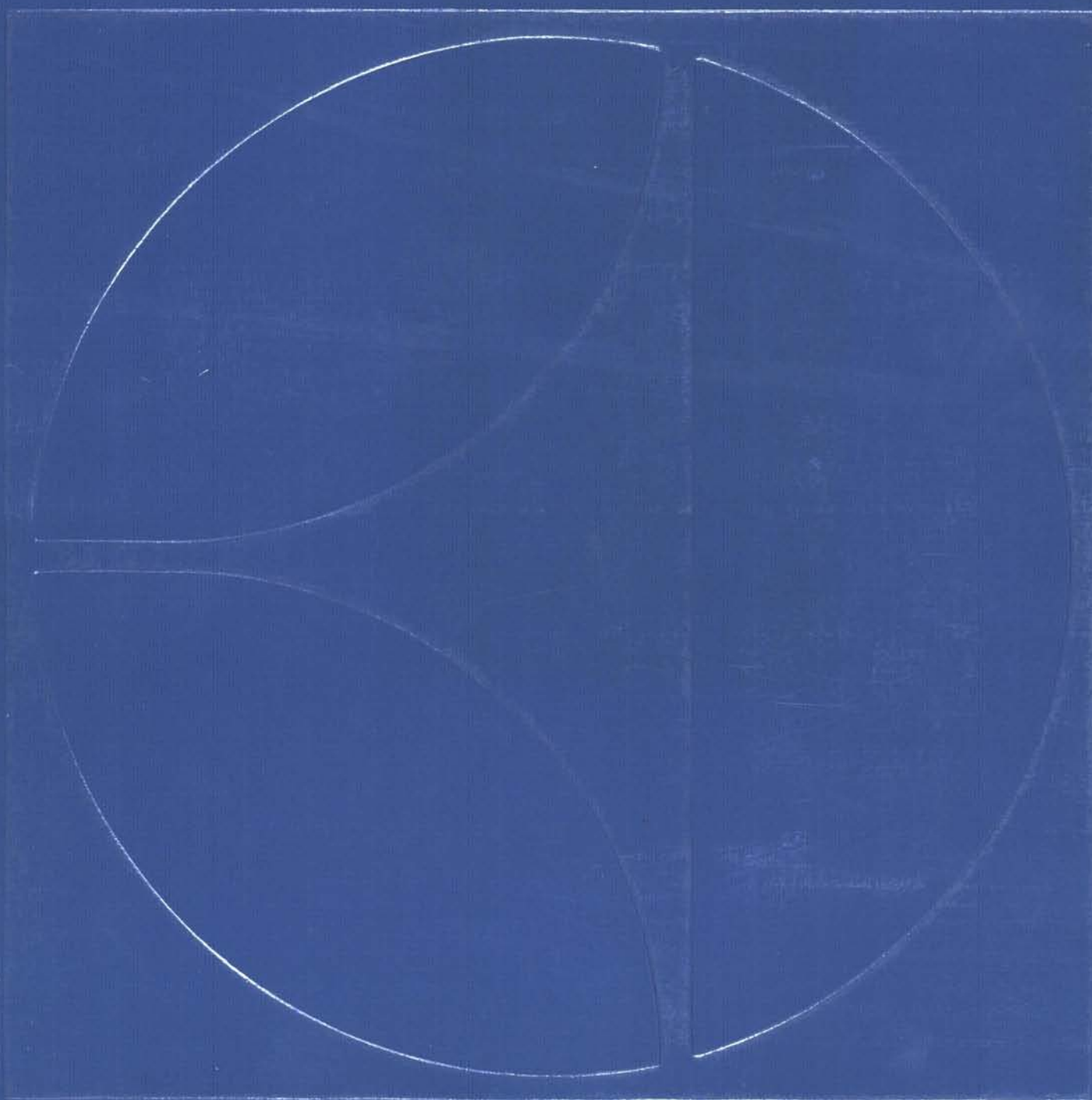
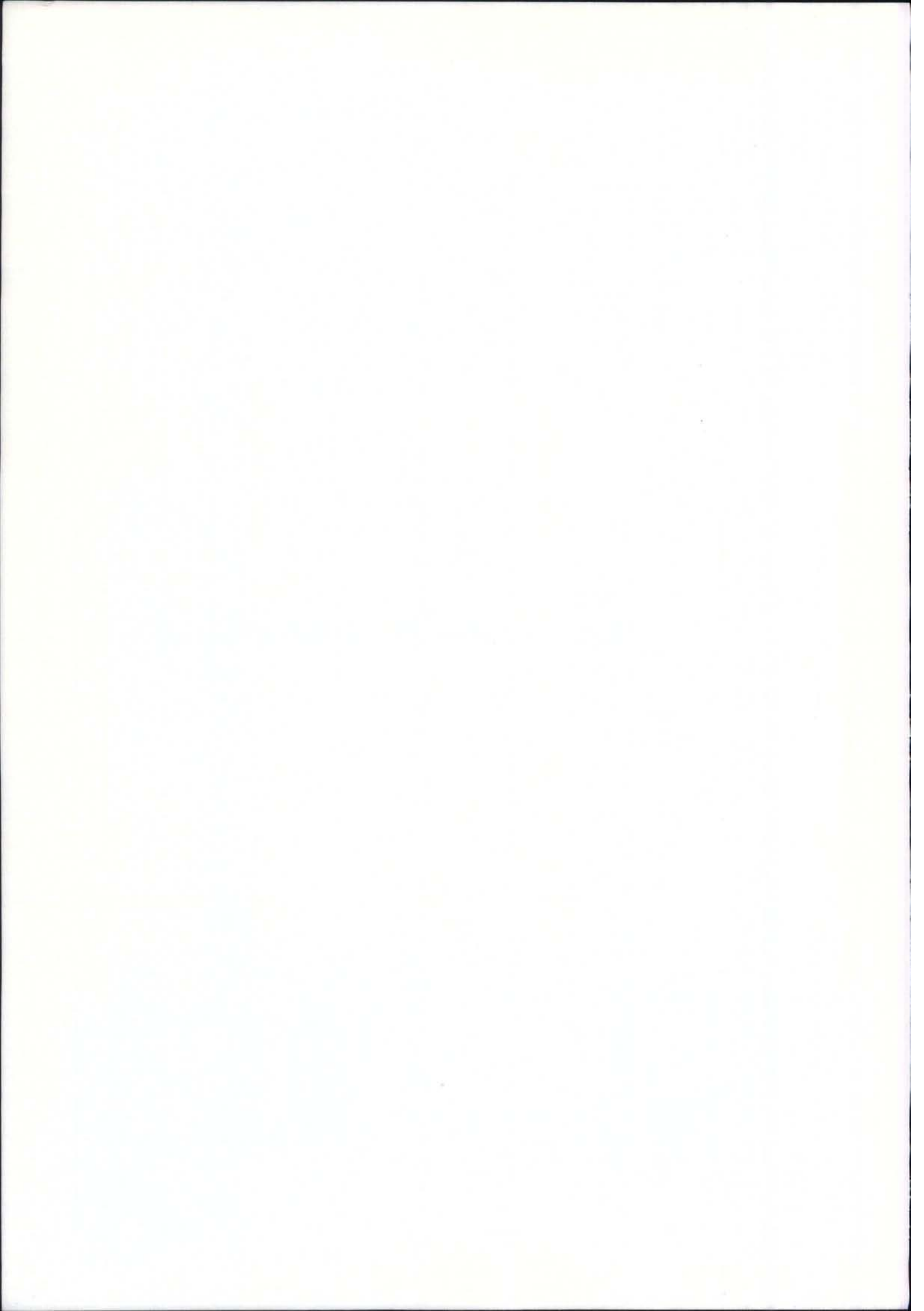


Electrolux 1976





1976 Annual Report

Annual General Meeting

The Annual General Meeting of AB Electrolux will be held at 10.00 a.m. on Wednesday, May 25, 1977, in Industrihuset, Industrisalen, at Storgatan 19, Stockholm.

Right to participate in the Annual General Meeting

As the company operates under the Act on Simplified Share Handling the names of shareholders who wish to participate in the Annual General Meeting must be registered in the share register maintained by Värdepapperscentralen VPC AB not later than Friday, May 13, 1977.

Shareholders whose shares are registered in the names of trustees, through the trust department of a bank or stockbroker, must temporarily register the shares in their own names in order to be able to attend the Annual General Meeting. Such temporary registration must be completed not later than 10 days prior to the Annual General Meeting.

Notice of participation in the Annual General Meeting

A shareholder who wishes to participate in the Annual General Meeting must, in addition to being registered as above, notify the company not later than Monday, May 23, 1977. Notification should be made in writing to AB Electrolux, Dept HK-J, S-105 45 STOCKHOLM, Sweden, or by telephone to +46-8 738 67 93 or +46-8 738 67 90 during office hours.

Payment of Dividend

The declaration of dividend as decided by the Annual General Meeting will include notification of the day upon which the share register and the list of nominees, etc, maintained in conjunction with the share register, shall be closed for reconciliation and determination of entitlement to dividend. The Board of Directors has proposed May 27, 1977. Subject to the approval of the Annual General Meeting for this proposal, it is expected that dividends will be distributed by Värdepapperscentralen VPC AB on June 6, 1977.

Notification of Change of Address

Shareholders who have changed their name, address or the number of their bank account should report this as soon as possible to their trustee or Värdepapperscentralen VPC AB, Box 7077, S-103 82 STOCKHOLM 7, Sweden.

Proposed change in the Articles of Association of AB Electrolux

The Board of Directors and Managing Director intend to propose that the matter of bringing the Articles of Association of the company into conformity with the new Companies Act be taken up at the Annual General Meeting.

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Electrolux Group – Ten-Year Review

(Amounts in Mkr, unless otherwise stated)

	1976 ¹⁾	1975	1974 ²⁾	1973 ³⁾	1972	1971	1970	1969	1968	1967
Group Sales	7,646	6,425	5,536	4,182	2,491	2,122	1,869	1,583	1,327	1,098
Percentage change compared with previous year	19.0	16,1	32.4	67.9	17.4	13.5	18.1	19.3	20.9	2.6
Operating result after normal depreciation ⁴⁾	603 [609] ⁴⁾	491	556	394	250	160	128	103	93	.
Operating result as a percentage of sales	7.9 [8.0] ⁴⁾	7.6	10.0	9.4	10.0	7.6	6.9	6.5	7.0	.
Result before appropriations and taxes	443 [451] ⁴⁾	356	469	371	253	152	124	112	105	.
Group profit ⁵⁾	226.3 [238.0] ⁴⁾	103.4	92.6	139.1	95.4	70.2	63.3	45.8	52.9	32.0
Profit in kr per share ⁶⁾	13:80 [13:95] ⁴⁾	10:65	13:50	10:90	7:25	4:40	3:45	3:25	3:00	.
Return on working capital in percent ⁷⁾	12.1 [12.3] ⁴⁾	10.5	13.3	12.3	12.4	9.6	8.2	8.2	8.1	.
Investment in real estate, machinery, equipment and tools	452	414	348	260	134	83	111	108	71	72
whereof relating to companies acquired during the year	100	74	17	52	27	7	8	13	10	15
Wages, salaries and remuneration	2,345	2,064	1,778	1,374	798	707	658	554	435	362
Average number of employees	71,600	65,900	63,500	51,100	35,600	33,600	32,700	29,200	23,300	21,100
Sales per employee, excl. contract cleaning companies (tkr)	135.5	122.2	104.4	94.1	84.9	75.8	66.9	61.1	56.9	52.0
Total dividend, Parent Company ⁸⁾	88.4	76.8	68.6	62.4	49.9	38.0	30.4	26.6	22.8	15.2
Dividend per share (revised for issues ⁸⁾) (kr)	5:50	5:00	4:58	4:17	3:33	2:67	2:13	1:87	1:60	1:07
Approximate number of shareholders	35,000	35,000	32,000	29,000	20,000	18,000	18,000	15,000	15,000	14,700

1) The Martin Group and Tornado are included as from fiscal year 1976.

2) National Union Electric Corp. (NUE), USA, is included as from fiscal year 1974.

3) The Facit Group is included as from fiscal year 1973.

4) Past equity accounting has been used as from fiscal year 1976 when preparing consolidated reports. The difference between the purchase value and the equity of companies acquired has been booked as goodwill and depreciated by 10% per year. The amounts relating to the formerly used par value method given in [].

5) Result after appropriations, taxes and minority interests.

6) See Note 4, Page 21.

7) Return on working capital relates to: operating result after normal depreciation, plus non-operating income, expressed as a percentage of the balance sheet total.

8) Proposed by the Board of Directors for 1976. The dividend per share for 1975 and previous years has been adjusted for bonus issues of shares and "split" of shares.

Abbreviated Denominations

kr = Swedish Kronor
tkr = thousands of Swedish Kronor
Mkr = millions of Swedish Kronor
On December 31, 1976
£1 sterling = kr 7:–
US\$1 = kr 4:12
Mkr 1 = £ 142.900 approximately =
US\$ 242.700 approximately
m³ = cubic metres

Electrolux Group in 1976

Group sales increased by 19% to Mkr 7,646.

Operating result after normal depreciation amounted to Mkr 603, compared with Mkr 491 in 1975.

Result before appropriations and taxes amounted to Mkr 443, compared with Mkr 356 in 1975.

Adjusted profit per share were Skr 13:80, compared with Skr 10:65 in 1975.

The average number of employees during the year was 71,552, of which 24,758 worked in Sweden. In 1975 the corresponding figures were 65,914 and 24,580 respectively.

Wages, salaries and other remuneration paid during the year totalled Mkr 2,345, compared with Mkr 2,064 in 1975.

Return on capital employed¹⁾ increased from 10.5% to 12.1%.

Investment in real estate, machinery and tools amounted to Mkr 452, compared with Mkr 414 in 1975.

The Martin Group, with activities in France, Belgium, Switzerland, Western Germany and Morocco, was acquired on January 1, 1976.

A majority shareholding in Tornado S.A., Paris, and the entire share capital of Excelsior-Tornado B.V., Terneuzen, have been acquired. These companies are among the leaders in the domestic vacuum-cleaner markets in France and Holland.

The past equity method will be applied in drawing up the consolidated financial statements from and including 1976. Previously the Group used the par value method. For further details, see Accounting Principles, on page 15.

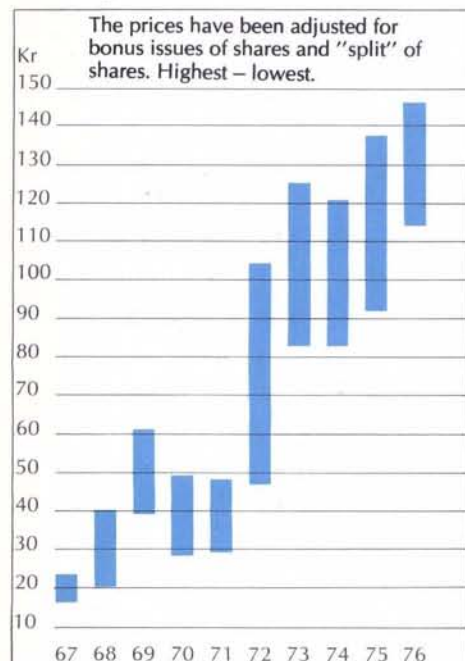
¹⁾ See page 2, note 7.

The net profit of the parent company after taxes amounted to Mkr 90.1, compared with Mkr 77.3 in 1975.

The share capital was increased during the year by a "guided" issue of nominal value Mkr 35.5, yielding Mkr 78.7.

The Board of Directors of AB Electrolux propose a dividend of kr 5:50 per share (kr 5:00 in 1975), taking Mkr 88.4, compared with Mkr 76.8 for the 1975.

Prices quoted for Electrolux "B" shares on Stockholm Stock Exchange.



Aktiebolaget Electrolux Board of Directors

Members

HANS WERTHÉN, Chairman (Executive)

GÖSTA BYSTEDT, Managing Director (President)

GUNNAR ENGELLAU, Chairman of the Board, AB Volvo

KARL-GUSTAV LAGERSTRÖM, Local Chairman, Swedish Industrial Employees' Association, Alingsås*)

JOHNNY NIKLASSON, Local Chairman, Swedish Metalworkers' Union, Motala*)

JACOB PALMSTIERNA, Managing Director (President), Skandinaviska Enskilda Banken

ÅKE T. VRETHEM, Deputy Chairman of the Board, ASEA

PETER WALLENBERG, Chairman of the Board, Atlas Copco AB

Deputy Members

SUNE ANDERSSON, Local Chairman, Swedish Supervisory Employees' Association, Västervik*)

HARRY ERIKSSON, Senior Deputy Managing Director (Senior Executive Vice President)

ARTHUR GRIMBORG, Local Chairman, Swedish Metalworkers' Union, Mariestad*)

SVEN OLVING, Vice-chancellor, Chalmers Institute of Technology

*) Elected by the employees

Auditors

Regular Auditors

ARNE HOLMÉN, Chartered Accountant

BRUNO SVENSSON, Chartered Accountant

Deputy Auditors

JAN NORDENBÄCK, Chartered Accountant

STEN LUNDVALL, Chartered Accountant

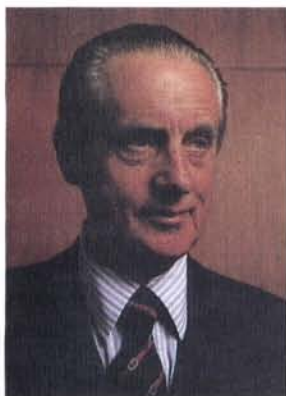


HANS WERTHÉN



ÅKE T. VRETHEM

SVEN OLVING



GUNNAR ENGELLAU



HARRY ERIKSSON



PETER WALLENBERG



JACOB PALMSTIERNA



SUNE ANDERSSON

KARL-GUSTAV LAGERSTRÖM



ARTHUR GRIMBORG



JOHNNY NIKLASSON



GÖSTA BYSTEDT



HARRY ERIKSSON

HANS WERTHÉN

GÖSTA BYSTEDT

ANDERS SCHARP

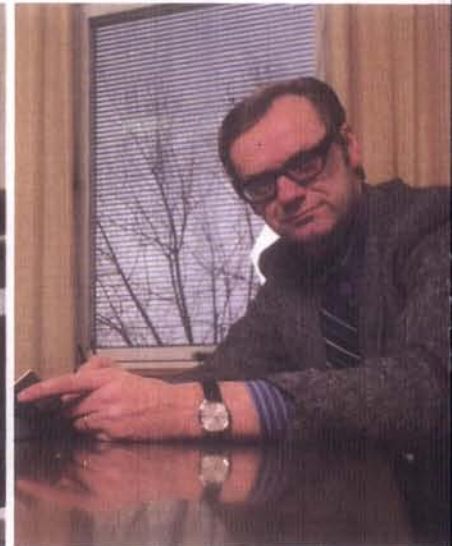


KIM SCHARF

OWE WERNER



NILS ELIASSON



BERTIL LJUNGQUIST



LARS EMILSSON



FOLKE HEIBERT

Group Management

Group Executive Committee

HANS WERTHÉN, Executive Chairman

GÖSTA BYSTEDT, Managing Director (President)

HARRY ERIKSSON, Senior Deputy Managing Director, (Senior Executive Vice President)

ANDERS SCHARP, Deputy Managing Director (Executive Vice President)

Other Chief Executives

NILS ELIASSON, Legal Department

LARS EMILSSON, Motala and Strömstad factories

GUNNAR ERICSSON, International Sales Department

FOLKE HEIBERT, Catering and Hospital equipment, etc

SIMON LILIEDAHL, International Sales Department

LEIF LINDGREN, Group Treasurer

YNGVE LINDHOLM, North American caravan
refrigerators

BERTIL LJUNGQUIST, Personnel Department

LENNART RIBOHN, Group Controller

KIM SCHARF, Product and Marketing Department

OWE WERNER, Research and Development



SIMON LILIEDAHL

GUNNAR ERICSSON



LEIF LINDGREN



LENNART RIBOHN



YNGVE LINDHOLM

Operations in 1976

The Directors' Report for AB Electrolux is incorporated in the report for the Group.

