

Half-yearly Results 2006

July 18, 2006

Hans Stråberg
President and CEO

Fredrik Rystedt
CFO

Thinking of you
 **Electrolux**

Financial summary

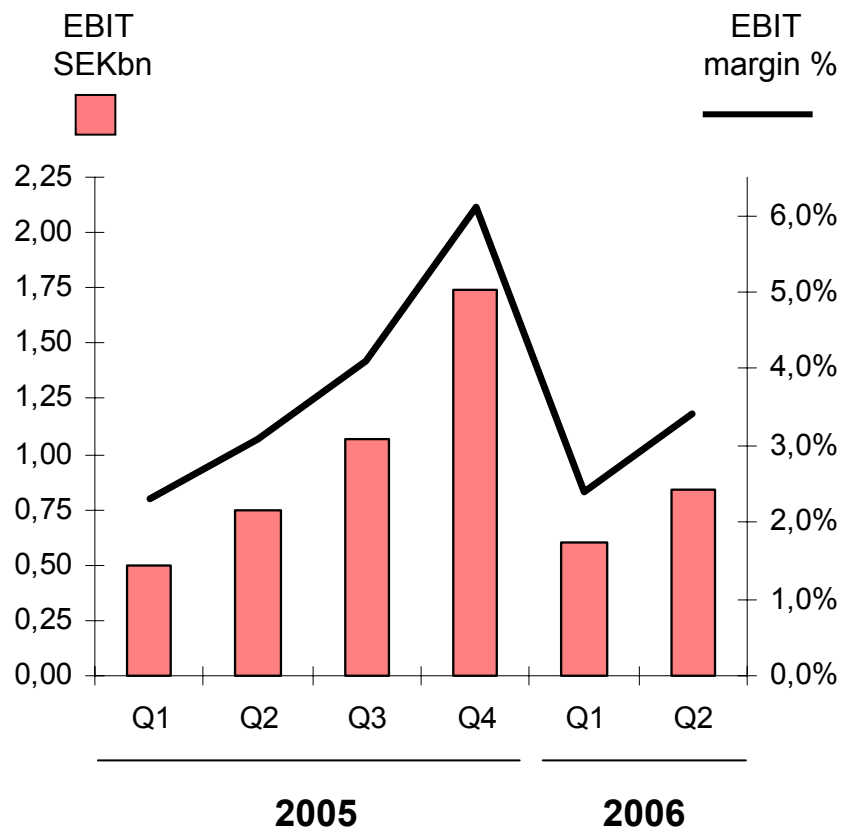
excluding items affecting comparability



	Q2 2006	% Change
<i>SEKm</i>		
Net sales	25,322	+4.5%
Operating income	844	+12.5%
Operating margin	3.3%	
<i>SEK per share</i>		
Earnings per share	1.83	+22.0%

Financial highlights

2005-2006 Quarterly EBIT development



- European results reduced
 - One-off sell-out due to RoHS
 - Nuremberg closure
- Sales up in North American appliances, margins stable
- Floor care up strongly
- Profitable quarter in Latin America, Asia/Pacific
- Outlook maintained

* EU directive on Restrictions on Hazardous Substances, which took effect July 2006

Additional highlights



- New products launched
- Sharp frost-free refrigerator project broadened to strategic relationship
- Sears *Partners in Progress* awards
- Increase in brand investment to 1.8% (1.3%)
- Significant contribution from improved mix effects

Items affecting comparability



Taken in Q2 2006

+ 61m SEK Divestment of Electrolux Financial Corporation

- 43 m SEK Closure of Torsvik compact appliances factory

+18 m SEK Total

To be taken in Q3 2006

- 181 m SEK Divestment of stake in Nordwaggon AB

Q2 2006 Cash flow



SEKbn	Q2 06	Q2 05
From operations, excluding change in operating assets and liabilities	0.9	1.2
Change in operating assets and liabilities	0.6	-1.5
Capital Expenditure	-0.8	-0.8
Acquisition/divestment	1.2	-
Other	0.1	-0.3
Cash flow from operations and investments	2.0	-1.4

