Fourth quarter results
2003
Hans Stråberg,
President and CEO

www.electrolux.com/ir
Sales and earnings 2003
Excluding items affecting comparability

<table>
<thead>
<tr>
<th>SEKm</th>
<th>2003</th>
<th>2002</th>
<th>Q4 2003</th>
<th>Q4 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>124,077</td>
<td>133,150</td>
<td>28,315</td>
<td>30,586</td>
</tr>
<tr>
<td>Operating income</td>
<td>7,638</td>
<td>8,165</td>
<td>1,733</td>
<td>1,781</td>
</tr>
<tr>
<td>Margin,%</td>
<td>6.2</td>
<td>6.1</td>
<td>6.1</td>
<td>5.8</td>
</tr>
<tr>
<td>Income after financial items</td>
<td>7,469</td>
<td>7,979</td>
<td>1,673</td>
<td>1,785</td>
</tr>
<tr>
<td>Margin,%</td>
<td>6.0</td>
<td>6.0</td>
<td>5.9</td>
<td>5.8</td>
</tr>
<tr>
<td>Net income per share, SEK</td>
<td>16.75</td>
<td>16.90</td>
<td>4.00</td>
<td>3.80</td>
</tr>
</tbody>
</table>

- Sales rose 3.3% for comparable units and adjusted for changes in exchange rates
- Operating income adversely affected by changes in exchange rates in the amount of SEK -930m
  - SEK -610 m translation
  - SEK -320 m transaction
- Return on equity improved to 18.9% (18.6)
- Return on net assets rose to 23.7% (22.6)
Operating margin and capital efficiency

Operating margin and capital turnover

Working capital / Annulized sales

The red line indicates the Group’s hurdle rate for value creation
WACC = 13% pre-tax
<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>In comparable currency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003</td>
<td>Change</td>
</tr>
<tr>
<td>Consumer Durables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>47,312</td>
<td>-1.9%</td>
</tr>
<tr>
<td>North America</td>
<td>45,063</td>
<td>-7.0%</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>12,646</td>
<td>-14.7%</td>
</tr>
<tr>
<td>Professional Products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indoor</td>
<td>8,113</td>
<td>-25.5%</td>
</tr>
<tr>
<td>Outdoor</td>
<td>10,856</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

|                          | Operating income       | In comparable currency |
|--------------------------|                        |                        |
|                          | 2003                   | Change                 |
| Consumer Durables        |                        |                        |
| Europe                   | 3,382                  | 3.6%                   |
| North America            | 2,866                  | -12.4%                 |
| Rest of the world        | 2                      | -95.8%                 |
| Professional Products    |                        |                        |
| Indoor                   | 556                    | -26.2%                 |
| Outdoor                  | 1,576                  | 4.5%                   |
Market shares

- Gained market share in NA in all product categories
- Maintained market share in Western Europe, with some gains in Eastern Europe
Summary of 2003

Negatives

- Unfavorable currency trends
- Intense price competition across US and Europe
- Downturn in income for US floor-care
- Weak demand, lower income for food-service equipment

Positives

- Unit volume and share growth across categories in US
- Good underlying performance for US appliances & consumer outdoor
- Higher income and margin for European appliance operation
Outlook for 2004

- Some growth in market demand in both Europe and North America
- Increased investment in R&D and brand building
- Negative currency movements
- 2004 operating income somewhat lower than 2003 excluding items affecting comparability
## Outlook for 2004 cash flow items

<table>
<thead>
<tr>
<th>Item</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure</td>
<td>SEK 4-5 billion</td>
</tr>
<tr>
<td>Relocation expenses</td>
<td>About SEK 1 billion</td>
</tr>
<tr>
<td>Working capital</td>
<td>Similar % of sales as 2003</td>
</tr>
<tr>
<td>Tax rate</td>
<td>30%</td>
</tr>
</tbody>
</table>
Strong balance sheet

Net debt/equity ratio vs. Equity/assets ratio

- Net debt/equity ratio
- Equity/assets ratio

Distribution of funds to shareholders

Board proposes:

- Redemption of shares in a total amount of approx. SEK 3 billion
- Dividend increase of 8% to SEK 6.50, total amount of approx. SEK 2 billion
- Flexibility for share repurchases
Total distributions to shareholders 2000-2004

SEK billion

* Proposed by the Board
Impact on financial structure*

*Pro forma as if changes took place on Jan. 1, 2004

- Proposed Redemption: 3,000
- Proposed Dividend: 1,993
- Pension Charge: 1,600
Dividends 1994-2003

*Payout ratio: Dividend / Net income per share excl. items affecting comparability
** Proposed by the Board
Unique competitive opportunity

