Electrolux

Press release, **Stockholm, February 16, 1999**

CONSOLIDATED RESULTS, 1998

-Improved operating income and margin-

Key data

	Full year			*Fourth quarter*		
	1998	1997	Change %	**1998**	1997	Change %
Net sales, SEKm	**117,524**	113,000	4.0	**28,133**	27,821	1.1
Operating income excl. items affecting comparability, SEKm[1)]	**6,064**	4,550	33.3	**1,594**	1,120	42.3
Margin %	***5.2***	*4.0*		***5.7***	*4.0*	
Operating income, SEKm	**7,028**	2,654	164.8	**1,753**	1,120	56.5
Income after financial items, SEKm	**5,850**	1,232	374.8	**1,546**	746	107.2
Income before taxes, SEKm	**5,926**	1,283	361.9	**1,584**	830	90.8
Net income, SEKm	**3,975**	352		**1,093**	288	
Net income per share, SEK[2)]	**10.85**	0.95		**2.95**	0.80	
Dividend per share, SEK	**3.00**	2.50				
Return on equity, %	**19.3**	1.6				
Capital expenditure, SEKm	**3,756**	4,329		**1,247**	1,272	

1) Items affecting comparability in 1998 include capital gains net totalling approximately SEK 964m, of which SEK 159m in the fourth quarter.

2) Stock split 5:1 in June 1998. The figures for the previous year has been adjusted accordingly.

- **Higher sales and operating income in Europe and North America, decline in Latin America and Asia**
- **All business areas report improved operating income**
- **Continued divestment of non-strategic operations**
- **Restructuring program on track**
- **Board proposes an increase of the dividend to SEK 3.00.**

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Report by the President and CEO

Over many years, Electrolux has built positions of leadership in the world market for household appliances for indoor and outdoor use, and for corresponding products for professional users. The Group’s strong expansion has had an adverse effect on profitability, which has fallen short of stated targets.

We must continue to focus the Group’s operation and improve efficiency to obtain the full benefit of the competitive advantages that have been generated.

In order to reduce costs, we launched a comprehensive restructuring program in June 1997. Our goal is to meet the Group's targets of an operating margin of 6.5-7% and a return on equity of at least 15%, once the full effects of the program have been obtained after 2000.

In addition to the restructuring program, we have continued to streamline operations to our core areas. We are also focusing on improving efficiency in internal processes, as well as customer service.

The aim is to achieve stability and improved profitability as quickly as possible, so that we can then focus on activities that generate growth. We want Electrolux to be an attractive company with exciting and innovative products for consumers, a profitable partner for retailers and suppliers, a company that is rewarding to work for and creates value for its shareholders.

Higher income and profitability in 1998
The effects of restructuring together with good demand and higher sales in Europe and North America, our main markets, led to higher income and profitability in 1998. The trends for price and mix were negative, but this was offset by lower prices for materials and half-finished goods.

The adverse trends for demand in Brazil and Asia involved considerable declines in both sales and income in these markets. We were forced to make substantial adjustments that included cutting back personnel by more than 30% in both Brazil and the ASEAN countries. Operating income in Latin America and Asia decreased by a total of approximately SEK 500m, inclusive of costs for personnel cutbacks and charges for doubtful receivables.

Group sales for comparable units and after adjustment for exchange-rate effects rose by 4% during the year. Exclusive of items affecting comparability, operating income rose by 33% to SEK 6,064m, corresponding to a margin of 5.2% against 4.0% last year. Income after financial items rose by 56% to SEK 4,886m, which corresponds to a margin of 4.2% against 2.8% in 1997. A lower tax burden contributed to an increase in income per share of 82%, to SEK 8.85. Exclusive of items affecting comparability, the return on equity rose to 14.8% and the return on net assets to 13.7%.

Cash flow, which has been one of the Group’s problem areas, improved considerably even exclusive of the proceeds on divestments. The net debt/equity ratio, i.e. net borrowings in relation to equity, improved to 0.71, from 0.94 in 1997.

Favorable developments in 1998 included above all a good performance by the white-goods operation in the US, which achieved marked improvements in income and profitability on the basis of strong growth in sales volume and greater internal efficiency. Higher income was also reported by other household appliances in North America, i.e. floor-care products and leisure appliances. A large share of the increases in sales and operating income reported by the Group for 1998 refers to the North American operation, which achieved overall higher operating margin than did the Group as a whole.

Higher sales and income were also achieved in Europe for white goods as well as for other operations, despite considerably lower sales in Russia. The negative trend was reversed for our operation in Germany, which reported a considerable improvement in income. However, trends in the UK remained weak for both sales and market share, although income improved. But as the effects of the restructuring program emerge, the trends for both the UK and the German operation should be more stable and more positive.

Most of the improvement in income for 1998 is traceable to Household Appliances. However, Professional Appliances accounted for the largest increase in percentage terms, and more than doubled its operating margin to 6.2%. Outdoor Products also reported higher income and continued high margin, mainly on the basis of a good performance by the operation in professional chain saws.

With the exception of Brazil and Asia, the year 1998 was generally in line with our expectations. Plans for strengthening the Group’s competitiveness were implemented. Although we have still not reached our target for operating margin in 1998, the highest margin for the Group since 1989 was achieved. As I mentioned previously, a substantial improvement was also achieved in terms of the return on both equity and net assets.

Restructuring program

The ongoing restructuring program that was launched in June 1997 proceeded according to plan. By year-end 1998 we had completed almost 80% of the personnel cutbacks and had shut down or decided on shutdowns of about 80% of the plants and warehouses covered by the program. More than 70% of the provision of SEK 2,500m that was made during the second quarter of 1997 had been utilized. The restructuring program will be largely completed by the end of the first half of 1999.

Major changes in 1998 include the shutdown of a plant for floor-care products in the UK and of two units for refrigerators and freezers, in Finland and Hungary. Comprehensive rationalization was also implemented in the German white-goods operation, in both the production and sales organizations. In Professional Appliances, seven production units were shut down.

One of the product areas where major changes are being made comprises refrigerators and freezers, for which capacity utilization has been low. In addition to the two units that were shut down in 1998, another large unit in the UK will be closed during the beginning of the second quarter of 1999. Overall, changes in this product area involve transferring production of about 1 million products, corresponding to 20% of total volume, and reducing the number of personnel by 1,700, or 20%.

