



# Q4 Results 2008

February 4, 2009

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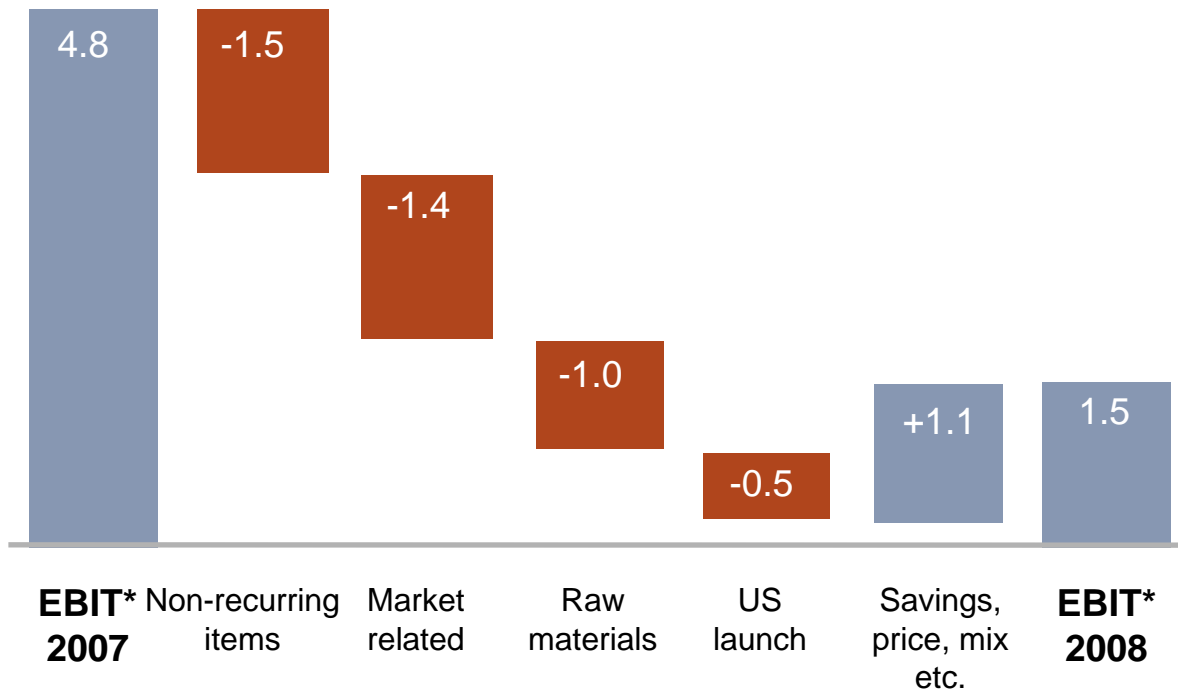
Peter Nyquist, IR

*Thinking of you*

 **Electrolux**

# EBIT bridge 2007-2008

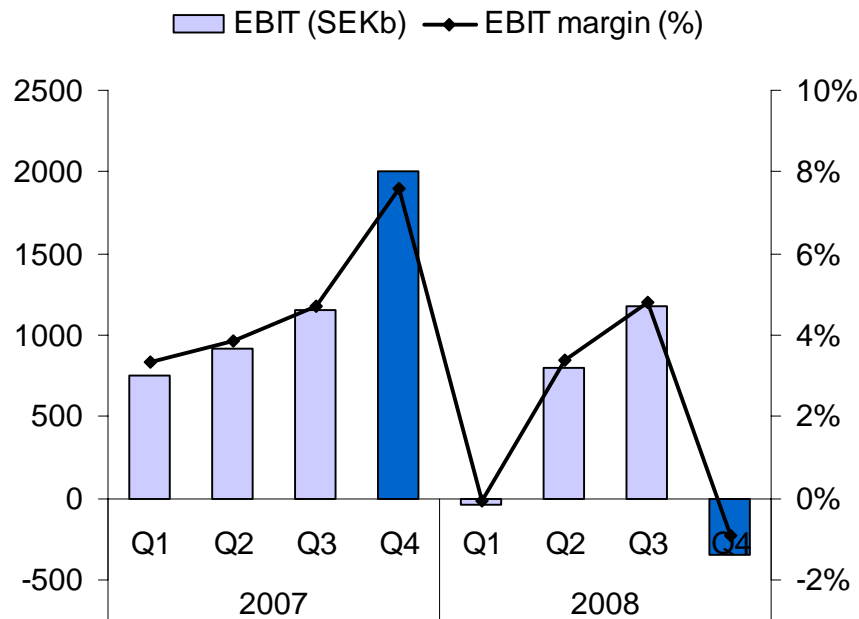
## EBIT bridge 2007-2008



\*) Excluding items affecting comparability

# Q4 Highlights

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- Global personnel cutbacks
  - Charge of SEK 1.1bn
  - 3,100 employees
- Temporary shutdowns of production to adjust inventories
- Europe and North America affected by weak market and extra costs
- Solid performance for all other sectors
- Strong cash flow
- Excluding non-recurring items and US launch, EBIT for 2008 SEK 3.5bn
- Proposed dividend: 0

