligation to repurchase accounts receivable transferred to finance- and factoring companies from certain Swedish and Danish Group companies. The total value of this recourse obligation is Mkr 533, the risk factor of this obligation however being less than 1.2% which is the amount of losses on bad debts in these companies. The Group reserve for bad debts also includes potential losses in the transferred receivables as per above.

Moreover AB Electrolux is responsible for the equity in Elefac Finans AB and Electrolux International AB in which companies AB Electrolux has taken a part ownership.

# AB Electrolux Income Statement

(Amounts in Mkr)	1980	1979
<b>Operating income and expenses</b>		
Sales (Note 1)	2,433	2,254
Manufacturing, selling and administrative expenses	- 2,262	- 2,044
Operating result before depreciation	171	210
Depreciation according to plan		
Patents	- 0	- 0
Goodwill	- 0	- 0
Machinery, equipment and tools (Note 2)	- 83	- 72
Buildings (Note 2)	- 7	- 6
Land and other real property (Note 2)	- 0 - 90	- 0 - 78
Operating result after depreciation	81	132
<b>Financial income and expenses</b>		
Royalties from subsidiary companies	15	14
Dividends on shares and participations in subsidiary companies (Note 3)	222	146
Dividends on other shares and participations	0	1
Group contributions received (Note 4)	281	116
Interest income	130	63
Currency exchange	- 1	3
Interest expenses	- 356 291	- 174 169
Result after financial income and expenses	372	301
<b>Extraordinary income and expenses</b> (Note 5)	- 27	- 14
Result before appropriations	345	287
<b>Appropriations</b>		
Change in inventory reserves	- 62	- 84
Depreciation in excess of plan (Note 2)	- 31	- 33
Utilized from work environment reserve for depreciation	1	1
Utilized from work environment reserve for overhead investments	-	0
Provision to compulsory investment reserves	- 41	-
Changes in reserve for unrealised inventory profits of foreign subsidiary companies (Note 6)	- 2	1
Group contributions paid	- - 135	- 0 - 115
Profit before taxes	210	172
Taxes	- 23	- 25
Net profit	187	147

# AB Electrolux Balance Sheet

Assets (Amounts in Mkr)	December 31, 1980		December 31, 1979	
<b>Current assets</b>				
Cash and bank deposits	58		17	
Debentures of AB Electrolux	4		1	
Bills receivable	-	62	13	31
Receivables				
Subsidiary companies	1,224		670	
Customers	4		61	
Prepaid expenses and accrued income	12		9	
Other current receivables	186	1,426	58	798
Taxes receivable		27		-
Inventories		652		536
Advance payments to suppliers		3		3
		<u>2,170</u>		<u>1,368</u>
<b>Blocked accounts at the Central Bank of Sweden</b>				
For investment reserve	2		2	
For special investment reserve	0		0	
For work environment reserve	1	3	2	4
<b>Fixed assets</b>				
Shares and participations				
Subsidiary companies (Note 7)	2,781		1,933	
Other shares and participations	31	2,812	2	1,935
Other securities		20		-
Long-term receivables				
Subsidiary companies	388		558	
Other	61	449	31	589
Patents	-		0	
Goodwill	-	-	0	0
Advance payments to suppliers	24		10	
Fixed plant under construction	38		44	
Machinery, equipment and tools (Note 8)	321		276	
Buildings (Note 9)	192		172	
Land and other real property (Note 10)	23	598	22	524
		<u>3,879</u>		<u>3,048</u>
<b>Total assets</b>		<b>6,052</b>		<b>4,420</b>
<b>Pledged assets</b>				
Property mortgages		147		128
(of which on behalf of subsidiary companies)		(18)		(21)
Floating charges		195		100
(of which on behalf of subsidiary companies)		(50)		(30)
Other pledged assets		23		0
		<u>365</u>		<u>228</u>

<b>Liabilities and shareholders' equity</b> (Amounts in Mkr)	<b>December 31, 1980</b>		<b>December 31, 1979</b>	
<b>Current liabilities</b>				
Liabilities				
Subsidiary companies	<b>980</b>			320
Suppliers	<b>151</b>			188
Tax payable	<b>-</b>			6
Accrued expenses and deferred income	<b>167</b>			133
Other current liabilities	<b>42</b>			30
Advance receipts from customers	<b>1</b>	<b>1,341</b>	<b>1</b>	678
Bank loans		<b>103</b>		63
		<b>1,444</b>		<b>741</b>
<b>Long-term liabilities</b>				
Subsidiary companies	<b>195</b>			146
Debenture loans	<b>101</b>			111
Mortgage loans, promissory notes	<b>947</b>			918
Other long-term liabilities	<b>0</b>	<b>1,243</b>	<b>0</b>	1,175
Pension provisions				
Pensions Registration Institute	<b>192</b>			167
Other	<b>11</b>	<b>203</b>	<b>10</b>	177
		<b>1,446</b>		<b>1,352</b>
<b>Convertible debenture loans</b> (Note 11)		<b>872</b>		<b>268</b>
<b>Untaxed reserves</b>				
Inventory reserve		<b>378</b>		315
Accumulated depreciation in excess of plan (Note 12)		<b>185</b>		159
Reserve for unrealised inventory profits of foreign subsidiary companies (Note 6)		<b>11</b>		9
Investment reserve (Note 13)	<b>4</b>		<b>4</b>	
Special investment reserve	<b>1</b>		<b>1</b>	
Work environment reserve (Note 14)	<b>2</b>		<b>4</b>	
Compulsory investment reserve	<b>41</b>	<b>48</b>	<b>-</b>	9
		<b>622</b>		<b>492</b>
<b>Shareholders' equity</b> (Note 15)				
Restricted equity				
Share capital (Note 16)				
1,000,000 "A" shares à SEK 50				964
23,785,453 "B" shares à SEK 50	<b>1,239</b>			
Legal reserve	<b>218</b>			193
Revaluation reserve	<b>-</b>	<b>1,457</b>	<b>241</b>	1,398
Non-restricted equity				
Retained earnings	<b>24</b>		<b>22</b>	
Net profit	<b>187</b>	<b>211</b>	<b>147</b>	169
		<b>1,668</b>		<b>1,567</b>
<b>Total liabilities and shareholders' equity</b>		<b>6,052</b>		<b>4,420</b>
<b>Guarantees and contingent liabilities</b>				
On behalf of subsidiary companies		<b>211</b>		152
Other (Note 17)		<b>76</b>		32
		<b>287</b>		<b>184</b>

# AB Electrolux Statement of Sources and Use of Funds

(Amounts in Mkr)	1980	1979
<b>Sources of funds</b>		
Internally generated funds*	287	230
Sales of fixed assets	36	45
Decrease in long-term receivables net, in subsidiaries	219	-
Decrease in long-term receivables	-	65
Increase in restricted equity by conversion of convertible debentures	59	-
Increase in convertible debenture loans	604	-
Increase in other long-term liabilities	45	511
	<b>1,250</b>	<b>851</b>
<b>Use of funds</b>		
Capital expenditure on land, buildings, machinery, equipment and tools	172	157
Investments in shares and participations	914	325
Increase in long-term receivables, net, in subsidiaries	-	613
Increase in long-term receivables	65	-
	<b>1,151</b>	<b>1,095</b>
<b>Change in working capital</b>	<b>99</b>	<b>- 244</b>
<b>Specification of change in working capital</b>		
Increase in inventories	+ 116	+ 129
Decrease in current receivables, net, in subsidiaries	- 106	- 256
Increase in current receivables	+ 101	+ 26
Increase in current liabilities	- 43	- 107
Increase/Decrease in liquid assets	+ 31	- 36
	<b>+ 99</b>	<b>- 244</b>
<b>* Specification of internally generated funds</b>		
Result before appropriations	+ 345	+ 287
Depreciation according to plan	+ 90	+ 78
Capital gains/losses on sale of fixed assets	- 0	- 11
Write-down in value of shares	+ 20	+ 20
Taxes	- 23	- 25
Withdrawals from blocked accounts for investment and similar reserves	+ 0	+ 2
Dividend	- 145	- 121
	<b>287</b>	<b>230</b>



# Notes on the Financial Statements of AB Electrolux

(Amounts in Mkr)

## Note 1 Sales

	1980	1979
Sales to non-Group customers	339	245
Sales to Group companies	2,094	2,009
	2,433	2,254

Purchases from Group companies accounted for 37.4% of AB Electrolux' total purchases during the year.

## Note 2 Depreciation according to plan/depreciation in excess of plan

For depreciation according to plan see "Accounting and Valuation principles" on page 15. The difference between depreciation according to plan and fiscal depreciation is shown below.

	1980	1979
Machinery, equipment and tools		
Depreciation according to plan	83	72
Fiscal depreciation	- 108	- 100
Difference	- 25	- 28
Buildings		
Depreciation according to plan	7	6
Fiscal depreciation	- 12	- 10
Non-depreciated part of revaluation relating to sold building	0	0
Difference	- 5	- 4
Land and other real property		
Depreciation according to plan	0	0
Fiscal depreciation	- 0	- 0
Non-depreciated part of revaluation relating to sold land	-	- 0
Difference	- 0	- 0
Total difference	- 30	- 32

In addition, depreciation has been charged against the work environment reserve as follows:

	1980	1979
Work environment reserve		
Machinery, equipment and tools	- 1	- 1
Buildings	- 0	- 0
Total	- 1	- 1
Total depreciation in excess of plan	- 31	- 33

## Note 3 Dividends on shares and participations in subsidiary companies

Dividends from foreign subsidiary companies amounted to Mkr 115 and dividends from Swedish subsidiary companies were Mkr 107.

## Note 4 Group contributions received

Group contributions received are recorded as financial income as they constitute an alternative to dividends from subsidiary companies.

## Note 5 Extraordinary income and expenses

	1980	1979
Capital gains, real property	0	6
Capital gains, shares in subsidiaries	1	5
Capital losses, real property	-	- 0
Capital losses, shares in subsidiaries	- 1	-
Write-down in value of shares in subsidiary companies	- 20	- 20
State contribution to investment costs	16	0
Write-down in value of new fixed plant corresponding to state contribution	- 16	-
Share issue expenses	- 7	- 2
Other extraordinary expenses	- 0	- 3
	- 27	- 14

The write-down in the value of shares in subsidiary companies relates to HDC Fjärrkontroll AB, Stockholm, Electrolux S.p.A., Milan, Italy, and Société Electro-Domestique et Grande Cuisine Arthur Martin S.A., Wasquehal, France. The value of the shares in Electrolux Inredning-Juno AB, Stockholm was written down by Mkr 0,2 which was offset by a corresponding revaluation of the shares in Electrolux-Wascator AB, Alingsås, while the Mkr 11 write-down in the value of the shares in AB Partnerintressenter, Mölndal, was offset by a corresponding revaluation of the shares in Electrolux-Motor AB EMAB, Jönköping. Additionally, the shares in Tunge Skyddsartiklar AB, Kungälv, have been written down by Mkr 1, offset by a corresponding revaluation of the shares in B. Johanssons Pappersförädling AB, Lilla Edet, and those of Sternax AB, Mjölby, by Mkr 1, with a corresponding revaluation of the shares in Bröderna Brodd AB, Mjölby.

## Note 6 Change in reserve for unrealised inventory profits of foreign subsidiary companies

This reserve consists of the difference between the prices charged by the parent company and the manufacturing costs of such products as remained in the inventories of the receiving foreign subsidiary companies at the year-end, less the inventory reserves of these companies in respect of products manufactured by the parent company.

## Note 7 Shares and participations, subsidiary companies

The increase between the years is due to company acquisitions and rights issues by subsidiary companies.

The shares in Gränges AB were acquired in exchange for convertible debentures having a nominal value of Mkr 663. The company has sought advance opinion as to whether Mkr 99 of this amount can be treated as a tax-deductible capital discount. If this is allowed it will involve a redistribution of the book value of the shares in the 1981 accounts.

Company	Percentage holding		Nominal value local currency (000s)	Book value Skr 000
	Number	holding		
<b>Subsidiary companies in Sweden</b>				
Gränges AB	6,923,150	95.5	SEK 692,315	688,495
Facit AB	795,603	99.5	SEK 79,560	125,714
Husqvarna AB	825,000	100	SEK 82,500	120,000
Jonsereds AB	1,440,000	100	SEK 72,000	114,457
ASAB				
Serviceföretaget AB	392,500	100	SEK 39,250	74,875
Electrolux-Wascator AB	500,000	100	SEK 50,000	50,150
AB Tvättman	115,000	100	SEK 11,500	45,056
Electrolux Constructor AB	500,000	100	SEK 25,000	25,850

Company	Number	Percentage holding	Nominal value local currency (000s)	Book value Skr 000
AB Ballingslövs Träförädling	90,000	100 SEK	9,000	25,200
Electrolux Motor AB (EMAB)	60,000	100 SEK	6,000	17,500
Electrolux Leasing AB	150,000	100 SEK	15,000	15,000
AB Addo	112,500	100 SEK	11,250	11,250
Darenas AB	20,000	100 SEK	2,000	10,920
Euroclean AB	100,000	100 SEK	10,000	10,900
Electrolux Återförsäkrings AB	100,000	100 SEK	10,000	10,000
Royal Refrigeration Industries AB	8,000	100 SEK	8,000	8,000
Husqvarna Motorcyklar AB	6,000	100 SEK	6,000	7,080
Jonsereids Godsskydd AB	1,000	100 SEK	100	6,927
Växjö Rostfritt AB	25,000	100 SEK	2,500	6,100
Electrolux Svenska Försäljnings AB	60,000	100 SEK	6,000	6,000
Bröderna Brodd AB	9,000	100 SEK	900	5,491
AB Överums Bruk	210,000	100 SEK	21,000	5,122
AB Elektro Helios	50,000	100 SEK	5,000	5,000
AB Elektroservice	50,000	100 SEK	5,000	5,000
Aktiv-Fischer AB	13,400	100 SEK	1,340	5,000
ZätaTryckerierna AB	5,000	100 SEK	500	4,357
AB Partner	8,000	100 SEK	800	4,305
Electrolux Gjuteriprodukter AB (EGAB)	40,000	100 SEK	4,000	4,000
B. Johanssons Pappersförädling AB	1,100	100 SEK	110	3,641
Nordfor Teknik AB	1,500	100 SEK	150	2,961
AB Höörs Plåt	2,400	100 SEK	1,200	2,400
Zig-Zag Fabriks AB	6,825	91.0 SEK	683	2,001
Partnerintressenter AB	15,000	100 SEK	1,000	1,729
Elektro Helios Fastighets AB	1,500	100 SEK	1,500	1,500
Perete Serverings-system AB	10,000	100 SEK	1,000	1,365
Husqvarna Licencing AB,	8,000	100 SEK	800	800
AB Elektro-Apparat	1,500	100 SEK	750	750
AB ETH	1,000	100 SEK	100	550
Electrolux Inredning-Juno AB	5,000	100 SEK	500	515
Husqvarna Sundsvall Depot AB	500	100 SEK	500	500
Alltjänst L. Gustafsson AB	50	100 SEK	5	350
AB Volta	2,000	100 SEK	200	200
HDC Fjärrkontroll AB	2,000	100 SEK	200	150
Addo Försäljnings AB	1,000	100 SEK	100	100
AB Formverktyg	1,000	100 SEK	100	100
AB Orwak	1,000	100 SEK	100	100
Tunge Skyddsartiklar AB	500	100 SEK	50	51
Centralkassan AB	500	100 SEK	50	50
AB Stermax	200	100 SEK	20	24
AB Conductor	50	100 SEK	5	6
Mikrovågsapplikation (MVA) AB	1,000	100 SEK	1,000	0
<b>Total subsidiary companies in Sweden</b>				<b>1,437,592</b>

