

# Third quarter results 2004

Hans Stråberg,  
President and CEO

# Industry shipments and estimated trends in demand, Q3 2004



## North America

- Core appliances  $+7\%$
- Vacuum cleaners  $+2\%$
- Outdoor products  $+10\%$

## Brazil

- Core Appliances  $+17\%$

## Europe

- Core appliances  $+3\%$
- Vacuum cleaners  $+5\%$
- Food-service
- Outdoor products  $+10\%$

## Asia

- China  $+11\%$
- India  $+21\%$

## Australia

- Core Appliances  $+7\%$

- 1) Consumer Products  
2) Professional Products, excl. Power Cutters and Diamond Tools  
3) July/August

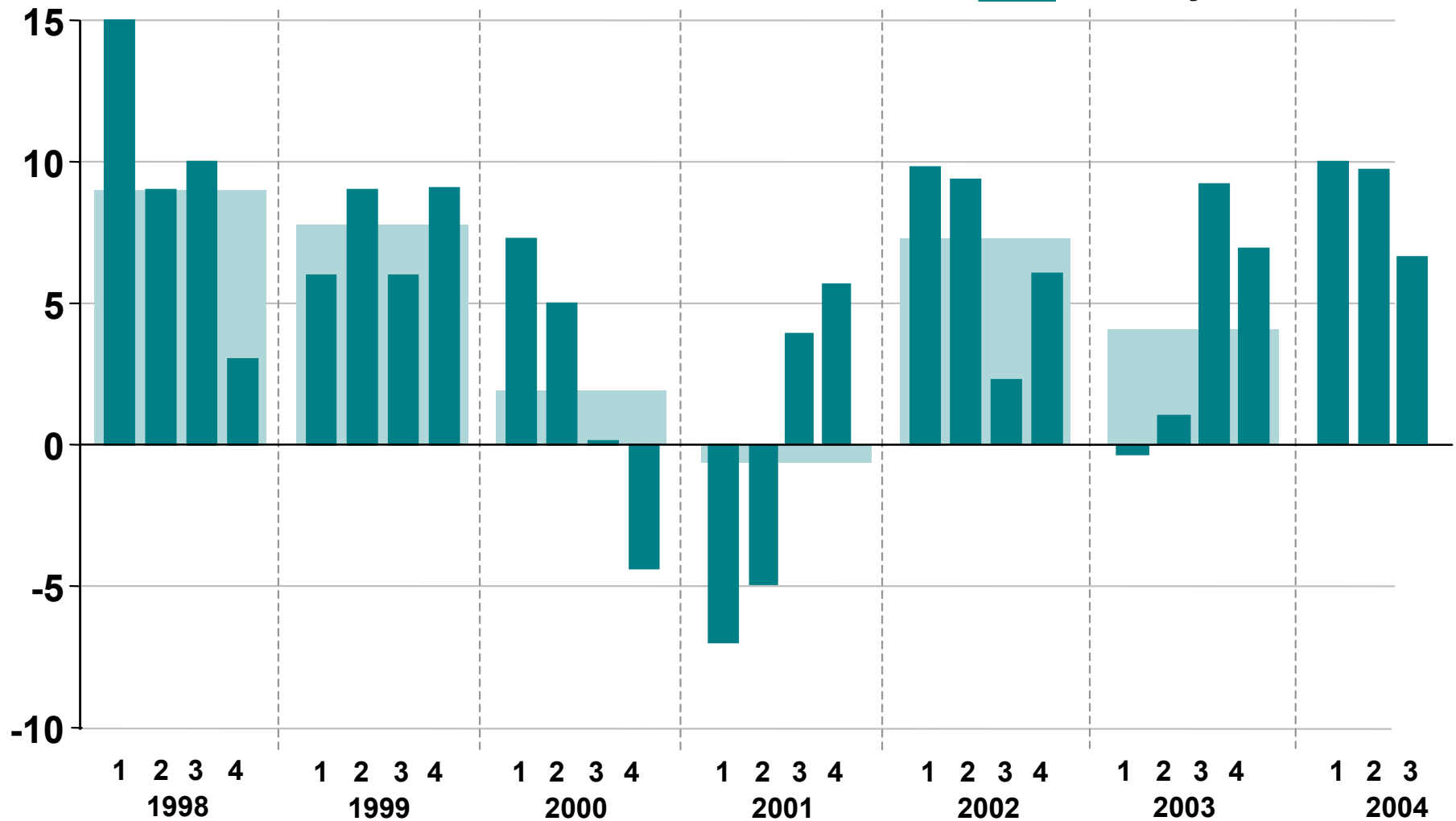
# Core appliances, USA

## Industry unit shipments



Change in % vs same period previous year

