

Half-yearly results 2006

July 18, 2006

Bengt Andersson

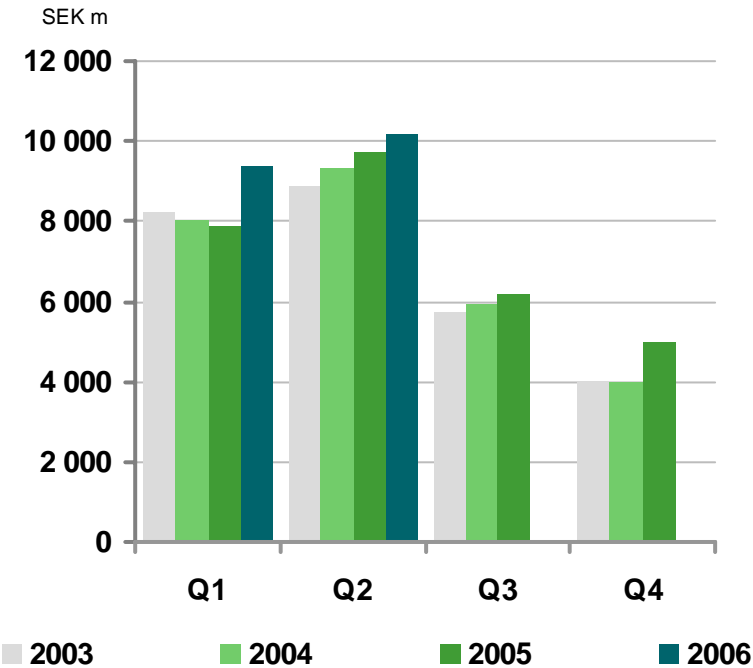
President and CEO

Bernt Ingman

CFO

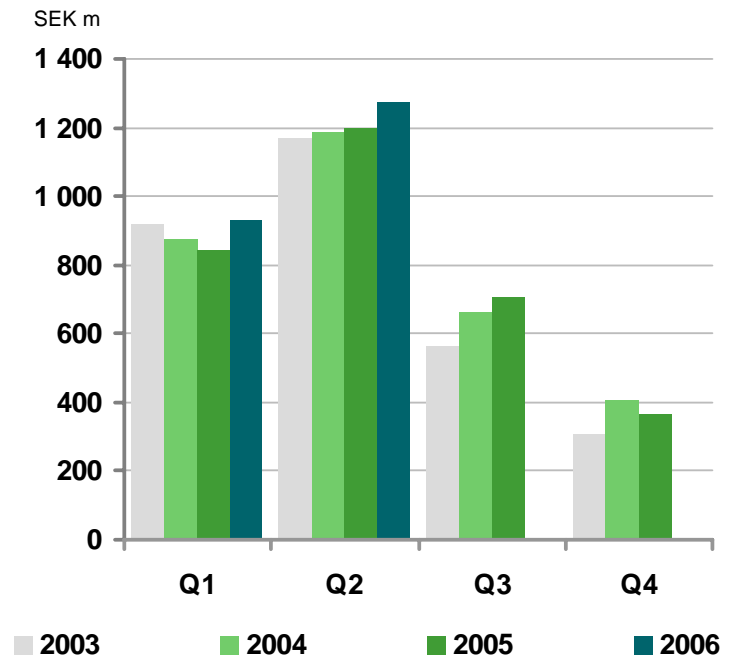
Seasonality

Net Sales



•Average of total year	Q1	Q2	Q3	Q4
	29%	34%	21%	16%

Operating Profit



•Average of total year	Q1	Q2	Q3	Q4
	29%	39%	21%	11%

- Strong seasonal variations
- First half represents approx. 60% of sales and 65% of operating profit

Consumer Products, Q2 2006

- **Lower retail sales**
 - Unfavorable weather in Europe
 - Consumer spending in US
- **Group sales flat**
 - Slightly down in US, up in Europe
- **Retail inventories up**
- **Operating margin up in US, down in Europe**
 - Mix and production efficiencies in US
 - Negative price, mix in Europe

