

- Net income per share rose by 30% over last year -

| <i>Amounts in SEKm, unless otherwise indicated</i> | First quarter, 2000 | First quarter, 1999 | Change, % |
|--|--------------------------------|------------------------|--------------|
| Net sales | 31,229 | 29,053 | 7 |
| Operating income ¹⁾ | 2,050 | 1,656 | 24 |
| <i>Margin, %</i> | 6.6 | 5.7 | |
| Income after financial items | 1,786 | 1,384 | 29 |
| <i>Margin, %</i> | 5.7 | 4.8 | |
| Net income per share, SEK | 3.25 | 2.50 | 30 |
| Value creation ²⁾ | 691 | 183 | 278 |
| Return on equity, % | 18.4 | 14.9 | |

1) Includes capital gain of slightly more than SEK 200m, and a provision in the same amount for restructuring within Professional indoor products.

2) See definition on page 3.

- **Stronger demand in all major markets**
- **Higher operating income and margin for both Consumer Durables and Professional Products**
- **Value created almost three times greater than in first quarter last year**
- **Board proposes repurchasing own shares to AGM**

Net sales and income

Sales for Electrolux in the first quarter of 2000 rose to SEK 31,229m, as against SEK 29,053m for the corresponding period last year. This corresponds to an increase of 7.5%, of which -3.3% refers to changes in Group structure, +1.4% to changes in exchange rates, and +9.4% to price/mix/volume. For changes in Group structure, see page 5.

Operating income rose by 24% to SEK 2,050m (1,656), corresponding to 6.6% (5.7) of net sales, and income after financial items rose by 29% to SEK 1,786m (1,384), corresponding to 5.7% (4.8) of net sales. Net income rose by 30% to SEK 1,188m (912), which corresponds to SEK 3.25 (2.50) per share.

Operating income includes a capital gain of slightly more than SEK 200m on the divestment of the major part of the operation in professional refrigeration equipment, which was completed on January 31, 2000. A provision in a corresponding amount was made during the quarter for continued restructuring, in order to put the new Professional Indoor Products organization in place.

Changes in exchange-rates during the period, i.e. both transactions and translations, had a net positive effect of approximately SEK 170m on operating income for the period.

Cash flow

The cash flow generated by operations after investments and adjusted for exchange-rate effects amounted to SEK -1,970m (-3,699). The improvement is traceable mainly to the proceeds on divestment of the operation in professional refrigeration equipment as well as to higher income.

Cash flow is normally weak during the first and second quarters, as a result of a build-up of inventories and accounts receivable prior to a seasonal increase in sales of outdoor products, room air-conditioners and refrigerators and freezers.

Equity and net debt/equity ratio

Equity as of March 31, 2000 amounted to SEK 26,390m (23,991), which corresponds to SEK 72.10 (65.50) per share.

Average net assets for the period amounted to SEK 37,510m (41,484).

The return on equity after taxes was 18.4% (14.9), and the return on net assets was 21.9% (16.0).

Net borrowings declined to SEK 15,539m (21,166) and the net debt/equity ratio improved to 0.57 (0.85).

Liquid funds at the end of the period amounted to SEK 8,552m (8,872).

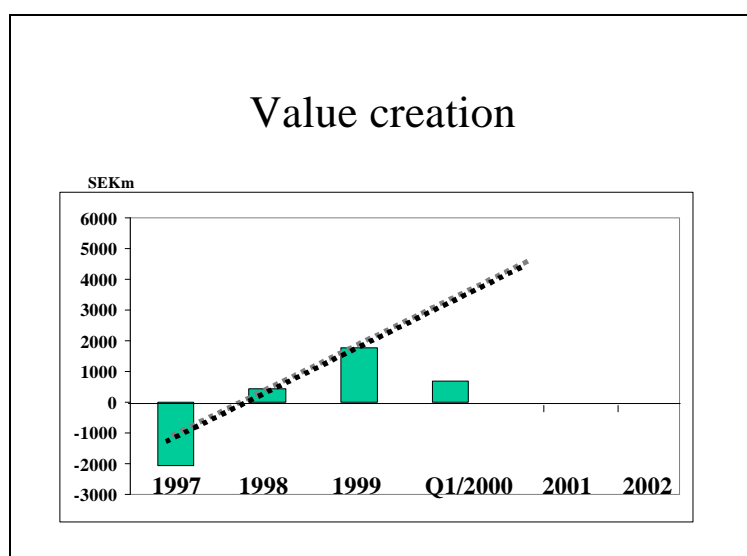
Value creation

During the first quarter of 2000 the Group created total value of SEK 691m, as compared to SEK 183m in the first quarter of last year. The increase refers to a higher sales growth, increased operating income as well as lower net assets. The value created in each business area is shown in the table below.

