Consolidated results 2005
February 14, 2006

Hans Stråberg
President and CEO
Highlights

2005 headwinds: material costs, weak price environment, restructuring

- Pricing successful in Americas
- Significant cost cutting
- Restructuring benefits in Europe, Americas, Asia
- New products driving margin improvement

2004-05 Quarterly development

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margin, % 2005</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Financial summary
excluding items affecting comparability

<table>
<thead>
<tr>
<th></th>
<th>Q4 2005</th>
<th>% Change</th>
<th>Full year 2005</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEKm</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>33,651</td>
<td>17.6</td>
<td>129,469</td>
<td>7.3</td>
</tr>
<tr>
<td>Operating income</td>
<td>2,061</td>
<td>42.2</td>
<td>6,962</td>
<td>2.9</td>
</tr>
<tr>
<td>Pre-tax income</td>
<td>1,861</td>
<td>36.4</td>
<td>6,235</td>
<td>-2.8</td>
</tr>
<tr>
<td><strong>SEK per share</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share</td>
<td>5.22</td>
<td>58.2</td>
<td>15.82</td>
<td>3.8</td>
</tr>
<tr>
<td>Dividend</td>
<td></td>
<td></td>
<td>7.50</td>
<td>7.1</td>
</tr>
</tbody>
</table>
Group development – Q4/Q4
Operating Profit

<table>
<thead>
<tr>
<th>Year</th>
<th>Europe</th>
<th>North Amer.</th>
<th>Latin Amer.</th>
<th>Asia Pacific</th>
<th>Prof.</th>
<th>Cons.</th>
<th>Prof.</th>
<th>Other</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1,449</td>
<td>45</td>
<td>63</td>
<td>137</td>
<td>53</td>
<td>-48</td>
<td>9</td>
<td>40</td>
<td>2,061</td>
</tr>
</tbody>
</table>

Indoor

Outdoor
Financial review

Fredrik Rystedt
Chief Financial Officer
### 2005 Cash flow

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>From operations, excluding change in operating assets and liabilities</td>
<td>8.4</td>
<td>7.1</td>
</tr>
<tr>
<td>Change in operating assets and liabilities</td>
<td>-1.9</td>
<td>1.4</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>-4.8</td>
<td>-4.5</td>
</tr>
<tr>
<td>Divestment of Indian operation</td>
<td>-0.4</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-0.7</td>
<td>-0.8</td>
</tr>
<tr>
<td><strong>Cash flow from operations and investments</strong></td>
<td>0.7</td>
<td>3.2</td>
</tr>
</tbody>
</table>

- Inventories and accounts receivable stable as % of sales
- Higher capital spending
  - Appliance factories in Mexico, Poland, Hungary, Russia, Thailand
  - 35% of total capex for new products
Raw material impact
Quarterly development 2005

- Materials cost pressures easing
- Cost cutting programs continue
- Negative full-year impact of SEK 1,900m

![chart showing quarterly development with labels for gross cost increases, purchasing and efficiency improvements, and net negative impact]
Structural changes

- Proceeded with closing 5 US and Western European facilities in 2005
  - announced and charged in 2004
- Announced closing/down-sizings of 5 facilities and Indian divestment
  - SEK 3020 m charges in 2005
- February 2006, announced down-sizing of US washer/dryer facility
  - Investing SEK 1090 m in Mexico
- Investigating compact appliance factory in Sweden
- Western European production shifting to facilities in Eastern Europe
- US production shifting to new facilities in Mexico
Spin-off Outdoor

- **Process**
  - early April Prospectus and information brochure sent to shareholders
  - April 24 Proposal to AGM
  - May/June Road show
  - mid-June Listing on Stockholm exchange

- **Structured as a dividend to Electrolux shareholders**
  - All shares in wholly-owned subsidiary named Husqvarna AB
  - 1 Husqvarna A-share : 1 Electrolux A-share
  - 1 Husqvarna B-share : 1 Electrolux B-share
Spin-off Outdoor

- **Preliminary pro forma 2005 results**
  - Including estimated group common cost*
    
    | Parameter     | SEKbn |
    |---------------|-------|
    | Sales         | 28.8  |
    | EBITDA        | 3.7*  |
    | EBIT          | 2.9*  |

- **Financial structure**
  - Pro forma, Jan. 1, 2006
    
    | Parameter      |       |
    |----------------|-------|
    | Net borrowings | 5.3   |
    | Share capital  | 4.7   |

*) SEK 0.2bn estimated group common costs
Operational review

Hans Stråberg
President and CEO
Indoor Products
excluding group common costs

2004-05 Quarterly development

2005 Sales
SEK 100.7bn

North America
35%

Professional
6%

Asia
9%

Lat Am
7%

Europe
43%

2005 EBIT-margin 4.6% (4.9)
Indoor Europe

<table>
<thead>
<tr>
<th>Q4 2005*</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>12,502</td>
<td>+7.8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>986</td>
<td>+4.8%</td>
</tr>
<tr>
<td>Margin</td>
<td>7.9%</td>
<td></td>
</tr>
</tbody>
</table>

In comparable currency
- Sales: +2.5%
- EBIT: -2.5%

* Excluding items affecting comparability

- 1-2% price erosion, materials cost increases
- Steady profit improvement during year
- Major relocation benefits
- Cost cutting
- New products driving margin improvement
Customers preferring a bagless vacuum cleaner find it frustrating to clean or change the filter.