General review of the year

In the Annual Report for 1975 a forecast was made for Electrolux of a continued increase in sales and improved results in 1976. The incipient economic recovery, noted on some markets at the beginning of last year, was expected to bring with it an increased demand for the products of the Group. Sales of the Electrolux Group, including the sales of companies acquired during the year, rose by Mkr 1,221, some 19%, to Mkr 7,646 in 1976. Companies acquired during the year, mainly Martin/Tornado, contributed by 14%, while existing activities accounted for 5%. This slight increase was to a large extent the result of the sales of several large subsidiaries abroad (in France, Great Britain and the USA, and others) being converted into Swedish Kronor at lower exchange rates than last year.

The Group has strengthened its position as one of the world's leading manufacturers of vacuum-cleaners. Market shares have been increased in the USA and Great Britain, as well as in a number of other countries. In France and Holland the increase in market share resulted from the purchase of Tornado. Profitability on this range of products continues to be good.

K products (freezers, refrigerators, cookers, etc) show rather more varied results. Sales and profitability have been affected by increased costs and price controls in several important markets, including Great Britain. Very good progress has been made in caravan refrigerator sales, not only in the USA but also in Western Europe and Australia. The acquisition of the Martin Group brought with it efficient sales organisations in France, Switzerland, Belgium and Morocco.

In the case of industrial products the weak state of the economy in Western Europe has had a depressing influence on sales, which, nevertheless, improved,

partly as the result of more intensive marketing activities. The trend towards increasingly large projects in the hospital and institutional catering markets has continued.

Within the commercial cleaning services business there is an increasing demand for a more diversified range of services. The expansion of this field of activities has continued, with good progress in the existing businesses, and also in companies purchased during the year.

The office products activities were affected by continued declining prices for all types of calculators and relatively slack demand for typewriters and office furniture. The high cost levels in Sweden have made reorganisation of the Swedish production units necessary. A decision was made to close down the Facit factory in Gothenburg. Facit's Swedish sales organisation has been converted from using its own salesmen into one using independent retailers.

The near-drought conditions prevailing in the summer of 1976 in Western Europe had a depressing effect on the sales of several of the Group's other products, such as agricultural equipment and lawn mowers.

Sales

Invoiced sales of the Electrolux Group in 1976 increased by 19%, to a total of Mkr 7,646 (6,425¹⁾). Companies acquired during the year accounted for Mkr 921 of the increase.

Breakdown of sales by product group is shown in the table below (Mkr):

	1976	1975
Household appliances and cleaning machines	5,020	3,880
Industrial products	693	635
Office products	846	966
Commercial cleaning services	739	591
Other products	348	353
	<u>7,646</u>	<u>6,425</u>

Sales to Swedish customers totalled Mkr 2,057, the equivalent of 26.9% of total sales (29.6%). The main reason for this change is the acquisition of Martin/Tornado.

The geographical breakdown of total sales is shown in the diagram on page 47. Within Europe, excluding Sweden, sales were as follows (Mkr):

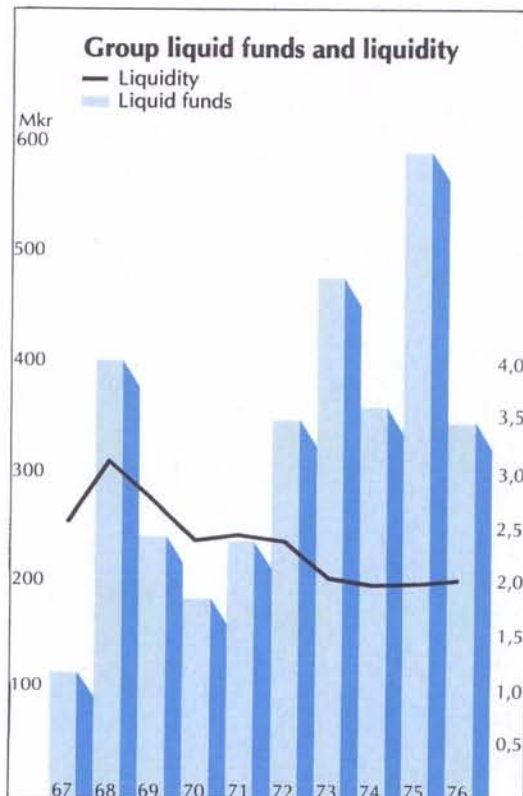
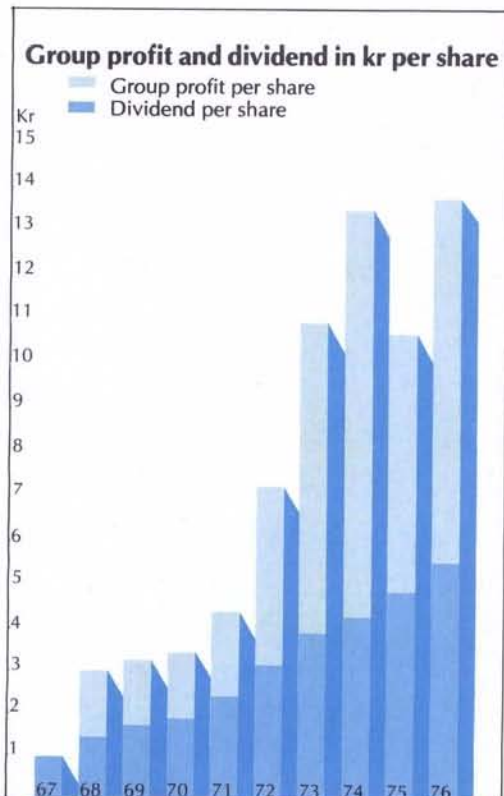
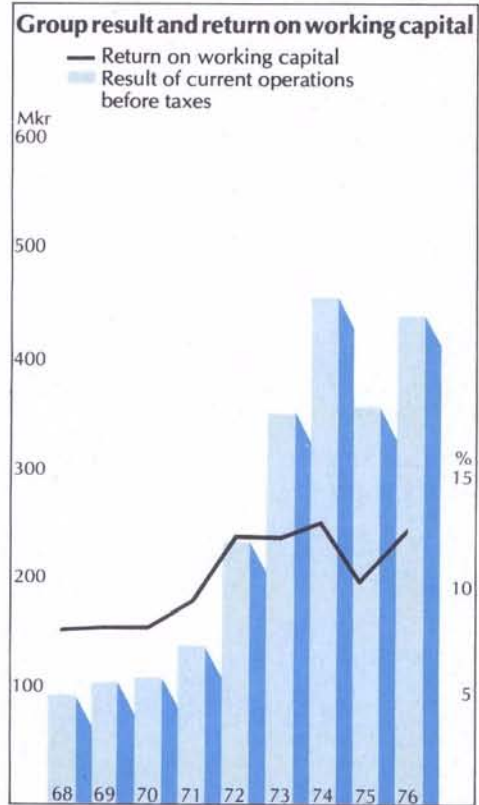
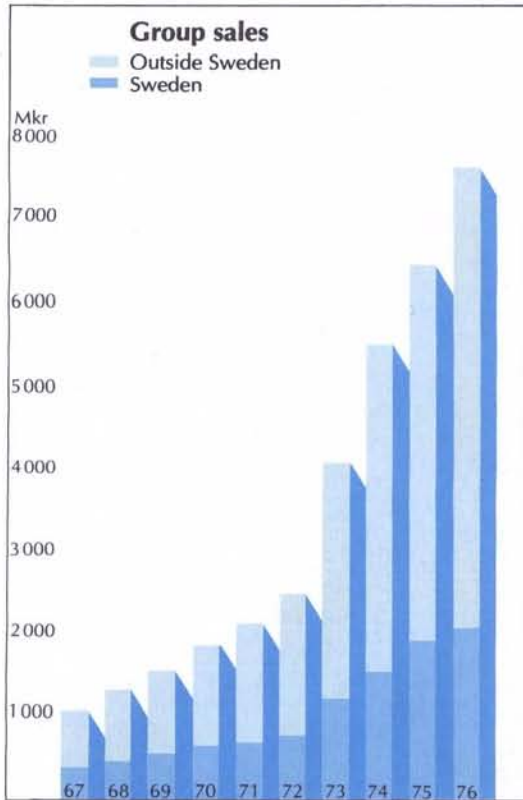
	1976	1975
France	1,013	367
Great Britain	470	527
Norway	433	378
Western Germany	371	321
Denmark	245	215
Finland	205	203
Other	794	614
	<u>3,531</u>	<u>2,625</u>

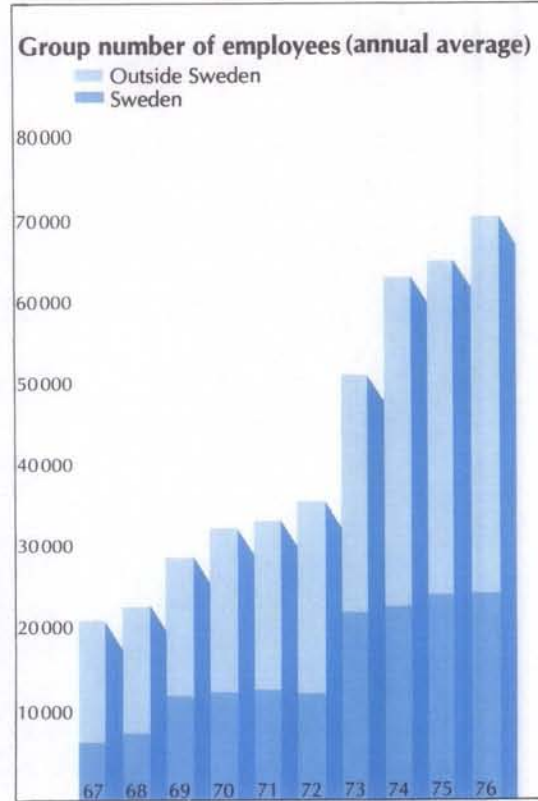
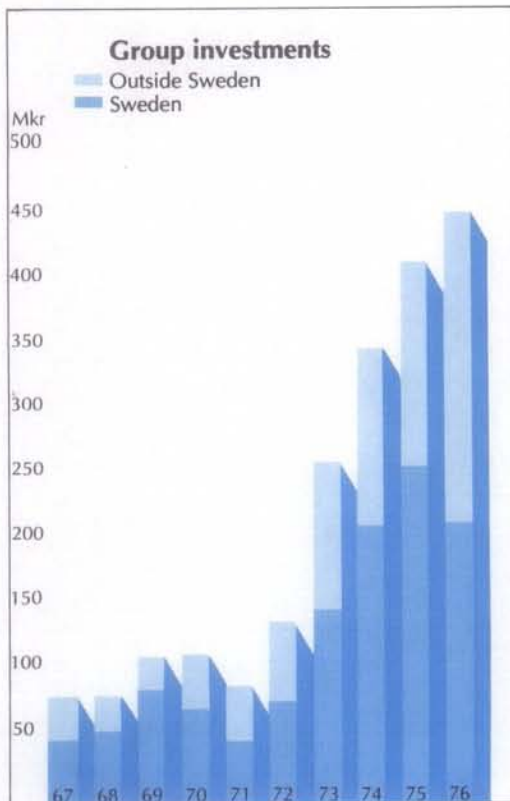
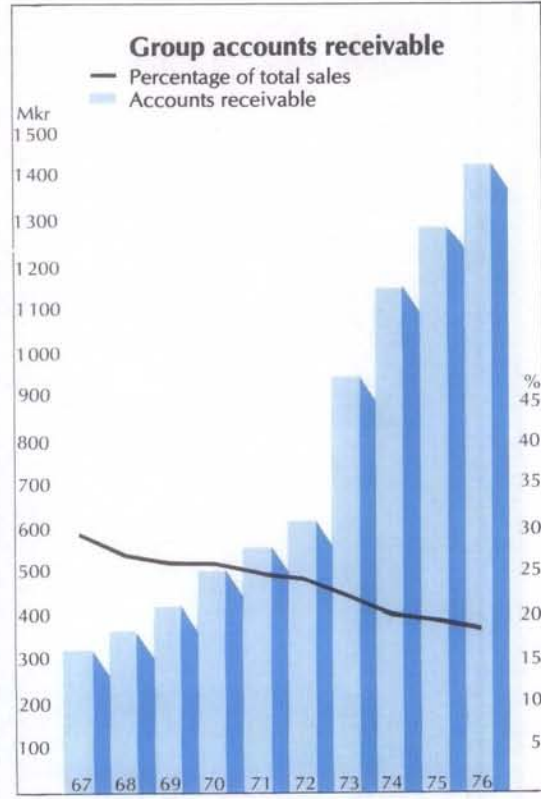
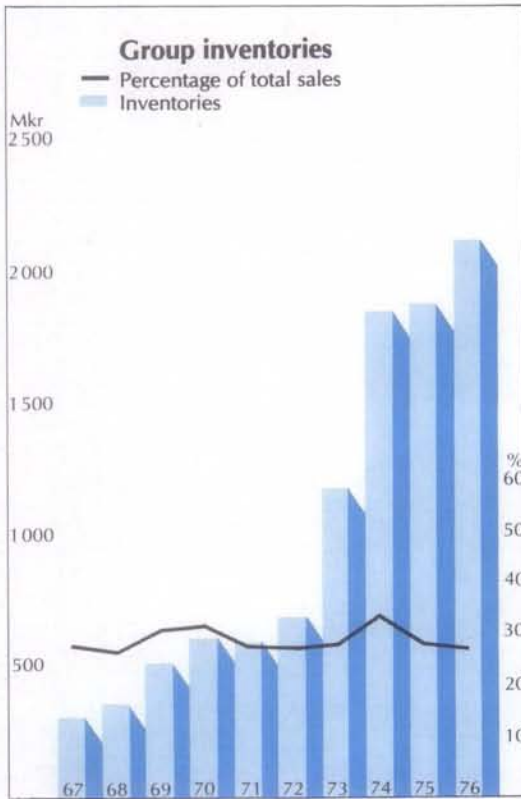
Sales in Canada and the USA in 1976 amounted to Mkr 1,150 (1,049).

Total exports by Group companies in Sweden amounted to Mkr 1,401 (1,158). Dividends, royalties and interest remitted to Sweden amounted to Mkr 101 (73).

Sales of the parent company, AB Electrolux, totalled Mkr 1,306 (1,237). The steel fittings and materials handling installations section was transferred at the turn of the year 1975/76 to a separate company, Electrolux Constructor AB, and the activities of AB Gårdscisterner were transferred by a commission agreement to Royal Refrigeration Industries AB in Malmö, formerly called AB Plåtindustri. Parent company sales of Mkr 1,109 (920) were made to Group companies, while sales of Mkr 197 (317) were made to external customers. Exports by the parent company amounted to Mkr 777, and accounted for 59.5% of total sales (42.3%).

¹⁾ Corresponding figure for 1975.





Results

Group operating results before depreciation amounted to Mkr 867 (709). After normal depreciation the operating result was Mkr 603, corresponding to 7.6% on sales. The corresponding operating result using the par value method was Mkr 609 (491) and 8.0% (7.6%) respectively. Non-operating income and expenditure (net expenditure) was Mkr 149 (129). After net extraordinary income and expenditure the operating profit before appropriations and taxes amounted to Mkr 443. The net corresponding result under the par value method was Mkr 451 (356).

The result after normal depreciation was derived from the various product groups as shown in the table below (Mkr):

	<u>1976</u>
Household appliances and cleaning machines	505.5*)
Industrial products	56.5
Office products	3.6
Commercial cleaning services	29.6
Other products	<u>8.1</u>
	<u>603.3</u>

*) of which Mkr 103.5 relates to NUE and Mkr 31.9 to Martin/Tornado.

Adjusted profits per share were Skr 13:80 (10:65). Return on capital employed¹⁾ was 12.1% (10.5%).

The Facit Group's result from current operations before taxes, calculated in accordance with the past equity method, was a loss of Mkr 14.1. Calculated by the par value method the results showed a loss of Mkr 27.9 (37.1). The result before appropriations and taxes was a loss of Mkr 47.0. The corresponding result using the par value method was a loss of Mkr 60.7 (55.3).

The results of the parent company, AB Electrolux, before appropriations and taxes amounted to Mkr 129.7 (118.5). After appropriations of Mkr 19.6 and taxes of Mkr 20.0 a net profit for the year of Mkr 90.1 is reported.

Solidity and liquidity

Solidity, expressed as the ratio of equity capital plus half untaxed reserves to balance sheet total, shows the following trend (Mkr):

	76-12-31	75-12-31	74-12-31
Equity capital + 50% of untaxed reserves	1,645	1,487	1,305
Balance sheet total	5,424	5,103	4,511
Solidity %	30.3	29.0	28.9

In order to preserve the credit standing of the Group it is necessary to keep Group solidity as shown above not lower than 25%.

Liquidity, expressed as the ratio between current assets and short-term liabilities, was 2.07 (2.03). The rate of turnover of current receivables and stocks was increased. Together, these two items corresponded to 46.9% of sales (49.4%).

Cash and money in the bank, including short-term promissory notes, totalled Mkr 221 at the end of the year (450). Against the background of the current high interest levels for loans in many countries, and as a result of extended financial planning, the liquid assets have been kept at a lower level than in past years. Net financial income and expenditure has deteriorated from a net expenditure of Mkr 128.9 in 1975 to a net expenditure of Mkr 149.4 in 1976. Taking into account the newly-acquired Martin/Tornado Group, however, net financial expenditure has shown an improvement of Mkr 15.5. At the end of the year the Group had unutilized credit and loan facilities of almost Mkr 300 available.

In January 1976 the "guided" share issue which was agreed upon in 1975 to Union Bank of Switzerland, Zurich, Switzerland, of nominal value Mkr 35.5, was made. Electrolux received Mkr 78.7 from the proceeds and after this issue the share capital of AB Electrolux amounts to Mkr 803.5.

Production and Investment

The factories in Sweden accounted for 58.6% (58.5%) of Group production in 1976, excluding the Martin and Torando Groups. If Martin and Tornado are included in the Group figures, the Swedish proportion of total production was 51.8% in 1976.

In view of the low level of activity at a number of the Facit plants, the high cost situation in Sweden, and the poor state of the market for several product groups, a reorganization has been carried out in the allocation of production to the various Group factories in Sweden. As demand for caravan refrigerators was high, there was a heavy manufacturing load on the Motala factory. To meet this demand manufacture of caravan refrigerators was started at the Strömstad factory, and also at the Mariestad factory on a temporary basis. As demand for the Group's other household appliances has also been firm production of some of these products has been transferred to factories in the Facit Group. Consequently, all manufacture of Facit products has ceased at the Strömstad plant. This factory functions as a satellite plant to the one at Motala, and manufactures caravan refrigerators, kitchen ventilator fans, and components for other Group products.

In addition, the production of components has been transferred from Motala to the Facit factory in Åtvidaberg, where manufacture of dish-washing machines has also been started up parallel to the production in Motala.

Under the agreement made at the end of 1972 between the Government and the Labour Market Board in Sweden, on the one hand, and the management of Electrolux on the other, Electrolux undertook, among other things, to continue with activities employing no less than 880 persons in the Facit plants at Strömstad and in Gothenburg. In return for this commitment Electrolux received a development grant from the Labour Market Board. Similar agreements were signed with respect of the Facit factory in Malmö.

¹⁾ See page 2, note 7.

Facit's Gothenburg factory, which makes record turntables, computer and other products, has been operating at a loss for many years. As it would not seem to be possible to return the factory to profitability in the future with its current range of output, and as no other profitable activities could be found for this factory, a decision has been made to cease operations there. It is expected that this closure will be completed by the beginning of 1978. The above-mentioned employment undertakings by Electrolux expire on December 31, 1977. The employees at the Gothenburg factory have been offered jobs at other factories within the Group.

In France, efficiency improvements and modernisation of the production units of the Martin Group are currently in progress. The transfer of vacuum-cleaner production from Courbevoie (Paris) to Rheims, which was commenced during previous years, has continued. Arthur Martin already has production facilities for cookers and other products in Rheims.

The factory at Aycliffe, in England, has been extended, and in the first stage of this expansion the production of injection-moulded plastic components has begun. The spare parts stores have also been transferred from Luton to Aycliffe. During the year vacuum-cleaner production capacity at Luton was expanded.

