Electrolux

Stockholm, August 11, 2000

- Net income per share up 28%, value created doubles -

Amounts in SEKm, unless otherwise indicated	**First half** 2000	1999	Change	**Second quarter** 2000	1999	Change
Net sales	**65,428**	62,074	5%	**34,199**	33,021	4%
Operating income	**4,503**	3,807	18%	**2,453**	2,151	14%
Margin, %	***6.9***	*6.1*		***7.2***	*6.5*	
Income after financial items	**4,071**	3,219	26%	**2,285**	1,835	25%
Margin, %	***6.2***	*5.2*		***6.7***	*5.6*	
Net income per share, SEK	**7.35**	5.75	28%	**4.10**	3.25	26%
Value creation*)	**1,731**	840	891	**1,040**	657	383
Return on equity, %	**20.9**	17.2				

**) See definition on page 4.*

- **Higher income and margin for both Consumer Durables and Professional Products**
- **Good growth in income in North America, improvements in Europe and Asia**
- **13th consecutive quarter with higher income and margin compared to same period previous year**
- **Value created rises by SEK 891m over first half of 1999**
- **Settlement of US pension litigation**

Net sales and income
Net sales for Electrolux in the first half of 2000 amounted to SEK 65,428m, as against SEK 62,074m last year. This corresponds to an increase of 5.4%, of which -3.3% refers to divestments, +0.9% to changes in exchange rates, and +7.8% to price/mix/volume.

Operating income rose by 18% to SEK 4,503m (3,807), corresponding to 6.9% (6.1) of sales. Income after financial items increased by 26% to SEK 4,071m (3,219), which corresponds to 6.2% (5.2) of sales. Net income rose by 28% to SEK 2,698m (2,100), corresponding to SEK 7.35 (5.75) per share.

Operating income includes a capital gain in the first quarter of slightly more than SEK 200m on the divestment of the major part of the operation in professional refrigeration equipment. A provision in a corresponding amount was made during the same quarter referring to the formation of a new organization within Professional Indoor Products.

Net financial items improved, mainly as a result of lower net borrowings. A good trading result from the Group’s financial operation also contributed to this improvement, particularly in the second quarter.

Changes in exchange rates during the period, i.e. in terms of both transactions and translations, had a net positive effect of approximately SEK 300m on operating income for the period. This effect is traceable largely to the weakening of the euro against the dollar and the British pound.

In geographical terms, operating income increased in both North America and Europe. A considerable improvement was also achieved in Asia, while operating income in Latin America declined.

The figures for the first half of 1999 include subsequently divested operations that contributed approximately SEK 2,100m in net sales and approximately SEK 100m in operating income, net of acquisitions.

Second quarter
Sales in the second quarter of 2000 rose to SEK 34,199m, as against SEK 33,021m during the same period last year. This corresponds to an increase of 3.6%, of which -3.7% refers to divestments, +0.6% to changes in exchange rates, and +6.7% to price/mix/volume.

Operating income increased by 14% to SEK 2,453m (2,151), corresponding to 7.2% (6.5) of sales, and income after financial items rose by 25% to SEK 2,285m (1,835), corresponding to 6.7% (5.6) of sales. Net income rose by 27% to SEK 1,510m (1,188), which corresponds to SEK 4.10 (3.25) per share.

The figures for the second quarter of 1999 include subsequently divested operations that contributed approximately SEK 1,100m in net sales and approximately SEK 50m, net of acquisitions.

Cash flow

The cash flow after dividends, adjusted for exchange-rate effects amounted to SEK –2,792m (-1,795). The decline is traceable mainly to an increase in working capital, particularly in accounts receivable. The improvement in income together with proceeds on the divestment of operations comprised a positive contribution.

Cash flow is normally weak during the first half of the year as a result of a build-up of inventories and accounts receivable referring to a seasonal increase in sales of outdoor products, room air-conditioners, refrigerators and freezers.

Equity and net debt/equity ratio

Equity as of June 30, 2000 amounted to SEK 26,113m (24,017), corresponding to SEK 72.10 (65.60) per share.

