

Global Investor Briefing

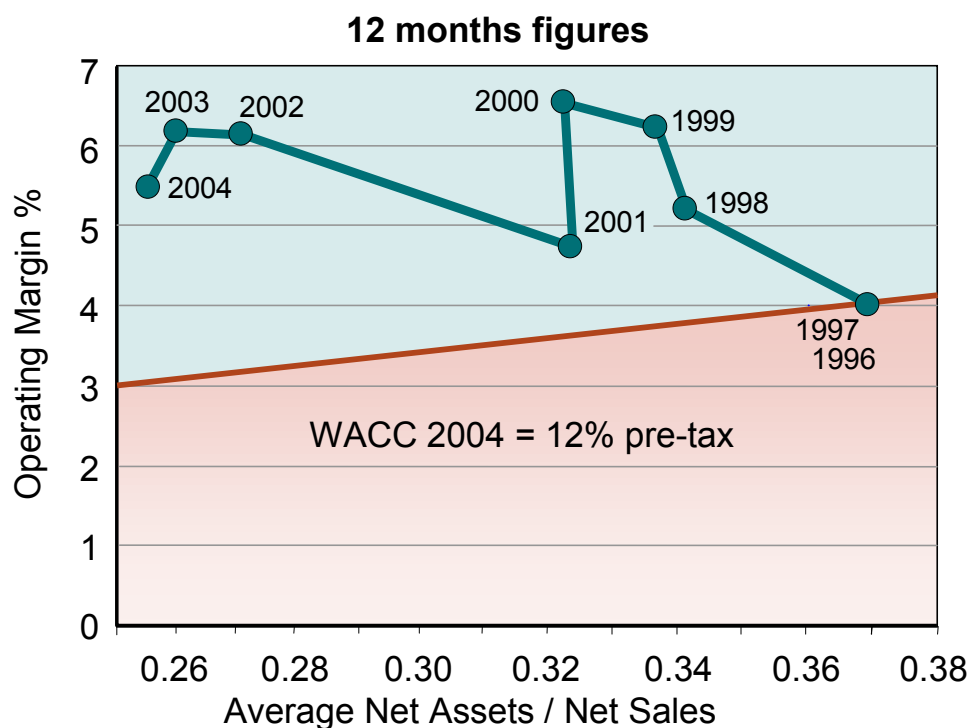
February 15, 2005

Hans Stråberg,
President and CEO

 **Electrolux**

- Q4 results
- 2005 Outlook
- Final stage of major restructuring
- Outdoor spin-off

Key data, Q4 2004



Q4 2004*	SEKm	Change
Sales	28,620	+1.1%
EBIT	1,137	-31.0%
Value creation	583	-207
<i>On comparable basis</i>		
Sales*		+5.0%
EBIT**		-17.1%

* In comparable currency

** Excluding items affecting comparability

- Sales increased 5.0%, adjusted for changes in exchange rates and in Group structure
- Positive trend in volume/price/mix
- Operating income declined mainly due to costs for relocation of production
- Items affecting comparability amounting to SEK -299m for restructuring

Net sales and EBIT by business areas



	Fourth quarter 2004			Full year 2004		
	<u>Net sales</u>	<u>EBIT</u>	<u>Margin</u>	<u>Net sales</u>	<u>EBIT</u>	<u>Margin</u>
Consumer Durables						
Europe	11,597	943	8.1	42,703	3,124	7.3
North America	7,677	323	4.2	30,767	1,106	3.6
Rest of the world	3,699	-47	-1.3	13,479	-159	-1.2
Outdoor products	1,746	69	4.0	17,579	1,552	8.8
Professional Products						
Indoor	1,672	105	6.3	6,440	442	6.9
Outdoor	2,216	313	14.1	9,623	1,479	15.4

Product investment driving results



North America

- Growth driven by mix improvements, higher average prices
- Some product launches:
 - Side-by-side counter depth refrigerator
 - Wall oven and warmer drawer
 - Icon professional and consumer lines
 - Pronto vacuum cleaner



