

Contents	
Net sales and income	2
Outlook for 2007	4
Cash flow	4
Financial position	4
Business areas	6
Structural changes	9
Financial statements	12

## Interim Report January – September 2007

Stockholm, October 22, 2007

- Net sales for continuing operations increased to SEK 77,089m (75,962) and income for the period was SEK 1,799m (1,213), or SEK 6.41 (4.16) per share
- Operating income rose by 10% in the first nine months of 2007, excluding items affecting comparability, compared to the same period last year
- Lower income for appliances in Europe due to costs related to product launches and higher costs for raw materials
- Weak demand in key markets in Europe
- Strong income and improved margin for appliances in North America
- Best-ever third quarter in Latin America
- Continued good growth in Asia/Pacific
- Better cash flow, in line with seasonal pattern
- Group outlook for 2007 unchanged, however increased risk for decline in the US market and pressures on European margins add uncertainty

SEKm	Q3 2007	Q3 2006	Change %	Nine months 2007	Nine months 2006	Change %
<b>Continuing operations</b>						
Net sales	26,374	26,087	1.1	77,089	75,962	1.5
Operating income <sup>1)</sup>	1,152	685	68.2	2,799	2,002	39.8
<b>Operating income, excluding items affecting comparability</b>	<b>1,152</b>	<b>1,136</b>	<b>1.4</b>	<b>2,830</b>	<b>2,580</b>	<b>9.7</b>
Margin, %	4.4	4.4		3.7	3.4	
Income after financial items	1,037	684	51.6	2,459	1,854	32.6
<b>Income after financial items, excluding items affecting comparability</b>	<b>1,037</b>	<b>1,135</b>	<b>-8.6</b>	<b>2,490</b>	<b>2,432</b>	<b>2.4</b>
Margin, %	3.9	4.4		3.2	3.2	
Income for the period	762	440	73.2	1,799	1,213	48.3
<b>Income for the period, excluding items affecting comparability</b>	<b>762</b>	<b>809</b>	<b>-5.8</b>	<b>1,830</b>	<b>1,732</b>	<b>5.7</b>
Earnings per share, SEK <sup>2)</sup>	2.71	1.54		6.41	4.16	
<b>Value creation<sup>3)</sup></b>	<b>443</b>	<b>565</b>	<b>-122</b>	<b>739</b>	<b>798</b>	<b>-59</b>
Return on net assets, %				18.1	15.5	
<b>Return on net assets, excluding items affecting comparability, %</b>				<b>16.2</b>	<b>15.9</b>	
<b>Total, including discontinued operations<sup>4)</sup></b>						
Income for the period	762	440		1,799	2,412	
Earnings per share, SEK <sup>2)</sup>	2.71	1.54		6.41	8.27	

1) Operating income for the third quarter of 2007 includes no items affecting comparability compared to SEK -451m in the third quarter of 2006. Items affecting comparability for the first nine months of 2007 amounts to SEK -31m (-578), see page 12.

2) Basic, based on an average of 281.6 (285.8) million shares for the third quarter of 2007 after buy-backs. For earnings per share after dilution, see page 12.

3) The WACC rate for 2007 is computed at 12% (11). The change in WACC rate had a negative impact of SEK -174m on value created in 2007.

4) Discontinued operations, the Group's former Outdoor Products operations, include the period January-May of 2006.

For definitions, see page 20.

The Group's Outdoor Products operations were distributed under the name of Husqvarna to the Electrolux shareholders in June 2006. As of June 2006, Husqvarna is reported as discontinued operations in the income and cash flow statements for 2006. Assets and liabilities for Husqvarna were excluded from the balance sheet as of May 31, 2006. The balance sheet items are according to the historical financial statements. For information on Electrolux accounting and valuation principles, see page 21.

The comments in this Interim Report refer to continuing operations.

## NET SALES AND INCOME

### Third quarter of 2007

Net sales for the Electrolux Group in the third quarter of 2007 amounted to SEK 26,374m as against SEK 26,087m in the previous year. Sales were positively impacted by changes in volume/price/mix while changes in exchange rates had a negative impact. Sales increased by 3.7% in comparable currencies.

Changes in net sales	Q3
%	2007
Changes in Group structure	0.0
Changes in exchange rates	-2.6
Changes in volume/price/mix	3.7
<b>Total</b>	<b>1.1</b>

Operating income increased to SEK 1,152m (685), corresponding to 4.4% (2.6) of net sales. Income after financial items increased to SEK 1,037m (684), which corresponds to 3.9% (2.6) of net sales. Income for the period increased to SEK 762m (440), corresponding to SEK 2.71 (1.54) in earnings per share.

Operating income improved in the third quarter compared to the corresponding quarter last year, mainly on the basis of strong income for appliances in North America and Latin America as well as continued good performance by floor-care operations and in Asia/Pacific. Income was positively affected by good volume growth, an improved product mix and more efficient production. Lower income for appliances in Europe arising from costs related to product launches and higher costs for raw materials had an adverse effect on operating income.

#### *Income excluding items affecting comparability*

Operating income for the third quarter of 2007 includes no items affecting comparability. Operating income for the third quarter of 2006 includes items affecting comparability in the amount of SEK -451m referring to restructuring charges in Australia and a divestment in Sweden. More information on restructuring can be found in the table on page 12.

Excluding items affecting comparability in 2006 as described above, operating income for the third quarter of 2007 increased by 1.4% to SEK 1,152m (1,136), corresponding to 4.4% (4.4) of net sales. Income after financial items decreased by 8.6% to SEK 1,037m (1,135), representing 3.9% (4.4) of net sales. Income for the period decreased by 5.8% to SEK 762m (809), corresponding to SEK 2.71 (2.81) in earnings per share.

#### *Effects of changes in exchange rates*

Changes in exchange rates compared to the previous year, including both translation and transaction effects, had a negative impact of SEK -85m on operating income for the third quarter of 2007. Transaction effects net of hedging contracts amounted to SEK -69m. Translation of income statements in subsidiaries had an effect of SEK -16m, mainly due to the strengthening of the Swedish krona against the US dollar.

The effect of changes in exchange rates on income after financial items amounted to SEK -86m.

#### *Financial net*

Net financial items for the third quarter increased to SEK -115m compared to SEK -1m for the corresponding period in the previous year. The increase is mainly due to higher net borrowings.

### First nine months of 2007

Net sales for the Electrolux Group in the first nine months of 2007 amounted to SEK 77,089m as against SEK 75,962m in the previous year. Sales were positively impacted by changes in volume/price/mix, while changes in exchange rates had a negative impact. Net sales increased by 5.4% in comparable currencies.

Changes in net sales	Nine months
%	2007
Changes in Group structure	0.0
Changes in exchange rates	-3.9
Changes in volume/price/mix	5.4
<b>Total</b>	<b>1.5</b>

Operating income increased to SEK 2,799m (2,002), corresponding to 3.6% (2.6) of net sales. Income after financial items amounted to SEK 2,459m (1,854), which corresponds to 3.2% (2.4) of net sales. Income for the period improved to SEK 1,799m (1,213), corresponding to SEK 6.41 (4.16) in earnings per share.

