

Corporate governance report 2006

The governance of Electrolux is based on the Swedish Companies Act, the regulatory system of the Stockholm Stock Exchange, including the Code of Corporate Governance (the “code”), as well as other relevant Swedish and foreign laws and regulations.

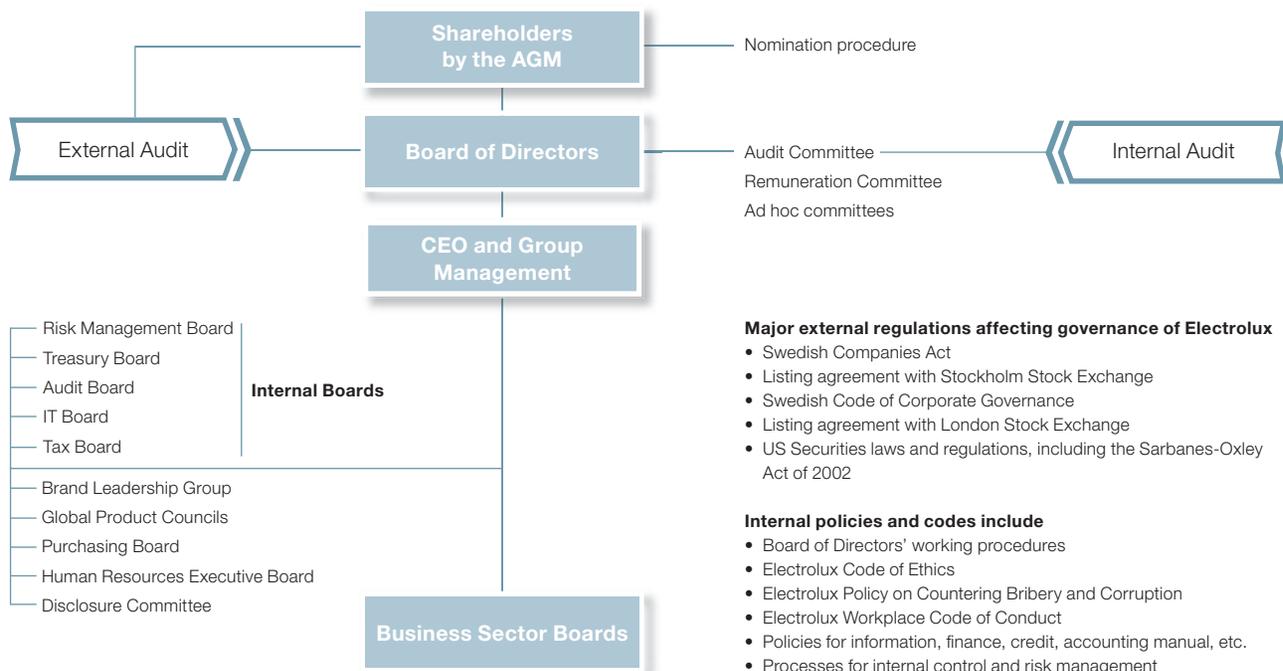
Electrolux applies the code. This corporate governance report is drawn up as a part of this application. The report has not been audited by the Group’s external auditor. Electrolux does not report any deviations from the code in 2006, except as regards the composition of the Board of Directors’ Remuneration Committee, see page 118 for more information.

As a result of the US Securities and Exchange Commission (SEC) registration of Electrolux B-shares in the form of American Depositary Receipts (ADRs), Electrolux is subject to US securities laws and regulations which affect the governance of the Group, including the Sarbanes-Oxley Act of 2002. Electrolux submits an annual Form 20-F report to the SEC.

Highlights of 2006

- In April, the Annual General Meeting approved the Board’s proposal for distributing the Group’s Outdoor Products operations, Husqvarna, to Electrolux shareholders. In June, Husqvarna was listed as an independent company on the Stockholm Stock Exchange.
- In December, an Extraordinary General Meeting approved distribution of capital to shareholders through redemption of shares.
- Work continued on ensuring that Electrolux is in compliance with the criteria of the Sarbanes-Oxley Act, in particular Section 404.
- At the end of the year, Board Chairman Michael Treschow announced that he declines re-election at the AGM in 2007.

Governance structure



Major external regulations affecting governance of Electrolux

- Swedish Companies Act
- Listing agreement with Stockholm Stock Exchange
- Swedish Code of Corporate Governance
- Listing agreement with London Stock Exchange
- US Securities laws and regulations, including the Sarbanes-Oxley Act of 2002

Internal policies and codes include

- Board of Directors’ working procedures
- Electrolux Code of Ethics
- Electrolux Policy on Countering Bribery and Corruption
- Electrolux Workplace Code of Conduct
- Policies for information, finance, credit, accounting manual, etc.
- Processes for internal control and risk management

Shareholder structure

According to the share register at VPC AB (the Swedish Central Securities Depository & Clearing Organization) at year-end 2006, the Group had a total of approximately 59,500 shareholders. The shares held by the ten largest owners corresponded to approximately 32% of the total share capital and 45% of the voting rights.

Approximately 54% of the share capital was owned by Swedish institutions and mutual funds, approximately 38% by foreign investors, and approximately 8% by private Swedish investors. The total number of Electrolux shareholders in Sweden at year-end was approximately 56,300. Most of the shares owned by foreign investors are registered through foreign banks or other trustees which are not registered in the share register kept by VPC. This means that the actual owners are not displayed in the share register kept by VPC. Information on shareholders and their holdings is updated continuously at the Group's website, www.electrolux.com/corpgov.

Major shareholders as of December 31, 2006¹⁾

	Share capital, %	Voting rights, %
Investor AB	11.1	27.6
Alecta Pension Insurance	7.7	7.2
Fourth Swedish National Pension Fund	2.8	2.2
Swedbank Robur Funds	2.3	1.8
Handelsbanken/SPP Investment Funds	2.1	1.6
SEB Funds	1.6	1.2
Second Swedish National Pension Fund	1.1	0.9
Skandia Life Insurance	1.1	1.1
Industritjänstemannaförbundet, Sif	1.0	0.8
Third Swedish National Pension Fund	0.8	0.7
Total	31.6	45.1
Board of Directors and Group Management, collectively	0.03	0.03

1) Source: SIS Ägarservice as of December 31, 2006.

Voting rights

The share capital of AB Electrolux consists of A-shares and B-shares. An A-share entitles the holder to one vote and a B-share to one-tenth of a vote. All shares entitle the holder to the same proportion of assets and earnings and carry equal rights in terms of dividends.

Nomination procedure for election of Board members and auditors

The nomination process for members of the Board of Directors involves appointing a Nomination Committee consisting of the Chairman of the Board and representatives of the four largest shareholders in terms of voting rights. The names of these representatives and the shareholders they represent are announced publicly at least six months before the Annual General Meeting (AGM).

Selection of the shareholders is based on known holdings of voting rights immediately prior to the announcement. If the identity of major shareholders changes in the course of the nomination process, the composition of the Nomination Committee may be changed accordingly.