Strong growth for Husqvarna branded products

SEKm	Q2	Change	H1	Change
Sales	6.993	2.2%	13,533	10.4%
EBIT	734	6.8%	1,237	11.6%
<i>Margin</i>		10.5%		9.1%
<i>In comparable currency</i>				
Sales		0.6%		4.4%
EBIT		4.3%		6.1%



Professional Products, Q2

- Chainsaws**

- Good sales growth
- Operating margin somewhat higher

- Lawn and garden**

- Strong sales growth
- Operating margin significantly up

- Construction**

- Sales and operating income unchanged

- Overall, prices flat, negative impact from raw materials offset by other materials cost reductions

SEKm	Q2	Change	H1	Change
Sales	3.140	8.7%	5,938	10.9%
EBIT	576	12.9%	1,031	10.6%
<i>Margin</i>	18.3%		17.4%	
<i>In comparable currency</i>				
Sales		7.4%		6.9%
EBIT		11.9%		8.2%



Sales and earnings, Pro forma

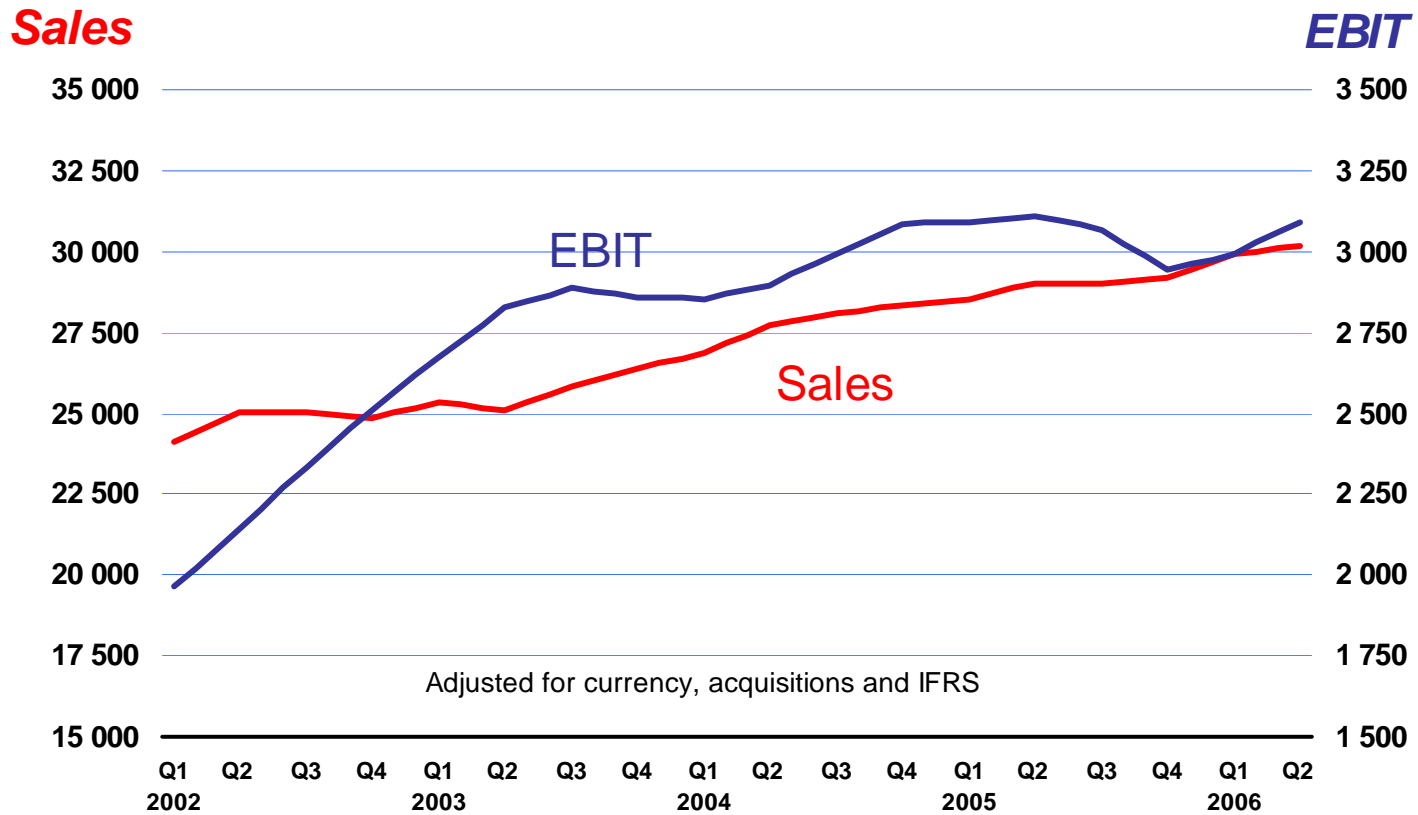
SEKm	Second quarter					First half 2006	First half 2006	Change %	Adj. *) Change
	2006	% of sales	2005	Change %	Adj. *) Change				
Net sales	10,133		9,730	4.1	2.6	19,471	17,610	10.6	5.2
Gross operating income	2,632	26.0	2,452	7.3	4.3	4,850	4,387	10.6	6.3
EBIT	1,275	12.6	1,162	9.7	7.8	2,204	1,976	11.5	7.3
Income after fin. Items	1,154	11.4	1,020	13.1	-	1,946	1,696	14.7	-
Income for the period	797	7.9	683	16.7	-	1,343	1,136	18.2	-