Company	Number	Percentage holding	Nominal value local currency (000s)	Book value Skr 000
<b>Subsidiary companies abroad</b>				
<b>Europe</b>				
<b>Austria</b>				
Electrolux GmbH		100 ATS	28,000	2,000
<b>Belgium</b>				
Electrolux-Martin S.A.	57,000	100 BEC	249,890	28,182
Facit S.A.	500	100 BEC	19,203	1,300
<b>Denmark</b>				
A/S Scan-Atlas Husholdningsapparater	729	100 DKK	70,000	58,734
Electrolux A/S	270,000	100 DKK	27,000	22,234
A/S Vestfrost	126	50 DKK	3,645	5,000
<b>Eire</b>				
Electrolux Ltd.	110	100 GBP	0	0
<b>Finland</b>				
Oy Electrolux Ab	31,500	100 FIM	31,500	30,327
Oy Liesimyynti-Spissförsäljnings Ab	204	51 FIM	2,040	2,384
<b>France</b>				
Usines et Fonderies Arthur Martin S.A.	11,556,524	64.4 FRF	115,565	112,295
S.A. Electrolux	1,007,448	99.9 FRF	100,747	89,939
Electrolux-Wascator S.A.	12,438	99.5 FRF	1,250	803
Société Electro-Domestique et Grande Cuisine Arthur Martin S.A.	153,233	100 FRF	15,323	0
Levin France S.à.r.l.	940	94 FRF	100	0
<b>Great Britain</b>				
Electrolux Ltd.	29,999,500	100 GBP	30,000	350,000
Electrolux Associated Companies Ltd.	4,433,300	100 GBP	4,433	29,785
<b>Italy</b>				
Facit Data Products S.p.A.	179,400	89.7 ITL	179,400	749
Flymo S.r.l.	49,999	100 ITL	49,999	209
Electrolux S.p.A.	78,400	98 ITL	3,920,000	0
Italwascator S.r.l.	38,249	100 ITL	38,250	0
<b>Luxembourg</b>				
Electrolux S.à.r.l.	49,444	98.9 LUF	49,444	6,505
Gotha Holding S.A.	290	96.7 LUF	2,900	0
<b>Netherlands</b>				
Electrolux-Quatfass B.V.		100 NLG	2,300	4,274
<b>Norway</b>				
Electrolux Industrier A/S	900	100 NOK	30,500	33,940
Electrolux Rengjøringsmaskiner A/S	6,000	100 NOK	4,500	3,600
Facit A/S	8,000	100 NOK	4,000	2,883
Electrolux Constructor A/S	100	100 NOK	1,000	648
<b>Portugal</b>				
Electrolux Limitada		90.1 PTE	24,334	2,212
<b>Spain</b>				
Electrolux S.A.	3,764	97.5 ESP	146,257	4,300
Electrolux Canarias S.A.	1,200	50 ESP	6,000	278
<b>Switzerland</b>				
Electrolux AG	3,995	100 CHF	1,998	15,000
Royal Levin AG	1,000	100 CHF	1,000	0

Company	Number	Percentage holding	Nominal value local currency (000S)	Book value Skr 000
<b>West Germany</b>				
Electrolux GmbH		99.2	DEM 11,900	49,596
Electrolux-Loh GmbH	100	DEM	14,600	25,301
Electrolux GmbH (Hamburg)		93.9	DEM 5,635	10,754
Facit GmbH	100	DEM	9,000	9,638
Electrolux Finanz GmbH		99.8	DEM 4,990	8,310
Electrolux Kälte- und Wärmetechnik GmbH	100	DEM	1,000	1,750
Euroclean GmbH	100	DEM	2,500	0
Flymo GmbH	100	DEM	1,500	0
Siegas Verwaltung GmbH	100	DEM	20	0
<b>North America</b>				
<b>Canada</b>				
Euroclean Holdings Ltd.	8,200	100	CAD 8,200	29,560
Dometic Canada Ltd.	30,002	100	npv	12,812
<b>USA</b>				
Dometic Incorporated	150	100	npv	300,000
<b>Latin America</b>				
<b>Argentina</b>				
S.A. Electrolux	63,040,000	100	ARP 630,400	0
<b>Brazil</b>				
Electrolux S.A.	240,000,000	100	BRC 240,000	12,797
Facit S.A.	195,599,600	100	BRC 196,000	5,699
Electrolux Serviços Ltda.	4,746	94.9	BRC 4,746	3,400
Electrolux Comercial e Serviços Marítimos Ltda.	746	82.9	BRC 746	300
<b>Colombia</b>				
A. Johnson & Co. de Colombia S.A.	1,400,000	93.3	COP 28,000	1,090
Electrolux S.A.	18,194	91	COP 1,819	0
<b>Dominican Republic</b>				
Electrolux Lagares C. por A.	354	51	DOP 36	107
<b>Ecuador</b>				
Electrolux C.A.	3,078	49	ECS 3,078	243
<b>Mexico</b>				
Electrolux S.A. de C.V.	33,996	100	MXP 33,996	6,075
Distribuidora Electrolux S.A. Industrias	246	98.4	MXP 25	0
Electrolux S.A. Facit Manufacturera S.A.	296	1.4	MXP 296	0
	1,956	99.8	MXP 1,956	0
<b>Uruguay</b>				
Electrolux S.A.	2,660	100	UYP 500	228
<b>Venezuela</b>				
C.A. Electrolux	39,988	100	VEB 39,988	30,000
<b>Other regions</b>				
<b>Hong Kong</b>				
Electrolux Hong Kong Ltd.	5,000	66.7	HKD 500	123
Electrolux (Far East) Ltd.	4,999	100	HKD 50	0
<b>Iran</b>				
Electrolux Iran Services Co. Ltd.	5,098	50.9	IRR 5,098	0

Company	Number	Percentage holding	Nominal value local currency (000s)	Book value Skr 000
<b>Japan</b>				
Electrolux Japan Ltd.	1,000,000	100	JPY 1,000,000	19,241
Nesco Ltd.	100,000	50	JPY 50,000	100
<b>Jordan</b>				
Electrolux Jordan Trading Co. Ltd.	10,045	49	JOD 10	133
<b>Malaysia</b>				
Electrolux Malaysia Sendirian Berhad	500,000	50	MYR 500	874
<b>New Zealand</b>				
Electrolux Ltd.	700,000	100	NZD 1,400	7,000
<b>Saudi Arabia</b>				
Electrolux Saudi Services Ltd.	5,000	50	SAR 500	648
<b>Thailand</b>				
Electrolux Thailand Ltd.	14,700	49	THB 1,470	370
<b>Total shares and participations in subsidiary companies</b>				<b>2,781,322</b>
<b>Other companies, etc</b>				
<b>In Sweden</b>				
ESV Förvaltnings AB	225,000	45.0	SEK 22,500	27,419
EPE International AB	10,000	33.3	SEK 1,000	1,200
Vakuumsystem AB	495	24.8	SEK 50	50
Handelsbolaget Svenska Dagbladets AB & Co.	100		SEK 100	0
Svensk Interkontinental Lufttrafik AB (S.I.L.A.)	9,600	0.7	SEK 960	0
Diverse aktier och andelar				20
<b>Abroad</b>				
<b>Finland</b>				
P.P. Palvelut Oy	24	48.0	FIM 24	190
<b>France</b>				
GF75 - Société S.à.r.l.	4		FRF 70	0
<b>Iran</b>				
Savalux Manufacturing Co.	5,799	14.5	IRR 57,990	0
Savalux Trading Co.	144	14.5	IRR 1,440	0
<b>Luxembourg</b>				
ADELA Investment Co. S.A.	2,584		npv	1,160
SIFIDA Investment Co. S.A.	20		USD 100	517
<b>Nigeria</b>				
Electrolux Mandilas Ltd.	160,000	40.0	NGN 160	0
<b>Peru</b>				
Electrolux S.A.	95,281	34.3	PES 95,281	0
Valinka S.A.	5,534	18.0	PES 5,534	20
<b>Philippines</b>				
Technolux Equipment and supply Corporation	675,000	30.0	PHP 675	265
<b>Spain</b>				
Wascator Ibérica S.A.	625	25	ESP 625	0
<b>Total shares and participations in other companies</b>				<b>30,841</b>

**Note 8 Machinery, equipment and tools**

	1980	1979
Acquisition value	620	536
State contribution	- 1	-
Accumulated depreciation according to plan	- 298	- 260
Residual value according to plan	321	276
Accumulated depreciation in excess of plan	- 185	- 159
Net book value	136	117
Acquisitions during the year	146	120

**Note 9 Buildings**

	1980	1979
Acquisition value	247	201
State contribution	- 15	-
Accumulated depreciation according to plan	- 72	- 65
Residual value according to plan	160	136
Accumulated depreciation in excess of plan	- 65	- 65
Non-depreciated part of revaluation	97	101
Net book value	192	172
Acquisitions during the year	31	6
Assessed value of buildings	185	181

**Note 10 Land and other real property**

	1980	1979
Acquisition value	15	13
Accumulated depreciation according to plan	- 1	- 1
Residual value according to plan	14	12
Accumulated depreciation in excess of plan	- 1	- 0
Undepreciated portion of revaluation	10	10
Net book value	23	22
Acquisitions during the year	2	0
Assessed value of land	19	19

**Note 11 Convertible debenture loans**

This item includes the following debentures:

Loan I	Mkr 96	Conversion rate	Skr 86
Loan II	Mkr 1	Conversion rate	Skr 86
Loan III	Mkr 112	Conversion rate	Skr 86
Loan IV	Mkr 663	Conversion rate	Skr 120
Total	Mkr 872		

Interest at 8% is payable on Loans I, II and III, which corresponds after conversion to a dividend of Skr 6:90 per share currently in issue, while 10% is payable on Loan IV, which corresponds after conversion to a dividend of Skr 12 per share currently in issue. Loans I and II fall due for redemption on December 15, 1987, Loan III on December 15, 1988, while Loan IV is due on December 15, 1990, insofar as the holders of debenture certificates have not had them converted into shares. Loans I, II and III can be converted from January 2, 1980, while certificates relating to Loan IV can be converted no earlier than January 2, 1982.

**Note 12 Accumulated depreciation in excess of plan**

This amount relates entirely to machinery, equipment and tools.

**Note 13 Investment reserve**

Opening balance	4
Transferred to Getinge Mekaniska Verkstads AB	- 0
Closing balance	4

**Note 14 Work environment reserve**

Opening balance	4
Transfer to Electrolux-Wascator AB	- 1
Utilized for depreciation of machinery, equipment and tools buildings	- 1
Closing balance	2

**Note 15 Shareholders' equity**

	Share capital	Statutory reserve	Revaluation reserve	Non-restricted equity
Opening balance	964	193	241	169
Dividend declared by Annual General Meeting				- 145
Bonus issue	241		- 241	
Conversion of debenture certificates	34	25		
Net profit				187
Closing balance	1,239	218	-	211

**Note 16 Share capital**

In addition to the registered share capital, 1,622 "B" shares à Skr 50 are entitled to dividend for 1980. These shares correspond to convertible debenture certificates that were presented before December 15, 1980, but had not been registered as share capital by the Swedish Patent and Registration Office by the accounting date.

**Note 17 Guarantees and contingent liabilities, other**

Contingent liabilities as per the balance sheet of the Parent Company do not include the obligation to repurchase the accounts receivable transferred to finance- and factoring companies. The total value of this recourse obligation is Mkr 19, the risk factor however being less than 0.5% based on average losses on bad debts during the last years. The Group reserve for bad debts also includes potential losses in the transferred receivables as per above.

Moreover AB Electrolux is responsible for the equity in Elefac Finans AB and Electrolux International AB in which companies AB Electrolux has taken a part ownership.

# Proposal for the Distribution of Earnings

The Board of Directors and the Managing Director propose that the unappropriated earnings at the disposal of the Annual General Meeting,

net profit for 1980 .....	SKr	186,754,616
retained earnings .....	SKr	24,827,068
totalling	SKr	<u>211,581,684</u>
be dealt with as follows:		
transfer to legal reserve .....	SKr	19,000,000
to be paid to shareholders by way of dividend of SKr 7:50* per existing share .....	SKr	185,903,063
to be carried forward .....	SKr	<u>6,678,621</u>
	SKr	<u>211,581,684</u>

\* Two members of the Board, Mr Rolf Karlsson and Mr Karl-Gustav Lagerström did not support the proposal, recommending instead a dividend of SKr 6:50 per existing share.

We wish to take this opportunity to thank all the employees of Electrolux,  
in Sweden and abroad, for their excellent work in 1980.

Stockholm, March 24, 1981

HANS WERTHÉN  
Chairman of the Board

PETER WALLEMBERG  
Deputy Chairman

HARRY ERIKSSON

NILS HOLGERSON

ROLF KARLSSON

KARL-GUSTAV LAGERSTRÖM

SVEN OLVING

JACOB PALMSTIERNA

ÅKE T. VRETHEM

GÖSTA BYSTEDT  
Managing Director

# Audit Report

We have examined the Annual Report, the Consolidated Statements, the book-keeping and the administration of the Company by the Board and the Managing Director.

## **The Parent Company**

The Annual Report has been drawn up in accordance with the Companies Act.

The separate list of loans, pledged assets and contingent liabilities that is required under the said Act has been drawn up.

We recommend that the Annual General Meeting

- adopts the Income Statement and the Balance Sheet,
- applies the profit in the manner recommended by the Board and the Managing Director, whereby Skr 19,000,000 would be passed to the Legal Reserve, Skr 185,903,063 would be distributed as dividend to the shareholders, and Skr 6,678,621 would be carried forward, and
- grants the Board of Directors and the Managing Director discharge from their liability for the fiscal year 1980.

## **The Group**

The Consolidated Statements have been drawn up in accordance with the Companies Act.

We recommend that the Annual General Meeting adopts the Consolidated Income Statement and the Consolidated Balance Sheet.

