



***The Electrolux Group.***  
***The world's No.1 choice.***

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## **Full year results, 2001**

Michael Treschow,  
President & CEO

# Industry shipments and estimated trend in demand, Q4 2001

## North America

- Core appliances →
- Air-cond. →
- Vacuum cleaners →
- Outdoor products<sup>1)</sup> →  
• Outdoor products<sup>2)</sup> →

## Brazil

- White goods →

## Europe

- Core appliances →
- Vacuum cleaners →
- Professional appliances →
- Outdoor products<sup>1)</sup> →  
• Outdoor products<sup>2)</sup> →

## Asia

- Core<sup>3)</sup> appliances →
- Professional appliances →
- Outdoor products<sup>2)</sup> →

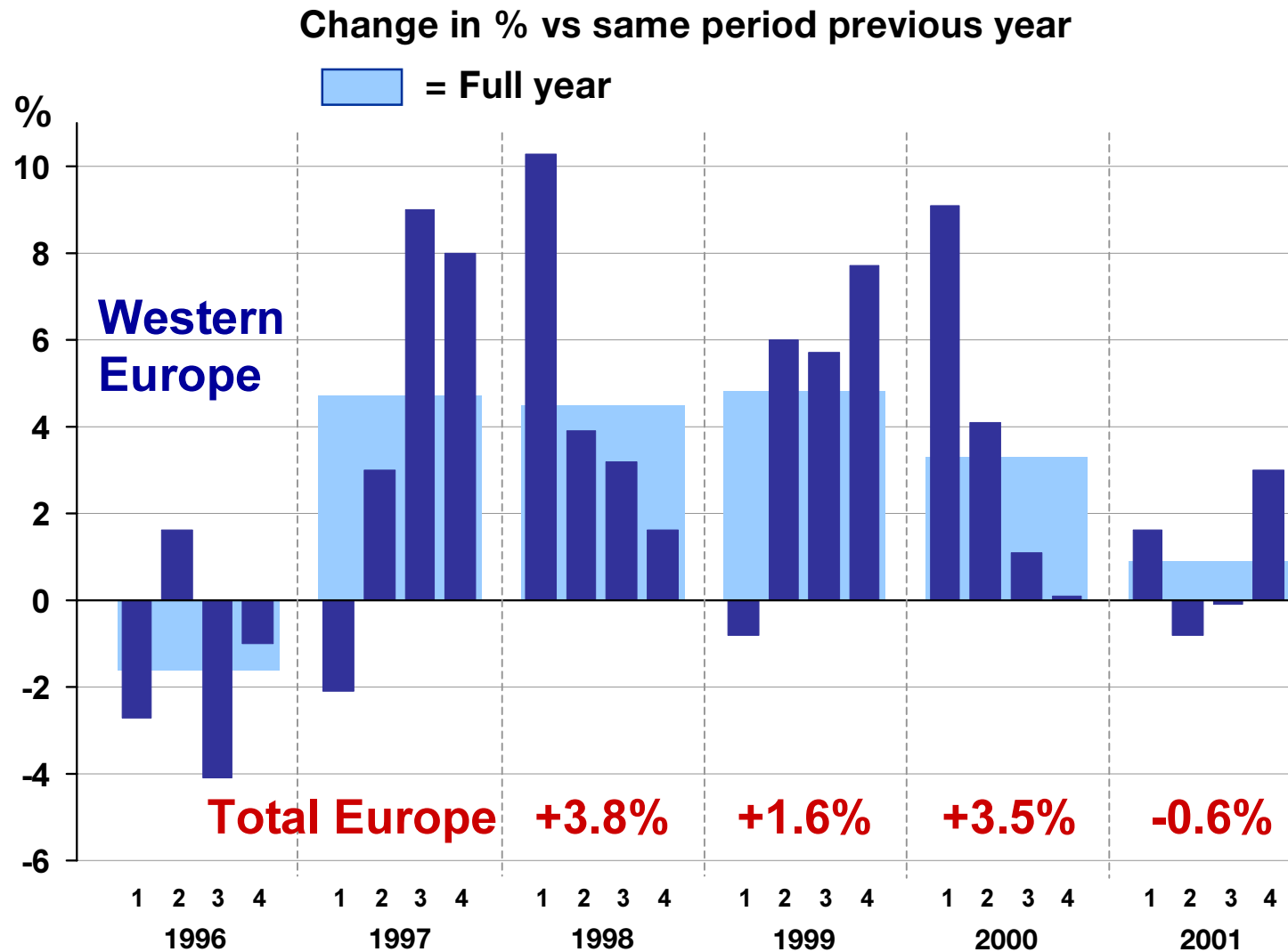
## Australia

- White goods →

- 1) Consumer products  
2) Professional products  
3) Excluding India