Outdoor adjustments to 2005 working capital



SEKm	June 30 2006	June 30 2005 Ex OD	June 30 2005
Inventories	12,473	14,297	19,206
Trade receivables	18,548	20,195	26,604
Accounts payable	-14,606	-14,683	-17,126
Provisions	-13,692	-13,239	-14,175
Prepaid and accrued income and expenses	-6,353	-6,727	-7,812
Tax and other assets and liabilities	-897	-854	-1,303
Working capital	-4,527	-1,011	5,394

Adjustments to Group net debt and EBITDA

SEKB **June 30**

Adjustment to Net Debt **2006**

Net debt (asset) -2.2

Pension adjustment, post tax 6.8

Adjusted net debt 4.6

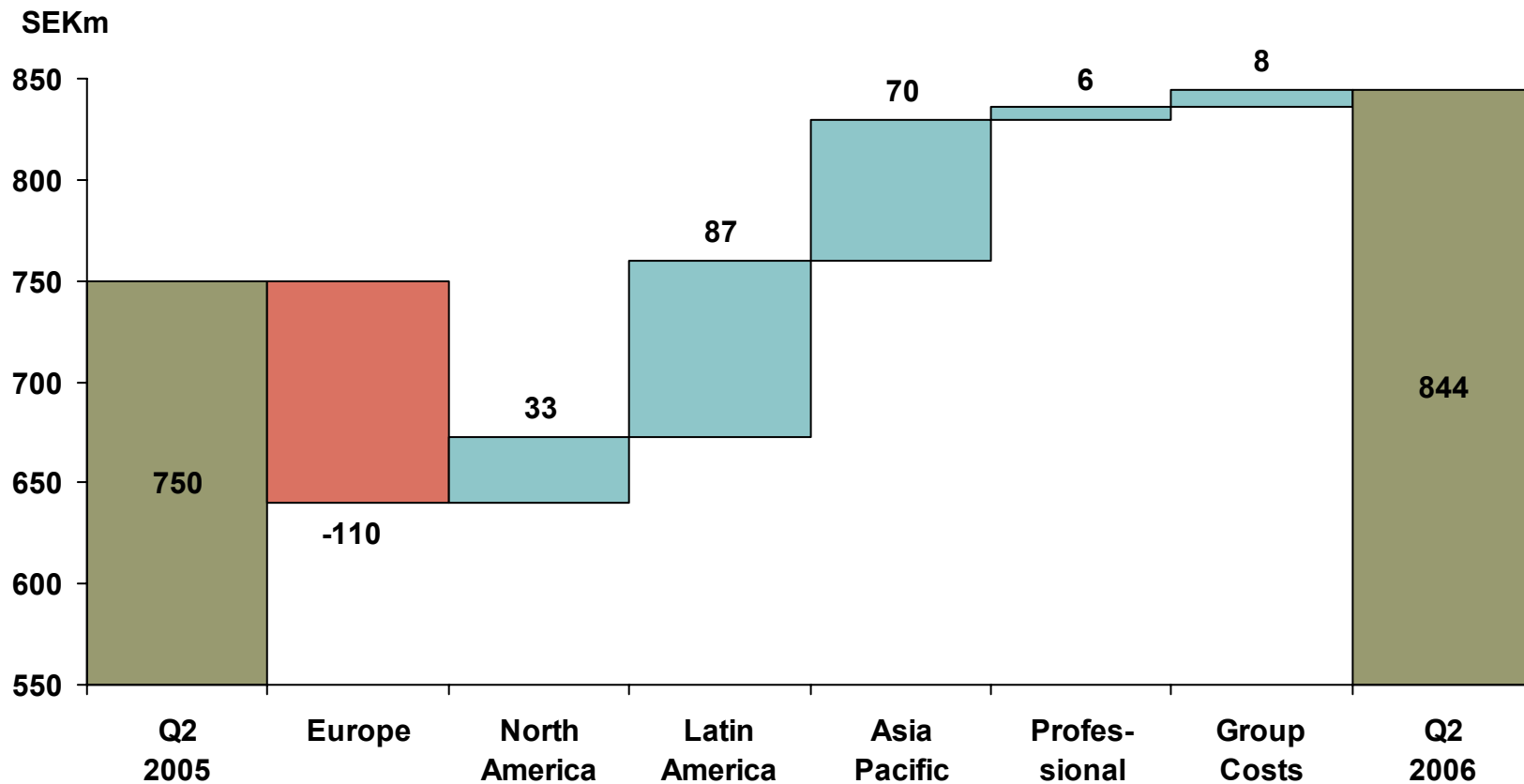
SEKB

Adjustment to Income **Full Year**

Pension adjustment ~0.4

Income development – Q2/Q2

Operating Income



Consumer Durables Europe



Q2 2006	SEKm	Change
Sales	10,336	+2.2%
EBIT	376	-22.6%
Margin	3.6%	
<i>In comparable currency</i>		
Sales		+1.4%
EBIT		-21.7%

- Market volume +3%
- One off due to sell out RoHS (EU hazardous substances directive) products
- Group sales and margins not yet fully recovered from Nuremberg factory closure
- Group sales up and share stable in the rest of Europe
- No significant impact from raw materials prices in Q2
- Savings from organizational streamlining, relocations

Good payback from marketing investments

We were thinking of
people who didn't train
at a culinary institute.



The Insight Cooker with integrated food probe.
Helps make every meal a success by monitoring
food temperature and alerting you when it's cooked
just the way you like it.

www.electrolux.com

Thinking of you
Electrolux

We were thinking of
people who could always use
more room for clothes.



The 8-kilo standard-size washing machine.
The washer that easily fits in the kitchen, with a drum