While production is being consolidated, we are also reducing the number of product variants by developing new, common platforms. For example, in the refrigerator and freezer product area the number of basic models will be reduced by about 30% as a result of the implementation of the restructuring program.

In addition to shutdowns and transfer of production, substantial changes are being made in the functions for marketing, sales and logistics, which will enable improved customer service. The order fill rate for white goods in Europe, i.e. our ability to deliver the right goods in the right place at the right time, has increased by more than 30% since the restructuring program began. Total warehouse area has been reduced by about 15%. Our goal is a 25% reduction in the warehouse area for white goods in Europe by year-end 1999, on the basis of current IT investments, more efficient inventory management and more direct deliveries.

Implementing the comprehensive cutbacks and changes comprised by the restructuring program is a very painful process for Electrolux. I am impressed by the way our personnel have performed this difficult task.

Continued streamlining

The sale of Överums Bruk in agricultural implements, the SIA group in items for interior decoration, and Gotthard Nilsson in recycling of primarily aluminium, marks the divestment of all operations outside our three core areas, Household Appliances, Professional Appliances and Outdoor Products.

We also divested operations in kitchen and bathroom cabinets, professional cleaning equipment and heavy-duty laundry equipment. An agreement was also reached regarding divestment of our operation in direct-sales. The above operations were either non-strategic or not large enough to be profitable.

The operations divested during 1998 together with Lux had total annual sales of about SEK 7,400m and about 11,600 employees. Total net capital gains of the divestment of major units during the year amounted to SEK 964m.

A more cohesive Group

In addition to our efforts to concentrate operations to the areas where the Group has leading positions and a competitive edge, we are aiming at better coordination both within and between our core areas in order to better utilize the Group's total size.

Among other things, this involves combining smaller operational units and companies so that they share service functions within a common larger unit. The number of operational units in the Group was reduced in 1998 by 92 to 489. Substantial changes in this regard are being made within white goods in Europe. In order to achieve better coordination of this operation and above all to improve service to large pan-European customers, we have decided to establish a new company, Electrolux Home Products, which will be the main company for white goods in Europe.

Considerable effort has been devoted in recent years to developing the Group's information infrastructure and standardizing IT systems and applications. In 1998 a new IT organization with new management which has global responsibility for our computer operations was implemented. Investment in IT during the year amounted to almost SEK 200m. Over the next few years we will make substantial investments aimed at supporting business operations with new technology in order to reduce costs and improve our customer service.

With regard to the year 2000 issue, more than half of the Group's systems for administration and production are now Y2K-compliant. The goal is for all systems to be compliant by mid-1999. The total cost of Y2K-compliancy is estimated at approximately SEK 320m. We do not expect any problems to arise in connection with currently or previously sold products.

A new organization for the Group's purchasing operations was established during 1998, also with new management. Electrolux annual purchases of goods and service amount to approximately SEK 55 billion, and the Group's size must be utilized as far as possible to achieve quality improvements and cost reductions in this area as well. Purchasing activities should also be better integrated in product development and production. The new organization gives us a more systematized decision-making process, with buyers who have global responsibility in different product areas, and a Group purchasing council that includes the heads of all six business sectors. While the total number of suppliers is being reduced, some purchases are being shifted from traditional markets to Eastern Europe and Asia.

New brand policy

The numerous acquisitions have given Electrolux many brands, particularly in Household Appliances and Professional Appliances. These brands are of course substantial assets, but they also create complexity in operations. In addition, some brands have unclear or even contradictory positions in the market.

Following comprehensive work on the brand issue over the past two years, in December 1998 a new brand policy was finalized that involves focusing the resources on a smaller number of large and well-defined brands. These will be positioned consistently in all markets where they are used, although in some cases there will be local adaptations. The brand policy also involves greater emphasis on Group membership, as an endorsement of Electrolux will be included in market communications for the other brands. Implementation of the new policy began immediately and will be completed within the next three years.

Human resource activities

In human resource activities, we focus primarily on creating a leadership that features greater diversity and better reflects the scope of the Group in terms of geography, customers and personnel.

It is important for the Group to be perceived as an attractive employer by recent university graduates in order to facilitate recruitment of younger personnel. We are also implementing measures to stimulate greater mobility for our managers between countries and operations. During the year, the project for an internal labor market was expanded, which will be implemented throughout the Group during 1999.

A number of training courses were implemented during the year within Electrolux University on such subjects as leadership, project management, and strategic development. One important purpose of this training is to contribute to a common Electrolux culture.

Changes in management and the Board of Directors

Two members of the Group's executive management retired with pensions in 1998, and another will leave early in 1999. We will thus have three new members in executive management. The Annual General Meeting in April also approved several changes in the Board of Directors. Rune Andersson, Chairman of the Boards of Trelleborg AB and Svedala Industri AB, was elected as new chairman, succeeding Anders Scharp. The Board also became more international with the election of Nobuyuki Idei, President of Sony Corporation, and Karel Vuursteen, President of Heineken N.V.

Increased focus on shareholder value

The Annual General meeting also approved the Board's proposal for a change in the voting rights of B-shares, from 1/1000 to 1/10. The share of voting rights for the 356 million B-shares thus rose from 3.4% of the total to 78.1%, while the share of voting rights for the 10 million A-shares decreased from 96.6% to 21.9%. The change was made to promote interest in the Electrolux B-share and its valuation.

In order to facilitate trading and greater distribution of shares, the Board has decided to list the B-shares in both euro and Swedish kronor on the Stockholm Stock Exchange. Electrolux will thus be one of the first Swedish companies to utilize the possibility of a double listing.

The trading price of B-shares rose by 39% in 1997 and 27% in 1998, which was higher than the general index for the Stockholm Stock Exchange, which rose by 25% and 10% in these two years. The volume of B-shares traded has risen in both Stockholm and London, since the beginning of 1997, while the proportion of foreign owners also has increased.

For 1998, the Board has proposed a dividend of SEK 3.00, which is in line with our goal of a dividend that corresponds to 30-50% of net income for the year.

During the year we continued to develop the internal system for monitoring results and profitability in order to achieve greater focus on value for shareholders. On the basis of a market-defined cost of the capital employed in the Group, in the light of current interest-rate levels and the Group's market capitalization, we are expected to achieve a return of about 17% on net assets in order to create sufficient value for shareholders.

Similarly, goals for the return on net assets for business sectors as well as for product lines have been set. The targets for returns for the sectors vary between 14% and 22%, depending on the geographical spread of assets, as well as differences in interest rates, tax rates and risk. Targets for specific products lines are higher in some cases.