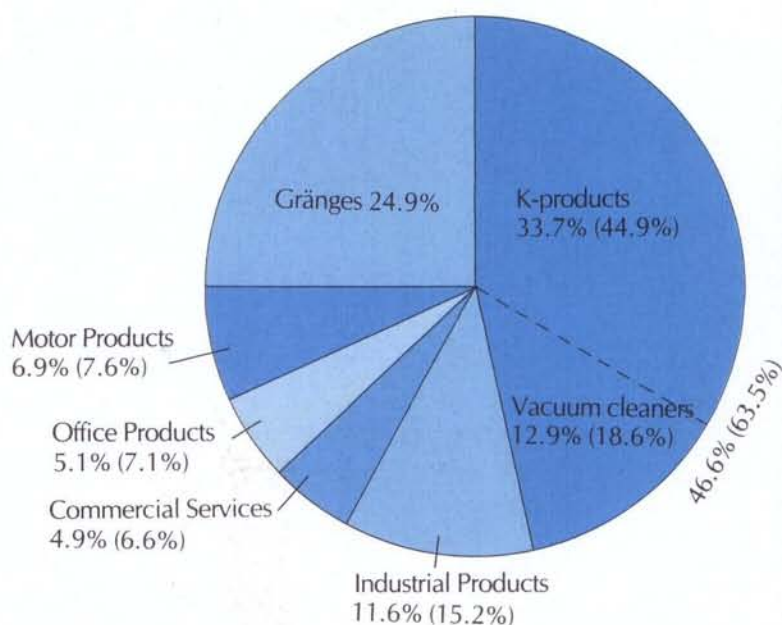
Stockholm, April 3, 1981

ARNE HOLMÉN  
Authorized Public  
Accountant

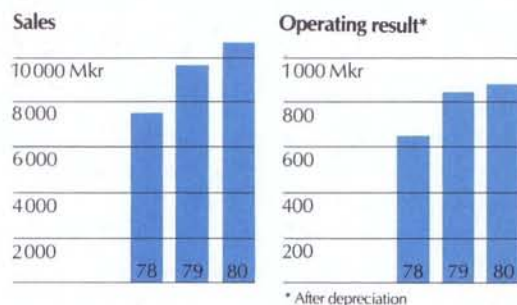
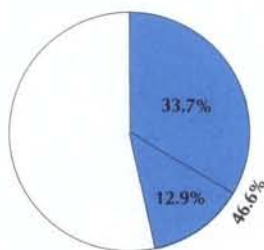
JAN NORDENBÄCK  
Authorized Public  
Accountant

# Products

The Group's activities can be grouped into six product lines, namely household appliances, industrial products, commercial services, motor products, office products and Gränges products. The spread across a large number of markets and product fields provides stability combined with opportunities for expansion. The Group's global sales organization also permits the products to be marketed rapidly in more remote markets.



# Household Appliances



The household appliances product line includes a broad range of machines and equipment for use in the home, such as kitchen appliances, vacuum-cleaners, sewing machines and TV sets.

As a result of internal growth within Group companies together with company acquisitions Electrolux has achieved a position as

one of the world's leading companies in the field.

Following the acquisition of the Danish cooker manufacturer, Voss, during the year, and of the Swedish and West German vacuum-cleaner makers, Hugin and Progress, in 1981, the Group's position has been further strengthened. The manufacture of TV

sets has also become part of the Group's business as a result of the acquisition of the French company Océanic.

Despite a slackening household appliances market in 1980 the year's sales rose by 11% to Mkr 10,675 (9,613). Of this total the net of newly acquired and sold companies accounted for Mkr 490.

The operating result after depreciation amounted to Mkr 883 (847), the equivalent of 8.3% on sales (8.8).

Unit sales of certain products (including those of companies acquired during the year)

	1980	1979
Vacuum-cleaners	5,300,000	5,600,000
Refrigerators and freezers	1,759,000	1,919,000
Cookers	1,362,000	1,303,000
Microwave ovens	358,000	241,000
Kitchen fans	173,000	172,000
Washing machines, dryer cabinets, mangles	410,000	428,000
Dishwashing machines	192,000	213,000
Kitchen machines	66,000	70,000
Electric heaters	268,000	253,000
TV sets	174,000	10,000

## K-products

The K-products group consists of refrigerators and freezers, cookers, microwave ovens, kitchen fans, dishwashing machines, kitchen machines (food processors), washing machines and dryers, space heaters and electric radiators, and air-conditioners and kitchen fittings.

The total market for household appliances in the USA and Western Europe slack-

ened during the past year. However, sales of the Group's products rose by 6% to Mkr 6,765.

Electrolux' market position makes it possible to devote considerable resources to production of a broad range of modern household appliances in the Group's own plants. During the year the company continued with the work of integrating differentiated market demands with the need for uniform basic product construction with the object to optimizing production economy.

The over-capacity prevailing in the household appliances industry is leading to a rapid restructuring process towards fewer manufacturers. Electrolux continues to play an active role in this process.

The product range was developed during the year through the addition of several successful new products.

The Group's washing machine plant in Revin, France, commenced shipments of the new front-loading washing machines. Sales launches took place in Austria, France and Holland, in the autumn of 1980. These new washing machines are of high quality, moderately priced and have certain exclusive design features such as the suspension device for the drums, electronic motor, and easy serviceability. They attracted considerable interest. Production will be up to full scale in 1981. The plant has been extensively modernized and rationalized.

Sales of microwave ovens rose extremely rapidly in several countries. In the USA a total of 3.3 million microwave ovens were sold in 1980, a rise of 35% compared with the previous year. For the first time more microwave ovens were sold there than conventional cookers and ovens. Tappan further strengthened its position in this rapidly expanding market. Sales of the company's microwave ovens rose by 56%. Growth was hampered by a

shortage of production capacity. Tappan's factory resources are being adjusted to meet the further increase in demand that is expected.

A model of Tappan's microwave ovens made in the Dalton, USA, plant is now being launched in Europe. It will be sold through Electrolux' subsidiary companies. Interest in microwave ovens is growing in Scandinavia. In Sweden Electrolux made a successful start in the autumn. Tappan's long-series production permitting modification to meet individual market preferences will give the Group major competitive advantages.

In the USA Tappan launched its new modular built-in cooker, Converta Cook, during the year. This is the most technically advanced product in the built-in cooker range and it has a built-in cooker fan and replaceable rings. The model is of considerable interest in the US, but will also be launched in Europe. There are markets in France, Great Britain and Switzerland for this type of product and it has already been launched there.

The successful refrigerator/freezer range from Mariestad was extended with a new combination cabinet model, the TR1280. This is a "top-frost" model with the freezer at the top, and it is expected to be successful in several export markets. It is also expected to be of importance in Sweden, especially in the replacement market.

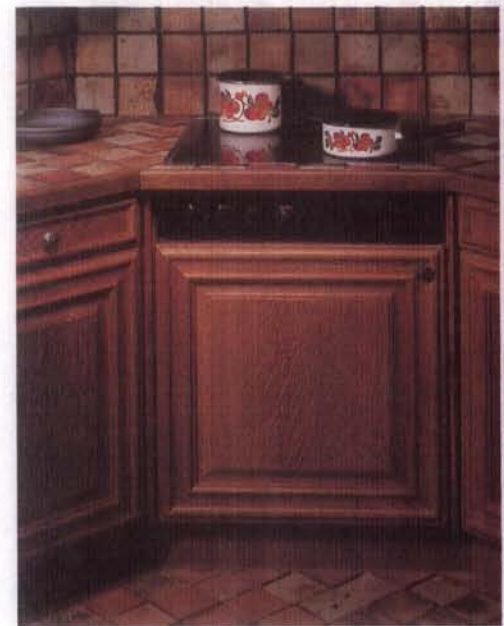
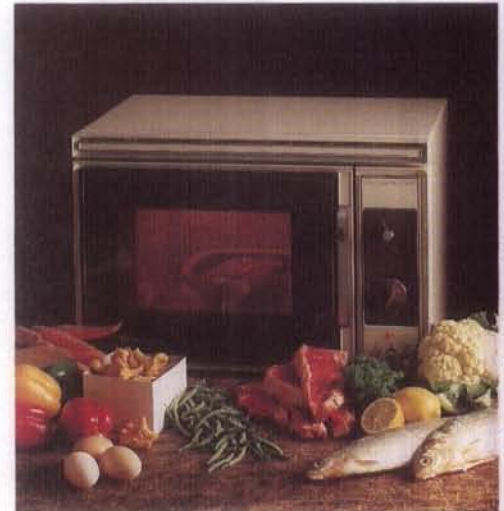
A new table top dishwashing machine was launched in Scandinavia during the year. It is made in Norway and has a larger capacity than existing models.

Production at the Mariestad plant has been concentrated entirely on large refrigerators and freezers. A new engineering workshop was commissioned in 1980 having even more far-reaching automation of assembly and materials handling.

In order to offset lower caravan refrigerator output the production of small refrigerators and freezer cabinets was transferred to the Motala plant along with the production of components for chain saws that were previously bought in.

*Microwave ovens are on the march in the U.S., and everything points to a similar development in Europe. The Swedish market saw the introduction last Autumn of an Electrolux model, manufactured in the U.S. by Tappan.*

*The Electrolux ranges of built-in hobs, ovens, cookers, fridges and freezers are produced with the different markets in mind. Shown here is a hob for the German market.*

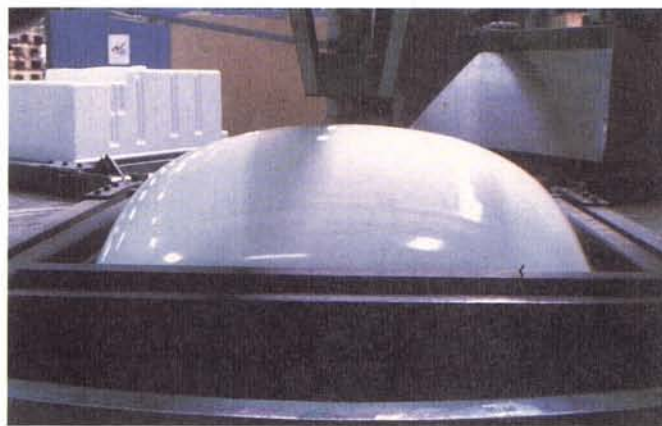


The production of cookers for the Swedish market will be concentrated at the Motala plant, while Torsvik will become the Group's production centre for standing dishwashing machines. This change will improve competitiveness, for instance on the promising markets in Europe for dishwashing machines.

*The new front-loaded washing machine with electronically controlled motor and easy access for servicing was launched in Autumn 1980. Manufactured in the Revin plant in France, where full production is planned for 1981.*



The Scandinavian kitchen concept from Electrolux. Copperline appliances contrast with the tailormade kitchen units in a truly functional kitchen.



A lengthy automation of the Mariestad fridge and freezer plant has been effected. Shown is vacuum-forming of the cabinets' inner walls.



### **Kitchen and bathroom fittings**

AB Ballingslövs Träförädling and Zig-Zag Fabriks AB manufacture and market kitchen and bathroom fittings for the Scandinavian market. In the USA Tappan has a similar business of some considerable size. During the year the product program was rounded out through the acquisition of Schrock Bros. Manufacturing Co in Arthur, Illinois, USA.

### **Air conditioners**

Emerson Quiet Kool Corporation, Woodbridge, New Jersey, is one of the USA's best known manufacturers of air conditioning equipment for private homes, etc. The company's products are also sold by Electrolux' subsidiaries and agents in many markets outside America.

Sales increased by 10% to Mkr 331, and the market share was improved.

### **Vacuum-cleaners, etc**

The domestic cleaning machines product group includes a broad range of vacuum-cleaners, floor polishers, carpet shampooing equipment and accessories. The largest manufacturing units are located in Sweden, France, Great Britain, the USA and West Germany. Production also takes place in several countries in Latin America and in Australia and New Zealand.

High level technology behind today's vacuum cleaners – from computer-aided drawing boards to highly automated production methods to electronic functions.



1980 saw the introduction of new and even more efficient cleaners, with fully automated suction-power control, lower energy consumption and reduced noise level.



A self-propelled vacuum cleaner from Eureka, one of North America's leading makes.

two leading vacuum-cleaner manufacturers, pushed up its already high market shares in most markets thanks to a wide geographical spread, a well-considered balance between direct selling and dealer sales and access to an extensive product range that is well-suited to the respective markets and distribution channels.

Sales rose by 5% to Mkr 2,962 (2,821). In all some 5.3 million units were delivered which includes floor-polishers and accessories.

In 1980 new and more effective vacuum-cleaner models were launched in several European and other markets. Among the innovations are fully-automatic electronic suction control, which reduces energy consumption by around 30%, cuts noise

levels and ensures regular and high suction power.

Direct sales accounted for 19% and dealer sales for 81% of total unit sales of domestic cleaning machines.

Direct sales expanded above all in Latin America and the newly opened markets in Asia. Dealer sales held their position well despite stiffer price competition.

The already intensive product development work is still proceeding. Apart from competitive product features – improved dust collection ability, lower noise levels, lighter machines – it creates the right conditions for sound production economy through new designs that make cost-reducing rationalization possible.

In 1981 the Group will be launching in Europe alone some ten new vacuum-cleaner models, in all price categories.

Through the acquisition of Hugin in Sweden and Progress in West Germany after the year-end the Group's sales are expected to rise to some 6 million units in 1981. The Progress acquisition substantially strengthens Electrolux' position in dealer sales in the important West Ger-

The co-ordination of all operations in the domestic cleaning machines product group was transferred during the year to a separate organizational unit within the parent company, known as the D Sector.

The economic recession in 1980 meant that the total market for vacuum-cleaners stagnated in Europe and the USA, in some cases declining, whereas markets in Latin America and the Far East progressed well. The Group, which is one of the world's

man market, where Progress is one of the leading makes.

Progress manufactures a broad and technically attractive program of vacuum-cleaners which can be introduced in a number of other West European markets.

### Sewing machines

The production of sewing machines and product development are mainly located in Huskvarna. There is also a factory in Schweinfurt, West Germany.

The total market showed a further drop during the year. Despite this the number of units sold by the Group increased by approx. 5%. Sales of sewing machines amounted to Mkr 462 (408) in 1980. Pro-

fitability is still unsatisfactory but improving, which is expected to be sustained as a result of several corrective measures.

Successes in connection with the introduction during the year of the micro-computer controlled 6690 sewing machine provided evidence that Husqvarna is the leader in further developing these products. This machine represents a substantial proportion of the company's sales. In the new machine the mechanical control functions have been replaced by electronics, which makes considerable rationalization of production methods possible.

Marketing activities were stepped up and a start was made to canvassing new markets through a number of Electrolux companies, mainly in the Far East and South America. Direct sales under the Electrolux label were boosted, mainly in France, Singapore and Venezuela. Success was achieved in Canada and elsewhere in department store sales.