(SEKm)	<u>Q4 2007</u>	<u>Q4 2008</u>
Sales	27,643	28,663
EBIT	2,007	-389
Margin	7.3%	-1.4%
<i>Personnel cutbacks</i>		-1,045

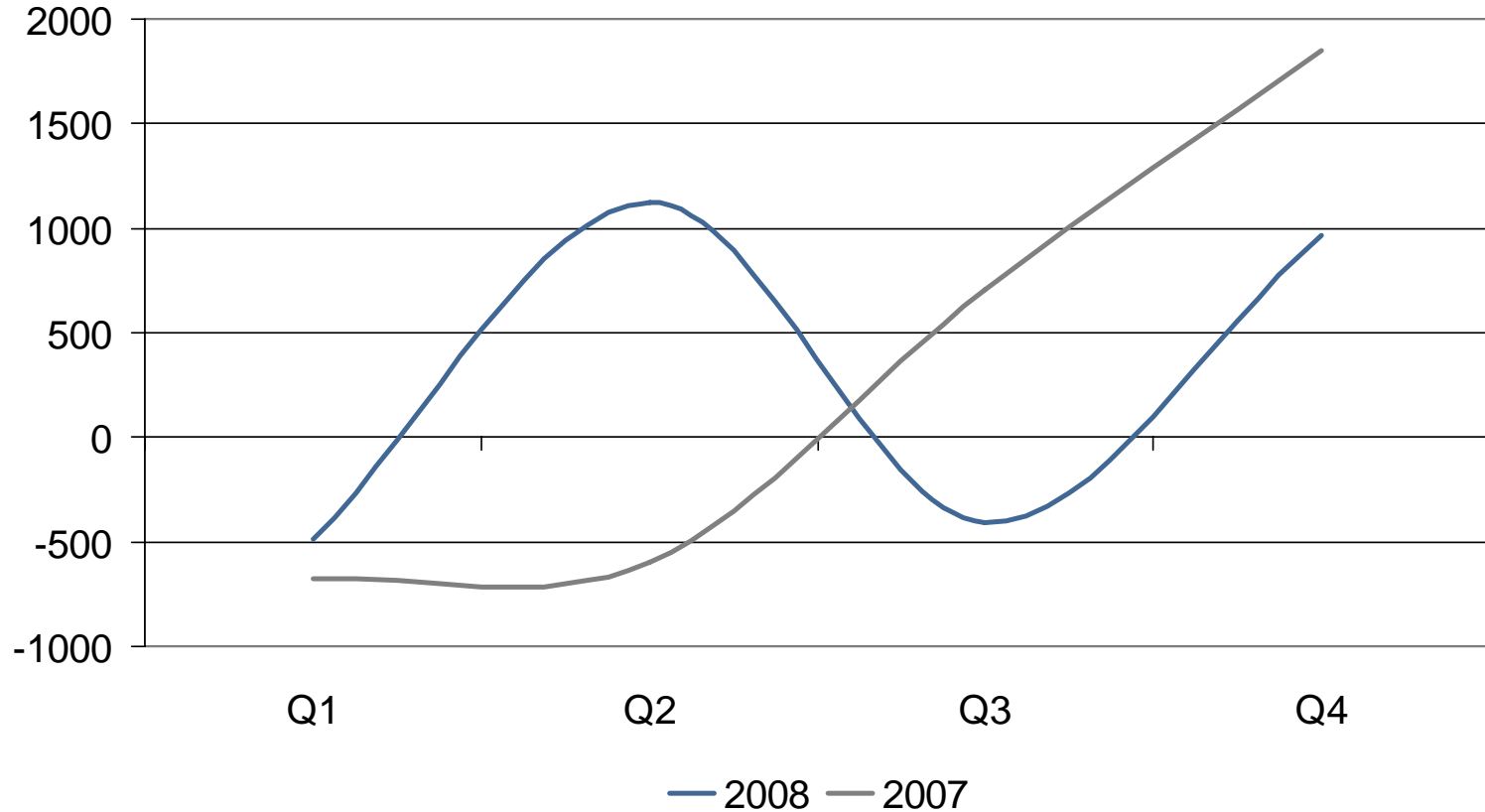
# Impact of the Electrolux North America launch and non-recurring items

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Non-recurring items (SEKm)	Q4	2008FY
<b>All business areas</b>		
▪ Personnel cutbacks	-1,045	-1,045
<b>Europe</b>		
▪ Cost-cutting program		-360
▪ Component issue		-120
▪ Capital gain		+130
<b>North America</b>		
▪ Launch	-70	-470
▪ Litigation		-80
<b>Total</b>	<b>-1,115</b>	<b>-1,945</b>

