



***The Electrolux Group.***

*The world's No.1 choice.*

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## **Full year results, 2002**

Hans Stråberg  
President and CEO

# Summary of Q4, 2002

## Negatives

- Lower demand for appliances in Western Europe
- Continued negative trend in income in India and China

## Positives

- Marked upturn in income in North America
- Continued positive trend in sales and income for appliances in Europe
- Higher income in Professional Products
- Strong balance sheet and cash flow

# Industry shipments and estimated trend in demand, Q4 2002

## North America

- Core appliances
- Air-cond.
- Vacuum cleaners
- Outdoor products<sup>1)</sup>
- Outdoor products<sup>2)</sup>

## Brazil

- White goods

## Europe

- Core appliances
- Vacuum cleaners
- Professional appliances
- Outdoor products<sup>1)</sup>
- Outdoor products<sup>2)</sup>

## Asia

- Core appliances
- Outdoor products<sup>2)</sup>

## Australia

- White goods

1) Consumer products  
2) Professional products

# Industry shipments and estimated trend in demand, 2002

## North America

- Core appliances
- Air-cond.
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- Outdoor products<sup>1)</sup>
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## Brazil

- White goods

## Europe

- Core appliances
- Vacuum cleaners
- Professional appliances
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## Asia

- Core appliances
- Outdoor products<sup>2)</sup>

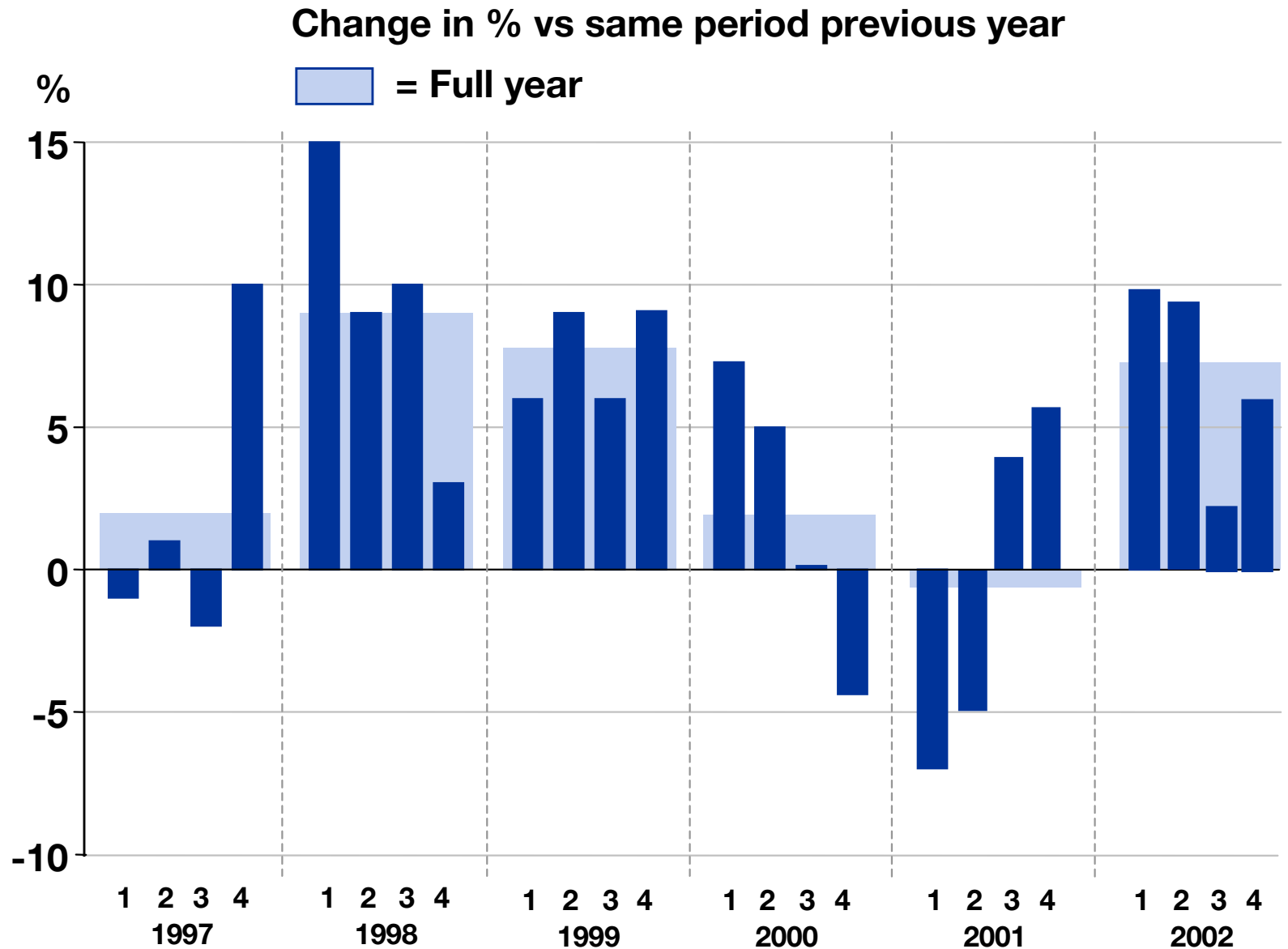
## Australia

- White goods

1) Consumer products  
2) Professional products

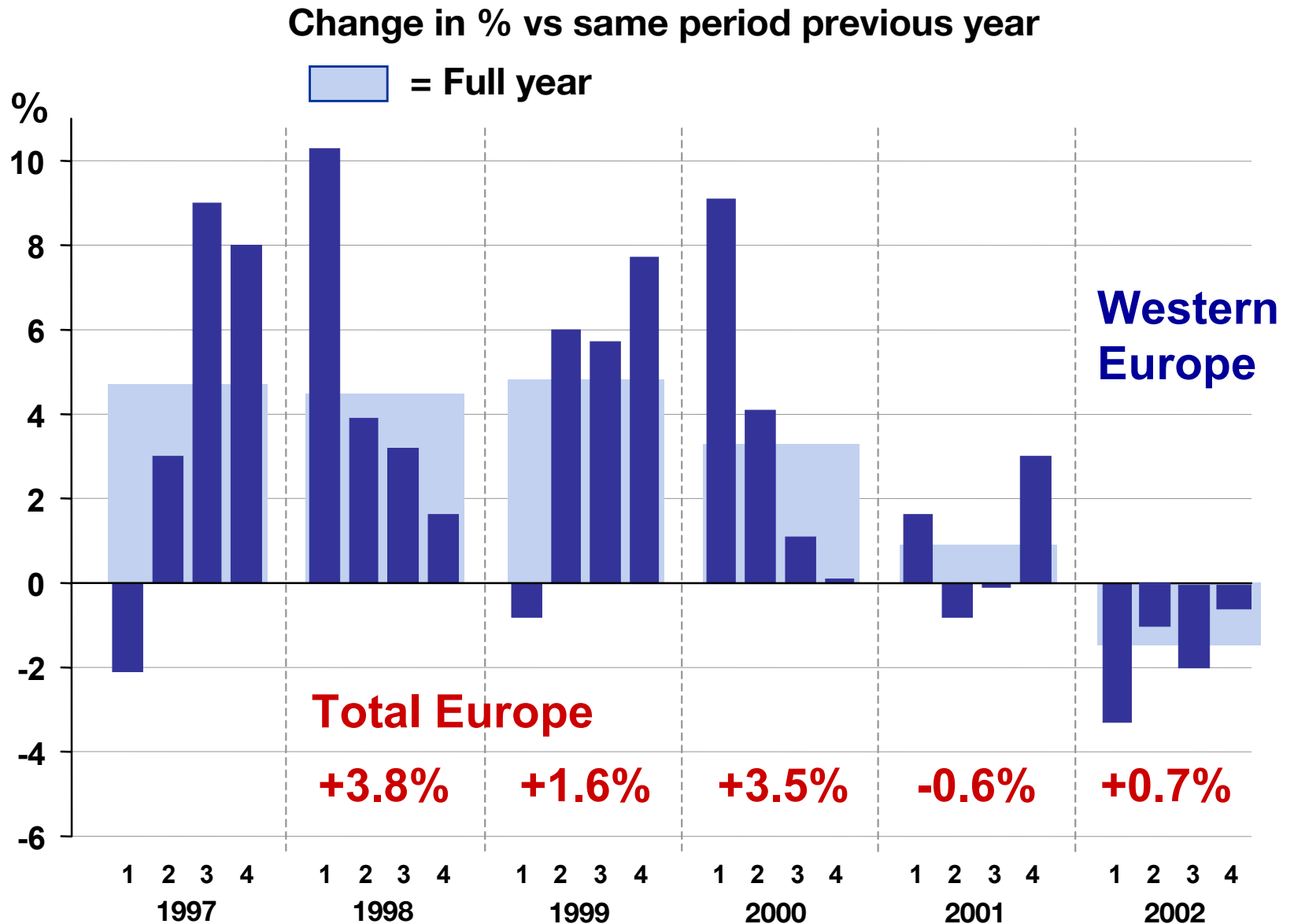