that easily fits your whole life.

www.electrolux.com

ARTHUR MARTIN
Electrolux
Thinking of you

Wide launch of new products in Europe during the autumn



Premium products for Europe



Premium products for Europe



The successful **TwinClean** (right) and
the coming **Accelerator**



Consumer Durables North America



Q1 2006	SEKm	Change
Sales	9,287	+9.5%
EBIT	383	+9.4%
Margin	4.1%	
<i>In comparable currency</i>		
Sales		+7.2%
EBIT		-0.8%

- Market volume +1%
- Juarez start-up costs impacted Q2, savings begin flowing second half
- Materials costs increasing
- Selective price increases announced for realization during Q3

Intensity. New vacuum cleaner
to be launched in the US



New laundry range in the Americas



Consumer Durables Latin America



Q2 2006	SEKm	Change
Sales	1,697	+19.3%
EBIT	76	n/a
Margin	4.5%	
<i>In comparable currency</i>		
Sales		+8.5%
EBIT		n/a

- Market volume +13%
- EBIT improved significantly from Q2 05 loss of –11m SEK
- Higher volumes and prices
- New products improved mix
- Ongoing cost savings

Revolux – success story in Brazil



- 20% market share in the premium segment

Consumer Durables Asia/Pacific



Q2 2006	SEKm	Change
Sales	2,196	-11.3%
EBIT	54	n/a
Margin	2.5%	
<i>In comparable currency</i>		
Sales		-10.8%
EBIT		n/a

- EBIT improved significantly from Q2 05 loss of –16m SEK
- China: repositioning business
 - Raising prices on unprofitable products
 - Consolidating to more profitable regions
- Australia: good progress
 - Cutting manufacturing costs
 - Improving mix with new products

New range in Australia



Professional Products



Q2 2006	SEKm	Change
Sales	1,749	+0.6%
EBIT	143	+4.4%
Margin	8.2%	
<i>In comparable currency</i>		
Sales		+0.1%
EBIT		0.0%