The Nomination Committee's tasks include preparing a proposal for the next AGM regarding the following issues: Chairman of the AGM, Board members, Chairman of the Board and remuneration for Board members, as well as remuneration for committee work and Nomination Committee for the next accounting year. Shareholders may submit proposals for nominees to the Nomination Committee.

The Nomination Committee is also entrusted with the task to make proposals for the election of auditors and auditors' fees, when these matters are to be decided by the following AGM. In preparing these proposals, the Nomination Committee is assisted by the Electrolux Audit Committee, which among other things informs the Nomination Committee of the results of the evaluation of the audit work, which is performed as a part of this process.

The committee's proposal shall be announced publicly in connection with or prior to the notice of the AGM.

Nomination Committee for the AGM 2007

The Nomination Committee for the AGM in 2007 was composed on the basis of the register of shareholders at VPC AB as of September 30, 2006, and was announced in a press release on October 16, 2006. On November 9, changes in the Committee were announced, as The Second Swedish National Pension Fund had reduced its holding. Carl Rosén, who had represented the Fund, resigned from the Committee and was replaced by Marianne Nilsson, representing Swedbank Robur Funds. As of March 5, 2007, no other changes in the composition of the Committee had occurred.

The Committee Chairman is Börje Ekholm, President and CEO of Investor. The other members are Ramsay J. Brufer, Alecta Pension Insurance, Annika Andersson, Fourth Swedish National Pension Fund, Marianne Nilsson, Swedbank Robur Funds and Michael Treschow, Board Chairman of Electrolux.

The Nomination Committee's proposals as well as a report on how the Nomination Committee has conducted its work will be publicly announced no later than the date of notification of the AGM. Shareholders who wish to submit proposals to the Nomination Committee should send an e-mail to nominationcommittee@electrolux.com.

General Meetings of shareholders

The decision-making rights of shareholders in AB Electrolux are exercised at General Meetings of shareholders.

Participation in decision-making requires the shareholder's presence at the meeting, whether personally or through a proxy. In addition, the shareholder must be registered in the share register as of a prescribed date prior to the meeting and must provide notice of participation in due course. Additional requirements for participation apply for shareholders with holdings in the form of ADRs or similar certificates. Holders of such certificates are advised to contact the ADR depositary bank, the fund manager or the issuer of the certificate in good time before the meeting in order to obtain additional information.

Decisions at the meeting are normally made by simple majority. However, for some matters the Swedish Companies Act and the Articles of Association stipulate that a proposal must be approved by a higher proportion of the shares and votes represented at the meeting.

Individual shareholders who wish to have a specific issue included in the agenda of a general shareholders' meeting can request the Electrolux Board to do so in good time by mail to an address that is posted at the Group's website.

The AGM is held annually in Stockholm, Sweden, during the first half of the year. The meeting decides on dividends, adoption of the annual report, election of Board members and auditors if applicable, remuneration to Board members and auditors, guidelines for remuneration to Group Management, and other important matters.

The AGM in April 2006 was attended by shareholders representing 42.7% of the share capital and 55.3% of the voting rights in the Company. The minutes of the AGM are available at www.electrolux.com/corpgov. All Board members as well as the Group's auditor in charge were present at the meeting. The AGM approved, i.a., the Board's proposal for distributing the Group's Outdoor Products operations to Electrolux shareholders.

An Extraordinary General Meeting (EGM) may be held at the discretion of the Board of Directors or, if requested, by the auditors or by shareholders owning at least 10% of the shares. In December 2006, the Board called an EGM for approval of a proposal for distributing capital to the shareholders through redemption of shares. This meeting was attended by shareholders representing 36.9% of the share capital and 49.9% of the votes.

The Board of Directors

The main task of the Electrolux Board of Directors is to manage the Group's affairs in such a way as to satisfy the owners that their interests in terms of a good long-term return on capital are being met in the best possible way. The Board's work is governed by rules and regulations that include the Swedish Companies Act, the Articles of Association, the code, and the working procedures established by the Board.

The Board decides on issues related to the Group's main goals, strategic orientation and major policies, as well as important issues related to financing, investments, acquisitions and divestments. The Board monitors and deals with, inter alia, follow-up and control of Group operations, Group communication, and organization, including evaluation of the Group's operative management. The Board also has overall responsibility for establishing an effective system of internal control and risk management.

Working procedures and meetings

The Board determines its working procedures each year and reviews them when necessary. The working procedures include allocation of tasks between Board members. The Chairman's special role and tasks are described, as well as the responsibilities delegated to the committees appointed by the Board. In accordance with the procedures, the Chairman shall ensure that the Board functions effectively and discharges its duties. The Chair-

man shall also organize and distribute the Board's work, and ensure that the Board's decisions are implemented effectively and that the Board evaluates its work annually.

The working procedures for the Board of Directors also include detailed instructions to the President and CEO and other corporate functions regarding issues that require the Board's approval. Among other things, these instructions specify the maximum amounts that various decision-making functions within the Group are authorized to approve regarding credit limits, capital expenditure and other outlays.

The working procedures stipulate that the meeting for formal constitution of the Board shall be held directly after the AGM. Decisions at this meeting include election of the Deputy Chairman, distribution of remuneration to Board members for work in committees, and authorization to sign for the Company. The Board normally meets on six other occasions during the year. Four of these meetings are held in connection with publication of the Group's annual and interim reports. One or two meetings are held in connection with visits to Group operations. Additional meetings, including telephone conferences, are held when necessary.

Ensuring quality in financial reporting

The working procedures determined annually by the Board include detailed instructions regarding the type of financial and other reports that shall be submitted to the Board. In addition to interim reports and the annual report, the Board reviews and evaluates comprehensive financial information regarding the Group as a whole and the entities it comprises.

The Board also reviews, primarily through the Group's Audit Committee, the most important accounting principles applied by the Group in financial reporting, as well as major changes in these principles. The tasks of the Audit Committee also include reviewing reports regarding internal control and processes for financial reporting, as well as internal audit reports submitted by the Internal Audit function, Management Assurance & Special Assignments.

The Group's external auditors report to the Board as necessary, but at least once a year. At least one of these meetings is held without the presence of the President and CEO or any other member of Group Management. The external auditors also attend meetings of the Audit Committee.

The Audit Committee reports to the Board after all its meetings. Minutes are taken at all meetings of the Audit Committee and are available to all Board members and the auditors.

Evaluation of the Board's activities

The Board evaluates its activities annually with regard to working procedures and the working climate, as well as the alignment of the Board's work. The evaluation also focuses on access to and requirements for special competence. This evaluation provides input for the nomination procedures by which the Nomination Committee decides on matters such as the Board's composition and remuneration to members.

The Deputy Chairman of the Board also manages a separate annual evaluation of the Chairman's work.

