

TRANSLATION

Annual report and consolidated accounts for the financial year 18 August 2000 – 31 December 2001

The Board of Directors and President of Dometic Holding AB hereby submit the following annual report and consolidated accounts.

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Unless otherwise indicated, all amounts are specified in SEK million. No information on previous years is available as this is the company's first financial year.

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Report of the Board of Directors

Important events during the financial year

Utilising funds from the newly formed EQT Northern Trust Fund, Guernsey, the private equity company EQT has formed Dometic Holding AB (formerly Erusiel Holding AB formerly Lagrummet August nr 29 AB). Dometic Holding AB in its turn has formed Dometic Appliances AB (formerly Erusiel AB formerly Lagrummet Augusti nr 30 AB). The objective is to list the Dometic Holding AB ("Dometic") on the stock exchange within 3-5 years or sell the group to an industrial buyer.

On 13 June 2001, Dometic Appliances AB and AB Electrolux signed into an agreement through which Dometic Appliances AB purchases the major part of the Electrolux Leisure product line as at 31 July 2001 for a preliminary purchases price of SEK 4 113 million.

Dometic Appliances AB was formed with the aim of constituting a parent company for the units that were to be purchased. There was previously no legal group for leisure products within the Electrolux Group; instead, as a rule, the units were divisions of Electrolux company or subsidiaries of a local Electrolux company in the respective country.

This annual report include Dometic Holding AB and all companies in which the parent company holds, directly or indirectly, more than 50 per cent of voting rights and capital as at 31 December 2001.

As no legal Dometic group existed before 31 July 2001, the comparative values for previous years have been omitted. The cash flow statement has also been omitted for the same reason.

Important events after the end of the financial year

On 13 June 2001, Dometic Appliances AB and AB Electrolux also signed into an option agreement which entitles AB Electrolux to exercise an option between 10 January 2002 and 20 January 2002 so that the remaining Leisure Products operation in Germany, Slovakia and Austria is also sold to the Dometic group for a preliminary purchase price of SEK 2 387 million. AB Electrolux has exercised this option and the subsidiaries in Germany and Slovakia were acquired as at 31 January 2002.

In January 2002, Dometic's American subsidiary, Dometic Corporation, made a strategic acquisition in North America of Sealand, a leading manufacturer in the USA and Canada of ceramic sanitary systems for the boat and caravan markets. This acquisition completes the Dometic traditional product range.

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Information on the company

Dometic has successfully produced and sold refrigerators based on the absorption technology to manufacturers of caravans and mobile homes. This product range has then been extended, adding awnings, air-conditioning units, windows for leisure boats and caravans, generators, etc. Dometic has used its world-leading position in absorption technology to develop new products and enlarge markets, to include e.g. mini-bars for the hotel industry, portable refrigerators, wine refrigerators and transportable refrigerators for medical use.

Research and development

Work on the long-term development of absorption refrigerators is carried out at Dometic AB's laboratory located at the head office in Stockholm. Development work is also carried out at the group's various plants in conjunction with model modifications or for other products such as awnings.

Environmental issues

In the summer of 2001, environmental surveys were carried out at the group's various manufacturing units. This was done as a part of the ongoing work on the change of ownership. No serious shortcomings were discovered, but Electrolux has issued guarantees for potential environmental problems that may be identified over the next five years.

Dometic carries on operations licensed according to Swedish environmental regulations in three Swedish subsidiaries. Operations licensed or applicated influence the outdoor environment mainly through the subsidiary Dometic AB's manufacturing unit in Motala. The company is a manufacturer of absorption refrigerators. In the manufacturing process different chemical components and particles emit to different recipients - air and water. The process contains degreasing, phosphatizing, painting and polyurethane foaming, all of them generating emissions to air and water.

Production units in other countries adjust the operations, apply for necessary permissions and report to authorities in accordance with local legislation.

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Convertible and Option programme

Dometic Holding AB has offered senior managers the opportunity to subscribe to a convertible loan, which 54 people have done. The same people have also been offered by EQT – and accepted – the opportunity to acquire issued purchase options relating to shares in Dometic Holding AB. The objective is to offer a long-term incentive programme on business terms in order to attract, keep and motivate senior manager.

