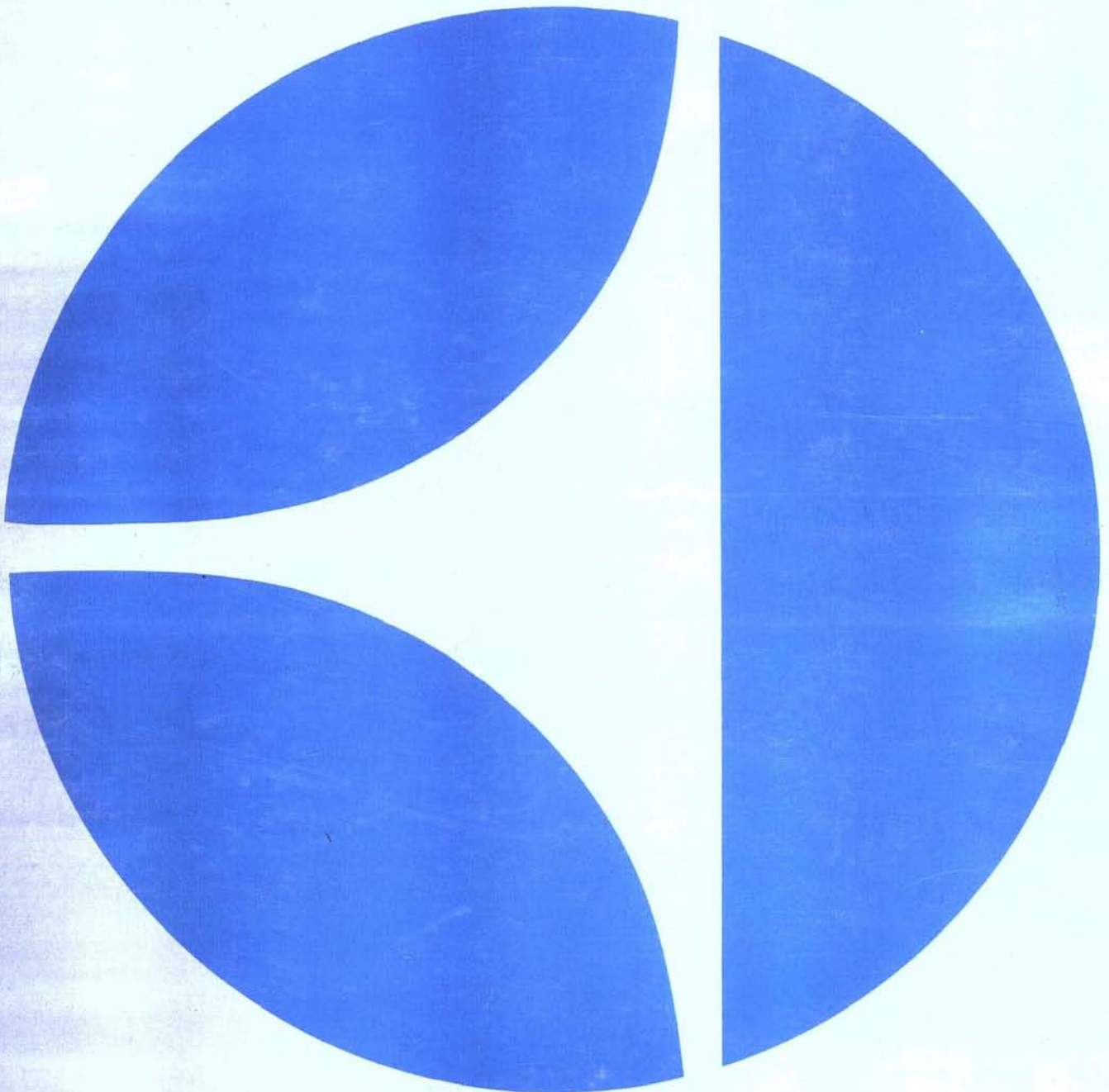


Electrolux 1978

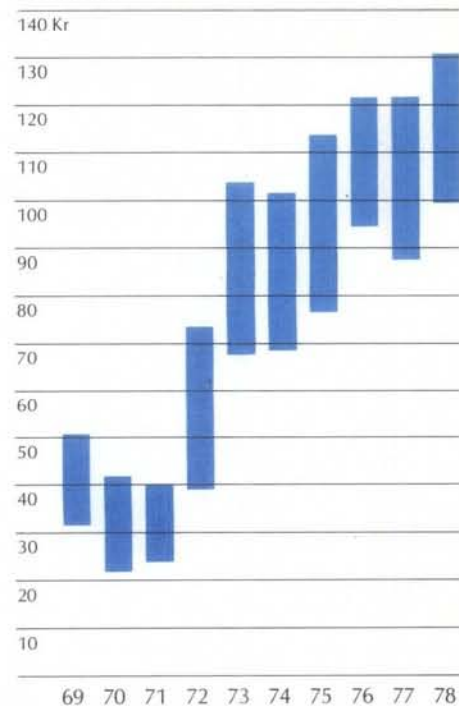
Annual Report



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Electrolux "B" shares:
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Electrolux Group in 1978

	1978	1977	% change
Sales (Mkr)	12,023	9,239	+ 30
Operating result after depreciation (Mkr)	945	782	+ 21
Result of current operations before taxes (Mkr)	677	578	+ 17
Adjusted profit per share (Skr) (for calculation see page 21, note 6)	17:10	14:70	+ 16
Return on capital employed	11.3%	12.0%	
Return on equity	14.7%	16.3%	
Capital expenditure (Mkr)	863	448	
of which opening book value of fixed assets of companies acquired during the year	304	9	
Number of employees, total	75,600	69,500	+ 9
of which in Sweden	27,900	23,700	+ 18

PARENT COMPANY

Profit after tax (Mkr)	126	118	+ 7
Dividend, total (Mkr)	121¹⁾	101	+ 19
Skr/share	6:25¹⁾	5:25	+ 19

¹⁾ Proposal of Board of Directors.

Abbreviations

Mkr – million Swedish kronor
Skr – Swedish kronor

Annual General Meeting

The Annual General Meeting of AB Electrolux will be held at 10.00 a.m. on Thursday, May 17, 1979, at the head office of Skandinaviska Enskilda Banken, Konferenssalen, 2 Sergels Torg, Stockholm.

Right to attend and vote at the Annual General Meeting

Shareholders wishing to attend the Annual General Meeting must be registered in the share register maintained by Värdepapperscentralen VPC AB no later than Monday, May 7, 1979.

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 vote at the Annual General Meeting. Such temporary registration must be completed no later than Monday, May 7, 1979.

Notice of intention to attend the Annual General Meeting

Shareholders wishing to attend the Annual General Meeting must, in addition to being registered as above, notify the company no later than Monday, May 14, 1979, 4.00 p.m. Notification should be made in writing to AB Electrolux, Dept. HK-J, S-105 45 Stockholm, Sweden, or by telephone during office hours to +46 8 738 6793 or +46 8 738 6791.

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 will be closed for reconciliation and determination of entitlement to dividend. The Board of Directors has proposed May 21, 1979. Subject to the approval of the Annual General Meeting to this proposal it is expected that dividends will be distributed by Värdepapperscentralen VPC AB on May 29, 1979.

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 7444, S-103 91 Stockholm, Sweden.

AB Electrolux, Board of Directors

Members

HANS WERTHÉN,
Chairman (executive)

GÖSTA BYSTEDT,
Managing Director (President)

NILS HOLGERSON,
Executive Chairman,
Beijerinvest AB

ROLF KARLSSON,
Local Chairman,
Swedish Metalworker's Union, Strömstad*)

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

JACOB PALMSTIERNA,
Managing Director, Skandinaviska Enskilda Banken

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

PETER WALLEMBERG,
Chairman of the Board, Atlas Copco AB

Deputy Members

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

RUNO ERIKSSON,
Local Chairman,
Swedish Supervisory Employees' Association, Motala

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

BIRGIT MALMENSTAM-SKYTT,
Association Secretary,
Swedish Shareholders Association

JOSEPH V. MCKEE JR.,
Executive President,
National Union Electric Corporation, (NUE), USA

SVEN OLVING,
Vice-Chancellor
Chalmers Institute of Technology, Gothenburg

*) Representatives of the employees

Auditors

Regular Auditors

ARNE HOLMÉN,
Authorized Public Accountant

BRUNO SVENSSON,
Authorized Public Accountant (deceased during 1979)

Deputy Auditors

STEN LUNDEVALL,
Authorized Public Accountant

JAN NORDENBÄCK,
Authorized Public Accountant



PETER WALLENBERG

JACOB PALMSTIERNA



HANS WERTHEN



JOSEPH V. MCKEE JR



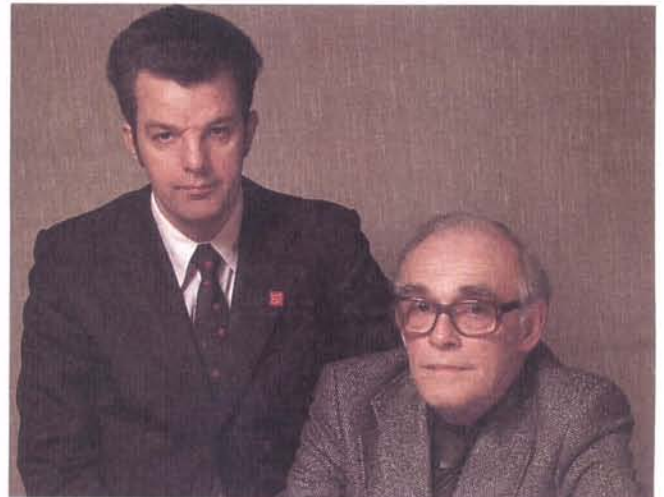
ÅKE T. VRETHEM



HARRY ERIKSSON

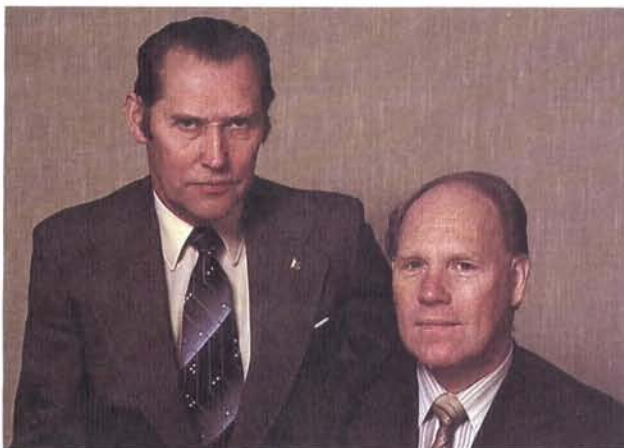
BIRGIT MALMENSTAM-SKYTT

NILS HOLGERSON



ROLF KARLSSON

ARTHUR GRIMBORG



RUNO ERIKSSON

KARL-GUSTAV LAGERSTRÖM



GÖSTA BYSTEDT



SVEN OLVING



GÖSTA BYSTEDT

HARRY ERIKSSON

HANS WERTHÉN

ANDERS SCHARP



OWE WERNER



LENNART RIBOHN



BERTIL LJUNGQUIST



FOLKE HEIBERT



LARS EMILSSON

Group management

The 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

Other chief executives:

- CHRISTER BRANDBERG, Finance
- LARS EMILSSON, Motala, Torsvik and Strömstad factories
- GUNNAR ERICSSON, International Sales
- FOLKE HEIBERT, Food Service Equipment, Hospital Equipment, etc
- SIMON LILIEDAHL, International Sales
- LEIF LINDGREN, Finance
- YNGVE LINDHOLM, Caravan refrigerators, USA
- BERTIL LJUNGQUIST, Personnel
- LENNART RIBOHN, Accounting and budget
- OWE WERNER, Research and Development



LEIF LINDGREN



CHRISTER BRANDBERG



GUNNAR ERICSSON

SIMON LILIEDAHL



YNGVE LINDHOLM

Operations in 1978

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

General review

The Group's policy of geographical diversification with sales and production in a large number of countries makes it possible to balance out the effects of swings in the economic cycle. This is further aided by the Group's wide range of products, which includes household products, industrial and office products, motor products and service activities. Changes in private consumption are of significance primarily for the Group's household products, while the level of capital expenditure affects the sales of industrial and office products.

In 1978 the main feature of the Nordic market was low private consumption, even though a slight rise could be detected on the Swedish market in the last quarter. In our other major markets, such as France, Great Britain, Western Germany and the USA, private consumption rose during the year.

Changes in the level of capital expenditure by industry varied in the markets of significance for the Group. Increases were noted in several markets towards the end of the year for some of the Group's industrial products.

Domestic vacuum-cleaners showed increased sales, and maintained profitability. The large markets, in the USA, France, Great Britain and Western Germany, all reported increased sales. New markets were canvassed and substantial increases in direct selling were reported in such countries as Japan and Thailand. In several markets new generations of products were launched for the specialist retail trade and direct selling and they were well received.

K-products: Household appliances such as refrigerators, freezers, laundry equipment, cookers, kitchen fans, dish-washers, kitchen fittings, kitchen machines and electric heaters, were affected by the lower total markets in the Nordic countries as well as in Great Britain, where, however, private consumption increased. This was offset by increased market shares in several important markets combined with market growth in France and Switzerland. In Sweden the

market share for the combined sales of Electrolux and Husqvarna was maintained. In the case of absorption refrigerators, which are mostly sold to caravan manufacturers and hotels, a degree of market saturation was noted in Continental Europe, while sales on the North American market rose to their previous level.

The Husqvarna and Therna groups of companies, which were acquired during the year, progressed well. The integration of the production of the Husqvarna household products division into Electrolux has begun. Husqvarna's central spare parts warehouse in Torsvik, outside Jönköping, will be utilised in 1979 for the Group's household appliances that are made in Sweden. In order to achieve more efficient product development, the K-products development resources have been strengthened through the co-ordination of the Electrolux and Husqvarna development functions. In Norway, the Sarpsborg factory owned by Husqvarna has been co-ordinated with the Electrolux factory in Eidsvold. During the year, the reconstruction of Husqvarna's business and the co-ordination of its administration and production with Electrolux, have led to substantial cost reductions. These cost reduction will not be fully reflected in the results until 1979.

Commercial refrigerators and freezers: The merger with Husqvarna has consolidated the Group's position as one of Europe's leading manufacturers of commercial refrigerators and freezers. During the year, the Electrolux and Husqvarna businesses in Western Germany and in France were co-ordinated. In Denmark, the Group achieved the position of market leader through the acquisition of IWO A/S. Market shares in Scandinavia have been held, and sales increases have been achieved on the continent. The results were slightly better, but, as profitability is still unsatisfactory, a restructuring programme has begun.

Sewing machines: Sales were affected by a declining total market. Husqvarna, however, increased its market share in several countries and was able to main-

tain its total sales at an unchanged level. This product range is in the course of being restructured, including disposing of the factory in Varberg, Sweden. As a result a better balance should be achieved in the long run between manufacturing and sales capacity. Although profitability is unsatisfactory, measures to improve the situation are being implemented.

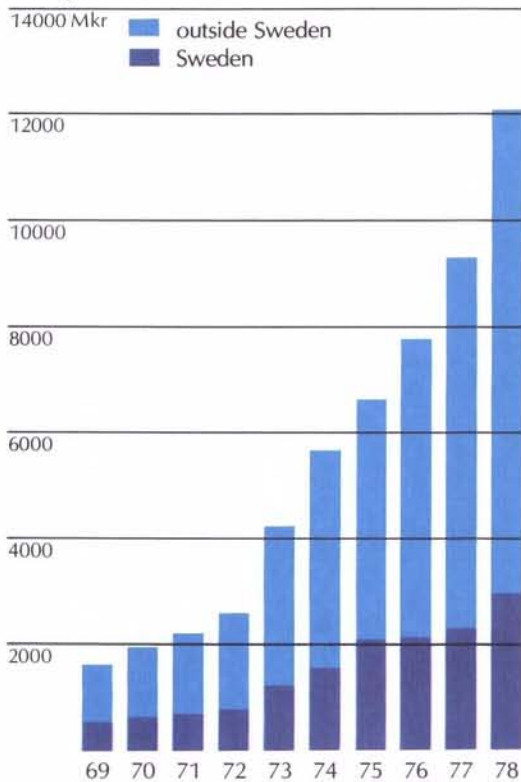
Industrial products: Sales were affected by low levels of capital expenditure in several important markets. Despite this, the sales volume and profitability of laundry equipment improved considerably. In the food service equipment and hospital equipment fields the order book increased sharply towards the end of the year, partly as the result of a breakthrough in new markets, mainly in the Middle East, and partly due to an increasing number of large projects. As sales of steel fittings and materials handling equipment stagnated, earnings from industrial products deteriorated during the year. With a higher order intake and contributions from acquired companies the level of profitability is expected to improve.

Motor products: This range includes the chain saws of Husqvarna, motor-cycles, and lawn mowers, and the chain saws of Partner. Chain saws have progressed well in all markets, particularly in North America. As a result of a greater degree of in-house production by Husqvarna and Partner and co-ordination with Jonsereds and the hobby saw business of Skil, which have been acquired in 1979, it is expected that profitability will be further improved.

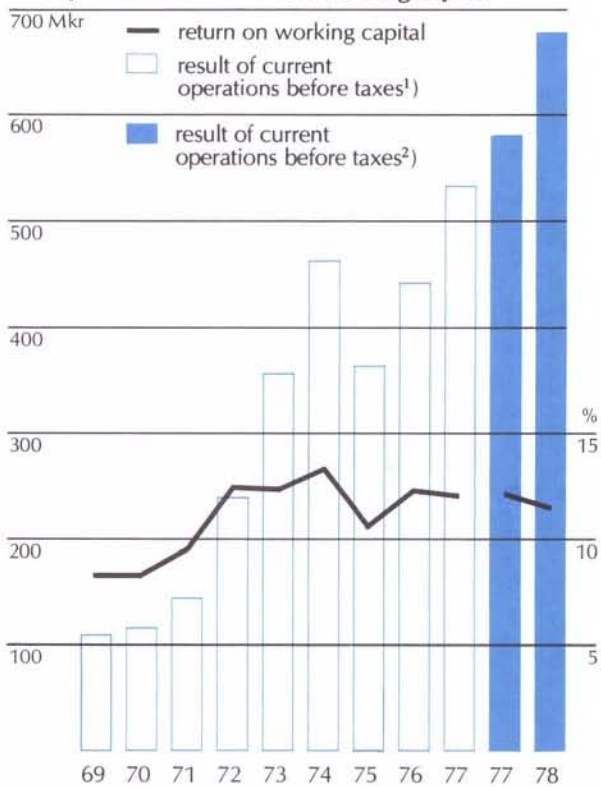
Office products: Improved profitability was achieved despite relatively slack demand. In the data products field, the investment in punch-tape products and printers has led to good results. The sales of typewriters, especially large models, have increased.

Commercial cleaning and services: Further sales advances were achieved by providing a broader range of services, despite a certain amount of stagnation on the Swedish market, which was affected by the reduced level of economic activity.

