

# Q3 Results 2007

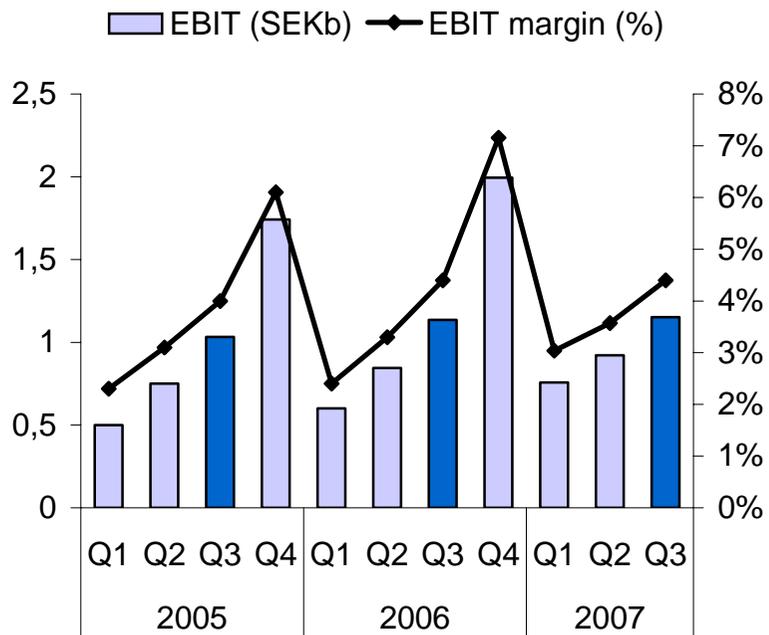
October 22, 2007

Hans Stråberg  
President and CEO

Fredrik Rystedt  
CFO

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# Q3 Highlights

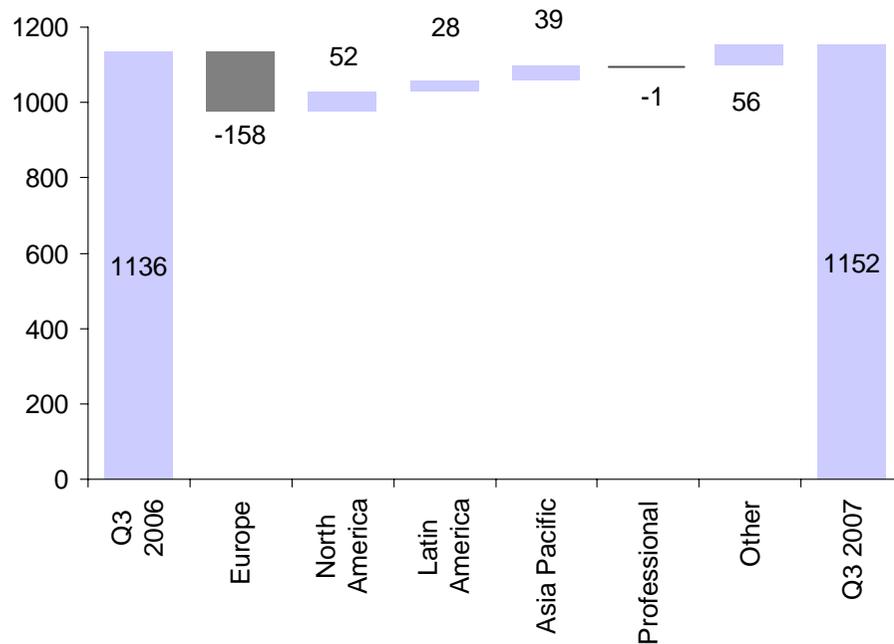


(SEKm)	<u>Q3 2006</u>	<u>Q3 2007</u>
Sales	26,087	26,374
EBIT	1,136	1,152
Margin	4.4%	4.4%

- Group sales up 4%, adjusted for local currency
- Group operating income up 1.4%
- Grew sales and market share
- Markets weakening in North America, some key European countries
- Continuing cost pressures from new products launched, raw materials

# Income development

## Operating income Q3/Q3



- Grew earnings in North America in a declining market
- Grew earnings in Latin America, Asia/Pacific in growing markets
- European result lower: Continuing cost pressures from new products launched, raw materials
- Lower Group common cost

