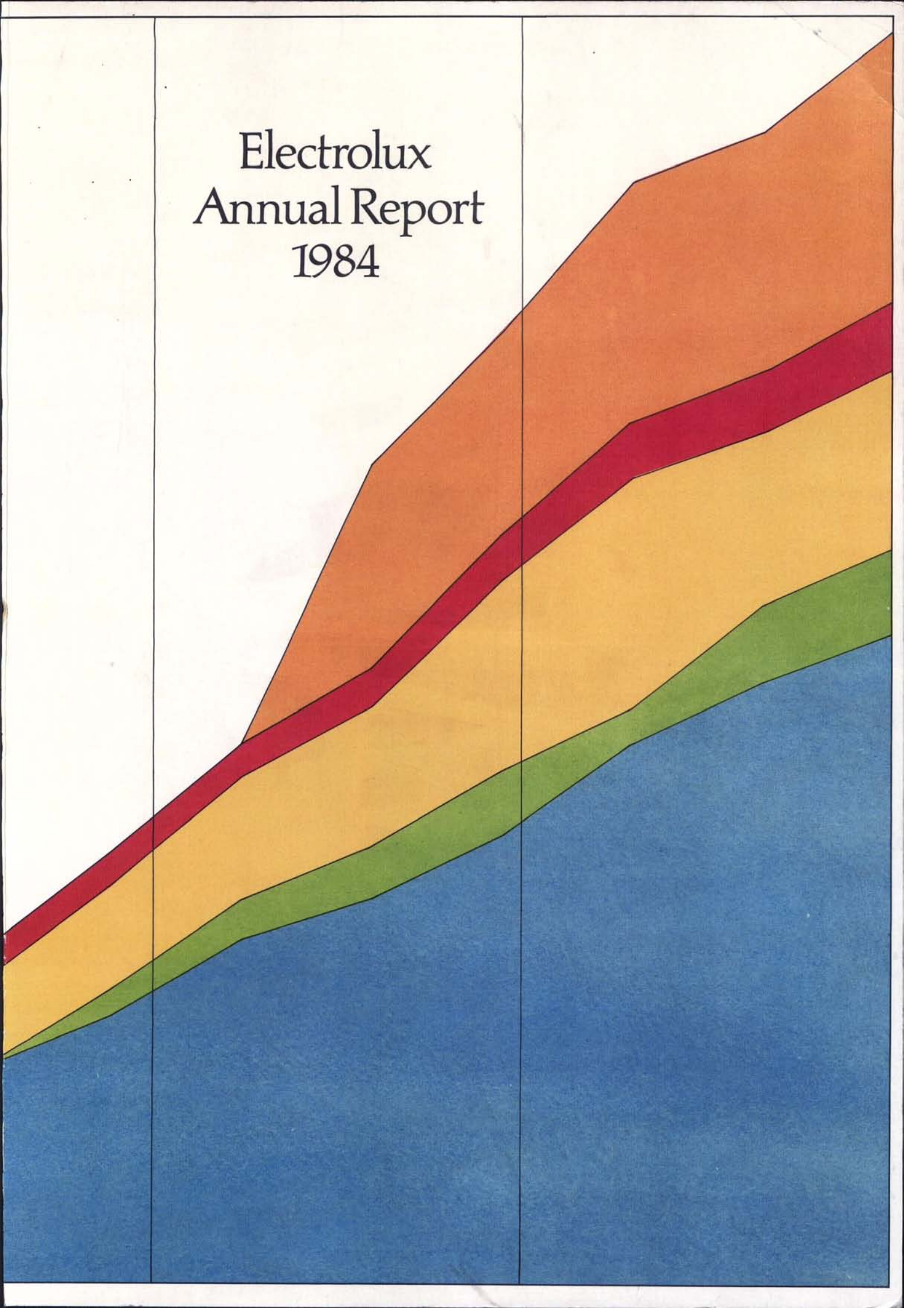


Electrolux Annual Report 1984



ELECTROLUX GROUP IN 1984

- Income after financial items increased by 40% to SEK 2,460m.
- Return on equity after tax at a standard 50% rate increased from 16.4 to 20.8%.
- For 1984, the Board of Directors proposes to increase the dividend from SEK 11 to SEK 13 per share.
- In December, 49% of the shares in the Italian company Zanussi were acquired. This means that in the long run Electrolux will further strengthen its position in the European white goods market.
- In other business areas, some 20 acquisitions were made, including companies in the food service equipment, semi-industrial laundry equipment, commercial refrigeration and car seat-belt product lines.

	1984	1983
Sales, SEK m	34,981	32,146
Operating income after depreciation, SEK m	3,110	2,691
Income after financial items		
incl foreign exchange differences, SEK m	2,460	1,763
Income before transfers		
to untaxed reserves, SEK m	2,660	1,863
Adjusted earnings per share, SEK *	44:00	32:90
Total earnings per share, actual tax, SEK *	63:10	48:00
Return on net assets, % *	22.3	18.7
Return on equity, % *	20.8	16.4
Total return on equity, actual tax, % *	23.7	20.0
Capital expenditure, SEK m	1,615	1,354
Profit-sharing tax in Sweden, SEK m	92	—
Total number of employees	89,541	88,750
of whom in Sweden	30,161	30,378
 PARENT COMPANY		
Net income, SEK m	618	349
Dividend, total, SEK m **	356	288
Dividend, SEK per share **	13:00	11:00

* Definitions of terms used are provided on page 52
 ** 1984 proposal of the Board of Directors

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Further improvement in earnings, above all in the USA. As a result of the acquisition of 49% of Zanussi the Group will strengthen its position in the white goods market.

Forestry and garden products	16
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Sales of forestry products advanced well and earnings improved sharply. Garden products also noted higher earnings.

Industrial products	20
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Weak volume trend, but a significant improvement in earnings was achieved by means of rationalization and closure of loss-making units.

Commercial services	28
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Cleaning services expanded in international markets. Laundry services noted higher earnings, principally by concentration of operations in well established sectors.

Gränges	32
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Firm sales and earnings trend, above all at Gränges Aluminium. By concentrating on special products, many of the units strengthened their market positions.

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PARENT COMPANY

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STATEMENT BY GROUP MANAGEMENT

The efforts of recent years to improve the profitability and financial position of the Group have been successful and Electrolux is now well positioned for a period of renewed expansion.

The 1984 financial year saw a substantial improvement in earnings and profitability, a stronger financial position and enhanced competitiveness. Earnings improved by 40%, and the return on equity, after tax at the standard 50% rate, increased from 16.4% to 20.8%. All five business sectors contributed to the improvement in earnings.

As a result of the acquisition of 49% of the shares in Zanussi, an Italian company, we will improve our long-term position in the European white-goods market. Together, Electrolux and Zanussi will be the largest white goods manufacturer in Europe and one of the largest household appliance companies in the world.

The goal of the Group for coming years is to create the right conditions for sustained expansion by means of intensified product development and marketing and complementary company acquisitions. This is expected to lead to sustained healthy profitability, which will make it possible to pay steadily increasing dividends.

The global recession and high interest rates at the beginning of the eighties marked the start of a wide-ranging action program intended to restore the profitability and financial position of the Group. The actions were concentrated on the following fields:

- Reduction in Group's cost level to match stagnating demand
- Higher capital turnover rate
- Wide-ranging investment in quality
- Disposal of "peripheral" activities
- Further modification of the Group's organization.

The action so far taken has produced the desired results. In the short perspective, further improvements can be achieved by continuing with the action program. The capital turnover rate can be further raised and the quality program will continue. In addition, special interest will be devoted to certain units where profitability is unsatisfactory.

However, in the longer term, the present profitability levels can only be maintained if sales increase faster than they have been doing in recent years.

Generally, in 1984 there were considerable similarities to the previous year. In the USA – the Group's largest individual market – the economy was strong. We noted further sales increases and improved earnings. In the Nordic region, which accounts for one third of our turnover, demand was broadly unchanged. Nevertheless, earnings improved. Other markets in Europe also showed a stagnating trend. In France, the household appliances market declined for the third consecutive year and the results of the Group's operations were unsatisfactory.

As in 1983, the fastest increase in sales was recorded in the Pacific region. In 1984, sales in the Far East and Oceania amounted to around SEK 2 bn, and the results were highly satisfactory. In recent years, developments in Latin America have been a cause of some concern, but after a comprehensive internal action program the trend has been reversed, despite the general weakness of the economies in that region.

Household appliances noted a sustained firm improvement in earnings, especially in the USA. Sales of chainsaws advanced well and income increased sharply. Although lawn mowers improved their results, profitability is still unsatisfactory. The trend in the sales volume of industrial products was weak, but income advanced well as a result of rationalization and the closure of loss-making units. Commercial services also saw an earnings improvement, despite an increase in sales that was only moderate. Gränges continued to make good progress. In particular, Gränges Aluminium made a marked contribution to the improvement in earnings.

The principal operations of Electrolux are in household appliances, commercial applications of this type of equipment, and commercial services. On aggregate, they account for some 75% of the Group's turnover.

STATEMENT BY GROUP MANAGEMENT

In addition to these business sectors, the Group includes Gränges and a number of other product lines more oriented towards industry, such as steel fittings and agricultural implements. These businesses help to spread the risk and reduce Group exposure to swings in the trade cycle.

Most of Electrolux's business sectors can be said to be in low growth markets. In our principal sectors, we expect volume to grow by some 1-3% annually. Moreover, as price competition is intense, it is difficult to offset inflation to the full. In order to maintain a healthy level of profitability, it is necessary to create the right environment for further productivity improvements. This can be done partly by intensifying our investments in new products and new manufacturing technology, and partly through volume increases. Over the past decade, the level of capital investment has been high and our goal for the future continues to be to maintain a high technical standard.

The necessary increases in volume can be generated by a variety of means. One is to increase market shares for existing products

in existing markets. Even though Electrolux is market leader in several fields, our geographical market coverage is not high in all markets. It is only in the Nordic region that the market shares of all our main products can be regarded as high enough. The world market therefore offers considerable potential, and we have already established bridgeheads in the most important markets. The USA and the Far East are our principal growth areas. Europe will also increase in importance as a result of company acquisitions.

In addition, there is scope to seize opportunities for expansion in selected growth segments, which can be achieved through intensified product development. However, our view is that any expansion that might be generated in this manner will not be sufficient to enable us to reach the desired income levels. Therefore, in future we will also continue to acquire companies, partly to extend market cover in selected markets and also in order to create the conditions for further structural improvements in the various fields of business.



Gösta Bystedt

Hans Werthén

Anders Scharp

STATEMENT BY GROUP MANAGEMENT

Zanussi provides a good example of an acquisition that creates opportunities to restructure the business through higher volumes and consequently to introduce new production technology. Productivity can thereby be improved and the Group's competitive strength boosted. The background to Electrolux's interest in Zanussi is as follows:

The European white goods market has long suffered from excess capacity and many companies have had earnings problems. A few large internationally active manufacturers have successively captured market shares from a large number of small national firms. Over the past fifteen years, Electrolux has played an active part in this process, above all in the Nordic region. In southern Europe, Zanussi, in a corresponding manner, has acquired small white goods manufacturers and built up a strong market position.

At the start of the eighties, Zanussi was hit by an acute financial crisis. Representatives of the owners and financiers contacted Electrolux in order to work out a solution to Zanussi's problems.

Electrolux drew up a reconstruction proposal that was based in part on Zanussi's creditors – a hundred or more Italian and international banks – assisting by helping to reduce Zanussi's interest burden by an amount corresponding to SEK 1 bn over a seven-year period. This was an essential condition for Electrolux agreeing to inject new capital and become involved in the management of the company. After protracted negotiations, all parties accepted the Electrolux proposal, which involves our taking a 49% minority interest with an option to take a majority position at a later date.

In 1985, Zanussi is expected to improve its earnings markedly. This will be the result of higher operating income and reduced financing and restructuring expenses. Financial expenses will be reduced by the injection of new capital and through the agreement with the creditors. Foreign exchange losses will be eliminated as the existing dollar loans have

been converted into local currency loans.

The cost to Electrolux of financing the Zanussi acquisition can be estimated at some SEK 100m in 1985. These costs will be steadily offset by co-ordination gains within the enlarged Electrolux group. It is our considered judgement that this acquisition, despite its size, will not have an inhibiting effect on the future expansion of the other business sectors in the Group.

As a direct consequence of the investment in Zanussi, a German washing machine company, Zanker GmbH, was acquired at the start of 1985. Zanussi and Zanker co-operate extensively on the technical side and a merger had been discussed earlier. As far as Electrolux is concerned, the acquisition of Zanker is strategically important as it will open up new opportunities to break into the West German white goods market.

During the past year, some twenty companies have been acquired outside the household appliances sector. These acquisitions will provide scope for improvements in production and marketing, at the same time that they will lead to higher volumes in existing activities.

The Group's objective for the coming years is therefore to establish an environment for the growth that is essential from a competitive point of view by means of intensified product development and marketing coupled with complementary company acquisitions. In this context, special efforts will be devoted to benefitting to the full from the opportunities that will be the long-term effect of the Zanussi acquisition.

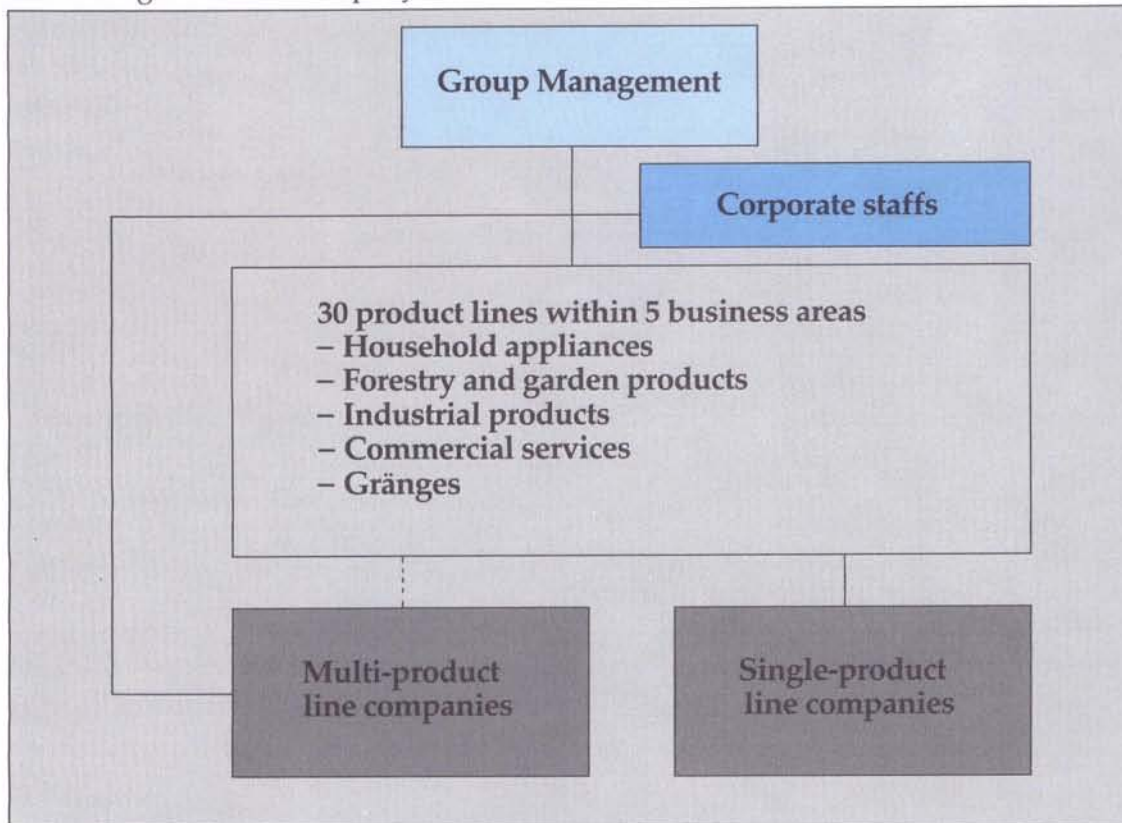
The Group's policy is for the dividend to shareholders broadly to increase in pace with the growth in equity. Over the past decade, the annual increase in equity per share has been 17%. This has made possible a corresponding annual increase in dividend. By adhering to the Group's strategy, we expect to be able to continue to raise the dividend at a rate of some 15% per year over the coming years.

ORGANIZATION OF THE GROUP

Electrolux is one of Sweden's largest industrial enterprises with more than 360 companies in around 40 countries. The operations are divided into a number of product lines within five business areas.

The responsibility for the operations of a product line is shared by the product line manager and the company chief ex-

ecutives concerned. Companies which are only active in one product line, single-product line companies, report to the respective product line manager. Companies whose activities extend over several product lines, multi-product line companies, report primarily to Group management.



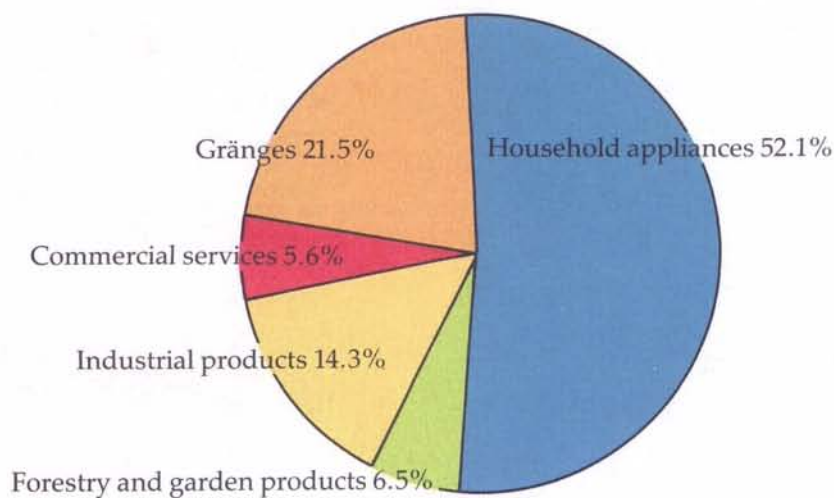
GROUP MANAGEMENT	CORPORATE STAFFS
<p>Hans Werthén Gösta Bystedt Anders Scharp Bertil Ljungquist, Exec. VP Lennart Ribohn, Exec. VP</p>	<p>Andrejs Cakste, Group Controller Matts Ekman, Group Treasurer Lars Eriksson, Internal Audit Folke Heibert, Special Projects Halvar Johansson, Technical R&D Carl-Olof Larsson, Purchasing Simon Lilliedahl, International Leif Lindgren, Risk Management Ulf Magnusson, Legal Affairs Sven Sundling, Public Affairs</p>

ORGANIZATION OF THE GROUP

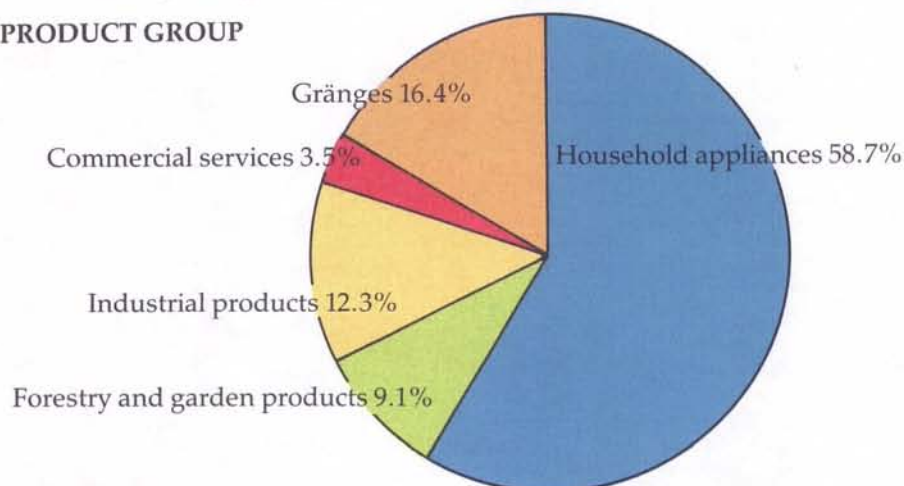
HOUSEHOLD APPLIANCES	Disinfection equipment Bo J. Ericson Materials handling equipment Sven Stork Agricultural implements Lars-Göran Fasth Motor-cycles Bengt Andersson Electric motors Lars Jansson
White goods Leif Johansson Special refrigerators Sven Stork Floor-care products Christer Forsström Sewing machines Per-Olof Sjöberg Kitchen and bathroom fittings Europe Nils-Erik Danielsson Home electronics Hans Sjöstedt Product service and maintenance Curt Egerot	COMMERCIAL SERVICES
	Cleaning services Lennart Angeby Laundry service and goods protection Bertil Ljungquist
FORESTRY AND GARDEN PRODUCTS	GRÄNGES
Forestry products Hans G. Bäckman Garden products Hans G. Bäckman	Gränges Aluminium Per-Olof Aronson Gränges Metallverken Lennart Gustafsson Electrolux Autoliv Gunnar Bark Wirsbo Åke Forssell Kohlswa Lennart Wikblom Gränges Hedlund Sven Ekberg Gränges International Mining Arne Dahlström Gränges Mark Hans-Erik Bengtsson
INDUSTRIAL PRODUCTS	
Food service equipment Carl Bennet Semi-industrial laundry equipment Christer Forsström Commercial cleaning machines Per-Olof Sjöberg Commercial refrigeration Per-Olof Sjöberg Sterilization equipment Folke Heibert	

GROUP PRODUCT AREAS 1984

SALES BY PRODUCT GROUP



OPERATING INCOME BY PRODUCT GROUP



Sales by product group	1984 SEK m	1983 SEK m	1982 SEK m	Change 1984/83 %	Change 1983/82 %
Household appliances	18,209	16,833	15,090	8.2	11.6
Forestry and garden products	2,275	2,079	1,929	9.4	7.8
Industrial products	4,986	4,879	6,384	2.2	-23.6
Commercial services	1,974	1,714	1,619	15.2	5.9
Gränges	7,537	6,641	6,639	13.5	0
TOTAL	34,981	32,146	31,661	8.8	1.5

Operating income after depreciation by product group	1984 SEK m	1983 SEK m	1982 SEK m	Change 1984/83 %	Change 1983/82 %
Household appliances	1,826	1,697	1,138	7.6	49.1
Forestry and garden products	283	228	197	24.1	15.7
Industrial products	381	278	346	37.1	-19.7
Commercial services	109	88	113	23.9	-22.1
Gränges	511	400	143	27.8	179.7
TOTAL	3,110	2,691	1,937	15.6	38.9

HOUSEHOLD APPLIANCES



HOUSEHOLD APPLIANCES

Household appliances is the largest of the five Electrolux business areas, and it accounts for more than half the Group's total sales. Electrolux is one of the leading enterprises in the world market in the white goods, vacuum-cleaners, absorption refrigerators and sewing machines fields. Sales take place through the Group's own companies in 40 countries and through agents in a further twenty. The most important markets are Scandinavia, the USA, France, Great Britain, Switzerland and West Germany. The bulk of the output is produced at specialized production facilities in Sweden, Denmark, West Germany, Switzerland, France and the USA.

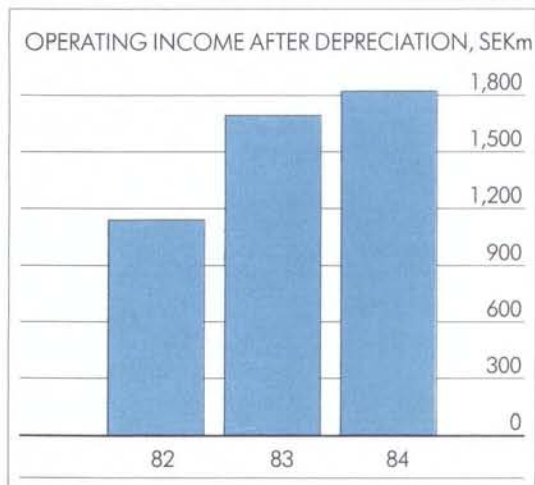
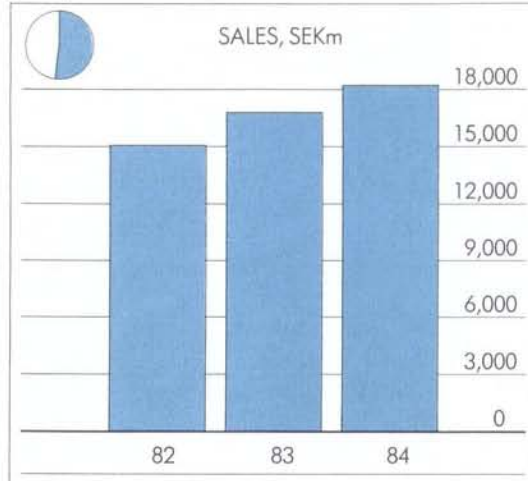
In 1984 the largest increase in sales was achieved in the USA, where the economy showed sustained strength. In Western Europe, demand showed persistent weakness and sales did not improve noticeably.