Product investment driving results



Europe

- New products improved mix and average prices
- Some product launches:
 - 90 cm Wide Dishwasher
 - Free standing Cooker Platform M2 - Double cavity, panoramic insight
 - Oxy-3 vacuum cleaner



Items affecting comparability

	Fourth quarter	
	2004	2003
Restructuring provisions and write-downs		
Cooker factory in Reims, France	-289	-
Tumble dryer plant, Denmark	-49	-
Reversal of unused restructuring provision	39	-
Write-down of participation in Nordwaggon	-	-85
Total	-299	-85

Financial Summary



Fourth quarter

Operating income SEKm

2004	2003	% Chg
1,137	1,648	-31.0

Net income per share

2.50	3.71	-32.6
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Return on equity %

12.7	17.3	
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Excluding items affecting comparability

Operating income SEKm

1,436	1,733	-17.1
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Margin %

5.0	6.1	
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Net income per share

3.23	3.99	-19.0
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Return on equity %

17.9	18.9	
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Cash flow



SEKm	Fourth quarter		Full year	
	2004	2003	2004	2003
Cash flow from operations, excluding change in operating assets & liabilities	1,416	1,230	7,140	7,150
Change in operating assets & liabilities	2,222	2,470	1,442	-857
Cash flow from operations	3,638	3,700	8,582	6,293
Capital expenditure in tangible fixed assets	-1,563	-1,130	-4,515	-3,463
Divestment of operations	-	-8	-	857
Other	-301	-105	-843	36
Cash flow from investments	-1,864	-1,243	-5,358	-2,570
Cash flow from operations & investments	1,774	2,457	3,224	3,723

“Demand for appliances in 2005 is expected to show some growth in both Europe and the US as compared to 2004.

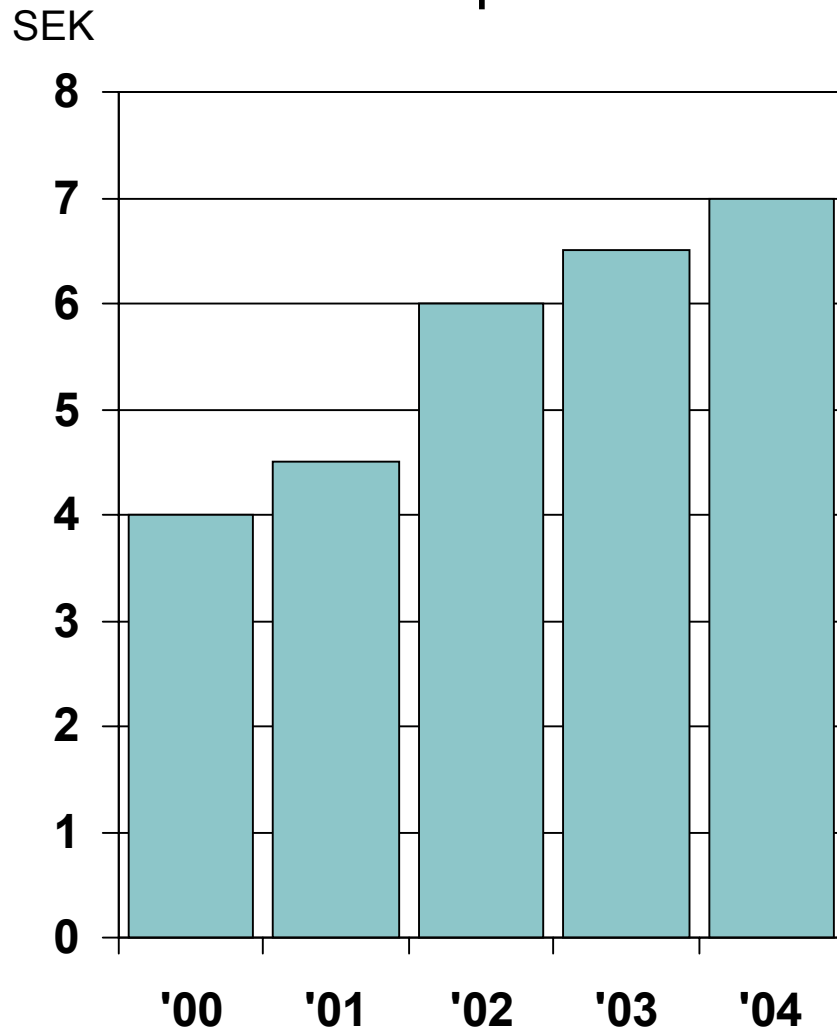
Higher costs for materials and components will have an adverse effect on the Group’s operating income.

