The Electrolux Group.
The world’s No.1 choice.

Nine months results, 2001

Michael Treschow,
President & CEO
New line of household appliances
Industry shipments and estimated trend in demand, Q3 2001

North America
- Core appliances
- Air-cond.
- Vacuum cleaners
- Outdoor products

Europe
- Core appliances
- Vacuum cleaners
- Professional appliances
- Outdoor products

Asia
- Core appliances
- Professional appliances
- Outdoor products

Brazil
- White goods

Australia
- White goods

1) Consumer products
2) Professional products
Core appliances, Europe
Industry unit shipments

Change in % vs same period previous year

= Full year

Western Europe

Total Europe  +3.8%  +1.6%  +3.5%  -0.8% 1

1. Year to date
Core appliances, Western Europe
Industry unit shipments

Q3 2001/Q3 2000
9 months 2001/ 9 months 2000

FR GB IT ES DE IE GR LU PT AT CH NL BE NO DK FI SE Total Europe

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## Sales and earnings
Excl. items affecting comparability

<table>
<thead>
<tr>
<th></th>
<th>net sales</th>
<th>95,072</th>
<th>9.3%</th>
<th>32,793</th>
<th>29,644</th>
<th>11%</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEKm</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>103,922</td>
<td>95,072</td>
<td>9.3%</td>
<td>32,793</td>
<td>29,644</td>
<td>11%</td>
</tr>
<tr>
<td>Operating income</td>
<td>4,973</td>
<td>6,333</td>
<td>-21%</td>
<td>1,085</td>
<td>1,830</td>
<td>-41%</td>
</tr>
<tr>
<td>Margin, %</td>
<td>4.8</td>
<td>6.7</td>
<td></td>
<td>3.3</td>
<td>6.2</td>
<td></td>
</tr>
<tr>
<td>Income after financial items</td>
<td>4,096</td>
<td>5,575</td>
<td>-27%</td>
<td>845</td>
<td>1,504</td>
<td>-44%</td>
</tr>
<tr>
<td>Margin, %</td>
<td>3.9</td>
<td>5.9</td>
<td></td>
<td>2.6</td>
<td>5.1</td>
<td></td>
</tr>
<tr>
<td>Net income per share, SEK</td>
<td>8.30</td>
<td>10.20</td>
<td>-19%</td>
<td>1.75</td>
<td>2.85</td>
<td>-39%</td>
</tr>
<tr>
<td>Value creation</td>
<td>229</td>
<td>2,137</td>
<td>-1,908</td>
<td>-453</td>
<td>406</td>
<td>-859</td>
</tr>
<tr>
<td>Return on equity, %</td>
<td>14.3</td>
<td>19.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on net assets, %</td>
<td>14.7</td>
<td>21.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net debt/equity ratio</td>
<td>0.30</td>
<td>0.61</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Working capital and cash flow
1998 - Q3, 2001

12 months figures

Cash flow: Cash flow from operations and investments excl. investments and divestments of operations
Total Group

Key Data 9m 2001

Sales: SEK 103,922  
+9%

EBIT: SEK 4,973m  
-21 %

Value creation:  
SEK 229m

WACC 2001 = 14%

Operating Margin % -12 months figures

Average Net Assets / Net Sales - 12 months figures

0.32 0.33 0.34 0.35 0.36 0.37
0 1 2 3 4 5 6 7


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Provision for restructuring, Q3 2001

- **Total amount SEK 1,763m**
  > 90% refers to Professional Indoor Products

- **Approx. 70% is write-down of assets**

- **14 projects**

- **Other operations under review**
  - *Production structure and costs for marketing and administration within major appliances, primarily in Europe*
  - *Further action considered within Professional Indoor Products*

- **Savings:** Approx. SEK 70m in 2001, SEK 400m in 2002, and SEK 500m annually after 2003

<table>
<thead>
<tr>
<th>Provision in Q3, 2001</th>
<th>Provision, cash effect, SEKm</th>
<th>Provision, write-down, SEKm</th>
<th>Total provision, SEKm</th>
<th>Personnel cutbacks</th>
<th>Savings (est) 2001, SEKm</th>
<th>Savings (est) 2002, SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Indoor Products</td>
<td>432</td>
<td>1,231</td>
<td>1,663</td>
<td>1,986</td>
<td>65</td>
<td>363</td>
</tr>
<tr>
<td>Consumer Durables, Outdoor</td>
<td>50</td>
<td>50</td>
<td>100</td>
<td>120</td>
<td>8</td>
<td>36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>482</strong></td>
<td><strong>1,281</strong></td>
<td><strong>1,763</strong></td>
<td><strong>2,106</strong></td>
<td><strong>73</strong></td>
<td><strong>399</strong></td>
</tr>
<tr>
<td>Provision in Q4, 2000</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>880</td>
<td>2,000</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>440</td>
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</table>
Consumer Durables, Europe

