

Half-yearly Results 2005

July 19, 2005

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President and CEO

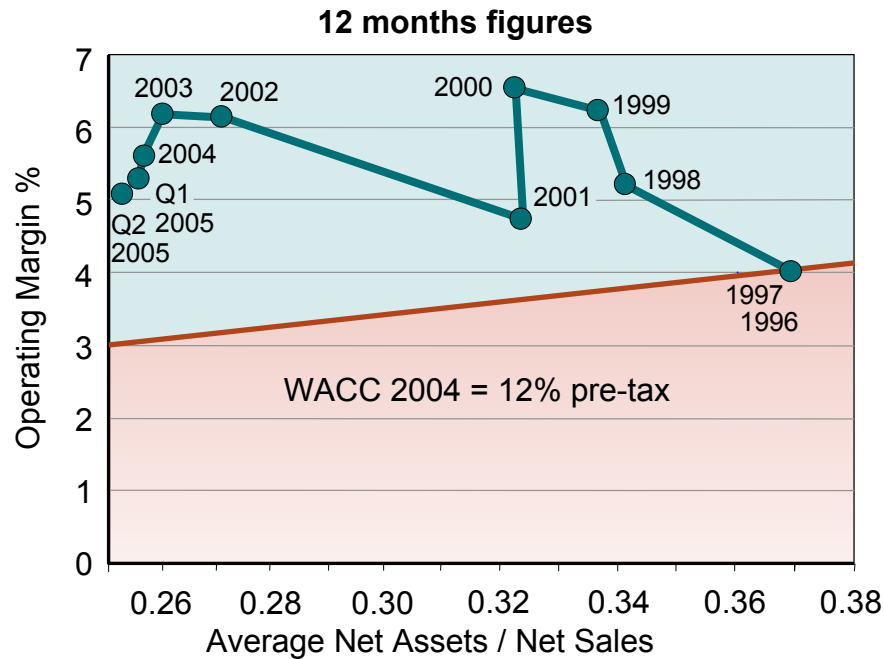
 **Electrolux**

- Q2 Summary
- Market demand
- Financial summary
- Business areas
- Structural Changes
- Product Launches
- Outlook

- 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



Q2 2005	SEKm	Change
Sales	33,969	6.3%
EBIT	1,890	6.1%
Value creation	833	-363
<i>On comparable basis</i>		
Sales*)		5.8%
EBIT*)**)		-13.3%

*) In comparable currency

***) Excluding items affecting comparability

- 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

Raw Material impact

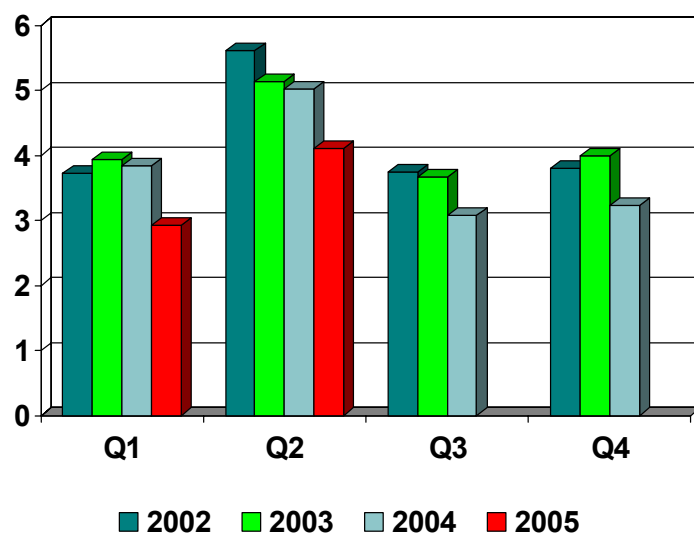


SEKm, Change y/y	Q1/2005	Q2/2005	H1/2005	Ex 2005
Increased cost for materials	-1,000	-1,300	-2,300	-4,000
Total impact on EBIT	-600	-800	-1,400	-2,000