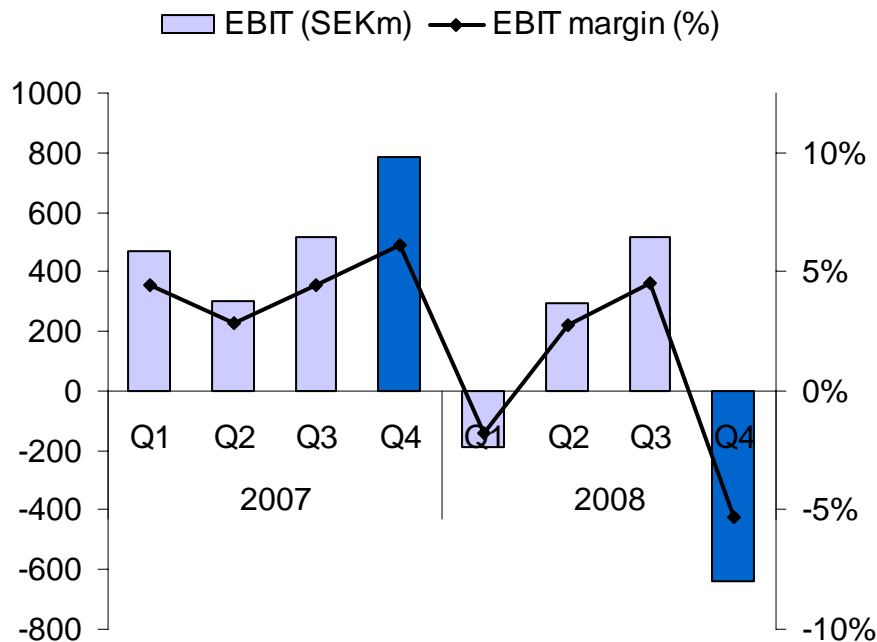
# Cash flow per quarter

Cash flow from operations and investments



# Consumer Durables Europe

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(SEKm)	<u>Q4 2007</u>	<u>Q4 2008</u>
Sales	12,798	11,972
EBIT	784	-638
Margin	6.1%	-5.3%

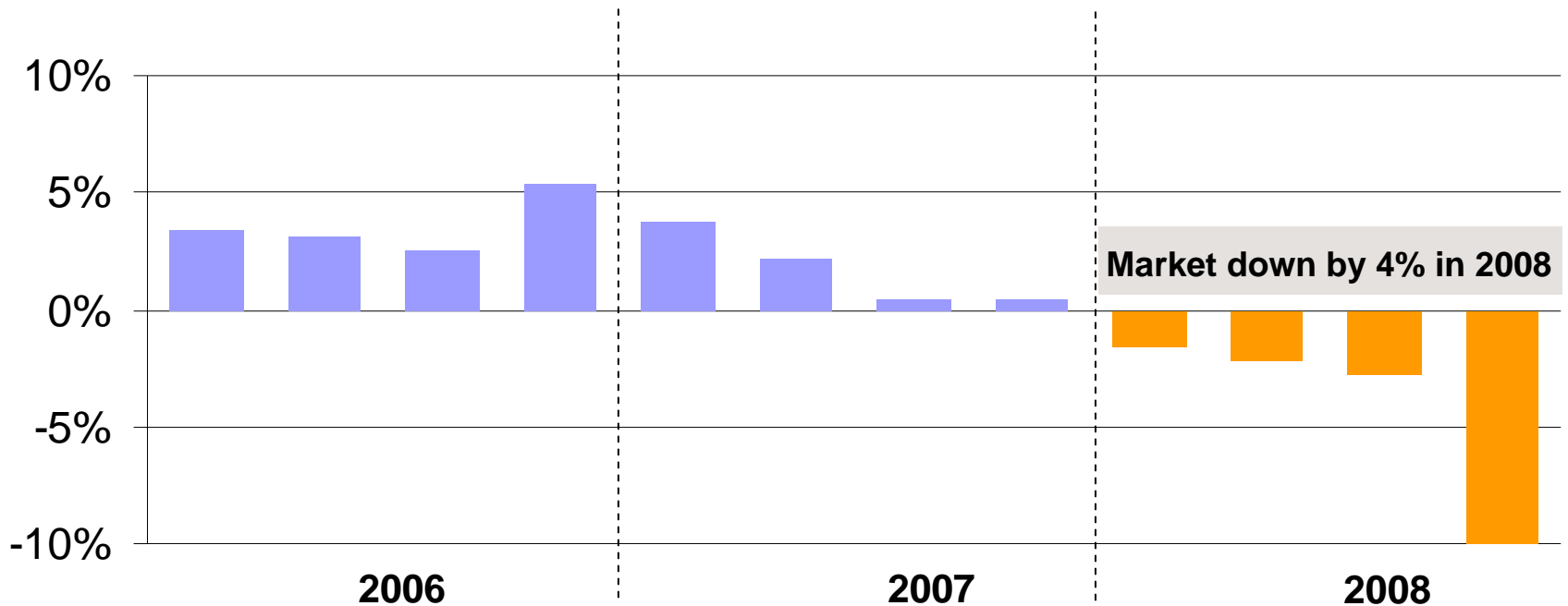
Personnel cutbacks	-800
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- Majority of the global cutbacks
  - Charge of SEK 800 million
  - 1,000 employees
- Weak market – dramatic fall in the second part of November
  - Lower sales
  - Downturn in several of the Group's most profitable markets
  - Negative mix – consumer trading down
- Temporary shutdowns to adjust inventories
- Improved operating margin for floor-care products

