



The Electrolux Group.

The world's No.1 choice.

Nine months results, 2001

Michael Treschow,
President & CEO

New line of household appliances



Industry shipments and estimated trend in demand, Q3 2001

North America

- Core appliances
- Air-cond.
- Vacuum cleaners
- Outdoor products¹⁾
- Outdoor products²⁾

Brazil

- White goods

Europe

- Core appliances
- Vacuum cleaners
- Professional appliances
- Outdoor products¹⁾
- Outdoor products²⁾

Asia

- Core appliances
- Professional appliances
- Outdoor products²⁾

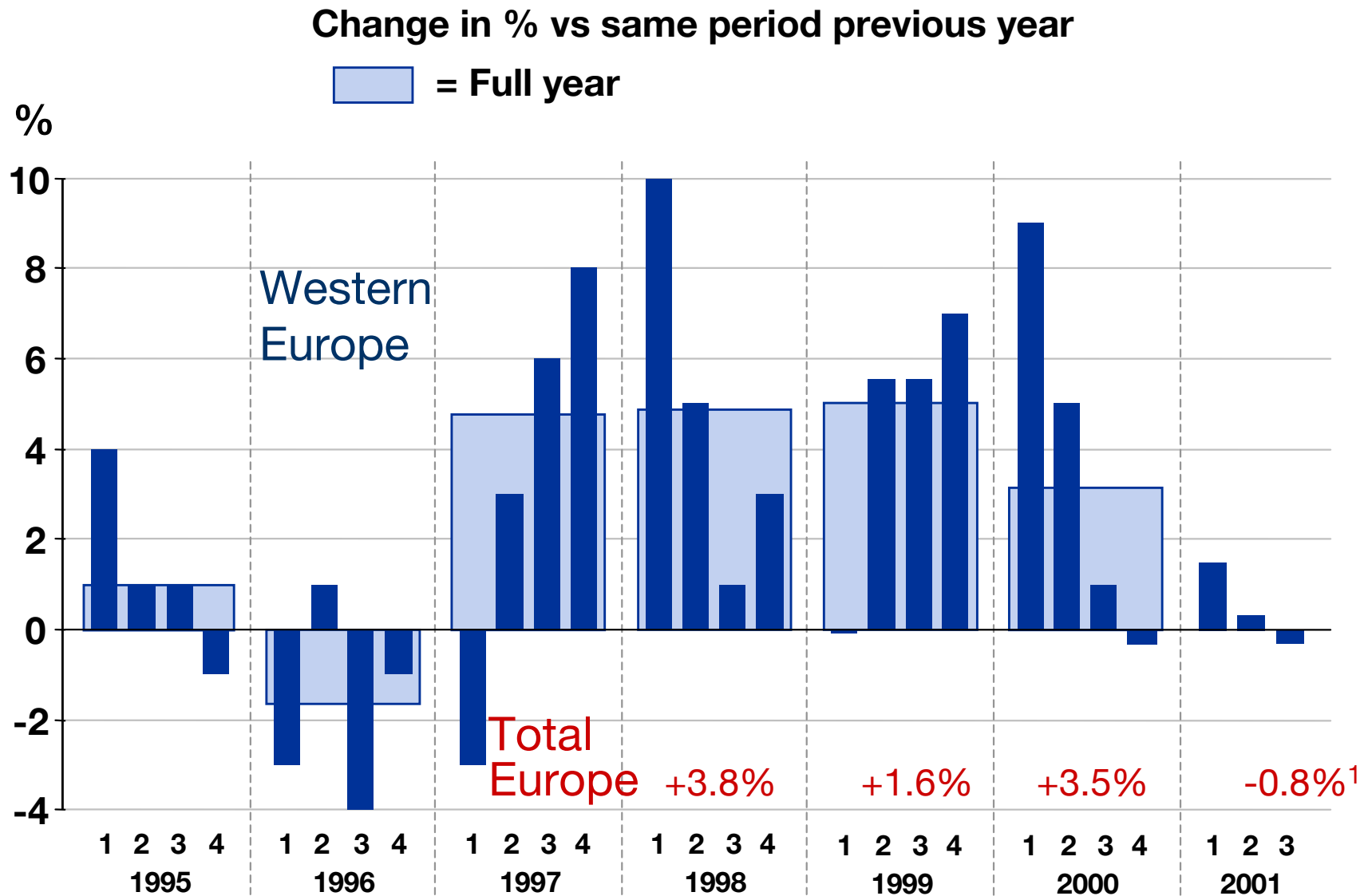
Australia

- White goods

1) Consumer products
2) Professional products

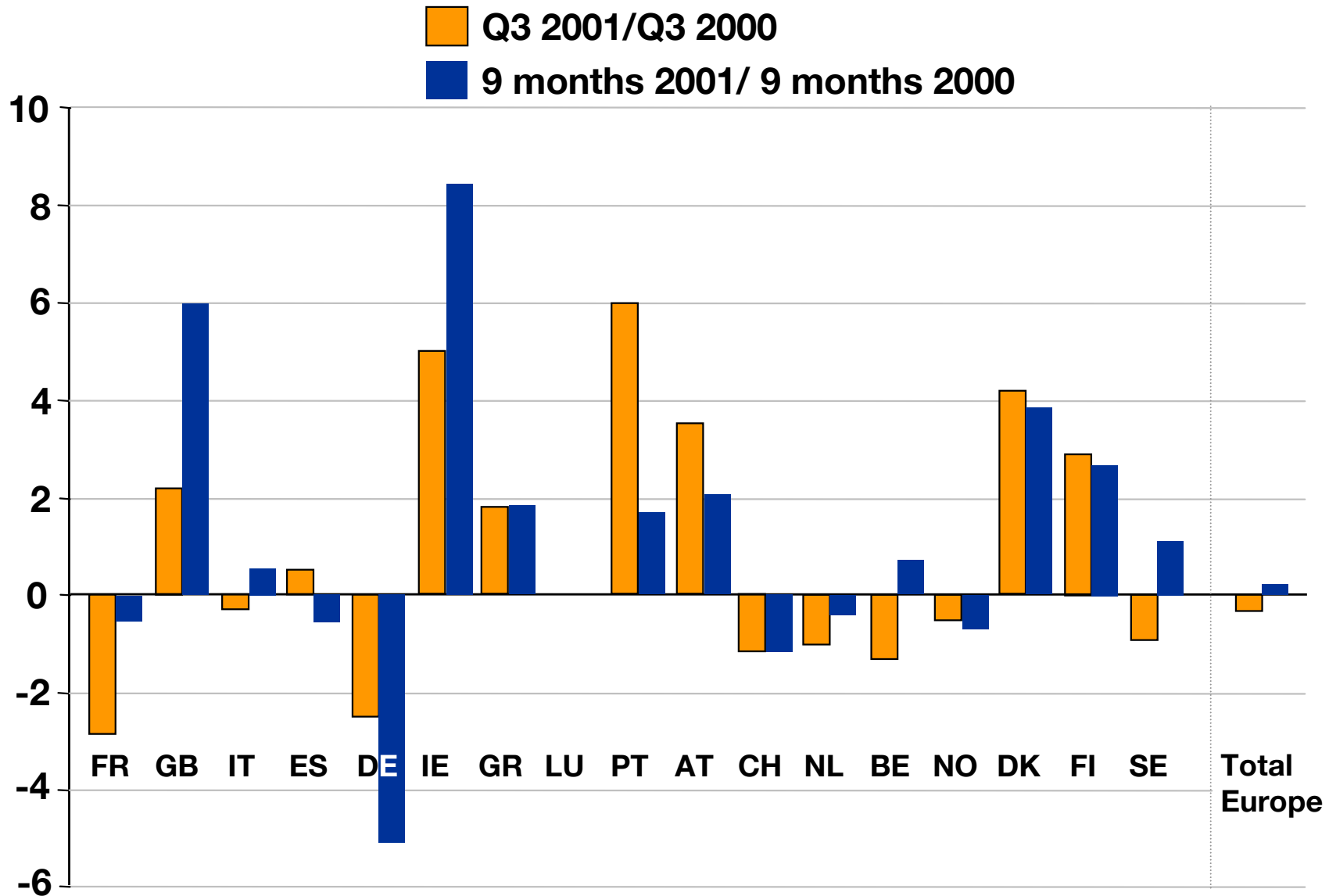
Core appliances, Europe

Industry unit shipments



