

Press release

Stockholm, July 17, 2008

President and CEO Hans Stråberg's comments on the second quarter 2008

In spite of challenging conditions in the second quarter, we have delivered improved underlying results in comparison with the same period last year, excluding the costs for the launch of appliances in the premium segment in North America. This is very much attributable to the continued improved results in Asia/Pacific, Latin America and for our professional products. However, the economic uncertainty makes it more and more difficult to predict the future.

I am satisfied with the results for our professional products, which shows an operating margin of 12% in the quarter, compared to 8% one year ago. Latin America continues to deliver record results and has never before experienced such a profitable second quarter. Our operation in Asia/Pacific also improved its results.

The biggest event during spring was the launch in North America of a completely new product range under the Electrolux brand. This investment will give us a strong position in the profitable premium segment. It has begun well. Our products are today present in more than 2,000 retail outlets in the US, and we expect to reach about 3,000 retailers by the end of the year – many more than we had originally planned. I have obviously followed the launch closely, and it is especially satisfying to feel the strong support we have received from our retail partners.

Excluding the investments in the new product range under the Electrolux brand, we managed to maintain our results in North America despite a strong decline in demand. The launch had a negative impact on operating income for the second quarter in the amount of SEK 230m. This gives high grades to our products, our good relationships with our retail partners and especially to all of our team members.

When I presented the report for the first quarter of 2008, I compared Electrolux to a six-cylinder engine, where five cylinders are running well while the sixth one had not quite reached its full capacity. The cylinder not up to speed is Europe. But things are starting to happen. Evidence that last year's new product launches are successful is that we are again taking market shares. Even though there is a long way to go until I am satisfied with the

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results in Europe, we can see that our implemented cost savings are beginning to take effect.

These savings, combined with other ongoing cost-cutting measures, make us better prepared for the declining market we are currently experiencing. The decline will bring about an appliance industry that is generally more price competitive. There will also be a temporarily mix shift in the industry, with consumers preferring low-priced products and production will suffer from lower capacity utilization. The combination of these factors will of course impact the earnings capacity of the entire industry.

Based on the very weak market developments we have decided to decrease our forecast for the markets in North America and Europe. A consequence of this is that we have changed our outlook for the full year. We normally do not quantify our outlook for the full-year results in figures, but we have this time chosen to make an exception to reduce the uncertainty around the results for 2008. Based on our market view today, we expect an operating income for the full year of 2008 of SEK 3,300-3,900m, excluding items affecting comparability.

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Hans Stråberg
President and Chief Executive Officer

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, Eureka and Frigidaire. In 2007, Electrolux had sales of SEK 105 billion and 57,000 employees. For more information, visit <http://www.electrolux.com/press>

The information in this Interim Report is that which Electrolux is required to disclose under the Securities Market Act and/or the Financial Instruments Trading Act. It was released for publication at 08.00 CET on July 17, 2008.