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Consolidated results for 2006

Stockholm 23 February 2007

- **Net sales for the full year 2006 rose to SEK 29,402m (28,768) and income for the period pro forma to SEK 1,862m (1,641), corresponding to SEK 6.29 (5.54) per share**
- **Operating income for the fourth quarter increased to SEK 346m (327), and margin improved to 7.6% (6.5).**
- **Professional Products reported higher sales, improved operating income and margin for the quarter as well as the full year**
- **Consumer Products achieved higher operating income and margin for full year, despite lower demand for garden products**
- **The Board proposes a dividend of SEK 2.25 per share, and a bonus issue to increase the number of A-shares**

Pro forma SEKm	**Fourth quarter 2006**[1]	Fourth quarter 2005	Change, %	Change in comparable currencies, %[2]	**Full year 2006**	Full year 2005	Change, %	Change in comparable currencies, %[2]
Net sales	**4,539**	5,000	-9	1	**29,402**	28,768	2	2
Operating income	**346**	327	6	29	**3,121**	2,927	7	7
Operating margin, %	***7.6***	*6.5*	-		***10.6***	*10.2*	-	-
Income after financial items	**279**	236	18		**2,692**	2,448	10	-
Margin, %	***6.1***	*4.7*	-		***9.2***	*8,5*	-	-
Income for the period	**197**	159	24		**1,862**	1,641	13	-
Earnings per share, SEK[3]	**0.66**	0.54	24		**6.29**	5:54	13	-
Return on capital employed, %	**-**	-	-		**23.8**	24.1	-	-
Return on equity, %	**-**	-	-		**32.5**	40.1	-	-

1) Actual.
2) Including both transaction and translation effects.
3) Before dilution. To enable comparison, figures for both 2005 and 2006 are based on the number of shares as of 31 December 2006, i.e. 296,259,153.

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STRUCTURE OF THE REPORT

Pro forma financial information

Page 1-15 in this report comprise consolidated pro forma financial information for the Husqvarna Group assuming that the Husqvarna Group had been established and capitalized as of January 2005. The Husqvarna Group was established and capitalized in May 2006. The income statement for the fourth quarter 2006 and the balance sheet as of 31 December 2006 shows the actual results and balances for the Group. For information about the adjustments and assumptions which form the basis for the pro forma financial information, see the prospectus for the distribution of shares in Husqvarna AB that was published in early April 2006.

Combined financial statements

Operations in Electrolux were transferred to Husqvarna at book values reported by the Electrolux Group, according to the predecessor basis. In accordance with internationally accepted accounting practices, reports for the Husqvarna Group shall thus be prepared in the form of combined financial statements. The financial statements are prepared as if the Husqvarna operations had been formed as of 1 January 2004. Combined financial statements for the fourth quarters of 2005 and 2006 and the full year 2005 are given on pages 16-21.

The differences between the combined financial statements and the pro forma information with regard to the income statement refer mainly to financial costs for borrowings, administrative costs and taxes which Husqvarna incur as an independent Group (see page 17-18). The differences with regard to the balance sheet refer mainly to the capitalization of the Group (see page 19). As the establishment of the Group was finalized by 31 May 2006, the income statement, balance sheet, equity statement and cash flow statement as of 1 June and onward represent the 100% consolidated values for the Group.

Accounting principles

Husqvarna applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and RR 31 from the Swedish Financial Accounting Standards Council.

The accounting principles applied in this interim report are available on Husqvarna's web site www.husqvarna.com in the section Investor Relations. The IFRS amendments and intepretations effective as of 1 January 2006 have not had a material effect on the Group's financial statements.

The pro forma accounting has been prepared solely for illustrative purposes and is not intended to present the financial position or earnings that the operation would have achieved had the Group been formed during the reporting period nor is it intended to represent the actual financial position or the operations earnings for any specific time or period in the future.

NET SALES AND INCOME – PRO FORMA

Fourth quarter 2006

Net sales
Net sales for the Husqvarna Group in the fourth quarter 2006 amounted to SEK 4,539m, as against SEK 5,000m for the same period in the previous year, corresponding to a decline of 9%. The decline in net sales refers mainly to Consumer Products in North America, while net sales for Professional Products increased from the previous year.