# Cash Flow Q3 2007

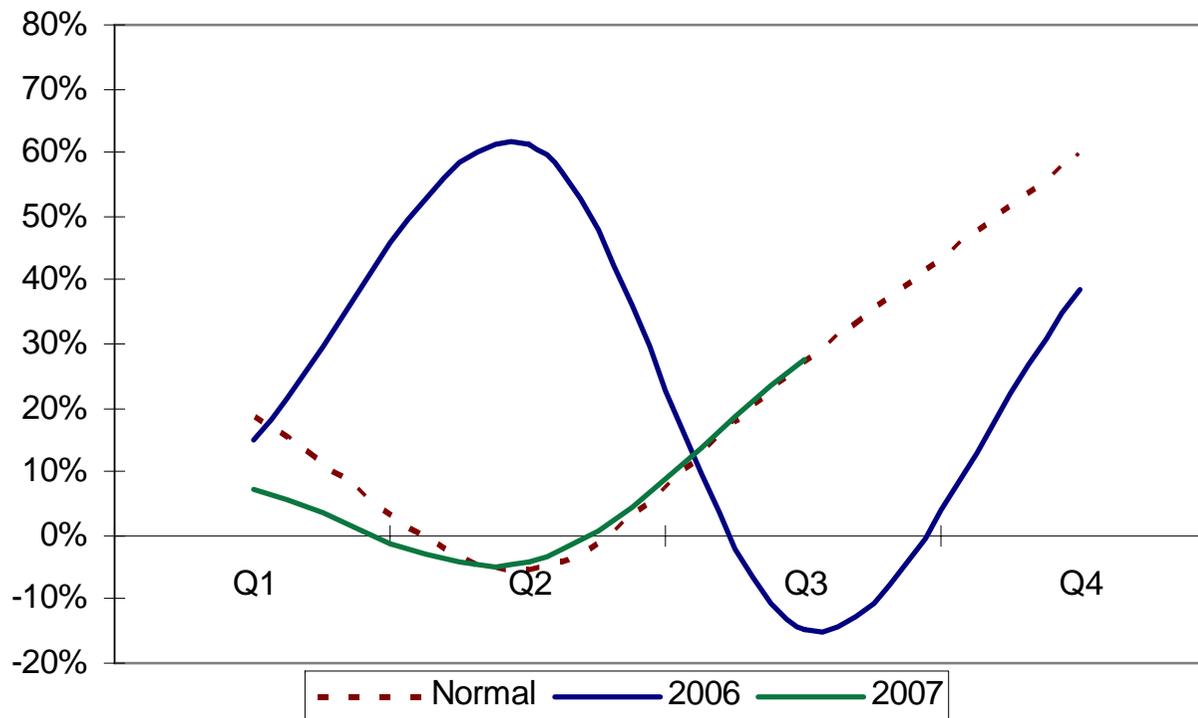


SEKb	Q3 07	Q3 06
From operations, excluding change in operating assets and liabilities	1.6	1.6
Change in operating assets and liabilities	0.1	-0.9
Capital expenditure	-0.8	-0.8
Other	-0.1	-0.3
<hr/> Cash flow from operations and investments	<hr/> 0.7	<hr/> -0.4

# Cash Flow Seasonality

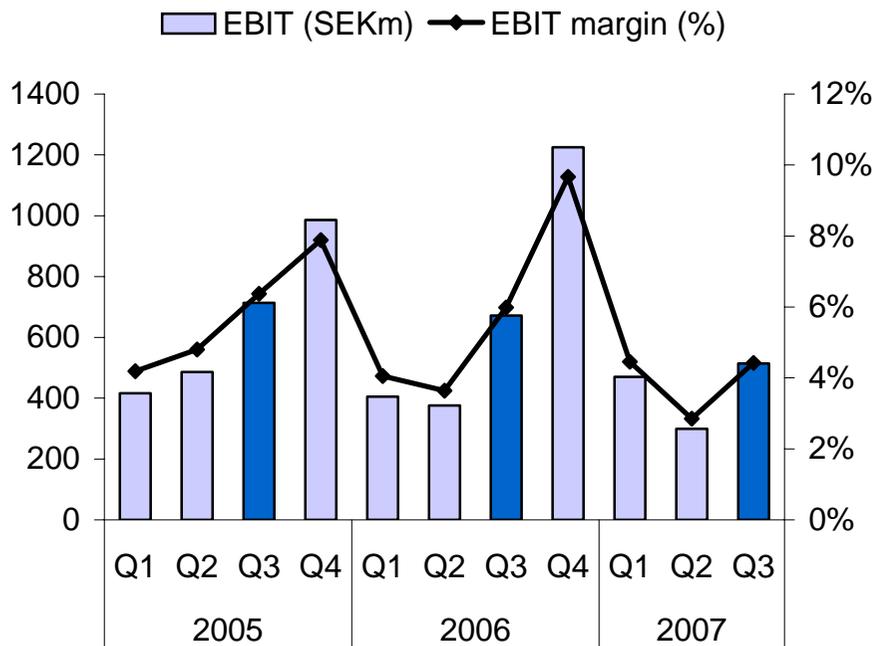
2006 & 2007 versus Normal – percentage of cash flow made per quarter

