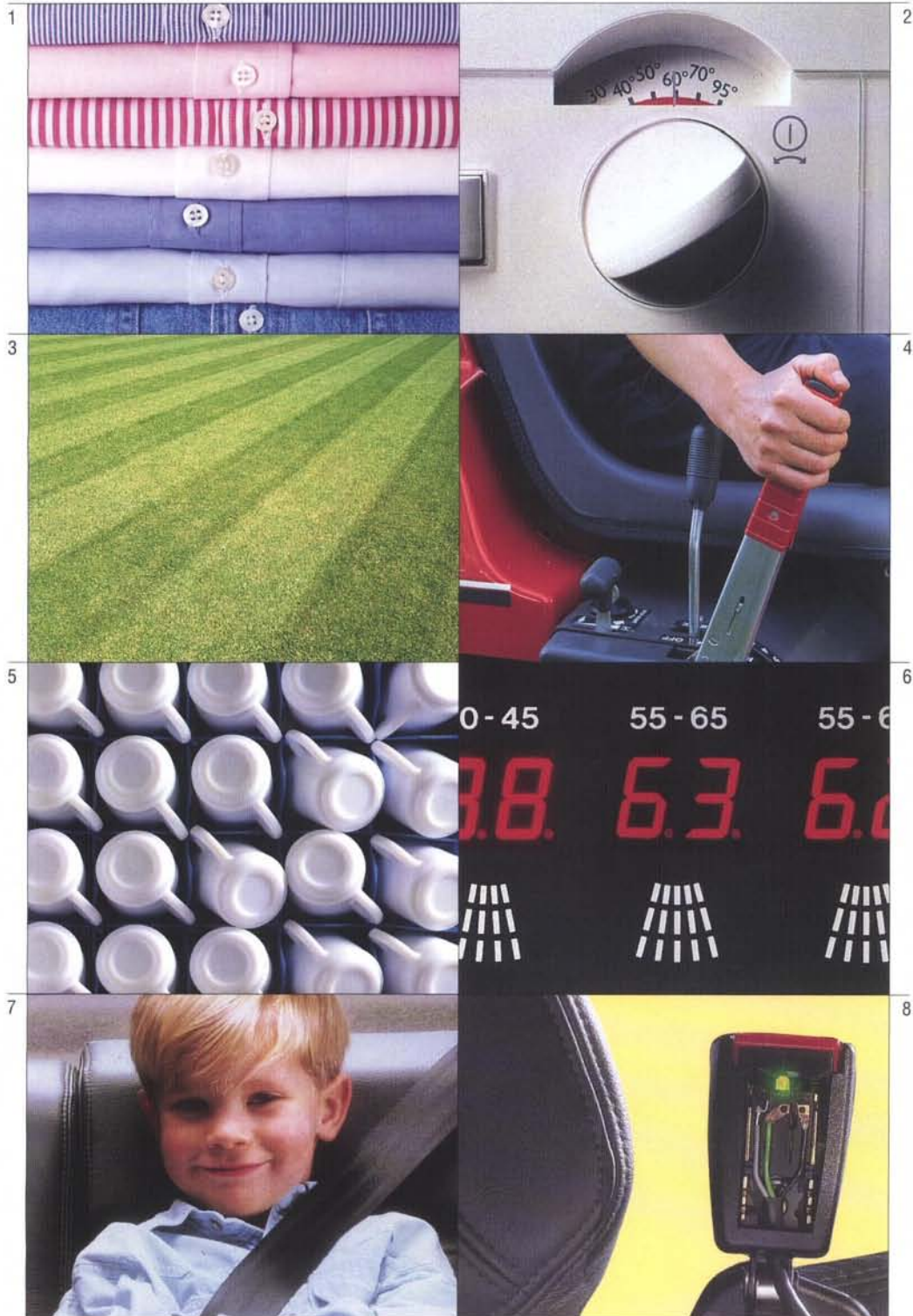


Annual Report 1992



 **Electrolux**

Contents

	Page
Electrolux today	2
Report by the CEO and the Group President	4
Group operations	6
Business areas	
● Household appliances	14
● Commercial appliances	20
● Outdoor products	24
● Industrial products	27
● Commercial services	32
Group	
Consolidated income statement	33
Consolidated balance sheet	34
Consolidated statement of changes in financial position	36
Notes to the consolidated financial statements	37
Definitions of financial concepts and key ratios	45
Parent company	
Proposed distribution of earnings	46
Auditors' report	47
Organization	
Board of Directors	48
Group structure	50
Group management	51
Other data	
Statement of added value	52
Sales and employees by country	53
Electrolux shares	54
Ten-year review	56
The Electrolux environmental policy	57

The pictures on the cover and those introducing the sections on business areas illustrate various Electrolux products and their applications in daily life.

Cover pictures nos. 1-2: Electrolux is one of the world's leading manufacturers of household appliances for functions such as preparing food, cleaning and washing.

Nos. 3-4: The Group offers a wide range of garden equipment such as lawn mowers, trimmers and leaf blowers, as well as chainsaws and other equipment for forestry.

Nos. 5-6: The product range in the Commercial appliances business area comprises mainly food-service equipment for restaurants and institutions as well as both light- and heavy-duty laundry equipment.

Nos. 7-8: The Industrial products business area includes aluminium products for various sectors, including the building industry, as well as car safety belts and other equipment for personal safety in cars, and compressors for refrigerators.

This annual report has been printed on environment-friendly paper.
Cover: Galerie Art Silk, 250g. Inside pages: Lumisilk, 115g.

Annual General Meeting

The Annual General Meeting will be held at 3 PM on Tuesday, May 18, 1993 in the Main Hall of the Concert Hall at Hötorget in Stockholm, Sweden.

Registration and participation

Shareholders who intend to participate in the AGM must be registered with the VPC AB (Swedish Securities Register Center) by Friday, May 7, 1993. Shareholders whose shares are registered through a trustee must ensure well in advance that their shares are temporarily registered in their own names at the VPC not later than the above date.

In addition, notice of intent to participate must be given to Electrolux not later than 4 PM on Thursday, May 13, 1993 by mail to AB Electrolux, Dept. C-J, S-105 45 Stockholm, Sweden, or by telephone at Int +46 8 738 6793 or 738 6789. Notice should include the shareholder's name, registration number if any, address and telephone number. Shareholders participating by proxy must submit a copy of the proxy authorization prior to the date of the AGM.

Dividend

Subject to endorsement by the AGM of the Board's proposal of May 24, 1993 as reconciliation date, it is expected that dividends will be paid by the VPC on June 1, 1993.

Financial reports for 1993

Preliminary year-end results	February 3
Consolidated results*	March 10
Annual report*	Early May
Quarterly report (1st quarter)	May 18
Form 20-F	June 30 at the latest
Half-yearly report*	August 18
Quarterly report (3rd quarter)	November 17

* Distributed by the VPC (Swedish Securities Register Center) to shareholders on request.

The above reports are available on request from AB Electrolux, Investor Relations, S-105 45 Stockholm. Telephone Int +46 8 738 6003 or 738 6141.

Investor Relations and Financial Information

Åsa Mattsson, telephone Int +46 8 738 6494, telefax Int +46 8 656 6090

The official accounting for AB Electrolux for 1992 consists of two separate reports, "Electrolux Annual Report 1992" and the parent company's "Annual Report for AB Electrolux 1992".

The former comprises all data referring to the Group as well as a summary of essential information on the parent company. The "Annual Report for AB Electrolux 1992" contains all data referring to the parent company including a specification of shares and participations in subsidiaries and like other financial reports from Electrolux is available on request as above.

The report has been divided into two documents in order to comply more closely with international standards for corporate reporting and to concentrate information to that which is essential for an evaluation of the Group.

Highlights of the year

- Demand in Europe slackened in most of the Group's product areas. The North American market showed an upswing in several areas, including white goods and floor-care products.
- The decline in operating income is traceable primarily to non-recurring costs, mainly in Household appliances, and a weak performance by Commercial appliances.
- Income after financial items was largely unchanged from the previous year, as a result of exchange gains in Group financial operations during the fourth quarter.
- In June, an agreement was signed with AEG of Germany regarding cooperation in product development and production of washers, tumble-driers and dishwashers.
- In the light of the uncertain market situation and the weak trend for Group earnings in recent years, the Board proposes that the dividend be reduced by half, to SEK 6.25 per share.

	1992	1991
Sales, SEKm	80,436	79,027
Operating income after depreciation, SEKm	2,250	2,588
Income after financial items, SEKm	1,016	1,031
Earnings per share after full tax, SEK ¹⁾	2.50	5.20
Dividend per share, SEK ²⁾	6.25	12.50
Return on equity after full tax, % ¹⁾	1.2	2.3
Return on net assets, % ¹⁾	6.0	6.7
Equity/assets ratio, % ¹⁾	26.4	28.0
Capital expenditure, SEKm	3,623	3,414
Average total number of employees	121,200	134,200
Number of employees at year-end	119,200	130,300
Approximate values according to US GAAP		
Net income, SEKm	190	404
Net earnings per share, SEK	2.60	5.50
Shareholders' equity, SEKm	14,236	13,396
Total assets, SEKm	73,882	63,872
Debt/equity ratio, % ³⁾	60	60

¹⁾ For definitions of the above concepts, see p. 45.

²⁾ 1992: Proposed.

³⁾ Long-term liabilities expressed as a percentage of long-term liabilities plus shareholders' equity.

The main differences between US and Swedish accounting principles are described in Note 11 to the financial statements.

Electrolux today

Electrolux is one of the world's leading producers of household appliances. In white goods, the Group is the European market leader and as owner of Frigidaire Company is the third largest producer in the US. The Group is also the largest company in the world in floor-care products and absorption refrigerators for caravans and hotel rooms.

In areas outside Household appliances, the Group is largest or second largest in the world in food-service equipment, industrial laundry equipment, forestry and garden equipment, refrigerator compressors and car safety belts.

Majority of sales outside Sweden

The Group operates through own companies in more than 50 countries. Approximately 90% of total sales are outside Sweden. The US is the largest single market, accounting for 25%, and is followed by Germany, Sweden, the UK, France and Italy. The EC accounts for 46% of sales and 37% of Group employees.

Strong expansion in second half of 1980's

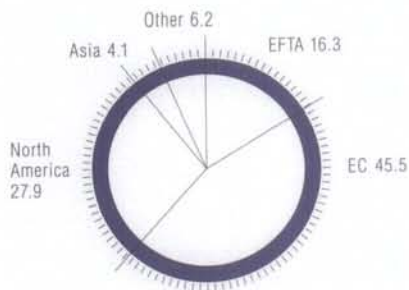
Electrolux expanded rapidly through acquisitions, particularly during the second half of the 1980's. Group sales of white goods in 1985 amounted to approximately SEK 19 billion, as compared to almost SEK 35 billion in 1992. In the same period, sales of commercial appliances rose from approximately SEK 3 billion to almost SEK 9 billion, and outdoor products from almost SEK 3 billion to more than SEK 9 billion.

Acquisitions were followed by comprehensive restructuring as well as investment in new plants and new generations of products. A number of operations have been divested in order to streamline the Group's structure.

Four core business areas

Following divestment of most of the operations in Commercial services, the Group has four core business areas – Household appliances, Commercial appliances, Outdoor products and Industrial products.

SALES BY REGION, %



GROUP EMPLOYEES WORLD-WIDE (average)	No. of employees, 1992	%	No. of employees, 1991
EFTA	21,009	17.3	23,132
EC	45,267	37.3	47,314
Rest of Europe	3,611	3.0	4,396
North America	28,011	23.1	28,332
Latin America	11,093	9.2	11,546
Asia	10,508	8.7	18,281
Africa	–	–	–
Oceania	1,649	1.4	1,228
Total	121,148*	100.0	134,229

For information on the number of employees by country, see p. 53.

* Of the total number of employees in 1992, about 16,200 were employed in direct sales operations and about 5,600 in Commercial services. Most of them were in Latin America and Asia.

GROUP SALES WORLD-WIDE	1992 SEKm	%	1991 SEKm	1990 SEKm
EFTA	13,097	16.3	14,488	18,004
EC	36,572	45.5	35,554	35,179
Rest of Europe	1,869	2.3	1,083	782
North America	22,437	27.9	21,523	22,533
Latin America	1,720	2.1	1,547	1,354
Asia	3,318	4.1	3,429	3,157
Africa	548	0.7	523	540
Oceania	875	1.1	880	885
Total	80,436	100.0	79,027	82,434

For information on sales by country, see p. 53.

● **Household appliances**

The main operations in Household appliances are white goods and floor-care products, which account for 75% and 11% of sales, respectively. Other main operations include absorption refrigerators for caravans and hotel rooms, room air-conditioners and sewing machines, as well as kitchen and bathroom cabinets.

● **Commercial appliances**

The main operation comprises food-service equipment for restaurants and institutions, and equipment for such applications as apartment-house laundry rooms and commercial laundries. These product areas account for more than 75% of sales. Other operations include refrigeration equipment and freezers for shops and supermarkets, as well as vacuum cleaners and wet/dry cleaners for commercial use.

● **Outdoor products**

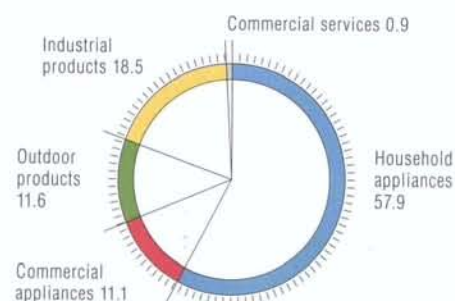
This business area includes garden equipment, chainsaws and other equipment for forestry operations. Garden equipment now accounts for about two-thirds of sales.

● **Industrial products**

Industrial products comprise the Group's second largest business area. About 40% of sales consist of half-finished goods in aluminium, manufactured by Gränges. Other main operations include car safety belts and other products for personal safety in cars as well as refrigerator compressors and materials-handling equipment.

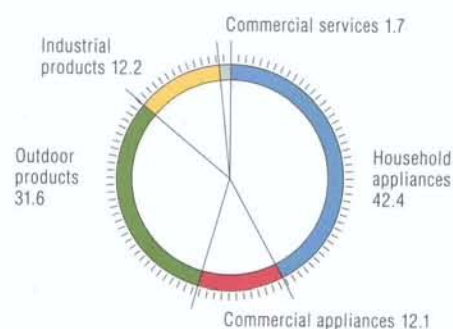
SALES BY BUSINESS AREA	1992		1991	1990
	SEKm	%		
Household appliances	46,540	57.9	45,481	44,890
Commercial appliances	8,898	11.1	8,971	8,699
Outdoor products	9,333	11.6	8,941	8,680
Industrial products	14,893	18.5	14,370	15,822
Commercial services	772	0.9	1,264	4,343
Total	80,436	100.0	79,027	82,434

SALES BY BUSINESS AREA 1992, %



OPERATING INCOME AFTER DEPRECIATION BY BUSINESS AREA	1992		1991	1990
	SEKm	%		
Household appliances	955	42.4	1,081	1,194
Commercial appliances	272	12.1	565	645
Outdoor products	710	31.6	614	661
Industrial products	275	12.2	258	490
Commercial services	38	1.7	89	258
Net contribution from major divestments	-	-	245	661
Costs of restructuring program	-	-	-264	-661
Total	2,250	100.0	2,588	3,248

OPERATING INCOME AFTER DEPRECIATION BY BUSINESS AREA 1992, %



Report by the CEO and the Group President

The market situation during 1992 was worse than anticipated. This applied particularly in Europe, where Commercial appliances and Industrial products were adversely affected by budget cutbacks and lower investment levels in many countries. Several product lines in Household appliances also reported weaker demand in Europe. However, the North American market showed a gradual improvement in business conditions, with increased demand for consumer products such as white goods and vacuum cleaners.

The decline in Group operating income is traceable primarily to non-recurring charges of approximately SEK 250m during the fourth quarter, mainly in Household appliances. Exchange gains in a corresponding amount were generated by financial operations during the same period, so that income after financial items was largely unchanged from the previous year.

In Europe, the downturn in business conditions and problems regarding EC cooperation have created greater uncertainty about trends for 1993. In addition, the recovery in North America is proceeding slowly and is still relatively weak. In the light of the uncertain market situation and the weak trend for Group earnings in recent years, the Board has proposed that the dividend for 1992 be reduced by half.

Restructuring and new product programs mean improved competitive position

During the 1980's, we implemented a strategy of building strong market positions in our core areas through acquisitions. With reference to the increasingly more difficult market situation, during the past three years we have focused on consolidating operations and implementing a comprehensive restructuring program.

In 1990-91, we shut down about ten major plants and cut back the number of employees by about 15,000. Three large units for white goods were shut down in 1992. At year-end the number of employees had been further reduced. These actions have led to an improved production structure and higher productivity.

In white goods, we have largely completed the comprehensive investment program that followed the major acquisitions. We have developed four new, complete and clearly differentiated product ranges for Europe, which are based on common components to a greater degree than previously. These product ranges have created the preconditions for more uniform and more consistent positioning of our brand names in Europe. The Group is now entering a phase featuring a greater commitment to marketing.

A strategically important event in 1992 was the agreement with AEG of Germany regarding cooperation on product development and production of top-loaded washers, tumble-driers and dishwashers. We will be able to obtain economies of scale through restructuring and increased specialization of our production units in these product areas, in which both companies currently have units that are too small.

In the white-goods operation in North America, we are also entering a phase in which the focus is on product renewal and marketing. A number of new products will be launched over the next few years in order to obtain complete product ranges for all brand names. A continued improvement in earnings is expected over the next few years.



Anders Scharp and Leif Johansson.

Operations in Commercial appliances are at present faced with a difficult market situation, where demand is declining. Food-service equipment, which accounts for half of sales in this business area, reported a downturn of about 10% in European demand during 1992. For the past two years, a comprehensive program has been in progress in this product line for coordination of key functions such as product development, marketing and production within the different units. This program will gradually lead to lower cost levels. Structural changes have been implemented in both cleaning equipment and refrigeration equipment, and acquisitions were made in both of these areas during the year.

In Outdoor products, a major commitment to new products has been implemented in recent years. Despite falling demand for professional chainsaws and a weak market for garden equipment in Europe, we have been able to achieve growth in sales volume. Production has been consolidated following the major acquisitions at the end of the 1980's. During 1992, lower cost levels were obtained for production in both Sweden and the US. The Group has a strong position in this area, as a result of large market shares and a good production base in the US. Sales of our American products in Europe have grown substantially in recent years.

Gränges accounts for about half of sales in the Industrial products business area. Compressors and personal car safety equipment together account for another one-third. Almost half of Gränges' sales consist of extruded profiles, for which Sapa has a strong market position, particularly in Scandinavia. In order to ensure profitability and good access to raw materials under favorable business conditions, a specific degree of self-sufficiency in primary aluminium is required. In a recession, with falling metal prices, this generates a negative effect that is very difficult to counteract. Since late 1991, production at the Sundsvall smelting plant has been reduced by 20% and the number of employees has been cut by about the same figure. Restructuring and investments have also been implemented in both Sapa and aluminium-foil operations.

Considerable restructuring and product development have also been implemented in compressors and personal car safety equipment. Both of these operations currently have very good product ranges. Both reported increases in sales volume and profitability for 1992.

Good potential for expansion in all business areas

Market growth is low in most of the Group's business areas. On the other hand, operations involve low risk levels in terms of technical change, for products as well as production technology. Demand varies over a business cycle, but the changes are not usually dramatic.

For Household appliances, we anticipate that the new product ranges will enable us to achieve higher organic growth. The previously implemented investments and structural changes have led to lower production costs, which together with steady increases in internal efficiency creates the preconditions for improved profitability. In order to obtain long-term growth and sustained profitability, we are focusing on development of more innovative products for our high-volume segments as well.

During the 1980's, Commercial appliances and Outdoor products showed good profitability and strong growth. We expect this trend to be sustained in the long term. Both of these business areas have a potential for organic growth based on quality product ranges and international brand names, as well as for growth based on acquisitions.

The internal changes being implemented within Industrial products will also lead to a gradual improvement in profitability. A number of operations in this business area are highly dependent on external business conditions, however. For Electrolux Autoliv, new products such as airbags will involve strong market growth. Autoliv is well in the forefront, as shown by an airbag developed specifically for the European market. The long-term goal for the Industrial products business area is to streamline the number of product areas.