Proposal for loss treatment

The group's accumulated deficit, according to the consolidated balance sheet, amounts to SEK - 330.2 million. No transfer to restricted reserves is required.

The Board of Directors and the President propose that the accumulated deficit, SEK 71 249, be carried forward.

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Consolidated result statement

Amounts in SEK million unless otherwise indicated

	Note	18 Aug 2000 - 31 Dec 2001
Net sales	2	1 631.6
Cost of goods sold		- 1 146.6
Gross profit		485.0
Selling expenses		- 199.2
Administrative expenses	3	- 96.9
Items affecting comparability	4	- 25.0
Other operating income		+ 0.6
Other operating expenses	5	- 66.3
Result from participation in associated company	14	- 9.2
Operating result	6, 7	89.0
<u>Result from financial investments</u>		
Interest income	8	42.3
Interest expenses and similar items	3, 9	<u>- 381.4</u>
Total result from financial investments		- 339.1
Result after financial items		- 250.1
Taxes	10	- 47.1
Minority interests in net result		- 0.8
Net result		<u>- 298.0</u>

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Consolidated balance sheet

	Note	31 Dec 2001
ASSETS		
Fixed assets		
Intangible assets	11	
Marketing rights and other rights		78.3
Goodwill		3 028.0
Total intangible assets		3 106.3
Tangible assets	12	
Buildings and land		202.5
Machinery and technical installations		257.3
Equipment, tools and installations		9.2
Construction in progress and advances		14.8
Total tangible assets		483.8
Financial fixed assets		
Participations in associated companies	14	0.0
Long-term receivables in associated companies		8.4
Investments held as fixed assets	15	0.5
Other receivables		3.3
Total financial assets		12.2
Total fixed assets		3 602.3

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	Note	Group 31 Dec 2001
Current assets		
Inventories, etc.		
Raw materials		164.9
Work in progress		2.1
Finished products		341.5
Advances to suppliers		<u>0.1</u>
Total inventories		508.6
Current receivables		
Accounts receivables		419.8
Other receivables		112.9
Prepaid expenses and accrued income	16	<u>32.0</u>
Total current receivables		564.7
Current investments	17	2 388.6
Cash and bank balances		452.6
Total current assets		3 914.5
Total assets		<u>7 516.8</u>

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	Note	Group 31 Dec 2001
EQUITY AND LIABILITIES		
Equity	18	
Restricted equity		
Share capital		44.2
Unregistered new share issue		0.2
Restricted reserves		2 233.0
Total restricted equity		2 277.4
Accumulated deficit		
Accumulated deficit		- 32.2
Net result		- 298.0
Total accumulated deficit		- 330.2
Total equity		1 947.2
Minority interests		11.2
Provisions		
Provisions for pensions		33.7
Deferred tax liability		2.1
Other provisions	19	100.1
Total provisions		135.9
Long-term liabilities		
Long-term liabilities to credit institutions	20	4 371.8
Convertible loan	21	32.6
Total long-term liabilities		4 404.4

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	Note	Group 31 Dec 2001
Current liabilities		
Liabilities to credit institutions	20	228.4
Advances from customers		3.1
Accounts payable		358.0
Tax liabilities		43.8
Other liabilities		103.6
Accrued expenses and prepaid income	22	281.2
Total current liabilities		1 018.1
Total equity and liabilities		<u>7 516.8</u>
Assets pledge	23	4 577.6
Contingent liabilities	24	7.6

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Parent company's result statement

	Note	18 Aug 2000 - 31 Dec 2001
Income from financial investments		
Interest expenses		- 0.1
Result after financial items		- 0.1
NET RESULT	7	<u>- 0.1</u>