Initiatives have been taken to stimulate home sewing. During the autumn a new activity, the sale of hobby kits with pre-prepared sewing materials, aroused considerable interest.

### TV sets

In 1980 Electrolux acquired a majority of the shares in the French TV and radio manufacturer Océanic S.A., which has some 1,200 employees and produces 120,000 colour TV sets a year. The plant is in Chartres. An agreement was also signed with ITT's German subsidiary, Standard Elektrik Lorenz AG, covering technical collaboration in this product field.

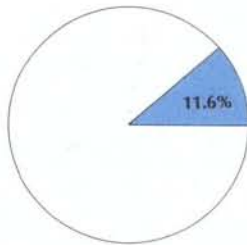
The co-ordination of selling activities with the Group's existing operations in France, which include marketing bought-in TV sets, is facilitated by the fact that Océanic and Electrolux' subsidiary Usine & Fonderies Arthur Martin S.A. largely use the same dealer channels.



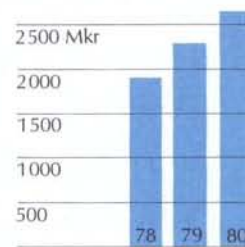
*The success of Husqvarna's new mini-computer controlled sewing machine 6690 proves the company's strength in product development. (Left). Shown above is the company's sewing school in Singapore, a growing market for the new machine.*

*The recent acquisition of Océanic (France) provides Electrolux with its own production of TV appliances. (Far left).*

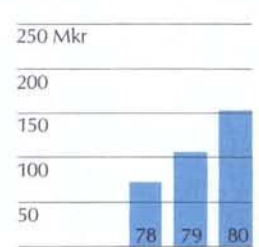
# Industrial Products



Sales



Operating result\*



\* After depreciation

**The program includes products for catering and food service, laundries, commercial cleaning, agricultural implements, and industrial robots.**

**Sales in 1980 amounted to Mkr 2,654 (2,300). The operating result after depreciation was Mkr 154 (107), the equivalent of 5.8% on sales (4.7).**

## Food service and laundry equipment

Electrolux-Wascator is one of Europe's leading companies in the field of catering and food service equipment and semi-industrial laundry equipment. Production takes place in Alingsås, Ljungby and Malmö, all in Sweden.

Sales of food service equipment in 1980 amounted to Mkr 478 (462). An increase was noted in non-European markets, which, together with improving production efficiency, led to profitability improving.

Several orders from large international hotels were obtained during the year, for example from the Sheraton in Karachi. Sales to Japan multiplied several times over.

Following the integration of the NK Inredning-Juno AB business customers in Sweden can now be offered a richer program than before. Apart from food service equipment it now also includes fittings and utensils.

The capital expenditure of Mkr 25 on production, warehousing and office facilities in Alingsås, decided on in 1980, will lead to more efficient materials handling and increased production capacity.

Sales of laundry equipment also rose substantially in 1980, amounting to Mkr 271 (247).

Traditional markets in Europe and the USA showed sustained good progress. However, during the last quarter of 1980 the US market showed a downturn. Considerable success was achieved in new

markets. The agency network was built up in Africa and an important order for hospital laundries was received from Angola against competition from American and other manufacturers.

During the year a breakthrough was achieved in the market for "laundromats" in South-east Asia, as well as in several Latin American countries. Wascator's market coverage in Latin America was extended, for example through new agency agreements.

## Sterilization and disinfection products

The sterilization sector has its production facilities in Getinge, Sweden, and at sub-

sidiary companies in Great Britain and the USA.

Sales in 1980 rose by 31%. Good results were achieved, especially in the Middle East.

In 1980 an agreement was reached for the purchase of the majority of the French company S.A. Lequeux, Paris. This acquisition is an element in the policy of covering the most important markets through local companies.

Växjö Rostfritt AB manufactures and markets equipment for disinfection in medical

*The Group's deliveries of sterilization equipment greatly increased in 1980, and the growth continues.*



1980 saw Electrolux as a European leader in the production of agricultural equipment. Shown are products from Aktiv-Fischer, a 1980 acquisition, and Överums Bruk, group centre for the agricultural side.



and geriatric care. Turnover rose by some 28% in 1980, partly as a result of modifying the range to match foreign requirements. Several new markets were entered.

### Industrial and commercial cleaning machines

Sales increased to Mkr 398 (299), of which newly-acquired companies accounted for Mkr 71.

Euroclean AB, Åmål, manufactures and markets cleaning equipment, high-pressure cleaning equipment and cleaning agents for professional use. Intensive marketing in Sweden led to higher sales and larger market shares.

Oy Tammermatic, Finland, achieved further success with its car-wash program intended principally for buses and other heavy vehicles.

The Kent Company, Elkhart, Indiana, USA, which manufactures and sells commercial cleaning products, strengthened its position during the year, especially in the North American market.

Bröderna Brodd AB boosted its sales of refuse collection machines and machines for street cleaning and park maintenance during the year, above all in export markets.

During the year the Group acquired Darenas AB, Åtvidaberg, and the Columbus-Dixon Group in Great Britain. These companies market products of the same type as Euroclean. In the long run structural benefits will be achieved through the acquisitions.

### Commercial refrigeration

Electrolux Commercial Refrigeration AB manufactures refrigeration and deep-freeze equipment for commercial use, ranging from supermarket counters and glass-fronted cabinets to complete refrigeration and freezer rooms supplied in modules. Production takes place in Sweden, France and West Germany.

Electrolux consolidated its position as one of the leading companies in Europe in this field. Market shares rose, partly as a result of sales successes with glass-fronted cabinets. Turnover in 1980 was Mkr 286



One of Euroclean's new products in 1980 was the UZ960, an industrial vacuum cleaner for heavy duty use in factories, warehouses etc.

(313). Two service companies in Sweden and Switzerland were sold during the year. Sales of these companies in 1979 amounted to Mkr 57.

### Materials handling equipment

Electrolux Constructor manufactures and markets materials handling systems for warehouses and work-station equipment for engineering workshops. Outside Swe-

Electrolux-Wascator is one of Europe's leading producers of semi-commercial washing machines.

Electrolux Constructor's New Tool Locker.

The glass door freezer cabinet was Electrolux Commercial Refrigeration's most successful product in 1980.



den production units are located in Denmark, Switzerland and West Germany.

Sales rose by 30% in 1980 to Mkr 364. The result improved substantially.

The expansion of the sales organization in Western Europe and the Middle East resulted in higher deliveries.

The product program was enlarged with a new system, Rollrack, for storing "long goods", a "no-screw" easily assembled clothes locker system and new tool cupboards.

License agreements were signed with manufacturers in Argentina, Australia and Brazil.

## Agricultural implements, castings and windows

The Överums group develops, manufactures and markets agricultural implements, hydraulic products, castings and window frames. Sales rose to Mkr 319 (224) in 1980, out of which the net of newly-acquired and sold companies accounted for Mkr 74.

In 1980 Electrolux reached a position as one of Europe's leading manufacturers of agricultural implements. Aktiv-Fischer AB, Morgongåva, which apart from harvesters manufactures mowing machines and snow vehicles, was acquired at the beginning of the year.

Moreover, an agreement was reached with Volvo BM that from the middle of 1982 Volvo BM would stop manufacturing harvesters, after which Swedish harvester production will be entirely concentrated in the Electrolux Group. In 1980 Överums Bruk took over the marketing of Volvo BM's harvesters.

Towards the end of the year Oy Electrolux Ab, Finland, acquired manufacturing and design rights to Oy Fiskars Ab's plough program. The business will be administered by Överums Bruk. Fiskars is Finland's only plough manufacturer and has more than half the Finnish market. Fiskars will continue producing ploughs but in the long run there will be some degree of integration with Överums production in order to achieve longer series.

Throughout the past year the market in Sweden for agricultural implements was weak on account of reduced willingness to invest. This resulted in higher spare parts sales. A newly-developed sowing machine for small farms was well received. The profitability of the business continued to improve.

At the beginning of 1981 the operations within AB Överums Bruk were concentrated solely on agricultural implements. The foundry activities were brought

together into an autonomous unit, Electrolux Gjuteriprodukter AB EGAB, Hälleforsnäs. The foundry in Falkenberg was brought into the new company while the foundry in Överum was closed down in accordance with an earlier decision. The foundries improved their profitability in 1980 but it was still not satisfactory.

The window-manufacturing business of AB Överums Bruk has been transferred to a newly-formed subsidiary AB Överums Fönsterfabrik.

## Industrial robots

Electrolux Industrial Systems develops, manufactures and markets industrial robots and ancillary equipment, control systems for production equipment, and special machines for the engineering and other industries.

Deliveries to outside customers rose by 52% and the order intake remained at a high level. During the year selling was started in Australia, with good results. A joint venture was started in the US market to distribute and manufacture Electrolux MHU industrial robots under license. The best export market was Great Britain, which expanded sharply. Profitability was satisfactory.

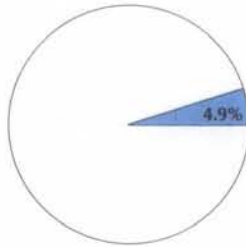
New products such as pallet loaders and linear modules were introduced during the year. The American manufactured UNIMATE PUMA robot was introduced into Scandinavia by Electrolux.

The market outlook for 1981 is considered to be extremely promising for robots, both in the domestic market and abroad. However, tougher competition is expected in some markets, where the relatively small size of the operations is a limiting factor.

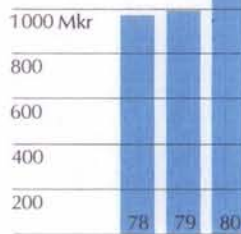
## ZätaTryckerierna AB

ZätaTryckerierna AB produces and markets business forms, packaging, and advertising and screen printing. Turnover rose during the year to Mkr 57 (47). The largest increase was achieved on the packaging side. Profitability was good.

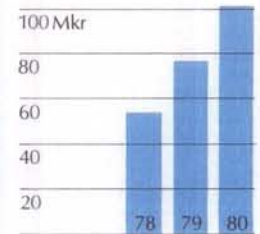
# Commercial Services



Sales



Operating result\*



\* After depreciation

**Commercial cleaning and other service activities made further progress during the year, both in Sweden and abroad. Company acquisitions in both commercial cleaning and laundry services contributed to the growth.**

**Turnover in 1980 amounted to Mkr 1,122 (995). The cleaning companies that were disposed of in 1980 had 1979 sales of Mkr 93. The rise in the turnover of the remaining companies, including new acquisitions, was 24%. The operating result after depreciation was Mkr 107 (77), equivalent of 9.3% on sales (7.7).**

## Commercial cleaning services

In Sweden commercial cleaning services for indoor and outdoor environments are provided by the ASAB Group, which consists of around ten companies.

In 1980 turnover rose by 16% to Mkr 544. Perete Serveringssystem was transferred to Electrolux-Wascator AB.

The demand for ASAB's "total service package" is rising continually, and profitability further improved during the year. Public sector demand in particular increased.

Outside Sweden activities are conducted in 15 countries and Electrolux is one of the world's largest companies in this industry. Total sales of the product line amounted to Mkr 735 (668).

In Brazil the Group's cleaning companies employ 6,600 people. Australia, Japan and Saudi Arabia are also important markets, and the business showed sustained growth in 1980.

During the year this position was further consolidated when the commercial cleaning division of Rollins Inc, USA, with some 1,700 employees, was acquired. The business includes office cleaning services in 16 states, and it is one of the

largest in the southern and eastern states of the USA.

During the year Electrolux sold its 50% shareholding in Servisystem Ltd, a British commercial cleaning company.

Electrolux' commercial cleaning services are expected to expand. The know-how that ASAB possesses combined with experience from the Group's sales of cleaning equipment is constantly being transferred to the foreign units.

## Laundry service

Laundry service consists of the hire and laundering of work apparel, hotel and restaurant linen, dust control articles, changing room lockers, and the sale of disposable articles connected with this program.

The product line is expanding and stepped up international operations have helped to bring about this rapid growth. In 1980 sales rose to Mkr 285 (227).

Tvättman is Sweden's largest laundry company and covers the whole country. Abroad operations are conducted in the Canary Islands, Great Britain, the Netherlands, the USA and West Germany.

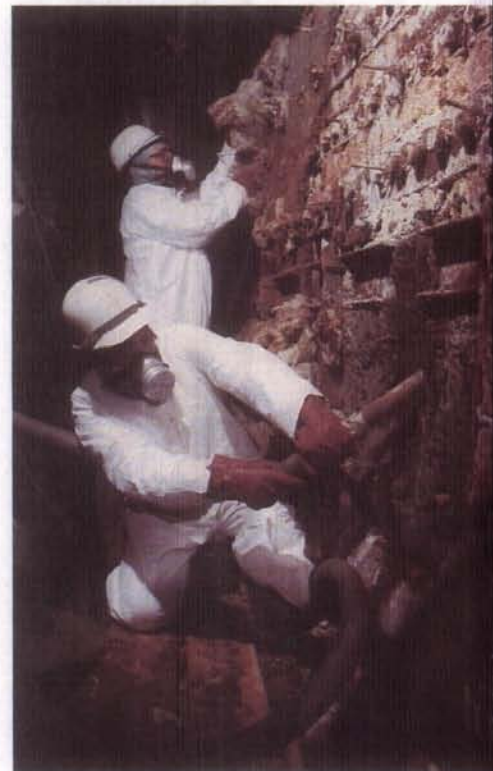
Capital investments in 1980 included a new building in Angered, which is Sweden's largest private laundry. There was also a greater focus on work for the public sector.