Achieving a return of 17% on existing net assets in 1998 would have required operating income of SEK 7,500m. We are thus still not creating value for shareholders according to our model, but the rate of improvement has been good.

During 1999 options will be issued to senior management for the first time in accordance with the annual program that was approved by the Board in 1997. The program is tied to an increase in value for shareholders from the previous year.

Changes in our business environment

Most of Electrolux product areas feature continued globalization and increasing competition. The market in Europe is becoming more integrated. The single currency will involve greater transparency that will affect the pricing of our products. The European market also shows an ongoing consolidation of the retail structure toward larger companies that operate in several countries. New sales channels are emerging, electronic shoping most of all. Increased environmental awarness among consumers and new environmental regulations and legislation require more resource-efficient products and processes.

However, the changes in the business environment comprise opportunities as well as threats. The launch of the euro means that we have to concentrate more on strategic marketing issues. On the whole, the euro will have a positive effect on our operations, through lower transaction costs and a considerably reduced currency exposure. About 40% of the Group's sales are in countries that are presently members of the EMU. As of 1999, the euro is already used as a means of payment for transactions within the Group. Over the next few years we will gradually convert to the euro for billing customers and paying suppliers. As for a possible transition to financial reporting in euro, we will wait for a change in Swedish legislation.

The consolidation of the retail sector will favor large companies that can offer pan-European service. Electrolux is the largest white-goods manufacturer in Europe, with broad geographical coverage and several of the most valuable brands. An extensive product range and a large number of brands, means that a high degree of differentiation to specific customers can be offered. The marketing and logistics functions are also being changed in order to offer improved service to both large and small retailers, as well as reduced costs for both parties.

Shopping and demand for customer service on the Internet will grow at a rapid rate over the next few years. At present we are selling a limited range of spare parts and accessories on a trial basis on the net. During 1999 this offering will be expanded, and new services in cooperation with retailers will also be offered.

With regard to demands for products and processes with lower environmental impact, Electrolux has long had the stated strategy of being the leader. The Group has a number of environmentally leading products, and is well-prepared for changes in this area. The products with the best environmental features usually show profitability that is above the average for Group products. Within white goods in Europe, these products account for 15% of total unit sales, but 21% of the gross margin. Reduced consumption of energy and water means lower operating costs and lower total costs for consumers.

Design will become increasingly important for making products more attractive and giving consumers greater freedom of choice. During the year we arranged an exhibition on the history of Electrolux design, which attracted a good deal of attention. We also received an award for a refrigerator door-handle that makes life easier for the disabled.

Good prospects for Electrolux

Electrolux has a good foundation in the form of leading market positions, large sales volumes, strong brands and a good product range. Internal changes aimed at improving efficiency are creating more room for pro-active investments in such areas as product development and marketing.

I am convinced that Electrolux will have good prospects for growth in both traditional and new markets. Although in relative terms market shares are high in Europe and North America, there is still room for expansion in a number of countries and product areas.

About one-third of the world market for white goods is in Asia and Latin America, which today account for less than 10% of total Group sales, and for even less of white-goods sales. The short-term goal is to stabilize the existing operations in these markets, particularly in Brazil, China, India and the ASEAN countries. However, the long-term goal is to grow in these markets, in white goods as well as in other product areas.

Outlook for 1999

We expect relatively unchanged demand in Europe and the US during 1999, but we are prepared to act if there is a decline. Plans have been made in anticipation of a further weakening of the Brazilian market.

We are focusing on completing the restructuring program as well as other current internal changes. In the absence of renewed turbulence in the financial markets and a subsequent large decline in demand in our major markets, we expect to achieve a continued improvement in income in 1999.

Michael Treschow
President and CEO

Report by the Board of Directors for 1998

Net sales

Net sales for the Electrolux Group in 1998 rose to SEK 117,524m, as against SEK 113,000m in the previous year, of which 95% (95) or SEK 111,873m (107,115) was outside Sweden. Of the 4% increase in sales, changes in the Group's structure accounted for –2%, changes in exchange rates for +2%, and volume and price/mix for +4%. For changes in Group structure, see page 14.

Income and profitability

Group operating income amounted to SEK 7,028m (2,654), which corresponds to 6.0% (2.3) of net sales, and income after financial items amounted to SEK 5,850m (1,232), which corresponds to 5.0% (1.1) of net sales. Income before taxes improved to SEK 5,926m (1,283), corresponding to 5.0% (1.1) of net sales. Net income after minority interests and taxes amounted to SEK 3,975m (352), corresponding to SEK 10.85 (0.95) per share.

Items affecting comparability

The above figures for 1998 include items affecting comparability of SEK 964m. These items comprise the net of capital gains and costs arising from divestments of major operations, see page 14. Income for 1997 included a capital gain of SEK 604m and a provision of SEK 2,500m for the ongoing restructuring program.

Exclusive of items affecting comparability, operating income improved by 33% to SEK 6,064m (4,550), corresponding to 5.2% (4.0) of net sales, and income after financial items improved by 56% to SEK 4,886m (3,128), corresponding to 4.2% (2.8) of net sales. Income before taxes improved by 56% to SEK 4,962m (3,179), corresponding to 4.2% (2.8) of net sales. Net income increased by 82% to SEK 3,235m (1,782).

Operating income was charged during the second quarter with costs totalling SEK 175m referring to doubtful accounts receivable and adjustments in response to the decline in market conditions in Brazil and the ASEAN countries. A corresponding charge of approximately SEK 150m was taken during the fourth quarter of 1997.

Fourth quarter 1998

Sales for the Group in the fourth quarter of 1998 amounted to SEK 28,133m, as against SEK 27,821m for the corresponding period in 1997. Of the 1% increase in sales, changes in currency rates accounted for +4%, changes in the Group's structure for –4%, and volume and price/mix for +1%.

Operating income rose by 57%, to SEK 1,753m (1,120), income after financial items rose by 107% to SEK 1,546m (746), and income before taxes rose by 91% to SEK 1,584m (830). Net income improved by 280% to SEK 1,093m (288), which corresponds to SEK 2.95 (0.80) per share.

Income for the fourth quarter includes items affecting comparability in the amount of SEK 159m. These items comprise capital gains of approximately SEK 348m on the divestment of the operations in professional cleaning equipment and recycling, as well as costs of approximately SEK 89m referring to divestment of the holding in a joint venture for microwave ovens in France and a provision of SEK 100m for the divestment of the direct sales operation.