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- 2007 Cash Flow development in line with normal Electrolux seasonal pattern
- 2006 was abnormal

# Consumer Durables Europe



(SEKm)	Q3 2006	Q3 2007
Sales	11,226	11,624
EBIT	672	514
Margin	6.0%	4.4%

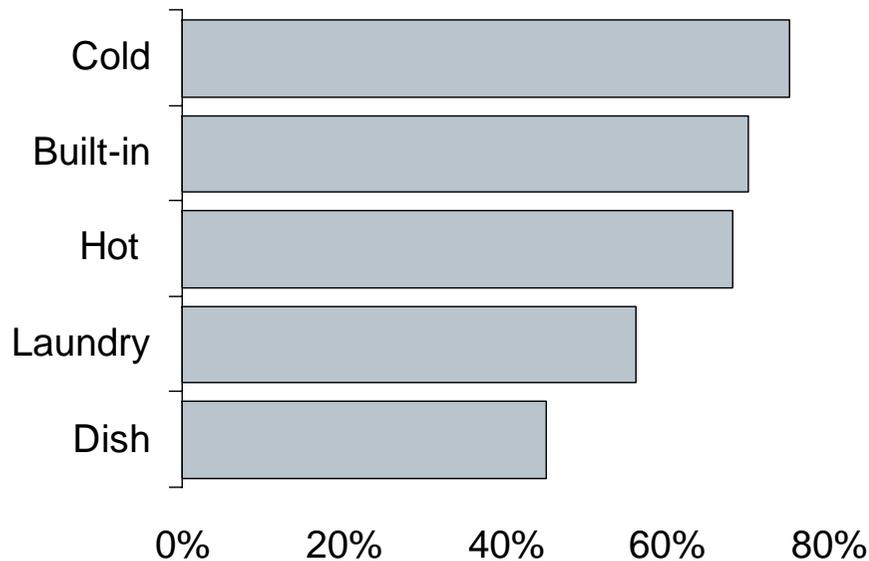
- Weakening appliance demand in Germany, UK
- Electrolux product launches well received:
  - Market share up
  - Pricing supported
- But margins reflect cost pressures from new products launched, raw materials
- Floor-care grew sales, market share and EBIT

# Positive market impact



## % of Countries with Increased Average Selling Price

Europe Q3 2007 v Q3 2006



- New products well received by consumers, retailers
  - Higher average selling price
  - Improved mix
  - Increased brand preference
- Continued cost pressures
- Reviewing product costs
- Will take time to close the margin gap