#### *Income excluding items affecting comparability*

The above-mentioned operating income figures for the first nine months of 2007 include items affecting comparability in the amount of SEK -31m, see table on page 12. In the first nine months of 2006, items affecting comparability amounted to SEK -578m.

Excluding the above-mentioned items affecting comparability, operating income for the first nine months of 2007 increased by 9.7% to SEK 2,830m (2,580), corresponding to 3.7% (3.4) of net sales. Income after financial items improved by 2.4% to SEK 2,490m (2,432), representing 3.2% (3.2) of net sales. Income for the period increased by 5.7% to SEK 1,830m (1,732), corresponding to SEK 6.52 (5.94) in earnings per share.

#### *Effects of changes in exchange rates*

Changes in exchange rates compared to the previous year, including both translation and transaction effects, had a negative impact of SEK -129m on operating income. Transaction effects net of hedging contracts amounted to SEK -49m. Translation of income statements in subsidiaries had an effect of SEK -80m.

The effect of changes in exchange rates on income after financial items amounted to SEK -141m.

#### *Financial net*

Net financial items for the first nine months of 2007 increased to SEK -340m compared to SEK -148m for the same period in the previous year. The increase is mainly due to the increase in net borrowings.

#### *Discontinued operations*

Income for the period from discontinued operations amounted to SEK 1,199m in 2006 and includes the period January-May. Discontinued operations refer to the former Outdoor Products operations, Husqvarna, which was distributed to Electrolux shareholders in June 2006. For information on accounting principles for discontinued operations, see page 21.

## OUTLOOK – FOR THE FULL YEAR 2007\*

We previously advised that market demand for appliances in 2007 was expected to show continued growth in Europe, while the North American market was expected to decline as compared to 2006. Recently, market conditions in the US market have weakened. We still expect raw material costs to have an adverse effect on the Group's operating income in the fourth quarter. At the same time, the Group's recent product launches in Europe, which have been well received, have incurred higher than anticipated costs.

We maintain our outlook that operating income in 2007 is expected to be somewhat higher than in 2006, excluding items affecting comparability. However, the risk for further decline in the US appliance market, continued raw material cost increases and cost pressures on our European margins add uncertainty to the accomplishment of the 2007 outlook.

\* The outlook is unchanged from when it was first reported in February 2007.

## CASH FLOW

Cash flow from operations and investments was SEK 704m in the third quarter of 2007.

The positive cash flow from operations amounted to SEK 1,661m and was primarily generated by income from operations. Changes in operating assets and liabilities amounted to SEK 75m. Changes in inventories and trade receivables were traceable mainly to seasonally higher sales in the quarter. Accounts payable declined after payments for deliveries of previously supplied air-conditioners in the US.

Cash flow from investments totaled SEK -957m. Capital expenditure in the third quarter related mainly to the new plant for front-loaded washing machines in Juarez, Mexico, and to plants for appliances in Europe, mainly in Italy and Poland.

Cash flow from continuing operations	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
SEKm					
Cash flow from operations, excluding change in operating assets and liabilities	1,586	1,580	3,292	3,359	5,263
Change in operating assets and liabilities	75	-946	-891	-270	-703
<b>Cash flow from operations</b>	<b>1,661</b>	<b>634</b>	<b>2,401</b>	<b>3,089</b>	<b>4,560</b>
Divestment of operations	-	-154	-	1,064	1,064
Capital expenditure in tangible fixed assets	-815	-770	-2,535	-2,140	-3,152
Other	-142	-101	-439	-177	-298
<b>Cash flow from investments</b>	<b>-957</b>	<b>-1,025</b>	<b>-2,974</b>	<b>-1,253</b>	<b>-2,386</b>
<b>Cash flow from operations and investments</b>	<b>704</b>	<b>-391</b>	<b>-573</b>	<b>1,836</b>	<b>2,174</b>

## FINANCIAL POSITION

To adapt the Group's capital structure, an Extraordinary General Meeting in December 2006 decided on a mandatory redemption procedure of shares. The redemption procedure and the payment of the redemption amount of SEK 20 per share totaling SEK 5,579m were carried out at the end of January 2007. In April, the ordinary dividend for 2006, authorized by the AGM, amounting to SEK 4 per share totaling SEK 1,126m was paid to shareholders.

## Equity

Total equity as of September 30, 2007, amounted to SEK 14,359m (18,303), which corresponds to SEK 50.99 (64.95) per share. Return on equity was 17.1% (14.0). Excluding items affecting comparability, return on equity was 17.4% (17.0).

### Net borrowings

Net borrowings increased to SEK 6,520m (-504). Compared to the previous year, net borrowings have been affected by the capital distribution to shareholders at the beginning of 2007 and the dividend payment for 2006. The net debt/equity ratio was 0.45 (-0.03). The equity/assets ratio was 23.7% (30.9).

Net borrowings SEKm	September 30, 2007	September 30, 2006	December 31, 2006
Interest-bearing liabilities	10,460	9,112	7,495
Liquid funds	3,940	9,616	7,799
<b>Net borrowings</b>	<b>6,520</b>	<b>-504</b>	<b>-304</b>
Net debt/equity ratio	0.45	-0.03	-0.02
Equity/assets ratio, %	23.7	30.9	22.7

### Working capital

Working capital as of September 30, 2007, amounted to SEK -1,113 (-3,707), corresponding to -1.1% (-3.6) of annualized net sales. Inventories amounted to SEK 13,648m (12,392) and trade receivables to SEK 20,856m (21,571), corresponding to 13.1% (11.9) and 20.0% (20.7) of annualized net sales, respectively. Accounts payable amounted to SEK 14,977m (15,299), corresponding to 14.4% (14.7) of annualized net sales.

### Net assets and return on net assets

Net assets as of September 30, 2007, amounted to SEK 20,879m (17,495). Average net assets for the first nine months increased to SEK 20,589m (17,197).

Adjusted for items affecting comparability, average net assets amounted to SEK 23,233m (21,604), corresponding to 22.6% (21.3) of net sales. Items affecting comparability refers to restructuring provisions and provisions for post-employment benefits due to the IFRS transition.

The return on net assets was 18.1% (15.5), and 16.2% (15.9), excluding items affecting comparability.

### VALUE CREATED

Value creation is the primary financial performance indicator for measuring and evaluating financial performance within the Group. The model links operating income and asset efficiency with the cost of the capital employed in operations. The model measures and evaluates profitability by region, business area, product line, or operation.

Total value created during the first nine months of 2007 amounted to SEK 739m as compared to SEK 798m in the previous year. The WACC rate for 2007 is computed at 12% as compared to 11% for 2006. The change in WACC rate had a negative impact of SEK -174m on value created in 2007. The capital-turnover rate was 4.42 (4.45).

## OPERATIONS BY BUSINESS AREA IN THE THIRD QUARTER

Changes in net sales and operating income by business area in comparable currencies are given on page 16.

### Consumer Durables, Europe

Consumer Durables, Europe	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
SEKm					
Net sales	11,624	11,226	32,674	31,561	44,233
Operating income	514	672	1,283	1,453	2,678
Operating margin, %	4.4	6.0	3.9	4.6	6.1

Industry shipments of core appliances in Europe	Q3 2007	Nine months 2007
Units, year-on-year, %		
Western Europe	-0.6	0.5
Eastern Europe (excluding Turkey)	4.6	7.4
<b>Total</b>	<b>0.8</b>	<b>2.2</b>

#### Core appliances

Industry shipments of core appliances in Europe rose by 1% in the third quarter in comparison with the same period last year. Demand showed strong growth in Eastern Europe, but remained weak in Western Europe.

