

# Consolidated results 2008

Stockholm, February 4, 2009

## Highlights of the fourth quarter of 2008

- Net sales amounted to SEK 28,663m (27,643) and income for the period was SEK -474m (1,126), or SEK -1.68 (4.00) per share.
- Net sales decreased by -5.5%, excluding changes in exchange rates.
- Charge of SEK 1.1 billion taken in fourth quarter for cost-reduction measures. Personnel cutbacks will total 3,100 globally.
- In light of the market downturn, temporary shutdowns of production were initiated to adjust inventories to sustainable levels. This had an adverse affect on operating income.
- Strong cash flow, mainly due to improvements in working capital.
- Solid performance in Latin America, for Professional Products and floor-care products.
- In Europe, operating income was adversely impacted by weak markets and costs related to personnel cutbacks.
- In North America, operating income was adversely affected by continuing weak markets, higher costs for raw materials and costs related to the launch of Electrolux.
- Excluding items affecting comparability, non-recurring items and net impact of the launch of Electrolux in the US, operating income for the full year of 2008 amounted to SEK 3.5 billion.
- The Board of Directors proposes that no dividend will be paid for 2008.
- Electrolux will not forecast operating income for 2009 in light of the great uncertainty on the market.
- Electrolux is well prepared for a market turnaround.

## Contents

Net sales and income	2
Market overview	3
Business areas	3
Cash flow	6
Financial position	6
Cost-saving activities	7
Proposed dividend	8
Financial statement	11

SEKm	Q4 2008	Q4 2007	Change %	2008	2007	Change %
Net sales	28,663	27,643	3.7	104,792	104,732	0.1
Operating income	-347	1,676	-120.7	1,188	4,475	-73.5
Margin, %	-1.2	6.1		1.1	4.3	
Income after financial items	-530	1,576	-133.6	653	4,035	-83.8
Income for the period	-474	1,126	-142.1	366	2,925	-87.5
Earnings per share, SEK <sup>1)</sup>	-1.68	4.00		1.29	10.41	
Return on net assets, %	-	-		5.8	21.7	
Excluding items affecting comparability						
Items affecting comparability	42	-331		-355	-362	
Operating income	-389	2,007	-119.4	1,543	4,837	-68.1
Margin, %	-1.4	7.3		1.5	4.6	
Income after financial items	-572	1,907	-130.0	1,008	4,397	-77.1
Income for the period	-516	1,446	-135.7	656	3,276	-80.0
Earnings per share, SEK <sup>1)</sup>	-1.82	5.14		2.32	11.66	
Return on net assets, %	-	-		7.2	20.9	

1) Basic, based on an average of 283.6 (281.6) million shares after buy-backs for the fourth quarter and 283.1 (281.0) million shares for the full year of 2008. For earnings per share after dilution, see page 11.

For definitions, see page 19.

For further information, please contact Peter Nyquist, Head of Investor Relations and Financial Information, at +46 8 738 60 03.

### AB ELECTROLUX (PUBL)

**Postal address**  
SE-105 45 Stockholm, Sweden  
**Visiting address**  
S:t Göransgatan 143

**Media hotline**  
+46 8 657 65 07  
**Telefax**  
+46 8 738 74 61

**Investor Relations**  
+46 8 738 60 03  
**Website**  
www.electrolux.com

**E-mail**  
ir@electrolux.se  
**Reg. No.**  
556009-4178

## Net sales and income

### Fourth quarter of 2008

Net sales for the Electrolux Group in the fourth quarter of 2008 amounted to SEK 28,663m (27,643). Sales were positively impacted by changes in exchange rates, while changes in volume/price/mix had a negative impact. Net sales decreased by -5.5% in comparable currencies.

Change in net sales		
%	Q4 2008	Full year 2008
Changes in Group structure	0.0	0.0
Changes in exchange rates	9.2	1.0
Changes in volume/price/mix	-5.5	-0.9
<b>Total</b>	<b>3.7</b>	<b>0.1</b>

### Operating income

Operating income for the fourth quarter of 2008 was strongly affected by sharp decline in demand and the cost-reduction measures that were introduced to reduce the number of employees. SEK 1,045m were charged to the operating income in the fourth quarter, see table below.

Operating income for the fourth quarter of 2008 amounted to SEK -347m (1,676) and income after financial items to SEK -530m (1,576). Income for the period decreased to SEK -474m (1,126), corresponding to SEK -1.68 (4.00) in earnings per share.

### Items affecting comparability

Operating income for the fourth quarter of 2008 includes items affecting comparability in the amount of SEK 42m (-331) referring to reversal and adjustment of restructuring provisions related to appliances plants, see page 11.

### 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 -143m on operating income for the fourth quarter of 2008. Transaction effects net of hedging contracts amounted to SEK -227m and referred mainly to the strengthening of the euro and the US dollar against several other currencies. Translation of income statements in subsidiaries had a positive effect of SEK 84m, referring mainly to the strengthening of the US dollar against the Swedish krona.

The effect of changes in exchange rates on income after financial items amounted to SEK -132m.

### Financial net

Net financial items for the fourth quarter of 2008 increased to SEK -183m, compared to SEK -100m for the corresponding period in the previous year. The increase is due to higher average borrowings and increased interest rates on borrowings.

### Full year of 2008

Net sales for the Electrolux Group in 2008 amounted to SEK 104,792m as against SEK 104,732m in the previous year, a decline by 0.9% in comparable currencies.

### Operating income

Operating income for 2008 decreased to SEK 1,188m (4,475) and income after financial items to SEK 653m (4,035). Income for the period decreased to SEK 366m (2,925), corresponding to SEK 1.29 (10.41) in earnings per share.

Operating income for 2008 was strongly affected by the sharp decline in demand at the end of the year and a charge for the cost-reduction measures that were introduced to reduce the number of employees. The launch of Electrolux as a major appliances brand in North America and other non-recurring items also affected the results, see page 7 and table below.

### Impact of cost-reduction measures, Electrolux US launch and non-recurring items

SEKm, approximately	Q4 2008	Full year 2008
Cost-reduction measures due to sharp decline in demand	-1,045	-1,045
Net impact of the launch of Electrolux, appliances North America	-70	-470
Cost-cutting program, appliances Europe	-	-360
Cost for a component problem for dishwashers, appliances Europe	-	-120
Capital gain, real estate, appliances Europe	-	130
Cost for litigation, appliances North America	-	-80
<b>Total</b>	<b>-1,115</b>	<b>-1,945</b>

### Items affecting comparability

In addition to the items described above, operating income in 2008 includes costs for plant closures related to the restructuring program initiated in 2004, see pages 7 and 11. These costs, amounting to SEK -355m (-362), are reported as items affecting comparability within operating income. Excluding items affecting comparability, operating income amounted to SEK 1,543m (4,837).

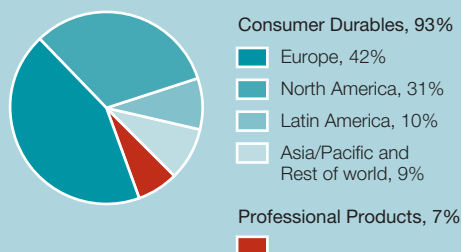
Excluding items affecting comparability and the items described in the table above, operating income for the full year of 2008 amounted to approximately SEK 3,500m.

### Effects of changes in exchange rates

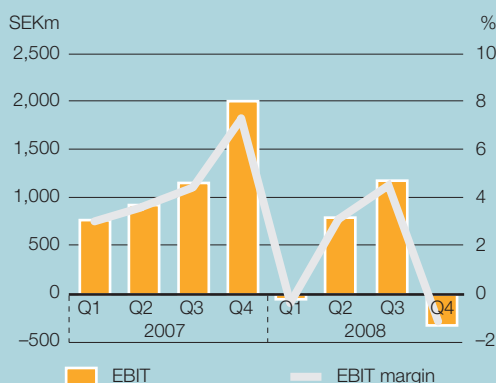
Changes in exchange rates compared to the previous year, including both translation and transaction effects, had a negative impact of SEK -182m on operating income for 2008. Transaction effects net of hedging contracts amounted to SEK -232m. Translation of income statements in subsidiaries had a positive effect of SEK 50m.

The effect of changes in exchange rates on income after financial items amounted to SEK -232m.

### Share of sales by business area, for the full year of 2008



### Operating income and margin\*



Operating income in the fourth quarter of 2008 was adversely impacted by cost-reduction measures in the amount of SEK -1,045m and by the launch of Electrolux in North America in the amount of SEK -70m.

\* Excluding items affecting comparability.

### Financial net

Net financial items for the full year of 2008 increased to SEK -535m compared to SEK -440m for 2007. The increase is mainly due to higher average borrowings and interest rates on borrowings.

### Taxes

Total taxes in 2008 amounted to SEK -287m (-1,110), corresponding to 44.0% (27.5) of income after financial items.