The most important event of the year was the acquisition of 49% of the capital of the Italian white goods company Industrie Zanussi S.p.A., which means that in the long run Electrolux will further consolidate its position in the white goods field. Electrolux has also concluded a preliminary agreement to acquire a West German company, Zanker GmbH, which has collaborated technically with Zanussi for some considerable period.

At the start of 1985 an American company, Duo-Therm Corporation, was acquired. The company manufactures air-conditioners and heaters for caravans. The acquisition is a stage in the program within the special refrigerators product line intended to broaden the product range for the caravan industry.

Electrolux provides a complete program of kitchen equipment. The combined Electrolux-Zanussi Group will be the market leader in Europe.

Sales in 1984 amounted to SEK 18,209m (16,833m), an increase of 8 % compared with the previous year. Income after depreciation amounted to SEK 1,826m (1,697m), which corresponds to 10.0 % (10.1) of sales.



	1982	1983	1984
Sales, SEKm	15,090	16,833	18,209
Operating income after depreciation, SEKm	1,138	1,697	1,826
Operating income as % on sales	7.5	10.1	10.0

HOUSEHOLD APPLIANCES

White goods

Electrolux is one of the world's leading manufacturers of white goods. The product portfolio includes refrigerators/freezers, cookers, dishwashing and washing machines, dryers, microwave ovens and small kitchen appliances. White goods account for around half the sales of the household appliances business area, and for around one quarter of the Group's total sales.

Sales in 1984 amounted to SEK 8,963m, an increase of 8 % compared with the previous year. The geographical breakdown of sales is around one third each in the Nordic region, the rest of Europe and the USA. Profitability has successively improved in recent years and is now satisfactory.

Since the beginning of the seventies, the white goods industry in the western world has been going through a process of major structural change. Many companies have been amalgamated or closed down. The most far-reaching changes have taken place in the USA, where the number of manufacturers has decreased substantially. In Europe, the restructuring process has gone more slowly. The market here is characterized by substantial over-capacity and severe price competition. On average, profitability in the industry is low. Except for dishwashing machines and microwave ovens, the markets for most white products show a degree of saturation. Demand is primarily for replacement purchases and there is little growth. Despite the pressure of competition, the Group once more maintained its market shares in 1984.

In the USA, on the other hand, the demand for white goods has been increasing in recent years, principally on account of an increase in housebuilding and greater capacity for private consumption. Through a subsidiary company, Tappan, the Group has a strong position in the cooker and microwave

oven markets. In pace with the expansion of the market, the volume of Group sales has steadily increased, and did so once again in 1984.

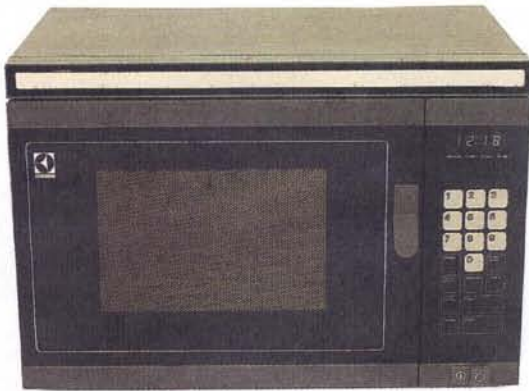
During the year, a new generation of microwave ovens was launched in the American market. They attracted a very good response and will also be launched in Europe in 1985. Also during the year, a new series of freezer cabinets offering low energy consumption was launched. A new series of cookers and ovens for building in and a new model of dishwashing machine strengthens the Group's product portfolio at the more exclusive end of the market.

After the acquisition of a number of white goods companies in the seventies, when such groups as Arthur Martin, France, Husqvarna, Sweden, and Tap-



pan, USA, were brought into the Group, resources have been devoted to restructuring and improving production efficiency, marketing and service. Substantial resources have also been invested in product development. The wide-ranging

HOUSEHOLD APPLIANCES



quality programs have resulted in a further improvement in the quality of white goods and a reduction in the cost of service under guarantee. Efforts to cut inventories in relation to total sales were also successful and have resulted in substantial decreases in stocks of both finished goods and raw materials.

As a result of the collaboration with Zanussi, the Group will further strengthen its position. The two companies complement each other in product and geographical terms. For example, in refrigerators the Electrolux product program has focused on large refrigerators, while Zanussi's strength lies in small and medium-sized models. Zanussi is one of Europe's largest manufacturers of washing machines, while in this area Electrolux has a significantly narrower range and lower volumes. In terms of markets, Electrolux is the market leader in the Nordic region and has a strong position in France, Switzerland and Great Britain. The USA is the largest individual market. Zanussi's white goods operations are concentrated in continental and southern Europe, where Italy, Spain, the Benelux countries, Great Britain and West Germany are the most important markets. The company also has small market shares in France and Austria. Together, Electrolux-Zanussi will assume a position of clear market leadership in the European market with twice as large a market share as its most important competitors.

Zanussi's unit sales within the respective product lines in 1984 amounted to:

Refrigerators and freezers	2,200,300
Cookers	422,100
Washing machines	1,200,300
Dishwashing machines	188,600

As a consequence of the investment in Zanussi, Electrolux has signed a preliminary agreement to acquire the West German company, Zanker GmbH. Zanussi and Zanker co-operate extensively on the technical side and a merger had already been discussed. Zanker is principally engaged in manufacturing washing machines and dryers and its activities are



based in West Germany, Holland, Belgium and Switzerland. The company's sales total approximately SEK 370m.

In coming years, efforts will be devoted primarily to putting into effect the restructuring program at Zanussi. Substantial co-ordination gains can be achieved in the long run in product development, production, purchasing and distribution.

Special refrigerators

The operations of this product line mainly include absorption refrigerators for caravans and hotel rooms, and Electrolux occupies a prominent position in the world market. Sales in 1984 amount-

HOUSEHOLD APPLIANCES



ed to SEK 1,391m, an increase of 16 % compared with the foregoing year. Earnings and profitability improved.

After a decline at the start of the eighties, the market for caravan refrigerators has successively stabilized, above all in the USA. In Europe, lower sales to the new caravan market have largely been offset by increased sales to the replacement market.

The move into other equipment for the caravan industry has also been successful. This applies principally to heating and ventilation devices and to cookers specially modified for "miniature households". As one aspect of this policy, the operations of an American company, Duo-Therm Corporation, were acquired at the start of 1985. They include air-conditioners and heaters for recreational vehicles. The company's turnover amounts to some SEK 540m.

Hotel refrigerators have made further solid progress. Sales increased sharply in North America and the Far East, and an increase was also noted in the Nordic countries.

The area of application for absorption

refrigerators has been broadened in recent years thanks to silent running and the possibility of using various types of energy, including gas and paraffin as well as electricity. Refrigerators of this type were previously used principally in caravans and mobile homes. Apart from refrigerators for hotel rooms and mini-bars, the product range includes small refrigerators for building into furniture, camping boxes and refrigerators for pleasure craft. In collaboration with the World Health Organization, WHO, the Group has also developed refrigerators for the transport and storage of blood and vaccines.

The most important geographical markets are the USA, Canada, West Germany, Great Britain and France, which together account for some 70 % of the product line's total sales. Production takes place in Sweden, West Germany, Luxembourg, Great Britain and Brazil.

The Group is now concentrating on broadening the product program for the caravan industry and on increasing penetration of the market for hotel refrigerators.

Floor-care products

Electrolux is the world's largest manufacturer of vacuum-cleaners and has more



than 20 % of the market.

In 1984, sales amounted to SEK 5,587m (4,913m), an increase of 14 % compared with the previous year. Earnings improved and profitability continued to be very healthy.

HOUSEHOLD APPLIANCES

The world market for vacuum-cleaners expanded slightly in 1984. The growth was principally seen in the USA and the Far East, while developments in Scandinavia and the continent of Europe were characterized by stagnation and intensified price competition. The Group more than maintained its market shares and its overall leading position. Sales results were especially successful in North America and the Far East, but improvements were also noted in Latin America.

Traditionally, the Group has a very strong position in the Nordic region. Other important markets are the USA, Great Britain, France, West Germany and Switzerland. In the Far East, Japan is so far the largest market but Malaysia, Thailand and the Philippines are all growing strongly.

Apart from vacuum-cleaners, the program includes floor polishers, carpet-shampooing equipment and motor-driven power heads. Electrolux is the dominating make except in the American market where the Group's vacuum-cleaners are sold under the Eureka label. Other principal brand names used include Progress, Tornado and Volta. Selling mainly takes place through specialist retail outlets and the company's own stores. Direct selling has decreased steadily in relative terms and now accounts for barely 15 % of total unit sales.



HOUSEHOLD APPLIANCES

Most of the production takes place in Sweden, Great Britain, West Germany, France and the USA. There are also small production units in Latin America, south-east Asia, Australia and New Zealand.

Electrolux's strength lies in its market-oriented product portfolio, a global distribution network based on a multibrand strategy and rational production. Together with intensified efforts in product development, this creates the right conditions for further success in the market.

Sewing machines

In 1984, sales amounted to SEK 602m (595m). Profitability remained satisfactory.

Since the mid-seventies, the world market for sewing machines has been declining. Except for an upturn in the USA, the trend in 1984 remained weak. However, the Group more than maintained its market share and its position as a leading manufacturer in the field of technically advanced sewing machines. Above all, sales successes were noted in Denmark and France.

As of the end of 1984, the Group's marketing organization has been strengthened through the takeover of the dealer-

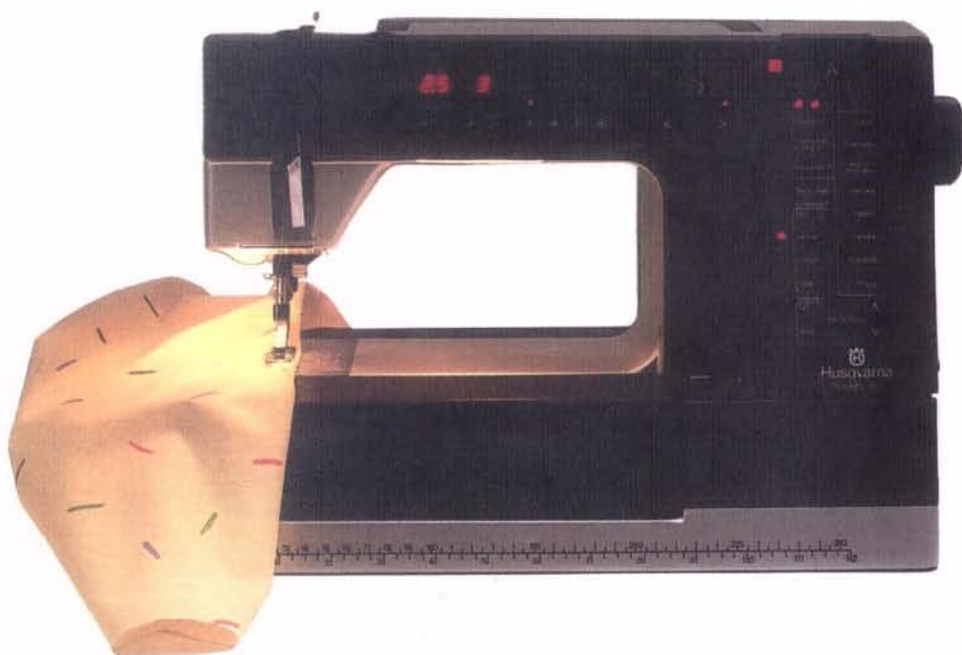
ships in West Germany and the Netherlands for Riccars, a Japanese sewing machine company.

During the year, production was totally concentrated at the plant in Huskvarna. The production facilities have now been reorganized for the new product generations with improved production flow and a substantial decrease in inventories as a result.

The Group has a competitive product portfolio of computer controlled sewing machines in the intermediate and upper price brackets. The products are marketed under the Husqvarna and Electrolux brand names. 85 % of sales go to customers abroad. In some markets, including the USA, the Nordic region, France, Australia and the Netherlands, the company's position is strong. In the Far East, market shares are increasing steadily.

Kitchen and bathroom fittings

Electrolux manufactures kitchen and bathroom fittings at three subsidiary companies, Ballingslöv and Zig-Zag in Sweden and Tappan in the USA. In 1984, sales amounted to SEK 964m (742m), whereof Tappan 73%. Earnings improved substantially thanks to extensive rationalization. Profitability is now good.



HOUSEHOLD APPLIANCES



Despite the persistently weak building market in the Scandinavian countries, it was possible to maintain sales volumes, and market shares were increased in both Sweden and Denmark.

In the USA the market grew considerably and the Group's market share in-

Scandinavian countries. It is now planned to broaden collaboration with the American company with the object of getting sales of Swedish products going in the USA. At the same time, resources are also being invested in enhanced coverage of other foreign markets, including Japan and the Middle East. The internal rationalization activities are continuing.

Home electronics

The activities of the product line include the manufacture and sale of radio/tv sets and video equipment as well as electronic alarm and security systems for private homes. They also include the development and production of electronic control systems for some of the Group's products.

In 1984, sales totalled SEK 702m (661m). Profitability was unsatisfactory.

The sales of radio/tv sets and video equipment are limited to the French market, while as of 1984 alarm and security

Unit sales of selected products	1984	1983
Vacuum-cleaners	6,259,000	5,936,000
Refrigerators/freezers	1,878,000	1,882,000
Cookers	1,241,000	1,227,000
Microwave ovens	748,000	536,000
Kitchen fans	226,000	222,000
Washing machines	339,000	356,000
Dishwashing machines	207,000	200,000
TV sets	170,000	168,000

creased. Tappan is one of the country's principal companies in the sector with five manufacturing subsidiaries - Quaker Maid, J-Wood, Kemper, Schrock and Marble Cast. In 1984, Tappan accounted for 73 % (66) of the product line's total sales.

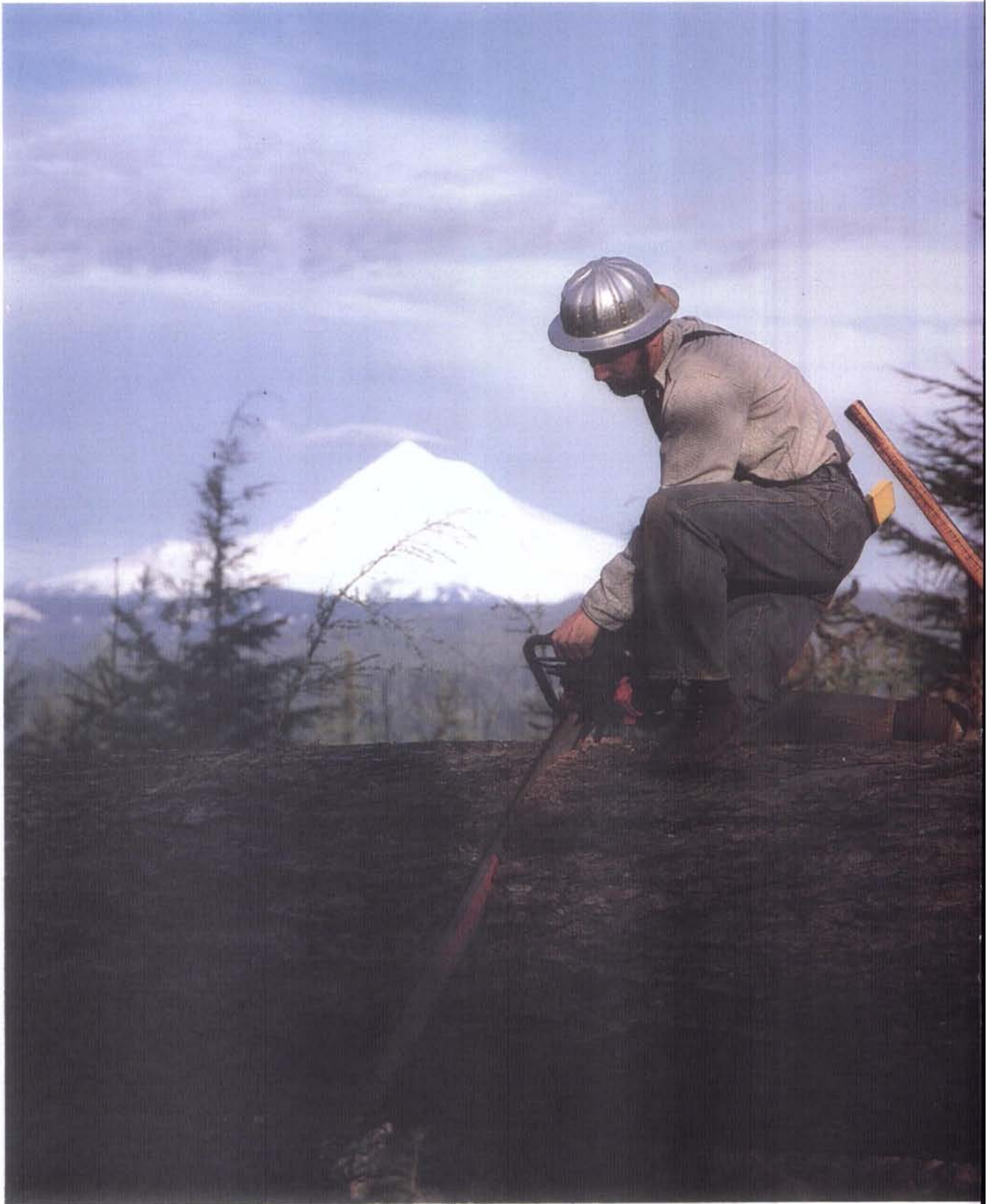
The activities of the Swedish companies have so far been limited to the Scan-

systems are also sold in Sweden and Singapore.

For several years, the French market has been very weak, which is the principal reason for the poor profitability of the product line.

Production is based at the French subsidiary company Océanic and at Electrolux Mecatronik, Malmö.

FORESTRY AND GARDEN PRODUCTS



FORESTRY AND GARDEN PRODUCTS

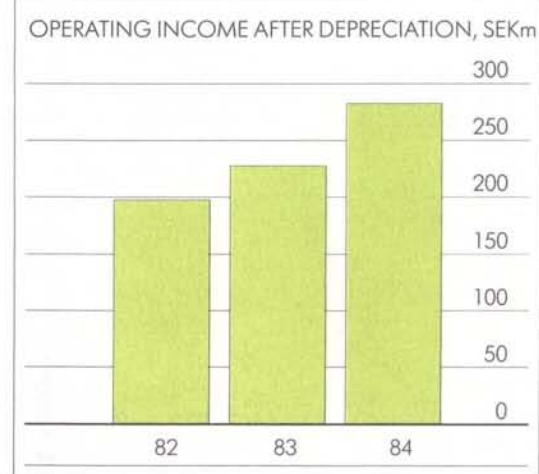
The business area consists principally of chainsaws and other equipment for forestry together with lawn-mowers and cultivators. In the chainsaw market, Electrolux is one of the leading companies in the world, with production and sales under the Husqvarna, Jonsered and Partner product names as well as that of Pioneer-Partner in North America.

In the garden products field, the Group is one of the major manufacturers in western Europe with a strong position in the Nordic countries and Great Britain. The brand names here are Husqvarna, Flymo and Norlett. The bulk of the chainsaws are manufactured in Sweden, while lawn-mowers and cultivators are manufactured in Norway and Great Britain.

In forestry products, a firm sales trend was noted with higher market shares. Sales of garden products increased in Scandinavia, while developments in the rest of western Europe were weak.

During the year, two acquisitions were made in the French market, firstly of a majority of the shares in Staub SA, which is one of Europe's largest manufacturers of cultivators, and secondly of the garden products division of Bernard Moteur, which mainly concentrates on lawn-mowers.

In 1984, sales amounted to SEK 2,275m (2,079m), an increase of 9 % compared with the previous year. Income after depreciation improved from SEK 228m to SEK 283m. As a percentage of sales, earnings increased to 12.4 % (11.0).



	1982	1983	1984
Sales, SEKm	1,929	2,079	2,275
Operating income after depreciation, SEKm	197	228	283
Operating income as % on sales	10.2	11.0	12.4

Canada is an important market for the Group's forestry products.

Forestry products

Electrolux is one of the leading manufacturers of chainsaws, and the company has some 20 % of the world market. In 1984, sales amounted to SEK 1,771m, an increase of 13 % compared with the previous year. Income improved and profitability was very good.

The market for chainsaws in Europe stagnated in 1984. In the USA, on the other hand, a further increase was noted. The Group reported a firm sales trend and a higher overall market share.

The market is normally divided into three segments: professional, semi-professional and hobby saws. Electrolux's strength is in the two first segments where its market shares are high. Its share of the hobby segment, on the other hand, is still low. However, the product program has been steadily broadened, and in 1985 new models will be launched for this segment.

Chainsaws are marketed under the Husqvarna, Jonsered and Partner trade names, and in North America under the Pioneer-Partner name. The products are largely sold via specialist dealer outlets.

The most important markets are North America, the Nordic region and the rest of western Europe. For the most part, production takes place in Sweden. In addition, there are facilities in Canada and Brazil. Some 90% of Swedish output is exported.

Apart from chainsaws, the product program includes equipment for clearing forests as well as protective apparel and tools for forestry operations. The Group also offers consulting services in the forestry field through a newly-formed company – Nordfor Training & Consultation AB.

Behind Electrolux's prominent position is an orientation towards the development of its own products and strategic company acquisitions. Follow-



ing the acquisitions of recent years, the product line has been extensively restructured. Through the concentration of production in Canada at a single unit in 1984 and the amalgamation of the Pioneer and Partner sales organizations in North America, the restructuring program has now been broadly completed.

The market is not expected to show any noticeable growth in coming years. Electrolux's capacity to increase its market share is, however, regarded as good. The product program is competitive and production methods are rational. In addition, substantial funds are being invested in product development and marketing.



FORESTRY AND GARDEN PRODUCTS



the shares of Staub SA, which is one of Europe's largest manufacturers of cultivators having sales of some SEK 100m, and secondly of the garden products division of Bernard Moteur, which also has sales of around SEK 100m. The acquisitions were made as of January 1, 1985 and are therefore not included in the 1984 accounts.

The market for garden products in western Europe is not expected to grow in the next few years. In view of the development and rationalization work currently in progress, however, a steady improvement in the earnings of the product line is expected.

Garden products

The business principally includes lawnmowers and cultivators sold under the Husqvarna, Flymo and Norlett trade names.

In 1984, sales amounted to SEK 504m (510m). Earnings improved but profitability was still unsatisfactory.

The market for garden products in western Europe expanded in Scandinavia while a decline was noted in several other markets, including Great Britain. This dip in the market was especially marked for cultivators.

Electrolux is one of the principal manufacturers, with a strong position in Scandinavia and Great Britain.

For several years, the earnings of the product line have been unsatisfactory. In 1983, therefore, an extensive action program was started which includes restructuring production and modernizing the product program. On the distribution side, there will also be some co-ordination with the Group's forestry products.

In order to strengthen the position of the product line on the continent of Europe two acquisitions were made in the French market – firstly of a majority of



INDUSTRIAL PRODUCTS



INDUSTRIAL PRODUCTS

With its expertise in household appliances, the Group has developed corresponding products for commercial use, viz. equipment for food service, laundries, and cleaning companies, and refrigeration equipment for supermarkets and department stores. The business area also includes equipment for sterilization, disinfection and materials handling, as well as agricultural implements and motorcycles.