# Core appliances, USA

## Industry unit shipments



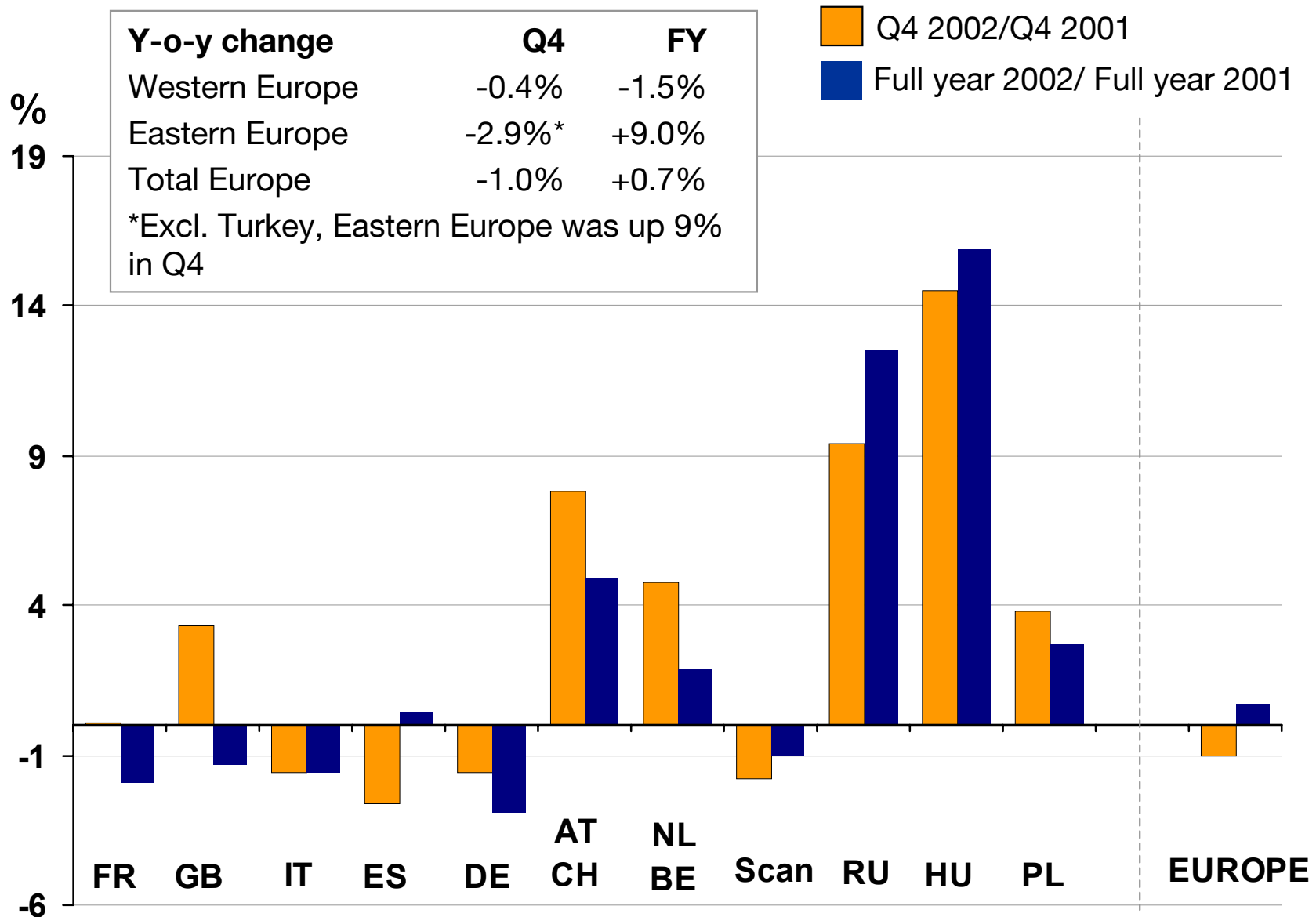
# Core appliances, Europe

## Industry unit shipments



# Core appliances, Europe

## Industry unit shipments



# Sales and earnings

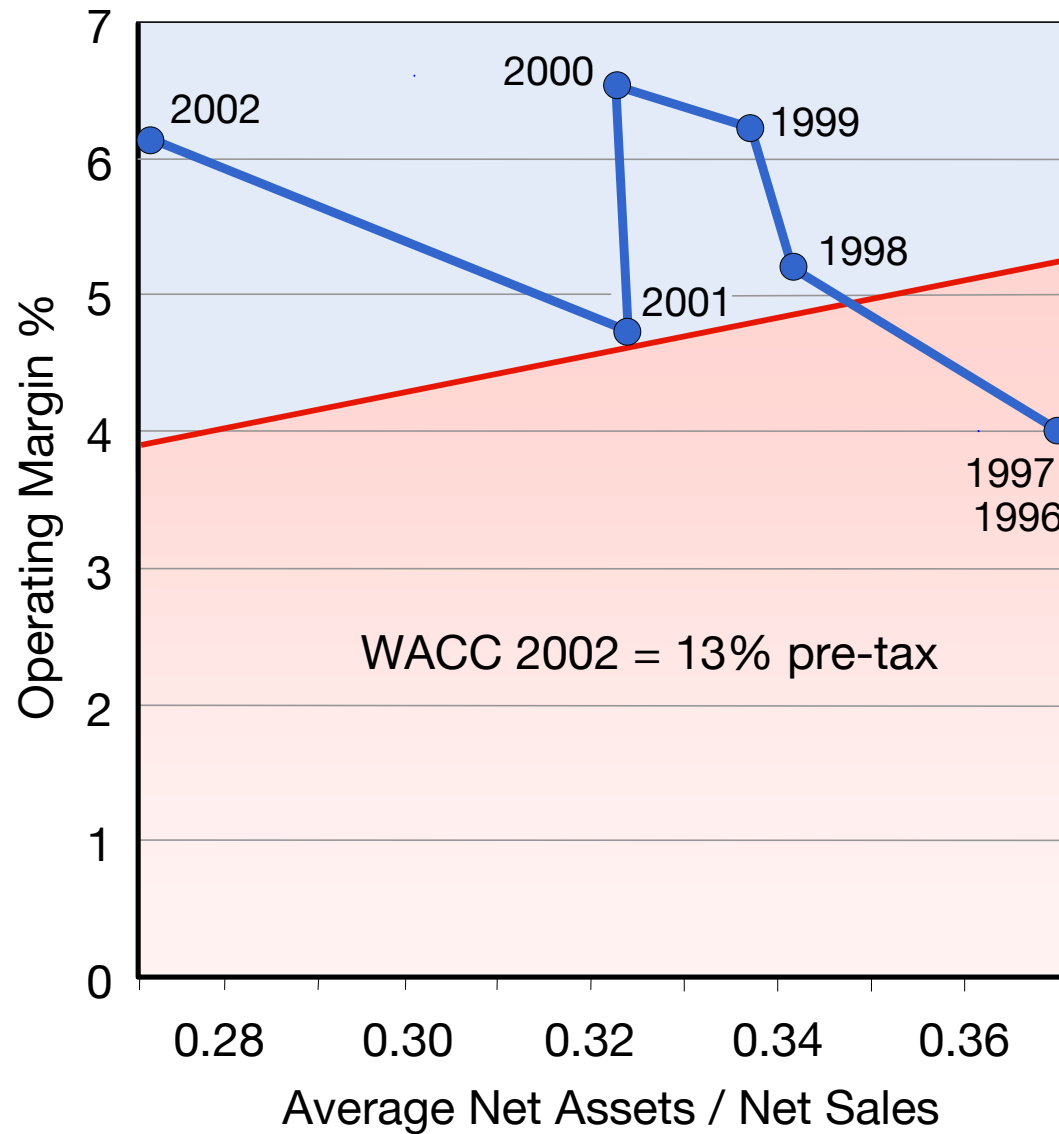
Excluding items affecting comparability

SEKm	Q4 2002	Q4 2001	Change	Full year 2002
<b>Net sales</b>	<b>30,586</b>	31,881	-4.1%	133,150
<b>Operating income</b>	<b>1,781</b>	1,449	+23%	8,165
<i>Margin, %</i>	<b>5.8</b>	4.5		6.1
<b>Income after financial items</b>	<b>1,785</b>	1,260	+42%	7,979
<i>Margin, %</i>	<b>5.8</b>	4.0		6.0
<b>Net income per share, SEK</b>	<b>3.80</b>	2.80	+34%	16.90
<b>Value creation</b>	<b>741</b>	33	+708	3,461
<b>Return on equity, %*</b>	<b>18.6</b>	12.9		18.6
<b>Return on net assets, %*</b>	<b>22.6</b>	14.6		22.6
<b>Net debt/equity ratio</b>	<b>0.05</b>	0.37		0.05