Group sales of core appliances in Europe rose somewhat during the quarter, primarily as a result of an improved product mix. Operating income was significantly lower than in the same quarter last year, due to higher raw material costs as well as increases in costs related to Electrolux extensive product launch throughout Europe. The new products have been well received and have supported Electrolux average sales prices in most of the Group's markets and strengthened the position of the brand.

However, certain costs related to these new products rose more than anticipated. This, in combination with weak demand in key markets such as Germany, the UK and Spain, had an adverse effect on income.

#### Floor-care products

Demand for floor-care products in Europe increased in the third quarter in comparison with the same period last year. Group sales showed strong growth and market share continued to increase during the quarter. Sales rose on the basis of significantly higher volumes. Operating income increased strongly on the basis of higher sales volumes and lower costs for the Group's production as well as externally sourced products.

## Consumer Durables, North America

Consumer Durables, North America	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
SEKm					
Net sales	8,589	9,216	26,254	27,600	36,171
Operating income	385	333	1,065	929	1,462
Operating margin, %	4.5	3.6	4.1	3.4	4.0

Industry shipments of appliances in the US	Q3 2007	Nine months 2007
Units, year-on-year, %		
Core appliances	-5.8	-5.4

### Major appliances

Industry shipments of core appliances and major appliances (i.e., including room air-conditioners and microwave ovens) in the US declined in the third quarter in comparison with the same period last year.

Group sales of major appliances in North America rose by 2% in comparable currencies during the quarter on the basis of higher sales volumes. The Group's market share continued to increase, mainly as a result of strong sales in the dish and laundry product categories. Solid execution in a competitive market, limited sales exposure to the weak US housing market and the consumers' migration towards lower-price segments contributed to Electrolux positive development in the North American market. Operating income and margin improved considerably as a result of a positive price trend and more efficient production, mainly related to the new refrigerator plant in Juarez, Mexico.

### Floor-care products

Demand for floor-care products in the US declined in the third quarter in comparison with the same period last year. Group sales decreased in local currency as a result of lower sales volume. Operating income and margin declined due to lower volume and higher brand outlays in connection with product launches. Lower production costs and an improved product mix had a positive impact on income.

## Consumer Durables, Latin America

Consumer Durables, Latin America	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
SEKm					
Net sales	2,107	1,913	6,251	5,379	7,766
Operating income	111	83	296	236	339
Operating margin, %	5.3	4.3	4.7	4.4	4.4

Industry shipments of major appliances in Brazil rose by 17% in the third quarter of 2007 in comparison with the same period last year. Sales volume for Electrolux rose by 20%. Brazil is the Group's major market in Latin America.

Group sales in Latin America rose by 8% in comparable currencies during the quarter, primarily on the basis of strong growth in sales of frost-free refrigerators and microwave ovens. Operating income increased, mainly due to an improved product mix and higher productivity. Operating income was the highest reported third quarter since Electrolux entered the Brazilian market for major appliances in 1996.

## Consumer Durables, Asia/Pacific and Rest of world

Consumer Durables, Asia/Pacific and Rest of world SEKm	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
Net sales	2,332	2,101	6,722	6,391	8,636
Operating income	97	58	146	65	163
Operating margin, %	4.2	2.8	2.2	1.0	1.9

### *Australia and New Zealand*

Demand for major appliances in Australia rose in the third quarter in comparison with the same period last year. Group sales rose in local currencies, mainly reflecting volume growth in the market. Operating income improved due to cost reductions related to previous restructuring. The restructuring program, including the closures of the washer/dryer and dishwasher plants in Adelaide, is proceeding according to plan and will be completed by mid 2008.

### *China and South East Asia*

Market data on shipments of major appliances in China indicate strong growth in the third quarter in comparison with the same period last year. After a period of declining sales related to the exit from parts of the low-end of the market, Electrolux sales rose in local currencies during the third quarter. Nonetheless, operations in China are still unprofitable. Electrolux sales in South East Asia are showing growth across the region.

## Professional Products

Professional Products SEKm	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
Net sales	1,717	1,605	5,172	4,942	6,941
Operating income	126	127	369	353	535
Operating margin, %	7.3	7.9	7.1	7.1	7.7

### *Food-service equipment*

Group sales of food-service equipment rose in the third quarter on the basis of higher prices as well as strong growth in volume. Operating income improved as price increases and greater efficiency in production more than offset higher costs for raw materials, primarily for stainless steel.

### *Laundry equipment*

Group sales of laundry equipment were unchanged in the third quarter in comparison with the same period last year. Operating income declined, however, as a result of weak growth in volume and a decreased contribution from the US operation, resulting from the decline in the dollar rate. The launch of the new generation of professional laundry products continued during the quarter.

## **STRUCTURAL CHANGES**

### **Investigation of UK factory**

As previously announced, the Group has decided to launch an investigation into the future viability of the cooker factory in Spennymoor, UK. The factory manufactures free-standing and built-in cookers for the UK and Irish markets and has approximately 500 employees.

The investigation is scheduled to be completed during the fourth quarter of 2007.

## **OTHER ITEMS**

### **Electrolux has applied for deregistration with the U.S. Securities and Exchange Commission**

Electrolux has applied for deregistration with the U.S. Securities and Exchange Commission (SEC).

Deregistration is expected to become effective during the fourth quarter 2007. As a consequence of the application, Electrolux obligation to file certain reports and forms with the SEC, including the 20-F and 6-K, was immediately suspended.

In 2005, Electrolux de-listed its American Depositary Receipts (ADRs) from Nasdaq in response to the internationalization of capital markets and the increase in international ownership of shares on the Stockholm and London stock exchanges.

Electrolux shares will continue to be listed on the stock exchanges in Stockholm and London. Electrolux has not terminated its ADR facility, which trades in the US over-the-counter market.

### **Transfer of own shares**

For the last few years, Electrolux has acquired own shares for the purpose of using these shares to finance potential company acquisitions and as a hedge for the Group's incentive programs.

In accordance with the proposal by the Board of Directors, the AGM in 2007 decided to authorize the Board to transfer own shares in connection with company acquisitions during the period up until the AGM in 2008. The AGM also authorized transfers of repurchased B-shares to cover costs that may arise as a result of the previous employee stock-option programs for 2001-2003 and the Electrolux Performance Share Program 2005.

In the third quarter of 2007, senior managers purchased 56,658 B-shares from Electrolux under the terms of the employee stock-option programs. As of September 30, 2007, Electrolux held 27,324,441 B-shares, corresponding to 8.8% of the total number of outstanding shares. See table on page 15.

### **Asbestos litigation in the US**

Litigation and claims related to asbestos are pending against the Group in the US. Almost all of the cases refer to externally supplied components used in industrial products manufactured by discontinued operations prior to the early 1970s. Some of the cases involve multiple plaintiffs who have made identical allegations against many other defendants who are not part of the Electrolux Group.