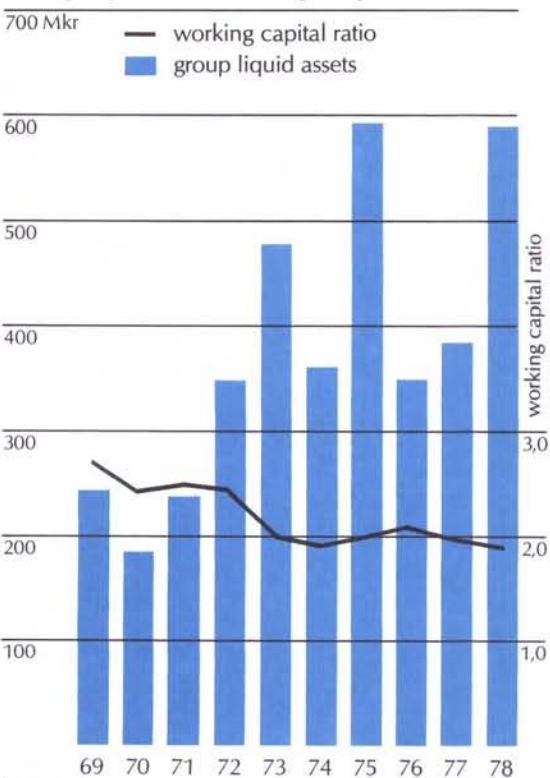
Group sales



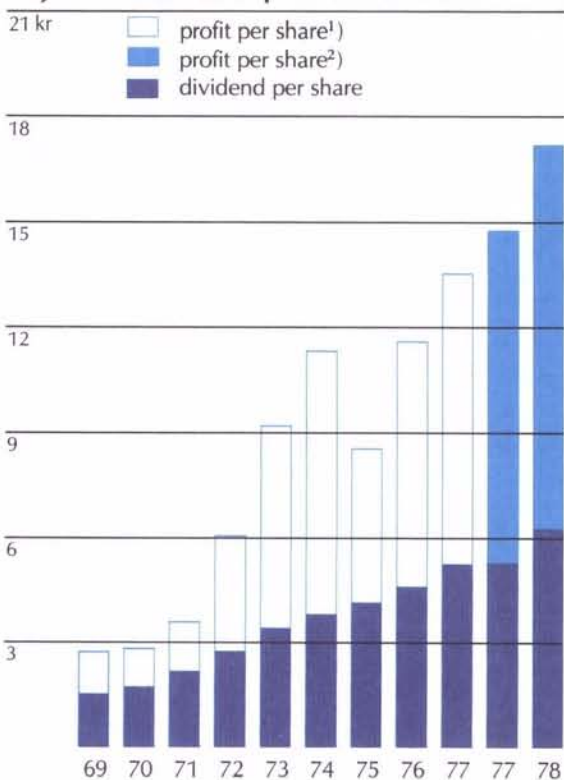
Group result and return on working capital



Group liquid assets and liquidity

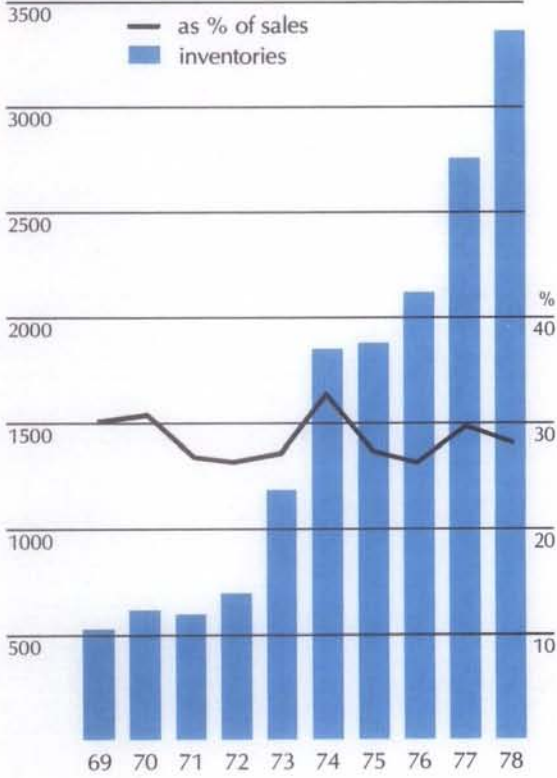


Adjusted consolidated profit and dividend

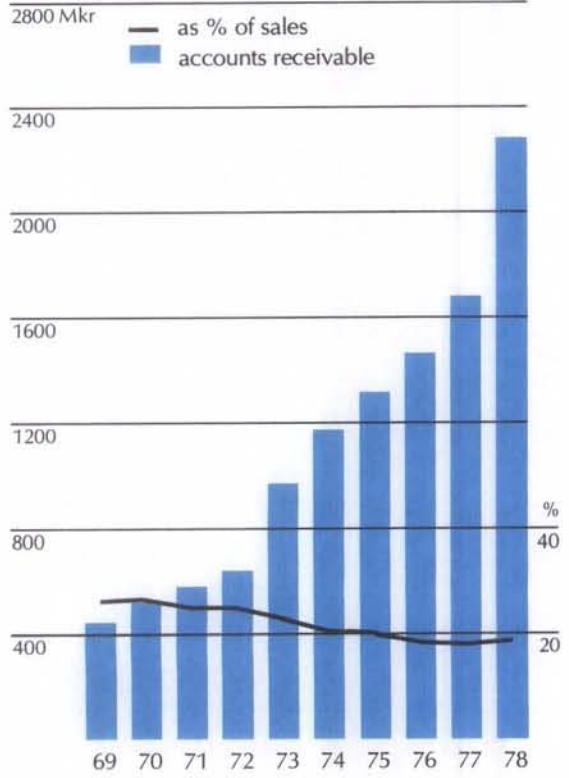


¹⁾ after calculated depreciation ²⁾ after depreciation according to plan

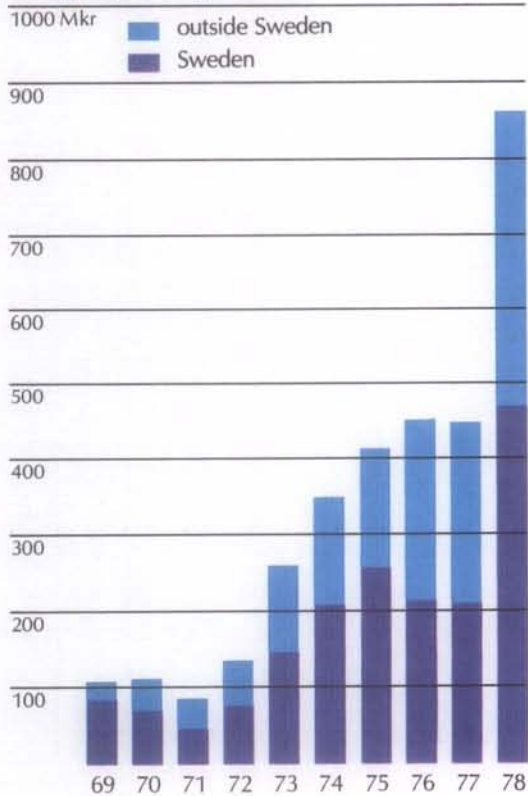
Group inventories



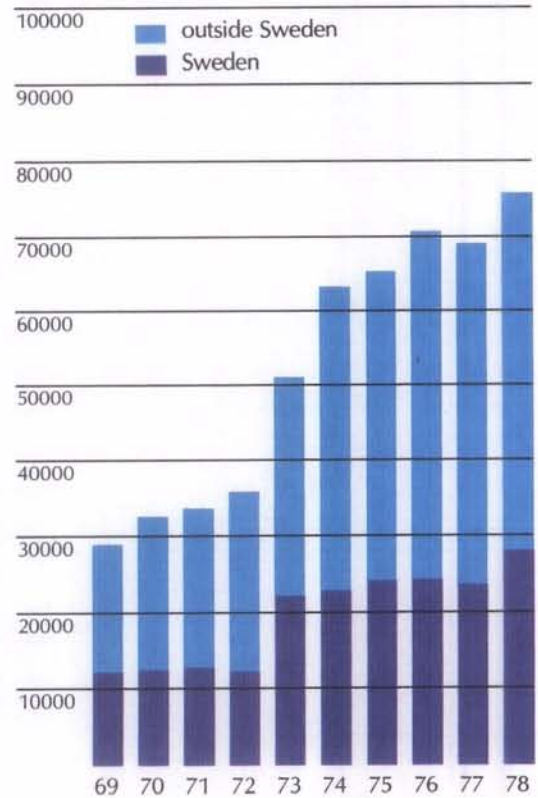
Group accounts receivable



Group capital expenditure



Number of employees in Group (annual average)



Other products: Sales of lawn mowers in Great Britain showed a substantial increase and the profitability improved considerably.

A weak plough market in Sweden, combined with the difficult situation in the foundry industry, had an adverse effect on the profitability of "other products".

Sales

Sales of the Electrolux Group in 1978 amounted to Mkr 12,023 (9,239). Companies acquired during the year accounted for Mkr 1,940 (63), while companies disposed of in 1978 accounted for sales of Mkr 44 in 1977.

Sales to customers outside Sweden amounted to Mkr 9,077 (7,063), corresponding to 75.5% (76.4) of total sales. Sales to customers in Sweden increased to 24.5% (23.6) as the major part of the sales of the acquired companies went to Swedish customers.

The breakdown of sales by country within Europe and by region elsewhere is shown in the table below (Mkr):

	1978	%	1977	%
Sweden	2,946	24.5	2,176	23.6
France	1,606	13.4	1,254	13.6
Great Britain	915	7.6	724	7.8
Norway	780	6.5	655	7.1
Western Germany	616	5.1	499	5.4
Switzerland	567	4.7	242	2.6
Denmark	358	3.0	258	2.8
Netherlands	317	2.6	214	2.3
Finland	267	2.2	197	2.1
Other	723	6.0	553	6.0
Europe	9,095	75.6	6,772	73.3
North America	1,725	14.3	1,425	15.4
Central and South America	491	4.1	445	4.8
Asia	330	2.8	216	2.3
Oceania	308	2.6	283	3.1
Africa	74	0.6	98	1.1
Total	12,023	100	9,239	100

The total exports by the Group's companies in Sweden amounted to Mkr 2,212 (1,442). Exports to Group companies were Mkr 1,389 (981) and to non-Group customers Mkr 823 (461). Dividends, royalties and interest paid to Sweden amounted to Mkr 118 (141).

The parent company, AB Electrolux, reported sales in 1978 of Mkr 1,597 (1,496). Of these sales Mkr 1,366 (1,252) were made to Group companies and Mkr 231 (244) to non-Group customers. The parent company's sales in Sweden amounted to Mkr 805 (682), corresponding to 50.4% (45.6) of the total.

The breakdown of sales by product line is shown in the table below (Mkr):

	1978	%	1977	%
Household appliances, cleaning and sewing machines	7,986	66.4	6,240	67.6
Industrial products	984	8.2	798	8.6
Motor products	531	4.4		
Office products	993	8.3	927	10.0
Commercial cleaning and services	945	7.9	851	9.2
Other products	584	4.8	423	4.6
	12,023	100	9,239	100

Results

In line with current accounting practice, the operating result has been calculated after depreciation according to plan. For purposes of comparison, the previous year's figures have been regrouped.

For companies acquired during the year and for which the purchase price was less than the shareholders' equity in the acquired company, this difference is accounted for in accordance with a different principle from that applied in previous years. (See Accounting Principles on page 15.)

In 1978 the consolidated operating result of the Group before depreciation amounted to Mkr 1,302 (1,071). After depreciation, the operating result was Mkr 945 (782), the equivalent of 7.9% (8.5) on total sales. The Group's interest expense on borrowed capital after deducting interest received, net financial items, amounted to Mkr 269 (204). Extraordinary income less extraordinary expenses amounted to Mkr 151 (-16), and the result before appropriations and taxes amounted to Mkr 828 (562). This is the equivalent of 6.9% (6.1) on total sales.

The breakdown of the operating result after depreciation by product line is shown below (Mkr):

	1978	%	1977	%
Household appliances, cleaning and sewing machines	677	8.5	610	9.8
Industrial products	33	3.4	56	9.8
Motor products	59	11.1		
Office products	82	8.3	57	6.1
Commercial cleaning and services	46	4.9	40	4.7
Other products	48	8.2	19	4.5
	945	7.9	782	8.5

¹⁾ % of resp. product line's sales.

The adjusted profit per share¹⁾ increased to Skr 17:10 (14:70). The return on capital employed²⁾ amounted to 11.3% (12.0) and the return on equity²⁾ to 14.7% (16.3).

The parent company, AB Electrolux, reported a result before appropriations and taxes of Mkr 207.3 (97.9). After net appropriations of Mkr -45.7 (+44.3) and taxes of Mkr 35.5 (24.0) there was a net profit for the year of Mkr 126.1 (118.0).

Financing, liquidity and equity/assets ratio

Funds generated internally during the year amounted in 1978 to Mkr 594 (558). Long-term liabilities increased by Mkr 725 (157) and sales of fixed assets brought in Mkr 343 (45), of which Mkr 130 related to the Electrolux head office building on Lilla Essingen, Stockholm, and Mkr 123 to assets not connected with the business which were disposed of by Husqvarna companies. Capital expenditure on real estate, machinery, equipment and tools, amounted to Mkr 863 (448), of which Mkr 304 (9) was the opening value of fixed assets of acquired companies. The degree of self-financing, i.e. internally generated funds in relation to total capital expenditure excluding the opening value of fixed assets of acquired companies, was 106% (123).

Working capital, excluding liquid funds and short-term investments, rose

¹⁾ See page 21 note 6.

²⁾ For definition see page 14 note 6 resp. 7.

by Mkr 427 (354). Inventories were 28.1% (29.8) of sales, while accounts receivable were 19.0% (18.4).

The rate of turnover of total capital employed, expressed as the ratio between sales and the balance sheet total, was 1.32 (1.33).

Cash and bank balances at the end of the year amounted to Mkr 286 (192). Credit and overdraft facilities available but not drawn down amounted to some Mkr 325 (300).

Net financial costs amounted to Mkr 269 (204). The greater part of the increase was attributable to acquired companies.

The working capital ratio, current assets in relation to current liabilities, was 1.90 (1.98).

The equity/assets ratio, the ratio of shareholders' equity plus 50% of untaxed reserves to the balance sheet total, was 29.1% (32.2).

During the year, three convertible debenture loans were issued, totalling Mkr 268. If all the debentures were converted, the number of »B» shares in issue would increase by 2,495,118, after which the equity/assets ratio would be 32.0% (32.2). All the debentures pay 8% interest, which would correspond after conversion to Skr 8:60 per share currently in issue.

Acquisition, formation and sale of companies and businesses

As a result of the acquisition of Husqvarna AB, the Group's product line was extended by chain saws and other products. This acquisition has made it possible to restructure chain saw production in Sweden. Since sales are made mainly on export markets, long-series production is essential to enable the Group to market price-competitive products, as development, design and manufacturing costs have to be spread over a large volume of output. In order to establish an internationally strong business, which will match foreign competitors in terms of size, Electrolux decided to combine the resources of the three Swedish chain

saw manufacturers, Husqvarna, Jonsereds and Partner.

In November 1978, the entire share capital of AB Partnerintressenter was acquired. This company owns AB Partner, Mölndal, Sweden, which manufactures and markets professional chain saws (approx 120,000 units in 1978). Production consists mainly of assembling purchased components. The intention is to increase the value added through increased in-house production of components, thus providing more employment for the Group. Sales in 1978 amounted to Mkr 137, of which exports amounted to Mkr 122. Manufacturing is located at Mölndal, near Gothenburg. The acquisition also included subsidiaries in Norway and the USA.

At the beginning of 1979, AB Electrolux acquired for cash 98.9% of the share capital of Jonsereds AB. This company had sales in 1978 of Mkr 403 and 1,328 employees. In 1978, Jonsereds manufactured more than 130,000 professional chain saws. Sales of chain saws totalled Mkr 156. Manufacturing facilities are located in Jonsered, Brastad and Bovallstrand, all in western Sweden.

In addition, the acquisition of Jonsereds brought a new business into the Group, known as »Goods Protection», which consists of the manufacture, rental and sale of tarpaulins and temporary warehouses. Electrolux is already established in service and rental businesses, and »Goods Protection» will further extend these activities.

Turnover of the »Goods Protection» business in 1978 amounted to Mkr 65. In Sweden, the business is carried on by Jonsereds AB and its subsidiary AB Thorsten F. Albrektsson; in Denmark by a subsidiary, Daekko Presenning Kompagni A/S, Copenhagen. All production takes place in Brastad.

Jonsereds AB's product range also included the manufacture and sale of cranes for forest machinery and timber-carrying vehicles. As the Electrolux Group has no similar activities, an agreement was reached for Jonsereds AB

to transfer its entire crane business to Hiab-Foco AB, Hudiksvall, Sweden.

At the beginning of 1979, tools and engineering drawings and equipment for the manufacture of consumer saws were acquired from Skil Corp., USA. These saws will be marketed in the USA through Husqvarna's subsidiary company under the Partner brand name. Production has been transferred to National Union Electric Corporation's (NUE) plant in Bloomington, Illinois.

Överums Bruks AB has taken over the activities of AB Järnförädling in Hälleforsnäs (now renamed Hälleforsnäsverken), including real property, inventories, machinery and equipment. The acquisition was made possible by an interest-free loan of Mkr 70 from the Swedish government, intended partly to provide the necessary working capital and partly to cover the expected operating losses and reconstruction expenses. The loan will be written off over 5 years, commencing in 1978, provided that certain agreed employment and capital expenditure levels are maintained. The 1978 write-off of Mkr 14 has been included in the operating result.

Hälleforsnäsverken manufactures and markets malleable iron castings such as pipe components and industrial products as well as castings made to customer specifications. Components for water and gas pipes make up the greater part of the plant's output. More than half of the pipe components are exported. Increased efforts are being devoted to marketing and product development in order to strengthen the firm's business in the long term. Above all, efforts are being made to increase the sales of castings made to customer specifications. The Group also plans to increase the output at Hälleforsnäsverken by increased in-house production in the Group. The casting and finishing of cooker hotplates will take place there.

At the beginning of 1979, S.A. Electrolux, Senlis, acquired 70% of the share capital of the French company Lincoln S.A. which manufactures and markets washing machines and dishwashers. Production will be co-ordi-

nated with the Group's existing activities in France.

In Denmark, the business of IWO A/S was acquired by Electrolux A/S, Copenhagen. IWO was Husqvarna's agent in Denmark for commercial refrigeration products, with a national sales network. IWO also markets air conditioning equipment. The business of Royal-Sabroe A/S, which markets Electrolux' commercial refrigeration products in Denmark, has been transferred to IWO A/S.

The selling of chain saws and lawn mowers in France has been co-ordinated and is now handled by a newly-formed company, Flymo-Husqvarna SNC.

Städningsskåren AB, Stockholm, which specialises in cleaning stairs, has been acquired by ASAB Serviceföretaget. The company's turnover in 1978 amounted to Mkr 35.

In the USA 50% of the share stock of Dataroyal Inc., New Hampshire, was acquired by Dometic Inc., New York. Dataroyal develops, manufactures and markets data processing products, mainly printers. The acquisition was made in order to extend Facit's existing range of printers. Dataroyal's turnover in 1978 amounted to Mkr 18.

Dometic Inc. has also acquired a majority of the common stock of a commercial cleaning company, Boston-Needham Industrial Cleaning Company Inc., Boston.

Electrolux-Quatfass B.V., Diemen, has acquired Ten Kate & Slipjier B.V., Netherlands. The company is a wholesaler which complements existing sales of food service equipment and hospital equipment with the sale of kitchen utensils. It had 1978 sales of Mkr 10.

In Western Germany, a new sales company has been formed to sell refrigerators with »swing» compressors. These compressors take less space than conventional types and are suitable for small refrigerators. The name of the new company is Electrolux Cramer GmbH, Siegen.

Electrolux Constructor GmbH, Wilsdorf-Rudersdorf, Western Germany, has bought some of the assets of Otto

Kind GmbH, Marienheide, and changed its name to Electrolux Kind GmbH, Gummersbach. This acquisition was made in order to develop the sales of materials handling equipment for industrial warehouses and stores and of steel fittings for engineering workshops.

AB Electrolux' shares in Autoterm Värmesystem AB and Autoterm Vällavärme AB have been transferred to the former owner.

The shareholding in Electrolux Göta-verken Global Shipperservices AB has been disposed of.

All the shares in Huskvarnaåns Kraft AB have been disposed of by Husqvarna AB to Statens Vattenfallsverk, Stockholm.

All the shares in AB Gårdscisterner, Stockholm, which is engaged in the rental and sale of storage tanks for oils and fuels, have been sold.

All the shares in Electrolux Wascator Co. of Iran, Teheran, have been sold.

Outstanding minority share interests

As a result of arbitration proceedings, it was determined that the remaining outside shareholders in Facit AB should receive Skr 140:— per Facit AB share. The decision has been appealed. At the end of the year, AB Electrolux owned 99.4% of the share capital of Facit AB.