Average net assets, adjusted for items affecting comparability, amounted to SEK 39,604m (42,388) for the period.

The return on equity was 20.9% (17.2), and the return on net assets was 23.5% (18.3).

Net borrowings declined to SEK 16,492m (19,885) and the net debt/equity ratio improved to 0.61 (0.80).

Liquid funds at the end of the period amounted to SEK 9,698m (8,569).

Value creation

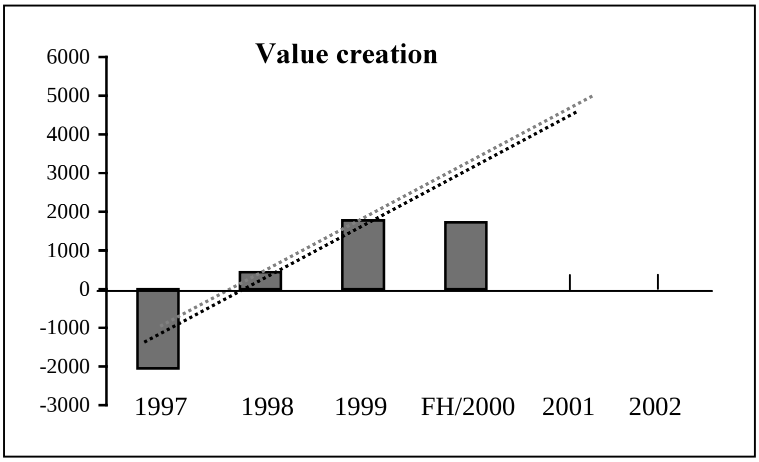
During the first half of 2000 the Group created total value of SEK 1,731m (840), which corresponds to an increase of SEK 891m over the first half of last year.

The key drivers of the growth in value created were an increase of 5.4% in sales, an increase in the operating margin from 6.1% to 6.9% and an improvement of the ratio of net sales to average net assets from 2.93 to 3.30.

The value created in each business area is shown in the table below.

Value created, by business area							
SEKm	**First half, 2000**	First half, 1999	Change	**Second quarter, 2000**	Second quarter, 1999	Change	Full year, 1999
Consumer Durables							
Europe	**379**	274	*105*	**106**	78	*28*	1,224
North America	**1,170**	711	*459*	**704**	474	*230*	1,036
Rest of the world	**-599**	-703	*104*	**-272**	-340	*68*	-1,398
Total Consumer Durables	***950***	*282*	*668*	***538***	*212*	*326*	*862*
Professional Products							
Indoor	**674**	495	*179*	**469**	375	*94*	896
Outdoor	**398**	338	*60*	**186**	193	*-7*	663
Total Professional Products	***1,072***	*833*	*239*	***655***	*568*	*87*	*1,559*
Common Group costs	**-185**	-220	*35*	**-96**	-107	*11*	-399

Value created is defined as operating income excluding items affecting comparability, less a weighted average cost of capital (WACC) on average net assets. The Group's WACC is calculated at 14% before tax.



The goal for the period 2000-2002 is to create average annual growth in value of at least SEK 1,000m.

Operations by business area during the first half

Consumer Durables

During the first half of 2000 the market for white goods in Western Europe increased in volume by about 7% over the same period last year. During the second quarter the market showed an upturn of about 5%. Group sales of white goods through Electrolux Home Products, Europe, showed good growth in volume, and operating income improved. Costs for the formation of the new pan-European organization had still not been offset by lower operational costs.

The US market for white goods showed an increase in volume of about 6% for the first half, with a rise of about 5% during the second quarter. Including room air-conditioners, dehumidifiers and microwave ovens the market increased by about 10% during the first half and about 5% in the second quarter. Group sales through Electrolux Home Products, North America, showed continued strong growth for both core appliances and room air-conditioners. Operating income was higher than last year.

Demand for white goods in Brazil also improved, and the Group achieved higher sales volume. Operating income declined for the period as a whole due to weak price trends, particularly in the first quarter. Income in the second quarter improved over the same period last year.

