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# **Third quarter results 2003**

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# Industry shipments and estimated trends in demand, Q3 2003

## North America

- Core appliances +9%
- Air-cond. -7%
- Vacuum cleaners +16%
- Outdoor products <sup>1)</sup> +20%  
<sub>2)</sub>

## Brazil

- White goods -25%

## Europe

- Core appliances +5%
- Vacuum cleaners +7%
- Food-service -6%
- Outdoor products <sup>1)</sup> -8%  
<sub>2)</sub>

## Asia

- China
- India

## Australia

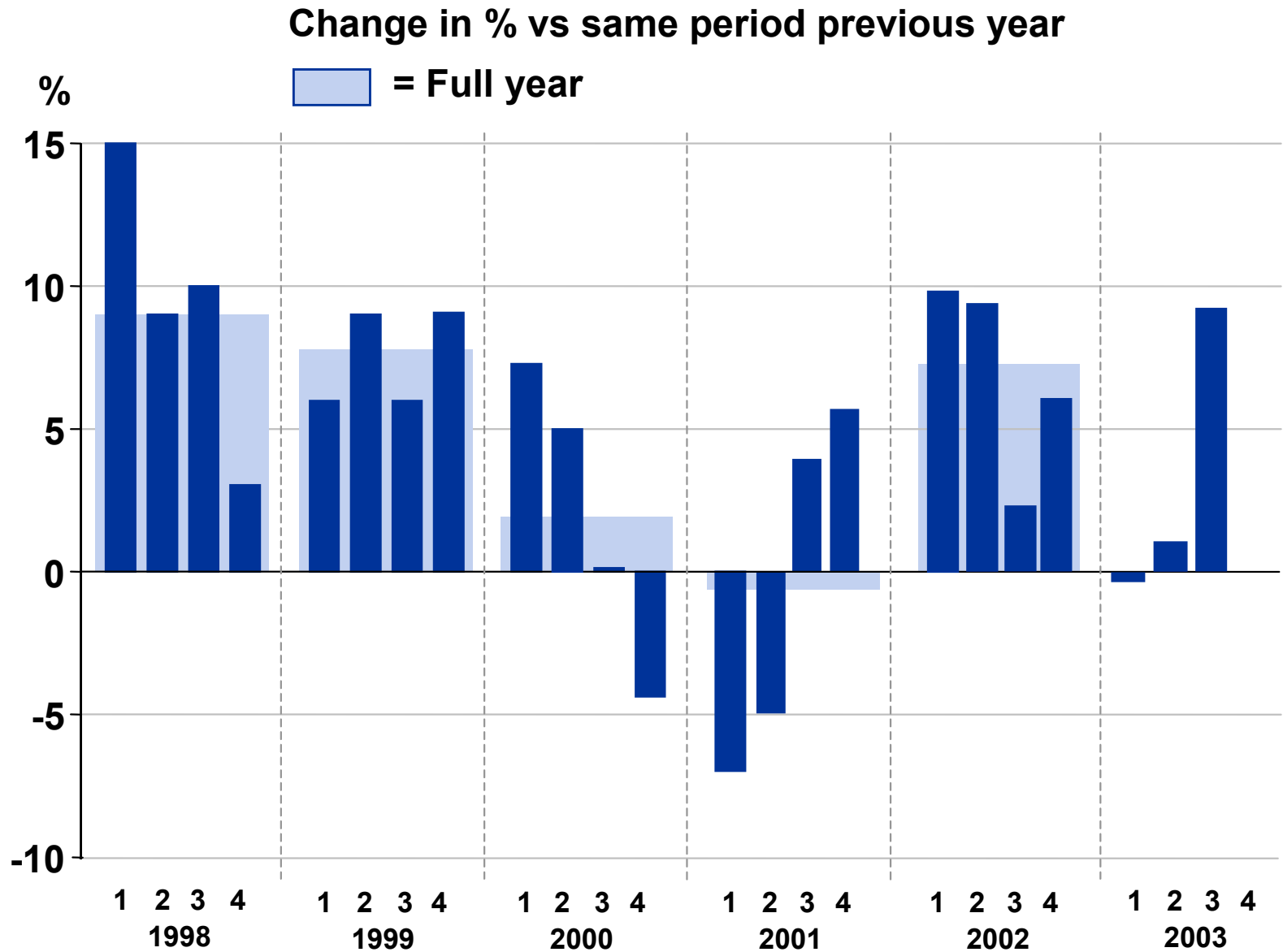
- White goods +7%

1) Consumer Products

2) Professional Products, excl. Power Cutters and Diamond Tools