| | First quarter, 2000 | First quarter, 1999 | Change, % | Full year, 1999 |
|------------------------------------|---------------------------|---------------------------|--------------|-----------------------|
| Consumer Durables | | | | |
| Europe | 233 | 166 | 40 | 988 |
| Nort America | 460 | 247 | 86 | 1.035 |
| Rest of the world | -319 | -362 | | -1.267 |
| <i>Total Consumer Durables</i> | 374 | 51 | 633 | 756 |
| Professional products | | | | |
| Indoor | 224 | 121 | 85 | 897 |
| Outdoor | 228 | 144 | 58 | 644 |
| <i>Total Professional Products</i> | 452 | 265 | 71 | 1.541 |
| Common Group costs | -89 | -112 | | -399 |
| Other | -46 | -21 | | -116 |
| Total Group | 691 | 183 | 278 | 1.782 |

In 1997-1999 the Group achieved annual average growth in value of SEK 1,200m. The goal for the next three years is to continue this positive trend, which means creating growth in value of at least SEK 1,000m annually.

Value creation is defined as operating income excluding items affecting comparability, less a weighted average cost of capital (WACC) on average net assets. The Group's WACC is calculated at 14% before tax.



The goal for the next three years is to create growth in value of at least SEK 1,000m annually.

Operations by business area

Consumer Durables

The market for white goods in Western Europe increased in volume by about 9% over the first quarter of 1999. Group sales of white goods in Europe, through Electrolux Home Products, showed good growth in volume. Operating income improved as a result of higher volumes and greater internal efficiency. The costs for the formation of a pan-European organization have not yet been compensated for by lower operational costs.

In the US, the market for white goods showed an increase in volume of about 7%. Sales for Frigidaire Home Products continued to show strong growth, and operating income improved over the previous year.

Demand for room air-conditioners was higher than last year in the US market. Group sales in this product area rose, and operating income improved.

Demand for white goods rose in Brazil as well. The Brazilian white-goods operation achieved higher sales volume. Operating income declined, however, as a result of weak price trends.

As a whole the Group's white-goods operation reported good growth in operating income, and margin improved.

Demand for floor-care products rose strongly, particularly in the US, but the European market also increased. The floor-care product line continued to achieve good growth in sales and income in both markets. Income also improved in Asia and Oceania as a result of restructuring. Overall, operating income showed a significant increase over last year and margin improved.

In Outdoor products, the Group reported good sales growth in Europe and the US. Operating income improved for both the European and the American operations.

Total sales for Consumer Durables were higher than in the first quarter of 1999. Operating income rose considerably, and margin improved.

Professional indoor products

Demand for food-service equipment in Europe was largely unchanged. Overall sales for this product line declined somewhat in comparison with the first quarter of last year. Operating income improved, however, on the basis of a strong performance in Southern Europe and the effects of previously implemented restructuring.

Sales of laundry equipment rose in several markets in Europe as well as in the US, but declined in others, including Japan. Total operating income for this product line was somewhat lower than in the first quarter of 1999, and margin declined, primarily as a result of an unfavorable product mix.

Demand rose for absorption refrigerators and other products for the recreational vehicle industry, in both Europe and the US. The Group's leisure appliances product line reported continued good growth in sales and income.

Market demand for compressors and motors rose in Europe, the US and Asia in comparison with the first quarter of 1999. The Group achieved higher sales volumes, and the components product line reported substantially higher operating income and margin.

Professional outdoor products

Demand for professional chainsaws rose in all markets except Eastern Europe. The market in Western Europe showed strong growth following storms at the beginning of the year. The Group achieved strong sales growth and a substantial improvement in operating income.