Composition of the Board

The Electrolux Board of Directors consists of seven members without deputies who are elected by the Annual General Meeting for a period of one year. Three additional members, with deputies, are appointed by the Swedish employee organizations, in accordance with Swedish labor laws.

With the exception of the President and CEO, the members of the Board are non-executives. Two of the seven members are not Swedish citizens. Three of the members are women. For information on Board members, see www.electrolux.com and page 124.

Independence

The Board is considered to be in compliance with the requirements for independence stipulated by the Stockholm Stock Exchange and the Swedish Code of Corporate Governance. All Directors elected by the AGM 2006, with the exception of Michael Treschow, Marcus Wallenberg and Hans Stråberg, have been considered independent by the Nomination Committee prior to the AGM 2006, both in relation to the major shareholders of Electrolux and in relation to the Company and the management of the Company.

Michael Treschow has been considered independent in relation to the major shareholders, but not in relation to the Company and the management of the Company, since he was President and CEO of Electrolux during the years 1997–2002. Marcus Wallenberg has not been considered independent, neither in relation to the major shareholders in Electrolux, nor in relation to the Company or the management of the Company. Marcus Wallenberg is, i.a., the Chairman of the Board of Directors of SEB, Skandinaviska Enskilda Banken, with which bank Electrolux has extensive business relations.

Hans Stråberg has been considered independent in relation to the major shareholders of Electrolux, but not – in his capacity as President and CEO – in relation to the Company and the management of the Company. With the exception of the President and CEO Hans Stråberg, the members of the Board are not Group executives. The President and CEO has no major shareholdings nor is he a part-owner in companies that have significant business relations with Electrolux.

Remuneration to Board members

Remuneration to Board members is authorized by the AGM and distributed to the Board members who are not employed by the Group. Information on remuneration to Board members is given in the table below. Remuneration to the President and CEO is proposed by the Remuneration Committee and authorized by the Board of Directors. Board members who are not employed by Electrolux do not participate in the Group's long-term incentive programs, nor in any outstanding share or share-price incentive schemes.

The Board of Directors adopted after the AGM in 2006, upon the recommendation of the Nomination Committee, a policy according to which the members of the Board of Directors each year shall use 25% of the fee, net of taxes, for purchase of shares in Electrolux. The intention is that shares that are acquired for part of the director's fee shall be kept for as long as the Board member remains a member of the Board.

The composition of the Board and remuneration to members in accordance with the decision of the AGM on April 24, 2006, are shown in the table below.

Composition of the Board and authorized remuneration ¹⁾

Board	Born	Nationality	Elected	Independence ²⁾	Remuneration, Audit Committee, SEK	Remuneration, Remuneration Committee, SEK	Ordinary remuneration, SEK	Total remuneration, SEK
Michael Treschow Chairman of the Board and Chairman of the Remuneration Committee	1943	SWE	1997	No		100,000	1,500,000	1,600,000
Peggy Bruzelius Deputy Chairman of the Board and Chairman of the Audit Committee	1949	SWE	1996	Yes	175,000		500,000	675,000
Louis R. Hughes	1949	US	2005	Yes		50,000	437,500	487,500
Hans Stråberg President and CEO	1957	SWE	2002	No			–	–
Barbara Milian Thoralfsson	1959	US	2003	Yes	75,000		437,500	512,500
Caroline Sundewall	1958	SWE	2005	Yes	75,000		437,500	512,500
Marcus Wallenberg	1956	SWE	2005	No		50,000	437,500	487,500
Ulf Carlsson Employee representative	1958	SWE	2001	–			–	–
Gunilla Brandt Employee representative	1953	SWE	2006	–			–	–
Ola Bertilsson Employee representative	1955	SWE	2006	–			–	–
Total					325,000	200,000	3,750,000	4,275,000

1) For the period from the AGM 2006 to the AGM 2007.

2) According to the Nomination Committee prior to the AGM 2006. For more information, see Independence above.

For additional information on remuneration to the Board members and the President and CEO in 2006, see Note 27 on page 101.

Changes in the Board in 2006

- In connection with the AGM on April 24, 2006, the following members declined re-election: Tom Johnstone, elected 2005, Aina Nilsson Ström, elected 2004, and Karel Vursteen, elected 1998.
- Louis R. Hughes and Marcus Wallenberg were appointed to the Remuneration Committee. Board Chairman Michael Treschow remained as Chairman of the Remuneration Committee.
- The AGM 2006 re-elected Michael Treschow as Chairman of the Board.
- The meeting for formal constitution of the Board re-elected Peggy Bruzelius as Deputy Chairman.
- In connection with the distribution of Husqvarna, employee representatives and their deputies were replaced.
- Board Chairman Michael Treschow announced at the end of the year that he declines re-election at the AGM in 2007.

The Board's work in 2006

During the year, the Board held seven scheduled and two extraordinary meetings. In addition, five per capsulam meetings were held to decide on urgent matters. Six of the scheduled meetings were held in Stockholm and one in the US. In connection with the latter, the Board visited the Electrolux plants in Juarez, Mexico, as well as the Group's regional office and retailers in the US.

Each scheduled Board meeting includes a review of the Group's results and financial position as well as the outlook for the following quarters, which is presented by the President and CEO. The meetings also deal with investments and the establishment of new operations, as well as acquisitions and divestments. The Board decides on all investments that exceed SEK 50m, and receives reports on all investments between SEK 10m and SEK 50m. Normally, the head of a sector also reviews a current strategic issue at the meeting.

The Group's auditors participated in the Board meeting in February 2006, where the Annual Report for 2005 was approved.

All Board meetings during the year followed an approved agenda, which together with documentation for each item was sent to all Board members. Cecilia Vieweg, Head of Group Staff Legal Affairs, was the secretary at all Board meetings.

Major topics in 2006

Major topics dealt with by the Board in 2006 comprised:

- The spin-off of Husqvarna, the Group's Outdoor Products operations
- Distribution of capital to shareholders through redemption of shares
- Restructuring, primarily in terms of relocation of production
- Development of the Group's strategy and organization
- Product development and brand strategy

Committees

The Board has established a Remuneration Committee and an Audit Committee. The main tasks of the committees are preparatory and advisory. In addition, the Board may delegate decision-making powers on specific issues.

The Board has also decided that issues may be referred to ad hoc committees that deal with specific matters.

Remuneration Committee

The main task of the Remuneration Committee is to propose principles for remuneration to members of Group Management. The Remuneration Committee makes proposals to the Board of Directors regarding:

- Targets for variable compensation
- The relationship between fixed and variable salary
- Changes in fixed or variable salary
- Criteria for assessment of variable salary, long-term incentives, pension terms and other benefits

The Committee comprises three Board members, with Chairman of the Board Michael Treschow as Chairman, and Louis R. Hughes and Marcus Wallenberg as members. At least two meetings are convened annually. Additional meetings are held as needed.