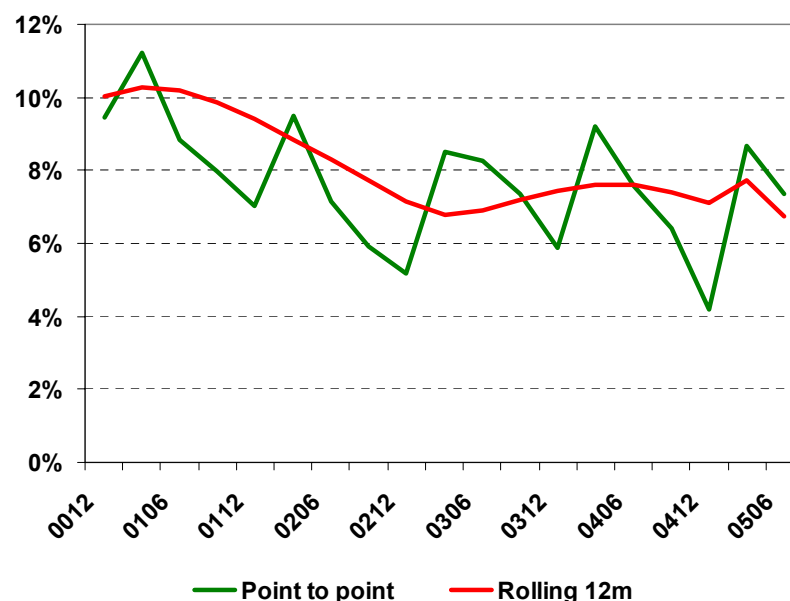
Net income per share and trend in working capital



Income for the period per share, SEK
excl items affecting comparability



Working capital / Annualized sales



- 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)

Consumer Durables, Europe



- 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

Q2 2005*)	SEKm	Change
Sales	10,116	1.9%
EBIT	486	-36.2%
<i>Margin</i>	<i>4.8%</i>	
<i>In comparable currency</i>		
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

Q2 2005*)	SEKm	Change
Sales	8.478	10.2%
EBIT	350	3.9%
<i>Margin</i>	<i>4.1%</i>	
<i>In comparable currency</i>		
Sales		11.9%
EBIT		2.7%

*) Excluding items affecting comparability



Consumer Durables, Latin America



- 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

Q2 2005*)	SEKm	Change
Sales	1,423	49.8%
EBIT	-11	-121.6%
<i>Margin</i>	<i>-0.8%</i>	
<i>In comparable currency</i>		
Sales		30.8%
EBIT		-119.2%

*) Excluding items affecting comparability



Consumer Durables, Asia Pacific



- 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

Q2 2005*)	SEKm	Change
Sales	2,475	4.3%
EBIT	-16	66.7
<i>Margin</i>	<i>-0.6%</i>	
<i>In comparable currency</i>		
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

Q2 2005*)	SEKm	Change
Sales	1,739	2.7%
EBIT	137	3.0%
<i>Margin</i>	<i>7.9%</i>	
<i>In comparable currency</i>		
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

Q2 2005*)	SEKm	Change
Sales	6,841	2.5%
EBIT	687	-5.6%
<i>Margin</i>	<i>10.0%</i>	
<i>In comparable currency</i>		
Sales		3.7%
EBIT		-4.1%

*) Excluding items affecting comparability



Professional Outdoor Products



- 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

Q2 2005*)	SEKm	Change
Sales	2,889	10.1%
EBIT	510	11.8%
<i>Margin</i>	<i>17.7%</i>	
<i>In comparable currency</i>		
Sales		9.5%
EBIT		11.0%

*) 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

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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

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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

- “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.”