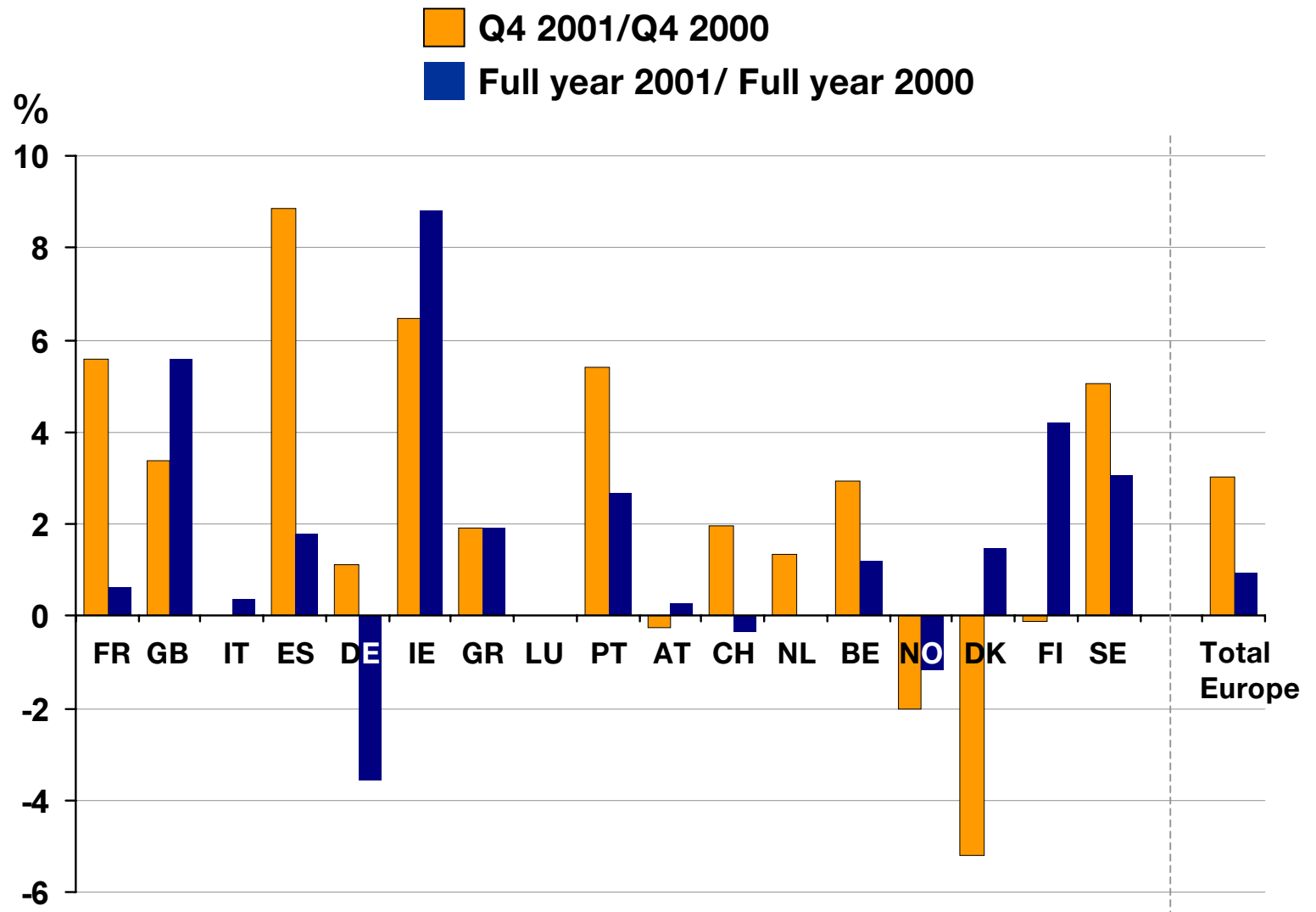
# Core appliances, Europe

## Industry unit shipments



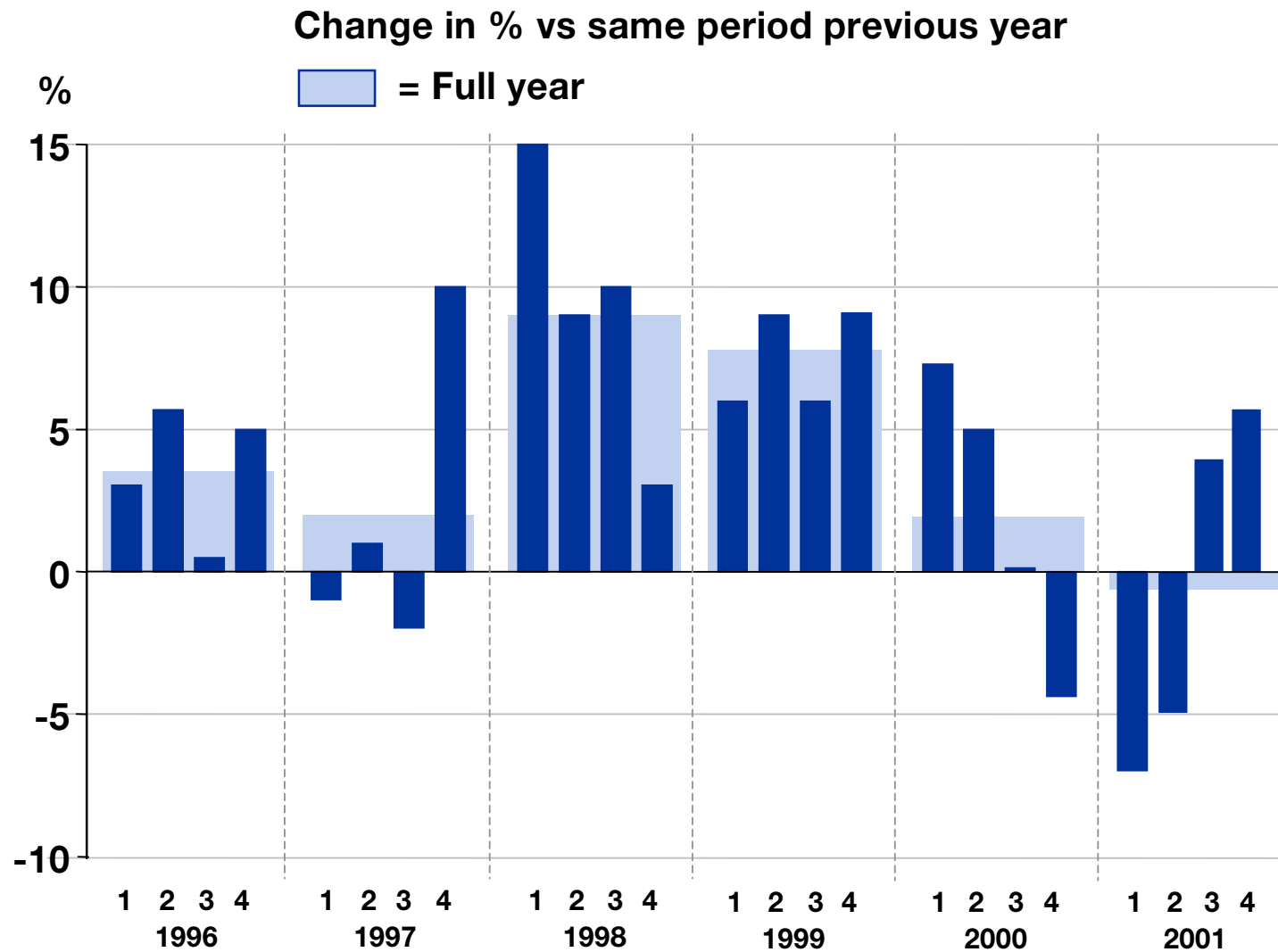
# Core appliances, Western Europe

## Industry unit shipments



# Core appliances, USA

## Industry unit shipments



# Sales and earnings

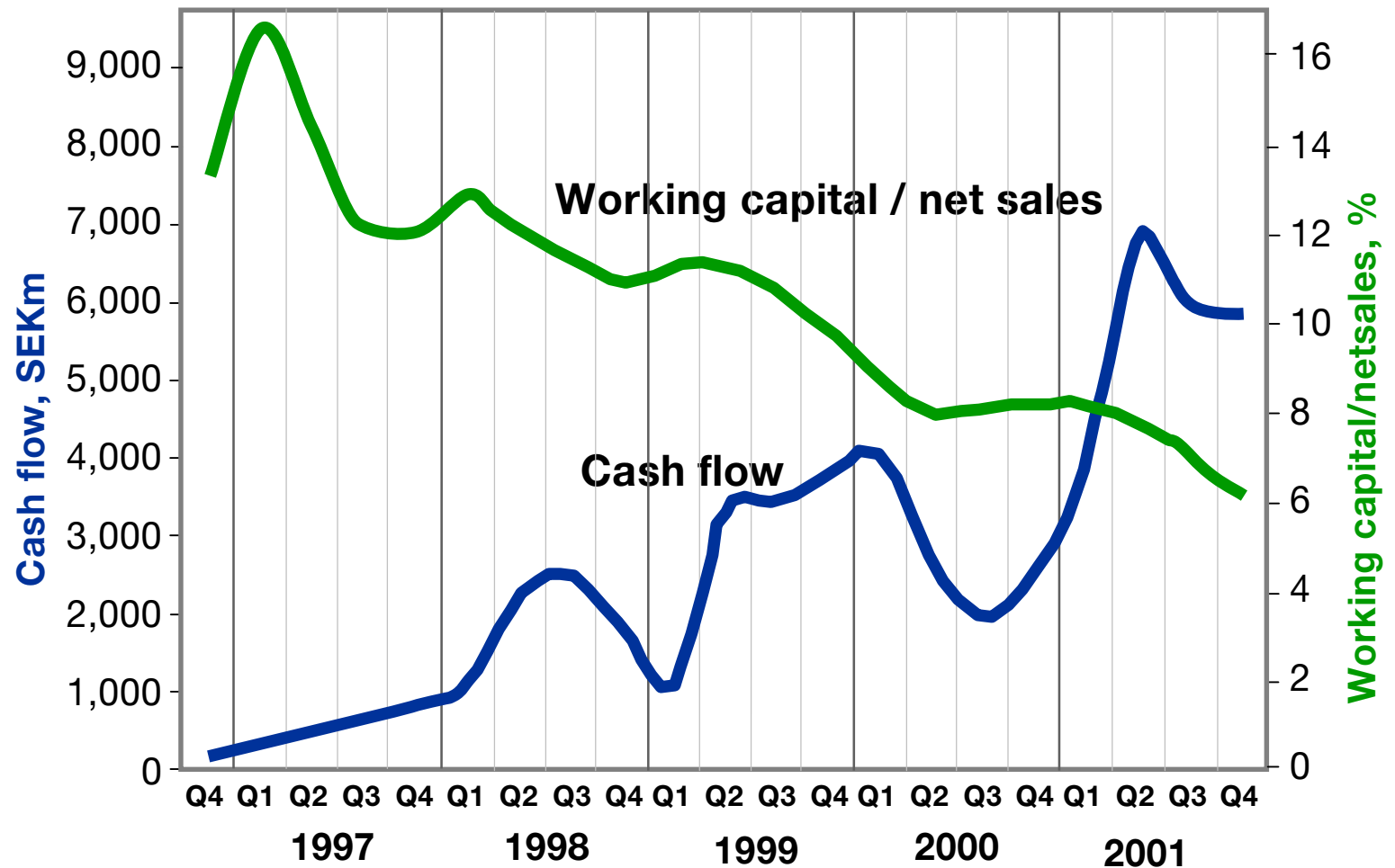
Excl. items affecting comparability

SEKm	Full year			Fourth quarter		
	2001	2000	Change	2001	2000	Change
Net sales	135,803	124,493	+9%	31,881	29,421	+8%
Operating income	6,422	8,050	-20%	1,449	1,717	-16%
Margin, %	4.7	6.5		4.5	5.8	
Income after financial items	5,356	6,978	-23%	1,260	1,403	-10%
Margin, %	3.9	5.6		4.0	4.8	
Net income per share, SEK	11.10	13.25	-16%	2.80	3.05	-8%
Value creation	262	2,423	-2,161	33	286	-253
Return on equity, %	12.9	18.2			-	
Return on net assets, %	14.6	20.0			-	
Net debt/equity ratio	0.37	0.63			-	