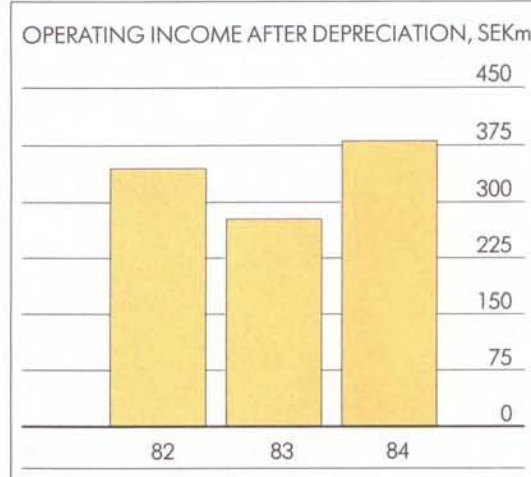
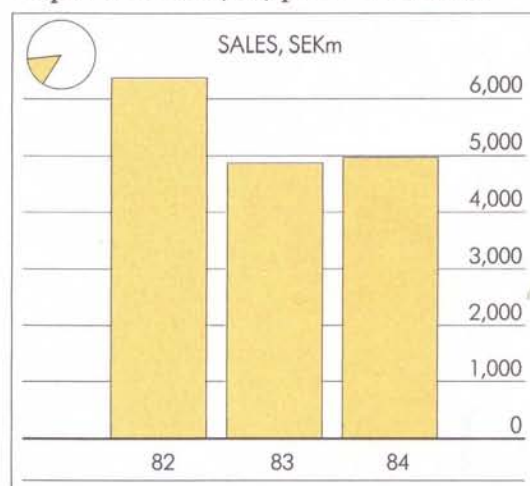
In semi-industrial laundry equipment, which is used in the laundry rooms of apartment blocks and small laundromats, and in sterilization products, the Group has a strong position in the world market. In food service products and commercial refrigeration equipment the Group is one of the largest manufacturers in Europe.

During the past year, industrial products experienced a weak trend in the volume of sales. Thanks to rationalization and the closure of loss-making units the trend in earnings, however, was firm, especially for semi-industrial laundry equipment and agricultural implements.

In order to strengthen the Group's position in Europe, a number of companies were acquired in the field of food service equipment, semi-industrial laundry equipment and commercial refrigeration, including LIBO AG, a Swiss manufacturer of large dishwashing machines and A Felber & Co, Austria, and A Cleis AG, Switzerland, both of which manufacture semi-industrial laundry equipment. In addition, the activities of Sümak Maschinenfabrik GmbH, West Germany, were acquired. They include commercial refrigeration products.

Getinge is one of the world's leading manufacturers of sterilization equipment for hospitals, laboratories and the pharmaceutical industry.

In 1984, sales amounted to SEK 4,986m (4,879m). Income after depreciation increased to SEK 381m (278m), which corresponds to 7.6 (5.7) percent of sales.



	1982	1983	1984
Sales, SEKm	6,384	4,879	4,986
Operating income after depreciation, SEKm	346	278	381
Operating income as % on sales	5.4	5.7	7.6

INDUSTRIAL PRODUCTS

Food service equipment

Electrolux is one of Europe's principal manufacturers of food service equipment. The Group supplies a broad program of products and accessories for all types of catering and food service units and can accept total contracts for catering installations.

In 1984, sales amounted to SEK 741m (702m). Earnings improved and profitability was satisfactory.

The market is characterized by stagnating demand and over-capacity. Nevertheless, sales increased in western Europe as well as Japan.



At the beginning of the year, a Swiss company, LIBO AG, which manufactures and markets large dishwashing machines, was acquired, as was a Danish company, SKA Storkøkken ApS, which specializes in kitchen utensils. The acquisitions round out the range of the product line and strengthen its position in the European market.

During the year, a new series of convection ovens and a new series of cookers with electronic controls were launched. Both were well received by the market.

The program of this product line is principally concentrated on cookers, convection ovens, kitchen utensils, and dishwashing machines. In addition, it includes stainless steel tables, benches and serving tables, as well as accessories such as china and glassware.

Production takes place mainly in Sweden and Switzerland. There are small units in Finland, Denmark, the Netherlands and Austria.

In total, project sales account for some 80% of overall sales. They include all stages from planning to installation and service.

Around half the customers are public sector institutions such as schools and hospitals. The remainder are private sector staff canteens, hotels and restaurants.

The Group has a strong position in Scandinavia, the Netherlands and Switzerland. The Middle and Far East as well as Africa are important markets for project sales. The Group has also long been one of the world's leading suppliers of galley equipment for ships.

Zanussi has a rather large operation in the food service field with a strong position in Italy, Spain, France and Great Britain. Through closer co-operation with Zanussi, conditions will be created for further expanding the product line in Europe. The goal is also to increase sales in markets in the Far East.

Semi-industrial laundry equipment

Electrolux-Wascator has a strong position in the world market for equipment for apartment block laundries, laundromats and institutional laundries.

In 1984, sales amounted to SEK 740m (615m), an increase of 20% compared with the previous year. Earnings improved and profitability was very good.

The world market for commercial laundry equipment in 1984 is estimated at some SEK 5 bn, of which the USA accounted for some 60 percent. The level of demand is determined by building activities and the renovation, conversion and extension sector. One trend is for hotels, restaurants and institutions increasingly to launder on their own account, and for their needs Electrolux-Wascator has a

competitive product program. Sales increased markedly during the year in both Sweden and the USA. A breakthrough was also made into markets in the Middle East.

In order to strengthen the position in Europe, two manufacturers of semi-industrial laundry equipment were acquired – A Cleis AG, Switzerland, and A Felber & Co, Austria. At the start of 1985, the laundry equipment operations of a Finnish group, Wärtsilä, were also acquired.

During the year, a new series of spin-dryers was launched which was well received by the market and which further strengthens the company's position in the field.

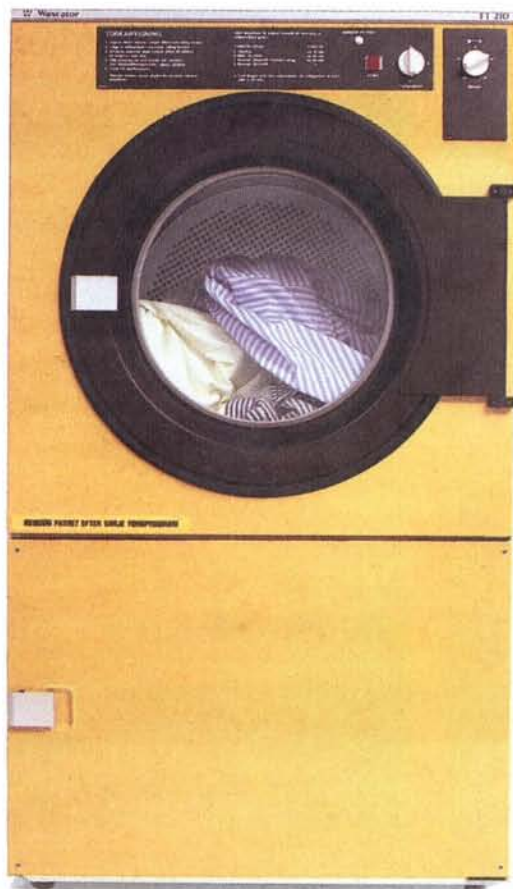
Electrolux-Wascator occupies a dominant position in the Nordic countries and has high market shares in North America and South East Asia. Other important markets are Great Britain and the Netherlands. Production takes place in Sweden and Denmark.

Efforts are devoted principally to increasing market shares on the continent of Europe. In this respect, the co-operation with Zanussi's business units in the commercial laundry equipment sector will offer substantial benefits since Electrolux-Wascator will gain access to markets in Italy and France. The right conditions have also been created for restructuring production.

Commercial cleaning equipment

The activities are principally oriented towards the manufacture and sale of equipment for care and cleaning of premises as well as high pressure cleaning equipment. In 1984, sales amounted to SEK 630m (608m). Profitability improved and is now satisfactory.

The equipment for the care of premises includes cleaning machines, and implements and chemicals for indoor cleaning.



INDUSTRIAL PRODUCTS



High pressure cleaning equipment is used in agriculture and industry and for cleaning trains, buses and aircraft. In addition, installations are manufactured for cleaning cars as are mobile cleaning machines for cleaning streets and roads. The customers principally comprise cleaning companies, industry and public sector institutions which carry out their own cleaning.

The principal market is in Sweden, where the Group is market leader. Other important markets are the USA and Great Britain. Production takes place in Sweden, Finland, Great Britain and the USA.

Over the past few years the product line has been restructured, a process that was largely completed in 1984. Profitability is therefore expected to improve further in coming years.

Commercial refrigeration equipment

Electrolux Commercial Refrigeration manufactures and markets refrigerators and freezers for supermarkets, department stores and catering institutions.

In 1984, sales amounted to SEK 425m (401m). Profitability remained healthy.

The business is principally focused on Europe, where the market has been relatively constant in volume terms in recent years. In relative terms, new installations are declining, while store renovations represent a growing share of demand.

Towards the end of the year, the product line acquired the business of a West German company, Sümak Maschinenfabrik GmbH, which includes commercial refrigeration products and has sales of SEK 135m. As a result of the acquisition, Electrolux will become the largest manufacturer in volume terms in Europe and market leader in Scandinavia and Great Britain.

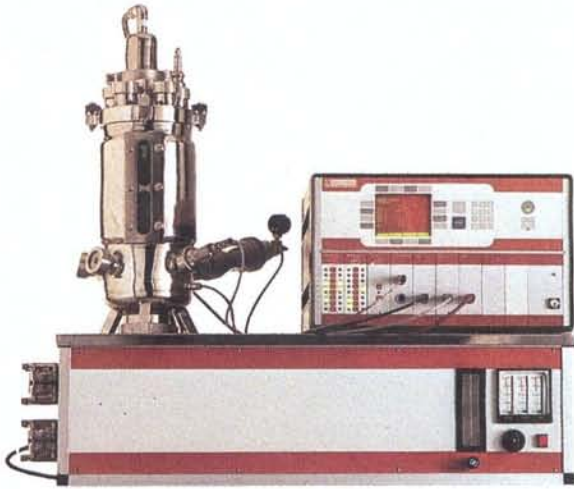
During the year a new line of refrigerators and freezer cabinets for the catering market was introduced. Otherwise the product line program consists of equipment for supermarkets and department stores such as refrigerator and freezer cabinets and glass-fronted cabinets. Production is now concentrated in Sweden and West Germany.

After the restructuring of Sümak, the profitability of the product line is expected to improve even further.

Sterilization equipment

The product line focuses on autoclaves and ancillary equipment for hospitals, laboratories and the pharmaceutical in-

INDUSTRIAL PRODUCTS



dustry. In addition, equipment is manufactured for technically advanced fermentation processes.

In 1984, sales amounted to SEK 290m (268m). Profitability was good.

The market for hospital products remained weak. However, the Group more than maintained its market shares and its position as one of the world's leading manufacturers of autoclaves. Sales successes were noted in France and the Middle East.

Autoclaves are used by health services for sterilization of instruments and other operation equipment as well as by industry in the production of pharmaceuticals, for instance. Fermentation equipment is used in the biochemical and biotechnical industries.

In Sweden, the business is conducted through Getinge Mekaniska Verkstad. On account of the need for local product modification the Group also has manufacturing facilities in several other countries in Europe and in the USA and Australia.

The weak demand from the hospital sector is expected to persist. The product line is therefore investing in developing its product program for industry and laboratories where the market is expected to expand in coming years.

Disinfection equipment

The product line is oriented towards equipment for disinfection in hospitals and old people's homes.

In 1984, sales amounted to SEK 134m (94m). The bulk of the increase in sales was due to the operations of ZK Hospital GmbH, West Germany, which was acquired at the end of 1983. Profitability was very good.

During the year the product line acquired the business of a Swedish company, Söderberg & Tollam AB, which manufactures technical aids for hygienic care of physically disabled patients.

The operations of the product line are largely concentrated on the Scandinavian countries, where market shares are very high. As demand has been declining over



INDUSTRIAL PRODUCTS

the past few years, successful efforts have been made to expand internationally.

Considerable resources have also been devoted to systems and product development within adjacent areas of activity, principally complete cleaning rooms for cleaning and disinfection of laboratory utensils in health services and industry. Several new products will be launched in 1985.

Further internationalization and new products with excellent market potential will create the conditions needed for the further expansion of the product line.

Materials handling equipment

Electrolux Constructor manufactures and markets storage systems and workplace equipment for engineering workshops and offices.

Sales amounted to SEK 490m compared with SEK 496m in the previous year. Profitability was satisfactory.

At the beginning of 1985 the shares were acquired in a Dutch company, Lalesse Staalbouw BV, which manufactures pallet racking systems. The company's turnover amounts to some SEK 9m. The products complement the Electrolux Constructor range in total packages for automatic storage systems.

The product line mainly sells via subsidiary companies in Europe. Apart from Sweden, the most important markets are in West Germany, Switzerland, the Netherlands and the Middle East. Over the past two years, sales in the Middle East have decreased slightly while, on the other hand, the Far East has seen a marked increase.

Production takes place in Sweden, Denmark, West Germany and Switzerland.

The market is not expected to show any noticeable growth. However, as a result of the investments made in recent years in new products and equipment, the business is expected to make sound progress.

Agricultural implements

The business is conducted through Överums Bruk and through Group companies in Denmark, Finland and Canada. The product range mainly consists of ploughs, sowing machines and fertilizer spreaders. In addition, wear parts are marketed for contractors' equipment.

In 1984, sales amounted to SEK 411m (367m). Profitability remained healthy.

Demand in the West European market for agricultural implements is stagnating and there is over-capacity. Despite the



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stiff competition, the Group's sales increased in the Nordic countries, above all in the combined drill and reversible plough product fields.

The activities of the product line are largely concentrated on the Nordic countries, where it has a strong position. Other important markets include Great Britain, France and Canada. Efforts are now being focused on further coverage of export markets.

Motorcycles

The operations are conducted through a subsidiary company, Husqvarna Motorcyklar, and include competition cycles for motocross and endurance trials (Enduro).

In 1984, sales amounted to SEK 141m (134m). Profitability was unsatisfactory.



The demand for the type of competition motorcycle that Husqvarna supplies has been relatively constant in recent years. Thanks to substantial investments in product development, however, market positions were strengthened in 1984 and profitability is expected to improve in 1985.

85% of the product line's output is sold to customers abroad, with the USA being far and away the largest market. Other important markets include France and Great Britain.

Electric motors

The product line's activities include the

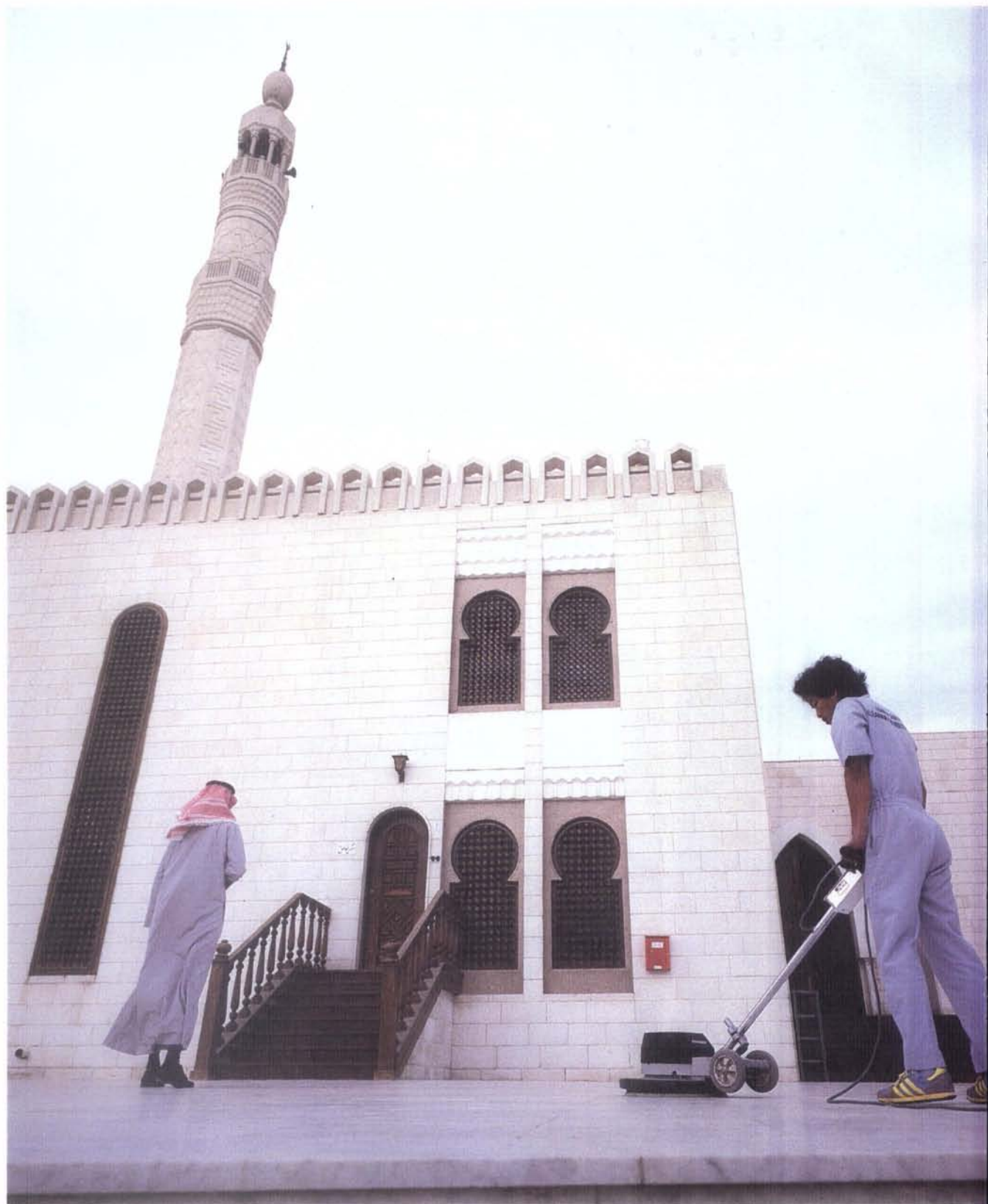


development and production of electric motors, principally for the Group's own household appliances. A small proportion are sold to outside customers, above all in the automotive industry. Sales to external customers amounted to SEK 161m (107m).

Environmental products

As of January 1, 1985 these operations were transferred to Ifö Sanitär AB, a member of the Wärtsilä Group. There they will be incorporated with similar activities and continue to be managed under the Evac-Envirovac Systems name. In 1984, sales amounted to SEK 70m.

COMMERCIAL SERVICES



COMMERCIAL SERVICES

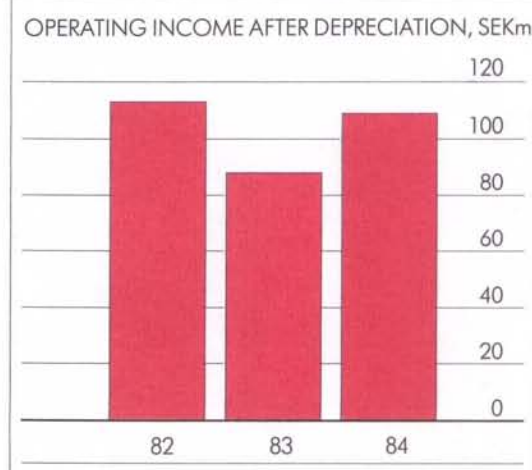
The Group's expertise in cleaning and laundry equipment formed the basis for the substantial move into the services sector which started in the mid-seventies. Electrolux is at present one of the companies in the field that are active internationally – with companies in 20 countries.

The business mainly consists of traditional cleaning of offices and public sector environments and the laundering and rental of textiles and working apparel. In recent years the service program has been extended into new fields, for example, cleaning outdoor environments and property services.

In Sweden, the Group has a strong position through ASAB, which is the market leader in cleaning, as well as through Tvättman, which is the country's largest laundry company. Other important markets for cleaning services are the Middle and Far East, Brazil, Australia and the USA. The laundry business is mainly concentrated in northern Europe.

In 1984, the cleaning activities were expanded in international markets, above all in the Middle East. In the case of the laundry service, efforts were devoted to consolidating the operations within already established sectors, which, together with an improvement in general economic conditions, led to a strong trend. A number of minor acquisitions were made in the Swedish market.

In 1984, sales amounted to SEK 1,974m (1,714m). Income after depreciation increased by 24% to SEK 109m (88m). Earnings as a percentage of sales increased to 5.5% (5.1).



	1982	1983	1984
Sales, SEKm	1,619	1,714	1,974
Operating income after depreciation, SEKm	113	88	109
Operating income as % on sales	7.0	5.1	5.5

The Middle East is a growing market for commercial cleaning services. During the past year, important contracts were signed in Saudi Arabia, Kuwait and elsewhere.

COMMERCIAL SERVICES

Cleaning services

In 1984, sales amounted to SEK 1,301m (1,139m), of which the Swedish operations conducted through ASAB and its subsidiaries accounted for SEK 722m (658m). Profitability was very good.

The services mainly include traditional cleaning of offices and public sector environments as well as the cleaning and disposal of dangerous waste in heavy industry.

The service program has been steadily broadened to include new types of service. For example, indoor services include carpet laying and curtain service, while outdoors the unit handles the cleaning of streets and roads, snow clearance, sanding and the laying out and maintenance of lawns. In this way, the Group can offer a total service contract in which collaboration with customers can be intensified.

In 1984, property services started to play an increasingly important role. Contracts have been signed in many countries, including Saudi Arabia. During the year in Kuwait, the Group was awarded its largest contract ever for hospital cleaning. This service contract also includes catering and cleaning of medical instruments.

The Group has long held a strong position in Sweden where ASAB is the market leader. Other important markets are the Middle East, Brazil, the Far East, Australia and the USA. During the year, new units were started in the Philippines and in Thailand.

The Group principally serves customers in the private sector. However, during the past few years the number of public sector contracts awarded has increased. By way of example, the cleaning contract for the Security Conference in Stockholm can be mentioned.

In coming years, the expansion of the product line will take place principally abroad, above all in the Middle and Far East. In this context, the Group's ability to offer a total service package is of particular importance.



COMMERCIAL SERVICES

Laundry service and goods protection

In 1984, sales amounted to SEK 673m (575m). Earnings improved and profitability was good. The improvement in earnings was principally due to a more favourable economic situation and new



investments. The sale of unprofitable units abroad also helped.

The business is principally oriented towards the laundering and rental of textiles, which accounted for SEK 468m or 70% of total turnover during the year. The remaining SEK 205m related to the sale of textiles and protective equipment as well as the rental and sale of tarpaulins and storage halls.

In Sweden, demand increased in most of the areas in which the product line is engaged. One exception, however, was the tarpaulin rental market, which has been declining for several years.

A number of minor acquisitions were made during the year in the Swedish market, for example, in the goods protection field and in canvas hood production. In addition, Tvättman's activities were rounded out with the acquisition of two small laundries. During the year, the units in Great Britain, the USA and the Canary Islands were sold.

In Sweden the rental and laundering operations are conducted through Tvättman, which is the country's largest laundry with some twenty installations.

The market position is strong in Sweden and the Netherlands. Other important markets include Denmark, France and West Germany where market shares, however, are noticeably smaller.

The customers are industrial enterprises, hotels and restaurants in the private sector. One objective is also to expand in the public sector.

The process of structural change in the laundry industry is expected to continue. There is a trend towards larger and more effective units with a higher degree of mechanization, which increases opportunities of expansion by means of company acquisitions.



GRÄNGES



GRÄNGES

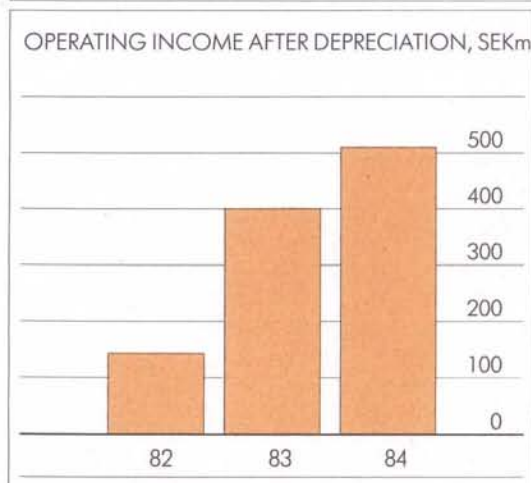
Ten years ago the Gränges business largely consisted of bulk products from mines and ironworks as well as heavy land and sea transportation. After extremely wide-ranging restructuring, Gränges now consists of a group of engineering enterprises oriented towards semi-manufactures, components and special products made of aluminium, copper and steel. The customers are in the building, engineering, vehicle, electrical and telecommunications industries. Around two-thirds of sales go to customers abroad.

In recent years, extensive rationalization and capital spending programs have been put into effect. In most companies the business orientation has been streamlined and specialized. Through complementary company acquisitions, market positions have been strengthened, both in Sweden and abroad. An example of this is Electrolux Autoliv, formerly Gränges Weda, which is at present totally oriented towards car seatbelts, and which has gained a strong position in the European market in a very brief space of time.

In 1984, very good sales and earnings trends were noted, especially by Gränges Aluminium.

