

Certain US federal income tax consequences

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PERSONS SUBJECT TO US TAX ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY TAXPAYERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON TAXPAYERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) TAXPAYERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following discussion is a summary of certain material United States federal income tax consequences of the redemption procedure to US holders (defined below). This discussion is based on the tax laws of the United States (including the Internal Revenue Code of 1986, as amended, its legislative history, existing, temporary and proposed Treasury regulations promulgated thereunder, published rulings, administrative pronouncements and court decisions) and the US-Sweden Tax Treaty, all as in effect as of the date hereof, all of which are subject to change or changes in interpretation, possibly with retroactive effect. The discussion is not a full discussion of all tax considerations that may be relevant to the redemption procedure.

The discussion does not deal with the tax treatment of holders subject to special rules, such as grantor trusts, real estate investment trusts, regulated investment companies, banks, brokers or dealers in securities, traders in securities or currencies that elect to use a mark-to-market method of accounting, financial institutions, insurance companies, tax-exempt entities, holders liable for the alternative minimum tax, US expatriates, persons holding ADSs, shares or redemption shares as part of a hedging, straddle, conversion or constructive sale transaction, persons who acquired ADSs, shares or redemption shares pursuant to the exercise of employee stock options or otherwise as compensation, persons whose functional currency is not the US dollar and persons who are resident or ordinarily resident in Sweden. Persons who may be subject to US taxation with respect to the redemption procedure should consult their own tax advisors about the United States federal, state, local and foreign tax consequences of the redemption procedure in light of their own particular circumstances and are also urged to consult with their tax advisors concerning whether they are eligible for benefits under the US-Sweden Tax Treaty.

If a partnership (including for this purpose any entity treated as a partnership for United States federal income tax purposes) holds ADSs, shares or redemption shares, the tax treatment of a partner will depend upon the status of the partner and the activities of the partnership. A partner in a partnership that holds ADSs, shares or redemption shares should consult its own tax advisors regarding the specific tax consequences of the redemption procedure.

For purposes of this discussion - "Certain US federal income tax consequences", a "US holder" is a beneficial owner of ADSs, shares or redemption shares that (a) is (1) a citizen or individual resident of the United States for United States federal income tax purposes, (2) a corporation (or any other entity taxable as a corporation for United States federal income tax purposes) that is organized in or under the laws of the United States or any State thereof (including the District of Columbia), (3) a trust if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of the substantial decisions of the trust, or (4) an estate the income of which is subject to United States federal income taxation regardless of its source; (b) is not (and has not been at any time during the prior 10 years) a resident of Sweden for purposes of the US-Sweden Tax Treaty and is entitled to Treaty benefits under the limitation on benefits article contained therein; (c) does not maintain a permanent establishment or fixed base situated in Sweden to which the ADSs, shares or redemption shares are attributable and through which the US holder carries on or has carried on a trade or business (or, if the US holder is an individual, the US holder does not perform or has not performed independent personal services in Sweden); (d) holds the ADSs, shares or redemption shares

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as capital assets; and (e) owns (directly, indirectly or by attribution) less than 10 percent of the share capital or voting stock of Electrolux.

A US holder of ADSs will be treated as the holder of the underlying shares represented by those ADSs for United States federal income tax purposes.

The information provided herein does not constitute tax advice. US holders are strongly urged to consult their own tax advisors as to the US federal, state and local tax consequences, as well as to any Swedish tax consequences, of the redemption procedure. Other persons are also urged to consult their own tax advisors as to the overall tax consequences of the redemption procedure. In this regard, no employee of Electrolux has been authorized to provide any tax advice.

Receipt of redemption shares

Although the matter is not free from doubt, for US federal income tax purposes the distribution of a redemption share as a result of the share split generally will be taxable as a dividend in an amount equal to the US dollar value of the fair market value of the redemption share on the date of the distribution. In general, the fair market value of the redemption share will be the mean of the high and low trading prices of the redemption share on the date of distribution. This dividend will not be eligible for the dividends received deduction allowed to US corporations with respect to dividends received from other US corporations. This dividend generally will be treated as foreign source “passive” income for foreign tax credit purposes. A US holder will obtain a tax basis in the redemption share equal to the amount included in income (i.e., the fair market value of the redemption share on the date of distribution). The distribution of the redemption share will not affect the tax basis in the Electrolux share or ADS with respect to which the redemption share was distributed.

Certain US holders (including individuals) are eligible for reduced rates of United States federal income tax (to a maximum rate of 15 percent) in respect of “qualified dividend income” received in taxable years beginning before January 1, 2011, provided that certain holding period and other requirements are met. A dividend paid by Electrolux generally will be qualified dividend income if, among other things, (a) Electrolux was not, in the year prior to the year in which the dividends were paid, and is not, in the year in which the dividends are paid, a passive foreign investment company (as discussed below), and (b) Electrolux is entitled to benefits under the US-Sweden Tax Treaty. If the distribution of the redemption share is taxable as a dividend, Electrolux currently believes that it should constitute qualified dividend income for US federal income tax purposes. If the Electrolux share or ADS with respect to which the redemption share was distributed is subsequently sold, any loss on the sale or exchange of such share or ADS generally will be treated as long-term capital loss to the extent of any extraordinary dividend received. US holders are urged to consult their own tax advisors regarding the availability of the reduced dividend tax rate in light of their own particular situations, the related extraordinary dividend rules and the computations of their foreign tax credit limitation with respect to any qualified dividends paid, as applicable.

