

The Board of Directors' of AB Electrolux proposal for resolutions on (A.) acquisition of own shares (B.) transfer of own shares in connection with company acquisitions

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

Electrolux has, for the last few years, on the basis of authorisations by the Annual General Meeting of Shareholders, acquired own shares, for the purpose of using these shares to finance potential company acquisitions and as a hedge for employee options in the company's incentive programs. Shares that have not been used for said purpose have been cancelled through reduction of the share capital by retirement of repurchased shares.

The Board of Directors has made the assessment that it is advantageous for the company to continuously be able to adapt the company's capital structure, thereby contributing to increased shareholder value, and to be able to use repurchased shares in connection with financing of potential company acquisitions and the company's option programs 1999 – 2003 and the share program 2004 proposed by the Board of Directors.

In view of the above, the Board of Directors proposes the General Meeting to resolve as follows.

A. Acquisition of own shares

The Board of Directors is, for the period until the next Annual General Meeting of Shareholders, authorised to resolve on acquisitions of shares in the company as follows.

1. The company may acquire, as a maximum, so many shares of series A and/or series B that, following each acquisition, the company holds at a maximum 10 percent of all shares issued by the company.
2. The shares may be acquired on the Stockholm Stock Exchange and/or the London Stock Exchange.
3. An acquisition of shares through operations on a stock exchange may only be made at a price per share at each time within the registered price interval for the share.
4. Payment for the shares shall be made in cash.

B. Transfer of own shares in connection with company acquisitions

The Board of Directors is, for the period until the next Annual General Meeting of Shareholders, authorised to resolve on transfers of the company's own shares in connection with company acquisitions on the following terms and conditions.

1. Shares of series A and/or series B held by the company at the time of the Board of Director's decision may be transferred.
2. The shares may be transferred with deviation from the shareholders' preferential rights.
3. Transfer of shares may be made at a minimum price per share corresponding to an amount in close connection with the price of the company's shares of the series concerned on the Stockholm Stock Exchange at the time of the decision on the transfer.
4. Payment for the transferred shares may be made in cash, by contributions in kind or by a set-off of company debt.

The reason for deviation from the shareholders' preferential rights in transferring shares and the basis for the sales price of the shares, is to make it possible to finance potential company acquisitions in a cost-effective manner.

Majority requirement

In order for the resolutions by the General Meeting in accordance with the Board of Director's proposal in Clauses A. and B. above to be valid, the resolutions must be accepted by shareholders holding no less than two thirds of the votes cast as well as the shares represented at the General Meeting.

Stockholm, March 2004

The Board of Directors



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