Exclusive of items affecting comparability, operating income rose by 42% to SEK 1,594m (1,120), income after financial items rose by 86% to SEK 1,387m (746), and income before taxes rose by 72% to SEK 1,425m (830).

The improvement in operating income refers mainly to the Household Appliances business area, but Professional Appliances and Outdoor Products also reported higher income.

Effects of changes in exchange rates
Operating income for the full year of 1998 was favorably effected in the amount of approximately SEK 200m by translation of income statements in foreign subsidiaries. Overall, changes in exchange rates in terms of both translation and transactions had a net positive effect of approximately SEK 50m on the Group's operating income. This effect is primarily due to the weakening of the Swedish krona. The strengthening of the GBP had a favorable effect on income, but this was counteracted by the adverse effects on income of higher rates for the DEM and the ITL. The net effect on income after financial items was not significant.

Profitability
The return on equity after taxes was 19.3% (1.6), and the return on net assets was 16.3% (6.1).

Excluding items affecting comparability, the return on equity was 14.8% (7.9), and the return on net assets was 13.7% (10.2). For definitions of key ratios, see page 23.

Net financial items
The net of Group financial income and expense amounted to SEK –1,178m (–1,422), which corresponds to –1.0% (–1.3) of net sales. The improvement in net financial items is traceable to improved cash flow and to generally lower interest rates.

Taxes
Taxes reported by the Group consist of income taxes, including deferred taxes. Real-estate taxes and similar charges have been included in operating income since 1994.

Total taxes for 1998 amounted to SEK 1,951m (931), corresponding to 32.9% (72.5) of income before taxes. Exclusive of items affecting comparability, the actual tax rate was 34.8% (43.9). The high tax rate in 1997 was due among other things to the fact that losses in some countries referring mainly to the costs of the ongoing restructuring program could not be fiscally utilized during the year.

Cash flow
The cash flow generated by business operations and from investments rose considerably to SEK 3,922m (958), after adjustment for exchange-rate effects. The improvement is traceable mainly to higher income, lower capital expenditure and higher proceeds on divestment of operations.

Summary of cash flow	**1998 SEKm**	1997 SEKm
Income after financial items	**5,850**	1,232
Depreciation according to plan	**4,125**	4,255
Capital gain/loss included in operating income	**-964**	-658
Provision for restructuring, not affecting liquidity in 1997	**-1,122**	1,809
Taxes paid	**-2,135**	-1,920
Change in operating assets and liabilities	**-1,056**	584
Investments in operations	**-237**	-968
Divestment of operations	**2,342**	1,061
Capital expenditure	**-3,756**	-4,329
Other	**875**	-108
Total cash flow from operations and investments	**3,922**	958

Operations by business area

Demand increased during the year for both Household Appliances and Outdoor Products in Europe as well as the US. Market conditions for Professional Appliances were relatively unchanged, however. A continued sharp decline in demand occurred in Brazil and Southeast Asia, which had an adverse effect particularly on Household Appliances.

The increase in operating income during the year is traceable largely to the Household Appliances business area, but Professional Appliances also reported a substantial improvement. Both business areas achieved considerably better operating margins. Outdoor Products also reported higher income than in 1997, and unchanged margin.

Household Appliances

The market for white goods in Western Europe showed growth in volume of 4.5% for the year as a whole. The increase refers primarily to the first and second quarters.

Group sales for this product area increased over the previous year. Higher sales volumes and implemented restructuring led to a considerable improvement in operating income and margin for the European white-goods operation. A fire at the refrigerator plant in Hungary and a sharp decline in deliveries to Russia had an adverse effect on both sales and income for the last two quarters of 1998.

The white-goods market in the US increased by almost 9% in volume. Frigidaire Home Products achieved strong growth in volume, which together with greater internal efficiency led to a marked improvement in operating income.

The market for white goods in Brazil declined in volume by about 17%. Group sales in the Brazilian market were lower than in 1997, which together with the costs of personnel cutbacks and charges for doubtful accounts receivable led to a substantial decline in income.

Overall, the Group's operation in white goods showed a considerable improvement in operating income in comparison with the previous year.

Other household appliances also achieved higher operating income, mainly on the basis of greater sales volumes and improved income for the operations in room air-conditioners, leisure appliances and components. Floor-care products in the US also reported a substantial rise in operating income as a result of higher internal efficiency.

Total sales for the Household Appliances business area increased compared to 1997. Operating income and margin improved considerably.

Professional Appliances
Demand for food-service equipment in Europe was largely unchanged from 1997. Group sales in this product area were somewhat higher. There was a marked improvement in operating income as a result of implemented restructuring, although from a very low level in the previous year. The operation in food and beverage vending machines continued to show strong growth in sales and income.

Demand for professional laundry equipment increased in several European countries, but weakened in the US and the ASEAN countries. Total sales for this product lines were lower than in 1997, mainly due to the divestment of the operation in heavy-duty laundry equipment. Operating income declined somewhat, although margin remained unchanged.

Sales of refrigeration equipment rose in both Europe and new markets in Latin America and Asia. Higher volumes together with implemented restructuring led to an improvement in operating income for this product line from the low level of the previous year.

Overall, sales for Professional Appliances were largely unchanged from the previous year. There was a marked increase in operating income, and margin more than doubled.

Outdoor Products
Demand for chain saws for professional users was somewhat lower for the full year than in 1997. The decline is traceable mainly to Asia and Oceania, but the market in Western Europe also weakened during the second half. Demand in the US remained at a high level, however. Sales for Husqvarna were largely unchanged in terms of volume. Operating income improved somewhat and the high margin remained unchanged.

The US market for hobby chain saws showed some decline. However, demand for garden equipment in the American market increased within several areas. Total sales for the Group's US operation in outdoor products were higher than in 1997. Operating income was largely unchanged, however, and operating margin was lower.

Increased demand for garden equipment in Europe together with launches of new products generated good growth in sales for Flymo. Operating income improved considerably from a low level.

Total sales and operating income improved for the Outdoor Products business area compared to 1997, and margin was unchanged.

Equity
Group equity as of December 31, 1998 amounted to SEK 24,480m (20,565), which corresponds to SEK 67 (56) per share.