At year-end, AB Electrolux owned 98.9% of the shares of Husqvarna AB. The remaining outside shareholders in Husqvarna AB have been offered Skr 120:— per share and compulsory purchase proceedings have been initiated.

Production and capital expenditure

The volume of production by the Group has steadily increased, partly through increased sales, resulting from intensified marketing and selling activities and a goal-oriented product development, and partly through the acquisition of new companies. The household products have been standardised so that a common

basic design forms the basis for products for different markets. Higher volumes of output have justified a higher degree of mechanization. For a number of years, the Group has given priority to capital expenditure on increased mechanization and has improved production and administrative efficiency.

Production has been and is still being restructured in several product fields, in order to achieve efficient manufacturing. For example, the Group's production of washing machines will take place in the factory in Revin, France. Large compressor-driven refrigerators and freezer cabinets will be made at the factories in Mariestad and Arvika, Sweden, while small ones will be made at the Luton, England, factory. The manufacture of freeze-boxes takes place at the factory in Lyngby, Denmark. Large absorption refrigerators are produced at the Motala, Sweden, factory, while other absorption refrigerators are made in Luton and Siegen, Western Germany, and in Vianden, Luxembourg, where portable absorption refrigerators for cars and recreational use are also made. The Swedish production of cookers has been co-ordinated through the joint administration of the Husqvarna cooker plant in Torsvik, Jönköping, and the Motala factory.

In order to achieve more efficient production of components for vacuum-cleaners, the main part of the manufacture of motor fan units has been concentrated at the Västervik, Sweden, and Luton factories. Vacuum-cleaners for the Nordic market are produced for the most part at the factory in Västervik. It also produces the new vacuum-cleaner for direct selling in other markets.

The reorganization of the Group's manufacturing facilities in Norway has begun. K. Pettersens Sønner A/S, Sarpsborg, a subsidiary of Husqvarna AB, has been split into a sales company, KPS A/S, and a manufacturing company, Tunborg A/S. The Electrolux factory in Eidsvold will concentrate on the production of electric cookers, while Tunborg A/S will produce table-top dishwashers, wall-mounted cookers and split-level

cookers. A joint management has been set up for the two factories to implement the planned division of manufacturing and the co-ordination of the operations. The present production of large domestic dishwashers by Tunborg A/S will be terminated over a period of years. These products must be produced in longer series, if acceptable profitability is to be achieved.

At the Torsvik factory, which produces electric cookers, an extension of the existing plant has been completed. This project, which includes an enamelling plant, will replace previous rented premises, and was necessary in order to obtain improvements to the work environment and more efficient production.

In France, the vacuum-cleaner factory in Rheims has been extended in order to provide capacity for the production which is being successively transferred from the Courbevoie factory. At the Rheims cooker factory, the plate shop has been extended in order to meet increased capacity requirements.

In Barquisimeto, Venezuela, the construction of a factory for the manufacture of vacuum-cleaners and floor-polishers has begun.

In Sao Paulo, Brazil, a factory building has been acquired for the purpose of assembling chain saws and lawn mowers.

In England, the Aycliffe factory has been extended in order to increase production capacity for injection-moulded plastic parts and for components for lawn mowers made by Flymo.

The total capital expenditure in 1978 by the Group on real property, machinery, equipment and tools amounted, to Mkr 863 (448), of which Mkr 304 (9) related to companies acquired during the year. Capital expenditure in Sweden totalled Mkr 469 (213), of which Mkr 191 was the opening value of the fixed assets of acquired companies.

In 1978 the Swedish factories accounted for 52% (46) of total production by value.

Employees

The average number of employees in the group increased in 1978 from 69,495 to 75,631. The total for 1978 included 8,991 employees of companies acquired during the year. The companies which were sold in 1978 had 164 employees in 1977.

The average number of employees is shown below:

	1978	%	1977	%
Parent company	5,660	8	6,548	9
Group companies in Sweden	22,279	29	17,112	25
Total in Sweden	27,939	37	23,660 ¹⁾	34
Group companies abroad	47,692	63	45,835	66
	75,631	100	69,495	100

¹⁾ In 1978 a method different from that used in 1977 was used to calculate the number of employees in Sweden.

The proportion of employees in the Group's Swedish companies was 37% (34). Abroad, the Group has employees in 41 countries. The average number of employees in the commercial cleaning and services businesses was 18,428, of which 7,276 (6,710) or 39% (37) were employed in Sweden.

There were 58 municipalities in Sweden in which the Group had more than 20 employees in 1978. A complete list of these has been sent to the Swedish Patent and Registration Office in accordance with Swedish law.

Wages, salaries and other remuneration paid to employees in Sweden amounted to Mkr 1,437 (1,329), corresponding to 41% (45) of the total wages, salaries and other remuneration paid by the Group. Social welfare charges (national supplementary pensions, other pensions provisions, employer's payroll levy, group life insurance) paid on behalf of the employees of the Parent company and Swedish Group companies amounted to Mkr 616 (453). Social welfare charges abroad amounted to Mkr 405.

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

	1978	1977
Parent company		
Board of directors, managing director	3,147	3,070
Other employees	332,361	324,157
Companies in Sweden		
Board of directors, managing directors	6,470	4,947
Other employees	1,094,223	997,364
Employees abroad ¹⁾		
Boards of directors, managing directors	46,839	28,730
Other employees	1,991,432	1,621,804
Group total		
Boards of directors, managing directors	56,456	36,747
Other employees	3,418,016	2,943,325

¹⁾ The breakdown of pay and number of employees by country is shown in the map on page 50.

Bonuses to company managements, amounting to Mkr 0.3 and Mkr 7, were paid in Sweden and abroad respectively.

Special personnel administrative measures have been taken to facilitate the transfers connected with the restructuring of the activities in Sweden, including the integration of the Husqvarna group. It was generally possible to implement the necessary reduction in the workforce, which was mainly among salaried employees, without declaring any redundancies.

A personnel planning and development project for the Swedish operations was started during the year. Its aim is to ensure the long-term staffing of the Group by suitably qualified employees at all levels.

As an element in the Group's personnel planning, an international management development scheme was initiated. Most of the chief executives of the Group's large units have attended seminars with Group Management to discuss future business strategy, profitability criteria, and management and organizational philosophy.

Outlook for 1979

The Board of Directors views the future progress of the Group in the light of the following circumstances:

1. Through the acquisition of companies and new lines of business, made in 1978 and at the beginning of 1979, the Group's geographical and product coverage of world markets have been brought into even better balance. This means that the possible effects of changes in the economic situation or in currency rates balance out and facilitate continued expansion.

2. Relatively good profitability and an active policy of disposing of assets which are not absolutely necessary for the business have resulted in the Group's equity/assets ratio remaining good, despite many acquisitions. As a consequence, it is believed that the capital necessary for further expansion can be raised.

3. Dividends received from abroad are estimated to be adequate to cover the dividends that AB Electrolux pays to its shareholders. This means that the parent company's profits can be used for purposes of consolidation and for financing continued expansion.

4. Expansion is expected in several lines of business:

– The Group's household appliances will be favourably affected by the cost-reducing co-ordination of Electrolux and Husqvarna. This co-ordination is taking place in stages and will have its full impact on the results in 1979. Cleaning machine sales and profits are expected to rise.

– Husqvarna's business has improved, especially in the latter half of 1978. Although profitability is low, steps are being taken to improve it. The sewing machine division has problems which management is endeavouring to solve.

– The Facit group reported a 1978 result better than forecast at the beginning of the year. The improvement in results is expected to continue.

– The prospects for chain saws look promising. Underlying this are the purchase of Partner and Jonsereds and the acquisition of Skil's consumer saw business in the USA. This has created ideal conditions for the production and selling of chain saws competitively in world markets.

– The production facilities in the two largest French factories are being modernised while the production of the new generations of gas cookers and washing machines has commenced. This is expected mainly to benefit the results of Usines et Fonderies Arthur Martin S.A., which have so far not been satisfactory.

– Therma, in Switzerland, is being restructured, which is expected to lead to steady improvements in profitability.

For 1979, Group sales including those of Jonsereds are forecasted to be more than Mkr 13,000. Provided there is no serious world oil crisis and no drastic changes in foreign exchange rates, the Consolidated Operating Result from current operations after depreciation and before taxes is expected to increase by 10% in 1979.

Ten-Year Review

(Amounts in Mkr, except where otherwise stated)

	1978 ¹⁾	1977 ⁵⁾	1977 ⁵⁾	1976 ²⁾	1975	1974 ³⁾	1973 ⁴⁾	1972	1971	1970	1969
Sales and operating result											
Sales	12,023	9,239	9,239	7,646	6,425	5,536	4,182	2,491	2,122	1,869	1,583
% increase	30.1	20.8	20.8	19.0	16.1	32.4	67.9	17.4	13.5	18.1	19.3
Operating result after depreciation ⁵⁾	945	782	733	603	491	556	394	250	160	128	103
Profitability											
Result as shown above as % of sales	7.9	8.5	7.9	7.9	7.6	10.0	9.4	10.0	7.6	6.9	6.5
Return on capital employed ⁶⁾ , %	11.3	12.0	11.9	12.1	10.5	13.3	12.3	12.4	9.6	8.2	8.2
Return on equity ⁷⁾ , %	14.7	16.3	15.8	15.0	13.1	16.6	17.7	13.0	8.2	6.7	6.5
Adjusted profit per share, Skr ⁸⁾	17:10	14:70	13:45	11:50	8:85	11:25	9:10	6:05	3:65	2:85	2:70
Dividend per share, Skr, adjusted for share issues ⁹⁾	6:25	5:25	5:25	4:58	4:16	3:82	3:47	2:77	2:22	1:77	1:56
Financial position											
Balance sheet total	9,078	6,965	6,627	5,424	5,103	4,511	3,430	2,161	1,809	1,702	1,541
of which shareholders' equity	2,638	2,243	2,118	1,645	1,478	1,305	1,308	989	900	855	829
Equity/assets ratio ¹⁰⁾ , %	29.1¹¹⁾	32.2	32.0	30.3	29.0	28.9	38.1	45.8	49.7	50.2	54.5
Other information											
Investments in real property, machinery, equipment and tools	863	448	448	452	414	348	260	134	83	111	108
of which opening value in companies acquired during the year	304	9	9	100	74	17	52	27	7	8	13
Number of employees	75,600	69,500	69,500	71,600	65,900	63,500	51,100	35,600	33,600	32,700	29,200
Wages, salaries and other remuneration	3,474	2,975	2,975	2,345	2,064	1,778	1,374	798	707	658	554
Number of shareholders	41,000	39,000	39,000	35,000	35,000	32,000	29,000	20,000	18,000	18,000	15,000

From and including 1976 the consolidated financial statements have been drawn up using the purchase method.

¹⁾ The Husqvarna and Therma groups and Partner are included from 1978.

²⁾ The Martin group and Tornado are included from 1976.

³⁾ National Union Electric Corporation (NUE), USA, is included from 1974.

⁴⁾ The Facit group is included from 1973.

⁵⁾ Assets are depreciated according to plan from and including 1978. For purposes of comparison the 1977 figures are shown in two columns, the first with depreciation according to plan and the second with calculated depreciation.

⁶⁾ The result after depreciation plus financial income, expressed as a percentage of the total assets shown in the balance sheet.

⁷⁾ The result after net financial items, less the estimated tax liability, expressed as a percentage of the opening equity for the year, calculated as the sum of the shareholders' equity in the accounts plus 50% of untaxed reserves.

⁸⁾ For the calculation of the adjusted profit after tax see Note 6 on page 21.

⁹⁾ For 1978, as proposed by the Board of Directors. The dividend per share figures have been adjusted for share splits and bonus issues.

¹⁰⁾ Shareholders' equity plus 50% of untaxed reserves in relation to the balance sheet total.

¹¹⁾ If all the debentures were converted the equity/assets ratio would rise to 32.0%.

Accounting principles

Principles of Consolidation

General

The consolidated accounts include AB Electrolux and all the companies in which AB Electrolux indirectly or directly owned at the year-end more than 50% of the voting rights attached to the total share capital or participation certificates.

In addition, the accounts include those companies which are 50% owned by the Group and where it has been agreed that the Group and the other owner(s) may only make joint decisions concerning the matters of the jointly owned company. The operating results of these companies amounted to 1.5% of the consolidated operating result after depreciation.

The income statements and balance sheets of the foreign subsidiary companies have been translated at the exchange rates prevailing on the balance sheet date.

Minority interests relate to the proportion of the taxed shareholders' equity owned by minority shareholders.

The number of active companies in the Group on December 31, 1978, was 255 (216). The total number of companies in the Group at the end of the year was 433 (366).

There were minority interests on December 31, 1978, in 103 (86) active subsidiary companies.

Purchase method

From and including 1976 the purchase method is used in drawing up the consolidated accounts. The method is applied as follows:

The purchase values of shares and participation certificates have been eliminated against the existing taxed and untaxed equity of the acquired company at the time of acquisition. The difference remaining after this procedure is then allocated to machinery and equipment and real property on the basis of the available accounting records. Insofar as this difference in value cannot be allocated to any specific type of asset, it is shown as goodwill. These values have then been adjusted for depreciation be-

fore January 1, 1976, viz. as if the purchase method had been applied from the date of acquisition until January 1, 1976. In the case of companies acquired more than 10 years ago, a simpler procedure has been followed in accordance with the recommendations for the preparation of consolidated financial statements issued by the Swedish Authorised Public Accountants' Association. This method assumes that the parent company's book value of the shares in these companies represents the acquisition value of the shares in question, and thus corresponds to the acquired shareholders' equity.

In cases where the acquisition took place at a price below the equity of the acquired company, the difference is shown as negative goodwill. This situation has arisen where the acquired companies did not show satisfactory profitability at the time of acquisition and were only expected to meet the Group's profitability requirements after a number of years. The booked negative goodwill is reversed annually by an amount corresponding to the sub-normal results forecast for the company at the time of acquisition, based on the Group's profitability requirements. The reason for basing this reversal of negative goodwill on the forecast and not on the actual results is that the latter, depending on the extent to which the acquired company is structurally reorganized, can be difficult to quantify.

The negative goodwill shown in previous annual reports related to Facit, which was acquired in 1973. In accordance with what was then regarded as good accounting practice this negative goodwill was reversed at the same rate as depreciation on goodwill, viz. 10% per year. As a retroactive change in this principle is not practicable, this negative goodwill item continues to be reversed in accordance with the earlier principle.

The following accounting principles have been applied in drawing up the consolidated balance sheet and the consolidated income statement:

a) The equity shown in the books of the subsidiary at the time of acquisition has been eliminated.

b) Real property, machinery and equipment have been depreciated on adjusted values, i.e. the historical costs as seen from the Group's point of view. See below under »Depreciation».

c) Goodwill has been depreciated at an annual rate of 10%. Negative goodwill arising before 1977 has been treated in a corresponding way, i.e. the amount has been reversed by 1/10 annually. Negative goodwill arising in 1978 has been reversed by an amount corresponding to the sub-normal result forecast for the acquired company at the time of acquisition. See above.

d) Companies acquired during the year have been treated as if they had belonged to the Group for the whole year, but the profit made by the company in the pre-acquisition period is shown as a special deduction in the income statement.

e) 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 property, machinery and equipment, and goodwill, the net method has been used for showing the contingent tax liability.

f) Depreciation on goodwill is shown under »Depreciation», while the reversal of negative goodwill is included in the operating result before depreciation.

As the net method was previously used to show these items the comparative figures for 1977 have been adjusted for purposes of comparability between the years.

The residual amount in respect of goodwill is shown as a separate item in the consolidated balance sheet. The outstanding negative goodwill is shown among »Other long-term liabilities».

In accordance with the above method, negative goodwill of Mkr 85.6 and Mkr 12.8 respectively arose through the acquisitions of Husqvarna and Therma. Of these amounts, and applying the above principles, negative goodwill of Mkr 24.5 for Husqvarna and Mkr 4.4 for Therma have been reversed and are included under »Manufacturing, selling and administrative expenses», while Mkr 25.3 in respect of Husqvarna is included under »Extraordinary expenses». As a consequence of this procedure, profits of Mkr 19.5 and Mkr 2.7 respectively for Husqvarna and Therma are included in the »Result of current operations before taxes».

Depreciation on buildings, machinery and equipment, etc

From and including 1978, the Group depreciates its assets according to plan, instead of on a calculated basis. The assets are depreciated according to a plan, which is based on the historical cost of the assets (regardless of possible write-downs against investment or similar reserves) and their estimated economic life. Buildings are generally depreciated by 2–4% per year. Machinery and equipment are depreciated at annual rates between 7% and 20%. Cars are depreciated at 20–25% per year. With the object of eliminating the effects of different depreciation rules in different countries, production tools are depreciated in accordance with uniform standards at an annual rate of 33.3%.

Where assets have been revalued, in connection with the preparation of the consolidated balance sheet to the estimated historical cost for the Group, depreciation is based on the adjusted values.

In connection with the conversion to depreciation according to plan the 1977 figures have been adjusted for purposes of comparability.

Calculated depreciation is based on the estimated replacement cost of the assets. The depreciation rates are gener-

ally the same as for depreciation according to plan. Calculated depreciation is used by the manufacturing units for cost estimating, etc.

The difference between calculated depreciation and depreciation according to plan is primarily an expression of the increased capital requirements necessitated by rising prices when the assets are replaced.

Depreciation in excess of plan is the difference between depreciation according to plan and the depreciation charged in accordance with the fiscal legislation and practice in the various countries. This last item includes depreciation on the written-up values of revalued fixed assets. Depreciation in excess of plan during the year is shown together with depreciation charged against the investment and similar reserves as an appropriation in the income statement, and is included in the balance sheet under »Accumulated depreciation in excess of plan», in respect of machinery, equipment and tools. Accumulated depreciation in excess of plan on real property is netted off against revaluations.

Valuation of inventories

Inventories have been valued at the lowest of acquisition cost in accordance with the first-in first-out (FIFO) method, replacement cost or their actual value. The necessary reserves have been set aside for obsolescence.

Some American companies apply the last-in first-out (LIFO) method for determining the book value of their inventories. The consolidated financial statements of the Electrolux Group are drawn up, wherever possible, in accordance with Swedish accounting practice. In order to obtain uniform principles throughout the Group the effect of using the LIFO method compared with the FIFO method used by Electrolux is shown in the accounts as a general inventory reserve.

Foreign currency receivables and liabilities

Parent company

Current receivables and liabilities have been translated at the exchange rates prevailing at the balance sheet date, while long-term liabilities have been translated at the higher of the rates on the day the liability was incurred or the balance sheet date. Unrealised foreign exchange losses and profits have been netted off against each other. The loss arising has been charged against the operating result.

Long-term foreign currency receivables have been shown at the lower of the rates on the day the claim arose or the balance sheet date.

Group

The Swedish subsidiary companies apply the same principles as the Parent company when valuing their foreign currency receivables and liabilities.

In the case of foreign subsidiary companies, receivables and liabilities in other currencies than their own have been translated in accordance with local legislation and practice, generally at the rates prevailing on the balance sheet date.

The result of AB Electrolux includes a foreign exchange profit of Mkr 13.3 (1977 loss of Mkr 34.3) arising from the US\$ loan raised in connection with the acquisition of NUE. However, as NUE's equity has declined by a corresponding amount in 1978 because the subsidiary companies' balance sheets were translated at the rate on the balance sheet date, the above-mentioned profit was eliminated on consolidation.

Foreign exchange losses on external long-term borrowing by the Group amounted to Mkr 8.6 (52.3) in 1978.

Income Statements and Balance Sheets

The following income statements and balance sheets together with the accompanying notes and additional information form an integral part of the annual report.