During the year, Electrolux Autoliv acquired a Swedish company, Holmbergs Bilbältesgrupp AB and its subsidiary company, STIL-industri AB, and 49% of BKI SA, Spain's number two car seatbelt manufacturer. At the beginning of 1985, Klippan Italia S.p.A was also acquired.

In 1984, sales amounted to SEK 7,537m (6,641m). Income after depreciation increased by 28 % to SEK 511m. Earnings as a percentage of sales were 6.8% (6.0).



	1982	1983	1984
Sales, SEKm	6,639	6,641	7,537
Operating income after depreciation, SEKm	143	400	511
Operating income as % on sales	2.2	6.0	6.8

The building industry is the Gränges group's largest customer. The picture shows SAPA's aluminium profiles in use as glass cladding on an office building in Piccadilly, London.

Gränges Aluminium

Gränges Aluminium is an integrated aluminium company with a broad product program from primary metal to semi-manufactures, components and finished products.

In 1984, sales increased to SEK 3,371m (2,927m) and income after depreciation increased from SEK 235m to SEK 340m.

The business has been concentrated on the production and recovery of aluminium metal, and manufacture of sheets, foil, thin strip, structural sheet, profiles and components made of aluminium. The customers are principally in the building, engineering, vehicles and consumer goods industries. Around 60% of sales go to foreign customers.

The metal unit produces 83,000 tonnes of primary metal annually in Sundsvall at Sweden's only electrolysis plant. This is being expanded and modernized in 1985-86 at an investment cost of SEK 250m. At the metal resmelting plants in Finspång and Avesta, 60,000 tonnes of billets and ingots are produced a year from the company's own and purchased scrap. The metal sector supplies the other units in Gränges Aluminium with around 80% of their metal requirements.



The Korrugal group manufactures structural sheet for roofing and wall cladding as well as sheet and strip for various special purposes, such as strip for foil production, heat exchangers and beverage cans. NordFoil manufactures aluminium foil and packaging materials in Sweden, Denmark and Finland.

SAPA is one of Europe's leading manufacturers of extruded, processed and surface-treated aluminium profiles, with production facilities in Sweden, Denmark, Great Britain and West Germany.

The Component group manufactures components, especially for the vehicle industry, such as bumpers and pressure vessels.

In 1983, prices rose sharply but they fell again in 1984 to a level which hardly covers the costs of new plants. However, the demand has been increasing throughout the world for the past couple of years.

Gränges Aluminium's competitive position is strong. In recent years, capacity utilization has also been high, which explains the firm earnings trend.

Gränges Metallverken

Gränges Metallverken is one of the world's leading manufacturers of copper and copper-alloy products, especially strip and sheet. The company's know-how spans the entire manufacturing process from metal production to finished special products.

In 1984, sales amounted to SEK 2,644m, which was 18% higher than in 1983 if account is taken of the fact that the production of power line cable was sold and that of copper wire discontinued. Income in 1984 after depreciation amounted to SEK 185m, compared with SEK 154m in the previous year.

The customers are in the vehicle, building, engineering and electronics industries. More than two-thirds of output is sold abroad, above all in North America.

GRÄNGES

Metallverken is a dominating manufacturer of thin copper strip for car radiators, with market shares around 50% in Europe and the USA. Wide copper sheet for roofing and cladding is another large export product. Brass sheet and pressed brass bars are manufactured for a variety of uses in the engineering industry.



In the electric and telecommunications sector, which is expanding rapidly, rolled and drawn strip is manufactured as well as foil for components in motors, transformers, power transmission material and electronic equipment. Copper foil is a new product with considerable potential that has been developed using a rolling technique that Metallverken has developed for super-thin radiator strip.

The market for Metallverken's products has improved in recent years. In the previous recession, several competitors in Europe and the USA closed down some capacity, which helped Metallverken to increase its market shares. Stable copper prices and the high exchange rate of the US dollar have also enhanced the company's competitive strength.

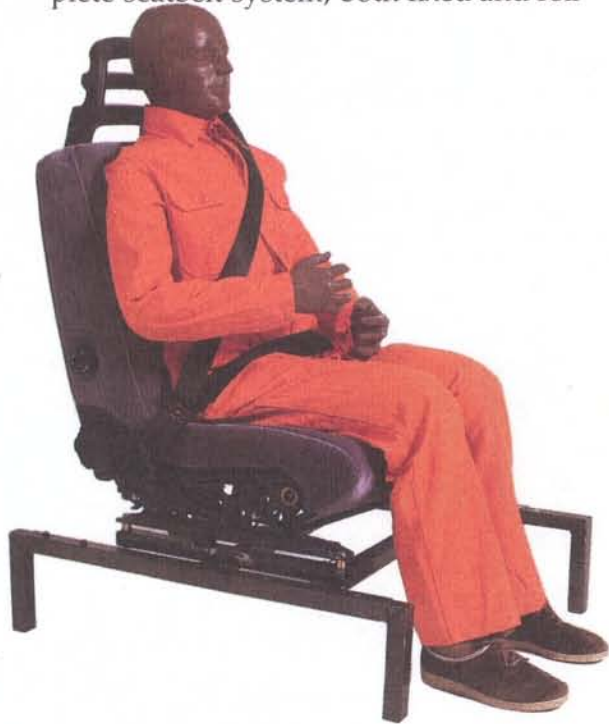
Electrolux Autoliv

In 1984, sales amounted to SEK 486m compared with SEK 493m in 1983. Some 90% of sales went to customers abroad. In 1984 the last units not in the car seatbelt sector were sold. Excluding these units, the comparable figures for 1983 amounted to SEK 415m. Income after deprecia-

tion amounted to SEK 18m. Earnings were lower than in the previous year as the result of costly investments made in product development and production. Income including Autoliv's interest in associate companies amounted to SEK 32m for 1984.

The total market for car seatbelts in Europe is worth almost SEK 3 bn. The market is expanding as growing numbers of countries make the use of seatbelts in rear seats compulsory. The demand for greater comfort and improved technical function means that the value of the products increases.

Production embraces all types of complete seatbelt system, both fixed and roll



belts as well as automatic, and components for these systems. Production takes place at several facilities in Sweden, France, West Germany, Italy, Spain and Great Britain. Autoliv products are also manufactured by licensees in South America and Japan. In Japan, Autoliv has also entered into a joint development

venture with one of the largest belt companies.

Product development resources have been strengthened substantially. At Autoliv Development in Sweden, basic technology and designs are developed for personal safety in tomorrow's cars. The development of the custom-designed products takes place at the various subsidiary companies in close association with customers. Autoliv is currently the main supplier to most car makers in Europe.

In the spring of 1985, Klippan Italia S.p.A, which has sales of some SEK 500m, was acquired.

Kohlswa

Kohlswa has one of the largest steel foundries in Sweden and owns Kohlswa Essem, which is the country's only manufacturer of powder metallurgical components. In 1984, sales increased to SEK 185m compared with SEK 154m in the previous year. The result after depreciation was a loss of SEK 2m (loss 4m).

Kohlswa's steel foundry manufactures cast and forged steel products for the Scandinavian engineering and vehicle industry. The market for steel castings has halved as a result of the diminishing requirements of the shipbuilding industry. Over-capacity in the sector is a cause of concern and there is stiff price competition. Kohlswa, which has around 40% of the market, is steadily increasing its share of special products and consequently also its export efforts. The profitability of the steel foundry is unsatisfactory.

Kohlswa Essem manufactures moulded and sintered components and standard bearings in steel and copper alloys. The vehicle industry is one of the principal markets. The number of customers is increasing steadily as the advantages of sinter metal technology gain growing acceptance. Kohlswa Essem, which has annual sales of SEK 60m, reported satisfactory profitability.

Wirso Bruk

Wirso Bruk is one of Europe's leading manufacturers of pipes and pipe systems in steel, copper and plastic for water supply, heating, sanitation and industrial purposes. Wirso also operates one of the largest forges in Scandinavia.

In 1984, sales amounted to SEK 957m, which was 15% higher than the previous year. Income after depreciation increased from SEK 21m in 1983 to SEK 34m.

The slack activity in the building sector has led to over-capacity with pressure on the prices of standard products. Market conditions are more favourable for industrial and vehicle products.

More than half of Wirso's output goes abroad, and higher exports, not least to the USA, contributed to the improvement in the year's earnings.

As a result of product development, simple pipes exposed to stiff competition has declined in relative terms in favour of pipes with more technically advanced features and better margins.

Various types of pipe are being developed for industrial purposes as well as components for heat exchangers, condensers, refrigeration equipment and process installations. New pipe systems



made of plastic for domestic appliances and power station equipment are other new products.

Over the past few years profitability was markedly lower than earlier, but it is increasing once again in pace with the changes in the product mix and through the introduction of new products.

Gränges Hedlund

Gränges Hedlund is one of Scandinavia's leading steel building companies. The company also carries out advanced renovation and repair work and manufactures heavy steel pipe for the gas, oil and district heating sectors, for example.

In 1984, sales amounted to SEK 313m compared with SEK 333m in the previous year. The result after depreciation was a loss of SEK 8m (loss 3m).

The operations of Gränges Metalock are increasingly being focused on services for heavy industry. The work is often carried out on site with the aid of mobile equipment, which reduces the costs of dismantling and transportation.

The company's customers include the paper and pulp industries, nuclear power stations, the petroleum and chemicals industries and offshore and shipping, as well as companies with heavy bulk goods handling. A large proportion of the deliveries go abroad.

The level of investment in heavy industry has been dull in recent years. As a result of the structural measures, it is expected that profitability will be restored again in 1985.

Gränges International Mining-Gim

At present the activities of GIM mainly comprise work for Lamco, which has been engaged in mining in Liberia in West Africa for 25 years. GIM is responsible for management and administration and for selling the iron ore. Gränges owns 37% of Lamco and has also issued guarantees to safeguard the financing of the mining company.

For many years, the iron ore market has been weak.

At Lamco, production capacity and costs have been adjusted to the market situation and the business is at present operating at a high degree of efficiency.

In 1984, Lamco shipped 7.4 million tonnes of iron ore having a sales value of around SEK 1 bn.

The present ore body is expected to be exhausted as planned towards the end of the eighties. Investments are being made in order to extend mining in 1985 at adjacent fields, which will enable Lamco's facilities to be utilized until 1990. Negotiations are in progress for Lamco to offer facilities for shipping ore from fields that are close to Lamco on the other side of the Guinean border. This would make it possible for Lamco's facilities to be used long into the next century for continuing shipment of high grade ore.

Gränges Mark

Gränges Mark sells recreational property throughout Sweden and is the largest company in the industry in sites for second homes and country cottages.

The company has achieved a healthy volume of sales but prices have been stagnating or falling and profitability has been unsatisfactory over the past few years.

BOARD OF DIRECTORS AND AUDITORS



Hans Werthén



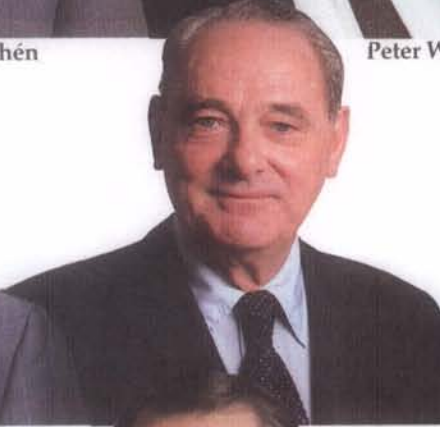
Peter Wallenberg



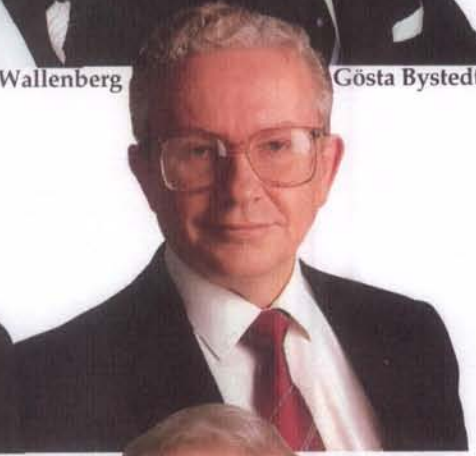
Gösta Bystedt



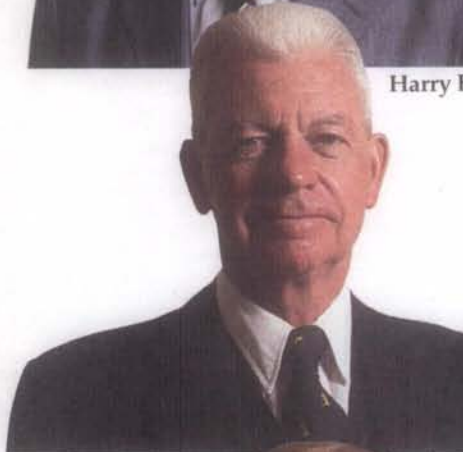
Harry Eriksson



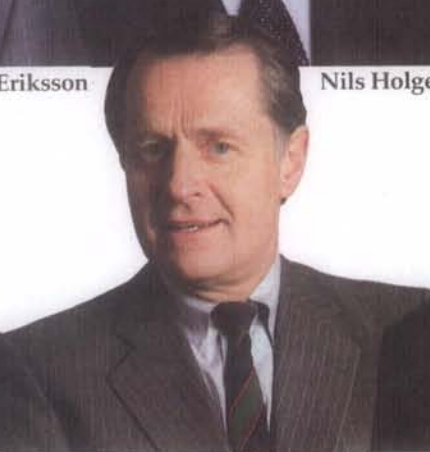
Nils Holgerson



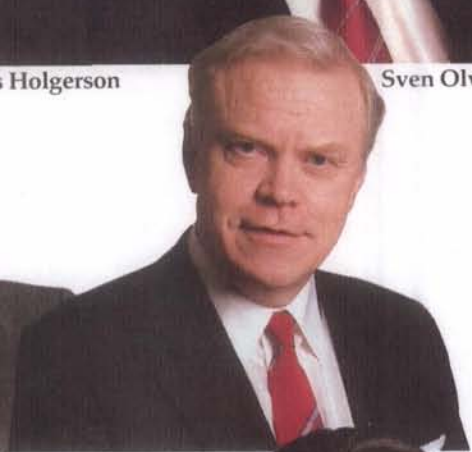
Sven Olving



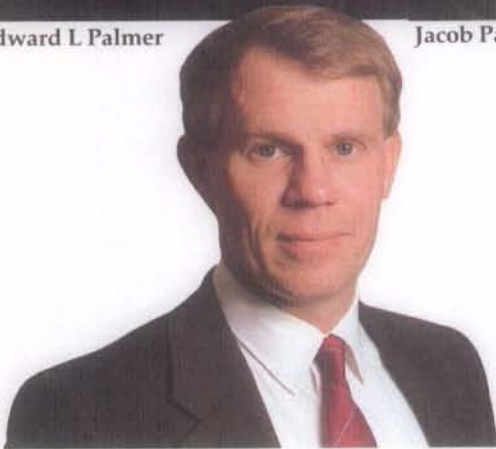
Edward L. Palmer



Jacob Palmstierna



Anders Scharp



Claes Dahlbäck



Birgit Malmenstam-Skytt



Rolf Karlsson

BOARD OF DIRECTORS AND AUDITORS



Hans Söderqvist

Per-Olof Edman

Runo Eriksson

Members of the Board

Hans Werthén, Chairman

Born 1919, graduate engineer, Ph.D (tech). Chairman of the Board: Telefon AB LM Ericsson, Argonaut AB. Member of the Board: Förvaltnings AB Providentia, AB Investor, Fastighets AB Stockholm-Saltsjön. Elected 1967.

Peter Wallenberg, Deputy Chairman

Born 1926, graduate lawyer. First Deputy Chairman of Skandinaviska Enskilda Banken. Chairman of the Board: Atlas Copco AB, AB Investor, Förvaltnings AB Providentia, AB Papyrus, AB SKF, Knut and Alice Wallenberg Foundation. Deputy Chairman of the Board: ASEA AB, Telefon AB LM Ericsson, Stora Kopparbergs Bergslags AB. Elected 1974.

Gösta Bystedt, Group Chief Executive

Born 1929, graduate engineer, graduate economist. Chairman of the Board: Fermenta AB, Instrument AB Scanditronix, Instrument AB Therafos. Member of the Board: AB Export-Invest, Federation of Swedish Industries, Securitas AB, Skandinavinvest AB, AB SKF, SSAB. Elected 1969.

Harry Eriksson, Corporate management, France

Born 1919, graduate economist. Retired 1985. Elected 1974.

Nils Holgerson

Born 1923, graduate economist, B.A., Member of the Board: SILA, SPP, Swedish Employers' Confederation, Svenska Handelsbanken, Svenska Tobaks AB, Federation of Swedish Industries, AB Tipstjänst, AB Volvo. Elected 1978.

Sven Olving

Born 1928, Ph.D (tech). Vice Chancellor, Chalmers Institute of Technology. Chairman of the Board: Volvofinans AB. Member of the Board: Boliden AB, Telefon AB LM Ericsson, Götaverken Energy Systems AB, Svenska Varv AB. Elected 1967.

Edward L Palmer

Born 1917. Citibank, USA, retired. Elected 1983.

Jacob Palmstierna

Born 1934, graduate economist. President of Skandinaviska Enskilda Banken. Chairman of the Board: Piren AB, VBB. Member of the Board: A. Johnson & Co, Nymölla AB, Stora Kopparbergs Bergslags AB. Elected 1974.

Anders Scharp, President

Born 1934, graduate engineer. Member of the Board: Swedish Association of Mechanical and Electrical Industry, Piren AB, Mercator AB. Elected 1980.

Deputy Members

Claes Dahlbäck

Born 1947, graduate economist. President of AB Investor. Member of the Board: Rederi AB Transatlantic, Skandigen AB, Åkermans Verkstad AB. Elected 1983.

Birgit Malmenstam-Skytt

Born 1935, graduate economist. Secretary of the Swedish National Shareholders' Association. Member of the Board: J B Nessim, PKfonder. Elected 1978.

Representatives of the employees

Members

Rolf Karlsson

Born 1942. Representative of LO. Elected 1978.

Hans Söderqvist

Born 1938. Representative of SIF. Elected 1983.

Deputy members

Per-Olof Edman

Born 1945. Representative of LO. Elected 1980.

Runo Eriksson

Born 1921. Representative of SALF. Elected 1977.

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

OPERATIONS IN 1984

The income and profitability of Electrolux improved markedly in 1984 and the Group's financial position and competitive situation were thereby strengthened.

The improvement in earnings that was achieved was due to the internal rationalization measures that were carried out in recent years and to the strength of the economy in the USA, the Group's largest market. The earnings were also strengthened by improved financial items on account of a reduction in the amount of capital tied up in the business, improved cash flow as a result of improved profitability and of the full effect on liquidity coming in from the sale of business units in 1983.

All five business areas showed improved profitability. In the case of the special refrigerators, vacuum-cleaners, kitchen and bathroom fittings, chainsaws, semi-industrial laundry equipment, laundry services and aluminium product lines the improvement was marked. Cleaning services, copper products, agricultural implements and some other industrial products showed sustained healthy earnings.

Geographically, the improvement in earnings was principally attributable to the USA and the Nordic region, but Latin America,

the Middle and Far East as well as Oceania also showed improvements. In France, profitability was still unsatisfactory.

At the end of 1984, 49% of the shares in Zanussi, an Italian white goods company, were acquired. In addition, a loan was subscribed to which after conversion into shares at some later date will enable Electrolux to obtain a majority position in the company.

For 1984, it is proposed to pay a dividend of SEK 356m (288m), corresponding to SEK 13:00 per share (11:00).

The Board of Directors proposes that the par value of the company's shares be changed from SEK 50:00 to SEK 25:00.

Sales and income

The Group's sales in 1984 amounted to SEK 34,981m (32,146m) incl. companies acquired during the year, which reported sales of SEK 457m. Companies sold reported sales of SEK 1,185m in 1983. After correcting for sold units, sales increased by 13%.

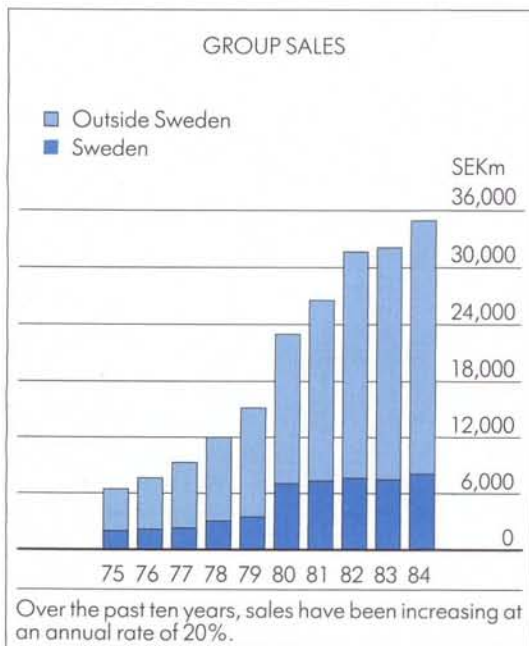
Sales to customers abroad amounted to SEK 26,942m (24,572m), which represents 77.0% (76.4) of the Group's total sales.

Exports from Sweden amounted to SEK 6,830m (6,224m), of which SEK 3,004m (2,712m) were sales to companies within the Group.

Sales by country and region

	1984		1983	
	SEK m	%	SEK m	%
Sweden	8,039	23.0	7,574	23.6
France	3,121	8.9	3,111	9.7
Great Britain	2,356	6.7	2,296	7.1
West Germany	1,653	4.7	1,630	5.1
Norway	1,212	3.5	1,239	3.9
Denmark	1,207	3.5	993	3.1
Switzerland	1,201	3.4	1,113	3.5
Finland	1,164	3.3	1,162	3.6
Other	2,158	6.2	2,179	6.7
Europe	22,111	63.2	21,297	66.3
USA	9,106	26.0	7,650	23.8
Canada	469	1.3	402	1.2
Latin America	790	2.3	595	1.9
Asia	1,377	4.0	1,158	3.6
Oceania	778	2.2	704	2.2
Africa	350	1.0	340	1.0
Total	34,981	100.0	32,146	100.0

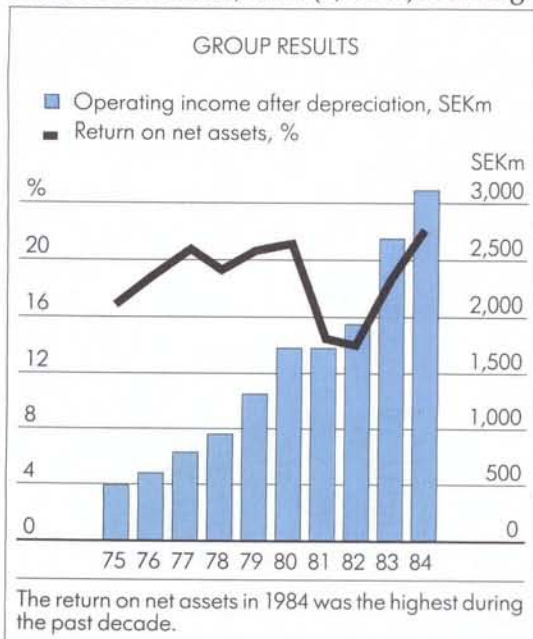
OPERATIONS IN 1984



In 1984 the Swedish production units accounted for 43% (45) of the Group's total production value.

The consolidated operating income before depreciation amounted to SEK 4,139m (3,617m) and after depreciation according to plan to SEK 3,110m (2,691m), the equivalent of 8.9% (8.4) of total sales.

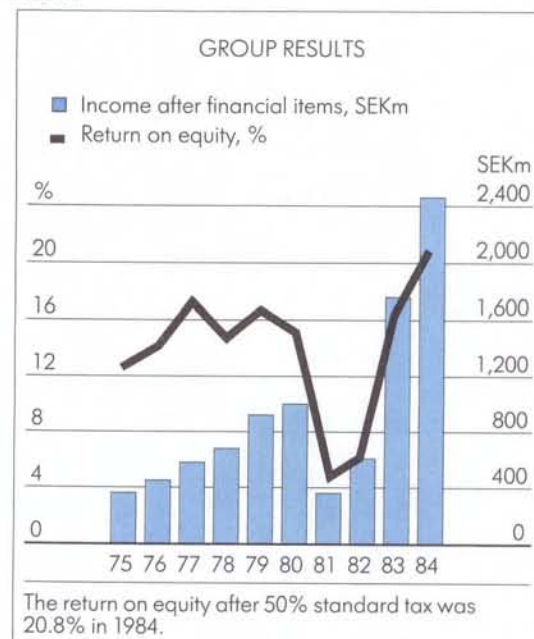
Income after financial items including financial foreign exchange differences amounted to SEK 2,460m (1,763m). Earnings



per share based on this income concept and after 50% standard tax and minority interests amounted to SEK 44:00 (32:90). The return on equity calculated in a similar manner was 20.8% (16.4).