Efforts to strengthen the Group’s competitive position through investments in product development and in building the Electrolux brand will continue.

Operating income for the full year of 2005, exclusive of items affecting comparability, is expected to be somewhat lower than in 2004.”

Dividend and buybacks

Dividend per share



Board proposal to AGM

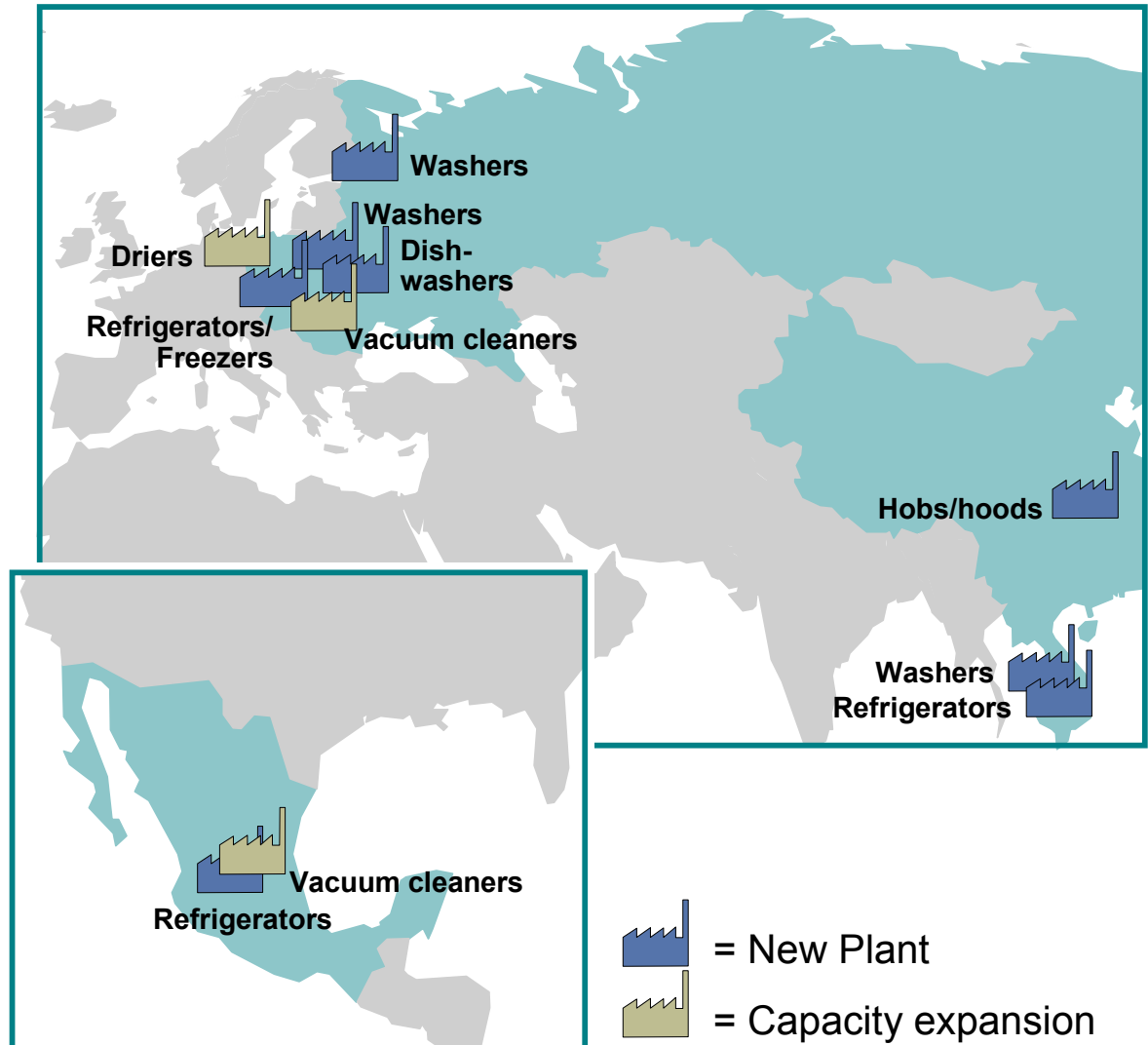
- Increase dividend to SEK 7.0
- Renew mandate for share repurchases up to maximum 10% of the total number of shares