The Facit factory in Juiz de Fora, in Brazil, was extended during the year. In view of the expected further expansion of Facit and Electrolux sales in Brazil, an additional extension is planned for this factory, which produces typewriters, and does some manufacture and assembly of domestic floor-polishers and vacuum-cleaners.

High tariffs and import deposits make it impossible to import and sell finished products made in Sweden.

Total Group investment in real estate, machinery, equipment, and tools, amounted in 1976 to Mkr 452 (414). Of this total, Mkr 100 related to companies acquired during the year (74). A total of Mkr 217 was invested in Sweden in 1976.

Acquisitions and new formations

An arbitration judgement in respect of the amount to be paid for the remaining shares in AB Facit not yet acquired was handed down on March 3, 1977. The judgement fixed the sum at Skr 140:00 per share.

In France, 76% of the shares were acquired in Usines & Fondries Arthur Martin S.A., Paris, which together with its subsidiary companies, SAGAM, in Wasquehal, SAPRIME, in Rheims, and SECOMAM, in Revin, is engaged in the manufacture and selling of gas cookers, washing machines, dish-washing machines, and other household appliances (K-products) and equipment for the institutional catering market. The shares of the first named company are listed on the Paris Stock Exchange.

In Belgium all the shares of Usines & Fondries Nestor Martin S.A., Brussels, were acquired, which company, with its subsidiary company, Surdiac S.A., manufactures and sells space heaters, and sells household electrical appliances (K-products).

In Switzerland 74% of the shares in Mena-Lux S.A., Morat, were purchased which, with its subsidiary company, Bono-Apparate AG, Schlieren, manufactures and sells gas cookers and warehouse fittings. In Argentina, a minority holding in Arthur Martin Argentina S.A.I.C., Buenos Aires, was acquired.

In France S.A. Electrolux, Senlis, acquired 60% of the shares in Techniques et Organisations Nouvelles d'Applications Domestiques S.A., abbreviated to Tornado S.A., which sells vacuum-cleaners and floor-polishers through specialist retail outlets. Electrolux Nederland B.V., Diemen, Holland, bought all the outstanding shares in Excelsior-Tornado B.V., Terneuzen, which manufactures vacuum-cleaners. Output is sold in Holland and France by the company's own sales organisation through the specialist retail trade, while sales in other countries are through independent representatives.

The 50%-owned commercial cleaning company in Holland, ISS Mercurius B.V. Ermelo, purchased all the shares in B.V. Nederlandse Poetsdoeken Maatschappij, Arnhem, which carries on business in hiring and laundering working apparel and linen for hospitals, hotels and industrial companies.

In Sweden the remaining 50% of the shares in Plåtindustri AB, Malmö were bought. The name of the company was then changed to Royal Refrigeration Industries AB. Its activities consist of the manufacture and sale of commercial refrigeration and deep-freeze units.

Acquisitions of the remaining 50% of the shares in Royal-Sabroe A/S, Viby, Denmark, as well as in Royal-Levin Kältetechnik GmbH, Gevelsberg, Western Germany, were made. Both companies sell commercial refrigeration and deep-freeze units.

In Sweden, AB Tvättman bought all the shares in AB IMA Uthyrningsservice, Sundsvall, and in AB Kristinedalstvädden, Uddevalla, both of which companies supply protective and working apparel for rental.

Employees

The average number of employees in the Group rose from 65,914 in 1975 to 71,552 in 1976. The total for 1976 includes 6,244 employees of companies which were acquired during the year.

Cost trends in Sweden and other countries have made further rationalisation necessary. Special personnel planning activities have been started within the Swedish establishments of the Facit Group with the aim of facilitating the relocation of employees affected by the reorganisation there. In total the average number of employees in Sweden has risen during the year by 178; the rise is partly due to the acquisition of new companies, and partly to increased production at the Electrolux establishments, mainly in Motala.

The average numbers of employees in 1976 are shown below:

	1976				1975	
	Wage-earners	Others	Total	%	Total	%
Parent company	4,836	1,487	6,323	9	6,767	10
Subsidiaries in Sweden	13,906	4,529	18,435	26	17,813	27
Total in Sweden	18,742	6,016	24,758	35	24,580	37
Subsidiaries abroad	26,720	20,074	46,794	65	41,334	63
Total	45,462	26,090	71,552	100	65,914	100

The large increase in the number of employees in subsidiaries abroad is mainly due to the newly-acquired Martin/Tornado companies, for which a total of 5,461 employees is included in the 1976 figures. Integration of the existing Electrolux activities in France with those of Martin/Tornado has commenced, and during the year the Arthur Martin head office in Paris was sold, among other property sales. Operations there have been transferred to the Electrolux head office in Senlis, just north of Paris.

A decision has been made to transfer the head office of Flymo Ltd from Watford to Aycliffe, where the factory is located.

In Belgium integration is in progress of the Nestor Martin operations and the existing Electrolux organisation, one result of which

will be the sale of the Electrolux premises in Zellik, outside Brussels. The employees have been offered alternative employment at the Nestor Martin head office in Brussels.

The proportion of the total number of employees working in Swedish companies was 35% (37%). Within the commercial cleaning services activities the total number of employees was 20,560, of whom 7,044, or 34%, were in Sweden.

Wages, salaries and other remuneration paid to employees in Sweden amounted to Mkr 1,073 (1,000), the equivalent of 46% (48%) of the total Group payroll. Social welfare and national insurance contributions paid on behalf of employees in the parent company and the Swedish companies in the Group amounted to Mkr 387 (318).

Wages, salaries and other remuneration amounted to (kr 000s):

Group	1976	1975
Board of directors and senior management	33,223	26,296
Wage-earners	1,252,524	1,051,894
Other employees	1,059,232	985,648
	<u>2,344,979</u>	<u>2,063,838</u>
Parent Company ¹		
Board of Directors and senior management	2,045	1,788
Wage-earners	190,629	180,091
Other employees	108,705	110,712
	<u>301,379</u>	<u>292,591</u>

¹) The 1975 and 1976 figures are not directly comparable since part of the parent company's activities were transferred to a separate company during 1976.

Outlook for 1977

Group sales in 1976 were somewhat below the forecast made in the 1976 half-yearly report. The improvement in operating results from current operations before taxes which was predicted was, on the other hand, almost achieved.

The Board of Directors estimate the Group's prospects for 1977 to be relatively favourable, and forecast increased sales and a continued improvement in the results. This forecast is based upon the following factors:

- Both in 1977 and in the longer term the world economy is likely to develop along rather more varied lines, with improvements in some countries and stagnation or decline in others. Exchange rates are likely to show divergent trends, the consequences of which are difficult to predict. Thanks to the Group's geographical spread of interests, and the widely-based product range, some degree of protection is provided against unfavourable economic developments and fluctuations in exchange rates.
- The acquisition of National Union Electric Corporation (NUE) and Tornado has considerably strengthened the Group's position on the vacuum-cleaner markets both in the USA and on the continent. Increased market shares have been obtained on several other markets and further gains are expected.
- A continued strong position for the Group's other household products is expected in the Nordic countries, Great Britain and Switzerland. The acquisition of the Martin Group has created a base for further expansion in the sales of products from Group factories, in addition to the quantities already delivered in 1976.
- The demand for refrigerators for use in leisure facilities, including caravan refrigerators, is expected to increase further, with consequent improvements in the utilization of factory capacity. These refrigerators are based on the

Proposal of the Board of Directors for the Distribution of Profits of AB Electrolux

The Board of Directors and the Managing Director propose

that the net profit for the year	kr 90,129,680
and retained profits brought forward	<u>kr 14,384,434</u>
totalling	<u>kr 104,514,114</u>

be distributed as follows:

by way of dividend to shareholders, the sum of kr 5:50 per share, amounting to to be retained and carried forward into the new account	kr 88,385,000
	<u>kr 16,129,114</u>
Total	<u>kr 104,514,114</u>

We wish to take this opportunity to thank all Electrolux employees in Sweden and abroad for their excellent efforts in 1976.

Stockholm, March 23, 1977.

HANS WERTHÉN
Chairman of the Board of Directors

GUNNAR ENGELLAU
JACOB PALMSTIERNA

KARL-GUSTAV LAGERSTRÖM
PETER WALLENBERG

GÖSTA BYSTEDT
Managing Director

JOHNNY NIKLASSON
ÅKE T. VRETHEM

/HARRY ERIKSSON

absorption principle, originally developed by Electrolux.

Through continued technical development and advanced production methods the Group has obtained a dominating position in this product field. It is expected that this position will be maintained in the future.

- Electrolux-Wascator expects continued strong demand for catering and hospital equipment, industrial and commercial washing machines, and other products, in Europe, the oil-producing countries, tourist countries and in the East European states. Electrolux Constructor also expects increased demand for its products: materials handling installations and equipment and automation equipment.

- The Facit activities, which suffered far more seriously than expected in 1975 and 1976, both financially and structurally, are expected to show improved results in 1977, so that results from current operations before taxes will cease being negative.
- Even after the major acquisitions of recent years Group solidity has been maintained, which will provide a base for further borrowing in Sweden and abroad for the expansion of existing activities and possible new acquisitions.
- In 1976, AB Electrolux received dividends amounting to Mkr 73.6 from subsidiaries outside Sweden. These dividends cover a large proportion of the parent company's dividend to shareholders.

The Board of Directors, in the light of the above factors, forecast an increase in 1977 of 10% in both sales and profits. One assumption upon which this forecast is made is that currencies of importance for the Group do not weaken in relation to the Swedish krona.

Profit and Loss Statements and Balance Sheets

The Profit and Loss Statements and the Balance Sheets as well as the Notes to the Financial Statements on Page 15-49 constitute an integral part of the Annual Report.

Accounting Principles

General

The consolidated accounts include AB Electrolux and all companies in which AB Electrolux owned at the year-end, directly or indirectly, more than 50% of the share capital or subscribed capital, or where a Group relationship otherwise existed.

The consolidated accounts include Allmänna Svenska Städtings AB (ASAB), Stockholm, Commercial Cleaning Services Ltd, Birmingham, Great Britain, Servisystem S.A., Brussels, Belgium, and ISS Mercurius B.V., Ermelo, Holland, as more than half the share/subscribed capital belongs to the Electrolux Group. According to the original co-operation agreement between AB Electrolux and ISS – International Service System A/S (formerly Det Danske Rengørings Selskabs A/S, DDRS), Copenhagen, Denmark, Electrolux was to hold 49% of the share capital in the jointly-owned cleaning companies. However, as the Group has acquired more than 50% of the share capital of the companies in question, AB Electrolux has undertaken not to use the majority thus acquired in contravention of the spirit of the agreement.

Owing to the unsettled situation in the Lebanon, the accounts of Electrolux Middle East S.a.r.l., Beirut, have not been included in the consolidated accounts. The book values of the shareholding in, and Group claims upon, this company have been written off.

By the Facit Group is understood those activities carried out by Facit at the time the Electrolux Group acquired the company, and the new activities taken up since the beginning of 1973, including companies acquired since that date.

The number of operating companies within the Group was 220 at December 31, 1976. The total number of companies owned at the year-end was 357.

There were minority interests at

December 31, 1976, in 155 operating subsidiaries.

Hitherto the company has applied the par value method in preparing up the consolidated financial statements. Subsequent to the effective date of the new Companies Act in 1977, and the draft recommendations issued by the Swedish Authorized Public Accountants Association in respect of the preparation of consolidated financial statements, the company will apply the past equity method commencing with the 1976 financial year. For purposes of comparability the 1976 consolidated accounts are shown using both the new method and the par value method.

Past equity method

The assets and liabilities of subsidiaries acquired in 1976 or earlier have been revalued, on the basis of available accounts and records, in order to show, from the Group point of view, the acquisition values at the time Electrolux acquired the company in question. After such revaluations the remaining part of the difference between the purchase price of the shares and the company's equity capital is shown as goodwill, or, if necessary, as negative goodwill. These values have then been extrapolated forward to January 1, 1976, as if the past equity method had been applied up until that date. In the case of companies acquired more than 10 years ago a simpler procedure has been used, in accordance with the draft recommendation for consolidated financial statements of the Swedish Authorized Public Accountants Association. This method assumes that the book value of the shares in these companies in the parent company's books can be taken to represent the purchase price and thus correspond to the equity capital they represented. In the case of Facit AB, in view of the special circumstances under which the acquisition took place, the only revaluation is that of real estate, which has

been valued at taxable value where such value exceeds book value.

The difference between the purchase price of the shares (payment was by share exchange against shares in AB Electrolux, valued at the time of the acquisition at the approximate prevailing Stock Exchange quotation) and the equity capital at the time of acquisition has been shown as negative goodwill. At the time of acquisition this amounted to the sum of Mkr 168.

The following accounting principles have been followed in preparing up the consolidated balance sheet and consolidated profit and loss statement.

a) Equity capital of subsidiary companies at the time of acquisition has been eliminated.

b) Depreciation on real estate, machinery and equipment, is made on adjusted values, viz, purchase prices seen from the Group point of view. See below under "Depreciation".

c) Goodwill has been depreciated by 10% annually. Negative goodwill has been treated in an identical fashion, viz. the outstanding amount has been reduced by one-tenth each year. In the consolidated profit and loss statement the depreciation of goodwill is shown as the net amount of depreciation and reversal of negative goodwill.

d) Companies acquired during the year have been treated in the profit and loss statement as if they had belonged to the Group throughout the year, and the profit arising during the part of the year in which the company did not belong to the Group is shown as a special deduction.

e) Conversion into Swedish kronor of the financial statements of foreign subsidiaries has taken place at the exchange rates prevailing on the balance sheet date.

f) Gross accounting has been applied to the untaxed reserves of acquired companies in respect of contingent tax liabilities, estimated at 50%. The contingent tax liability is shown among long-term liabilities.

As regards real estate, machinery and equipment, as well as goodwill, the net method has been used for treating the contingent tax liability.

g) The minority share in taxed equity capital is shown as minority interests.

Depreciation

The Group makes a distinction in the accounts between normal depreciation and fiscal depreciation.

Normal depreciation on buildings and land improvements, and on machinery and equipment, is based upon the replacement cost, which is calculated upon the basis of the insurance companies' index in Sweden, and in a similar way abroad.

Buildings and land improvements are depreciated at a rate of 3% per year. Machinery and equipment are depreciated at different rates, between 7% and 20% per year. Motor vehicles are depreciated at 25% per year.

To eliminate the effect of applying different depreciation rules in different countries depreciation on production tools is made, for the most part, at a uniform rate of 33.3% per year.

Fiscal depreciation in excess of normal depreciation is shown in the accounts as an appropriation.

Valuation of inventories

Inventories are valued at the lower of purchase price according to the first-in first-out method (FIFO) or replacement cost. Adequate reserves have been set aside to cover the risk of obsolescence. The value of inventories does not exceed the sales value of the goods less selling costs. The first-in first-out method involves "profits from inflation in inventory values" being included in the operating profit. However, the impact of this in the accounts of the Electrolux Group is diminished, both by current price controls, profits limitations, or other types of controls and by the competitive situation preventing major price increases over and above costs actually incurred, in many markets.

In calculating the book value of almost all of its inventories, NUE applies the last-in first-out method (LIFO). The Electrolux consolidated accounts are drawn up in accordance with Swedish practice, and in order to ensure uniform accounting principles throughout the Group the effect of the NUE method of valuing inventories compared with the Electrolux method is treated as changes in inventory reserve.

AB Electrolux

The activities in Säfte, in Sweden, in the field of steel fittings and materials handling installations were transferred on December 31, 1975, from AB Electrolux to a separate company, called Electrolux Constructor AB. The commission agreement between AB Electrolux and AB Gårdscisterner was cancelled on January 1, 1976.

Electrolux Group- Consolidated Profit & Loss Statement

(Amounts in Mkr)	Past equity method 1976	Par value method 1976	Par value method 1975
Operating income and expenditure			
Sales (Note 1)	7,645.7	7,645.7	6,425.4
Manufacturing, selling and administrative costs, etc.	<u>- 6,778.4</u>	<u>-6,778.4</u>	<u>-5,716.2</u>
Operating results before depreciation	867.3	867.3	709.2
Normal depreciation (Note 2)			
Buildings and land improvements	- 35.3	- 35.3	- 30.8
Machinery, equipment and tools	- 223.1	- 223.1	-187.8
Goodwill (Note 3)	<u>- 5.6 - 264.0</u>	<u>— - 258.4</u>	<u>— - 218.6</u>
Operating result after normal depreciation	603.3	608.9	490.6
Financial income and expenditure			
Dividends on shareholdings	0.6	0.6	2.2
Share of earnings in non-Group companies	0.4	0.4	—
Interest:			
Received from non-Group companies	50.1	50.1	45.3
Paid to non-Group companies	- 184.7	-184.7	-161.5
Relating to Pension Fund	<u>- 15.8 - 149.4</u>	<u>- 15.8 - 149.4</u>	<u>- 14.9 - 128.9</u>
Result from current operations before taxes (Note 4)	453.9	459.5	361.7
Extraordinary income and expenditure			
Capital gains on sales of real estate, leaseholds and securities (Note 5)	27.4	30.7	20.2
Other extraordinary income (Note 6)	1.0	1.0	14.8
Costs of share issues	- 2.6	- 2.6	- 3.2
Amortization of goodwill	—	- 0.3	- 0.1
Other extraordinary expenditure (Note 7)	<u>- 37.1 - 11.3</u>	<u>- 37.1 - 8.3</u>	<u>- 37.1 - 5.4</u>
Result before appropriations and taxes	442.6	451.2	356.3
Appropriations			
Depreciation in excess of normal depreciation (Note 2)	- 6.8	- 5.0	- 19.9
Increase in general inventory reserve	- 1.1	- 0.7	- 43.3
Increase in other financial reserves (Note 8)	- 5.2	- 5.2	- 11.8
Other appropriations (Note 9)	<u>- 4.6 - 17.7</u>	<u>- 1.3 - 12.2</u>	<u>- 0.2 - 75.2</u>
Result before taxes	424.9	439.0	281.1
Taxes	<u>- 187.3</u>	<u>- 189.1</u>	<u>- 171.3</u>
Profit after taxes	237.6	249.9	109.8
Less: Net result for the pre-acquisition period of the year for companies acquired (Note 10)	- 0.5	- 0.5	- 1.1
Minority interests	<u>- 10.8</u>	<u>- 11.4</u>	<u>- 5.3</u>
Group profit for the year	226.3	238.0	103.4

Electrolux Group

Assets (Amounts in Mkr)	Past equity method December 31, 1976	Par value method December 31, 1975
Current assets		
Cash and bank balances	211.2	442.3
Promissory notes	10.0	8.0
Repurchased debentures of Parent company	5.0	0.1
Bills receivable from customers	87.1	83.6
Securities	<u>29.0</u>	<u>58.8</u>
	342.3	592.8
Receivables, due from customers	1,462.1	1,294.2
Receivables, miscellaneous (Note 11)	<u>192.5</u>	<u>158.9</u>
Inventories (Note 12)	<u>2,122.6</u>	<u>1,878.0</u>
	<u>4,119.5</u>	<u>3,923.9</u>
Blocked account for Investment reserves, etc.	<u>22.1</u>	<u>57.5</u>
Fixed assets		
Receivables, miscellaneous (Note 13)	93.9	88.8
Shares and participations	17.3	5.3
Machinery and equipment (Note 14)	414.9	344.8
Factory, office and other buildings (Note 15)	620.1	613.6
Buildings under construction (Note 16)	<u>76.4</u>	<u>67.2</u>
	1,111.4	1,025.6
Leases	1.7	2.1
Goodwill (Note 17)	<u>57.8</u>	<u>—</u>
	59.5	2.1
	<u>1,282.1</u>	<u>1,121.8</u>
Total assets	5,423.7	5,103.2
Pledged securities:		
Property mortgages	307.0	338.5
Floating mortgages	194.9	150.6
Miscellaneous	35.4	11.6

