

P R E S S R E L E A S E

Stockholm, July 28, 1999

Electrolux will appeal decision received in litigation on pension commitments in the U.S.

A decision has been rendered by the United States District Court for the Western District of Pennsylvania against White Consolidated Industries, Inc. ("WCI"), an Electrolux subsidiary in the U.S.. Electrolux will appeal the decision.

In the decision, WCI was held liable for the underfunding of pension plans relating to businesses it divested in 1985, the year before it was acquired by Electrolux. The litigation was filed in 1991 and the trial was completed in April 1997. The decision was rendered more than 2 years after the completion of the trial.

The amount of the liability is the subject of a separate administrative proceeding which is currently pending. The plaintiff, the Pension Benefit Guaranty Corporation ("PBGC"), a government agency responsible for the payment of defaulting pension obligations, recently estimated the unfunded amount to be USD 120 million which, including interest, could exceed USD 200 million. As set forth in its annual reports, Electrolux has made no provision for the litigation. Electrolux is currently reviewing the appropriate provisions to make in its financial statements in light of this decision.

The Electrolux Group is the world's leading producer of household appliances for indoor and outdoor use, and of corresponding products for professional users. In 1998 the Group had sales of SEK 117 billion and 99,000 employees. Every year, customers in more than 100 countries buy more than 55 million Group products.

For more information

Electrolux Press Hotline is available on +46 8 657 65 07

AB ELECTROLUX (publ)
LUXBACKEN 1
SE-105 45 STOCKHOLM, SWEDEN

PHONE
+46 8 738 60 00
FAX
+46 8 738 74 61

PRESS HOTLINE
+46 8 657 65 07

WEBSITE AND E-MAIL
WWW.ELECTROLUX.COM
press.office@electrolux.se