Key data 9m 2001
Sales: SEK 34,384m +10%
EBIT: SEK 1,610m +8%
Value creation: SEK 619m
Value creation change: SEK +28m

Graph:
- Average Net Assets / Net Sales
- Operating Margin %
- Value creation change: SEK +28m

Sales: SEK 34,384m +10%
EBIT: SEK 1,610m +8%
Value creation: SEK 619m
Value creation change: SEK +28m
Higher operating income for Consumer Durables, Europe

SG&A for Electrolux Home Products down to 18.0% (9m 2000: 20.4%)
EHP-Europe:
Profitable growth in a slow market

Highlights

- Volume growth well above market growth
- Continuous cost improvement
  - SG&A reduction of >2 pts of sales
  - Manufacturing productivity up
- Operating income up in value and margin %
- Market flat in WE but still positive in EE (excl. Turkey)
Market is slow

growth total European market in % compared to same period previous year*

<table>
<thead>
<tr>
<th></th>
<th>total 98</th>
<th>total 99</th>
<th>total 00</th>
<th>exp. 01</th>
<th>Q3 00</th>
<th>Q3 01</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.8</td>
<td>1.6</td>
<td>3.4</td>
<td>-0.8</td>
<td>4.6</td>
<td>-0.8</td>
</tr>
</tbody>
</table>

* including Turkey; w/o Turkey Q3 01 = +0.8%
EHP is increasing its market share

Share on total European market (TM+EM) white goods

* preliminary
**Consumer Durables, North America**

**Key data 9m 2001**

- **Sales**: SEK 37,566m, +2%
- **EBIT**: SEK 1,680m, -43%
- **Value creation**: SEK 92m
- **Value creation change**: SEK -1,416m

**Graph Details**

- **Average Net Assets / Net Sales** vs. **Operating Margin %**
- **Data Points**:
  - 2000: 0.32
  - 1999: 0.34
  - 1998: 0.36
  - 2001: 0.38

- **Key Words**: Refrigeration, Destocking
Costs for phase-in of new generation of refrigerators in US

- Negative effect on EBIT for 9 months: approx. USD 90m, of which USD 30m in Q3
- Production levels normalizing, costs too high
- Expected negative effect on EBIT in Q4, 2001: USD 10-15m
- Products well received by market
  - Side-by-side and top mount models
    -30/40% lower energy consumption
- Total investment: USD 200m
Production volume, shipments and employees

Production

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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</thead>
<tbody>
<tr>
<td>2000</td>
<td></td>
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<td>2001</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Total Production

- 2000: 2,451,000
- 2001: 2,015,000

Shipments

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>400,000</td>
<td>600,000</td>
<td>800,000</td>
<td>2,400,000</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>350,000</td>
<td>500,000</td>
<td>600,000</td>
<td>2,050,000</td>
<td></td>
</tr>
</tbody>
</table>

Total Shipments

- 2000: 2,400,000
- 2001: 2,050,000

Employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Average/Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>4,000</td>
<td>5,000</td>
<td>6,000</td>
<td>3,940</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>3,000</td>
<td>4,000</td>
<td>5,000</td>
<td>4,610</td>
<td></td>
</tr>
</tbody>
</table>

Employees Average/Year

- 2000: 3,940
- 2001: 4,610
Consumer Durables, Rest of the World

Key data 9m 2001
- Sales: SEK 10,971m (+69%)
- EBIT: SEK 196m
- Value creation: SEK -853m
- Value creation change: SEK +55m

Operating Margin % vs. Av Net Assets / Net Sales
- Australia on plan
- Negative trend in India

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Australia on plan
Negative trend in India
# Sales and income – appliances, Rest of the world