Consolidated Balance Sheet

Liabilities and equity capital (Amounts in Mkr)	Past equity method December 31, 1976	Par value method December 31, 1975
Short-term liabilities		
Bills payable to suppliers	101.3	42.7
Due to suppliers	464.8	320.6
Due to customers	52.0	52.3
Bank loans, etc (Note 18)	451.9	693.4
Miscellaneous (Note 19)	<u>758.2</u>	<u>682.2</u>
Taxes payable	<u>157.7</u>	<u>145.3</u>
	<u>1,985.9</u>	<u>1,936.5</u>
Long-term Liabilities		
Mortgage loans, promissory notes	755.4	770.7
Miscellaneous (Note 20)	164.6	133.5
Appropriated for pensions	369.3	330.3
Debtenture loans	148.5	85.4
Bond loans	<u>35.0</u>	<u>34.1</u>
	<u>1,472.8</u>	<u>1,354.0</u>
Untaxed reserves		
General inventory reserve	472.2	487.0
Investment reserve for operations	14.3	20.3
Special investment reserve	13.9	22.0
Work environment reserve	<u>26.7</u>	<u>31.0</u>
	<u>527.1</u>	<u>560.3</u>
Minority interests	<u>56.8</u>	<u>54.5</u>
Equity capital (Note 21)		
Share capital	803.5	768.0
Statutory reserves	<u>343.5</u>	<u>280.9</u>
Free reserves	7.8	45.6
Group profit for the year	<u>226.3*</u>	<u>103.4*</u>
	<u>1,381.1</u>	<u>1,197.9</u>
Total liabilities and equity capital	5,423.7	5,103.2
Contingent liabilities	189.7	147.9
(of which discounted bills)	<u>(60.1)</u>	<u>(22.9)</u>
*) Before allocation to statutory reserves	5.4	5.9

Electrolux Group Consolidated Statement of Source and Use of Funds

(Amounts in Mkr)	1976	1975	1974
Funds received			
Internally generated funds*)	438.2	241.6	369.1
Receipts from "guided" share issues	78.7	40.0	—
Sale of fixed assets	86.3	86.9	58.7
Increase in long-term liabilities, etc.	125.5	209.3	509.2
Total	728.7	577.8	937.0
Funds used			
Investments in real estate, machinery, equipment and tools	451.6	413.7	348.3
Investments in other fixed assets	16.7	-64.6	80.5
Changes in the structure of the Electrolux Group, etc.	114.2	56.0	141.3
Total	582.5	405.1	570.1
Changes in working capital	146.2	172.7	366.9
Specification of changes in working capital			
Increase in inventories	+244.6	+ 10.9	+669.5
Increase in current receivables	+201.5	+ 89.1	+300.1
Increase in short-term liabilities	- 49.4	-162.6	-481.5
Increase/decrease in liquid funds	-250.5	+235.3	-121.2
	<u>+146.2</u>	<u>+172.7</u>	<u>+366.9</u>
*) Specification			
Result before taxes and capital gains	+396.5	+246.1	+216.3
Minority interests and net result of acquired companies for pre-acquisition period	- 11.3	- 6.4	- 17.3
Appropriations	+ 10.9	+ 55.3	+200.1
Depreciation of real estate, machinery, equipment and tools	+265.2	+238.5	+175.4
Depreciation of intangible assets	+ 5.6	+ 0.1	+ 0.1
Taxes	-187.3	-171.3	-141.7
Dividends	- 76.8	- 68.6	- 62.4
Change in deposits on blocked account for investment reserves	+ 35.4	- 52.1	- 1.4
	<u>+438.2</u>	<u>+241.6</u>	<u>+369.1</u>

Notes on Group Financial Statements

Note 1 Sales

Sales refer to invoiced sales excluding value added and sales taxes.

Note 2 Normal depreciation/depreciation in excess of normal depreciation (Mkr)

For information on normal depreciation see Accounting Principles on page 15. The difference between normal and fiscal depreciation is shown below:

	Past equity method	Par value method	
	1976	1976	1975
Buildings and land improvements			
Normal depreciation	35.3	35.3	30.8
Fiscal depreciation	<u>-32.2</u>	<u>-30.7</u>	<u>28.0</u>
Difference	<u>3.1</u>	<u>4.6</u>	<u>2.8</u>
Machinery, equipment and tools			
Normal depreciation	223.1	223.1	187.8
Fiscal depreciation	<u>-233.0</u>	<u>-232.7</u>	<u>-210.5</u>
Difference	<u>-9.9</u>	<u>-9.6</u>	<u>-22.7</u>

In addition, depreciation against the investment reserve for operations, special investment reserves and work environment reserve has been made as shown in Note 9.

Note 3 Depreciation of Goodwill (Mkr)

The remaining value of goodwill arising from the conversion to the past equity method (see "Accounting Principles" on page 15) is depreciated and reversed at the rate of 10% annually. It is shown net, as follows:

Depreciation of goodwill	22.8
Reversal of negative goodwill	<u>-17.2</u>
Depreciation, net	<u>5.6</u>

Note 4 Adjusted profit in Skr per share

	Past equity method	Par value method
Operating result on current operations	453.9	459.5
Results on operations of companies acquired during the year which derive from the pre-acquisition period	- 1.0	- 1.0
Minority share of above result	<u>- 15.2</u>	<u>- 15.8</u>
Adjusted pre-tax profit	437.7	442.7
Tax at 50%	-218.8	-221.3
Reduced tax under "Annell" allowance for rights issues in 1975 and 1976	<u>+ 3.0</u>	<u>+ 3.0</u>
Adjusted profit after taxes (Mkr)	<u>221.9</u>	<u>224.4</u>
Profit in Skr per share (16,070,000 in issue)	13:80	13:95

Note 5 Capital gains on sales of real estate, leaseholds and securities

Capital gains have arisen in 1976 in respect of sales of real estate in France, Sweden and Venezuela.

Note 6 Other extraordinary income

This item includes the final adjustment made during 1976, in respect of the insurance compensation and booked residual values for the buildings, machinery and inventories destroyed by the fire in Mariestad.

Note 7 Other extraordinary expenditure

This item includes costs relating to the termination of the production of electronic calculators at Facit AB. Also included are some costs involved in the transfer of production which arose on the sale of real estate, and for which capital gains are reported as exceptional items of income.

Note 8 Increase in other financial reserves

All the companies in the Group, in principle, apply uniform methods for calculating the value of obsolescent inventories, doubtful debts, contingent liabilities, etc, regardless of local taxation rules. In certain countries further appropriations are allowed. These are shown in the consolidated profit and loss statement under this heading.

Note 9 Other appropriations (Mkr)

Utilized funds from	Machinery	Real estate	Overhead investment	Total
Investment reserve for operations	0.8	3.4	—	4.2
Special investment reserve	3.1	4.4	0.5	8.0
Work environment reserve	<u>2.3</u>	<u>0.5</u>	<u>1.1</u>	<u>3.9</u>
	<u>6.2</u>	<u>8.3</u>	<u>1.6</u>	<u>16.1</u>
Depreciation against above reserves	<u>-6.2</u>	<u>-8.3</u>	—	<u>-14.5</u>

Appropriations to investment reserve for operations, net	<u>- 2.9</u>
"Other appropriations" as shown under par value method	<u>- 1.3</u>
Adjustment resulting from conversion to past equity method	<u>- 3.3</u>
Other appropriations as shown under past equity method	<u>- 4.6</u>

Note 10 Companies acquired during the year

The "operating result on current operations before taxes" for the pre-acquisition period for companies acquired during the year amounts to Mkr 1.0. In calculating the adjusted profit per share for 1976 allowance has been made for the above profit.

Note 11 Current assets: Miscellaneous receivables

This item includes receivables deriving from sales of real estate, and falling due within 12 months, import deposits abroad, claims against suppliers and employees, and prepaid operating costs.

Note 12 Inventories

For valuation of inventories see "Accounting Principles" on page 16.

Note 13 Fixed assets: Miscellaneous receivables

This item includes claims falling due after 12 months, deriving from sales of real estate, promissory notes of retailers and mortgage bonds receivable by A/S Scan-Atlas Husholdningsapparater, Copenhagen, Denmark, arising from the sale of kitchen fittings.

Note 14 Machinery and equipment (Mkr)

Net book value at December 31, 1975	344.8
Purchases in 1976	296.8
Entry value in books of companies acquired in 1976	42.3
Book value of sold and obsolescent machinery etc.	- 31.5
Effect of conversion to past equity method	2.1
Fiscal depreciation in 1976 (incl. depreciation against reserves, as in note 9)	<u>-239.2</u>
Net book value at December 31, 1976	<u>414.9</u>
Gross book value at December 31, 1976	1,425.3
Accumulated fiscal depreciation	<u>-1,010.4</u>
	<u>414.9</u>

Note 15 Factory, office and other buildings (inc. land improvements) (Mkr)

Net book value at December 31, 1975	613.6
Purchases in 1976	40.7
Entry value in books of companies acquired in 1976	55.0
Revaluation in conjunction with scrip issues, etc.	17.9
Book value of sold and obsolescent buildings, etc.	- 79.1
Effect of conversion to past equity method	12.4
Fiscal depreciation in 1976 (inc. depreciation against reserves, as in Note 9)	<u>- 40.4</u>
Net book value at December 31, 1976	<u>620.1</u>
Gross book value at December 31, 1976	936.2
Accumulated fiscal depreciation	<u>-316.1</u>
	<u>620.1</u>

Note 16 Buildings under Construction (Mkr)

Net book value at December 31, 1975	67.2
Net increase in 1976	14.4
Entry value in books of companies acquired in 1976	2.8
Adjustment for activities sold, etc.	<u>- 8.0</u>
Net book value at December 31, 1976	<u>76.4</u>

Note 17 Goodwill (Mkr)

The remainder value of goodwill, arising from the transfer to the past equity method (see Accounting Principles, page 15) amounts to:

Goodwill	162.6
Negative goodwill	<u>-104.8</u>
Goodwill, net	<u>57.8</u>

Note 18 Bank loans, etc.

Includes the proportion of long-term borrowing which has to be repaid within one year.

Note 19 Short-term liabilities: Miscellaneous

This item includes reserves for contingent liabilities, accrued vacation pay, accrued wages and salaries, PAYE taxes, reserves for severance pay and similar items in foreign subsidiaries, accrued sales and value added taxes, and miscellaneous other accrued expenses.

Note 20 Long-term liabilities: Miscellaneous

This item includes borrowing for which security in the form of mortgages or guarantees is not necessary. Also included are long-term liabilities arising from the acquisition of companies, and contingent tax liabilities.

Note 21 Equity capital (Mkr)

For the principles used in preparing the consolidated financial statements from 1976, inclusive, see "Accounting Principles" on page 15.

The effect on Equity Capital (inc. the net profit for the year) of the changed accounting principles is an increase of Mkr 72.6, allocated as follows:

Statutory reserves, reduction	- 20.8
Free reserves, increase	105.0
Net profit for the year, reduction	<u>- 11.6</u>
	<u>72.6</u>

In stating the Profit for the year and Free Reserves no account has been taken of the contingent tax liability arising if available funds with foreign subsidiaries are transferred to the parent company by way of dividend. Furthermore, foreign exchange controls in some countries restrict the freedom to transfer profits to the parent company.

AB Electrolux – Profit & Loss Statement

(Amounts in Mkr)	1976	1975
Operating income and expenditure		
Sales (Note 1)	1,306.0	1,237.0
Manufacturing, selling and administrative costs, etc. (Note 2)	<u>-1,125.2</u>	<u>-1,042.3</u>
Operating result before depreciation	180.8	194.7
Normal depreciation (Note 3)		
Buildings and land improvements	- 12.0	- 10.7
Machinery, equipment and tools	<u>- 57.8</u>	<u>- 57.1</u>
Operating result after normal depreciation	111.0	126.9
Financial income		
Royalties from subsidiaries	8.2	9.3
Dividends on shares and participations in subsidiaries	79.1	67.5
Dividend on shares and apticipations in non-Group companies	0.1	0.0
Interest received from subsidiaries	5.5	14.2
Other interest received	<u>13.8</u>	<u>11.8</u>
	106.7	102.8
Financial expenditure		
Interest paid to subsidiaries	- 12.3	- 6.3
Interest paid to Pension Fund	- 6.7	- 6.2
Other interest paid	<u>- 44.3</u>	<u>- 53.2</u>
Result from Current Operations before taxes	154.4	164.0
Extraordinary income and expenditure		
Capital gains on sales of securities	0.1	0.0
Capital gains on sales of goodwill	1.6	—
Other extraordinary income (Note 4)	1.0	12.1
Costs of share issues	- 1.6	- 2.1
Amortization of patents	- 0.9	- 0.7
Amortization of goodwill	- 0.8	- 1.2
Capital losses on sales of securities (Note 5)	- 3.5	—
Other extraordinary expenditure (Note 6)	- 0.1	—
Group contributions (Note 7)	<u>- 20.5</u>	<u>- 53.6</u>
Result before appropriations and taxes	129.7	118.5
Appropriations		
Depreciation in excess of normal depreciation (Note 3)	- 9.7	- 14.4
Utilized from work environment reserve for investment in operations	0.4	0.2
Utilized from special investment reserve for investment in operations	0.3	—
Increase in general inventory reserve (Note 8)	- 17.5	—
Changes in reserves for unrealised profits in inventories of foreign subsidiaries (Note 9)	<u>6.9</u>	<u>- 1.3</u>
Result before taxes	110.1	103.0
Taxes	<u>- 20.0</u>	<u>- 25.7</u>
Net Profit for the Year	90.1	77.3

AB Electrolux

Assets (Amounts in Mkr)	December 31, 1976		December 31, 1975	
Current assets				
Cash and bank balances	45.7		225.4	
Promissory notes	10.0		8.0	
Repurchased debentures	5.0		0.1	
Bills receivable from customers	<u>7.0</u>	<u>67.7</u>	<u>8.6</u>	242.1
Receivables				
Customers	38.5		34.3	
Subsidiaries (Note 10)	450.7		219.8	
Miscellaneous (Note 11)	<u>20.7</u>	<u>509.9</u>	<u>24.2</u>	278.3
Inventories (Note 12)		<u>319.4</u>		<u>300.5</u>
		<u>897.0</u>		<u>820.9</u>
Blocked account at Central Bank of Sweden				
Investment reserve	2.7		3.1	
Special investment reserve	0.1		17.4	
Work environment reserve	<u>10.9</u>	<u>13.7</u>	<u>19.5</u>	<u>40.0</u>
Fixed assets				
Receivables				
Subsidiaries (Note 13)	39.3		28.1	
Miscellaneous	<u>7.5</u>	<u>46.8</u>	<u>8.9</u>	37.0
Shares and participations				
Subsidiaries (Note 14)	1,080.0		988.5	
Other companies	<u>5.0</u>	<u>1,085.0</u>	<u>10.3</u>	998.8
Machinery and equipment (Note 15)	86.0		78.4	
Factory, office and other buildings (Note 16)	205.5		212.1	
Buildings under construction	<u>47.3</u>	<u>338.8</u>	<u>42.8</u>	333.3
Patents	0.7		0.9	
Goodwill	<u>1.2</u>	<u>1.9</u>	<u>3.6</u>	4.5
		<u>1,472.5</u>		<u>1,373.6</u>
Total assets		2,383.2		2,234.5
Pledged securities:				
Property mortgages		166.4		168.3
Floating mortgages		29.7		19.7

Balance Sheet

Liabilities and equity capital (Amounts in Mkr)	December 31, 1976		December 31, 1975	
Short-term liabilities				
Due to subsidiaries	82.2		75.9	
Due to suppliers	120.5		86.2	
Due to customers	0.5		2.4	
Bank loans, etc. (Note 17)	24.4		64.6	
Wages, salaries, holiday pay, PAYE deducted etc.	67.5		61.0	
Miscellaneous (Note 18)	<u>29.0</u>	324.1	<u>34.1</u>	324.2
Taxes payable		<u>11.6</u>		<u>16.6</u>
		<u>335.7</u>		<u>340.8</u>
Long-term liabilities				
Due to subsidiaries	54.6		47.0	
Mortgage loans and promissory notes (Note 19)	<u>374.5</u>	429.1	<u>390.7</u>	437.7
Miscellaneous (Note 20)		11.3		15.2
Appropriated for pensions				
Pensions Registration Institute	107.9		95.0	
Other pensions	<u>10.5</u>	118.4	<u>11.0</u>	106.0
Debenture loans		<u>146.6</u>		<u>82.6</u>
		<u>705.4</u>		<u>641.5</u>
Untaxed reserves				
General inventory reserve (Note 8)	191.0		177.5	
Reserve for unrealised profits in inventories of subsidiaries abroad	9.4		16.3	
Investment reserve for operations	5.8		5.8	
Special investment reserve (Note 21)	11.1		17.4	
Work environment reserve (Note 22)	<u>20.0</u>	<u>237.3</u>	<u>22.4</u>	<u>239.4</u>
Equity capital				
Share capital (Note 23)	803.5		768.0	
Statutory reserve (Note 24)	<u>196.8</u>	1,000.3	<u>152.1</u>	920.1
Retained profits carried forward	14.4		15.4	
Net profit for the year	<u>90.1</u>	<u>104.5</u>	<u>77.3</u>	<u>92.7</u>
		<u>1,104.8</u>		<u>1,012.8</u>
Total liabilities and equity capital		<u>2,383.2</u>		<u>2,234.5</u>
Profit for the year and retained profits at December 31, 1975 and 1974 respectively		92.7		84.0
Less: Dividends approved by Annual General Meetings of 1976 and 1975 respectively		76.8		68.6
Transferred to reserves		<u>1.5</u>		<u>—</u>
		<u>14.4</u>		<u>15.4</u>
Contingent Liabilities: (Note 25)				
On behalf of subsidiaries		263.3		299.1
Relating to Group restructuring		—		14.5
Other		<u>32.3</u>		<u>27.8</u>
		<u>295.6</u>		<u>341.4</u>