After adjustment for exchange rate fluctuations, net sales increased by 1%, with a significant increase for Professional Products and a decline for Consumer Products.

Operating income
Operating income increased by 6% to SEK 346m (327), and the operating margin improved to 7.6% (6.5). The improvement in operating income refers to Professional Products, while Consumer Products showed a decline.

Adjusted for changes in exchange rates, Group's operating income increased by 29%. Including both transaction and translation effects, changes in exchange rates had a total negative impact on operating income of approximately SEK -60m in comparison with the previous year. Transaction effects, net of hedging contracts, amounted to approximately SEK -30m, and effects from translation of income statements in subsidiaries amounted to approximately SEK -30m.

Financial net
Net financial items for the fourth quarter amounted to SEK -67m (-91). The financial net was negatively impacted by higher interest rates, which was more than offset by reduced net borrowings.

Income after financial items
Income after financial items amounted to SEK 279m (236), corresponding to a margin of 6.1% (4.7).

Taxes
Total taxes amounted to SEK -82m (-77), corresponding to 29.4% (33.0) of income after financial items.

Earnings per share
Income for the period was SEK 197m (159), corresponding to SEK 0.66 (0.54) per share before dilution.

Insurance provision
A provision of SEK 25m was made in the fourth quarter referring to the Group's captive insurance companies in the US and Europe. The provision is based on actuarial recalculations during 2006. The amount is included in Group common costs.

Full year 2006

Net sales
Net sales for the full year 2006 rose by 2% to SEK 29,402m (SEK 28,768m). After adjustment for exchange rate fluctuations, net sales also rose by 2%.
The low growth in sales as compared with the previous year is mainly explained by lower demand and a decline in sales of consumer garden products. Also, sales of chainsaws were particularly strong in 2005 due to hurricanes in the US and effects of storms in Scandinavia.

Operating income
Operating income rose by 7% to SEK 3,121m (2,927) and operating margin improved to 10.6.% (10.2).

The improvement in operating income refers mainly to Professional Products, where Forestry, as well as Commercial lawn and garden and Construction, reported higher operating income. Consumer Products also showed an improvement, mainly as a result of an improved mix in terms of both products and geographical markets, and greater cost efficiency.

After adjustment for changes in exchange rates, operating income rose by 7%. Changes in exchange rates in comparison with the previous year, including both transaction and translation effects, had a total negative impact on operating income of approximately SEK -2m. Transaction effects, net of hedging contracts, had a negative impact of approximately SEK -25m, and referred mainly to the strengthening of the SEK against the EUR. Translation of income statements in subsidiaries had a positive impact of approximately SEK 23m, and is mainly explained by the weaker SEK against the USD in the first half of the year.

Financial net
Net financial items for the full year 2006 amounted to SEK -429m (-479).

Income after financial items
Income after financial items increased by 10% to SEK 2,692m (2,448), corresponding to a margin of 9.2% (8.5).

Taxes
Total taxes amounted to SEK -830m (-807), corresponding to 30.8% (33.0) of income after financial items.

Earnings per share
Income for the period rose by 13% to SEK 1,862m (1,641), corresponding to SEK 6.29 (5.54) per share before dilution.

OPERATING CASH FLOW- PRO FORMA

Operating cash flow – pro forma SEKm	**Fourth quarter 2006[1)]**	Fourth quarter 2005	**Full year 2006**	Full year 2005
Cash flow from operations, excluding changes in operating assets and liabilities	193	359	2,626	2,468
Changes in operating assets and liabilities	273	670	-1,194	-177
Cash flow from operations	**466**	**1,029**	**1,432**	**2,291**
Cash flow from investments	-174	-374	-897	-1,342
Operating cash flow	**292**	**655**	**535**	**949**

1) Actual.

Operating cash flow in the fourth quarter was lower than in the same period in 2005 and amounted to SEK 292m (655). The decline refers mainly to lower trade payables.