- **Cost: SEK 8-10 b**
 - Charged on an on-going basis
 - About 2/3 cash, 1/3 asset write-downs
- **Annual Savings**
 - Generated gradually
 - SEK 2.5 – 3.5 b from 2009
- **Most relocation to be finalized by 2008**

Lowest cost in production: Expansion in low-cost countries

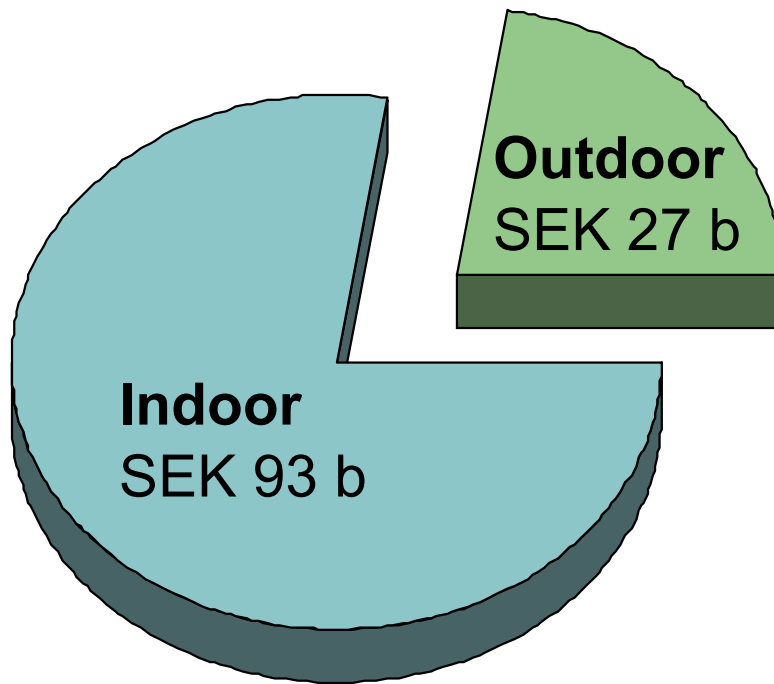
Category	Country	Investment SEKm	Start-up
Refrigerators*	Mexico	1,200	05-06
Refr/Freezers*	Hungary	600	05
Washers	Russia	80	04-05
Dryers	Poland	270	06
Washers	E Europe	500	05-06
Dishwashers	Poland	275	05-06
Washers	Thailand	80	03
Refrigerators	Thailand	300	06
Hobs/hoods	China	54	05