Shareholdings of

Name of Company	Number of shares	Percentage of share capital	Nominal value in respective currency (1,000)	Book Value tkr	
Subsidiaries in Sweden					
Facit AB, Ätvidaberg	779,014	97,4	Kr 77,901	60,880	
Electrolux-Wascator AB, Alingsås	500,000	100	Kr 50,000	50,000	
Electrolux Constructor AB, Säffle	500,000	100	Kr 25,000	25,000	
AB Ballingslövs Träförädling, Ballingslöv	37,650	100	Kr 3,765	25,000	
AB Original Odhner, Göteborg	150,000	100	Kr 15,000	15,000	
AB Addo, Malmö	112,500	100	Kr 11,250	11,250	
Euroclean AB, Stockholm	73,000	100	Kr 10,000	10,900	
Allmänna Svenska Städning AB, Stockholm	50,116	50.1	Kr 5,012	10,250	
Växjö Rostfritt AB, Växjö	25,000	100	Kr 2,500	6,100	
Electrolux Svenska Försäljnings AB, Stockholm	60,000	100	Kr 6,000	6,000	
AB Elektro Helios, Stockholm	50,000	100	Kr 5,000	5,000	
AB Elektroservice, Stockholm	50,000	100	Kr 5,000	5,000	
AB Flymo, Malmö	40,000	100	Kr 4,000	4,000	
Royal Refrigeration Industries AB, Malmö	3,500	100	Kr 3,500	3,500	
Bröderna Brodd AB, Skänninge	600	100	Kr 60	3,240	
Addos Fastighets AB, Malmö	3,000	100	Kr 3,000	3,000	
B. Johanssons Pappersförädling AB, Nygård	1,100	100	Kr 110	2,868	
Getinge Mekaniska Verkstads AB, Getinge	18,500	100	Kr 1,850	1,850	
Elektro-Helios Fastighets AB, Stockholm	1,500	100	Kr 1,500	1,500	
AB Elektro-Apparat, Alingsås	1,500	100	Kr 750	750	
AB Sollidenverken, Stockholm	6,500	100	Kr 650	650	
AB Håkanssons Industrier, Åmål	5,500	100	Kr 550	550	
Zig-Zag Fabriks AB, Malmköping	1,000	50	Kr 100	525	
Electrolux Städutensilier AB, Stockholm	2,500	100	Kr 250	250	
A/S Atlas Svenska Försäljnings AB, Stockholm	2,500	100	Kr 250	250	
HDC Fjärrkontroll AB, Stockholm	2,000	100	Kr 200	201	
Försäljnings AB Volta, Stockholm	2,000	100	Kr 200	200	
AB Orwak, Sävsjö	1,000	100	Kr 100	100	
AB Schaub & Co., Stockholm	1,000	100	Kr 100	100	
Centralkassan AB, Stockholm	500	100	Kr 50	50	
Cisternskydd AB, Alstermo	500	100	Kr 50	50	
Evako Pappers AB, Stockholm	500	100	Kr 50	50	
Liljendahl Patenter AB, Stockholm	200	100	Kr 20	20	
AB Lux, Stockholm	200	100	Kr 20	20	
AB Carex, Stockholm	50	100	Kr 5	5	
AB Gårdscisterner, Stockholm	50	100	Kr 5	5	
Nordic Pool AB, Stockholm	50	100	Kr 5	5	
AB Svensk Nivåkontroll, Malmö	50	100	Kr 5	5	
AB Wascator, Stockholm	50	100	Kr 5	5	
Subsidiaries outside Sweden					
Europe					
Belgium	Electrolux-Martin S.A., Brussels	34,975	99.9	Bfrs 139,900	15,568
	Servisystem S.A., Brussels	558	50.7	Bfrs 636	500
Denmark	A/S Scan-Atlas Husholdningsapparater, Copenhagen	729	100	DKr 70,000	58,733
	Electrolux A/S, Copenhagen	70,000	100	DKr 7,000	5,700
	A/S Vestfrost, Esbjerg	125	50	DKr 2,430	5,000
Eire	Electrolux Ltd., Dublin	110	100	£ 0	0
Finland	Oy Elektro Helios Ab, Helsinki	119,999	100	Fmk 12,000	14,425
	Oy Electrolux-Teollisuus Ab, Helsinki	40,000	100	Fmk 4,000	3,000
	Oy Electrolux-Kodinkoneet Ab, Helsinki	20,000	100	Fmk 2,000	2,230
	Oy Liesimyynti-Spissförsäljnings Ab, Helsinki	102	51	Fmk 1,020	1,200
	Oy Electrolux Yhtiöt Ab, Helsinki	598	99.7	Fmk 600	682
	Oy Electrolux-Kahete Ab, Helsinki	9,000	100	Fmk 900	680
	Suomen Atlas Talouskonemyynti Oy, Helsinki	118	98.3	Fmk 600	450
	Oy Tammermatic Ab, Tampere	40,000	100	Fmk 4,000	0

AB Electrolux

Name of Company		Number of shares	Percentage of share capital	Nominal value in respective currency (1,000)	Book Value tkr
France	S.A. Electrolux, Paris	539,555	99.9	FF 53,956	51,747
	Usines et Fonderies Arthur Martin S.A., Senlis	2,517,093	75.7	FF 25,171	32,963
	Société Electro-Domestique et Grande Cuisine Arthur Martin, Wasquehal	1,000	2	FF 100	104
	S.A. de Productions Industrielles et de Matériel Electro-Menager, Rheims	50	0	FF 4	4
	Société d'Etudes et de Construction d'Outillages de Machines et d'Applications Mécaniques S.A., Revin	40	0.1	FF 4	4
	Wascator S.A., Paris	4,470	59.6	FF 447	0
	Levin France S.a.r.l., Senlis	940	100	FF 100	0
Holland	Flymo B.V., Diemen	—	100	HfL 25	6,400
	Electrolux Nederland B.V., Diemen	—	100	Hfl 4,000	5,700
	Electrolux-Quatfass B.V., Diemen	—	56.5	Hfl 1,300	2,100
	J.F. Quatfass B.V., Diemen	—	100	Hfl 200	300
	Elektroheliol B.V., Diemen	—	100	Hfl 200	0
	ISS Mercurius B.V., Ermelo	—	50	Hfl 538	0
Italy	Flymo S.p.A., Brescia	24,999	100	Lit 24,999	209
	Electrolux S.p.A., Milan	19,988	99.9	Lit 999,400	0
	Italwascator S.p.A., Milan	199,999	100	Lit 200,000	0
Luxembourg	Electrolux-Kreft S.a.r.l., Vianden	34,611	98.9	FLux 34,611	6,460
Norway	Electrolux Industrier A/S, Oslo	700	100	Nkr 10,500	16,800
	Electrolux Rengjøringsmaskiner A/S, Oslo	6,000	100	Nkr 3,000	3,600
	ISS Servisystem A/S, Oslo	2,499	50	Nkr 1,250	965
	Electrolux Constructor A/S, Oslo	10,000	100	Nkr 1,000	648
Portugal	Electrolux Ltda., Lisbon	—	87.3	Esc 18,334	1,600
Spain	Electrolux S.A., Madrid	2,779	97.5	Ptas 58,503	4,300
	Electrolux Canarias S.A., Las Palmas	500	50	Ptas 2,500	200
Switzerland	Electrolux AG, Zürich	3,995	100	Sfrs 1,998	3,300
Great Britain	Electrolux Ltd., Luton	13,997,000	100	£ 13,997	192,500
	Electrolux (Commercial Equipment) Ltd., Luton	1,449,999	100	£ 1,450	15,720
	Flymo Ltd., Watford	849,999	100	£ 850	6,000
	Sterilizing Equipment Ltd., Nottingham	99	99	£ 0	180
	Euroclean Ltd., Bedford	300,000	100	£ 300	0
West-Germany	Electrolux GmbH, Berlin	—	100	DM 10,000	22,842
	Wilhelm Loh & Co. GmbH, Siegen	—	100	DM 12,980	22,250
	Electrolux GmbH, Hamburg	—	84.3	DM 5,060	9,400
	Electrolux Finanz GmbH, Hamburg	—	99.8	DM 4,990	8,310
	Electrolux Kälte- und Wärmetechnik GmbH, Hamburg	—	100	DM 1,000	1,750
	Lux GmbH, Berlin	—	100	DM 750	1,200
	Flymo GmbH, Hamburg	—	100	DM 1,000	0
Siegas Verwaltungs GmbH, Siegen	—	100	DM 20	0	
Austria	Electrolux GmbH, Vienna	—	100	Sch 28,000	4,779
North America					
Canada	Dometic Canada Ltd., Oakville	6,002	100	n.p.v.	2,900
USA	Dometic Incorporated, New York, N.Y. (owner of NUE)	150	100	n.p.v.	237,661
South and Central America					
Argentina	S.A. Electrolux, Buenos Aires	1,146,000	100	APs 11,460	0
Brazil	Electrolux S.A., Sao Paulo	16,000,000	100	Cruz 16,000	5,740
	Electrolux Serviços Ltda., Sao Paulo	4,747	94.9	Cruz 4,747	3,400
	Electrolux Comercial e Serviços Maritimos Ltda., Sao Paulo	746	82.9	Cruz 746	300
Colombia	Electrolux S.A., Bogotá	18,194	91.0	CPs 1,819	0

Name of Company		Number of shares	Percentage of share capital	Nominal value in respective currency (1,000)	Book Value tkr
Dominican Republic	Electrolux Lagares C. por A., Santo Domingo	102	51.0	RD\$ 10	0
Mexico	Electrolux S.A. de C.V., Mexico City	33,996	100	MPs 33,996	6,075
	Distribuidora Electrolux S.A., Mexico City	246	98.4	MPs 25	0
	Industrias Electrolux S.A., Mexico City	296	98.7	MPs 296	0
Uruguay	Electrolux S.A., Montevideo	2,185	99.8	UPs 30	0
Venezuela	C.A. Electrolux, Caracas	29,994	100	Bol 29,994	30,000
Other countries					
Hongkong	Electrolux (Far East) Ltd., Hong Kong	4,999	100	HK\$ 50	0
	Electrolux Services Ltd., Hong Kong	2,500	50	HK\$ 250	0
Iran	Electrolux Iran Services Co. Ltd., Tehran	5,098	50.9	Rials 5,098	0
	Electrolux Wascator Co. of Iran, Tehran	332	33	Rials 3,320	200
Japan	Electrolux Japan Ltd., Tokyo	80,000	100	Yen 80,000	1,175
	Nesco Ltd., Tokyo	100,000	50	Yen 50,000	100
Malaysia	Electrolux Malaysia Sendirian Berhad, Kuala Lumlur	500,000	50	MAL\$ 500	874
New Zealand	Electrolux Ltd., Wellington	700,000	100	NZ\$ 1,400	7,000
Zambia	Electrolux (Zambia) Ltd., Ndola	4,999	100	Kwa 10	0
Total shareholdings in Group companies					1,080,057

Non-Group companies, etc.

Sweden					
	Vakuumsystem AB, Solna	495	24.8	Kr 50	50
	Handelsbolaget Svenska Dagbladets AB & Co., Stockholm	100		Kr 100	0
	Bostadsrättsföreningen Björken 8, Johanneshov			Kr 4	0
	AB Sukab, Stockholm	440	6.3	Kr 2	0
	Svensk Interkontinental Lufttrafik AB (S.I.L.A.), Stockholm	8,000	0.7	Kr 800	0
	Svenska MTM-gruppen AB, Stockholm	1	0.4	Kr 0	0
	Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund u.p.a. Säffle, bostadsrätt i Lotten 3			Kr 1	0
	Electrolux Götaverken Global Shipperservices AB, Gothenburg	4,000	33	Kr 400	0
Outside Sweden					
Ecuador	Electrolux C.A., Quito	199	19.9	Sucres 199	0
Finland	Pirkan Puhdistuspalvelu Oy, Tampere	24	48	Fmk 24	190
France	GF75 – Société S.A.R.L., Paris	4		FF 70	0
	La Maison de Suède à Paris S.A., Paris	112		FF 11	0
Iran	Savalux Manufacturing Co., Tehran	5,509	19	Rials 55,090	3,470
	Savalux Trading Co., Tehran	199	20	Rials 1,999	124
Luxembourg	ADELA Investment Co. S.A.	1,292		US\$ 129	618
	SIFIDA Investment Co. S.A.	20		US\$ 100	517
Peru	Electrolux S.A., Lima	28,966	29	Soles 28,966	0
	Valinka S.A., Lima	3,407	18	Soles 3,407	20
Spain	Wascator Ibérica S.A., Barcelona	625	25	Ptas 625	0
Total shareholdings in non-Group companies					4,989

Notes on Financial Statements of AB Electrolux

Note 1 Sales

Sales refer to invoiced sales excluding value added tax. They include deliveries to subsidiary companies and external customers which buy direct from the parent company.

Note 2 Manufacturing, selling and administrative costs

General management expenses amounted to Mkr 4.3 in 1976 (Mkr 3.5 in 1975). These amounts are included under the above heading.

Note 3 Normal depreciation/depreciation in excess of normal (Mkr)

For details of normal depreciation see "Accounting Principles" on page 15. The difference between normal and fiscal depreciation is shown below:

	<u>1976</u>	<u>1975</u>
Buildings and land improvements		
Normal depreciation	12.0	10.7
Fiscal depreciation	<u>-10.7</u>	<u>-10.7</u>
Difference	<u>1.3</u>	<u>0.0</u>
Machinery, equipment and tools		
Normal depreciation	57.8	57.1
Fiscal depreciation	<u>-68.8</u>	<u>-71.5</u>
Difference	<u>-11.0</u>	<u>-14.5</u>

In addition, depreciation has been charged against the special investment reserve and the work environment reserve as below:

	<u>1976</u>	<u>1975</u>
Special investment reserve, machinery and equipment	1.0	—
Special investment reserve, real estate	4.4	—
Work environment reserve, machinery and equipment	1.2	—
Work environment reserve, real estate	0.5	0.2
Investment reserve for operations, real estate	<u>—</u>	<u>11.5</u>
	<u>7.9</u>	<u>11.7</u>

Note 4 Other extraordinary income

This item includes the final adjustment made in 1976, in respect of the insurance compensation and booked residual values for the buildings, machinery and equipment destroyed by the fire in Mariestad.

Note 5 Capital losses on sales of securities

This item refers to the sale of shares and participations in subsidiaries to another company within the Group.

Note 6 Other extraordinary expenditure

This item refers to demolition of a building.

Note 7 Group contributions

Group contributions were received from: Electrolux Constructor AB, AB Ballingslövs Träförädling, Växjö

Rostfritt AB, AB Flymo, Bröderna Brodd AB and Electrolux Svenska Försäljnings AB, totalling Mkr 26,4.

Group contributions were made to:

Electrolux-Wascator AB, AB Överums Bruk, AB Orwak, HDC Fjärrkontroll AB, Cistenskydd AB, Ing. Firma Göte Andersson AB, AB Formverktyg, Euroclean AB, Addo Försäljnings AB and Zäta Tryckerierna AB, totalling Mkr 46.9.

Note 8 General inventory reserve

The reserve at December 31, 1976 is equivalent to 59.8% of the gross value of inventories reduced by reserve for obsolescence. The corresponding percentage last year was 59.1%.

The inventories after reduction of general inventory reserve of Mkr 4.0, were included in the transfer of the operations of AB Gårdscisterner from AB Electrolux.

Note 9 Change in reserve for unrealised profits in inventories of foreign subsidiaries

This reserve consists of the difference between the manufacturing costs and the debited price charged by the parent company for such products as remained in stock at the purchasing subsidiary company, reduced by the inventory reserves at these companies, for products manufactured by the parent company.

Note 10 Current assets: Receivables, subsidiaries

This item includes accounts receivable from subsidiaries for goods purchased on shorter credit terms than one year, while other receivables are shown under "Fixed assets: Receivables, Subsidiaries".

Note 11 Current assets: Receivables, Miscellaneous

This item includes claims on suppliers, advance payments on current assets, payments on account to the Pensions Registration Institute (PRI), claims on employees and prepaid overhead costs.

Note 12 Inventories

For valuation of inventories see "Accounting Principles" on page 16.

Note 13 Fixed Assets: Receivables, Subsidiaries

This item includes funds made available by the parent company to subsidiaries, such as loans, and other receivables which have become long-term in nature.

Note 14 Shares and Participations in Group companies

The increase recorded during the year is due to the acquisition of shares in new companies, and the acquisition of further shares in existing subsidiaries, transfers of shares in Swedish Group companies to the parent company and rights issues by subsidiaries. Sales of shares having a book value of Mkr 13 were made during the year.

The book value of shares and participations in certain subsidiaries has been written down by Mkr 27, together with an upward revaluation of a correspon-

ding amount in the book value of shares in other subsidiaries. The total book value has therefore not been affected by these adjustments.

Note 15 Machinery and equipment (Mkr)

Net book value at December 31, 1975	78.4
Purchases in 1976	85.4
Fiscal depreciation in 1976 (inc. depreciation against reserves as in Note 3)	-71.0
Machinery and equipment transferred to Group companies. (Net book value after reduction of reserve for reconditioning costs of tanks)	<u>- 6.8</u>
Net book value at December 31, 1976	<u>86.0</u>

Purchases and fiscal depreciation in 1976 include Mkr 29.6 for production tools.

Fire insurance value of the parent company's machinery and equipment at the year-end was Mkr 625.9.

Note 16 Factory, office and other buildings (inc. land improvements) (Mkr)

Net book value at December 31, 1975	212.1
Purchases in 1976	8.5
Book value of demolished buildings and adjustment relating to final accounting for fire at Mariestad in 1975	0.2
Fiscal depreciation in 1976 (inc. depreciation against reserves as in Note 3)	<u>- 15.6</u>
Net book value at December 31, 1976	<u>205.5</u>

Parent company buildings had a taxable value of Mkr 226.9 at the year-end. The fire insurance value of the buildings was Mkr 567.0.

Note 17 Bank loans, etc.

This item includes the short-term proportion of long-term mortgage loans, promissory notes and debenture loans at December 31, 1976.

Note 18 Short-term liabilities: Miscellaneous

This item includes reserves for contingent liabilities, accrued overhead costs, and short-term liabilities arising in connection with the acquisition of companies.

Note 19 Mortgage loans and promissory notes

This item includes a 5-year US\$54 million multi-currency loan, raised in 1974 to finance the acquisition of shares in National Union Electric Corporation.

Note 20 Long-term liabilities: Miscellaneous

This item includes long-term liabilities arising in connection with the acquisition of companies.

Note 21 Special investment reserve (Mkr)

Funds have been utilized during 1976 as follows:

Opening balance	17.4
Utilization for depreciation of machinery, equipment and buildings (see Note 3)	- 5.4
Utilization for investment in overheads	- 0.3
Transfer of reserve to Electrolux Constructor AB and Electrolux-Wascator AB	<u>- 0.6</u>
	<u>11.1</u>

Note 22 Work environment reserve (Mkr)

Funds have been utilized during 1976 as follows:

Opening balance	22.4
Utilization for depreciation of machinery, equipment and buildings (see Note 3)	- 1.7
Utilization for investment in overheads	- 0.4
Transfer of reserve to Electrolux Constructor AB	<u>- 0.3</u>
	<u>20.0</u>

Note 23 Share Capital (Mkr)

1,000,000 "A" shares of par value kr 50:-	50.0
15,070,000 "B" shares of par value kr 50:-	<u>753.5</u>
16,070,000 shares of par value kr 50:-	<u>803.5</u>

Holders of "A" shares are entitled to one vote per share and holders of "B" shares to 1/1,000 of a vote per share.

All shares carry the same rights to participate in the assets and profits of the company.

During the year the share capital was increased by Mkr 35.5 by means of a "guided" rights issue.

Note 24 Statutory reserve (Mkr)

Statutory reserve at January 1, 1976	152.1
Increase as result of "guided" rights issue in 1976	43.2
Transfer to statutory reserve approved by AGM in 1976	<u>1.5</u>
Statutory reserve at December 31, 1976	<u>196.8</u>

Note 25 Loans and contingent liabilities relating to shareholders and others

The outstanding loans of AB Electrolux, about which there may be an obligation to provide information in the Annual Report, under the terms of the Swedish Companies Act, amounted to:

to employees in the parent company, kr 21,000.

Contingent liabilities, for which there may be an obligation to report, amounted to:

to employees in the parent company, kr 303,000.

As it was not possible for the company to determine the extent to which employees and their relatives were shareholders at the time when the law came into effect, all loans and contingent liabilities to or on behalf of employees have been declared. These loans and contingent liabilities were incurred before the effective date of the law.

Report of the Auditors

We have examined the annual financial statement, consolidated financial statements, the accounts, and the administration of the Board of Directors' and the Managing Director for 1976. Our examination has taken place in accordance with currently standard auditing practice.

The accounts have been examined continually on a random sample basis by the company's internal audit department, which has submitted reports on its examinations to us.

Parent company

The annual financial statements are drawn up in accordance with the 1944 Swedish Companies Act..

The special lists of loans, pledged securities and contingent liabilities have been drawn up as laid down by this Act.

The revaluations of shareholdings give no cause for comment.

The proposed distribution of dividend is not in conflict with the terms of the new Companies Act, which restrict the dividend a parent company may distribute in relation to the consolidated results.

We recommend

- that the profit and loss account and balance sheet be approved,
- that the year's profit be distributed in accordance with the proposal in the directors' report and
- that the Board of Directors and the Managing Director be discharged from liability for their administration during the 1976 financial year.

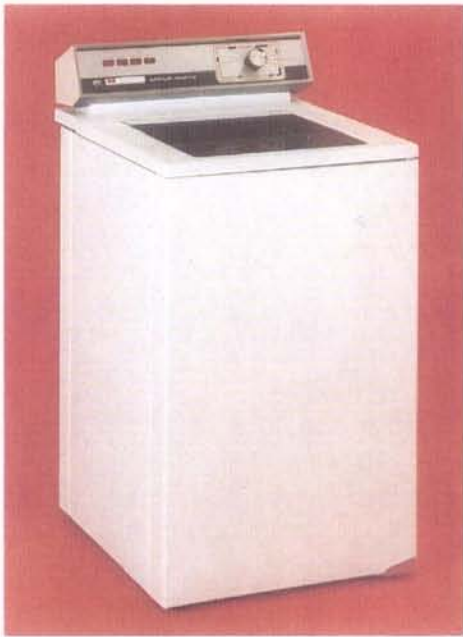
Group

The Group consolidated financial statements have been drawn up in accordance with the 1944 Swedish Companies Act..