Parent company's balance sheet

31 Dec 2001

ASSETS

Fixed assets

Financial fixed assets

Shares in group companies	13	2 210.0
Total financial assets		2 210.0

Total fixed assets **2 210.0**

Current assets

Current receivables

Other receivables	0.8
Total current receivables	0.8

Cash and bank balances **57.6**

Total current assets **58.4**

Total assets **2 268.4**

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		Parent company
	Note	31 Dec 2001
EQUITY AND LIABILITIES		
Equity	18	
Restricted equity		
Share capital		44.2
Unregistered new share issue		0.2
Share premium reserve		2 176.8
Total restricted equity		2 221.2
Accumulated deficit		
Net result		- 0.1
Total accumulated deficit		-0.1
Total equity		2 221.1
Long-term liabilities		
Convertible loan	21	32.6
Total long-term liabilities		32.6
Current liabilities		
Accounts payable		0.2
Other liabilities		14.4
Accrued expenses and prepaid income	22	0.1
Total current liabilities		14.7
Total equity and liabilities		<u>2 268.4</u>
Assets pledged	23	2 210.0
Contingent liabilities		None

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Notes

Note 1 Accounting and valuation principles

This annual report has been prepared in accordance with the Swedish Accounting Act and the general advice of the Swedish Accounting Standards Board.

Consolidated accounts

The consolidated accounts include Dometic Holding AB and all companies in which the parent company holds, directly or indirectly, more than 50 per cent of the voting rights as at 31 December 2001.

The consolidated accounts have been prepared applying the purchase method accounting, which means that the assets and liabilities of the company purchased have been assessed at market value on the date of acquisition. The difference between the acquisition value of the shares and the market value of assets and liabilities constitutes goodwill on consolidation.

Goodwill will be written off over 20 years. The longer depreciation period is applied when acquiring companies and operations with stable market and technical conditions and where the acquisition is of long-term strategic importance.

Conversion of foreign subsidiaries

Foreign companies are classified as independent units. The annual accounts of foreign subsidiaries have been translated in accordance with the current exchange rate method. The current exchange rate method means that all assets, provisions and liabilities are translated at the exchange rate prevailing on the balance sheet date and that all income statement items are translated at the average exchange rate for the year. Exchange rate differences are entered directly against equity.

Revenue recognition

Sales proceeds for products and services are accounted for at the time of delivery to the customer according to the sales agreement. Net sales refers to the sales value after deductions for special sales taxes, returns and discounts.

Profits and losses on hedging contracts in respect of currencies which have been entered into for purposes of securing flows are recognised in revenue together with the transaction to which the hedging relates.

Other operating expenses

This heading covers the amortization of goodwill, as well as profits and losses arising from the sale of tangible assets. This includes exchange profits and exchange losses on non-interest-bearing receivables and liabilities.

Research and development expenses

Expenditure on general research and development is charged to expenses continuously and accounted for in the profit and loss statement under administration expenses.

Intangible assets

Goodwill will be written off upon consideration of individual cases, but over a maximum of 20 years. Acquisition costs in respect of licences and the development of IT systems for internal use have been charged to expenses over the year.

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Tangible assets

Assets are accounted for at acquisition cost following deduction of accumulated depreciation according to plan. Depreciation according to plan is based on the acquisition value of the assets and their estimated useful life, which for machines and equipment is 3-15 years, buildings 20-40 years and land improvements 15-20 years. Linear depreciation is applied.

Leasing

All lease contracts, irrespective of whether they are financial or operational, are entered in the accounts as leases (operational lease contracts).

Inventories

Stock is valued at the lowest of acquisition value and market value. The acquisition value is calculated according to the first-in-first-out principle (FIFO) and includes a proportion of indirect manufacturing costs for products in progress and stocks of finished products.

Receivables

Receivables are incorporated at the amount which is estimated to be paid upon consideration of individual cases.

Foreign currency receivables and liabilities

Foreign currency receivables and liabilities are valued at the exchange rate prevailing on the balance sheet date. For those cases where hedging has been implemented the hedging rates are used.

Hedging contracts which assure flows where receivables or liabilities have not yet arisen, are not included into the accounts. Exchange rate fluctuations on operating receivables and operating liabilities are included in other operating income/costs, while exchange rate fluctuations on interest-bearing receivables and liabilities are included in net financial result.

Taxes

Income tax entered in the accounts refer to tax which is to be paid or received in respect of the current year.

