

**Translation**

**The Board's report pursuant to Chapter 20 Section 13 of the Companies Act**

The Board hereby gives the following report by reason of the Board's proposal to the AGM to resolve to redeem shares without repayment.

According to Chapter 20 Section 13 of the Companies Act (Sw. *Aktiebolagslagen 2005:551*), the Board shall give a report with respect to any measures that are taken in order to maintain the share capital and the restricted equity of the company. The report shall also include a statement on what effects the proposed reduction and any other measures have on the share capital and the restricted equity on a stand-alone basis.

The Board's proposal means that the share capital is reduced by SEK 6. The reason for the proposal to reduce the share capital is that it will result in an even number of shares that allows for the execution of the bonus issue of 88,877,745 shares of class A proposed by the Board. If the resolution on the bonus issue is passed, the reduction of the share capital may be carried out without the approval of the Companies Register (Sw. *Bolagsverket*) or the district court. It is proposed that the bonus issue is carried out through a transfer of SEK 177,755,490 from the company's unrestricted equity to the share capital.

All in all, the Board's proposal means that distributable funds are reduced by approximately MSEK 178 to MSEK 7,339 based on the balance sheet per December, 31 2006. If the reduction of the share capital and the bonus issue are carried out, the combined effect on the company's shares capital and restricted equity is that the share capital is increased by SEK 177,755,484, i.e. SEK 177,755,490 minus SEK 6, and that the other parts of the restricted equity remain unchanged.

Stockholm in March 2007

Husqvarna AB (publ)

The Board of Directors

**The Auditor's statement pursuant to Chapter 20 Section 14 of the Companies Act**

The Board of Directors of Husqvarna AB (publ) has given a report by reason of the Board's proposal to the AGM to resolve to redeem shares. By reason of the Board's report, we hereby make the following statement pursuant to Chapter 20 Section 14 of the Companies Act (Sw. *Aktiebolagslagen 2005:551*).

The undersigned auditor of Husqvarna AB (publ) has no objection to the appropriateness of the measures proposed by the Board to restore the company's share capital and confirms the accuracy of the assessment made by the Board regarding the effects of the proposed measures on the company's shareholder equity.

Stockholm 19 march 2007

PricewaterhouseCoopers AB

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