<table>
<thead>
<tr>
<th>Market</th>
<th>Sales</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td><img src="#" alt="Red Arrow" /></td>
<td><img src="#" alt="Yellow Arrow" /></td>
</tr>
<tr>
<td>China</td>
<td><img src="#" alt="Green Arrow" /></td>
<td><img src="#" alt="Green Arrow" /></td>
</tr>
<tr>
<td>ASEAN</td>
<td><img src="#" alt="Green Arrow" /></td>
<td><img src="#" alt="Green Arrow" /></td>
</tr>
<tr>
<td>India</td>
<td><img src="#" alt="Red Arrow" /></td>
<td><img src="#" alt="Red Arrow" /></td>
</tr>
<tr>
<td>Brazil</td>
<td><img src="#" alt="Red Arrow" /></td>
<td><img src="#" alt="Green Arrow" /></td>
</tr>
</tbody>
</table>
Professional Indoor Products

Key data 9m 2001
Sales: SEK 13,450m  
   +1%  
EBIT: SEK 963m  
   -32%  
Value creation: SEK 313m  
Value creation change: SEK -458m

Lower income for components
Components division performance

- Total sales approx. SEK 8.5 bn, incl. internal sales
  - Compressors approx. 60%
  - Motors approx. 30%
- 8,500 employees
- 17 plants in Europe, USA, China, India and Egypt
Compressors

Group operations in high labor cost countries

- Lower demand
- Industry overcapacity
- Increasingly negative gap price/variable cost
- Changes in refrigerants, energy efficiency requirements
- Competitors benefit from devaluated currencies

5 major competitors (*)

- Embraco, Matsushita, Tecumseh, Danfoss, LGE (2000 data)
- EU, US, Japan
- Egypt, Slovenia, Slovakia, Brazil, Mexico, Malaysia, Singapore, China, India, Korea

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- 70% (40.7m pcs.)
- 30% (17.8m pcs.)
- 17% (3.4m pcs.)
- 83% (16.5m pcs.)

Low labor cost countries (1)
High labor cost countries (2)

(*) Embraco, Matsushita, Tecumseh, Danfoss, LGE (2000 data)
(1) Egypt, Slovenia, Slovakia, Brazil, Mexico, Malaysia, Singapore, China, India, Korea
(2) EU, US, Japan
Provision in Q3, Professional Indoor Products

- **Total amount SEK 1,663m**
  >70% refers to write-down of assets

- **Personnel cutbacks of 1,986 through 2003**

- **Major actions considered refer mainly to Components**

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<th>Savings (est) 2002, SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food-service equipment</td>
<td>68</td>
<td>100</td>
<td>168</td>
<td>353</td>
<td>42</td>
<td>89</td>
</tr>
<tr>
<td>Components</td>
<td>320</td>
<td>1,131</td>
<td>1,451</td>
<td>1,612</td>
<td>19</td>
<td>246</td>
</tr>
<tr>
<td>Other</td>
<td>44</td>
<td>-</td>
<td>44</td>
<td>21</td>
<td>4</td>
<td>28</td>
</tr>
<tr>
<td><strong>Total Professional Indoor</strong></td>
<td><strong>432</strong></td>
<td><strong>1,231</strong></td>
<td><strong>1,663</strong></td>
<td><strong>1,986</strong></td>
<td><strong>65</strong></td>
<td><strong>363</strong></td>
</tr>
</tbody>
</table>
Professional Outdoor Products

Key data 9m 2001

Sales: SEK 7,325m
+19%

EBIT: SEK 982m
+10%

Value creation:
SEK 673m

Value creation change:
SEK +78m

Operating Margin

Average Net Assets / Net Sales
Summary - first nine months

Negatives
- Lower demand/shipments in US
- Weakening demand in Europe
- Retail destocking
- Poor season for outdoor and air conditioners
- Start-up costs in US
- Lower income for compressors
- Negative earnings trend in India

Positives
- Restructuring activities
- Continued focusing on core areas
- Trend for major appliances in Europe
- Positive operating income for ROW
- Professional Outdoor
- Improved cash flow
- Strong balance sheet
Outlook for rest of 2001

- No improvement in market conditions in Europe or US
- Increased uncertainty regarding consumer confidence and household purchases of Group products, particularly in US

“Although several operations will achieve improved income for 2001, the overall operating income for the full year, exclusive of items affecting comparability, will be significantly lower than in 2000.”

*Report for the first nine months of 2001*
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www.electrolux.com/ir
Factors affecting forward-looking statements

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