The net effect of extraordinary items was a surplus of SEK 200m (100m). This included capital gains which largely arose in connection with the sale of real estate and minority shareholdings and the disposal of activities, including 85% of the shares in Feral A/S, a Norwegian subsidiary company of Gränges.

Income before appropriations and tax amounted to SEK 2,660m (1,863m), which, using the partial method (viz. after allowing for minority interests and actual tax, see Note 6 on page 53) represented SEK 63:10 (48:00) per share. The total return, viz. the above-mentioned income concept in relation to equity and untaxed reserves, was 23.7% (20.0). The partial method means for Electrolux that appropriations do not involve any deferred tax liability as they will most likely not be taxed within the next few years. The total return provides a more correct picture of Electrolux's profitability, partly because extraordinary income and costs are a consequence of the Electrolux acquisition strategy and therefore form a natural income component, and partly because the partial method better describes the actual tax situation.



OPERATIONS IN 1984

Income before appropriations after allowing for full tax and minority interests represented SEK 53:80 (30:00) per share. The difference between this income concept and earnings per share based on income after financial items less 50% standard tax and minority interests has during the last ten-year period corresponded to the total dividend paid to stockholders. The dividend has thus been covered by net extraordinary items and lower tax charge than 50%.

Financial review

Net financial items

International interest rates were somewhat higher in 1984 than in 1983. The net effect of financial revenue and expense including financial foreign exchange differences amounted to an expense of SEK 650m (expense 928m), or 1.9% of sales compared with 2.9% in 1983. The interest coverage ratio improved to 3.28 (2.45).

In the beginning of the year a LUF 500m (SEK 72m) loan was raised for five years on the domestic Luxembourg market at 10% per annum, and an NLG 60m (SEK 152m) loan on the Euromarket for five years at 8% per

annum. At the end of the year, a Euro-Commercial Paper Program was arranged under which the Group can draw up to USD 100m (SEK 899m) at a floating interest rate for a six-year period. During the year, commercial papers were issued on the Swedish market.

Foreign exchange differences

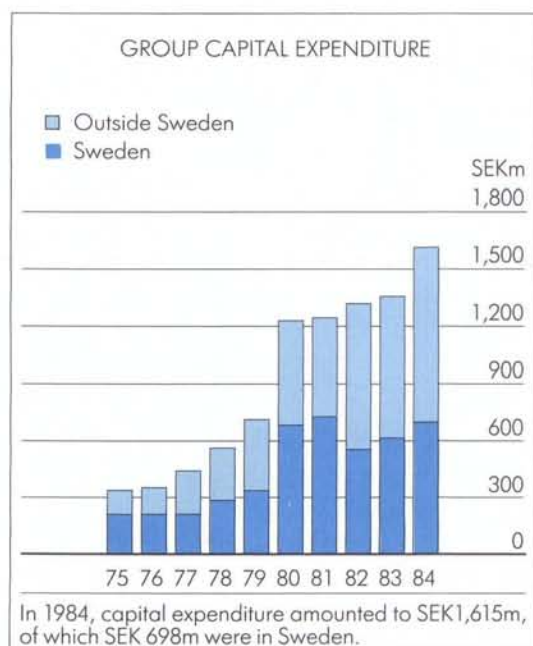
Financial foreign exchange differences amounted to a net expense of SEK 13m (expense 39m).

Financial items denominated in foreign currencies have been translated at the accounting date rate. As in previous years, foreign exchange losses on long-term loans have not been periodized but have been charged against operating income in their entirety. Foreign exchange differences on short-term commercial receivables and liabilities denominated in foreign currencies are included in the operating result.

Translation differences which have arisen in the consolidation of foreign subsidiary companies, a net loss of SEK 67m (loss 160m), have been booked directly to equity in the consolidated balance sheet and have therefore not affected the recorded consolidated income. (See page 52.)



OPERATIONS IN 1984



Capital expenditure and self-financing

The Group's capital expenditure excluding the value of the fixed assets of companies acquired during the year amounted to SEK 1,615m (1,354m), corresponding to 4.6% of sales (4.2). SEK 698m (610m) represented capital expenditure in Sweden.

The degree of self-financing, expressed as funds provided from operations in relation to capital expenditure on real property, equipment and tools (excluding assets held by acquired companies) amounted to 139% (134) in 1984.

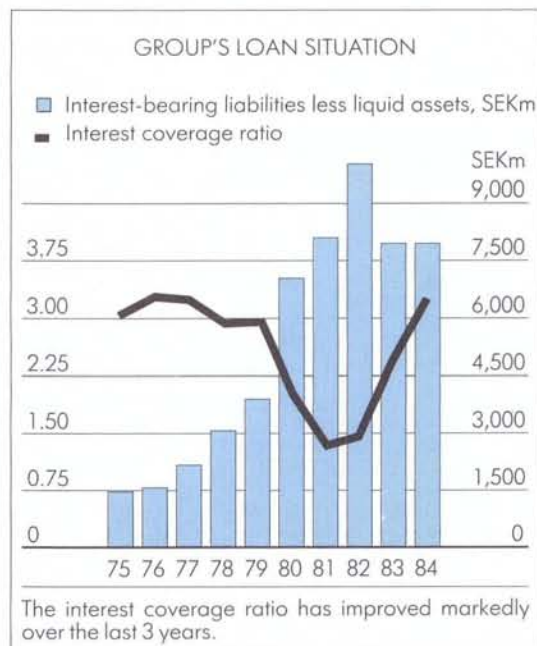
Capital turnover rate

Further action intended to reduce the amount of capital tied up in the business yielded results. Inventories represented 23.0% (23.4) and accounts receivable 17.0% (17.4) of sales. The total capital turnover rate was 1.33. Excluding the Zanussi deal, the total capital turnover rate was 1.38 (1.37).

As of December 31, 1984 Swedish Group companies had transferred accounts receivable amounting to SEK 816m (765m) to an associate finance company. The related financing cost was carried in its entirety by AB Electrolux.

Interest-bearing liabilities

Interest-bearing liabilities amounted to SEK



9,947m (9,460m), which represents a reduction from 1.67 to 1.44 in relation to adjusted equity. Of the interest-bearing liabilities, some 74% were medium-term or long-term loans.

Shares and convertible loans

Adjusted equity and risk-bearing capital per share amounted at the end of the year to SEK 252 (216) and SEK 337 (297) respectively.

AB Electrolux has four outstanding convertible debenture loans having a total nominal value of SEK 614.3m. The interest on loans I-III is 8% and the conversion rate SEK 86. The interest rate on loan IV is 10% and the conversion rate SEK 120. In 1984 all the loans were eligible for conversion.

If all the debenture loans outstanding at the end of the year were converted, the number of shares would increase by 5,375,417 to 32,744,998.

Equity/assets ratio

The growth in adjusted equity and risk-bearing capital respectively means that the equity/assets ratio measured using the full tax method (see page 52) improved to 26.3% (24.0). If all the convertible loans outstanding at the end of the year were converted, the equity ratio would increase by a further 2.3 percentage points.

OPERATIONS IN 1984

The risk-bearing capital ratio increased from 33.0% to 35.0%.

Major changes in the Group

At the end of 1984 an interest was acquired in Industrie Zanussi S.p.A. The Zanussi Group is active in white goods, food service equipment and semi-industrial laundry equipment. It is also extensively engaged in the production of components. The agreement involved Electrolux in buying all the shares from the former owners and subscribing ITL 47.5 bn (SEK 221m) in a new issue amounting to ITL 100 bn (SEK 466m). Electrolux's interest in the capital stock thereafter amounts to 49%. The other owners are a consortium of Italian industrial enterprises and banks, including Fiat as well as the Region Friuli-Venezia Giulia. Electrolux also subscribed to an ITL 100 bn loan. At a later stage, Electrolux is entitled to convert this loan into shares or through the purchase of shares from other stockholders in accordance with a mutual option agreement to increase its interest in the capital stock to more than 50% and thereby acquire majority ownership.

The position of the industrial products in Europe was strengthened through the acquisition of SKA Storkøkken A.p.S, Denmark, and Libo AG, Switzerland (food service equipment), A Felber & Co, Austria, and A Cleis AG, Switzerland (semi-industrial laundry equipment) and the operations of Sümak Maschinenfabrik GmbH, West Germany (commercial refrigeration equipment).

Within commercial services, a number of small companies were acquired, mainly in Sweden.

Through its subsidiary company, Electrolux Autoliv, Gränges has acquired Holmbergs Bilbältesgrupp AB together with its subsidiary company, STIL-Industri AB, as well as 49% of the shares in a car seatbelt company, BKI SA, Spain. Furthermore, Gränges Aluminium has acquired the remaining 51% of the shares in Aluminiumwerk Offenburg GmbH, West Germany, and sold 85% of the shares in Feral A/S to Norwegian investors.

At the beginning of 1985, the operations of Duo-Therm Corporation, USA, (special refri-

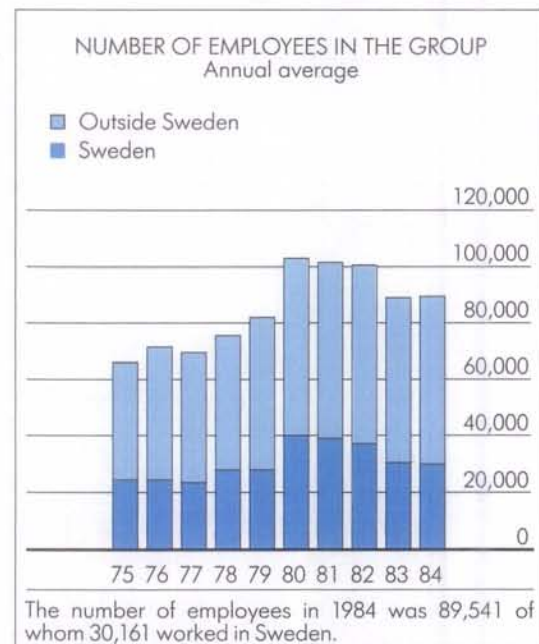
gerators) were acquired, as were the shares in Klippan Italia S.p.A. (car seatbelts) and Beijer Byggmaterial AB. Moreover, a preliminary agreement was reached to acquire Zanker GmbH, West Germany (white goods).

SSAB Svenskt Stål AB

Through Gränges, Electrolux owns 25% of SSAB Svenskt Stål AB. Under the terms of an agreement with the Swedish government, Gränges is entitled to have its shares in SSAB redeemed by the State in 1991 at a price of SEK 875m. Over the past few years, SSAB has seen a firm earnings trend and in 1984 Gränges received a dividend of SEK 6.25m for the 1983 financial year. For the 1984 financial year, the Board of Directors of SSAB has proposed to increase the dividend by 50%.

Lamco

Gränges owns 100% of the Swedish Lamco Syndicate, which in turn owns 75% of Liberian Iron Ore Ltd (LIO). The remaining 25% are owned by shareholders in Canada, the USA and other countries. LIO in its turn owns 50% of Lamco. The remaining 50% are owned by the Liberian government. Lamco's interest in the Lamco Joint Venture is 75%, and the Liberian government acquired the remaining 25% of the shares through a



OPERATIONS IN 1984

wholly-owned subsidiary company in 1984. The Group's holding in Lamco is booked in the consolidated balance sheet at nil and the investment in Lamco is limited to a guarantee and assignment of collateral totalling SEK 347m (412m). The provisions that have already been made are regarded as providing satisfactory security for the Lamco investment.

tive employees has varied between 10 and 15 per cent over the past few years. In the case of salaried employees at the units studied in Sweden, the personnel turnover rate was 5 to 10 per cent during the year and absenteeism 3 to 6 per cent.

Average number of employees in the Group				
	1984	%	1983	%
Parent Company	5,540	6.2	5,596	6.3
Other Swedish companies	24,621	27.5	24,782	27.9
In Sweden	30,161	33.7	30,378	34.2
Abroad	59,380	66.3	58,372	65.8
Total	89,541	100.0	88,750	100.0

Wages, salaries and other remunerations (SEK m)		
	1984	1983
Parent Company	555	514
Other Swedish companies	2,238	1,996
In Sweden	2,793	2,510
Abroad (excl. Liberia)	4,580	4,342
	7,373	6,852
Social security charges in Sweden	1,274	1,106
abroad	993	1,046
Total personnel costs	9,640	9,004

Employees

The average number of employees in the Group increased to 89,541 (88,750) in 1984.

In the list on page 70 the number of employees is shown by country. Supplementary information, which is included in the Annual Report submitted to the Swedish Patent and Registration Office, can be obtained free of charge from the company.

Information from some of the Group's principal plants in Sweden indicates some decrease in the labour turnover rate and absenteeism in the case of both collective employees and salaried employees. The labour turnover rate and absenteeism among collec-

Parent Company

In 1984, the Parent Company's sales amounted to SEK 3,183m (3,300m), of which SEK 2,402 (2,394m) were sales to Group companies and SEK 781m (906m) were sales to external customers. Exports accounted for SEK 1,374m (1,593m), representing 43% (48) of total sales.

After transfers from untaxed reserves of SEK 101m and taxes of SEK - 7m, the Parent Company reported a net income of SEK 618m (349m). The Board of Directors proposes to pay a dividend of SEK 13:00 per share for 1984 (SEK 11:00), which will absorb SEK 355.8m (287.8m).

PROPOSAL FOR THE DISTRIBUTION OF EARNINGS

The Board of Directors and the President propose that the unappropriated earnings at the disposal of the Annual General Meeting net income for 1984

SEK 617,905,644

retained earnings

SEK 122,884,927

totalling

SEK 740,790,571

be dealt with as follows:

to be paid to stockholders by way of dividend of SEK 13:00* per outstanding share

SEK 355,804,553

to be carried forward

SEK 384,986,018

totalling

SEK 740,790,571

*Messrs Rolf Karlsson and Hans Söderqvist, representatives of the employees on the Board of Directors, did not support the proposal, recommending instead a dividend of SEK 11:50 per share.

The Board of Directors propose that the par value of each share in the company will be changed from SEK 50 to SEK 25.

Stockholm, March 20, 1985

HANS WERTHÉN

Chairman of the Board

PETER WALLEMBERG

Deputy Chairman

GÖSTA BYSTEDT

Chief Executive Officer

HARRY ERIKSSON

NILS HOLGERSON

ROLF KARLSSON

SVEN OLVING

EDWARD L. PALMER

JACOB PALMSTIERNA

HANS SÖDERQVIST

ANDERS SCHARP

President

The following Income Statements and Balance Sheets and the notes on the financial statements and supplementary information all form part of this Annual Report.

ELECTROLUX CONSOLIDATED INCOME STATEMENT

(Amounts in SEK m)	1984	1983
OPERATING INCOME AND EXPENSE		
Sales (Note 1)	34,981	32,146
Manufacturing, selling and administrative expenses (Note 2)	-30,842	-28,529
Operating income before depreciation	4,139	3,617
DEPRECIATION ACCORDING TO PLAN		
Goodwill (Note 3)	- 74	- 50
Machinery, equipment and tools (Note 4)	- 847	- 779
Buildings (Note 4)	- 104	- 93
Land and land improvements (Note 4)	- 4 - 1,029	- 4 - 926
Operating income after depreciation	3,110	2,691
FINANCIAL INCOME AND EXPENSE		
Dividends on shares and participations	27	12
Interest income	377	295
Interest expense	-1,086	-1,242
Foreign exchange differences	- 13	- 39
Other financial income and expense (Note 5)	45 - 650	46 - 928
Income after financial items (Note 6)	2,460	1,763
EXTRAORDINARY ITEMS (Note 7)	200	100
Income before transfers to untaxed reserves and taxes (Note 6)	2,660	1,863
TRANSFERS TO UNTAXED RESERVES		
Change in inventory reserves	57	- 520
Transfer to profit equalization reserves	2	- 15
Transfer to investment and compulsory investment reserves	- 190	- 190
Releases from investment reserves etc.	1	1
Accelerated depreciation (Note 4)	- 471	- 57
Utilized from investment reserves etc. for accelerated depreciation	144	2
Change in other financial reserves (Note 8)	- 60 - 517	- 170 - 949
Income before taxes	2,143	914
TAXES		
Profit sharing tax	- 92	-
Temporary tax on profits	0	- 58
Other taxes	- 803 - 895	- 524 - 582
Income after taxes	1,248	332
Minority interests	- 33	- 21
Net income	1,215	311

ELECTROLUX CONSOLIDATED BALANCE SHEET

Assets (Amounts in SEK m)	1984-12-31		1983-12-31	
CURRENT ASSETS				
Cash and bank deposits	1,130		903	
Shares and participations	1		15	
Bonds and other securities	866	1,997	607	1,525
Notes receivable	438		449	
Accounts receivable (Note 21)	5,510		5,154	
Prepaid expenses and accrued income	311		265	
Other current receivables	1,460	7,719	1,295	7,163
Inventories		8,032		7,518
Advance payments to suppliers		38		48
TOTAL CURRENT ASSETS		17,786		16,254
BLOCKED ACCOUNTS FOR INVESTMENT AND OTHER RESERVES				
		42		17
FIXED ASSETS				
Shares and participations (Note 9)	927		561	
Bonds and other securities	99	1,026	47	608
Notes receivable	6		3	
Long-term receivables	1,388	1,394	851	854
Leases, patents etc.	14		23	
Goodwill (Note 10)	194	208	251	274
Advance payments to suppliers	24		77	
Fixed assets under construction (Note 11)	165		200	
Machinery, equipment and tools (Note 12)	3,603		3,275	
Buildings (Note 13)	1,696		1,605	
Land and land improvements (Note 14)	337	5,825	363	5,520
TOTAL FIXED ASSETS		8,453		7,256
Total assets		26,281		23,527
PLEDGED ASSETS				
Property mortgages		1,361		1,423
Chattel mortgages		766		968
Other pledged assets:				
Receivables		175		177
Inventories		199		8
Shares in subsidiaries		—		601
Other		41		146
		2,542		3,323

ELECTROLUX CONSOLIDATED BALANCE SHEET

Liabilities and stockholders' equity (Amounts in SEK m)	1984-12-31		1983-12-31	
CURRENT LIABILITIES				
Notes payable	177		139	
Suppliers	2,408		2,270	
Tax payable	450		269	
Accrued expenses and deferred income	1,992		1,779	
Other current liabilities	1,454		1,187	
Advances from customers	220	6,701	236	5,880
Bank loans etc.		2,631		3,076
TOTAL CURRENT LIABILITIES		9,332		8,956
LONG-TERM DEBT				
Debenture loans	197		208	
Bond loans	1,043		875	
Mortgage loans, promissory notes	4,228	5,468	3,422	4,505
Deferred taxes	307		352	
Negative goodwill (Note 15)	-		1	
Other long-term liabilities	253	560	310	663
Pension provisions				
Pensions Registration Institute	1,234		1,127	
Other	321	1,555	271	1,398
TOTAL LONG-TERM DEBT		7,583		6,566
CONVERTIBLE DEBENTURE LOANS (Note 16)		614		752
UN TAXED RESERVES (Note 17)				
Inventory reserves		1,615		1,632
Accelerated depreciation (Note 18)		1,171		794
Profit equalization reserves		13		15
Investment reserves (Note 19)		241		197
Other financial reserves (Note 8)		406		352
TOTAL UN TAXED RESERVES		3,446		2,990
MINORITY INTERESTS		126		107
STOCKHOLDERS' EQUITY (Note 20)				
Restricted equity				
Capital stock				
1,000,000 "A" shares à SEK 50			1,293	
26,298,936 "B" shares à SEK 50	1,365			
Converted not registered capital stock	4		15	
Restricted reserves	1,041	2,410	1,027	2,335
Non-restricted equity				
Non-restricted reserves	1,555		1,510	
Net income	1,215	2,770	311	1,821
TOTAL STOCKHOLDERS' EQUITY		5,180		4,156
Total liabilities and stockholders' equity		26,281		23,527
CONTINGENT LIABILITIES (Note 21)				
Discounted notes		88		123
Guarantees and other contingent liabilities		854		917
Capitalized value of pension commitments in excess of amount shown as liability		49		30
		991		1,070

CONSOLIDATED STATEMENT OF SOURCES AND USE OF FUNDS

(Amounts in SEK m)	1984		1983	
FUNDS GENERATED FROM OPERATIONS				
Operating income before depreciation	4,139		3,617	
Financial income and expense	- 650		- 928	
Extraordinary items affecting liquidity	- 27		- 43	
Withdrawals from/deposits to blocked accounts	- 25		- 6	
Taxes	- 895		- 582	
Release of negative goodwill	- 17	2,525	- 6	2,052
Dividend paid		- 288		- 232
CHANGE IN WORKING CAPITAL EXCL. LIQUID FUNDS				
Increase/decrease in current receivables	- 493		380	
Increase/decrease in inventories	- 514		837	
Increase/decrease in current liabilities	821	- 186	- 76	1,141
Funds from business operations available for investments		2,051		2,961
INVESTMENTS				
Machinery, buildings etc.	-1,694		-1,374	
Long-term receivables	- 583		- 17	
Shares and participations	- 366		- 1	
Sales of fixed assets	495	- 2,148	384	-1,008
Financial deficit/surplus after investments		- 97		1,953
FINANCING				
Increase/decrease in long-term loans	825		- 577	
Increase/decrease in pension liabilities	157		- 167	
Decrease/increase in other long-term liabilities	- 83	899	84	- 660
Conversion of convertible debentures		137		39
Change in minority interests, group structure, exchange differences		- 22		41
Change in liquid funds and current liabilities		917		1,373
of which increase in liquid funds		472		244
decrease in current liabilities		445		1,129

Accounting 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 capital stock or participation certificates.

The balance sheets and income statements of foreign subsidiary companies have been translated into Swedish kronor at the exchange rates prevailing on December 31. Net translation differences have been taken direct to equity.

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

The number of active companies in the Group was at the year-end 366 (365). The total number of companies in the Group was 605 (580).

On December 31, 1984, there were minority interests in 42 (41) active subsidiary companies.

In the financial statements the Electrolux Group in general adheres to the guidelines issued by OECD (Organization for Economic Cooperation and Development) for companies operating on an international basis.

Since 1976 the consolidated financial statements 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 deferred tax liability estimated at 50%. 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 reported 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 reported among "Long-term liabilities", where applicable, after reduction for expected restructuring costs. 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 reported negative goodwill is released 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 release on forecasts 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 following accounting principles have been applied in preparing the consolidated balance sheet and the consolidated income statement.

- a) The equity shown in the books of subsidiary companies at the time of acquisition has been eliminated.
- b) Real estate, machinery and equipment have been de-

preciated on the basis of adjusted values, viz the historic cost as seen from the Group's point of view.

c) Companies acquired during the year have been treated in the income statement as if they had belonged to the Group from the date of acquisition.

d) Gross accounting has been applied to the untaxed reserves of acquired companies in respect of deferred tax liabilities, estimated at 50%. The deferred 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 related deferred taxes.

e) Depreciation of goodwill is recorded under the heading "Depreciation", while the release of negative goodwill is included in operating income 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 plan since 1977. Depreciation 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 estimated historic cost to the Group in connection with the preparation of the consolidated balance sheet the depreciation charge is based on the adjusted values.

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

Depreciation on revaluations of fixed assets is recorded as "Accelerated depreciation". The amount is directly written off the asset item concerned in the balance sheet.

Valuation of inventories

Inventories are stated at the lowest of acquisition cost and real value. The acquisition cost is calculated in accordance with the first-in-first-out method (FIFO). The necessary provisions have been made for risks of obsolescence. Internal profits have been eliminated.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Foreign currency receivables and payables

Parent Company

Current receivables and current and long-term liabilities have been translated at the exchange rates prevailing on December 31 while unrealised foreign exchange losses and profits have been set off against each other. The net loss arising has been included in operating income, while the net profit is deferred.

Long-term foreign currency receivables have been shown at the lower of the rates on the date the claim arose and the year-end. In case of a direct connection between long-term receivables and long-term liabilities both have been translated at the same exchange rate.

Group

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

In the case of foreign subsidiary companies receivables and payables in other currencies than their own are translated in accordance with local laws and practice, generally at the year-end rate.