# Market development in Europe

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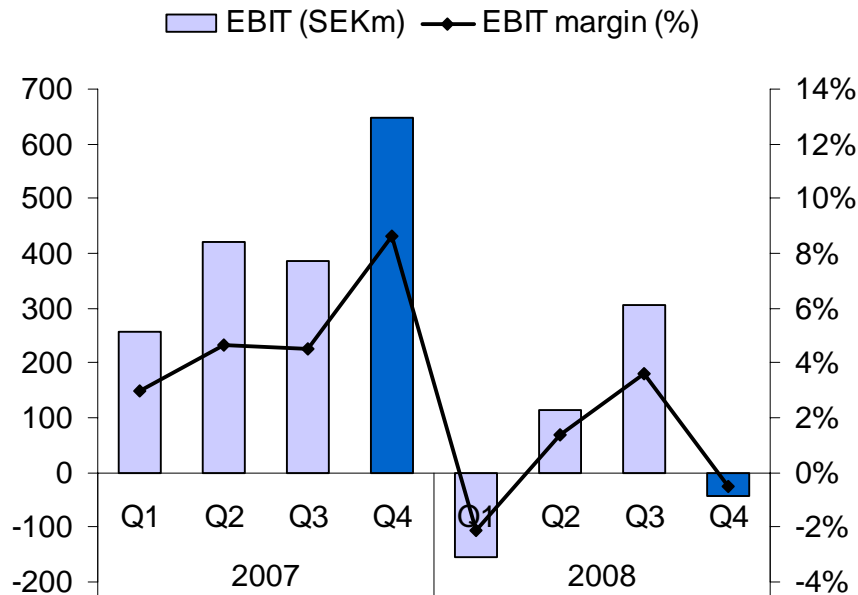
## Quarterly comparison, year on year



	2006				2007				2008			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
West. Europe	4%	1%	1%	5%	1%	1%	-1%	-5%	-4%	-4%	-5%	-8%
East. Europe	1%	9%	6%	7%	14%	5%	5%	10%	6%	5%	4%	-15%

# Consumer Durables North America

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(SEKm)	<u>Q4 2007</u>	<u>Q4 2008</u>
Sales	7,474	8,928
EBIT	646	-43
Margin	8.6%	-0.5%