## Market overview

Most of Electrolux main markets for appliances showed a decline in the fourth quarter of 2008. The North American market has declined for ten consecutive quarters. Since 2005, when industry shipments of appliances in the US market had its peak level, core appliances has declined by -16%. In the fourth quarter, industry shipments in the US declined by -14%. The European market has been falling for five consecutive quarters, with Eastern Europe showing a dramatic downturn in the fourth quarter, declining by -15%. Demand in Western Europe declined by -8% in the fourth quarter. The total European market has declined since 2007 by -4%. After a long period of strong growth, the Latin American market for appliances decreased in the fourth quarter.

There are no indications of an immediate improvement in any of the Group's main markets, and therefore market demand for appliances around the world is expected to decline further in 2009.

As there is a great uncertainty of the degree of decline, it is currently very difficult to forecast Electrolux earnings for the full year. Consequently, Electrolux will not give an outlook for operating income for 2009.

## Business areas

Changes in net sales and operating income by business area in comparable currencies are given on page 15.

### Consumer Durables, Europe

SEKm	Q4 2008	Q4 2007	2008	2007
Net sales	11,972	12,798	44,342	45,472
Operating income	-638	784	-22	2,067
Operating margin, %	-5.3	6.1	0.0	4.5

### Non-recurring items

SEKm	Q4 2008	2008
Cost-reduction measures due to sharp decline in demand	-800	-800
Cost-cutting program, appliances Europe	-	-360
Cost for a component problem for dishwashers, appliances Europe	-	-120
Capital gain, real estate, appliances Europe	-	130
<b>Total</b>	<b>-800</b>	<b>-1,150</b>

### Industry shipments of core appliances in Europe

Units, year-over-year, %	Q4 2008	2008
Western Europe	-7.8	-5.3
Eastern Europe (excluding Turkey)	-14.8	-2.1
<b>Total Europe</b>	<b>-10.0</b>	<b>-4.4</b>

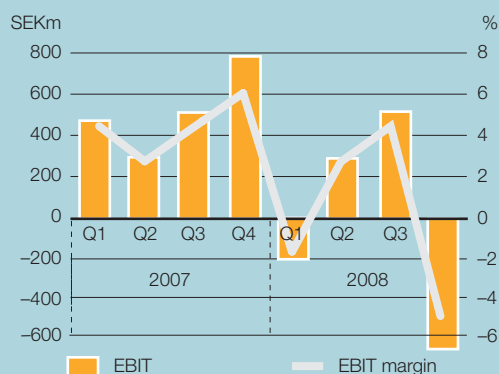
### Core appliances

Industry shipments of appliances in Europe were -10% lower during the fourth quarter as compared with the same period in the previous year. Deliveries in Western Europe declined by -8%. Demand was lower in several of Electrolux major markets, such as Italy, the UK and the Nordic region. In Germany, demand rose somewhat during the fourth quarter. Deliveries of appliances in Eastern Europe, which had shown growth during the first three quarters, declined significantly in the fourth quarter, by -15%.

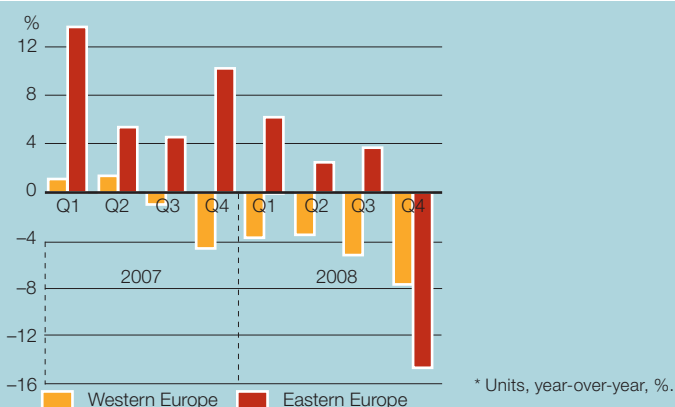
Weak market demand resulted in lower Group volumes and sales in the fourth quarter. Operating income was affected by additional downturns in several of the Group's most profitable markets. The product mix was less favorable, as demand shifted to products in lower price segments. In the second half of November, the demand for appliances declined in a dramatic way. This led to temporary shutdowns of production in the Group's factories. The shutdowns of production caused lower absorption of fixed costs, and consequently adversely affected operating income. Inventories have now been adjusted to become more in line with the current demand of appliances. In addition, operating income in the fourth quarter was adversely effected by a charge related to the cost-cutting program that was initiated in December 2008, see table above.

Group sales and operating income for the full year 2008 declined substantially as a result of the weak trends in several of the Group's most profitable markets in Europe. Lower volumes and accompanying lower utilization of production capacity, a less favorable product mix, and costs related to restructuring had an adverse effect on operating income for the full year. The new products that were launched in 2007 provided some support for Electrolux sales prices and volumes.

### Consumer Durables, Europe



### Industry shipments of core appliances in Europe\*



*Floor-care products*

Demand for vacuum cleaners in Europe continued to decline during the fourth quarter. Group sales were lower as a result of lower volumes. Operating income in the fourth quarter was adversely affected by a charge related to the cost-cutting program that was initiated in December 2008, see table above. Excluding these costs, operating income was in line with the previous year and margin improved.

Demand for vacuum cleaners in Europe for the full year 2008 was lower than in 2007. Group sales declined as a result of lower sales volumes. Operating income and margin improved substantially during the year on the basis of an improved product mix.

**Consumer Durables, North America**

SEKm	Q4 2008	Q4 2007	2008	2007
Net sales	8,928	7,474	32,801	33,728
Operating income	-43	646	222	1,711
Operating margin, %	-0.5	8.6	0.7	5.1

**Non-recurring items**

SEKm	Q4 2008	2008
Cost-reduction measures due to sharp decline in demand	-45	-45
Net impact of the launch of Electrolux, appliances	-70	-470
Cost for litigation	-	-80
<b>Total</b>	<b>-115</b>	<b>-595</b>

**Industry shipments of core appliances in the US**

Units, year-over-year, %	Q4 2008	2008
Core appliances	-14.0	-9.9
Major appliances	-13.4	-8.5

*Major appliances*

Industry shipments of appliances in the US declined by -14% during the fourth quarter in comparison with the same period in the preceding year. Deliveries of appliances have declined for ten consecutive quarters. For the full year 2008, the decline was -10%. This is the largest downturn shown by the market since 1975, when the decline was -20%.

On the basis of price increases and an improved product mix, Group sales of appliances in North America, in comparable currencies, were on a level with the previous year for both the fourth quarter and the full year, despite lower volumes. Sales in the fourth quarter in Swedish krona increased as a result of the stronger US dollar. Operating income for the fourth quarter and the full year was lower as a result of higher costs for raw materials, costs related to the launch of Electrolux for appliances in the premium segment, and lower volumes. In the second half of November, the demand for appliances declined in a dramatic way. This has led to temporary

shutdowns of production in the Group's factories. The shutdowns of production caused lower absorption of fixed costs, and consequently adversely affected operating income. Inventories have now been adjusted to become more in line with the current demand of appliances. Operating income for the fourth quarter was adversely affected by a charge related to the cost-cutting program that was initiated in December, see table above. The new Electrolux-branded products contributed to an improvement of the product mix.

The net effect on operating income generated by the launch of the Electrolux brand amounted to approximately SEK -70m for the fourth quarter and SEK -470m for the full year 2008. The new products received good market acceptance, and the Group gained market share in the premium segment. This market share is estimated at approximately 5%.

*Floor-care products*

Market demand for vacuum cleaners in the US showed a steep decline for the full year 2008. Demand during the fourth quarter was sharply lower. Sales for the Group's vacuum-cleaner operation in North America declined as a result of lower sales volumes, partly because the Group reduced its sales of low-price products, which normally shows strong seasonal growth in the fourth quarter. Operating income for the quarter was adversely affected by a charge related to the cost-cutting program that was initiated in December 2008, see table above. Operating income and margin declined for both the fourth quarter and the full year 2008.

**Consumer Durables, Latin America**

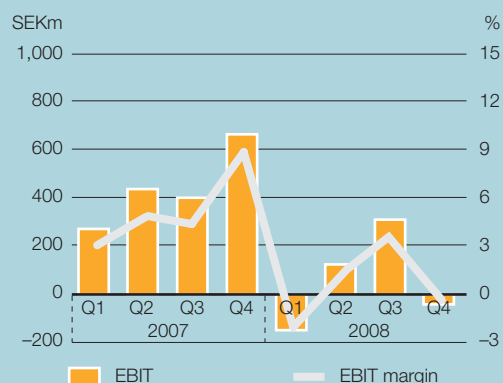
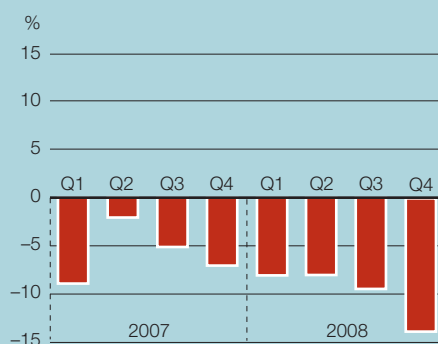
SEKm	Q4 2008	Q4 2007	2008	2007
Net sales	3,305	2,992	10,970	9,243
Operating income	244	218	715	514
Operating margin, %	7.4	7.3	6.5	5.6

**Non-recurring items**

SEKm	Q4 2008	2008
Cost-reduction measures due to sharp decline in demand	-10	-10
<b>Total</b>	<b>-10</b>	<b>-10</b>

Industry shipments of appliances in Brazil continued to show good growth during 2008. It is estimated that after a long period of growth, industry shipments of appliances in Brazil and several other Latin American markets declined during the fourth quarter.