As of September 30, 2007, the Group had a total of 1,934 cases pending, representing approximately 2,560 plaintiffs. A total of 367 new cases with approximately 369 plaintiffs were filed and 140 pending cases with approximately 430 plaintiffs were resolved during the third quarter of 2007. Approximately 310 of the plaintiffs relate to cases pending in the state of Mississippi.

Additional lawsuits may be filed against Electrolux in the future. It is not possible to predict either the number of future claims or the number of plaintiffs that any future claims may represent. In addition, the outcome of asbestos claims is inherently uncertain and always difficult to predict and Electrolux cannot provide any assurances that the resolution of these types of claims will not have a material adverse effect on its business or on results of operations in the future.

## **RISK MANAGEMENT**

Risks in connection with the Group's operations can, in general, be divided into operational risks related to business operations and those related to financial operations. Operational risks are normally managed by the operating units within the Group, and financial risks by the Group's treasury department.

### *Operational risks*

Electrolux is currently exposed to risks in connection with its business operations. Electrolux operates in competitive markets, most of which are relatively mature. Demand for appliances can vary with overall economic conditions and price competition is strong in most product categories. The Group's ability to improve profitability and increase shareholder value is largely dependent on success in development of new, innovative products and in maintaining cost-efficient production. Managing fluctuations in the prices of raw materials and components and restructuring are vital for maintaining and increasing the Group's competitiveness.

### *Financial risk management*

Furthermore, the Group is exposed to a number of risks related to, for example, liquid funds, trade receivables, customer financing receivables, payables, borrowings, commodities and derivative instruments. The risks are, primarily:

- Interest-rate risks on liquid funds and borrowings
- Financing risks related to the Group's capital requirements
- Foreign-exchange risks on earnings and net investments in foreign subsidiaries
- Commodity-price risks affecting expenditure on raw materials and components to be used in production
- Credit risks related to financial and commercial activities

Risk management, risks and risk exposures are described in the Annual Report of 2006, [www.electrolux.com/annualreport2006](http://www.electrolux.com/annualreport2006).

## **PARENT COMPANY, AB ELECTROLUX**

The Parent Company comprises the functions of the Group's head office, as well as five companies operating on a commission basis for AB Electrolux.

Net sales for the Parent Company, AB Electrolux, for the first nine months of 2007 amounted to SEK 4,331m (4,409) of which SEK 2,190m (2,336) referred to sales to Group companies and SEK 2,141m (2,073) to external customers. Income after financial items was SEK 1,240m (5,231), including dividends from subsidiaries in the amount of SEK 1,318m (5,861). Income for the period amounted to SEK 1,275m (5,270).

Capital expenditure in tangible and intangible assets was SEK 126m (10). Liquid funds at the end of the period amounted to SEK 632m (6,102) as against SEK 4,280m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 9,175m, as against SEK 8,668m at the start of the year. Dividend payment to shareholders for 2006 amounted to SEK 1,126m and in January 2007, SEK 5,579m was distributed through a redemption procedure.

The income statement and balance sheet for the Parent Company are presented on page 19.

Stockholm, October 22, 2007

Hans Stråberg  
President and CEO

**Review report**

We have reviewed this report for the period January 1st to September 30th, 2007 for AB Electrolux (publ). The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material respects, in accordance with IAS 34 and the Annual Accounts Act.

Stockholm, October 22, 2007

PricewaterhouseCoopers AB

Peter Clemedtson  
Authorized Public Accountant  
Partner in Charge

Costs for inventories and transport of finished products to customers are reported as of 2007 under costs of goods sold within gross operating income in the consolidated income statement. These costs were previously reported under selling expenses. The reason for the change is that these costs are to a great extent related to sales volumes and net sales, and that selling expenses in many cases are interpreted as overhead costs. Comparative figures in the income statements for 2006 have been adjusted according to the change. The adjustment for the third quarter of 2006 involves a reduction of SEK 1,071m in gross operating income as costs of goods sold increased and selling expenses decreased by the corresponding amounts. The adjustment on gross operating income and selling expenses for the full year 2006 amounts to SEK 4,339m. Operating income and margin for 2006 are unchanged.

## CONSOLIDATED INCOME STATEMENT

SEKm	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
<b>Net sales</b>	<b>26,374</b>	<b>26,087</b>	<b>77,089</b>	<b>75,962</b>	<b>103,848</b>
Cost of goods sold	-21,590	-21,229	-63,344	-61,797	-84,003
<b>Gross operating income</b>	<b>4,784</b>	<b>4,858</b>	<b>13,745</b>	<b>14,165</b>	<b>19,845</b>
Selling expenses	-2,463	-2,691	-7,599	-8,223	-10,955
Administrative expenses	-1,162	-1,052	-3,317	-3,396	-4,467
Other operating income/expenses	-7	21	1	34	152
Items affecting comparability	-	-451	-31	-578	-542
<b>Operating income*</b>	<b>1,152</b>	<b>685</b>	<b>2,799</b>	<b>2,002</b>	<b>4,033</b>
Margin, %	4.4	2.6	3.6	2.6	3.9
Financial items, net	-115	-1	-340	-148	-208
<b>Income after financial items</b>	<b>1,037</b>	<b>684</b>	<b>2,459</b>	<b>1,854</b>	<b>3,825</b>
Margin, %	3.9	2.6	3.2	2.4	3.7
Taxes	-275	-244	-660	-641	-1,177
<b>Income for the period from continuing operations</b>	<b>762</b>	<b>440</b>	<b>1,799</b>	<b>1,213</b>	<b>2,648</b>
Income for the period from discontinued operations	-	-	-	1,199	1,199
<b>Income for the period</b>	<b>762</b>	<b>440</b>	<b>1,799</b>	<b>2,412</b>	<b>3,847</b>
Attributable to:					
Equity holders of the Parent Company	762	440	1,799	2,412	3,847
Minority interest in income for the period	-	-	-	-	-
<i>* Operating income includes:</i>					
<i>Depreciation and amortization</i>	-623	-668	-2,007	-2,062	-2,758
<b>Continuing operations</b>					
Earnings per share, SEK	2.71	1.54	6.41	4.16	9.17
Diluted, SEK	2.67	1.52	6.36	4.13	9.14
<b>Total</b>					
Earnings per share, SEK	2.71	1.54	6.41	8.27	13.32
Diluted, SEK	2.67	1.52	6.36	8.22	13.27
Number of shares after buy-backs, million	281.6	281.8	281.6	281.8	278.9
Average number of shares after buybacks, million	281.6	285.8	280.9	291.6	288.8
Diluted, million	284.0	287.7	282.9	293.5	289.8

## ITEMS AFFECTING COMPARABILITY

SEKm	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
<b>Restructuring provisions and write-downs</b>					
Appliances plant in Fredericia, Denmark	-	-	-31	-	-
Appliances plant in Torsvik, Sweden	-	-	-	-43	-43
Appliances plant in Nuremberg, Germany	-	-	-	-145	-145
Appliances plants in Adelaide, Australia	-	-302	-	-302	-302
Reversal of unused restructuring provisions	-	24	-	24	60
<b>Capital gain/loss on divestments</b>					
Divestment of Electrolux Financial Corp, USA	-	-	-	61	61
Divestment of 50% stake in Nordwaggon AB, Sweden	-	-173	-	-173	-173
<b>Total</b>	-	<b>-451</b>	<b>-31</b>	<b>-578</b>	<b>-542</b>