*) In comparable currencies

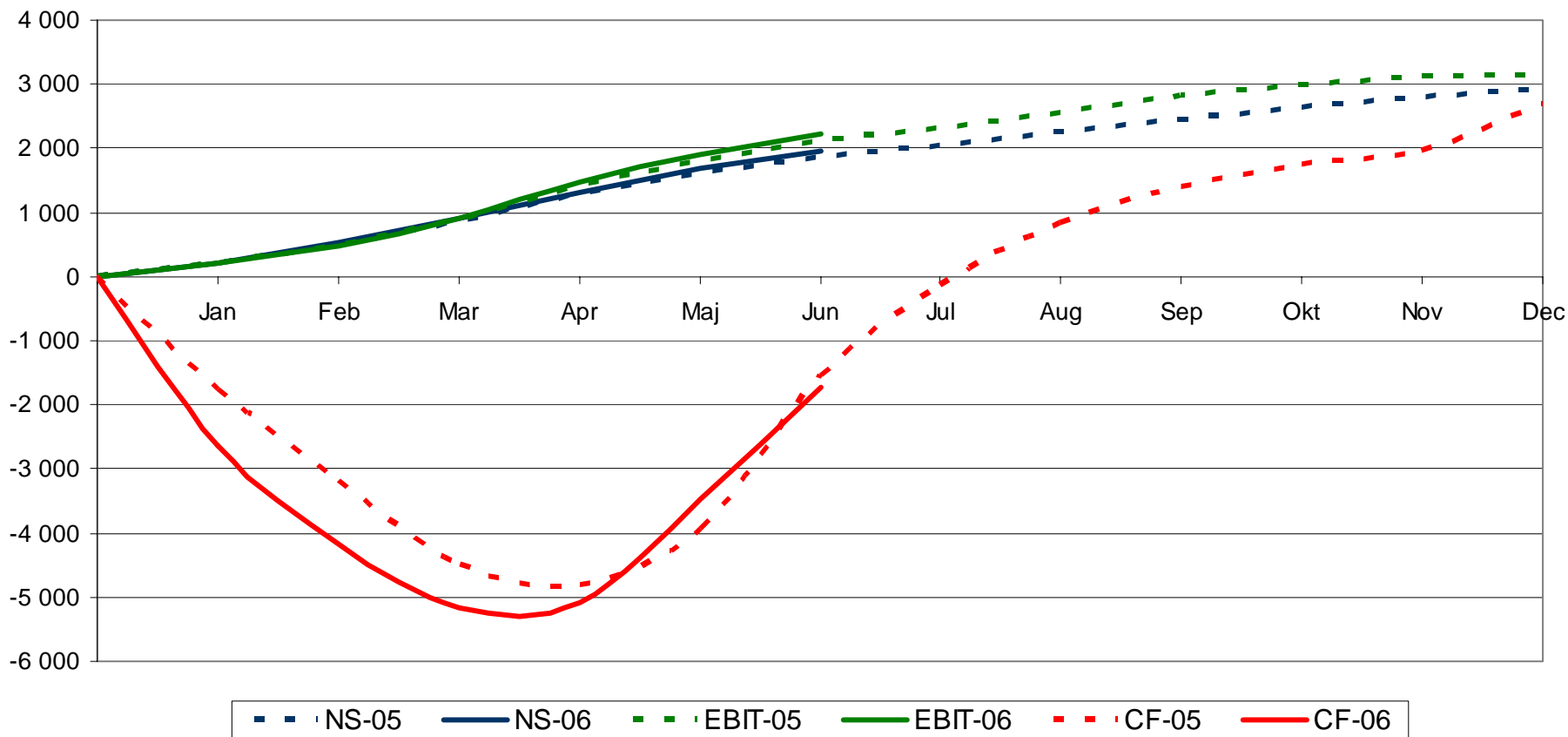
Building on our strengths

- Leading market positions
- Strong Husqvarna brand position
- Expertise in product development
- Strong and growing distribution network
- Strong, stable cash flow
- Complementary acquisitions

Rolling Net Sales and EBIT



Sales, EBIT and operating cash flow 2005 - 2006



Operating cash flow = EBIT + Depreciations +/- changes in Operating cash flow – Capital expenditure

Balance sheet

SEKm	June 30 2006	June 30 2005	Dec 31 2005
Non-current assets	6 776	6 710	6 959
Inventories	4 762	4 909	6 264
Trade receivables	6 647	6 409	3 325
Other current assets	605	633	596
Liquid funds	1 383	1 088	1 104
Total assets	20 173	19 749	18 248
Total equity	5 892	4 250	4 717
Int bearing liab.	8 155	9 102	6 404
Provisions	1 487	1 741	1 473
Accounts payables	2 442	2 443	4 222
Other current liabilities	2 197	2 213	1 432
Tot equity and liabilities	20 173	19 749	18 248

Key ratios

	Second quarter 2006	Second quarter 2005	First half 2006	First half 2005
Return on capital employed, % ¹⁾	-	-	24,2	26,4
Return on equity, % ¹⁾	-	-	36,9	50,4
Interest coverage ratio, times	6,4	7,0	7,0	6,9
Net borrowings, SEKm	-	-	6 772	8 014
Net debt/equity	-	-	1,15	1,89
Earnings per share, SEK	2.69	2.31	4.53	3.83

¹⁾ Calculated on rolling 12 months

Factors affecting forward-looking statements

This presentation contains forward-looking statements in the sense referred to in the US Private Securities Litigation Reform Act of 1995. Such statements comprise, among other things, financial goals, goals of future business and financial plans. These statements are based upon present expectations and are subject to risks and uncertainties that may give rise to major deviations of the result due to several aspects. These aspects include, among other things: consumer demand and market conditions in the geographical areas and lines of business in which Husqvarna operates, the effects of currency fluctuations, downward pressure on prices due to competition, a material reduction of sales by important distributors, any success in developing new products and in marketing, outcome of any product responsibility litigation, progress when it comes to reach the goals set for productivity and efficient use of capital, successful identification of growth opportunities and acquisition objects, and to integrate these into the existing business and successful achievement of goals to make the supply chain more efficient.