Electrolux Group – consolidated income statement

(Amounts in Mkr)	1978	1977
Operating income and expenses		
Sales (Note 1)	12,022.8	9,238.8
Manufacturing, selling and administrative expenses (Note 2)	<u>-10,720.6</u>	<u>-8,168.3</u>
Operating result before depreciation	1,302.2	1,070.5
Depreciation according to plan		
Goodwill (Note 3)	- 24.7	- 18.2
Machinery, equipment and tools (Note 4)	-293.4	-237.6
Buildings (Note 4)	- 38.0	- 32.3
Land and other real property (Note 4)	<u>- 0.8</u>	<u>- 0.6</u>
Operating result after depreciation (Note 5)	<u>945.3</u>	<u>781.8</u>
Financial income and expenses		
Dividends on shares and participations	0.4	0.5
Share of results of partly-owned companies	4.5	- 0.7
Interest income	<u>78.3</u>	<u>56.1</u>
Interest paid on pension liabilities	- 34.2	- 19.2
Other interest expenses	<u>-317.8</u>	<u>-240.2</u>
Result of current operations before taxes (Note 6)	<u>676.5</u>	<u>578.3</u>
Extraordinary income and expenses (Note 7)	<u>151.4</u>	<u>- 16.1</u>
Result before appropriations and taxes	<u>827.9</u>	<u>562.2</u>
Appropriations		
Depreciation in excess of plan (Note 4)	- 72.6	- 58.1
Change in inventory reserves	- 74.4	30.5
Change in other financial reserves (Note 8)	- 4.8	- 11.8
Other appropriations (Note 9)	<u>- 1.8</u>	<u>- 9.0</u>
Profit before taxes	<u>674.3</u>	<u>513.8</u>
Taxes	<u>-263.5</u>	<u>-197.2</u>
Profit after taxes	<u>410.8</u>	<u>316.6</u>
Less: Net result for the pre-acquisition period of companies acquired during the year	- 10.2	- 2.8
Minority interests	<u>- 7.6</u>	<u>- 6.4</u>
Net profit	<u>393.0</u>	<u>307.4</u>

Electrolux Group – consolidated

Assets (Amounts in Mkr)	December 31, 1978		December 31, 1977	
Current assets				
Cash and bank deposits	285.5		192.2	
Short-term investments	33.0		60.9	
Bills receivable	<u>268.6</u>	587.1	<u>127.8</u>	380.9
Trade accounts receivable	2,281.0		1,696.3	
Pre-paid expenses and accrued income	96.8		56.0	
Other receivables	<u>302.1</u>	2,679.9	<u>191.5</u>	1,943.8
Inventories		3,373.0		2,753.7
Advance payments to suppliers		<u>18.4</u>		<u>17.4</u>
		<u>6,658.4</u>		<u>5,095.8</u>
Blocked accounts at Central Bank of Sweden for investment reserves, etc				
		<u>18.5</u>		<u>19.1</u>
Fixed assets				
Shares and participations (Note 10)		53.3		15.3
Long-term receivables		229.2		112.4
Leases, etc.	4.2		2.2	
Goodwill (Note 11)	<u>141.7</u>	145.9	<u>139.5</u>	141.7
Fixed plant under construction (Note 12)	47.6		38.0	
Machinery, equipment and tools (Note 13)	1,011.3		801.0	
Buildings (Note 14)	739.6		597.9	
Land and other real property (Note 15)	<u>173.9</u>	1,972.4	<u>143.7</u>	1,580.6
		<u>2,400.8</u>		<u>1,850.0</u>
Total assets		<u>9,077.7</u>		<u>6,964.9</u>
Pledged assets:				
Property mortgages		461.7		316.5
Floating charges		501.0		216.0
Other		1.3		20.9
of which: (Bonds and securities, etc)				(0.3)
(Receivables)		(1.3)		(16.4)
(Shares)				(4.2)

Balance sheet

Liabilities and shareholders' equity (Amounts in Mkr)	December 31, 1978		December 31, 1977	
Current liabilities				
Bills	140.4		124.5	
Suppliers	733.9		570.2	
Tax payable	83.5		160.9	
Accrued expenses and deferred income	563.8		438.3	
Bank loans, etc	1,250.4		793.5	
Other current liabilities	648.8		423.1	
Advance payments from customers	<u>82.4</u>	<u>3,503.2</u>	<u>59.7</u>	<u>2,570.2</u>
Long-term liabilities				
Debenture loans	134.5		136.1	
Bond loans	52.5		29.7	
Mortgage loans, promissory notes	896.1		853.5	
Other long-term liabilities	<u>454.4</u>	<u>1,537.5</u>	<u>284.5</u>	1,303.8
Pensions provisions				
Pensions Registration Institute	468.7		342.9	
Other pensions provisions	<u>178.0</u>	<u>646.7</u>	<u>88.7</u>	<u>431.6</u>
		<u>2,184.2</u>		<u>1,735.4</u>
Convertible debenture loans (Note 16)		<u>268.0</u>		<u>0.0</u>
Untaxed reserves				
Inventory reserves		519.4		449.7
Accumulated depreciation in excess of plan (Note 17)		309.0		251.0
Investment reserves (Note 18)	21.9		20.8	
Special investment reserves (Note 19)	1.3		1.6	
Work environment reserves (Note 20)	<u>7.0</u>	<u>30.2</u>	<u>19.7</u>	<u>42.1</u>
		<u>858.6</u>		<u>742.8</u>
Minority interests		<u>54.8</u>		<u>44.6</u>
Shareholders' equity (Note 21)				
Restricted equity				
Share capital				
1,000,000 »A» shares à Skr 50				
18,284,000 »B» shares à Skr 50	964.2		803.5	
Restricted reserves	<u>379.0</u>	<u>1,343.2</u>	<u>440.3</u>	1,243.8
Non-restricted equity				
Non-restricted reserves	472.7		320.7	
Net profit	<u>393.0</u>	<u>865.7</u>	<u>307.4</u>	<u>628.1</u>
		<u>2,208.9</u>		<u>1,871.9</u>
Total liabilities and shareholders' equity		<u>9,077.7</u>		<u>6,964.9</u>
Guarantees and contingent liabilities (of which discounted bills)		242.8 (59.0)		229.0 (62.9)

Electrolux – statement of sources and use of consolidated funds

(Amounts in Mkr)	1978	1977
Sources of funds		
Internally generated funds*)	594.2	558.3
Sales of fixed assets	342.9	44.7
Increase in long-term liabilities, including convertible debentures	724.6	157.1
	1,661.7	760.1
Use of funds		
Investments in real property, machinery, equipment and tools	863.1	448.5
Investments in other fixed assets	156.8	17.0
Changes in group structure, etc	12.2	- 97.4
	1,032.1	368.1
Change in working capital	629.6	392.0
Specification of change in working capital		
Increase in inventories	+619.3	+631.1
Increase in current receivables	+737.1	+306.6
Increase in current liabilities	- 933.0	- 584.3
Increase in liquid assets	+206.2	+ 38.6
	+629.6	+392.0
*) Specification of internally generated funds		
Profit before taxes and capital gains	+601.4	+552.2
Depreciation on real property, machinery, equipment and tools	+332.2	+270.5
Depreciation on goodwill	+ 24.7	+ 18.2
Taxes	- 263.5	- 197.2
Dividend	- 101.2	- 88.4
Withdrawals from blocked accounts for investment reserves	+ 0.6	+ 3.0
	+594.2	+558.3

Notes on the consolidated financial statements

(Amounts in Mkr.)

Note 1 Sales

This item refers to sales excluding value added and sales taxes.

Note 2 Manufacturing, selling and administrative expenses

This item includes reversal of negative goodwill, Mkr 48.2 (17.0). See Accounting Principles on page 15.

Note 3 Depreciation, goodwill

Goodwill arising from the application of the purchase method is depreciated at an annual rate of 10%.

Note 4 Depreciation according to plan/depreciation in excess of plan

For depreciation according to plan see Accounting Principles on page 16. The difference between depreciation according to plan and fiscal depreciation is shown below.

	1978	1977
Machinery, equipment and tools		
Depreciation according to plan	293.4	237.6
Fiscal depreciation	-356.2	-288.8
Reversal of depreciation in excess of plan on sold assets	13.3	—
Difference	- 49.5	- 51.2
Buildings		
Depreciation according to plan	38.0	32.3
Fiscal depreciation	- 43.5	- 39.1
Non-depreciated part of revaluation relating to sold building	- 3.6	—
Difference	- 9.1	- 6.8
Land and other real property		
Depreciation according to plan	0.8	0.6
Fiscal depreciation	- 0.9	- 0.7
Non-depreciated part of revaluation relating to sold land	- 13.9	—
Difference	- 14.0	- 0.1
Total difference	- 72.6	- 58.1

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

The calculated depreciation in 1978 was Mkr 409.5, compared with Mkr 318.9 in 1977. In 1978 the difference between depreciation according to plan and calculated depreciation was Mkr 77.3, of which newly-acquired companies accounted for Mkr 20.1. In 1977, the corresponding difference was Mkr 48.4.

Note 5 Operating result after depreciation

The breakdown of the operating result after depreciation by product line is shown in the following table:

	1978	1977
Household appliances, cleaning and sewing machines	677.1	609.9
Industrial products	33.0	56.0
Office products	82.2	57.4
Motor products	58.9	—
Commercial cleaning and services	46.1	39.8
Other products	48.0	18.7
	945.3	781.8

Note 6 Adjusted profit

in Swedish kronor per share

	1978	1977
Result of current operations	676.5	578.3
Result of acquired companies relating to pre-acquisition period	- 11.5	- 7.2
Minority interests	- 11.0	- 10.0
Adjusted pre-tax profit	654.0	561.0
Tax at 50%	-327.0	-280.5
Tax reduction on 1975 and 1976 share issues (Annell allowance)	+ 3.0	+ 3.0
Adjusted profit after tax	330.0	283.6
Profit in kronor per share (19,284,000 in issue)	17:10	14:70

Note 7 Extraordinary income and expenses

	1978	1977
Sales of fixed assets		
Capital gains	214.9	14.1
Capital losses	- 6.2	- 13.3
Other extraordinary income	22.5	—
Other extraordinary expenses	- 79.8	- 16.9
	151.4	- 16.1

The capital gains on the sale of real property relate mainly to the head office building on Lilla Essingen (Mkr 110.1), real property in Husqvarna (Mkr 40.4), and activities of Husqvarna (Mkr 58.5).

Other extraordinary expenses include provisions for early pensions (Mkr 23.6), provisions for guarantees issued on behalf of one of Facit AB's agents (Mkr 37.2), closure expenses at the factories in the Netherlands (Mkr 5.4) and Gothenburg, Sweden (Mkr 2.9), and the expenses of share issues (Mkr 7.0). Extraordinary income includes the sale of assets of AB Gårdscisterner (Mkr 19.9).

In addition, the total includes Husqvarna's extraordinary expenses of Mkr 25.3 for early pensions and closure expenses, together with the corresponding reversal of negative goodwill for the same amount. See Accounting Principles on page 15.

Note 8 Changes in other financial reserves

All the companies in the Group apply uniform methods in principle when calculating inventory obsolescence, doubtful accounts, guarantees, etc, regardless of local tax rules. However, in some countries, further transfers are permitted. These are shown in the consolidated income statement under the above heading. These transfers are shown in the balance sheet half as shareholders' equity and half as contingent tax liabilities, among other long-term liabilities.

Note 9 Other appropriations

Utilized funds from:

	Machinery	Real property	Overhead investments	Total
Investment reserves	—	2.1	0.2	2.3
Special investment reserves	—	0.2	—	0.2
Work environment reserves	7.9	3.2	1.6	12.7
	7.9	5.5	1.8	15.2
Depreciation charged against reserves	-8.5	-5.5		-14.0
Transfers to investment reserves, net				- 3.0
Other appropriations				- 1.8

Note 10 Shares and participations

	Number	Percentage holding	Nominal value	Book value
Shareholdings of AB Electrolux as shown in list on page 29				1.4
Consolidated revaluation of the above using equity accounting method				1.1
Facit Asia Ltd, India	41,200	39.2	2.2	2.4
Arno S.A., Brazil	35,436,689	12.8	7.4	35.7
Lepper-Dominit Transformatoren GmbH, Western Germany	1	2.0	1.4	1.9
Société de HLM, France	7,498	22.0	0.8	0.8
Other				10.0
				53.3

Note 11 Goodwill

Residual amounts in respect of goodwill arising through the application of the purchase method of consolidation. See Accounting Principles on page 15.

Note 12 Fixed plant under construction

	1978	1977
Opening book value at January 1	38.0	76.4
Net change during year	20.6	- 43.0
Corrections arising from changes in translation rates, sales, etc	- 11.0	4.6
Closing book value at December 31	47.6	38.0

Note 13 Machinery, equipment and tools

	1978	1977
Acquisition value	2,456.0	1,881.3
Accumulated depreciation according to plan	-1,444.7	-1,080.3
Residual value according to plan	1,011.3	801.0
Accumulated depreciation in excess of plan	- 309.0	- 251.0
Net book value	702.3	550.0

Acquisition values of assets acquired prior to 1977 are in some cases based on reasonable estimates.

Note 14 Buildings

	1978	1977
Acquisition value (excluding revaluations)	1,018.1	729.2
Accumulated depreciation according to plan	- 423.9	- 271.0
Residual value according to plan	594.2	458.2
Accumulated depreciation in excess of plan	- 81.0	- 82.7
Non-depreciated part of revaluation	226.4	222.4
Net book value	739.6	597.9

Note 15 Land and other real property

	1978	1977
Acquisition value (excluding revaluations)	110.5	95.8
Accumulated depreciation according to plan	- 6.2	- 5.4
Residual value according to plan	104.3	90.4
Accumulated depreciation in excess of plan	- 0.6	- 0.5
Non-depreciated part of revaluation	70.2	53.8
Net book value	173.9	143.7

Note 16 Convertible debenture loans

See Note 12 on the financial statements of AB Electrolux.

Note 17 Accumulated depreciation in excess of plan

	1978	1977
Opening value at January 1	251.0	196.3
Depreciation in excess of plan	62.8	51.2
Depreciation charged against reserves	8.5	3.5
Sold equipment	- 13.3	—
Closing value at December 31	309.0	251.0

Depreciation in excess of plan relates entirely to machinery, equipment and tools.

Note 18 Investment reserves

	1978	1977
Opening value at January 1	20.8	14.3
Transfers, net	3.0	9.7
Depreciation charged against reserves	- 2.3	- 4.0
Miscellaneous	0.4	0.8
Closing value at December 31	21.9	20.8

Note 19 Special investment reserves

	1978	1977
Opening value at January 1	1.6	13.9
Depreciation charged against reserves	- 0.2	-12.2
Miscellaneous	- 0.1	- 0.1
Closing value at December 31	1.3	1.6

Note 20 Work environment reserves

	1978	1977
Opening value at January 1	19.7	26.7
Depreciation charged against reserves	-12.7	- 7.0
Closing value at December 31	7.0	19.7

Note 21 Shareholders' Equity

	Share capital	Restricted reserves	Non-restricted reserves	Net profit	Total
Opening value at January 1	803.5	440.3	320.7	307.4	1,871.9
Transfer of 1977 profit	—	—	307.4	-307.4	—
Revaluation of fixed assets	—	53.9	—	—	53.9
Increase in share capital	160.7	-160.7	—	—	—
Transfers between reserves	—	32.8	- 32.8	—	—
Dividend	—	—	-101.2	—	-101.2
Miscellaneous adjustments including changes in exchange rates	—	12.7	- 21.4	—	- 8.7
Net profit for 1977	—	—	—	393.0	393.0
Closing value at December 31	964.2	379.0	472.7	393.0	2,208.9

AB Electrolux income statement

(Amounts in Mkr)

1978

1977

Operating income and expenses

Sales (Note 1)		1,596.5		1,496.4
Manufacturing, selling and administrative expenses		<u>-1,441.4</u>		<u>-1,387.4</u>
Operating result before depreciation		155.1		109.0
Depreciation according to plan				
Patents	- 0.2		- 0.3	
Goodwill	- 0.5		- 0.5	
Machinery, equipment and tools (Note 2)	- 60.4		- 58.4	
Buildings (Note 2)	- 5.8		- 6.4	
Land and other real property (Note 2)	- 0.2	<u>- 67.1</u>	<u>- 0.2</u>	<u>- 65.8</u>
Operating result after depreciation		88.0		43.2

Financial income and expenses

Royalties from subsidiary companies	12.1		10.7	
Dividends on shares and participations in subsidiary companies (Note 3)	83.9		115.3	
Dividends on other shares and participations	0.1		0.1	
Interest income from subsidiary companies	23.3		10.1	
Other interest income	<u>25.7</u>	145.1	<u>10.2</u>	146.4
Interest paid to subsidiary companies	- 15.8		- 14.0	
Interest on pensions provisions	- 10.1		- 8.9	
Other interest expenses	<u>- 90.0</u>	<u>-115.9</u>	<u>- 62.1</u>	<u>- 85.0</u>
Result of current operations before taxes		117.2		104.6

Extraordinary income and expenses (Note 4)

Result before appropriations and taxes		<u>90.1</u>		<u>- 6.9</u>
		207.3		97.7

Appropriations

Depreciation in excess of plan (Note 2)	- 41.1		- 23.6	
Change in inventory reserve	- 35.0		- 5.0	
Group contributions to and from Swedish subsidiary companies (Note 5)	26.7		76.0	
Utilized from work environment reserve	1.1		0.2	
Utilized from special investment reserve	0.0		—	
Change in reserve for unrealised inventory profits of foreign subsidiary companies (Note 6)	<u>2.6</u>	<u>- 45.7</u>	<u>- 3.3</u>	<u>44.3</u>
Profit before taxes		161.6		142.0
Taxes		<u>- 35.5</u>		<u>- 24.0</u>
Net profit		126.1		118.0

AB Electrolux

Assets (Amounts in Mkr)	December 31, 1978		December 31, 1977	
Current assets				
Cash and bank deposits	57.6		24.5	
Debentures of AB Electrolux	0.1		0.5	
Bills receivable	<u>9.0</u>	66.7	<u>11.6</u>	36.6
Receivables				
Customers	40.9		55.8	
Subsidiary companies	705.7		600.1	
Pre-paid expenses and accrued income	15.2		3.6	
Other receivables	<u>48.8</u>	<u>810.6</u>	<u>43.9</u>	703.4
Tax receivable		—		8.1
Inventories		<u>407.2</u>		<u>384.3</u>
		<u>1,284.5</u>		<u>1,132.4</u>
Blocked accounts at Central Bank of Sweden				
Investment reserve	2.7		2.7	
Special investment reserve	0.1		0.1	
Work environment reserve	<u>5.4</u>	<u>8.2</u>	<u>8.6</u>	<u>11.4</u>
Fixed assets				
Shares and participations				
Subsidiary companies (Note 7)	1,419.6		1,149.6	
Other shares and participations	<u>1.4</u>	1,421.0	<u>5.2</u>	1,154.8
Long-term receivables				
Subsidiary companies	112.4		10.1	
Other receivables	<u>111.6</u>	224.0	<u>14.8</u>	24.9
Patents	0.3		0.4	
Goodwill	<u>0.1</u>	0.4	<u>0.7</u>	1.1
Advance payments to suppliers	5.2		2.6	
Fixed plant under construction	13.3		14.7	
Machinery, equipment and tools (Note 8)	231.8		207.7	
Buildings (Note 9)	163.1		189.3	
Land and other real property (Note 10)	<u>21.0</u>	<u>434.4</u>	<u>36.5</u>	450.8
		<u>2,079.8</u>		<u>1,631.6</u>
Total assets		<u>3,372.5</u>		<u>2,775.4</u>
Pledged assets				
Property mortgages		132.3		163.4
(of which on behalf of subsidiary companies)		(28.1)		(20.1)
Floating charges		100.0		40.0
(of which on behalf of subsidiary companies)		(30.3)		(30.3)

Balance Sheet

Liabilities and shareholders' equity (Amounts in Mkr)	December 31, 1978		December 31, 1977	
Current liabilities				
Liabilities				
Subsidiary companies	100.0		134.8	
Suppliers	<u>118.5</u>	218.5	<u>118.5</u>	253.3
Tax payable		10.0		—
Accrued expenses and deferred income		77.5		76.8
Bank loans	81.1		71.5	
Other current liabilities	<u>26.0</u>	107.1	<u>30.5</u>	102.0
Advance payments from customers		<u>1.3</u>		<u>0.0</u>
		<u>414.4</u>		<u>432.1</u>
Long-term liabilities				
Subsidiary companies	312.6		169.3	
Debenture loans	123.0		135.0	
Mortgage loans, promissory notes (Note 11)	417.4		402.7	
Other long-term liabilities	<u>0.0</u>	853.0	<u>5.1</u>	712.1
Pensions provisions				
Pensions Registration Institute	144.2		125.7	
Other pensions provisions	<u>10.8</u>	155.0	<u>9.9</u>	135.6
		<u>1,008.0</u>		<u>847.7</u>
Convertible debenture loans (Note 12)		<u>268.0</u>		<u>—</u>
Untaxed reserves				
Inventory reserve		231.0		196.0
Reserve for unrealised inventory profits of foreign subsidiary companies (Note 6)		10.1		12.7
Accumulated depreciation in excess of plan (Note 13)		129.8		105.3
Investment reserve		5.7		5.7
Special investment reserve (Note 14)		0.7		0.8
Work environment reserve (Note 15)		<u>4.9</u>		<u>15.7</u>
		<u>382.2</u>		<u>336.2</u>
Shareholder's equity (Note 16)				
Restricted equity				
Share capital 1,000,000 »A» shares à Skr 50				
18,284,000 »B» shares à Skr 50	964.2*		803.5	
Legal reserve	192.8		196.8	
Revaluation reserve	—	1,157.0	<u>25.0</u>	1,025.3
Non-restricted equity				
Retained earnings	16.8		16.1	
Net profit for the year	<u>126.1</u>	142.9	<u>118.0</u>	134.1
		<u>1,299.9</u>		<u>1,159.4</u>
Total liabilities and shareholders' equity		<u>3,372.5</u>		<u>2,775.4</u>
Guarantees and contingent liabilities				
On behalf of subsidiary companies		350.8		312.1
Other		<u>36.8</u>		<u>50.8</u>
		<u>387.6</u>		<u>362.9</u>

* Of which Mkr 160.7 relates to the bonus issue decided upon by the 1978 Annual General Meeting and registered in 1979.