*Non-recurring  
items*

-45

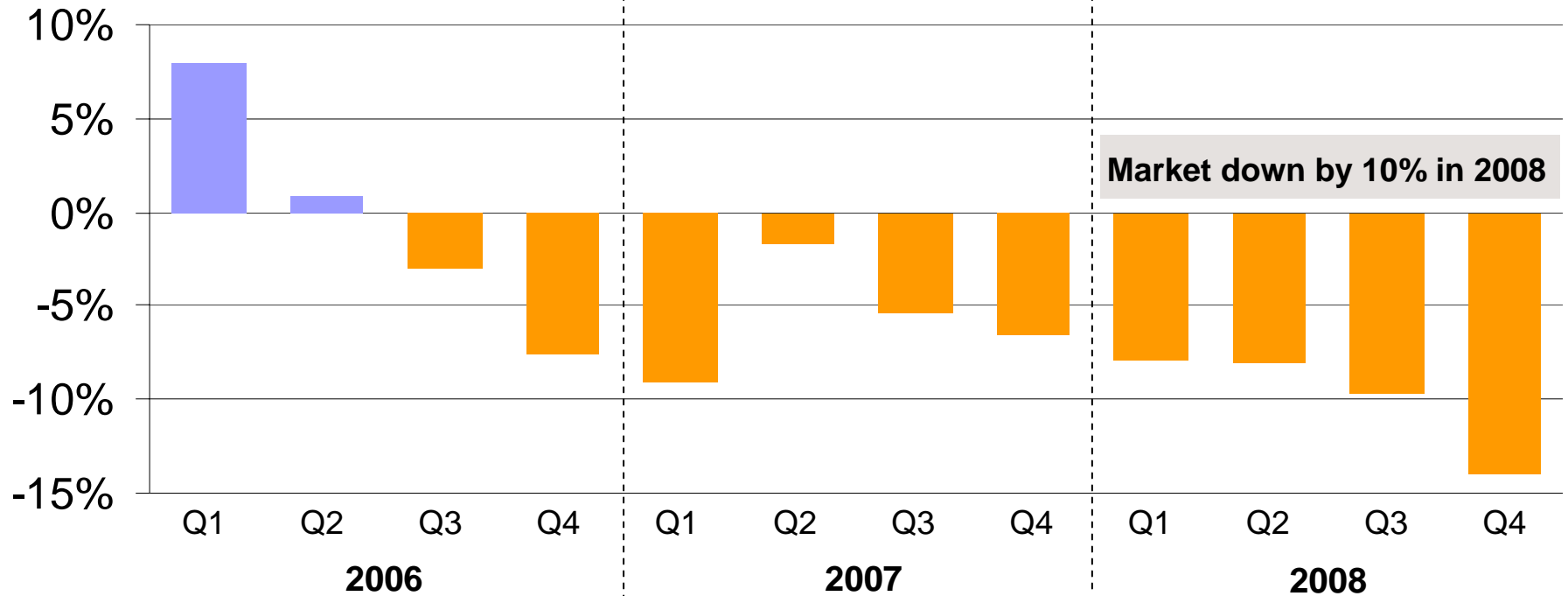
- Weak market – dramatic fall in end of November
  - Lower volumes
- Sales in line with previous year due to increases in price and mix
- Lower operating income
  - Higher raw material costs
  - Temporary shutdowns to adjust inventories
  - Electrolux launch
- Weaker markets had an adverse effect on floor-care performance



# Market development in North America

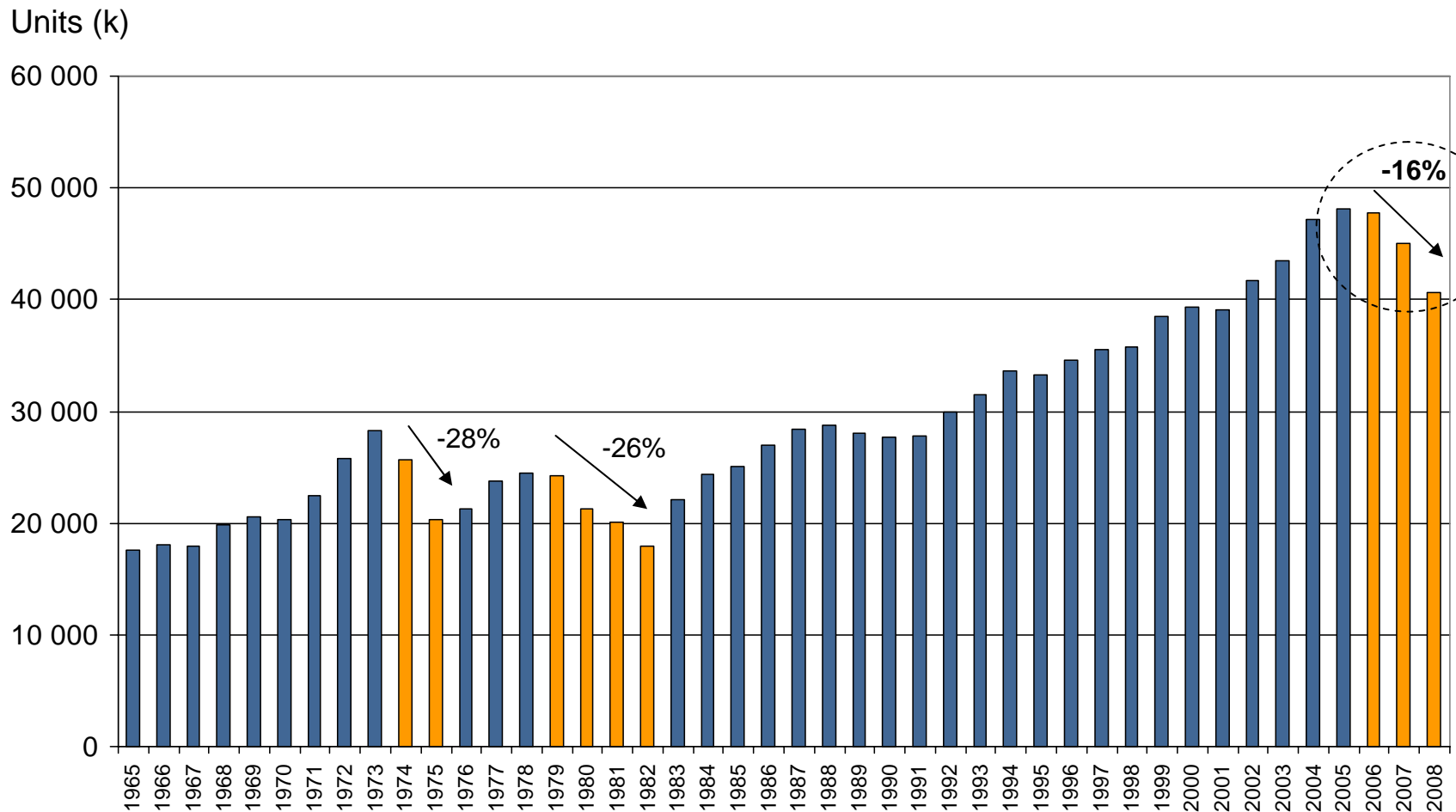
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## Quarterly comparison, year on year