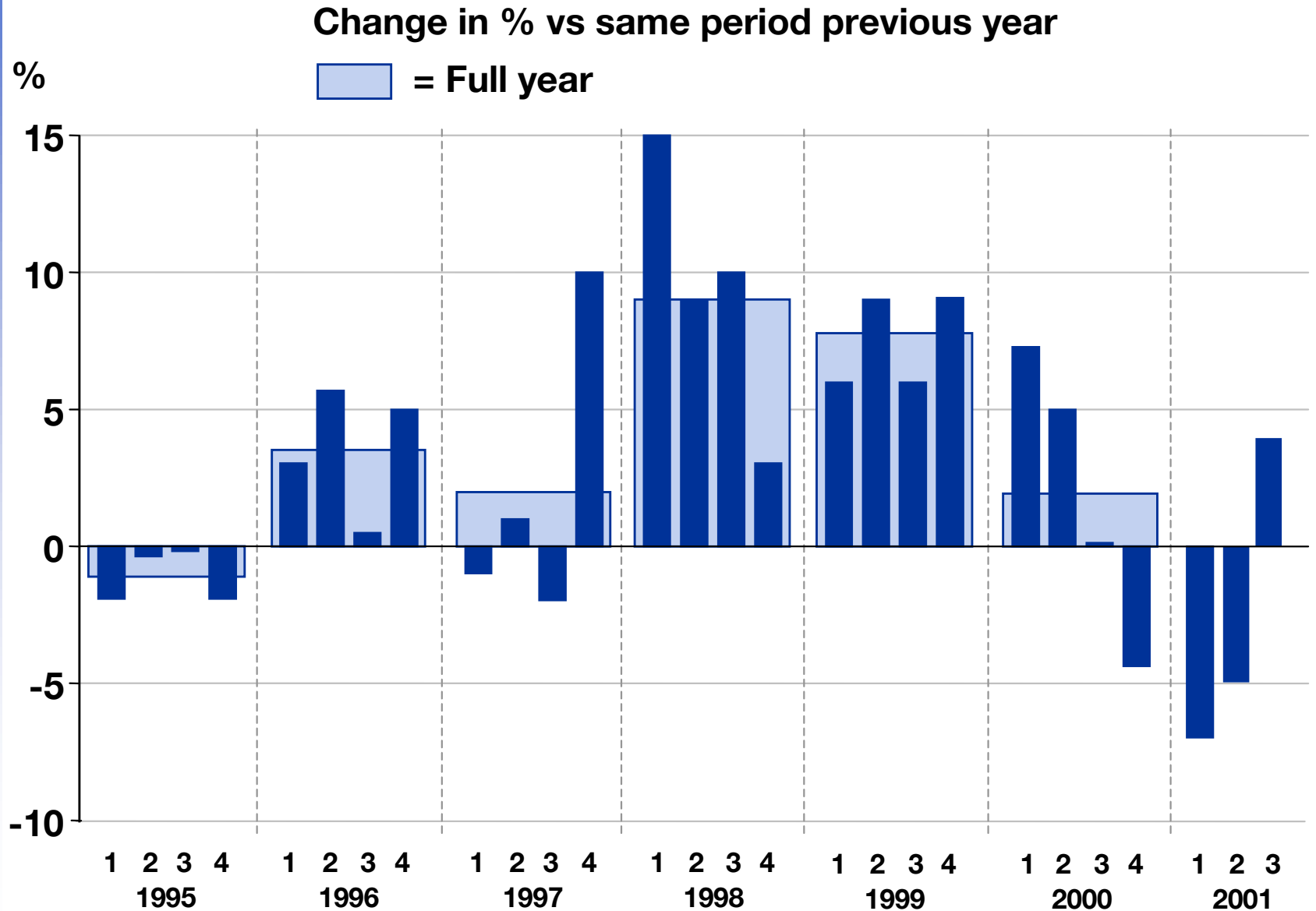
Core appliances, Western Europe

Industry unit shipments



Core appliances, USA

Industry unit shipments



Sales and earnings

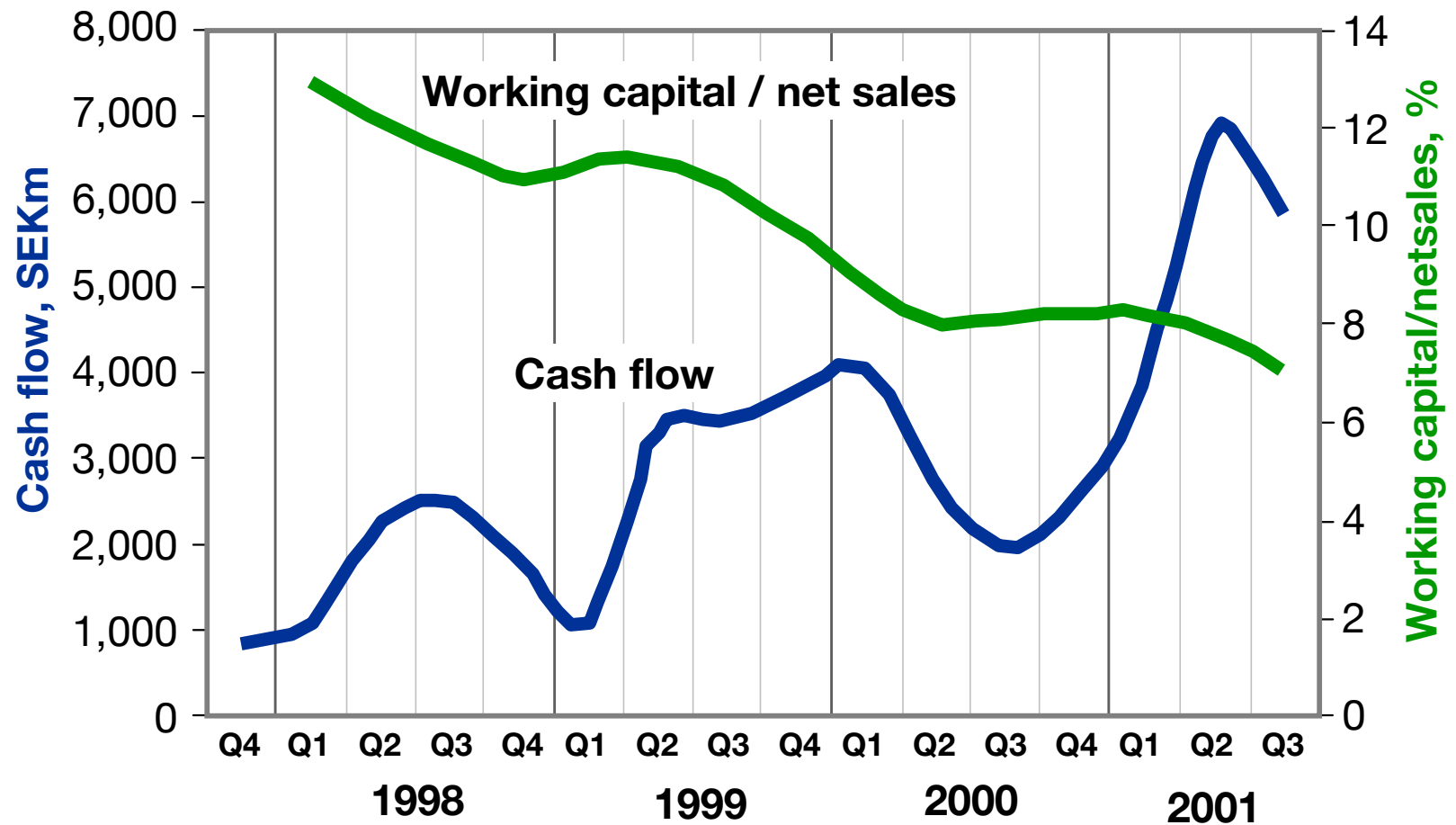
Excl. items affecting comparability

SEKm	Nine months			Third quarter		
	2001	2000	Change	2001	2000	Change
Net sales	103,922	95,072	9.3%	32,793	29,644	11%
Operating income	4,973	6,333	-21%	1,085	1,830	-41%
<i>Margin, %</i>	4.8	6.7		3.3	6.2	
Income after financial items	4,096	5,575	-27%	845	1,504	-44%
<i>Margin, %</i>	3.9	5.9		2.6	5.1	
Net income per share, SEK	8.30	10.20	-19%	1.75	2.85	-39%
Value creation	229	2,137	-1,908	-453	406	-859
Return on equity, %	14.3	19.2				
Return on net assets, %	14.7	21.1				
Net debt/equity ratio	0.30	0.61				