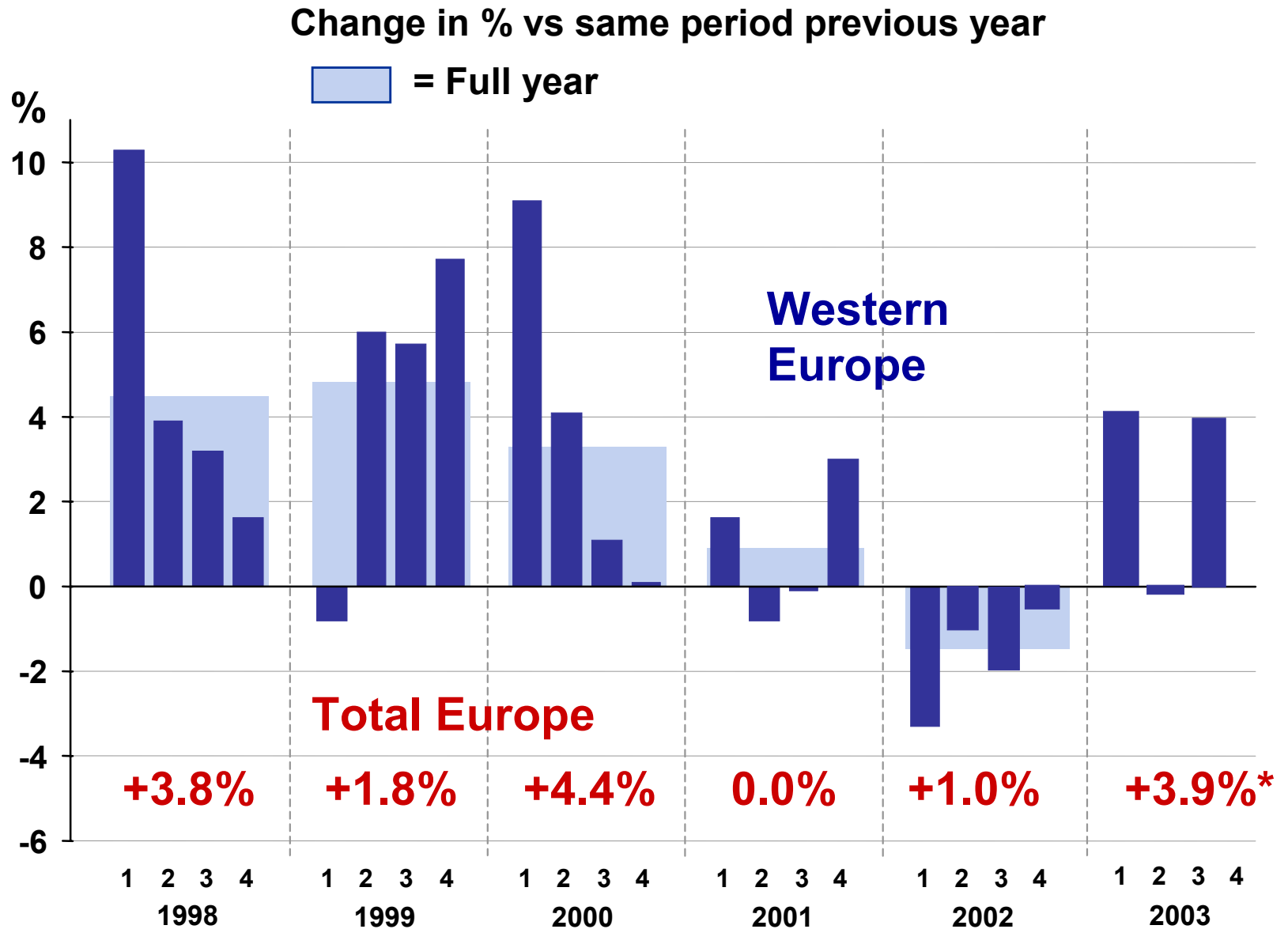
# Core appliances, USA

## Industry unit shipments



# Core appliances, Europe

## Industry unit shipments



# Core appliances, Europe

## Industry unit shipments

Y-o-y change

Q3

9 m

Western Europe

+4.0%

+2.6%

Eastern Europe

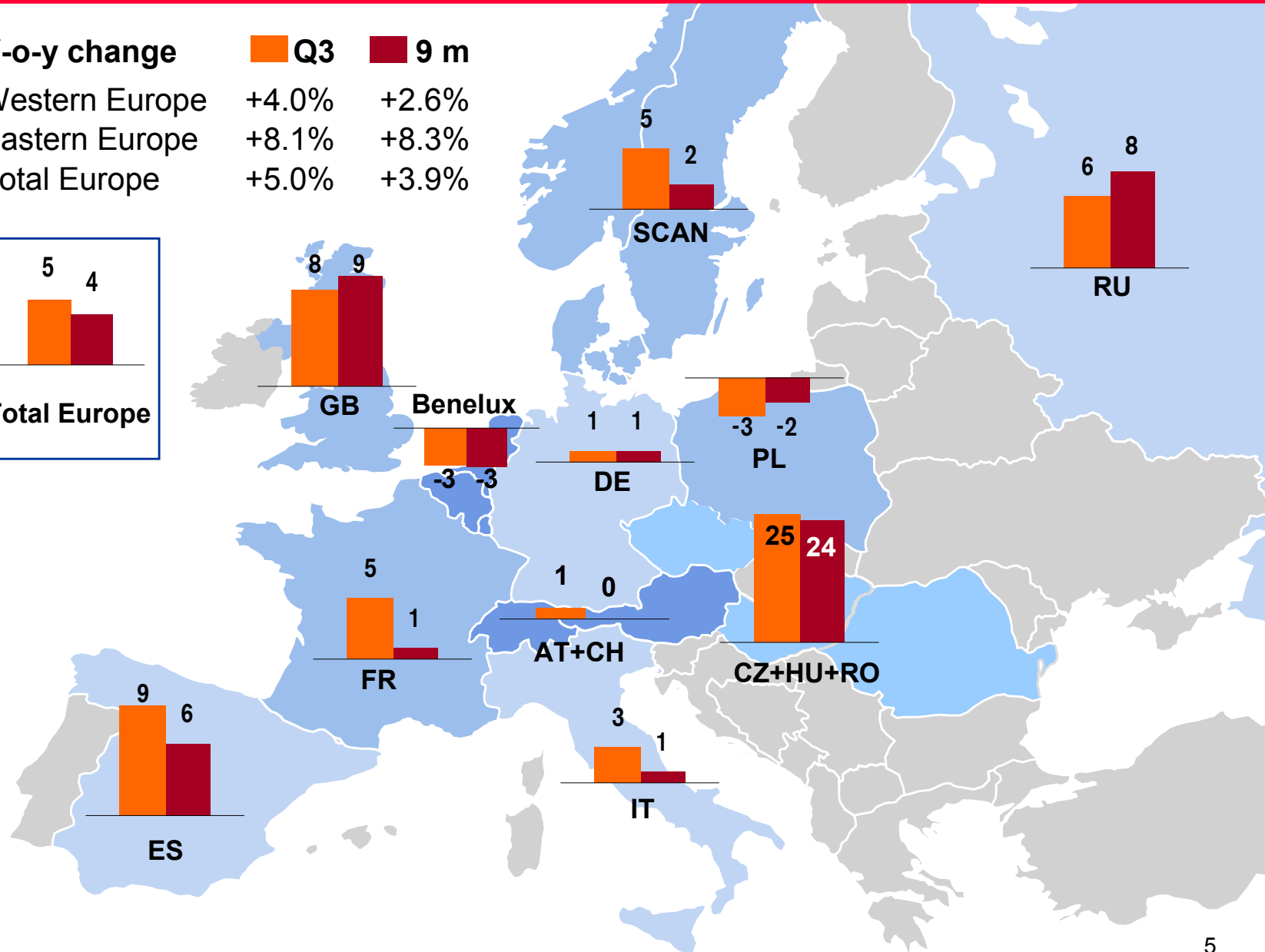
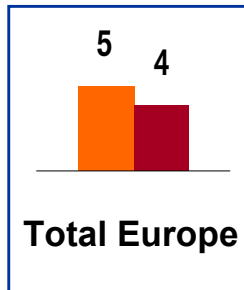
+8.1%