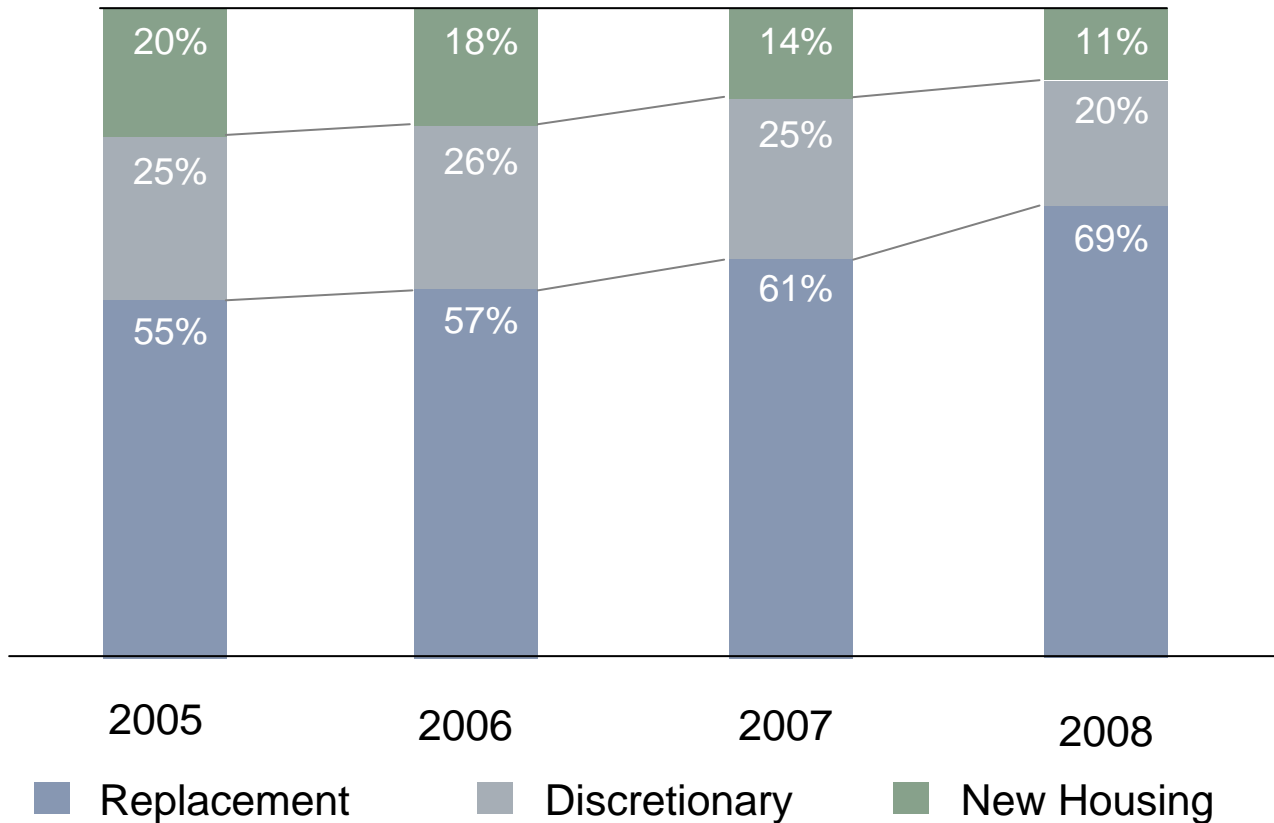
# Market development North America long trend

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# Replacement is taking share