The US operation in landscape maintenance equipment that was acquired in October 1999 reported improved sales and income.

Overall, sales for Professional Products increased over last year after adjustment for divested operations. Operating income and margin improved considerably.

Major changes in the Group

The divestment of the major part of the operation in professional refrigeration equipment was completed as of January 31, 2000. Divestment of the remaining operations in Brazil, China and Eastern Europe is scheduled for completion during the spring of 2000. In 1999 this product line had sales of SEK 2,279m and about 2,000 employees.

Divested operations, i.e. professional refrigeration equipment, food and beverage vending machines and the major part of direct sales, contributed approximately SEK 1,000m in net sales and approximately SEK 60m in operating income during the first quarter of 1999.

Repurchase of own shares

The Board of Directors of AB Electrolux has decided to propose that the Annual General Meeting authorize the Board during the period up to the next Annual General Meeting to decide on acquisition and sale of the Company's own shares of series A and series B.

The intention is among other things to continuously be able to adapt the capital structure to the needs of the Company, thereby contributing to increased shareholder value, or in connection with financing of potential company acquisitions.

The proposal stipulates that a maximum of 10% of the total number of shares may be acquired, and that sale may be effected with respect to shares held by the Company. Both acquisition and sale would be implemented through offers directed to all shareholders, or by transactions on any stock exchange or regulated market where the Company's shares are quoted.

Sales may also be made in connection with company acquisitions with deviation from the preferential rights of shareholders. Payment for shares sold may be made in cash, in kind, or by offsetting of claims against the Company.

Shares may be acquired or sold through transactions on a stock exchange or regulated market where the Company's shares are quoted only at a price per share within the at each time registered interval between the highest buying price and the lowest selling price.

In order to cost-effectively meet Electrolux' obligations under the Company's 1998 and 1999 incentive programs, the Board has also decided to propose that the Annual General Meeting decides on selling Company shares within the framework of these programs.

Outlook for 2000

During the first quarter of 2000 market demand was higher than last year in most of the Group's product areas.

Demand is expected to remain good in all major markets during the rest of the year. In line with established targets, the Group should be able to create considerably more value in 2000 than in 1999.

Stockholm, April 25, 2000

Michael Treschow
President and CEO

Factors affecting forward-looking statements

The Report by the President and CEO and the Report by the Board of Directors contain "forward-looking" statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Such statements include, among others, the financial goals or targets of Electrolux for future periods and future business and financial plans. Actual results may differ materially from these goals and targets due to a variety of factors. These factors include but may not be limited to the following; the success in developing new products and marketing initiatives, progress in achieving operational and capital efficiency goals, the success in identifying growth opportunities and acquisition candidates, and the integration of these opportunities with existing businesses, progress in achieving structural and supply-chain reorganization goals, competitive pressures to reduce prices, significant loss of business from major retailers, consumer demand, and the effect of local economies on product demand.

| Consolidated income statement, SEKm | First quarter, 2000 | First quarter, 1999 | Full year, 1999 |
|---|----------------------------|---------------------|-----------------|
| Net sales | 31,229 | 29,053 | 119,550 |
| Cost of goods sold | -23,400 | -21,559 | -87,288 |
| Selling expense | -4,247 | -4,314 | -18,450 |
| Administrative expense | -1,537 | -1,545 | -6,261 |
| Other operating income/expense | 5 | 21 | -131 |
| Items affecting comparability | - | - | -216 |
| Operating income* | 2,050 | 1,656 | 7,204 |
| <i>Margin, %</i> | 6.6 | 5.7 | 6.0 |
| Financial items, net | -264 | -272 | -1,062 |
| Income after financial items | 1,786 | 1,384 | 6,142 |
| <i>Margin, %</i> | 5.7 | 4.8 | 5.1 |
| Taxes | -620 | -473 | -2,005 |
| Minority interests in net income | 22 | 1 | 38 |
| Net income | 1,188 | 912 | 4,175 |
| <i>* Including depreciation in the amount of:</i> | -923 | -985 | -3,905 |