Overall, operating income for the Group's white-goods operation increased over last year, and margin improved somewhat.

The market for floor-care products increased in volume in Europe and the US in both the first and second quarters. A slowdown in growth occurred in the second quarter, however, particularly in the US. The Group achieved good volume growth in both markets. Operating income and margin for the floor-care product line rose considerably on the basis of higher volume as well as greater internal efficiency.

In Outdoor products, the market for garden equipment in Europe showed somewhat higher demand than in 1999. The Group's European operation reported higher sales. Operating income was unchanged from last year despite unfavorable impact of exchange rates referring to products imported from the US as well as those produced in and exported from the UK.

In the US, demand for both garden equipment and light-duty chainsaws increased in comparison with the previous year. The Group achieved good sales growth, and operating income and margin improved.

Total sales for Consumer Durables were higher than in the first half of 1999. Operating income and margin improved.

Professional Indoor Products
Demand for food-service equipment increased in Southern Europe but declined in Scandinavia, Germany and the UK. Total sales for this product line were lower than in the first half of last year, primarily for baking equipment. Operating income and margin improved.

Sales of laundry equipment were also somewhat lower than in the previous year. The decline is traceable mainly to the US, Japan and Austria, while higher sales were achieved in most other markets. Operating income and margin declined.

Demand increased for absorption refrigerators and other equipment for the recreational vehicle industry in both Europe and the US. Sales for the Group's leisure appliances product line showed good growth, and operating income was substantially higher than last year.

An upturn in demand was also noted for compressors and motors in Europe, as well as in the US and Asia. The Group's component operation achieved higher sales volumes, and operating income and margin rose considerably over last year.

Professional Outdoor Products
Demand for chainsaws increased in Western Europe, Asia and Latin America, while a decline was noted in Eastern Europe and North America. The European market showed particularly strong growth in the first quarter, following storms at the beginning of the year. Group sales and operating income showed good growth, and operating margin remained at the high level of last year.

The recently acquired operation in landscape maintenance equipment achieved higher sales and income than planned.

Total sales for Indoor and Outdoor Professional Products were lower than last year, mainly as a result of divestments. Operating income and margin improved.

Settlement of pension litigation in US
On July 6, 2000 the Group's American subsidiary White Consolidated Industries Inc. (WCI) and the Pension Benefit Guaranty Corporation (PBGC) in the US signed a Memorandum of Understanding. The agreement stipulates that WCI will not pursue further legal actions regarding its appeal of the US District Court's decision against WCI regarding pension obligations. Similarly, PBGC will not pursue the remedies to which it is entitled as a result of the District Court's decision.

According to the agreement, and after obtaining regulatory approval, WCI will resume sponsorship of the pension plans that were the subject of the litigation. If for any reason, resumption of the pension plans does not go forward, WCI will pay a total of USD 180m, plus interest to PBGC and participants in the plans. In any event it is expected that the ultimate cost relating to the agreement will be within the provision of USD 225m (SEK 1,841m) made by the Group in the third quarter of 1999.

The case originated in 1985, one year before Electrolux acquired White Consolidated Industries Inc., when WCI sold five steel-related companies in the US. As part of the purchase agreement the buyer assumed responsibility for the pension plans. In the early 1990s the buyer defaulted on its obligations and the pension plans were terminated. PBGC, a federal corporation that insures retirement benefits under private pension plans, then took responsibility for the pension plans. In July, 1999 a decision was rendered by a district court in Pennsylvania, which held WCI responsible for payment of the defaulted pension plans. In August, 1999 WCI appealed the decision. In June, 2000 the US Court of Appeals for the Third Circuit confirmed the District Court's decision.

Major changes in the Group

Acquisition of Electrolux brand in North America
In May, 2000 the Group acquired the right to the Electrolux brand and corporate name in North America from Electrolux LLC, a direct-sales company for floor-care products in the US. The purchase price was USD 50m.

The Group has the right to use the brand immediately for non-floor-care products in North America. Electrolux LLC will retain the right to use the name on vacuum cleaners and after-market parts during a transition period.