There will also be a good potential for Group growth in new markets in Eastern Europe and Asia during the next few years. In 1992, we formed joint ventures with local partners in a number of product areas in China, Japan, India and Russia. We also established companies in several countries in Eastern Europe.

Group dividend policy

The Group's dividend policy is based on increasing the dividend in line with the long-term growth of equity. We also aim at a smooth trend for dividends, without changes in response to temporary fluctuations in earnings.

With reference to the good long-term prospects for the Group and expectations for an improved market situation, we maintained an unchanged dividend in 1990 and 1991, although it was not covered by net income. The equity/assets ratio remained largely unchanged in both years, however.

The proposed reduction in the dividend for 1992 should be regarded in the light of the uncertainty of market trends for 1993 and the weak trend for Group earnings in recent years. There has been no change in our positive assessment of the Group's potential in the long term.

Financial goals

We thus expect that internal changes and our strong market positions will enable us to gradually achieve an improvement in Group earnings and profitability.

The devaluation of the Swedish krona and the Italian lira will improve our competitive position, as we have a high volume of export-oriented production in both countries.

The balance sheet can be pruned additionally through continued reductions in inventories and accounts receivable. We are developing increasingly more efficient systems for this purpose and expect to approach our target, that inventories and accounts receivable should both be not more than 15% of sales. The goal is to maintain an equity/assets ratio of at least 25%.

As business conditions improve, we should be able to gradually achieve an after-tax return on equity that corresponds to the return on long-term Swedish Government securities plus a risk premium of a few percentage points.

Anders Scharp
Chairman of the Board
and CEO

Leif Johansson
President

Group operations

Weaker business conditions in Western Europe, but some recovery in the US

Business conditions in the OECD bottomed out in the spring of 1991, and subsequently showed some improvement as a result of increased growth in the US and Canada. In Japan and Western Europe, production declined gradually in 1992. Overall growth for the OECD was only about 1.5%, as against about 1% in 1991.

Growth has been weak largely because corporations and households have increased their savings in order to reduce the debt burden that was accumulated during the second half of the 1980's. This acted as a damper on consumption and investment. High interest rates in Western Europe, resulting partly from the unification of Germany, have also been a strong inhibiting factor on growth.

A downturn is currently in progress in both Japan and Germany. Continued problems in the Japanese financial sector are exerting downward pressure on domestic demand. In Germany the costs of reunification are increasing, which is reflected partly in continued high interest rates and a strong deutschmark, with an accompanying deterioration in the competitive positions of German export companies. A restrictive financial policy will probably have a damping effect on the domestic German market and thus also on trade in the rest of Western Europe.

Turbulence in the Western European currency system together with the production decline in Germany have set the stage for a reduction of interest rates in Europe. It will be some time before the positive effects of this reduction are apparent, however. Growth in Western Europe is therefore expected to remain weak in 1993.

Indications of an upturn in the US became steadily more obvious during the past year. GDP increased during the fourth quarter by 4-5%, the highest quarterly figure since 1988. However, the improvement in US business conditions in 1993 will probably not be strong enough to have any great effect on the world economy. Growth in the OECD will presumably be only insignificantly higher than last year.

Continued downturn in Sweden

The Swedish economy is currently in the steepest decline since the 1930's. GDP fell in 1992 for the second consecutive year, by almost 1.5%. Unemployment was 6% at year-end, despite comprehensive governmental efforts in the labor market. Industrial production has declined by almost 20% since the second quarter of 1989.

The downturn is a result of continuing adjustments and changes in the economy toward lower price and cost levels, and weak business conditions in countries that are vital markets for Swedish exports.

The fall in the value of the krona in 1993 will have a favorable effect on exports and industrial production, but this will not be sufficient to counteract the decline in the domestic market. Continued negative growth is expected in Sweden during 1993. Private consumption is expected to decline again from the previous year.

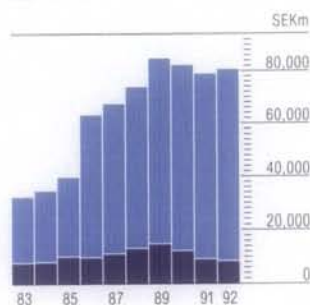
Fall of the krona affects Group's key ratios

The decision to float the Swedish krona on November 19 led to a fall of about 12% against the ECU over the next few days. The krona fell another 15% by year-end. The year-end dollar rate was about 27% higher than at the end of 1991.

These exchange-rate fluctuations have had a considerable effect on the Group's key ratios for 1992. This is particularly the case when balance-sheet items, which are translated at year-end rates, are compared with income-statement items, which are translated at average annual rates.

Group sales

■ Outside Sweden
■ Sweden



Sales rose to SEK 80,436m in 1992, an increase of almost 2% for comparable units.

In the key ratios given below for net assets, inventories and accounts receivable, the effects of exchange-rate fluctuations have been eliminated by applying the same rate for translation of items in the balance sheet and the income statement. In the statement of changes in financial position, the total effect of exchange-rate fluctuations on net consolidated assets is listed as a separate item.

Slight increase in Group sales for comparable units

Group sales for 1992 amounted to SEK 80,436m, as against SEK 79,027m in the previous year. SEK 72,348m (69,933) or 90% (88) referred to sales outside Sweden. Sales increased by almost 2% after adjustment for acquisitions and divestments. The increase is traceable mainly to exchange-rate fluctuations during the fourth quarter. See page 53 for information on Group sales by country and region.

Exports from Sweden in 1992 amounted to SEK 6,889m (6,615), of which SEK 4,089m (3,923) was to Group subsidiaries. The Group's Swedish plants accounted for about 17% (18) of the total value of production.

Lower operating income and return

Operating income before depreciation declined in 1992 to SEK 5,719m (5,910). Operating income after depreciation according to plan declined by 13.1% to SEK 2,250m (2,588), which corresponds to 2.8% (3.3) of sales.

Income after financial items was largely unchanged and amounted to SEK 1,016m (1,031), which corresponds to 1.3% (1.3) of sales.

Earnings per share after full tax amounted to SEK 2.50 (5.20). The return on equity after full tax declined to 1.2% (2.3).

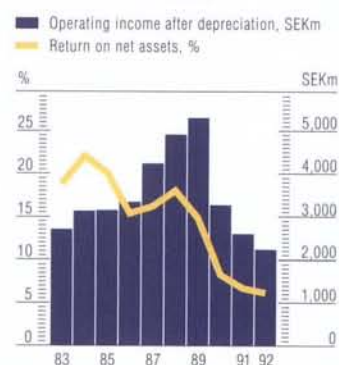
The return on net Group assets was 6.0% (6.7). For definitions of Group key ratios, see page 45.

Decline in operating income resulting mainly from non-recurring costs in the fourth quarter

Operating income was adversely affected by provisions during the fourth quarter for shutdown of two plants as a result of the agreement with AEG, and for recall of a series of dishwashers in the US. In addition, charges were taken for personnel cutbacks in the Spanish white-goods and compressor operations, and in connection with completion of major projects in materials-handling equipment. These provisions and charges totalled approximately SEK 250m.

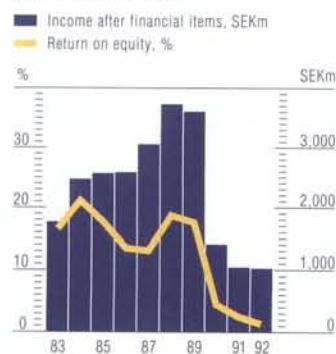
Operating income for 1991 included capital gains totalling SEK 245m on divestment of operations in Commercial services during the first and fourth quarters. Provisions totalling SEK 264m were made during the fourth quarter for anticipated major restructuring costs. See the table below.

Operating income and return on net assets



Operating income declined by 13% in 1992 to SEK 2,250m, mainly because of non-recurring costs in Household appliances.

Income after financial items and return on equity



Income after financial items for 1992 was largely unchanged from the previous year, as a result of exchange gains in the fourth quarter.

SALES AND INCOME PER QUARTER, SEKm

	Sales		Operating income after depreciation		Income after financial items and before taxes		Operating income includes		Adjusted income after financial items	
	1992	1991	1992	1991	1992	1991	Net capital gains on major divestments	Costs of restructuring program	1992	1991
Quarter 1	19,462	19,237	618	798	253	414	-	184	253	230
Quarter 2	21,340	21,528	902	934	505	503	-	-	505	503
Quarter 3	18,151	19,015	370	386	-22	-27	-	-	-22	-27
Quarter 4	21,483	19,247	360	470	280	141	-	61	280	344
Whole year	80,436	79,027	2,250	2,588	1,016	1,031	-	245	1,016	1,050

AVERAGE ANNUAL GROWTH	1983-1992	
Sales		9.8%
Shareholders' equity		12.4%
Equity per share		9.5%
Trading price, B-shares		14.8%

SALES BY BUSINESS AREA

	Sales		Change %
	1992 SEKm	1991 SEKm	
Household appliances	46,540	45,481	+ 2.3
Commercial appliances	8,898	8,971	- 0.8
Outdoor products	9,333	8,941	+ 4.4
Industrial products	14,893	14,370	+ 3.6
Commercial services	772	1,264	-38.9
Total	80,436	79,027	+ 1.8

OPERATING INCOME AFTER DEPRECIATION BY BUSINESS AREA

	Operating income after depreciation		Change %
	1992 SEKm	1991 SEKm	
Household appliances	955	1,081	- 11.7
Commercial appliances	272	565	- 51.9
Outdoor products	710	614	+ 15.6
Industrial products	275	258	+ 6.6
Commercial services	38	89	- 57.3
Net contribution from major divestments	-	245	-
Costs of restructuring	-	-264	-
Total	2,250	2,588	- 13.1

Improvement in net financial items

Net Group financial items improved to SEK -1,234m (-1,557), or -1.5% (-2.0) of sales. Net financial items include exchange gains of about SEK 250m during the fourth quarter, resulting from currency management during the turbulence in the European financial market in this period. The improvement is also an effect of reduced borrowings and lower interest rates.

Interest rates for Continental currencies were largely unchanged, while US interest rates declined during the year. The stable currency market of the spring and summer gave way to an extremely volatile situation during the autumn, with strong fluctuations in interest rates and weakening of several European currencies.

Greater tax burden

Taxes reported by the Group comprise income tax, deferred tax and other taxes. In 1992, total reported taxes increased by SEK 180m to SEK 775m (595). Income tax was reduced from SEK 706m to SEK 583m, i.e. by SEK 123m. Deferred tax on timing differences, etc. was positive again in 1992 but was considerably lower, which involved an increase of SEK 250m in reported taxes. Other taxes, including those on real estate, increased by SEK 53m to SEK 258m. See Note 3 on page 40.

Operating income and profitability by business area

Demand in the European market in 1992 showed steady downturns in most of the Group's product areas. The decline was particularly sharp in the Nordic countries and Spain. The market in the UK continued to be weak. However, there was an upturn in North America for consumer products such as white goods and floor-care products.

Operating income declined in particular for Commercial appliances, but Household appliances also reported a downturn. Improved income was reported by Outdoor products and Industrial products.

Lower income for Household appliances after non-recurring costs

The decline in operating income for Household appliances is traceable primarily to non-recurring costs in white goods during the fourth quarter. In addition, operating income for the Group's US operation in room air-conditioners showed a considerable downturn as a result of continued weak demand. Kitchen and bathroom cabinets also reported lower operating income.

Improved income was achieved in leisure appliances, mainly because of a positive trend in the US. The US white-goods operation also reported an improvement in income.

Profitability for this business area declined somewhat in comparison with the previous year.

Considerable drop in income for Commercial appliances

The major share of sales for this business area is in Europe, where demand was substantially lower than in the previous year. All operations reported lower income. The largest decline was reported for food-service equipment and commercial cleaning equipment.

Profitability for this business area showed a sharp decline.

Higher income for Outdoor products in Europe and the US

Greater sales volume and lower production costs generated improved operating income for the Group's European operation in chainsaws. Garden equipment in Europe reported largely unchanged income in comparison with the previous year. In North America, sales and income increased for chainsaws as well as garden equipment.

This business area reported improvements in operating income and profitability.

Slightly higher income for Industrial products

Higher sales and improved operating income were reported for compressors and for personal safety equipment in cars. Despite continued low prices for aluminium, Gränges reported an improvement in income which is traceable entirely to the fourth quarter. However, materials-handling equipment reported weak demand and substantial unforeseen costs referring to completion of major projects in the European operation, which led to a sharp decline in operating income.

Profitability for this business area showed a slight improvement.

Financial position

Liquid funds as of December 31, 1992 amounted to SEK 8,096m (6,156), which corresponded to 10.1% (7.8) of sales. Net liquidity, i.e. liquid funds less short-term borrowings, amounted to SEK -3,119m (156).

Net assets, defined as total assets less liquid funds and all non-interest-bearing liabilities including 30% deferred tax on untaxed reserves, amounted to SEK 41,728m (35,521). After adjustment for the effects of exchange-rate fluctuations, net assets corresponded to 46.1% (45.0) of sales.

Net assets include assets referring to customer financing in the amount of SEK 2,592m (1,935).

Equity/assets ratio

The equity/assets ratio declined to 26.4% (28.0). As in the previous year, computation of this ratio has involved netting liquid funds against short-term borrowings.

Within the framework of the Group's current focus of operations, its market position and its geographical distribution, the goal is to maintain an equity/assets ratio of at least 25%.

Shareholders' equity

Group equity at year-end 1992 amounted to SEK 16,772m (15,758), and total risk-bearing capital to SEK 18,703m (17,555). The increase refers to translation differences arising from consolidation of foreign subsidiaries, which incremented equity by SEK 1,662m (-262). See page 10.

Equity and risk-bearing capital per share at year-end 1992 amounted to SEK 229 (215) and SEK 256 (240), respectively.

Interest-bearing liabilities

As of December 31, 1992 the Group's total interest-bearing liabilities amounted to SEK 32,813m (25,661), of which SEK 1,947m (1,875) referred to PRI pension commitments. Net borrowings, i.e. total interest-bearing liabilities less liquid funds, amounted to SEK 24,956m (19,764). The increases in interest-bearing liabilities and net borrowings are traceable largely to the effects of exchange-rate fluctuations.

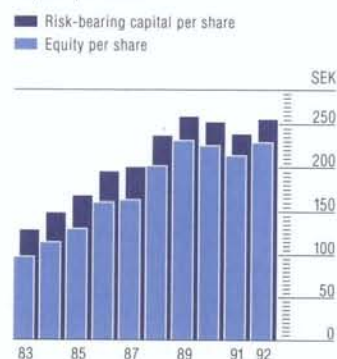
Of total interest-bearing liabilities, 53% (66) consisted of long-term loans. Of the long-term loans, 76% (71) are at fixed interest rates.

Inventories and accounts receivable

Since the start of the 1980's, the Group has applied a comprehensive program for reducing tied-up capital. Inventories as a percentage of sales have been reduced from over 30%, and accounts receivable from over 20%. The goal is for both inventories and accounts receivable to be 15% of sales.

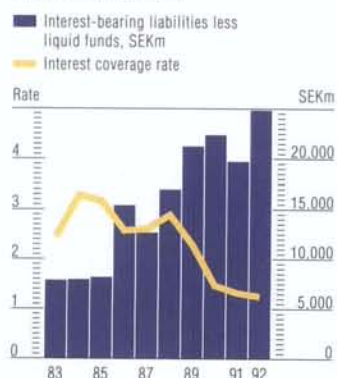
At year-end 1992, inventories amounted to SEK 15,883m (14,955) and accounts receivable to SEK 16,509m (13,893). The increase in both items is

Equity and risk-bearing capital per share



Equity per share rose to SEK 229 in 1992, as against SEK 215 in 1991, and has grown at an average annual rate of 10% over the past 10 years.

Group loan exposure



The increase in net Group borrowings in 1992 was largely an effect of exchange-rate fluctuations.

traceable to exchange-rate fluctuations, primarily to the substantial rise in the dollar rate. After adjustment for the effects of these changes, inventories amounted to 17.5% (18.9) and accounts receivable to 18.2% (17.6) of sales.

Group currency exposure

Since the Group has considerable net assets in foreign currencies and operations involve large commercial flows, exchange-rate fluctuations can have an adverse effect on income and shareholders' equity. In order to counteract this effect, the Group hedges currency risks, although with due consideration for costs and fiscal consequences.

Exposure generated by foreign assets

The net of assets and liabilities in foreign subsidiaries comprises a net investment in foreign currency, which generates a translation difference after consolidation. In order to avoid degradation of Group equity, borrowings or forward exchange contracts are undertaken with reference to this net investment based on the estimated risk, with due consideration for fiscal effects. This means that the decline in value of a net investment resulting from a fall in exchange rates is offset by exchange gains in the parent company's borrowings and forward exchange rates in the same currency, and vice versa. The magnitude of the total coverage can vary between a maximum of 100% of the net investment plus the fiscal effect – at which the effect of exchange-rate fluctuations on equity is in principle zero, expressed in Swedish kronor – and the level at which the Group's equity/assets ratio is maintained intact in the event of exchange-rate fluctuations. There is always some net exposure, however, since it is difficult to raise loans in some currencies. During the autumn of 1992, priority was assigned to the Group's equity/assets target.

At year-end, forward exchange contracts as hedges for net foreign investments amounted to SEK 3,633m (6,456).

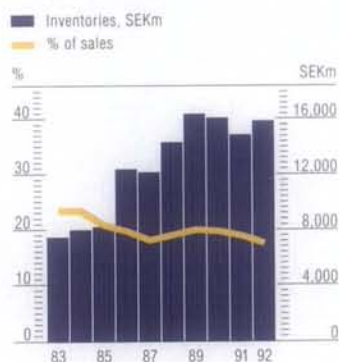
Net translation differences arising from consolidation of foreign subsidiaries in 1992 amounted to SEK 1,662m (-262). In computing these differences, consideration has been given to exchange differences referring to borrowings and forward exchange contracts in the parent company as a hedge for equity in subsidiaries, after deduction for estimated taxes. This amount has been taken directly to equity in the consolidated balance sheet and thus does not affect income for the year. However, the translation loss referring to countries with highly inflationary economies has been charged against operating income. See the description of accounting principles on page 38.

Exposure arising from commercial flow

Transactions between Group companies, suppliers and customers generate a flow exposure. About 80% of this flow is between Group companies. The effect of exchange-rate fluctuations is reduced by the Group's geographically widespread production, which involves two-way currency flows. Internal exposure is further reduced by the Group's netting system, which also enables the remaining currency flow to be continuously monitored, so that action can be taken to change positions. The Group's total currency risk is managed centrally. The bulk of the exposure refers to the inflow of GBP, FRF and DEM against ITL.

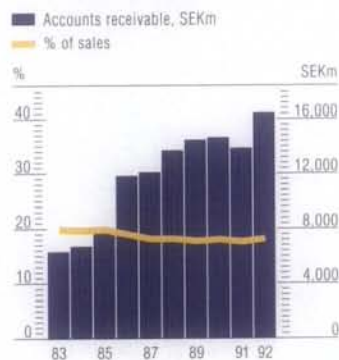
Group companies cover their commercial currency flows through the Group's financial units. The financial operation thus assumes the exchange-rate risks and can then cover them externally through forward exchange contracts, borrowings or deposits. Options and other derivative instruments are also used. Exchange differences arising from short-term commercial receivables and liabilities in foreign currencies are included in operating income.

Group inventories



After adjustment for exchange-rate fluctuations, inventories amounted to 17.5% of sales in 1992, as against 18.9% in 1991.

Group accounts receivable



After adjustment for exchange-rate fluctuations, accounts receivable amounted to 18.2% of sales in 1992, as against 17.6% in 1991.

Capital expenditure

Capital expenditure in 1992 amounted to SEK 3,623m (3,414), of which SEK 649m (627) referred to Sweden. Total capital expenditure thus corresponded to 4.5% of Group sales, as against 4.3% in the previous year. The increase is traceable largely to the effects of exchange-rate fluctuations.

In the course of the year the washing-machine plant in Porcia, Italy was completed, representing an investment of approximately SEK 1,100m over three years. In addition, an investment totalling SEK 350m in the American refrigerator plant in Greenville, Michigan was completed. The Group is focusing capital expenditure increasingly on new products.

Group cash flow

After adjustment for the effects of exchange-rate fluctuations and before dividend payments, the Group's cash flow was positive during 1992. This was achieved primarily by a reduction in Group inventories.