## Goods protection

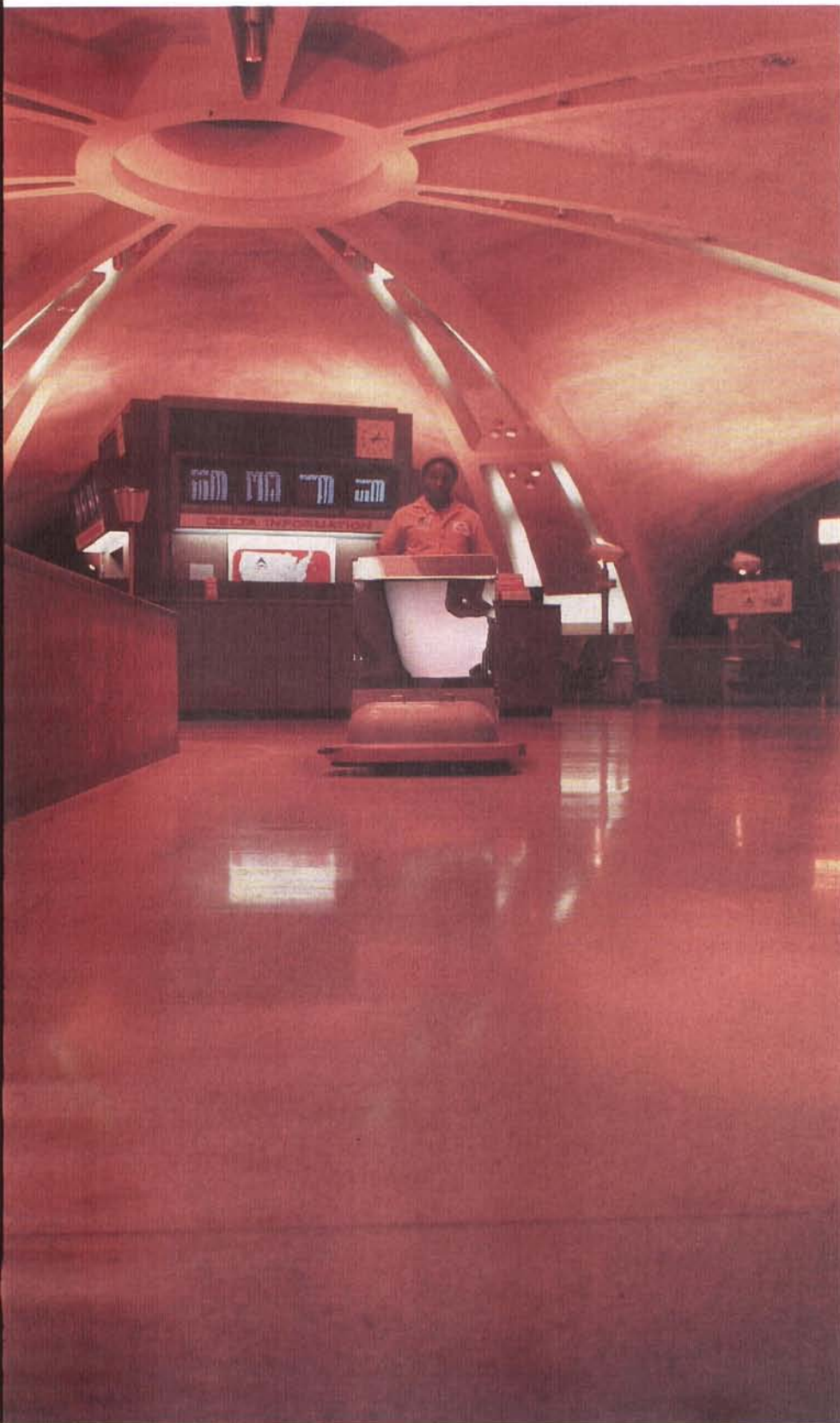
The Goods Protection division was reorganized as of January 1, 1980, into a separate company Jonsereids Godsskydd AB.

The main products that are produced in-house and that are hired or sold are tarpaulins and temporary warehouses. A pallet hire and sales business is being built up.

The general market situation was tight in 1980 owing to the very low level of building activity and continued destocking, mainly in the forest industry. Despite these unfavourable market conditions the result was satisfactory.







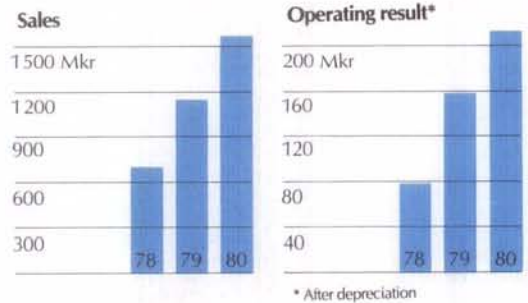
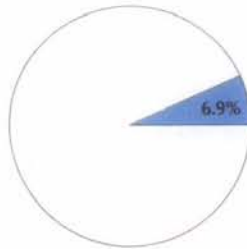
*Industrial clothing, jointly designed by Tvättman and textile designer Matti Viio.*

*Electrolux acquired the cleaning side of Rollins Building Services (USA) in 1980. One of their specialities is airport cleaning as here in the Atlanta, Georgia, terminal. (Left).*

*ASAB in Sweden cover everything from office cleaning (Top left) to asbestos removal (Middle left).*

*Jonsereds Godsskydd AB sell and hire blinds, to take just one example.*

# Motor Products



**The motor products sector includes chain saws and other equipment for the forestry industry, power sawing machines, lawn-mowers, hoes, motor-cycles and accessories.**

**In 1980 sales increased to Mkr 1,572 (1,155). The operating result after depreciation was Mkr 212 (159), the equivalent of 13.5% (13.7) on sales.**

## Chain saws and forestry products

Electrolux is one of the world's largest manufacturers of chain saws for professional use.

The core of the chain saw business is the new company, Electrolux Motor AB EMAB, that was formed at the beginning of 1980. The chain saw manufacturing and product development activities that had previously taken place in the Swedish companies Husqvarna, Jonsereds and Partner were transferred to this new company. This made it possible to bring about effective co-ordination and rationalization of production and administration.

The chain saw business also includes Nordfor Teknik in Sweden, Jobu in Norway, Pioneer in Canada, and some 20 Group sales companies. Husqvarna saws are also manufactured by an Electrolux company in Brazil.

The chain saw market showed further growth in Europe and in some non-European countries, but it dipped in North America in connection with the general economic recession there.

There was healthy demand for all the Group's makes of chain saw and sales rose substantially, except in the case of hobby saws in the USA.

In 1980 EMAB increased its share of the professional saw market in several countries, as it also did with its semi-professional saws. Higher sales were not achieved due to lack of manufacturing capacity. Group companies started selling

Husqvarna saws in Argentina and Switzerland during the year. Flymo set up a chain saw department in Great Britain to sell Partner saws, and Jobu started selling Jonsereds saws in Norway.

A start was made to the comprehensive restructuring of the Swedish factories, involving specialization in order to achieve longer production runs and to eliminate duplication. This program will continue in 1981 and 1982.

Considerable investments were made in product development and production plants. A new assembly plant was commissioned in Gothenburg to replace the former Jonsereds and Partner factories in the area. The enlargement of the clearing saw plant in Tandsbyn was started. Extensive investments in machinery were made in connection with the concentration of crank-shaft production for chain saws at the Brastad plant. By enlarging die-casting capacity in Huskvarna the volume of components that are manufactured in-house will increase.

The restructuring of Norwegian production within Jobu was commenced. The production of electric saws and chain saw accessories was added to the program.

Sales of Pioneer products doubled in 1980. Investment projects increasing production capacity for chain saw blades were implemented during the year.

At the beginning of 1980 Nordfor Teknik and Nordfor Training were acquired, to be merged during the year. The company manufactures and sells winches, mechanized thinning systems, tools and safety equipment. The business in Sweden was successful and expanded significantly compared with 1979. A Nordfor organization was built up in the USA. A complete program of accessories well-suited to international markets was developed, and selling is starting in 1981 under the NORTEC name.

The hobby saw production, acquired from Skil Corp, USA, at the beginning of 1979, and which was located at Eureka's factory in Bloomington, Illinois, has been transferred at the beginning of 1981 to



*The Flymo Group produce some 700,000 motor-driven lawn-mowers a year and is a world leader in the industry. Shown above is an air-cushion lawnmower.*

*Winches from Nordfor Teknik were a 1980 complement to the forestry equipment side. (Top).*

Canada, where it is being co-ordinated with Pioneer's chain saw production.

Sales of Partner and Husqvarna hobby saws were successful in Europe in 1980.

## Garden tools

The Flymo Group in Great Britain manufactures and sells a broad range of electric and petrol-driven lawn-mowers. With its air-cushion lawn-mowers Flymo has achieved a position as one of the world's leading companies in the industry.

The good progress was sustained in 1980 and Flymo raised its market shares in Europe. Sales rose to Mkr 360 (224), and the rate of output exceeded 700,000 units per year. The prospects for 1981 are good



*Electrolux has joined the world leaders in chain-saw production. Production of Husqvarna saws in Brazil started in 1980.*

*Group gardening products include cultivators. (Top).*

*A motorcycle specially designed for the Swedish Defence Forces has been developed by Husqvarna Motorcyklar AB.*



Norlett owns 50% of the Belgian company Amnor N.V., Oevel-Westerlo, which manufactures garden tractors.

### **Motor-cycles**

The motor-cycle business was concentrated in 1980 in a new company Husqvarna Motorcyklar AB, Ödeshög. The production range comprises models in the size range 125 cc to 430 cc.

Sales in 1980 rose to Mkr 77 (75) and higher market shares were gained in Europe. The first 1,000 motor-cycles of an order from the Swedish Armed Forces for 3,000 were delivered in 1980. Deliveries will continue through 1981 and 1982.

A completely new competition bike of 430 cc was introduced during the autumn and it was well received by the market.

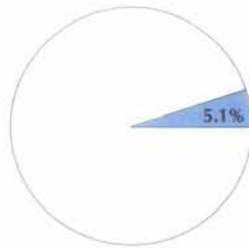
and market shares are expected to increase further.

The "E Minimo" low-price model was launched with great success. Eight new models have been developed for 1981 covering a wide range and having quieter motors. The program is being rounded out with products such as hoes made by the Norwegian company A/S Norlett, which

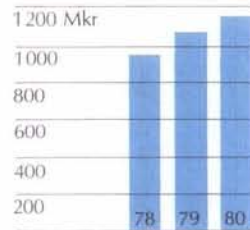
has been acquired by Electrolux since the end of the year. Norlett has high market shares in Scandinavia, while Flymo is stronger in Great Britain and on the continent.

Rationalization on the sales side is expected to bring benefits to both groups, especially taking into account the integration with chain saw sales.

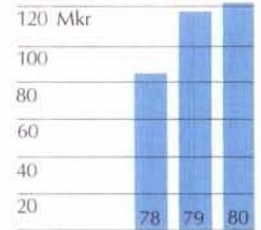
# Office Products



Sales



Operating result\*



\* After depreciation

The Facit Group markets a broad program of products for offices, such as furniture, office machines, business computers, and data processing products.

In 1980 sales amounted to Mkr 1,162 (1,074). The operating result after depreciation was Mkr 122 (118), the equivalent of 10.5% on sales (11.0).

## Office machines

The office machines sector markets a program including typewriters, calculators and dictating machines.

Sales rose by 6% to Mkr 648 (610).

This increase was achieved both in Sweden and several export markets. During the later part of the year business slackened owing to the economic recession.

Product development work is focussed on new, technically advanced typewriters, in which electronics are used to an increasing extent, which results in more efficient production and lower labour requirements.

During the second half of 1980 the new FACIT 8000 electronic typewriter was launched in Sweden under the CORRECT name. It was well received and this product will be given considerable support in 1981, both as regards production and marketing. It is the basic model in a new generation of products and will be followed by several other models in the coming year.

Trends for electronic calculators, dictating machines and copying machines were favourable in 1980. Sales rose, for example in Brazil and France, and profitability improved. Facit's range of calculator models, which was further extended in 1980, is reckoned to be one of the strongest in the market at the moment.

In the copying field considerable growth is expected over the next few years.

## Office furniture

Sales increased by 26% and the volume rose within the limits of existing production capacity, which appreciably improved production economy. The largest sales increases were gained in Sweden and by the subsidiaries in Denmark, France, Great Britain and Norway. Exports from Sweden accounted for almost 50% of sales, which is a high proportion for this industry.

The office furniture program has been further developed. Computer terminal furniture, and special furniture are matched to Facit's office machine program, which provides functional and efficient workplaces.

## Data processing products

Facit develops, manufactures and sells peripheral equipment for computers throughout the world. The largest product group is matrix printers for computers and sales increased by more than 50%.

The Group's shareholding in the American company Dataroyal Inc, Nashua, New Hampshire, was increased to over 80% in 1980.

During the year several new products were launched. The Facit 4542 is a further development of the well-known series matrix printer 4540. Several small printers for small business computers and micro-computer systems started being sold throughout the world. The printer program was supplemented with visual display terminals for teletype protocols.

The market for punched tape products declined slightly during the year owing to lower demand for numerically controlled machine tools. A new model of the punch tape puncher/reader was launched.

## Business Systems

At the end of 1979 Facit took over the development and selling of business computers from Datasaab AB. The product range was further developed in 1980 and marketing channels strengthened in order to meet higher demand from a rapidly

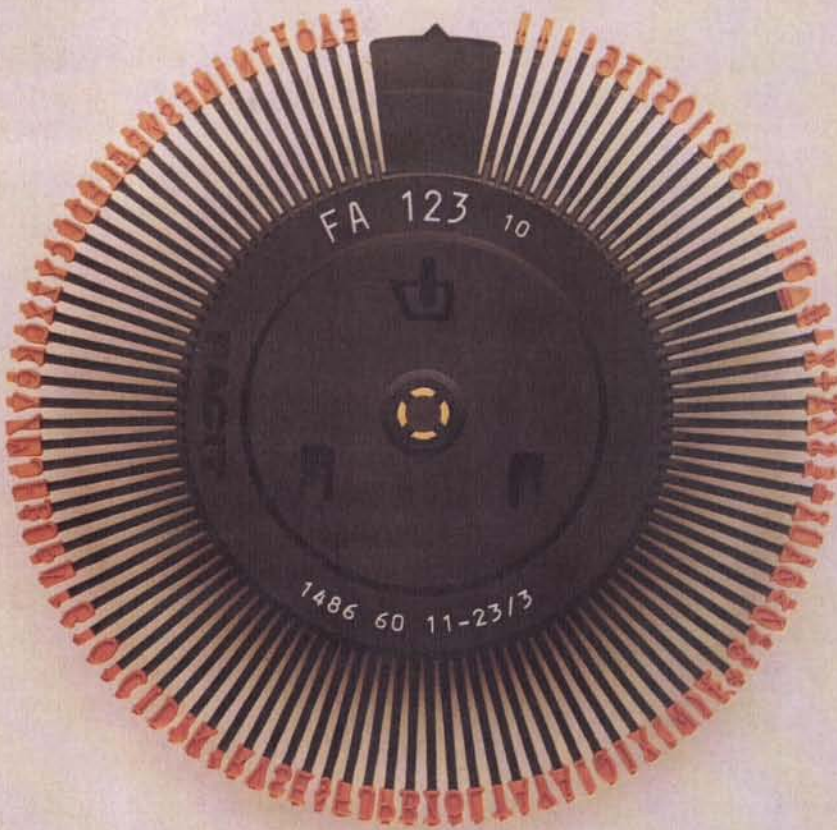


expanding market for small computers. During the autumn the marketing of the D12E business computer was started. It has appreciably higher performance than its predecessor, the D12. The factory in Malmö was working at full capacity

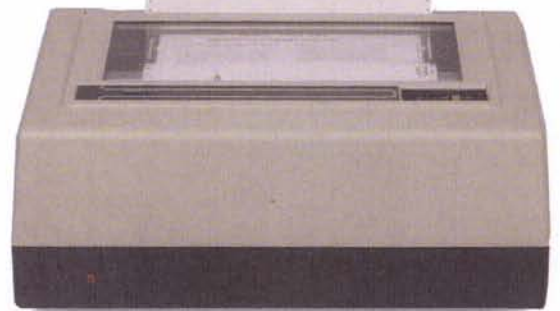
Facit's electronic calculators have made a breakthrough in Japan, for example in Japanese Banks (Top left).