Foreign exchange and transaction gains/losses

In connection with acquisitions of foreign companies or capital increases in foreign subsidiaries the Parent Company's borrowing often takes place in the currency of the country concerned. This means that a possible foreign exchange loss on loans (exchange rate rise) is offset by an increase in the equity of the respective company when it is translated into Swedish kronor in connection with the preparation of the consolidated balance sheet. In the case of exchange rate falls the result is the opposite. In accordance with previous practice exchange losses on loans of this type have been netted against translation gains on subsidiaries' equities.

Taxes

The recorded tax charge on the Electrolux Group is affected – apart from the "normal" income – by transfers to inventory reserves, etc, and the utilization of tax losses that were incurred earlier or existed at the date of purchase of acquired companies. This applies to the Swedish as well as foreign companies in the Group. Paid tax in 1984 amounted to 35% and full tax, i.e. current tax as reported plus 50% standard tax on transfers to untaxed reserves amounted to 45% of income before such transfers.

Definitions used in the Ten-year review

Return on net assets

Operating income after depreciation plus financial income expressed as a percentage of average total assets less non-interest bearing debt including deferred taxes on untaxed reserves.

Return on equity (standard tax)

Income after financial items less tax at the standard rate of 50% and minority interests as per note 6 on page 53 expressed as a percentage of the opening balance of stockholders' adjusted equity plus the debentures converted during the year. Adjusted equity is the sum of reported stockholders' equity plus 50% of untaxed reserves.

Total return on equity (actual tax)

Income before transfers to untaxed reserves less actual taxes and minority interests as per note 6 page 53 expressed as a percentage of the opening balance of stockholders' equity and untaxed reserves plus the debentures converted during the year.

Earnings per share before/after extraordinary items

See Note 6 page 53 for computations. Adjustments have been made for bonus issues and splits during the period.

Dividend per share

For 1984 as proposed by the Board of Directors. Adjustments have been made for bonus issues and splits during the period.

Adjusted equity (full tax)

Reported stockholders' equity plus 50% of untaxed reserves.

Risk-bearing capital

Stockholders' equity, minority interest, untaxed reserves and deferred taxes relating to untaxed reserves of acquired companies.

Note 1 Sales

The reported amount excludes value added taxes and sales taxes.

Note 2 Manufacturing, selling and administrative expenses

This item includes a SEK 17 m (6) release of negative goodwill. See "Accounting principles".

Note 3 Depreciation, goodwill

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4 Depreciation and accelerated depreciation

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

	1984	1983
Machinery, equipment and tools		
Depreciation according to plan	847	779
Fiscal depreciation	-1,149	-818
Difference	- 302	- 39
Buildings		
Depreciation according to plan	104	93
Fiscal depreciation	- 129	-109
Difference	- 25	- 16
Land and land improvements		
Depreciation according to plan	4	4
Fiscal depreciation	- 4	- 4
Difference	0	0
Total difference	- 327	- 55

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

	1984	1983
Investment reserves		
Machinery, equipment and tools	- 1	- 1
Buildings	- 3	-
Special investment reserves		
Buildings under construction	- 5	-
Machinery, equipment and tools	- 99	-
Buildings	- 34	-
Land and land improvements	- 2	-
Compulsory investment reserves		
Buildings	-	- 1
Total	-144	- 2
Total accelerated depreciation	-471	- 57

Note 5 Other financial income and expense

The amount of SEK 45 m includes accrued part of the difference between the redemption amount and the book value of the SSAB shares, SEK 45 m, (see also Note 8) as well as interest income, SEK 72 m, and interest expense, SEK 70 m, regarding interest arbitrage. Receivables as well as liabilities regarding interest arbitrage had a closing balance of SEK 727 m, which amounts have been netted-off against each other.

Note 6 Earnings per share

	1984	1983
A. Income after financial items (Standard tax rate 50%)		
Income after financial items	2,460	1,763
Minority interests	- 51	- 44
Adjusted pre-tax profit	2,409	1,719
Tax at 50%	-1,204	- 859
Adjusted income after tax	1,205	860
Earnings per share (27,369,581 and 26,161,799 shares respectively)	44:00	32:90

B. Income after extraordinary items (Actual tax)

Income after extraordinary items	2,660	1,863
Actual tax charge according to the income statement	- 895	- 582
	1,765	1,281
Adjustment for minority interests	- 37	- 25
Adjusted income after deduction of actual taxes	1,728	1,256
Earnings per share (27,369,581 and 26,161,799 shares respectively) acc to actual tax method	63:10	48:00
Earnings per share after completed conversion (32,744,998 shares) acc to actual tax method	52:80	38:40
C. Income after extraordinary items (Full tax)		
Income after extraordinary items	2,660	1,863
Actual tax charge according to the income statement	- 895	- 582
Deferred taxes at a rate of 50% on transfers to untaxed reserves	- 258	- 474
	1,507	807
Adjustment for minority interests	- 35	- 23
Adjusted income after full tax	1,472	784
Earnings per share (27,369,581 and 26,161,799 shares respectively) acc to full tax method	53:80	30:00

Note 7 Extraordinary items

	1984	1983
Sales of fixed assets		
Gains on real estate	84	20
Losses on real estate	- 2	- 4
Gains on shares	162	119
Losses on shares	- 17	- 3
Income from sale of Facit	-	11
Other extraordinary income	35	147
Other extraordinary expense	- 62	-190
Total	200	100

Gains on shares include the sale of shares in Arno SA, Brazil, SEK 43 m, Boliden AB SEK 38 m, and Feral A/S, Norway, SEK 34 m.

Other extraordinary expense includes expenses for share issues SEK 11 m and cost of liquidation SEK 29 m.

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. From 1983 tax-deductible allocations to reserves for unrealized profit in inventories in the Swedish companies are included (release SEK 29 m in 1984). According to the agreement with the State, Gränges will be entitled in 1991 to call for the redemption of its shares in SSAB by the State at a price of SEK 875 m, on condition that SSAB is still in existence. The difference between the written-down book value of the SSAB shares, SEK 375 m, and the redemption amount of SEK 875 m is being taken to income over the period ending at the redemption date, taking into account the interest factor. The amount for 1984 SEK 45 m, is reported as financial income. As however it will not formally be at the company's disposal until the redemption date an equivalent amount has been transferred to untaxed reserves under the heading 'Other financial reserves'. Also see page 44.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9 Shares and participations, fixed assets (SEK m)

	Number	Percentage holding	Nominal value	Book value
Holdings of AB Electrolux as shown in the list on page 64.				459
Swedish companies				
SSAB Svenskt Stål AB	6,250,000	25	625.0	375
Vestator AB	280,000	12	10.0	17
Gotthard Nilsson AB	120,168	30	12.0	12
Industrilackering i Vetlanda AB	225	45	0.0	1
Foreign companies				
Lamco, Liberia (The Liberian American-Swedish Minerals Company)*				
Lamco, Preferred Stock B	196,640	100	176.8	} 0
Lamco, Preferred Stock C	60,500	100	54.4	
Lamco, Common Stock (Class B)	1,000,000	50	9.0	
Lamco, Capital Obligation			115.6	
Sabelt S.p.A., Italy	490,000	49	22.8	20
Air Machine Corporation, USA	-	39	0.0	7
BKI S.A., Spain	1,715	49	0.9	7
Eureka Forbes Ltd., India	330,000	40	2.5	3
Kotimaiset Kotitalouskoneet Oy, Finland	2,000	50	2.8	3
C&G Banken A/S, Denmark	-	6	1.9	2
Construction and Repair Services Co Ltd., Cyprus	1,000	50	2.5	2
Mining Services Co. of Saudi Arabia, Saudi Arabia	1,000	50	2.5	2
Lepper-Dominit Transformatoren GmbH, West Germany	1	2	1.7	2
Scandex Aluminium N. V., Holland	725	47	1.8	1
Other (A complete list of stockholdings has been attached to an Annual Report filed with the Swedish Patent and Registration Office)				14
				927

* The total voting power of the Group in Lamco amounts to 50%.

Note 10 Goodwill

	1984	1983
Opening balance	251	311
Addition for companies acquired	30	20
Depreciation	- 74	- 50
Less: sold companies	- 13	- 30
Closing balance	194	251

Note 11 Fixed assets under construction

	1984	1983
Opening balance	200	175
Net change during the year, including assets held by companies acquired during the year	- 37	40
Corrections arising from changes in translation rates, sales, etc	2	- 15
Residual value	165	200
Depreciation against compulsory investment reserves	- 5	-
Closing balance	160	200

Note 12 Machinery, equipment and tools

	1984	1983
Cost	7,961	7,321
Accumulated depreciation according to plan	-4,358	-4,046
Residual value	3,603	3,275
Accumulated accelerated depreciation	-1,166	- 794
Net book value	2,437	2,481

Electrolux Ltd., Luton, has in excess of book depreciation claimed fiscal depreciation in an accumulated amount of SEK 157 (167).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 13 Buildings

	1984	1983
Cost	2,929	2,676
Accumulated depreciation according to plan	-1,258	-1,143
Residual value	1,671	1,533
Accumulated accelerated depreciation	- 229	- 194
Non-depreciated part of revaluations	254	266
Net book value	1,696	1,605
Assessed value of buildings in Sweden	1,396	1,391
Net book value of buildings in Sweden	539	554

Note 14 Land and land improvements

	1984	1983
Cost	316	312
Accumulated depreciation according to plan	- 47	- 42
Residual value	269	270
Accumulated accelerated depreciation	- 1	- 0
Non-depreciated part of revaluations	69	93
Net book value	337	363
Assessed value of land in Sweden	158	167
Net book value of land in Sweden	123	121

Note 15 Negative goodwill

	1984	1983
Opening balance	1	6
Addition for companies acquired during the year	16	1
Release as in Note 2	-17	-6
Closing balance	-	1

Note 16 Convertible debenture loans

See Note 11 on the balance sheet of AB Electrolux.

Note 17 Untaxed reserves

In excess of untaxed reserves shown in the consolidated balance sheet SEK 919 m (1,027) in subsidiary companies have been eliminated using the purchase method. Minority interests account for SEK 18 (13 m) of the reported untaxed reserves.

Note 18 Accumulated accelerated depreciation

	1984	1983
Opening balance	794	784
Accelerated depreciation	302	39
Depreciation against investment reserves	105	1
Miscellaneous adjustments	- 30	- 30
Closing balance	1,171	794

The amounts relate to machinery, equipment and tools except for SEK 5 m regarding buildings under construction.

Note 19 Investment and compulsory investment reserves

Investment reserves		1984	1983
Opening balance		8	8
Charge to income		6	0
Utilized for depreciation		-4	-1
Other		-1	1
Closing balance		9	8

Special investment reserves

	1984	1983
Opening balance	189	0
Charge to income	183	189
Utilized for depreciation	-140	-
Closing balance	232	189

Work environment reserves

	1984	1983
Opening balance	-	0
Release	-	-0
Closing balance	-	-

Compulsory investment reserves

	1984	1983
Opening balance	-	1
Utilized for depreciation	-	-1
Closing balance	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 20 Stockholders' equity

	Capital stock	Conv. not reg. cap. stock	Restr. reserves	Non- restr. reserves	Net income	Total
Opening balance	1,293	15	1,027	1,510	311	4,156
Conversion of debentures	—	61	76	—	—	137
Registered increase in capital stock	72	-72	—	—	—	—
Transfer of 1983 profit	—	—	—	311	-311	—
Dividend	—	—	—	-288	—	-288
Revaluation of fixed assets	—	—	27	—	—	27
Transfer between reserves	—	—	-62	62	—	—
Adjustments for exchange rate fluctuations, etc	—	—	-27	-40	—	-67
Net income	—	—	—	—	1,215	1,215
Closing balance	1,365	4	1,041	1,555	1,215	5,180

An amount of SEK 50 m, out of the total Group retained earnings (SEK 2,770 m), is required for transfers to restricted reserves.

Note 21 Pledged assets and contingent liabilities

In addition to the assets reported as pledged the Group has an obligation to repurchase accounts receivable amounting to SEK 816 m, transferred to Elefac Finans AB from certain Swedish Group companies. The Group reserve for bad debts also covers potential losses in these transferred receivables.

Moreover AB Electrolux has guaranteed the equity in Elefac Finans AB, in which Electrolux has a part ownership.

AB ELECTROLUX PARENT COMPANY INCOME STATEMENT

(Amounts in SEK m)	1984	1983
OPERATING INCOME AND EXPENSE		
Sales (Note 1)	3,183	3,300
Manufacturing, selling and administrative expenses	-2,903	-2,852
Operating income before depreciation (Note 1)	280	448
DEPRECIATION ACCORDING TO PLAN		
Patents	- 0	- 0
Machinery, equipment and tools (Note 2)	-105	-100
Buildings (Note 2)	- 7	- 7
Land and land improvements (Note 2)	- 0	- 0
	- 112	- 107
Operating income after depreciation	168	341
FINANCIAL INCOME AND EXPENSE		
Dividends on shares and participations in subsidiary companies (Note 3)	611	313
Dividends on other shares and participations	0	0
Group contributions received	311	462
Interest income	239	237
Interest expense	-675	-654
Foreign exchange differences	- 92	- 68
Other financial income and expense (Note 4)	- 7	- 3
	387	287
Income after financial items	555	628
EXTRAORDINARY ITEMS (Note 5)	- 31	89
Income before transfers to untaxed reserves and taxes	524	717
TRANSFERS TO UNTAXED RESERVES		
Change in inventory reserves	120	-196
Transfer to special investment reserves	- 35	- 85
Utilized from special investment reserves for depreciation	82	-
Utilized from investment reserves	-	0
Accelerated depreciation (Note 2)	- 77	6
Change in reserve for unrealized profit in inventories of foreign subsidiary companies (Note 6)	11	- 30
	101	- 305
Income before taxes	625	412
TAXES		
Temporary tax on profits	0	- 41
Other taxes	- 7	- 22
	- 7	- 63
Net income	618	349

63

349

A B ELECTROLUX PARENT COMPANY BALANCE SHEET

Assets (Amounts in SEK m)	1984-12-31		1983-12-31	
CURRENT ASSETS				
Cash and bank deposits	231		48	
Treasury discount notes and other securities	779	1,010	117	165
Notes receivable	-		3	
Receivables (Note 18)				
Subsidiary companies	1,048		2,214	
Customers	40		9	
Prepaid expenses and accrued income	58		27	
Other current receivables	812	1,958	561	2,814
Inventories		526		637
Advance payments to suppliers		1		3
TOTAL CURRENT ASSETS		3,495		3,619
BLOCKED ACCOUNTS AT THE CENTRAL BANK OF SWEDEN				
For investment reserve	-		0	
For general investment reserve	0		-	
For special investment reserve	0	0	-	0
FIXED ASSETS				
Shares and participations (Note 7)				
Subsidiary companies	4,862		4,032	
Other shares and participations	459	5,321	31	4,063
Other securities		41		37
Long-term receivables				
Subsidiary companies	606		663	
Other	524	1,130	36	699
Patents		0		0
Advance payments to suppliers	7		8	
Fixed assets under construction	29		21	
Machinery, equipment and tools (Note 8)	425		398	
Buildings (Note 9)	152		147	
Land and land improvements (Note 10)	20	633	21	595
TOTAL FIXED ASSETS		7,125		5,394
Total assets		10.620		9.013
PLEGGED ASSETS				
Property mortgages		94		104
(of which on behalf of subsidiary companies)		(4)		(4)
Chattel mortgages		202		247
(of which on behalf of subsidiary companies)		(55)		(55)
Other pledged assets		23		23
		319		374

A B ELECTROLUX PARENT COMPANY BALANCE SHEET

Liabilities and stockholders' equity (Amounts in SEK m)	1984-12-31		1983-12-31	
CURRENT LIABILITIES				
Accounts payable				
Subsidiary companies	1,536		1,472	
Suppliers	234		211	
Tax payable	30		29	
Accrued expenses and deferred income	363		310	
Other current liabilities	235		59	
Advances from customers	0	2,398	0	2,081
Bank loans		561		655
TOTAL CURRENT LIABILITIES		2,959		2,736
LONG-TERM DEBT				
Subsidiary companies	222		271	
Debenture loans	60		71	
Bond loans	786		517	
Mortgage loans, promissory notes	2,496		1,643	
Other long-term liabilities	65	3,629	0	2,502
Pension provisions				
Pensions Registration Institute	300		268	
Other	15	315	17	285
TOTAL LONG-TERM DEBT		3,944		2,787
CONVERTIBLE DEBENTURE LOANS (Note 11)		614		752
UNTAXED RESERVES				
Inventory reserve		262		382
Accelerated depreciation (Note 12)		288		211
Reserve for unrealized profit in stock of foreign subsidiary companies (Note 6)		43		54
Investment reserve (Note 13)	-		0	
General investment reserve (Note 14)	0		-	
Special investment reserve (Note 15)	35	35	85	85
TOTAL UNTAXED RESERVES		628		732
STOCKHOLDERS' EQUITY (Note 16)				
Restricted equity				
Capital stock				
1,000,000 "A-shares" à SEK 50				
26,298,936 "B-shares" à SEK 50	1,365		1,293	
Converted not registered capital stock (Note 17)	4		15	
Legal reserve	365	1,734	288	1,596
Non-restricted equity				
Retained earnings	123		61	
Net income	618	741	349	410
TOTAL STOCKHOLDERS' EQUITY		2,475		2,006
Total liabilities and stockholders' equity		10,620		9,013
GUARANTEES AND CONTINGENT LIABILITIES (Note 18)				
On behalf of subsidiary companies		291		386
Value of pension commitments in excess of amounts allocated in the balance sheet		15		-
Other		158		57
		464		443

AB ELECTROLUX PARENT COMPANY STATEMENT OF
SOURCES AND USE OF FUNDS

(Amounts in SEK m)	1984		1983	
FUNDS GENERATED FROM OPERATIONS				
Operating income before depreciation	280		448	
Financial income and expense	387		287	
Extraordinary items affecting liquidity	- 37		- 2	
Taxes	- 7		- 63	
Withdrawals from blocked account for special investment reserves, etc	- 3	620	-	670
Dividend paid		- 288		-232
CHANGE IN WORKING CAPITAL EXCL. LIQUID FUNDS				
Decrease/Increase in current receivables	922		-415	
Decrease/Increase in inventories	111		- 42	
Increase in current liabilities	253	1,286	117	-340
Funds from business operations available for investments		1,618		98
INVESTMENTS				
Machinery, buildings, etc.	- 160		- 95	
Long-term receivables	- 479		- 66	
Shares and participations	-1,300		-516	
Sales of fixed assets	54	-1,885	230	-447
Financial deficit after investments		- 267		-349
FINANCING				
Increase in long-term loans	973		49	
Increase in pension liabilities	30		23	
Increase/decrease in other long-term liabilities	65	1,068	- 17	55
Conversion of convertible debentures		138		39
Change in liquid funds and current liabilities		939		-255
of which increase/decrease in liquid funds		845		-258
decrease in current liabilities		94		3

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS OF AB ELECTROLUX

(Amounts in SEK m)

Note 1 Sales and operating income before depreciation

The reported amount excludes value added taxes and sales taxes.

From January 1, 1984 sales to international agents have been transferred from AB Electrolux to its subsidiary company Electrolux International Sales AB.

	1984	1983
Sales to non-Group customers	781	906
Sales to Group companies	2,402	2,394
Total	3,183	3,300

Purchases from Group companies accounted for 36.0% of AB Electrolux total purchases during the year.

Operating income before depreciation includes write-down of receivables regarding certain subsidiary companies abroad.

Note 2 Depreciation and accelerated depreciation

For depreciation principles see "Accounting principles" on page 51. The difference between depreciation according to plan and fiscal depreciation is shown below.

	1984	1983
Machinery, equipment and tools		
Depreciation according to plan	105	100
Fiscal depreciation	- 96	- 89
Difference	9	11
Buildings		
Depreciation according to plan	7	7
Fiscal depreciation	- 11	- 11
Non-depreciated part of revaluation relating to sold building	-	- 1
Difference	- 4	- 5
Land and land improvements		
Depreciation according to plan	0	0
Fiscal depreciation	- 0	- 0
Difference	- 0	- 0
Total difference	5	6

In addition, the investment reserve and compulsory investment reserve have been utilized for depreciation as follows:

	1984	1983
Investment reserve		
Buildings	-	- 0
Compulsory investment reserve		
Machinery, equipment and tools	- 72	-
Buildings	- 10	-
Total	- 82	- 0
Total accelerated depreciation	- 77	6

Note 3 Dividends on shares and participations in subsidiary companies

Dividends from foreign subsidiary companies amounted to SEK 63 m (231) and dividends from Swedish subsidiary companies were SEK 548 m (82).

Note 4 Other financial income and expenses

Other financial income and expenses include interest income, SEK 72 m, and interest expense, SEK 70 m regarding what is called interest arbitrage. Receivables as well as liabilities regarding interest arbitrage had a closing balance of SEK 727 m. In the balance sheet the amounts have been given a net value.

Note 5 Extraordinary items

	1984	1983
Gains on real estate	1	1
Gains on shares in subsidiaries	2	117
Gains on shares in other companies	4	-
Losses on real estate	- 0	- 3
Losses on shares in subsidiaries	- 1	- 2
Losses on shares in other companies	- 0	-
Write-down in value of subsidiaries	-	- 21
Share issue expenses	- 2	- 0
Other extraordinary expenses	- 35	- 3
Total	- 31	89

Other extraordinary expenses relate to a guarantee commitment payment for a subsidiary company, SEK 34 m, and a write-down of shares in a non-Group company, SEK 1 m.