## CONSOLIDATED BALANCE SHEET

SEKm	Sep. 30, 2007	Sep. 30, 2006	Dec. 31, 2006
<b>Assets</b>			
Property, plant and equipment	14,988	14,287	14,209
Goodwill	2,032	2,024	1,981
Other intangible assets	1,873	1,804	1,780
Non-current derivatives	-	66	-
Other non-current assets	4,279	4,132	3,988
<b>Total non-current assets</b>	<b>23,172</b>	<b>22,313</b>	<b>21,958</b>
Inventories	13,648	12,392	12,041
Trade receivables	20,856	21,571	20,905
Other current assets	3,230	3,461	3,709
Current derivatives	382	209	318
Short-term investments	323	869	1,643
Cash and cash equivalents	2,905	8,118	5,475
<b>Total current assets</b>	<b>41,344</b>	<b>46,620</b>	<b>44,091</b>
<b>Total assets</b>	<b>64,516</b>	<b>68,933</b>	<b>66,049</b>
<b>Equity and liabilities</b>			
Equity attributable to equity holders of the Parent Company	14,358	18,302	13,193
Minority interests	1	1	1
<b>Total equity</b>	<b>14,359</b>	<b>18,303</b>	<b>13,194</b>
Long-term borrowings	3,717	4,641	4,502
Non-current derivatives	-	1	-
Deferred tax liabilities	1,180	1,045	1,205
Provisions for post-employment benefits	6,156	6,957	6,586
Other provisions	3,849	4,391	4,258
<b>Total non-current liabilities</b>	<b>14,902</b>	<b>17,035</b>	<b>16,551</b>
Accounts payable	14,977	15,299	15,320
Tax liabilities	2,006	1,748	1,651
Share redemption	-	-	5,579
Short-term liabilities	10,616	10,281	9,293
Short-term borrowings	6,213	4,110	2,582
Current derivatives	277	213	247
Other provisions	1,166	1,944	1,632
<b>Total current liabilities</b>	<b>35,255</b>	<b>33,595</b>	<b>36,304</b>
<b>Total equity and liabilities</b>	<b>64,516</b>	<b>68,933</b>	<b>66,049</b>
<b>Contingent liabilities</b>	<b>1,084</b>	<b>530</b>	<b>1,022</b>

## CONSOLIDATED CASH FLOW STATEMENT

SEKm	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
<b>Operations</b>					
Income after financial items	1,037	684	2,459	1,854	3,825
Depreciation and amortization	623	668	2,007	2,062	2,758
Capital gain/loss included in operating income	-	173	-	112	112
Restructuring provisions	-69	-128	-833	-416	-737
Share-based compensation	36	27	71	64	86
Change in accrued and prepaid interest	101	74	128	-36	-38
Taxes paid	-142	82	-540	-281	-743
<b>Cash flow from operations, excluding change in operating assets and liabilities</b>	<b>1,586</b>	<b>1,580</b>	<b>3,292</b>	<b>3,359</b>	<b>5,263</b>
<b>Change in operating assets and liabilities</b>					
Change in inventories	209	211	-1,582	-635	-748
Change in trade receivables	-583	-2,168	120	-1,050	-856
Change in other current assets	238	201	179	48	-354
Change in accounts payable	-481	552	-405	1,341	1,779
Change in other operating liabilities and provisions	692	258	797	26	-524
<b>Cash flow from change in operating assets and liabilities</b>	<b>75</b>	<b>-946</b>	<b>-891</b>	<b>-270</b>	<b>-703</b>
<b>Cash flow from operations</b>	<b>1,661</b>	<b>634</b>	<b>2,401</b>	<b>3,089</b>	<b>4,560</b>
<b>Investments</b>					
Divestment of operations	-	-154	-	1,064	1,064
Capital expenditure in property, plant and equipment	-815	-770	-2,535	-2,140	-3,152
Capitalization of product development	-134	-144	-362	-338	-515
Other	-8	43	-77	161	217
<b>Cash flow from investments</b>	<b>-957</b>	<b>-1,025</b>	<b>-2,974</b>	<b>-1,253</b>	<b>-2,386</b>
<b>Cash flow from operations and investments</b>	<b>704</b>	<b>-391</b>	<b>-573</b>	<b>1,836</b>	<b>2,174</b>
<b>Financing</b>					
Change in short-term investments	304	2,926	1,301	25	-805
Change in borrowings	-762	506	3,275	216	-1,408
Dividend	-	-	-1,126	-2,222	-2,222
Redemption of shares	-	-	-5,582	-	-
Repurchase and sale of shares	4	-933	122	-1,029	-1,463
<b>Cash flow from financing</b>	<b>-454</b>	<b>2,499</b>	<b>-2,010</b>	<b>-3,010</b>	<b>-5,898</b>
<b>Cash flow from continuing operations</b>	<b>250</b>	<b>2,108</b>	<b>-2,583</b>	<b>-1,174</b>	<b>-3,724</b>
<b>Cash flow from discontinued operations</b>					
Cash flow from operations	-	-	-	-2,446	-2,446
Cash flow from investments	-	-	-	-727	-727
Cash flow from financing	-	-	-	8,504	8,504
<b>Cash flow from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,331</b>	<b>5,331</b>
Total cash flow	250	2,108	-2,583	4,157	1,607
Cash and cash equivalents at beginning of period	2,720	6,063	5,475	4,420	4,420
Exchange-rate differences	-65	-53	13	-459	-552
Cash and cash equivalents at end of period	2,905	8,118	2,905	8,118	5,475
<b>Change in net borrowings</b>					
<b>Total cash flow, excluding change in loans and short-term investments</b>	<b>708</b>	<b>-1,324</b>	<b>-7,159</b>	<b>3,916</b>	<b>3,820</b>
<b>Net borrowings at beginning of period</b>	<b>-7,755</b>	<b>2,245</b>	<b>304</b>	<b>-2,974</b>	<b>-2,974</b>
<b>Exchange-rate differences referring to net borrowings</b>	<b>527</b>	<b>-417</b>	<b>335</b>	<b>-438</b>	<b>-542</b>
<b>Net borrowings at end of period</b>	<b>-6,520</b>	<b>504</b>	<b>-6,520</b>	<b>504</b>	<b>304</b>

## CHANGE IN TOTAL EQUITY

SEKm	Sep. 30, 2007	Sep. 30, 2006	Full year 2006
<b>Opening balance</b>	<b>13,194</b>	<b>25,888</b>	<b>25,888</b>
Available for sale instruments	8	-8	30
Change in revaluation and hedge reserve	38	542	387
Translation differences	253	-1,648	-2,081
Share-based payment	71	64	86
<b>Income for the period recognized directly in equity</b>	<b>370</b>	<b>-1,050</b>	<b>-1,578</b>
<b>Income for the period</b>	<b>1,799</b>	<b>2,412</b>	<b>3,847</b>
<b>Total recognized income and expenses for the period</b>	<b>2,169</b>	<b>1,362</b>	<b>2,269</b>
Repurchase and sale of shares	122	-1,029	-1,463
Dividend	-1,126	-2,222	-2,222
Distribution of Husqvarna shares	-	-5,696	-5,696
Redemption of shares	-	-	-5,582
<b>Total transactions with equity holders</b>	<b>-1,004</b>	<b>-8,947</b>	<b>-14,963</b>
<b>Closing balance</b>	<b>14,359</b>	<b>18,303</b>	<b>13,194</b>