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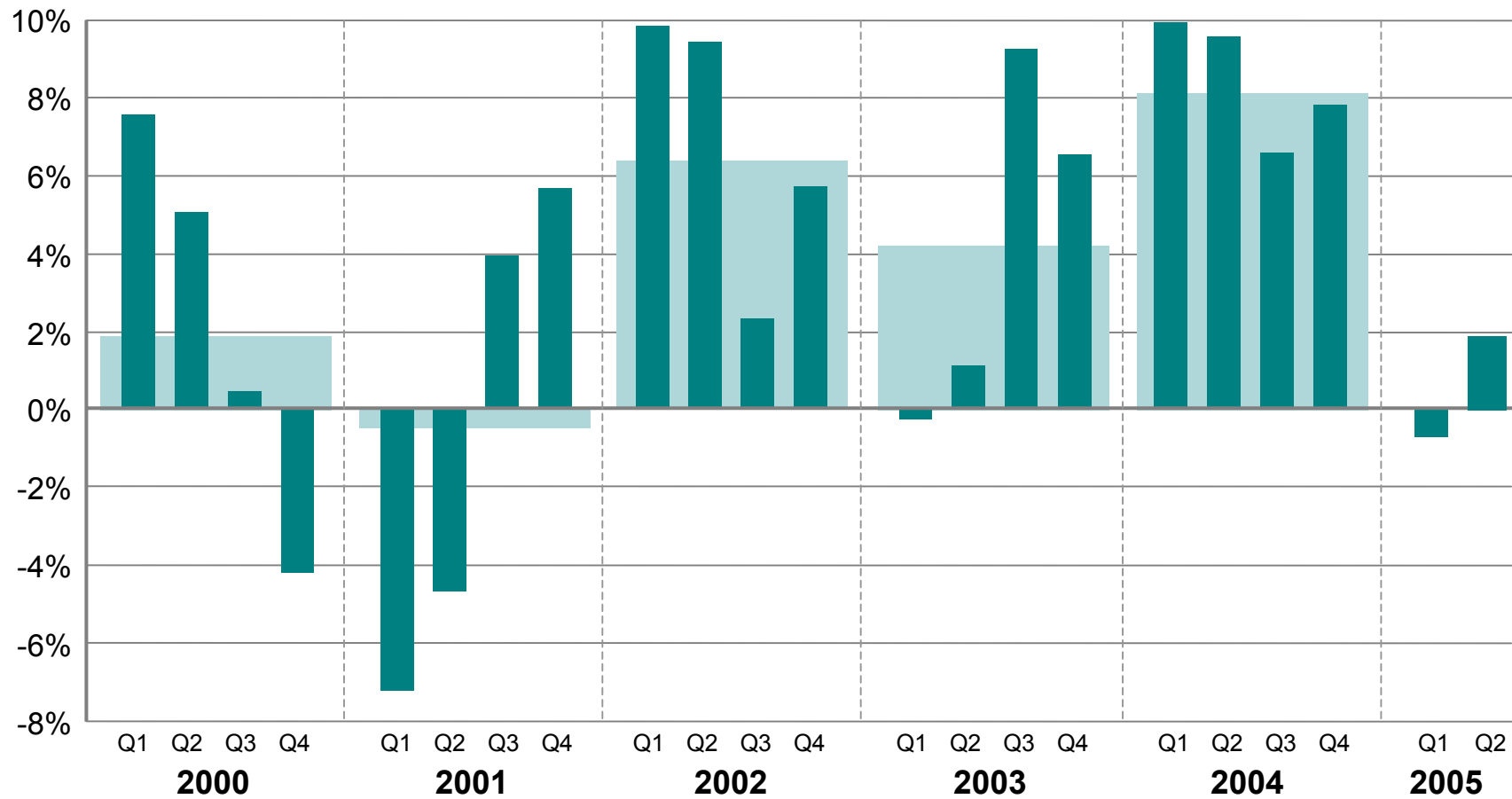
Core appliances, USA