Divestments
Divestment of the operation in professional refrigeration equipment was largely completed as of January 31, 2000. In 1999 this product line had sales of SEK 2,279m and about 2,000 employees.

Major divestments since the first half of 1999 include operations in refrigeration equipment, food and beverage vending machines, and direct sales.

Repurchase of own shares

Following authorization by the Annual General Meeting on April 25, 2000, the Group has repurchased a total of 4,440,000 Electrolux shares, series B, for an amount totalling SEK 615m. Electrolux thus holds 1.2% of the shares in the company, corresponding to a total par value of SEK 22.2m.

The authorization by the AGM covers buy-backs of up to 10% of the total number of shares during the period prior to the next Annual General Meeting. The buy-backs will be implemented with due consideration to the Group’s target of a net debt/equity ratio not exceeding 0.80.

The intention is to continuously maintain a capability for adapting the capital structure to the needs of the company, thereby contributing to increased shareholder value, or to use the repurchased shares in connection with financing of potential company acquisitions as well as for the Group’s option program.

Allocation of SPP pension surplus

The Swedish insurance company SPP has allocated a portion of the surplus in its pension funds to participating companies. The Electrolux Group’s share of this surplus is SEK 359m, of which the parent company’s share is SEK 249m.

The refund has not been included in the financial statements for the first half of 2000.

The CEO's comments on the half-yearly results

Demand remained good in Europe and the US during the first half of the year. Following a strong first quarter, growth for such products as white goods and vacuum cleaners was somewhat slower during the second quarter in both Europe and the US. Market conditions in Brazil and Asia improved compared with the previous year.

Group sales for comparable units rose by 8% for the period as a whole and by 6% in the second quarter, after adjustment for exchange-rate effects. Operating margin in the second quarter was 7.2%, the highest level since 1985. Exclusive of items affecting comparability, the Group has reported higher income and margin compared to the same period in the previous year for thirteen consecutive quarters. The Group also achieved returns on equity and net assets that were above 20% for the first time since 1984 and 1985, respectively.

The improvement in operating income in the first half of 2000 is traceable mainly to higher sales volumes and improved productivity. The trends for price and mix remained unfavorable. Total cost for materials and components was somewhat lower than in the first half of last year. When comparing results for the first six months of 2000 and 1999, it should be noted that we have divested operations which contributed about SEK 100m to operating income last year. These operations were mainly in Europe.

In geographical terms, North America accounted for about half of the increase in operating income and Europe for about one third. The remaining part of the improvement refers mainly to Asia, where losses were substantially lower than last year.

In North America, the Group achieved higher operating income in all product areas within Consumer Durables as well as Professional Products. The season for garden equipment was favorable, and we achieved strong growth in sales and income for the consumer outdoor operation. Volume growth for white goods and floor-care products was higher than growth in market demand in both the first and second quarters.

In Europe as well, most operations in both Consumer Durables and Professional Products performed better than last year. Income and margin for white goods improved, but less than expected. The new management of Electrolux Home Products that was appointed as of July 1 is therefore focusing on accelerating implementation of the new pan-European organization, which was initiated in 1999 in the light of consolidation of the retail structure. This change will enable us to increase efficiency and cut costs in order to create opportunities for proactive investment in product development and marketing.

As expected, the operations in Asia and Latin America reported continued negative income. As mentioned above, losses in Asia were considerably lower than last year. This is traceable mainly to strong sales growth in China as well as substantially higher income in the ASEAN countries. In Latin America, the Brazilian white-goods operation achieved higher sales volume, but income declined due to weak pricing and higher costs for materials. Income for the second quarter improved over the same period last year, however. Improved market conditions and internal changes should generate favorable trends for income in both Brazil and Asia during the second half of the year.

Throughout the global market retailing is becoming more consolidated and the total retail supply chain is becoming more efficient. Electrolux will benefit from this on the basis of its strong positions, and we will speed up our internal activities in order to take advantage of these trends.