| Consolidated balance sheet, SEKm | March 31, 2000 | March 31, 1999 | Full year, 1999 |
|---|-----------------------|----------------|-----------------|
| Fixed assets | 27,095 | 26,474 | 28,051 |
| Inventories, etc. | 16,940 | 17,656 | 16,171 |
| Accounts receivable | 26,083 | 24,749 | 21,513 |
| Other receivables | 5,903 | 5,175 | 5,597 |
| Liquid funds | 8,552 | 8,872 | 10,312 |
| Total assets | 84,573 | 82,926 | 81,644 |
| Shareholders' equity | 26,390 | 23,991 | 25,781 |
| Minority interests | 813 | 873 | 825 |
| Interest-bearing liabilities and provisions | 24,091 | 30,038 | 23,735 |
| Non-interest-bearing liabilities and provisions | 33,279 | 28,024 | 31,303 |
| Total equity and liabilities | 84,573 | 82,926 | 81,644 |

| Consolidated cash-flow statement | First quarter, 2000 | First quarter, 1999 | Full year, 1999 |
|--|------------------------------------|------------------------------------|--------------------------------|
| Operations and investments | | | |
| Income after financial items | 1,786 | 1,384 | 6,142 |
| Depreciation according to plan charged against above income | 923 | 985 | 3,905 |
| Capital gain/loss included in operating income | - | - | -1,620 |
| Provision for restructuring | -21 | -197 | -507 |
| Provision for pension litigation | - | - | 1,841 |
| Taxes paid | -151 | -24 | -2,166 |
| Changes in operating assets and liabilities | -5,080 | -4,619 | 1,065 |
| Cash flow from operations | -2,543 | -2,471 | 8,660 |
| Investments/divestments in operations | 1,170 | -322 | 1,702 |
| Capital expenditure | -924 | -756 | -4,439 |
| Other | 327 | -150 | -400 |
| Total cash flow from operations and investments | -1,970 | -3,699 | 5,523 |
| Change in short-term loans | 2,055 | 7 | -4,039 |
| Change in long-term loans | -1,704 | 1,525 | -553 |
| Dividend | - | - | -1,099 |
| Total cash flow | -1,619 | -2,167 | -168 |
| Liquid funds at beginning of year | 10,312 | 11,387 | 11,387 |
| Exchange-rate differences referring to liquid funds | -141 | -348 | -907 |
| Liquid funds at end of period | 8,552 | 8,872 | 10,312 |
| Change in net borrowings | | | |
| Total cash flow excl. change in loans | -1,970 | -3,699 | 4,646 |
| Net borrowings at beginning of year | -13,423 | -17,966 | -17,966 |
| Exchange-rate differences referring to net borrowings | -146 | 499 | -103 |
| Net borrowings at end of period | -15,539 | -21,166 | -13,423 |

Net sales and operating income by business area, SEKm

| | Net sales | | | Operating income | | |
|------------------------------------|---------------------|---------------------|----------------|---------------------|---------------------|-----------------|
| | First quarter, 2000 | First quarter, 1999 | Full year 1999 | First quarter, 2000 | First quarter, 1999 | Full year, 1999 |
| Consumer Durables | | | | | | |
| Europe | 10,535 | 10,338 | 43,267 | 557 | 497 | 2,341 |
| <i>Margin, %</i> | | | | 5.3 | 4.8 | 5.4 |
| North America | 12,603 | 10,768 | 42,466 | 935 | 757 | 3,054 |
| <i>Margin, %</i> | | | | 7.4 | 7.0 | 7.2 |
| Rest of the world | 1,478 | 1,344 | 5,984 | -101 | -95 | -401 |
| <i>Margin, %</i> | | | | -6.8 | -7.1 | -6.7 |
| Total Consumer Durables | 24,616 | 22,450 | 91,717 | 1,391 | 1,159 | 4,994 |
| <i>Margin, %</i> | | | | 5.7 | 5.2 | 5.4 |
| Professional Products | | | | | | |
| Indoor | 4,398 | 4,910 | 20,450 | 423 | 384 | 1,912 |
| <i>Margin, %</i> | | | | 9.6 | 7.8 | 9.3 |
| Outdoor | 2,140 | 1,629 | 7,100 | 325 | 230 | 963 |
| <i>Margin, %</i> | | | | 15.2 | 14.1 | 13.6 |
| Total Professional Products | 6,538 | 6,539 | 27,550 | 748 | 614 | 2,875 |
| <i>Margin, %</i> | | | | 11.4 | 9.4 | 10.4 |
| Other | 75 | 64 | 283 | 1 | -8 | -51 |
| Common Group costs | - | - | - | -90 | -109 | -398 |
| Items affecting comparability | - | - | - | - | - | -216 |
| Total | 31,229 | 29,053 | 119,550 | 2,050 | 1,656 | 7,204 |