Working capital and cash flow

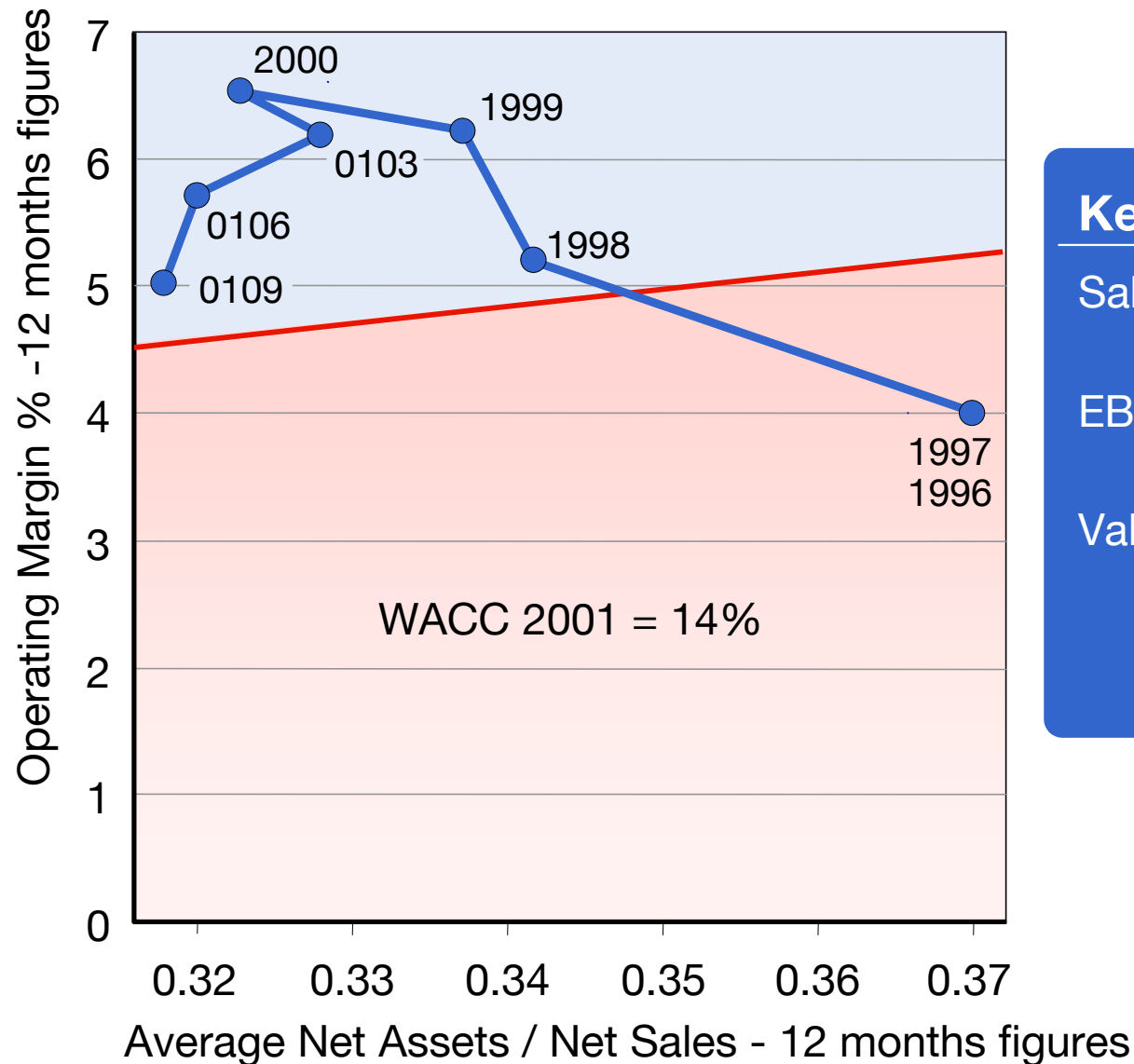
1998 - Q3, 2001

12 months figures



Cash flow: Cash flow from operations and investments excl. investments and divestments of operations

Total Group



Key Data 9m 2001

Sales: SEK 103,922
+9%

EBIT: SEK 4,973m
-21 %

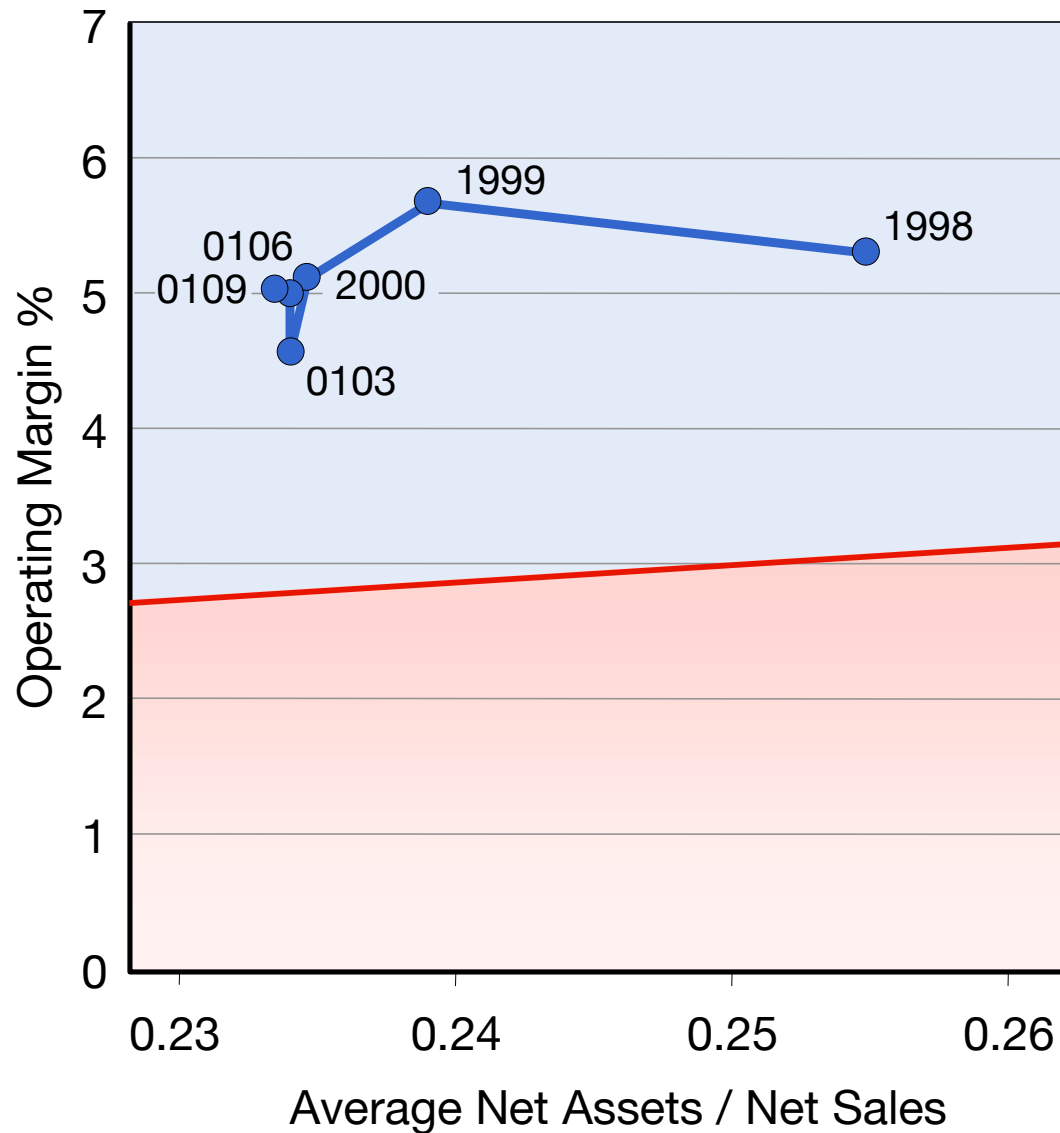
Value creation:
SEK 229m

Provision for restructuring, Q3 2001

- **Total amount SEK 1,763m**
 - > 90% refers to Professional Indoor Products
- **Approx. 70% is write-down of assets**
- **14 projects**
- **Other operations under review**
 - *Production structure and costs for marketing and administration within major appliances, primarily in Europe*
 - *Further action considered within Professional Indoor Products*
- **Savings:** Approx. SEK 70m in 2001, SEK 400m in 2002, and SEK 500m annually after 2003

