

Press release

Stockholm, October 22, 2007

Comments from the President and CEO Hans Stråberg on the third quarter results 2007

I am satisfied with many things in our third quarter report. In a diminishing American market we managed to grow, take market share and improve our result. Contributing to the positive developments in the US were our hard-working employees who work closely with the big retailers, limited exposure to the weak housing market and a shift in the market towards the low-price segment.

We also continued our positive trend in the Floor Care operation, especially in Europe, where we have reached our highest market share in four years. Our appliance operation in Latin America delivered the best third quarter result ever.

The result for Electrolux appliances in Europe, however, was a great disappointment. Although our new products were well received by consumers and we basically reached our sales expectations, we had expected a significantly better financial result.

The product launch and the marketing activities have been the biggest in the company's history. In many ways, we have reached our goal of maintaining a higher average selling price, in almost all categories and countries, and a significantly stronger Electrolux brand. We are selling more expensive products and many more Europeans prefer Electrolux today.

The comprehensive and coordinated launches meant that we prioritized time over costs. This has led to many products having too high production costs compared to our expectations.

We are working intensively to solve the problems, but it will take time before we achieve the expected improvement. During the third quarter, we also noted a weakening of demand in some of our most important markets in Europe, mainly Germany, and this has also affected our development.

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This, in combination with the risk of continued weakening demand in North America, means that we are now more uncertain of the result in the fourth quarter, which will be compared to a very strong fourth quarter in 2006. In spite of this, we are maintaining our outlook that our operating result, excluding items affecting comparability, is expected to be somewhat higher for the full year 2007 as compared to 2006.

Naturally, I am disappointed by the cost development in our business in Europe, but the success through an improved average selling price, a stronger Electrolux brand and a better mix makes me convinced that our strategy is working.

Innovative products, a strong brand, profitable growth and low costs are the only strategic way to reach a margin on a par with the industry average and, in the longer perspective, in line with the best in the industry.

Hans Stråberg
President and CEO

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, Zanussi, Eureka and Frigidaire. In 2006, Electrolux had sales of SEK 104 billion and 56,000 employees. For more information, visit <http://www.electrolux.com/press>.