The Facit office computer for smaller firms (Middle).

Facit's office furniture systems cover machine-oriented units adaptable to individual needs. Here an executive office with computer terminal.



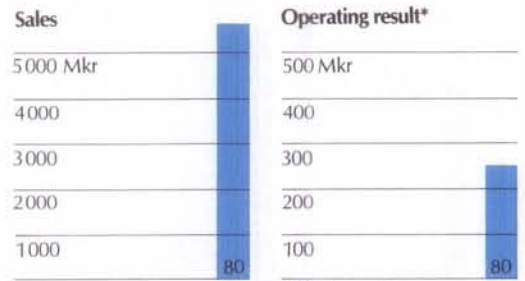
The Facit 8000 electronic typewriter is the biggest news of the year. Time consuming manual functions are now automated and the machine is equipped with a typewheel.



The Facit 4542 printer with top-quality type can also produce drawing in black-and-white or red, as well as staple diagrams, connection diagrams, flowcharts etc.

throughout the year. Investments were made in machines to achieve even more efficient production of electronics. The product program and marketing will be expanded in 1981.

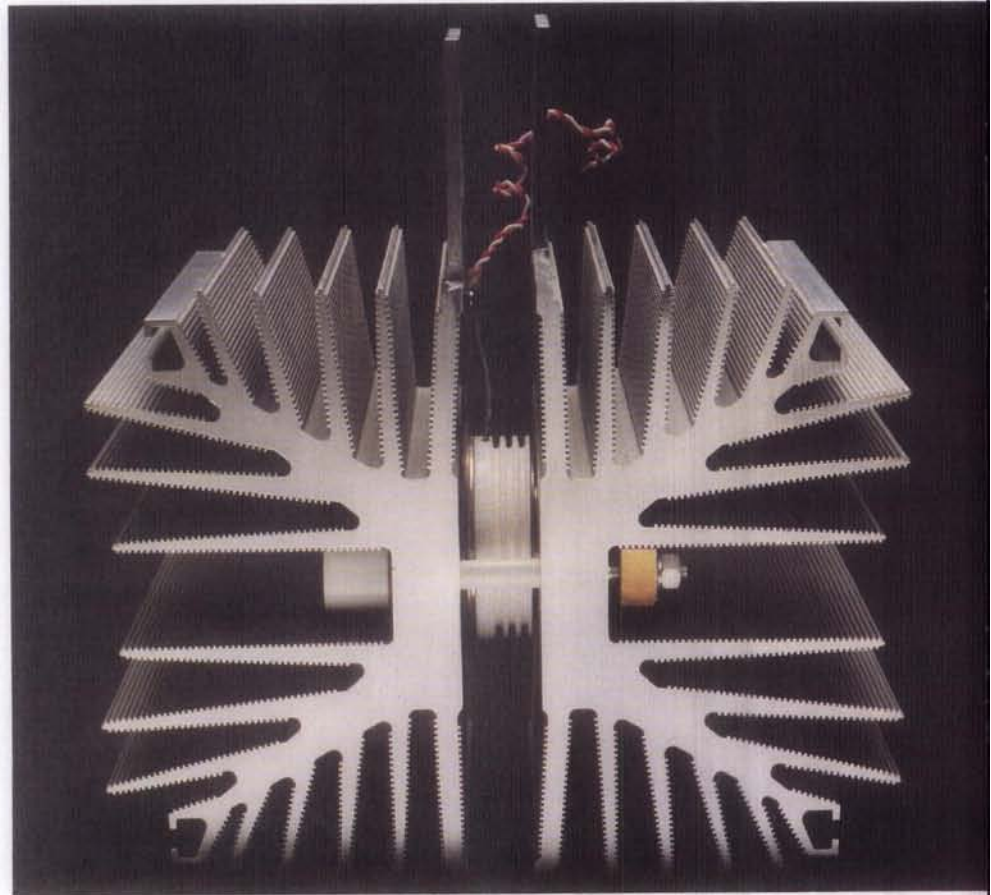
# Gränges



The Gränges Group includes the manufacturing companies Gränges Aluminium, Gränges Metallverken, Gränges Weda, Wirsbo Bruk and Gränges Kraft, and the contracting companies Gränges Hedlund, Platzer Bygg, Gränges International Mining and Gränges Mark. In addition, Gränges owns 25% of SSAB Svenskt Stål AB and some 15% of Lamco, in Liberia, through the Swedish Lamco Syndicate.

Sales in 1980 totalled Mkr 5,740 (5,158), including deliveries of Mkr 51 to other companies in the Electrolux Group.

In the operating result after depreciation of the Electrolux Group Gränges accounted for Mkr 250, corresponding to 4.4% of sales.



Aluminium profiles produced by SAPA for a variety of applications and tailormade to the user's specifications.

Cladding materials for the building industry worldwide are supplied by Gränges Aluminium Korrugal. Shown here as roofing on a sportshall in Bradford, England. (Top right).

## Gränges Aluminium

Gränges Aluminium is Sweden's only integrated aluminium manufacturer, having production of primary aluminium, semi-manufactures such as sheet and plate, strip, sections, and foil, and finished products such as Korrugal construction sheet, ceilings, fencing and automotive components. The production facilities are located in Sweden, Finland, Great Britain and Holland.

40% of sales go to the building industry, a further 40% to transport and engineering,

and 20% to the packaging and consumer goods industries.

Around half the company's output is sold abroad. The largest markets are Scandinavia and Great Britain.

The order intake was strong at the beginning of the year partly owing to stockbuilding by customers, but it declined steadily later and prices fell. Total sales amounted to Mkr 1,786 (1,661). The operating result after depreciation was Mkr 119 (133).

The output of primary aluminium at the Sundsvall smelter totalled 81,200 tonnes (82,000) during the year. The weakening demand, mainly for building sheet and plate, forced production cutbacks to be made and short-time working to be introduced at the Finspång plant. The recession in the automotive industry led to reduced shipments of the company's automotive products.

The business of IFÖ Sanitär AB, Simrishamn, was acquired in September. The company, which is now called Plastal AB,



*Thin strips of copper and brass, mainly for car radiators and heaters, are the principal export for Gränges Metallverken. Future plans are for even finer dimensions to save on both weight and energy.*

manufactures injection moulded plastic components for the automotive and other industries. Gränges Aluminium Montal set up a partly owned sales company for energy-saving greenhouses, Swedhort AB, Malmö.

### **Gränges Metallverken**

Gränges Metallverken is mainly engaged in manufacturing semi-manufactures of copper and alloys in the form of strip, sheet and plate, wire and bars. The company is the leader in the field of thin strip in

copper and brass for automobile radiators and heaters. There are factories in Sweden, Holland, Norway and the USA.

In 1980 sales amounted to Mkr 1,495 (1,298). The result after depreciation was Mkr 46 (54).

The extreme weakness of the automotive industry in the USA principally affected deliveries of thin strip. However, sales in the USA picked up towards the end of the year.

Other sheet and strip products and bar made good progress in 1980.

During the year a start was made to extending thin strip production capacity in Finspång, which is expected to be complete in 1983. Machinery systems for finishing cores for radiators and heaters have been developed and sold or leased to manufacturers.

At the end of the year Johnson Metall AB, Örebro, was acquired. The company has annual sales of some Mkr 170, and manufactures sliding bearings and special components in copper alloys.

## Gränges Weda

Gränges Weda manufactures castings, car safety belts, pumps, plastic film, and other products.

The automotive industry is the dominating customer, taking some 50% of output. Around 20% goes to the engineering industry and 10% to the building industry.

The order intake was healthy at the start of 1980 but slackened later. Total sales amounted to Mkr 392 (326). The result after depreciation was a loss of Mkr 1 (profit 13). During the year the restructuring of the car safety belt activities in West Germany gave rise to extraordinary costs. Production in Lübeck is being terminated and manufacturing concentrated at the plant in Elmshorn that were acquired in 1980.

A decision was made in the autumn to close down the greater part of Weda Pressgiuteri. The closure will largely be implemented in 1981.

Essem Sintermetall is being extended and modernized. Skultuna Automat and Pressmetall are being rationalized and coordinated.

During the year the car safety belt companies were given increased resources for product development. Another car safety belt maker, Evert Larsson Industri AB, was acquired during the year.

At Essem Plast plastic film production capacity was extended and equipment purchased to make it possible to print on the products.

## Wirsbo Bruk

Wirsbo Bruk manufactures steel, copper and plastic pipe and tube for heating, plumbing and sanitary installations and industrial purposes, as well as forgings and plastic components.

Demand was firm for most products for the greater part of the year and sales rose to Mkr 720 (598). The result after depreciation was Mkr 56 (49).

Sales of the firm's special product – plastic pipes – Wirsbo PEX, rose rapidly and deliveries, which were substantially up on

1979, were held back by manufacturing capacity constraints.

The demand for copper tube was good despite a decline during the latter part of the year. It was possible to keep up the sales volume for steel tube, but there is overcapacity in this market. Production and sales of Aquawarm district heating pipe advanced well.

Shipments of forgings increased and the production mix was restructured during the year to include more heavy forged components.

A far-reaching investment program was implemented for a new basic process for copper tube production in Granefors, which is expected to be operating at the end of 1981. Manufacturing capacity for Aquawarm and for plastic tubes in Virsbo and at the German subsidiary company, Wirsbo Pex, Heusenstamm, was increased during the year.

Preparations are being made in collaboration with Electrolux to manufacture PEX tubes in Spain.

## Gränges Kraft

Gränges Kraft supplies electric power to companies in the Group and to outside customers, mainly in the Ludvika area, from its own and partly-owned hydro-electric power stations.

Power supplies in 1980 totalled 1,528 GWh, of which 739 GWh came from the company's own or partly-owned power stations. A small power station was acquired during the year. Total sales were Mkr 199 (172) and the result after depreciation was Mkr 47 (38). A further good result is expected in 1981.

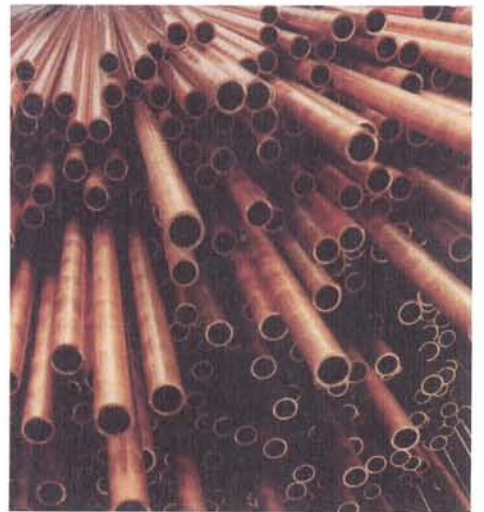
In the middle of March, 1981 Gränges reached an agreement whereby the Swedish State Power Board will acquire the greater part of Gränges Kraft as of July 1, 1981, for an amount of Mkr 1,010. This transaction is subject to the approval of the government.



*Gränges Weda are working intensively on development of car safety belts.*

*Essem Sintermetall work with metallurgical processes and powder technology which make possible the manufacture of parts of a complicated form and fine tolerances. (Right)*





*Wirubo's range of tubing includes steel tubes for industry (Above), Wirubo Pex plastic piping for electrical and plumbing installations (Top right) and copper tubes.*

## Gränges Hedlund

Gränges Hedlund manufactures and erects steel structures, steel piping, beam welding machines and foundry equipment, as well as providing machine maintenance and industrial repair services (Gränges Metalock in Sweden and West Germany).

Sales in 1980 amounted to Mkr 447 (437) and the result after depreciation was Mkr 34 (12).

The market for steel buildings and tanks was firm in Sweden during the year, but signs of a deterioration began to appear towards the end of the year. Contracts were signed for the supply of equipment for the conversion of Västerås municipal

thermal heating plant from oil to coal firing and for 15 tanks and two pulp towers, the largest yet in Sweden, for SCA in Timrå.

Among the major foreign projects in 1980 were tank depots in Nigeria, airport building in Saudi Arabia, and an industrial building in Iceland.

The company is participating in a joint venture project to produce and market fluidized coal that can replace heavy oil as a fuel.

Hedlund's pipe division operated at low capacity on account of a weak domestic market and sharply declining demand in Poland which is the most important export market.

The Metalock division raised its production in Sweden by 25%, and profitability improved, especially in industrial maintenance and mobile service. Package solutions of repair and maintenance problems gained successes in the nuclear power, offshore, paper and pulp industries.

## Gränges International Mining

Gränges International Mining (GIM) is engaged in international consulting activities in mining and is responsible for the management of the Lamco Joint Venture operations in Liberia.

The result after depreciation in 1980 was Mkr 0 (loss 10).

The iron ore market weakened considerably during the year. Iron ore shipments by the Lamco Joint Venture totalled 9.3 million tonnes (10.2). The revolution in Liberia caused a slight loss of production during the first half of the year, but there were no disruptions thereafter. The new government has expressed its favourable attitude towards continued collaboration with foreign investors.

Discussions are continuing on collaboration as regards transport on the Lamco railway in Liberia from an iron ore mine that is being planned in Guinea.

An agreement was signed during the year to mine the ore deposits (copper, silver, gold and zinc) that GIM, as the manager of a consortium with Scandinavian and Canadian partners, has located in Trout Lake, Manitoba, Canada.

In Saudi Arabia GIM is continuing with its preparations for mining the Nuqrah deposits (gold, silver, copper, lead). A feasibility study covering the transport of



*Gränges Hedlund supplied and erected the steel framework for the administration block in Jeddah's new airport. Other Gränges companies contributed building materials, aluminium sheeting and tubing.*



*In Nigeria, a major Gränges project – four complete oil depots.*

crude phosphorus by rail to various possible harbours on the Arabian Gulf and the Red Sea respectively is to be carried out.