Electrolux sales volumes in Latin America continued to increase during the fourth quarter of 2008, and the Group achieved additional market share. Sales increased and operating income improved. Operating income during the quarter was adversely affected by a charge related to the cost-cutting program that was initiated in December, see table above.

**Consumer Durables, North America****Industry shipments of core appliances in the US\***

\* Units, year-over-year, %.

The Group's sales volumes in Latin America showed strong growth for the full year 2008, rising by approximately 16%, and market shares increased within several product categories. Electrolux sales in Latin America rose by approximately 18% for the full year. Both operating income and margin improved considerably on the basis of higher sales volumes, a better customer mix, particularly in Brazil, and higher productivity in the Group's plants. Operating income for 2008 was the best ever for the Group's operation in Latin America.

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

SEKm	Q4 2008	Q4 2007	2008	2007
Net sales	2,409	2,445	9,196	9,167
Operating income	16	184	369	330
Operating margin, %	0.7	7.5	4.0	3.6

#### Non-recurring items

SEKm	Q4 2008	2008
Cost-reduction measures due to sharp decline in demand	-110	-110
<b>Total</b>	<b>-110</b>	<b>-110</b>

#### Australia and New Zealand

Demand for appliances in the Australian market continued to decline during the fourth quarter. Group sales rose on the basis of higher sales volumes in December. Operating income for the fourth quarter was adversely affected by a charge related to the cost-cutting program that was initiated in December, see table above.

Demand for appliances in Australia for the full year 2008 is estimated to have declined in comparison with the previous year. The Group's sales volumes and market shares increased. Operating income and margin improved, primarily on the basis of implemented cost-saving programs and relocation of production to low-cost countries.

#### Southeast Asia and China

Operations in Southeast Asia showed strong growth in all markets during 2008. The rate of growth declined somewhat during the fourth quarter. Electrolux gained market shares across the region and continued to show good profitability. Operating income for the quarter was adversely affected by a charge related to the cost-cutting program that was initiated in December, see table above.

Market statistics for appliances in China indicate a growth of approximately 4% for the full year 2008, in comparison with 2007.

The rate of growth was lower during the second half of the year. Market demand increased, primarily in the low-price segment, where the Group has reduced its presence. The operation in China continues to report a loss.

### Professional Products

SEKm	Q4 2008	Q4 2007	2008	2007
Net sales	2,021	1,930	7,427	7,102
Operating income	181	215	774	584
Operating margin, %	9.0	11.1	10.4	8.2

#### Non-recurring items

SEKm	Q4 2008	2008
Cost-reduction measures due to sharp decline in demand	-40	-40
<b>Total</b>	<b>-40</b>	<b>-40</b>

Group sales of food-service equipment increased during the fourth quarter, although the market was weaker. Operating income was essentially in line with the same period in the previous year.

Sales of food-service equipment for the full year 2008 increased on the basis of higher sales volumes. Electrolux gained market share in several key markets. Operating income improved substantially.

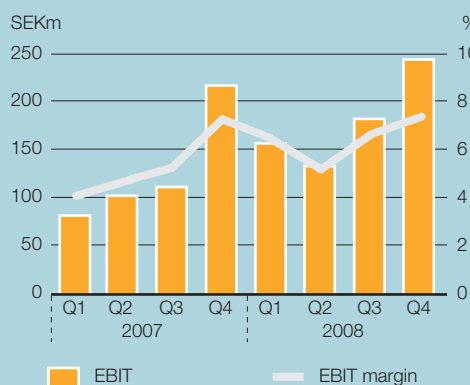
Group sales of laundry equipment were lower in the fourth quarter as a result of weaker market demand, and operating income declined.

Sales of laundry equipment declined somewhat in 2008 compared to 2007, as a result of lower sales volumes. Operating income improved substantially, mainly on the basis of previous price increases, lower administration costs and the effects of relocating production to Thailand.

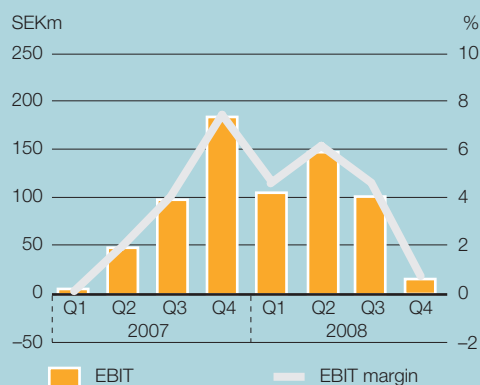
Operating income for Professional Products in the fourth quarter was adversely affected by a charge related to the cost-cutting program that was initiated in December, see table above.

Operating income for Professional Products in 2008 was one of the highest ever achieved.

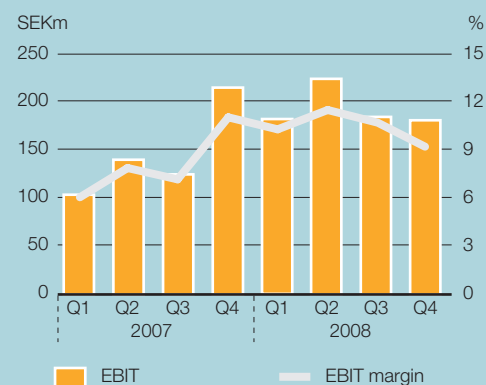
### Consumer Durables, Latin America



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



### Professional Products



## Cash flow

Cash flow from operations and investments amounted to SEK 966m in the fourth quarter. Cash flow was affected by the weak market demand. Temporary production shutdowns were implemented in the latter part of the fourth quarter in order to adjust inventories to lower demand.

Changes in trade receivables were traceable mainly to lower sales volumes that reflected the declining markets in North America and Europe. Changes in inventories and accounts payable were traceable to inventory reductions and lower production. Capital expenditure in the fourth quarter referred mainly to investments in plants for new products as well to reinvestments.

Cash flow from operations and investments of SEK 1,194m in 2008 was in line with 2007.

### Cash flow

SEKm	Q4 2008	Q4 2007	2008	2007
Cash flow from operations, excluding change in operating assets and liabilities	594	2,016	3,446	5,308
Change in operating assets and liabilities	1,626	739	1,503	-152
Investments	-1,254	-905	-3,755	-3,879
<b>Cash flow from operations and investments</b>	<b>966</b>	<b>1,850</b>	<b>1,194</b>	<b>1,277</b>
Dividend	—	—	-1,204	-1,126
Redemption of shares	—	—	0	-5,582
Sale of shares	—	5	17	127
<b>Total cash flow, excluding change in loans and short-term investments</b>	<b>966</b>	<b>1,855</b>	<b>7</b>	<b>-5,304</b>

## Financial position

Total equity as of December 31, 2008, amounted to SEK 16,385m (16,040), which corresponds to SEK 57.78 (56.95) per share.

SEKm	Dec. 31, 2008	Dec. 31, 2007
<b>Net borrowings</b>		
Borrowings	13,946	11,163
Liquid funds	9,390	6,460
<b>Net borrowings</b>	<b>4,556</b>	<b>4,703</b>
Net debt/equity ratio	0.28	0.29
<b>Equity</b>	<b>16,385</b>	<b>16,040</b>
Equity per share, SEK	57.78	56.95
Return on equity, %	2.4	20.3
Return on equity, excluding items affecting comparability, %	4.2	22.7
Equity/assets ratio, %	25.6	26.9

### Net borrowings

Net borrowings amounted to SEK 4,556m (4,703). The net debt/equity ratio was 0.28 (0.29). The equity/assets ratio was 25.6% (26.9).

During 2008, SEK 2,923m of the long-term borrowings matured and SEK 5,289m of new long-term borrowings were raised, of which SEK 932m in the fourth quarter. The maturity profile of the Group's borrowings has improved substantially. Long-term borrowings as of December 31, 2008, including long-term borrowings with maturities within 12 months, amounted to SEK 9,963m with average maturities of 4.7 years, compared to SEK 4,887m and 2.3 years by the end of 2007.

During 2009 and 2010 long-term borrowings in the amount of SEK 1,950m will mature. Liquid funds as of December 31, 2008, excluding a committed unused revolving credit facility of EUR 500m amounted to SEK 9,390m.