Operating cash flow for the full year amounted to SEK 535m (949). The decline refers also for the full year to lower trade payables, while lower inventories had a positive impact. Trade payables were at an unusually high level at the end of 2005 and have now been normalized.

Capital expenditure

Capital expenditure in 2006 amounted to SEK 890m (1,259), corresponding to 3% (4) of net sales. The decline from the previous year is due to the fact that capital expenditure in 2005 was at a high level following the completion of a new platform for garden tractors within Consumer Products.

FINANCIAL POSITION – PRO FORMA

The Group's equity as of 31 December 2006, excluding minority interest, amounted to SEK 6,252m (4.755), corresponding to SEK 21.10 (16.05) per share.

The net debt/equity ratio was 0.68 (1.11) and the equity/asset ratio increased to 38.3% (26.1).

The Group's net borrowings as of 31 December 2006 decreased to SEK 4,250 m (5,262). Net borrowings were reduced by SEK 429m in the fourth quarter.

Net borrowings SEKm	**31 December 2006[1)]**	31 December 2005
Interest-bearing liabilities	5,090	6,366
Liquid funds	840	1,104
Net borrowings	**4,250**	**5,262**
Net debt/equity	0.68	1.11
Equity/assets ratio, %	38.3	26.1

1) Actual.

PERFORMANCE BY BUSINESS AREA IN THE FOURTH QUARTER

Consumer Products

Pro forma SEKm	**Fourth quarter 2006**	Fourth quarter 2005	Change, %	Change in comparable currencies, %[1]	**Full year 2006**	Full year 2005	Change, %	Change in comparable currencies, %[1]
Net sales	**2,028**	2,519	-20	-6	**18,335**	18,360	0	-1
Operating income	**14**	34[2]	-58	275	**1,415**	1,332[3]	6	2
Operating margin, %	**0.7**	1.3	-	-	**7.7**	7.3	-	-

1) Including both transaction and translation effects.
2) The principle for allocation of production costs over the year has been changed from 2006. If the same principle were applied for 2005, operating income would decline to SEK 8 m for the fourth quarter of 2005.
3) Operating income in 2005 includes a provision of SEK 40m for closure of a plant in Italy.

Sales of garden products are subject to seasonality, and are generally low in the fourth quarter.

Industry shipments in the US declined substantially in the fourth quarter, as retailers delayed their inventory build-up for the coming season in comparison with 2005. Sales for the Group's North American operation were substantially lower than in the previous year, and operating income declined. In 2005, both sales and income were positively impacted by strong demand for chainsaws following hurricanes in the US.

Group sales in Europe rose considerably in the quarter as a result of higher sales of chainsaws, particularly in Russia, and good growth for snow blowers. Operating income and margin for the European operation improved on the basis of a better mix, positive effects from previous restructuring, and a positive impact of exchange rates referring to products imported from the US operation.

Overall, sales for the Consumer Products business area declined in the quarter. Both operating income and margin improved somewhat after adjustment for the change of principle for allocation of production costs over the year, which was implemented as of 2006.

For the full year 2006, sales for the Consumer Products business area were largely unchanged. The Group is estimated to have increased its market shares for garden products in the US, in a market that showed a signifiacant decline. Operating income and margin improved, mainly as a result of a more favorable mix in terms of both products and geographical markets, greater cost-efficiency and a positive impact from changes in exchange rates.

The Group reduced its inventories significantly during the year. Listings with retailers for the 2007 garden season have generally improved over 2006.

Professional Products

Pro forma SEKm	**Fourth quarter 2006**	Fourth quarter 2005	Change, %	Change in comparable currencies, %[1]	**Full year 2006**	Full year 2005	Change, %	Change in comparable currencies, %[1]
Net sales	2,511	2,481	1	8	11,067	10,408	6	7
Operating income	397	333[2]	19	26	1,875	1,739[1]	8	12
Operating margin, %	15.8	13.4	-	-	16.9	16.7	-	-

1) Including both transaction and translation effects.
2) Operating income in 2005 includes a provision of SEK 46m for closure of a plant in France within Construction.