# Working capital and cash flow

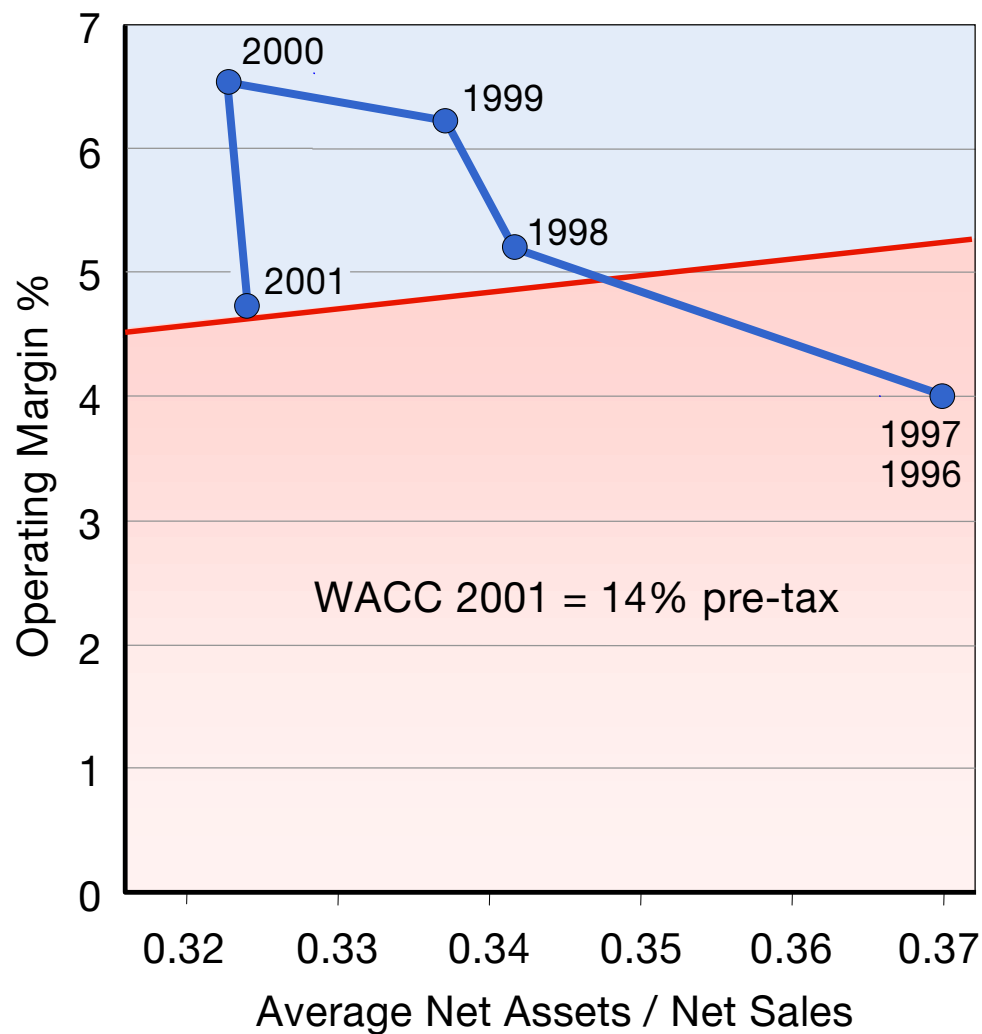
1997 - 2001

12 months figures



**Cash flow:** Cash flow from operations and investments excl. investments and divestments of operations

# Total Group



## Key Data FY 2001

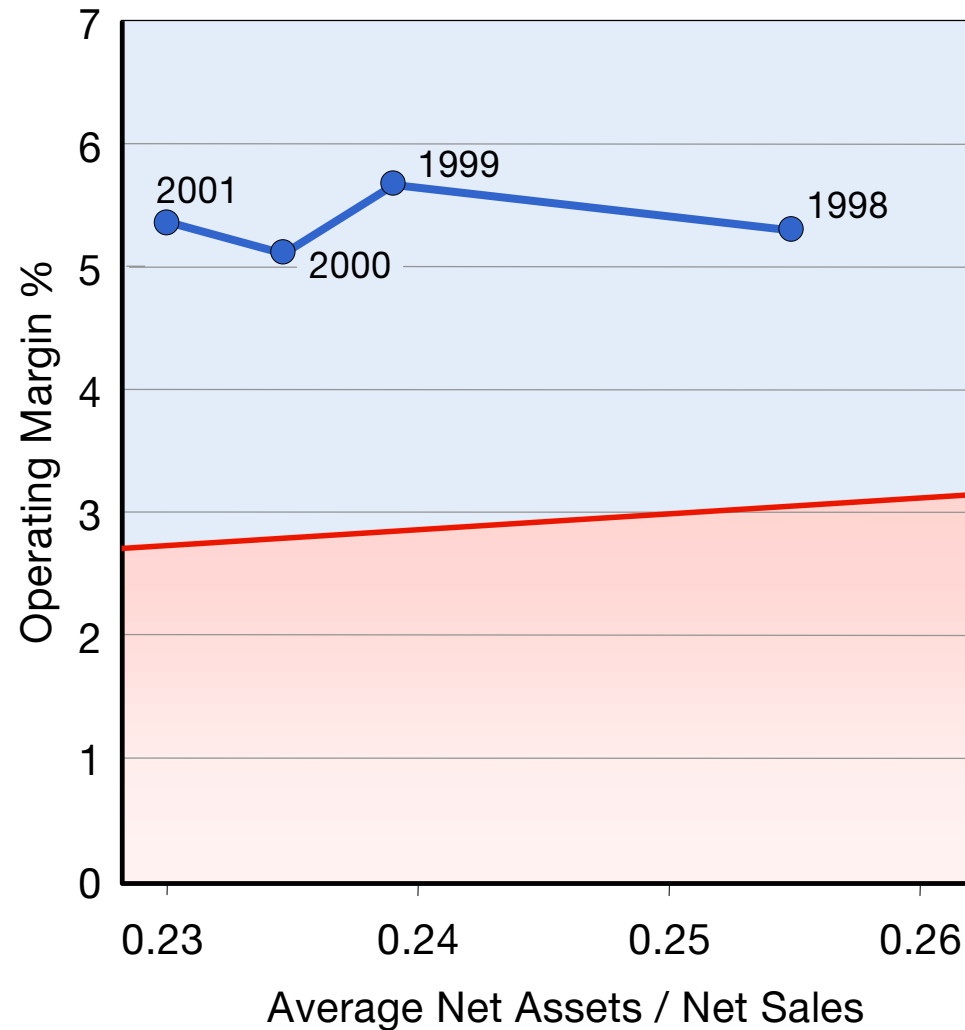
Sales: SEK 135,803m  
+9%

EBIT: SEK 6,422m  
-20 %

Value creation:  
