First quarter results, 2002

Hans Stråberg
Industry shipments and estimated trend in demand, Q1 2002

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

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

Asia
- Core appliances
- Outdoor products

Brazil
- White goods

Australia
- White goods

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

Change in % vs same period previous year

= Full year

15
10
5
0
-5
-10


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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%  -0.6%  -1.2%

Core appliances, Western Europe
Industry unit shipments

Q1 2002/ Q1 2002

%2

FR GB IT ES DE IE GR LU PT AT CH NL BE NC DK FI SE Total Europe

Western Europe: -3.3%
Eastern Europe: +8.3%
## Sales and earnings
Excluding items affecting comparability

<table>
<thead>
<tr>
<th>SEKm</th>
<th>Q1 2002</th>
<th>Q1 2001</th>
<th>Change</th>
<th>Full year 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>33,580</td>
<td>33,670</td>
<td>-0.3%</td>
<td>135,803</td>
</tr>
<tr>
<td>Operating income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margin, %</td>
<td>1,906</td>
<td>1,852</td>
<td>+2.9%</td>
<td>6,422</td>
</tr>
<tr>
<td>Income after financial items</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margin, %</td>
<td>1,797</td>
<td>1,499</td>
<td>+20%</td>
<td>5,356</td>
</tr>
<tr>
<td>Net income per share, SEK</td>
<td>3.75</td>
<td>3.10</td>
<td>+21%</td>
<td>11.10</td>
</tr>
<tr>
<td>Value creation</td>
<td>609</td>
<td>290</td>
<td>+319%</td>
<td>262</td>
</tr>
<tr>
<td>Return on equity, %</td>
<td>16.4</td>
<td>15.6</td>
<td></td>
<td>12.9</td>
</tr>
<tr>
<td>Return on net assets, %</td>
<td>19.1</td>
<td>16.6</td>
<td></td>
<td>14.6</td>
</tr>
<tr>
<td>Net debt/equity ratio</td>
<td>0.37</td>
<td>0.78</td>
<td></td>
<td>0.37</td>
</tr>
</tbody>
</table>
Total Group

Key Data Q1 2002

- Sales: SEK 33,580m, -0.3%
- EBIT: SEK 1,906m, +2.9%
- Value creation: SEK 609m, SEK +319m

WACC 2002 = 13% pre-tax
Working capital and cash flow
1997 - 2002 Q1

Cash flow: Cash flow from operations and investments excl. investments and divestments of operations
Ongoing restructuring projects

- Utilized of total provisions: SEK 2,019m, or 60%
  - Approx. 85% of utilized provision refers to write-downs.
- Personnel cutbacks as of March 31, 2002: 2,300
- Compressor plant in US closed

<table>
<thead>
<tr>
<th>Data as per March 31, 2002</th>
<th>Provision</th>
<th>Utilized up to Q1</th>
<th>Savings in Q1</th>
<th>Estimated savings 2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major appliances, Europe</td>
<td>997</td>
<td>279</td>
<td>22</td>
<td>206</td>
<td>552</td>
</tr>
<tr>
<td>Floor care products, Europe</td>
<td>19</td>
<td>16</td>
<td>-</td>
<td>9</td>
<td>17</td>
</tr>
<tr>
<td>Garden equipment, Europe</td>
<td>157</td>
<td>75</td>
<td>12</td>
<td>51</td>
<td>96</td>
</tr>
<tr>
<td>Major appliances, North America</td>
<td>114</td>
<td>13</td>
<td>24</td>
<td>157</td>
<td>210</td>
</tr>
<tr>
<td>Major appliances, Rest of the world</td>
<td>40</td>
<td>10</td>
<td>4</td>
<td>38</td>
<td>47</td>
</tr>
<tr>
<td>Total Consumer Durables</td>
<td>1,327</td>
<td>393</td>
<td>62</td>
<td>461</td>
<td>922</td>
</tr>
<tr>
<td>Food-service equipment</td>
<td>168</td>
<td>153</td>
<td>20</td>
<td>89</td>
<td>89</td>
</tr>
<tr>
<td>Components</td>
<td>1,710</td>
<td>1,438</td>
<td>70</td>
<td>273</td>
<td>343</td>
</tr>
<tr>
<td>Other</td>
<td>56</td>
<td>35</td>
<td>7</td>
<td>33</td>
<td>36</td>
</tr>
<tr>
<td>Total</td>
<td>3,261</td>
<td>2,019</td>
<td>159</td>
<td>856</td>
<td>1,390</td>
</tr>
</tbody>
</table>
Consumer Durables, Europe

**Key data Q1 2002**

- **Sales:** SEK 11,241m
  +3.1%
- **EBIT:** SEK 676m
  +51%
- **Value creation:**
  - SEK 374m
  - SEK +241m

![Graph showing operating margin over time with Q1 2002 data.](image)
Higher operating income for Consumer Durables, Europe

- **2000**
- **2001**
- **2002**
- **Margin**

MSEK

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Qtr</td>
<td>5.5</td>
<td>4.1</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>2nd Qtr</td>
<td>4.1</td>
<td>5.1</td>
<td>4.1</td>
<td></td>
</tr>
<tr>
<td>3rd Qtr</td>
<td>4.7</td>
<td>4.8</td>
<td>6.0</td>
<td>7.2</td>
</tr>
<tr>
<td>4th Qtr</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Consumer Durables, North America

Key data Q1 2002

- Sales: SEK 13,284m +7.9%
- EBIT: SEK 876m +8.6%
- Value creation: SEK 307m SEK +41m

- Higher income for core appliances
- Refrigeration on plan
Consumer Durables, Rest of the World

Key data Q1 2002

- Sales: SEK 3,437m
  +6.3%
- EBIT: SEK -22m
- Value creation:
  SEK -346m
  SEK -90m

Operating Margin %

Av Net Assets / Net Sales

- Negative trend in Brazil
- Australia on plan

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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>⬇️</td>
<td>⬇️</td>
</tr>
<tr>
<td>China</td>
<td>⬇️</td>
<td>⬆️</td>
</tr>
<tr>
<td>East Asia</td>
<td>⬆️</td>
<td>⬆️</td>
</tr>
<tr>
<td>India</td>
<td>⬆️</td>
<td>⬆️</td>
</tr>
<tr>
<td>Brazil</td>
<td>⬆️</td>
<td>⬆️</td>
</tr>
</tbody>
</table>

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Professional Indoor Products

Key data Q1 2002

- Sales: SEK 3,029m, -34%
- EBIT: SEK 183m, -44%
- Value creation: SEK 31m, SEK -77m

Q1 01*: Excl. Leisure product line
Professional Outdoor Products

Key data Q1 2002

Sales: SEK 2,547m +0.9%
EBIT: SEK 386m +17%
Value creation: SEK 288m SEK +58m
Summary of Q1, 2002

Negatives
- Lower demand for appliances in Western Europe
- Continued negative market trend in Brazil
- Decline in income for Consumer Durables outside Europe and North America

Positives
- Trend in sales and income for appliances in Europe
- Improved income in North America, production of refrigerators normalized
- Professional Outdoor
- Improvement for Components
- Restructuring and integration of Email on plan
Outlook

• Outlook for the year remains unchanged.
• Market demand in 2002 is expected to be generally flat compared with the previous year in both Europe and North America.
• However, 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.”

Report for first quarter 2002
Factors affecting forward-looking statements

This presentation 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.