Half-yearly Results 2005
July 19, 2005

Hans Stråberg
President and CEO
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Q2 Summary

- Good trend in sales, particularly in North America.
- Decline in operating income*) mainly due to 1.3 billion higher material costs.
- More than half of total increase in material cost offset by internal measures and cost-cutting.
- Implemented price increases and an improved product mix contributed to income.
- Strategic initiatives to address under performers and invest in product development and marketing continued.

*) Excluding items affecting comparability
Key data, Q2 2005

- Sales increased 5.8%, adjusted for changes in exchange rates and in Group structure
- Positive trend in price/mix
- Operating income adversely affected by substantially higher costs for raw materials

<table>
<thead>
<tr>
<th>Q2 2005</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>33,969</td>
<td>6.3%</td>
</tr>
<tr>
<td>EBIT</td>
<td>1,890</td>
<td>6.1%</td>
</tr>
<tr>
<td>Value creation</td>
<td>833</td>
<td>-363</td>
</tr>
</tbody>
</table>

On comparable basis
- Sales*) 5.8%
- EBIT*)**) -13.3%

*) In comparable currency
**) Excluding items affecting comparability

WACC 2004 = 12% pre-tax

12 months figures

Average Net Assets / Net Sales

- WACC 2004 = 12% pre-tax
## Raw Material impact

<table>
<thead>
<tr>
<th>SEKm, Change y/y</th>
<th>Q1/2005</th>
<th>Q2/2005</th>
<th>H1/2005</th>
<th>Ex 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased cost for materials</td>
<td>-1,000</td>
<td>-1,300</td>
<td>-2,300</td>
<td>-4,000</td>
</tr>
<tr>
<td>Total impact on EBIT</td>
<td>-600</td>
<td>-800</td>
<td>-1,400</td>
<td>-2,000</td>
</tr>
</tbody>
</table>
Earnings per share, excluding items affecting comparability down 18.1%, to SEK 4.11 (5.02)
Cash flow from operations and investments declined due to changes in working capital
Net borrowings increased to SEK 8.535m (6.408)
Unit shipments in Western Europe increased 0.6%, while Eastern Europe rose by approximately 3%.

Sales of appliances in Europe increased. Positive trend in product mix.

Growing sales volumes in Eastern Europe, while Germany continued to be weak.

Operating income impacted by higher costs for material.

Sales of floor care product largely unchanged, while operating income declined.

<table>
<thead>
<tr>
<th>Q2 2005*)</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>10,116</td>
<td>1.9%</td>
</tr>
<tr>
<td>EBIT</td>
<td>486</td>
<td>-36.2%</td>
</tr>
<tr>
<td>Margin</td>
<td>4.8%</td>
<td></td>
</tr>
</tbody>
</table>

*In comparable currency*

| Sales     | 0.7%  |
| EBIT      | -34.4%|

*) Excluding items affecting comparability
Consumer Durables, North America

- Industry shipments of core appliances in the US increased by almost 2%
- Sales of appliances showed a marked growth in the quarter
- Positive volume, price and product mix development in several categories
- Operating income up, despite a substantial impact from raw materials and costs for relocation of production
- Sales of floor care products were lower and operating income declined

<table>
<thead>
<tr>
<th>Q2 2005*)</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>8,478</td>
<td>10.2%</td>
</tr>
<tr>
<td>EBIT</td>
<td>350</td>
<td>3.9%</td>
</tr>
<tr>
<td>Margin</td>
<td>4.1%</td>
<td></td>
</tr>
</tbody>
</table>

_In comparable currency_

| Sales     | 11.9%  |
| EBIT      | 2.7%   |

*) Excluding items affecting comparability
The market for major appliances in Brazil showed an upturn from the previous year.

Sales for the Group’s Brazilian operation showed strong growth.

Operating income decreased, mainly as a result of higher material costs.

### Consumer Durables, Latin America

<table>
<thead>
<tr>
<th>Q2 2005*</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,423</td>
<td>49.8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>-11</td>
<td>-121.6%</td>
</tr>
<tr>
<td>Margin</td>
<td>-0.8%</td>
<td></td>
</tr>
</tbody>
</table>

*In comparable currency

| Sales    | 30.8%|
| EBIT     | -119.2%|

*) Excluding items affecting comparability
Continued weakness in the Australian appliance market. Group sales in Australia slightly up. Operating income up substantially from a low level.

Sales of appliances in China largely unchanged. Operating income declined substantially, mainly due to an unfavorable product mix and higher costs for materials.

Group sales of appliances in India increased from the previous year. Operating income declined. Operation divested in July 2005.