\* Full year



# Total Group



## Key Data FY 2002

Sales: SEK 133,150m  
-2.0

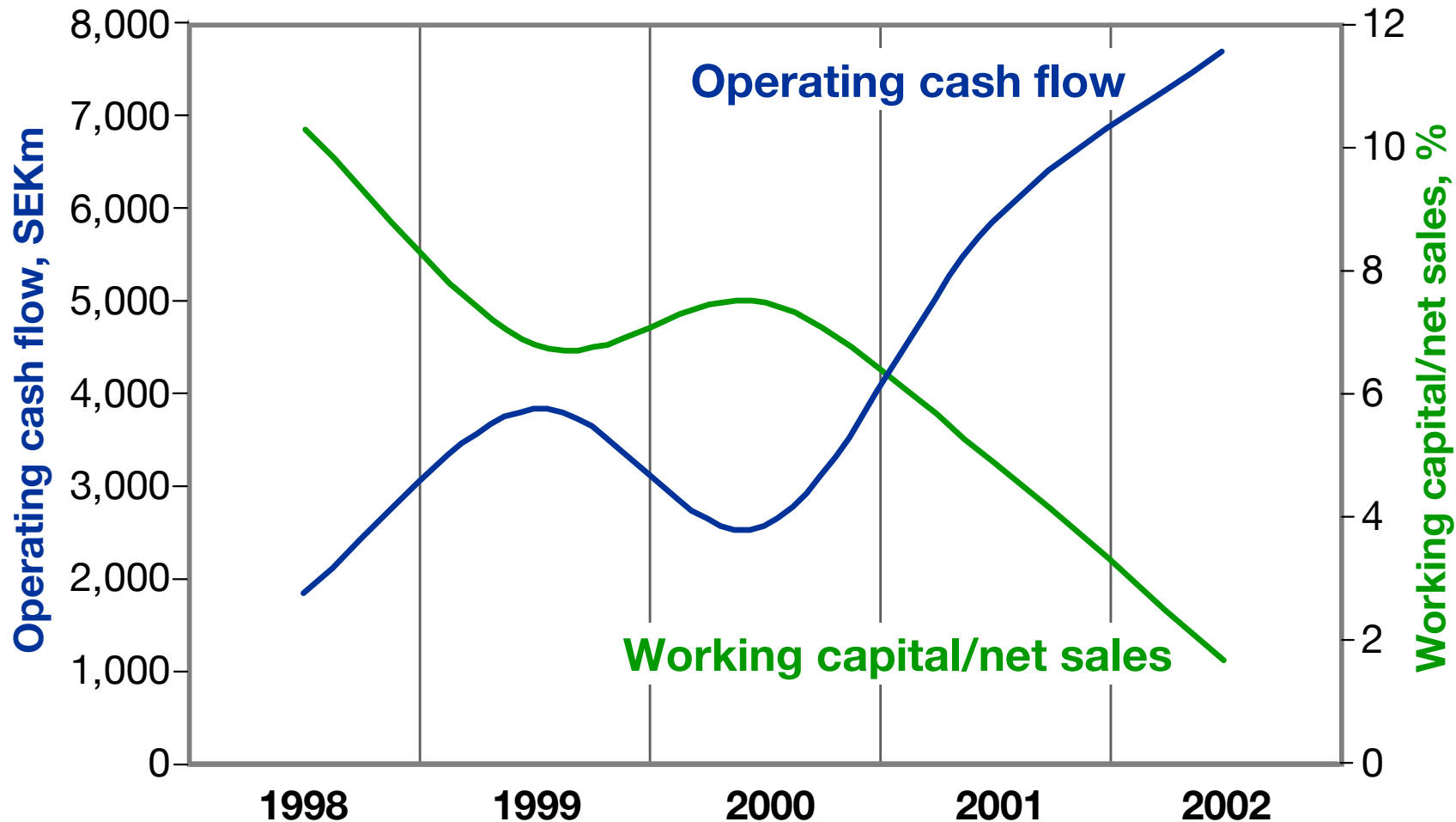
EBIT: SEK 8,165m  
+27.1%

Value creation:  
SEK 3,461  
SEK +3,199m

# Working capital and cash flow

1998 - 2002

12 months figures



**Operating cash flow:** Cash flow from operations and investments excl. acquisitions and divestments of operations

# Restructuring program in 2002

- Provision of SEK 1,338m mainly for cost adjustment and productivity measures
- Additionally, write-down of assets of SEK 1,006m mainly within compressors