Stockholm, April 7, 1977.

Arne Holmén
Chartered Accountant

Bruno Svensson
Chartered Accountant



Arthur Martin washing machine.



Arthur Martin gas cooker.

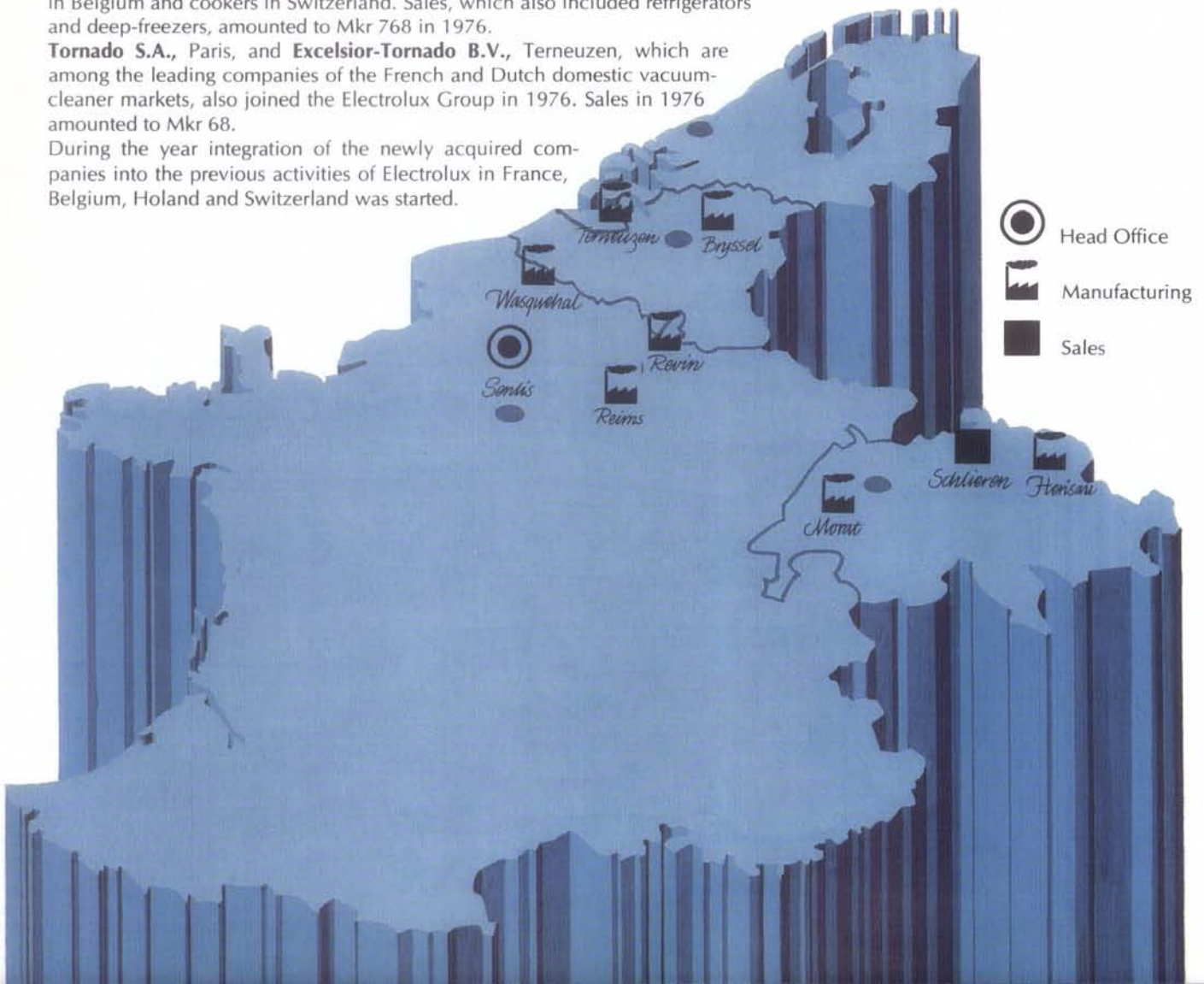


Tornado vacuum cleaner.

The Martin Group, which became a member of the Electrolux Group in 1976, is one of the leading manufacturers of cookers, washing machines and dish-washing machines in France. There are also manufacturing facilities for heaters in Belgium and cookers in Switzerland. Sales, which also included refrigerators and deep-freezers, amounted to Mkr 768 in 1976.

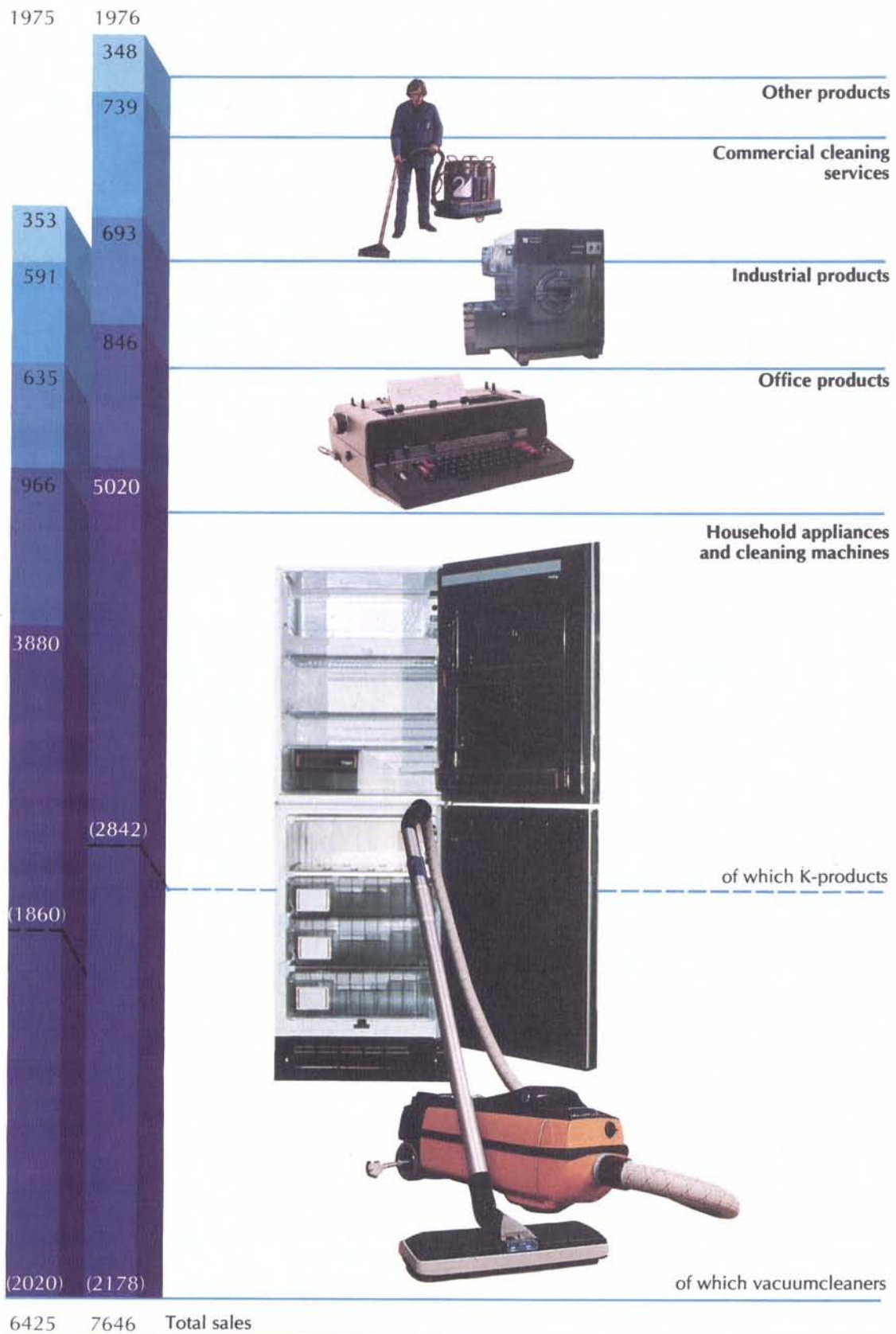
Tornado S.A., Paris, and **Excelsior-Tornado B.V.**, Terneuzen, which are among the leading companies of the French and Dutch domestic vacuum-cleaner markets, also joined the Electrolux Group in 1976. Sales in 1976 amounted to Mkr 68.

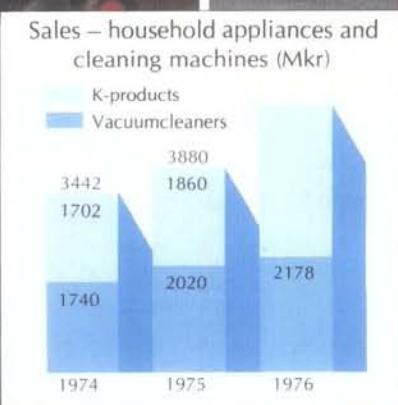
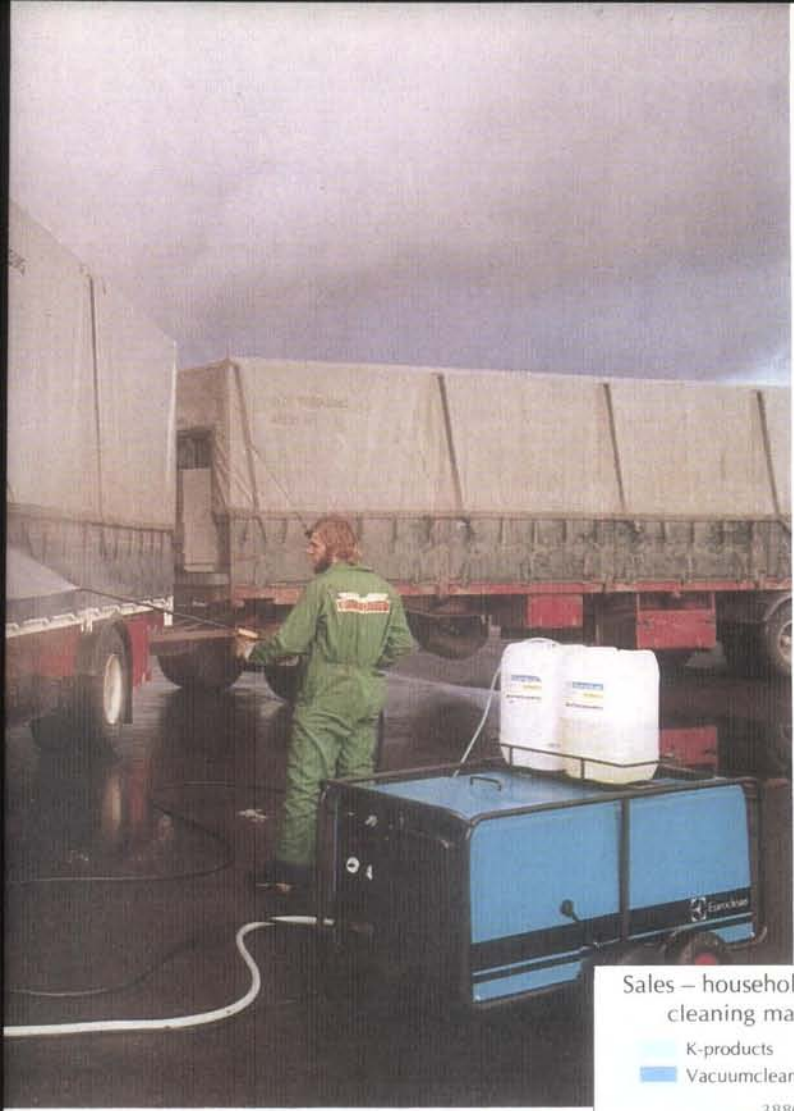
During the year integration of the newly acquired companies into the previous activities of Electrolux in France, Belgium, Holland and Switzerland was started.



Product Review

Group sales and operating result after normal depreciation analysed by product lines (Mkr)





Household Appliances and Cleaning Machines

Sales of household appliances and cleaning machines increased by 29.4% in 1976 to a total of Mkr 5,020 (3,880). Of this increase, the Martin/Tornado Group, acquired during the year, accounted for Mkr 819, or 21.1%. Operating results after normal depreciation amounted to Mkr 505.5, the equivalent of 10.1% of total sales.

Domestic and Commercial cleaning machines

This product line consists of domestic vacuumcleaners, domestic floor-polishers and industrial and commercial cleaning machines. Sales increased by 7.8% in 1976, and amounted to Mkr 2,178, the equivalent of 28.5% of total Group sales.

During the year the Group achieved total sales of domestic vacuum cleaners and floor-polishers of over 5 million units for the first time. The actual figure was 5.2 million (4.6).

The group has further strengthened its position as one of the world's leading manufacturers of vacuumcleaners. The following factors contributed to this expansion:

- Large increase in sales in the USA.

- Renewal and widening of the range sold by specialist retail outlets, particularly in European markets.
- Continued investment in door-to-door selling to give good coverage of several important markets.

- Acquisition of Tornado S.A. and Excelsior-Tornado B.V., leading to increased market shares in France and Holland.

Especially good sales results were recorded by Group companies in England, France, Norway and Western Germany.

Among our new, interesting markets Iran is worth mentioning, as it has high purchasing power, and a ready demand for domestic vacuumcleaners, for example. An assembly plant in Iran, in which Electrolux is a part-owner, is expected to start production of vacuumcleaners (and refrigerators) in 1977. The products will be sold under the ELECTROLUX brand name.

Electrolux succeeded in increasing its share of the British market, and exports from the Group's factories in England rose considerably.

In Sweden a new high-performance vacuumcleaner, the Z 314, was launched and received a good reception. This model is sold both by our direct salesmen and through Electrolux retailers.

Electrolux has a wide range of vacuumcleaners, suitable for the needs of different markets and consumers. The basic range consists of 10 canister-type models, three upright models and a stick model. In addition, a large selection of accessories is produced, including motor-driven powerheads, air-driven powerheads, and carpetshampooing equipment. NUE has its own complete range of models designed for the North American market.

The Group currently manufactures vacuumcleaners for domestic use in some 20 countries. The constantly increasing sales volume brings the benefits of more efficient long-series production methods. However, the export of Swedish-made machines has been made difficult by the high level of costs and other factors in Sweden.

In the United States domestic vacuumcleaners and floorpolishers are manufactured and marketed by National Union Electric Corpora-

tion (NUE) and in Canada by NUE's subsidiary, Onward Manufacturing Company Ltd. The products are marketed under the EUREKA brand name.

The range includes models both of the canister-type vacuumcleaner combined with motor-driven powerhead, and "upright" and stick vacuumcleaners, which account for more than half the units sold. Manufacture takes place in Bloomington, Illinois, about 200 km south-west of Chicago.

In 1976 NUE reported sales of US\$ 180 million (159), an increase of 13%.

The range of industrial and commercial cleaning machines includes machines and equipment for the cleaning and cleansing of large commercial and industrial premises, street-cleaning and outdoor sweeping machines, fixed and mobile high-pressure cleaning installations for industry, and car-wash facilities, etc.

In the high-pressure cleaning section, a newly-designed machine has been launched for cleaning and dewaxing earth moving vehicles and lorries, which uses very small quantities of water and energy. Large investments have been made in environmental improvement products and during the year several related products were introduced including a welding-smoke absorber, grinding-dust absorber, soot suction absorber, etc. As a result of more stringent requirements for work environment improvement, these products will satisfy an urgent demand, and have therefore aroused considerable interest.

Industrial and commercial cleaning machines are manufactured by Euroclean AB in Åmål, with the exception of outdoors sweeping machines, which are made by Bröderna Brodd AB in Skänninge.

NUE has developed for the USA market an improved range of commercial cleaning machines giving better results. This is marketed under the "KENT" brand name.

The EUROCLEAN HO 3012 hot water equipment is used for washing and dewaxing vehicles.

The BRODDWAY 1900, for use with a tractor unit, is one of the items of outdoor cleansing equipment manufactured by Bröderna Brodd AB.

Electrolux domestic cleaning equipment includes the Z 325 vacuumcleaner, the ZE 3 motor-driven powerhead and the ZS 1 shampooer

K-products

K-products embrace a broad range of household consumer durable appliances and caravan refrigerators.

Sales of these products increased in 1976 by Mkr 982 to a total of Mkr 2,842, which corresponds to 37.2% of total Group sales.

The figures for 1976 include the sales of the Martin Group, which is well known on the continent of Europe as a manufacturer of household appliances, particularly gas cookers.

The range of household consumer durables sold by the Group includes refrigerators and freezer cabinets, deep-freezers, washing machines, drying tumbler, mangles, cookers, dish-washing machines, cooker hoods, kitchen fittings, kitchen machines and mixers, and space heaters.

Total sales have expanded satisfactorily, particularly as regards cookers, refrigerators and freezer products. Especially good sales results were achieved by the companies in Scandinavia and France. Price controls in a number of important markets, and increased costs, have combined to depress profitability.

Electrolux can now offer on the Nordic markets a complete kitchen, to satisfy widely varying customer requirements.

Sales in Sweden have expanded satisfactorily. The stagnation in the traditional building market was more than compensated for by the growth in the market among house-owners and the replacement market.

Sales in Britain showed little increase. Owing to the low exchange rate of the pound, Swedish manufactured refrigerators and freezers have had difficulty in meeting price competition on the British market. A degree of stabilisation on the market towards the end of 1976 is expected to stimulate exports to Britain. Group exports from Great Britain expanded strongly during the year.

The acquisition of the Martin group has brought strong sales organisations into the Group, particularly in France and Belgium, to where products are exported from other Group factories, including those in Sweden. This acquisition has reinforced the position of Electrolux as one of Europe's largest companies in the industry. In 1976 some 65,000 refrigerators and freezers were exported from the Group's Scandinavian factories to the Martin Group. British-made refrigerators have also been exported to France.

New models have been added to the "EUROPE 80" refrigerator and freezer range, including a series which was developed especially for the French and Belgian markets. These products, which are manufactured in the Mariestad factory, open up possibilities of continued sales expansion in several European markets.

Electrolux sold more than 800,000 absorption refrigerators in 1976, and is probably the largest manufacturer in the world of this type of refrigerator. Sales and profitability have developed particularly well in 1976 for the absorption refrigerators which are used in caravans.

Electrolux increased its share of all markets. The North American market is the largest and the most

rapidly expanding. Good results are reported by the companies in France, Canada, Western Germany and the USA.

Caravan refrigerators are marketed in Europe under the ELECTROLUX brand name, and under the DOMETIC name in the USA.

The major proportion of these refrigerators are sold direct to caravan manufacturers. In 1976 Electrolux successfully broke into the accessories market, that is to say, selling to the users themselves through retailers. Sales of small refrigerators and chill-boxes for other leisure activities, such as camping, are also expanding rapidly.

As a result of investment and structural reorganisation, the Group has built up an efficient and highly mechanised production system for caravan refrigerators. Steps have been taken to further increase the production capacity.

The Group markets a wide range of absorption refrigerators for installation in caravans. In all, there are 10 basic models with capacities ranging from 30 to 200 litres. Many of the basic models are available in several variants. By means of an active product development policy, Electrolux has good long-term prospects of retaining its dominating position in this market.

Unit sales are shown in the table below:

	1976	1975
Refrigerators and freezers	1,760,000	1,349,000
Electric cookers	414,000	284,000
Gas cookers	204,000	4,000
Washing machines, drying cabinets and ironing and pressing machines	328,000	85,000
Dish-washing machines	79,000	45,000
Kitchen machines	54,000	45,000
Electric heating panels	203,000	223,000

The Electrolux range of K products has been designed in accordance with international standard sizes, and is intended for sale internationally. This model is in Poppy Red. Kitchen cupboards and drawers are made by AB Ballingslövs Träförädling.





Sales of this product group in 1976 amounted to Mkr 693 (635). Operating results after normal depreciation were Mkr 56.5, the equivalent of 8.2% on sales.