AB Electrolux – Statement of sources and use of funds

(Amounts in Mkr)	1978	1977
Sources of funds		
Internally generated funds*)	68.6	131.9
Sales of fixed assets	134.5	14.5
Increase in long-term liabilities including convertible debenture loans	428.3	142.3
	631.4	288.7
Use of funds		
Investments in real property, machinery, equipment and tools	95.9	84.7
Investments in other fixed assets	365.7	64.3
	461.6	149.0
Change in working capital	169.8	139.7
Specification of change in working capital		
Increase in inventories	+ 22.9	+ 64.9
Increase in current receivables	+ 99.1	+202.3
Increase/Decrease in current liabilities	+ 17.7	- 96.4
Increase/Decrease in liquid assets	+ 30.1	- 31.1
	+169.8	+139.7
*) Specification of internally generated funds		
Profit before taxes and capital gains/losses	+ 52.2	+135.1
Write-down of shares	+ 13.0	+ 9.4
Appropriations, excluding group contributions	+ 72.4	+ 31.7
Depreciation according to plan on real property, machinery, equipment and tools	+ 66.4	+ 65.0
Depreciation on goodwill	+ 0.7	+ 0.8
Taxes	- 35.5	- 24.0
Dividend	- 101.3	- 88.4
Changes in blocked accounts for investment reserves, etc	+ 0.7	+ 2.3
	+ 68.6	+131.9

AB Electrolux shareholdings and participations

Company	Number	Percentage holding	Nominal value national currency (000 s)	Book value Skr 000s
Subsidiary companies in Sweden				
Husqvarna AB, Huskvarna	816,225	98.9	Skr 81,623	97,950
Facit AB, Åtvidaberg	794,821	99.4	Skr 79,482	63,100
Electrolux-Wascator AB, Alingsås	500,000	100	Skr 50,000	50,000
ASAB Serviceföretaget, Stockholm	170,000	100	Skr 17,000	48,723
AB Ballingslövs Träförädling, Ballingslöv	90,000	100	Skr 9,000	25,200
Electrolux Constructor AB, Säffle	500,000	100	Skr 25,000	25,000
Electrolux Leasing AB, Stockholm	150,000	100	Skr 15,000	15,000
AB Partnerintressenter, Mölndal	15,000	100	Skr 1,500	13,220
AB Addo, Stockholm	112,500	100	Skr 11,250	11,250
Euroclean AB, Åmål	100,000	100	Skr 10,000	10,900
Electrolux Återförsäkrings AB, Stockholm	100,000	100	Skr 10,000	10,000
Royal Refrigeration Industries AB, Malmö	8,000	100	Skr 8,000	8,000
Växjö Rostfritt AB, Växjö	25,000	100	Skr 2,500	6,100
Electrolux Svenska Försäljnings AB, Stockholm	60,000	100	Skr 6,000	6,000
AB Elektro Helios, Stockholm	50,000	100	Skr 5,000	5,000
AB Elektroservice, Stockholm	50,000	100	Skr 5,000	5,000
Bröderna Brodd AB, Skänninge	9,000	100	Skr 900	4,815
AB Flymo, Malmö	40,000	100	Skr 4,000	4,000
B. Johansons Pappersförädling AB, Nygård	1,100	100	Skr 110	2,868
Getinge Mekaniska Verkstads AB, Getinge	18,500	100	Skr 1,850	1,850
Elektro-Helios Fastighets AB, Stockholm	1,500	100	Skr 1,500	1,500
Zig-Zag Fabriks AB, Malmköping	6,825	91	Skr 683	1,377
Curt Ejerås AB, Sundsvall	50	100	SKr 5	1,152
Inter Industri AB, Reftele	1,000	100	Skr 100	850
AB Elektro-Apparat, Alingsås	1,500	100	Skr 750	750
ETH AB, Värnamo	1,000	100	Skr 100	550
A/S Atlas Svenska Försäljnings AB, Stockholm	2,500	100	Skr 250	250
HDC Fjärrkontroll AB, Stockholm	2,000	100	Skr 200	201
AB Volta, Stockholm	2,000	100	Skr 200	200
AB Orwak, Sävsjö	1,000	100	Skr 100	100
Centralkassan AB, Stockholm	500	100	Skr 50	50
Marcustrac AB, Kristinehamn	100	100	Skr 10	10
Cisternskydd AB, Alstermo	500	100	Skr 50	7
AB Carex, Stockholm	50	100	Skr 5	5

Subsidiary companies abroad

Europe					
Austria	Electrolux GmbH, Vienna		100	ASch 28,000	2,000
Belgium	Electrolux-Martin S.A., Brussels	40,975	99.9	Bfrs 179,890	18,172
Denmark	A/S Scan-Atlas Husholdningsapparater, Copenhagen	729	100	Dkr 70,000	58,733
	Electrolux A/S, Copenhagen	270,000	100	Dkr 27,000	22,234
	A/S Vestfrost, Esbjerg	125	50	Dkr 2,430	5,000
Eire	Electrolux Ltd., Dublin	110	100	£ 0	0

Company	Number	Percentage holding	Nominal value national currency (000 s)	Book value Skr 000s	
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	25,000	100	Fmk 2,500	2,770
	Oy Liesimyynti-Spöförsäljnings Ab, Helsinki	204	51	Fmk 2,040	2,384
	Oy Electrolux-Kahete Ab, Helsinki	20,000	100	Fmk 2,000	1,887
	Oy Electrolux Yhtiöt Ab, Helsinki	598	99.7	Fmk 600	682
	Oy Tammermatic Ab, Tampere	40,000	53.3	Fmk 4,000	0
France	S.A. Electrolux, Paris	539,555	99.9	FF 53,956	51,747
	Usines et Fonderies Arthur Martin S.A., Senlis	5,136,279	64.4	FF 51,363	45,055
	Wascator S.A., Paris	7,438	99.2	FF 744	302
	Société Electro-Domestique et Grande Cuisine Arthur Martin S.A., Wasquehal	80,970	100	FF 8,097	0
	Levin France S.a.r.l., Senlis	940	94	FF 100	0
Great Britain	Electrolux Ltd., Luton	19,999,500	100	£ 20,000	263,200
	Electrolux Associated Companies Ltd., Luton	4,333	100	£ 4,333	28,839
Italy	Flymo S.p.A., Brescia	24,999	100	Lit 24,999	209
	Electrolux S.p.A., Milan	59,984	100	Lit 2,999,200	0
	Italwascator S.p.A., Milan	199,999	100	Lit 200,000	0
Luxembourg	Electrolux-Kreft S.a.r.l., Vianden	49,444	98.9	FLux 49,444	6,505
Netherlands	Flymo B.V., Diemen		100	Fl 25	6,400
	Electrolux Nederland B.V., Diemen		100	Fl 4,000	5,700
	Electrolux-Quatfass B.V., Diemen		56.5	Fl 1,300	2,100
	J.F. Quatfass B.V., Diemen		100	Fl 200	300
	Elektrohelios B.V., Diemen		100	Fl 200	0
Norway	Electrolux Industrier A/S, Oslo	700	100	Nkr 10,500	16,800
	Electrolux Rengjøringsmaskiner A/S, Oslo	6,000	100	Nkr 4,500	3,600
	ISS Servisystem A/S, Oslo	12,500	50	Nkr 6,250	3,108
	Electrolux Constructor A/S, Oslo	100	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
Western Germany	Electrolux GmbH, West Berlin		99	DM 9,900	32,392
	Electrolux-Loh GmbH, Siegen		100	DM 14,600	25,301
	Electrolux GmbH, Hamburg		93.9	DM 5,635	10,754
	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, West Berlin		100	DM 750	5,089
	Euroclean GmbH, Hamburg		100	DM 2,500	0
	Flymo GmbH, Hamburg		100	DM 1,500	0
	Siegas Verwaltungs GmbH, Siegen		100	DM 20	0
North America					
Canada	Dometic Canada Ltd., Oakville	30,002	100	npv	12,812
USA	Dometic Incorporated, New York, N.Y.	150	100	npv	267,661

Company	Number	Percentage holding	Nominal value national currency (000 s)	Book value Skr 000s		
Latin America						
Argentina	S.A. Electrolux, Buenos Aires	13,000,000	100	APeso 130,000	0	
Brazil	Electrolux S.A., Sao Paulo	68,000,000	100	Cruz 68,000	7,098	
	Electrolux Servicios Ltda., Sao Paulo	4,746	94.9	Cruz 4,746	3,400	
	Electrolux Comercial e Serviços Marítimos Ltda., Sao Paulo	746	82.9	Cruz 746	300	
Colombia	Electrolux S.A., Bogotá	18,194	91	CPeso 1,819	0	
Dominican Republic	Electrolux Lagares C. por A., Santo Domingo	102	51	RD\$ 10	0	
Mexico	Electrolux S.A. de C.V., Mexico City	33,996	100	MPeso 33,996	6,075	
	Distribuidora Electrolux S.A., Mexico City	246	98.4	MPeso 25	0	
	Industrias Electrolux S.A., Mexico City	296	1.4	MPeso 296	0	
Uruguay	Electrolux S.A., Montevideo	2,660	100	UPeso 500	228	
Venezuela	C.A. Electrolux, Caracas	39,988	100	Bol 39,988	30,000	
Other regions						
Hongkong	Electrolux (Far East) Ltd., Hong Kong	4,999	100	HK\$ 50	0	
	Electrolux Services Ltd., Hong Kong	3,750	50	HK\$ 375	67	
Iran	Electrolux Iran Services Co. Ltd., Teheran	5,098	50.9	RI 5,098	0	
Japan	Electrolux Japan Ltd., Tokyo	220,000	100	Yen 220,000	3,765	
	Nesco Ltd., Tokyo	100,000	50	Yen 50,000	100	
Jordan	Electrolux Jordan Trading Co. Ltd., Amman	10,045	49	J.Din. 10	133	
Malaysia	Electrolux Malaysia Sendirian Berhad, Kuala Lumpur	500,000	50	M\$ 500	874	
New Zealand	Electrolux Ltd., Wellington	700,000	100	NZ\$ 1,400	7,000	
Thailand	Electrolux Thailand Ltd., Bangkok	14,700	49	Bath 1,470	357	
Zambia	Electrolux (Zambia) Ltd., Ndola	4,999	100	Kw 10	0	
Total shares and participations in subsidiary companies				1,419,644		
Other companies, etc						
In Sweden	Vakuumsystem AB, Solna	495	24.8	Skr 50	50	
	Handelsbolaget Svenska Dagbladets AB & Co., Stockholm	100		Skr 100	0	
	Svensk Interkontinental Lufttrafik AB (S.I.L.A.), Stockholm	9,600	0.7	Skr 960	0	
	Miscellaneous shares and participations				20	
Abroad	Ecuador	Electrolux C.A., Quito	796	19.9	Sucres 796	0
	Finland	P.P. Palvelut Oy, Tampere	24	48	Fmk 24	190
	France	GF75 – Société S.a.r.l., Paris	4		FF 70	0
	Iran	Savalux Manufacturing Co., Teheran	5,799	14.5	RI 57,990	0
		Savalux Trading Co., Teheran	144	14.5	RI 1,440	0
	Luxemburg	ADELA Investment Co. S.A.	1,292		US\$ 129	618
		SIFIDA Investment Co. S.A.	20		US\$ 100	517
	Nigeria	Electrolux Mandilas Ltd., Lagos	160,000	40	NS 160	0
	Peru	Electrolux S.A., Lima	37,706	34.3	Soles 37,706	0
		Valinka S.A., Lima	4,031	18	Soles 4,031	20
	Philippines	Technolux Equipment and Supply Corporation, Manila	150,000	30	PPeso 150	0
	Spain	Wascator Ibérica S.A., Barcelona	625	25	Ptas 625	0
Total shares and participations in other companies				1,415		

Notes on the Financial Statements of AB Electrolux

(Amounts in Mkr)

Note 1 Sales excluding value added tax

	1978	1977
Sales to non-Group customers	230.7	244.0
Sales to Group companies	1,365.8	1,252.4

Note 2 Depreciation according to plan/depreciation in excess of plan

For depreciation according to plan, see Accounting Principles on page 16. The difference between depreciation according to plan and fiscal depreciation is shown in the table below.

	1978	1977
Machinery, equipment and tools		
Depreciation according to plan	60.4	58.4
Fiscal depreciation	-80.0	-78.1
Difference	-19.6	-19.7
Buildings		
Depreciation according to plan	5.8	6.4
Fiscal depreciation	-9.8	-10.3
Non-depreciated part of revaluation relating to sold building	-3.6	-0.0
Difference	-7.6	-3.9
Land and other real property		
Depreciation according to plan	0.2	0.2
Fiscal depreciation	-0.2	-0.2
Non-depreciated part of revaluation relating to land sold	-13.9	-
Difference	-13.9	0.0
Total difference	-41.1	-23.6

Calculated depreciation in 1978 was Mkr 88.8 compared with Mkr 84.2 in 1977.

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

	1978	1977
Special investment reserve, real property	0.1	10.3
Work environment reserve, machinery and equipment	4.9	0.8
Work environment reserve, real property	2.3	3.4
	7.3	14.5

Note 3 Dividends on shares and participations in subsidiary companies

Dividends totalling Mkr 76.2 were received from foreign subsidiary companies and totalling Mkr 7.7 from Swedish subsidiary companies.

Note 4 Extraordinary income and expenses

	1978	1977
Capital gains, real property	112.1	1.4
Capital gains, shares in subsidiaries	-	5.5
Capital losses, real property	-0.2	-
Capital losses, shares in subsidiaries	-2.5	-0.0
Write-down of shares in subsidiaries	-8.0	-9.4
Write-down of shares in part-owned companies	-5.0	-
Expenses of share issues	-6.1	-0.0
Other extraordinary expenses	-0.2	-4.4
	90.1	-6.9

The write-down of shares in subsidiary companies relates to Electrolux S.p.A., Milan, Italy. The shareholding in Marcustrac AB has been written down by Mkr 1.1, which has been offset by a corresponding revaluation of the shares in Bröderna Brodd AB, Skänninge.

Note 5 Group contributions to and from Swedish subsidiary companies

Group contributions have been received from Royal Refrigeration Industries AB, ASAB Serviceföretaget, Facit AB, Electrolux-Wascator AB, AB Elektroservice, Växjö Rostfritt AB, Electrolux Constructor AB, AB Ballingslövs Träförädling, Bröderna Brodd AB and Euroclean AB.

Group contributions have been paid to Facit AB, Electrolux Återförsäkrings AB, B. Johanssons Pappersförädling AB and AB Orwak.

Note 6 Change in reserve for unrealised inventory profits of subsidiary companies

This reserve consists of the difference between the prices charged by the parent company and the manufacturing costs for such products as remained in the inventories of the receiving subsidiary companies at the year-end, less the inventory reserves of the subsidiary companies in respect of products manufactured by the parent company.

Note 7 Shares and participations, subsidiary companies

The increase between the years is partly due to share revaluations in connection with the 1978 bonus issue and partly to the acquisition of shares in new companies. See the list on page 27.

Note 8 Machinery, equipment and tools

	1978	1977
Acquisition value	457.3	423.0
Accumulated depreciation according to plan	-225.5	-215.3
Residual value according to plan	231.8	207.7
Accumulated depreciation in excess of plan	-129.8	-105.3
Net book value	102.0	102.4
Acquisitions made during the year	85.3	95.4

Note 9 Buildings	1978	1977
Acquisition value (excluding revaluations)	196.7	221.3
Accumulated depreciation according to plan	- 60.0	- 68.4
Residual value according to plan	136.7	152.9
Accumulated depreciation in excess of plan	- 65.2	- 68.6
Non-depreciated part of revaluation	91.6	26.4
Net book value	163.1	189.3
Acquisitions made during the year	9.0	21.9
Assessed value	178.3	200.3

Note 10 Land and other real property	1978	1977
Acquisition value (excluding revaluations)	13.3	14.7
Accumulated depreciation according to plan	- 1.1	- 1.0
Residual value according to plan	12.2	13.7
Accumulated depreciation in excess of plan	- 0.5	- 0.5
Revaluation	9.3	8.8
Net book value	21.0	36.5
Acquisitions made during the year	0.4	0.9
Assessed value	19.5	34.1

Note 11 Mortgage loans, promissory notes

This item includes the remaining US\$ 49 million of the long-term multi-currency loan originally of US\$ 54 million raised in 1974, with an initial duration of 5 years, in connection with the acquisition of shares in National Union Electric Corporation.

Note 12 Convertible debenture loans

This item includes the following debentures:

Debenture Loan I	Mkr 96.0	Conversion rate	Skr 107
Debenture Loan II	Mkr 33.0	Conversion rate	Skr 107
Debenture Loan III	Mkr 139.0	Conversion rate	Skr 108
Total	Mkr 268.0		

Interest at 8% per annum is payable on all the debenture loans, which corresponds after conversion to a dividend of Skr 8:60 per share currently in issue. Loans I and II mature on December 15, 1987, and Loan III on December 15, 1988, in the event of their not having been converted earlier. The first date for redemption of the loans is January 2, 1980.

Note 13 Accumulated depreciation in excess of plan

Opening value at January 1	105.3
Depreciation in excess of plan	19.6
Depreciation charged against work environment reserve	4.9
Closing value at December 31	129.8

The depreciation in excess of plan relates entirely to machinery, equipment and tools.

Note 14 Special investment reserve

Opening value at January 1	0.8
Depreciation on real property charged against reserve (see Note 2)	- 0.1
Closing value at December 31	0.7

Note 15 Work environment reserve

Opening balance at January 1	15.7
Depreciation on machinery, equipment and tools charged against reserve (see Note 2)	- 7.2
Overhead investments charged against reserves	- 1.1
Transfer to	
Electrolux-Wascator AB	- 2.0
Royal Refrigeration Industries AB	- 0.5
Closing value at December 31	4.9

Note 16 Shareholders' equity

	Share capital	Legal reserve	Revaluation reserve	Non-restricted equity
Opening balance at January 1	803.5	196.8	25.0	134.1
Bonus issue	+ 160.7	- 4.0	- 25.0	- 16.0
Dividend declared by Annual General Meeting				- 101.3
Net profit				126.1
Closing value at December 31	964.2	192.8	0.0	142.9

Note 17 Purchases from Group companies

Purchases by AB Electrolux from Group companies amounted to 29.6% of the total purchases made by the company during the year.