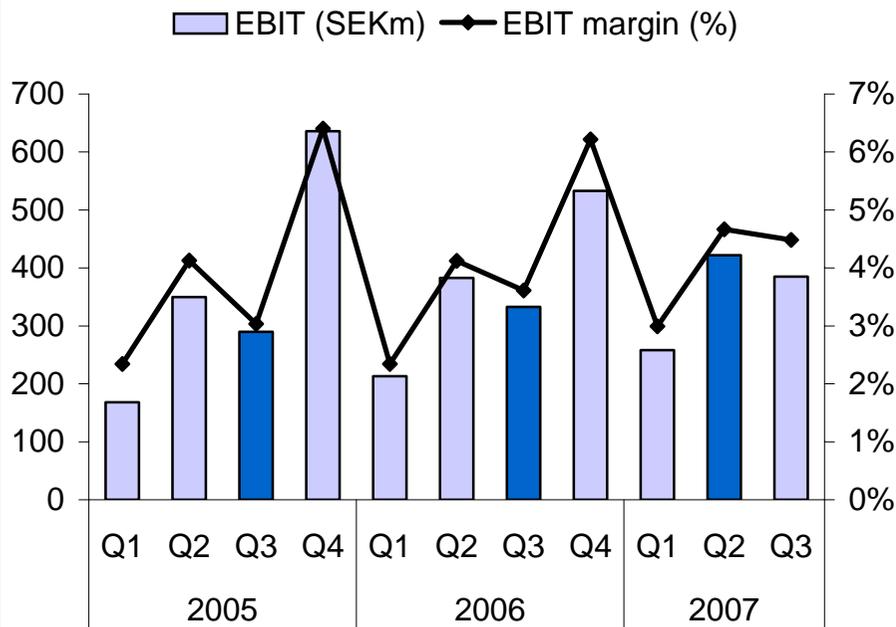
# Electrolux built-in kitchen



# Electrolux Energica



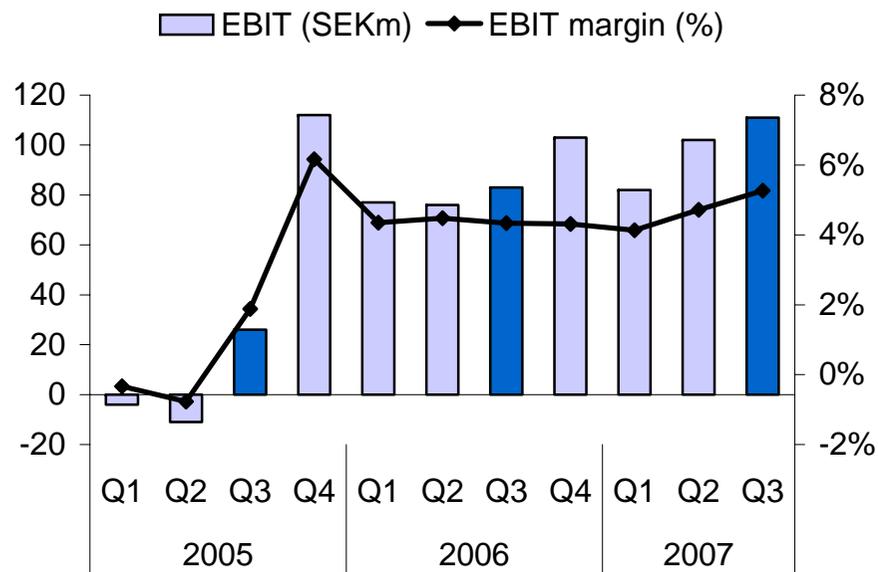
# Consumer Durables North America



(SEKm)	<u>Q3 2006</u>	<u>Q3 2007</u>
Sales	9,216	8,589
EBIT	333	385
Margin	3.6%	4.5%

- Market volume down 6%
- Group major appliance sales up 2% in local currency
  - Solid execution
  - Low exposure to housing downturn
  - Captured large share of consumer migration to lower-price segments
- Floor-care result down on lower volumes in a weaker market

# Consumer Durables Latin America



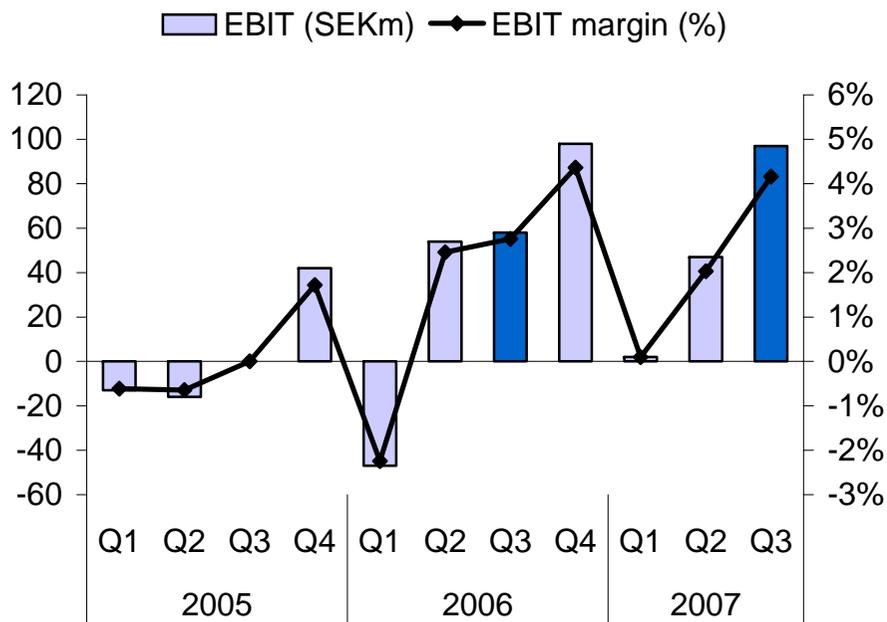
(SEKm)	<u>Q3 2006</u>	<u>Q3 2007</u>
Sales	1,913	2,107
EBIT	83	111
Margin	4.3%	5.3%