Settlement in pension litigation
In July we signed an agreement with the Pension Benefit Corporation in the US regarding pension litigation. This ends a very complex legal process that has been going on since 1991. The agreement was the best we could achieve under the circumstances.

Growth in value created
Value creation is now the method for measuring performance within the Group.
We have used a value-creation model internally since 1998. Performance is continuously measured by sector, product line and region. The bonus system for senior managers has been linked to this model since 1998. As of 2000, a value-based bonus system has been extended to about 350 managers.

Value creation requires operational managers to account for the total cost of the capital used to generate sales and earnings. Value is created only when operating income exceeds the weighted average cost of capital on the net assets employed. Key value drivers such as sales growth, operating margin and tight control of working capital and fixed assets must be managed so as to create maximum value in each operation.

During the first half of this year the Group created total value of SEK 1,731m, representing an increase of SEK 891m in comparison with the same period in 1999. The goal for the period 2000-2002 is to create average annual growth in value of at least SEK 1,000m.

Although we focus on increasing sales growth and should be able to improve the rate of capital turnover somewhat, the major share of value created during this period must be generated through continued improvement in operating margin.

There is still great potential for improving internal efficiency in most parts of the Group, particularly in terms of administration and marketing.

One reason for organizing operations in a consumer and a professional business area is to create better opportunities for developing best practice and utilizing the Group's total skills, knowledge and expertise. In order to do this in a structured manner, we have decided to focus on six key processes, i.e. demand flow, brands, people, products, purchasing and business support. These processes will be standardized throughout the Electrolux organization and will form the basis for a fundamentally new approach to Group operations. This will give us considerable opportunities for efficiency gains, particularly in terms of demand flow, and in purchasing as well.

Opportunities for Electrolux brand in US

Consolidation of the Group's portfolio of brands, which includes better brand management, is essential for improving internal efficiency and creating opportunities for growth.

In May, the Group acquired the right to use the Electrolux brand and corporate name in North America. The acquisition gives us global control of the Group's most important brand. It also enables us to implement our new brand policy in North America, which involves using the Electrolux corporate brand as an endorsement for all product brands.

Market research performed prior to the acquisition showed that Electrolux is a well-known brand in the US market, and has a good reputation among those familiar with it. We are planning to use the name for a range of high-end household appliances with European styling. In the longer term we will also use it for floor-care products, following a transitional period that will enable the seller to phase in a new brand.

In accordance with our brand policy we have started to build Electrolux as a trust mark for endorsing all product brands. During the first half of the year this policy was applied to all market communication for Group brands in Eastern Europe, and we will start to apply it in all other markets during the autumn.

Outlook for the rest of the year

The strong growth in demand in the US market is expected to flatten out during the second half of 2000. Demand for Consumer Durables in Europe should continue to show growth, but at a somewhat lower level than in the first half of the year. Our business environment will remain difficult in terms of pressure on prices as well as costs for materials.

Nevertheless, we expect to reach our long-term target of an average annual growth in value created of at least SEK 1,000m, which means there will be a slight improvement in results in the second half of the year compared with the same period last year.

In the light of changes in our business environment and the current trends in demand, we are accelerating internal efforts to improve operational efficiency. In the longer term, streamlining the supply chain from suppliers to consumers by applying new technology will create unique opportunities for Electrolux to continue to create value for both business partners and shareholders.

Stockholm, August 11, 2000

Michael Treschow
President and CEO

Factors affecting forward-looking statements

The Report by the Board of Directors and the report by the President and CEO contain "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, and the effect of local economies on product demand.