■ = Full year



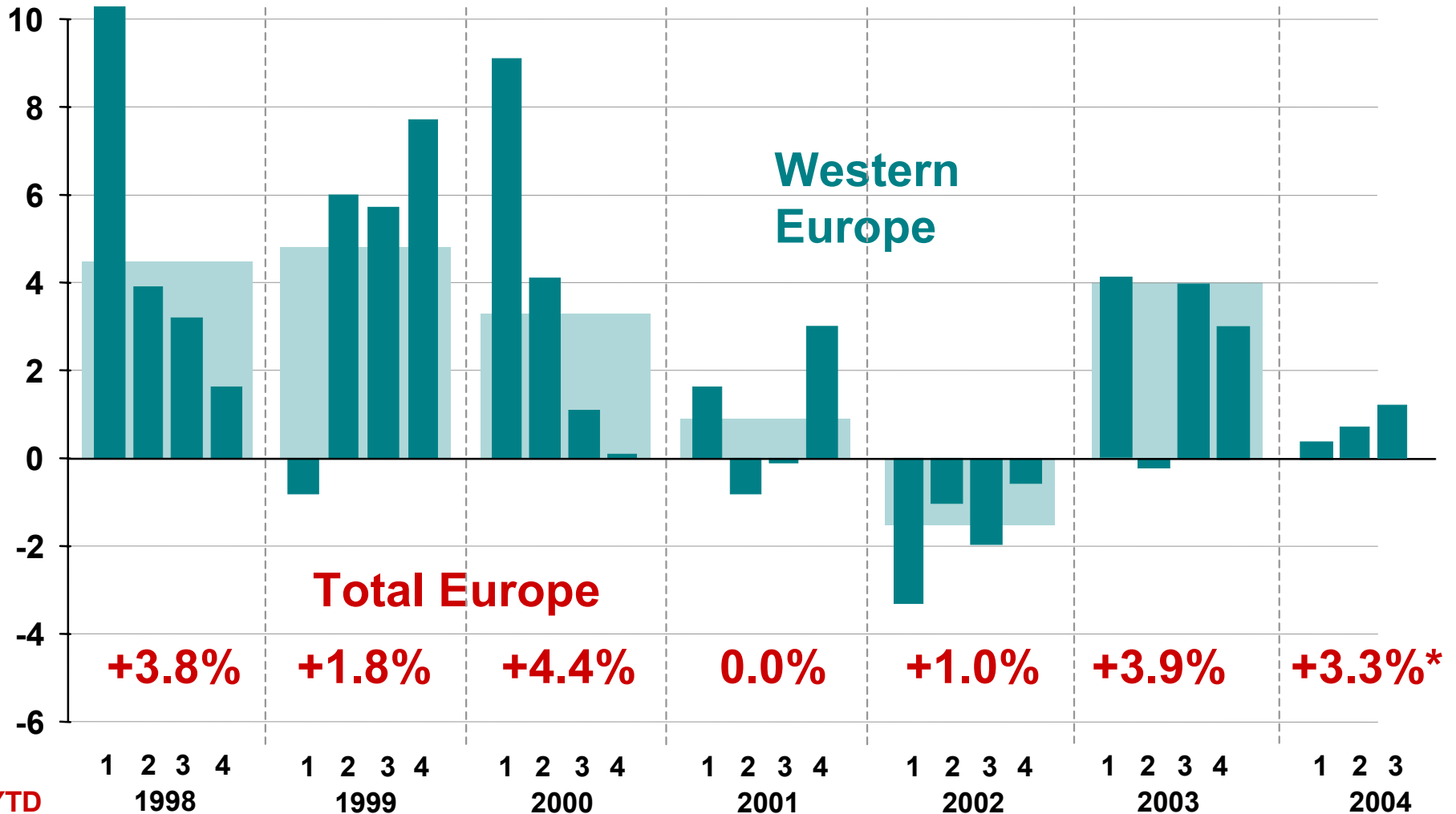
# Core appliances, Europe

## Industry unit shipments



Change in % vs same period previous year

■ = Full year



\* YTD

# Core appliances, Europe

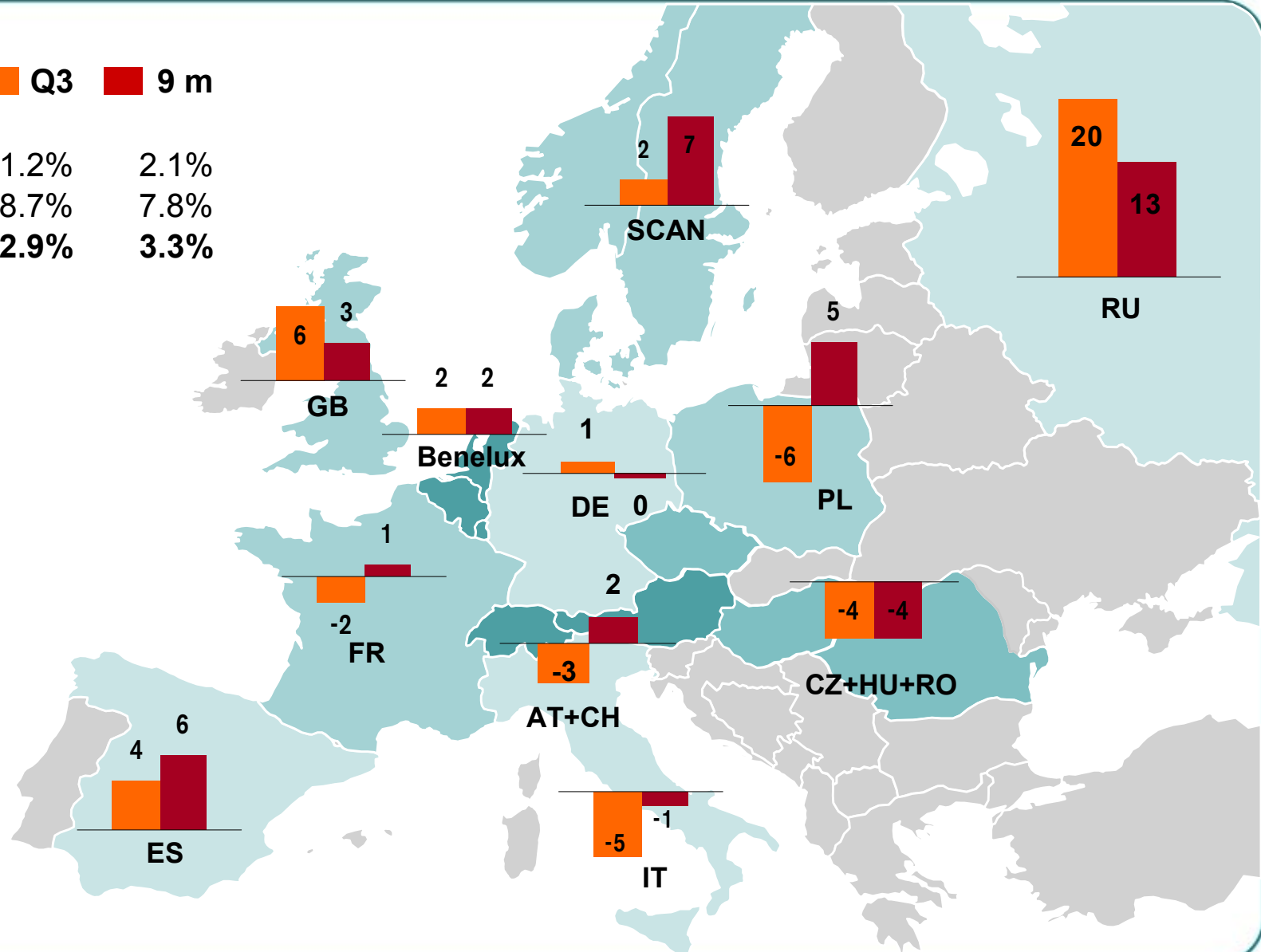
## Industry unit shipments



Y-o-y change

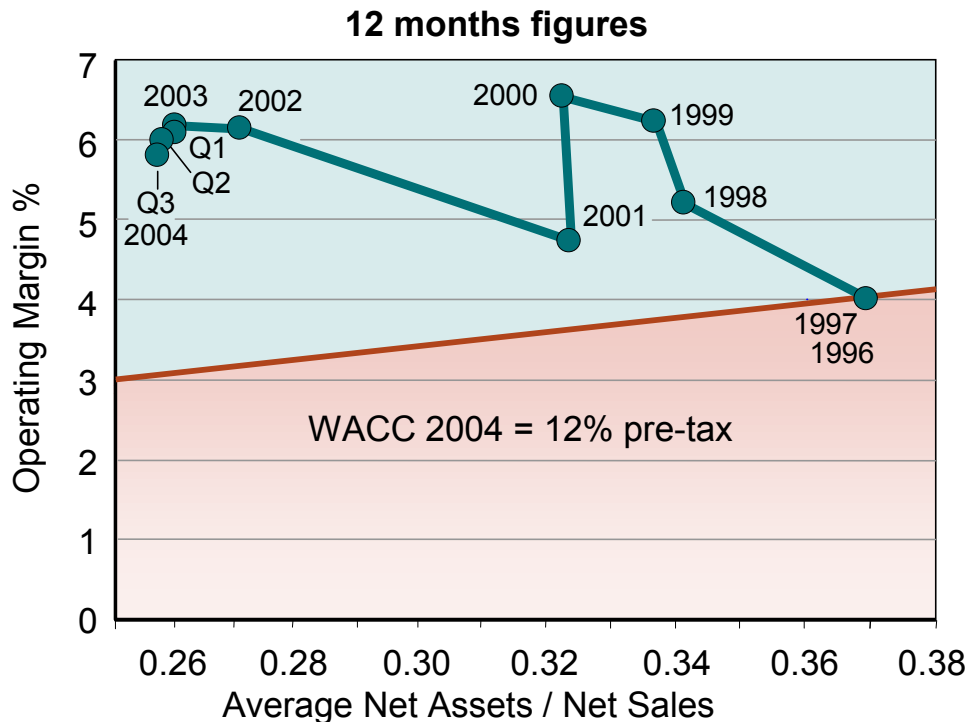
Q3 9 m

Western Europe	+1.2%	2.1%