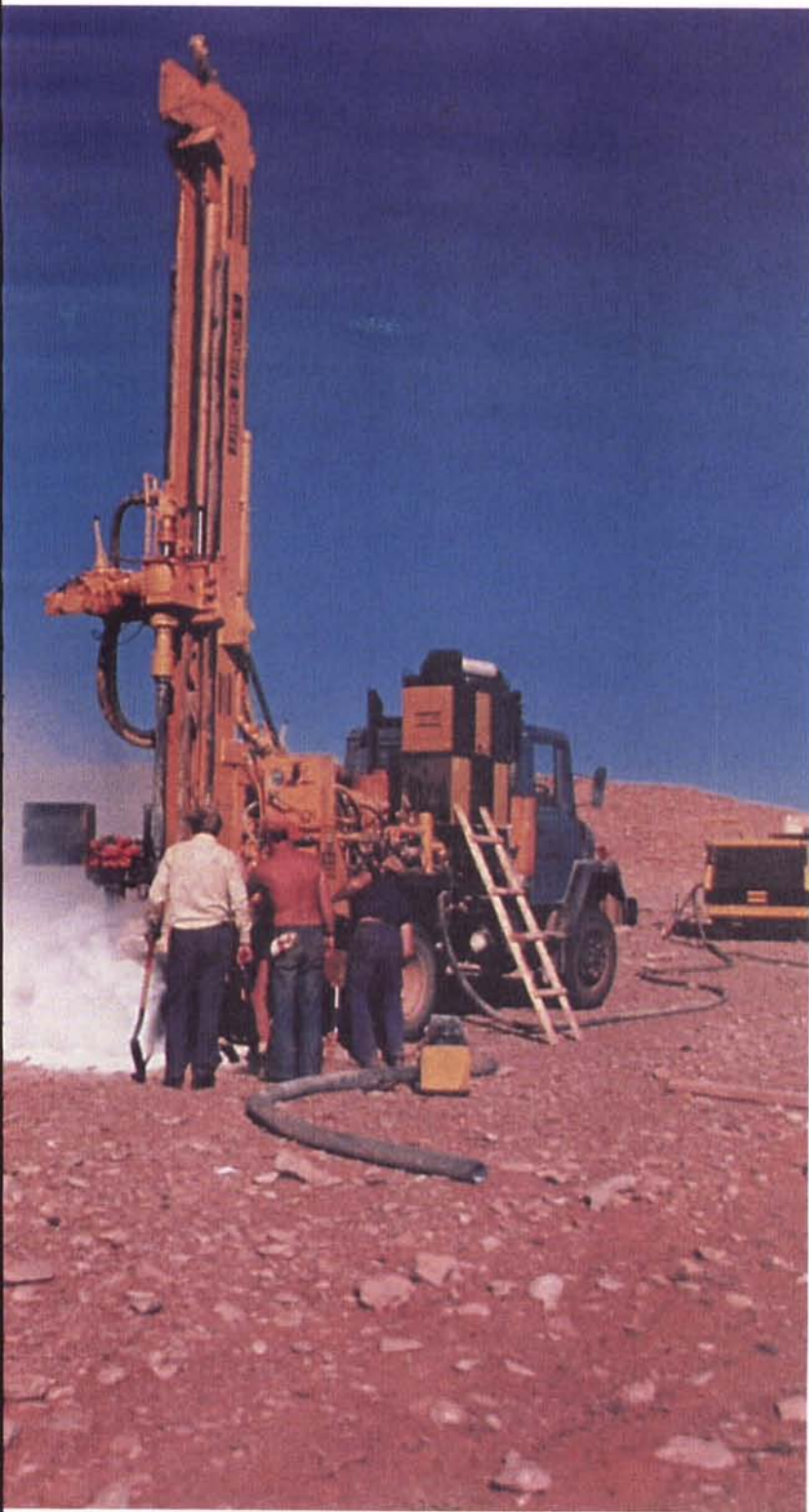
## Platzer Bygg

Platzer Bygg builds dwellings and industrial and office buildings. It also has a land installation business and timber-frame house manufacturing activities.

Net sales during the year totalled Mkr 876

(551). The result after depreciation was a loss of Mkr 74 (profit 3), the effect very much of a couple of large housing schemes being invoiced on completion at heavy losses. A decline in the private house market led to considerable losses by the Platzer Hus AB subsidiary.

After thoroughgoing restructuring the construction work in progress is on a better trend.



*Gränges Mark sell vacation homes in leisure areas.*

*Gränges International Mining have investigated deposits of phosphate (Thaniyat) and copper (Nuqrah) in Saudi Arabia.*

## **Gränges Mark**

Gränges Mark plans, develops and sells building sites with or without houses as well as co-ownership schemes for recreational construction projects.

The demand for recreational building sites is expanding slowly in the long run, but is currently affected by the high level of interest rates and uncertainty about tax assessment values and property taxation.

Sales totalled Mkr 26 (26) and the result after depreciation was Mkr 2 (6).

During the year the company was granted permission to start work on its largest building project in Roslagen. The selling of sites will start in the autumn of 1981.

## List of certain group companies and names of chief executives

Companies in which outside shareholders own more than 10%  
of the share capital are marked with \*.

The list shows the situation at the beginning of 1981.

### Argentina

No. of employees: 81  
Payroll: 3 Mkr

S.A. Electrolux  
Buenos Aires  
Bengt E. Nordman

### Australia

No. of employees: 2930  
Payroll: 137 Mkr

Electrolux Pty. Ltd.  
Melbourne  
Len W. Matthews

Electrolux Utility  
Service Pty. Ltd.  
Melbourne  
Garry R. Andersson

Husqvarna Pty. Ltd.  
Sydney  
Rolf Eklöf

### Austria

No. of employees: 365  
Payroll: 25 Mkr

Electrolux Bodenpflegegeräte  
Vertriebsgesellschaft mbH  
Vienna  
Steffan Lundeborg  
(West Germany)

Facit-Addo Büromaschinen  
Vertriebsgesellschaft mbH  
Vienna  
Magnus Stenberg

Gränges Metallhandels-  
ges. mbH  
Waldegg  
Christian Zugmeyer

Husqvarna Gesellschaft mbH  
Linz  
Norbert Holzmann

Volta Bregenz GmbH  
Bregenz  
Friedrich Zweifel  
(Switzerland)

Volta Elektrowaren-  
Vertriebsgesellschaft mbH  
Vienna  
Steffan Lundeborg  
(West Germany)

### Barbados

No. of employees: 33  
Payroll: 1 Mkr

Electrolux Ltd.  
St. Michael  
Lloyd Seale

### Belgium

No. of employees: 1065  
Payroll: 65 Mkr

Electrolux-Martin S.A.  
Brussels  
Christian Barnekow

Facit S.A.  
Brussels  
Staffan Lagerwall  
(France)

Gränges Metallverken  
Benelux S.A.  
Brussels  
Tord Sandgren

### Brazil

No. of employees: 8689  
Payroll: 56 Mkr

Electrolux S.A.  
São Paulo  
Örjan Alneng

Electrolux Serviços  
Soc. Comercial Ltda.  
São Paulo  
Edmund A. Bosschart

Facit S.A.  
São Paulo  
Lars Jamnyd

### Canada

No. of employees: 585  
Payroll: 30 Mkr

Dometic Canada Inc.  
Oakville, Ont.  
Gerald R. Wannamaker

Facit Canada Inc.  
Downsview, Ont.  
Arthur E. Grist

Onward Manufacturing  
Company Ltd.  
Kitchener, Ont.  
James D. Dixon

\* Pioneer Chainsaw  
Corporation Inc.  
Peterborough, Ont.  
Björn Bennström

### Chile

No. of employees: 7  
Payroll: 0 Mkr

\* Electrolux (Chile) Ltda.  
Santiago de Chile  
Mário Schachner

### Colombia

No. of employees: 1821  
Payroll: 26 Mkr

Electrolux S.A.  
Bogota  
Poul V. Jensen

### Denmark

No. of employees: 2013  
Payroll: 161 Mkr

Daekko Presenning  
Kompagni A/S  
Brønshøj  
Erik Becker

Electrolux A/S  
Lyngby  
Hans Hörud-Madsen

A/S Ernst Voss Fabrik  
Fredericia  
Bent Lundgaard

Facit A/S  
Lyngby  
Erik A. Larsen

Greenlux A/S  
Lyngby  
Bjarne Mörz

Gränges Danmark A/S  
Copenhagen  
Vagn Sörensen

Gränges Metallock A/S  
Copenhagen  
Vagn Vestergaard

Husqvarna A/S  
Rödovre  
Jon Höiden

IWO A/S  
Ishøj  
Palle Rosenkilde

Kramme & Zeuthen A/S  
Hvidovre  
Ole Zeuthen

A/S Scan-Atlas Hushold-  
ningsapparater  
Lyngby  
Ib Frölich

SAPA A/S  
Grenå  
Erik Schultz

### Dominican Republic

No. of employees: 65  
Payroll: 1 Mkr

\* Electrolux C. por A  
Santo Domingo  
Victor Lagares

### Ecuador

No. of employees: 206  
Payroll: 5 Mkr

\* Electrolux C.A.  
Quito  
Sven Åke Andersson

### Finland

No. of employees: 851  
Payroll: 50 Mkr

Oy Aluma Ab  
Vanda  
Holger Tillman

Oy Electrolux Ab  
Helsinki  
Matti Mutikainen

Oy Electrolux Ab  
- ELEKTRO HELIOS  
Helsinki  
Yngve Levander

Oy Electrolux Ab  
- FACIT  
Helsinki  
Bo-Erik Wiberg

Oy Electrolux Ab  
- HUSQVARNA  
Tampere  
Tor Falenius

Oy Electrolux Ab  
- TAMMERMATIC  
Tampere  
Kalevi Kärkönen

Oy Varmuusrakenne Ab  
Nummela  
Aarno Rantanen

### France

No. of employees: 9451  
Payroll: 597 Mkr

Autoliv S.A.  
Seclin  
Marc Lefebvre

Bontami S.A.  
Vincennes (Paris)  
Richard Valton

S.A. Caisses  
Enrégistreuses Hugin  
Saint Denis (Paris)  
Gunnar Sandquist

S.A. Electrolux  
Senlis  
Anders Andrén

Electrolux-Wascator S.A.  
Paris  
Louis Gutzwiller

Facit S.A.  
Colombes (Paris)  
Staffan Lagerwall

Flymo-Husqvarna SNC  
Cergy (Paris)  
Olivier Stackler

Gränges Aluminium S.A.  
Paris  
Bernard May

Gränges Metallverken  
France S.A.R.L.  
Paris  
Erik Svensson

\* Lequeux S.A.  
Paris

\* Lincoln S.A.  
Senlis  
Jacques Vernet

\* Océanic S.A.  
Romainville (Paris)  
Jacques Vernet

\* Tornado S.A.  
Senlis  
Anders Andrén

Usines & Fonderies  
Arthur Martin S.A., "UFAM"  
Senlis  
Anders Andrén

### Great Britain

No. of employees: 5375  
Payroll: 286 Mkr

Electrolux Group  
John Redman

Electrolux Ltd.  
Luton, Beds.  
G.P.H. James

Electrolux (Commercial  
Equipment) Ltd.  
Luton, Beds.  
G.P.H. James

Euroclean Ltd.  
Kempston Hardwick, Beds.  
John J.M. Glasde

Facit-Addo Ltd.  
Luton, Beds.  
J. Alan James

Flymo Ltd.  
Darlington, Co. Durham  
Peter B. Bullock

Gränges Essem (UK) Ltd.  
Croydon  
William Svedberg

Gränges Essem (UK) Ltd.  
Manchester  
Ron Smith

Hugin Cash Registers Ltd.  
London  
Graham Willingale

Husqvarna Ltd.  
Luton, Beds.  
G.P.H. James

SAPA Ltd.  
Tibshelf  
Peter D. Jones

The Sterilizing Equipment  
Company Ltd.  
Pinxton, Notts.  
D.A. Cauty

Swedish Royal  
Refrigeration Ltd.  
Watford, Herts.  
Edmond Prior

Topp Textile Rental Limited  
Horley, Surrey  
M. Foster

Weda Pump (UK) Ltd.  
Manchester  
Peter Dunn

### Guatemala

No. of employees: 118  
Payroll: 3 Mkr

Electrolux S.A.  
Guatemala City  
Carlos Calderón Velásquez

\* Imca, S.A.  
Guatemala City  
Hector Viveros

### Hong Kong

No. of employees: 213  
Payroll: 2 Mkr

\* Electrolux  
Hong Kong Limited  
Hong Kong  
David W. Thomas

### Italy

No. of employees: 329  
Payroll: 19 Mkr

Electrolux S.p.A.  
Milan  
Jan Lindblad

Facit Data Products  
S.p.A.  
Milan  
Vittorio Amigoni

Flymo S.p.A.  
Brescia  
Giovanni Cancarini

### Japan

No. of employees: 468  
Payroll: 32 Mkr

Electrolux (Japan) Ltd.  
Tokyo  
Gunnar Kniberg

\* Nesco Ltd.  
Tokyo  
Mitsuo Sugai

### Jordan

No. of employees: 26  
Payroll: 1 Mkr

\* Electrolux Jordan  
Trading Co. Ltd.  
Amman  
Fouad Lammam

### Lebanon

No. of employees: 40  
Payroll: 1 Mkr

Electrolux Middle East  
S.a.r.l.  
Beirut  
Fouad Lammam

### Liberia

No. of employees: 3950  
Lamco J.V. Operating Co.  
Monrovia  
John Pervola

### Luxembourg

No. of employees: 184  
Payroll: 15 Mkr

Electrolux S.à.r.l.  
Vianden  
Anders Wannborg

### Malaysia

No. of employees: 386  
Payroll: 5 Mkr

\* Electrolux Malaysia  
Sdn. Bhd.  
Selangor  
Robert Kihlberg

### Mexico

No. of employees: 943  
Payroll: 25 Mkr

Electrolux S.A. de C.V.  
Mexico City  
Jan Laséen

Hugin de Mexico S.A.  
Mexico City  
Per Hanngren

### Netherlands

No. of employees: 1008  
Payroll: 76 Mkr

Electrolux Nederland B.V.  
Diemen  
John Meyer

Electrolux-Quatfass B.V.  
Diemen  
W. Krechting

Facit-Addo B.V.  
the Hague  
Staffan Lagerwall  
(France)

Gränges Metallverken  
Nederland B.V.  
Zutphen  
Frans Huybregts

Husqvarna Nederland B.V.  
Amersfoort  
Bo Swartling

Neproma B.V.  
Amhem  
Bo Tillberg

\* Scandex Aluminium N.V.  
Hoogezand  
Peter Keijzer

### New Zealand

No. of employees: 425  
Payroll: 17 Mkr

Electrolux Ltd.  
Wellington  
Richard M. Scelly

### Norway

No. of employees: 1631  
Payroll: 124 Mkr

Electrolux Constructor A/S  
Oslo  
Bjørn Molstad

Electrolux Industrier A/S  
Oslo  
Ivar Aakhus

Electrolux  
Rengjøringsmaskiner A/S  
Oslo  
Magnus Jensen

\* Euroclean A/S  
Oslo  
Jan G. Stenstad

Facit A/S  
Oslo  
Per-Gunnar Heedman

Gränges Essem Norsk A/S  
Oslo  
Syver Brattested

Gränges Essem Plast A/S  
Porsgrunn  
Torbjørn Bakke

Gränges Feral A/S  
Horten  
Per Klausen

Husqvarna A/S  
Oslo  
Per Johannessen

Husqvarna Elektro A/S  
Oslo  
Viljen Eriksen

A/S Norlett  
Askim  
Per Wollf

Partner Motor A/S  
Oslo  
Oddvar Lona

A/S SAPA  
Lillestrøm  
Arne K. Nilsen

Tunborg A/S  
Sarpsborg  
Lars Hedberg

### Peru

No. of employees: 368  
Payroll: 5 Mkr

Electrolux S.A.  
Lima  
Jan-Eric Boman

Facit S.A.  
Lima  
Carl Gösta Burénus

### Philippines

No. of employees: 1  
Payroll: 0 Mkr

Electrolux Philippines,  
Inc.  
Metro Manila  
Björn Eidhagen

### Portugal

No. of employees: 93  
Payroll: 2 Mkr

Electrolux Ltda.  
Lisbon  
Clas Herdin (Spain)