Consolidated income statement, SEKm	First half 2000	First half 1999	Second quarter 2000	Second quarter 1999	Full year, 1999
Net sales	**65,428**	62,074	**34,199**	33,021	119,550
Cost of goods sold	**-49,123**	-45,792	**-25,723**	-24,233	-87,288
Selling expense	**-8,592**	-9,241	**-4,345**	-4,927	-18,450
Administrative expense	**-3,191**	-3,204	**-1,654**	-1,659	-6,261
Other operating income/expense	**-19**	-30	**-24**	-51	-131
Items affecting comparability	**-**	-	**-**	-	-216
Operating income*	**4,503**	3,807	**2,453**	2,151	7,204
Margin, %	***6.9***	*6.1*	***7.2***	*6.5*	*6.0*
Financial items, net	**-432**	-588	**-168**	-316	-1,062
Income after financial items	**4,071**	3,219	**2,285**	1,835	6,142
Margin, %	***6.2***	*5.2*	***6.7***	*5.6*	*5.1*
Taxes	**-1.388**	-1,099	**-768**	-619	-2,005
Minority interests in net income	**15**	-20	**-7**	-28	38
Net income	**2,698**	2,100	**1,510**	1,188	4,175
** Including depreciation in the amount of:*	***-1,873***	*-1,977*	***-950***	*-992*	*-3,905*

Consolidated balance sheet, SEKm	June, 30 2000	June, 30 1999	Full year, 1999
Assets			
Fixed assets	**27,979**	26,860	28,051
Inventories, etc.	**16,955**	17,085	16,171
Accounts receivable	**27,081**	25,801	21,513
Other receivables	**6,007**	5,694	5,597
Liquid funds	**9,698**	8,569	10,312
Total assets	**87,720**	84,009	81,644
Equity and liabilities			
Shareholders' equity	**26,113**	24,017	25,781
Minority interests	**792**	882	825
Interest-bearing liabilities and provisions	**26,190**	28,454	23,735
Non-interest-bearing liabilities and provisions	**34,625**	30,656	31,303
Total equity and liabilities	**87,720**	84,009	81,644

Consolidated cash-flow statement, SEKm	**First half, 2000**	First half, 1999	Full year, 1999
Operations			
Income after financial items	**4,071**	3,219	6,142
Depreciation according to plan charged against above income	**1,873**	1,977	3,905
Provisions and capital gains/losses	**-40**	-309	-286
Taxes paid	**-1,170**	-534	-2,166
Changes in operating assets and liabilities	**-4,652**	-2,647	1,065
Cash flow from operations	**82**	1,706	8,660
Investments			
Investments in/divestments of operations and trade mark	**561**	-322	1,702
Capital expenditure	**-1,992**	-1,984	-4,439
Other	**404**	-96	-400
Cash flow from investments	**-1,027**	-2,402	-3,137
Dividend and repurchase of shares	**-1,847**	-1,099	-1,099
Cash flow after dividends	**-2,792**	-1,795	4,424
Change in interest-bearing liabilities	**2,259**	-232	-4,592
Total cash flow	**-533**	-2,033	-168
Liquid funds at beginning of year	**10,312**	11,387	11,387
Exchange-rate differences referring to liquid funds	**-81**	-785	-907
Liquid funds at end of period	**9,698**	8,569	10,312

Change in net borrowings

Total cash flow excl. change in loans	**-2,792**	-1,801	4,646
Net borrowings at beginning of year	**-13,423**	-17,966	-17,966
Exchange-rate differences referring to net borrowings	**-277**	-118	-103
Net borrowings at end of period	**-16,492**	-19,885	-13,423

Net sales by business area, SEKm*)

	First half, 2000	First half, 1999	Second quarter, 2000	Second quarter, 1999	Full year, 1999
Consumer Durables					
Europe	**20,434**	20,697	**10,126**	10,515	42,640
North America	**26,991**	23,294	**14,640**	12,749	41,452
Rest of the world	**4,210**	3,680	**2,259**	1,963	7,597
Total Consumer Durables	**51,635**	47,671	**27,025**	25,227	91,689
Professional Products					
Indoor	**9,288**	10,584	**4,890**	5,674	20,450
Outdoor	**4,331**	3,677	**2,191**	2,048	7,100
Total Professional Products	**13,619**	14,261	**7,081**	7,722	27,550
Other	**174**	142	**93**	72	311
Total	**65,428**	62,074	**34,199**	33,021	119,550

Operating income by business area, SEKm*)