### Net assets and working capital

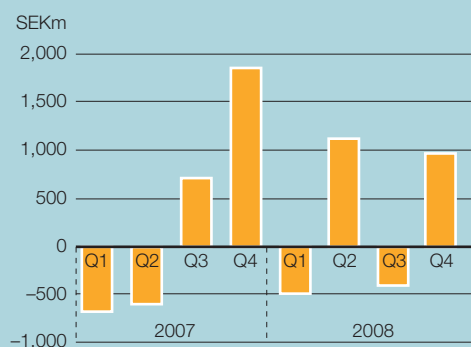
Average net assets for the period amounted to SEK 20,538m (20,644). Net assets as of December 31, 2008, amounted to SEK 20,941m (20,743).

Adjusted for items affecting comparability, i.e., restructuring provisions, average net assets declined to SEK 21,529m (23,196), corresponding to 20.5% (22.1) of net sales.

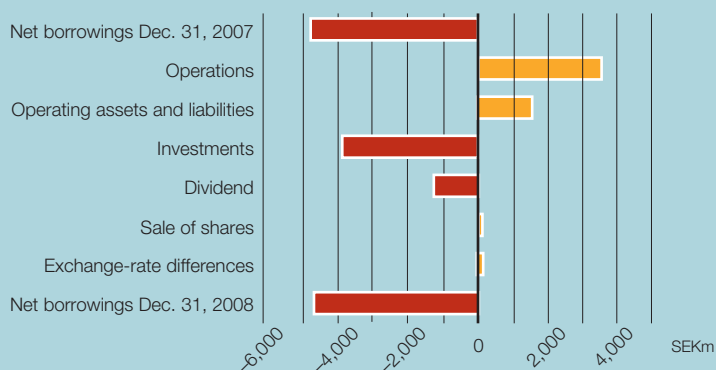
Working capital as of December 31, 2008, declined and amounted to SEK -5,131m (-2,129), corresponding to -4.4% (-1.9) of annualized net sales.

The return on net assets was 5.8% (21.7), and 7.2% (20.9), excluding items affecting comparability.

Cash flow from operations and investments



Cash flow and change in net borrowings



## Value creation

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 full year of 2008 decreased to SEK -1,040m as compared to SEK 2,053m in the previous year. Value created was affected by lower operating income including cost reduction measures, non-recurring items and costs for the launch in North America in a total amount of SEK -1,945m. The WACC rate for 2008 was 12% (12). The capital-turnover rate was 4.87 as against 4.50 in 2007.

## Launch of premium products in North America

In April 2008, Electrolux was introduced as a major appliance brand in North America. The plan with the launch is to gain a significant long-term presence in the premium segment, which shows considerably higher profitability than the mass-market segment where the Group holds a strong position today. The new products received good market acceptance, and the Group gained market share in the premium segment. This market share is estimated at approximately 5%.

The launch had a negative impact on operating income for each quarter of 2008, as it initially included a considerable investment in marketing. The negative impact amounted to SEK -70m in the fourth quarter and SEK -470m for the full year of 2008.

## Cost-saving activities and restructuring

Electrolux introduced throughout 2008 a number of cost-saving activities, including reduction of the number of employees. Due to the negative development on the main markets, cost-saving activities were further intensified in the fourth quarter.

### February 2009

#### *Investigation on manufacturing in Spain*

In February 2009, it was decided to launch an investigation into the future viability of a washing-machine factory in Alcalá, Spain. The factory has approximately 500 employees. The investigation is expected to be concluded during the second quarter of 2009.

#### *Reinforcing the premium strategy in China*

Electrolux strategy in China is to focus on the growing premium segment in the big cities, currently through the cooking and laundry product categories. A new refrigerator platform will be developed to

build a strong refrigerator position in the premium segment. Electrolux will exit the lower-end refrigerator category in China with the consequence that production in the Changsha factory will cease in the first quarter of 2009. About 700 employees will be affected. The cost for the closure is estimated to approximately SEK 100m, which will be charged to operating income in the first quarter of 2009 within items affecting comparability.

Electrolux production and product development in China will be concentrated to the coastal Hangzhou factory, in order to gain scale effects and to facilitate increased exports and supplies for the domestic market. In addition, Electrolux will continue to grow supply and sourcing base in China.

### December 2008

#### *Cost-reduction measures due to sharp decline in demand*

In light of the sharp market decline in the second half of November and in December, it was decided to reduce the number of employees by more than 3,000 in the fourth quarter of 2008 and in 2009. All operations on a global basis are affected.

The costs for these actions, approximately SEK 1.1 billion, were charged against operating income before items affecting comparability in the fourth quarter of 2008, see table below. The savings are expected to amount to approximately SEK 1.1 billion on a yearly basis, with full effect as of 2010.

Cost-saving program in the fourth quarter	Reduction, number of employees	Charge
SEKm, approximately		
Consumer Durables, Europe	1,000	800
Consumer Durables, North America	700	45
Consumer Durables, Latin America	500	10
Consumer Durables, Asia/Pacific and Rest of world	630	110
Professional Products	230	40
Group staff	60	40
<b>Total</b>	<b>3,120</b>	<b>1,045</b>

### May 2008

#### *Production of refrigerators in Italy to be concentrated*

In May 2008, the Board decided to concentrate production of refrigerators in Italy to the Group's factory in Susegana, while ceasing production in Scandicci. Additional investments will be made in the Susegana factory to increase efficiency, productivity and competitiveness for a sustainable future. A total of approximately 450 employees will be affected at the Scandicci plant and approximately 300 in Susegana.

The changes of the refrigerator production in Italy are expected to be completed in the second half of 2009. The restructuring incurs a total cost of approximately SEK 600m, of which SEK 539m was

## Relocation of production, items affecting comparability, restructuring measures 2007-2008

Plant closures and cutbacks			Closed
Torsvik	Sweden	Compact appliances	(Q1 2007)
Nuremberg	Germany	Dishwashers, washing machines and dryers	(Q1 2007)
Adelaide	Australia	Dishwashers	(Q2 2007)
Fredericia	Denmark	Cookers	(Q4 2007)
Adelaide	Australia	Washing machines	(Q1 2008)
Spennymoor	UK	Cookers	(Q4 2008)
Authorized closures			Estimated closure
Changsha	China	Refrigerators	(Q1 2009)
Scandicci	Italy	Refrigerators	(Q3 2009)

New plants			
Juarez	Mexico	Washing machines	(2007-2008)

Electrolux initiated a restructuring program in 2004 to make the Group's production competitive in the long term. When it is fully implemented in 2010, more than half of production of appliances will be located in low-cost countries and savings will amount to approximately SEK 3 billion annually. Restructuring provisions and write-downs are reported as items affecting comparability within operating income. For information on provisions in 2008, see table on page 11.

taken as a charge against operating income in the second quarter of 2008 within items affecting comparability.

### February 2008

#### *Program to reduce costs within appliances in Europe*

In February 2008, it was decided to launch a program to reduce staff within appliances in Europe by approximately 400 people during 2008. The costs for the program of approximately SEK 360m, were charged to operating income before items affecting comparability in the first quarter of 2008. The savings are expected to amount to SEK 350–400m on a yearly basis.

## Annual General Meeting 2009

The Annual General meeting of AB Electrolux will be held at 5 pm on Tuesday, March 31, 2009, at the Berwald Hall, Dag Hammarskjölds väg 3, Stockholm, Sweden.

### Proposed dividend

The Group's goal is for the dividend to correspond to at least 30% of income for the period, excluding items affecting comparability. Historically, the Electrolux dividend rate has been considerably higher than 30%. Electrolux also has a long tradition of high total distribution to shareholders that include repurchases and redemptions of shares as well as dividends.

Demand in the Group's main markets declined sharply throughout the world in 2008. The decline was particularly steep in the fourth quarter. Global demand for appliances is expected to continue to deteriorate in 2009. Electrolux is implementing a number of cost-reduction programs, which had an adverse effect on cash flow in 2008 and will have a similar effect on cash flow in 2009.

As a consequence, the Board of Directors proposes that no dividend will be paid for 2008. A zero dividend is in line with existing policy, with reference to the low income for the period.

### Nomination Committee

In accordance with the decision by the Annual General Meeting in April 2008, Electrolux shall have a Nomination Committee consisting of six members. The members should be one representative of each of the four largest shareholders in terms of voting rights, together with the Chairman of the Electrolux Board and one additional Board member. The members of the Nomination Committee were appointed based on the ownership structure as of April 30. Petra Hedengran, Investor AB, is the Chairman of the Committee. The other owner representatives are Ramsay J. Brufer, Alecta Pension Insurance; Marianne Nilsson, Swedbank Robur Funds; and Anders Oscarsson, SEB Investment Management. The Committee also includes Marcus Wallenberg and Peggy Bruzelius, Chairman and Deputy Chairman, respectively, of Electrolux.

The Nomination Committee will prepare proposals for the AGM in

2009, regarding Chairman of the AGM, Board members, Chairman of the Board, remuneration for Board members and the procedure for electing Nomination Committee for the following year.