Strategic alliance with AEG

Electrolux and AEG of Germany signed an agreement in the course of the year regarding cooperation on production and product development of washers, tumble-driers and dishwashers. The goal is to strengthen both companies' long-term competitive positions through rationalization and greater specialization. This cooperation involves restructuring of both companies' production units within the above product areas. The companies will continue to compete on the market under their own brand names.

The agreement also stipulates acquisition by Electrolux of a 10% stake in AEG Hausgeräte, with an option on another 10% as cooperation is expanded. AEG in turn will subscribe a debenture loan issued by Electrolux, with an option on conversion to B-shares in Electrolux.

Following approval of the agreement by the appropriate anti-trust authorities, the final agreement is subject to the approval by the Electrolux Annual General Meeting of the issuance of convertible debentures to AEG.

Acquisitions in Industrial products and Commercial appliances

In the course of the year the Group acquired Autoflug GmbH & Co Fahrzeugtechnik in Germany. The company manufactures car safety belts and has annual sales of about SEK 600m, with about 900 employees. This acquisition was consolidated as of April 1, 1992.

As of July 1, 1992, the Group acquired the operation in UPOREF of Finland for production and sale of commercial refrigeration and freezing equipment. This operation has sales of about SEK 300m and about 300 employees. The Group also acquired two small companies in commercial cleaning equipment and materials-handling equipment.

As of January 1, 1992, the Group divested operations in Commercial services in Luxembourg as well as 70% of the shareholdings in service companies in Asia. These operations had total sales of more than SEK 350m and about 8,800 employees.

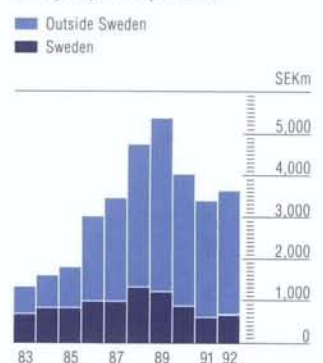
Reduction in personnel

The average number of employees declined in 1992 to 121,148 (134,229), of whom 16,202 (18,021) were in Sweden. The number of employees at year-end was 119,163 (130,268). The decline resulted mainly from the above-mentioned divestment of most of the Group's service companies in Asia.

Acquisitions during the year incremented the number of employees by about 1,300.

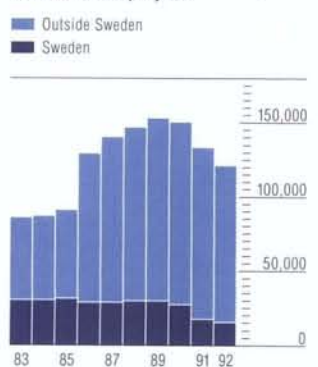
Of the total average number of employees in 1992, approximately 16,200 were employed in direct-sales operations, and about 5,600 in Commercial services. Most of them work in Latin America and Asia.

Group capital expenditure



Capital expenditure corresponded to 4.5% of sales in 1992, as against 4.3% in 1991. The increase resulted mainly from exchange-rate fluctuations.

Number of employees



The average number of employees declined by over 13,000 in 1992, to 121,148.

For information on the number of employees by country and region, see page 53.

Salaries and remuneration amounted to SEK 15,902m (15,507), of which SEK 2,698m (2,771) in Sweden. See also Note 10 on page 43.

A specification of the number of employees as well as salaries is also given in the separate report for the parent company.

The parent company

Sales for the parent company in 1992 amounted to SEK 4,360m (4,963), of which SEK 1,903m (2,184) referred to sales to Group companies and SEK 2,457m (2,779) to external customers. Following allocations of SEK -215m (355) and taxes of SEK -5m (-4), the parent company reported income of SEK 587m (847).

Financial exchange gains during the year amounted to SEK 1,066m (-54), including SEK 548m (-3) in gains on forward exchange contracts as a hedge for equity in subsidiaries, and SEK 302m (-49) referring to intra-Group transactions and redemption of loans.

Unrealized exchange losses in the parent company referring to loans and forward exchange contracts as a hedge for equity in subsidiaries amounted to SEK 2,755m. If exchange rates remain the same, this would generate an effect on the parent company's income of SEK 1.1 billion in 1993, SEK 0.5 billion in 1994 and SEK 1.1 billion in following years. The unrealized exchange losses are offset by an increase in the value of net assets in foreign subsidiaries, which arises from exchange-rate fluctuations and is not carried in the parent company's accounts.

No effect on Group income is generated, since exchange losses are offset against the translation difference (increase in equity) which arises when net assets in foreign subsidiaries are translated at year-end rates.

The Board proposes that the dividend for 1992 be reduced by half, to SEK 6.25 per share, for a total dividend payment of SEK 458m (915).

A summary of the financial statements for the parent company is given on page 45.

Earnings and financial position according to US accounting principles (US GAAP)

The table below summarizes the Group's earnings and financial position according to US GAAP. Additional information and a description of the essential differences between US and Swedish accounting principles are given in Note 11 on page 44.

Electrolux also submits an annual Form 20-F report to the SEC (Securities and Exchange Commission).

Application of FAS 106 and FAS 109

In 1990, the US Financial Accounting Standards Board (FASB) adopted Financial Accounting Standard No. 106 (FAS 106), which deals with reporting of post-employment benefits. This standard stipulates that benefits shall be booked by a company during the period that they accrue to the employee, instead of during the period when they are paid, which was the previous practice.

As of the first quarter of 1993, Electrolux is introducing FAS 106 in both US GAAP and Swedish reporting. As of the same period, the Group is also introducing FAS 109, a new standard for reporting taxes. The transition to the new standards is being made in accordance with the recommendations of the International Accounting Standards Committee (IASC) for changes in accounting principles, and involves a reduction of opening Group equity of approximately SEK 900m. The change is an accounting transaction and has no effect on liquidity.

VALUES ACCORDING TO US GAAP	1992	1991
Net income, SEKm	190	404
Net earnings per share, SEK	2.60	5.50
Shareholders' equity, SEKm	14,236	13,396
Total assets, SEKm	73,882	63,872
Debt/equity ratio, %*	60	60

* Long-term liabilities expressed as a percentage of long-term liabilities plus shareholders' equity.

Application of FAS 109 by Electrolux means among other things that deferred tax-assets and liabilities are computed at the current taxation rate and not at the rate which applied on the date when the claim or liability arose.

Group financial operations

Financial operations in Electrolux comprise functions for Finance and Risk Management. The former operates as a separate product line with three main fields of activities, i.e. borrowing to finance Group operations, liquidity and debt management, and financial support for sales operations. This product line includes more than thirty companies.

Fourteen local financial centers are positioned in the Group's most important markets in Western Europe and North America. The short-term operations of these internal banks are coordinated through Electrolux Finance Corporation B.V. in The Netherlands, with a branch office in Zurich. Long-term financing and the Group's overall financial risk exposure are managed from Stockholm.

Financial operations include active money management and comprehensive currency operations, primarily in Sweden, Switzerland and Italy.

Support for the Group's operations includes leasing and rental activities, factoring for customers and suppliers, and various types of dealer financing. This segment of operations has expanded vigorously in recent years.

The Risk Management function coordinates the Group's protection against various types of risk and includes several own insurance companies. Two of these, in Sweden and the US, have charters for direct insurance and reinsurance, while a company in Luxembourg is devoted exclusively to reinsurance. In 1992 a company was established in Ireland for direct insurance within the EC.

Loans raised during the year

A number of loans were raised during the year in the international capital market. Among other things, these involved issuance of bond loans totalling about SEK 1,700m, which included the following:

- LUF 600m (approx. SEK 125m), 3 years at 9.25% p.a.
- LUF 850m (approx. SEK 180m), 3 years at 9.5% p.a.
- USD 200m (approx. SEK 1,400m), 5 years at 7.75% p.a.

Other activities included a private placement of USD 100 m for five years in the US, expansion of the MTN program to USD 750 m, and the introduction of a certificate program for DEM 100 m in the German market.

As in previous years, a number of swaps and options were arranged to obtain the desired balance between fixed and variable interest rates, and for conversion to other currencies, mainly USD.

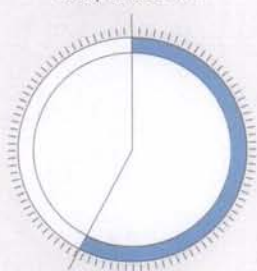
Considerable income was generated during the year by currency trading and interest arbitrage. Income from leasing and financing of dealers declined, however.

The scope of financial operations is shown by the balance sheet below.

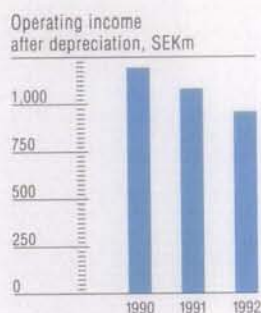
ASSETS, SEKm	1992	LIABILITIES AND SHAREHOLDERS' EQUITY, SEKm	1992
Liquid funds	6,855	Operating liabilities	506
Loans to Group companies	55,974	Borrowings from Group companies	35,953
Current receivables	1,692	Short-term borrowings	13,860
Long-term receivables	1,256	Long-term borrowings	13,209
Other fixed assets	1,069	Untaxed reserves	0
		Shareholders' equity	3,318
Total assets	66,846	Total liabilities and shareholders' equity	66,846

Household appliances

Share of total
Group sales: 57.9%



	SEKm	%
White goods	34,745	75
Floor-care products	5,135	11
Leisure appliances	2,159	5
Room air-conditioners	1,567	3
Kitchen/bathroom cabinets	1,335	3
Sewing machines	631	1
Other	968	2
	46,540	100



	1990	1991	1992
Sales, SEKm	44,890	45,481	46,540
Operating income after depreciation, SEKm	1,194	1,081	955
Operating income as % of sales	2.7	2.4	2.1

Demand for white goods declined somewhat in Europe, while an upswing was evident in North America. The Group strengthened its market position in Europe. A new range of uprights also generated a greater market share for vacuum cleaners in the US.

The decline in operating income for this business area is traceable largely to provisions during the fourth quarter for non-recurring costs related to white goods.

At the start of 1993, the Group launched a new generation of totally CFC-free refrigerators and freezers for the European market.

White goods

Electrolux is one of the world's largest manufacturers of white goods. The Group is the European market leader, and through the Frigidaire Company is the third largest white-goods company in the US.

About 60% of sales are in Europe, while North America accounts for about 30%. In addition to Electrolux and Zanussi, the major brand names in Europe include Husqvarna, Elektro Helios, Rex, Tricity-Bendix, Arthur Martin, Juno and Corberó. Group brand names in the US are Frigidaire, White-Westinghouse, Tappan, Kelvinator and Gibson.

Sales and profitability

Sales in 1992 amounted to SEK 34,745m (34,089). Operating income declined, mainly as a result of provisions during the fourth quarter. Profitability was not satisfactory.

The provisions referred primarily to anticipated costs for discontinuation of production in accordance with the agreement with AEG, and for recall of a series of dishwashers in the US. Operating income for this product line in the Nordic countries also declined, as a result of substantially lower demand. This was offset by improved income in the North American operation, however.

Operations in Europe

The European market for white goods declined somewhat in volume in comparison with the previous year. The downturn was particularly sharp in the Nordic countries and Spain. The market in the UK was also weaker, while Germany showed continued growth. The Group strengthened its market share in Europe.

The European market for 1992 is estimated at almost 58 million units (58), of which microwave ovens accounted for about 13%. The market is highly saturated for most products, with the exception of microwave ovens, dishwashers and tumble-driers. The market for built-in products has also expanded in recent years, as demand for more advanced products has grown. However, during the recession of the past few years demand for more advanced products has declined in favor of simpler, less expensive models.

The European market features a large number of manufacturers. Consolidation to fewer and more competitive units has been in progress since the 1980's, however. This process has been accelerated by the recession and the creation of the EC single market.

Electrolux and AEG in strategic alliance

Electrolux and AEG of Germany reached an agreement during the year regarding cooperation on production and product development of washers, tumble-driers and dishwashers. This cooperation involves restructuring and specialization of both companies' production in the above product areas, in order to achieve economies of scale.



1. Electrolux was the first to market a complete range of CFC-free refrigerators/freezers. The new range also features extremely low energy consumption.

2. In the Group's washing machines with ALC technology, the water level is automatically adjusted to the wash load, which means very low consumption of electricity and water.

3. The range of vacuum cleaners includes everything from compact models, uprights and hand-held units to wet/dry cleaners.

During the first half of 1993, the Group will shut down the German plant for tumble-driers in Tübingen. In addition, production of dish-washers in the Swedish Torsvik plant will be phased out during 1993-94. The two companies will continue to compete on the market under their respective brand names.

New pan-European organization

The European operation was reorganized as of October, 1992, in order to obtain greater economies of scale in product development and production, as well as more effective marketing. This has involved integrating all production units in three international product divisions and coordinating marketing activities, which are run mainly through local companies, in a single European organization.

Operations in the US

The US market showed a volume increase of about 6%. All product areas reported upswings. Price competition remained intense, however.

Frigidaire's market share was unchanged from the previous year, and operating income improved. The increase resulted from a combination of higher volume and internal changes. Profitability is still unsatisfactory, however.

The US market in 1992 is estimated at about 39 million units (37), of which microwave ovens accounted for about 18%. The number of producers in this market is much smaller than in Europe. The four largest companies together account for about 80-90% of total volume. There are many brand names, however, most of them with complete product ranges. Over-capacity still exists in terms of both production and distribution. As in Europe, demand refers mostly to replacement buying.

Restructuring and major investments during the year

In May, the new washing-machine plant in Porcia, Italy was opened, representing an investment of about SEK 1,100m over three years. In addition, a project totalling about SEK 350m for production of large refrigerators at the US plant in Greenville, Michigan was completed.

During the year the cooker plant in Stechford, UK was closed and production was transferred to the plant in Spennymoor. In the US, the cooker plant in Mansfield, Ohio was closed and production was transferred to the plant in L'Assomption, Canada. Production of refrigerators in L'Assomption was simultaneously transferred to Greenville.

Electrolux first to market CFC-free refrigerators and freezers

Early in February, 1993, the Group launched a new, totally CFC-free generation of refrigerators, freezers and combination units. The CFC substitute is completely free of chlorine and thus has no effect on the ozone layer. The new products are also considerably more energy-efficient and are designed for recycling.

The new refrigerators and freezers reflect the Group's efforts to continuously develop products with minimal environmental impact in terms of consumption of such vital inputs as energy, water and detergent. The Group's goal is to be market leader in this respect as well.

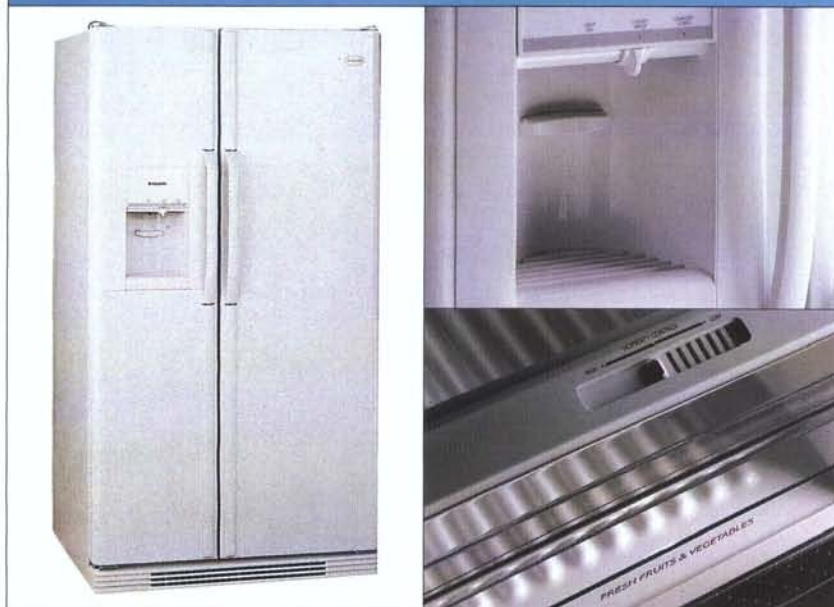
New product ranges for Zanussi and Frigidaire

The launch of a new pan-European product range for Zanussi is scheduled for the spring of 1993, and will be followed by a multi-year marketing campaign. As an important component in the restructuring of white-goods operations following acquisitions, the Group has thus introduced four new, clearly differentiated product ranges for the European brand names. This

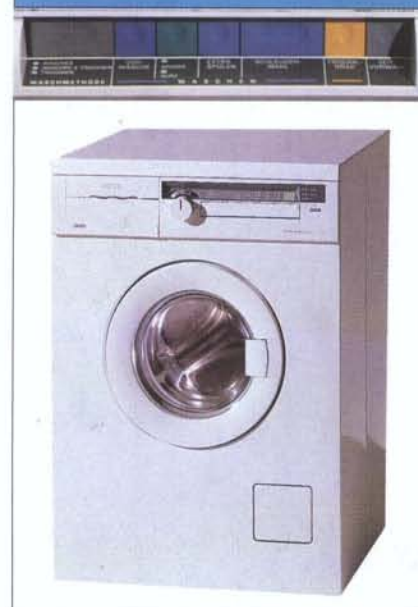
The Electrolux ER 3116B refrigerator/freezer is totally CFC-free and is also very energy-efficient. Power consumption is only 0.85 kWh per 24 hours.



The new UltraStyle range was launched in the spring of 1993 by Frigidaire in the US. Shown here is the largest refrigerator in the range, 28 cu. ft., with a variable-crushed icemaker (upper right) and an extra-large crisper drawer with adjustable humidity control.



The new Zanussi combined washer/drier features an electronic moisture sensor for automatic adjustment of the drying cycle to the desired degree of dryness.



has created a framework for a more uniform and more consistent positioning of these brands in various market segments.

A complete new product range for the Frigidaire brand name is also being launched in the US in 1993, along with a number of new products under the Tappan and White-Westinghouse brands. The Frigidaire product range has a uniformly distinctive design and includes several new refrigerators, cookers and dishwashers with substantially improved performance.

Floor-care products

Floor-care products comprise the second largest operation in Household appliances. Electrolux is the world's leading producer, with a global market share of about 20%.

The Group operation in the US is run through the Eureka subsidiary, which has more than 20% of the American market.

Sales and profitability

Sales in 1992 amounted to SEK 5,135m (4,957). Profitability was not satisfactory.

Demand in Europe increased over the previous year. The Group strengthened its market share primarily in the UK, while market share declined slightly in the Nordic countries.

The US market showed strong growth for uprights. Eureka reported increases in both sales and market share in this product area, resulting from the launch of a new product range at the start of the year.

Following the consolidation of production in this product line in recent years, a major commitment to new products is being implemented.

The market

The market for floor-care products in 1992 is estimated at about 14 million units in Europe and about 12 million in the US. Demand for conventional

The launch of a new range of uprights enabled Eureka to strengthen its share of the US market.



Progress Sialom (below) is a new compact vacuum cleaner for the European market.



vacuum cleaners in the Western world has stagnated in recent years. The market shows severe price competition in production and distribution. Market growth is found mainly in low-end products and compact machines.

The Group's major markets in order of sales are the US, the UK, France, the Nordic countries, Germany, Italy, Australia, Switzerland and Japan.

Brand names and production

The major brand names are Eureka, Electrolux, Progress, Tornado, Volta and Alfatec. Sales are channelled mainly through dealers and specialized outlets.

Direct sales, now coordinated under the Lux brand name, account for about 10% of total unit volume. In accordance with a previous decision, a separate corporate group for this operation was established during the year under the name AB Lux.

Production within this product line is located mainly in the US, the UK, Sweden and Italy. Smaller plants are also located in South America, Southeast Asia and Australia.

Leisure appliances

Electrolux has long been the world's leading manufacturer of absorption refrigerators for such applications as caravans and hotel rooms, as well as built-in units for the furniture industry and medical use.

The product range also includes other items for leisure vehicles, such as awnings and air-conditioners. The major market is North America, where most products are sold under the Dometic brand name.

Sales and profitability

Sales in 1992 amounted to SEK 2,159m (2,041). Operating income and profitability improved.

Demand for refrigerators and other equipment for caravans increased during the year in North America. The markets in the UK and the Nordic countries showed a continued sharp decline, however.

The improvement in income for this product line is traceable mainly to the US, where Dometic reported good sales growth and operations have been restructured during the past few years.