Pensions

Most of the companies in the group have undertaken to provide pensions within the scope of various pension plans or are contributing to the cost of employee pensions. These pension plans may be company-specific or common to a large number of companies. The plans have in common the fact that pension provisions and contributions to pension funds and insurance premiums are based on actuarial calculations.

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Note 2 Group net sales, by geographical market

	Group
	<u>2001</u>
North America	1 083.4
Europe	447.9 *)
Rest of the world	100.3
Total	1 631.6

*) of which Sweden SEK 103.0 million.

Note 3 Remuneration to auditors

	Group	Parent company
	2001	2001
Audit		
Öhrlings PricewaterhouseCoopers	- 3.0	0.0
Tasks other than the audit		
Öhrlings PricewaterhouseCoopers	- 17.0	-
Total	- 20.0	0.0

Note 4 Items affecting comparability

	Group	Parent company
	2001	2001
Restructuring costs	- 25.0	-
Total	- 25.0	-

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Note 5 Other operating expenses

	Group 2001	Parent company 2001
Depreciation of goodwill	- 61.7	-
Loss upon sale of tangible assets	- 0.6	-
Other	- 4.0	-
Total	- 66.3	-

Note 6 Exchange rate differences

The operating profit/loss includes exchange rate differences in respect of operating receivables and operating liabilities in accordance with the following:

	Group 2001	Parent company 2001
Cost of goods sold	- 47.8	-
Other operating income	+ 0.6	-

A certain part of the anticipated flows of foreign currencies have been hedged. When the group was formed, currency contracts entered into previously by AB Electrolux were taken over.

On the balance sheet date, there is an unrealised exchange loss of SEK 58.6 million for hedging contracts entered into. A provision for future foreign exchange risks to hedged trade receivables has been made, amounting to SEK 15.3 million.

Note 7 Employees and payroll costs

Number of employees	2001	of which men
<i>Parent company</i>		
Sweden	0	0%
<i>Subsidiaries</i>		
Sweden	813	80%
Luxemburg	175	83%
Hungary	296	62%
Spain	15	63%
France	21	65%
Italy	48	76%
England	29	60%
Europe, other countries	19	70%
USA	364	54%
Rest of the world	120	82%
Total in subsidiaries	1 900	72%
Group, total	1 900	72%

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Salaries, other remuneration and social security expenses 2001

	Salaries and remuneration	Social costs
Parent company	0.0	0.0
(of which pension costs)		(0)
Subsidiaries	255.0	75.2
(of which pension costs)		(20.6)
Group, total	255.0	75.2
(of which pension costs)		(20.6)

The parent company has no pension commitments in respect of the group's Board of Directors and President. Of the group's pension costs, SEK 5.0 million relates to the group's Board of Directors and President. The company's outstanding pension commitments to these parties amounts to SEK 11.9 million.

Salaries and other remuneration, for Board members, Presidents and other employees, by geographical area.

	2001 Board and President	Other employees
Parent company		
Sweden	0.0	0.0
Subsidiaries in Sweden	2.2	85.5
Subsidiaries abroad		
Luxemburg	0.7	30.5
Hungary	0.4	4.7
Spain	0.4	1.1
France	0.4	1.6
Italy	0.8	4.0
England	0.4	2.5
Europe, other countries	5.7	6.7
USA	2.5	98.2
Rest of the world	1.0	5.7
Subsidiaries, total	12.3	155.0
Group, total	14.5	240.5

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Note 8 Interest income

	Group 2001	Parent company 2001
Interest income, blocked bank account (Escrow account)	39.6	-
Interest income, other	2.7	-
Total	42.3	-

Note 9 Interest expenses and similar items

	Group 2001	Parent company 2001
Interest expenses	-155.4	-
Expenses for raising bank loan, Fuji Bank	- 122.6	-
Costs for consultants and solicitors to arrange the groups long-term financing.	- 103.4	-
Total	- 381.4	-

Note 10 Taxes

	Group 2001	Parent company 2001
Current tax for the year	- 45.9	0.0
Deferred tax	- 1.2	0.0
Total tax entered in the accounts	- 47.1	0.0