Change in equity, SEKm

Opening equity	20,565
Dividend	-915
Translation differences, etc.	855
Net income for the year	3,975
Equity at year-end	24,480

Equity/assets and net debt/equity ratios
The equity/assets ratio increased to 35.4%, as against 30.8% in 1997. Computation of this ratio involves deducting liquid funds from short-term borrowings.

The net debt/equity ratio, i.e. net borrowings in relation to adjusted equity, improved to 0.71 (0.94). The Group's goal is that the net debt/equity ratio should not exceed 1.0.

Liquid funds at year-end amounted to SEK 11,387m (9,834), corresponding to 9.5% (8.6) of net Group sales. The Group continued to amortize long-term loans during the year.

All of the above figures have been calculated inclusive of items affecting comparability. For definitions of the above ratios, see page 23.

Net assets

Net assets, i.e. total assets less liquid funds and all non-interest-bearing liabilities including deferred tax on untaxed reserves, increased to SEK 43,399m (41,637). Net assets amounted to 36.2% (36.5) of sales, after adjustment for exchange-rate effects.

As of 1999, the definition of net assets will be changed to comprise solely the assets that generate operating income, and will thus be exclusive of financial receivables. Applied for 1998, this would involve a decrease of SEK 3,068m in net assets and a return on net assets of 17.6%.

Inventories and accounts receivable
Inventories in 1998 amounted to SEK 17,325m (16,454) and accounts receivable to SEK 21,859m (21,184), which after adjustment for exchange-rate effects corresponds to 14.4% (14.4) and 18.2% (18.6) of net sales, respectively.

Capital expenditure and R&D costs
Capital expenditure in 1998 amounted to SEK 3,756m (4,329), of which SEK 477m (591) referred to Sweden. Capital expenditure thus corresponded to 3.2% (3.8) of net sales.

Costs for research and development in 1998 amounted to SEK 1,535m (1,585), corresponding to 1.3% (1.4) of net sales.

Ongoing restructuring program
The two-year restructuring program authorized by the Board in June 1997 has proceeded according to plan. The program involves personnel cutbacks of about 12,000 on the basis of the shutdown of about 25 plants and 50 warehouses, as well as comprehensive changes in the Group's marketing and sales organizations. The changes refer primarily to the Household Appliances and Professional Appliances business areas in Europe.

The aim of the program is to enable the Group to achieve its long-term goals of an operating margin of 6.5-7% and a return on equity of at least 15%.

Between the start of the program in June 1997 and year-end 1998, a total of 9,200 employees had left the Group, of whom 5,400 during 1998.

Eighteen plants have been shut down or divested in the UK, Hungary, Sweden, Finland, the Czech Republic, Austria, France and North America, eleven of them in 1998. Most of these plants were in the Professional Appliances business area. Negotiations regarding shutdowns have been started or completed for another two units. Thirty warehouses have also been shut down or divested, thirteen of them in 1998. Decisions have been made regarding the shutdown of another nine.

A total of approximately SEK 1,820m has been utilized of the provision of SEK 2,500m that was allocated for the program during the second quarter of 1997. Approximately SEK 1,120m of the provision was utilized in 1998. About 80% of the total provision refers to the costs of personnel cutbacks. The remainder refers to removal costs and write-downs on inventories and other assets.

Acquisitions and divestments

As of January 1, 1998 the Group divested the operation in agricultural implements, which in 1997 had sales of SEK 257m and about 250 employees, as well as the SIA group, which markets items for interior decoration and in 1997 had sales of approximately SEK 535m and about 270 employees. As of January 1, 1998 the Group also divested Senkingwerk GmbH, which produces heavy-duty equipment for industrial laundries and in 1997 had sales of over SEK 200m and about 170 employees.

The operation in kitchen and bathroom cabinets in the US, run through the Schrock Cabinet Company, was divested as of June 12. The corresponding operation in Europe was divested as of July 1, comprising Ballingslöv AB in Sweden, Dansk Formpladeindustri A/S in Denmark, and the Paula Rosa division in the UK. All operations in the kitchen and bathroom cabinets product line, which in 1997 had total sales of SEK 2,137m and about 2,200 employees, have thus been divested.

As of October 1, the Group divested the operation in professional cleaning equipment, including vacuum cleaners, wet/dry cleaners and scrubbers, which had annual sales of SEK 850m and about 850 employees.

The Gotthard Nilsson group, engaged in recycling and production of secondary aluminium, was divested as of December 31, 1998. In 1997 the company had sales of about SEK 1,900m and about 500 employees.

In December the Group also divested its 50% stake in the French company CEFEMO, which produces microwave ovens. This operation was run as a joint venture with the Italian company ELFI and became part of the Group in connection with the acquisition of AEG Hausgeräte.

In December an agreement was reached for the divestment of AB Lux, the Group's company for direct sales of household appliances. Lux reported sales of SEK 1,500m in 1997, with operations in 35 countries and about 7,400 employees. The divestment has not yet been finalized.

The divested operations together with Lux had total annual sales of approximately SEK 7,400m and about 11,600 employees.

Divestments of major operations in 1998 generated a total capital gain of SEK 1,153m. In addition a cost of SEK 89m was charged for the divestment of the holding in CEFEMO. A provision of SEK 100m was also made for costs related to the divestment of the Lux operation. In total, items affecting comparability in 1998 amounted to a net of SEK 964m.

New joint venture in India
At the start of October an agreement was reached on a joint venture with Voltas Ltd in India. Voltas will transfer its operation in refrigerators, washing machines and compressors in two stages to a new company in which Electrolux owns 74% of the capital and Voltas 26%. The first stage was completed as of October, 1998.

The new company is being integrated with the Group's existing white-goods operation in India. Following the final transfer of Voltas' operation in April 1999, annual Group sales of white goods in India will amount to approximately INR 7,900 million (approximately SEK 1,500m). Electrolux will thus become one of the three largest producers of white goods in the Indian market, and the largest in the refrigerator product area.

Employees
The average number of employees in 1998 was 99,322 (105,950), of whom 9,749 (10,029) were in Sweden. At year-end the total number of employees was 93,864 (103,000).

The decrease from the previous year is largely a result of the ongoing restructuring program, which in 1998 involved cutbacks affecting a total of about 5,400 persons as well as the divestments of operations.

Parent company
Net sales for the parent company in 1998 amounted to SEK 5,918m (5,791), of which SEK 3,060m (2,930) referred to sales to Group companies and SEK 2,858m (2,861) to sales to external customers. Net income amounted to SEK 1,989m (1,652).