Provision in Q3, 2001	Provision, cash effect, SEKm	Provision, write-down, SEKm	Total provision, SEKm	Personnel cutbacks	Savings (est) 2001, SEKm	Savings (est) 2002, SEKm
Professional Indoor Products	432	1,231	1,663	1,986	65	363
Consumer Durables, Outdoor	50	50	100	120	8	36
Total	482	1,281	1,763	2,106	73	399
Provision in Q4, 2000			880	2,000	440	

Consumer Durables, Europe



Key data 9m 2001

Sales: SEK 34,384m
+10%

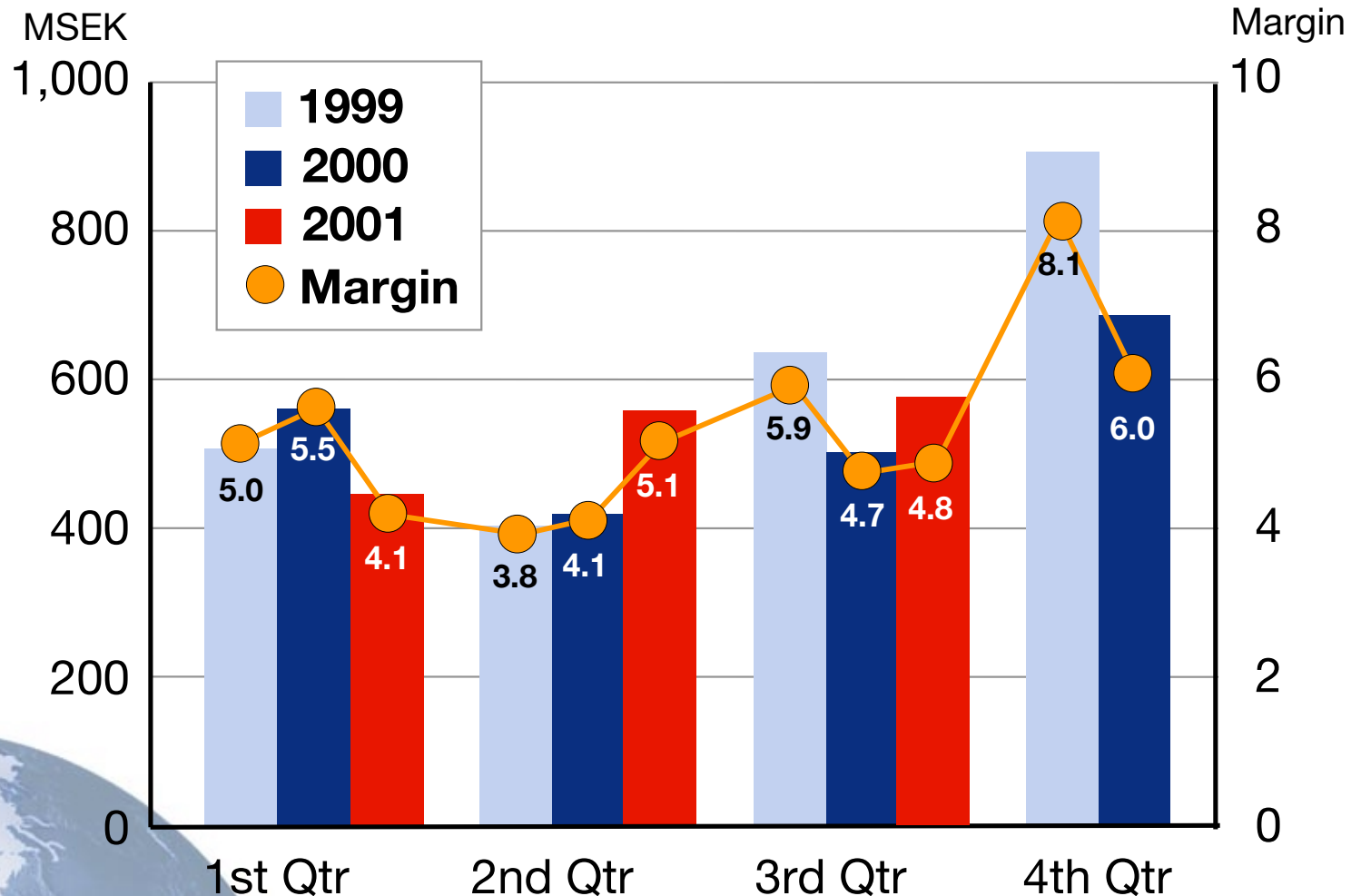
EBIT: SEK 1,610m
+8%

Value creation:
SEK 619m

Value creation change:
SEK +28m



Higher operating income for Consumer Durables, Europe



SG&A for Electrolux Home Products down to 18.0% (9m 2000: 20.4%)

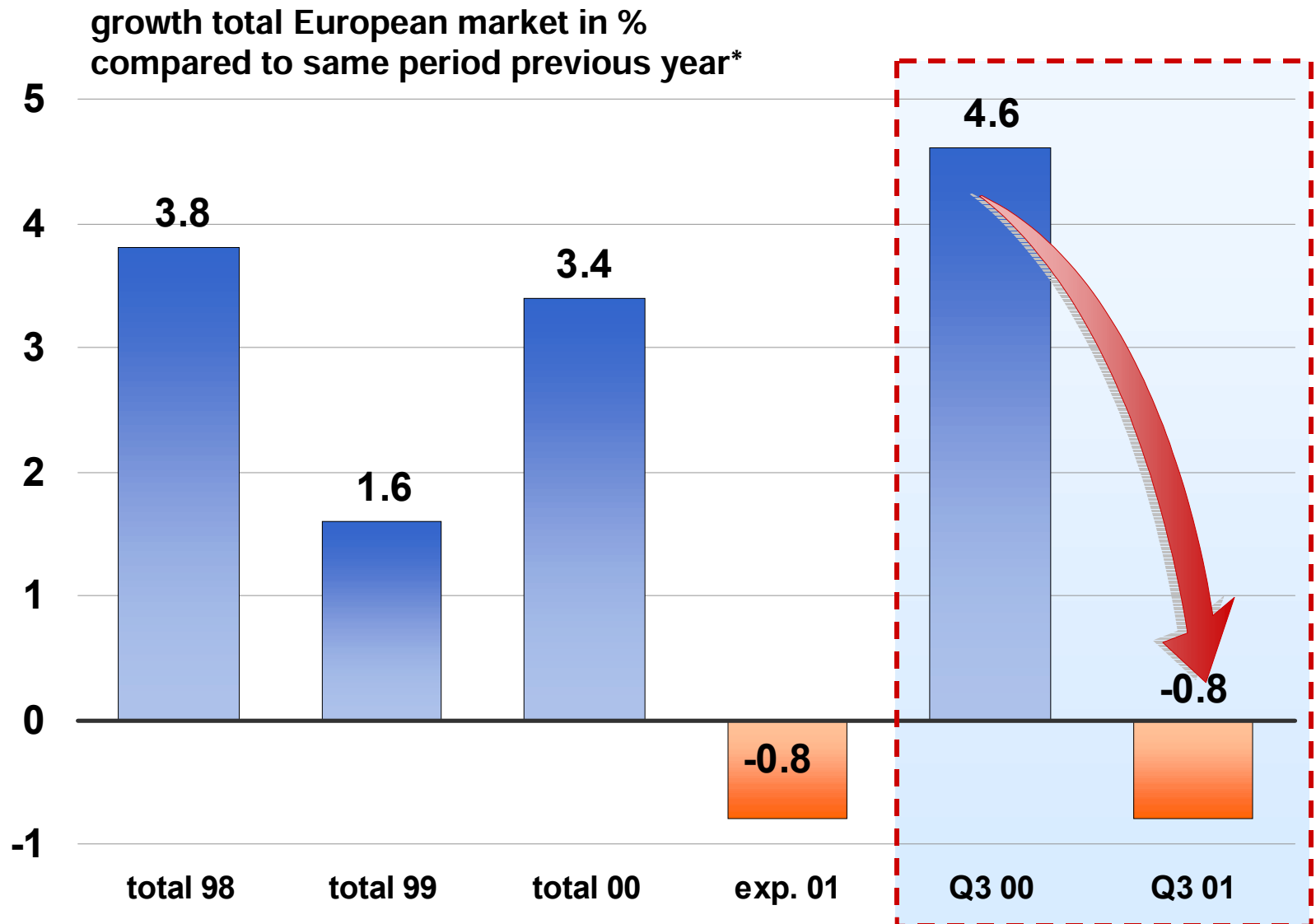
EHP-Europe:

Profitable growth in a slow market

Highlights

- Volume growth well above market growth
- Continuous cost improvement
 - SG&A reduction of >2 pts of sales
 - Manufacturing productivity up
- Operating income up in value and margin %
- Market flat in WE but still positive in EE (excl. Turkey)

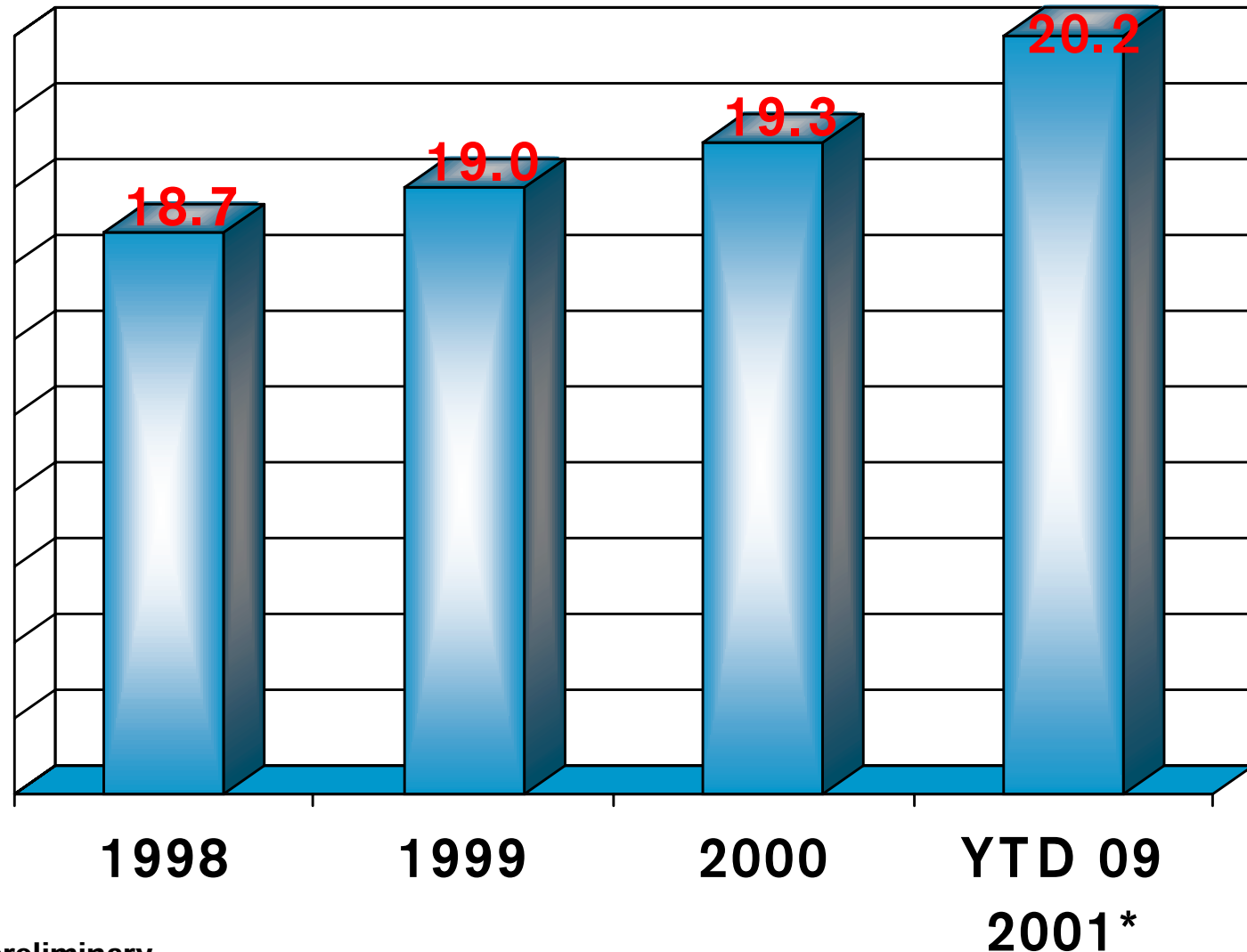
Market is slow



* including Turkey; w/o Turkey Q3 01 = +0,8%

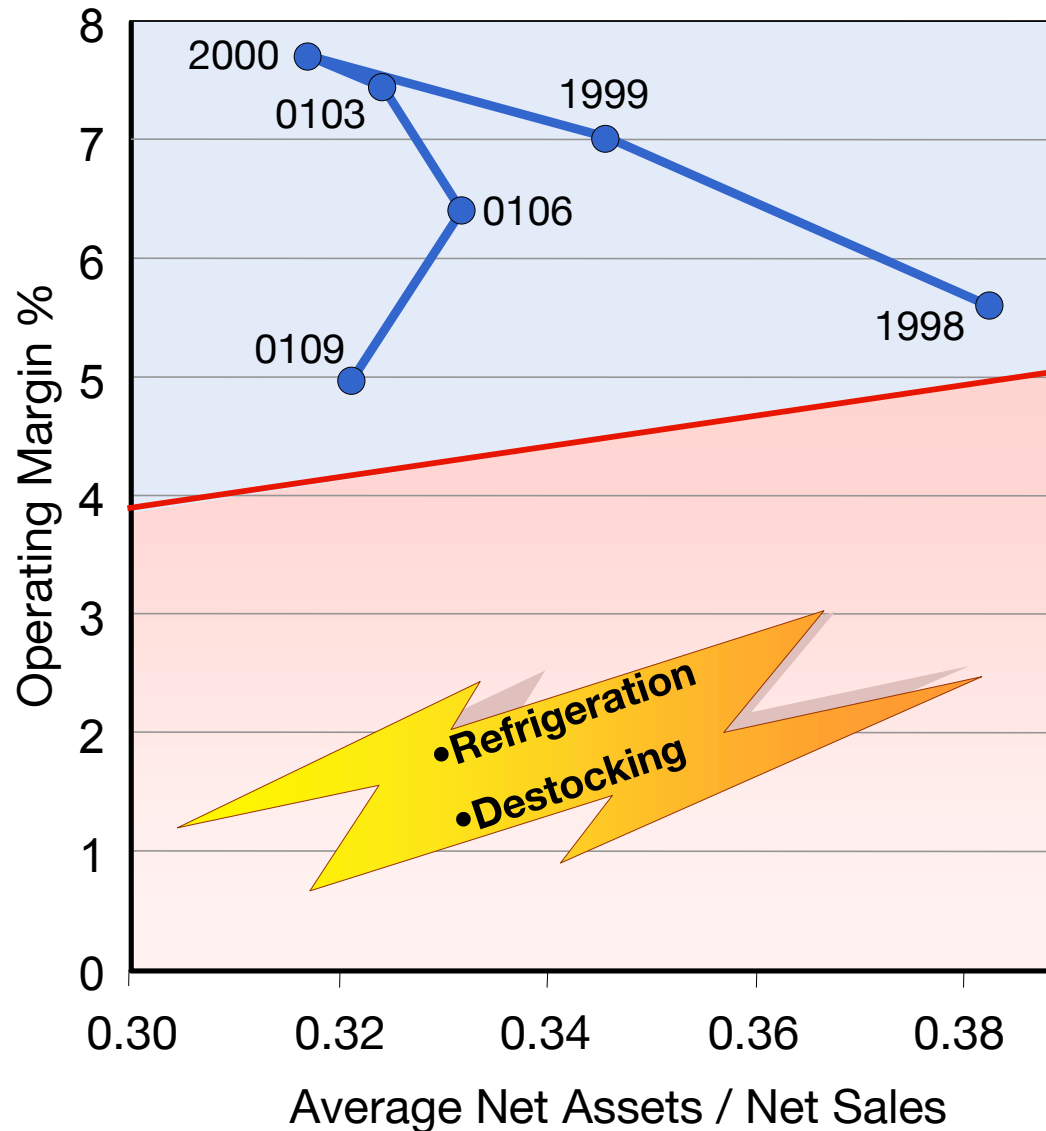
EHP is increasing its market share

Share on total European market (TM+EM) white goods



* preliminary

Consumer Durables, North America



Key data 9m 2001

Sales: SEK 37,566m
+2%

EBIT: SEK 1,680m
-43%

Value creation:
SEK 92m

Value creation change:
SEK -1,416m



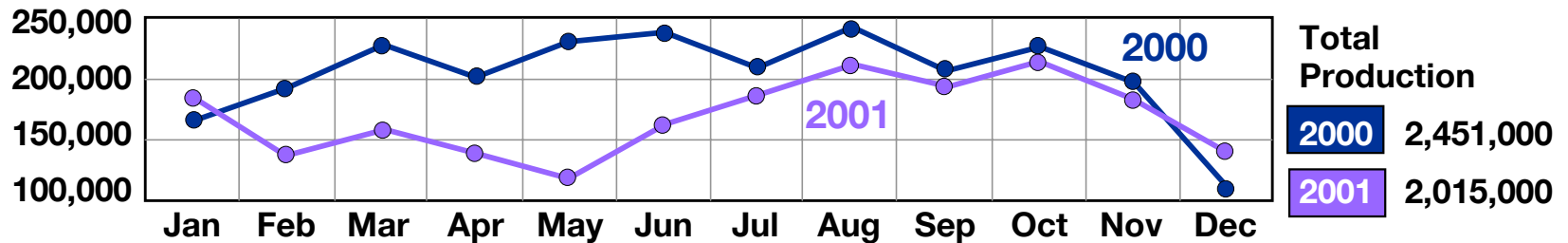
Costs for phase-in of new generation of refrigerators in US

- Negative effect on EBIT for 9 months: approx. USD 90m, of which USD 30m in Q3
- Production levels normalizing, costs too high
- Expected negative effect on EBIT in Q4, 2001: USD 10-15m
- Products well received by market
- Side-by-side and top mount models
-30/40% lower energy consumption
- Total investment: USD 200m