Note 11 Intangible assets

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Acquisition costs brought forward for marketing rights and other rights

	Group, 31 Dec 2001
Opening acquisition value	-
Acquisitions for the year	80.2
Closing accumulated acquisition value	80.2
Opening depreciation	-
Depreciations for the year	- 1.9
Closing accumulated depreciation	-1.9
 Closing residual value according to plan	 78.3
 Goodwill	
Opening acquisition value	-
Acquisitions for the year	3 069.0
Closing accumulated acquisition value	3 069.0
Opening depreciation	-
Depreciations for the year	- 61.7
Exchange rate differences	20.7
Closing accumulated depreciation	-41.0
 Closing residual value according to plan	 3 028.0

Depreciation of goodwill has been entered in the accounts among other operating expenses. Depreciations in respect of other intangible assets are accounted as marketing expenses.

Note 12 Tangible assets

	Buildings and land	Machines and plant	Equipment, tools and installations
Group, 31 Dec 2001			
Opening acquisition value	-	-	-
Acquisitions for the year	205.2	286.4	10.6
Sales/disposals	-	- 2.5	-
Translation differences	0.6	- 0.4	0.1
Closing accumulated acquisition value	205.8	283.5	10.7
 Opening depreciation	-	-	-
Sales/disposals	-	+ 1.8	-
Depreciations for the year	- 3.3	- 28.0	- 1.5
Closing accumulated depreciation	- 3.3	- 26.2	- 1.5
 Closing residual value according to plan	 202.5	 257.3	 9.2

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Construction in progress and advances

Group, 31 Dec 2001

Opening balance	-
Expenses accrued over the year	14.8
Closing balance	14.8

Tax assesment value for the Swedish group companies amounted to SEK 104.8 million for buildings and SEK 36.0 million for land. The equivalent book values amounted to SEK 15.9 million for buildings and SEK 5.6 million for land.

Depreciation on tangible assets is divided by function as follows:

cost of goods sold	31.0
marketing costs	1.2
administration expenses	0.6

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Note 13 Shares in group companies

Name	Co. reg. no	Domicile	No. of shares	Votes in % *)	Book value
Domestic Appliances AB	556598-2674	Stockholm, Sweden	22 100 000	100	2 210.0
Domestic Holding Pty Ltd		Clayton, Australia		100	
Domestic Pty Ltd		Clayton, Australia		100	-
Domestic SAS		Senlis, France		100	-
Domestic snc.		Senlis, France		100	-
Domestic Oy		Vanda, Finland		100	-
Domestic Co. Ltd.		Jászberény, Hungary		100	-
Domestic S.p.A		Turin, Italy		79.0	-
Domestic WTA Srl.		Forlì, Italy		100	-
Domestic KK		Tokyo, Japan		100	-
Domestic Holding Sarl.		Hosingen, Luxembourg		100	-
Domestic Sarl		Hosingen, Luxembourg		100	-
Domestic Leisure Holding AB	556602-0623	Stockholm, Sweden		100	-
Domestic AB	556014-3074	Stockholm, Sweden		100	-
Seitz Skandinavien AB	556528-1093	Tidaholm, Sweden		100	-
Sibir International	556171-6878	Stockholm, Sweden		100	-
Domestic Origo AB	556091-0563	Halmstad, Sweden		100	-
Domestic Holding SL		Madrid, Spain		100	-
Domestic S.A.		Madrid, Spain		100	-
Domestic Pte Ltd		Singapore		100	-
Domestic (Pty) Ltd		Sandton, South Africa		100	-
Domestic AG		Frauenfeld, Switzerland		100	-
Domestic Co Ltd		Jaszberény, Hungary		100	-
Domestic Holding, Ltd		Luton, United Kingdom		100	-
Domestic Ltd		Luton, United Kingdom		-	-
Domestic Corporation		Wilmington, USA		100	-
Domestic LLC		Wilmington, USA		-	-
Domestic MX, S de RL de CU		Juarez, Mexico		-	-
					2 210.0

*) Participating interests in the capital are referred to, which also tallies with the number of votes for the total number of shares

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Note 14 Participations in associated companies

	Group, 31 Dec 2001
Opening book value	-
Acquisitions over the year	9.2
Write-downs for the year	- 9.2
Closing book value	0.0

Participating interest/Co. reg. no/Headquarters	No. of shares	Participation in % *)	Book value
Automatic Minibars Systems, London, UK	249 999	49.9	0.0

Note 15 Investments held as fixed assets

	Group, 31 Dec 2001
Opening acquisition value	-
Additional receivables	0.5
Closing book value	0.5

The balance sheet item refers to non-listed shares and participation.