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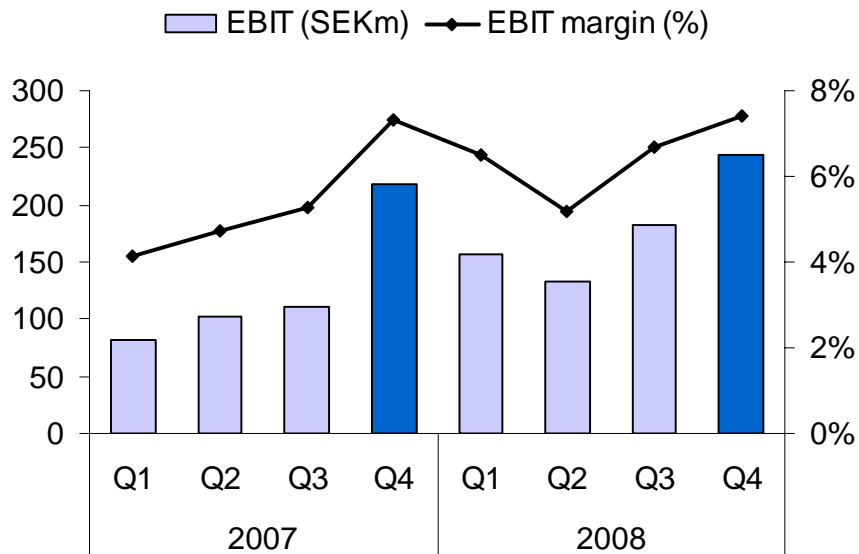






# Consumer Durables Latin America

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- Brazilian market down in the fourth quarter
  - Full year growth
- Increased sales and market share gain
- Improved operating margin
  - Increased volumes and mix
  - Improved productivity
- Operating income for 2008 was best ever

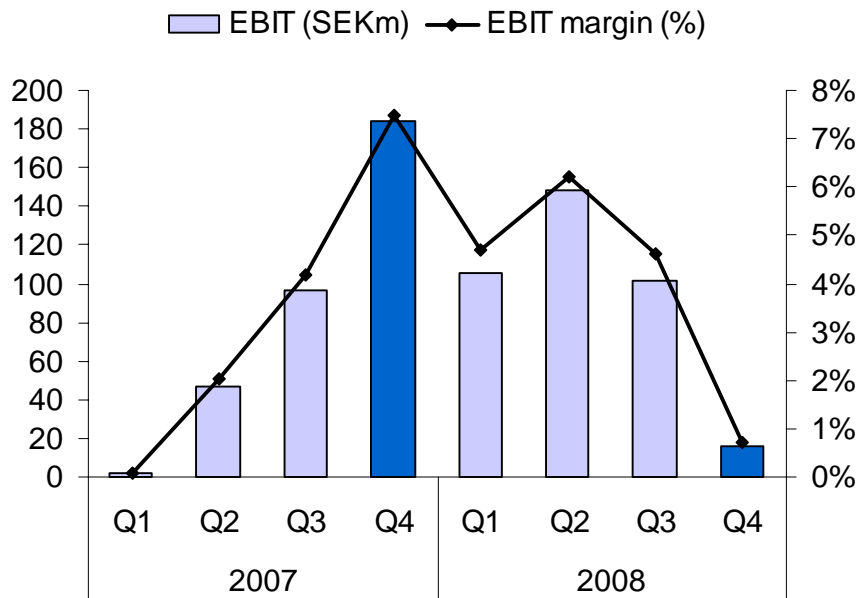
(SEKm)	<u>Q4 2007</u>	<u>Q4 2008</u>
Sales	2,992	3,305
EBIT	218	244
Margin	7.3%	7.4%

*Personnel  
cutbacks*

-10

# Consumer Durables Asia/Pacific & Rest of world

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(SEKm)	<u>Q4 2007</u>	<u>Q4 2008</u>
Sales	2,445	2,409
EBIT	184	16
Margin	7.5%	0.7%