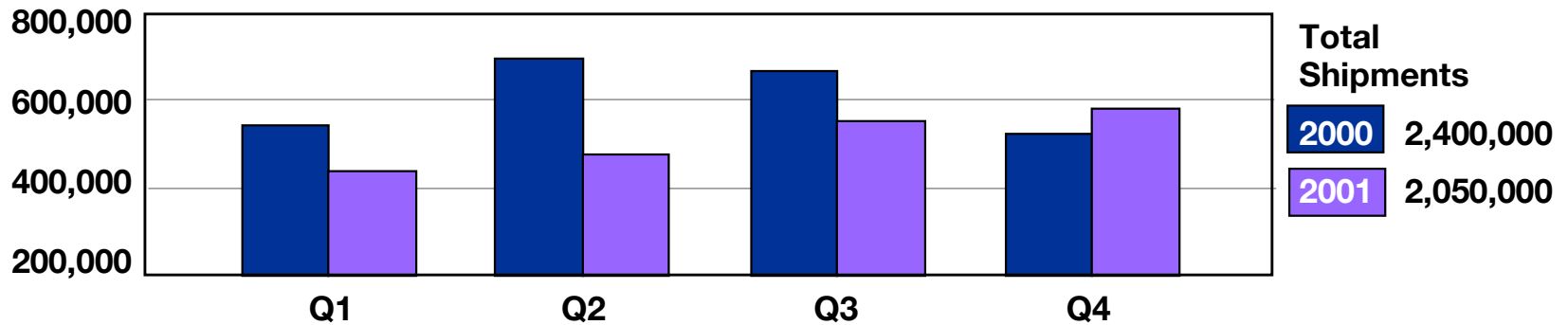


Production volume, shipments and employees

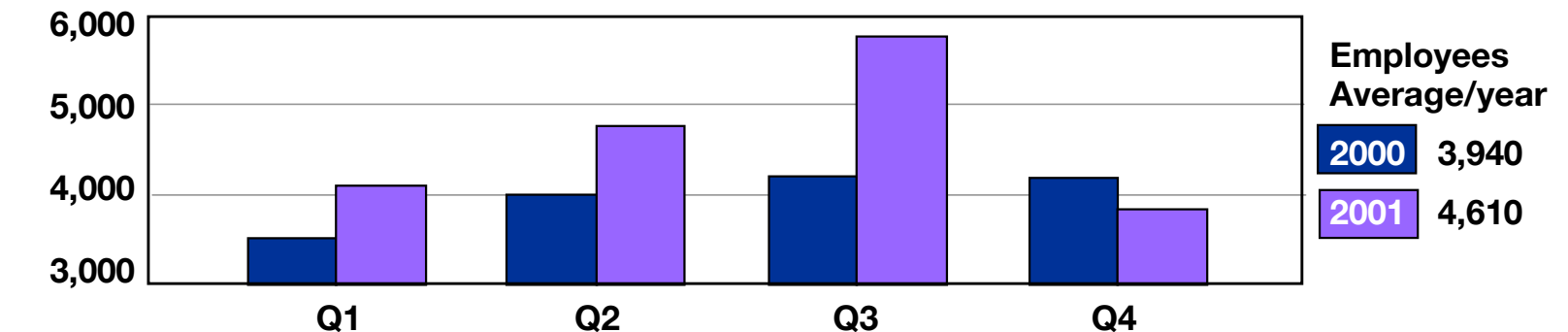
Production



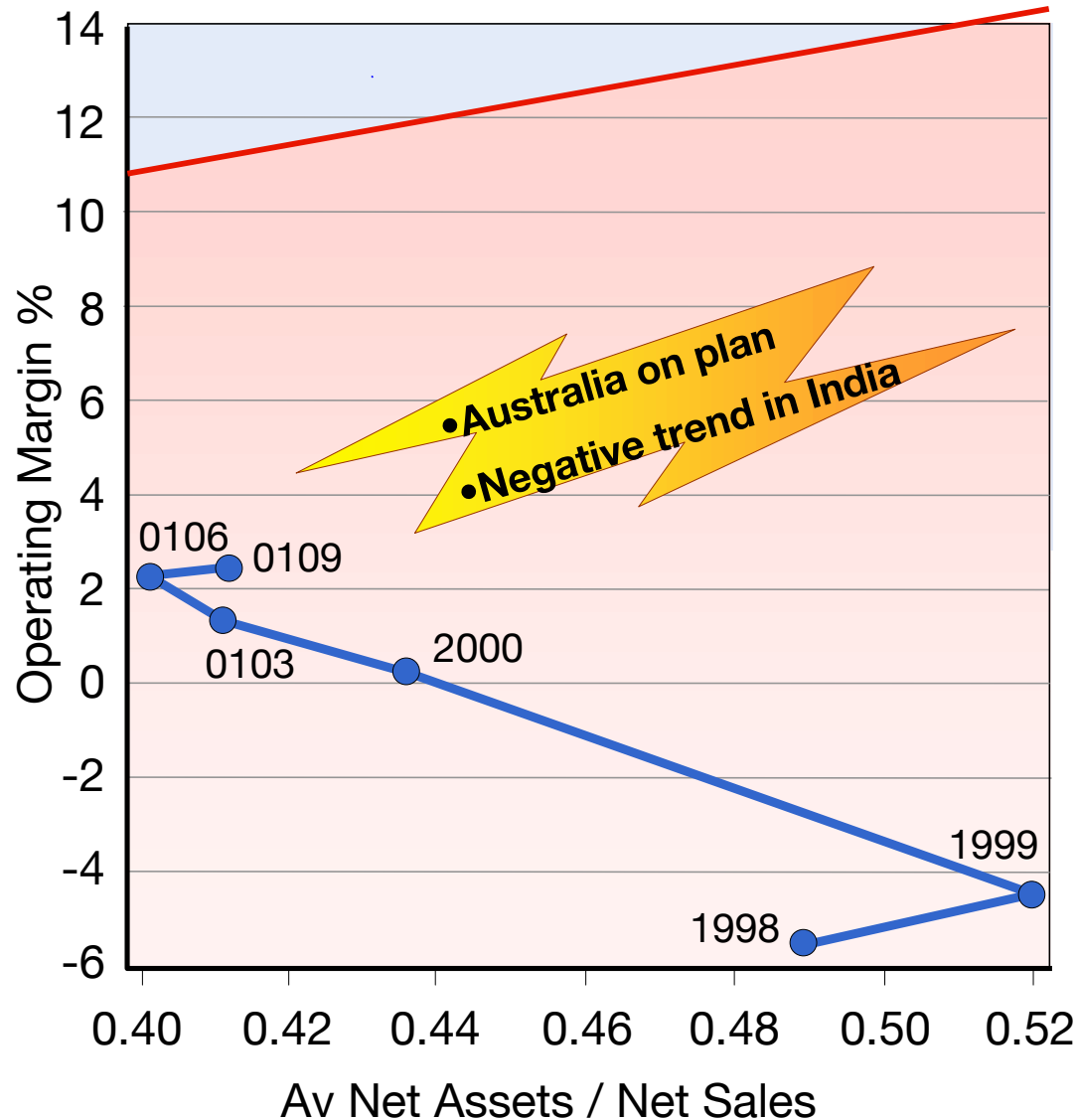
Shipments



Employees



Consumer Durables, Rest of the World



Key data 9m 2001

Sales: SEK 10,971m
+69%

EBIT: SEK 196m

Value creation:
SEK -853m

Value creation change:
SEK +55m

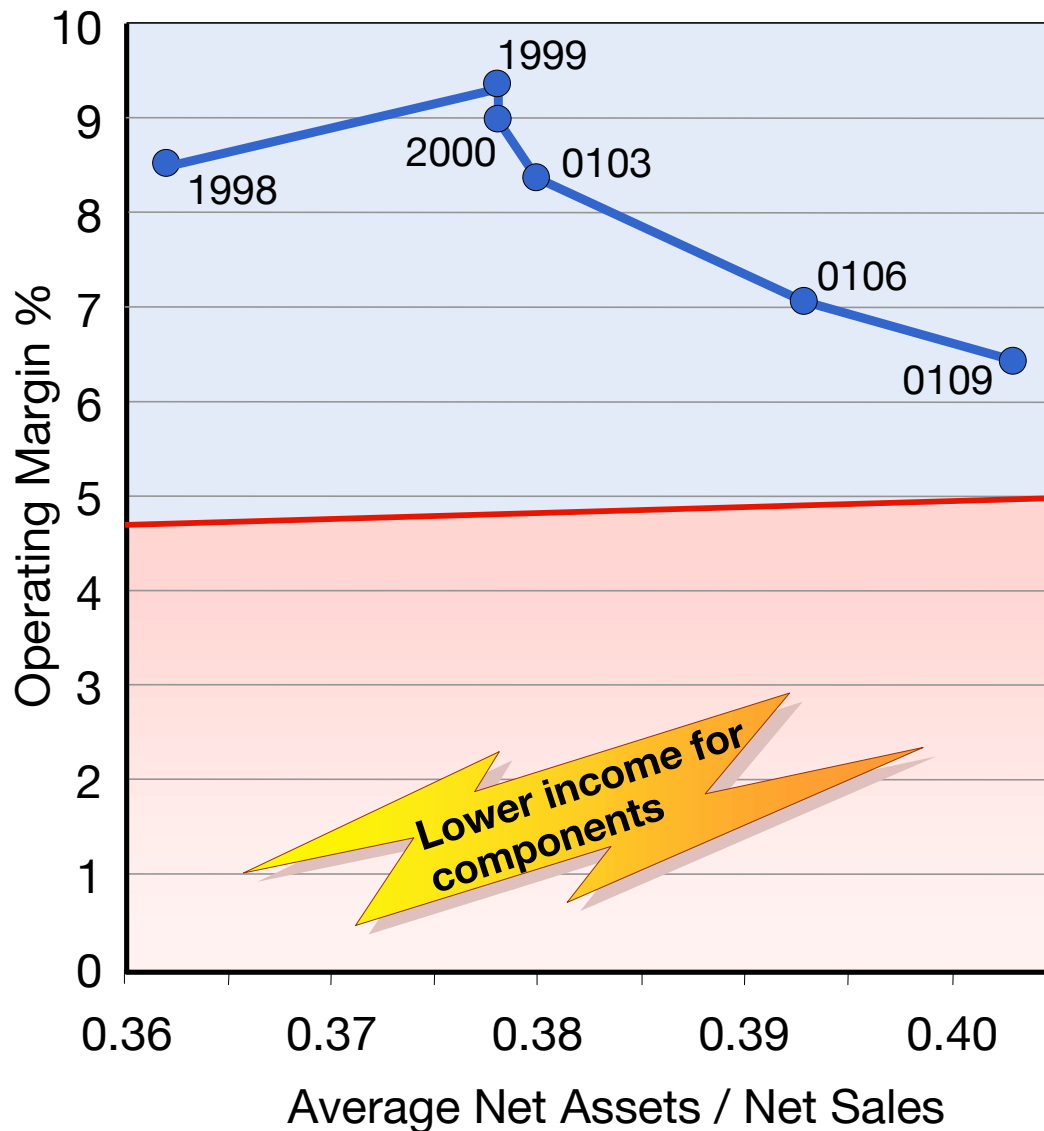


Sales and income – appliances, Rest of the world