Global 1-2 in volume
Indoor & Outdoor

- Strong balance sheet
- Good cash flow
- Continued cost-cutting
- Relocation savings
- Purchasing efficiencies

A consumer-insight driven company
Sustainable, profitable growth

- R & D
- Brands
- Marketing
Margin drivers 2004-06

- Price deflation, Consumer Durables (2-4%)/year N. Amer (2%)/year Europe
- Relocation

+ New products
- Purchasing, LCC sourcing

Investment

R&D and Brands
Investing in new products

- R&D to gradually increase from 1.3% of sales to approx. 2.0% in next few years
- Investments based on consumer insight
- Accelerate product life-cycle
- Improved product mix added over SEK 1 bn to 2003 operating income
Investing in Electrolux brand globally, across categories

Plan to increase brand spend from approx. 1% of sales to approx. 2%

Goal: 60-70% of sales

- Launch of Electrolux floor-care products in 2003, appliances in 2004
- Double-branding in European main markets well received
- Brand building tied to management incentive systems

% of global sales from Electrolux brand, including double branding
Increased LCC sourcing

Low cost country (LCC) sourcing in % of total spend on direct material

Goal: 40% of total spend in 2006
Regional production costs

Landed cost, typical large appliance

- Relocation to Eastern Europe competitive with China/Korea in serving EU markets
- Relocation to Mexico competitive with China/Korea in serving US market
Decision to close US refrigerator plant (Greenville, Michigan)

- **Annual production:**
  Approx. 1,600,000 refrigerators
  (~ 40% side by sides)

- **No. of employees:**
  2,700

- **Estimated cost for closure:**
  - USD 170m (approx. SEK 1,100m)
  - Approx. 50% cash costs
  - Provision to be made in Q1 2004

- **Annual savings:**
  USD 70-80m

Electrolux
### Low-cost country manufacturing expansion

<table>
<thead>
<tr>
<th></th>
<th>Americas</th>
<th>Eastern Europe</th>
<th>Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project</strong></td>
<td>Mexico</td>
<td>Hungary</td>
<td>Poland</td>
</tr>
<tr>
<td><strong>Product</strong></td>
<td>New Plant</td>
<td>New Plant</td>
<td>Capacity Expansion</td>
</tr>
<tr>
<td><strong>Investment</strong></td>
<td>SEK 1,200m</td>
<td>SEK 600m</td>
<td>SEK 270m</td>
</tr>
<tr>
<td><strong>Start-up</strong></td>
<td>2005</td>
<td>2005</td>
<td>2006</td>
</tr>
<tr>
<td></td>
<td>Russia</td>
<td>Poland</td>
<td>Thailand</td>
</tr>
<tr>
<td><strong>Product</strong></td>
<td>Refrigerators</td>
<td>Washing Machines</td>
<td>Washing Machines</td>
</tr>
<tr>
<td><strong>Investment</strong></td>
<td>SEK 80m</td>
<td>SEK 270m</td>
<td>SEK 80m</td>
</tr>
<tr>
<td><strong>Start-up</strong></td>
<td>2004</td>
<td>2006</td>
<td>2003</td>
</tr>
</tbody>
</table>
Appendix

Market data
Industry shipments and estimated trends in demand, Q4 2003

North America
- Core appliances +7%
- Vacuum cleaners +3%
- Outdoor products 1) +1%
  2) +2%

Europe
- Core appliances +3%
- Vacuum cleaners +8%
- Food-service -7%
- Outdoor products 1) +10%
  2) +2%

Asia
- China +5-10%
- India +5%

Brazil
- Core Appliances +1%

Australia
- Core Appliances +2%

1) Consumer Products
2) Professional Products, excl. Power Cutters and Diamond Tools
Core appliances, USA
Industry unit shipments

Change in % vs same period previous year

= Full year
Core appliances, Europe
Industry unit shipments

Change in % vs same period previous year

= Full year

Western Europe

Total Europe

+3.8%  +1.8%  +4.4%  0.0%  +1.0%  +3.2%

1 2 3 4 1 2 3 4 1 2 3 4 1 2 3 4 1 2 3 4

1998 1999 2000 2001 2002 2003

* YTD
Core appliances, Europe
Industry unit shipments

Y-o-y change
Western Europe  +1.3%  +2.7%
Eastern Europe  +9.3%  +10.0%
Total Europe    +3.2%  +4.3%
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 and targets of Electrolux for future periods and future business and financial plans. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but may not be limited to the following; consumer demand and market conditions in the geographical areas and industries in which Electrolux operates, effects of currency fluctuations, competitive pressures to reduce prices, significant loss of business from major retailers, the success in developing new products and marketing initiatives, developments in product liability litigation, 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.