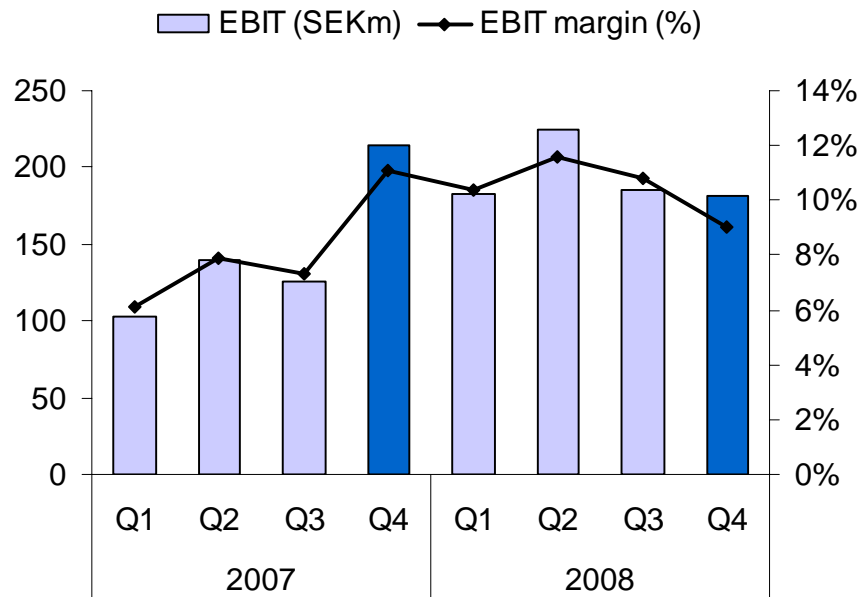
Personnel  
cutbacks

-110

- Australia/New Zealand
  - Increased volumes despite weaker market demand – market-share gain
  - Improved operating margin
- Still negative operating income in China
- Continued market growth and market-share gain in Southeast Asia

# Professional Products

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(SEKm)	<u>Q4 2007</u>	<u>Q4 2008</u>
Sales	1,930	2,021
EBIT	215	181
Margin	11.1%	9.0%

*Personnel cutbacks*

-40

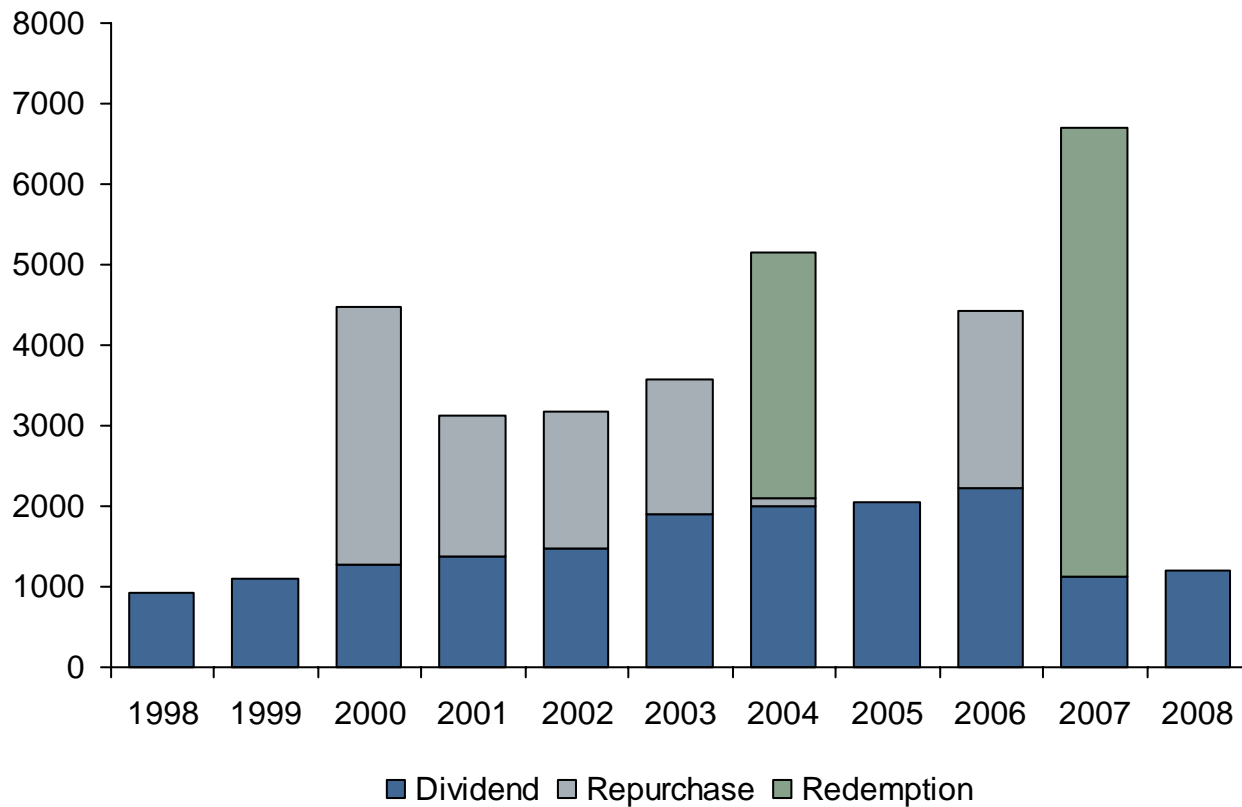
- Operating income impacted by personnel cutbacks
  - Underlying result in line with previous year
- Food-service
  - Stable sales on a weak market
- Laundry
  - Lower sales volumes due to weaker market demand



# Electrolux distribution to shareholders



Total distribution to shareholders 1998-2007



# Market view business areas and raw materials impact

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## Market demand

Q109

FY09

Europe



North America



Latin America



## Raw materials

Costs for steel



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# Factors affecting forward-looking statements

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## **Factors affecting forward-looking statements**

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