SEK 262m



# Consumer Durables, Europe



## Key data FY 2001

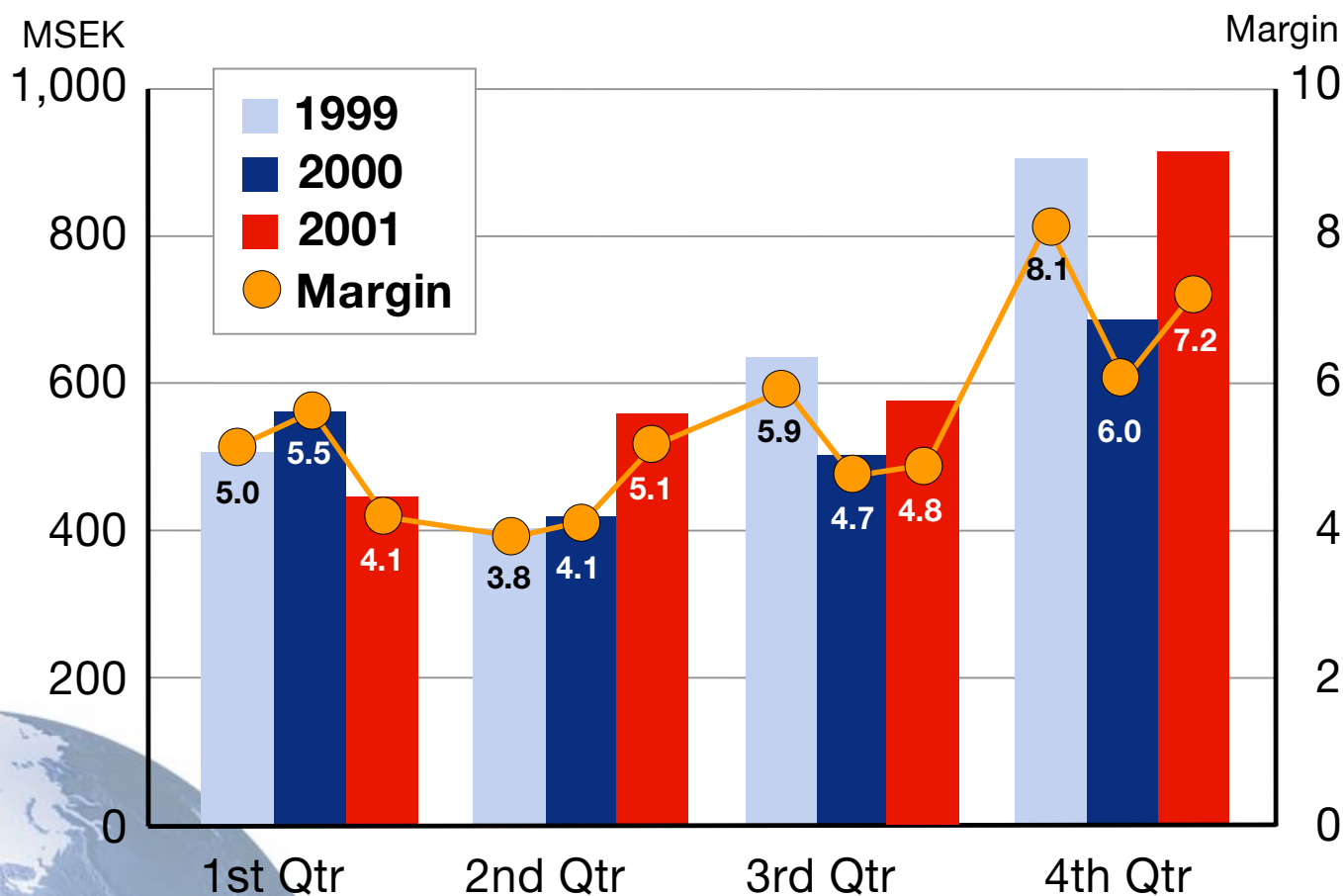
Sales: SEK 47,200m  
+11%

EBIT: SEK 2,528m  
+16%

Value creation:  
SEK 1,172m  
+SEK 186m

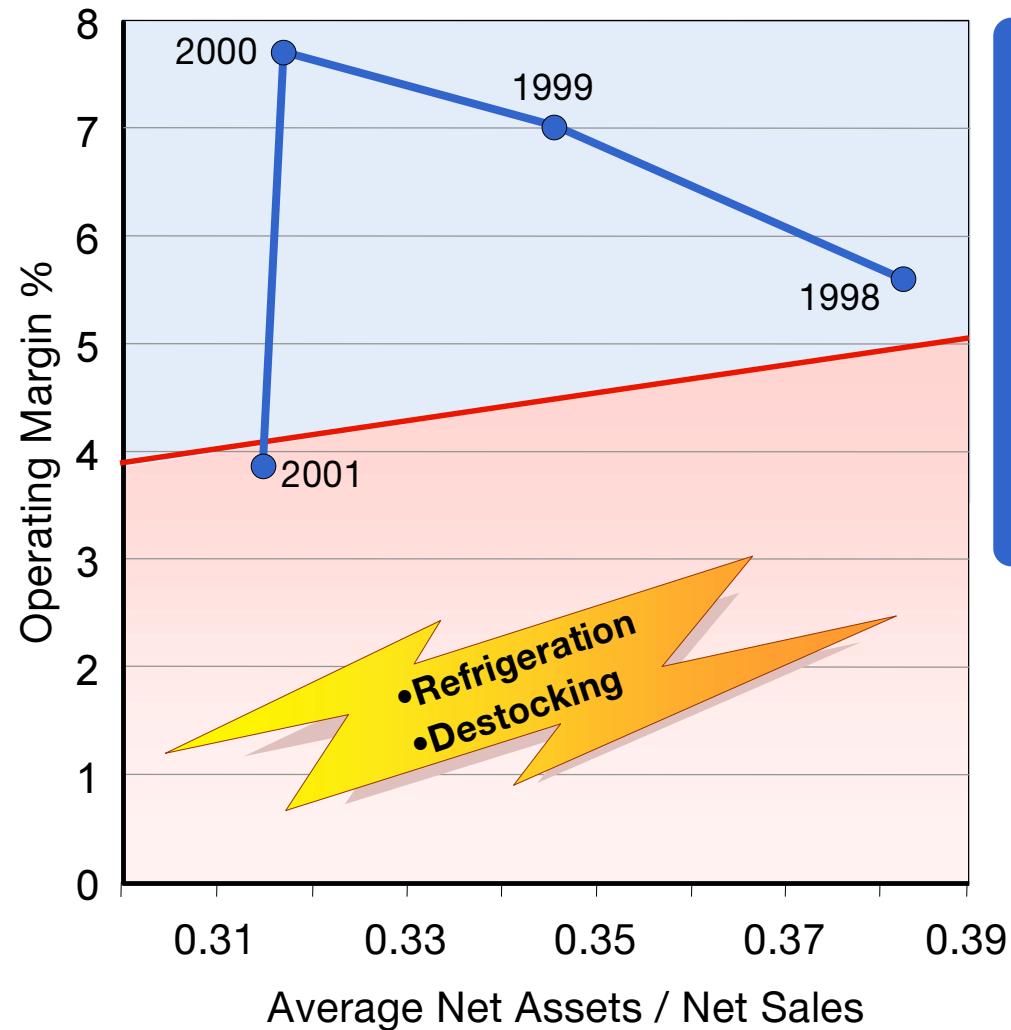


# Higher operating income for Consumer Durables, Europe



SG&A for Electrolux Home Products  
down to 17.5% (2000: 19.6%)