	Market	Sales	EBIT
Australia	↘	→	→
China	↗	↗	↗
ASEAN	↗	↗	↗
India	↘	↘	↘
Brazil	↘	↗	↗



Professional Indoor Products



Key data 9m 2001

Sales: SEK 13,450m
+1%

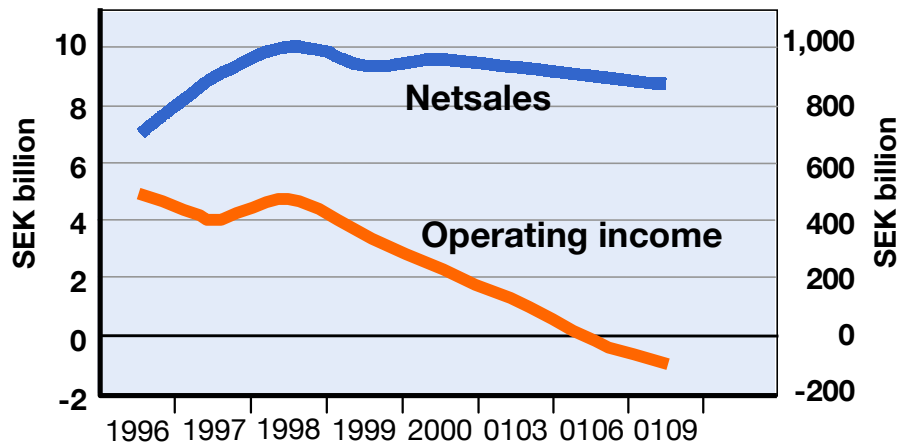
EBIT: SEK 963m
-32%

Value creation:
SEK 313m

Value creation change:
SEK -458m



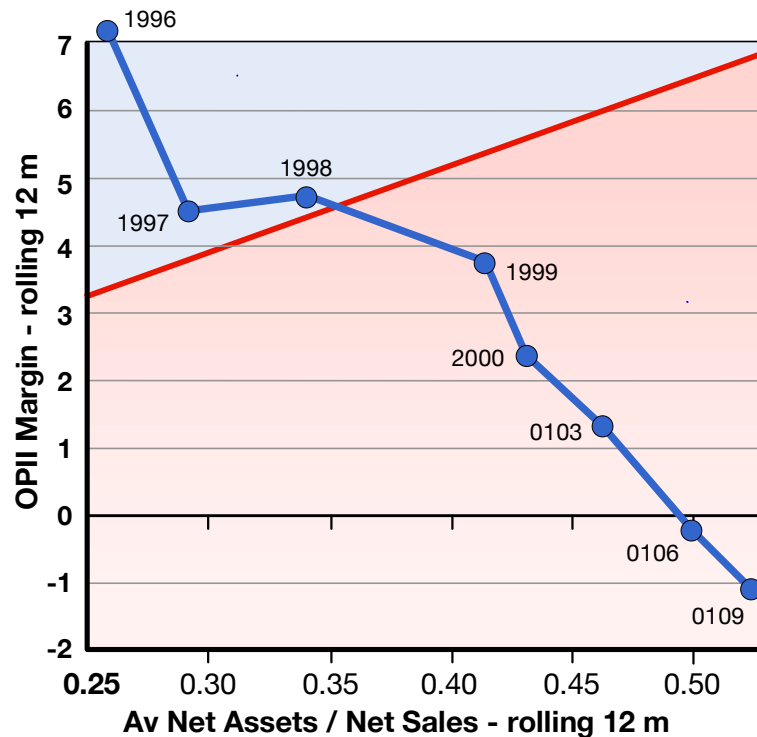
Components division performance



- Total sales approx. **SEK 8.5 bn, incl. internal sales**
 - Compressors approx. **60%**
 - Motors approx. **30%**