<table>
<thead>
<tr>
<th>Q2 2005*</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,475</td>
<td>4.3%</td>
</tr>
<tr>
<td>EBIT</td>
<td>-16</td>
<td>66.7</td>
</tr>
<tr>
<td>Margin</td>
<td>-0.6%</td>
<td></td>
</tr>
</tbody>
</table>

*In comparable currency

Sales 2.2%

EBIT 54.8%

*) Excluding items affecting comparability
Professional Indoor Products

- Group sales of food service equipment largely unchanged
- Operating income and margin increased somewhat
- Sales for laundry equipment increased somewhat
- Operating income was unchanged and margin declined as a result of increased material costs

<table>
<thead>
<tr>
<th>Q2 2005*</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,739</td>
<td>2.7%</td>
</tr>
<tr>
<td>EBIT</td>
<td>137</td>
<td>3.0%</td>
</tr>
<tr>
<td>Margin</td>
<td>7.9%</td>
<td></td>
</tr>
</tbody>
</table>

*In comparable currency

| Sales    | 2.4% |
| EBIT     | 2.3% |

*) Excluding items affecting comparability
### Consumer Outdoor Products

- Good sales growth for consumer outdoor product in Europe
- Operating income showed a strong improvement as a result of an improved product mix and increased volumes of products imported from the US operation
- Continued weak demand in the US due to unfavorable weather conditions
- Sales increased in USD, while operating income decreased as a result of an unfavorable product mix and higher costs for materials

<table>
<thead>
<tr>
<th>Q2 2005*)</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>6,841</td>
<td>2.5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>687</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Margin</td>
<td>10.0%</td>
<td></td>
</tr>
</tbody>
</table>

*In comparable currency*

| Sales     | 3.7% |
| EBIT      | -4.1%|

*) Excluding items affecting comparability
Group sales of chainsaws and commercial lawn and garden products showed good growth compared to the second quarter of 2004.

Sales of diamond tools and power cutters increased due to higher demand in the US.

Professional Outdoor Products showed a continued positive trend in both sales and operating income.

<table>
<thead>
<tr>
<th>Q2 2005*</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,889</td>
<td>10.1%</td>
</tr>
<tr>
<td>EBIT</td>
<td>510</td>
<td>11.8%</td>
</tr>
<tr>
<td>Margin</td>
<td>17.7%</td>
<td></td>
</tr>
</tbody>
</table>

In comparable currency:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>9.5%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>11.0%</td>
<td></td>
</tr>
</tbody>
</table>

*) Excluding items affecting comparability
Accelerated consolidation and relocation of production

- **Closure of**
  - Refrigerator plant in Fuenmayor, Spain
  - Lawn-mower factory in Parabiago, Italy

- **Evaluation of**
  - Closure of factory in Nuremberg, Germany
  - Downsizing in Mariestad, Sweden

- **Downsizing of**
  - Capacity of refrigerator plant in Florence, Italy
New refrigerator factory in Mexico

- A new world-class refrigerator factory opened end of June in Ciudad Juárez, Mexico
- Approx. 1,6 million square feet and has a manufacturing capacity of 1,000,000 refrigerators annually
- One of Mexico’s largest industrial projects
- Investment of approximately SEK 1.2bn
- Ramping up to 3,000 employees in 2006
- Refrigerators mainly exported to US and Canada and selected retailers in Mexico, Latin America and the Caribbean
Divestment of Indian operation

- Divestment of Groups Indian operation to Videocon
- Cash flow effect approximately SEK 350m, taken in Q3
- Videocon one of India’s largest industrial groups
- Electrolux will become owner of approximately 5% of the shares in Videocon Industries
- License for Videocon to use the Electrolux brand in India for 5 years
Product launches Europe

- Side-by-side refrigerator and freezer
- Large Capacity Washing Machine
- Electrolux Barbecue Outdoor Grill
- Viva Compact dish washer
- Electrolux Insight Cookers
- Talking Washing Machine
- Ophir Large Capacity Frost Free Freezer
- Touch Panel Gas Cook Tops
Product launches North America & Professional Indoor

Electrolux Icon Professional Dual-fuel freestanding ranges

Electrolux Icon Professional Wall ovens

Electrolux Icon Professional Under-counter wine cooler

Modular Rack Type Professional dishwasher

Zanussi Professional N700 Modular cooking equipment
Outlook for 2005

“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.”
Change in % vs. same period previous year

Core appliances, USA
Industry unit shipments

-8%

-6%

-4%

-2%

0%

2%

4%

6%

8%

10%

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4

2000 2001 2002 2003 2004 2005

= Full year
Core appliances, Europe
Industry unit shipments

Change in % vs. same period previous year

-4% -2% 0% 2% 4% 6% 8% 10%

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4

2000 2001 2002 2003 2004 2005

Western Europe

Total Europe*

3.7% 2.4% 1.1% 4.6% 4.0% YTD 1.0%

*) Excluding Turkey

= Full year
Industry shipments and estimated trends in demand, Q2 2005

**North America**
- Core appliances
- Vacuum cleaners
- Outdoor products

**Europe**
- Core appliances
- Vacuum cleaners
- Food-service
- Outdoor products

**Asia**
- China
- India

**Brazil**
- Core Appliances

**Australia**
- Core Appliances

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1) Consumer Products
2) Professional Products, excl. Power Cutters and Diamond Tools
Y-o-y change, %

- Western Europe: Q2 0,6, H1 0,5
- Eastern Europe*: Q2 2,8, H1 2,9
- Total Europe*: Q2 1,0, H1 1,0

*) Excluding Turkey
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.