Value creation, SEKm

| | First quarter, 2000 | First quarter, 1999 | Full year 1999 |
|------------------------------------|---------------------|---------------------|----------------|
| Consumer Durables | | | |
| Europe | 233 | 166 | 988 |
| North America | 460 | 247 | 1,035 |
| Rest of the world | -319 | -362 | -1,267 |
| Total Consumer Durables | 374 | 51 | 756 |
| Professional Products | | | |
| Indoor | 224 | 121 | 897 |
| Outdoor | 228 | 144 | 644 |
| Total Professional Products | 452 | 265 | 1,541 |
| Common Group costs | -89 | -112 | -399 |
| Other | -46 | -21 | -116 |
| Total | 691 | 183 | 1,782 |

| Key ratios | First quarter, 2000 | First quarter, 1999 | Full year, 1999 |
|---|------------------------------------|---------------------------|-----------------------|
| Net income per share, SEK ¹⁾ | 3.25 | 2.50 | 11.40 |
| Return on equity, % ²⁾ | 18.4 | 14.9 | 17.1 |
| Return on net assets, % ³⁾ | 21.9 | 16.0 | 18.3 |
| Net debt/equity ratio ⁴⁾ | 0.57 | 0.85 | 0.50 |
| Capital expenditure, SEKm | 924 | 756 | 4,439 |
| Average number of employees | 88,700 | 93,900 | 92,916 |

1) After a stock split of 5:1 in June 1998, the number of shares amounts to 366.2 million.

2) Annualized net income for the year, expressed as a percentage of opening equity.

3) Annualized operating income, expressed as a percentage of average net assets. The definition of net assets has been changed as of 1999, so that they now comprise only assets that generate operating income, i.e. interest-bearing financial receivables are excluded.

4) Net borrowings, i.e. interest-bearing liabilities less liquid funds, in relation to adjusted equity. The latter is defined as equity including minority interests.

Quarterly figures

Net sales and income, per quarter

| | | 1 st qtr | 2 nd qtr | 3 rd qtr | 4 th qtr | Full year |
|------------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|-----------|
| Net sales, SEKm | 2000 | 31,229 | | | | |
| | 1999 | 29,053 | 33,021 | 29,070 | 28,406 | 119,550 |
| Operating income, SEKm | 2000 | 2,050 | | | | |
| | <i>Margin,%</i> | 6.6 | | | | |
| | 1999 | 1,656 | 2,151 | 1,539 | 1,858 | 7,204 |
| | <i>Margin,%</i> | 5.7 | 6.5 | 5.3 | 6.5 | 6.0 |
| | 1999 ¹⁾ | 1,656 | 2,151 | 1,755 | 1,858 | 7,420 |
| | <i>Margin,%</i> | 5.7 | 6.5 | 6.0 | 6.5 | 6.2 |
| Income after financial items, SEKm | 2000 | 1,786 | | | | |
| | <i>Margin,%</i> | 5.7 | | | | |
| | 1999 | 1,384 | 1,835 | 1,354 | 1,569 | 6,142 |
| | <i>Margin,%</i> | 4.8 | 5.6 | 4.7 | 5.5 | 5.1 |
| | 1999 ¹⁾ | 1,384 | 1,835 | 1,570 | 1,569 | 6,358 |
| | <i>Margin,%</i> | 4.8 | 5.6 | 5.4 | 5.5 | 5.3 |
| Net income, SEKm | 2000 | 1,188 | | | | |
| | 1999 | 912 | 1,188 | 1,024 | 1,051 | 4,175 |
| | 1999 ¹⁾ | 912 | 1,188 | 1,049 | 1,051 | 4,200 |
| Net income per share, SEK | 2000 | 3.25 | | | | |
| | 1999 | 2.50 | 3.25 | 2.80 | 2.85 | 11.40 |
| | 1999 ¹⁾ | 2.50 | 3.25 | 2.85 | 2.85 | 11.45 |
| Value creation, SEKm | 2000 | 691 | | | | |
| | 1999 | 183 | 657 | 380 | 562 | 1,782 |

1) Exclusive of items affecting comparability, which in 1999 comprised a provision of USD 225m (SEK 1,841m) in the third quarter, and a capital gain of SEK 1,625m also in the third quarter.