* Consolidation, production of vacuum cleaners



Spin-off of Outdoor Products

Electrolux Group 2004 Sales



- Intend to spin-off as separate unit
- Finalized no later than mid-2006

Leading global outdoor company

 **Electrolux**

	Global market share	Closest competitor
Chainsaws	>45%	<30%
Other portable petrol	>30%	<20%
Tractors	>30%	<20%
Lawn mowers	>25%	<20%
Diamond tools	10-15%	<15%
Commercial lawn & garden, wheeled	5-10%	~20%



 **Husqvarna**

DIMAS

Flymo

McCULLOCH

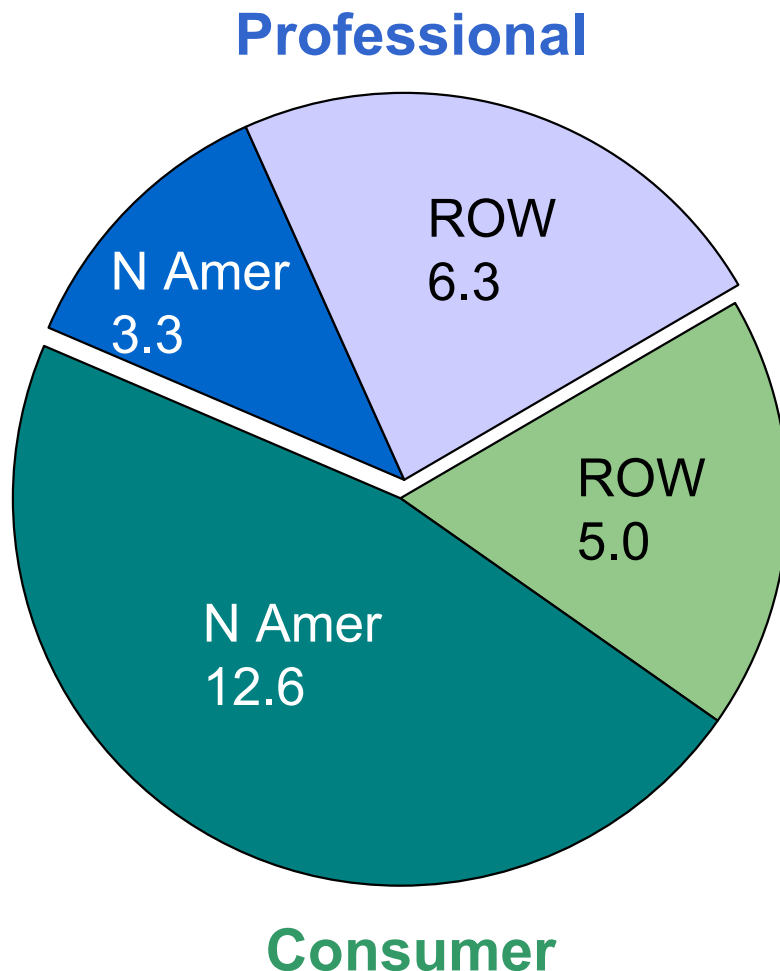
Poulan
WEEDEATER

Jonsered

PARTNER

PARTNER

2004 Sales SEK b



Competitive Strengths

- Husqvarna brand and dealer network, platform for add-ons
- Strong retail position and supply chain in US
- Broadest product offering and leading global position in several key categories
- Strong product development and innovation
- Economies of scale

Attractive market opportunities



- More consumer spending on home
- Kitchen has become heart of the home
- Growing number of households
- Increasing disposable income
- 60% increase in European built-in appliances
- Fast-growing segments

Focus on fast growing segments

 **Electrolux**



Enklaste sättet att frosta av frysen är att inte göra det alls.

Electrolux EUF 2300 och dess släktingar är energiklassade A+ och frostar av sig själva. Pris från 9.650 kr.

- FrostFree
- Energiklass A+
- Bäst i test enligt Råd & Rön nr 4/2003
- Superkabinett



These days there's never enough time. I'm the Electrolux Induction Hob. Giving you faster, yet completely even cooking. So now fast food can be good food.

Factors affecting forward-looking statements



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.