Industry unit shipments



Change in % vs. same period previous year

■ = Full year

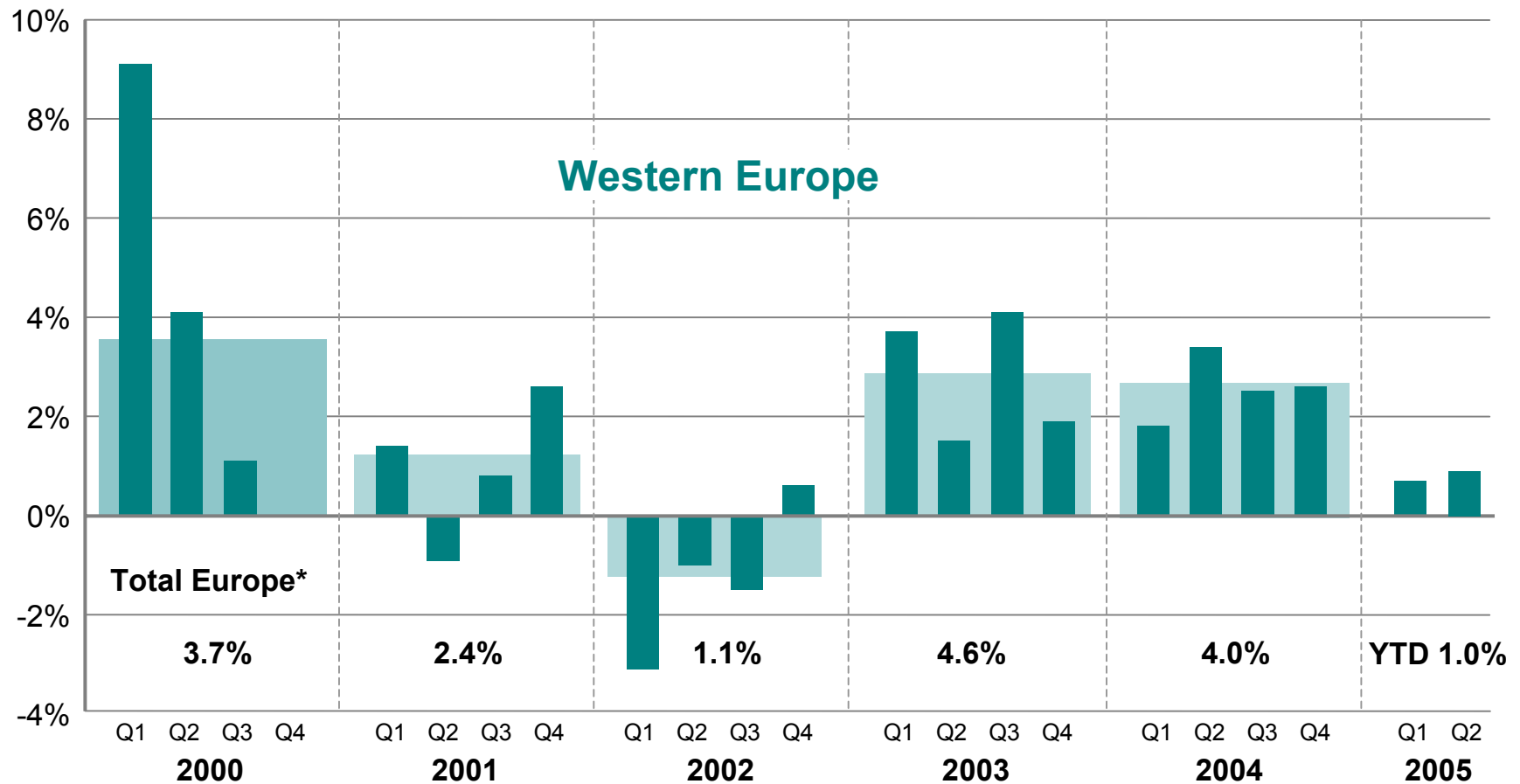