Shareholders who wish to submit proposals to the Nomination Committee should send an email to [nominationcommittee@electrolux.com](mailto:nominationcommittee@electrolux.com)

## Other items

### New head of Major Appliances Europe

Enderson Guimaraes was appointed head of Major Appliances Europe in October 2008. He succeeded Magnus Yngen, who was appointed President and CEO of Husqvarna AB. Enderson Guimaraes is a member of Group Management and reports to the President and CEO Hans Stråberg.

Enderson Guimaraes previous position was Senior Vice-President Product and Branding within Major Appliances Europe. Before joining Electrolux, he held various management positions in the home appliances and consumer industry with leading global corporations as Philips, Hewlett Packard and Procter & Gamble.

### New Chief Financial Officer

Jonas Samuelson was appointed Chief Financial Officer of Electrolux in December 2008. He succeeded Fredrik Rystedt, who was appointed Chief Financial Officer of Nordea. Jonas Samuelson is a member of Group Management and reports to the President and CEO Hans Stråberg.

Jonas Samuelson was previously Chief Financial Officer and Executive Vice-President of Munters AB, a global leader in energy efficient air-treatment solutions and restoration services. Before joining Munters, Samuelson held several senior management positions with General Motors in Sweden and the US.

### Repurchase and transfer of own shares

For several years, Electrolux has on the basis of authorizations by the Annual General Meetings (AGM) acquired and transferred own shares. The purpose of the share-repurchase programs is to enable adapting the capital structure of the Group and thereby to contribute to increased shareholder value, or to use the repurchased shares in conjunction with the financing of potential acquisitions and the Group's share-related incentive programs.

The AGM in 2008 decided to authorize the Board to repurchase and transfer own B-shares. The company may acquire B-shares that following each acquisition, the company holds at a maximum 10% of all shares issued by the company. In 2007 and 2008, no shares were repurchased.

In 2008, senior managers purchased 209,875 B-shares from Electrolux under the terms of the employee stock option programs

## Press releases 2008

January 7	Ruy Hirschheimer appointed Executive Vice President of AB Electrolux	June 12	Enderson Guimaraes new head of Major Appliances Europe
<b>February 6</b>	<b>Consolidated results 2007 and CEO Hans Stråberg's comments</b>	June 24	Issue of bond loan
February 22	Hasse Johansson proposed as new Board member of Electrolux	<b>July 17</b>	<b>Half-yearly report and CEO Hans Stråberg's comments</b>
April 1	Electrolux Annual General Meeting 2008: CEO's comments on current market conditions	July 21	Nomination committee for Electrolux Annual General Meeting 2009
<b>April 28</b>	<b>Interim report January-March and CEO Hans Stråberg's comments</b>	August 11	Jonas Samuelson appointed new Chief Financial Officer
May 26	Magnus Yngen to leave Electrolux to become President and CEO of Husqvarna	August 28	Electrolux awarded "Best Annual Report" in the world
May 27	Electrolux to concentrate production of refrigerators in Italy to factory in Susegana	September 9	Electrolux included in Dow Jones Sustainability World Index
		<b>October 27</b>	<b>Interim report January-September and CEO Hans Stråberg's comments</b>
		December 15	Electrolux introduces further cost-reduction measures due to sharp decline in demand



and 1,733,212 B-shares were allotted to senior managers under the Performance Share Program. As of December 31, 2008, Electrolux held 25,338,804 B-shares, corresponding to 8.2% of the total number of outstanding shares, see table on page 11.

### 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 December 31, 2008, the Group had a total of 2,639 (1,998) cases pending, representing approximately 3,200 (approximately 2,600) plaintiffs. During 2008, 1,255 new cases with approximately 1,255 plaintiffs were filed and 614 pending cases with approximately 650 plaintiffs were resolved. Approximately 270 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.

## Risks and uncertainty factors

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 operative units within the Group, and financial risks by the Group's treasury department.

### Risks and uncertainty factors

Electrolux operates in competitive markets, most of which are relatively mature. Demand for appliances varies with general business conditions, and price competition is strong in a number of product categories. Electrolux ability to increase profitability and increase shareholder value is largely dependent on its success in developing innovative products and maintaining cost-efficient production. Major factors for maintaining and increasing competitiveness include managing fluctuations in prices for raw materials and components as well as implementing restructuring. In addition to these

operative risks, the Group is exposed to risks related to financial operations, e.g., interest risks, financing risks, currency risks and credit risks. The Group's development is strongly affected by external factors, of which the most important in terms of managing risks currently include:

#### Variations in demand

Demand for appliances is affected by the general business cycle. A deterioration in these conditions may lead to lower sales volumes as well as a shift of demand to low-price products, which generally have lower margins. Utilization of production capacity may also decline in the short term. The global economic trend is an uncertainty factor in terms of the development of earnings in 2009.

#### Price competition

A number of the markets in which Electrolux operates features strong price competition. The Group's strategy is based on innovative products and brand-building, and is aimed among other things at minimizing and offsetting price competition for its products. A continued downturn in market conditions involves a risk of increasing price competition.

#### Changes in prices for raw materials and components

The raw materials to which the Group is mainly exposed comprise steel, plastics, copper and aluminum. Bilateral agreements are used to manage price risks. To some extent, raw materials are purchased at spot prices. There is considerable uncertainty regarding trends for the prices of raw materials.

#### Access to financing

In 2008, the Group improved its loan-maturity profile and thus substantially reduced dependence on short-term borrowings. Electrolux has an unused revolving credit facility for long or short-term back up.

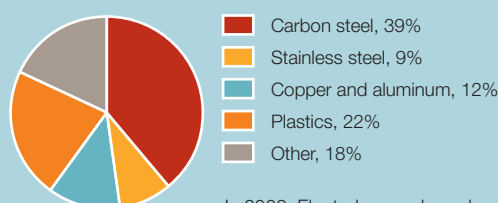
Risks, risk management and risk exposure are described in more detail in the Annual report 2007.

## Sensitivity analysis year-end 2008

Risk	Change	Pre-tax earnings impact, SEKm	
<b>Raw materials</b>			
Steel	10%	+/-	1,000
Plastics	10%	+/-	500
<b>Currencies<sup>1)</sup> and interest rates</b>			
AUD/SEK	-10%	-	253
GBP/SEK	-10%	-	238
HUF/SEK	-10%	+	206
USD/SEK	-10%	+	458
EUR/SEK	-10%	+	684
Interest rate	1 percentage point	+/-	70

1) Include translation and transaction effects.

## Raw materials exposure 2008



In 2008, Electrolux purchased raw materials for approximately SEK 23 billion. Purchases of steel accounted for the largest cost.

## 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 full year of 2008 amounted to SEK 5,808m (6,092) of which SEK 3,026m (3,060) referred to sales to Group companies and SEK 2,782m (3,032) to external customers. Income after financial items was SEK 575m (1,636), including dividends from subsidiaries in the amount of SEK 1,573m (2,218). Income for the period amounted to SEK 633m (1,682).

Capital expenditure in tangible and intangible assets was SEK 453m (336). Liquid funds at the end of the period amounted to SEK 4,045m (2,880) as against SEK 2,880m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 9,110m, as against SEK 9,846m at the start of the year. Dividend payment to shareholders in 2008 amounted to SEK 1,204m.

The income statement and balance sheet for the Parent Company are presented on page 18.

Stockholm, February 4, 2009

Hans Stråberg  
President and CEO

### Accounting and valuation principles

Electrolux applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34, Interim Financial Reporting, and ÅRL, the Swedish Annual Accounts Act and recommendation RFR 2.1, Accounting for legal entities, issued by the Swedish Financial Reporting Board. 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 2007.

*This report has not been audited.*

## Consolidated income statement

SEKm	Q4 2008	Q4 2007	2008	2007
<b>Net sales</b>	<b>28,663</b>	<b>27,643</b>	<b>104,792</b>	<b>104,732</b>
Cost of goods sold	-24,129	-22,122	-86,795	-85,466
<b>Gross operating income</b>	<b>4,534</b>	<b>5,521</b>	<b>17,997</b>	<b>19,266</b>
Selling expenses	-3,413	-2,620	-11,788	-10,219
Administrative expenses	-1,540	-1,100	-4,839	-4,417
Other operating income/expenses	30	206	173	207
Items affecting comparability	42	-331	-355	-362
<b>Operating income*</b>	<b>-347</b>	<b>1,676</b>	<b>1,188</b>	<b>4,475</b>
Margin, %	-1.2	6.1	1.1	4.3
Financial items, net	-183	-100	-535	-440
<b>Income after financial items</b>	<b>-530</b>	<b>1,576</b>	<b>653</b>	<b>4,035</b>
Margin, %	-1.8	5.7	0.6	3.9
Taxes	56	-450	-287	-1,110
<b>Income for the period</b>	<b>-474</b>	<b>1,126</b>	<b>366</b>	<b>2,925</b>
Attributable to:				
Equity holders of the Parent Company	-474	1,126	366	2,925
Minority interest in income for the period	-	-	-	-
	<b>-474</b>	<b>1,126</b>	<b>366</b>	<b>2,925</b>
* Operating income includes:				
Depreciation and amortization	-876	-731	-3,010	-2,738
Earnings per share, SEK	-1.68	4.00	1.29	10.41
Diluted, SEK	-1.68	3.97	1.29	10.33
Number of shares after buybacks, million	283.6	281.6	283.6	281.6
Average number of shares after buybacks, million	283.6	281.6	283.1	281.0
Diluted, million	283.6	284.0	283.2	283.3