- Growing faster than the market
- Volume driving income growth
- Prices and material costs relatively flat
- Relocating laundry production to Thailand

New speed-cooking
for professionals



Strategic highlights



Purchasing

- 2005 3.5b SEK in raw material increase vs. 2.0b SEK in savings
- 2006 continues saving

Branding

- Brand investments of 0.9b SEK, 1.8% of sales
- Significant increase vs. last year's 0.6b SEK, 1.3% of sales

Product Development

- New products launched according to plan
- Mix effects materializing

Restructuring

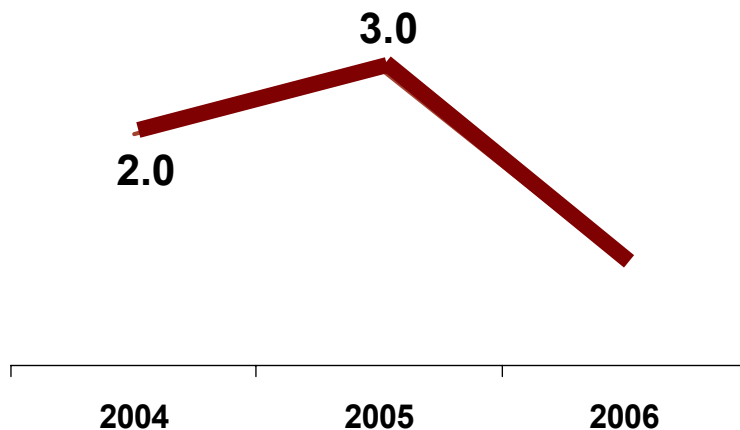
- Overall according to plan
- Plans accelerated in Nuremberg

Restructuring on schedule



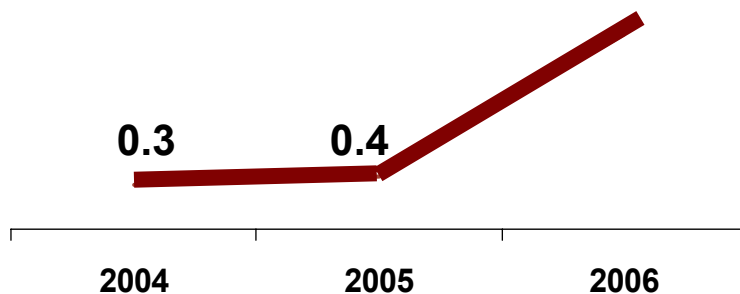
Cost

Items affecting comparability

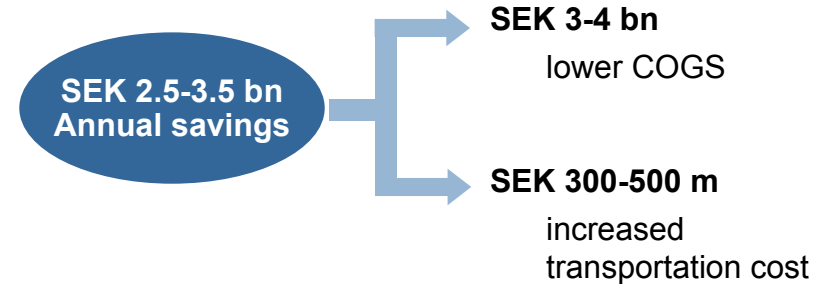


Cash Out

Impacting cash flow



Annual Savings



SEK million

Savings in P&L 2005

400

Savings run rate end of year 2005

600

Plants closed

6

Plants under closure/downsizing

3

Plants downsized

2

No of employees left the Group

6,000

Next priorities



- Capital structure – shift out funds to share holders
- Address our selling and administrative costs

2006 Outlook maintained



Operating income for the Electrolux Indoor operations in 2006 is expected to be somewhat higher than in 2005 excluding items affecting comparability.

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.

Appendix

Industry shipments

Q2 2006 versus Q2 2005

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