Core appliances, Europe Industry unit shipments



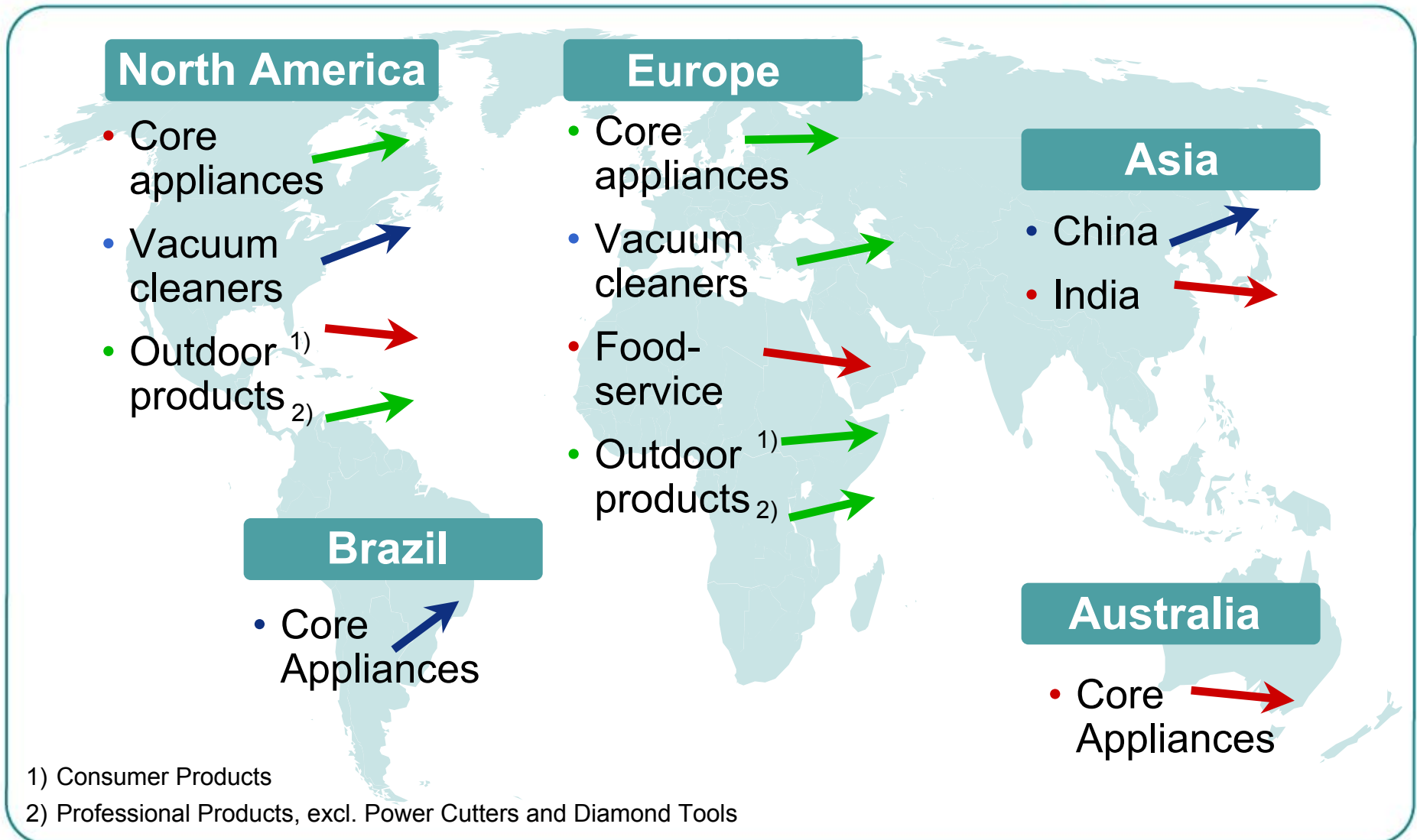
Change in % vs. same period previous year