## Items affecting comparability

SEKm	Q4 2008	Q4 2007	2008	2007
<b>Restructuring provisions and write-downs</b>				
Appliances plants in Scandicci and Susegana, Italy	-3	0	-487	0
Appliances plant in Spennymoor, UK	0	-317	0	-317
Appliances plant in Fredericia, Denmark	0	-14	0	-45
Reversal of unused restructuring provisions	45	0	132	0
<b>Total</b>	<b>42</b>	<b>-331</b>	<b>-355</b>	<b>-362</b>

## Shares

Number of shares	Outstanding A-shares	Outstanding B-shares	Shares held by Electrolux	Shares held by other shareholders
Number of shares as of January 1, 2008	9,502,275	299,418,033	27,281,891	281,638,417
Shares sold to senior managers under the stock option programs				
First quarter			-32,550	32,550
Second quarter			-177,325	177,325
Third quarter			-	-
Fourth quarter			-	-
Shares allotted to senior managers under the Performance Share Program			-1,733,212	1,733,212
<b>Number of shares as of December 31, 2008</b>	<b>9,502,275</b>	<b>299,418,033</b>	<b>25,338,804</b>	<b>283,581,504</b>
As % of total number of shares			8.2%	

## Consolidated balance sheet

SEKm	Dec. 31, 2008	Dec. 31, 2007
<b>Assets</b>		
Property, plant and equipment	17,035	15,205
Goodwill	2,095	2,024
Other intangible assets	2,823	2,121
Investments in associates	27	32
Deferred tax assets	3,180	2,141
Financial assets	280	712
Other non-current assets	1,472	1,572
<b>Total non-current assets</b>	<b>26,912</b>	<b>23,807</b>
Inventories	12,680	12,398
Trade receivables	20,734	20,379
Tax assets	511	391
Derivatives	1,425	411
Other current assets	3,460	2,992
Short-term investments	296	165
Cash and cash equivalents	7,305	5,546
<b>Total current assets</b>	<b>46,411</b>	<b>42,282</b>
<b>Total assets</b>	<b>73,323</b>	<b>66,089</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the Parent Company</b>		
Share capital	1,545	1,545
Other paid-in capital	2,905	2,905
Other reserves	2,052	844
Retained earnings	9,883	10,745
	<b>16,385</b>	<b>16,039</b>
Minority interests	0	1
<b>Total equity</b>	<b>16,385</b>	<b>16,040</b>
Long-term borrowings	9,963	4,887
Deferred tax liabilities	840	935
Provisions for post-employment benefits	6,864	6,266
Other provisions	4,175	3,813
<b>Total non-current liabilities</b>	<b>21,842</b>	<b>15,901</b>
Accounts payable	15,681	14,788
Tax liabilities	2,329	2,027
Short-term liabilities	10,644	10,049
Short-term borrowings	3,168	5,701
Derivatives	784	280
Other provisions	2,490	1,303
<b>Total current liabilities</b>	<b>35,096</b>	<b>34,148</b>
<b>Total equity and liabilities</b>	<b>73,323</b>	<b>66,089</b>
<b>Contingent liabilities</b>	<b>1,293</b>	<b>1,016</b>

## Consolidated cash flow statement

SEKm	Q4 2008	Q4 2007	2008	2007
<b>Operations</b>				
Operating income	-347	1,676	1,188	4,475
Depreciation and amortization	876	731	3,010	2,738
Capital gain/loss included in operating income	-31	-190	-198	-190
Restructuring provisions	729	132	1,134	-701
Share-based compensation	0	1	-41	72
Financial items paid	-361	-59	-729	-271
Taxes paid	-272	-275	-918	-815
<b>Cash flow from operations, excluding change in operating assets and liabilities</b>	<b>594</b>	<b>2,016</b>	<b>3,446</b>	<b>5,308</b>
<b>Change in operating assets and liabilities</b>				
Change in inventories	2,165	1,376	923	-206
Change in trade receivables	2,285	873	1,869	993
Change in other current assets	27	-139	-178	40
Change in accounts payable	-1,634	-480	-686	-885
Change in other operating liabilities and provisions	-1,217	-891	-425	-94
<b>Cash flow from change in operating assets and liabilities</b>	<b>1,626</b>	<b>739</b>	<b>1,503</b>	<b>-152</b>
<b>Cash flow from operations</b>	<b>2,220</b>	<b>2,755</b>	<b>4,949</b>	<b>5,156</b>
<b>Investments</b>				
Divestment of operations	-34	0	-34	0
Capital expenditure in property, plant and equipment	-1,031	-895	-3,158	-3,430
Capitalization of product development	-153	-158	-544	-520
Other	-36	148	-19	71
<b>Cash flow from investments</b>	<b>-1,254</b>	<b>-905</b>	<b>-3,755</b>	<b>-3,879</b>
<b>Cash flow from operations and investments</b>	<b>966</b>	<b>1,850</b>	<b>1,194</b>	<b>1,277</b>
<b>Financing</b>				
Change in short-term investments	124	162	-128	1,463
Change in short-term borrowings	166	-605	-681	670
New long-term borrowings	932	1,257	5,289	3,257
Amortization of long-term borrowings	-85	0	-2,923	0
Dividend	0	0	-1,204	-1,126
Redemption of shares	0	0	0	-5,582
Sale of shares	0	5	17	127
<b>Cash flow from financing</b>	<b>1,137</b>	<b>819</b>	<b>370</b>	<b>-1,191</b>
Total cash flow	2,103	2,669	1,564	86
Cash and cash equivalents at beginning of period	4,937	2,905	5,546	5,475
Exchange-rate differences	265	-28	195	-15
Cash and cash equivalents at end of period	7,305	5,546	7,305	5,546
<b>Change in net borrowings</b>				
<b>Total cash flow, excluding change in loans and short-term investments</b>	<b>966</b>	<b>1,855</b>	<b>7</b>	<b>-5,304</b>
<b>Net borrowings at beginning of period</b>	<b>-5,714</b>	<b>-6,520</b>	<b>-4,703</b>	<b>304</b>
<b>Exchange-rate differences referring to net borrowings</b>	<b>192</b>	<b>-38</b>	<b>140</b>	<b>297</b>
<b>Net borrowings at end of period</b>	<b>-4,556</b>	<b>-4,703</b>	<b>-4,556</b>	<b>-4,703</b>

## Change in total equity

SEKm	2008	2007
<b>Opening balance</b>	<b>16,040</b>	<b>13,194</b>
Available for sale instruments	-403	248
Change in revaluation and hedge reserve	-63	72
Translation differences	1,673	528
<b>Income for the period recognized directly in equity</b>	<b>1,207</b>	<b>848</b>
<b>Income for the period</b>	<b>366</b>	<b>2,925</b>
<b>Total recognized income and expenses for the period</b>	<b>1,573</b>	<b>3,773</b>
Share-based payment	-41	72
Repurchase and sale of shares	17	127
Dividend	-1,204	-1,126
<b>Total transactions with equity holders</b>	<b>-1,228</b>	<b>-927</b>
<b>Closing balance</b>	<b>16,385</b>	<b>16,040</b>

## Working capital and net assets

SEKm	Dec. 31, 2008	% of annualized net sales	Dec. 31, 2007	% of annualized net sales
Inventories	12,680	11.0	12,398	11.1
Trade receivables	20,734	17.9	20,379	18.3
Accounts payable	-15,681	-13.6	-14,788	-13.3
Provisions	-13,529		-11,382	
Prepaid and accrued income and expenses	-7,263		-6,445	
Taxes and other assets and liabilities	-2,072		-2,291	
<b>Working capital</b>	<b>-5,131</b>	<b>-4.4</b>	<b>-2,129</b>	<b>-1.9</b>
Property, plant and equipment	17,035		15,205	
Goodwill	2,095		2,024	
Other non-current assets	4,602		4,437	
Deferred tax assets and liabilities	2,340		1,206	
<b>Net assets</b>	<b>20,941</b>	<b>18.1</b>	<b>20,743</b>	<b>18.6</b>
Average net assets	20,538	19.6	20,644	19.7
Average net assets, excluding items affecting comparability	21,529	20.5	23,196	22.1

## Key ratios

	Q4 2008	Q4 2007	2008	2007
Net sales, SEKm	28,663	27,643	104,792	104,732
Operating income, SEKm	-347	1,676	1,188	4,475
Margin, %	-1.2	6.1	1.1	4.3
EBITDA, SEKm	529	2,407	4,198	7,213
Earnings per share, SEK <sup>1)</sup>	-1.68	4.00	1.29	10.41
Return on net assets, %	-	-	5.8	21.7
Return on equity, %	-	-	2.4	20.3
Equity per share, SEK	-	-	57.78	56.95
Cash flow from operations, SEKm	2,220	2,755	4,949	5,156
Capital expenditure, SEKm	-1,031	-895	-3,158	-3,430
Net borrowings, SEKm	-	-	4,556	4,703
Net debt/equity ratio	-	-	0.28	0.29
Equity/assets ratio,%	-	-	25.6	26.9
Average number of employees	54,043	57,774	55,177	56,898
<b>Excluding items affecting comparability</b>				
Operating income, SEKm	-389	2,007	1,543	4,837
Margin, %	-1.4	7.3	1.5	4.6
EBITDA, SEKm	487	2,738	4,553	7,575
Earnings per share, SEK <sup>1)</sup>	-1.82	5.14	2.32	11.66
Return on net assets, %	-	-	7.2	20.9
Return on equity, %	-	-	4.2	22.7
Value creation, SEKm	-1052	1314	-1040	2053

1) Basic, based on average number of shares after buy-backs, see page 16.  
For definitions, see page 19.

