

## Press release

Stockholm, April 28, 2008

### President and CEO Hans Stråberg's comments on the first quarter 2008 report

***This quarter, like many recent ones, contains both positive and negative events. The result was decreased by a number of significant non-recurring costs, the purpose of which is to strengthen our long-term operations. At the same time, we see result improvements in Asia, Latin America and for our professional products. However, we – like many others – have been affected by a weakening market, which also creates uncertainty about the future.***

Through the implementation of a simpler structure in Europe, more than 400 people will leave Electrolux. The cost for this structural change has been applied to the first quarter. This will generate between SEK 350m and SEK 400m in savings on an annual basis, which will begin to take effect at the end of 2008. The program is being implemented according to plan, as is our work to reduce product costs in Europe related to last year's extensive product launch.

Another important "cost" during the period was for our launch of a completely new range of Electrolux-branded products in North America. This is an investment that in the long run will give us a strong position within the very attractive premium segment. I visited the giant kitchen and bath show in Chicago in April and saw for myself how many of our customers were truly impressed by our new products and our very comprehensive marketing campaign. Media investments include television, magazines, and especially the Internet ([www.electroluxappliances.com](http://www.electroluxappliances.com)). Our new products are already on the floor of about 1,500 retailers around the United States, which is more than we originally planned.

We have many examples that illustrate the benefits of investing in attractive products and marketing. One is that the operating margin in our global vacuum cleaner operations is just under 10 percent. This is very impressive, considering our situation four years ago.

The good news in this report is that the operating results for our operations in Asia/Pacific and Latin America and for professional products have improved by a total of about SEK 250m.

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I have previously mentioned the improvements in Australia after a number of tough years. We are now beginning to see a stabilization in China at the same time as the significance of Southeast Asia is increasing. Southeast Asia continues to show very profitable growth. Latin America shows very stable profitability and strong growth.

Within professional food service we are improving our margins through a more modern approach to reach our customers. Within professional laundry there is a great potential improvement through more efficient production and new products.

Demand for our products has been lower than we had expected and the market downturn in Europe and North America affected our results negatively. As everyone knows, there is a great uncertainty about future market developments.

If we look into the future, I want to repeat, in spite of a tough beginning of 2008, that our outlook for the full year holds: Operating income for 2008 is expected to be in-line with 2007. Since we published our outlook in February I have been asked to define "in-line" and my answer has been that "in-line" means a single digit percentage change, plus or minus. Given the current market development I expect our operating result for 2008 to be in the lower end of that range.

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Hans Stråberg  
President and Chief Executive Officer

**Electrolux** is a global leader in home appliances and appliances for professional use, selling more than 40 million products to customers in 150 countries every year. The company focuses on innovations that are thoughtfully designed, based on extensive consumer insight, to meet the real needs of consumers and professionals. Electrolux products include refrigerators, dishwashers, washing machines, vacuum cleaners and cookers sold under esteemed brands such as Electrolux, AEG-Electrolux, Eureka and Frigidaire. In 2007, Electrolux had sales of SEK 105 billion and 57,000 employees. For more information, visit <http://www.electrolux.com/press>

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