+8.3%

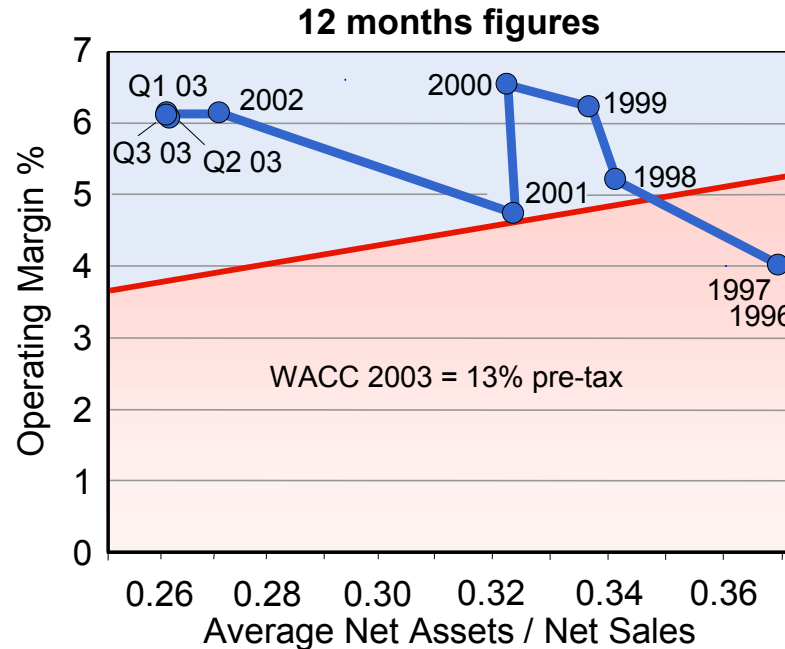
Total Europe

+5.0%

+3.9%



# Key data, Q3 2003

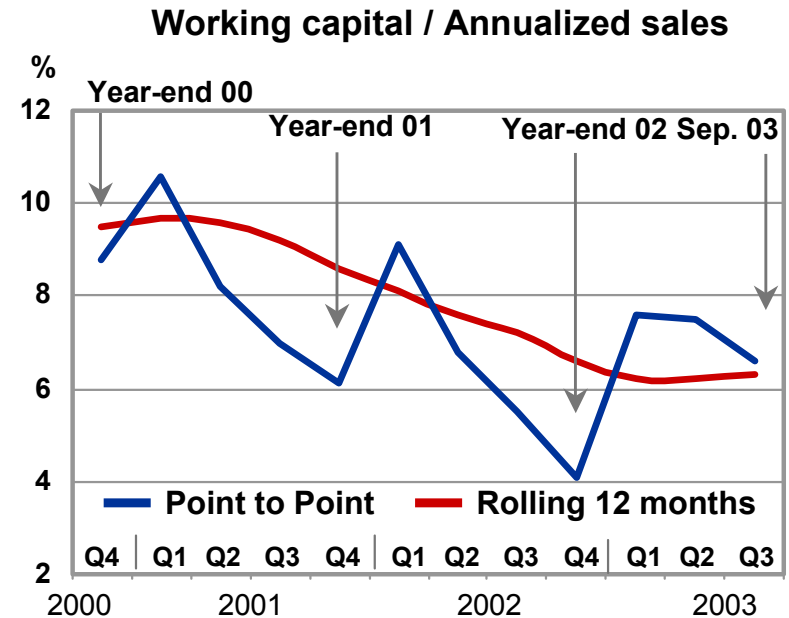
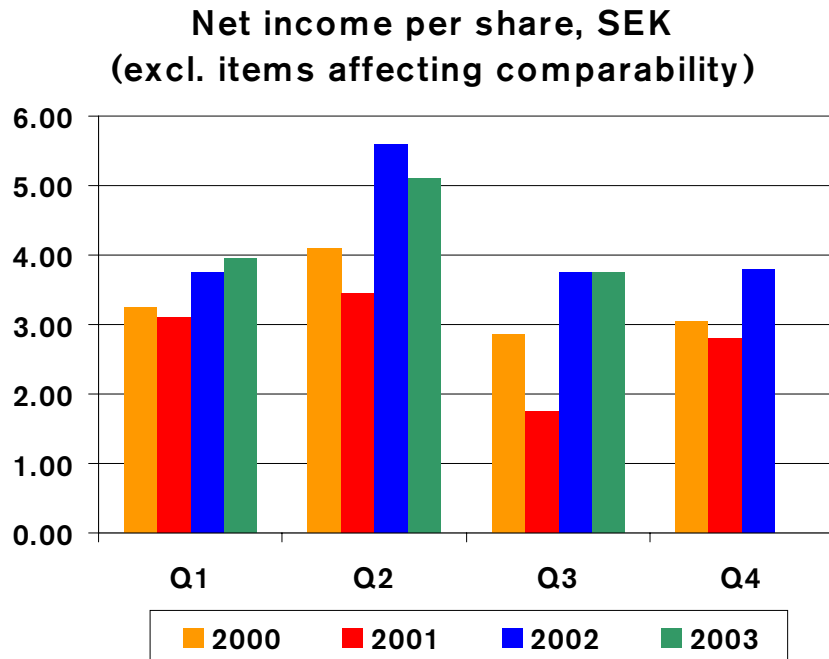


Q3 2003*	SEKm	Change
Sales	30,387	-4.3%
EBIT	1,698	-3.3%
Value creation	649	+13
<i>In comparable currency</i>		
Sales	32,771	+3.2%
EBIT	1,783	+1.5%