Eastern Europe*	+8.7%	7.8%
<b>Total Europe*</b>	<b>+2.9%</b>	<b>3.3%</b>



\* Excluding Turkey

# Key data, Q3 2004



Q3 2004*	SEKm	Change
Sales	29,588	-2.6%
EBIT	1,368	-19.4%
Value creation	442	-207
<i>In comparable currency</i>		
Sales		+0.1%
EBIT		-18.7%

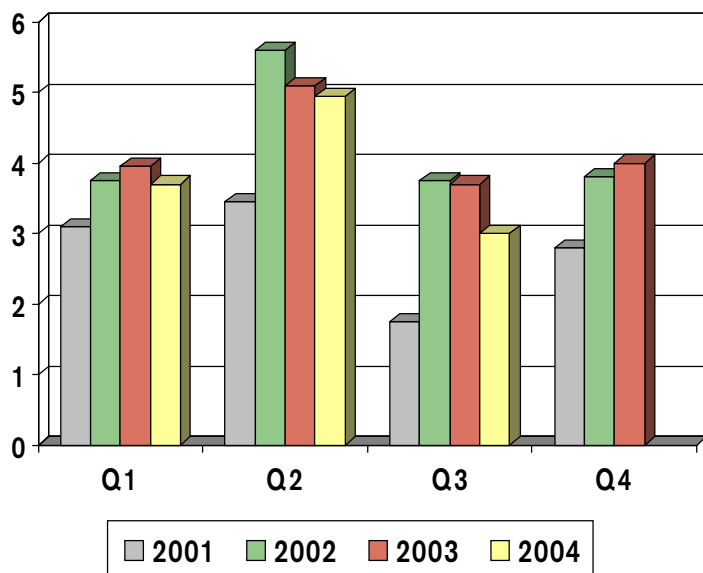
\* Excluding items affecting comparability