Sale or exchange of redemption shares

For US federal income tax purposes, a US holder who sells (or, on whose behalf the ADR Depositary sells) redemption shares in the open market generally will recognize gain or loss equal to the difference between the US dollar value of the amount realized on the sale or exchange and the US holder’s adjusted tax basis (determined in US dollars) in the redemption share. Such gain or loss will be capital, and generally will be short-term capital gain or loss (since by their terms the redemption shares will not be outstanding for a period in excess of one year). Any gain or loss generally will be US source gain or loss. Any gain will be taxable at ordinary income rates. The deductibility of capital losses is subject to significant limitations.

As described in the section in the Information Brochure entitled “Certain tax considerations for shareholders with a limited tax liability in Sweden”, no Swedish withholding tax is payable when a

redemption share is sold in the market. In addition, a US holder who is eligible for benefits under the US-Sweden Tax Treaty generally will not be subject to Swedish tax on any capital gain derived from the sale or exchange of redemption shares.

Redemption by Electrolux

In addition to the dividend income described above with respect to the receipt of the redemption share, a US holder who has a redemption share redeemed by Electrolux generally will recognize capital gain or loss equal to the difference between the US dollar value of the net purchase price received (i.e., the SEK 20 redemption price per share less any Swedish withholding tax thereon) and the US holder's adjusted tax basis (determined in US dollars) in the redemption share. Any gain will be short term and taxable at ordinary income rates. The deductibility of capital losses is subject to significant limitations, and in some circumstances to disallowance.

As described in the section in the Information Brochure entitled "Certain tax considerations for shareholders with a limited tax liability in Sweden", under Swedish law, the redemption of the redemption share is deemed to be a dividend to non-Swedish residents (including US holders) resulting in Swedish withholding tax being levied on the amount paid. The tax rate may be reduced to 15% for US holders who are eligible for benefits under the US-Sweden Tax Treaty, upon making certain representations and certifications with respect to their Treaty eligibility. Certain refunds may be available by making a claim with the Swedish Tax Agency.

As a result of the applicability of Swedish withholding tax, US holders may find it advantageous to sell redemption shares in the market rather than having them redeemed by Electrolux. This is because a sale in the market may result in the receipt of a greater amount of net cash proceeds to a selling US holder. US holders are advised to consult their own US and other tax advisors in this regard.

Foreign currency considerations

If a US holder receives any Swedish kronor in the redemption or other disposition of its redemption shares, the holder generally will have a tax basis in the Swedish kronor equal to the US dollar value of the Swedish kronor at the spot rate in effect on the date of receipt. In the case of a cash basis taxpayer or an accrual basis taxpayer who so elects, the amount realized on the redemption of the redemption shares will equal the US dollar value of the Swedish kronor, determined at the spot rate on the settlement date of the sale. (This general rule applies notwithstanding that the redemption shares may be treated as disposed of on a date other than the settlement date.) A US holder who converts the Swedish kronor into US dollars on the date of receipt generally should not recognize any exchange gain or loss in respect of the payment. Exchange gain or loss, if any, realized on a subsequent conversion or other disposition of the Swedish kronor would be treated as US source ordinary income or loss. US holders in doubt as to the application of the foregoing rules to their particular situations should consult their own tax advisors.

Passive foreign investment company status

A non-US corporation will be classified as a passive foreign investment company (a "PFIC") for any taxable year if at least 75 percent of its gross income consists of passive income (such as dividends, interest, rents or royalties (other than rents or royalties derived in the active conduct of a trade or business and received from an unrelated person)), or at least 50 percent of the quarterly average value of its assets is attributable to assets that produce or are held to produce passive income. Based on the market value of Electrolux shares, the composition of its assets, income and its operations, Electrolux currently believes it should not qualify as a PFIC for the taxable year ending December 31, 2006. However, this is a factual determination that must be made annually at the end of the taxable year and thus may be subject to change. If Electrolux was classified as a PFIC for the current or any prior taxable year during which a US holder held ADSs or shares, the US holder would be subject to adverse tax consequences with respect to

certain distributions, and gain realized upon a disposition of the ADSs or shares. Furthermore, dividends paid by Electrolux would not be “qualified dividend income” and would be subject to tax at the higher rates applicable to other items of ordinary income. Application of the PFIC rules is complex. US holders should consult their own tax advisors regarding the possible application of the PFIC rules to Electrolux.

United States information reporting and backup withholding

In general, the receipt of redemption shares and the proceeds from the redemption or other disposition of the redemption shares may be subject to information reporting to the Internal Revenue Service and possible federal backup withholding at a current rate of 28 percent. Backup withholding will not apply to a holder who furnishes an accurate taxpayer identification number or certificate of foreign status and makes any other required certification or who is otherwise exempt from backup withholding. US persons who are required to establish their exempt status generally must provide such certification on IRS Form W-9 (Request for Taxpayer Identification Number and Certification). Non-US holders generally are not subject to US information reporting or backup withholding. However, such holders may be required to provide certification of non-US status (generally on IRS Form W-8BEN) in connection with payments received in the United States or through US-related financial intermediaries. Persons in doubt as to the necessity of furnishing any of these forms should consult their own tax advisors.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder’s United States federal income tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the Internal Revenue Service in a timely manner and furnishing any required information.