- **8,500 employees**

- **17 plants in Europe, USA, China, India and Egypt**



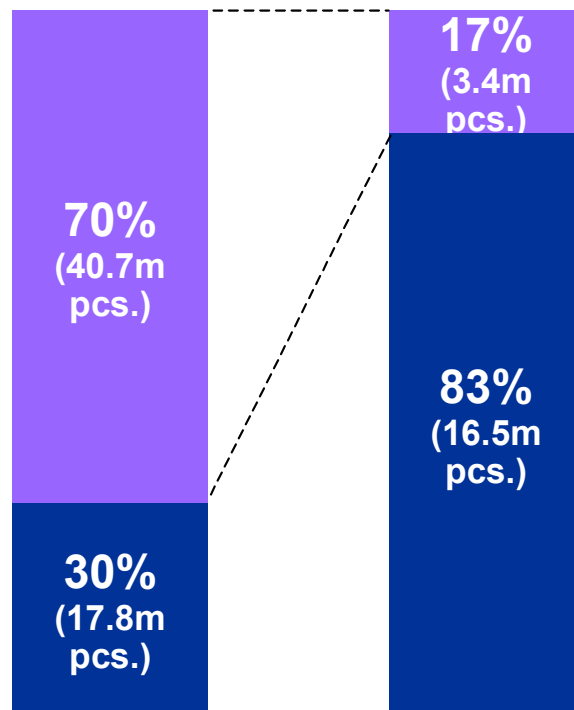
Compressors

Group operations in high labor cost countries

5 major

competitors (*)

Electrolux



Low labor cost countries (1)

High labor cost countries (2)

- Lower demand
- Industry overcapacity
- Increasingly negative gap price/variable cost
- Changes in refrigerants, energy efficiency requirements
- Competitors benefit from devaluated currencies

(*) Embraco, Matsushita, Tecumseh, Danfoss, LGE (2000 data)

(1) Egypt, Slovenia, Slovakia, Brazil, Mexico, Malaysia, Singapore, China, India, Korea

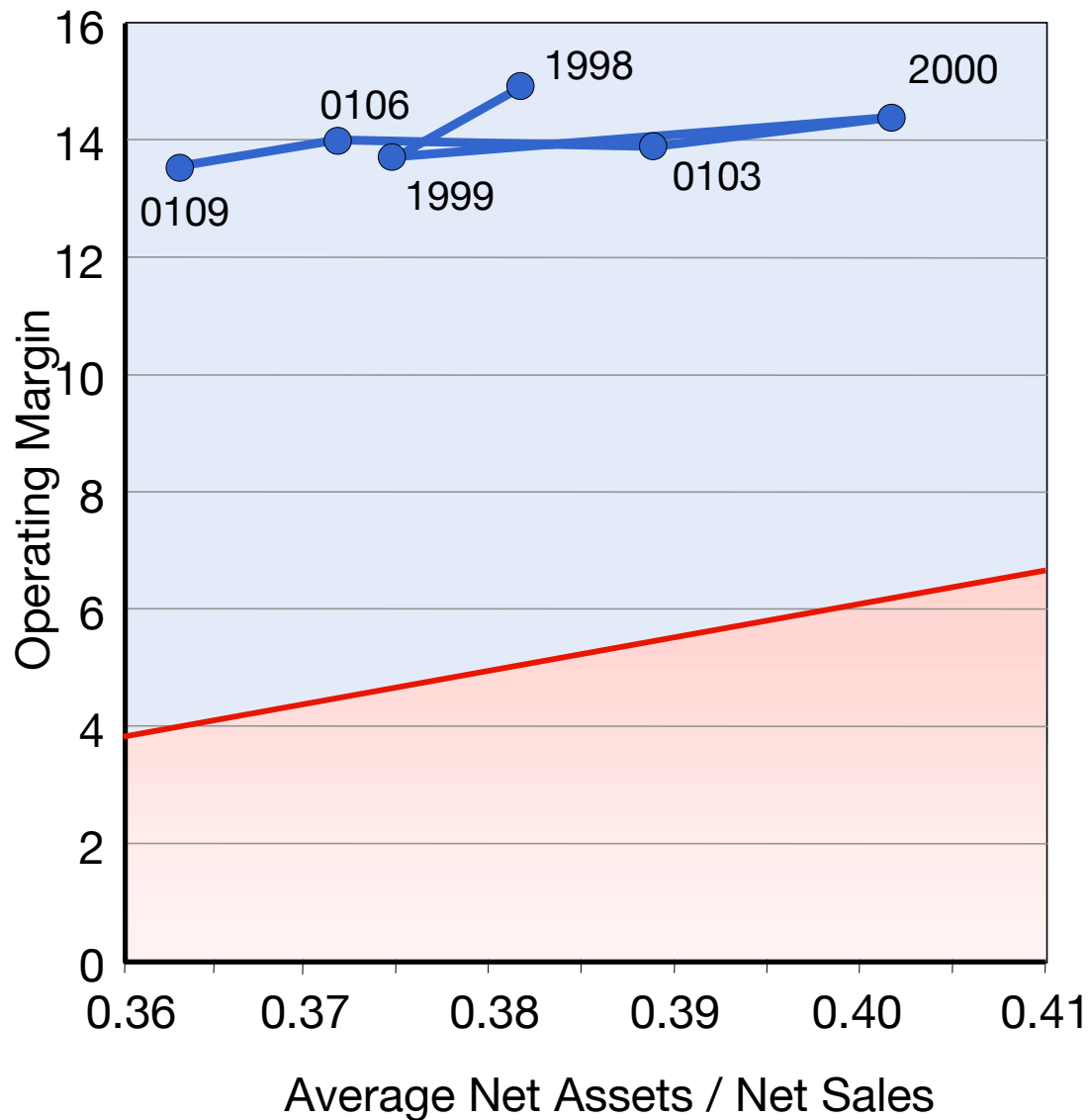
(2) EU, US, Japan

Provision in Q3, Professional Indoor Products

- **Total amount SEK 1,663m**
>70% refers to write-down of assets
- **Personnel cutbacks of 1,986 through 2003**
- **Major actions considered refer mainly to Components**

Provision in Q3 2001	Provision, cash effect, SEKm	Provision, write-down, SEKm	Total provision, SEKm	Personnel cutbacks	Savings (est) 2001, SEKm	Savings (est) 2002, SEKm
Food-service equipment	68	100	168	353	42	89
Components	320	1,131	1,451	1,612	19	246
Other	44	-	44	21	4	28
Total Professional Indoor	432	1,231	1,663	1,986	65	363

Professional Outdoor Products



Key data 9m 2001

Sales: SEK 7,325m
+19%

EBIT: SEK 982m
+10%

Value creation:
SEK 673m

Value creation change:
SEK +78m



Summary - first nine months

Negatives

- Lower demand/ shipments in US
- Weakening demand in Europe
- Retail destocking
- Poor season for outdoor and air conditioners
- Start-up costs in US
- Lower income for compressors
- Negative earnings trend in India

Positives

- Restructuring activities
- Continued focusing on core areas
- Trend for major appliances in Europe
- Positive operating income for ROW
- Professional Outdoor
- Improved cash flow
- Strong balance sheet

Outlook for rest of 2001

- No improvement in market conditions in Europe or US
- Increased uncertainty regarding consumer confidence and household purchases of Group products, particularly in US

“Although several operations will achieve improved income for 2001, the overall operating income for the full year, exclusive of items affecting comparability, will be significantly lower than in 2000.”

Report for the first nine months of 2001



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The world's No.1 choice.



Factors affecting forward-looking statements

This report contains “forward-looking” statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Such statements include, among others, the financial goals or targets of Electrolux for future periods and future business and financial plans. Actual results may differ materially from these goals and targets due to a variety of factors. These factors include, but may not be limited to the following; the success in developing new products and marketing initiatives, progress in achieving operational and capital efficiency goals, the success in identifying growth opportunities and acquisition candidates and the integration of these opportunities with existing businesses, progress in achieving structural and supply-chain reorganization goals, competitive pressures to reduce prices, significant loss of business from major retailers, consumer demand, effects of currency fluctuations and the effect of local economies on product demand as well as the possibility of continued terrorist activity throughout the world and its impact on the global economy.