Demand for professional chainsaws in the fourth quarter is estimated to have grown only slightly compared with the same period in 2005, when demand was positively impacted by hurricanes in the US. Group sales of chainsaws were largely unchanged in SEK, but increased in comparable currencies. The Group achieved good sales growth, particularly in Russia and Central Europe. Operating income and margin improved over the previous year.

Sales for Commercial Lawn and garden were low in the quarter due to seasonality. Group sales rose significantly, mainly as a result of the acquisition of Dixon Industries in the US, which was consolidated as of August, 2006. Operating income improved, despite costs related to the integration of the acquired operation.

Demand for diamond tools and cutting equipment for the construction industry is estimated to have been largely unchanged in the US and shown some growth in Europe. Group sales increased slightly. Operating income and margin improved, mainly as a result of lower restructuring costs than in 2005. Operating income for the quarter was adversely affected by costs for the consolidation of brands and launch of Husqvarna as the global brand for all products sold to the construction industry.

Overall, sales for the Professional Products business area rose for both the quarter and for the full year. Operating income and margin improved for both periods, despite a negative impact of changes in exchange rates.

CHANGES IN GROUP STRUCTURE AFTER THIRD QUARTER

Joint venture in China for diamond tools

At the end of October 2006, Husqvarna signed an agreement to establish a joint venture with Hebei Jikai Industrial Co Ltd in China (Jikai), which will include Jikai´s operation in diamond tools. Jikai is one of the largest producers in China of diamond tools for the construction industry and has a leading position in the domestic market. Sales in 2005 amounted to approximately SEK 160m (CNY 170m), of which about half in China and the rest in the international market.

The transaction was completed in December 2006. The joint venture is included in the Group’s accounts, within Professional Products, as of 31 December 2006, and thus had no impact on sales and income for 2006. Husqvarna owns 80% of the joint venture and has an option to acquire the remaining 20% after five years, according to an agreed price formula. The assets and liabilities were acquired at SEK 125m and the goodwill recognised amounts to SEK 35.

MAJOR EVENTS AFTER THIRD QUARTER

Gardena AG

In late December 2006 the Group signed an agreement to acquire Gardena AG of Germany. Gardena is the leader in the European consumer market for irrigation products, and has a leading position in garden tools, garden ponds and pumps, as well as electric garden products. In the fiscal year ending September 2006, the company reported sales of approximately SEK 3,800m (EUR 422m).

About half of Gardena´s sales refer to Germany and neighbouring countries, and the remainder mainly to other European markets. Gardena´s products are sold in more than 80 countries. Irrigation products account for more than two thirds of sales. Production is based in Germany and the Czech republic and the company has approximately 2,900 employees.

The purchase price amounts to approximately SEK 6.5 billion (EUR 730m)on a debt-free basis. The acquisition is expected to be completed during the first quarter of 2007, subject to approval by relevant authorities. Gardena is expected to contribute positively to Husqvarna’s net income in 2007. The operation will be integrated in the Group’s Consumer Products operation.

Komatsu Zenoah's outdoor-products operation
At the end of January 2007, Husqvarna signed a final agreement for acquisition of the outdoor products operation within Komatsu Zenoah Co of Japan. Komatsu Zenoah is a leading producer of portable outdoor power products, and is the market leader in Japan. The product range comprises mainly brush cutters, chainsaws, trimmers and blowers. Sales for this operation in the latest fiscal year ending 31 March 2006 amounted to approximately SEK 1,200m (approximately JPY 19 billion), of which about half were in Japan. The number of employees is approximately 700. Production is based in Japan and China.

The purchase price is approximately SEK 1,100m (approximately JPY 18.2 billion) on a debt-free basis. The acquisition is expected to be completed in the beginning of April 2007, subject to approval by the relevant authorities. The operation will be consolidated in the Group's accounts within Professional Products.

Klippo AB
At the beginning of January 2007, Husqvarna signed an agreement to acquire Klippo AB of Sweden. Klippo is the largest producer of petrol-driven walk-behind lawnmowers in the Swedish market, mainly for professional users. In 2005, the company reported sales of approximately SEK 140m.The company has about 50 employees, and production is based in Sweden. Klippo was included in the Group's accounts as of 1 February 2007, within Professional Products. The acquisition price amounts to SEK 221m on a debt-free basis and a preliminary acquisition analysis indicates that goodwill and other intangibles amounts to SEK 195m.