## KEY RATIOS<sup>1)</sup>

SEKm	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
<b>Continuing operations</b>					
Earnings per share, SEK <sup>2)</sup>	2.71	1.54	6.41	4.16	9.17
<b>Excluding items affecting comparability, SEK</b>	<b>2.71</b>	<b>2.81</b>	<b>6.52</b>	<b>5.94</b>	<b>10.89</b>
Return on net assets, %	-	-	18.1	15.5	23.2
<b>Excluding items affecting comparability, %</b>	<b>-</b>	<b>-</b>	<b>16.2</b>	<b>15.9</b>	<b>21.2</b>
Capital expenditure, SEKm	815	770	2,535	2,140	3,152
Average number of employees	57,278	55,938	56,779	55,014	55,471
<b>Including discontinued operations</b>					
Return on equity, %	-	-	17.1	14.0	18.7
<b>Excluding items affecting comparability, %</b>	<b>-</b>	<b>-</b>	<b>17.4</b>	<b>17.0</b>	<b>21.1</b>
Net debt/equity ratio	-	-	0.45	-0.03	-0.02
Net debt/equity ratio, adjusted for share redemption	-	-	-	-	0.40

1) For definitions, see page 20.

2) Basic, on average number of shares after buy-backs, see page 17.

## SHARES

	Outstanding A-shares	Outstanding B-shares	Shares held by Electrolux	Shares held by other shareholders
Number of shares				
Number of shares as of January 1, 2007	9,502,275	299,418,033	29,986,756	278,933,552
Shares sold to senior managers under the stock option programs				
First quarter			-1,277,399	1,277,399
Second quarter			-149,515	149,515
Third quarter			-56,658	56,658
Shares allotted to senior managers under the Performance Share Program 2004			-1,178,743	1,178,743
<b>Number of shares as of Sep. 30, 2007</b>	<b>9,502,275</b>	<b>299,418,033</b>	<b>27,324,441</b>	<b>281,595,867</b>
As % of total number of shares			8.8%	

### NET SALES BY BUSINESS AREA

SEKm	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
Consumer Durables, Europe	11,624	11,226	32,674	31,561	44,233
Consumer Durables, North America	8,589	9,216	26,254	27,600	36,171
Consumer Durables, Latin America	2,107	1,913	6,251	5,379	7,766
Consumer Durables, Asia/Pacific and Rest of world	2,332	2,101	6,722	6,391	8,636
Professional Products	1,717	1,605	5,172	4,942	6,941
Other	5	26	16	89	101
<b>Total</b>	<b>26,374</b>	<b>26,087</b>	<b>77,089</b>	<b>75,962</b>	<b>103,848</b>

### OPERATING INCOME BY BUSINESS AREA

SEKm	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
Consumer Durables, Europe	514	672	1,283	1,453	2,678
Margin, %	4.4	6.0	3.9	4.6	6.1
Consumer Durables, North America	385	333	1,065	929	1,462
Margin, %	4.5	3.6	4.1	3.4	4.0
Consumer Durables, Latin America	111	83	296	236	339
Margin, %	5.3	4.3	4.7	4.4	4.4
Consumer Durables, Asia/Pacific and Rest of world	97	58	146	65	163
Margin, %	4.2	2.8	2.2	1.0	1.9
Professional Products	126	127	369	353	535
Margin, %	7.3	7.9	7.1	7.1	7.7
<b>Total business areas</b>	<b>1,233</b>	<b>1,273</b>	<b>3,159</b>	<b>3,036</b>	<b>5,177</b>
<b>Margin, %</b>	<b>4.7</b>	<b>4.9</b>	<b>4.1</b>	<b>4.0</b>	<b>5.0</b>
Common Group costs, etc.	-81	-137	-329	-456	-602
Items affecting comparability	0	-451	-31	-578	-542
<b>Operating income</b>	<b>1,152</b>	<b>685</b>	<b>2,799</b>	<b>2,002</b>	<b>4,033</b>

### CHANGE IN NET SALES BY BUSINESS AREA

Year-over-year, %	Q3 2007	Q3 2007 in comparable currencies	Nine months 2007	Nine months 2007 in comparable currencies
Consumer Durables, Europe	3.5	3.5	3.5	4.2
Consumer Durables, North America	-6.8	-0.1	-4.9	3.1
Consumer Durables, Latin America	10.1	8.1	16.2	17.9
Consumer Durables, Asia/Pacific and Rest of world	11.0	11.3	5.2	7.8
Professional Products	7.0	8.1	4.7	6.4
<b>Total change</b>	<b>1.1</b>	<b>3.7</b>	<b>1.5</b>	<b>5.4</b>

### CHANGE IN OPERATING INCOME BY BUSINESS AREA

Year-over-year, %	Q3 2007	Q3 2007 in comparable currencies	Nine months 2007	Nine months 2007 in comparable currencies
Consumer Durables, Europe	-23.5	-24.8	-11.7	-12.1
Consumer Durables, North America	15.6	27.3	14.6	26.3
Consumer Durables, Latin America	33.7	33.7	25.4	28.1
Consumer Durables, Asia/Pacific and Rest of world	67.2	58.3	124.6	105.6
Professional Products	-0.8	-3.1	4.5	4.2
<b>Total change, excluding items affecting comparability</b>	<b>1.4</b>	<b>3.3</b>	<b>9.7</b>	<b>12.9</b>

## EXCHANGE RATES

SEK	Sep. 30, 2007	Sep. 30, 2006	Full year 2006
USD, average	6.85	7.49	7.38
USD, end of period	6.49	7.32	6.87
EUR, average	9.22	9.31	9.26
EUR, end of period	9.21	9.27	9.05
GBP, average	13.61	13.58	13.58
GBP, end of period	13.18	13.68	13.49