Prior to the AGM in 2006 the Nomination Committee determined that Marcus Wallenberg was not independent of the company and company management as required by the code. Marcus Wallenberg's positions include Chairman of SEB, Skandinaviska Enskilda Banken, a bank with which Electrolux has comprehensive business relations. However, the Electrolux Board has decided that these relations do not affect Marcus Wallenberg's tasks in the Remuneration Committee, and that the company benefits from his expertise in terms of his work on this committee.

The Remuneration Committee held six ordinary meetings and two per capsulam meetings in 2006. In addition to remuneration to the President and Group Management, major issues considered during the year included remuneration in connection with the spin-off of the Group's Outdoor Products operations. Harry de Vos, Head of Group Staff Human Resources and Organizational Development, participated in the meetings and was responsible for preparations.

Audit Committee

The primary task of the Audit Committee is to assist the Board in overseeing the accounting and financial reporting processes, including the effectiveness of disclosure controls and procedures as well as the adequacy and effectiveness of internal controls of financial reporting.

The Audit Committee also assists the Board of Directors in:

- Overseeing the audit of the financial statements including related disclosures
- Pre-approving audit and non-audit services to be provided by the external auditors

- Reviewing the objectivity and independence of the external auditors
- Overseeing the work of the external auditors, evaluating the external auditors' performance and, if necessary, recommending their replacement

In addition, the Audit Committee is tasked with supporting the Nomination Committee in preparing proposals to them regarding external auditors and fees. The Audit Committee also reviews the Group's Internal Audit function, Management Assurance & Special Assignments, in terms of organization, staffing, budget, plans, results, and reports prepared by this function.

The Audit Committee comprises three Board members, with Peggy Bruzelius as Chairman, and Barbara Milian Thoralfsson and Caroline Sundewall as members.

The external auditors report to the Audit Committee at each ordinary meeting. At least three meetings are held annually. Additional meetings are held as needed.

In 2006, the Audit Committee held four scheduled meetings and one extra meeting. Electrolux managers have also had regular contacts with the Committee Chairman between meetings regarding specific issues. Fredrik Rystedt, CFO, and Anna Ohlsson-Leijon, Head of the Internal Audit function, participated in most of the Audit Committee's meetings. Other Electrolux managers also participated in relation to specific issues, as did the Group's external auditors. Cecilia Vieweg, Head of Group Staff Legal Affairs, was the secretary at all meetings.

Participation at Board and Committee meetings during 2006 ¹⁾

	Board	Audit Committee	Remuneration Committee
Total number of meetings	14	5	8
Michael Treschow	14		8
Peggy Bruzelius	14	5	
Louis R. Hughes (in the Remuneration Committee since April 2006)	14		5
Hans Stråberg	14		
Barbara Milian Thoralfsson	14	5	
Caroline Sundewall	14	5	
Marcus Wallenberg (in the Remuneration Committee since April 2006)	13		5
Aina Nilsson Ström (resigned April 2006)	6		3
Karel Vuursteen (resigned April 2006)	5		3
Tom Johnstone (resigned April 2006)	5		
Ulf Carlsson	14		
Gunilla Brandt (member since May 2006)	7		
Ola Bertilsson (member since June 2006)	6		
Annika Ögren (resigned May 2006)	8		
Malin Björnberg (resigned April 2006)	7		

1) In 2006, the Board held seven scheduled meetings, two extraordinary meetings and five per capsulam meetings.

External auditors

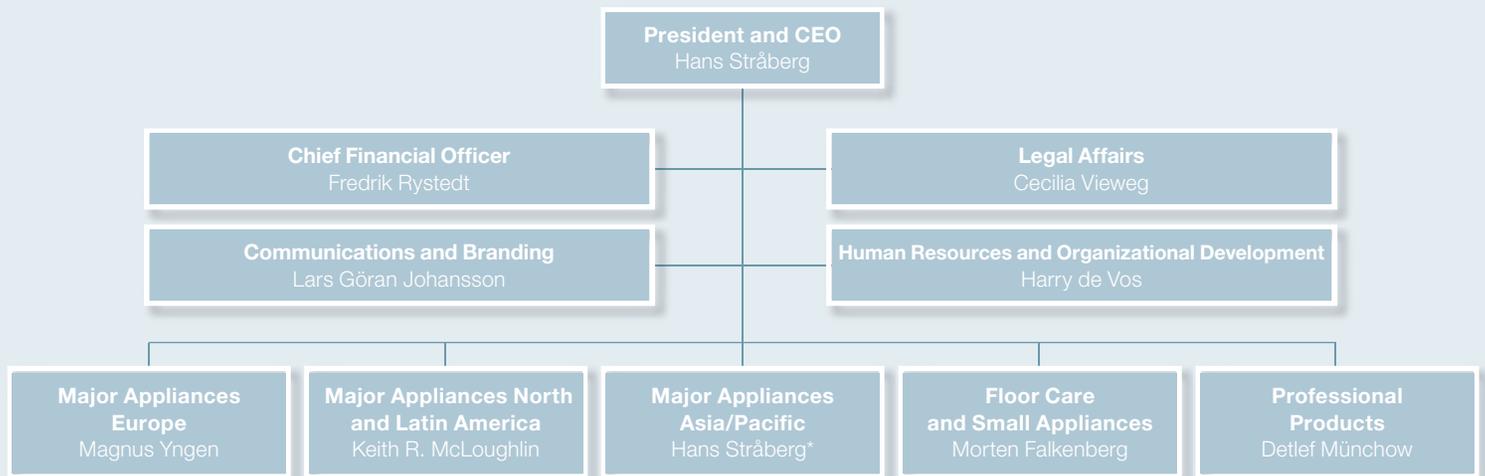
The AGM in 2006 re-elected PricewaterhouseCoopers (PwC) as the Group's external auditors for a four-year period, until the AGM in 2010. Certified public accountants Peter Clemedtson and Dennis Svensson are responsible for auditing of Electrolux.

PwC provides an audit opinion on AB Electrolux, the financial statements of its subsidiaries, the consolidated financial statements for the Electrolux Group, and the administration of AB Electrolux.

The audit is conducted in accordance with the Swedish Companies Act and the generally accepted Swedish auditing standards issued by FAR, which is the institute for the accountancy profession in Sweden (Swedish GAAS). The auditing standards issued by FAR are based on international auditing standards issued by the International Federation of Accountants (IFAC GAAS).

Audits of local statutory financial statements for legal entities outside of Sweden are performed as required by laws or applicable regulations in the respective countries, and as required by IFAC GAAS including issuance of audit opinions for the various legal entities. In addition, PwC performs audits in accordance with US generally accepted auditing standards (US GAAS) and provides an audit report for the Electrolux Group that is filed on Form 20-F, as required by the US Securities and Exchange Commission (SEC).

For additional information on the Group's auditors and their other audit assignments, see page 124. For information on fees paid to the auditors and their non-audit assignments in the Group, see Note 28 on page 103.



* Peter Birch is CEO for Major Appliances Asia/Pacific and reports to Hans Stråberg. Peter Birch is not a member of Group Management.