Major markets and production

Apart from the US and Canada, the major markets are Germany, France, the UK and Asia.

The major part of production is located in Sweden, Germany, the US, Luxembourg, Hungary and the UK.

Room air-conditioners

Operations in room air-conditioners are concentrated to the Frigidaire Company in the US and comprise window-mounted units. Frigidaire has about 20% of the American market.

Sales and profitability

Sales in 1992 amounted to SEK 1,567m (1,450). Operating income declined sharply and profitability was unsatisfactory.

Demand for room air-conditioners in the US continued at a low level as a result of cool weather. Frigidaire increased its market share during the year.

The downturn in operating income is traceable mainly to a five-month plant shutdown aimed at reducing inventories. Operations are being rationalized in the light of weak profitability in recent years.

The market

The US market for the type of air-conditioning equipment produced by Frigidaire comprised about 2.6 million units in 1992. This market features a few domestic manufacturers and a large share of imports from primarily Southeast Asia.

The Frigidaire brand names are White-Westinghouse, Frigidaire, Gibson and Kelvinator. The company also produces products for private brands. Production is located in Edison, New Jersey.

Kitchen and bathroom cabinets

Group operations in kitchen and bathroom cabinets are run through White Consolidated in the US and Ballingslöv in Sweden. The American operation accounts for more than 70% of total sales.

Sales and profitability

Sales in 1992 amounted to SEK 1,335m (1,344). Operating income declined considerably and profitability was unsatisfactory.

The drop in income for this product line is traceable mainly to the Nordic countries, where demand fell considerably during the second half of the year. Operating income remained weak in the US, where the operation is being restructured and adjusted to new customer segments.

The market

Both the US and the Nordic markets are highly fragmented. White is one of the largest manufacturers, with four different units – Quaker Maid, Kemper, Schrock and Diamond. Kitchen cabinets account for most of production. Ballingslöv is one of the largest producers in the Nordic area.

Sewing machines

Operations are focused on manufacture of technically advanced sewing machines for the high end of the market, in which the Group has a worldwide share of about 20%. The product range also includes externally purchased low-end products. The major brand names are Husqvarna and Lux, along with Viking and White in the US.

Sales and profitability

Sales in 1992 amounted to SEK 631m (676). Profitability improved but is still not satisfactory.

Demand fell during the year, particularly in the Nordic countries. Sales for this product line nevertheless increased during the fourth quarter following the introduction of a new computerized machine.

Operating income improved as a result of rationalization of production and the launch of a new product range.

The market

The total world market for electric free-arm sewing machines is estimated at about 3 million units, most of which are low-end products from the Far East. Demand is growing somewhat at the low end of the market. The Group is one of the five largest manufacturers of technically advanced machines. The main competitors come from Japan, Taiwan, Germany and Switzerland.

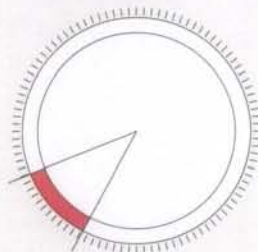
Sales for this product line are channelled mainly through specialized dealers. Market positions are particularly strong in the Nordic area and the US. Production and product development are located in Huskvarna, Sweden.



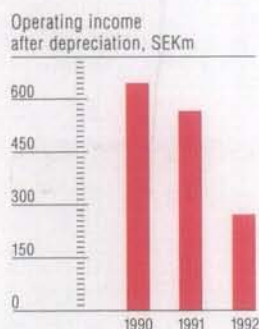
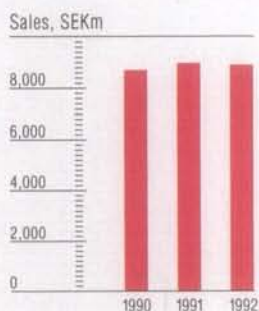
The Husqvarna 400 is a new attractively priced computerized sewing machine, launched at the end of 1992. Advanced technology simplifies all settings and makes sewing easier.

Commercial appliances

Share of total
Group sales: 11.1%



	SEKm	%
Food-service equipment	4,805	54
Industrial laundry equipment	2,051	23
Commercial refrigeration equipment	1,277	14
Commercial cleaning equipment	765	9
	8,898	100



	1990	1991	1992
Sales, SEKm	8,699	8,971	8,898
Operating income after depreciation, SEKm	645	565	272
Operating income as % of sales	7.4	6.3	3.1

Demand for commercial appliances was considerably lower than in the previous year, partly because of reduced public investment in many countries. The difficult market situation also generated severe price competition.

Operating income and profitability for this business area showed a sharp decline. This referred mainly to food-service equipment, but other operations also reported lower income.

Food-service equipment

The Group is the European leader in food-service equipment and is one of the world's three largest manufacturers. Strong market positions have also been achieved in beverage vendors and bakery equipment. The major brand names are Zanussi, Electrolux, Therma, Juno and Dito Sama.

Sales and profitability

Sales in 1992 amounted to SEK 4,805m (4,945). Operating income showed a sharp decline. Profitability declined and was unsatisfactory.

There was a substantial downturn in the European market, and sales volume for this product line was lower than in the previous year. Price competition was severe. The Group reinforced its market position, however.

Substantial costs were taken during the year for capacity adjustments and restructuring of operations in terms of production and distribution.

Following extensive acquisitions at the end of the 1980's, a comprehensive program has been initiated for coordination of such functions as product development and marketing among the various units, and for specialization and consolidation of production.

The market

The European market for professional food-service equipment accounts for about one-quarter of the world market. Demand has declined considerably over the past two years. The world market features a few large international companies as well as a large number of small local manufacturers.

The Group's products are marketed on a unit basis by dealers and in the form of projects that cover everything from design and planning to installation, service and training.

Major markets and production

The major markets are Italy, Sweden, Spain, France, Germany, the UK and the Middle East. Production units are located mainly in Italy, Sweden, the UK, Germany, France, and Switzerland.

Industrial laundry equipment

Electrolux-Wascator is the world leader in light-duty laundry equipment for such applications as apartment-house laundry rooms, coin bars, hotels and institutions. The product range also includes heavy-duty equipment for industrial laundries as well as products for dyeing and processing of textiles.

Sales and profitability

Sales in 1992 amounted to SEK 2,051m (2,136). Operating income declined but profitability remained good.

Demand in Europe fell during the year for both light- and heavy-duty equipment. There were no signs of recovery in the US market, which is important for this product line.

Sales volume was at about the same level as in the previous year, mainly as a result of continued good sales in Sweden. Income declined, however,



1. Electrolux CombiMatic ovens are designed for restaurants and professional kitchens. Customers are assured freedom of choice by a range of 21 different models.

2. The Group's flight dishwashers consume very little energy and detergent and are thus among the most environment-friendly on the market.

3. One of the latest Wascator washing machines, with a capacity of 80 kg. It can be tilted forward and backward for easier loading and unloading.

Environmental regulations for dry cleaning are getting stricter. In the new machines developed by Wascator, 30-40% of garments that are normally dry-cleaned can be washed in water. The model shown here holds 22 kg.



as a result of much sharper price competition. The operation in Japan reported a very good performance.

The market

The total world market for light- and heavy-duty industrial laundry equipment declined somewhat, and is estimated at about SEK 10 billion for 1992. The US accounts for about half of this market, which is stagnating.

The Group has a strong position in the Nordic countries, the US, the UK, France, Italy, Germany, Austria and Japan.

Production and brand names

In terms of light equipment for such applications as coin bars and apartment-house laundry rooms, washing machines are manufactured in Sweden, tumble-driers in Denmark, hydro-extractors in Finland and mangles in France. The Group also operates a unit for assembly of washing machines in the US. Equipment for large industrial laundries is manufactured in the US, Germany and France.

The most important brand names are Electrolux-Wascator, Wascomat, Osby, Nyborg and Zanussi, along with Washex, Senking and Dubix-de Souza for heavy-duty equipment.

Commercial refrigeration equipment

Electrolux is one of the major European producers of refrigerators and freezers for food retailers, under the brand names Electrolux, Sümak, Minks Marynen and UPO.

This product line also includes Frigidaire Commercial Products Company, part of White Consolidated in the US. The American brand names are Kelvinator, leaders in the ice-cream market, Universal Nolin for convenience stores and petroleum stations and Kelvinator Scientific for the medical sector and research operations.

Sales and profitability

Sales in 1992 amounted to SEK 1,277m (1,117). UPOREF of Finland, acquired during the year and consolidated as of July 1, contributed sales of about SEK 150m. Profitability was not satisfactory.

Sales volume for this product line fell in the Nordic countries and the US as a result of depressed markets. Sales growth was good in both Germany and The Netherlands, however.

The consolidation of UPOREF involved an improvement in operating income for this product line over the previous year.

The market

The European market is dominated by five large international companies. In each country there are also several local producers who often specialize in certain product segments. There has been some growth in demand in recent years, mainly in Germany and southern Europe. Retail sales are being concentrated to major chains.

The Group has strong market positions mainly in the Nordic countries, Germany and The Netherlands.

Acquisitions

In the course of the year the Group acquired UPOREF, the largest producer of commercial refrigerators and freezers in Finland. The company also has good market positions in Germany and the UK. Annual sales amount to about SEK 300m, and the company has about 300 employees.

Electrolux Crystal is a range of gondolas for ice cream and frozen food. Glass walls and built-in lighting along the entire length of the handrail give products maximum display.



The acquisition complements the Group's existing operation in terms of products, customers and marketing organization.

Production

Production units are located in Sweden, Germany, Finland, The Netherlands, Hungary and the US.

Commercial cleaning equipment

The product range focuses on industrial vacuum cleaners and wet/dry cleaners, of which the Group is one of the world's largest producers. Other products include scrubbing and polishing machines, carpet washers and cleaning agents. The major brand names are Electrolux, Euroclean, Kent and Lux Professional.

Sales and profitability

Sales in 1992 amounted to SEK 765m (773). Operating income fell sharply. Profitability also declined and was not satisfactory.

The decline in income is traceable to lower demand and lower sales volume, particularly in the Nordic countries, as well as to inventory adjustments and other non-recurring costs primarily in the US, Germany and Japan.

The market

The world market for commercial cleaning equipment features about ten large international companies with broad product ranges. There is also a large number of small, local companies that often specialize in one or a few products. Demand is relatively stable for conventional cleaning equipment.

The Group has strong positions in the Nordic countries. The US is the second largest market. Production is located mainly in Sweden, the US and Italy.

Acquisitions

As of July 1, the Group acquired Pulimat of Italy, which manufactures scrubbing and polishing machines as well as sweepers. The company has annual sales of about SEK 60m and more than 50 employees. This acquisition provides a complement to the existing operation in the form of a newly developed, high-quality product range.

The KENT subsidiary in the US is now delivering this robot for scrubbing and cleaning of large floor areas in hotels, public buildings, etc. It cleans up to 1,200 m²/hour and can be programmed for an operational run-time of about 5 hours.



Outdoor products

Good sales volume and lower production costs led to a strong improvement in operating income for the European operation in chainsaws.

The North American operation also reported a good performance, as the markets for chainsaws and garden equipment showed upturns. The Group strengthened its market positions.

Forestry and garden equipment

Electrolux is the world's largest manufacturer of chainsaws, with a total market share of more than 30%. The Group is also the world's largest producer of portable garden equipment, such as lawn trimmers and blowers, as well as lawn mowers and garden tractors.

In addition to chainsaws, the range of forestry equipment includes equipment for clearing forests, protective clothing, and forestry tools. Outdoor products also include cutting machines for concrete and similar materials.

Operations are run through Husqvarna and Flymo as well as Poulan/Weed Eater and American Yard Products in the US.

Sales and profitability

Sales in 1992 amounted to SEK 9,216m (8,723). Operating income improved and profitability was satisfactory.

Demand for professional chainsaws declined somewhat in Europe. However, the Group increased its sales of professional saws, particularly in Eastern and Southern Europe and South America. Higher sales volume and lower production costs generated a strong improvement in income for the European operation in chainsaws. Good volume growth was also achieved in Europe for a new hobby saw manufactured by Poulan/Weed Eater.

In the European garden equipment operation, Flymo performed well particularly in the UK. Sales of garden equipment in the Nordic countries were largely on a level with the previous year.

The North American market showed an upswing for chainsaws as well as garden equipment. Poulan/Weed Eater and American Yard Products both reported increased sales and income. The Group reinforced its market positions.

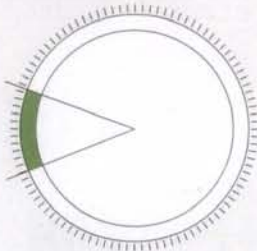
The market

The world market for chainsaws in 1992 is estimated at more than 3 million units, of which the US accounted for almost half. The market for professional chainsaws has contracted in recent years as a result of increased mechanization of forestry operations. Interest in wood as a fuel has also been limited by the low price of oil. The market is dominated by a few large international companies. Competitors come mainly from Germany, the US and Japan. The market is normally divided into three segments – professional, semi-professional and hobby saws. Electrolux has a large market share in all three segments.

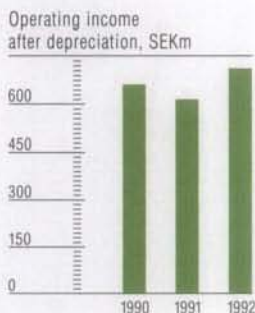
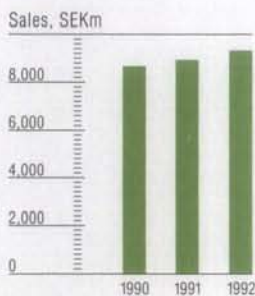
The European market for garden equipment is fragmented and features a large number of producers. In contrast, a process of concentration has been under way in the US in recent years. Demand varies with the weather, but shows a positive long-term trend.

The Group's major markets are the US, Canada, the UK and the Nordic countries. Forestry equipment is sold in all markets where timber is felled, however.

Share of total
Group sales: 11.6%

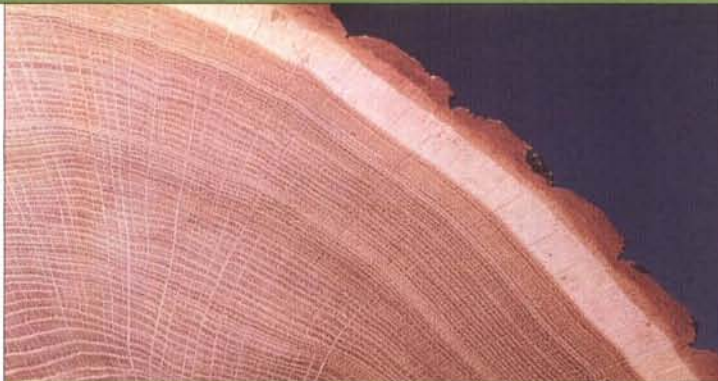


	SEKm	%
Forestry and garden equipment	9,216	99
Agricultural implements	117	1
	9,333	100



	1990	1991	1992
Sales, SEKm	8,680	8,941	9,333
Operating income after depreciation, SEKm	661	614	710
Operating income as % of sales	7.6	6.9	7.6

1



2



3



1. Husqvarna has developed a chainsaw with a catalytic converter which removes most of the harmful components in the exhaust gas.

2. The lawn mower and garden tractor shown here both feature a combined collection/mulching system that shreds grass so finely that it can be left on the lawn.

3. The Group markets a wide range of portable garden equipment. This hedge trimmer has a double-edged blade to allow cutting from both sides.

Flymo's new HV 3000 hover mower has an advanced new system for grass collection.



This blower from the Poulan/Weed Eater subsidiary in the US can either blow away or vac-and-mulch leaves and grass.



Brand names

The brand names for both forestry and garden equipment are Husqvarna, Jonsered, Partner and Poulan. Brand names for garden equipment alone are Flymo, Weed Eater, Rally and Paramount. Cutting machines are sold under the brand names Partner and Husqvarna.

The Group is also the main supplier of forestry and garden equipment to Sears, the American department-store chain, under the Craftsman brand.

Production

Chainsaws for the professional segment of the market are manufactured in Sweden and the US, while hobby saws are manufactured only in the US. Small production units for chainsaws are also run in Norway, Canada and Brazil.

Garden equipment is manufactured in the US, the UK, Norway and Sweden. The production unit in France, devoted mainly to cultivators, was shut down during the year.

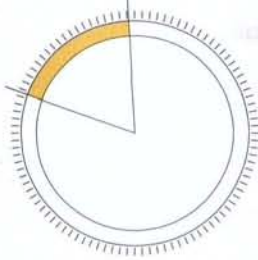
Agricultural implements

This operation is run through Överums Bruk in Sweden and Group companies in Denmark, the UK and Finland. The product range includes plows, sowing machines and fertilizer spreaders.

Sales in 1992 declined to SEK 117m (218) as a result of continued falling demand. Operating income declined and profitability was unsatisfactory.

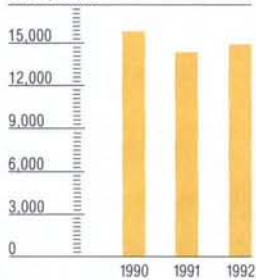
Industrial products

Share of total
Group sales: 18.5%

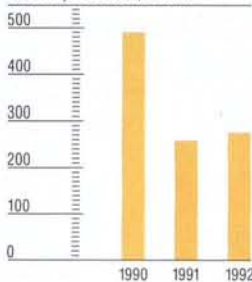


	SEKm	%
Gränges	6,286	42
Materials-handling equipment	1,429	10
Equipment for personal safety in cars	3,676	25
Compressors	2,081	14
Industrial products – White	736	5
Other	685	4
	14,893	100

Sales, SEKm



Operating income
after depreciation, SEKm



	1990	1991	1992
Sales, SEKm	15,822	14,370	14,893
Operating income after depreciation, SEKm	490	258	275
Operating income as % of sales	3.1	1.8	1.9

The increase in sales and operating income for this business area is traceable largely to the compressor and car safety equipment product lines. Gränges also reported improved income during the fourth quarter.

However, weaker demand and considerable unforeseen costs in connection with completion of major projects led to a sharp downturn in operating income for materials-handling equipment.

Gränges

Operations in Gränges comprise four business areas, i.e. aluminium, recycling, automotive and distribution. Aluminium is the largest of these and accounts for about 70% of sales.

Approximately half of sales are outside Sweden, with the UK being the largest single market. Customers are mainly in the building, engineering, automotive and packaging industries.

Sales and profitability

Sales in 1992 declined to SEK 6,286m (6,833). Sales in the previous year included SEK 275m from companies that were subsequently divested. Lower prices were the other main cause for the decline. Operating income rose in comparison with the previous year, although from a low level. Profitability remained unsatisfactory.

The improvement in income is traceable primarily to the smelting plant in Sundsvall, Sweden, which reported a lower loss than in the previous year, as a result of rationalization and improved productivity.

Aluminium

Operations include production of primary and secondary aluminium, as well as half-finished goods such as extruded profiles and rolled products. Primary aluminium is produced at the smelting plant in Sundsvall, which has an annual capacity of about 100,000 tons. In 1992 the Sundsvall plant accounted for about 65% of the metal required as a production input at the other units. Gränges is thus a net purchaser of metal.

The price of primary aluminium remained very low in 1992. Production in the Western world declined slightly early in the year as a result of capacity cutbacks, but rose subsequently as new smelting plants went on-stream in Canada, France and other countries. Exports from the CIS increased by several hundred thousand tons to almost a million tons. Stocks of aluminium at the London Metal Exchange increased by more than 500,000 tons and at year-end amounted to about 1.5 million tons. The over-supply of aluminium together with the recession in Europe and the US drove prices down to very low levels.

Production at Sundsvall in 1992 amounted to about 77,000 tons, or almost 80% of capacity. Deliveries amounted to 91,000 tons, the difference coming from inventories. A rationalization program was completed and generated an increase of about 30% in productivity.

Extruded products

Sapa is one of the largest European producers of extruded aluminium profiles. The company has a strong market position, particularly in the Nordic countries and the UK. The product range also includes components and finished products based on profiles, mainly for the building industry.

Demand remained weak in both Sweden and the UK, as a result of lower levels of activity in the building sector. Sapa reported lower sales and operating income than in the previous year, mainly as a result of lower prices and margins in Sweden. Profitability remained high, however.

