

The Board of Directors' of AB Electrolux proposal for resolution on redemption offer

This is a non-official translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.

Background

On the basis of Electrolux strong balance sheet and in order to contribute to increased shareholder value, the Board of Directors proposes the General Meeting of Shareholders to resolve to implement a program for redemption of shares, pursuant to which the company's shareholders will be offered to have their shares redeemed with repayment to the shareholders of approximately SEK 3 billion and the so-called redemption rights will be traded. The Board of Directors intends to convene an Extraordinary General Meeting of Shareholders in the month of June 2004 in order to resolve on the exact number of shares to be redeemed based on the number of shares tendered in the redemption offer. To enable the redemption price to be paid to the shareholders as quickly as possible (about 30 June 2004), the Board of Directors also intends to propose that the Extraordinary General Meeting resolve on an issue of new C-shares, in order to avoid a drawn-out procedure at the district court.

In view of the above, the Board of Directors proposes that the Annual General Meeting of Shareholders on 21 April 2004 adopts the following resolution.

Redemption offer

1. Holders of shares of series A shall for each share of series A in the company receive one redemption right of series A and holders of shares of series B in the company shall for each share of series B receive one redemption right of series B.
2. 20 redemption rights of series A shall entitle to redemption of one share of series A in the company and 20 redemption rights of series B shall entitle to redemption of one share of series B in the company. However, see clause 7 below. Shareholders shall, however, be entitled to use no more than in total 1,000 redemption rights, regardless of series, for redemption of no more than 50 shares held of any series (A and/or B) as decided by the redeeming shareholder.
3. The price to be repaid for each redeemed share, the redemption price, shall be SEK 200 per share of series A and share of series B respectively. However, see clause 7 below.
4. The record date in respect of the right to receive redemption rights shall be 26 April 2004.
5. The application period shall run from and including 4 May 2004 up to and including 1 June 2004.
6. The offer shall comprise measures that take care of smaller, odd and surplus holdings of redemption rights to facilitate also for the holders of these rights to receive the benefit that the redemption offer may involve.
7. In order to secure that the redemption offer of SEK 3 billion is completed, the Board of Directors reserves the right to change, no later than two weeks before the Annual General Meeting, the redemption ratio under clause 2, first sentence above, and the redemption price per share under clause 3 above, if the price of the Electrolux share materially increases and thereby results in the redemption offer becoming less attractive to the shareholders.

The redemption offer is conditional on an Extraordinary General Meeting of the company, intended to take place in the month of June 2004, resolving on (i) reduction of the share capital, as a consequence of the redemption offer, with a statement of the definite redemption price and the definite number of shares that the redemption comprises, (ii) an issue of new shares of series C to such an extent that an amount equal to the reduction amount is contributed to the company, and (iii) reduction of the share capital in an amount corresponding to the reduction amount by redemption of shares of series C and transfer to the statutory reserve, as well as on the Swedish Patent and Registration Office passing the requisite resolutions on registration.

The Board of Directors, or any person that the Board of Directors puts in its place, is authorised to execute the redemption offer and in connection thereto make the minor adjustments to the length of the application period that may be required in order to facilitate for the foreign shareholders to participate in the redemption offer.

Majority requirement

In order for the General Meeting's resolution in accordance with the proposal of the Board of Directors above to be valid, the resolution must be accepted by shareholders holding more than half of the votes cast, or, in the case of a tied vote, the resolution must be accepted by the chairman.

Stockholm, March 2004
The Board of Directors



AB Electrolux (publ)

Postal address
SE-105 45 Stockholm

Visiting address
S:t Göransgatan 143, Stockholm

Telephone
+46 (0) 8-738 60 00

Fax
+46 (0) 8-656 44 78

Website
www.electrolux.com