

PRESS RELEASE

Stockholm, March 7, 2003

Page 1 of 2

Proposed share buyback and canceling of shares

(ELUX) As previously announced, the Electrolux Board has decided to propose to the Annual General Meeting in April 2003 a new share-repurchase program, cancellation of previously repurchased B shares, transfer of own shares, and a new employee stock-option program.

The purpose of the new repurchase program and cancellation is to continually maintain the capability to adapt the capital structure to the needs of the Company, thereby contributing to increased shareholder value, and to use the repurchased shares for financing potential corporate acquisitions and the Company's personnel stock-option programs.

The cancellation of shares will enable additional repurchasing of own shares in addition to existing mandate. Today, Electrolux owns in total 23,120,752 B shares, equal to 6.8 per cent of the total number of shares in the Company (338,712,580). The proposal means that the Annual General Meeting decides to reduce the share capital by SEK 73,062,900 through cancellation of 14,612,580 own B shares. The shares needed to meet obligations under the Company's personnel stock-option programs (8,508,172) are excluded from cancellation.

To reduce the share capital, without a time-consuming court proceeding, a decision by the Annual General Meeting of an issue of redeemable C shares is required. It is proposed that the share issue be directed to Svenska Handelsbanken, which has committed to subscribing to the C shares at par value, corresponding to a total amount of SEK 73,062,900. The C shares will subsequently be redeemed at par value plus interest.

Today Electrolux's share capital amounts to SEK 1,693,562,900 and will, following the execution of the reduction, amount to SEK 1,620,500,000. The reduction process is anticipated to be implemented before the end of May 2003.

The Board proposes that the Annual General Meeting authorizes the Board to make additional repurchases of A or B shares up until the 2004 Annual General Meeting. A maximum of 10% of the total number of outstanding shares may be repurchased. Purchases may only be made through transactions on the Stockholm Stock Exchange and/or London Stock Exchange at a price within the prevailing registered price interval.

Following reduction of the share capital, a maximum of 23,901,828 shares may be repurchased according to the proposal. A buyback of this number of shares would result in an increase in net income per share from SEK 15.60 to SEK 16.50 as well as an improvement in return on equity from 17.2 per cent to 19.0 per cent. This is based on the

AB ELECTROLUX (PUBL)

MAILING ADDRESS
SE-105 45
STOCKHOLM
SWEDEN

TELEPHONE
+46 8 738 60 00

TELEFAX
+46 8 738 74 61

PRESSHOTLINE
+46 8 657 65 07

WEBSITE
www.electrolux.com

closing price for B shares of February 28, 2003 and the Group's financial statements for 2002.

Furthermore the proposal is that the Annual General Meeting authorizes the Board, up until the 2004 Annual General Meeting, to transfer own A and B shares in connection with corporate acquisitions. Transfer may be made with deviation from the preferential rights of shareholders. It shall be made at a minimum price per share corresponding to an amount in close connection with the price per share of the A or B share on the Stockholm Stock Exchange at the time of the decision of the transfer. Payment for the transferred shares may be made in cash, by contributions in kind or by a set-off of company debt.

Moreover, the Board proposes that the Annual General Meeting approves a new employee stock-option program in 2003. The program will be based on the same parameters as the 2001 and 2002 programs.

To cost effectively meet the Company's obligations under the 2003 personnel stock-option program, the Board also has decided to propose that the Annual General Meeting decides that a maximum of 3,000,000 B shares may be transferred within the framework of the program.

With reference to the 2003 and previous employee stock-option programs, the Board finally proposes that the Annual General Meeting decides that the Company may, until the next Annual General Meeting, transfer a maximum of 1,447,572 shares of B share to cover costs, mainly social security charges, which may occur due to the 1998-2003 option programs. Transfer shall be made at the Stockholm Stock Exchange at a price at each time within the registered price interval for the share.

The Electrolux Group is the world's largest producer of powered appliances for kitchen, cleaning and outdoor use, such as refrigerators, washing machines, cookers, vacuum cleaners, chainsaws, lawn mowers, and garden tractors. Every year, customers in more than 150 countries buy more than 55 million Electrolux Group products for both consumer and professional use sold under famous brands such as AEG, Electrolux, Zanussi, Frigidaire, Eureka and Husqvarna. In 2002, Electrolux had sales of SEK 133.2 billion and 82,000 employees.

For further information contact, Investor Relations a +46 8 738 60 03. Electrolux Press Hotline is available at +46 8 657 65 07.

For cancellation of or changes to this fax distribution service, please return this document, with your name, company, and fax number, stating what you want to change, to fax no +46 8 738 74 61.

AB ELECTROLUX

MAILING ADDRESS
SE-105 45
STOCKHOLM
SWEDEN

TELEPHONE
+46 8 738 60 00

TELEFAX
+46 8 738 74 61

PRESSHOTLINE
+46 8 657 65 07

WEBSITE
www.electrolux.com