## Net sales by business area

SEKm	Q4 2008	Q4 2007	2008	2007
Consumer Durables, Europe	11,972	12,798	44,342	45,472
Consumer Durables, North America	8,928	7,474	32,801	33,728
Consumer Durables, Latin America	3,305	2,992	10,970	9,243
Consumer Durables, Asia/Pacific and Rest of world	2,409	2,445	9,196	9,167
Professional Products	2,021	1,930	7,427	7,102
Other	28	4	56	20
<b>Total</b>	<b>28,663</b>	<b>27,643</b>	<b>104,792</b>	<b>104,732</b>

## Operating income by business area

SEKm	Q4 2008	Q4 2007	2008	2007
Consumer Durables, Europe	-638	784	-22	2,067
Margin, %	-5.3	6.1	0.0	4.5
Consumer Durables, North America	-43	646	222	1,711
Margin, %	-0.5	8.6	0.7	5.1
Consumer Durables, Latin America	244	218	715	514
Margin, %	7.4	7.3	6.5	5.6
Consumer Durables, Asia/Pacific and Rest of world	16	184	369	330
Margin, %	0.7	7.5	4.0	3.6
Professional Products	181	215	774	584
Margin, %	9.0	11.1	10.4	8.2
<b>Total business areas</b>	<b>-240</b>	<b>2,047</b>	<b>2,058</b>	<b>5,206</b>
<b>Margin, %</b>	<b>-0.8</b>	<b>7.4</b>	<b>2.0</b>	<b>5.0</b>
Common Group costs, etc.	-149	-40	-515	-369
Items affecting comparability	42	-331	-355	-362
<b>Operating income</b>	<b>-347</b>	<b>1,676</b>	<b>1,188</b>	<b>4,475</b>

## Change in net sales by business area

Year-over-year, %	Q4 2008	Q4 2008 in comparable currencies	2008	2008 in comparable currencies
Consumer Durables, Europe	-6.5	-13.0	-2.5	-5.4
Consumer Durables, North America	19.5	0.6	-2.7	-0.7
Consumer Durables, Latin America	10.5	7.8	18.7	15.2
Consumer Durables, Asia/Pacific and Rest of world	-1.5	-3.5	0.3	1.5
Professional Products	4.7	-4.1	4.6	1.9
<b>Total change</b>	<b>3.7</b>	<b>-5.5</b>	<b>0.1</b>	<b>-0.9</b>

## Change in operating income by business area

Year-over-year, %	Q4 2008	Q4 2008 in comparable currencies	2008	2008 in comparable currencies
Consumer Durables, Europe	-181.4	-178.5	-101.1	-101.0
Consumer Durables, North America	-106.7	-109.1	-87.0	-86.7
Consumer Durables, Latin America	11.9	6.2	39.1	35.4
Consumer Durables, Asia/Pacific and Rest of world	-91.3	-84.9	11.8	21.4
Professional Products	-15.8	-24.1	32.5	26.9
<b>Total change, excluding items affecting comparability</b>	<b>-119.4</b>	<b>-120.0</b>	<b>-68.1</b>	<b>-68.4</b>

## Exchange rates

SEK	Dec. 31, 2008	Dec. 31, 2007
AUD, average	5,56	5.65
AUD, end of period	5,34	5.64
CAD, average	6,21	6.30
CAD, end of period	6,26	6.57
EUR, average	9,67	9.25
EUR, end of period	10,93	9.45
GBP, average	12,11	13.48
GBP, end of period	11,19	12.86
USD, average	6,59	6.74
USD, end of period	7,70	6.43

## Net sales and income per quarter

SEKm		Q1	Q2	Q3	Q4	Full year
Net sales	<b>2008</b>	<b>24,193</b>	<b>25,587</b>	<b>26,349</b>	<b>28,663</b>	<b>104,792</b>
	2007	24,930	25,785	26,374	27,643	104,732
Operating income	<b>2008</b>	<b>-5</b>	<b>254</b>	<b>1,286</b>	<b>-347</b>	<b>1,188</b>
	<b>Margin, %</b>	<b>0.0</b>	<b>1.0</b>	<b>4.9</b>	<b>-1.2</b>	<b>1.1</b>
	<b>2008 1)</b>	<b>-39</b>	<b>793</b>	<b>1,178</b>	<b>-389</b>	<b>1,543</b>
	<b>Margin, %</b>	<b>-0.2</b>	<b>3.1</b>	<b>4.5</b>	<b>-1.4</b>	<b>1.5</b>
	2007	757	890	1,152	1,676	4,475
	Margin, %	3.0	3.5	4.4	6.1	4.3
	2007 1)	757	921	1,152	2,007	4,837
	Margin, %	3.0	3.6	4.4	7.3	4.6
Income after financial items	<b>2008</b>	<b>-149</b>	<b>140</b>	<b>1,192</b>	<b>-530</b>	<b>653</b>
	<b>Margin, %</b>	<b>-0.6</b>	<b>0.5</b>	<b>4.5</b>	<b>-1.8</b>	<b>0.6</b>
	<b>2008 1)</b>	<b>-183</b>	<b>679</b>	<b>1,084</b>	<b>-572</b>	<b>1,008</b>
	<b>Margin, %</b>	<b>-0.8</b>	<b>2.7</b>	<b>4.1</b>	<b>-2.0</b>	<b>1.0</b>
	2007	670	752	1,037	1,576	4,035
	Margin, %	2.7	2.9	3.9	5.7	3.9
	2007 1)	670	783	1,037	1,907	4,397
	Margin, %	2.7	3.0	3.9	6.9	4.2
Income for the period	<b>2008</b>	<b>-106</b>	<b>99</b>	<b>847</b>	<b>-474</b>	<b>366</b>
	2007	492	545	762	1,126	2,925
Earnings per share, SEK ²)	<b>2008</b>	<b>-0.38</b>	<b>0.36</b>	<b>2.99</b>	<b>-1.68</b>	<b>1.29</b>
	<b>2008 1)</b>	<b>-0.50</b>	<b>1.74</b>	<b>2.90</b>	<b>-1.82</b>	<b>2.32</b>
	2007	1.76	1.94	2.71	4.00	10.41
	2007 1)	1.76	2.05	2.71	5.14	11.66
Value creation, continuing operations	<b>2008</b>	<b>-695</b>	<b>175</b>	<b>532</b>	<b>-1,052</b>	<b>-1,040</b>
	2007	86	210	443	1,314	2,053

1) Excluding items affecting comparability.