Proposed dividend
The Board of Directors proposes an increase of the dividend for 1998 to SEK 3.00 per share, for a total dividend payment of SEK 1,099m.

Listing in Swedish kronor and euro
In order to facilitate trading and greater distribution of shares, the Board has decided to list the B-shares in both euro and Swedish kronor on the Stockholm Stock Exchange.

Stock split and increased voting right for B-share
In April 1998 the Annual General Meeting authorized a stock split of 5:1 and a change in the Company's Articles of Association that enabled increasing the voting rights of B-shares from 1/1000 to 1/10. The share of the total voting rights in the Company represented by B-shares thus increased from 3.4% to 78.1%, and the share of A-shares decreased from 96.6% to 21.9%. The stock split involved changing the par value of all shares in Electrolux from SEK 25 to SEK 5.

The shares were listed at the new par value and with increased voting rights for B-shares as of June 2, 1998 on all European stock exchanges where the Group is registered, and in the US as of June 11, 1998. Electrolux B-shares are listed in the US within NASDAQ in the form of depositary receipts (ADRs). The relation between ADRs and B-shares was adjusted, so that one ADR now corresponds to two B-shares, instead of one.

Options program
In January 1998 the Board decided to introduce an annual options program for about 100 senior managers. The options are allotted on the basis of the value created after charging the Group's operating income with a market-determined cost of capital on the Group’s net assets. If no value has been created, no options are issued.

The first options will be issued during the first half of 1999 on the basis of the increase in value from 1997 to 1998. The provision for the 1998 options program amounted to SEK 38m plus employer contributions.

The options cannot be used to purchase Electrolux shares, but will be redeemed for cash by the Company. The value of the options is linked to the trading price of the Electrolux B-shares. The strike price is 115% of the trading price on the date the options are issued. The maturity period is 5 years.

The Board has also authorized the options program for 1999, under which options will be issued in 2000, on condition that value is created in comparison with 1998.

Litigation on pension commitments in the US
A verdict has not yet been announced in litigation regarding pension liabilities in Electrolux US subsidiary White Consolidated Industries, Inc. The litigation has been in progress in a Federal court in Pittsburgh, Pennsylvania since 1991 and was completed in April 1997.

The plaintiff is a government agency, the Pension Benefit Guaranty Corporation (PBGC), responsible for the payment of defaulting pension obligations. The PBGC alleges a principal purpose to evade pension liabilities in a divestment by White Consolidated in 1985, the year before White Consolidated was acquired by Electrolux. PBGC is seeking to hold White Consolidated liable for the underfunding in certain pension plans which the PBGC estimated in March, 1997 to be approximately USD 177 million, including interest. Electrolux believes that the PBGC action is devoid of merit, and has therefore made no provision.

Electrolux millennium program
Since 1996, Electrolux has been working on solutions for problems that may arise in the Group’s computer systems and electronic components in products, plants and offices in connection with the millennium shift. The millennium issue is seen as operational, and is not limited to IT-applications. It also covers products, manufacturing processes, office and building systems, third parties.

More than 50% of the currently identified factory and office applications are now compliant. The remaining applications are under way and the target is 100% compliance by mid-1999.

The cost of the changes implemented to date amounts to approximately SEK 140m. The total cost of Y2K compliance for Electrolux is estimated at approximately SEK 320m, whereof approximately SEK 250m for changes in IT-applications.

Stockholm, February 16, 1999

AB ELECTROLUX (publ)
Board of Directors

Consolidated income statement

	1998 USDm	1998 SEKm	1997 SEKm	Fourth quarter 1998 SEKm	Fourth quarter 1997 SEKm
Net sales	**14,460**	**117,524**	113,000	**28,133**	27,821
Cost of goods sold[1)]	**-10,692**	**-86,899**	-83,144	**-20,379**	-20,204
Selling expenses[1)]	**-2,222**	**-18,058**	-18,850	**-4,369**	-5,030
Administrative expenses[1)]	**-780**	**-6,336**	-6,201	**-1,761**	-1,447
Other operating income/expense	**-21**	**-167**	-255	**-30**	-20
Items affecting comparability	**119**	**964**	-1,896	**159**	
Operating income*)	**865**	**7,028**	2,654	**1,753**	1,120
Margin,%	***6.0***	***6.0***	*2.3*	***6.2***	*4.0*
Financial items, net	**-145**	**-1,178**	-1,422	**-207**	-374
Income after financial items	**720**	**5,850**	1,232	**1,546**	746
Margin,%	***5.0***	***5.0***	*1.1*	***5.5***	*2.7*
Minority interests in income before taxes	**9**	**76**	51	**38**	84
Income before taxes	**729**	**5,926**	1,283	**1,584**	830
Margin,%	***5.0***	***5.0***	*1.1*	***5.6***	*3.0*
Taxes	**-240**	**-1,951**	-931	**-491**	-542
Net income	**489**	**3,975**	352	**1,093**	288
** Including depreciation in the amount of:*	***-508***	***-4,125***	*-4,266*	***-1,008***	*-1,020*

1) The principles for distributing costs have been revised and the figures for 1997 have been adjusted accordingly

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Consolidated balance sheet

	Dec. 31, 1998 USDm	Dec. 31, 1998 SEKm	Dec. 31, 1997 SEKm
Fixed assets	**3,431**	**27,885**	27,780
Inventories, etc.	**2,086**	**16,957**	16,110
Accounts receivable	**2,690**	**21,859**	21,184
Other receivables	**640**	**5,201**	4,732
Liquid funds	**1,401**	**11,387**	9,834
Total assets	**10,248**	**83,289**	79,640
Shareholders’ equity	**3,012**	**24,480**	20,565
Minority interests	**117**	**953**	913
Interest-bearing liabilities and provisions	**3,612**	**29,353**	29,993
Non-interest-bearing liabilities and provisions	**3,507**	**28,503**	28,169
Total equity and liabilities	**10,248**	**83,289**	79,640

Exchange rate 1USD=SEK 8.1275

Parent company income statement

	1998 USDm	1998 SEKm	1997 SEKm
Net sales	**728**	**5,918**	5,791
Operating expense	**-747**	**-6,069**	-6,015
Operating income	**-19**	**-151**	-224
Group contributions	**129**	**1,049**	1,713
Financial items, net	**138**	**1,122**	131
Income after financial items	**249**	**2,020**	1,620
Allocations	**3**	**26**	102
Income before taxes	**252**	**2,046**	1,722
Taxes	**-7**	**-57**	-70
Net income	**245**	**1,989**	1,652