\* Excluding items affecting comparability

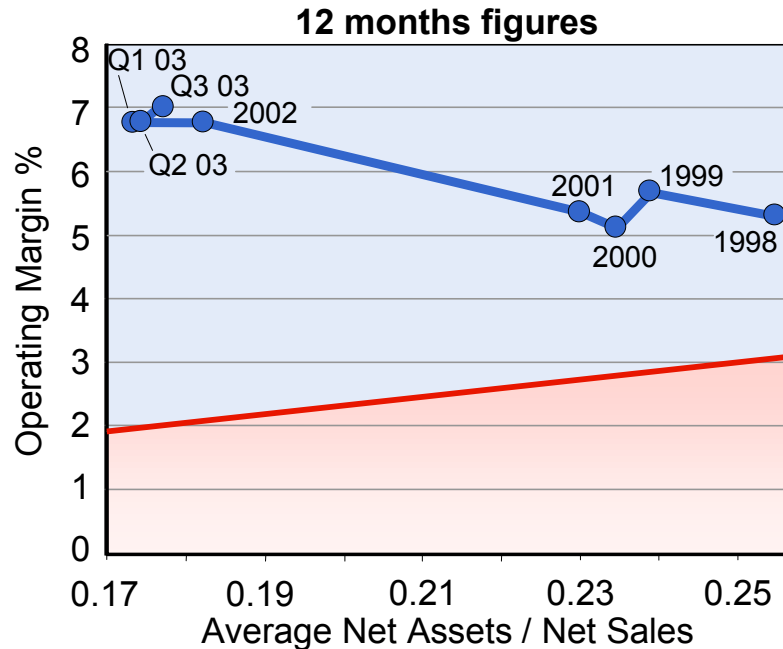
- Sales increased by 5.2%, adjusted for changes in exchange rates and in Group structure
- Operating income adversely affected by changes in exchange rates in the amount of SEK -220m
- Savings from restructuring amounted to SEK 78m in the quarter

# Net income per share slightly down, increase in working capital



- Net income per share down 1.3%, to SEK SEK 3.70 in 3rd quarter
- Weaker operating cash flow, mainly due to:
  - Comparison against record low working capital at year-end 2002
  - Increase of accounts receivable in 2003, lower accounts payable
  - Lower income in 2003, higher utilization of restructuring provision and increased taxes paid in 2003

# Consumer Durables, Europe



Q3 2003*	SEKm	Change
Sales	11,907	-5.5%
EBIT	852	+2.9%
Value creation	592	+53
<i>In comparable currency</i>		
Sales	12,452	-1.2%
EBIT	848	+2.5%

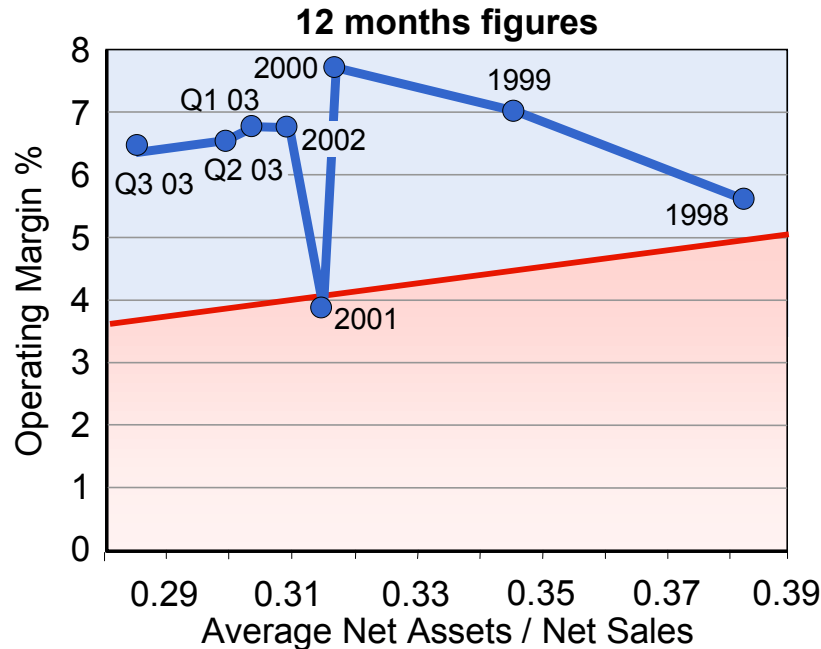
\* Excluding items affecting comparability

- Good volume growth for appliances in particularly Eastern Europe
- Higher income and margin for appliances and floor care products





# Consumer Durables, North America



Q3 2003*	SEKm	Change
Sales	11,196	+2.9%
EBIT	544	-5.7%
Value creation	74	-3
<i>In comparable currency</i>		
Sales	13,108	+20.5%
EBIT	616	+6.7%