	First half, 2000	First half, 1999	Second quarter, 2000	Second quarter, 1999	Full year, 1999
Consumer Durables					
Europe	**984**	906	**418**	400	2,444
Margin, %	***4.8***	*4.4*	***4.1***	*3.8*	*5.7*
North America	**2,125**	1,708	**1,197**	989	2,895
Margin, %	***7.9***	*7.3*	***8.2***	*7.8*	*7.0*
Rest of the world	**-82**	-160	**-11**	-78	-342
Margin, %	***-1.9***	*-4.3*	***-0.5***	*-4.0*	*-4.5*
Total Consumer Durables	**3,027**	2,454	**1,604**	1,311	4,997
Margin, %	***5.9***	*5.1*	***5.9***	*5.2*	*5.4*
Professional Products					
Indoor	**1,096**	1,014	**673**	634	1,902
Margin, %	***11.8***	*9.6*	***13.8***	*11.2*	*9.3*
Outdoor	**604**	505	**295**	277	983
Margin, %	***13.9***	*13.7*	***13.5***	*13.5*	*13.8*
Total Professional Products	**1,700**	1,519	**968**	911	2,885
Margin, %	***12.5***	*10.7*	***13.7***	*11.8*	*10.5*
Other	**-37**	50	**-22**	36	-64
Common Group costs	**-187**	-216	**-97**	-107	-398
Items affecting comparability					-216
Total	**4,503**	3,807	**2,453**	2,151	7,204

*) The figures previously published for 1999 and 2000 for the business areas have been adjusted following a review of the principles for reporting.

Value creation, SEKm*)

	First half, 2000	First half, 1999	Second quarter, 2000	Second quarter, 1999	Full year, 1999
Consumer Durables					
Europe	**379**	274	**106**	78	1,224
North America	**1,170**	711	**704**	474	1,036
Rest of the world	**-599**	-703	**-272**	-340	-1,398
Total Consumer Durables	**950**	282	**538**	212	862
Professional Products					
Indoor	**674**	495	**469**	375	896
Outdoor	**398**	338	**186**	193	663
Total Professional Products	**1,072**	833	**655**	568	1,559
Common Group costs	**-185**	-220	**-96**	-107	-399
Other	**-106**	-55	**-57**	-16	-240
Total	**1,731**	840	**1,040**	657	1,782

*) The figures previously published for 1999 and 2000 for the business areas have been adjusted following a review of the principles for reporting.

Key ratios

	First half 2000	First half 1999	Second quarter 2000	Second quarter 1999	Full year, 1999
Net income per share, SEK[1)]	**7.35**	5.75	**4.10**	3.25	11.40
Return on equity, %[2)]	**20.9**	17.2			17.1
Return on net assets, %[3)]	**23.5**	18.3			18.3
Net debt/equity ratio[4)]	**0.61**	0.80			0.50
Capital expenditure, SEKm	**1,992**	1,984	**1,068**	1,228	4,439
Average number of employees	**88,700**	94,800	**88,700**	95,300	92,916

1) The number of shares amounts to 365.8 million (366.2).
2) Annualized net income for the year, expressed as a percentage of opening equity.
3) Annualized operating income, expressed as a percentage of average net assets.
4) Net borrowings, i.e. interest-bearing liabilities less liquid funds, in relation to adjusted equity. The latter is defined as equity including minority interests.