Note 6 Reserve for unrealized profit in the inventories 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

In excess of the write-down of shares which are accounted for under extraordinary items (see Note 5) the book value of shares and participations in certain subsidiary companies has been written down with SEK 114 m. Other subsidiary companies have simultaneously been depreciated with the same amount.

cont.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
OF AB ELECTROLUX

Company		Number	Percentage holding		Nominal value local currency (000s)	Book value SEK 000
Subsidiary companies abroad						
Europe						
Austria	Electrolux GmbH		100	ATS	28,000	2,000
Belgium	Electrolux-Martin S.A.	299,987	100	BEC	399,983	69,937
Denmark	A/S Scan-Atlas Husholdningsapparater	826	100	DKK	165,000	160,000
	A/S Vestfrost	36,906	50,0	DKK	18,453	10,000
	Handels- og Fabrikationsselskabet DKL A/S	5,000	100	DKK	500	0
Eire	Electrolux Ltd.	110	100	IEP	0	0
Finland	Oy Electrolux Ab	116,500	100	FIM	116,500	152,350
	Oy Liesimyynti-Spifsörsäljnings Ab	204	51,0	FIM	2,040	2,384
France	Usines et Fonderies Arthur Martin S.A.	3,810,803	97,9	FRF	228,648	237,000
	S.A. Electrolux	1,999,822	100	FRF	199,982	181,500
	ELWA S.A.	299,936	100	FRF	29,994	29,089
	Electrolux CR S.A.	49,198	97,4	FRF	4,920	6,762
	Levin France S.A.	29,940	99,8	FRF	2,994	4,650
	Electrolux S.A.E.D. S.à.r.l.	8,396	100	FRF	840	1,249
Great Britain	Electrolux Ltd.	29,999,500	100	GBP	30,000	373,987
	Electrolux Associated Companies Ltd.	4,433,256	100	GBP	4,433	37,800
Holland	Electrolux Holding B.V.	9,800	100	NLG	9,800	20,692
Italy	Flymo S.p.A.	49,998	100	ITL	499,980	2,327
	Electrolux S.p.A. in liquidation	96,384	99,8	ITL	4,819,200	0
	Italwascator S.r.l. in liquidation	38,250	100	ITL	38,250	0
Luxembourg	Electrolux Finance Holding S.A.	378,250	100	LUF	3,782,500	516,389
	Electrolux S.à.r.l.	98,888	98,9	LUF	98,888	15,000
	Electrolux Reinsurance (Luxembourg) S.A.	7,994	99,9	LUF	79,940	9,808
Norway	Electrolux Norge A/S	560	100	NOK	56,000	55,641
	Electrolux Rengjøringsmaskiner A/S	6,000	100	NOK	4,500	3,600
	Nordisk Metal A/S	5,000	100	NOK	500	0
Portugal	Electrolux Limitada		90,1	PTE	24,324	2,212
Spain	Electrolux S.A.	6,227	100	ESP	300,000	5,264
	Electrolux Canarias S.A.	8,400	87,5	ESP	42,000	2,090
Switzerland	Electrolux AG	3,995	100	CHF	1,998	15,000
	Simag AG	12,296	100	CHF	6,148	11,323
West Germany	Electrolux-Loh GmbH		100	DEM	25,000	81,911
	Flymo GmbH		100	DEM	17,527	25,267
	Euroclean GmbH in liquidation		100	DEM	2,500	0
North America						
Canada	Euroclean Holdings Ltd	502,000	100	n p v		126,455
USA	Dometic Incorporated	150	100	n p v		1,078,000
Latin America						
Argentina	S.A. Electrolux	212,000	100	ARP	2,120	0
Brazil	Electrolux S.A.	17,002,156,026	100	BRC	17,002,156	50,165
	Electrolux Serviços Soc. Comercial Ltda	854,460	94,9	BRC	854,460	3,400
	Electrolux Motores Ltda	220,955,000	26,2	BRC	220,955	1,000
	Electrolux Comercial e Serviços Marítimos Ltda	171,893	29,1	BRC	171,893	300
Colombia	Equilux S.A.	1,400,000	93,3	COP	28,000	0
	Electrolux S.A.	18,194	91,0	COP	1,819	0
Dominican Republic	Electrolux Lagares C. por A.	354	51,0	DOP	35	107

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
OF AB ELECTROLUX

Company		Number	Percentage holding		Nominal value local currency (000s)	Book value SEK 000
Ecuador	Ecualux S. A.	5,880	49,0	ECS	5,880	298
	Electrolux C.A.	3,078	49,0	ECS	3,078	243
Mexico	Electrolux S. A. de C.V.	33,996	100	MXP	33,996	6,075
	Industrias Electrolux S.A.	296	0,3	MXP	296	0
	Distribuidora Electrolux S.A.	246	98,4	MXP	25	0
Uruguay	Electrolux S.A.	2,675	100	UYP	2,000	0
Venezuela	C.A. Electrolux	39,988	100	VEB	39,988	35,000
Other regions						
Australia	Nordtec Pty. Ltd.	399,998	100	AUD	400	2,896
Hongkong	Electrolux Services (HK) Ltd.	7,499	100	HKD	750	1,126
	Electrolux (Far East) Ltd.	74,999	100	HKD	750	767
Iran	Electrolux Iran Services Co.Ltd.	5,098	50,9	IRR	5,098	0
Japan	Electrolux Japan Ltd.	450,000	100	JPY	450,000	11,000
	Nesco Ltd.	100,000	50,0	JPY	50,000	100
	Nippon Electrolux F.S.E. Co., Ltd.	20,000	50,0	JPY	10,000	0
Jordan	Electrolux Jordan Trading Co.Ltd.	40,180	49,0	JOD	40	133
Kuwait	Kuwait Swedish Cleaning Services Co. S.A.K.	28,200	47,0	KWD	28	631
Lebanon	Electrolux Middle East S.à.r.l.	880	41,9	LBP	880	0
Malaysia	Electrolux Malaysia Sendirian Berhad	1,000,000	100	MYR	1,000	6,065
New Zealand	Electrolux Ltd.	699,986	100	NZD	1,400	12,000
Saudi Arabia	Electrolux Saudi Services Ltd.	5,000	50,0	SAR	500	648
Thailand	Electrolux Thailand Co. Ltd.	14,700	49,0	THB	1,470	370
Total shares and participations in subsidiary companies						4,862,345
Other companies, etc.						
In Sweden						
	ESV Förvaltnings AB	225,000	45,0	SEK	22,500	27,000
	Fermenta AB (Voting value 6.1%)	1,250,000	17,9	SEK	12,500	503
	Handelsbolaget Svenska Dagbladets AB & Co.	100		SEK	100	0
	AB Sukab Finans	4,000	7,7	SEK	100	0
	Innovations AB Projection	1,000	28,6	SEK	100	100
	Innovations AB Projection KB			SEK	20	10
	Other shares and participations					20
Abroad						
Iran	Savalux Manufacturing Co.	5,799	6,4	IRR	57,990	0
	Savalux Trading Co	144	14,4	IRR	1,440	0
Italy	Industrie Zanussi S.p.A.	50,998,097	49,0	ITL	50,998,097	427,525
	FOEMM S.p.A.	4,000	4,0	ITL	40,000	2,585
Luxembourg	ADELA Investment Co. S.A.	2,584			Npv	0
	SIFIDA Investment Co. S.A.	45		USD	225	1,140
Nigeria	Electrolux Mandilas Ltd.	160,000	40,0	NGN	160	0
Peru	Electrolux S.A.	210,650	34,3	PES	210,650	0
	Valinka S.A.	13,405	18,0	PES	13,405	20
Spain	Wascomat Ibérica S.A.	625	25,0	ESP	625	0
Total shares and participations in other companies						458,903

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
OF AB ELECTROLUX

Note 8 Machinery, equipment and tools

	1984	1983
Cost	888	821
State contribution	- 1	- 1
Accumulated depreciation according to plan	-462	-422
Residual value	425	398
Accumulated accelerated depreciation	-274	-211
Net book value	151	187
Acquisitions during the year	139	97

Note 9 Buildings

	1984	1983
Cost	258	247
State contribution	- 15	- 15
Accumulated depreciation according to plan	- 91	- 85
Residual value	152	147
Accumulated accelerated depreciation	- 80	- 71
Non-depreciated part of revaluation	66	71
Net book value	138	147
Acquisitions during the year	13	1
Assessed value of buildings	336	335

Note 10 Land and land improvements

	1984	1983
Cost	13	13
Accumulated depreciation according to plan	- 2	- 1
Residual value	11	12
Accumulated accelerated depreciation	- 1	- 1
Non-depreciated part of revaluation	10	10
Net book value	20	21
Acquisitions during the year	0	0
Assessed value of land	32	31

Note 11 Convertible debenture loans

This item includes the following debentures:

Loan I	SEK m. 40	Conversion rate SEK 86
Loan II	SEK m. 1	Conversion rate SEK 86
Loan III	SEK m. 36	Conversion rate SEK 86
Loan IV	SEK m. 537	Conversion rate SEK 120
Total	SEK m. 614	

Interest at 8% is payable on Loans I, II and III, which corresponds after conversion to a dividend of SEK 6:90 per share currently in issue, while 10% is payable on Loan IV, which corresponds after conversion to a dividend of SEK 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 from January 2, 1982.

Note 12 Accelerated depreciation

Machinery, equipment and tools	274
Buildings	
Accumulated accelerated depreciation	80
Non-depreciated part of revaluation	- 66
Total	288

Note 13 Investment reserve

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

Note 14 General investment reserve

Opening balance	-
Transfer from Apladalens Städservice AB	0
Closing balance	0

Note 15 Special investment reserve

Opening balance	85
Transfer to Electrolux Storkök AB	- 3
Utilized for depreciation of machinery, equipment and tools	- 72
buildings	- 10
Allocation	35
Closing balance	35

Note 16 Stockholders' equity

	Capital stock	Conv. not reg. capital stock	Statutory reserve	Non-restr. equity
Opening balance	1,293	15	288	410
Dividend declared by Annual General Meeting				-287
Conversion of debenture certificates		61	77	
Registered increase of capital stock	72	-72		
Net income				618
Closing balance	1,365	4	365	741

Note 17 Converted not registered capital stock

In addition to the registered capital stock 70.645 "B" shares à SEK 50 are entitled to dividend for 1984. These shares correspond to convertible debenture certificates that were presented before December 15, 1984, but had not been registered as capital stock by the Swedish Patent and Registration Office by the year-end.

Note 18 Guarantees and contingent liabilities

Contingent liabilities as per the balance sheet of the Parent Company do not include the obligation to repurchase the accounts receivable transferred to Elefac Finans AB. The total value of this recourse obligation is SEK 146 m. The Group reserve for bad debts covers potential losses in these transferred receivables.

AB Electrolux has guaranteed the equity in the subsidiary Electrolux International AB and in Elefac Finans AB, in which company AB Electrolux has taken a part ownership.

In an agreement with the two subsidiaries in the USA, National Union Electric Corp. (NUE) and Dometic Incorporated (DIC), the Parent Company has given a guarantee to NUE for its loans to DIC. As per Dec 31, 1984 these loans amounted to a sum of USD 6 m which is included in guarantees and contingent liabilities on behalf of subsidiary companies.

AUDIT REPORT

We have examined the Annual Report, the Consolidated Financial Statements, the accounting records and the administration of the Company by the Board and the President. Our examination was carried out in accordance with generally accepted auditing standards.

The Parent Company

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

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 President, whereby SEK 355,804,553 would be distributed as dividend to the stockholders, and SEK 384,986,018 would be carried forward, and
- grants the Board of Directors and the President discharge from their liability for the financial year 1984.

The Group

The Consolidated Financial 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, March 26, 1985

ARNE HOLMÉN
Authorized Public
Accountant

JAN NORDENBÄCK
Authorized Public
Accountant

STATEMENT OF ADDED VALUE

Added value

The added value reflects the production contribution made by the company, viz. the increase in value which arises through the company's manufacturing, handling, etc, and is defined as sales revenues less the cost of purchased goods and services.

In 1984, the Electrolux Group had sales revenues totalling SEK 34,981m. After deducting the cost of purchased goods and services, the Group's added value amounted to SEK 13,979m, which represents an increase of 10 % compared with the previous year. Over the latest five-

year period the annual average increase amounted to 15 % per year.

In 1984, SEK 2,438m of the added value remained in the company and was used there for capital investments in fixed assets as well as product and marketing development. In 1984, the dividend to shareholders accounted for 3 % of the added value or 4 % of the Group's total payroll and social security charges.

The breakdown of the added value among the various interests in the Group and their relative share over the past two years are shown in the table below.

Calculation of added value					
Amounts in SEK m	1984		1984 per employee SEK '000*	1983	
Total sales	34,981	100%	402	32,146	100%
Cost of purchased goods and services	-21,002	-60%	-241	-19,425	-60%
Added value	13,979	40%	161	12,721	40%

Breakdown of added value					
Amounts in SEK m	1984		1984 per employee SEK '000*	1983	
To employees					
Wages and salaries	7,373		85	6,852	
Social security charges	2,267		26	2,152	
	<u>9,640</u>	69%	<u>111</u>	<u>9,004</u>	71%
To central and local government					
Taxes	895	6%	10	582	5%
To financiers					
Interest etc.	650	5%	8	928	7%
To stockholders					
Dividends (for 1984 proposal)	356	3%	4	288	2%
Retained in the Group					
For wear and tear on fixed assets (depreciation)	1,029		12	926	
For further expansion	1,409		16	993	
	<u>2,438</u>	17%	<u>28</u>	<u>1,919</u>	15%
Added value	13,979	100%	161	12,721	100%

* In calculating the added value per employee, the employees in Liberia have been excluded as the activities in Liberia are not included in the Group's turnover. The number of annual employees therefore amounts to 87,031 (86,240).

ELECTROLUX SHARES

Capital stock

At December 31, 1984, the capital stock of AB Electrolux amounted to SEK 1,369m, which was divided into "A" shares and "B" shares, each of a par value of SEK 50.

1,000,000 "A" shares	SEK 50.0m
26,298,936 "B" shares	SEK 1,314.9m
70,645 Not yet registered "B" shares (converted loan stock)	SEK 3.6m

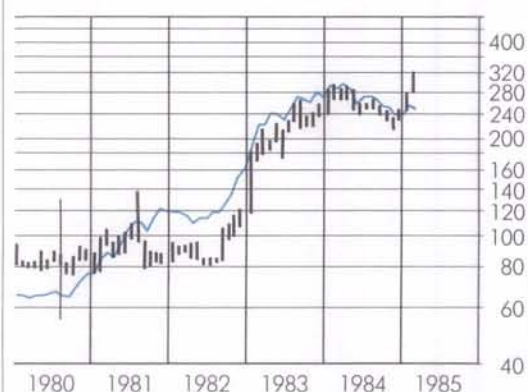
27,369,581	SEK 1,368.5m
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The number of "B" shares increased in 1984 by 1,207,782 through the conversion of loan stock. Each "A" share is entitled to one vote and each "B" share to 1/1,000th of a vote. All shares are entitled to the same interest in the assets and earnings.

The "A" shares and the "B" shares are quoted on the Stockholm Stock Exchange. In addition, the "B" shares are quoted on the stock exchanges in London, Geneva, Oslo and Paris. An American Depositary Receipts program was set up in 1983.

ELECTROLUX "B" SHARES RATINGS ON THE STOCKHOLM STOCK EXCHANGE 1980-FEBRUARY 1985

— = General index
 Bars = Closing price, highest and lowest per month, in SEK
 Source: Aktiv Placering



Turnover* of Electrolux shares on Stockholm Stock Exchange

	Number	SEK m
1981	12,963,000	1,224
1982	17,716,000	1,703
1983	30,040,000	6,246
1984	16,816,000	4,372

* including after-hours transactions.

Breakdown of stockholdings in AB Electrolux

Size of stockholding	Number of stockholders	% of stockholders	Number of shares '000	% of capital stock	Average number per stockholder
1-500	48,549	92.8	3,660	13.3	96
501-1,000	2,188	4.2	1,637	5.9	750
1,001-10,000	1,374	2.6	3,535	12.9	2,570
10,001-	186	0.4	18,655	67.9	100,290
Total	52,297	100.0	27,487	100.0	525

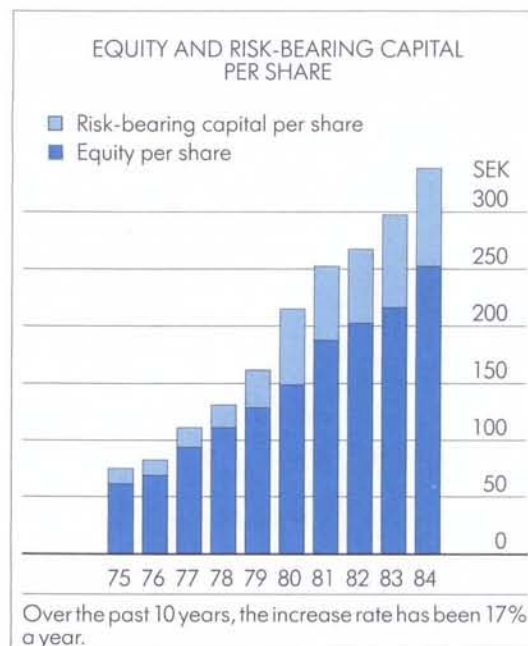
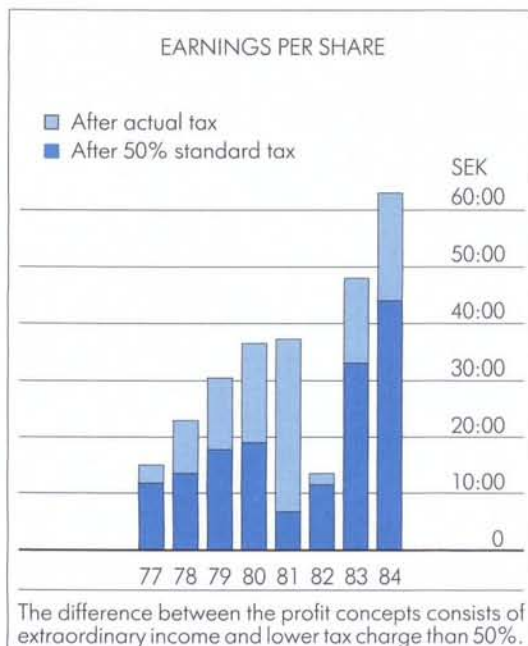
The source of the above information is the official register of stockholders in AB Electrolux maintained by Värdepapperscentralen VPC AB. The information applies in February 1985, except for the stockholdings registered in the name of trustees, which are instead included on the basis of data from August 1984.

Major stockholders in February 1985

	Number of shares	% of capital stock	% of votes
ASEA	3,334,488	12.18	48.99
Trygg-Hansa	1,222,797	4.46	0.12
Skandia	1,096,690	4.01	0.11
4th National Pension Insurance Fund	997,207	3.64	0.10
Custos	537,937	1.97	18.93
Investor	449,797	1.64	14.54
Export-Invest	350,000	1.28	0.03
Hans Werthén	301,580	1.10	0.03
Fondspar Aktiesparfond	300,000	1.10	0.03
SPP	282,083	1.03	0.03

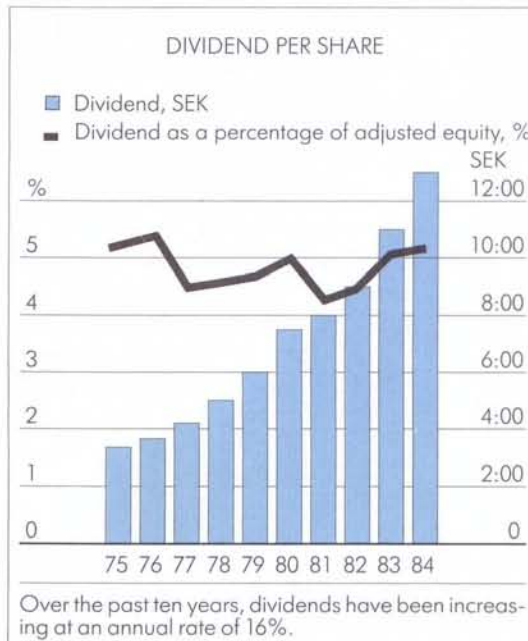
In March 1985, Investor acquired all of Custos AB's 193,937 "A" shares. Investor's interest in the voting rights thereafter amounts to 33.4%.

ELECTROLUX SHARES



Electrolux Aktiesparfond and Allemansfond

Since July 1981 the employees of the Group's Swedish companies have been offered an opportunity to invest in Electrolux shares, firstly through the Electrolux Aktiesparfond and later through the Electrolux Allemansfond. At the end of 1984, the Electrolux Aktiesparfond had 2,124 investors and represented 134,427 shares. This made the fund the 17th largest stockholder in the company. Electrolux Allemansfond, which was started in April 1984, had 1,792 investors at the end of the year and represented 20,000 shares. Loans made to employees to purchase shares amounted to SEK 15.3m.



Electrolux convertible loan stock at December 31, 1984

	Issued	Nominal value SEK	Interest rate	Total nominal value Dec. 31, 1984 (SEK '000)	Original loan (SEK '000)	Conversion rate	No of shares after total conversion
Loan 1	1978	120	8%	40,572	95,994	86	471,766
Loan 2	1978	120	8%	756	33,000	86	8,791
Loan 3	1978	130	8%	36,331	139,273	86	422,450
Loan 4	1980	100	10%	536,689	662,725	120	4,472,410
				614,348	930,992		5,375,417
Loan 1	was issued in connection with the purchase of Husqvarna AB						
Loan 2	was issued in favour of ASEA						
Loan 3	was issued in favour of Electrolux's stockholders						
Loan 4	was issued in connection with the purchase of Gränges						

Loans 1, 2 and 3 are eligible for conversion as of January 1980 and Loan 4 as of January 1982. The dividend which would be obtained after conversion of Loans 1, 2 and 3 is higher than the interest on the corresponding convertible loan stock. (Loan 4 subject to the AGM adopting the dividend proposal). Conversion should therefore be considered. The loan stock can be converted by handing in the convertible loan stock certificates at the nearest bank office.

GROUP COMPANIES

<p>List of certain group companies and names of Chief Executives.</p> <p>Companies in which outside stockholders own more than 10% of the capital stock are marked with*. Production companies are marked with (P). This list shows the situation at the beginning of 1985.</p>	<p>BELGIUM No. of employees: 594</p> <p>Electrolux-Martin S.A. (P) Brussels Staffan Lagerwall Gränges Metallverken Benelux S.A. (P) Brussels Tord Sandgren New Vanden Borre S.A. Brussels Pierre Jeanmart</p>	<p>DENMARK No. of employees: 2,734</p> <p>Daekko Presenning Kompagni A/S Brönshøj Bo Tillberg (Sweden) Electrolux A/S Lyngby Kurt Jensen Electrolux Constructor A/S Hvidovre Olaf Bredahl Sörensen Electrolux Elmotor A/S (P) Ålborg Øst Lars Jansson (Sweden) Electrolux-Wascator A/S Glostrup Palle Rosenkilde A/S Ernst Voss Fabrik (P) Fredericia Cai Toft Jacobsen Greenlux A/S Lyngby John A. Madsen Gränges Danmark A/S Glostrup Vagn Sörensen Gränges Metalock (P) Copenhagen Vagn Vestergaard Husqvarna A/S Lyngby J.P. Höiden IWO A/S Ishøj Palle Rosenkilde NordFoil Odense Flexible A.p.S. Odense Svend Poulsen Nyborg Vaskerimaskiner A/S (P) Tommerup Erik Nielsen Ren-Vask A/S (P) Birkerød Bo Tillberg (Sweden) SAPA Grenå A/S (P) Grenå Erik Schultz A/S Scan-Atlas Husholdningsapparater (P) Lyngby Ib Frölich SKA Storkökken A/S (P) Ishøj J.P. Höiden * A/S Vestfrost (P) Esbjerg Erling Damkjaer</p>
<p>AUSTRALIA No. of employees: 2,090</p>	<p>BRAZIL No. of employees: 7,053</p> <p>Electrolux S.A. (P) São Paulo Orjan Alneng Electrolux Motores Ltda. São Paulo Theodoro Scheffer Electrolux Serviços Soc. Comercial Ltda. São Paulo Edmund A. Bosschart</p>	
<p>Electrolux Pty. Ltd. (P) Glen Waverley Len W. Matthews Finch Refrigerators Pty. Ltd. Vermont Len W. Matthews Getinge Australia Pty. Ltd. Melbourne D.A. Canty (Great Britain) Husqvarna Pty. Ltd. Sydney Rolf Eklöf Nordtec Pty. Ltd. Sydney Rolf Eklöf</p>	<p>CANADA No. of employees: 411</p>	
<p>AUSTRIA No. of employees: 457</p>	<p>Euroclean Canada Inc. Cambridge James D. Dixon <i>Divisions:</i> EMAB Canada Division (P) Peterborough Gary Isberg Trail Manufacturing Division (P) Huron Park Gary Isberg</p>	
<p>A. Felber & Co. Vienna Rune Carnbring Electrolux Gesellschaft mbH Vienna Steffan Lundeberg (West Germany) Gränges Metallhandelsges.mbH Waldegg Christian Zugmeyer HOGAT Grosskücheneinrichtungen Planung und Vertrieb GmbH Vienna Friedrich Zweifel (Switzerland) Husqvarna Gesellschaft mbH Linz Leif Lindgren (Sweden) Korrugal Ges.mbH Vienna Norbert Jelinek Volta Bregenz GmbH (P) Bregenz Friedrich Zweifel (Switzerland) Volta Elektrowaren-Vertriebsgesellschaft mbH Vienna Steffan Lundeberg (West Germany)</p>	<p>CHILE No. of employees: 82</p>	
<p>BARBADOS No. of employees: 36</p>	<p>* Electrolux (Chile) Ltda Santiago Björn Hörnfeldt</p>	
<p>Electrolux Ltd. St. Michael Lloyd Seale</p>	<p>COLOMBIA No. of employees: 2,090</p> <p>Electrolux S.A. (P) Bogotá Sven-Åke Andersson</p>	

GROUP COMPANIES

DOMINICAN REPUBLIC No. of employees: 8	FRANCE No. of employees: 8,331	GREAT BRITAIN No. of employees: 4,403
* Electrolux Lagares C por A Santo Domingo Victor Lagares	Autoliv S.A. (P) Seclin Marc Lefèvre Autoliv & Cie. SNC (P) Paris	* Autoliv Ltd. Staines, Middlesex Edward J. Phillips Chadwicks of Bury Ltd. (P) Bury Lanes
ECUADOR No. of employees: 270	Paul Charley Electrolux S.A. (P) Senlis	Columbus Dixon Ltd. (P) Luton, Beds. J.J.M. Glasse
* Electrolux C.A. (P) Quito Stefan Hederström	Anders Andrén Electrolux & Cie. SNC FLYMO-HUSQVARNA Cergy	Consort System (P) Tewkesbury, Glos. D & C Design & Construction Ltd. Warrington
FINLAND No. of employees: 1,866	Olivier Stackler Electrolux & Cie. SNC HUSQVARNA Groslay	Claes-Göran Mattsson Electrolux Ltd. (P) Luton, Beds. G.E. Dorman, G.P.H. James
Aluma Metall Helsinki Oy Electrolux Ab (P) Helsinki Matti Mutikainen Oy Electrolux Ab - ASAB Helsinki Lasse Naumanen Oy Electrolux Ab - ELEKTRO HELIOS Helsinki Yngve Levander Oy Electrolux Ab - E-TOOLING Turku Pentti Jäntti Oy Electrolux Ab - HUSQVARNA Tampere Tor Falenius Oy Electrolux Ab - LÄNTBRUKSMASKINER Fiskars Jörgen Fredriksson Oy Electrolux Ab - PARTNER Tampere Tor Falenius Oy Electrolux Ab - TAMMERMATIC Tampere Kalevi Kärkönen Oy Electrolux Ab - ÖVERUM Helsinki Jörgen Fredriksson * Oy Liesimyynti-Spissförsälj- ning AB Helsinki Matti Mutikainen NordFoil (P) Oy Aluma Ab Vanda Ralf Rasmus SAPA Alumiiniprofiilit Oy Helsinki Martin Åsström	HUSQVARNA Groslay Michel Ruscon Electrolux & Cie. SNC METROPOLE Boulogne Billancourt Jean-Pierre Pochebonne Electrolux CR S.A. Vincennes Bernard Teissèdre Electrolux Industrie & Cie SNC CONSTRUCTOR Groslay Dario Camméo Gränges Aluminium S.A. Paris Bernard May Gränges Metallverken France S.A.R.L. Paris Gunnar Nisser Klippan France S.A. (P) Gournay Benoit Marsaud * Lequeux S.A. (P) Paris François Galtier * Océanic S.A. (P) Romainville Jean Morgan * Société pour le Nettoyage In- dustriel et la Location "S.O.N.I.L." Mouy (Bury) Jean-Pierre Pochebonne * Staub S.A. (P) Courbevoie Olivier Stackler * Tornado S.A. Senlis Claude Seguier Usines & Fonderies Arthur Martin S.A., "UFAM" (P) Senlis Anders Andrén	Electrolux (Commercial Equip- ment) Ltd. Luton, Beds. Frank Clark Electrolux Food Service Equip- ment Ltd. Coventry Hans Hiller Flymo Ltd. (P) Darlington, Co. Durham L.D.H.P. Evans Gränges Automotive (UK) Ltd. Manchester Ron Smith Gränges Essem (UK) Ltd. Cumbernauld Bo Svanberg (Sweden) Gränges Metallverken Ltd. Kingston upon Thames Willy Nyberg Gränges NordFoil (UK) Ltd. Gt. Missenden, Bucks. Husqvarna Ltd. Luton, Beds. C.P.H. James Hyett Adams Ltd. Watford, Herts Richard Dickinson Korrugal Ltd. Caterham Peter Ward Modern Structural Plastics (Scotland) Ltd. (P) Cumbernauld Ian Humphry Monarch Aluminium Ltd. (P) Cheltenham, Glos. Nyborg Engineering Ltd. Uxbridge, Middlesex Derek Wright SAPA Ltd. (P) Tibshelf, Derby SAPA Holdings Ltd. Cheltenham SecuriStyle (P) Cheltenham, Glos.