Financing of acquisitions
In order to secure the financing of both the signed and not closed acquisitions, as well as seasonal working capital needs, Husqvarna has increased its committed bank credit facility by SEK 8 billion.

PROPOSALS TO ANNUAL GENERAL MEETING IN 2007

Dividend for 2006
The Board of Directors proposes a dividend for 2006 of SEK 2.25 per share, for a total dividend payment of SEK 667m. The proposed dividend corresponds to approximately 35% of income for the period according to the Combined financial statements.

The Group's long-term goal is for the dividend to correspond to 25-50% of income for the period.

Bonus issue to increase number of A-shares
The Board of Directors proposes that the Annual General Meeting resolves on a bonus issue of 88,877,745 A-shares. The bonus issue will increase the share capital by SEK 177,755,490, which will be obtained through re-allocation of funds from unrestricted equity according to the most recently adopted balance sheet.

According to the proposal ten (10) existing A- or B-shares shall entitle to three (3) new A-shares. The total number of A-shares will then correspond to 25.5% of the capital, and 77.4% of the votes, as compared to currently 3.2% of the capital and 24.9% of the votes.

The record date proposed for the bonus issue is 16 May 2007. For further information, see the separate press release.

Authorization for new share issue
The Board of Directors also proposes that the Annual General Meeting authorize the Board to resolve on the issue of new shares in order to facilitate acquisitions where payment will be made in own shares. For further information, see the separate press release.

Parent Company
Net Sales for the Parent Company, Husqvarna AB, for the full-year 2006 amounted to SEK 9,404m (6,848), of which SEK 7,097m (4,390) related to sales to Group companies and SEK 2,307m (2,458) to external customers. Income after financial items amounted to SEK 1,405m (1,248). Income for the year was SEK 810m (915).

Investments in tangible and intangible assets during the year were SEK 224m (177). Liquid funds at year-end amounted to SEK 5,955m (694). Free reserves in the Parent Company at year-end amounted to SEK 7,517m (21).

Stockholm 23 February 2007

Bengt Andersson
President and CEO

PRESENTATION AND TELEPHONE CONFERENCE

A combined presentation and telephone conference will be held at 14.00 CET on 23 February 2006, at the Husqvarna head office at S:t Göransgatan 143 in Stockholm, Sweden.

The presentation will be webcasted at: www.husqvarna.com/ir. A replay of the presentation will be available at the web site.

REPORTING DATES IN 2007

April 19	Interim report for January-March (date of Annual General Meeting)
July 24	Interim report for January-June
October 19	Interim report for January-September

This report has not been audited.

As previously stated, the information on pages 10-15 for the Husqvarna Group comprises actual financial statements for the fourth quarter 2006 and pro forma financial information for 2006 as well as for 2005. The pro forma financial information is based on the Electrolux Group's reporting for the Outdoor Products segment in January-May 2006.

CONSOLIDATED INCOME STATEMENT

Pro forma SEKm	**Fourth quarter 2006[1)]**	Fourth quarter 2005	**Full year 2006**	Full year 2005
Net sales	**4,539**	**5,000**	**29,402**	**28,768**
Cost of goods sold	-3,076	-3,450	-21,477	-21,109
Gross operating income	**1,463**	**1,550**	**7,925**	**7,659**
Selling expense	-821	-913	-3,727	-3,695
Administrative expense	-300	-307	-1,086	-1,037
Other operating income/expenses	4	-3	9	0
Operating income[*)]	**346**	**327**	**3,121**	**2,927**
Margin, %	7,6	6,5	10.6	10.2
Financial items, net	-67	-91	-429	-479
Income after financial items	**279**	**236**	**2,692**	**2,448**
Margin, %	6.1	4.7	9.2	8.5
Taxes	-82	-77	-830	-807
Income for the period	**197**	**159**	**1,862**	**1,641**
Attributable to:				
Equity holders of the Parent Company	197	159	1,862	1,641
Minority interests in income for the period	0	0	0	0
**) Operating income includes:*				
Depreciation and amortization	*152*	*213*	836	*827*
Earnings per share, SEK	0.66	0.54	6.29	5.54
After dilution, SEK	0.66	0.54	6.29	5.54
Number of shares, millions	296.3	296.3	296.3	296.3

1) Actual.