Our audit report on this annual report and the consolidated financial statements was submitted on April 17, 1979.

Arne Holmén
Authorized Public Accountant

Jan Nordenbäck
Authorized Public Accountant

Proposal for the Distribution of Earnings

The Group

The non-restricted equity, as shown in the consolidated balance sheet, amounted to Mkr 865.7 (628.1). An amount of Mkr 12.4 (5.4) is to be transferred to restricted equity.

AB Electrolux

The Board of Directors and the Managing Director propose that the profit for the year and the retained earnings

Skr 126,102,164

Skr 16,800,000

totalling

Skr 142,902,164

be distributed as follows:

to be paid to shareholders by way

of dividend, 6:25 per share

Skr 120,525,000

to be retained and carried forward in the new account

Skr 22,377,164

Totalling

Skr 142,902,164

We wish to take this opportunity to thank all Electrolux employees for all their efforts in 1978.

Stockholm March 21, 1979

HANS WERTHÉN
Chairman of the Board

NILS HOLGERSON

ROLF KARLSSON

KARL-GUSTAV LAGERSTRÖM

JACOB PALMSTIERNA

ÅKE T. VRETHEM

PETER WALLENBERG

GÖSTA BYSTEDT
Managing Director

/HARRY ERIKSSON

Report of the Auditors for Aktiebolaget Electrolux

We have examined the annual report, the consolidated financial statements, the accounting records and the administration by the Board of Directors and the Managing Director for the financial year 1978. The examination was carried out in accordance with generally accepted auditing standards. The accounting records have been examined continually on a test basis by the company's internal audit department which has provided us with reports on their examination.

Parent company

The annual report has been drawn up in accordance with the Swedish Companies Act.

We recommend

- that the income statement and the balance sheet be adopted,
- that the unappropriated earnings be dealt with in accordance with the proposal in the Report of the Directors, and
- that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year 1978.

The Group

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

We recommend that the consolidated income statement and the consolidated balance sheet be adopted.

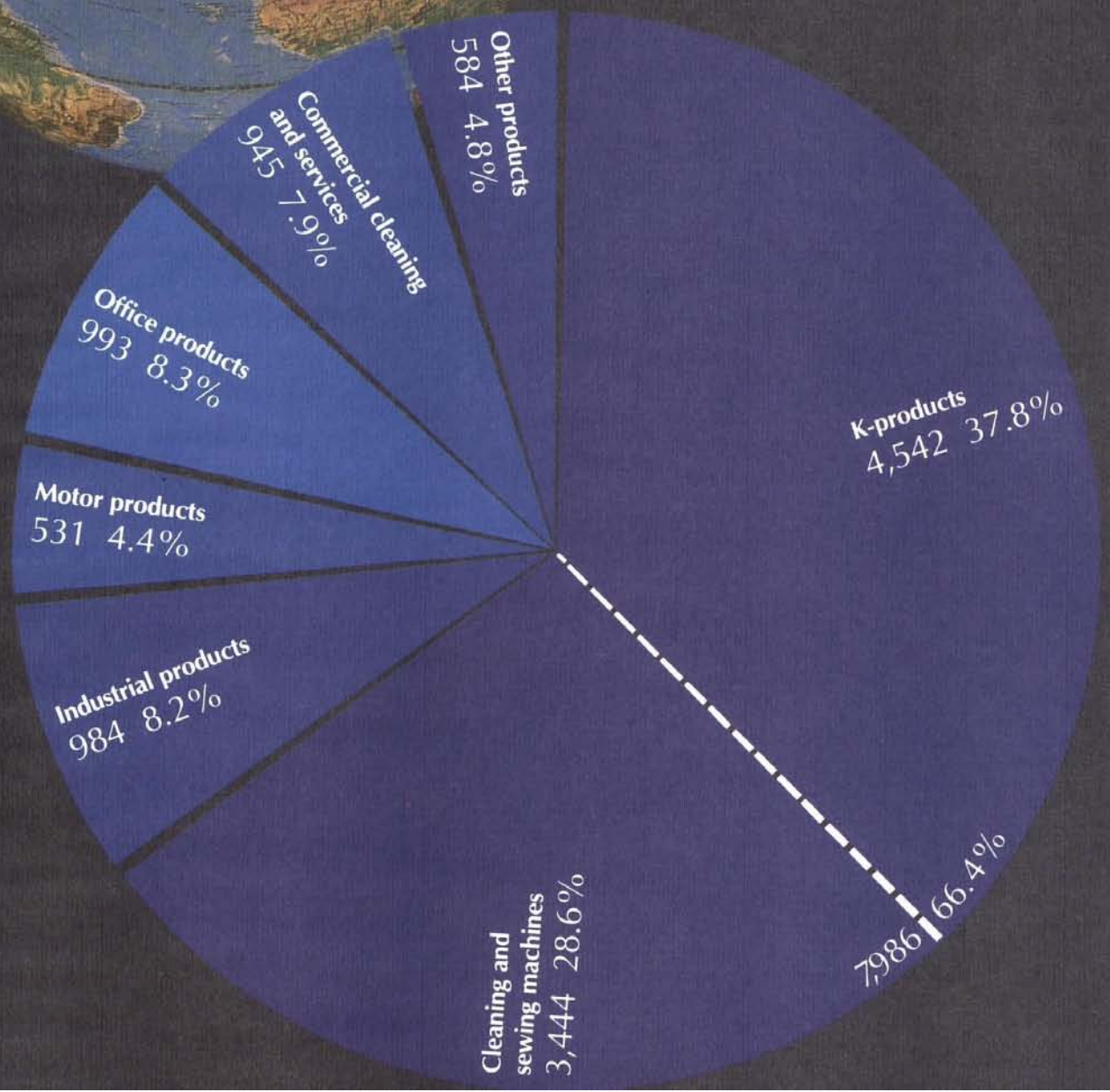
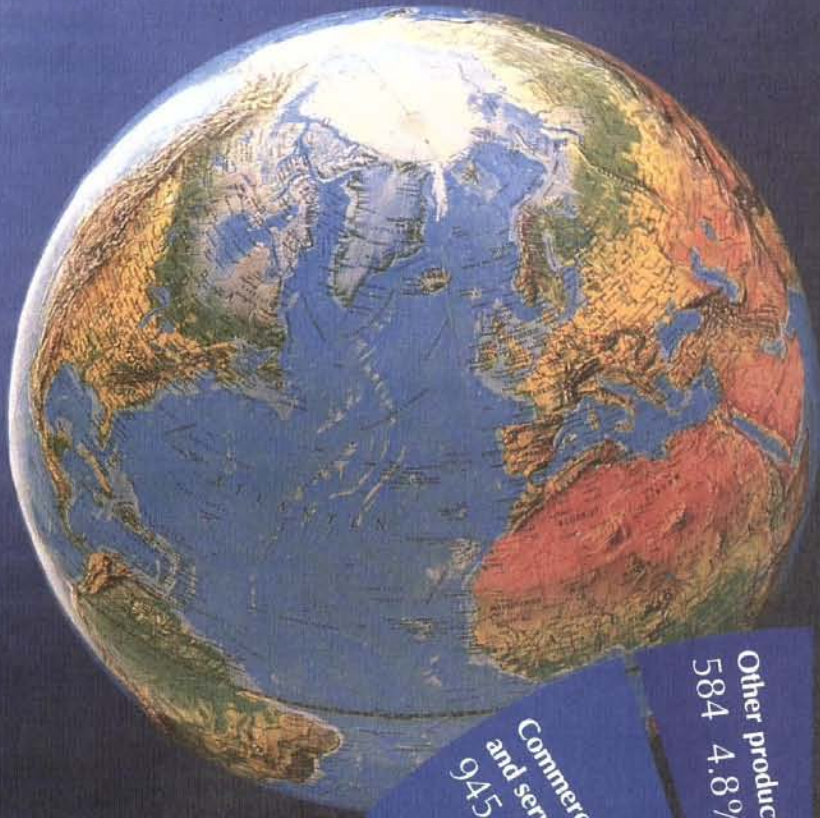
Stockholm April 17, 1979

Arne Holmén
Authorized Public Accountant

Jan Nordenbäck
Authorized Public Accountant

Products

Breakdown of Group sales by product line (Mkr)



Household appliances, cleaning and sewing machines

SALES of household appliances, cleaning and sewing machines increased by 28.0% (24.3) in 1978, and amounted to Mkr 7,986 (6,240), corresponding to 66.4% (67.6) of total Group sales. The companies acquired during the year accounted for Mkr 1,206 of the total. The operating result after depreciation was Mkr 677 (610), the equivalent of 8.5% (9.8) on sales.

K-products

K-products include a broad range of domestic consumer durable appliances such as refrigerators and freezers, cookers, dishwashers, kitchen fans, washing machines, drying tumblers, drying cabinets, caravan refrigerators, electric heaters, and kitchen fittings.

Sales of these products rose in 1978 by Mkr 1,067 (633) to reach Mkr 4,542 (3,475), the equivalent of 37.8% (37.6) of total Group sales. The sales figure includes Mkr 834 for newly-acquired companies.

As a result of continued active product development and marketing, together with acquisitions, Electrolux has further strengthened its market positions in Europe. Good sales results were achieved by the companies in Sweden, Great Britain, France and elsewhere. Electrolux is one of the world's leading companies in the household appliance industry.

The Group's position in the Nordic markets has been further strengthened through the acquisition of the Husqvarna group. The technical co-ordination of the Electrolux Group's manufacturing units has begun. Development resources have been strengthened by co-ordinating these functions. The Husqvarna brand name will be retained. Selling will continue with the company's distinct profile through separate sales channels.

K-products are marketed in Sweden under the Electrolux and Electro Helios brand names through separate sales organizations and dealer networks. The range, function and design are suited to the different channels. As the basic con-

struction of the products is common in many instances, the advantages of long-series production can be effectively utilized.

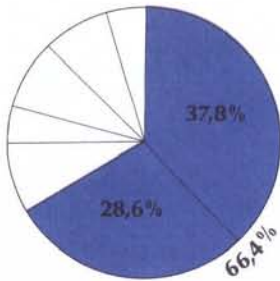
The investment in a stronger market position on the European continent has continued through such steps as the acquisition of the majority of the share capital of the well-known French company Lincoln S.A. High-quality washing machines are the dominating product in the Lincoln range. Dishwashers are also manufactured. The company has some 400 employees. The acquisition of Lincoln makes it possible to restructure and improve the efficiency of the Group's production facilities in France.

The markets covered by agents overseas have progressed well. For instance, sales in Saudi Arabia doubled.

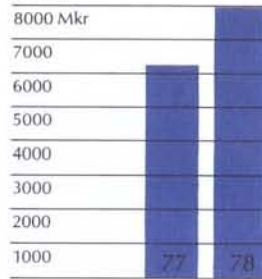
Investment in increased mechanisation and more efficient production has continued. These measures to increase efficiency are necessary if the Group is to remain competitive in the long run. Tough price competition has meant that profitability is still not satisfactory despite rationalisation and increased volumes. A broad modern product range, establishment on many large markets, together with access to well-established sales channels, and efficient production facilities make the prospects good for continued expansion and improved profitability.

Group sales of *absorption refrigerators* increased to their previous high level in the important North American market. The market share has also increased. Sales in Europe stagnated owing to a smaller total market. In North America, the refrigerators are sold under the DOMETIC brand name and in Europe under the ELECTROLUX name. These products are used mainly in caravans and for other recreational purposes. The assembly of absorption refrigerators for hotels has begun in Brazil. Good contacts with users, a strong position in the market and active product development indicate that the Group has every possibility of further consolidating its position as one of the world's largest manufacturers of these products. Profitability is satisfactory.

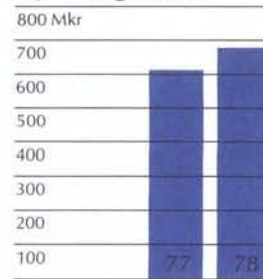




Sales



Operating result*



*after depreciation



The group markets a complete range of household appliances and kitchen fittings. This Datalux computer-controlled cooker and the other household appliances are in the "Copper Line". The fittings, from Ballingslöv, an Electrolux company, are the Allmoge model in deal.

The total market for *kitchen fittings* stagnated last year in the dominant Scandinavian market. The Group's sales indicate an increased demand for higher-quality fittings. The products are manufactured by Ballingslövs Träförädling in Sweden and by Scan-Atlas in Denmark.

Through the acquisition of the Husqvarna group, Electrolux has further consolidated its position as one of Europe's leading manufacturers of *commercial refrigeration products*. This product line includes large refrigeration units, deep freeze counters, and similar products for commercial use. Although profitability improved during the year, it is still unsatisfactory. The necessary co-ordination and structural improvements on the production side have commenced.

Domestic and commercial cleaning machines

This product group includes domestic vacuum-cleaners, domestic floor-polishers and industrial and commercial cleaning machines.

Sales of these products amounted to Mkr 3,072 (2,765), corresponding to 25.6% (29.9) of total Group sales.

The Electrolux Group achieved good sales results during the year. It sold a total of 5.5 million (5.3) vacuum-cleaners and floor-polishers. The Group has defended and consolidated its position as one of the world's two leading companies in the vacuum-cleaner industry.

A new vacuum-cleaner for direct selling, the D720 model, with high performance and low noise levels, was successfully launched. In 1978 the model was sold in Sweden, Norway, Finland, Italy and other countries.

A new product range for specialist retailers was launched in Sweden in the autumn and was well received. The introduction in other European markets commenced in 1979. In Europe, some 40 models of domestic vacuum-cleaner, suited to the needs of the different markets, are sold.

The Group is also active in the development of accessories. The steadily



The small Sunny Cool box can be used for chilling as well as heating.



Electrolux is currently one of Europe's largest manufacturers of commercial refrigeration equipment.



Interest in heating with wood and coal is increasing. Coal-fired stoves are sold in the USA and Belgium.





Direct selling is an important method of distribution for Electrolux vacuum-cleaners.

The new D720 vacuum-cleaner, which has been launched successfully on several markets through direct selling, is a high performance product with a lower noise level than earlier models.

increasing use of wall-to-wall carpets has increased consumer demand for motor-driven powerheads and shampooing equipment.

Continual product improvements and extensive international sales and distribution channels have made it possible to market products actively. Through continual rationalisation and structural improvements in production, the benefits of long-series production have been obtained with favourable effects on production costs.

Direct sales as well as sales through specialist retailers have progressed well during the year. Especially good sales results were achieved in Sweden, Great Britain, France and other countries. Direct selling in Japan and in many Latin American markets is developing rapidly. Selling in the Middle East was successful during the year.

In the USA, domestic vacuum-cleaners are manufactured and marketed by the Eureka Company, a division to National Union Electric Corporation (NUE), and in Canada, by NUE's subsidiary, Onward Manufacturing Company Ltd. Production is located at Eureka's facilities Bloomington, Illinois.

The Eureka range includes a broad line of modern domestic vacuum-cleaners suited to the needs of the North American market. During the year, the company introduced a new series of upright vacuum-cleaners with "ESP" – Extra Suction Power. These machines, which

provide 50% more suction power than conventional vacuum-cleaners, have been well received.

Sales have advanced well and EUREKA has increased its share of an unchanged total market. EUREKA is one of the leading brands in the North American vacuum-cleaner market. In 1978, NUE reported sales of US\$ 229 million (199) – an increase of 15%, of which sales of vacuum-cleaners are the largest part.

Air-conditioning equipment is manufactured by Emerson Quiet Kool Co., Woodbridge, N.J., USA. The broad program includes products for commercial and domestic use. Sales in 1978 continued to progress well.

The *industrial and commercial cleaning machines* product group consists of machines and equipment for cleaning large buildings and premises, installations for high-pressure cleaning in industry, street-cleaning and outdoor sweeping machines made by Bröderna Brodd AB, Skänninge, Sweden, and car-wash equipment installations produced by Oy Tammermatic AB, Tampere, Finland.

The sales and profitability of all of these products progressed well.

Euroclean AB, Åmål, Sweden, manufactures and markets cleaning equipment, high-pressure cleaning equipment and detergent. Despite reduced levels of investment in most markets the sales of cleaning equipment increased.

Unit sales (including companies acquired during the year) are shown in the following table

	1978	1977
Vacuum-cleaners	5,500,000	5,300,000
Refrigerators and freezers	1,825,000	1,761,000
Electric cookers	647,000	468,000
Other cookers	207,000	203,000
Kitchen fans	204,000	132,000
Washing machines, drying tumblers, mangles	374,000	342,000
Dishwashers	142,000	75,000
Kitchen machines	70,000	76,000
Electric heaters	244,000	227,000



This vacuum asbestos remover is one of the new products in Euroclean's wide environmental protection line. The machine provides a better working environment in automobile repair shops.



Broddway Universal, which was introduced during the year, is a true multi-purpose machine. It has accessories for "everything" from refuse collecting and snow clearing to fertilizer-spreading and leaf clearance.



The household products line has been extended with Husqvarna's sewing machines, which are sold by direct selling and through specialist retailers.



Oy Tammermatic manufactures and sells automatic washing installations for cars, buses and trains.

The canvassing of new market segments, mainly the agricultural sector, was successful. The sales of chemical cleaning agents also increased. A modern range of products suited to the market coupled with active marketing contributed to this progress.

Euroclean also has a wide range of environmental protection products, which include equipment for the suction removal of asbestos dust, welding fumes and soot.

In the USA, a broad range of commercial cleaning machines is manufactured. These are marketed under the KENT name, showing increased sales and improved profitability.

Sewing machines

The sales of sewing machines, manufactured by Husqvarna, amounted to Mkr 372 in 1978. Profitability was unsatisfactory.

Although the total market for sewing machines stagnated, Husqvarna maintained the same volume of sales as in 1977, and its market share increased in such important markets as Great Britain, Canada, Norway and the USA.

Production takes place in factories in Huskvarna, Sweden, and in Schweinfurt, Western Germany. The Varberg factory, Sweden, was transferred to a group of the employees there on January 1, 1979.

Product development has been intensified, including an increased investment in electronics. Two new sewing machines were introduced during the year, the 6570 SL2, with a needle-stop device and an electronic speed regulator, and the 4000-series, which is a new generation of products in the medium price range.

In co-operation with Electrolux subsidiary companies, Husqvarna has started selling in Japan and the Far East and in markets in Latin America. In other markets, including France and Norway, parallel sales channels have been opened through the Electrolux subsidiaries.

Industrial products

SALES of industrial products in 1978 amounted to Mkr 984 (798), corresponding to 8.2% of total Group sales. Included in these figures are Mkr 97 sales of newly-acquired companies. The operating result after depreciation amounted to Mkr 33 (56), the equivalent of 3.4% (7.0) on sales.

Food service equipment, hospital and laundry equipment

The Electrolux-Wascator group develops, manufactures and markets equipment for food service, commercial laundries, disinfection, sterilization and environmental protection. Sales in 1978 amounted to Mkr 681 (535).

Electrolux-Wascator AB is one of Europe's largest manufacturers of food service equipment. The low level of industrial investment in 1978 had an adverse effect on the Swedish market, mainly in respect of equipment for personnel canteens. Electrolux-Wascator, however, held its market share in Sweden. Towards the end of the year, demand increased and a higher order intake was achieved.

Electrolux-Wascator has further consolidated its position on export markets, including the Middle East. New contracts are increasingly for large complete installations, where the food service equipment division can supply a complete package. Among the large projects are deliveries to the "camps" which have been built for the oil and gas industries in the Middle East.

The main manufacturing facilities for the group's products are in Alingsås, Sweden. There are also factories in France, Netherlands and Switzerland.

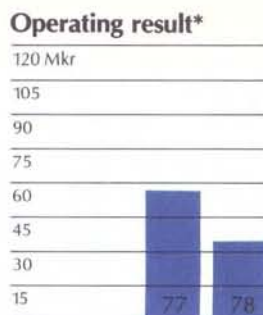
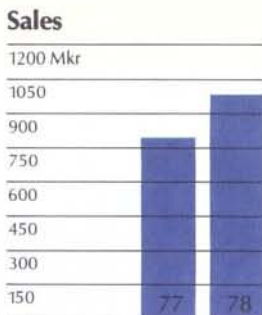
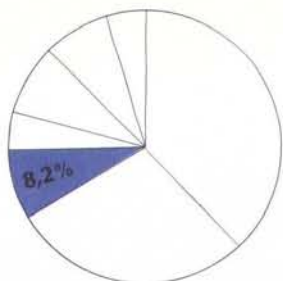
The marketing of laundry equipment was successful, with sales increases in the USA, Japan, the Middle East and other countries. On the Swedish market, Electrolux-Wascator has, despite a lower level of housebuilding, succeeded in in-



Sales of semi-industrial washing machines have expanded strongly, for example in the USA, where automatic laundry stores are a promising market.