Comprehensive rationalization was implemented in the course of the year in both the Swedish and the UK operations. In Sweden, the extrusion plant in Robertsfors was shut down. At the end of the year the new highly automated extrusion plant in Vetlanda went on-stream, representing an investment of about SEK 110m.

As a first phase in the establishment of operations in Eastern Europe, an extrusion plant with a capacity of 3,000 tons was established in Poland. Production is scheduled to come on-stream in the second quarter of 1993.

In addition to the production units in Sweden, Sapa operates plants in Denmark, the UK, The Netherlands and Germany.

Rolled products

Rolled products from Finspong Aluminium consist mainly of thin strip for car radiators and heat exchangers. The product range also includes strip for beverage cans, produced from return cans and scrap aluminium.

Through Luxembourg Aluminium and Skultuna Folie, Gränges is one of the larger European manufacturers of foil for the packaging industry and other sectors.

Demand for foil was good at the start of the year but fell off sharply during the fourth quarter. Operating income for foil operations declined, despite very good improvement in productivity at Skultuna Folie.

Sales volume for strip for car radiators showed a strong rise over the previous year, resulting mainly from exports to the US. Higher productivity combined with increased exports led to improved income for Finspong Aluminium.

Recycling

Gotthard Nilsson is the leading company in Sweden for recycling of scrap iron and non-ferrous scrap and for production of secondary aluminium. The company is also engaged in recycling of waste paper.

Demand for scrap as a production input remained weak, and prices declined. The market for secondary aluminium features over-production and intense price competition. Operating income for Gotthard Nilsson was lower than in the previous year.

During the year Gotthard Nilsson established a joint venture for CFC recycling with SKAFAB, Stockholm City Waste Recycling Company. The first mobile unit for environment-friendly scrapping of refrigerators and freezers will go into service in 1993. This unit will be the first of its kind in Sweden.

Automotive

Gränges includes a group of companies which focus on components and component systems for the automotive industry. The group includes Foral, Plastal and Safeman in Sweden, Novoplastik in Finland and Gränges Techform in the UK. The product range comprises mainly fuel and pressure tanks, bumpers, painted plastic parts such as hubcaps and spoilers, and internal fittings for cars.

Demand from the automotive industry was lower in both Sweden and the UK, and operating income declined.

Distribution group

Through the distribution group, Gränges runs wholesale metal operations in Sweden, Denmark, Finland and the UK. The product range includes own and externally purchased half-finished items, mainly in metal and plastic. These are sold in small batches to tradesmen and small industrial companies.

Operations continued to show unsatisfactory profitability, although restructuring resulted in an improvement over the previous year.

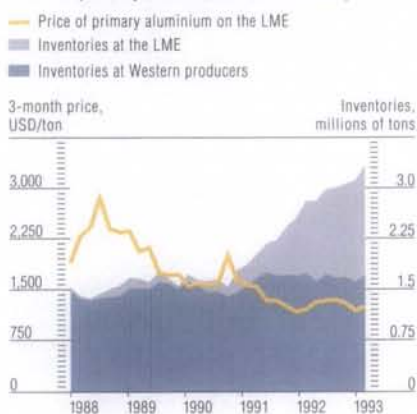
Gränges Metalock

Operations are focused on service to heavy industry and include repairs, maintenance, assembly and installation of machines. The company also manufactures machine components and steel structures.

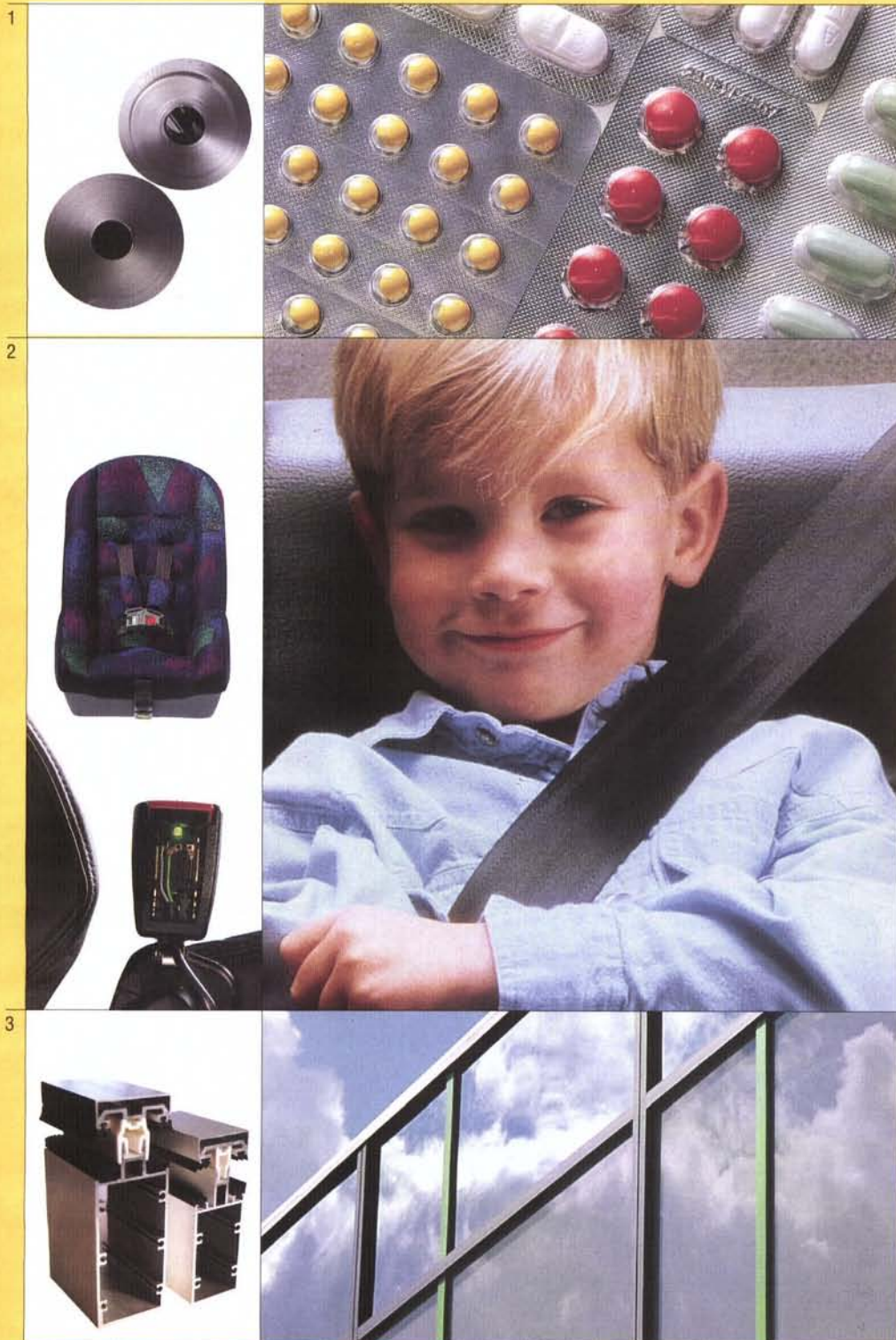
Operations are based on several workshops in Sweden, as well as in Denmark, Germany, the UK and France. A mobile operation comprises on-site service at customer facilities.

Sales in 1992 amounted to SEK 256m (288). Operating income was largely unchanged from the previous year. Profitability was not satisfactory.

Price of primary aluminium and inventory levels



The graph shows price and inventory trends for primary aluminium on the London Metal Exchange as well as inventories at Western producers, from January, 1988 to January, 1993.



1

2

3

1. Aluminium foil features excellent barrier properties and low weight and is thus widely used in packaging.

2. The pretensioner (bottom) is a vital part of a car safety belt. Attached at the belt anchorage in the seat, it absorbs slack when a collision occurs.

3. Sapa produces aluminium profiles for the building sector, for which the company also offers complete curtain-walling and roofing systems.



Electrolux Autoliv and Volvo have jointly developed a foldable child safety seat that's built into the back-seat center arm rest. Compatible with the standard safety belt, it's the safest place in the car for children between 3 and 10 years.

Materials-handling equipment

The product range includes industrial materials-handling and inventory systems, as well as storage systems for office use. Electrolux Constructor is one of the largest manufacturers in Europe, with a strong market position for compact inventory systems. This product line also includes an operation in White Consolidated of the US.

Sales and profitability

Sales in 1992 declined to SEK 1,429m (1,537), of which the US operation accounted for more than 15%. Operating income declined sharply and profitability was unsatisfactory.

Demand was considerably lower in both Europe and the US, and sales volume for this product line declined from the previous year. Most markets showed strong price competition.

Income was also adversely affected by substantial unforeseen costs in connection with installation and completion of major projects.

In the light of weak profitability, cost-cutting programs continued and are focused on concentration to fewer administrative and production units. Increased resources are being devoted to upgrading the product range.

The market

The market for materials-handling equipment features a few large international companies. There is also a large number of regional or local manufacturers who often specialize in one or a few products. Market growth is in automatic systems.

The major markets for this product line are the Nordic countries, Germany, the US, The Netherlands, the UK, Belgium and Switzerland.

Production

Production units are located in Sweden, Germany, The Netherlands, Switzerland and the US. Production in Denmark was shut down at year-end 1992 and transferred to the Dutch unit for office storage systems.

Equipment for personal safety in cars

Electrolux Autoliv is the largest European manufacturer of car safety belts and other equipment for personal safety in cars, and is one of the three largest in the world. The product range also includes car seats and other safety products for children, in which Klippan is one of the leaders in the Nordic countries and the UK.

Sales in 1992 rose to SEK 3,676m (2,869), including about SEK 450m referring to Autoflug of Germany, which was acquired in the course of the year. Profitability remained good.

Operating income improved as a result of higher sales, mainly in Sweden and Germany, and the restructuring that was implemented in 1991. A higher degree of automation in production also contributed to the improvement. Deliveries of airbags were considerably higher than in the previous year.

During 1992 this product line continued to expand in markets outside Europe. At the start of the year a joint venture with NSK Ltd of Japan was formed regarding airbags for the Japanese and South Korean automotive industries. Production of car safety belts through joint ventures with local companies was started in India, China and Mexico. In the course of the year Autoliv acquired a 41% stake in Mei-An, one of the leading producers of safety belts in Taiwan.

At the close of the year production of gas generators and one-piece woven bags went on-stream according to schedule in the joint ventures for airbag components established by Autoliv with SNPE SA of France and Marling Industries of the UK.

Acquisitions

As of April 1, 1992, Autoliv acquired Autoflug GmbH & Co Fahrzeugtechnik of Germany, a producer of car safety belts. The company has annual sales of about SEK 600m and about 900 employees. Production is located in two plants in Germany. Autoflug also runs an operation in Hungary and a jointly owned company in South Africa.

The market

The world market for personal safety equipment in cars in 1992 is estimated at about SEK 30 billion, one-fourth of it in Europe. Strong growth is anticipated over the next few years on the basis of new products such as airbags, side-crash protection devices and safety equipment for children.

The market features a few large international companies. A concentration of production occurred in the 1980's as a result of the automotive industry's demand for suppliers with a complete product range and a global presence. Continuously higher development costs were also a contributing factor.

Production

Autoliv maintains production units in most of the car-producing countries in Europe, and in Australia, New Zealand and Japan. Autoliv and Klippan products are also manufactured under license in more than fifteen countries.

Compressors

In recent years, the Group operation in components has been gradually concentrated to two strategically vital areas, i.e. compressors for refrigerators, and small electric motors. Electrolux is the market leader for compressors in Europe, and is one of the largest manufacturers in the world. Since 1990, the operation in small electric motors has been run in the form of a joint venture with AEG of Germany.

Sales and profitability

Sales of compressors to non-Group companies in 1992 amounted to SEK 2,081m (1,379). Total sales for this product line including intra-Group deliveries amounted to SEK 3,732m (2,961). Operating income improved sharply and profitability was very good.

The strong increases in sales and income are traceable largely to delivery of a complete compressor plant in Russia. This product line also achieved higher sales to non-Group customers, despite a downturn in the market for compressors. The market position was strengthened over the previous year.

In the European operation, the first deliveries were made of compressors with the new CFC-free R134a coolant.

In the course of the year a joint venture was started in China regarding compressors for both the domestic and export markets.

Production and major markets

Production is located in Italy, Austria, Spain and the US. The major markets are Germany, Italy and the US.

Industrial products in White Consolidated

White Consolidated in the US includes an industrial division focused on production of highway construction equipment and industrial valves.

Equipment for highway construction is manufactured by Blaw-Knox at one plant in the US and one in the UK. Sales in 1992 increased to SEK 437m (348) as a result of higher volume in the US.

Operations in industrial valves are run through Copes-Vulcan, with production units in the US and the UK. Applications for these valves include the power and defense sectors. Sales in 1992 declined to SEK 299m (417), mainly as a result of a fall in demand from the defense sector. In the course of the year production in the US was concentrated to a single plant.



Deliveries of airbags from Autoliv increased substantially in 1992. Growing numbers of new cars feature airbags for front-seat passengers as well as drivers.



The Americold subsidiary in the US manufactures the most efficient compressors for the refrigerator and freezer markets.

Commercial services

Sales for Commercial services in 1992 amounted to SEK 772m (1,264). Operating income after depreciation amounted to SEK 38m (89), corresponding to an operating margin of 4.9% (7.0). The decline in sales and income resulted from continued divestment of operations and a weak performance by the goods-protection product line.

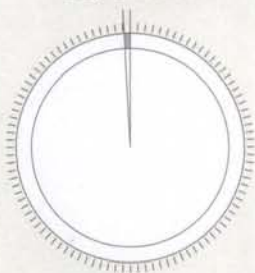
Streamlining of the Group's structure involved a decision in the autumn of 1990 to divest the operations in Commercial services. Most of the European and American companies in cleaning and laundry services were divested in 1990 and 1991. These companies had annual sales of about SEK 3,500m.

As of January 1, 1992, the operation in Luxembourg and the majority shareholdings in Group companies in Asia were divested. These had combined annual sales of more than SEK 350m and about 8,800 employees.

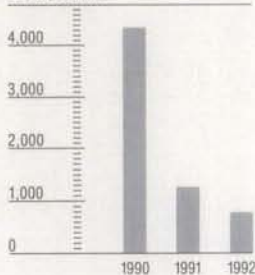
The remaining operations include partly owned cleaning companies in Brazil, the Middle East and the Far East. Other operations comprise mainly a Nordic business focused on goods protection in the form of rental and sale of tarpaulins and storage halls, as well as a group of companies that sell interior decorations.

Weaker demand, particularly in Sweden, led to lower sales and operating income for goods protection in 1992.

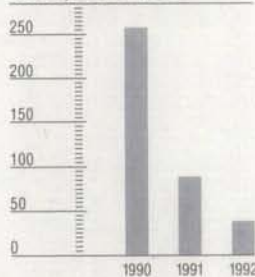
Share of total
Group sales: 0.9%



Sales, SEKm



Operating income
after depreciation, SEKm



	1990	1991	1992
Sales, SEKm	4,343	1,264	772
Operating income after depreciation, SEKm	258	89	38
Operating income as % of sales	5.9	7.0	4.9

Consolidated income statement

(SEKm)	1992		1991	
OPERATING INCOME AND EXPENSE				
Sales		80,436		79,027
(Note 1) Operating expense		-74,722		-73,117
Share of income in associated companies		5		-
Operating income before depreciation		5,719		5,910
DEPRECIATION ACCORDING TO PLAN				
Goodwill	-274		-261	
Machinery, equipment and tools	-2,844		-2,714	
Buildings, leasehold rights, patents, etc.	-344		-325	
Land improvements	-7	-3,469	-22	-3,322
Operating income after depreciation		2,250		2,588
FINANCIAL ITEMS				
Dividends on shares and participations	33		51	
Interest income	1,456		1,509	
Interest expense	-2,962		-3,143	
Exchange differences on loans, net	281		-7	
(Note 2) Other financial items	-42	-1,234	33	-1,557
Income after financial items		1,016		1,031
Minority interests in income before taxes		-87		-87
Income before taxes		929		944
(Note 3) Taxes	-775		-595	
Minority interests in taxes	29	-746	28	-567
Net income		183		377
(Note 4) Earnings per share after full tax, SEK		2.50		5.20

Consolidated balance sheet

ASSETS (SEKm)	1992-12-31		1991-12-31	
CURRENT ASSETS				
Cash and bank deposits	1,980		1,251	
Shares and participations	-		5	
Bonds and other securities	<u>6,116</u>	8,096	<u>4,900</u>	6,156
Notes receivable	1,441		1,151	
Accounts receivable	15,068		12,742	
Prepaid expense and accrued income	1,277		1,160	
Other receivables	<u>2,393</u>	20,179	<u>2,109</u>	17,162
Inventories		15,883		14,955
Advances to suppliers		93		121
Total current assets		44,251		38,394
BLOCKED ACCOUNTS				
Blocked accounts for investment and other reserves		32		34
FIXED ASSETS				
(Note 5) Share of equity in associated companies	266		-	
(Note 5) Shares and participations	552		569	
Bonds and other securities	<u>597</u>	1,415	<u>422</u>	991
Notes receivable	23		22	
Long-term receivables	<u>376</u>	399	<u>400</u>	422
(Note 6) Leaseholds, patents, etc.	207		107	
(Note 6) Goodwill	4,443		3,948	
(Note 6) Advances to suppliers	158		76	
(Note 6) Construction in progress	704		803	
(Note 6) Machinery, equipment and tools	12,985		11,389	
(Note 6) Buildings	5,816		5,318	
(Note 6) Land and land improvements	<u>1,208</u>	25,521	<u>847</u>	22,488
Total fixed assets		27,335		23,901
TOTAL ASSETS		71,618		62,329
(Note 7) ASSETS PLEDGED		2,118		2,866

LIABILITIES AND SHAREHOLDERS' EQUITY (SEKm)	1992-12-31		1991-12-31	
CURRENT LIABILITIES				
Notes payable	845		809	
Accounts payable	7,436		6,561	
Tax liability	624		744	
Accrued expense and prepaid income	6,770		5,922	
Other current liabilities	2,028		1,871	
Advances from customers	532	18,235	555	16,462
Bank loans, etc.		15,541		8,715
Total current liabilities		33,776		25,177
LONG-TERM LIABILITIES				
Debenture loans	-		28	
Bond loans	7,004		6,395	
Mortgage loans, promissory notes, etc.	8,321	15,325	8,648	15,071
Deferred taxes	373		1,309	
Other long-term liabilities	2,425	2,798	2,321	3,630
Provisions for pensions				
PRI pensions (Pension Registration Institute)	1,947		1,875	
Other pensions	685	2,632	567	2,442
Total long-term liabilities		20,755		21,143
MINORITY INTERESTS		315		251
(Note 8) SHAREHOLDERS' EQUITY				
Restricted equity				
Share capital				
2,000,000 A-shares, par value SEK 25				
71,233,916 B-shares, par value SEK 25	1,831		1,831	
Statutory reserves	9,259	11,090	8,244	10,075
Unrestricted equity				
Unrestricted reserves	5,499		5,306	
Net income	183	5,682	377	5,683
Total shareholders' equity		16,772		15,758
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		71,618		62,329

(Note 9) **CONTINGENT LIABILITIES** 891 942

Consolidated statement of changes in financial position

(SEKm)	1992		1991	
OPERATIONS				
Net income	183		377	
Depreciation according to plan charged against above income	3,469		3,322	
Capital gains included in operating income	-64	3,588	-277	3,422
Change in operating assets and liabilities				
Increase/Decrease in notes receivable and accounts receivable	-601		814	
Decrease in inventories	1,289		1,087	
Increase/Decrease in other current assets	-93		1,194	
Increase/Decrease in current liabilities	25	620	-1,003	2,092
Liquid funds generated by operations		4,208		5,514
INVESTMENTS				
Shares and participations	-113		-9	
Long-term notes receivable and accounts receivable	71		15	
Goodwill	-106		-191	
Machinery, buildings, land and construction in progress	-3,737		-3,704	
Other fixed assets	-96		411	
Proceeds on sales of fixed assets	369	-3,612	1,090	-2,388
Liquid funds generated by operations, after investments		596		3,126
FINANCING				
Increase/Decrease in long-term loans	1,866		-1,188	
Increase in other long-term liabilities	224	2,090	83	-1,105
OTHER				
Effects of exchange-rate fluctuations	-5,257		371	
Dividends paid	-915		-915	
Changes in minority interests	13		-55	
Changes in Group structure	199	-5,960	318	-281
Change in net liquid funds		-3,274		1,740
Net liquid funds at beginning of year		156		-1,584
Net liquid funds at year-end		-3,118		156

Notes to the consolidated financial statements

ACCOUNTING AND VALUATION PRINCIPLES

General

Changes in the accounting principles applied in preparation of the consolidated accounts for 1992 are as follows:

- Associated companies, i.e. those in which the Group controls 20–50% of the voting rights, have been consolidated according to the equity method. In view of the small amount involved, the accounts for 1991 have not been adjusted.
- As of 1992, minority interests reported in the consolidated income statement include minority interests in equity referring to the annual adjustment for timing differences. Minority interests in income before taxes are also reported.