\* Excluding items affecting comparability

- Strong growth and higher income in USD for core appliances and consumer outdoor products
- Substantial downturn in income for floor-care products
- Closure of plant for room air-conditioners as of July 31, 2003



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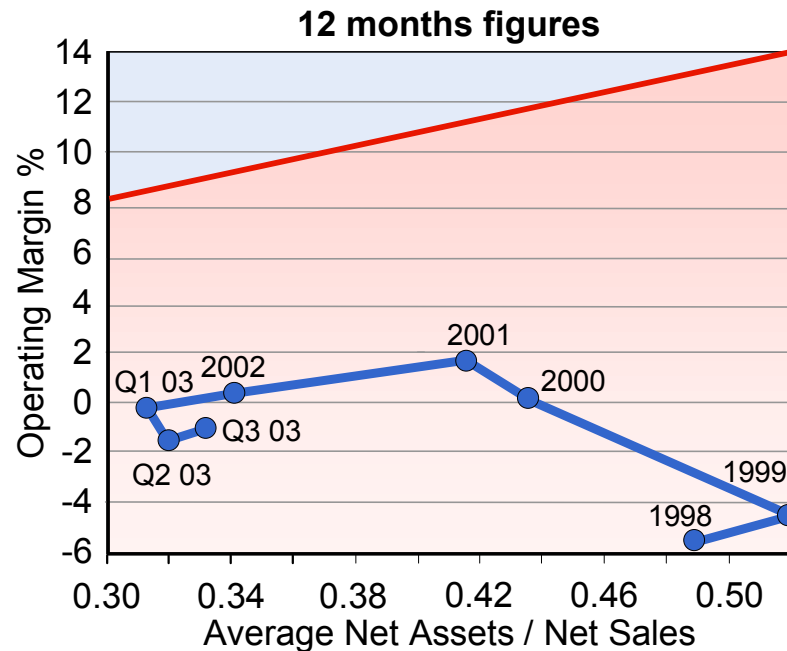
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# Consumer Durables, Rest of the World



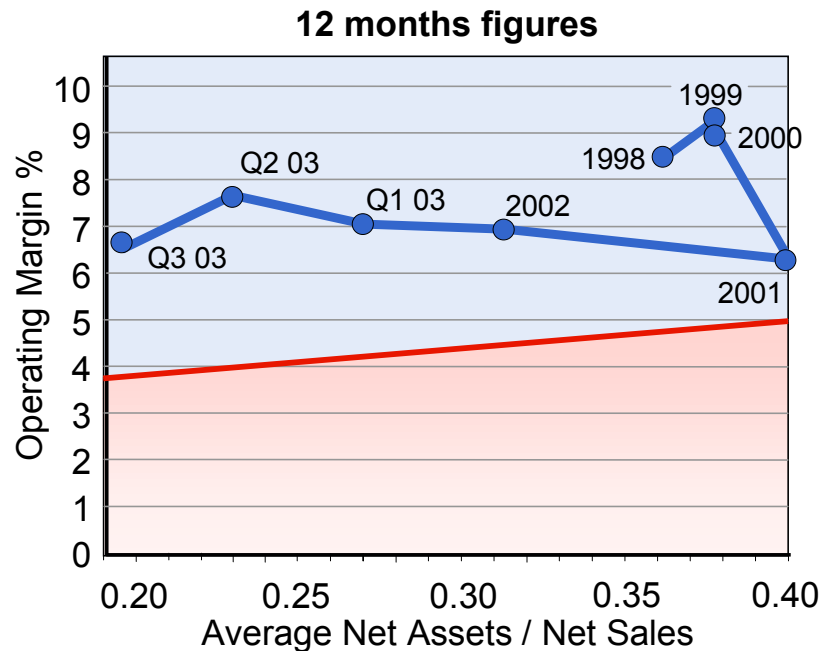
Q3 2003*	SEKm	Change
Sales	3,097	-7.1%
EBIT	12	N/A
Value creation	-213	+67
<i>In comparable currency</i>		
Sales	2,789	-16.3%
EBIT	17	-161.0%

