Full year results 2006

February 14, 2007

Hans Stråberg
President and CEO

Fredrik Rystedt
CFO
2006 Highlights

- Record financial performance
  - Full year sales 104 SEKb
  - Q4 operating income 2 SEKb
- Improved operating income across all business areas
- High impact product launches
- Successful initiatives to create shareholder value
  - Outdoor operations spun off
  - Decision on share redemption and repurchases
2006 Awards Highlights

Electrolux has received the Sustainable Energy Award in Corporate Commitment Category from the European Commission. The award recognizes the company’s ongoing efforts to reduce energy consumption of products, factories and services.

Electrolux named Quality Supplier of the Year by Sears Holdings. Sears also named Electrolux as Quality Supplier of the Year in three specific categories - major appliances, technical and home services.

Electrolux Home Care Products North America (EHCP) was recently named Wal-Mart’s “Supplier of the Year” for 2006 for the small appliance division. The world’s largest retailer specifically praised EHCP for addressing the needs of its shoppers with unique products and for its focus on environmental sustainability.

Lowe’s names Electrolux “Supplier of the Year.” Outstanding recognition matches outstanding performance as Electrolux Major Appliances North America receives the prestigious “2006 Supplier of the Year” award for the major appliances category from Lowe’s.

Electrolux Intensity vac receives Good Design® Award 2006. The Electrolux Intensity vacuum cleaner received one of the most prestigious world design awards—Good Design—for its innovative, cutting-edge design.
Group quarterly development

- Improved results across all business areas
- European results improved despite operational difficulties
- Stable margin in North American appliances
- Continued growth in Latin America
- Strong finish in a record year for Floor-care
- Improved results in Asia/Pacific

Annual totals:

Sales 

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>EBIT</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>100,701</td>
<td>4,024</td>
<td>4.0%</td>
</tr>
<tr>
<td>2006</td>
<td>103,848</td>
<td>4,575</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

EBIT (SEKb) and EBIT margin (%) over time.
Income development – Q4/Q4
Operating income

Q4 2005

Europe
North America
Latin America
Asia/Pacific
Professional
Other
Q4 2006

SEKm

1742
-103
-9
56
24
46
1995

(*net of procurement savings)
## 2006 Cash flow

<table>
<thead>
<tr>
<th>SEKbn</th>
<th>Q4 06</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>From operations, excluding change in operating assets and liabilities</td>
<td>1.9</td>
<td>5.3</td>
</tr>
<tr>
<td>Change in operating assets and liabilities</td>
<td>-0.4</td>
<td>-0.7</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>-1.0</td>
<td>-3.2</td>
</tr>
<tr>
<td>Other</td>
<td>-0.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Cash flow from operations and investments</td>
<td>0.3</td>
<td>2.2</td>
</tr>
</tbody>
</table>
Shareholder value creation

- Focused business portfolio on indoor products
  - Successful spin off of Outdoor in June 2006
- Redeemed shares for 5.6 SEKb in January 2007
- Repurchased shares for 2.2 SEKb during H2 2006
- Paid dividend of 2.2 SEKb
- Proposal to pay dividend of 1.1 SEKb
  - Consistent with dividend policy
Consumer Durables Europe

- Market volume +5% in Q4
- Market shares regained in the quarter
- Successful launch of new, innovative products
- Restructuring savings flowing
- Continued strong development for floor care
- Increased investment in brand building

Annual totals:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>43 755</td>
<td>44 233</td>
</tr>
<tr>
<td>EBIT</td>
<td>2 602</td>
<td>2 678</td>
</tr>
<tr>
<td>margin</td>
<td>5.9%</td>
<td>6.1%</td>
</tr>
</tbody>
</table>
Market shares AEG-Electrolux in Germany