The following changes in accounting principles will be made as of the first quarter of 1993:

- During 1993, post-employment benefits in the US subsidiaries will be reported as liabilities, in contrast to previous practice. This change is in accordance with FAS 106, issued by the FASB (Financial Accounting Standards Board). At the same time, certain existing pension commitments, primarily in German and Swedish companies, will be reported as liabilities instead of contingent liabilities as previously. The US subsidiaries will also apply the new principles for reporting of taxes stipulated in FAS 109. See Note 8 for the effects of these changes in accounting principles. The Group's shareholders' equity will be reduced by approximately SEK 900m in accordance with the IASC (International Accounting Standards Committee) rules for reporting of changes in accounting principles.

The following comments are intended to provide a better understanding of the figures reported:

- As of 1989 and in connection with adjustment of comparative figures for 1988, reporting of the Group's taxes has been adapted to conform with international practice. A provision is made for deferred taxes referring to income and expense items that affect reporting and income tax at different periods (timing differences). There are thus no allocations in the consolidated income statement nor untaxed reserves in the consolidated balance sheet. With reference to allocations in individual Group companies, the current deferred tax on these allocations is reported in the consolidated income statement on the basis of a 30% tax rate, while the remainder is included in "Net income". The consolidated balance sheet thus includes 30% of untaxed reserves in individual Group companies under the heading of "Deferred taxes", while the remainder is reported under "Restricted equity".

As of 1988, computation of key ratios and earnings per share has been adjusted in conformity with the above reporting of deferred taxes. The change is based to some extent on the Swedish tax reform which was proposed in

1989 and subsequently implemented, which is why the figures for 1987 and previous years have not been adjusted.

- In the interest of achieving comparable financial information within the Group, Electrolux companies apply uniform methods for reporting obsolescence on inventories, provisions for doubtful receivables, provisions for guarantee commitments, depreciation on fixed assets, etc. irrespective of national fiscal legislation. In some countries it is permissible to make additional allocations, which are reported under "Restricted equity" after deductions for deferred taxes.

Principles applied for consolidation

Definition of Group companies

The consolidated financial statements include AB Electrolux and all companies in which the parent company at year-end directly or indirectly owned more than 50% of the voting rights referring to all shares and participations.

The following applies to acquisitions and divestments during the year:

- Companies acquired during the year have been included in the consolidated income statement as of the date of acquisition.
- Companies divested during the year have been included in the consolidated income statement up to and including the date of divestment.

At year-end the Group comprised 571 (573) operating companies. The total number of companies at year-end was 660 (657).

Major investments in associated companies, i.e. those in which the parent company directly or indirectly owns 20–50% of the voting rights at year-end, have been reported according to the equity method. This means that the Group's share of net income in an associated company is reported as part of the Group's operating income. Investments in such a company are reported at a value which corresponds to the company's equity, adjusted for possible over- and under-value. Computation of equity in an associated company involves returning untaxed reserves to shareholders' equity after deductions for deferred taxes.

Minor investments in associated companies are reported as shares and participations at the lower of acquisition cost and market value.

Accounting method

The consolidated financial statements have been prepared according to the purchase method, whereby the acquisition value of shares and participations in a subsidiary is offset against the equity in the subsidiary on the date of acquisition. Equity thus includes equity after taxes paid as well as that portion of timing differences which remains after deduction of deferred taxes. These taxes are reported as a long-term liability in the consolidated balance sheet. Any residual acquisition value in the shares in a subsidiary is reported first as an

adjustment of the book value of the subsidiary's fixed assets and liabilities, and then as goodwill or negative goodwill.

Goodwill

Corporate acquisitions are an important component of the Group's expansion. These acquisitions are often made in competition with other firms whose accounting practices differ from the Swedish, e.g. with respect to goodwill. For this reason, depreciation of the goodwill acquired in White, Zanussi and American Yard Products has been adjusted in accordance with international practice. For these three companies, goodwill is depreciated over estimated useful life. The depreciation according to plan thus computed is charged against operating income.

In accordance with the recommendations of the Swedish Financial Accounting Standards Council for changes in reporting of goodwill in consolidated financial statements, Note 6 reports the effects which would arise if the depreciation schedule for goodwill were limited to 20 years for the strategically significant acquisitions of Zanussi, White and American Yard Products.

Goodwill arising from acquisitions other than Zanussi, White and American Yard Products is depreciated by at least 10% annually and reported under "Depreciation according to plan".

Estimated useful life is reviewed annually to determine whether the depreciation schedule should be abridged.

Negative goodwill is dissolved according to a schedule that is determined with reference to the costs of required restructuring and the anticipated return from acquired companies.

Translations of financial statements of foreign subsidiaries

The balance sheets of foreign subsidiaries have been translated into Swedish kronor at year-end rates. Income statements have been translated at the average rates for the year. Exchange differences arising from translations have been taken directly to shareholders' equity.

The above principles have not been applied for subsidiaries in countries with highly inflationary economies. Translation differences referring to these companies and differences arising from translation of net income at average and year-end rates have been charged against operating income before depreciation. Correspondingly, adjustment of the value of fixed assets in these companies for inflation has been included in operating income before depreciation. This method enables increases and/or decreases in equity in countries with highly inflationary economies to be reported in their entirety in the consolidated income statement.

Other accounting and valuation principles

Revenue recognition

Sales of products and services are recorded as of the date of shipment. Sales include the sale value less VAT (Value-Added Tax), individual sales taxes, returns and trade discounts.

In most cases, sales of projects are not recorded until the project has been fully invoiced. In certain exceptional cases referring to particularly large projects extending over several accounting years, revenue is recognized while the project is in progress, on condition that revenue can be computed for the part of the project that has been completed and that this contributes to a more accurate timing of Group income and expense.

Costs of research and development

These costs are reported on a current basis and in 1992 amounted to SEK 1,091m (1,014).

Depreciation on tangible fixed assets

Depreciation according to plan is based on the acquisition value of the asset prior to write-offs against investment reserves or their equivalents. The depreciation period is based on the estimated useful life of the asset.

In certain cases, assets have been revalued at the estimated acquisition cost to the Group in connection with preparation of the consolidated balance sheet. Depreciation according to plan on these assets is based on the adjusted value.

Extraordinary items

In accordance with generally accepted Swedish accounting principles, Electrolux applies a strict interpretation of the concept of extraordinary income and expense.

Capital gains and losses on divestments of operations and fixed assets as well as costs referring to restructuring are considered to be natural components of the Group's operations and are therefore reported under operating income. A specification of these items is given in Note 1.

Taxes

Taxes incurred by the Electrolux Group are affected by allocations and other fiscally motivated arrangements in individual Group companies. They are also affected by utilization of tax-loss carry-forwards referring to previous years or to acquired companies. This applies to both Swedish and foreign Group companies.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currencies are reported in accordance with Recommendation no. 7 of the Swedish Accounting Standards Board. This means that such receivables and liabilities are valued at year-end rates.

Receivables and liabilities for which forward exchange contracts have been arranged are reported at the spot rates prevailing on the date of the contract. The premium or discount is amortized on a current basis and is reported as interest.

Loans and forward exchange contracts intended for hedging of equity in foreign subsidiaries are reported in the parent company at the spot rates prevailing on the date they arise. These loans and contracts are reported in the consolidated accounts at year-end rates. The exchange

differences thus arising are netted, with due consideration for fiscal effects, against the translation differences arising from translation of net assets in foreign subsidiaries.

With regard to forward exchange contracts intended as hedges for the cross-border flow of goods and services, accounts receivable and accounts payable are valued at contracted rates. In cases where a receivable or a liability has not yet arisen, estimated gains and losses on forward exchange contracts have not been recognized in the financial statements.

Inventories

Inventories are valued at the lower of acquisition cost or market value. Acquisition cost is computed according to the first-in, first-out method (FIFO). Appropriate provisions have been made for obsolescence.

Compliance with international and other accounting standards

The Electrolux Group's annual report complies in all essentials with the OECD's guidelines for companies that operate internationally.

Information in accordance with US GAAP is provided in Note 11 as well as in a Form 20-F report submitted annually to the SEC (Securities and Exchange Commission).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Operating expense

Operating expense includes the following items:

	1992 SEKm	1991 SEKm
Capital gains on sales of real estate	82	117
Capital gains on sales of operations	19	285
Losses on sales of operations	-23	-51
Costs of restructuring program	-	-264
Total	78	87

Operating expense also includes translation differences and adjustments for inflation in the amount of SEK -11m (-56). See page 38 for a description of the principles applied for exchange rates. In addition, negative goodwill was dissolved in the amount of SEK 27m (75).

2 Other financial items

This item includes interest income of SEK 171m (236) and interest expense of SEK -164m (-232) referring to interest arbitrage transactions. Receivables and liabilities referring to interest arbitrage amounted to SEK 3,301m each (2,704) at year-end and have been reported at net value.

In 1992 a provision in the amount of SEK 26m (28) was made for certain placements in Swedish commercial paper and money-market notes, after which net year-end receivables in these placements in the balance sheet amounted to SEK 32m (80).

3 Taxes

This item includes the following:

	1992 SEKm	1991 SEKm
Income taxes	-583	-706
Deferred taxes	66	316
Other taxes on real estate, etc.	-258	-205
Total	-775	-595

As of December 31, 1992 the Group also had a tax-loss carry-forward of SEK 3,507m (3,014).

4 Earnings per share after full tax

	1992	1991
Consolidated net income, SEKm	183	377
Number of shares in 1992 and 1991: 73,233,916		
Earnings per share, SEK	2.50	5.20

5 Shares and participations, fixed assets

	Number	Holding, %	Value at par in local currency, million		Book value, equity method, SEKm
ASSOCIATED COMPANIES					
Autoflug SA, South Africa	—	26	—	—	9
Circuiti Stampati SRL, Italy	1	25	ITL	400.0	4
Environmental Services Group, The Netherlands	1,838	30	NLG	1.8	12
Eureka Forbes Ltd, India	990,000	40	INR	9.9	17
FHP Motors GmbH, Germany	—	50	DEM	40.0	107
Finanziaria Industriale S.p.A., Italy	450,375	37.5	ITL	4,503.8	29
Forbach GmbH, Germany	—	50	DEM	3.3	8
Friulia Factors S.p.A., Italy	3,354	39	ITL	335.4	5
Hilme, Italy	100,000	23.7	ITL	1,000.0	3
IVG Bulka-Lehel GmbH, Germany	—	50	DEM	0.2	1
J/V Khimki Husqvarna, Russia	1	46	SEK	4.4	3
Kingfisher Wood Products Ltd, UK	520,000	50	GBP	1.0	0
Mei-An Autoliv, Taiwan	410,000	41	TWD	20.5	5
Metalliyhtymä Oy, Finland	5,490	45	FIM	5.5	15
NSK Autoliv Inc., USA	2,500	50	USD	0.3	7
NSK Autoliv, Japan	2,600	50	JPY	130.0	5
Raufors Plastal Components AB, Sweden	4,500	50	SEK	4.5	5
Rolux Oy, Finland	50	28	FIM	50.0	-5
Rødkaersbro Produkthandel A/S, Denmark	2,000	40	DKK	2.0	23
Saudi Arabia Refrig Mfg, Saudi Arabia	1,705	25	—	—	5
Zanker N.V., Belgium	250	50	BEF	30.0	8
					266

	Number	Holding, %	Value at par in local currency, million		Book value, SEKm
HOLDINGS OWNED BY PARENT COMPANY					
Atte Förvaltnings AB	647,108	1.2	SEK	6.5	12
Other					4
HOLDINGS OWNED BY SUBSIDIARIES					
Swedish companies					
AB Tryggve Jansson	2,460	49	SEK	0.2	4
Bure Förvaltnings AB	717,712	1	SEK	7.1	13
Foreign companies					
ABB Transformatoren GmbH, Germany	—	2	DEM	0.6	3
A/S Varde Bank, Denmark	47,486	—	DKK	4.5	5
Autosafety, Mexico	10,000	50	MXP	2,851.0	5
Banco Popolare di Friuli, Italy	18,784	0.3	ITL	9.4	2
B.T. Enterprises, USA	535	50	USD	1.1	3
E.A.K. Composants pour l'automobile S.A., France	152,500	49	FRF	15.3	20
Email Ltd, Australia	39,089,629	15.3	AUD	19.4	298
Fuji Autoliv Company, Japan	2,000	50	JPY	50.0	4
Inox Taglio SRL, Italy	2,000	10	ITL	2.0	2
Itavent, Italy	500,000	4.4	ITL	242.5	2
Ithify, Italy	720,000	5.2	ITL	720.0	3
Kelvinator India, India	1,618,939	19.3	—	—	12
Kotimaiset Kotitalouskoneet Oy, Finland	2,050	50	FIM	2.1	5
Mundo Blanco S.A., Venezuela	17,000	20	VEB	17.0	3
Nanjing Hongguang, China	—	50	USD	0.5	3
Országos Kereskedelmiés Hitelbank, Hungary	30	0.2	HUF	30.0	2
Plásticos Henares, S.A., Spain	10,000	22	ESB	10.0	3
Primus Capital Fund II, USA	—	1.5	—	—	2
Sen-Sonor A/S, Norway	195,001	4.5	NOK	2.0	6
Transition Research, USA	23,667	9.4	—	—	8
Zanussi Hellas, Greece	4,500	45	GDR	45.0	4
Zem Tianj Compres, China	—	50	USD	14.0	99
Other (A detailed list of holdings has been attached to the annual report filed with the Swedish Patent and Registration Office).					25

552

6 Fixed assets, SEKm

	Leasehold rights, patents, etc.	Goodwill	Advances to sup- pliers	Construc- tion in progress	Machinery, equipment and tools	Build- ings	Land and land im- provements	Total
ACQUISITION COST								
Opening balance	122	5,034	76	803	25,493	7,966	947	40,441
Acquired during the year	120	—	153	1,031	2,074	208	37	3,623
Acquisitions/Divestments	—	66	0	4	202	21	4	297
Transfer of work in progress and advances to suppliers	—	—	-68	-1,393	1,311	133	17	—
Sales, scrapping, etc.	—	-19	-27	-15	-1,425	-138	-38	-1,662
Exchange differences on opening balances in foreign subsidiaries, etc.	12	896	24	274	2,813	865	362	5,246
Year-end balance	254	5,977	158	704	30,468	9,055	1,329	47,945
ACCUMULATED DEPRECIATION ACCORDING TO PLAN								
Opening balance	15	1,086	—	—	14,104	2,648	100	17,953
Depreciation during the year	32	274	—	—	2,844	312	7	3,469
Acquisitions/Divestments	—	-42	—	—	130	4	—	92
Sales, scrapping, etc.	—	-9	—	—	-1,204	-78	-4	-1,295
Exchange differences on opening balances in foreign subsidiaries, etc.	—	225	—	—	1,609	353	18	2,205
Year-end balance	47	1,534	—	—	17,483	3,239	121	22,424
Value according to balance sheet, Dec. 31, 1992	207	4,443	158	704	12,985	5,816	1,208	25,521

Tax assessment value, Swedish Group companies:

Buildings SEK 1,215m (1,271), land SEK 191m (201).

Undepreciated portion of write-ups on land: SEK 178m (169).

Three goodwill items are written off by the Group over 40 years. If this goodwill were written off instead over 20 years in accordance with Recommendation no. 1 of the Swedish Financial Accounting Standards Council, income for the year would be reduced by SEK 83m, the residual value of goodwill would be reduced by SEK 553m (385), and the Group's equity at year-end would be reduced by SEK 553m (385).

7 Assets pledged

	1992 SEKm	1991 SEKm
Real-estate mortgages	1,818	2,447
Corporate mortgages	263	347
Receivables	14	26
Inventories	11	19
Other	12	27
Total	2,118	2,866

8 Shareholders' equity, SEKm

	Share capital	Restricted reserves	Unrestricted reserves	Net income	Total
Opening balance	1,831	8,244	5,306	377	15,758
Transfer of earnings, etc.	—	—	377	-377	—
Dividend payments	—	—	-915	—	-915
Transfers between restricted and unrestricted equity	—	106	-106	—	—
Timing differences	—	221	-221	—	—
Shares in associated companies	—	46	-16	—	30
Translation differences, etc.	—	642	1,074	—	1,716
Net income	—	—	—	183	183
Year-end balance	1,831	9,259	5,499	183	16,772

Disposable consolidated earnings amount to SEK 5,682m. No allocation to statutory reserves is required.

SEK 2,733m (3,084) referring to the share of equity in timing differences is reported under "Statutory reserves" in the balance sheet. This sum can be transferred to unrestricted reserves but will then be subject to taxation.

In the first quarter of 1993 the Group's accounting practices will be changed in accordance with FAS 106 regarding post-employment benefits and with FAS 109 regarding accounting for income taxes. At the same time, certain pension commitments, primarily in Germany and Sweden, will be reported as liabilities. This will have the following effect on shareholders' equity for 1992:

	Share capital	Restricted reserves	Unrestricted reserves	Net income	Total
At year-end	1,831	9,259	5,499	183	16,772
FAS 109, FAS 106, etc.	—	—	-900	—	-900
Adjusted equity after changes	1,831	9,259	4,599	183	15,872

9 Contingent liabilities

	1992 SEKm	1991 SEKm
Discounted bills	104	224
Accounts receivable, with recourse	151	47
Guarantees and other commitments	475	501
Capital value of pension commitments in excess of recorded liability	161	170
Total	891	942

10 Summary of average number of employees and of wages, salaries and remuneration

	1992	1991
OPERATIONS IN SWEDEN		
Total work sites	59	75
Total average no. of employees, of whom 4,997 (5,893) women	16,202	18,021
Wages, salaries and remuneration, SEKm		
Boards of Directors and Presidents	53	56
Other employees	2,645	2,715
Total	2,698	2,771
OPERATIONS OUTSIDE SWEDEN		
Number of countries	48	45
Total average no. of employees, of whom 35,953 (43,751) women	104,946	116,208
Wages, salaries and remuneration, SEKm		
Boards of Directors and Presidents	243	237
Other employees	12,961	12,499
Total	13,204	12,736
GROUP TOTAL		
Average number of employees, of whom 40,950 (49,644) women	121,148	134,229
Wages, salaries and remuneration, SEKm	15,902	15,507

(A detailed specification is given in the annual report for the parent company.)

11 Consolidated financial statements according to US GAAP

The consolidated accounts have been prepared in accordance with Swedish accounting principles, which differ in certain significant respects from American accounting principles (US GAAP). The most important differences are described below.

Write-ups on assets

In certain situations, Swedish standards permit write-ups of fixed assets in excess of acquisition cost. This does not normally accord with US GAAP.

Adjustment for acquisitions

In accordance with Swedish standards, the Group reports negative goodwill as a liability which is taken into income in accordance with a schedule based on the acquired company's earnings capacity. According to US GAAP, negative goodwill should be deducted from the value of acquired long-term assets and should reduce depreciation over the useful life of these assets.

In accordance with Swedish standards, the tax benefit arising from application of tax-loss carry-forwards in acquired companies is deducted by the Group from the current year's tax costs. According to US GAAP, this tax benefit should be booked as a retroactive adjustment of the value of acquired assets.

Pensions

As of 1989, US Financial Accounting Standard no. 87 (Employers' Accounting for Pensions) is applied for pension plans outside the US. In accordance with this standard, future salary increases, inflation and other factors must be taken into account for computation of the projected benefit obligation. The computed Swedish provision for PRI pensions is not adjusted for future salary increases, but this is offset by the lower discounting rate applied for computation of the provisions for PRI pensions in comparison with FAS 87. The initial difference arising from the first application of FAS 87 (January 1, 1989) is amortized over the future average employment period, so that the effect on net income is insignificant. Other important differences have been adjusted in accordance with US GAAP.