Catering, hospital and commercial laundry equipment

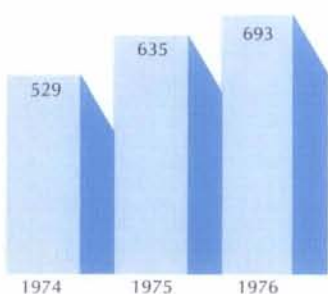
Electrolux-Wascator AB develops, manufactures and markets products for catering establishments, commercial laundries, disinfection and sterilisation. During the year water distillation products were added to the range.

Sales in 1976 amounted to Mkr 452 (413). Despite a reduction in the level of investment, increased sales were achieved by means of more intensive canvassing of existing markets and by expansion into new markets within and outside Europe. Sales on the Swedish market developed encouragingly, while the general economic situation and alterations in foreign exchange rates made increases in exports to some foreign markets very difficult. Electrolux was, however, able to retain previously gained market shares.

Among the interesting new products launched during the year was a computer-controlled autoclave, especially designed for the pharmaceutical industry. It is based upon the principle that laboratory-scale production processes should be capable of application in continuous production. In addition to this, new products have been developed for sterilisation and disinfection. Using new techniques for controlling the flow of steam, a reduction in energy consumption is obtained. An automatic dosing device has been developed for use with commercial laundry equipment, in order to eliminate the risk of incorrect dosing of detergents, rinsing agents or disinfectants.

Electrolux-Wascator AB markets a complete institutional kitchen to restaurants, hospitals, schools and ships.

Sales – industrial products (Mkr)



Industrial Products

In the fermentation field, in which chemical processes are brought about by micro-organisms, an advanced computer-controlled fermenter has been developed. The installation, which increases the capability of effectively controlling and evaluating chemical processes, has attracted widespread attention. A complete installation has been supplied to the University of Moscow, USSR.

All the serving counters and a central dish-washing unit for four restaurant premises at the new international terminal at Arlanda Airport were supplied by Electrolux-Wascator AB. An order was obtained for a complete catering and laundry installation, including kitchen ventilation, refrigeration and deep-freeze units, waste compactors and automatic dispensing machines, for delivery to 8 oil drilling rigs and a hotel platform intended for use off the coast of Norway. In addition, orders were received for complete catering and laundry installations for two new cruise liners being built for the Cunard Line.

The number of hospital projects

for which Electrolux tendered has increased, and this is expected to result in an increased inflow of new orders during 1977, including some from countries in South and Central America and South-East Asia. Operations in Japan have been expanded.

The products of this section are manufactured at several factories in Sweden, and in Holland and France. Increased costs in Sweden, and the consequent price increases, make it difficult to sell the products in this range. However, the number of new projects on the international market is rising. In combination with the timely launching of new products, this is expected to increase the sales of complete installations for catering establishments, hospitals and laundries.

Steel fittings and materials handling equipment

Electrolux Constructor AB is responsible for the manufacture and sale of fixed installations and ancillary functional components for several types of warehouse and office storage.

Sales in 1976 totalled Mkr 165, an increase of 8.1% over last year. Sales in Sweden developed well, but the rate of growth on some foreign markets was rather sluggish owing to the weak economic situation.

During the year final delivery was made of a major warehouse handling system for SAAB. The Finnish sales company has obtained an order for file storage systems for the Moscow City Central Records Office.

A new design of wall unit has been introduced, and together with newly-designed pallet racking and work-place equipment, was well received by the market. Manufacture and sales take place, apart from at Seffle in Sweden, at Kramme & Zethen A/S in Denmark, Siegas Metallwarenfabrik KG in West Germany, and Menalux S.A., in Switzerland.

The factories in Denmark and Sweden have been extended so that they can handle the increased production of a more rational range of equipment for our customers' warehouse storage.

Fractional horsepower electric motors

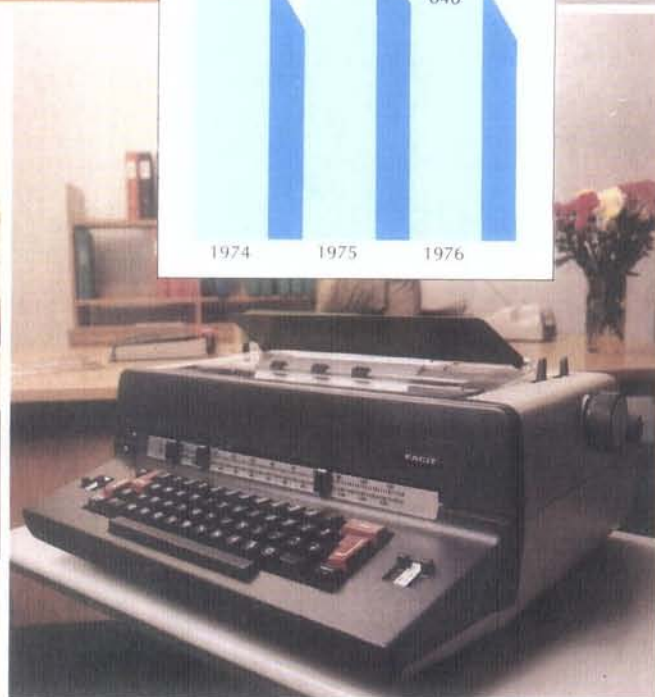
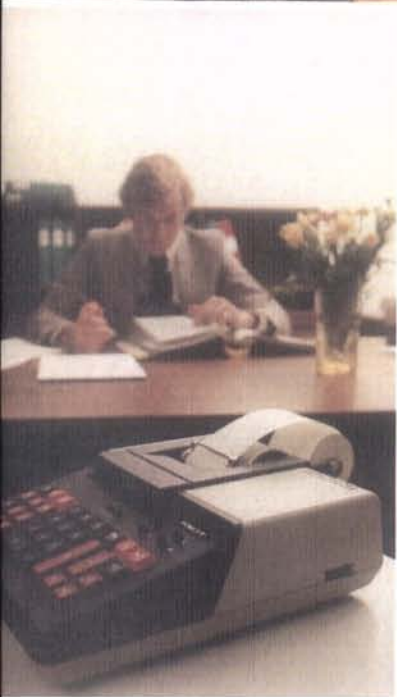
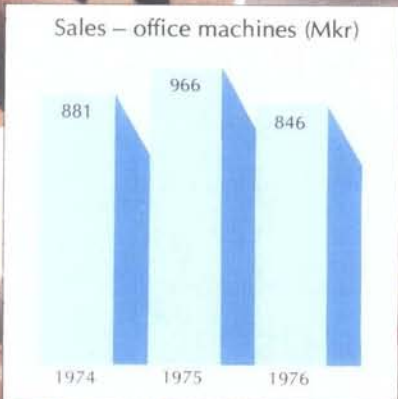
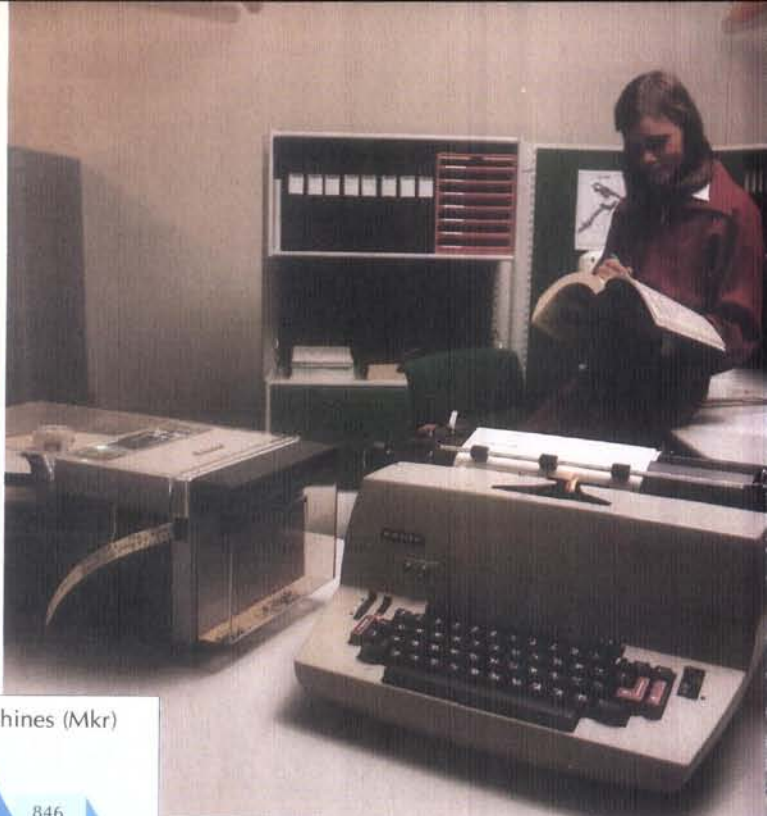
Fractional horsepower electric motors are manufactured in Sweden, at the Västervik factory and by AB Överums Bruk, for assembly into the Group's finished products, such as vacuumcleaners, motor-driven powerheads, dish-washing machines, shop and office machines, the Kitchen machine "Assistent", and air-cushion lawn mowers.

Electric motors were supplied to outside customers for sewing machines and for use in electric automobile equipment, such as windscreen wipers, headlamp cleaners, car heaters, air-conditioners, and cooler fans.

Sales to customers outside the Group amounted to Mkr 76 (69).

A portable office, for use in engineering workshops and warehouses and at temporary workplaces, made by Electrolux Constructor AB.





Office Products

Sales of this product group in 1976 totalled Mkr 846 (966). The operating result after normal depreciation was Mkr 3.6.

The loss-making manufacture of electronic calculators led to a serious deterioration of the results in this field. Group production of these products in Sweden has been terminated during the first quarter of 1977. Production of a number of other products which had become out-dated, ceased in 1976. These closures caused losses because of the price cuts which were made necessary on the products concerned. The high level of costs in Sweden and the depressed state of the economy in many countries made it difficult to sell other Facit products, such as typewriters and office furniture.

In 1976 the conversion of the Swedish sales organisation from using own direct sales force to selling through retailers was started. This conversion is expected to be completed during the second half of 1977.

The number of employees in Sweden was reduced by some 300 salaried staff and 700 wage-earners. A decision was also made to cease production at the Facit factory in Gothenburg.

Office machines

Office machines is the overall name for calculating, dictating and accounting machines, and typewriters. Sales of these products amounted to Mkr 553 (632).

The calculating machine market was subject to continued price cutting on all types of calculator in 1976. There is a trend towards increased usage of machines which provide a tape print-out. Falling prices for the tape print-out unit and continued over-production, however, led to steadily falling market prices. The low level of

economic activity has also played its part in causing sales and results to fall below expectation. In terms of unit sales it was possible to raise the number of office calculating machines sold, but this volume increase could not compensate for the loss of income resulting from the lower price levels. The new range of calculating machines which was introduced during the year – partly of own manufacture, and partly manufactured under a production agreement with an outside manufacturer – has received an encouraging reception.

Given the high level of technical know-how as regards function and quality, and access to a world-wide sales organisation, the prospects for being able to market a complete range of calculating machines at an improved level of profitability remain bright.

Production of typewriters, which mainly takes place in Swedish factories, has had to struggle with the problem of rising costs compared with competing manufacturing countries. Combined with the current depressed rate of economic activity in many of the countries where typewriters are sold, this has increased the difficulty in obtaining export sales, which are larger in volume terms than sales in Sweden, and has resulted in a reduction in total production and sales in 1976 compared with 1975.

The typing machine section of Facit introduced a new model of typewriter, with a movable type-head, the 1850, in the latter part of 1975. Production and sales of this model increased rapidly in 1976.

The typing machine section production programme was widened by the launch of a word-processing system, the 6610, on several markets. This system, which is entirely produced in Sweden, comprises a range of models to cover a broad spectrum of the growing word-processing market, and it has been received with great interest.

Computer products

Sales of computer peripherals amounted to Mkr 189 in 1976

(240). Sales results have suffered from the low level of business activity in many countries, especially in Western Germany, where sales fell considerably below expectations.

Punch tape products, of which the FACIT 4070 is the dominating item, accounted for the largest proportion of sales in 1976. Two new products, a punch tape reader, the FACIT 4030, and a printer, the FACIT 4540, were launched.

Facit's computer-controlled time registration system, the FACIT Kollaflex, for which one of several uses is in flexible working time systems, was strengthened by the addition to the programme of a simpler version intended for use in small companies. Sales of these products are expected to grow as increasing numbers of companies switch over to flexible working hours.

Office furniture

External sales totalled Mkr 83 (71). Sales outside Sweden accounted for 33% of production, which is an increased export share compared with 1975.

During the last quarter, demand stagnated on the export and domestic markets, and the previous shortage of capacity was converted into under-utilization towards the end of the year.

An extensive investment programme was begun during the year with the object of cutting production costs, improving the work environment, and increasing delivery capacity in time for the next economic recovery. Product development activities were intensified during the year.

Printed products

ZätaTryckerierna AB produces and markets business forms of all kinds, with production in Ätvidaberg, and advertising printed matter from production premises in Linköping.

Sales amounted to Mkr 21 (23). During the year the machinery and equipment were further renewed and modernised in the business forms and advertising printing works.

The Facit range of office products includes electronic calculators, electric typewriters, dictating equipment, office furniture, computer peripherals, and a system for the registration of flexible working hours.

Commercial Cleaning Services

The commercial cleaning services continued to expand, both in Sweden and abroad. Sales in 1976 were Mkr 739, an increase of Mkr 148 on the previous year. The operating results after normal depreciation were Mkr 29.6, the equivalent of 4.0% on sales. The average number of employees was 20,560 (18,105), of whom 7,044 (5,798) were in Sweden.

Contract cleaning

The contract cleaning activities are partly run in partnership with ISS – International Service System A/S, Copenhagen. In addition to the jointly-owned companies in Sweden and Norway there are others in Belgium, France, Holland and Great Britain. Contract cleaning services are provided through own companies, or in co-operation with local interests, in Australia, Brazil, Colombia, the Dominican Republic, Hong Kong, Japan, the Canary Islands, Singapore and South Africa.

ASAB

Contract cleaning services in Sweden are provided by ASAB, a company which is jointly owned by Electrolux and ISS, and which continued to expand successfully in 1976. Sales in 1976 were Mkr 333, an increase of Mkr 57, or 21% on 1975.

ASAB has intentionally concentrated on technically advanced methods of cleaning in industrial production premises, and this has resulted in a continued expansion of ASAB's industrial contract cleaning services.

During the year ASAB acquired 50% of the share capital of Perete Serveringssystem AB, which sells and rents food and beverage automatic dispensing machines. Sellbergs Städservice AB was also acquired, and that company's activities were gradually transferred and integrated with those of ASAB. The purchase of Martins Gardinservice AB extended the company's activities into the field of curtain cleaning and selling.

In order to meet the constantly increasing demand of industry and commerce for a differentiated range of services, new activities are steadily being developed in the field of environmental care and improvement.

Laundry services

Laundry services are provided by AB Tvättman. Sales in 1976 were Mkr 113, a rise of Mkr 25, or 28%. Of this rise, Mkr 11 was provided by companies acquired during the year.

Activities include the hire of linen and napery, working and protective apparel and entrance mats for hotels, offices and industrial companies. Rental products are collected regularly for laundering and repair. In addition to the basic range of products, each customer can rent products selected to meet his own particular needs. There are 14 laundry and repair establishments located throughout Sweden.

A new type of hire service was introduced in the autumn, in which the customer hires not only the linen and napery but also the necessary laundry equipment, so that their own employees can take care of the company's laundry.

Two companies, engaged in the hire of protective and working apparel, were acquired during the year, namely IMA Uthyrningsservice AB, Sundsvall, active in the northern part of Sweden, and Katri-nedalstvädden AB, in Uddevalla.

ASAB Industrial services uses vacuumcleaners in various sizes to clean industrial production premises, for example.

Perete Serveringssystem AB, a subsidiary of ASAB, sells and hires automatic food and beverage dispensing machines.

AB Tvättman hires out and launders linen and napery, protective and working apparel, to hotels, offices and industrial companies.



Other Products

Sales in 1976 were Mkr 348 (353). Operating results after normal depreciation totalled Mkr 8.1, corresponding to 2.3% of sales.

Agricultural implements, castings and windows

The production of agricultural implements, castings and window joinery takes place for the most part in Överum. AB Skurup-Verken, Skurup, which is engaged in the manufacture and sale of fertilizer spreading machines, mowing and sowing machines, was acquired in 1975. In addition the operations of AB Bröderna Andersson Gjuteri, Skurup, which consist of the manufacture and sale of disc plough and hay-baling presses, were also acquired. Sales in 1976 totalled Mkr 158.

The international element in the activities has been further extended, with, for example, increased efforts being devoted to the North American market for agricultural implements. The near-drought conditions in France, West Germany and other countries had a depressing effect on the sales of agricultural implements in these countries during the summer.

Lawn mowers

The Flymo Group manufactures and sells air-cushion lawn mowers. The range consists of 9 different models with electric motors or petrol-driven engines, and with blade widths of 30 to 75 cm.

The extremely dry summer in Western Europe in 1976 and the poor state of the international economy had a negative effect on sales which amounted to Mkr 78. A sales increase was reported for small electric lawn mowers and for the self-propelling FLYMO 75 lawn mower.

The largest manufacturing establishment is located in Aycliffe in England, from where components and finished products are exported to more than 70 countries.

Manufacturing or assembly also takes place in Australia, New Zealand and South Africa.

Sawmill products

The demand for sawn timber was low throughout 1976. Supplies on offer in Western Europe from Russian and Canadian sawmills were at such low prices that Scandinavian mills could not compete. Production in 1976 was no more than 14,300 cubic metres (18,700). Deliveries, however, amounted to 20,500 cubic metres (10,200), making it possible for stocks to be reduced.

Industrial robots

The development and manufacture of industrial robots has been extended to include the sale of complete production control systems. Electrolux Industrial Systems, Stockholm, now sells four models of robot of its own design and construction, and is also the general agent for the American "Unimate" robot in Sweden, Denmark, Finland and Norway. Manufacture is both for the Group's own factories and for large external customers, who are mainly in the industrial fields. Foreign markets are covered by a network of agents in most European countries and by a manufacturing licensee in Japan.

Bathroom fittings

Zig-Zag Fabriks AB, Malmö, manufactures and markets bathroom fittings. Sales are mainly through department stores and hypermarkets/superstores. All the products are manufactured in accordance with Swedish building standards. A new factory was brought into production during the year.

AB Överums Bruk and Skurup-Verken AB manufacture a broad range of agricultural equipment. The manufacture of ploughs goes back a long way, having started at the end of the last century.

Level controllers and alarm systems

AB Svensk Nivåkontroll, Malmö, manufactures and sells automatic electronic level control devices for use with petroleum products, and marine navigation systems.

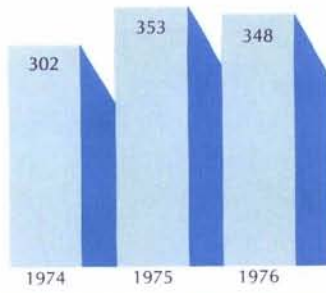
The considerable increases likely in the numbers of old-age pensioners during the coming decades will place completely new demands upon the resources of the community in the field of geriatric care. New technical aids will assume a critical role, and HDC-Fjärrkontroll AB has developed a remote-controlled alarm system in collaboration with the Swedish Social Welfare Board.

Waste Compacting

AB Orwak, Sävsjö, manufactures compactors for handling waste and refuse. The equipment can compact most types of waste material to about 20% of the original volume, with the resulting benefits of lower transport costs, improved hygiene and less storage space needed for waste. The compactor is intended mainly for use by restaurants, department stores, catering establishments, hotels, offices and industry.