Management and Company structure

Electrolux operations are organized in five business sectors that include a total of 25 product lines. There are four Group staff units. The Group has a decentralized corporate structure in which overall management of operative activities is largely performed by sector boards.

Overall Group policies and guidelines

Electrolux aims at implementing strict norms and efficient processes to ensure that all operations create long-term value for shareholders and other stakeholders. This involves maintaining an efficient organizational structure, systems for internal control and risk management, and transparent internal and external reporting.

In order to ensure a systematic approach to improving operational efficiency and the internal control, and to ensure uniform implementation of operational procedures, the Group has defined six core processes within strategically important areas. These processes are common to the entire Group and comprise purchasing, brand, product development, demand flow, business support and people.

Electrolux has determined that the performance of operations shall be environmentally compatible as well as socially and ethically responsible. A proactive approach in this regard reduces risks, strengthens the brand, increases the motivation of personnel and ensures good relations with the societies in which the Group operates. Key policies in this context include the Electrolux Code of Ethics, the Electrolux Workplace Code of Conduct, and the Electrolux Policy on Countering Corruption and Bribery.

The Group has established the Electrolux People Process, which provides support at Group level for managers with regard to recruitment and development of employees. The process also aims at ensuring that individuals are treated fairly by the company. For more information on the Electrolux People Process, see page 67.

Group Management

In addition to the President and CEO, Group Management includes the five sector heads and the four Group staff heads. The President and CEO is responsible for ongoing management of the Group in accordance with the Board's guidelines and instructions.

Group Management holds monthly meetings to review the previous month's results, update forecasts and plans, and discuss strategic issues.

Changes in Group Management in 2006

- Bengt Andersson left the Group and Group Management in June 2006. He was appointed President and CEO of Husqvarna AB when the Outdoor Products operations of Electrolux were distributed to the shareholders and listed on the Stockholm Stock Exchange as a separate company.
- Johan Bygge resigned as sector head for Major Appliances in Europe in October 2006.
- Magnus Yngen, previously head of Floor Care and Small Appliances, succeeded Johan Bygge as sector head for Major Appliances in Europe in October 2006.
- Morten Falkenberg was appointed sector head of Floor Care and Small Appliances in December 2006.

Business sectors

The sector heads have responsibility for results and balance sheets in their respective sectors. The overall management of the sectors is the responsibility of sector boards, which meet quarterly. The President and CEO is the chairman of all sector boards. The sector board meetings are attended by the President and CEO, the management of the respective sectors and the Chief Financial Officer (CFO). The sector boards are responsible for monitoring on-going operations, establishing strategies, determining sector budgets and making decisions on major investments. The product-line

managers are responsible for the profitability and long-term development of their respective product lines.

In terms of external reporting structure, Group operations are divided into five business areas. Operations in Consumer Durables comprise four geographical areas, i.e., Europe, North America and Latin America and Asia/Pacific. Professional Products is the fifth business area.

Remuneration to Group Management

Remuneration to the President and CEO and Group Management is proposed by the Remuneration Committee and decided upon by the Board of Directors. Remuneration comprises fixed salary, variable salary in the form of short-term incentives based on annual performance targets, long-term incentive programs, and benefits such as pensions and insurance. The general principles for remuneration within Electrolux are based on the position held, individual and team performance, and comparable salaries in the relevant market.

Variable salary is paid according to performance. Variable salary for the President and CEO is determined by achievement of financial targets during the year. Variably salary for sector heads is determined by the achievement of both financial and non-financial targets. Value created is the most important financial indicator. For 2006, the non-financial targets focused, i.a., on value market share and succession planning. Group staff heads receive variable salary based on the value created for the Group as well as achievement of performance targets within their respective functions. For more information on value creation, see below.

Electrolux long-term incentive programs include a performance-based share program and employee stock-option programs, which are designed to align management incentives with shareholder interests. In 2006, the AGM approved a performance-based long-term share program, the Electrolux Share Program 2006, which has the same parameters as the share programs for 2005 and 2004. The program is based on value created over a three-year period and includes 160 senior officers and key employees of the Electrolux Group.

Remuneration to Group Management in 2006

'000 SEK	President and CEO	Other members of Group Management ¹⁾	Total
Fixed salary	8,718	28,723	37,441
Variable salary	5,303	14,932	20,235
Total	14,021	43,655	57,676

1) Other members of Group Management include eight persons.

For additional information on remuneration, remuneration guidelines, long-term incentive programs and pension benefits, see Note 22 on page 92 and Note 27 on page 101.

Value creation

The Group uses a model for value creation to measure profitability by business area, sector, product line and region. The model links operating income and asset efficiency with the cost of the capital employed in operations. Value created is also the basis for incentive systems for managers and employees in the Group. Since 1998, Electrolux has covered the annual cost of capital employed.

Value created is defined as operating income excluding items affecting comparability, less the weighted average cost of capital (WACC) on average net assets, excluding items affecting comparability.

For details of the value-creation concept, see Note 31 on page 107.

Internal control and risk management

The process of internal control and risk management has been developed to provide reasonable assurance that the Group's goals are met in terms of efficient operations, compliance with relevant laws and regulations, and reliable financial reporting. For information on internal control of financial reporting, see below "Description of internal control of financial reporting".

The Electrolux process for internal control and risk management is based on the control environment and comprises four main activities: Risk assessment, control activities, information and communication, and monitoring.

Risk assessment includes identifying, sourcing and measuring business risks, such as strategic, operational, commercial, financial and compliance risks, including non-compliance with laws, other external regulations, and internal guidelines. Assessing risks also includes identifying opportunities that ensure long-term value creation.

The choice of control activities depends on the nature of the identified risk and the results of a cost-benefit analysis, within the guidelines set by the Group. Control activities for managing risks may include insuring, outsourcing, hedging, prohibiting, divesting, reducing risk through detective and preventative internal controls, accepting, exploiting, reorganizing and redesigning.

The process for internal control and risk management generates valuable information regarding business objectives, risks and control activities. Communicating on a timely basis throughout the Group contributes to ensuring that the right business decisions are made.

The effectiveness of risk assessment and execution of control activities are monitored continuously. Various tools including self-assessments and risk surveys are also used within the Group.

The Internal Audit function Management Assurance & Special Assignments is responsible for independent objective assurance, in order to systematically evaluate and propose improvements for more effective governance, internal control and risk management processes.

Description of internal control of financial reporting

The Electrolux process for internal control and risk management related to financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable laws and regulations, generally accepted accounting principles, and other requirements for listed companies. The process is based on the control environment and comprises four main activities: Risk assessment, control activities, information and communication, and monitoring, as defined in the framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Control environment

The Board has the overall responsibility for establishing an effective system of internal control and risk management. The Board has determined its working procedures, which include the allocation of tasks to Board members. The Board has established an Audit Committee, which assists the Board in overseeing relevant manuals, policies and important accounting principles applied by the Group in financial reporting, as well as major changes in these principles.