# Consumer Durables, North America



## Key data FY 2001

Sales: SEK 46,814m  
+0.5%

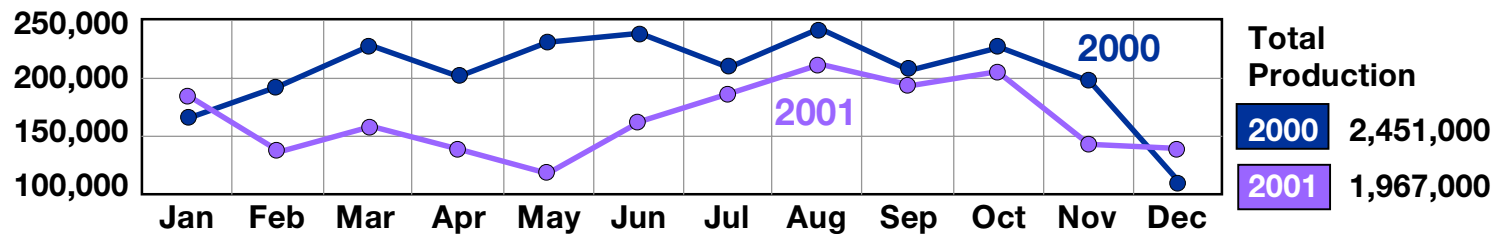
EBIT: SEK 1,814m  
-49%

Value creation:  
SEK -297m  
SEK -1,966m

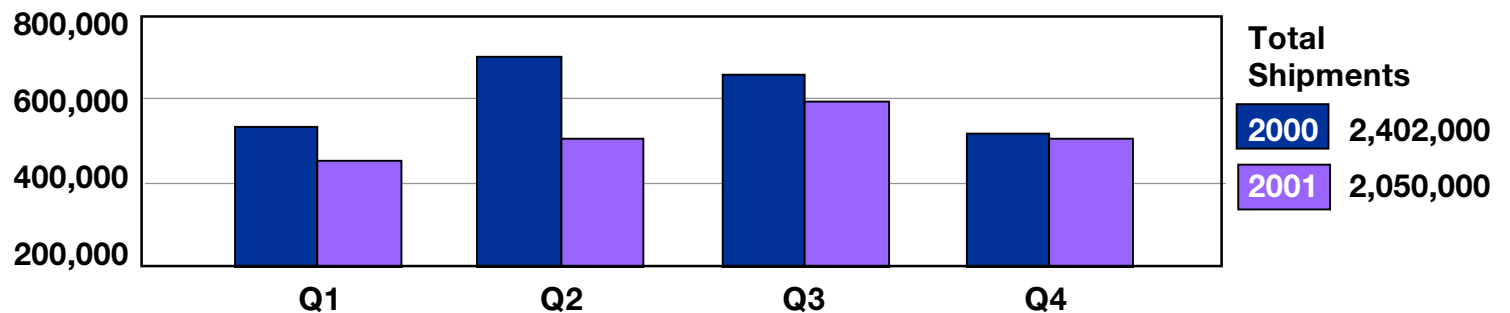


# Production volume, shipments and employees

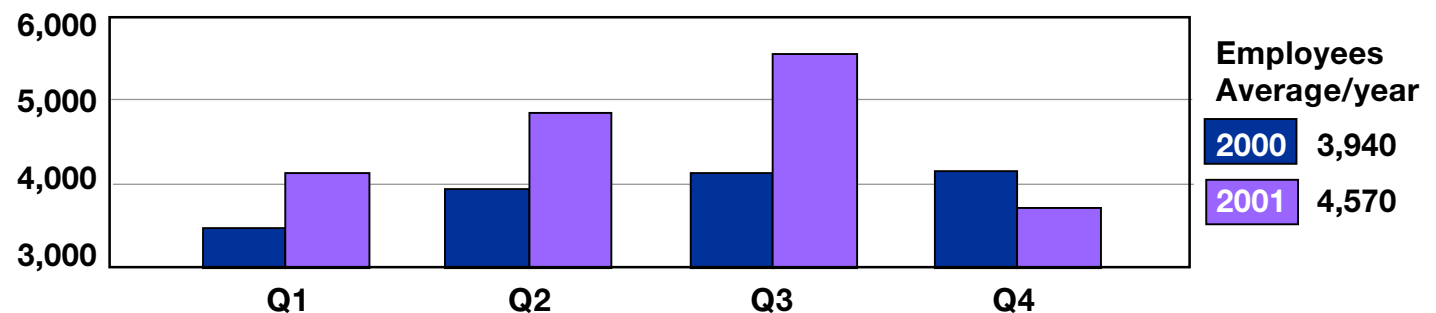
## Production



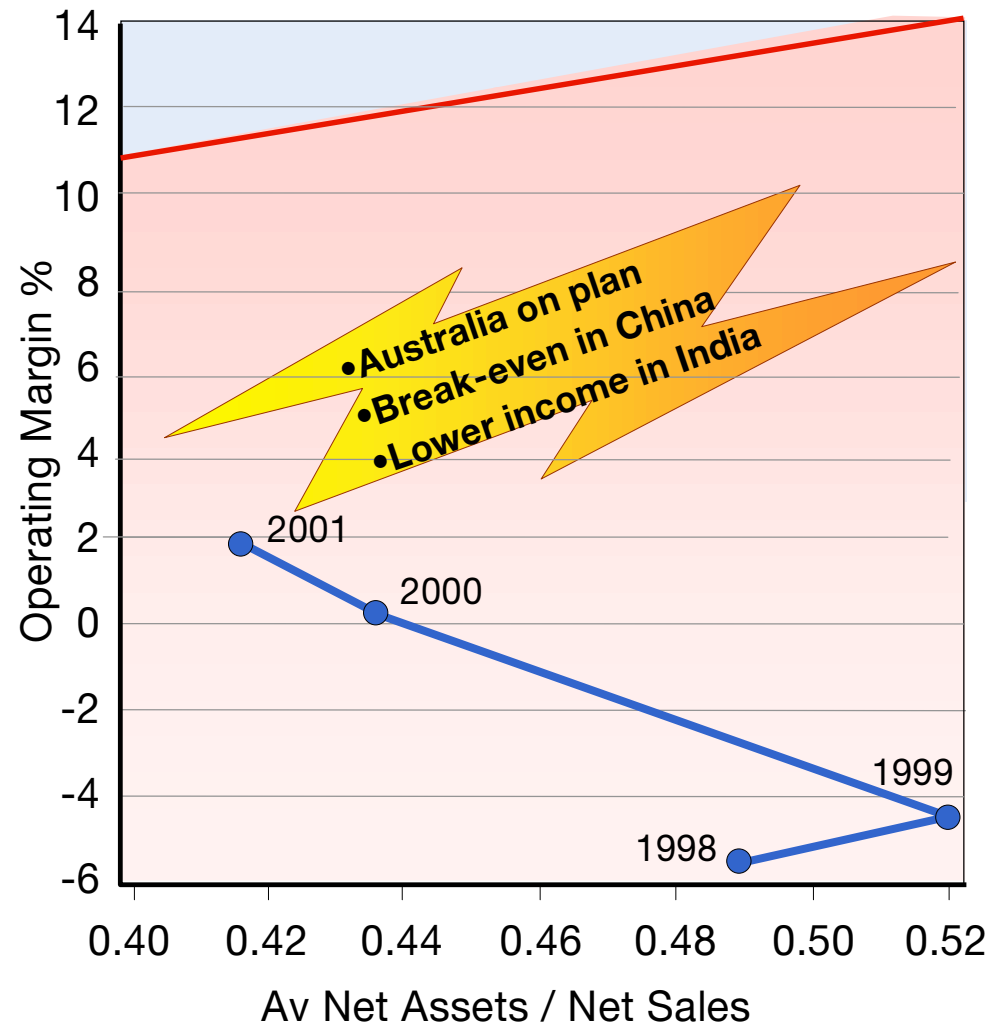