Compact warehouses from Electrolux Constructor make it possible for a few employees to handle large quantities of goods.



*after depreciation

creasing its sales of laundry equipment as a result of canvassing new categories of customer.

During the year, Electrolux-Wascator consolidated its position as one of the world's largest manufacturers of semi-industrial laundry equipment (medium-sized machines with a capacity of 50 kg of laundry). Several new products, which aroused interest, were launched during the year, including a spin-dryer with an extremely low noise level. The production of laundry equipment takes place in Ljungby, Sweden.

Electrolux-Wascator is one of Europe's leading manufacturers of sterilizing equipment for hospitals and industry. Sales rose in 1978 mainly as a result of increased deliveries to the pharmaceutical industry.

An entirely new air-cooled autoclave, which is expected to satisfy the increasingly stringent requirements in the manufacture of pharmaceuticals in the 1980's, was launched during the year. Regular deliveries and installations are being made in a large number of countries. Selling began in France and the USA during the past year. The production of sterilizing equipment takes place in Getinge, Sweden.

The sales of environmental protection products also progressed well in 1978. Among the large orders received can be mentioned one for vacuum-toilet equipment installed in 250 of the new carriages for the Swedish State Railways.

Steel fittings and materials handling equipment

The Electrolux-Constructor group manufactures and markets steel fittings and materials handling equipment, and work-station equipment for engineering workshops. Sales in 1978 amounted to Mkr 255 (203), a rise of 25.6% (23).

The Swedish market last year was marked by a low level of capital expenditure by industry, which had an adverse effect on sales. In some other European markets demand was unchanged. Tough

competition has put pressure on prices and margins.

During the year, AB ETH was acquired. It has production facilities in Reftele, Sweden. In Western Germany, the storage and materials handling section of Otto Kind GmbH was acquired. Selling is now being handled through the reformed company Electrolux Kind GmbH.

Production takes place in Säffle and Reftele, Sweden, in Copenhagen, Denmark, in Rudersdorf, Western Germany, and in Herisau and Balzerswil, Switzerland.

A large number of installations were delivered and commissioned during the year, including pallet racking in one of Europe's largest fully-automatic palletized warehouses at IKEA, Älmhult, Sweden.

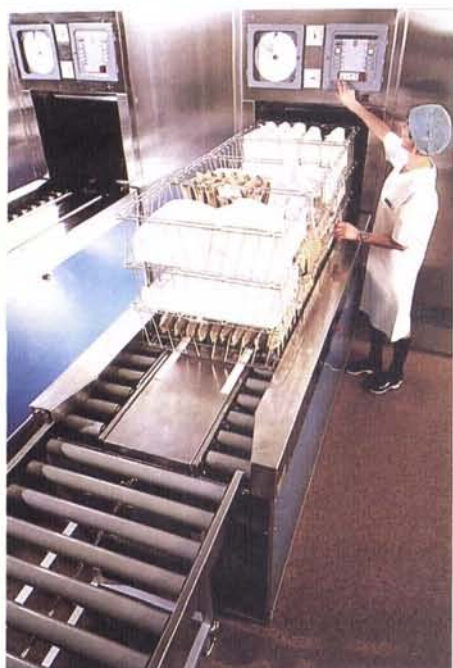
As a result of company acquisitions, the sales organization and product range have been strengthened and given greater scope for both an improved structure and more efficient production. The modernisation of the production machinery has continued and is expected to improve the group's competitive strength.

Fractional horse-power electric motors

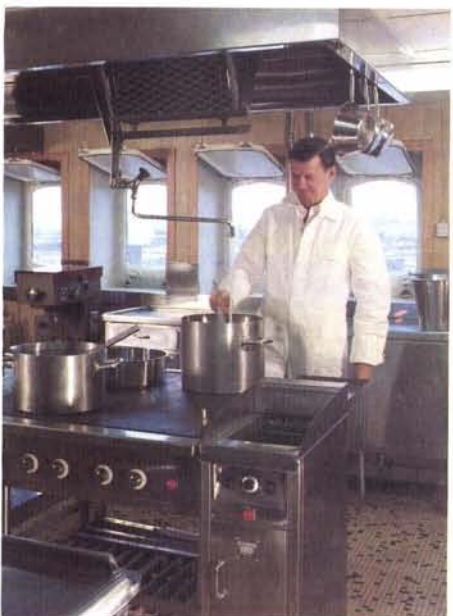
Fractional horse-power electric motors are sold to non-Group customers for use in such products as fans, windshield washers and wipers for cars. Fractional HP electric motors are manufactured in Sweden at the Västervik and Överum factories.

As a result of the weak automobile market external sales of fractional HP motors have declined, but deliveries to units in the Group increased substantially during the year. For example, a large number of motor fan units were delivered from Västervik to the EUREKA company in the USA.

Sales to non-Group customers amounted to Mkr 48 in 1978.



Getinge's autoclaves sterilize instruments with either steam, formaldehyde or ethylene oxide.



Electrolux-Wascator supplies complete, assembled kitchens, which are "tailored" to the needs of the customer.

Motor products

MOTOR products comprise Husqvarna's chain saws, motorcycles, and lawn mowers, and Partner's chain saws and power saw machines. During the year Husqvarna and Partner sold more than 300,000 chain saws.

Sales of motor products amounted to Mkr 531, corresponding to 4.4% of total Group sales. The operating result after depreciation amounted to Mkr 59, the equivalent of 11.1% on sales.

Jonsereds AB, acquired in February 1979, is not included in the financial statements for 1978.

Through the integration of the three chain saw businesses of Husqvarna, Partner and Jonsereds, conditions will be created for building a powerful Swedish organization of international size. The Group is now one of the largest in the world in the chain saw industry. This integration will make possible more efficient production in long series, which the group considers necessary in order to maintain its international competitive strength. More than 80% of sales go to customers outside Sweden.

With the larger total volume, a substantially greater proportion of the components can be manufactured within the Group, thus increasing the value added and reducing production costs.

Partner AB previously co-operated closely with the chain saw division of Skil, the American hobby machines company. At the beginning of 1979 the manufacturing rights, tools and engineering drawings for Skil's consumer saws were acquired. After this acquisition the Group's product range includes saws for professional use, "farmers'" saws for occasional use in forests, etc, and saws for consumers.

Husqvarna

The chain saw programme was extended during the year by the introduction of a new farmers' saw in the medium range. Improved models of the professional saws were also introduced. Sales have progressed well, including sales in the North American market.

In total, Husqvarna's sales increased by more than 30%. In most markets, the company increased its market share.

Sales in Central and South America are expanding rapidly. Preparations for the assembly of chain saws in Brazil have advanced to the stage where this business can start at the beginning of 1979.

Sales of chain saws are expected to increase further in 1979, but at a slower rate.

Husqvarna's motorcycles are intended for cross-country and competition riding. Sales in the overwhelmingly dominant US market have progressed well.

In 1980 and 1981 a new military motorcycle will be supplied to the Swedish army, which has ordered 3,000 units.

Partner

Partner manufactures and markets chain saws and power saw machines. The company's sales in 1978 were Mkr 137 and the number of employees was about 360. Profitability improved substantially during the year.

Production takes place at the factory in Mölndal, near Gothenburg.

The chain saw programme includes professional and farmers' saws. Consumer saws are also marketed under the company's own brand name in co-operation with Skil.

The export share is around 90% of sales. Partner is strongest in the French, Japanese and Canadian markets.

Partner's power saw machines cut hard materials, such as concrete and hard metals. They are used all over the world, in the building industry for example, and by fire brigades and the police in emergency operations. In 1978 sales increased by some 35%.

Jonsereds

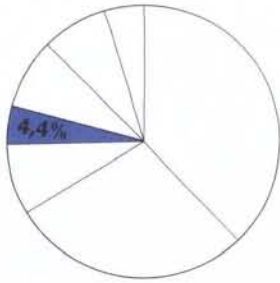
Jonsereds' chain saw programme includes professional and farmers' saws and accessories. In 1978 more than 130,000 saws were sold. Sales totalled Mkr 156, a rise of almost 25% over the previous year. Sales abroad accounted for more than 80% of the total.

Jonsereds' largest markets are the USA and Scandinavia. The sales increase in 1978 occurred mainly in the important US market.

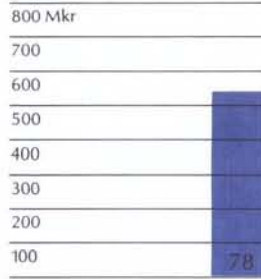
Major sales successes were achieved by the M452 professional saw, which is fitted with a newly-developed kick-back guard.

During the year, the development of the new M510 farmers' saw was completed. Selling of this saw will start in 1979.

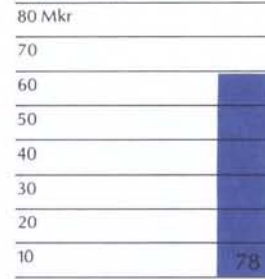
The production of saws and accessories takes place in the company's factories at Jonsered, Brastad and Bovallstrand in western Sweden. Profitability improved in 1978.



Sales



Operating result*



*after depreciation



The combined chain saw program of Husqvarna, Partner and Jonsereds is one of the largest in the world.

Partner's power saw machines cut (the picture down to the right) through hard materials such as steel and concrete.

Office products

THE OFFICE products line includes office machines, data products, office furniture and printed products. The products are marketed by the Facit group.

Sales of office products amounted to Mkr 993 (927), corresponding to 8.3% (10.0) of total Group sales. The operating result after depreciation was Mkr 82 (57), the equivalent of 8.3% (6.1) on sales.

Restructuring and rationalization have resulted in a more compact organization and an improved production structure. Despite the low level of economic activity in many important markets, sales and results advanced well. Many products showed especially good progress, principally in data processing, where Facit has established a good position in the rapidly expanding international printer market.

Office machines

A broad range of office machines, including calculating machines, typewriters and dictating machines, is marketed on an international basis. Sales of these products amounted to Mkr 674 (627). Good sales results were reported by the companies in Sweden, France, and elsewhere. Several markets covered by agents also progressed well. Facit's typewriter program recorded increased sales volumes despite the weak economic situation in the industry.

The typewriter programme was modernised in 1978 with the introduction of the 1740 manual typewriter and the 1830 electric typewriter with a correcting key. The 6620 word processor was well received by the market and extends the product range. The typewriter factories in Sweden mainly produce the more complicated electric machines. Typewriters are also manufactured in Facit's factory in Brazil. Production for the Indian market takes place in a partly-owned factory in Madras, India.

The increased market share for electronic calculators was consolidated during the year and the product range was strengthened with two new office calculators.

Data products

Sales of computer peripheral products in 1978 amounted to Mkr 223 (209).

Sales progressed well on all markets. Good sales results were achieved in France, Great Britain and Western Germany. Canvassing of the Japanese market was begun through the Electrolux company there. The profitability of data products improved.

The sales of printers increased compared with the previous year. The 4540 printer has now been introduced in the most important markets.

Through active marketing and investment in the development of advanced products, Facit has built up a strong position in the international printer market. In order to consolidate further its position in this fast-growing market, the group acquired, through Dometic Inc., 50% of the common stock of Dataroyal Inc., Nashua, New Hampshire, USA. This company manufactures a printer which complements Facit's range. It was launched in Europe as the Facit 4530 model during the year.

Sales of punch-tape products also increased in 1978. This is partly due to the increasing use of numerically-controlled tool-machines. Manufacturers and users of these machines are important consumers of punch-tape products. During the year, a new family of punch-tape readers, the Facit 4030 series, was introduced. Facit holds a leading position as a supplier of computer peripheral equipment.

Office furniture

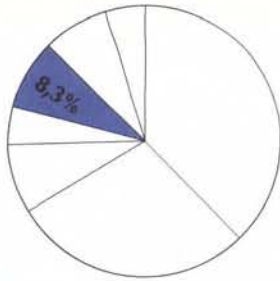
Facit manufactures and markets three series of office furniture, Data, Ekonom and Facit 80. Together with Facit's partition screens, they make up a complete



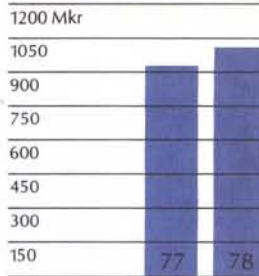
Facit's range of office furniture means tasteful and functional workplaces. Chairs and tables are designed to provide the best working positions.



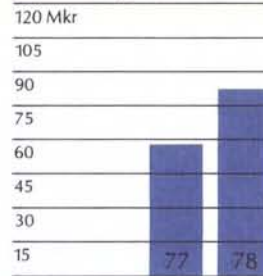
The Facit 6620 is a competitive word-processing machine.



Sales



Operating result*



*after depreciation

office furnishing system which satisfies high international standards. A new ergonomically designed office chair was launched and was well received.

The Swedish market remained weak in 1978, but a slight improvement was noted towards the end of the year. Sales abroad showed positive progress. Sales in 1978 amounted to Mkr 69.

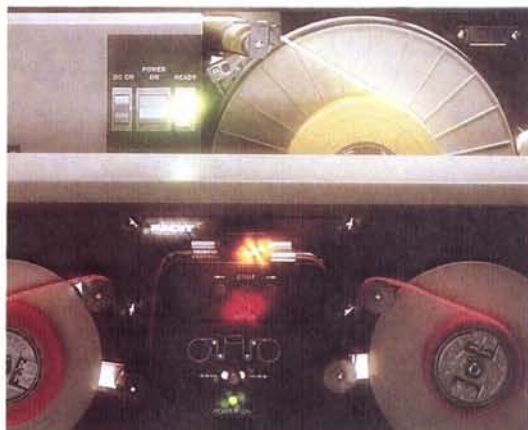
Printed products

ZätaTryckerierna AB produces and markets printed forms, printed advertising matter and packaging.

Sales to non-Group customers were good and amounted to Mkr 27 (26).



The Facit 4540 printer, with its revolutionary printer head, satisfies the toughest requirements for computer print-outs.



The Group's punch-tape products have achieved a leading position in the market.

Commercial cleaning and services

SALES amounted to Mkr 945 (851), corresponding to 7.9% (9.2) of total Group sales. The operating result after depreciation was Mkr 46 (40), the equivalent of 4.9% (4.7) on sales.

The commercial cleaning and service activities expanded during the year in Sweden as well as abroad, partly through internal growth and partly through the acquisition of new companies. In 1978, Electrolux consolidated and further developed its position as one of the world's leading companies in the commercial cleaning business.

In recent years, considerable investments have been made in strengthening commercial cleaning and service companies outside Europe. The Group is currently established in 15 countries, including Australia, Brazil, Hong Kong, Japan, Singapore and the USA.

Collaboration with ISS, International Service System A/S, Copenhagen, Denmark, includes jointly owned cleaning companies in Great Britain, Norway, and elsewhere.

At the end of the year, Electrolux began work under a 3-year contract to clean a newly-built hospital in Al-Kharj, outside Riyadh, Saudi Arabia. Hygienic cleaning in the hospital sector is one of the specialist areas in which the Group concentrates. In addition, the cleaning of buildings is also an integrated part of a complete programme for property maintenance. These two areas will actively contribute to the expansion of the newly-acquired commercial cleaning company in the USA.

ASAB Serviceföretaget

In Sweden, the service activities are carried out by ASAB with its main focus on the maintenance of the indoor and outdoor environment. Sales have progressed well. In 1978, they amounted to Mkr 393 (including subsidiary companies), an increase of Mkr 50 or 14.5%, compared with 1977.

In addition to its traditional cleaning activities, ASAB and its subsidiaries offer a broad programme of other services, which include the sale and rental of automatic beverage dispensers, the sale of flower and plant displays for offices, the handling of environmentally harmful industrial refuse, street cleaning and other outdoor work.

During the year, all of the shares in Städtningsskären AB were acquired. This company is engaged in property cleaning, principally in the Stockholm area.

ASAB's strong market position, together with the continual extension of the service programme, provides a base for the further expansion of commercial cleaning and service activities in Sweden. The experience gained will be used in the Group's expansion abroad.

Laundry service

AB Tvättman is engaged in the rental and laundering of working apparel, hotel and restaurant linen, etc. The company is Sweden's largest privately-owned laundry company.

Although some market segments were weak during the year, Tvättman's expansion continued, albeit at a slightly slower rate than in the previous year. Sales increased to Mkr 211 (177).

As an element in its international business, Tvättman has established a foothold in Western Germany through the purchase of all the capital of Karl Blessmann KG, Mühlheim a.d. Ruhr.

Goods protection

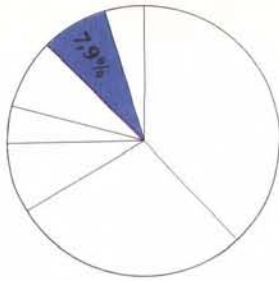
Through the acquisition of Jonsereds in 1979, which is not included in the financial statements for 1978, the service activities will be extended by the manufacture, sale and rental of tarpaulins and temporary warehouses. This line of business, known as "Goods Protection", reported sales in 1978 of Mkr 65. Lower inventories in industry and a continued low level of building activity resulted in a decline on the rental side. Profitability is satisfactory.



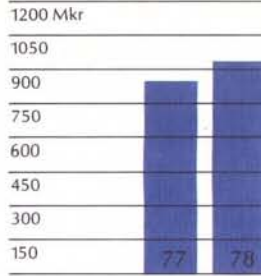
The rental of working apparel and hotel and restaurant linen by Tvättman is an important part of the Group's expanding service programme.



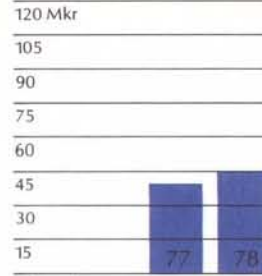
Cleaning skyscraper windows needs skilled employees.



Sales



Operating result*



*after depreciation



Electrolux is one of the world's leading commercial cleaning and services companies. This picture shows activities in Hong Kong.



Small workplaces are often cleaned most efficiently by mobile teams.



ASAB Saneringsteknik has the resources to handle oil and poisonous effluent and refuse.



Through the acquisition of Boston-Needham Industrial Cleaning Company Inc. the Group has established cleaning services in the US market.

Other products

SALES of other products, including lawn mowers, agricultural products and malleable iron castings, amounted to Mkr 584 (423), corresponding to 4.8% (4.6) of total Group sales. The operating result after depreciation was Mkr 48 (19), the equivalent of 8.2% (4.5) on sales.

Apart from the product areas described below, this product grouping includes sawmill products, and refuse compactors.

Flymo

The Flymo group manufactures and sells a wide range of lawn mowers, mostly of the air-cushion type, equipped with electrical and petrol-driven motors.

Very good progress was made in 1978 as Flymo continued to increase its market share. Sales increased by more than 40%. The smallest lawn mower model, the DLE, is currently one of Europe's most widely sold power lawn mowers. Productivity was substantially improved and a clear improvement in the results was reported.

Prospects for Flymo products are considered to be bright.

Agricultural implements, castings and windows

The Överum group manufactures and sells ploughs, sowing and mowing machines, metal castings and windows.

The market for agricultural implements in Sweden declined as a result of a fall off in agricultural investment. For Överum, this meant a drop in the sales of ploughs which could not be fully offset by increased exports. The sales of other agricultural machinery, on the other hand, showed better progress in export markets.

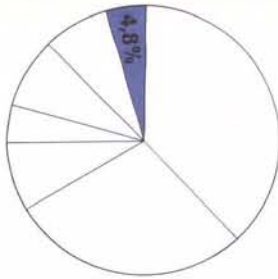
Capacity utilization at the foundry was unsatisfactory despite increased sales to non-Group customers.