Parent company balance sheet

	Dec. 31, 1998 USDm	Dec. 31, 1998 SEKm	Dec. 31, 1997 SEKm
Fixed assets	**3,358**	**27,290**	25,812
Inventories, etc.	**73**	**593**	482
Current receivables	**82**	**666**	655
Receivables from Group companies	**758**	**6,159**	4,046
Liquid funds	**251**	**2,036**	3,159
Total assets	**4,521**	**36,744**	34,154
Shareholders' equity	**1,402**	**11,394**	10,320
Untaxed reserves	**67**	**548**	574
Owed to Group companies	**706**	**5,740**	4,696
Interest-bearing liabilities and provisions	**2,157**	**17,531**	17,174
Non-interest-bearing liabilities and provisions	**188**	**1,531**	1,390
Total equity and liabilities	**4,521**	**36,744**	34,154

Statements of changes in financial position

	Group			Parent company		
	1998 USDm	**1998 SEKm**	1997 SEKm	**1998 USDm**	**1998 SEKm**	1997 SEKm
Operations and investments						
Income after financial items	**720**	**5,850**	1,232	**248**	**2,020**	1,620
Depreciation according to plan	**508**	**4,125**	4,255	**36**	**289**	280
Capital gain/loss included in operating income	**-119**	**-964**	-658	**-9**	**-77**	-12
Provision for restructuring, not affecting liquidity in 1997	**-138**	**-1,122**	1,809	**-**	**-**	-
Taxes paid	**-263**	**-2,135**	-1,920	**-6**	**-48**	-215
Changes in operating assets and liabilities	**-130**	**-1,056**	584	**-203**	**-1,650**	653
Investments in operations	**-29**	**-237**	-968	**-**	**-**	-
Divestment of operations	**288**	**2,342**	1,061	**-**	**-**	-
Capital expenditure	**-462**	**-3,756**	-4,329	**-31**	**-250**	-175
Other	**108**	**875**	-108	**-185**	**-1,504**	-1,583
Total cash flow from operations and investments	**483**	**3,922**	958	**-150**	**-1,220**	568
Change in short-term loans	**117**	**954**	334	**-141**	**-1,147**	123
Change in long-term loans	**-368**	**-2,988**	-4,155	**266**	**2,159**	-3,191
Dividends	**-113**	**-915**	-915	**-113**	**-915**	-915
Change in minority interests	**1**	**6**	-58	**-**	**-**	-
Total cash flow	**120**	**979**	-3,836	**-138**	**-1,123**	-3,415
Liquid funds at beginning of year	**1,210**	**9,834**	13,510	**389**	**3,159**	6,574
Exchange-rate differences referring to liquid funds	**71**	**574**	160	**-**	**-**	-
Liquid funds at year-end	**1,401**	**11,387**	9,834	**251**	**2,036**	3,159
Total cash flow excl. change in short-term loans	**3**	**25**	-4,170	**3**	**24**	-3,538
Net liquid funds at beginning of year	**6**	**46**	4,600	**-129**	**-1,048**	2,490
Exchange-rate differences referring to net liquidity	**5**	**41**	-384	**-**	**-**	-
Net liquid funds at year-end	**14**	**112**	46	**-126**	**-1,024**	-1,048

Net sales by business area

	1998 SEKm	Share %	1997 SEKm	Share %
Household Appliances	**84,581**	**72.0**	81,419	72.1
Professional Appliances	**11,574**	**9.8**	11,413	10.1
Outdoor Products	**19,295**	**16.4**	18,087	16.0
Other[1]	**2,074**	**1.8**	2,081	1.8
Total	**117,524**	**100.0**	113,000	100.0

1) Gotthard Nilsson, etc.

Operating income by business area

Excl. items affecting comparability[1]	1,998 SEKm	Share %	1997 SEKm	Share %
Household Appliances[2]	**4,065**	**67.0**	2,943	64.7
Margin, %	***4.8***		*3.6*	
Professional Appliances	**723**	**11.9**	340	7.5
Margin, %	***6.2***		*3.0*	
Outdoor Products	**1,788**	**29.5**	1,680	36.9
Margin, %	***9.3***		*9.3*	
Other[3]	**-76**	**-1.2**	67	1.5
Common Group cost[4]	**-436**	**-7.2**	-480	-10.6
Total	**6,064**	**100.0**	4,550	100.0

1) Items affecting comparability in 1998 include capital gains net totalling approximately SEK 964m, and in 1997 a capital gain of SEK 604m as well as a provision of SEK 2,500m for the current restructuring program.

2) Including a charge of SEK 175m in Brazil and Asia during 1998. A corresponding charge of SEK 150m was taken in 1997.

3) Includes the operation in Gotthard Nilsson, cost in the financial operation, etc. In 1997 this item also included a capital gain of approx. SEK 50m on the divestment of the operation in goods protection.

4) As of the first quarter of 1998 these items are not distributed among the different business areas. The figures for the previous year have been adjusted accordingly.

Quarterly figures

Net sales and income per quarter		1st qtr	2nd qtr	3rd qtr	4th qtr	Full year
Net sales, SEKm	**1998**	**28,567**	**32,308**	**28,516**	**28,133**	**117,524**
	1997	26,345	30,928	27,906	27,821	113,000
Operating income, SEKm	**1998**	**1,376**	**2,224**	**1,675**	**1,753**	**7,028**
	Margin,%	***4.8***	***6.9***	***5.9***	***6.2***	***6.0***
	1998 1)	**1,376**	**1,669**	**1,425**	**1,594**	**6,064**
	Margin,%	***4.8***	***5.2***	***5.0***	***5.7***	***5.2***
	1997	1,004	-572	1,102	1,120	2,654
	Margin,%	*4.2*	*4.2*	*3.5*	*4.0*	*2.3*
	1997 2)	1,004	1,324	1,102	1,120	4,550
	Margin,%	*3.8*	*4.3*	*3.9*	*4.0*	*4.0*
Income after financial items, SEKm	**1998**	**1,060**	**1,863**	**1,381**	**1,546**	**5,850**
	Margin,%	***3.7***	***5.8***	***4.8***	***5.5***	***5.0***
	1998 1)	**1,060**	**1,308**	**1,131**	**1,387**	**4,886**
	Margin,%	***3.7***	***4.0***	***4.0***	***4.9***	***4.2***
	1997	683	-947	750	746	1,232
	Margin,%	*2.6*	*-3.1*	*2.7*	*2.7*	*1.1*
	1997 2)	683	949	750	746	3,128
	Margin,%	*2.6*	*3.1*	*2.7*	*2.7*	*2.8*
Income before taxes, SEKm	**1998**	**1,075**	**1,868**	**1,399**	**1,584**	**5,926**
	1998 1)	**1,075**	**1,313**	**1,149**	**1,425**	**4,962**
	1997	600	-911	764	830	1,283
	1997 2)	600	985	764	830	3,179
Net income, SEKm	**1998**	**667**	**1,230**	**985**	**1,093**	**3,975**
	1998 1)	**667**	**862**	**766**	**940**	**3,235**
	1997	355	-753	462	288	352
	1997 2)	355	562	462	403	1,782
Net income per share, SEK	**1998**	**1.85**	**3.35**	**2.70**	**2.95**	**10.85**
	1998 1)	**1.85**	**2.35**	**2.10**	**2.55**	**8.85**
	1997	0.95	-2.05	1.25	0.80	0.95
	1997 2)	0.95	1.55	1.25	1.10	4.85