- Sales increased 1.4%, adjusted for changes in exchange rates and in Group structure
- Operating income adversely affected by increased materials costs
- Brand spend increased by approx. SEK 100m compared to third quarter in 2003
- Items affecting comparability amounting to SEK -276m for restructuring
- Additional SEK -60m for restructuring in Australia, not included in items affecting comparability

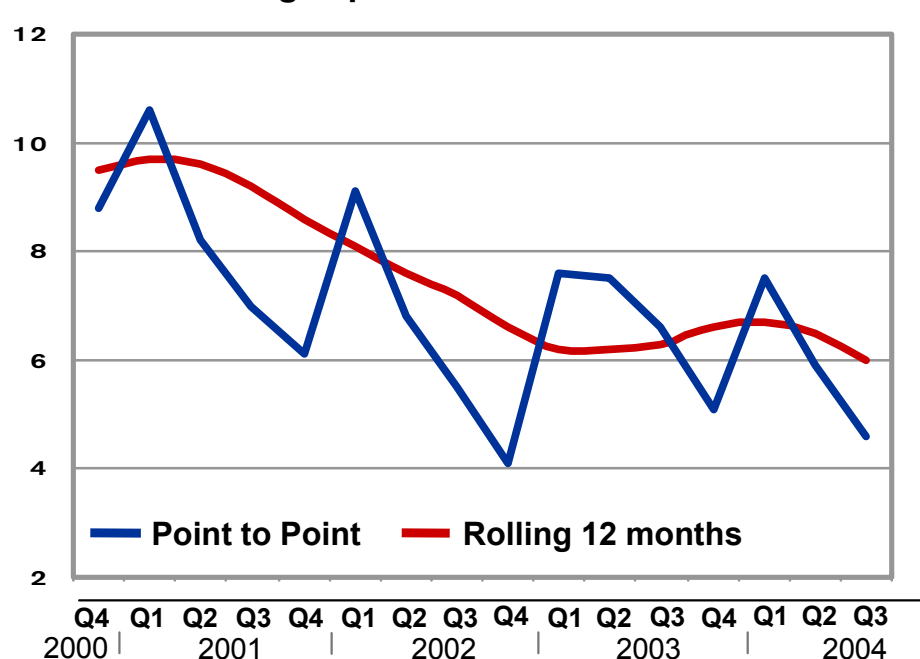
# Net income per share and trend in working capital



**Net income per share, SEK**  
excl items affecting comparability



**Working capital / Annualized sales**



- Net income per share, excluding items affecting comparability down 18.9%, to SEK 3.00 (3.70)
- Cash flow from operations in line with third quarter 2003:
  - positively impacted by lower spending on restructuring, lower increase in working capital
  - negatively impacted by higher cap-ex, SEK 300m payment to US pension fund

# Consumer Durables, Europe



- Western Europe market volume up 1%, Eastern Europe up 9%
- Sales of appliances decreased somewhat as a result weaker demand in some Western European markets
- Lost share in low-end of floor-care
- Last year Q3 sales included SEK 120m from now divested Vestfrost
- Increased investment in brand-building

Q3 2004*	SEKm	Change
Sales	10,793	-5.7%
EBIT	780	-10.9%
<i>Margin</i>	<i>7.2%</i>	
<i>In comparable currency</i>		
Sales		-6.0%
EBIT		-10.8%