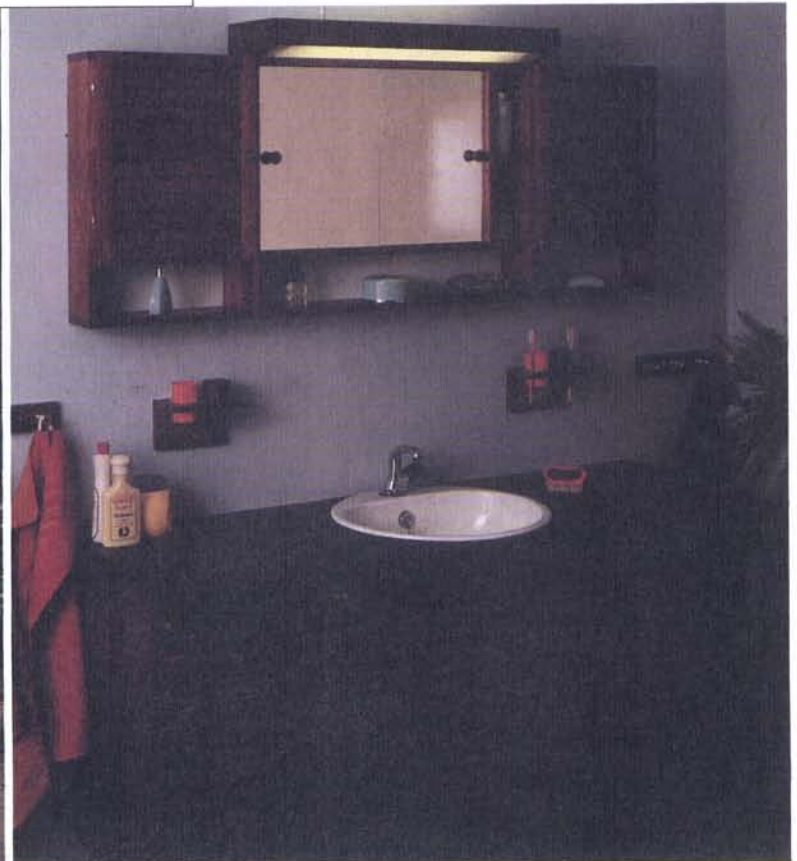


Sales – other products (Mkr)

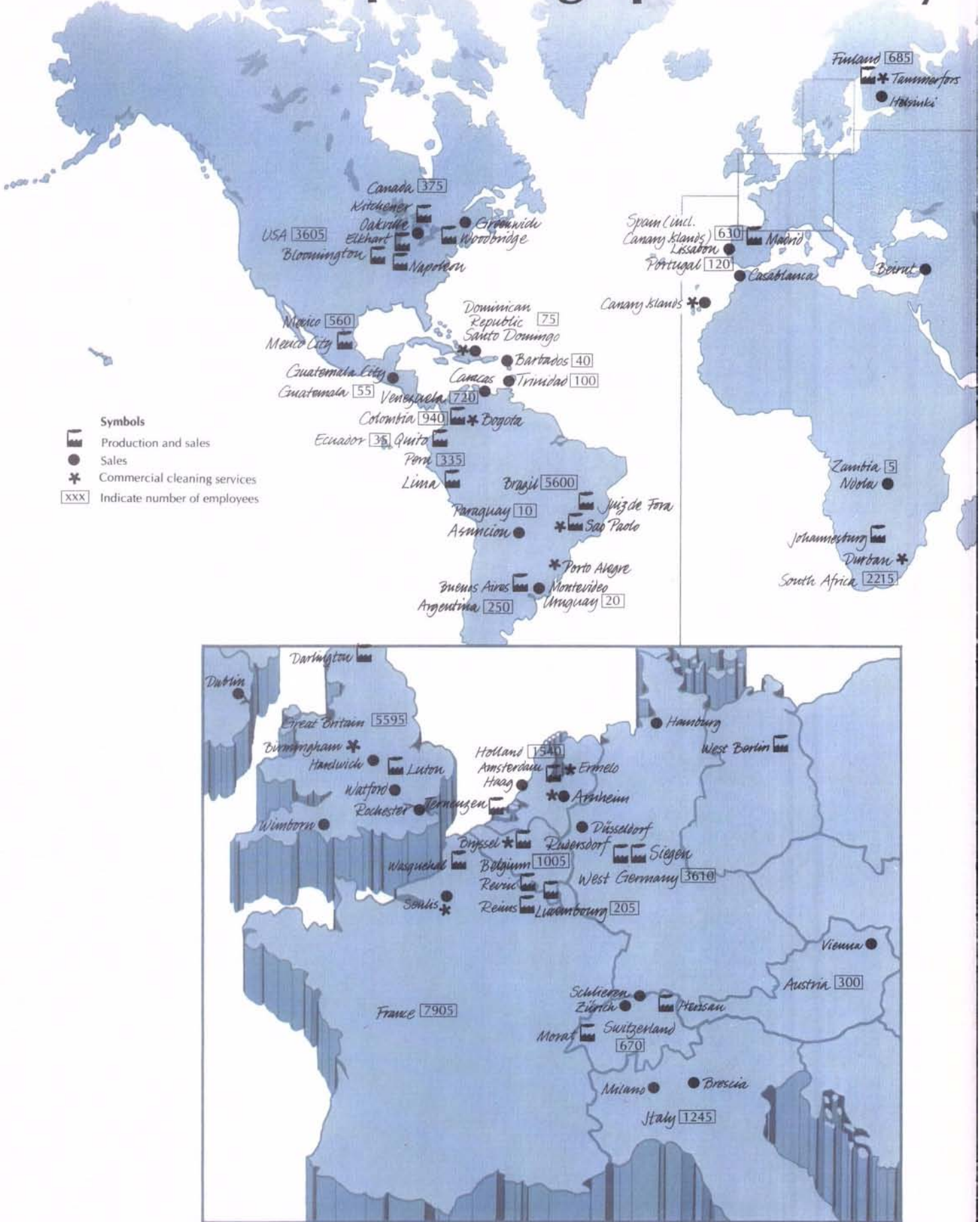


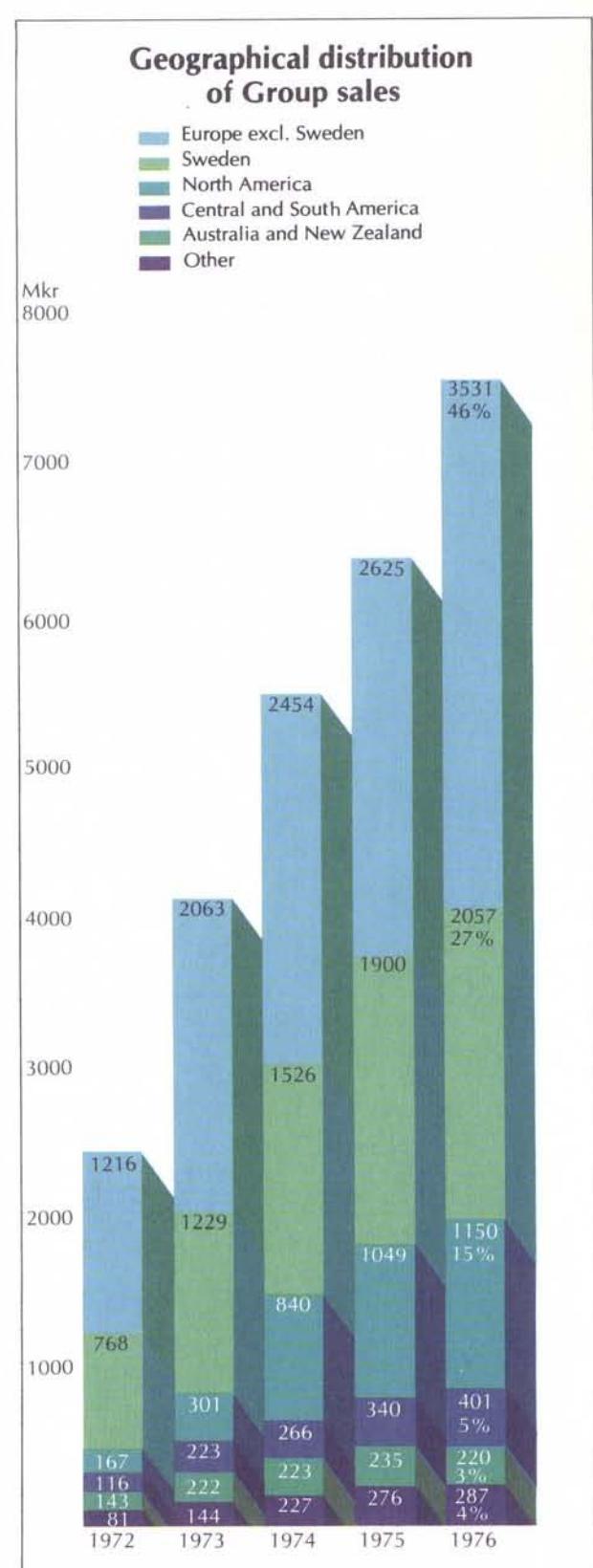
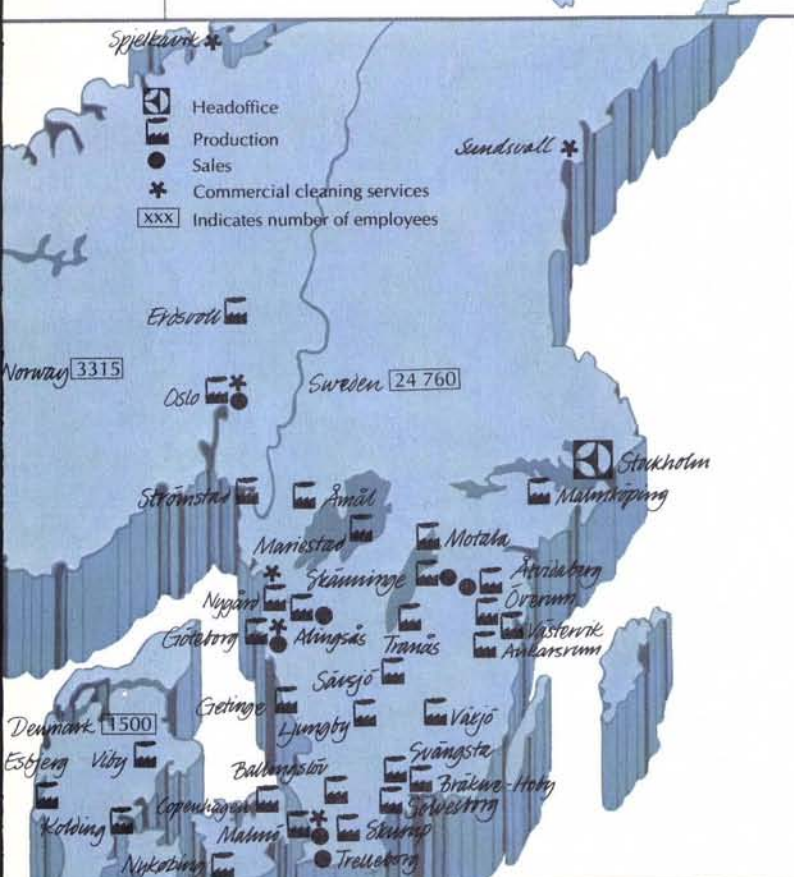
The Flymo Group manufactures air-cushion lawn-mowers, electrically powered or with petrol engines.

Bathroom fittings are made by Zig-Zag Fabriks AB.



Electrolux Group – Geographical Survey





List of certain Group Companies and names of chief executives

Companies marked with * are joint ventures.

Argentina

S.A. Electrolux
Buenos Aires
Carl-Gustav Wennerholm

Australia

Electrolux Pty. Ltd
Melbourne
Morris Coath
Utility Holdings Pty. Ltd
Carlton South
Len Matthews

Austria

Electrolux Bodenpflegegeräte
Vertriebsgesellschaft mbH
Vienna
Steffan Lundeberg
Electrolux Gesellschaft mbH
Vienna
Magnus Stenberg
Facit-Addo Büromaschinen
Vertriebsgesellschaft mbH
Vienna
Magnus Stenberg
Volta Elektrowaren
Vertriebsgesellschaft mbH
Vienna
Magnus Stenberg

Barbados

Electrolux Ltd
St. Michael
Lloyd Seale

Belgium

Electrolux-Martin S.A.
Brussels
Christian Barnekow
Facit-Addo S.A.
Brussels
Staffan Lagerwall
*Servisystem S.A.
Brussels
L. van der Schelden

Brazil

Electrolux S.A.
São Paulo
Órjan Alneng
Electrolux-Serviços Soc.
Comercial Ltda
São Paulo
Edmund A. Bosschart
Facit S.A.
São Paulo
Mário José Lambert

Canada

Dometic Canada Ltd
Oakville, Ontario
Gerald R. Wannamaker

Onward Manufacturing Co
Ltd
*Kitchener, Ontario
James D. Dixon

Colombia

Electrolux S.A.
Bogotá
Poul V. Jensen

Denmark

Electrolux A/S
Lyngby
Otto Meyer
Electrolux-Wascator A/S
Rødovre
Ole Engers
Facit A/S
Lyngby
Erik Larsen
Flymo A/S
Lyngby
Bjarne Mørz
Royal-Sabroe A/S
Viby
Ole Engers
A/S Scan-Atlas
Husholdningsapparater
Lyngby
Ib Frølich

Dominican Republic

*Electrolux Lagares C.por A.
Santo Domingo
Victor Lagares

Ecuador

*Electrolux C.A.
Quito
Gunnar Ehn

Finland

Oy Electrolux-Yhtiöt Ab
Helsinki
Matti Mutikainen
Oy Facit-Addo Ab
Helsinki
Bo-Erik Wiberg
Oy Tammermatic Ab
Tampere
Kalevi Kärkönen

France

S.A. Electrolux
Senlis
Anders André
Facit Addo S.A.
Colombes
Staffan Lagerwall
Flymo S.A.
Courbevoie
Ulf Kronlund

*Tornado S.A.
Senlis
Anders André
Usines & Fonderies Arthur
Martin S.A. "UFAM"
Senlis
Anders André
*Wascator S.A.
Paris
Louis Gutzwiller
S.A. Volta
Senlis
Anders André
*Clarté S.A.
Paris
Jaques Pommier

Great Britain

Electrolux Ltd
Luton
John B. Redman
Euroclean Ltd
Kempston Hardwick
John J. M. Glasse
Facit-Addo Ltd
Luton
A. E. Grist
Flymo Ltd
Watford
Kim Scharf
The Sterilizing Equipment Co
Ltd
Ravenshead
Ken Henfrey
Swedish Royal Refrigeration
Ltd
Welwyn Garden City
Edmond Prior
*Commercial Cleaning
Services Ltd
Birmingham
Anthony S. Lane

Guatemala

Cía Comercial e Industrial
Electrolux S.A.
Guatemala City
Carlos Calderón-Velásquez

Holland

Addo Nederland B.V.
The Hague
Staffan Lagerwall
Electrolux Nederland B.V.
Diemen
John Meyer
Electrolux-Quatfass B.V.
Diemen
W. Krechting

Excelsior-Tornado B.V.
Terneuzen
John Meyer
*ISS Mercurius B.V.
Ermelo
J.E. Zweers

Hong Kong

*Electrolux Services
(Hong Kong) Ltd
Alexander Lawson

Iran

*Electrolux Wascator
Company of Iran
Tehran
Leif Johansson

Italy

Electrolux S.p.A.
Milan
Jan Lindblad
Facit Data Products S.p.A.
Milan
Jan Lindblad
Flymo S.p.A.
Brescia
Giovanni Cancarini
Italwascator S.p.A.
Milan
Jan Lindblad

Japan

Electrolux Japan Ltd
Tokyo
Gunnar Kniberg
*Nesco Ltd
Tokyo
Yasuhiro Ishii

Lebanon

Electrolux Middle East S.a.r.l.
Beirut
Fouad Lammam

Luxembourg

Electrolux-Kreft S.a.r.l.
Vianden
Anders Wannborg

Malaysia

*Electrolux Malaysia Sdn. Bhd
Kuala Lumpur
Raymond Wong

Mexico

Electrolux S.A. de C.V.
Mexico City
Jan Laséen
Facit S.A. de C.V.
Mexico City
Jan Laséen

Norway

Electrolux Constructor A/S
Oslo
Hans Danielsen
Electrolux Industrier A/S
Oslo
Ivar Aakhus
Electrolux
Rengjøringsmaskiner A/S
Oslo
Magnus Jensen
*Euroclean A/S
Oslo
Jan G. Stenstad
Facit A/S
Oslo
Per-Gunnar Heedman
*ISS Servisystem A/S
Oslo
Hans Jørgen Groll

New Zealand

Electrolux Ltd
Wellington
Richard M. Scelly

Peru

Electrolux S.A.
Lima
Jan-Eric Boman
Facit S.A.
Lima
Carl Gösta Burénius

Portugal

Electrolux Ltda
Lisbon
Clas Herdin

Switzerland

Electrolux Betriebsverwaltung
AG
Zurich
Kurt Schläpfer
Facit-Addo AG
Zurich
Hans Koch
Menalux S.A.
Morat
Kurt Schläpfer
Royal-Levin AG
Zurich
Hugo Dreher

Singapore

*Electrolux S.E.A. Private Ltd
Singapore
Gunnar Broberg

Spain, incl., Canary Islands

Electrolux S.A.
Madrid
Clas Herdin
Electrolux Canarias S.A.
Las Palmas de Gran Canaria
Bengt Nordman
Electrolux Servicios S.L.
Las Palmas de Gran Canaria
Bengt Nordman

Sweden

Addo Försäljnings AB
Åtvidaberg
Lennart Gustafsson
AB Ballingslövs Träförädling
Ballingslöv
Bertil Albinsson
Bröderna Brodd AB
Skänninge
Lars Emilsson
Electrolux Constructor AB
Seffle
Sven Stork
Electrolux Svenska
Försäljnings AB
Stockholm
Gösta Bystedt
Electrolux-Wascator AB
Alingsås
Folke Heibert
AB Elektro Helios
Stockholm
Rainer Alfström
AB Elektroservice
Stockholm
Leif Axén
Euroclean AB
Stockholm
Fredrik Schumacher
Facit AB
Åtvidaberg
Anders Scharp
AB Formverktyg
Hägersten
Ingemar Persson
AB Gårdscisterner
Stockholm
Hans Rosander
HDC-Fjärrkontroll AB
Malmö
Georg Matz
B Johanssons
Pappersförädling AB
Nygård
Owe Werner
AB Orwak
Sävsjö
Nils Eliasson

Royal Refrigeration Industries

AB
Malmö
Hans Ljung
AB Svensk Nivåkontroll
Malmö
Georg Matz
AB Tvättman
Malmö
John-Jacob Engellau
Försäljnings AB Volta
Stockholm
Olle Vrang
Växjö Rostfritt AB
Växjö
Ivar Johansson
*Zig-Zag Fabriks AB
Malmköping
Sven Johansson
Zäta Tryckerierna AB
Linköping
Bo Sternbrink
*Allmänna Svenska Stådnings
AB (ASAB)
Stockholm
Lennart Angeby

South Africa

Electrolux Pty Ltd
Johannesburg
Paul Cronelid
Electrolux Supervision
Cleaning
Services (Pty) Ltd
Durban
Anthony Stiebel

Trinidad

Electrolux Ltd
Port-of Spain
John A. Crowhurst

Uruguay

Electrolux S.A.
Montevideo
Rafael Barrenechea

USA

Dometic Sales Corp.
Elkhart, Indiana
Yngve Lindholm
Facit-Addo Inc.
Greenwich, Conn.
Tom Jahm
National Union Electric Corp.
Greenwich, Conn.
Joseph V. McKee Jr.

Venezuela

C.A. Electrolux
Caracas
Ingvar Marklund

Western Germany

Electrolux GmbH
Hamburg
Steffan Lundeberg
Electrolux Constructor
GmbH.
Wilnsdorf-Rudersdorf
Rune Malm
Electrolux Küchentechnik
GmbH
Siegen
Adolf Kretzer
Electrolux Kälte- und
Wärmetechnik GmbH
Hamburg
Steffan Lundeberg
Euroclean GmbH
Hamburg
Rolf Madel
Facit GmbH
Düsseldorf
Walther Christoffersen
Royal-Wascator GmbH
Düsseldorf
Walther Christoffersen
Siegas Metallwarenfabrik
Wilhelm Loh KG
Siegen
Sven Stork
Volta Vertriebs GmbH
Hamburg
Steffan Lundeberg

Zambia

Electrolux (Zambia) Ltd
Ndola
Jean Mooney