2005 Q4 – 2006 Q4 by quarter
We were thinking:
Harmony is found in many places. Shouldn't the kitchen be one of them?

The Electrolux Built-in Kitchen. A simple idea really - innovative appliances presented in a uniquely stylish form with our signature light set. It's about the kitchen becoming a hub immediately to your needs. For example, the induction cooktop instantly adapts to your needs. And you can use the write-on blackboard to instantly adapt to your needs. The steam oven is ingenious, delivering the sort of allure a chef would be proud of, while the wine cooler stores your favourite wines at exactly the right temperature. And that's just the tip of the iceberg. Each and every appliance is packed with features that help you along the way. After all, a great host is a thoughtful host.
Bright induction hobs
Bright refrigerator/wine cooler
Bright oven
Bright TV4U
Consumer Durables
North America

- Market volume -8% in Q4
- Gained market shares
- Significantly higher raw material cost
- Juarez – savings are generated
- Floor Care operating margin up strongly

Annual totals:

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<thead>
<tr>
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<tbody>
<tr>
<td>Sales</td>
<td>35 134</td>
<td>36 171</td>
</tr>
<tr>
<td>EBIT</td>
<td>1 444</td>
<td>1 462</td>
</tr>
<tr>
<td>margin</td>
<td>4.1%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>
US Market Growth
Core 6 (AHAM)

5-year CAGR = 4.1%
10-year CAGR = 3.5%
Electrolux ICON induction cooktops in North America
Intensity
Consumer Durables
Latin America

- Market volume +28% in Q4
- Electrolux sales up significantly
- 2006 record EBIT, despite slight decline in Q4
- Higher brand investment and marketing expense

### Annual totals:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,819</td>
<td>7,766</td>
</tr>
<tr>
<td>EBIT</td>
<td>123</td>
<td>339</td>
</tr>
<tr>
<td>Margin</td>
<td>2.1%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>
ECOTURBO washer and dryer for Latin America
**Consumer Durables**  
Asia/Pacific & Rest of World

- Positive market growth in Australia
- Improved operating income
  - Positive product mix development and restructuring savings
- China: continued weak performance
  - Change in business model

### Annual totals:

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<thead>
<tr>
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<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>9,276</td>
<td>8,636</td>
</tr>
<tr>
<td>EBIT</td>
<td>13</td>
<td>163</td>
</tr>
<tr>
<td>margin</td>
<td>0.1%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>
E:line launched in Australia
Positive market demand in both Laundry and Food Service

Food service EBIT up strongly
- Higher volumes and cost savings contributing
- Higher raw material cost offset by increased prices

Laundry operating income in line with last year

Annual totals:

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<tr>
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<th>2005</th>
<th>2006</th>
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</thead>
<tbody>
<tr>
<td>Sales</td>
<td>6,686</td>
<td>6,941</td>
</tr>
<tr>
<td>EBIT</td>
<td>463</td>
<td>535</td>
</tr>
<tr>
<td>margin</td>
<td>6.9%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>
European demand favorable
US market demand down, especially in the first half
Raw material cost negative
Operating income seasonally lower in first half

Operating income in 2007 is expected to be somewhat higher than in 2006, excluding items affecting comparability.
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
Q4 2006 versus Q4 2005

North America
- Core appliances: -8%
  - Vacuum cleaners: +3%

Europe
- Core appliances: +5%
  - Vacuum cleaners: +9%

Asia
- China: +11%

Brazil
- Core appliances: +28%

Australia
- Core appliances: -2%
### Items affecting comparability

**Taken in Q4 2006**
- + 36 SEKm  Reversal of restructuring provisions

**Taken in 2006**
- -302 SEKm  Appliance plants in Adelaide, Australia
- -173 SEKm  Divestment of stake in Nordwaggon AB
- +60 SEKm  Reversal of restructuring provisions
- +61 SEKm  Divestment of EFC
- -43 SEKm  Closure of Torsvik compact appliances factory
- -145 SEKm  Nuremberg severance charge

**Total -542 SEKm**