Net sales by business area, per quarter, SEKm

| <i>Consumer Durables</i> | | 1 st qtr | 2 nd qtr | 3 rd qtr | 4 th qtr | Full year |
|---------------------------------------|-------------|---------------------|---------------------|---------------------|---------------------|-----------|
| Europe | 2000 | 10,535 | | | | |
| | 1999 | 10,338 | 10,633 | 10,960 | 11,336 | 43,267 |
| North America | 2000 | 12,603 | | | | |
| | 1999 | 10,768 | 13,043 | 9,960 | 8,695 | 42,466 |
| Rest of the world | 2000 | 1,478 | | | | |
| | 1999 | 1,344 | 1,557 | 1,511 | 1,572 | 5,984 |
| Total Consumer Durables | 2000 | 24,616 | | | | |
| | 1999 | 22,450 | 25,233 | 22,431 | 21,603 | 91,717 |
| <i>Professional Products, Indoor</i> | 2000 | 4,398 | | | | |
| | 1999 | 4,910 | 5,674 | 5,006 | 4,860 | 20,450 |
| <i>Professional Products, Outdoor</i> | 2000 | 2,140 | | | | |
| | 1999 | 1,629 | 2,043 | 1,552 | 1,876 | 7,100 |
| Total Professional Products | 2000 | 6,538 | | | | |
| | 1999 | 6,539 | 7,717 | 6,558 | 6,736 | 27,550 |

Operating income by business area, per quarter, SEKm

| <i>Consumer Durables</i> | | 1 st qtr | 2 nd qtr | 3 rd qtr | 4 th qtr | Full year |
|---------------------------------------|-----------------|---------------------|---------------------|---------------------|---------------------|-----------|
| Europe | 2000 | 557 | | | | |
| | <i>Margin,%</i> | 5.3 | | | | |
| | 1999 | 497 | 435 | 632 | 777 | 2,341 |
| | <i>Margin,%</i> | 4.8 | 4.1 | 5.8 | 6.9 | 5.4 |
| North America | 2000 | 935 | | | | |
| | <i>Margin,%</i> | 7.4 | | | | |
| | 1999 | 757 | 1,025 | 650 | 622 | 3,054 |
| | <i>Margin,%</i> | 7.0 | 7.9 | 6.5 | 7.2 | 7.2 |
| Rest of the world | 2000 | -101 | | | | |
| | <i>Margin,%</i> | -6.8 | | | | |
| | 1999 | -95 | -98 | -62 | -146 | -401 |
| | <i>Margin,%</i> | -7.1 | -6.3 | -4.1 | -9.3 | -6.7 |
| <i>Professional Products, Indoor</i> | 2000 | 423 | | | | |
| | <i>Margin,%</i> | 9.6 | | | | |
| | 1999 | 384 | 645 | 431 | 452 | 1,912 |
| | <i>Margin,%</i> | 7.8 | 11.4 | 8.6 | 9.3 | 9.3 |
| <i>Professional Products, Outdoor</i> | 2000 | 325 | | | | |
| | <i>Margin,%</i> | 15.2 | | | | |
| | 1999 | 230 | 265 | 198 | 270 | 963 |
| | <i>Margin,%</i> | 14.1 | 13.0 | 12.8 | 14.4 | 13.6 |
| Other | 2000 | 1 | | | | |
| | 1999 | -8 | -14 | -7 | -22 | -51 |
| Common Group costs | 2000 | -90 | | | | |
| | 1999 | -109 | -107 | -87 | -95 | -398 |
| Items affecting comparability | 2000 | | | | | |
| | 1999 | | | -216 | | -216 |

This report has not been audited.

Financial reports in 2000

Quarterly report, 2nd quarter

August 11

Quarterly report, 3rd quarter

October 27

Financial information from Electrolux is also available on Internet at www.electrolux.com