Note 16 Prepaid expenses and accrued income

	Group, 31 Dec 2001
Accrued interest income	14.7
Accrued income, other	3.5
Prepaid costs	13.8
Total	32.0

Note 17 Current investments

Blocked bank funds constituting a preliminary purchase price for companies in Germany and Slovakia in 2002 amount to SEK 2 387.0 million.

An additional SEK 1.6 million is payable in respect of other investments. Total investments for the group amount to SEK 2 388.6 million.

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Note 18 Equity

Group	Share capital	Restricted reserves	Non-restricted equity
New issue	44.4 1)	2 176.8	-
Shift between restricted and non-restricted equity		32.2	-32.2
Translation difference for the year		24.0	
Net result for the financial year			-298.0
Amount at year end	44.4	2 233.0	- 330.2

Parent company	Share capital	Share premium reserve	Non-restricted equity
New issue	44.4 1)	2 176.8	-
Net result for the financial year			- 0.1
Amount at year end	44.4	2 176.8	- 0.1

1) includes SEK 0.2 million new share issue unregistered.
The number of shares is 22 212,500 with a nominal value of SEK 2:-.

Note 19 Other provisions

	Group, 31 Dec 2001
Guarantee commitments	62.8
Restructuring reserve	25.0
Other provisions	12.3
Total	100.1

Note 20 Long-term liabilities to credit institutions

<u>Long-term liabilities</u>	Group 2001
Senior Term loans	3 532.8
Mezzanine loan	1 044.8
	4 577.6
Senior Term loan - current portion	- 205.8
Total long-term liabilities	4 371.8
<u>Current liabilities</u>	
Current portion of long-term liabilities	205.8
Other bank loans	22.6
Total current liabilities	228.4

Of long-term liabilities, SEK 3 240.9 million will fall due more than five years after the balance sheet date.

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Note 21 Convertible subordinated loan

In 2001, Dometic Holding AB issued to senior manager a directed convertible loan. This loan will run over six years and have an issue price of 120. All in all, 54 people signed up for this loan, for a total amount of SEK 32.6 million. Interest on the loan will be based on 12 months STIBOR + 1% and currently stands at 5.13%.

Note 22 Accrued express and prepaid income

	Group 31 Dec 2001	Parent company 31 Dec 2001
Prepaid income for extended guarantee period	48.1	-
Accrued personnel costs	47.9	-
Accrued holiday pay	39.8	-
Accrued bonus to customers	31.8	-
Accrued interest expenses	28.5	0.1
Reserve for hedging contract	15.3	-
Accrued expenses, other	64.6	-
Deferred income, other	5.2	-
Total	281.2	0.1

Note 23 Assets pledged

	Group 2001-12-31	Parent company 2001-12-31
Assets pledged for liabilities to credit institutions:		-
Real-estate mortgages	174.8	-
Chattel mortgages	297.8	-
Shares in subsidiaries	1 718.0	2 210.0
Blocked bank account	2 387.0	-
Total	4 577.6	2 210.0

Note 24 Contingent liabilities

	Group 31 Dec 2001
Pension commitments in the USA	7.6
Total	7.6

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Stockholm, 12 June 2002

Svend Holst-Nielsen
Chairman

Bengt Engström

Håkan Johansson

Roland Nilsson

Tommy Rengman

Sven Stork

Fredrik Åtting

Lars Johansson
President

Our audit report has been submitted on 14 June 2002

Öhrlings PricewaterhouseCoopers AB

Evy Jakobsson