

Stockholm, November 17, 1999

Page 1 of 2

## **Electrolux offers 7,000 households free washing machines**

- *The "smart home" paves the way for new business models*

Appliance giant Electrolux is offering 7,000 households on the Swedish island of Gotland free washing machines. The offer is the very first commercialized project of its kind within the Smart Home concept. Electrolux is offering functional sales: instead of *buying* a washer, consumers pay according to how much they use it – a "pay per wash" scheme.

Electrolux, in cooperation with Swedish power utility Vattenfall will be the first in the world to take advantage of the "Smart Home" technology for expansion of functional sales. Pay per wash is the first of several products and services for the smart home that Electrolux is expected to release on the market in the coming years. Development of such products is progressing quickly, but pay per wash is the first to be launched from an experimental stage to an offer for a larger group of customers.

"We will of course continue to sell appliances as products, but in the future we must also be able to sell services, such as the service 'clean clothes' or 'cold food.' Technical developments provide a number of new opportunities," says Michael Treschow, President and CEO of Electrolux.

At the heart of the project is the new technology that connects the washing machine to a central database via the Internet and via so-called "smart energy meters" in every home. Households receive a specified electric bill and they can easily see how much laundry they've done. Free service on the machines is included in the offer. After 1,000 washes (about 4-5 years for a normal family), households can replace/upgrade the machine.

At present, 7,000 households on the island of Gotland will receive the offer. All of these homes have so-called "smart meters." According to Vattenfall, smart meters will eventually be available to all households.

According to research conducted by Electrolux, families with pay per wash plan their laundry more effectively. For families, this means savings. For the environment, this means reduced energy use.

"Pay per wash is very important for our environmental work. It helps customers find energy-saving alternatives, and shows that you can both save money and spare the environment by using appliances in the right way," says Pelle Pettersson, Electrolux New & Future Business and responsible for the project.

Electrolux is the world's largest producer of powered appliances for kitchen, cleaning and outdoor use, such as refrigerators, washing machines, cookers, vacuum cleaners, chain-saws, lawn mowers, and garden tractors. In 1998, Group sales were SEK 117 billion and the Group had 99,000 employees. Every year, customers in more than 160 countries buy more than 55 million Electrolux products for both consumer and professional use. The Electrolux Group includes famous appliance brands such as AEG, Zanussi, Frigidaire, Eureka, and Husqvarna.

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