

Proposed distribution of earnings

	Thousands of krona
The Board of Directors and the President propose that income for the year and retained earnings	1,997,323
Total	12,498,452
be distributed as follows:	
A dividend to the shareholders of SEK 7.50 per share ¹⁾ , totaling	2,201,325
An additional dividend to the shareholders of all shares of the wholly-owned subsidiary Husqvarna AB including the underlying group of companies mainly as set out on page 41 in the annual report ²⁾ To be carried forward	608,471
Total	11,685,979
Total	14,495,775

¹⁾ Calculated on the number of outstanding shares as per February 13, 2006. Currently, the company holds 15,410,329 shares as treasury shares. Based on the resolution adopted by the Annual General Meeting in April 2005, a maximum of 15,481,701 additional shares may be repurchased prior to the Annual General Meeting in April 2006, thereby decreasing the total dividend payment. The number of repurchased shares may decrease if employees exercise their options, which would increase the total dividend payment. The Board of Directors and the President propose April 27, 2006 as record day for the right to cash dividend.

²⁾ In the proposal for the appropriation of profits, the book value of Husqvarna AB in the Parent Company is stated as per December 31, 2005. In order to prepare for the distribution of the shares in Husqvarna AB, a reorganization of the legal structure is in progress. This reorganization is expected to increase the free reserves in AB Electrolux

by approximately SEK 2,900m and the book value of the shares in Husqvarna AB to approximately SEK 7,300m, at the day of distribution.

Husqvarna AB, including the underlying group of companies, mainly as set out on page 41 in the annual report, is expected to represent approximately SEK 4,700m of the equity of the Group as per December 31, 2005, including the effects of the above mentioned reorganization. The equity of the Husqvarna Group at the day of distribution is not expected to exceed the sum of SEK 4,700m and the net income earned for the period.

Each share in AB Electrolux shall entitle to one share in Husqvarna AB. Holders of shares of series A in AB Electrolux shall receive shares of series A in Husqvarna AB and holders of shares of series B in AB Electrolux shall receive shares of series B in Husqvarna AB. The Board of Directors is proposed to be authorized to determine the record day for the dividend of the shares.

The Board of Directors has proposed that the Annual General Meeting 2006 resolves on an appropriation of profits involving a dividend to the shareholders of SEK 7.50 per share. The Board of Directors has also proposed that the Annual General Meeting 2006 resolves on a dividend of all shares in the wholly-owned subsidiary Husqvarna AB, including the underlying Group, mainly as set out on page 41 in the annual report. The total amount of the proposed dividend is consequently SEK 2,809,796 thousand.

With reference to the Board of Directors' proposed distribution of earnings above, the Board of Directors hereby makes the following statement according to Chapter 18 Section 4 of the Swedish Companies Act (2005:551).

The retained earnings from the previous years amount to SEK 12,498,452 thousand and the net income for the year amounts to SEK 1,997,323 thousand. Provided that the Annual General Meeting 2006 resolves to allocate the results in accordance with the Board of Directors' proposal, SEK 11,685,979 thousand will be carried forward. After distribution of the proposed dividend, there will be full coverage for the restricted equity of the company, also taking into consideration the proposed authorization for the Board of Directors to decide on repurchase of own shares.

It is the Board of Directors' assessment that after distribution of the proposed dividend, the equity of the company and the Group will be sufficient with respect to the kind, extent and risks of the operations. The Board of Directors has hereby considered, among other things, the company's and the Group's historical development, the budgeted development and the state of the market. If financial instruments currently valued at actual value in accordance with Chapter 4 Section 14 a of the Swedish Annual Accounts Act (1995:1554) instead had been valued according to the lower of cost or

net realizable value, the equity of the company would increase by SEK 78,282 thousand.

The Board of Directors has made an assessment of the financial position of the company and the Group as well as the possibilities of the company and the Group to comply with its obligations in a short term and long term perspective. After the dividend, the equity/debt ratio of the company and the Group is assessed to continue to be high in relation to the industry in which the group is operating. The Board of Directors has hereby considered the assessed effect on the equity of the company and the Group of the distribution of the Husqvarna group after reorganization.

The proposed dividend will not affect the ability of the company and the Group to comply with its payment obligations. The company and the Group has sufficient access to long-term, as well as short-term, credit facilities, which can be used by short notice. The Board of Directors therefore finds that the company and the Group are well prepared to handle any changes in respect of liquidity, as well as unexpected events.

The Board of Directors is of the opinion that the company and the Group have the ability to take future business risks and also cope with potential losses. The proposed dividend will not negatively affect the company's and the Group's ability to make further commercially motivated investments in accordance with the strategy of the Board of Directors.

The Board of Directors and the President and CEO declare that, to the best of our knowledge, the annual report is prepared in accordance with generally accepted accounting principles for stock market companies, that the information contained in the annual report is in accordance with factual circumstances and that it contains no omission likely to affect the representation of the company which is established by the annual report.

Stockholm on February 13, 2006

Michael Treschow

Chairman of the Board of Directors

Peggy Bruzelius

Deputy Chairman of the Board of Directors

Louis R. Hughes

Tom Johnstone

Aina Nilsson Ström

Caroline Sundewall

Barbara Milian Thoralfsson

Karel Vursteen

Marcus Wallenberg

Malin Björnberg

Ulf Carlsson

Annika Ögren

Hans Stråberg

President and CEO