## Shipments



## Employees



# Consumer Durables, Rest of the World



## Key data FY 2001

Sales: SEK 14,976m  
+63%

EBIT: SEK 287m

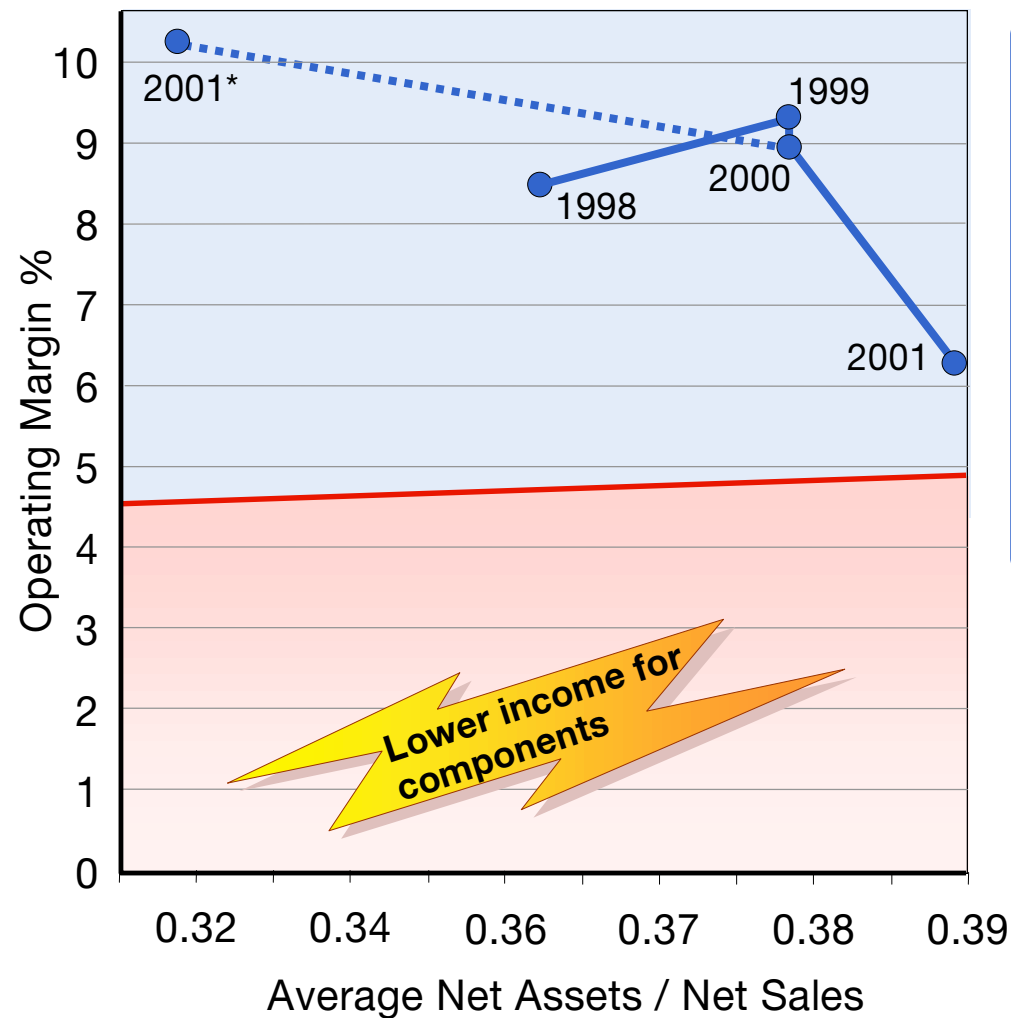
Value creation:  
SEK -1,023m  
SEK +33m



# Sales and income – appliances, Rest of the world

	Market	Sales	EBIT
Australia	➡	➡	➡
China	↗	↗	↗
ASEAN	↗	↗	↗
India	↘	↘	↘
Brazil	↘	↗	↗