Quarterly figures

Net sales and income, per quarter

		1st qtr	2nd qtr	3rd qtr	4th qtr	Full year
Net sales, SEKm	**2000**	**31,229**	**34,199**			
	1999	29,053	33,021	29,070	28,406	119,550
Operating income, SEKm	**2000**	**2,050**	**2,453**			
	Margin,%	***6.6***	***7.2***			
	1999	1,656	2,151	1,539	1,858	7,204
	Margin,%	*5.7*	*6.5*	*5.3*	*6.5*	*6.0*
	1999[1)]	1,656	2,151	1,755	1,858	7,420
	Margin,%	*5.7*	*6.5*	*6.0*	*6.5*	*6.2*
Income after financial items, SEKm	**2000**	**1,786**	**2,285**			
	Margin,%	***5.7***	***6.7***			
	1999	1,384	1,835	1,354	1,569	6,142
	Margin,%	*4.8*	*5.6*	*4.7*	*5.5*	*5.1*
	1999[1)]	1,384	1,835	1,570	1,569	6,358
	Margin,%	*4.8*	*5.6*	*5.4*	*5.5*	*5.3*
Net income, SEKm	**2000**	**1,188**	**1,510**			
	1999	912	1,188	1,024	1,051	4,175
	1999[1)]	912	1,188	1,049	1,051	4,200
Net income per share, SEK	**2000**	**3.25**	**4.10**			
	1999	2.50	3.25	2.80	2.85	11.40
	1999[1)]	2.50	3.25	2.85	2.85	11.45
Value creation, SEKm	**2000**	**691**	**1,040**			
	1999	183	657	380	562	1,782

1) Exclusive of items affecting comparability, which in 1999 comprised a provision of USD 225m (SEK 1,841m) and a capital gain of SEK 1,625m, both in the third quarter.

Net sales by business area, per quarter, SEKm*)

Consumer Durables		1st qtr	2nd qtr	3rd qtr	4th qtr	Full year
Europe	**2000**	**10,308**	**10,126**			
	1999	10,182	10,515	10,780	11,163	42,640
North America	**2000**	**12,351**	**14,640**			
	1999	10,545	12,749	9,725	8,433	41,452
Rest of the world	**2000**	**1,951**	**2,259**			
	1999	1,717	1,963	1,925	1,992	7,597
Total Consumer Durables	**2000**	**24,610**	**27,025**			
	1999	22,444	25,227	22,430	21,588	91,689
*Professional Products***,** Indoor	**2000**	**4,398**	**4,890**			
	1999	4,910	5,674	5,006	4,860	20,450
*Professional Products***,** Outdoor	**2000**	**2,140**	**2,191**			
	1999	1,629	2,048	1,547	1,876	7,100
Total Professional Products	**2000**	**6,538**	**7,081**			
	1999	6,539	7,722	6,553	6,736	27,550

*) The figures previously published for 1999 and 2000 for the business areas have been adjusted following a review of the principles for reporting.

Operating income by business area, per quarter, SEKm*)

Consumer Durables		1st qtr	2nd qtr	3rd qtr	4th qtr	Full year
Europe	**2000**	**566**	**418**			
	Margin,%	***5.5***	***4.1***			
	1999	506	400	635	903	2,444
	Margin,%	*5.0*	*3.8*	*5.9*	*8.1*	*5.7*
North America	**2000**	**928**	**1,197**			
	Margin,%	***7.5***	***8.2***			
	1999	719	989	678	509	2,895
	Margin,%	*6.8*	*7.8*	*7.0*	*6.0*	*7.0*
Rest of the world	**2000**	**-71**	**-11**			
	Margin,%	***-3.6***	***-0.5***			
	1999	-82	-78	-47	-135	-342
	Margin,%	*-4.8*	*-4.0*	*-2.4*	*-6.8*	*-4.5*
Professional Products, Indoor	**2000**	**423**	**673**			
	Margin,%	***9.6***	***13.8***			
	1999	380	634	439	449	1,902
	Margin,%	*7.7*	*11.2*	*8.8*	*9.2*	*9.3*
Professional Products, Outdoor	**2000**	**309**	**295**			
	Margin,%	***14.4***	***13.5***			
	1999	228	277	208	270	983
	Margin,%	*14.0*	*13.5*	*13.4*	*14.4*	*13.8*
Other	**2000**	**-15**	**-22**			
	1999	14	36	-71	-43	-64
Common Group costs	**2000**	**-90**	**-97**			
	1999	-109	-107	-87	-95	-398
Items affecting comparability	**2000**					
	1999			-216		-216

*) The figures previously published for 1999 and 2000 for the business areas have been adjusted following a review of the principles for reporting.

This report has not been audited.

The report for the third quarter will be published on October 27, 2000.

Financial information from Electrolux is also available on www.electrolux.com