- Market volume up 17% in Q3
- Electrolux volumes up 20%
- Strong performance in frost-free refrigerators, microwaves
- Operating income up 34%, new record
- Improved product mix, manufacturing productivity

# Electrolux in Latin America



# Consumer Durables Asia/Pacific & Rest of world



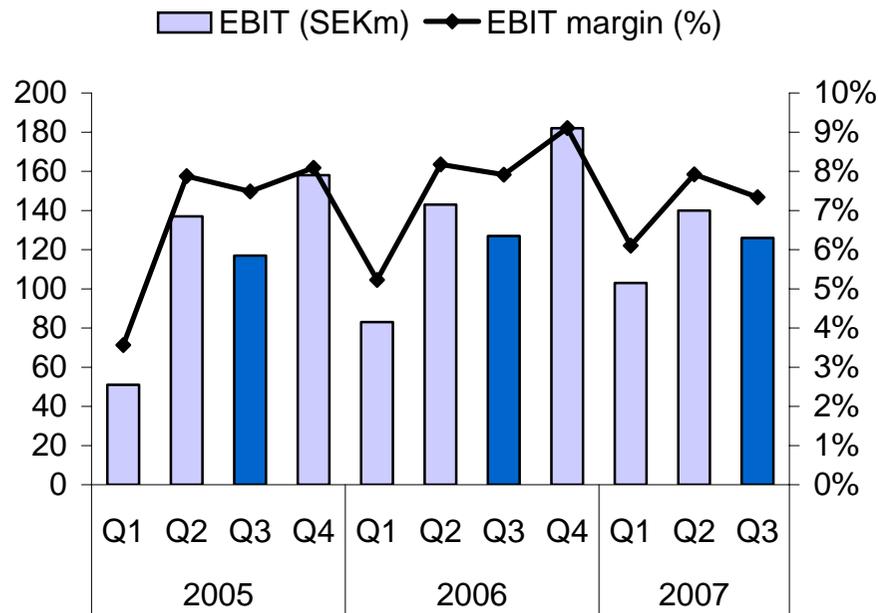
(SEKm)	Q3 2006	Q3 2007
Sales	2,101	2,332
EBIT	58	97
Margin	2.8%	4.2%

- Australia/New Zealand operating income up
  - Market up
  - Sales and volumes up
- China and southeast Asia results improved
  - China operating income improved, but still loss making
  - Sales grew in southeast Asia

# Electrolux Market Fresh



# Professional Products



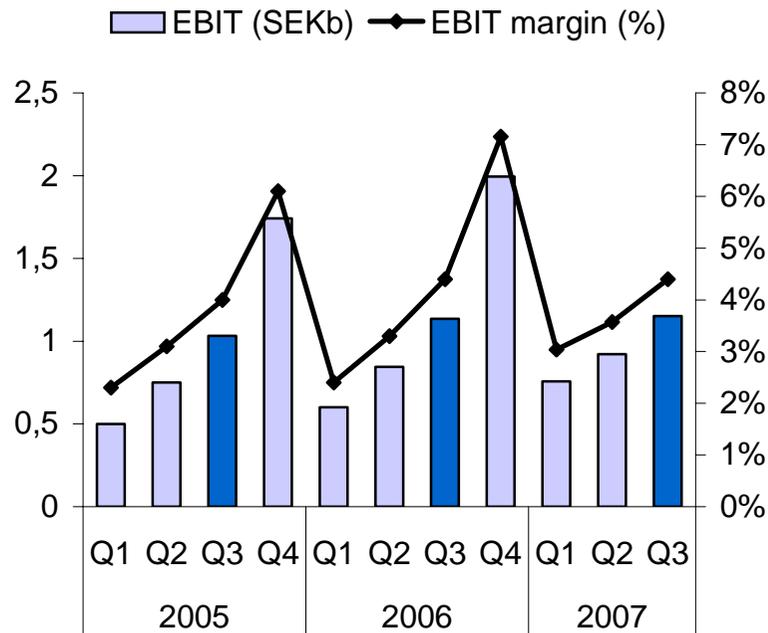
(SEKm)	Q3 2006	Q3 2007
Sales	1,605	1,717
EBIT	127	126
Margin	7.9%	7.3%

- Sales up 8% adjusted for currency
- Food service sales and operating income up on higher prices, strong volumes
- Laundry service operating income down on flat sales, weak dollar

# Food service



# Full-year outlook



- Added uncertainty to the outlook
  - US market demand weaker
  - Cost of new products launched in Europe

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

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# Factors affecting forward-looking statements



## 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.