1) Excluding capital gains/losses of SEK 964m.
2) Excluding costs of SEK 2,500m for the current restructuring program, and a capital gain of SEK 604m.

Net sales by business area, per quarter, SEKm

		1st qtr	2nd qtr	3rd qtr	4th qtr	Full year
Household Appliances	**1998**	**20,140**	**21,512**	**21,345**	**21,584**	**84,581**
	1997	18,886	20,873	20,809	20,851	81,419
Professional Appliances	**1998**	**2,722**	**2,999**	**2,760**	**3,093**	**11,574**
	1997	2,406	3,159	2,814	3,034	11,413
Outdoor Products	**1998**	**5,157**	**7,246**	**3,790**	**3,102**	**19,295**
	1997	4,617	6,265	3,819	3,386	18,087
Other[1)]	**1998**	**548**	**551**	**621**	**354**	**2,074**
	1997	436	631	464	550	2,081

1) Gotthard Nilsson, etc.

Operating income by business area, per quarter, SEKm

Excl. items affecting comparability		1st qtr	2nd qtr	3rd qtr	4th qtr	Full year
Household Appliances	**1998**	**879**	**813[1)]**	**1,057**	**1,316**	**4,065**
	Margin,%	***4.4***	***3.8***	***5.0***	***6.1***	***4.8***
	1997	783	575	728	857	2,943
	Margin,%	*4.1*	*2.8*	*3.5*	*4.1*	*3.6*
Professional Appliances	**1998**	**103**	**223**	**177**	**220**	**723**
	Margin,%	***3.8***	***7.4***	***6.4***	***7.1***	***6.2***
	1997	-52	146	116	130	340
	Margin,%	*-2.2*	*4.6*	*4.1*	*4.3*	*3*
Outdoor Products	**1998**	**488**	**751**	**348**	**201**	**1,788**
	Margin,%	***9.5***	***10.4***	***9.2***	***6.5***	***9.3***
	1997	441	664	343	232	1,680
	Margin,%	*9.6*	*10.6*	*9.0*	*6.9*	*9.3*
Other[2)]	**1998**	**1**	**-25**	**-35**	**-17**	**-76**
	1997	-48	59	35	21	67
Common Group costs[3)]	**1998**	**-95**	**-93**	**-122**	**-126**	**-436**
	1997	-120	-120	-120	-120	-480

1) Including a charge of SEK 175m in 1998 referring to Brazil and Asia. A corresponding charge of SEK 150m was taken in 1997.

2) Includes the operation in Gotthard Nilsson, costs in the financial operation, etc. In 1997 this item also included a capital gain of approximately SEK 50m on the divestment of the operation in goods protection.

3) As of the first quarter of 1998 these items are not distributed among the different business areas. The figures for the previous year have been adjusted accordingly.

Electrolux shares

Per-share data, 1994-1998[1]	1998	1997	1996	1995	1994
Year-end trading price, SEK[2]	**139.50**	110.20	79.20	54.50	75.40
Highest trading price, B-shares, SEK	**161.00**	139.80	85.40	77.40	87.80
Lowest trading price, B-shares, SEK	**87.50**	77.70	54.30	50.80	56.40
Change in price during the year, %	**27**	39	45	-28	33
Equity, SEK	**67**	56	61	58	56
Trading price/equity, %	**209**	196	129	94	135
Dividend, SEK	**3.00** [3]	2.50	2.50 [4]	2.50	2.50
Net income, SEK	**8.85** [5]	4.85 [5]	5.05	7.50	6.00 [5]
EBIT multiple[6]	**10.0**	4.6	2.2	1.4	1.8
	11.5 [5]	2.6 [5]			
P/E ratio[7]	**15.8**	22.7	15.7	7.3	12.6
Number of shareholders	**50,500**	45,660	48,300	54,600	55,400

1) The figures for 1994-1997 have been adjusted for the 5:1 stock split in 1998.
2) Last price paid for B-shares.
3) Proposed by the Board.
4) Plus 1/2 share in Gränges for every Electrolux share.
5) Excluding items affecting comparability.
6) Market capitalization plus net borrowings and minority interests, divided by operating income.
7) Trading price in relation to net income per share after full dilution. For 1994–1998, computed as net income per share after full tax.

Definitions

Operating margin
Operating income as a percentage of net sales.

Net income per share
Net income divided by number of shares.

Return on equity
Net income as a percentage of opening equity.

Return on net assets
Operating income as a percentage of average net assets.

Net assets
Total assets exclusive of liquid funds, less non-interest-bearing liabilities and provisions.

Equity/assets ratio
Adjusted equity expressed as a percentage of total adjusted assets.

Adjusted total assets
Total assets less liquid funds.

Total adjusted equity
Equity, including minority interests.

Net debt/equity ratio
Net borrowings in relation to adjusted equity.

Net borrowings
Total interest-bearing liabilities less liquid funds.

Number of shares
The number of shares in 1998 amounted to 366,169,580 (73,233,916) after a 5:1 stock split.

The results for the first quarter of 1999 will be published on April 27, the same day that the Annual General Meeting will convene at 5.00 p.m. in the Berwald Hall, Strandvägen 69, Stockholm.

The Annual Report will be available at the Electrolux head office by the end of March 1999