Responsibility for maintaining an effective control environment and operating the system for risk management and internal control of financial reporting is delegated to the President and CEO. Management at various levels has operational responsibility within their respective areas.

The Group's operations are organized in five business sectors and four Group staff units. Group Management includes the President and CEO, the five sector heads and the four Group staff heads. The sector heads have responsibility for results and balance sheets in their respective sectors. The overall management of the sectors is the responsibility of sector boards. A number of internal boards and councils have been established within the Group for specific areas such as risk management, treasury, audit, IT, taxes, brands, products, purchasing and human resources.

The Group's Disclosure Committee contributes to considering the materiality of information relating to Electrolux and ensuring that such information is properly communicated to the market on a timely basis.

The Group has established six group processes within strategically important areas such as purchasing, people, brand, product development, demand flow, and business support in order to ensure, among other things, a systematic approach to improving internal control. The Electrolux People Process provides support to managers within the Group in the form of tools and checklists to ensure efficient recruitment processes and continuous development of employees.

The limits of responsibilities and authorities are given in instructions for delegation of authority, manuals, policies and procedures, and codes, including the Electrolux Code of Ethics, the Electrolux Workplace Code of Conduct, and the Electrolux Policy on Counter-

ing Bribery and Corruption, as well as in policies for information, finance and credit, and in the accounting manual. In addition, minimum requirements have been set for internal control of financial reporting on the basis of the Group's internal processes. Together with laws and external regulations, these internal guidelines form the control environment, which is the foundation of the internal control and risk management process. All employees, including process, risk, and control owners, are accountable for compliance with these guidelines.

Risk assessment

Risk assessment includes identifying, measuring and sourcing risks. The major risks affecting internal control of financial reporting are defined at four levels: Group, business sector, unit, and process. Assessment of risk includes risks related to irregularities and undue favorable treatment of a third party at the Group's expense, as well as the risk of loss or misappropriation of assets. Assessment of risk generates control objectives that fulfill the fundamental criteria for financial reporting.

Control activities

Control activities include both general and detailed controls aimed at preventing, detecting and correcting errors and irregularities. These activities include manual controls, application controls built into IT systems, and controls in the underlying IT environment, known as IT General Controls.

Control activities that fulfill the control objectives identified in risk assessment are implemented and documented at four levels: Group, business sector, unit, and process. Documentation comprises both flowcharts and detailed descriptions of the control activities. The documented activities are quality-assured by the responsible employees in terms of completeness and accuracy, according to Group-wide procedures, at Group, business sector, unit, and process levels.

Information and communication

Guidelines for financial reporting are communicated to employees, e.g., by ensuring that all manuals, policies and codes are published and accessible through the Group-wide Intranet. Information is provided periodically to relevant parties regarding monitoring of the effectiveness of internal control of financial reporting.

The Group maintains a representation process in which Group Management signs an annual representation letter stating its opinion regarding internal control of financial reporting as well as disclosure controls and procedures, and compliance with other internal guidelines.

Monitoring

The effectiveness of the process for assessing risks and the execution of control activities are monitored continuously at four levels: Group, business sector, unit, and process. Monitoring involves both formal and informal procedures applied by management and owners of processes, risks, and controls, including reviews of results in comparison with budgets and plans, analytical procedures, and key performance indicators.

In addition, various tools including self-assessment are used within the Group. Reporting units within the Group use these tools for, e.g., evaluation of the security of information as well as processes for business transactions, reporting and final accounts.

In 2005 and 2006, the Internal Audit function Management Assurance & Special Assignments created test plans for specific key control activities based on documented flowcharts and detailed descriptions of control activities. The key control activities are tested for operating effectiveness by employees independent of those performing the controls. The test results are documented in an IT system that is implemented solely for this purpose.

The Internal Audit function is responsible for performing independent objective assurance activities, in order to systematically evaluate and propose improvements to the effectiveness of the governance, of financial reporting in the internal control and risk management processes. In addition, this function proactively proposes improvements to the control environment. The head of this function has dual reporting lines, to the President and CEO and the Audit Committee for assurance activities, while other activities are reported to the CFO.

The Audit Committee reviews reports regarding internal control and processes for financial reporting, as well as internal audit reports submitted by the Internal Audit function. The external auditors report to the Audit Committee at each ordinary meeting.

Compliance with the Sarbanes-Oxley Act

Section 404 of the Sarbanes-Oxley Act stipulates that companies subject to SEC reporting requirements, such as Electrolux, must submit annual reports in a Form 20-F that include a report from the President and CFO on the effectiveness of the company's internal controls over financial reporting. The Group's external auditors are required to issue an attestation report regarding management's assessment of the effectiveness of these controls, as well as an auditor's independent assessment of the effectiveness of the Group's internal control over financial reporting. This attestation report must also be included in the Form 20-F. Electrolux and its external auditors must comply with these requirements starting with the Group's Form 20-F report for the fiscal year ending December 31, 2006.

In the course of 2004, extensive efforts were made to develop a method within the Group for documenting, evaluating and testing Electrolux internal controls over financial reporting, and work on documentation was started. This work also included comprehensive staff training in order to secure the required competence within

the Group for effective compliance with the requirements of Section 404 of the Sarbanes-Oxley Act. The work is being led by Management Assurance & Special Assignments, the Group's Internal Audit function. In 2005 and 2006, extensive work was performed to document, evaluate and test Electrolux internal controls over financial reporting.

Financial reporting and disclosure

Electrolux routines and systems for information and communication aim at providing the market with relevant, reliable, correct and vital information about the development of the Group and its financial position.

A disclosure policy in accordance with the Sarbanes-Oxley Act of 2002 was adopted by the Audit Committee in 2003. Electrolux complies with the requirements for an information policy that was introduced in 2004 by the Stockholm Stock Exchange in listing agreements.

Financial information is issued regularly in the form of:

- Interim reports, published as press releases.
- The Annual Report.
- An annual report on Form 20-F and interim reports on Form 6-K, each of which are filed with the US Securities and Exchange Commission (SEC).
- Press releases on all important matters which could materially affect the share price.
- Presentations and telephone conferences for analysts, investors and media representatives on the day of publication of quarterly and full-year results, and in connection with release of important news.
- Meetings with financial analysts and investors world-wide.

All reports and press releases are published simultaneously at www.electrolux.com/ir.

Disclosure Committee

Electrolux has a Disclosure Committee. This Committee contributes to considering the materiality of information relating to Electrolux and ensuring that such information is properly communicated to the market on a timely basis.

The Disclosure Committee comprises the Head of Group Staff Legal Affairs, the Chief Financial Officer, the Head of Group Staff Communications and Branding, and the Head of Investor Relations and Financial Information.

Board of Directors and Auditors

Michael Treschow

Chairman

Born 1943, M. Eng. Elected 1997. Chairman of the Electrolux Remuneration Committee.

Board Chairman of Telefonaktiebolaget LM Ericsson and The Confederation of Swedish Enterprise. Board Member of ABB Ltd.