# Professional Indoor Products



## Key data FY 2001

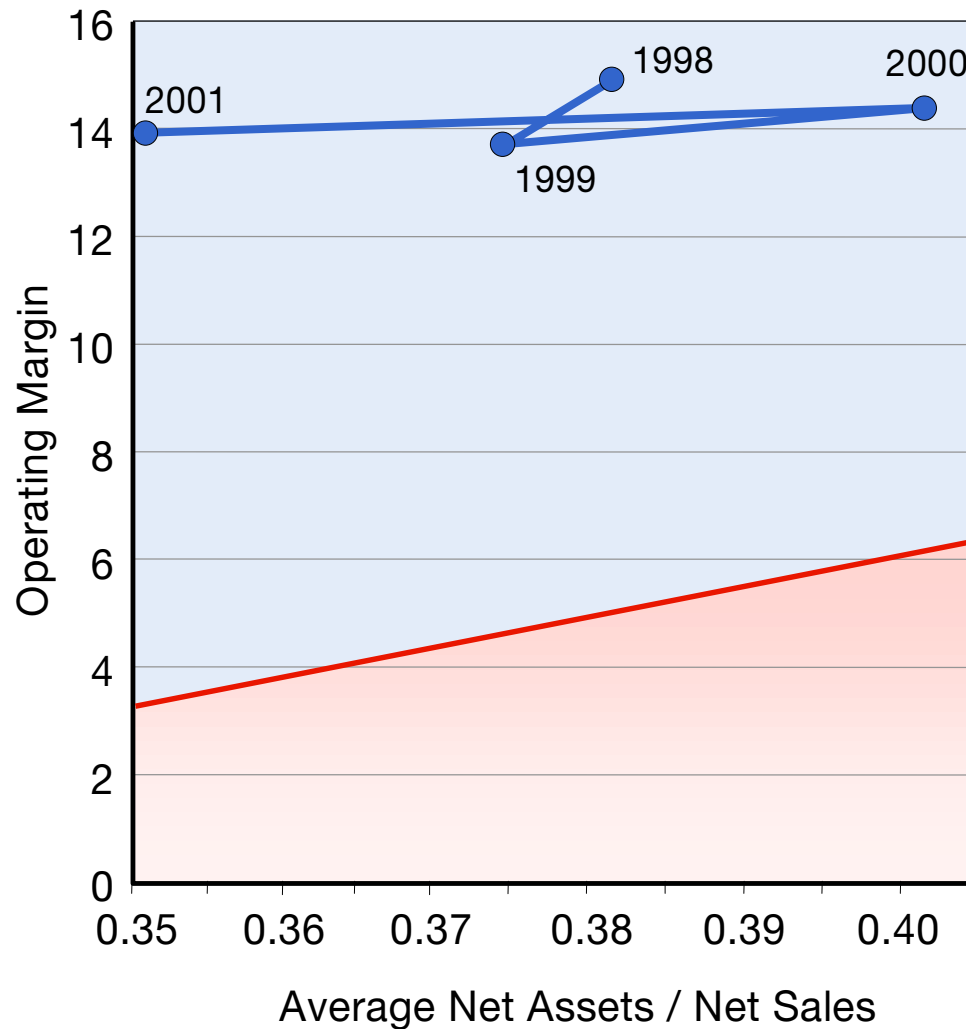
Sales: SEK 17,073m  
-3%

EBIT: SEK 1,070m  
-32%

Value creation:  
SEK 250m  
SEK -463m



# Professional Outdoor Products



## Key data FY 2001

Sales: SEK 9,452m  
+18%

EBIT: SEK 1,313m  
+14%

Value creation:  
SEK 914m  
SEK +158m





# Summary of 2001

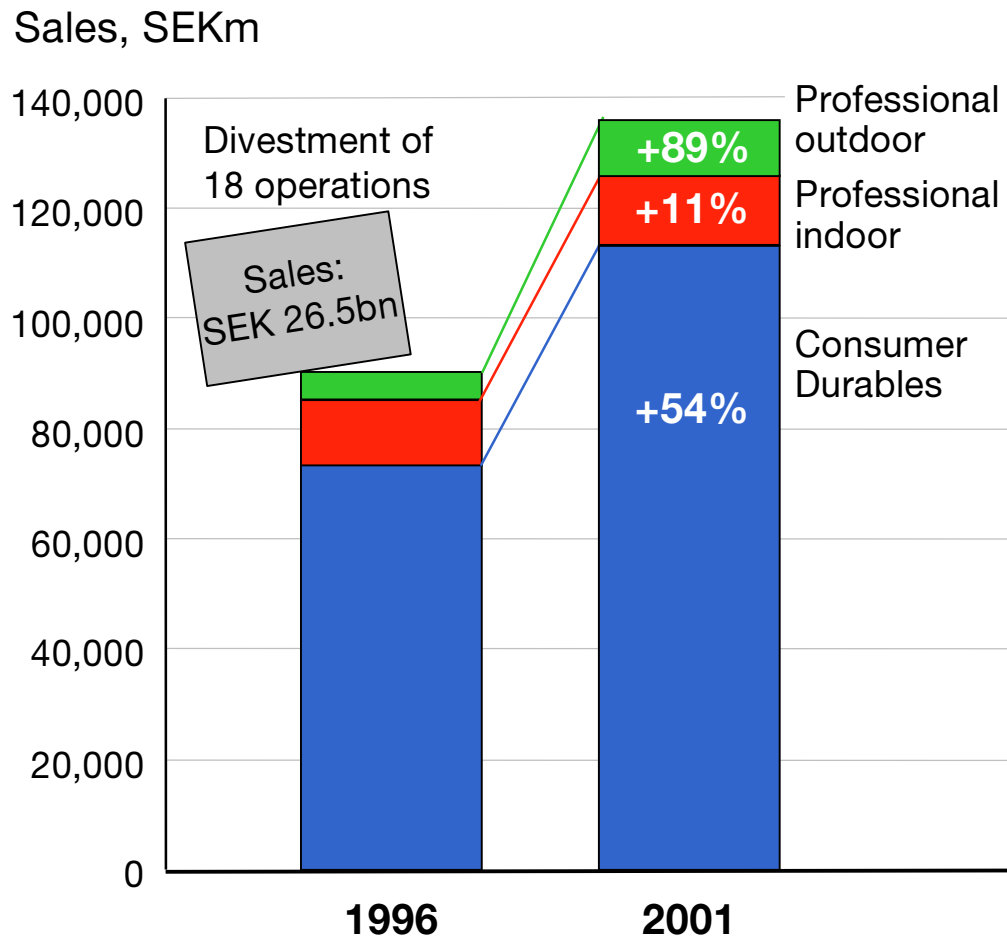
## Negatives

- Lower demand
- Retail de-stocking
- Poor season for outdoor and air conditioners
- Start-up costs in US
- Decline in income for compressors and appliances in India

## Positives

- Trend for major appliances in Europe
- Professional Indoor, excl. components
- Professional Outdoor
- Improved cash flow
- Strong balance sheet
- Continued focusing on core areas
- Restructuring activities

# Streamlining and growing our core business



## Restructuring 1997-2001

- Personnel cutbacks of 21,300, i.e. 20%
- Closure of 33 plants, i.e. 22%
- Closure of 50 warehouses, i.e. 17%

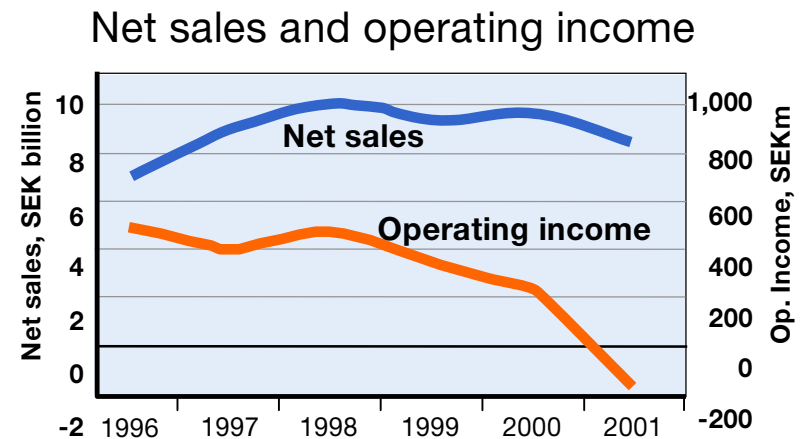
# Provisions for restructuring, 2001

- 29 projects
- **Total provisions: SEK 3.3 billion**  
*-Approx.50% refers to write-down of assets, mainly compressors*
- **Personnel cutbacks of 4,900 through 2003**
- **Mainly Components and Appliances in Europe**

Provisions in 2001 <i>SEKm</i>	Provision	Personnel cutbacks	Savings 2002	Savings 2003
Major appliances, Europe	997	1,434	206	552
Floor care products, Europe	19	30	9	17
Garden equipment, Europe	157	185	51	96
Major appliances, North America	114	325	157	210
Major appliances, Rest of the world	40	738	38	47
<b>Total Consumer Durables</b>	<b>1,327</b>	<b>2,712</b>	<b>461</b>	<b>922</b>
Food-service equipment	168	353	89	89
Components	1,710	1,841	273	343
Other	56	31	33	36
<b>Total 2001</b>	<b>3,261</b>	<b>4,937</b>	<b>856</b>	<b>1,390</b>
Q4, 2000	883	1,877	644	759