■ = Full year



*) Excluding Turkey

Industry shipments and estimated trends in demand, Q2 2005



Core appliances, Europe

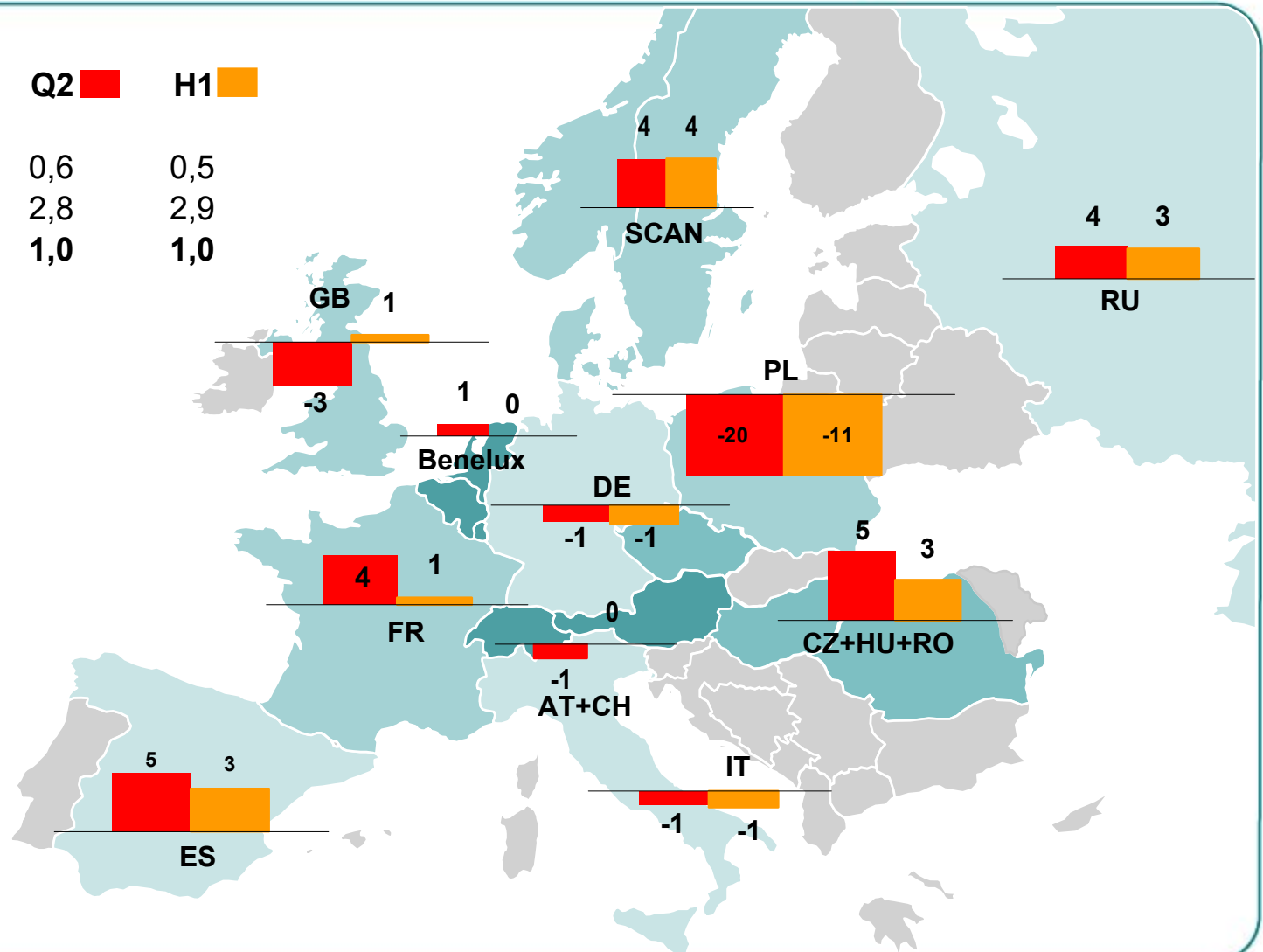
Industry unit shipments



Y-o-y change, %

Q2 ■ H1 ■

Western Europe	0,6	0,5
Eastern Europe*)	2,8	2,9
Total Europe*)	1,0	1,0



*) Excluding Turkey

Factors affecting forward-looking statements



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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.