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%

**Europe**
- Core appliances: +3%
- Vacuum cleaners: +5%
- Food-service: +10%
- Outdoor products: +10%

**Asia**
- China: +11%
- India: +21%

**Brazil**
- Core Appliances: +17%

**Australia**
- Core Appliances: +7%

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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

Y-o-y change  | Q3   | 9 m   |
---           |------|------|
Western Europe| +1.2%| 2.1%  |
Eastern Europe*| +8.7%| 7.8%  |
Total Europe*  | +2.9%| 3.3%  |

* Excluding Turkey
Key data, Q3 2004

- 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

### Q3 2004*

<table>
<thead>
<tr>
<th>Metric</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>29,588</td>
<td>-2.6%</td>
</tr>
<tr>
<td>EBIT</td>
<td>1,368</td>
<td>-19.4%</td>
</tr>
<tr>
<td>Value creation</td>
<td>442</td>
<td>-207</td>
</tr>
</tbody>
</table>

* Excluding items affecting comparability

In comparable currency

- Sales: +0.1%
- EBIT: -18.7%

WACC 2004 = 12% pre-tax
Net income per share and trend in working capital

- 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
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

<table>
<thead>
<tr>
<th>Q3 2004*</th>
<th>SEKm</th>
<th>Change</th>
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<tbody>
<tr>
<td>Sales</td>
<td>10,793</td>
<td>-5.7%</td>
</tr>
<tr>
<td>EBIT</td>
<td>780</td>
<td>-10.9%</td>
</tr>
<tr>
<td>Margin</td>
<td>7.2%</td>
<td></td>
</tr>
</tbody>
</table>

In comparable currency

<p>| | | |</p>
<table>
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<th></th>
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<tbody>
<tr>
<td>Sales</td>
<td></td>
<td>-6.0%</td>
</tr>
<tr>
<td>EBIT</td>
<td></td>
<td>-10.8%</td>
</tr>
</tbody>
</table>

* 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

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<tr>
<th>Q3 2004*</th>
<th>SEKm</th>
<th>Change</th>
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<tr>
<td>Sales</td>
<td>8,034</td>
<td>-4.3%</td>
</tr>
<tr>
<td>EBIT</td>
<td>171</td>
<td>-46.2%</td>
</tr>
<tr>
<td>Margin</td>
<td>2.1%</td>
<td></td>
</tr>
</tbody>
</table>

*Excluding items affecting comparability
Quantum leap in dishcare

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

- 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

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<tr>
<td>Sales</td>
<td>3,310</td>
<td>+7.8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>-119</td>
<td>n/a</td>
</tr>
<tr>
<td>Margin</td>
<td>-3.6%</td>
<td></td>
</tr>
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* In comparable currency

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<tr>
<td>Sales</td>
<td>+11.6%</td>
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<tr>
<td>EBIT</td>
<td>n/a</td>
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* 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

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<tr>
<td>Sales</td>
<td>3,546</td>
<td></td>
<td>+2.4%</td>
</tr>
<tr>
<td>EBIT</td>
<td>261</td>
<td></td>
<td>+18.6%</td>
</tr>
<tr>
<td>Margin</td>
<td>7.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In comparable currency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td>+6.7%</td>
</tr>
<tr>
<td>EBIT</td>
<td></td>
<td></td>
<td>+18.8%</td>
</tr>
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* 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

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<tr>
<td>Sales</td>
<td>1,517</td>
<td>-11.7%</td>
</tr>
<tr>
<td>EBIT</td>
<td>111</td>
<td>-10.5%</td>
</tr>
<tr>
<td>Margin</td>
<td>7.3%</td>
<td></td>
</tr>
</tbody>
</table>

In comparable currency
- Sales: -11.5%
- EBIT: -12.0%

* Excluding items affecting comparability
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%

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<tr>
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<tr>
<td>Sales</td>
<td>2,374</td>
<td>+4.4%</td>
</tr>
<tr>
<td>EBIT</td>
<td>377</td>
<td>10.6%</td>
</tr>
<tr>
<td>Margin</td>
<td>15.9%</td>
<td></td>
</tr>
<tr>
<td>In comparable currency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td>+6.8%</td>
</tr>
<tr>
<td>EBIT</td>
<td></td>
<td>+14.9%</td>
</tr>
</tbody>
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* Excluding items affecting comparability
Low emission chainsaws launched in the US

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
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”)

Electrolux
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