

# Press release

Stockholm, October 26, 2009

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

### Third quarter results clearly demonstrate our potential

Today I am presenting very strong results for the third quarter. We have succeeded in reaching an operating margin of more than 8%. I am very pleased that all Electrolux operations have been successful in this challenging market. Market demand continues to be weak, although the rate of decline has slowed down.

The results show that we are capable of increasing our margins. At the same time, we have to be realistic and understand that a lot of work remains before these levels are sustainable.

Almost everything went our way this quarter. Cyclical trough in commodity prices and maintained prices have been decisive for our earnings improvement. Other contributing factors are a better product mix and significant cost reductions.

Our results indicate that we have chosen the right strategy. Innovative products, investments in the Electrolux brand and cost efficiency measures have yielded results. Our strong balance sheet provides us with good opportunities to create growth.

Investments in new and innovative **products**, combined with strong **brands**, have been successful and improved our **product mix**. In North America, after a very successful launch of the Electrolux brand in the premium appliance segment, we have re-launched the Frigidaire brand in the medium-price segment. And in Europe, we have successfully gained market shares in the profitable built-in segment, primarily by strengthening our position in the important German market. Another example is the new premium vacuum cleaner UltraOne, which has clearly contributed to the earnings improvement within our floor-care operations.

I am very pleased that the past years' **cost efficiency** measures are yielding results. There have been many difficult decisions, and some still remain, but they have been necessary in order to build a strong Electrolux in the long term. We continue our work in building a competitive manufacturing structure and reducing costs through the utilization of our global scope and strengths.

Thanks to favorable **raw materials prices**, we have successfully reduced our costs in the third quarter compared to last year. Prices of many of our raw materials have again begun to rise, which will increase our costs. When the global economy recovers, we expect the costs for our most important raw materials to increase further.

**Market development** continues to be weak, as expected. Even though we see things stabilizing in North America, the European market has not yet hit bottom. We have, in spite of troublesome market conditions characterized by increased price pressure, succeeded in sustaining our previously implemented price increases, and this has significantly contributed to our positive earnings development.

#### 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](http://www.electrolux.com)

**E-mail**  
[ir@electrolux.se](mailto:ir@electrolux.se)  
**Reg. No.**  
556009-4178

We have reduced our marketing investments significantly to levels that are not sustainable in the long run. To further strengthen the position of the Electrolux brand, we now have to increase our investments in marketing. We must continue to develop innovative products that consumers prefer and are willing to pay higher prices for. On top of that, our strong cash flow provides us with a solid balance sheet for growth opportunities going forward.

We still have a way to go before we will reach our target of an operating margin of 6% as an average over a business cycle, but the results for the third quarter clearly demonstrate our potential.

Stockholm, October 26, 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 October 26, 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)