### Saudi Arabia

No. of employees: 105  
Payroll: 3 Mkr

\* Electrolux Saudi  
Services Ltd.  
Riyadh  
Herman Wernekinck

### Singapore

No. of employees: 760  
Payroll: 10 Mkr

Electrolux S.E.A.  
Private Ltd.  
Singapore  
Gunnar Broberg

### Spain

No. of employees: 828  
Payroll: 36 Mkr

Electrolux S.A.  
Madrid  
Clas Herdin

Electrolux Canarias S.A.  
Las Palmas  
Per-Axel Ahlberg

Electrolux Servicios S.L.  
Las Palmas  
Per-Axel Ahlberg

Gränges Essem Ibérica S.A.  
Madrid  
Gunnar Sjölander

### Sweden

No. of employees: 40047  
Payroll: 2.560

Addo Försäljnings AB  
Åtvidaberg  
Lennart Gustavsson

ASAB Serviceföretaget AB  
Stockholm  
Lennart Angeby

AB Ballingslövs Träförädling  
Ballingslöv  
Tommy Persson

Bröderna Brodd AB  
Skänninge  
Yngve Brodd

Darenas AB  
Åtvidaberg  
Jan-Erik Nilsson

Electrolux Commercial  
Refrigeration AB  
Arvika  
Per-Olof Sjöberg

Electrolux Constructor AB  
Säffle  
Sven Stork

Electrolux  
Gjuteriprodukter AB  
Hälleforsnäs  
Olof Omsén

Electrolux Motor AB EMAB  
Huskvarna  
Hans G. Bäckman

Electrolux Svenska  
Försäljnings AB  
Stockholm  
Gösta Bystedt

Electrolux-Wascator AB  
Alingsås  
Folke Heibert

Electrolux  
Återförsäkrings AB  
Stockholm  
Leif Lindgren

AB Elektro Helios  
Stockholm  
Rainer Alfström

AB Elektroservice  
Stockholm  
Gösta Bystedt

AB ETH  
Reftele  
Stig Andersson

Euroclean AB  
Åmål  
Fredrik Schumacher

Facit AB  
Åtvidaberg  
Anders Scharp

AB Formverktyg  
Hägersten (Stockholm)  
Ingemar Persson

Gränges AB  
Stockholm  
Bo Abrahamsson

Gränges Aluminium AB  
Stockholm  
Ian Wachtmeister

Gränges Hedlund AB  
Stockholm  
Sven Ekberg

Gränges Mark AB  
Stockholm  
Hans-Erik Bengtsson

Gränges Metallverken AB  
Västerås  
Lennart Gustafsson

Gränges Weda AB  
Upplands Väsby  
Bertil Eriksson

Hugin Kassaregister AB  
Stockholm  
David Pope

Husqvarna AB  
Huskvarna  
Per-Olof Sjöberg

Husqvarna Motorcyklar AB  
Ödeshög  
Leif Johansson

Husqvarna Symaskiner AB  
Huskvarna  
Curt Axberg

AB Höörs Plåt  
Höör  
Stig Gulda

Johnson Metall AB  
Örebro  
Rolf Andersson

B. Johanssons Pappers-  
förädling AB  
Nygård  
Owe Werner

Jonsereds Godsskydd AB  
Partille  
Jan-Olof Guthe

Mikrovågsapplikation  
(MVA) AB  
Arvika  
Hans Uddborn

Nordfor Teknik AB  
Vikmanshyttan  
Sture Milling

Platzer Bygg AB  
Sundbyberg  
Guj Brisius

SIA Lustgården AB  
Landskrona  
Åke Eriksson

Skandinaviska Aluminium  
Profiler AB, SAPA  
Vetlanda  
Nils H. Bouveng

Strömsholmens  
Mekaniska Verkstad AB  
Tranås  
Per Göran Larsson

Svenska Hemmaskiner AB  
Norsborg (Stockholm)  
Lars Jansson

AB Tvättman  
Malmö  
John-Jacob Engellau

AB Volta  
Stockholm  
Rainer Alfström

Växjö Rostfritt AB  
Växjö  
Bo J. Ericson

Wirsbo Bruks AB  
Virso  
Bengt Lagercrantz

Zig-Zag Fabriks AB  
Malmköping  
Sven Johansson

ZätaTryckerierna AB  
Linköping  
Bo Sternbrink

AB Överums Bruk  
Överum  
Lars-Göran Fasth

AB Överums Fönsterfabrik  
Överum  
Nils-Erik Danielsson

## Switzerland

No. of employees: 1850  
Payroll: 177 Mkr

Elcalor AG  
Aarau  
Friedrich Zweifel

Electrolux AG  
Zürich  
Kurt Schlöpfer

Facit-Addo AG  
Zürich  
Hans G. Koch

Husqvarna AG  
Zürich  
Friedrich Leibundgut

Menalux S.A.  
Murten  
Albert Grossrieder

\* Prometheus AG  
Liestal  
Max P. Veith

SAPA AG  
Zug  
Åke Eriksson

Therma AG  
Schwanden  
Peter E. Kollbrunner

Therma Grossküchen AG  
Sursee  
Heinz Müller

Walter + Bruynzeel AG  
Balterswil  
Emil Geisselhardt

Unifridge AG  
Gättikon  
Thorbjörn Laag

Wirsbo AG  
Lucerne  
Jarl Detter

## Thailand

No. of employees: 272  
Payroll: 3 Mkr

\* Electrolux Thailand  
Company Ltd.  
Bangkok  
Adolfo Benedetti

## Trinidad

No. of employees: 130  
Payroll: 4 Mkr

Electrolux Ltd.  
Port-of-Spain  
Lloyd Seale (Barbados)

## Uruguay

Number of employees: 23  
Payroll: 1 Mkr

Electrolux S.A.  
Montevideo  
Rafael Barrenechea

## USA

No. of employees: 11315  
Payroll: 556 Mkr

ASAB, Inc.  
Atlanta, Georgia  
Lennart Angeby

Bryan Metals, Inc.  
Bryan, Ohio  
Robert Wm. Pollard

\* Dataroyal, Inc.  
Nashua, NH  
Ronald Huch

Dometic Sales Corporation  
Elkhart, Ind.  
Gerald R. Wannamaker

Envirovac, Inc.  
Rockford, Ill.  
Folke Heibert

Facit, Inc.  
Greenwich, Conn.  
Tom Jahm

Flymo, Inc.  
Bellevue, WA  
Gary Livemore

Getinge International Inc.  
Secaucus, N.J.  
Dennis Canty

Gränges American Corp.  
New York, N.Y.  
Georg E. Jones

Husqvarna Motorcycle Co.,  
Inc.  
San Diego, Calif.  
Svenerik Eklund

National Union Electric  
Corporation  
Greenwich, Conn.  
Joseph V. McKee, Jr.

Partner Pacific Inc.  
Sacramento, Calif.  
Bo Håkansson

The Tappan Company  
Mansfield, Ohio  
Donald C. Blasius

Team Textile Service  
Corporation  
Houston, Texas  
John-Jacob Engellau

Tecfor, Inc.  
Bensenville, Ill.  
Bo Håkansson

Viking Sewing Machine Co.,  
Inc.  
Minneapolis, Minn.  
Per-Olof Sjöberg

Weda Pump, Inc.  
Stamford, Conn.  
Gusten Eklund

## Venezuela

No. of employees: 898  
Payroll: 53 Mkr

C.A. Electrolux  
Caracas  
Ingvar Marklund

Distribuidora  
Sueco-Venezolana,  
C. A. Suveca  
Caracas  
José Garcia

## West Germany

No. of employees: 2904  
Payroll: 225 Mkr

Autoliv GmbH  
Elmshorn  
Leif Sköld

Deutsche Husqvarna GmbH  
Schweinfurt  
Willy De Gier

Electrolux GmbH  
Berlin  
Sven Stork

Electrolux GmbH  
Hamburg  
Steffan Lundeberg

Electrolux-Kind GmbH  
Wipperfurth-Hämmern  
Wolfgang Barth

Electrolux Küchentechnik  
GmbH  
Siegen  
Adolf Kretzer

Electrolux Kälte-  
und Wärmetechnik GmbH  
Hamburg  
Fredrik Axelsson

Electrolux-Loh GmbH  
Siegen  
Sven Stork

Electrolux-Sigmund GmbH  
Mosbach  
Horst Wefer

Euroclean GmbH  
Hamburg  
Bengt Tillberg

Facit GmbH  
Düsseldorf  
Walther Christoffersen

Flymo GmbH  
Hamburg  
Peter B. Bullock,  
Erik Karlberg

Gränges Aluminium GmbH  
Düsseldorf  
Siegfried Dingel

Gränges Metalock GmbH  
Hamburg  
Erwin Erfeling

Gränges Metall GmbH  
Frankfurt  
Christofer A. Neuhaus

Hugin Data  
Vertriebsgesellschaft mbH  
Hamburg  
Jean-Louis Bietrix

Husqvarna Meister  
Werke GmbH  
Schweinfurt  
Fredrik Axelsson

Progress-Elektrogeräte  
Mauz & Pfeiffer GmbH & Co.  
Stuttgart  
Gunnar Odenram

SAPA Aluminium  
Profile GmbH  
Düsseldorf  
Kåre Wetterberg

Siegas Metallwarenfabrik  
Wilhelm Loh GmbH & Co.  
KG

Siegen  
Sven Stork

Wirsbo Pex GmbH  
Heusenstamm  
Stefan Haenelt

Volta Vertriebs GmbH  
Hamburg  
Steffan Lundeberg

## Other countries

No. of employees: 92  
Payroll: 4 Mkr

## Total

No. of employees: 102 944  
Payroll: 5402 Mkr

# Ten-year review

## Ten-year review<sup>1)</sup> (Amounts in Mkr, except where otherwise stated)

	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971
<b>Sales and operating result</b>										
Sales	<b>22.874</b>	15.137	12.023	9.239	7.646	6.425	5.536	4.182	2.491	2.122
% Increase	<b>51,1</b>	25,9	30,1	20,8	19,0	16,1	32,4	67,9	17,4	13,5
Operating result after depreciation <sup>2)</sup>	<b>1.728</b>	1.308	945	782	603	491	556	394	250	160
<b>Profitability</b>										
Result as shown above as % of sales	<b>7,6</b>	8,6	7,9	8,5	7,9	7,6	10,0	9,4	10,0	7,6
Return on total assets <sup>3)</sup> %	<b>11,2</b>	12,3	11,3	12,0	12,1	10,5	13,3	12,3	12,4	9,6
Return on total assets less current liabilities <sup>4)</sup> %	<b>14,9</b>	16,6	15,1	16,1	16,8	13,9	21,1	19,1	19,6	14,3
Return on equity <sup>5)</sup> %	<b>16,2</b>	16,7	14,7	16,3	15,0	13,1	16,6	17,7	13,0	8,2
Return on risk capital <sup>6)</sup> %	<b>24,4</b>	27,5	24,5	28,4	24,2	21,0	28,7	31,3	23,6	15,1
Adjusted profit per share <sup>7)</sup> , Skr	<b>20:05</b>	18:25	13:70	11:75	9:20	7:10	9:00	7:30	4:85	2:90
Dividend per share, Skr, adjusted for share issues <sup>8)</sup>	<b>7:50</b>	6:00	5:00	4:20	3:66	3:33	3:06	2:78	2:22	1:78
<b>Financial position</b>										
Balance sheet total	<b>17.832</b>	11.270	9.078	6.965	5.424	5.103	4.511	3.430	2.161	1.809
Risk capital <sup>9)</sup>	<b>5.336</b>	3.861	3.171	2.669	1.973	1.813	1.624	1.511	1.121	987
Risk capital ratio %	<b>29,9</b>	34,3	34,9	38,3	36,4	35,5	39,9	48,3	57,8	59,8
<b>Other information</b>										
Capital expenditure on real property, machinery, equipment and tools of which opening value in companies acquired during the year	<b>2.515</b>	863	863	448	452	414	348	260	134	83
	<b>1.285</b>	148	304	9	100	74	17	52	27	7
Number of employees	<b>102.900</b>	82.000	75.600	69.500	71.600	65.900	63.500	51.100	35.600	33.600
Wages, salaries and other remuneration	<b>5.403</b>	3.936	3.391	2.975	2.345	2.064	1.778	1.374	798	707
Number of shareholders	<b>43.000</b>	41.000	41.000	39.000	35.000	35.000	32.000	29.000	20.000	18.000

The consolidated financial statements have been prepared using the purchase method from and including 1976.

<sup>1)</sup> The following major company acquisitions have been made: Facit 1973; National Union Electric Corp. (NUE), USA, 1974; Arthur Martin and Tomado, France, 1976; Therma, Switzerland, Husqvarna and Partner 1977; Jonsereds and The Tappan Company, USA, 1979 and Océanic S.A., France, and Gränges AB in 1980.

<sup>2)</sup> Assets are depreciated as from and including 1977 according to a plan based on their historic cost.

<sup>3)</sup> The result after depreciation and financial income expressed as a percentage of the total assets shown in the balance sheet

<sup>4)</sup> As under 3) above excluding non-interest bearing current liabilities.

<sup>5)</sup> Result after financial income and expenses less estimated tax liability expressed as a percentage of the opening value of equity calculated as the sum of equity as per books and 50% of untaxed reserves. For calculation of adjusted profit after tax see page 17 Note 6.

<sup>6)</sup> Result after financial income and expenses, expressed as a percentage of the opening value of equity, minority interests, untaxed reserves and latent tax liability in untaxed reserves of newly acquired companies.

<sup>7)</sup> For calculation see page 17 Note 6.

<sup>8)</sup> For 1980 as proposed by the Board of Directors. The dividend per share figures have been adjusted for splits and bonus issues.

<sup>9)</sup> Equity, minority interests, untaxed reserves and latent tax liability in untaxed reserves of newly acquired companies.



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