

The Board of Directors statement in accordance with Chapter 18, Section 4 and Chapter 19 Section 22 of the Companies Act (2005:551)

Background

The Board of Directors hereby presents the following statement in accordance with Chapter 18, Section 4 and Chapter 19, Section 22 of the Companies Act.

The reasons for the Board of Directors view that the proposed dividend and the proposed authorization of the Board to repurchase own shares are in accordance with the provisions of Chapter 17, Section 3, para. 2 and 3 of the Companies Act are the following.

The assets and liabilities have been valued at their actual value in accordance with Chapter 4, Section 14 a of the Annual Accounts Act (1995:1554). If the valuation had not been made at actual value the equity would have been SEK 20,128,000 higher.

The nature, scope and risks of the business

The nature and scope of the company's and the group's business are set out in the articles of association and previous annual reports. The business carried out by the company and the group does not entail greater risks than risks that exist or is likely to exist in the industry or such risks which are generally associated with running a business. As regards material events, reference is made to the report by the Board of Directors. The effects on the company and the group from changes of business cycles do not differ from what is otherwise the case in the industry.

The financial position of the company and the group

The financial position of the company and the group as of 31 December 2007 is described in the most recent annual report. The annual report also states which accounting principles that have been applied when valuing of assets, reserves and liabilities.

From the Board of Directors dividend proposal, it follows that the Board of Directors proposes a dividend distribution of SEK 2.25 per share. The proposed dividend represents 10.1 per cent of the company's equity and 11.7 per cent of the group's equity. The Board has also proposed that the Board is authorized to resolve to acquire B shares in the company up to a maximum of 3 per cent of the company's total number of shares.

The annual report shows that the company's net debt-equity ratio amounts to 30.1 per cent and the group's net debt-equity ratio is 25.7 per cent. The company's and the group's debt-equity ratio does not differ from what is common within the industry. The proposed distribution and a full utilization of the proposed authorization to acquire the company's own shares do not jeopardize the investments which are deemed necessary for the business.

The proposed distribution and a full utilization of the proposed authorization to acquire the company's own shares do not affect the company's and the group's ability to fulfill its current and future payment obligations in a timely manner. The company's and the group's liquidity forecast comprises a readiness to handle variations in the ordinary course payment obligations of the company.

The company's and the group's financial position does not give rise to any other conclusion than that the company and the group will be able to continue its business

and that the company can be expected to fulfill its obligations on both a short and long-term basis.

Taking into account the proposed dividend distribution and a full utilization of the proposed authorization to repurchase the company's own shares, the Board of Directors makes the assessment that the size of the company's and the group's equity is reasonable in relation to the scope of the company's and the group's business and the risks connected with the company's business.

Conclusion

With reference to the above, and to what has otherwise come to the knowledge of the Board of Directors, the Board of Directors is of the opinion that the distribution and the authorization is justifiable in light of the provisions of Chapter 17, Section 3, para. 2 and 3 of the Companies Act.

Stockholm in March 2008

Husqvarna AB (publ)

The Board of Directors