\* Excluding items affecting comparability

- Improved income in India and China in 3rd quarter, substantial decline YTD
- Good sales growth for appliances in Brazil in local currency, despite considerable decline in market demand
- Lower sales and income in Australia



# Professional Indoor Products



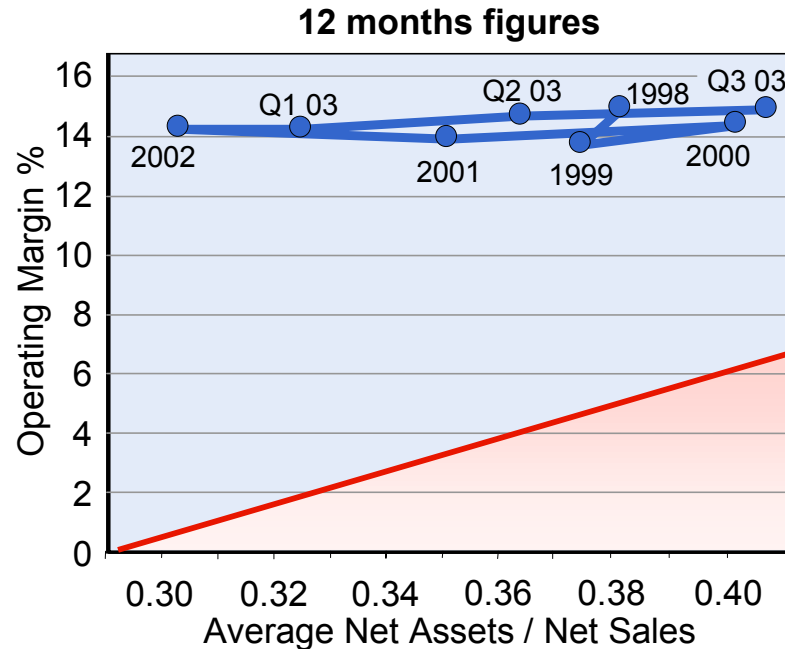
Q3 2003*	SEKm	Change
Sales	1,718	-21.6%
EBIT	124	-37.1%
Value creation	78	-14
<i>In comparable currency</i>		
Sales	1,769	-19.3%
EBIT	126	-36.2%

\* Excluding items affecting comparability

- Continued weak demand
- Lower sales and substantial decline in income for food-service equipment
- Compressor operation divested as of August 1, capital loss of SEK 85m.
- Excluding compressors, sales and income declined by 14% and 34%, respectively, in the quarter



# Professional Outdoor Products



Q3 2003*	SEKm	Change
Sales	2,447	-10.0%
EBIT	356	+0.0%
Value creation	206	-47
<i>In comparable currency</i>		
Sales	2,632	-3.2%
EBIT	371	+4.1%

\* Excluding items affecting comparability

- Increased demand for chainsaws and lawn & garden equipment in both Europe and US
- Lower demand for diamond tools and power cutters due to weak construction market
- Margin remained at high level



# Summary of Q3, 2003

## Negatives

- Downturn in income for floor-care in US
- Weak demand, lower income for food-service equipment
- Negative trend in cash flow
- Unfavorable currency trends

## Positives

- Good performance for appliances and consumer outdoor in US
- Higher income and margin for European appliance operation
- Continued strong performance for Professional Outdoor

# Outlook for full year

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**“....operating income for the full year is expected to be somewhat lower than in 2002, excluding items affecting comparability.”**

- Market demand in Q4, 2003 expected to be flat or slightly up in both Europe and North America
- Continued weak performance for:
  - Appliances in India and China
  - Floor-care products in North America
  - Professional Indoor Products
- Unfavorable currency trends

# Factors affecting forward-looking statements

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