GROUP COMPANIES

<p>The Sterilizing Equipment Company Ltd. (P) Mansfield, Notts. D.A. Canty Swedish Royal Refrigeration Ltd. Watford, Herts Michael Nicholls Tappan International Sales, Ltd. Manchester Terence Green Wirsbo (UK) Ltd. Kingston upon Thames Lennart Nyberg</p>	<p>LEBANON No. of employees: 51</p>	<p>NEW ZEALAND No. of employees: 454</p>
	<p>Electrolux Middle East S.a.r.l. Beirut Fouad Lammam</p>	<p>Electrolux Ltd. (P) Wellington Richard M. Scelly Husqvarna Chainsaws Ltd. Auckland D.I. Bradley</p>
<p style="background-color: #ADD8E6;">GUATEMALA No. of employees: 33</p> <p>Electrolux S.A. Guatemala City Carlos Calderón Velásquez</p>	<p>LIBERIA No. of employees: 2,510</p>	<p>NORWAY No. of employees: 1,047</p>
	<p>* Lamco J.V. Operating Co. (P) Monrovia John L. Pervola</p>	
<p style="background-color: #ADD8E6;">HONG KONG No. of employees: 950</p> <p>Electrolux (Far East) Ltd. Hong Kong Göran Carlsson Electrolux Services (HK) Ltd. Kowloon Eric Wong</p>	<p>LUXEMBOURG No. of employees: 320</p>	<p>A/S Drømmekjøkkenet Oslo Jørgen Karlén Electrolux Constructor A/S Oslo Bjørn Molstad Electrolux Industrier A/S Oslo Henning Knutsen Electrolux Norge A/S (P) Oslo Jens H. Gundersen Electrolux Rengjøringsmaskiner A/S Oslo Magnus Jensen Electrolux-Wascator A/S Oslo Svein Jacobsen Euroclean A/S Oslo Magnus Jensen Husqvarna A/S Oslo Oscar Støversten Husqvarna Elektro A/S Sarpsborg Viljen Eriksen Husqvarna-Partner A/S Skårer Øyvind B. Johansen Jobu A/S (P) Drøbak Per J. Mordt Korrugal A/S Oslo Syver Brattested A/S Norlett (P) Askim Odd Mortvedt A/S SAPA Lillestrøm Osvold Hageseether Tunborg A/S (P) Sarpsborg Jan Magnusson</p>
	<p>Electrolux S.à.r.l. (P) Vianden Anders Wannborg Electrolux Reinsurance (Luxembourg) S.A. Vianden Leif Lindgren (Sweden)</p>	
<p style="background-color: #ADD8E6;">ITALY No. of employees: 28</p> <p>Flymo S.p.A. Brescia Giovanni Cancarini Klippan Italia S.p.A. (P) Turin Tord Kyhlstedt Korrugal S.r.l. Milano Massimo Febelli</p>	<p>MALAYSIA No. of employees: 1,137</p>	<p style="background-color: #ADD8E6;">PERU No. of employees: 265</p>
	<p>Electrolux Malaysia Sdn. Bhd. Selangor Gunnar Broberg Electrolux (Sarawak) Sdn. Bhd. Sarawak Thomas Jang</p>	
<p style="background-color: #ADD8E6;">JAPAN No. of employees: 771</p> <p>Electrolux (Japan) Ltd. Tokyo Gunnar Kniberg * Nesco Ltd. Tokyo Katsuhide Aihara</p>	<p>MEXICO No. of employees: 1,334</p>	<p>Electrolux S.A. (P) Lima Per-Axel Ahlberg</p>
	<p>Electrolux S.A. de C.V. (P) Mexico City Jan Laséen</p>	
<p style="background-color: #ADD8E6;">JORDAN No. of employees: 106</p> <p>* Electrolux Jordan Trading Co. Ltd. Amman Fouad Lammam</p>	<p>NETHERLANDS No. of employees: 927</p>	<p>Electrolux S.A. (P) Lima Per-Axel Ahlberg</p>
	<p>Electrolux Constructor B.V. Diemen J.M. van Midden Electrolux Holding B.V. Diemen Lennart Ribohn (Sweden) Electrolux Nederland B.V. Diemen J.M. van Midden Gränges Metallverken Nederland B.V. (P) Zutphen Jules Schenk de Jong Lalesse Staalbouw B.V. Zevenaar H.G. Lalesse Neproma B.V. (P) Arnhem Cornelius Pons J.F. Quatfass B.V. (P) Diemen J.M. van Midden * Scandex Aluminium N.V. (P) Hoogezaand Peter Keijzer</p>	
<p style="background-color: #ADD8E6;">KUWAIT No. of employees: 256</p> <p>* Kuwait Swedish Cleaning Services Co. S.A.K. Safat Bo Severed</p>		

GROUP COMPANIES

PHILIPPINES No. of employees: 1,037	AB Ballingslövs Träföräd- ling (P) Ballingslöv Nils-Erik Danielsson Bergis Produktions AB (P) Svenljunga Gunnar Andréen Björnkälder AB Solna Kjell Lundin Bröderna Brodd AB (P) Skänninge Per-Olov Brodd Electrolux Autoliv AB (P) Stockholm Gunnar Bark Electrolux Cleaning Equipment AB (P) Åmål Erik af Ugglas Electrolux Commercial Refrige- ration AB (P) Arvika Börje Närman Electrolux Constructor AB (P) Säffle Karl Henrik Andersson Electrolux Gjuteriprodukter AB EGAB (P) Hälleforsnäs Lennart Wikblom Electrolux International Sales AB Stockholm Halvar Jonzon Electrolux Mecatronik AB Malmö Tom Bennet Electrolux Motor AB (P) Huskvarna Hans G. Bäckman Electrolux Storkök AB (P) Alingsås Carl Bennet Electrolux Svenska Försälj- nings AB Stockholm Anders Scharp Electrolux-Wascator AB (P) Ljungby Thorbjörn Larsson Electrolux Återförsäkrings AB Stockholm Leif Lindgren AB Elektro Helios Stockholm Rainer Alfström AB Elektroservice Stockholm Curt Egerot Euroclean AB (P) Åtvidaberg Erik af Ugglas Evert Larsson Industri AB (P) Kungälv Staffan Anger Evert Larsson Skydd AB Kungälv Stig Sjögren	* Finnagro AB Överum Christer Rosenberg Foral (P) Skultuna Hans Rinkeborn AB Formverktyg (P) Hägersten (Stockholm) Ingemar Persson GA-Metall (P) Sundsvall Ulf Bohlin Getinge Mekaniska Verkstads AB (P) Getinge Folke Heibert Gjutal AB (P) Sölvesborg Rolf Erixon Gränges AB Stockholm Gösta Bystedt Gränges Aluminium AB (P) Stockholm Per-Olof Aronson Gränges Aluminium (P) Avestaverket Avesta Erik Frid Gränges Hedlund AB (P) Stockholm Sven Ekberg Gränges International Mining AB Stockholm Arne Dahlström Gränges Mark AB Stockholm Hans-Erik Bengtsson Gränges Metallverken AB (P) Västerås Lennart Gustafsson Gränges Metalock AB Göteborg Rune Kristiansson Heatex (P) Malmö Sven Persson Husqvarna AB (P) Huskvarna Per-Olof Sjöberg Husqvarna Motorcyklar AB (P) Ödeshög Bengt Andersson Husqvarna Svenska Försälj- nings AB Huskvarna Leif Bagge AB Höörs Plåt (P) Höör Lars Börrén B. Johanssons Pappersförädling AB (P) Lödöse Cennert Steffen Johnson Metall AB (P) Örebro Rolf Andersson
PORTUGAL No. of employees: 79		
Electrolux Ltda Lisbon Clas Herdin (Spain)		
SAUDI ARABIA No. of employees: 641		
* Electrolux Saudi Services Ltd. Riyadh Hans Ekbom * Mining Services Co. Minsenco Lennart Wikström Saudi Arabian Construction and Repair Services Ltd. (CON- REP) Jeddah Harald Roihjert		
SINGAPORE No. of employees: 314		
Electrolux S.E.A. Private Ltd. (P) Singapore Björn Made		
SPAIN No. of employees: 677		
Electrolux S.A. (P) Madrid Clas Herdin Electrolux Canarias S.A. Las Palmas Boo Lyth Gränges Essem Ibérica S.A. Madrid Gunnar Sjölander Klissan España S.A. (P) Barcelona José Luis Faba Wirso S.A. (P) Madrid Olle Dahl		
SWEDEN No. of employees: 30,161		
ASAB Serviceföretaget AB Stockholm Lennart Angeby Autoliv Development AB Värgårda Yngve Håland Autoliv Stil AB (P) Värgårda Staffan Anger		

GROUP COMPANIES

<p>Jonsered Motor AB Partille Stig Jepson Jonsereds Godsskydd AB (P) Partille Lars Norberg Kapellmästarna Försäljnings AB Jönköping Lars Norberg Kohlswa Essem AB (P) Kolsva Per Hällqvist Kohlswa Jernverk AB (P) Kolsva Lennart Wikblom Korrugal AB (P) Finspång Ulf Åhman Modul-Fönster AB (P) Trelleborg Nils-Erik Danielsson NordFoil AB Skultuna Dag Lagnerö <i>Divisions:</i> Skultuna Folie (P) Skultuna Lars-Rune Jansson Skultuna Flexible (P) Skultuna Per-Gunnar Wandfeldt Nordic Forestry Equipment AB Partille Sture Milling NTP (Nordisk Tidningsplåt) (P) Spånga Lars Pehrsson Pressmetall (P) Köping Gunnar Koch AB Ratura Malmö Jan Palmgren SAPA (Skandinaviska Aluminium Profiler AB) (P) Vetlanda Nils H. Bouveng SIA Lustgården AB Landskrona Göran Norström Strömsholmens Mekaniska Verkstad AB (P) Tranås Per Göran Larsson Stådningskåren AB Stockholm Olof Eriksson AB Tvättman (P) Malmö Gunnar Andréen AB Volta Stockholm Rainer Alfström Växjö Rostfritt AB (P) Växjö Bo J. Ericson</p>	<p>Wirsbo Aquawarm AB (P) Västerås Allan Hansson Wirsbo Bruks AB (P) Virso Åke Forssell Zig-Zag Fabriks AB (P) Malmköping Mats Agurén AB Överums Bruk (P) Överum Lars-Göran Fasth AB Överums Fönsterfabrik (P) Överum Nils-Erik Danielsson</p>	<p>TAIWAN No. of employees: 109</p> <p>Electrolux (Far East) Ltd. Taiwan Branch Taipei Leonard Duh</p>
	<p>SWITZERLAND No. of employees: 1,814</p>	<p>THAILAND No. of employees: 672</p> <p>* Electrolux Thailand Company Ltd. Bangkok Ulf Persson</p>
	<p>Cleis AG Sissach Alois Heller Elcalor AG (P) Aarau Friedrich Zweifel Electrolux AG Zürich Kurt Schläpfer ELUX Walter & Bruynzeel AG (P) Balterswil Emil Geisselhardt Libo AG (P) Ittigen (Bern) Friedrich Zweifel Menalux S.A. (P) Murten Albert Grossrieder Märklin AG Liestal Hans-Rudolf Märklin * Prometheus AG (P) Liestal Max P. Veith SAPA AG Zug Åke Eriksson Therma AG (P) Schwanden Peter E. Kollbrunner Therma Grossküchen AG (P) Sursee Friedrich Zweifel Unifridge AG Zürich Thorbjörn Laag Widag AG Zürich Arthur Grünig Wirsbo AG Luzern Jarl Detter</p>	<p>TRINIDAD No. of employees: 45</p> <p>Electrolux Ltd. Port-of-Spain Lloyd Seale (Barbados)</p>
		<p>USA No. of employees: 9,271</p> <p>Bryan Metals, Inc. (P) Bryan, Ohio Johan Scheel Dometic Sales Corporation Elkhart, Ind. Gerald R. Wannamaker <i>Division:</i> Duo-Therm La Grange, Ind. Gerald R. Wannamaker Getinge International Inc. Lakewood, New Jersey Donald C. Blasius Husqvarna Motorcycle Co., Inc. San Diego, Calif. Donald C. Blasius Husqvarna Sewing Machine Co., Inc. Minneapolis, Minn. Pehr J. Komstadius Metallwerken Inc. Elmhurst, Ill. Johan Scheel Midwest Brass and Copper, Inc. (P) Chicago, Ill. Johan Scheel National Union Electric Corporation (P) Bloomington, Ill. Robert P. Dole <i>Divisions:</i> The Eureka Company Bloomington, Ill. Robert P. Dole The Kent Company Elkhart, Ind. George Galoozis Napco Plastics Company Napoleon, Ohio James P. Hadsell Swan Services, Inc. Atlanta, Ga. Paul C. Culwell</p>

GROUP COMPANIES

<p>The Tappan Company (P) Mansfield, Ohio Donald C. Blasius (Chairman of the Board of Directors) James M. Ringler</p> <p><i>Divisions:</i> Anaheim Disposer Division Anaheim, Calif. T.A. Dugan Appliance Division Mansfield, Ohio James M. Ringler Cabinet Group (Headquarters and Kemper Division) Richmond, Ind. E.L. "Buck" Coveney International Division Mansfield, Ohio T.R. Kay</p> <p>Tecfor, Inc. Bensenville, Ill. Åke Hammerlid (Sweden) Wirsbo Company Rockford, Ill. Tomas Lenman</p>	<p>Electrolux-Kern GmbH Göttingen Adolf Kretzer, Otto Vonder- schmidt Electrolux Küchentechnik GmbH Siegen Adolf Kretzer Electrolux-Loh GmbH Siegen Sven Stork, Ulrich Hoffmann Electrolux Siegen GmbH (P) Siegen Rolf-Dieter Giesler, Adolf Kretzer Electrolux Wäscherei und Ser- vice GmbH (P) Wermelskirchen Günter Wiege ELPRO electro-service GmbH Siegen Jürgen Thielking Flymo GmbH Hamburg Hans Bäckman (Sweden) Gränges Metall GmbH Frankfurt Chris A. Neuhaus Gränges Metalock GmbH (P) Hamburg Erwin Erfeling Gränges Repair Services GmbH (P) Hamburg Erwin Erfeling Husqvarna Vertriebs GmbH Offenbach Rudolf Herkströter Klippan GmbH (P) Hamburg Leif Sköld Korrugal GmbH Düsseldorf Siegfried Dingel Norlett-Partner GmbH Schweinfurt Willem de Gier Progress-Elektrogeräte Mauz & Pfeiffer GmbH & Co. (P) Nürtingen (Zizishausen) Gunnar Odenram Progress Verkauf GmbH Nürtingen (Zizishausen) Gunnar Odenram SAPA Aluminiumprofile GmbH Offenburg Claes Simonsson SAPA Handel GmbH Düsseldorf Kåre Wetterberg Sümak GmbH (P) Leonberg Gustaf Östergren Volta Elektrogeräte- Vertriebs GmbH Stuttgart Ulrich Hoffmann Wirsbo GmbH Frankfurt Joachim Kock</p>	<p>Wirsbo Pex (P) Heusenstamm Stefan Haenelt ZK-Hospital Bedarfs GmbH Oer-Erkenschwick Kurt Gehlert</p>
<p>VENEZUELA No. of employees: 1,245</p>		<p>OTHER COUNTRIES No. of employees: 112</p>
<p>C.A. Electrolux (P) Caracas Ingvar Marklund</p>		<p>TOTAL No. of employees: 89,541</p>
<p>WEST GERMANY No. of employees: 2,750</p>		
<p>Autoliv GmbH (P) Elmshorn Leif Sköld BOCO Wäschendienst Horst Sie- ber GmbH (P) Hannover Michael Sperling Deutsche Husqvarna GmbH Schweinfurt Willem de Gier Electrolux GmbH (P) Berlin Gustaf Östergren Electrolux GmbH Hamburg Steffan Lundeborg Electrolux Constructor GmbH (P) Siegen Rolf-Dieter Giesler Electrolux Constructor Export GmbH Siegen Sven Stork Electrolux CR GmbH (P) Mosbach Horst Wefer Electrolux-Cramer GmbH (P) Siegen Adolf Kretzer Electrolux Grossküchen GmbH & Co. Hamburg Sten Lindstedt</p>		

TEN-YEAR REVIEW

(Amounts in SEK m, except where otherwise stated)

	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975
Sales and income										
Sales	34,981	32,146	31,661	26,595	22,874	15,137	12,023	9,239	7,646	6,425
% Increase	8.8	1.5	19.0	16.3	51.1	25.9	30.1	20.8	19.0	16.1
Operating income after depreciation	3,110	2,691	1,937	1,730	1,728	1,308	945	782	603	491
Operating income as % of sales	8.9	8.4	6.1	6.5	7.6	8.6	7.9	8.5	7.9	7.6
Return on net assets, %	22.3	18.7	14.1	14.6	21.2	20.7	19.3	20.6	18.9	16.9
Income after financial items	2,460	1,763	609	355	1,003	915	677	578	454	362
Interest coverage ratio	3.28	2.45	1.46	1.35	2.01	2.94	2.92	3.23	3.27	3.02
Income before transfers to untaxed reserves and taxes	2,660	1,863	567	1,127	1,054	934	828	562	443	356
Profitability										
Return on equity, %	20.8	16.4	6.2	4.6	15.1	16.6	14.6	17.1	14.1	12.7
Earnings per share, SEK	44:00	32:90	11:50	6:80	19:00	18:10	13:60	11:70	9:10	7:10
Total return on equity, %	23.7	20.0	6.0	20.1	24.4	23.9	21.3	18.8	—	—
Total earnings per share, SEK after actual tax	63:10	48:00	13:40	37:20	36:50	30:40	23:10	14:90	—	—
after actual tax and completed conversion	52:80	38:40	10:60	29:00	27:60	22:40	17:00	11:00	—	—
after full tax	53:80	30:00	12:60	37:50	25:10	21:20	19:50	13:80	—	—
Dividend per share, SEK, adjusted for share issues*	13:00	11:00	9:00	8:00	7:50	6:00	5:00	4:20	3:66	3:33
Dividend payment expressed in % of adjusted equity	5.2	5.1	4.5	4.3	5.0	4.7	4.6	4.5	5.4	5.2
Financial position										
Balance sheet total	26,281	23,527	24,478	21,767	17,832	11,270	9,078	6,965	5,424	5,103
Accounts receivable	5,948	5,603	6,032	4,750	3,976	3,311	2,550	1,824	1,549	1,378
Accounts receivable as % of sales	17.0	17.4	19.1	17.9	17.4	21.9	21.2	19.7	20.3	21.4
Inventories	8,032	7,518	8,355	8,048	6,942	4,340	3,373	2,753	2,122	1,878
Inventories as % of sales	23.0	23.4	26.4	30.3	30.3	28.7	28.1	29.8	27.8	29.2
Risk capital	9,210	7,765	6,886	6,407	5,336	3,861	3,171	2,669	1,973	1,813
Risk capital per share, SEK	337	297	267	252	215	161	131	111	82	75
Risk capital ratio, %	35.0	33.0	28.1	29.4	29.9	34.3	34.9	38.3	36.4	35.5
Adjusted equity	6,903	5,651	5,204	4,761	3,697	3,077	2,638	2,243	1,645	1,478
Adjusted equity per share, SEK	252	216	202	187	149	128	109	93	68	61
Equity/assets ratio acc to full tax method, %	26.3	24.0	21.3	21.9	20.7	27.3	29.1	32.2	30.3	29.0
Other information										
Capital expenditure on real estate, machinery, equipment and tools excluding assets held by companies acquired during the year	1,694	1,374	1,406	1,514	2,515	863	863	448	452	414
Capital expenditure expressed in % of sales	4.6	4.2	4.2	4.7	5.4	4.7	4.6	4.8	4.6	5.3
Number of employees	89,500	88,800	100,400	101,700	102,900	82,000	75,600	69,500	71,600	65,900
Wages, salaries and other remuneration	7,373	6,852	7,195	6,357	5,403	3,936	3,391	2,975	2,345	2,064
Number of stockholders	52,000	51,000	52,000	51,000	43,000	41,000	41,000	39,000	35,000	35,000

Definitions, see page 52.

*) For 1984 as proposed by the Bord of Directors.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 3.00 pm on Thursday, May 23, 1985 at Skandinaviska Enskilda Banken, No 8 Kungsträdgårdsgatan, Stockholm.

Right to participate

In order to be entitled to participate in the Annual General Meeting, stockholders shall be registered in the register maintained by Värdepapperscentralen VPC AB not later than Monday, May 13, 1985.

Stockholders whose shares are registered in the name of trustees through the trust department of a bank or stockbroker should have their shares temporarily registered with VPC under their own name no later than Monday, May 13, 1985.

Notice of participation

Apart from the above registration, notice

of intent to participate must be given to Electrolux not later than May 20, 1985 at 4.00 pm. This can be done by mail to AB Electrolux, Dept. C-J, S-105 45 STOCKHOLM, Sweden, or by telephone to +46 (8) 738 67 93.

Payment of dividend

The Board proposes May 29, 1985 as the reconciliation date. Subject to the Annual General Meeting agreeing to this proposal it is expected that dividends will be sent out by VPC on June 5, 1985.

Change of address

Stockholders who have changed their name, address or bank account number should inform their trustee or Värdepapperscentralen VPC AB, Box 7444, S-103 91 STOCKHOLM, Sweden, as soon as possible.

IN 1985 ELECTROLUX WILL PUBLISH THE FOLLOWING FINANCIAL REPORTS:

Preliminary year-end results	early February
Final year-end results	end of March
Annual report	early May
Quarterly report (first quarter)	end of May
Half-yearly report	end of August
Quarterly report (third quarter)	end of November

These reports can be ordered from AB Electrolux, Information Department, S-10545 STOCKHOLM Sweden.



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-  Gränges
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Front and back cover:
An illustration of development
of sales in Group activities
during the past fifteen years.