## NET SALES AND INCOME PER QUARTER

		Q1	Q2	Q3	Q4	Full year	
Net sales, SEKm	<b>2007</b>	<b>24,930</b>	<b>25,785</b>	<b>26,374</b>			
	2006	24,553	25,322	26,087	27,886	103,848	
Operating income, SEKm	<b>2007</b>	<b>757</b>	<b>890</b>	<b>1,152</b>			
	<b>Margin, %</b>	<b>3.0</b>	<b>3.5</b>	<b>4.4</b>			
	<b>2007 <sup>1)</sup></b>	<b>757</b>	<b>921</b>	<b>1,152</b>			
	<b>Margin, %</b>	<b>3.0</b>	<b>3.6</b>	<b>4.4</b>			
	2006	455	862	685	2,031	4,033	
	Margin, %	1.9	3.4	2.6	7.3	3.9	
	2006 <sup>1)</sup>	600	844	1,136	1,995	4,575	
Income after financial items, SEKm	<b>2007</b>	<b>670</b>	<b>752</b>	<b>1,037</b>			
	<b>Margin, %</b>	<b>2.7</b>	<b>2.9</b>	<b>3.9</b>			
	<b>2007 <sup>1)</sup></b>	<b>670</b>	<b>783</b>	<b>1,037</b>			
	<b>Margin, %</b>	<b>2.7</b>	<b>3.0</b>	<b>3.9</b>			
	2006	387	783	684	1,971	3,825	
	Margin, %	1.6	3.1	2.6	7.1	3.7	
	2006 <sup>1)</sup>	532	765	1,135	1,935	4,367	
Income for the period, continuing operations, SEKm	<b>2007</b>	<b>492</b>	<b>545</b>	<b>762</b>			
	2006	232	541	440	1,435	2,648	
	Earnings per share, continuing operations, SEK <sup>2)</sup>	<b>2007</b>	<b>1.76</b>	<b>1.94</b>	<b>2.71</b>		
		<b>2007 <sup>1)</sup></b>	<b>1.76</b>	<b>2.05</b>	<b>2.71</b>		
	2006	0.79	1.83	1.54	5.01	9.17	
	2006 <sup>1)</sup>	1.28	1.85	2.81	4.95	10.89	
	Value creation, continuing operations, SEKm	<b>2007</b>	<b>86</b>	<b>210</b>	<b>443</b>		
2006		-23	256	565	1,404	2,202	
Income for the period, SEKm	<b>2007</b>	<b>492</b>	<b>545</b>	<b>762</b>			
	2006	807	1,165	440	1,435	3,847	
Earnings per share, SEK <sup>2)</sup>	<b>2007</b>	<b>1.76</b>	<b>1.94</b>	<b>2.71</b>			
	<b>2007 <sup>1)</sup></b>	<b>1.76</b>	<b>2.05</b>	<b>2.71</b>			
	2006	2.78	3.95	1.54	5.05	13.32	
	2006 <sup>1)</sup>	3.27	3.97	2.81	4.99	15.04	

1) Excluding items affecting comparability.

2) Basic, based on average number of shares after buy-backs.

### Number of shares, basic

Number of shares after buy-backs, million	<b>2007</b>	<b>281.4</b>	<b>281.5</b>	<b>281.6</b>		
	2006	295.6	290.3	281.8	278.9	278.9
Average number of shares after buy-backs, million	<b>2007</b>	<b>279.7</b>	<b>281.5</b>	<b>280.9</b>		
	2006	294.0	295.0	291.6	280.4	288.8

### Items affecting comparability

Restructuring provisions, write-downs and capital loss on divestment, SEKm	<b>2007</b>	<b>-</b>	<b>-31</b>	<b>-</b>		
	2006	-145	18	-451	36	-542

### NET SALES BY BUSINESS AREA PER QUARTER

SEKm		Q1	Q2	Q3	Q4	Full year
Consumer Durables, Europe	<b>2007</b>	<b>10,554</b>	<b>10,496</b>	<b>11,624</b>		
	2006	9,999	10,336	11,226	12,672	44,233
Consumer Durables, North America	<b>2007</b>	<b>8,622</b>	<b>9,043</b>	<b>8,589</b>		
	2006	9,097	9,287	9,216	8,571	36,171
Consumer Durables, Latin America	<b>2007</b>	<b>1,983</b>	<b>2,161</b>	<b>2,107</b>		
	2006	1,769	1,697	1,913	2,387	7,766
Consumer Durables, Asia/Pacific and Rest of world	<b>2007</b>	<b>2,076</b>	<b>2,314</b>	<b>2,332</b>		
	2006	2,094	2,196	2,101	2,245	8,636
Professional Products	<b>2007</b>	<b>1,688</b>	<b>1,767</b>	<b>1,717</b>		
	2006	1,588	1,749	1,605	1,999	6,941

### OPERATING INCOME BY BUSINESS AREA PER QUARTER

SEKm		Q1	Q2	Q3	Q4	Full year
Consumer Durables, Europe	<b>2007</b>	<b>470</b>	<b>299</b>	<b>514</b>		
	<b>Margin, %</b>	<b>4.5</b>	<b>2.8</b>	<b>4.4</b>		
	2006	405	376	672	1,225	2,678
	Margin, %	4.1	3.6	6.0	9.7	6.1
Consumer Durables, North America	<b>2007</b>	<b>258</b>	<b>422</b>	<b>385</b>		
	<b>Margin, %</b>	<b>3.0</b>	<b>4.7</b>	<b>4.5</b>		
	2006	213	383	333	533	1,462
	Margin, %	2.3	4.1	3.6	6.2	4.0
Consumer Durables, Latin America	<b>2007</b>	<b>82</b>	<b>103</b>	<b>111</b>		
	<b>Margin, %</b>	<b>4.1</b>	<b>4.8</b>	<b>5.3</b>		
	2006	77	76	83	103	339
	Margin, %	4.4	4.5	4.3	4.3	4.4
Consumer Durables, Asia/Pacific and Rest of world	<b>2007</b>	<b>2</b>	<b>47</b>	<b>97</b>		
	<b>Margin, %</b>	<b>0.1</b>	<b>2.0</b>	<b>4.2</b>		
	2006	-47	54	58	98	163
	Margin, %	-2.2	2.5	2.8	4.4	1.9
Professional Products	<b>2007</b>	<b>103</b>	<b>140</b>	<b>126</b>		
	<b>Margin, %</b>	<b>6.1</b>	<b>7.9</b>	<b>7.3</b>		
	2006	83	143	127	182	535
	Margin, %	5.2	8.2	7.9	9.1	7.7
Common Group costs, etc.	<b>2007</b>	<b>-158</b>	<b>-90</b>	<b>-81</b>		
	2006	-131	-188	-137	-146	-602
Items affecting comparability	<b>2007</b>	<b>-</b>	<b>-31</b>	<b>-</b>		
	2006	-145	18	-451	36	-542

**PARENT COMPANY, INCOME STATEMENT**

SEKm	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
<b>Net sales</b>	<b>1,499</b>	<b>1,491</b>	<b>4,331</b>	<b>4,409</b>	<b>6,204</b>
Cost of goods sold	-1,267	-1,299	-3,755	-3,895	-5,428
<b>Gross operating income</b>	<b>232</b>	<b>192</b>	<b>576</b>	<b>514</b>	<b>776</b>
Selling expenses	-156	-152	-476	-468	-693
Administrative expenses	-114	-113	-371	-426	-558
Other operating income	3	41	22	112	171
Other operating expenses	-3	-594	-5	-649	-704
<b>Operating income</b>	<b>-38</b>	<b>-626</b>	<b>-254</b>	<b>-917</b>	<b>-1,008</b>
Financial income	1,071	483	2,190	7,016	12,867
Financial expenses	-259	-212	-696	-868	-1,163
<b>Financial items, net</b>	<b>812</b>	<b>271</b>	<b>1,494</b>	<b>6,148</b>	<b>11,704</b>
<b>Income after financial items</b>	<b>774</b>	<b>-355</b>	<b>1,240</b>	<b>5,231</b>	<b>10,696</b>
Appropriations	2	5	12	14	14
<b>Income before taxes</b>	<b>776</b>	<b>-350</b>	<b>1,252</b>	<b>5,245</b>	<b>10,710</b>
Taxes	10	8	23	25	58
<b>Income for the period</b>	<b>786</b>	<b>-342</b>	<b>1,275</b>	<b>5,270</b>	<b>10,768</b>