\* Excluding items affecting comparability





# Consumer Durables, North America



- Higher sales for appliances in USD
- Operating income substantially lower mainly due to higher costs for materials and components
- New products improving price/volume/mix
- Floor-care sales declined in lower-price segments, operating income slightly negative but near breakeven

Q3 2004*	SEKm	Change
Sales	8,034	-4.3%
EBIT	171	-46.2%
<i>Margin</i>	<i>2.1%</i>	
<i>In comparable currency</i>		
Sales		+2.4%
EBIT		-46.3%

\* Excluding items affecting comparability



# Quantum leap in dishcare

 **Electrolux**

***SpeedClean™***  
with AquaSurge™ Technology



- Allows the consumer to adjust washing pressure for various types of items
- Can reduce total cycle time by up to 50%



# Electrolux Wine Keeper

 **Electrolux**

- Attracts the self expressionist consumers
- Stylish design and exclusive materials
- Holds 107 bottles of wine
- Optimal temperature and humidity for different types of wine
- Alarm if the door is left open



# Consumer Durables, Rest of the World



- Group sales up over 11% in local currency
- Operating income negatively impacted by SEK 60m related to restructuring in Australia
- Australia: Sales and market share stabilized; substantial decline in prices and operating income; restructuring underway
- Brazil: Upturn in sales and profit on strong appliance demand and new products
- India: YTD operating income up substantially but third quarter down
- China: Operating income improved somewhat but still negative

Q3 2004*	SEKm	Change
Sales	3,310	+7.8%
EBIT	-119	n/a
<i>Margin</i>	-3.6%	
<i>In comparable currency</i>		
Sales		+11.6%
EBIT		n/a

\* Excluding items affecting comparability



# Consumer Durables, Outdoor Products



- Group sales up over 6% in comparable currency, operating income up over 18%
- European sales and income increased considerably, as a result of strong growth and larger proportion of US made products
- North American sales up somewhat in USD, strong chainsaw sales, operating income up significantly

Q3 2004*	SEKm	Change
Sales	3,546	+2.4%
EBIT	261	+18.6%
<i>Margin</i>	<i>7.4%</i>	
<i>In comparable currency</i>		
Sales		+6.7%
EBIT		+18.8%

\* Excluding items affecting comparability





# Professional Indoor Products



- Sales up 4% excluding divested compressor operation
- Strong laundry sales increase, good increase in food service
- Operating income and margin improved, excluding divested compressor operation

Q3 2004*	SEKm	Change
Sales	1,517	-11.7%
EBIT	111	-10.5%
<i>Margin</i>	<i>7.3%</i>	
<i>In comparable currency</i>		
Sales		-11.5%
EBIT		-12.0%

\* Excluding items affecting comparability



# Professional Outdoor Products



- Sales up almost 7% in comparable currency
- Sales up in chainsaws, down in diamond tools and power cutters
- Operating income up almost 15% in comparable currency
- Margin improved almost 1 percentage point to 15.9%

Q3 2004*	SEKm	Change
Sales	2,374	+4.4%
EBIT	377	10.6%
<i>Margin</i>	<i>15.9%</i>	
<i>In comparable currency</i>		
Sales		+6.8%
EBIT		+14.9%

\* Excluding items affecting comparability



# Low emission chainsaws launched in the US

 Electrolux

## The Husqvarna 455 Rancher, 570 and 575 XP

- New engine technology, with 70% lower emissions, and 20% lower fuel consumption, i.e well within new requirements (EPA 2) which will apply in US and Europe from 2007
- High performance and ergonomic qualities such as low vibrations and total redesign of the handles



*The Husqvarna 455 Rancher replaces the Husqvarna 55.*



*The 575XP and the 570 have been developed for the demanding forestry worker.*





# Outlook for full year 2004



- Some growth in market demand in both Europe and North America
- Increased investment in R&D and brand building
- Negative currency movements
- Higher prices for raw materials and components
- 2004 operating income excluding items affecting comparability expected to be “significantly” lower than 2003 (compared to prior guidance of “somewhat lower”)

# Factors affecting forward-looking statements



## **Factors affecting forward-looking statements**

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