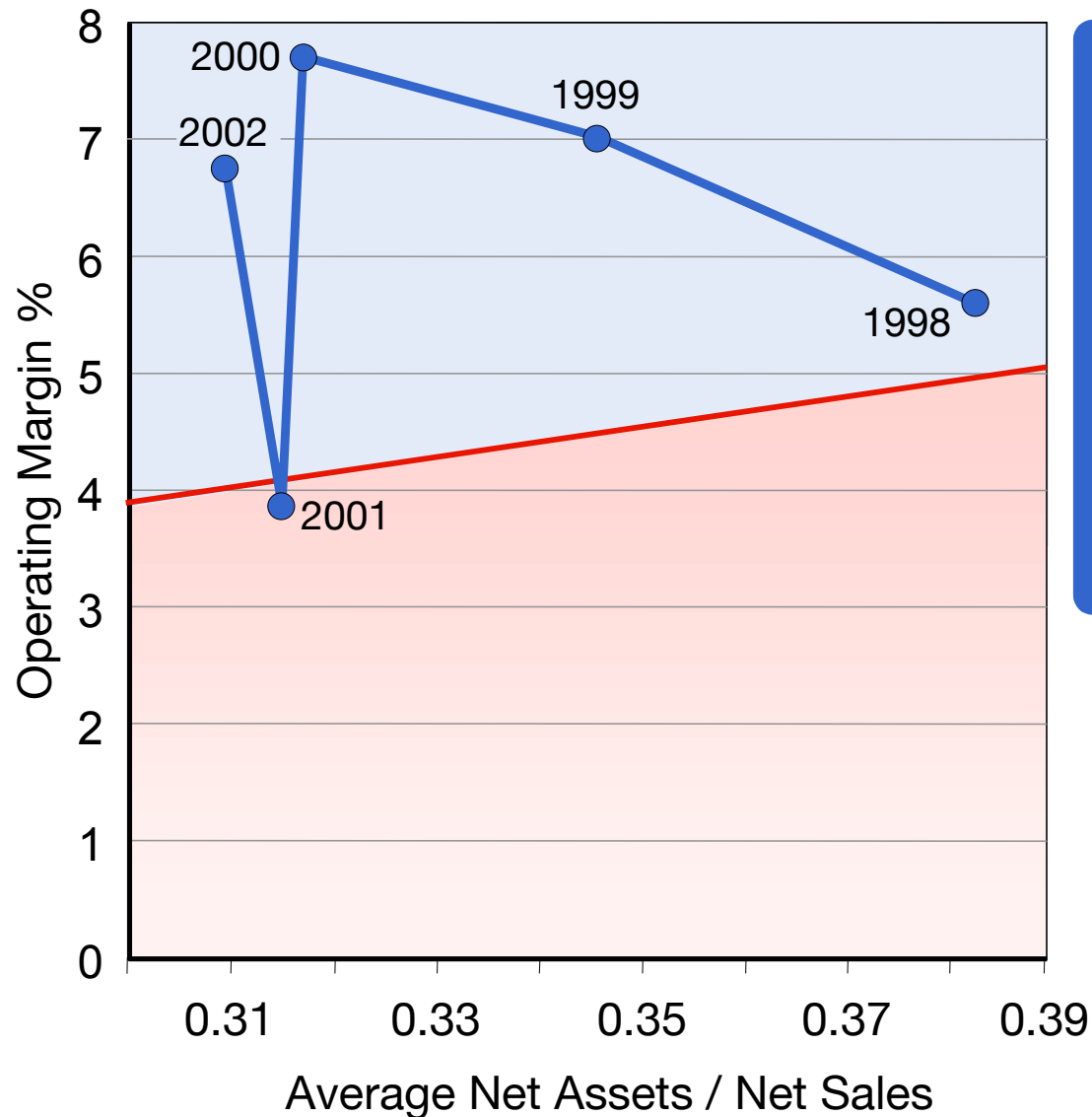
Provision for restructuring in 2002, SEKm	Total cost	Of which cash-effect	Personnel cutbacks, number	Estimated savings 2003	Total estimated annual savings by year-end 2005
Major appliances, Rest of the world	613	270	2,665	64	157
Major appliances, North America	396	250	1,350	101	101
Major appliances, Europe	177	142	343	43	97
<b>Total major appliances</b>	<b>1,186</b>	<b>662</b>	<b>4,358</b>	<b>208</b>	<b>355</b>
Compressors	152	109	733	45	60
<b>Total</b>	<b>1,338</b>	<b>771</b>	<b>5,091</b>	<b>253</b>	<b>415</b>

# Change in net assets

**SEKbn**

January 1, 2002	37.2
Divestments and acquisitions	0.0
Change in restructuring provisions	-0.5
Write-down of assets	-1.6
Changes in pension provisions referring to PBGC settlement and minimum Pension liability in the US	-0.7
Changes in exchange rates	-4.4
Change in working capital, Capital expenditures, depreciation and other changes	-2.1
<b>December 31, 2002</b>	<b>27.9</b>