**PARENT COMPANY, BALANCE SHEET**

SEKm	Sep. 30, 2007	Sep. 30, 2006	Dec. 31, 2006
<b>Assets</b>			
Non-current assets	26,251	24,324	24,133
Current assets	15,248	11,518	13,102
<b>Total assets</b>	<b>41,499</b>	<b>35,842</b>	<b>37,235</b>
<b>Equity and liabilities</b>			
Restricted equity	4,562	4,562	4,562
Non-restricted equity	9,175	9,049	8,668
<b>Total equity</b>	<b>13,737</b>	<b>13,611</b>	<b>13,230</b>
Untaxed reserves	729	742	742
Provisions	537	594	595
Non-current liabilities	3,577	4,793	4,482
Current liabilities	22,919	16,102	18,186
<b>Total equity and liabilities</b>	<b>41,499</b>	<b>35,842</b>	<b>37,235</b>
<b>Assets pledged</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Contingent liabilities</b>	<b>1,338</b>	<b>1,183</b>	<b>1,341</b>

## FIVE-YEAR REVIEW

	2006	Excluding Husqvarna				
		2005	2005	2004 <sup>1)</sup>	2003 <sup>2)</sup>	2002 <sup>2)</sup>
Net sales, SEKm	103,848	100,701	129,469	120,651	124,077	133,150
Operating income, SEKm	4,033	1,044	3,942	4,807	7,175	7,731
Margin, %	3.9	1.0	3.0	4.0	5.8	5.8
Margin, excluding items affecting comparability, %	4.4	4.0	5.4	5.6	6.2	6.1
Income after financial items, SEKm	3,825	494	3,215	4,452	7,006	7,545
Margin, %	3.7	0.5	2.5	3.7	5.6	5.7
Margin, excluding items affecting comparability, %	4.2	3.4	4.8	5.3	6.0	6.0
Income for the period, SEKm	2,648	-142	1,763	3,259	4,778	5,095
Earnings per share, SEK	9.17	-0.49	6.05	10.92	15.25	15.58
Average number of shares after buy-backs, million	288.8	291.4	291.4	298.3	313.3	327.1
Dividend, SEK	4.00	7.50	7.50	7.00	6.50	6.00
Value creation, SEKm	2,202	1,305	2,913	3,054	3,449	3,461
Return on equity, %	18.7	-	7.0	13.1	17.3	17.2
Return on net assets, %	23.2	5.4	13.0	17.5	23.9	22.1
Net debt/equity ratio	-0.02	-	0.11	0.05	0.00	0.05
Capital expenditure, SEKm	3,152	3,654	4,765	4,515	3,463	3,335
Average number of employees	55,471	57,842	69,523	72,382	77,140	81,971

1) Restated to comply with IFRS, except for IAS 39. If IAS 39 had been applied in 2004, the volatility in income, net borrowings and equity would most probably have been higher.

2) Comparative figures for the years 2002 and 2003 have not been restated to comply with IFRS. A restatement of those years would follow the same pattern as the restatement of 2004, i.e., the effects on income and equity would be limited.

## DEFINITIONS

### Capital indicators

Annualized sales	In computation of key ratios where capital is related to net sales, the latter are annualized and converted at year-end exchange rates and adjusted for acquired and divested operations.
Net assets	Total assets exclusive of liquid funds and interest-bearing financial receivables less operating liabilities, non-interest-bearing provisions and deferred tax liabilities.
Working capital	Current assets exclusive of liquid funds and interest-bearing financial receivables less operating liabilities and non-interest-bearing provisions.
Net borrowings	Total borrowings less liquid funds.
Net debt/equity ratio	Net borrowings in relation to equity.
Equity/assets ratio	Equity as a percentage of total assets less liquid funds.

### Other key ratios

Earnings per share	Income for the period divided by the average number of shares after buy-backs.
Operating margin	Operating income expressed as a percentage of net sales.
Value creation	Operating income excluding items affecting comparability less the weighted average cost of capital (WACC) on average net assets excluding items affecting comparability: [(Net sales - operating costs = operating income) - (WACC x average net assets)]. The WACC rate before tax for 2007 is calculated at 12% compared to 11% for 2006, 12% for 2005 and 2004 and 13% for 2003 and 2002.
Return on equity	Income for the period expressed as a percentage of average equity.
Return on net assets	Operating income expressed as a percentage of average net assets.

### **Accounting and valuation principles**

Electrolux applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting, and RR 31 from the Swedish Financial Accounting Standards Council. There are no changes in the Group's accounting and valuation principles compared with the accounting and valuation principles described in Note 1 of the Annual Report 2006.

### **Discontinued operations**

The Outdoor Products operations of the Group were distributed to the shareholders in June 2006, under the name of Husqvarna AB. The Outdoor Products operations were transferred to Husqvarna AB at book values.

As of June 2006, Husqvarna is reported as discontinued operations in the income and cash-flow statements for 2006. Discontinued operations include the period January-May of 2006.

In accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, the net results for the distributed Outdoor Products operations in 2006 are reported in the Group's income statement as a single net in the item "Income for the period from discontinued operations". This means that the comparison figures for the former Outdoor Products operations are excluded from the sales and expenses reported in the income statements for 2006. Similarly, Outdoor Products operations are reported in the cash-flow statements for 2006 under "Cash flow from discontinued operations". The adjustments have been made on the basis of the actual reporting for the operations within the Outdoor Products operations. In addition, a representative share of common Group costs has been allocated. Adjustments have also been made for historical financing and tax charges for the Outdoor Products operations.

Assets and liabilities for Husqvarna were excluded from the balance sheet as of May 31, 2006.

### **Presentation and telephone conference**

A presentation and a telephone conference will be held at 15.00 CET on October 22, 2007, at the Electrolux headquarters at S:t Göransgatan 143 in Stockholm. The presentation will be chaired by Hans Stråberg, President and CEO of Electrolux, Fredrik Rystedt, CFO, and Peter Nyquist, Head of Investor Relations and Financial Information.

A slide presentation for the third quarter of 2007 will be available on the Electrolux website [www.electrolux.com/ir](http://www.electrolux.com/ir)

### **For more information**

Peter Nyquist, Vice President, Investor Relations and Financial Information: +46 8 738 60 03  
Financial information from Electrolux is also available at [www.electrolux.com/ir](http://www.electrolux.com/ir)

<p><i>The information in this Interim Report is that which Electrolux is required to disclose under the Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. It was released for publication at 08.00 CET on October 22, 2007.</i></p>
---

### **Factors affecting forward-looking statements**

*This report contains “forward-looking” statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Such statements include, among others, the financial goals and targets of Electrolux for future periods and future business and financial plans. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but may not be limited to the following: consumer demand and market conditions in the geographical areas and industries in which Electrolux operates, effects of currency fluctuations, competitive pressures to reduce prices, significant loss of business from major retailers, the success in developing new products and marketing initiatives, developments in product liability litigation, progress in achieving operational and capital efficiency goals, the success in identifying growth opportunities and acquisition candidates and the integration of these opportunities with existing businesses, progress in achieving structural and supply-chain reorganization goals.*