Previous positions: President and CEO of AB Electrolux, 1997–2002. President and CEO of Atlas Copco AB, 1991–1997.

Holdings in AB Electrolux: 37,620 B-shares, 60,000 options.

Peggy Bruzelius

Deputy Chairman

Born 1949, M. Econ. Hon. Doc. in Econ. Elected 1996. Chairman of the Electrolux Audit Committee.

Board Chairman of Lancelot Asset Management AB. Board Member of Axfood AB, Industry and Commerce Stock Exchange Committee, Axel Johnson AB, Ratos AB, Scania AB, Husqvarna AB, Syngenta AG and The Association of the Stockholm School of Economics.

Previous positions: Executive Vice President of SEB, Skandinaviska Enskilda Banken AB, 1997–1998. President and CEO of ABB Financial Services AB, 1991–1997.

Holdings in AB Electrolux: 6,000 B-shares.

Louis R. Hughes

Born 1949, B.S., Mech. Eng., Harvard M.B.A. Elected 2005. Member of the Electrolux Remuneration Committee.

Board Chairman and CEO of GBS Laboratories, Virginia, USA. Non-executive Chairman of Maxager Technology, California, USA.

Board Member of ABB Ltd, AkzoNobel nv, and Sulzer AG. Member of the Supervisory Board of MTU Aero Engines Holding AG. Board Member of AB Electrolux 1996 until 2004, when he was appointed Chief of Staff for a group of senior US government advisors to the Afghanistan government. Member of British Telecom US Advisory Council.

Previous positions: Executive Vice President of General Motors Corporation, Michigan, USA, 1992–2000.

Holdings in AB Electrolux: 1,260 ADRs.

Hans Stråberg

President and CEO

Born 1957, M. Eng. Elected 2002. President and CEO of Electrolux since 2002.

Board Member of The Association of Swedish Engineering Industries and AB Ph. Nederman & Co.

Previous positions: Joined Electrolux in 1983. Held various management positions in the Group until appointed President and CEO in 2002. **Holdings** in AB Electrolux: 23,944 B-shares, 120,000 options.

Caroline Sundewall

Born 1958. M.B.A. Elected 2005. Member of the Electrolux Audit Committee. Independent Business consultant since 2001.

Board Member of Swedbank AB, TeliaSonera AB, Haldex AB, Lifco AB, Pånggruppen AB and The Association of Exchange-listed Companies.

Previous positions: Business commentator at Finanstidningen, 1999–2001, Managing editor of the business desk section at Sydsvenska Dagbladet, 1992–1999, and Business controller at Ratos AB, 1989–1992.

Holdings in AB Electrolux through company: 1,500 B-shares.

Barbara Milian Thoralfsson

Born 1959, M.B.A., B.A. Elected 2003.

Member of the Electrolux Audit Committee. Director of Fleming Invest AS, Norway, since 2005.

Board Member of SCA AB, Storebrand ASA, Tandberg ASA, Rieber & Son ASA, Fleming Invest AS, Stokke AS, and Norfolier AS.

Previous positions: President of TeliaSonera Norway, 2001–2005. President of Midelfart & Co, Norway, 1995–2001, and on various positions within marketing and sales, 1988–1995.

Holdings in AB Electrolux through company: 2,000 B-shares.

Marcus Wallenberg

Born 1956, B. Sc. Elected 2005. Member of the Electrolux Remuneration Committee.

Board Chairman of SEB, Skandinaviska Enskilda Banken AB, Saab AB, and ICC (International Chamber of Commerce). Deputy Chairman of Telefonaktiebolaget LM Ericsson. Board Member of AstraZeneca Plc, Stora Enso Oyj, Thisbe AB and The Knut and Alice Wallenberg Foundation.

Previous positions: President and CEO of Investor AB, 1999–2005. Executive Vice President of Investor AB, 1993–1999.

Holdings in AB Electrolux: 15,000 B-shares. Related party: 1,500 B-shares.

EMPLOYEE REPRESENTATIVES

Members

Ulf Carlsson

Born 1958. Representative of the Swedish Confederation of Trade Unions. Elected 2001. **Holdings** in AB Electrolux: 0 shares.

Gunilla Brandt

Born 1953. Representative of the Federation of Salaried Employees in Industry and Services. Elected 2006. **Holdings** in AB Electrolux: 0 shares.

Ola Bertilsson

Born 1955. Representative of the Swedish Confederation of Trade Unions. Elected 2006. **Holdings** in AB Electrolux: 0 shares.

Deputy Members

Bengt Liwång

Born 1945. Representative of the Federation of Salaried Employees in Industry and Services. Elected 2005. **Holdings** in AB Electrolux: 0 shares.

Gyula Math

Born 1945. Representative of the Federation of Salaried Employees in Industry and Services. Elected 2006. **Holdings** in AB Electrolux: 0 shares.

Peter Karlsson

Born 1965. Representative of the Swedish Confederation of Trade Unions. Elected 2006. **Holdings** in AB Electrolux: 0 shares.

SECRETARY OF THE BOARD

Cecilia Vieweg

Born 1955. B. of Law. General Council of AB Electrolux. Secretary of the Electrolux Board since 1999. **Holdings** in AB Electrolux: 0 shares, 45,294 options.

AUDITORS

At the Annual General Meeting in 2006, PricewaterhouseCoopers (PwC) was re-elected as auditors for a four-year period until the Annual General Meeting 2010.

Peter Clemedtson

PricewaterhouseCoopers AB Born 1956. Authorized Public Accountant. Partner in Charge. **Other audit assignments:** Ericsson, KMT, Medivir, OMX and SEB. **Holdings** in AB Electrolux: 0 shares.

Dennis Svensson

PricewaterhouseCoopers AB Born 1956. Authorized Public Accountant. Certified Public Accountant in the US, US CPA. **Other audit assignments:** Volvo Cars, 1999–2005. **Holdings** in AB Electrolux: 0 shares.

Holdings in AB Electrolux as of December 31, 2006.
For more information on the Board of Directors, see page 117.



Michael Treschow



Peggy Bruzelius



Louis R. Hughes



Hans Stråberg



Caroline Sundewall



Barbara Milian Thoralfsson



Marcus Wallenberg



Ulf Carlsson



Gunilla Brandt



Ola Bertilsson



Bengt Liwång



Gyula Math



Peter Karlsson

Group Management

Hans Stråberg

President and CEO

Born 1957, M. Eng. In Group Management since 1998. Joined Electrolux in 1983. Head of product area Dishwashers and Washing Machines, 1987. Head of product division Floor Care Products, 1992. Executive Vice-President of Frigidaire Home Products, USA, 1995. Head of Floor Care Products and Small Appliances and Executive Vice-President of AB Electrolux, 1998. Chief Operating Officer of AB Electrolux, 2001. President and CEO of AB Electrolux, 2002.

Board Member of The Association of Swedish Engineering Industries and AB Ph. Nederman & Co. **Holdings** in AB Electrolux: 23,944 B-shares, 120,000 options.