# Consumer Durables, North America



## Key data FY 2002

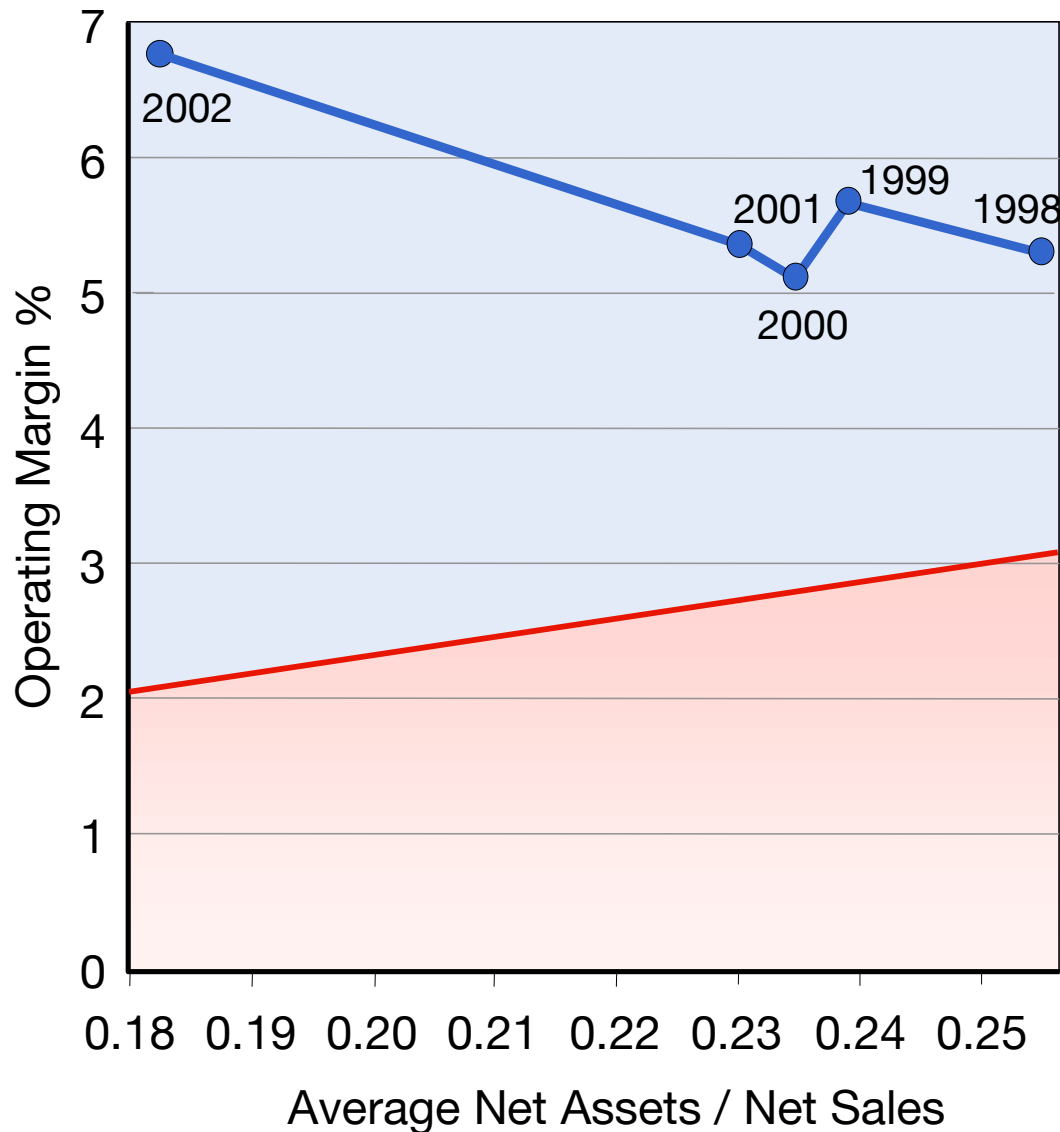
Sales: SEK 48,450m  
+3.5%

EBIT: SEK 3,271m  
+80.3%

Value creation:  
SEK 1,170m  
SEK +1,467m



# Consumer Durables, Europe



## Key data FY 2002

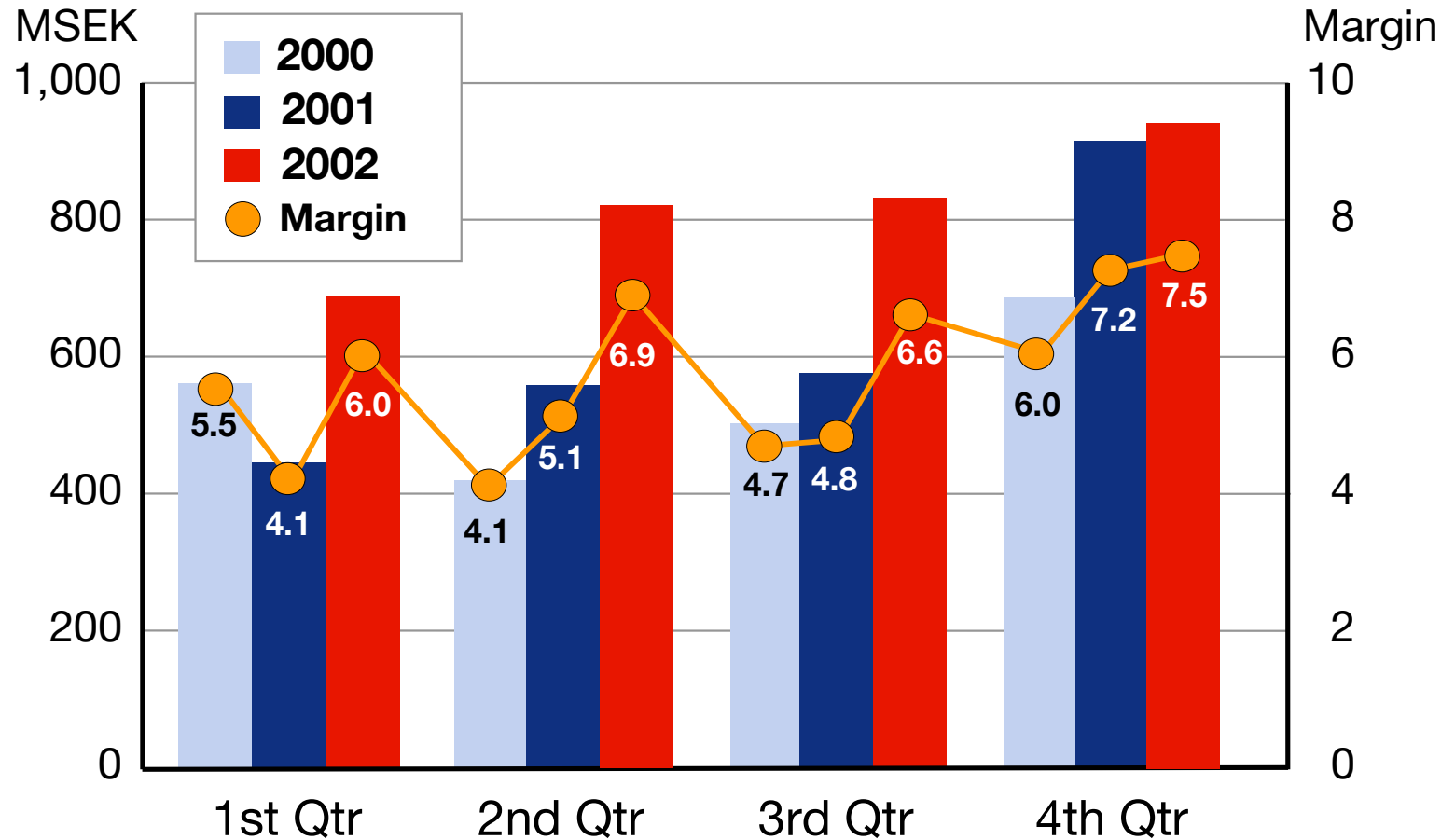
Sales: SEK 48,250m  
+2.2%

EBIT: SEK 3,265m  
+29.2%

Value creation:  
SEK 2,099m  
SEK +927m

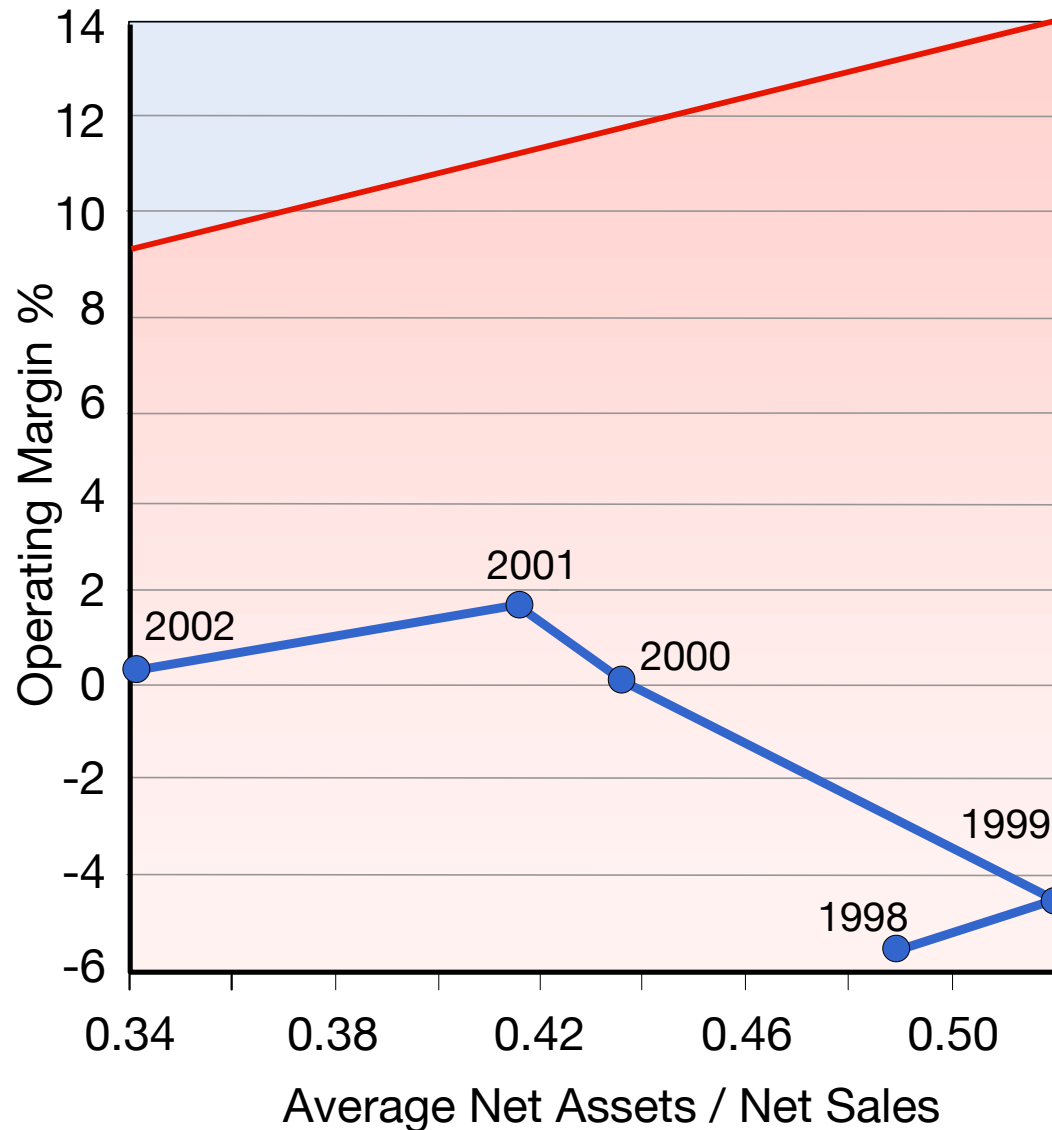


# Higher operating income for Consumer Durables, Europe



Higher income for appliances, floor-care products and garden products

# Consumer Durables, Rest of the World



## Key data FY 2002

Sales: SEK 14,820  
-1.0%

EBIT: SEK 51m  
-82.2%

Value creation:  
SEK -1,011m  
SEK +12m



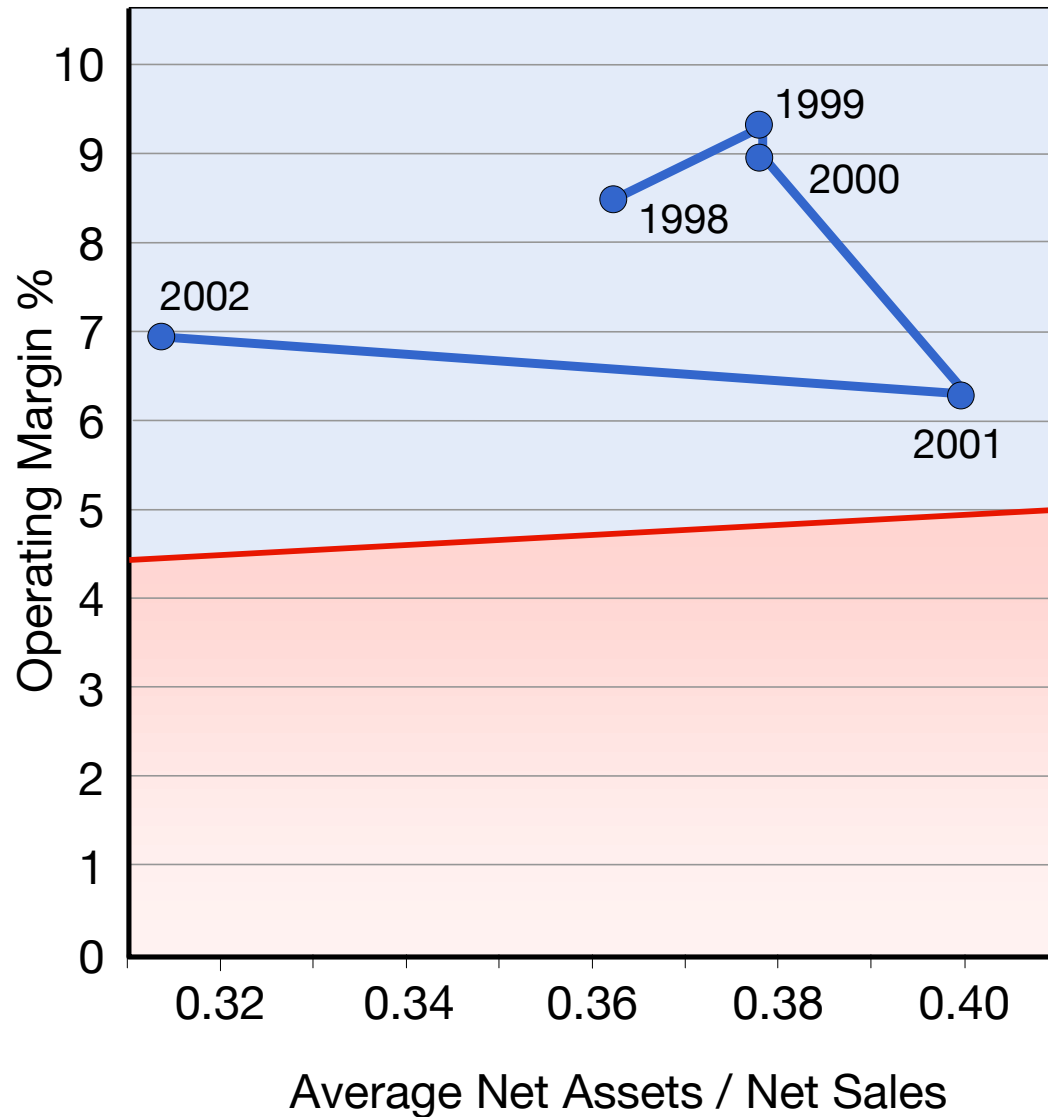


# Sales and income - appliances, Rest of the world

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



# Professional Indoor Products



## Key data FY 2002

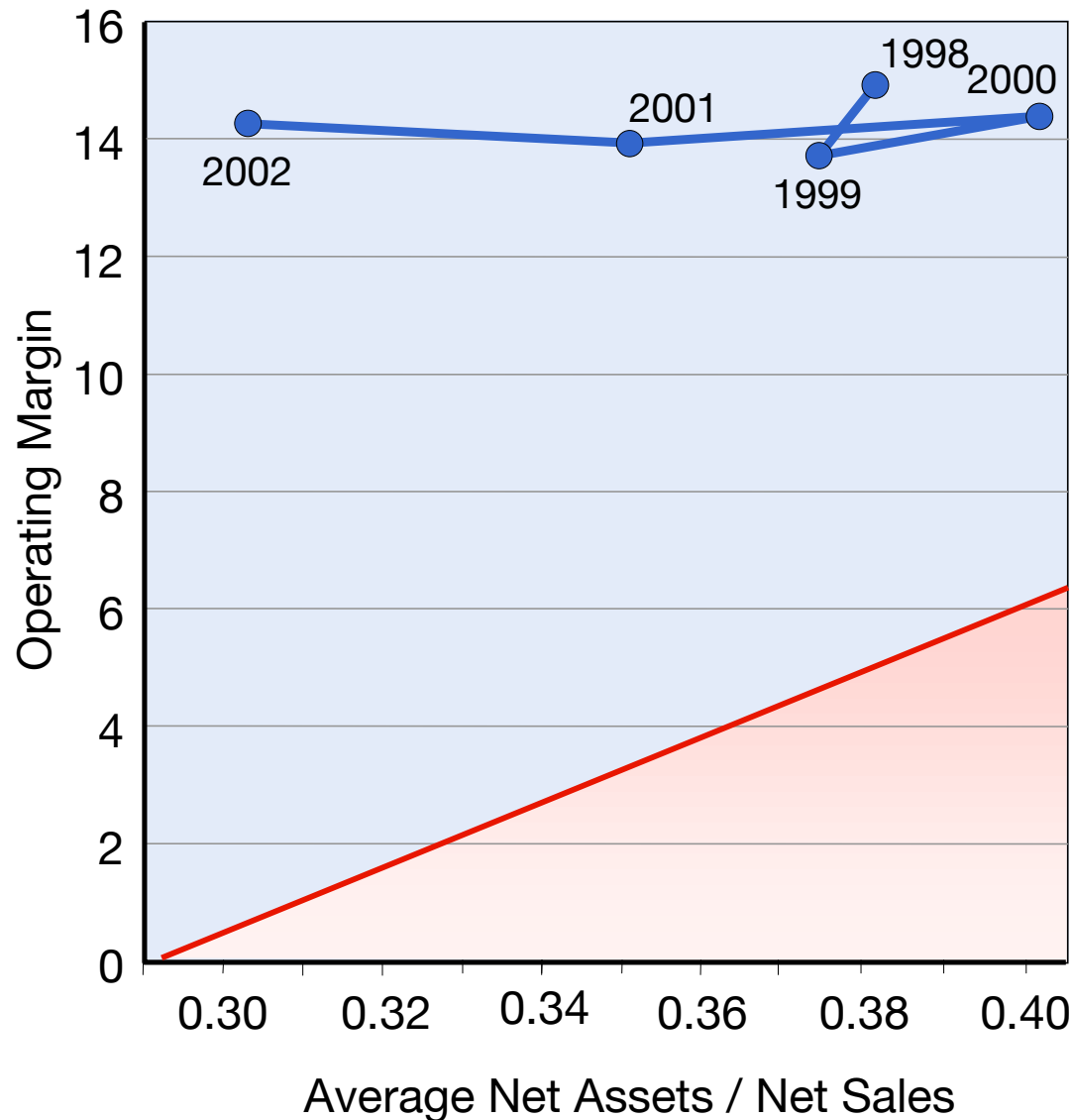
Sales: SEK 10,887m  
-36.2%

EBIT: SEK 753m  
