

# Press release

Stockholm, April 22, 2009

## President and CEO Hans Stråberg's comments on the first quarter results

### Cost reductions generate results in a continued difficult market

**Thanks to successful cost-reduction programs, we have managed to achieve a positive result for the first quarter in spite of continued dramatic decreases in demand. Moreover, our strong cash flow leaves us in a sound financial position, an important factor in this period of great uncertainty. We continue with our forceful efforts to be able to take advantage of all opportunities when demand does pick up again.**

Although currency changes and decreased demand for our products have affected us negatively, we managed to generate a positive operating income for the first quarter, much thanks to the cost-saving measures that are being implemented within the Electrolux operations. Moving production to low-cost countries, decreasing the number of employees and reducing product costs have particularly impacted the result positively. In addition investments in new products is paying off, as evidenced by an improved product mix and successful price increases in many markets.

Our work to improve cash flow has paid off. Even though demand has dropped dramatically, affecting the underlying result negatively, our cash flow was substantially better this quarter than in the same period last year. This is the result of many years of work to drive the business operations with a strong focus on cash flow. In these times, this is more important than ever. We have been very careful when it comes to delivering to customers who might have difficulties paying. By decreasing and temporarily cutting production, we have adapted our inventory to current demand levels. We have also decreased capital expenditure. We estimate that capital expenditure will decrease by over 30% this year. In addition, we have implemented savings and reduced our costs. All in all, our strong cash flow gives us a solid financial position and thus good conditions under which we can take advantage of the business opportunities that will re-emerge when the market turns around.

In the current demand situation, we are constantly balancing between reducing costs and at the same time making investments in apparent opportunities.

In China, we are closing our refrigerator factory in Changsha at the same time as we are concentrating our distribution to gain a strong position in the premium segment.

In the US, we have drastically reduced the cost levels at the same time as we are continuing to market the new product range under the Electrolux brand and invest in a new, exciting range of products under the Frigidaire brand.

In Europe, we are reducing the number of employees and production capacity at the same time as we are preparing for a comprehensive introduction of a new product range this summer at all IKEA stores in Europe.

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The developments on the market are dramatic. In North America, we've experienced eleven consecutive quarters of weakening demand. Even if the decrease is expected to continue in the coming quarters, we see some early signs that we are beginning to reach the bottom. The volumes in Europe have decreased for five consecutive quarters, with the first quarter of 2009 showing the most dramatic drop. Unfortunately, this will not improve in the near future. The challenge for us right now is to strike the right balance between the brakes and the gas pedal in order to stand strong when demand turns around.

Stockholm, April 22, 2009

Hans Stråberg  
President and Chief Executive Officer

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 April 22, 2009.

## About Electrolux

Electrolux is a global leader in household appliances and appliances for professional use, selling more than 40 million products to customers in more than 150 markets 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 2008 Electrolux had sales of SEK 105 billion and 55,000 employees. For more information go to [www.electrolux.com/press](http://www.electrolux.com/press)