Keith R. McLoughlin

Head of Major Appliances North and Latin America

Born 1956, B.S. Eng. In Group Management since 2003. Held a number of senior management positions with DuPont, 1981–2003. Vice-President and General Manager of DuPont Nonwovens, 2000–2003, and of DuPont Corian, 1997–2000. Joined Electrolux in 2003 as Head of Major Appliances North America and Executive Vice-President of AB Electrolux. Also Head of Major Appliances Latin America as of 2004.

Board Member of Briggs & Stratton Corp., Wisconsin, USA.

Holdings in AB Electrolux: 0 shares, 5,000 options.

Changes in Group Management

Bengt Andersson left the Group and Group Management in June 2006. He was appointed President and CEO of Husqvarna AB when the Outdoor Products operations were distributed to the Electrolux shareholders and listed on the Stockholm Stock Exchange as a separate company.

Johan Bygge resigned as sector head for Major Appliances in Europe in October 2006. Magnus Yngen, previously head of Floor Care and Small Appliances, succeeded Johan Bygge as sector head for Major Appliances in Europe. Morten Falkenberg was appointed sector head of Floor Care and Small Appliances in December 2006.

Holdings in AB Electrolux as of December 31, 2006.

For more information on Group Management and Group structure, see page 120.

Detlef Münchow

Head of Professional Products

Born 1952, M.B.A., PhD Econ. In Group Management since 1999. Member of senior management in consulting firms Knight Wending/Wegenstein AG, 1980–1989, and GMO AG, 1989–1992. FAG Bearings AG, 1993–1998, as Chief Operating Officer in FAG Bearings Corporation, USA. Joined Electrolux in 1999 as Head of Professional Indoor Products and Executive Vice-President of AB Electrolux.

Holdings in AB Electrolux: 0 shares, 0 options.

Magnus Yngen

Head of Major Appliances Europe

Born 1958, M. Eng. Lic.Tech. In Group Management since 2002. Held several international sales and marketing positions, 1988–1995. Joined Electrolux in 1995 as Technical Director within the direct sales operation LUX. Head of Floor Care International operations, 1999. Head of Floor Care Europe, 2001. Head of Floor Care and Small Appliances and Executive Vice-President of AB Electrolux, 2002. Head of Major Appliances Europe as of October 2006.

Holdings in AB Electrolux: 0 shares, 75,000 options.

Morten Falkenberg

Head of Floor Care and Small Appliances

Born 1958, B.Econ. In Group Management since 2006. Held different sales/marketing positions in Carlsberg Group, 1980–1987, a number of senior management positions with Coca-Cola Company, 1987–2000, and Senior Vice-President of Alliances/Partnerships for TDC Mobile, 2001–2003. Joined Electrolux in 2003 as Head of Floor Care and Small Appliances Europe.

Holdings in AB Electrolux: 0 shares, 15,000 options.

Lars Göran Johansson

Head of Group Staff Communications and Branding

Born 1954, M. Econ. In Group Management since 1997. Account Executive of KREAB Communications Consultancy, 1978–1984, President, 1985–1991. Headed the Swedish “Yes to EU Foundation campaign” for the referendum that determined Sweden’s membership in the EU, 1992–1994. Joined Electrolux as Senior Vice-President of Communications and Public Affairs, 1995.

Holdings in AB Electrolux: 500 B-shares, 45,294 options.

Fredrik Rystedt

Chief Financial Officer

Born 1963, M. Econ. In Group Management since 2001. Joined Electrolux Treasury Department, 1989. Subsequently held several positions within the Group’s financial operations. Head of Mergers and Acquisitions, 1996. Joined Sapa AB in 1998 as Head of Business Development, Chief Financial Officer, 2000. Rejoined Electrolux in 2001 as Chief Administrative Officer, responsible for Controlling, Accounting, Taxes and Auditing. In 2004, appointed Chief Financial Officer and responsible also for Group Treasury, and in 2005 for IT.

Holdings in AB Electrolux: 5,333 B-shares, 45,135 options.

Cecilia Vieweg

Head of Group Staff Legal Affairs

Born 1955, B. of Law. In Group Management since 1999. Attorney with Berglund & Co Advokatbyrå, 1987–1990. Corporate Legal Counsel of AB Volvo, 1990–1992. General Counsel of Volvo Car Corporation, 1992–1997. Attorney and partner in Wahlén Advokatbyrå, 1998. Joined Electrolux in 1999 as General Counsel.

Board Member of Haldex AB. **Holdings** in AB Electrolux: 0 shares, 45,294 options.

Harry de Vos

Head of Group Staff Human Resources and Organizational Development

Born 1956, Process Eng, post-doc Training Management. In Group Management since 2005. Held various positions within General Electric, 1978–2001. Human Resource Director for GE Plastics Europe, 1999–2001. Joined Electrolux in 2002 as Head of Human Resources and Organization within Major Appliances Europe. Head of Group Staff Human Resources and Organizational Development, 2005. Member of the Supervisory Board of ASML N.V.

Holdings in AB Electrolux: 0 shares, 15,000 options.



Hans Stråberg



Keith R. McLoughlin



Detlef Münchow



Magnus Yngen



Morten Falkenberg



Lars Göran Johansson



Fredrik Rystedt



Cecilia Vieweg



Harry de Vos

Annual General Meeting

The Annual General Meeting will be held at 5 pm on Monday, April 16, 2007, at the Berwald Hall, Dag Hammarskjölds väg 3, Stockholm.

Participation

Shareholders who intend to participate in the Annual General Meeting must

- be registered in the share register kept by VPC AB (Swedish Central Securities Depository & Clearing Organization) on Tuesday, April 10, 2007, and
- give notice of intent to participate, thereby stating the number of assistants attending, to Electrolux no later than 4 pm on Wednesday, April 11, 2007.

Notice of participation

Notice of intent to participate can be given

- by mail to AB Electrolux, C-J, SE-105 45 Stockholm, Sweden
- by telephone +46 8 738 64 10
- by fax +46 8 738 63 35
- on the Internet on the Group's website, www.electrolux.com/agm

Notice should include the shareholder's name, registration number, if any, address and telephone number. Information provided together with the notice will be made subject to computer processing and will be used solely for the Annual General Meeting. Shareholders may vote by proxy, in which case a power of attorney should be submitted to Electrolux prior to the Annual General Meeting.

Shares registered by trustee

Shareholders, whose shares are registered through banks or other trustees, must have their shares temporarily registered in their own names on Tuesday, April 10, 2007, in order to participate in the Annual General Meeting.

Dividend

The Board has proposed a cash dividend of SEK 4.00 per share and Thursday, April 19, 2007, as record day for the dividend. With this record date, it is expected that dividends will be paid from VPC on Tuesday, April 24, 2007, and the last day for trading in Electrolux shares including the right to dividend for 2006 will be Monday, April 16, 2007.

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.