Other benefits

In addition to pensions, some of the Group's subsidiaries, principally in the US, provide employees with benefits in the form of health care and life insurance subsequent to retirement. US Financial Accounting Standard no. 106 (Employers' Accounting for Post-retirement Benefits Other Than Pensions), issued in 1990, requires recognition of the estimated future commitment represented by these benefits. This standard permits application of two types of transitional methods and must be introduced by 1993 at the latest for US benefit plans and by 1995 for non-US benefit plans. The Electrolux Group will apply these recommendations in the US during the first quarter of 1993. See "Accounting principles" and Note 8. The transitional effects for Group companies outside the US are not expected to be significant. This change in accounting principles will have no effect on liquidity.

Deferred taxes

Taxation and financial reporting are affected during different periods by certain items. Electrolux reports deferred taxes on the most important timing differences, which refer mainly to untaxed reserves. A 30% tax rate is applied. US GAAP requires that such taxes be reported for all significant differences and that deferred taxes be computed at the rates which applied during the period when the timing difference arose. The Electrolux Group will apply FAS 109, the new recommendation for reporting of taxes, during the first quarter of 1993 in connection with computation of data in accordance with US GAAP.

Application of US GAAP would have the following approximate effects on consolidated net income, shareholders' equity and the balance sheet:

	1992 SEKm	1991 SEKm
A. Consolidated net income		
Net income as reported in the income statement	183	377
Adjustments:		
Acquisitions	88	78
Pensions	-18	34
Deferred taxes	-63	-77
Other	-	-8
Approximate net income according to US GAAP	190	404
Approximate net earnings per share, according to US GAAP (number of shares in 1992 and 1991: 73,233,916)	2.60	5.50
B. Shareholders' equity		
Shareholders' equity as reported in the balance sheet	16,772	15,758
Adjustments:		
Minority interests	-	3
Revaluation of fixed assets	-178	-169
Acquisitions	-937	-1,028
Pensions	-194	-34
Deferred taxes		
Difference in tax rates	-1,039	-975
Other items	-188	-159
Total adjustments	-2,536	-2,362
Approximate shareholders' equity according to US GAAP	14,236	13,396

C. Balance sheet

The table below summarizes the consolidated balance sheets prepared in accordance with Swedish accounting principles and US GAAP.

	According to Swedish principles		According to US GAAP	
	1992 SEKm	1991 SEKm	1992 SEKm	1991 SEKm
Current assets	44,251	38,394	47,113	41,127
Real estate, machinery and equipment	20,871	18,433	20,433	17,909
Shares and participations	818	569	818	569
Long-term receivables	399	422	399	422
Goodwill	4,443	3,948	3,766	3,250
Other fixed assets	836	563	1,353	595
Total assets	71,618	62,329	73,882	63,872
Current liabilities	33,776	25,177	36,634	27,881
Long-term liabilities	20,382	19,834	21,097	19,904
Deferred taxes	373	1,309	1,600	2,443
Minority interests	315	251	315	248
Shareholders' equity	16,772	15,758	14,236	13,396
Total liabilities and shareholders' equity	71,618	62,329	73,882	63,872

Parent company

A summary of the financial statements for the parent company, AB Electrolux, is given below.

AB Electrolux income statement

(SEKm)	1992	1991
Sales	4,360	4,963
Income before allocations	807	496
Allocations	-215	355
Taxes	-5	-4
Net income	587	847

AB Electrolux balance sheet

(SEKm)	1992-12-31	1991-12-31
ASSETS		
Current assets	6,636	4,941
Blocked accounts with the Bank of Sweden	-	2
Fixed assets		
Shares and participations	19,439	18,151
Other	4,300	23,739
	5,340	23,491
Total assets	30,375	28,434
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	10,678	6,122
Long-term liabilities	11,285	21,963
Untaxed reserves	1,206	13,787
		19,909
		991
SHAREHOLDERS' EQUITY		
Restricted equity		
Share capital,		
2,000,000 A-shares, par SEK 25		
71,233,916 B-shares, par SEK 25	1,831	1,831
Statutory reserve	2,730	4,561
	2,730	4,561
Unrestricted equity		
Retained earnings	2,058	2,126
Net income	587	2,645
	847	2,973
Total liabilities and shareholders' equity	30,375	28,434

Note to the financial statements for AB Electrolux

Dividends from Swedish subsidiaries amounted to SEK 0m (17). Dividends from subsidiaries outside Sweden amounted to SEK 344m (654).

SHAREHOLDERS' EQUITY, SEKm	Share capital	Statutory reserve	Unrestr. equity
Opening balance	1,831	2,730	2,973
Dividend approved by AGM			-915
Net income			587
Year-end balance	1,831	2,730	2,645

DEFINITIONS

Capital ratios

Net liquidity

Liquid funds less short-term loans.

Net assets

Total assets exclusive of liquid funds, less non-interest-bearing liabilities. The latter include deferred taxes.

Risk-bearing capital

The sum of equity, minority interests, deferred taxes on timing differences and deferred taxes on remaining untaxed reserves in acquired companies.

Total adjusted assets

Total assets less that portion of liquid funds which can be offset against short-term loans.

Earnings per share

Electrolux uses two different methods to compute earnings per share. In 1989, "Earnings per share after standard tax" was replaced by "Earnings per share after full tax".

Earnings per share after full tax

Net income divided by the number of shares.

Earnings per share after standard tax

Applies to 1988 and previous years. This ratio is defined as income after financial items, less minority interests and 50% standard tax, divided by the number of shares.

Earnings per share according to US GAAP

See information on US GAAP in Note 11.

All computations have been adjusted for full dilution, stock splits, bonus issues and new issues. In connection with new issues, the number of shares is computed as the average number of shares for the year.

Other key ratios

Return on equity

Net income expressed as a percentage of opening equity. For 1988 and previous years, this ratio is computed as income after financial items less minority interests and 50% standard tax, expressed as a percentage of adjusted opening equity. The latter is adjusted for debentures converted during the year and for new issues.

Return on net assets

Operating income after depreciation, expressed as a percentage of average net assets.

Interest coverage rate

Operating income after depreciation plus financial items, in relation to total interest costs.

Share of risk-bearing capital

Risk-bearing capital expressed as a percentage of total adjusted assets.

Equity/assets ratio

Equity expressed as a percentage of total adjusted assets.

Debt/equity ratio (US GAAP)

Long-term liabilities expressed as a percentage of long-term liabilities plus shareholders' equity.

Proposed distribution of earnings

According to the consolidated financial statements, the Group's disposable earnings amount to SEK 5,682m. No allocation to restricted equity is required.

The Board of Directors and the President propose that:

Net income for the year	SEK 587,418 T
and retained earnings	<u>SEK 2,058,073 T</u>
totalling	SEK 2,645,491 T

be distributed as follows:

A dividend of SEK 6.25 per share to shareholders, totalling	SEK 457,712 T
To be carried forward	<u>SEK 2,187,779 T</u>
Total	SEK 2,645,491 T

Stockholm, March 10, 1993

ANDERS SCHARP
Chairman of the Board

GÖSTA BYSTEDT
Deputy Chairman

SVEN ÅKE ANDERSSON

BERTIL DANIELSSON

CARL LÖWENHJELM

SVEN OLIVING

CLAES DAHLBÄCK

LARS V KYLBERG

ROLAND MÖRK

HANS SÖDERQVIST

LEIF JOHANSSON
President

Auditors' report

We have examined the annual report, the consolidated financial statements, the accounting records and the administration by the Board of Directors and the President for the accounting year 1992. Our examination was carried out in accordance with generally accepted auditing standards.

Parent company

The annual report has been prepared in accordance with the Swedish Companies Act. We recommend that the Annual General Meeting

- adopt the income statement and the balance sheet,
- distribute earnings as proposed by the Board of Directors and the President, and
- discharge the members of the Board of Directors and the President from liability for the financial year.

Group

The consolidated financial statements have been prepared in accordance with the Swedish Companies Act. We recommend that the Annual General Meeting adopt the consolidated income statement and the consolidated balance sheet.

Stockholm, March 10, 1993

Ernst & Young AB

GUNNAR WIDHAGEN
Authorized Public Accountant

Board of Directors



Anders Scharp

Chairman of the Board and CEO.
Born 1934, M. Eng. Board Chairman:
Incentive AB, Saab-Scania AB, AB SKF. Deputy
Board Chairman: Atlas Copco AB, Investor AB.
Board Member: Email Ltd (Australia), Associa-
tion of Swedish Engineering, Federation of
Swedish Industries, Swedish Employers'
Confederation (SAF). Elected 1980.
Shareholding in AB Electrolux: 74,666 shares
and 20,000 share options.



Gösta Bystedt

Deputy Chairman.
Born 1929, M. Eng., M. Econ. Board Chairman:
AB Scanditronix, Nilörngruppen AB. Deputy
Chairman: AB Export-Invest, Axel Johnson AB.
Board Member: AB SKF, Atlas Copco AB,
ESAB, Förvaltnings AB Hasselfors, Federation
of Swedish Industries, Skandinaviska Enskilda
Banken-Stockholm Group. Elected 1969.
Shareholding in AB Electrolux: 104,759 shares.



Claes Dahlbäck

Born 1947, M. Econ. President, Investor AB.
Board Member: ASEA AB, AB Astra, Incentive
AB, Saab-Scania AB, AB SKF, STORA, Vin &
Sprit AB. Elected 1983.
Shareholding in AB Electrolux: 1,000 shares.



Bertil Danielsson

Born 1928, M. Econ. President, Fourth
National Pension Insurance Fund. Board
Chairman: Apoteksbolaget, Domärverket,
Swedish Export Credit Council, The Urban
Mortgage Bank of Sweden. Deputy Chairman:
Nobel Foundation. Board Member: Gullspångs
Kraft AB, Pilkington Floatglas AB, among
others. Elected 1991.
Shareholding in AB Electrolux: 0 shares.



Leif Johansson

President.
Born 1951, M. Eng. Board Member:
Incentive AB. Elected 1991.
Shareholding in AB Electrolux: 10,435 shares
and 25,000 share options.



Lars V Kylberg

Born 1940, M. Eng. President and CEO, Saab-
Scania AB. Board Chairman: Unisys AB. Board
Member: AB Aritmos, Orrefors AB, Skandinaviska
Enskilda Banken - Stockholm Group, Center for
Business and Policy Studies (SNS), AB Ludvig
Svensson, Association of Swedish Engineering,
Federation of Swedish Industries, University of
Linköping, among others. Elected 1992.
Shareholding in AB Electrolux: 0 shares.



Carl Löwenhielm

Born 1942, M. Econ. Group Head Credit
and Member of Group management, Skandi-
naviska Enskilda Banken. Elected 1991.
Shareholding in AB Electrolux: 0 shares.



Sven Olving

Born 1928, Tech. D. Professor, Chalmers
Institute of Technology. Board Chairman:
AB Volvofinans. Board Member: Bofors AB,
Celsius Industries Corporation, Telefon AB
LM Ericsson, Trelleborg AB, ABB Häls, Gota
Bank. Elected 1967.
Shareholding in AB Electrolux: 50 shares.



Lennart Ribohn

Born 1943, B.A. Senior Executive Vice-
President, AB Electrolux. Board Member:
The General Export Association of Sweden,
OM Gruppen AB. Elected 1991.
Shareholding in AB Electrolux: 40,944 shares
and 25,000 share options.

Employee representatives, members



Sven Åke Andersson

Born 1950. Representative of the Swedish Confederation of Trade Unions. Elected 1990. Shareholding in AB Electrolux: 0 shares.



Roland Mörk

Born 1938. Representative of the Swedish Confederation of Trade Unions. Elected 1988. Shareholding in AB Electrolux: 0 shares.



Hans Söderqvist

Born 1938. Representative of the Swedish Federation of Salaried Employees. Elected 1983. Shareholding in AB Electrolux: 8 shares.

Employee representatives, deputy members



Mari-Ann Krantz

Born 1948. Representative of the Swedish Federation of Salaried Employees. Elected 1990. Shareholding in AB Electrolux: 34 shares.



Ingemar Larsson

Born 1939. Representative of the Swedish Confederation of Trade Unions. Elected 1990. Shareholding in AB Electrolux: 0 shares.



Torsten Säll

Born 1931. Representative of the Swedish Foremen and Supervisors' Union. Elected 1985. Shareholding in AB Electrolux: 1,050 shares.

Honorary Chairman



Hans Werthén

Born 1919, M. Eng., Hon. Tech. D. At the Annual General Meeting in 1991, Hans Werthén relinquished his positions in AB Electrolux and was named Honorary Chairman. He was President of AB Electrolux 1967–1974, and Chairman of the Board 1975–1991.

Group structure

The operations of Electrolux are organized in five business areas with approximately 20 product lines. Each product line comprises several companies. The Group owns a total of approximately 600 operating companies in about 50 countries.

GROUP MANAGEMENT

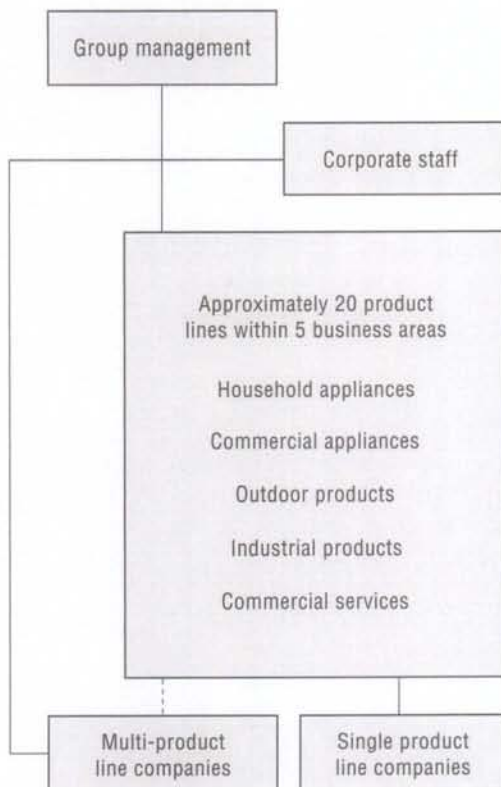
Anders Scharp, Chairman of the Board and CEO
 Leif Johansson, President
 Lennart Ribohn, Senior Executive Vice-President

Per-Olof Aronson, Executive Vice-President
 Gunnar Bark, Executive Vice-President
 Hans G. Bäckman, Executive Vice-President

Donald C. Blasius, Deputy Member
 Sven Stork, Deputy Member

CORPORATE STAFF

Mats Agurén, Administration
 Johan Bygge, Controller
 Matts P. Ekman, Treasurer
 Lars Eriksson, Group Audit
 Per G. Hedström, Technical R&D
 Leif Lindgren, Risk Management and Financial Administration
 Ulf Magnusson, Legal Counsel



Responsibility for the operations of a product line is shared by the product line manager and the executives of the appropriate companies. Units which operate with only one product line are known as single product line companies and report to the manager of the product line involved. Multi-product line companies report primarily to Group management.

● Household appliances

White goods
 Floor-care products
 Christer Forsström, Europe
 Lennart Sundén, Europe
 Hans G. Bäckman, North America

Room air-conditioners
 Hans G. Bäckman

Leisure appliances
 Sven Stork

Sewing machines
 Thomas Svensk

Kitchen and bathroom cabinets
 Nils-Erik Danielsson, Europe
 Donald C. Blasius, USA

● Commercial appliances

Food-service equipment
 Gianfranco Zoppas

Industrial laundry equipment
 Thorbjörn Larsson

Commercial refrigeration equipment
 Börje Närman, Europe
 Donald C. Blasius, USA

Commercial cleaning equipment
 Tommy Löwbäck

● Outdoor products

Forestry and garden equipment
 Bengt Andersson, Husqvarna
 Les Evans, Flymo
 Hans G. Bäckman, North America

Agricultural implements
 Lars-Göran Fasth

● Industrial products

Gränges
 Per-Olof Aronson

Equipment for personal safety in cars
 Materials-handling equipment
 Gunnar Bark

Compressors
 Leonello Verduzio

● Commercial services

Lennart Ribohn

Group management



Anders Scharp

Chairman of the Board and CEO.
Born 1934. M. Eng. Head of the refrigeration laboratory at Elektro Helios 1960, Vice-President, Production at Electrolux 1969, Vice-President, Production/R&D and Executive Vice-President 1974. President of AB Electrolux 1981, CEO 1986, Chairman of the Board 1991. Shareholding in AB Electrolux: 74,666 shares, 20,000 share options.



Leif Johansson

President.
Born 1951. M. Eng. President of Husqvarna Motorcyklar AB 1979, Divisional Manager of Facit AB 1981, President of Facit AB 1982, Product Line Manager for White goods 1983, Room air-conditioners 1989 and Floor-care products 1990. Executive Vice-President of AB Electrolux 1988, President 1991. Shareholding in AB Electrolux: 10,435 shares, 25,000 share options.



Lennart Ribohn

Senior Executive Vice-President.
Born 1943. B.A. Group Controller 1971, Executive Vice-President of AB Electrolux 1981, Senior Executive Vice-President 1988. Shareholding in AB Electrolux: 40,944 shares, 25,000 share options.



Per-Olof Aronson

Head of Gränges product line.
Born 1930. M. Eng. Production Manager at Svenska Metallverken in the Gränges Group 1966, Vice-President, Production/R&D at Gränges Aluminium 1975, President of Gränges AB and Product Line Manager 1983, Executive Vice-President of AB Electrolux 1989. Shareholding in AB Electrolux: 900 shares, 20,000 share options.



Gunnar Bark

Head of Personal safety in cars and Materials-handling equipment product lines.
Born 1939. M. Eng. President of Gränges Weda AB and Product Line Manager for Car safety belts 1982, Manager of Industrial Components and Executive Vice-President of AB Electrolux 1989. Product Line Manager for Materials-handling equipment 1992. Shareholding in AB Electrolux: 7,600 shares, 20,000 share options.



Hans G. Bäckman

President of Frigidaire Company.
Born 1936. M. Eng. Divisional Manager of Husqvarna AB 1977, Product Line Manager for Forestry and Garden equipment 1983, Executive Vice-President of AB Electrolux 1988. President of Frigidaire Company in USA 1991. Shareholding in AB Electrolux: 21,700 shares, 20,000 share options.

Statement of added value

Added value represents the contribution made by a company's production, i.e. the increase in value arising from manufacture, handling, etc. within the company. It is defined as sales revenues less the costs of purchased goods and services.

Sales revenues for the Group in 1992 totalled SEK 80,436m (79,027). After deduction of purchases of goods and services, the value added by the Group amounted to SEK 26,417m (26,653), a decrease of 1% (-11) from the previous year. During the past five years, added value has increased at an annual rate of 0.9% (6).

In 1992, SEK 3,252m (2,843) of the value added remained within the Group and was utilized among other things for capital expenditure as well as product development and marketing. Dividend payments to shareholders accounted for 2% (3) of added value in 1992, or 2% (4) of the Group's total payroll costs.

The added value generated within the Group over the past two years and its distribution are shown in the tables below.