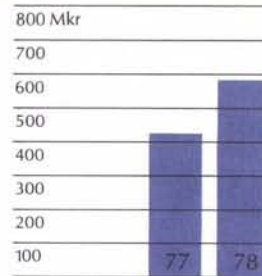
With the three-armed Electrolux MHU Junior industrial robot several machines can be served at the same time.



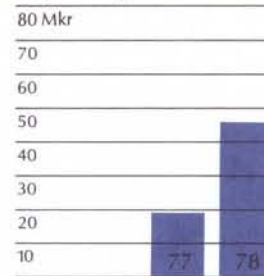
Ploughs are manufactured by Överums Bruk. Advanced equipment is used for production inspection and control.



Sales



Operating result*



*after depreciation

Increased sales of windows in export markets helped the company to offset a declining domestic market.

The activities of AB Järnförädling in Hälleforsnäs, acquired in May 1978, progressed well after the take over. However, the profitability of the business is unsatisfactory. In addition to more active marketing and product development of the existing product range, new products must be introduced and considerable amounts of money invested.

Bathroom fittings

Zig-Zag Fabriks AB, Malmköping, manufactures and markets bathroom fittings, including louvred doors. The sales and results continued to improve in 1978.

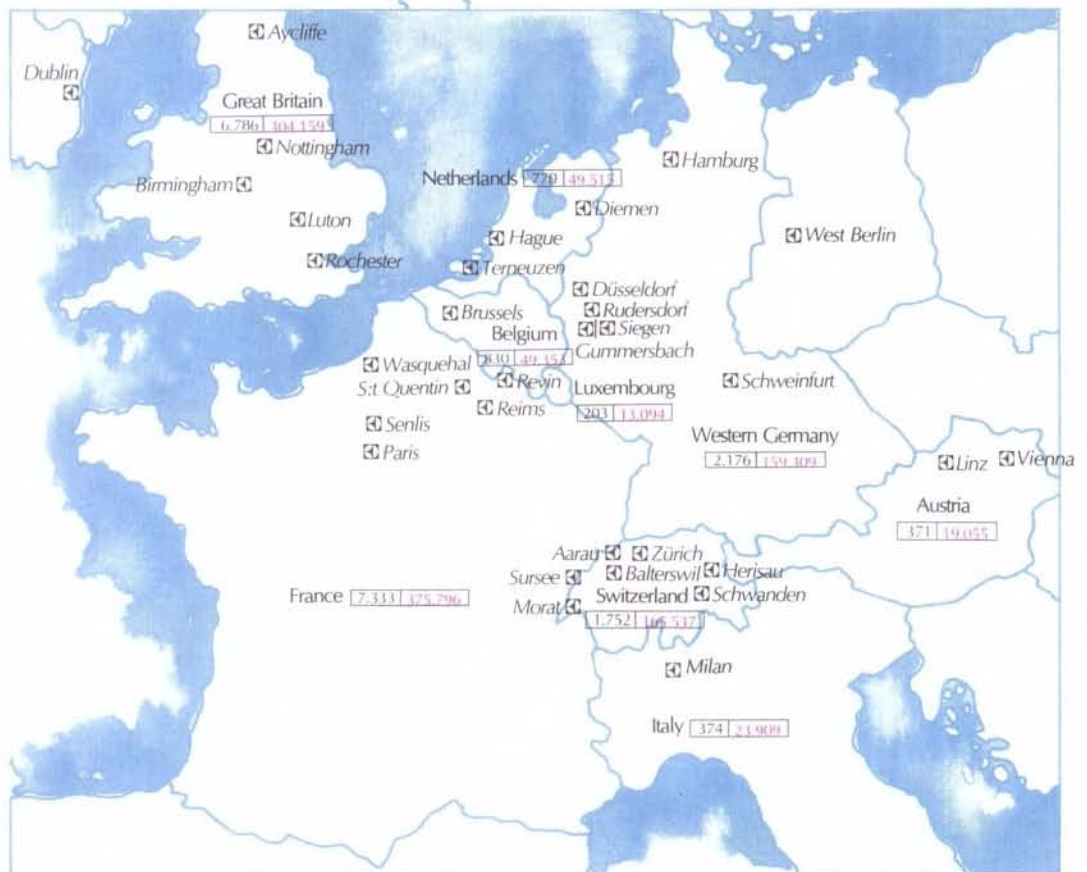
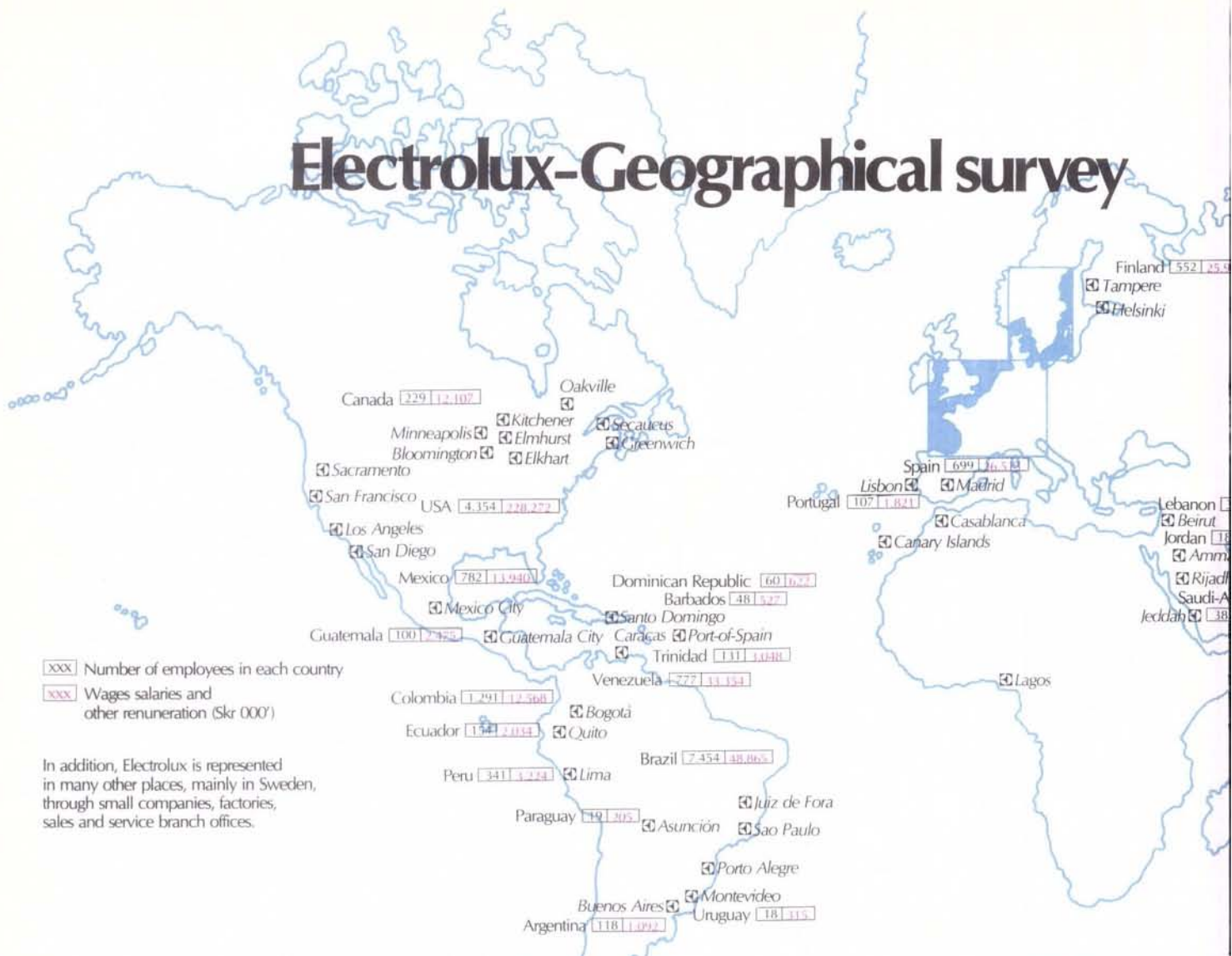
Industrial robots

Electrolux Industrial Systems develops, manufactures and markets industrial robots, ancillary equipment and control systems for non-Group customers as well as for the Group's own factories. Sales in 1978 included fully-automatic systems for component manufacture in Swedish and foreign industries, including the automobile and furniture industries. Growth continued in 1978.



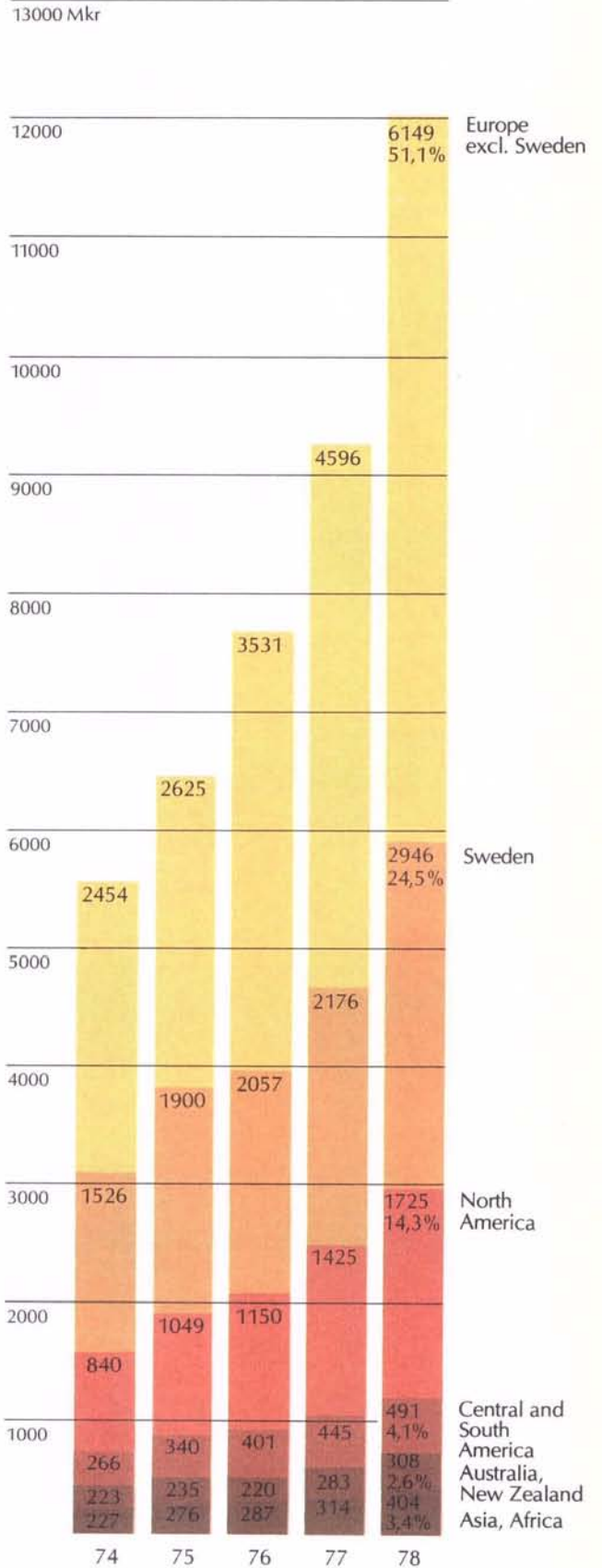
Flymo's new air-cushion lawn mower with a grass collector has been well received by the market.

Electrolux-Geographical survey





Group sales by market region



List of certain group companies and names of chief executives

Companies, in which outside shareholders own more than 10% of the share capital, are marked with *.
The list presents the situation at the beginning of 1979.

Argentina

S.A. Electrolux
Buenos Aires
Bengt Nordman

Australia

Electrolux Pty. Ltd.
Melbourne
L.W. Matthews

Husqvarna Pty. Ltd.
Sydney
Rolf Eklöf

Electrolux
Utility Services Pty. Ltd.
Collingwood
Garry Anderson

Austria

Electrolux Bodenpflegengeräte
Vertriebsgesellschaft mbH
Vienna
Steffan Lundeberg

Facit-Addo Büromaschinen
Vertriebsgesellschaft mbH
Vienna
Magnus Stenberg

Husqvarna Gesellschaft mbH
Linz
Norbert Holzmann

Barbados

Electrolux Ltd.
St. Michael
Lloyd Seale

Belgium

Electrolux-Martin S.A.
Brussels
Christian Barnekow

Facit S.A.
Brussels
Staffan Lagerwall

Brazil

Electrolux S.A.
Sao Paulo
Örjan Alneng

Electrolux-Servicos Soc.
Commercial Ltda.
Sao Paulo
Edmund A. Bosschart

Facit S.A.
Sao Paulo
Örjan Alneng

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

Daekko Presenning Kompagni A/S
Copenhagen
Erik Becker

Electrolux A/S
Lyngby
Otto Meyer

Electrolux-Wascator A/S
Rødovre
Ole Engers

Facit A/S
Lyngby
Erik Larsen

Husqvarna A/S
Copenhagen
John Høiden

IWO A/S
Ishøj
Palle Rosenkilde

Kramme & Zeuthen A/S
Hvidovre
Ole Zeuthen

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 Elektro Helios Ab
Helsinki
Yngve Levander

Oy Facit-Addo Ab
Helsinki
Bo-Erik Wiberg

Oy Husqvarna Ab
Tampere
Tor Falenius

Oy Tammermatic Ab
Tampere
Kalevi Kärkönen

France

Bontami S.A.
Vincennes (Paris)
Richard Valton

Electrolux S.A.
Senlis
Anders Andrén

Facit Addo S.A.
Colombes (Paris)
Staffan Lagerwall

Flymo-Husqvarna SNC
Cergy (Paris)
Ulf Kronlund

Lincoln S.A.
Gennevilliers
Jaques Vernet

»SAGAM«
Wasquehal
Louis Gutzwiller

Tornado S.A.
Senlis
Anders Andrén

Usines et Fonderies
Arthur Martin S.A. »UFAM«
Senlis
Anders Andrén

Great Britain

Electrolux Ltd.
Luton
John B. Redman

Electrolux (Commercial
Equipment) Ltd.
Luton
Jimmy James

Euroclean Ltd.
Kempston Hardwick
John J.M. Glasse

Facit-Addo Ltd.
Rochester
A.E. Grist

Flymo Ltd.
Darlington
Peter Bullock

The Sterilizing Equipment
Company Ltd.
Ravenshead, Nottingham
D.A. Canty

Servicesystem Ltd.
Birmingham
Anthony S. Lane

Guatemala

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

Hong Kong

*Electrolux Services
(Hong Kong) Ltd.
Hongkong
David W. Thomas

Italy

Electrolux S.p.A.
Milan
Jan Lindblad

Facit Data Products S.p.A.
Milan
Vittorio Amigoni

Flymo S.p.A.
Brescia
Giovanni Cancarini

Japan

Electrolux (Japan) Ltd.
Tokyo
Gunnar Kniberg

Jordan

*Electrolux Jordan Trading
Company Ltd.
Amman
Fouad Lammam

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

Netherlands

Addo Nederland B.V.
Hague
Staffan Lagerwall

Electrolux Nederland B.V.
Diemen
John Meyer

Electrolux-Quatfass B.V.
Diemen
W. Krecthing

Excelsior-Tornado B.V.
Terneuzen
John Meyer

Husqvarna Nederland B.V.
Amersfoort
Bo Swartling

New Zealand

Electrolux Ltd
Wellington
Richard M. Scelly

Norway

Electrolux Constructor A/S
Oslo
Björn Molstad

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 Jörgen Groll

KPS A/S
Sarpsborg
Wiljen Eriksen

Tunborg A/S
Sarpsborg
Lars Hedberg

Husqvarna A/S
Oslo
Per Johannessen

Partner Motor A/S
Oslo
Oddvar Lona

Peru
Electrolux S.A.
Lima
Jan-Eric Boman

Facit S.A.
Lima
Carl Gösta Burénus

Portugal
Electrolux Ltda.
Lisbon
Clas Herdin

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
Per-Axel Ahlberg

Electrolux Servicios S.A.
Las Palmas de Gran Canaria
Per-Axel Ahlberg

Tornado Ibérica S.A.
Barcelona
Juan Pla

Sweden
Addo Försäljnings AB
Ätvidaberg
Lennart Gustafsson

ASAB Serviceföretaget
Stockholm
Lennart Angeby

AB Ballingslövs Träföretag
Ballingslöv
Bertil Albinsson

Bröderna Brodd AB
Skänninge
Lars Emilsson

AB Carl Albrekt
Engelstad
Per-Olof Sjöberg

Electrolux Constructor AB
Äffle
Sven Stork

Electrolux Svenska
Försäljnings AB
Stockholm
Gösta Bystedt

Electrolux-Wascator AB
Alingsås
Folke Heibert

Electrolux Återförsäkrings AB
Stockholm
Harry Eriksson

AB Elektro Helios
Stockholm
Rainer Alfström

AB Elektroservice
Stockholm
Leif Axén

Ero-Frys AB
Arvika
Per-Olof Sjöberg

ETH AB
Reftele
Curt Egerot

Euroclean AB
Åmål
Fredrik Schumacher

Facit AB
Ätvidaberg
Anders Scharp

AB Formverktyg
Hägersten
Ingemar Persson

Husqvarna AB
Husqvarna
Stig Birgerstam

Husqvarna Symaskiner AB
Husqvarna
Curt Axberg

AB Höörs Plåt
Höör
Stig Gulda

B. Johanssons
Pappersförädling AB
Nygård
Owe Werner

Jonsereds AB
Jonsered
Jan-Olof Guthe

AB Orwak
Sävsjö
Sune Johansson

Partner AB
Mölnådal
Hans Bäckman

Royal Refrigeration Industries AB
Malmö
Hans Ljung

AB Tvättman
Malmö
John-Jacob Engellau

AB Volta
Stockholm
Rainer Alfström

Växjö Rostfritt AB
Växjö
Bo J. Ericson

Zig-Zag Fabriks AB
Malmköping
Sven Johansson

Zäta Tryckerierna AB
Linköping
Bo Sternbrink

AB Överums Bruk
Överum
Sven Schough

Switzerland
Electrolux AG
Zürich
Kurt Schläpfer

Facit-Addo AG
Zürich
Hans Koch

Husqvarna AG
Zürich
Friedrich Leibundgut

Menalux S.A.
Morat
Albert Grossrieder

Royal-Levin AG
Zürich
Hugo Dreher

Therma AG
Schwanden
Friedrich Zweifel

Walter & Bruynzeel AG
Balterswil
Curt Egerot

Thailand
*Electrolux Thailand Ltd.
Bangkok
Adolfo Benedetti

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 Inc.
Greenwich, Connecticut
Tom Jahn

Husqvarna Inc.
Bensenville, Illinois
Bo Håkanson

Husqvarna Motorcycle Co. Inc.
San Diego, California
Gustaf Rooth

National Union Electric Corp.
Greenwich, Connecticut
Joseph V. McKee Jr.

Partner Pacific Inc.
Sacramento, California
Vigo Carlund

Viking Sewing Machine Co. Inc.
Minneapolis, Minnesota
J. Baird Pittman

Venezuela
C.A. Electrolux
Caracas
Ingvar Marklund

Western Germany
Deutsche Husqvarna GmbH
Schweinfurt
Georg Lohausen

Electrolux GmbH
Hamburg
Steffan Lundeberg

Electrolux GmbH
West Berlin
Sven Stork

*Electrolux Kind GmbH
Gummersbach
Lars Linde

Electrolux Küchentechnik GmbH
Siegen
Adolf Kretzer

Electrolux
Kälte- und Wärmetechnik GmbH
Hamburg
Steffan Lundeberg

Euroclean GmbH
Hamburg
Bengt Tillberg

Facit GmbH
Düsseldorf
Walther Christoffersen

Husqvarna-Meister-Werke GmbH
Schweinfurt
Georg Lohausen

Royal-Wascator GmbH
Düsseldorf
Walther Christoffersen

Electrolux-Loh GmbH
Siegen
Sven Stork

Volta Vertriebs GmbH
Hamburg
Steffan Lundeberg