Electrolux developed a vacuum cleaner that could clean its own filter.

Launched in 2005
- First a European launch
- Second a global launch
2005 new product launches

- Electrolux Icon Professional Dual-fuel freestanding ranges
- Electrolux Icon Professional Wall ovens
- Electrolux Icon Professional Under-counter wine cooler
- Electrolux Insight Cookers
- Electrolux Source & Glacier Fridge
- Electrolux Screenfridge
Indoor North America

Q4 2005*  | SEKm | Change  
--- | --- | ---  
Sales    | 9,930 | +29.3%  
EBIT     | 636   | +96.9%  
Margin   | 6.4%  |       

* Excluding items affecting comparability

- Price increases holding
- Cost cutting offset materials increases
- New cooking products led margin improvement in Q4
- New laundry launches in 2006
- Relocation benefits in H2 2006
**Indoor Latin America**

<table>
<thead>
<tr>
<th>Q4 2005*</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,817</td>
<td>+35.6%</td>
</tr>
<tr>
<td>EBIT</td>
<td>112</td>
<td>n/a</td>
</tr>
<tr>
<td>Margin</td>
<td>6.2%</td>
<td></td>
</tr>
</tbody>
</table>

* Excluding items affecting comparability

- New round of price increases in Q4
- New cooking products sold well
- Remains a volatile market
Revolux
A new cooker for the Brasilian market

- No cooker that suited the Brazilian consumers’ need
  - Safety
  - Design
  - Time saving
  - Easy to clean
- Satisfied the customers need
- 20% market share in the premium segment
### Indoor Asia/Pacific

<table>
<thead>
<tr>
<th>Q4 2005*</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,442</td>
<td>+3.5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>42</td>
<td>n/a</td>
</tr>
<tr>
<td>Margin</td>
<td>1.7%</td>
<td></td>
</tr>
</tbody>
</table>

*Excluding items affecting comparability

In comparable currency:
- Sales: -7.7%
- EBIT: n/a

- **India**: new business model cuts major losses
- **China**: continuing shift from commodities to higher-end
- **Australia**: restructuring benefits, mix improvement
Indoor Professional

<table>
<thead>
<tr>
<th>Q4 2005*</th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,953</td>
<td>+16.8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>158</td>
<td>+50.5%</td>
</tr>
<tr>
<td>Margin</td>
<td>8.1%</td>
<td></td>
</tr>
</tbody>
</table>

* Excluding items affecting comparability

- European food service market up
- Laundry equipment sales up, but income down on restructuring charges
Outdoor Products
excluding group common costs

2004-05 Quarterly development

2005 Sales
SEK 28.8bn

Professional 36%
Consumer 64%

2005 EBIT-margin: 10.8% (11.5)
European sales and profit up on higher volume and improved mix
North America sales flat and profit down on less favorable mix, higher materials costs, inventory reduction
2005 EBIT margin 7.5%
### Q4 2005* SEKm Change

<table>
<thead>
<tr>
<th></th>
<th>SEKm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,481</td>
<td>+12.0%</td>
</tr>
<tr>
<td>EBIT</td>
<td>333</td>
<td>+2.8%</td>
</tr>
<tr>
<td>Margin</td>
<td>13.4%</td>
<td></td>
</tr>
</tbody>
</table>

*Excluding items affecting comparability

- Strong chainsaw sales
- Professional garden up
- Diamond tools and power cutters up, with higher North American demand
- 2005 EBIT margin 16.7%
Market demand for appliances in 2006 is expected to show some growth in both Europe and North America as compared to 2005.

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 Electrolux Indoor operations in 2006 is expected to be somewhat higher than in 2005 excluding items affecting comparability.
Summary

- Improved results for indoor across all regions
- Restructuring on track, benefits flowing
- New products driving margin improvement
- Strong financial position
- Outdoor spin-off unlocking value

In 2006 we will continue our work to strengthen our brand, launch new products and reduce cost in production and purchasing
Q & A session
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.
Appendix
Industry shipments
2005 versus 2004

1) Consumer Products
2) Professional Products, excl. Power Cutters and Diamond Tools
Industry shipments
Q4 2005 versus Q4 2004

1) Consumer Products
2) Professional Products, excl. Power Cutters and Diamond Tools

North America
- Core appliances
- Vacuum cleaners
- Outdoor products
  - Core appliances + 4%
  - Vacuum cleaners - 5%
  - Outdoor products - 1%
  - Food service + 0% 2)

Europe
- Core appliances
- Vacuum cleaners
- Outdoor products
  - Core appliances + 2%
  - Vacuum cleaners - 3%
  - Outdoor products + 5% 1)
  - Food service + 3%

Asia
- Core appliances
- China - 6%

Brazil
- Core appliances
- Core appliances - 14%

Australia
- Core appliances
- Core appliances - 4%
## Raw material impact

<table>
<thead>
<tr>
<th>SEKm</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross materials cost increase</td>
<td>-1000</td>
<td>-1200</td>
<td>-900</td>
<td>-600</td>
<td>-3700</td>
</tr>
<tr>
<td>Purchasing and productivity savings</td>
<td>+400</td>
<td>+400</td>
<td>+600</td>
<td>+400</td>
<td>+1800</td>
</tr>
<tr>
<td>Net materials impact</td>
<td>-600</td>
<td>-800</td>
<td>-300</td>
<td>-200</td>
<td>-1900</td>
</tr>
</tbody>
</table>