CALCULATION OF ADDED VALUE	1992		1992 per employee,		1991	
	SEKm	%	SEK '000	SEKm	%	
Total sales	80,436	100	664	79,027	100	
Cost of purchased goods and services	-54,019	-67	-446	-52,374	-66	
Added value	26,417	33	218	26,653	34	

DISTRIBUTION OF ADDED VALUE	1992		1992 per employee,		1991	
	SEKm	%	SEK '000	SEKm	%	
To employees						
Wages and salaries	15,902			15,507		
Employer contributions	4,796			5,236		
	20,698	78	171	20,743	78	
To central and local governments						
Taxes	775	3	6	595	2	
To credit institutions						
Interest, etc.	1,234	5	10	1,557	6	
To shareholders						
Dividend payments (1992: Proposed)	458	2	4	915	3	
Retained in the Group						
For wear on fixed assets (depreciation)	3,469			3,322		
Other	-217			-479		
	3,252	12	27	2,843	11	
Added value	26,417	100	218	26,653	100	

Sales and employees* by country

EFTA

	1992		1991		No. of employees 1992	No. of employees 1991
	Sales, SEKm	% of Group total	Sales, SEKm	% of Group total		
Sweden	8,088	10.1	9,094	11.5	16,202	18,021
Switzerland	1,731	2.2	1,809	2.3	1,726	1,840
Norway	1,249	1.6	1,274	1.6	928	946
Finland	1,070	1.3	1,373	1.7	1,092	1,096
Austria	946	1.1	918	1.2	1,061	1,229
Iceland	13	-	20	0.0	-	-
Total	13,097	16.3	14,488	18.3	21,009	23,132

EC

	1992		1991		No. of employees 1992	No. of employees 1991
	Sales, SEKm	% of Group total	Sales, SEKm	% of Group total		
Germany	9,990	12.4	8,868	11.2	6,640	5,596
United Kingdom	6,757	8.4	6,670	8.5	8,537	9,078
France	6,048	7.5	5,729	7.2	5,965	6,212
Italy	5,018	6.2	4,992	6.3	12,599	13,389
Spain	3,367	4.2	3,839	4.9	5,714	6,606
Denmark	2,096	2.6	2,240	2.8	3,593	3,716
The Netherlands	1,536	1.9	1,506	1.9	1,161	1,181
Belgium	1,038	1.3	969	1.2	240	242
Ireland	280	0.4	279	0.3	62	56
Portugal	246	0.3	210	0.3	75	77
Greece	152	0.2	125	0.2	-	-
Luxembourg	44	0.1	127	0.2	681	1,161
Total	36,572	45.5	35,554	45.0	45,267	47,314

REST OF EUROPE

	1992		1991		No. of employees 1992	No. of employees 1991
	Sales, SEKm	% of Group total	Sales, SEKm	% of Group total		
Russia	789	0.9	116	0.1	-	-
Hungary	480	0.6	356	0.5	3,506	4,372
Czech Rep.	174	0.2	104	0.1	93	24
Turkey	150	0.2	200	0.3	-	-
Poland	125	0.2	133	0.2	6	-
Other	151	0.2	174	0.2	6	-
Total	1,869	2.3	1,083	1.4	3,611	4,396

NORTH AMERICA

	1992		1991		No. of employees 1992	No. of employees 1991
	Sales, SEKm	% of Group total	Sales, SEKm	% of Group total		
USA	20,255	25.2	19,403	24.5	26,297	26,590
Canada	2,182	2.7	2,120	2.7	1,714	1,742
Total	22,437	27.9	21,523	27.2	28,011	28,332

LATIN AMERICA

	1992		1991		No. of employees 1992	No. of employees 1991
	Sales, SEKm	% of Group total	Sales, SEKm	% of Group total		
Mexico	389	0.5	304	0.4	2,211	2,068
Brazil	269	0.4	320	0.4	4,449	5,193
Argentina	120	0.1	45	0.0	-	-
Venezuela	117	0.1	172	0.2	1,253	1,216
Dominican Rep.	10	0.0	5	0.0	-	-
Peru	99	0.1	85	0.1	1,173	1,165
Colombia	97	0.1	88	0.1	903	1,009
Chile	87	0.1	56	0.1	304	445
Other	532	0.7	472	0.6	800	450
Total	1,720	2.1	1,547	1.9	11,093	11,546

ASIA

	1992		1991		No. of employees 1992	No. of employees 1991
	Sales, SEKm	% of Group total	Sales, SEKm	% of Group total		
Japan	618	0.8	596	0.7	887	934
Saudi Arabia	432	0.5	479	0.6	816	802
Thailand	330	0.4	406	0.5	2,593	5,044
Malaysia	244	0.3	243	0.3	1,382	2,322
Taiwan	210	0.3	292	0.4	549	812
Hong Kong	165	0.2	214	0.3	67	1,882
Iran	155	0.2	92	0.1	-	-
Indonesia	142	0.2	134	0.2	1,945	2,376
Kuwait	112	0.1	99	0.1	-	-
United Arab Emirate	108	0.1	134	0.2	-	243
South Korea	107	0.1	116	0.1	329	529
China	106	0.1	122	0.2	-	-
Singapore	85	0.1	125	0.2	260	853
Other	504	0.7	377	0.5	1,680	2,484
Total	3,318	4.1	3,429	4.4	10,508	18,281

AFRICA

	1992		1991		No. of employees 1992	No. of employees 1991
	Sales, SEKm	% of Group total	Sales, SEKm	% of Group total		
Total	548	0.7	523	0.7	-	-

OCEANIA

	1992		1991		No. of employees 1992	No. of employees 1991
	Sales, SEKm	% of Group total	Sales, SEKm	% of Group total		
Australia	694	0.9	709	0.9	1,496	953
New Zealand	155	0.2	154	0.2	153	275
Other	26	0.0	17	0.0	-	-
Total	875	1.1	880	1.1	1,649	1,228

GROUP TOTAL

	1992	1991	No. of employees 1992	No. of employees 1991
	Sales, SEKm	Sales, SEKm		
Total	80,436	79,027	121,148	134,229

* Annual average.

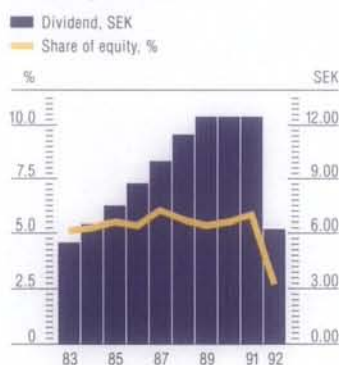
Electrolux shares

TRADING VOLUME FOR ELECTROLUX SHARES IN STOCKHOLM, LONDON AND NEW YORK

(Thousands)	1992	1991
Stockholm	30,711	25,413
London	36,747	34,745
New York ¹⁾	729	1,581

¹⁾ American Depository Receipts.
One ADR corresponds to one B-share.

Dividend per share



The Board proposes to reduce the dividend for 1992 by half, to SEK 6.25.

Electrolux A- and B-shares have been listed on the Stockholm Stock Exchange since 1930. B-shares are also listed in London (since 1928), Geneva (1955), Paris (1983), Zurich and Basel (1987). B-shares are also listed in the US through the NASDAQ system (1987).

At year-end 1992 the market capitalization of Electrolux shares was approximately SEK 17.4 billion (16.3).

In 1992, 30.7 million Electrolux shares were traded on the Stockholm Stock Exchange to a value of SEK 7.1 billion. This represented about 4.3% of the total trading volume of SEK 165.5 billion.

The number of Electrolux shares traded on the London Stock Exchange in 1992 rose to 36.7 million, while trading volume in NASDAQ declined to 0.7 million ADR's¹⁾. Trading volume on other exchanges was considerably lower.

Dividend policy

The Group's goal is for dividends to shareholders to increase in general proportion to the growth of equity.

However, the Board proposes that the dividend for 1992 be reduced by half, to SEK 6.25 (12.50), in the light of the uncertain market outlook and the weak trend for Group earnings in recent years.

Effective yield

The effective yield indicates the actual profitability of an investment in shares and comprises dividends received plus changes in trading price.

Over the past ten years, the average annual effective yield on an investment in Electrolux shares has been 19.9% (23.5). The corresponding figure for the Stockholm Stock Exchange as a whole was 15.9% (19.5).

Share capital and number of shares

On December 31, 1992 there were 2,000,000 Electrolux A-shares and 71,233,916 B-shares, for a total of 73,233,916 shares. Each share has a par value of SEK 25. Total share capital at year-end amounted to SEK 1,830.8m.

A-shares carry one vote and B-shares 1/1000 of a vote. All shares entitle the holder to the same proportion of assets and earnings.

PER-SHARE DATA, 1983-1992	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983
Year-end trading price, SEK ¹⁾	238	218	160	280	293	193	311	194	121	119
Change in price during the year, %	9	36	-43	-4	52	-38	60	60	2	98
Equity per share, SEK ²⁾	229	215	226	232	203	164	161	131	115	98
Trading price/equity, % ²⁾	104	101	71	121	154	118	193	148	105	121
Dividend, SEK	6.25 ³⁾	12.50	12.50	12.50	11.50	10.00	8.75	7.50	6.50	5.50
Direct yield, %	2.6	5.7	7.8	4.5	3.9	5.2	2.8	3.9	5.4	4.6
Earnings per share after full tax, SEK ²⁾	2.50	5.20	10.10	35.20	32.30	20.60	18.20	19.60	18.90	13.70
P/E ratio ⁴⁾	95.2	41.9	15.8	8.0	9.1	6.7	12.1	6.4	4.7	6.0

¹⁾ Last price paid for B-shares.

²⁾ The principle applied for computing this value was changed in 1989. The figure for 1988 has been adjusted accordingly. See p. 37.

³⁾ Proposed by the Board.

⁴⁾ Trading price relative to earnings per share after full dilution. The figures for 1988-1992 are computed as earnings per share after full tax, and for 1983-1987 as earnings per share after taxes paid, according to the partial method.

PRICE AND VOLUME OF ELECTROLUX B-SHARES
ON THE STOCKHOLM STOCK EXCHANGE, 1988 – FEBRUARY, 1993

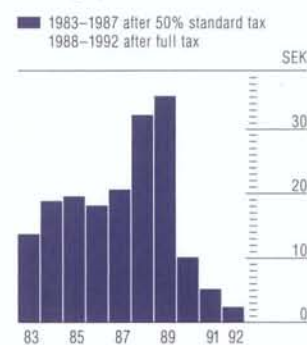


Trading price and equity per share



At year-end 1992 the market capitalization of B-shares was 100% of equity.

Earnings per share



Earnings per share after full tax declined to SEK 2.50 in 1992.

Electrolux Allemansfond

Savings plans based on Electrolux shares have been open to employees in the Group's Swedish companies since April, 1984, through the Electrolux Allemansfond.

At year-end 1992 there were 3,132 shareholders in the Allemansfond, with total holdings of 220,000 shares. Loans raised by employees to acquire shares totalled SEK 9.8m.

DISTRIBUTION OF SHAREHOLDINGS IN
AB ELECTROLUX

Shareholding	No. of shareholders	As % of shareholders
1-1,000	65,639	96.4
1,001-10,000	2,106	3.1
10,001-100,000	260	0.4
100,001-	88	0.1
Total	68,093	100.0

The above information is based on the register of shareholders in AB Electrolux at the Swedish Securities Exchange Center as of February, 1993.

MAJOR SHAREHOLDERS	Number of shares	Share capital, %	Voting rights, %
4th National Pension Insurance Fund	3,924,354	5.36	0.19
SPP	3,781,351	5.16	0.18
Incentive	3,769,076	5.15	48.41
Nordbanken investment funds	3,176,850	4.34	0.15
S-E-Banken investment funds	2,389,066	3.26	0.12
Trygg-Hansa Liv	2,294,665	3.13	0.11
The Abu Dhabi Investment Authority	2,000,000	2.73	0.10
AMF Pension funds	1,632,995	2.23	0.08
Skandia	1,621,439	2.21	0.08
Svenska Handelsbanken investment funds	1,468,400	2.01	0.07
Investor	1,148,478	1.56	45.22
Fund 92-94	1,000,000	1.37	0.05

The above information is based on the register of shareholders in AB Electrolux at the Swedish Securities Exchange Center as of February, 1993.

CHANGE IN SHARE CAPITAL 1983-1992

	Total share capital, SEKm	Of which through conversion	
1983	1,308	22	
1984	1,369	61	
1985	1,512	143	Split 2:1 New issue ¹⁾
1986	1,775	63	
1987	1,803	28	
1988	1,812	9	
1989	1,818	6	
1990	1,831	13	
1991	1,831	-	
1992	1,831	-	

¹⁾ New issue of 8 million B-shares outside Sweden, total value at par SEK 200m.

Ten-year review

Amounts in SEKm unless otherwise indicated	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	Average growth rate, %	
											5 yrs	10 yrs
SALES AND INCOME												
Sales	80,436	79,027	82,434	84,919	73,960	67,430	53,090	39,688	34,547	32,146	3.6	9.8
Operating income after depreciation	2,250	2,588	3,248	5,281	4,897	4,225	3,321	3,137	3,117	2,691	—	—
Income after financial items	1,016	1,031	1,409	3,608	3,727	3,060	2,583	2,576	2,470	1,763	—	—
Income before taxes (and allocations)	1,016	1,031	1,409	3,608	3,727	3,060	2,715	2,752	2,576	1,863	—	—
Net income ¹⁾	183	377	741	2,579	2,371	—	—	—	—	—	—	—
FINANCIAL POSITION												
Total assets	71,618	62,329	65,793	63,298	56,840	48,470	48,181	29,524	26,281	23,527	8.1	11.3
Net assets ²⁾	—	—	—	—	31,690	24,804	27,123	16,488	14,854	13,601	—	—
Net assets ¹⁾	41,728	35,521	39,347	38,623	30,863	—	—	—	—	—	11.0	10.6
Accounts receivable ³⁾	16,509	13,893	14,707	14,547	13,728	12,183	11,885	7,864	6,764	6,368	6.3	9.4
Inventories	15,883	14,955	16,042	16,409	14,359	12,169	12,431	8,238	8,032	7,518	5.5	6.6
Risk-bearing capital	18,703	17,555	18,599	19,062	17,408	14,783	14,312	10,785	9,210	7,765	4.8	10.5
Adjusted equity ²⁾	—	—	—	—	13,893	11,941	11,659	8,306	6,903	5,651	—	—
Equity ¹⁾	16,772	15,758	16,565	17,025	14,873	—	—	—	—	—	7.0	12.4
DATA PER SHARE, SEK												
Earnings after 50% standard tax	—	—	—	—	24.90	20.60	18.20	19.60	18.90	13.70	—	—
Earnings after full tax ¹⁾	2.50	5.20	10.10	35.20	32.30	—	—	—	—	—	—	—
Net earnings according to US GAAP	2.60	5.50	11.20	31.20	28.60	25.00	24.80	22.20	22.20	11.80	—	—
Risk-bearing capital	256	240	254	260	238	202	197	169	150	130	4.9	8.1
Adjusted equity ²⁾	—	—	—	—	190	164	161	131	115	98	—	—
Equity ¹⁾	229	215	226	232	203	—	—	—	—	—	6.9	9.5
Dividend, adjusted for share issues ⁴⁾	6.25	12.50	12.50	12.50	11.50	10.00	8.75	7.50	6.50	5.50	-9.0	3.3
Trading price of B-shares at year-end ⁵⁾	238	218	160	280	293	193	311	194	121	119	4.3	14.8
KEY RATIOS, %												
Return on equity after 50% standard tax	—	—	—	—	15.3	12.9	13.3	17.6	20.9	16.4	—	—
Return on equity ¹⁾	1.2	2.3	4.3	17.3	18.6	—	—	—	—	—	—	—
Return on net assets ²⁾	—	—	—	—	17.9	16.0	15.2	20.0	21.9	18.7	—	—
Return on net assets ¹⁾	6.0	6.7	8.2	14.7	17.4	—	—	—	—	—	—	—
Net assets as a percentage of sales ²⁾⁵⁾	—	—	—	—	41.8	36.8	43.1	41.5	43.0	42.3	—	—
Net assets as a percentage of sales ¹⁾⁵⁾	46.1	45.0	48.6	46.9	40.7	—	—	—	—	—	—	—
Accounts receivable as a percentage of sales ⁵⁾⁷⁾	18.2	17.6	18.0	17.7	18.1	18.1	18.9	19.8	19.6	19.8	—	—
Inventories as a percentage of sales ⁵⁾⁷⁾	17.5	18.9	19.7	19.9	19.0	18.0	19.7	20.8	23.2	23.4	—	—
Interest coverage rate	1.26	1.32	1.46	2.29	2.88	2.60	2.56	3.17	3.29	2.45	—	—
Share of risk-bearing capital	29.5	31.2	30.5	32.2	32.9	32.4	31.9	40.0	37.9	35.3	—	—
Equity/assets ratio ²⁾	—	—	—	—	26.3	26.1	26.1	30.8	28.4	25.7	—	—
Equity/assets ratio ¹⁾	26.4	28.0	27.2	28.7	28.1	—	—	—	—	—	—	—
Dividend as a percentage of adjusted equity ²⁾	—	—	—	—	6.0	6.0	5.3	5.5	5.2	5.1	—	—
Dividend as a percentage of equity ¹⁾	2.7	5.8	5.5	5.3	5.6	—	—	—	—	—	—	—
OTHER DATA												
Gross capital expenditure on real estate, equipment and tools ⁸⁾	3,737	3,704	4,444	6,237	5,292	3,788	8,736	2,401	1,694	1,374	—	—
Exclusive of opening value of fixed assets in companies acquired during the year ⁸⁾	3,623	3,414	4,018	5,389	4,772	3,485	3,005	1,808	1,615	1,354	0.8	10.6
Capital expenditure as a percentage of sales	4.5	4.3	4.9	6.3	6.5	5.2	5.7	4.6	4.7	4.2	—	—
Average number of employees	121,200	134,200	150,900	152,900	147,200	140,500	129,900	91,100	87,000	86,300	-2.9	2.3
Salaries, wages and remuneration	15,902	15,507	17,213	17,458	15,257	14,427	11,164	8,320	7,283	6,852	2.0	8.3
Number of shareholders	68,100	70,000	74,000	68,000	70,000	70,000	59,000	52,000	52,000	51,000	—	—

1) For deferred taxes and equity as of 1988 onward, see also the description of accounting and valuation principles on page 37.

2) Computed after 50% tax on allocations and untaxed reserves.

3) Accounts receivable through 1984 have been incremented with accounts receivable transferred for factoring in a separate finance company.

4) 1992: Proposed.

5) As of 1986, sales have been adjusted on a 12-month basis.

6) Latest paid.

7) Figures for 1992 have been adjusted for the effects of exchange-rate fluctuations.

8) Figure for 1992 is annual average.

The Electrolux vision of the environment

Protection of the environment is a key to long-term survival for the individual, for corporations and for society in general. All our activities must be adapted with regard to the limits that nature can accept in the form of resource consumption and pollution. Care for the environment will be a continuous component of our operations as well as the hallmark of our daily work.

Growth in consumption of non-renewable raw materials and natural resources cannot continue indefinitely. Our operations and our products must be integrated in a cycle, so that we can satisfy the needs of our customers without jeopardizing the prospects for future generations. The key-words for our operations are therefore resource-efficiency and recycling.

We are going to meet our customers' expectations for safe, environmentally sound products, and we will actively distribute information aimed at stimulating demand for these products.

Good profitability generates resources for the development of technology that makes a dynamic contribution to a harmonious relationship between society and nature. Resource-efficient production and far-sighted product development will contribute to maintaining our competitive position in the future as well.



The Group's environmental vision is illustrated here by a work entitled "Omaggio a R. Magritte", created by artist Guerrino Boatto and commissioned by Zanussi, the Electrolux Italian subsidiary, in connection with the company's environmental project "Progetto Ecos".

The Electrolux environmental policy

Responsibility

Our role as a company is to fulfill the needs of society that generate demand for our products. This involves a responsibility for contributing to sustainable development by continuously improving our products and our production processes from an environmental perspective.

Precaution

Precaution must be our guide for all development and production within the Group, in order to avoid irrevocable environmental impact. This requires a cautious approach to activities which might have a serious environmental impact.

Total approach

We must adopt a total approach in our operations, based on knowledge of every phase of the life cycles of our products, from raw materials and production to use and recycling. We must choose the options that minimize negative environmental impact as well as consumption of raw materials and energy.

Preparedness

Our business development must include an active commitment to development and marketing of products with the least possible environmental impact. As we continuously acquire more knowledge and promote our environmental efforts, we will also be prepared to meet future environmental needs.

Priorities

Our development will involve continuous gradual reduction of the environmental impact of our operations. Our work must be goal-oriented and cost-effective. We will assign priority to our environmental investments on the basis of what is most appropriate in terms of ecology.

Market leader

Active, far-sighted research and development will enable us to continuously offer products that meet high environmental expectations. An active commitment to the environment, which integrates care for the environment in all our operations and involves a contribution from all our employees, will keep us competitive and will strengthen our position as market leader.

Profitability

Effective use of resources will be a decisive criterion for profitability. Good profitability is a prerequisite for our environmental activities, as it generates resources for investment and development.

*

The manager of each product line is responsible for preparing an action program for application of the above policy.

The Electrolux Environmental Committee is responsible for development and interpretation of this policy, and for monitoring its implementation.



Lilla Essingen • S-105 45 Stockholm, Sweden

Telephone Int +46 8 738 6000 • Telex 11600 Elhead S • Telefax Int +46 8 656 4478, 656 6692