## Number of shares, basic

Number of shares after buy-backs, million	<b>2008</b>	<b>283.4</b>	<b>283.6</b>	<b>283.6</b>	<b>283.6</b>	<b>283.6</b>
	2007	281.4	281.5	281.6	281.6	281.6
Average number of shares after buy-backs, million	<b>2008</b>	<b>282.1</b>	<b>283.5</b>	<b>283.6</b>	<b>283.6</b>	<b>283.1</b>
	2007	279.7	281.5	280.9	281.6	281.0

## Items affecting comparability

Restructuring provisions, write-downs and capital loss on divestment, SEKm	<b>2008</b>	<b>34</b>	<b>-539</b>	<b>108</b>	<b>42</b>	<b>-355</b>
	2007	-	-31	-	-331	-362



## Net sales by business area per quarter

SEKm		Q1	Q2	Q3	Q4	Full year
Consumer Durables, Europe	<b>2008</b>	<b>10,525</b>	<b>10,500</b>	<b>11,345</b>	<b>11,972</b>	<b>44,342</b>
	2007	10,554	10,496	11,624	12,798	45,472
Consumer Durables, North America	<b>2008</b>	<b>7,275</b>	<b>8,214</b>	<b>8,384</b>	<b>8,928</b>	<b>32,801</b>
	2007	8,622	9,043	8,589	7,474	33,728
Consumer Durables, Latin America	<b>2008</b>	<b>2,404</b>	<b>2,548</b>	<b>2,713</b>	<b>3,305</b>	<b>10,970</b>
	2007	1,983	2,161	2,107	2,992	9,243
Consumer Durables, Asia/Pacific and Rest of world	<b>2008</b>	<b>2,228</b>	<b>2,369</b>	<b>2,190</b>	<b>2,409</b>	<b>9,196</b>
	2007	2,076	2,314	2,332	2,445	9,167
Professional Products	<b>2008</b>	<b>1,753</b>	<b>1,944</b>	<b>1,709</b>	<b>2,021</b>	<b>7,427</b>
	2007	1,688	1,767	1,717	1,930	7,102

## Operating income by business area per quarter

SEKm		Q1	Q2	Q3	Q4	Full year
Consumer Durables, Europe	<b>2008</b>	<b>-192</b>	<b>294</b>	<b>514</b>	<b>-638</b>	<b>-22</b>
	<b>Marginal, %</b>	<b>-1.8</b>	<b>2.8</b>	<b>4.5</b>	<b>-5.3</b>	<b>0.0</b>
	2007	470	299	514	784	2,067
	Marginal, %	4.5	2.8	4.4	6.1	4.5
Consumer Durables, North America	<b>2008</b>	<b>-154</b>	<b>113</b>	<b>306</b>	<b>-43</b>	<b>222</b>
	<b>Marginal, %</b>	<b>-2.1</b>	<b>1.4</b>	<b>3.6</b>	<b>-0.5</b>	<b>0.7</b>
	2007	258	422	385	646	1,711
	Marginal, %	3.0	4.7	4.5	8.6	5.1
Consumer Durables, Latin America	<b>2008</b>	<b>156</b>	<b>133</b>	<b>182</b>	<b>244</b>	<b>715</b>
	<b>Marginal, %</b>	<b>6.5</b>	<b>5.2</b>	<b>6.7</b>	<b>7.4</b>	<b>6.5</b>
	2007	82	103	111	218	514
	Marginal, %	4.1	4.8	5.3	7.3	5.6
Consumer Durables, Asia/Pacific and Rest of world	<b>2008</b>	<b>105</b>	<b>147</b>	<b>101</b>	<b>16</b>	<b>369</b>
	<b>Marginal, %</b>	<b>4.7</b>	<b>6.2</b>	<b>4.6</b>	<b>0.7</b>	<b>4.0</b>
	2007	2	47	97	184	330
	Marginal, %	0.1	2.0	4.2	7.5	3.6
Professional Products	<b>2008</b>	<b>183</b>	<b>225</b>	<b>185</b>	<b>181</b>	<b>774</b>
	<b>Marginal, %</b>	<b>10.4</b>	<b>11.6</b>	<b>10.8</b>	<b>9.0</b>	<b>10.4</b>
	2007	103	140	126	215	584
	Marginal, %	6.1	7.9	7.3	11.1	8.2
Common Group costs, etc.	<b>2008</b>	<b>-137</b>	<b>-119</b>	<b>-110</b>	<b>-149</b>	<b>-515</b>
	2007	-158	-90	-81	-40	-369
Items affecting comparability	<b>2008</b>	<b>34</b>	<b>-539</b>	<b>108</b>	<b>42</b>	<b>-355</b>
	2007	-	-31	-	-331	-362

## Parent Company, income statement

SEKm	Q4 2008	Q4 2007	2008	2007
<b>Net sales</b>	<b>1,709</b>	<b>1,761</b>	<b>5,808</b>	<b>6,092</b>
Cost of goods sold	-1,345	-1,452	-5,046	-5,207
<b>Gross operating income</b>	<b>364</b>	<b>309</b>	<b>762</b>	<b>885</b>
Selling expenses	-246	-132	-761	-608
Administrative expenses	27	-70	-312	-441
Other operating income	-64	35	33	57
Other operating expenses	-319	-514	-328	-519
<b>Operating income</b>	<b>-238</b>	<b>-372</b>	<b>-606</b>	<b>-626</b>
Financial income	946	1,011	2,643	3,201
Financial expenses	-524	-243	-1,462	-939
<b>Financial items, net</b>	<b>422</b>	<b>768</b>	<b>1,181</b>	<b>2,262</b>
<b>Income after financial items</b>	<b>184</b>	<b>396</b>	<b>575</b>	<b>1,636</b>
Appropriations	10	6	20	18
<b>Income before taxes</b>	<b>194</b>	<b>402</b>	<b>595</b>	<b>1,654</b>
Taxes	-3	5	38	28
<b>Income for the period</b>	<b>191</b>	<b>407</b>	<b>633</b>	<b>1,682</b>

## Parent Company, balance sheet

SEKm	Dec. 31, 2008	Dec. 31, 2007
<b>Assets</b>		
Non-current assets	26,493	26,025
Current assets	20,348	15,945
<b>Total assets</b>	<b>46,841</b>	<b>41,970</b>
<b>Equity and liabilities</b>		
Restricted equity	4,562	4,562
Non-restricted equity	9,110	9,846
<b>Total equity</b>	<b>13,672</b>	<b>14,408</b>
Untaxed reserves	704	724
Provisions	618	521
Non-current liabilities	9,244	4,807
Current liabilities	22,603	21,510
<b>Total equity and liabilities</b>	<b>46,841</b>	<b>41,970</b>
<b>Pledged assets</b>	<b>36</b>	<b>8</b>
<b>Contingent liabilities</b>	<b>1,720</b>	<b>1,365</b>

## Five-year review

	2008	2007	2006	2005	Including Husqvarna	
					2005	2004 <sup>1)</sup>
Net sales, SEKm	104,792	104,732	103,848	100,701	129,469	120,651
Operating income, SEKm	1,188	4,475	4,033	1,044	3,942	4,807
Margin, %	1.1	4.3	3.9	1.0	3.0	4.0
Margin, excluding items affecting comparability, %	1.5	4.6	4.4	4.0	5.4	5.6
Income after financial items, SEKm	653	4,035	3,825	494	3,215	4,452
Margin, %	0.6	3.9	3.7	0.5	2.5	3.7
Margin, excluding items affecting comparability, %	1.0	4.2	4.2	3.4	4.8	5.3
Income for the period, SEKm	366	2,925	2,648	-142	1,763	3,259
Earnings per share, SEK	1.29	10.41	9.17	-0.49	6.05	10.92
Average number of shares after buy-backs, million	283.1	281.0	288.8	291.4	291.4	298.3
Dividend, SEK	0 <sup>2)</sup>	4.25	4.00	7.50	7.50	7.00
Value creation, SEKm	-1,040	2,053	2,202	1,305	2,913	3,054
Return on equity, %	2.4	20.3	18.7	-	7.0	13.1
Return on net assets, %	5.8	21.7	23.2	5.4	13.0	17.5
Net debt/equity ratio	0.28	0.29	-0.02	-	0.11	0.05
Capital expenditure, SEKm	3,158	3,430	3,152	3,654	4,765	4,515
Average number of employees	55,177	56,898	55,471	57,842	69,523	72,382

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) The Board of Directors proposes that no dividend will be paid for 2008.

## 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.

*EBITDA*

Operating income before depreciation and amortization.

*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 2008 and 2007 is calculated at 12% compared to 11% for 2006, 12% for 2005 and 2004.

*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.

## President and CEO Hans Stråberg's comments on full-year results 2008

Today's press release is available on the Electrolux website  
[www.electrolux.com/ir](http://www.electrolux.com/ir)

### Telephone conference

A telephone conference will be held at 15.00-16.00 CET on February 4, 2009. The conference will be chaired by Hans Stråberg, President and CEO of Electrolux. Mr. Stråberg will be accompanied by Jonas Samuelson, CFO, and Peter Nyquist, Head of Investor Relations and Financial Information. A slide presentation for the fourth quarter of 2008 will be available on the Electrolux website [www.electrolux.com/ir](http://www.electrolux.com/ir)

Details for participation by telephone:

Participants in Sweden should call +46 (0)8 505 598 53

Participants in UK/Europe should call +44 (0)20 3043 2436

Participants in US should call +1 866 458 4087

You can also listen to the presentation at

<http://www.electrolux.com/webcast1>

#### For further information

Peter Nyquist, Head of Investor Relations and Financial Information: +46 (0)8 738 60 03. Financial information from Electrolux is also available at [www.electrolux.com/ir](http://www.electrolux.com/ir)

#### 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.*

#### Calendar 2009

##### Financial reports 2009

Interim report January–March

April 22

Interim report January–June

July 16

Interim report January–September

October 26

##### Annual General Meeting 2009

The Annual General Meeting of AB Electrolux will be held at 5 pm on Tuesday, March 31, 2009, at the Berwald Hall, Dag Hammarskjölds väg 3, Stockholm, Sweden.

##### Annual report 2008

Available at the Group's website

Week 10

*Electrolux discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 08.00 CET on February 4, 2009.*