-29.6%

Value creation:  
SEK 291m  
SEK +41m



# Professional Outdoor Products



## Key data FY 2002

Sales: SEK 10,597m  
+12.1%

EBIT: SEK 1,508m  
+14.9%

Value creation:  
SEK 1,090m  
SEK +176m



# Major actions in 2002

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- **New product line organization in Europe and US**
- **New management for appliances outside Europe and US**
- **All outdoor products under one management**
- **In-depth annual strategy process at product-line level**
- **Global product and sourcing councils**
- **Tightened criteria for investment requests**
- **New executive team to drive Group strategies and core processes**
- **Divestments within the Components operation**
- **Diamond tools operation expanded through acquisition**
- **Decided to build Electrolux as global brand across categories**

# Outlook for year 2003

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- Uncertainty regarding market conditions
- Market demand expected to be generally flat in both Europe and North America compared with last year

“In light of the above expectations for flat demand, and on the basis of internal restructuring and cost adjustments, the Group should achieve some improvement in operating income and value created for the full year 2003.”

*Report for the Full Year of 2002*

# Factors affecting forward-looking statements

## **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 and targets of Electrolux for future periods and future business and financial plans. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but may not be limited to the following; consumer demand and market conditions in the geographical areas and industries in which Electrolux operates, effects of currency fluctuations, competitive pressures to reduce prices, significant loss of business from major retailers, the success in developing new products and marketing initiatives, developments in product liability litigation, 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.