# Restructuring - Components

- Total provision: SEK 1,710m ( 80% write-down of assets)  
Personnel cutbacks: 1,841
- Closure of 2 plants for compressors (USA, Mexico)  
and 1 production line for motors (USA)
- Downsizing of compressor production in Italy and Spain
- Exit from j/v in Egypt
- Write-down of assets in  
China
- Motor production, Sweden  
divested, November, 2001  
(Capital loss of SEK 50m)



# Major appliances, Europe

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- **Closure of 3 plants**
- **Continued rationalization of sales and administration**
- **Concentration of R&D to larger plants**
- **Centralization of brand management**
  - *Focus on three key brands*
- **Reduce complexity, accelerate new product launches**
  - *SEK 1 billion to be invested in new product platforms*
  - *No. of platforms to be reduced from approx. 100 to 60*



# Outlook for 2002

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- Market demand in 2002 is expected to be generally flat in both Europe and North America
- There is still uncertainty regarding consumer confidence and spending, particularly in North America

“Notwithstanding the above expectations for flat market demand, on the basis of the previously announced internal restructuring, the Group should achieve an improvement in operating income and value creation for the full year 2002, excluding items affecting comparability.”

*Consolidated results 2001*

# The Trilobite



# Factors affecting forward-looking statements

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This report contains “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, effects of currency fluctuations and the effect of local economies on product demand as well as the possibility of continued terrorist activity throughout the world and its impact on the global economy.