Group common costs

Group common costs for the fourth quarter of 2005 were initially estimated at SEK -59m. In order to facilitate year-on-year comparison, these costs pro forma for the fourth quarter of 2005 have instead been assumed to equal the outcome for the fourth quarter of 2006, excluding an insurance provision of SEK 25m relating to the Group's captive insurance companies, see page 3. For the full year, Group common costs amount to SEK -169m for 2006 and SEK -144m for 2005.

CONSOLIDATED BALANCE SHEET

SEKm	**31 December 2006**[1)]	Pro forma 31 December 2005
Assets		
Property plant and equipment	3,575	3,846
Goodwill	1,780	1,728
Other intangible assets	511	454
Investments in associates	6	9
Deferred tax assets	628	756
Financial assets	246	166
Total non-current assets	**6,746**	**6,959**
Inventories	5,165	6,264
Trade receivables	3,106	3,325
Derivatives	142	104
Tax receivables	112	32
Other current assets	386	564
Short-term investments	0	271
Cash and cash equivalents	698	729
Total current assets	**9,609**	**11,289**
Total assets	**16,355**	**18,248**
Assets pledged	**38**	**45**
Equity and liabilities		
Total equity attributable to equity holders of the Parent Company	6,252	4,755
Minority interests	12	-
Total equity	**6,264**	**4,755**
Long-term borrowings	4,683	6,220
Deferred tax liabilities	567	504
Provisions for pensions and other post-employment benefits	363	373
Other provisions	477	468
Total non-current liabilities	**6,090**	**7,565**
Trade payables	2,209	4,222
Tax liabilities	233	103
Other liabilities	1,096	1,329
Short-term borrowings	303	0
Derivatives	104	146
Other provisions	56	128
Total current liabilities	**4,001**	**5,928**
Total equity and liabilities	**16,355**	**18,248**
Contingent liabilities	**41**	**37**

1) Actual.

CONSOLIDATED CASH FLOW STATEMENT

Pro forma SEKm	**Fourth quarter 2006[1)]**	Fourth quarter 2005	**Full year 2006**	Full year 2005
Operations				
Income after financial items	279	236	2,692	2,448
Depreciation and amortization	152	213	836	827
Change in accrued and prepaid interest	-8	-13	1	0
Taxes paid	-230	-77	-903	-807
Cash flow from operations, excluding change in operating assets and liabilities	**193**	**359**	**2,626**	**2,468**
Change in operating assets and liabilities				
Change in inventories	-954	-1,349	716	-19
Change in trade receivables	1108	1,273	2	-132
Change in trade payables	273	1,155	-1,787	324
Change in other current assets	125	66	141	15
Change in other operating liabilities and provisions	-279	-475	-266	-365
Cash flow from operating assets and liabilities	**273**	**670**	**-1,194**	**-177**
Cash flow from operations	**466**	**1,029**	**1,432**	**2,291**
Investments				
Acquisitions of operations	-119	-	-558	-
Capital expenditure in property, plant and equipment	-169	-279	-735	-1,111
Capitalization of product development and software	-37	-71	-155	-148
Other	32	-24	-7	-83
Cash flow from investments	**-293**	**-374**	**-1,455**	**-1,342**
Total cash flow from operations and investments	**173**	**655**	**-23**	**949**
Financing				
Change in short-term investments	-88	-	233	-
Change in interest-bearing liabilities	-82	-655	-224	-949
Cash flow from financing	**-170**	**-655**	**9**	**-949**
Total cash flow	**3**	**0**	**-14**	**0**
Cash and cash equivalents at beginning of period	719	729	729	729
Exchange-rate differences	-24	0	-17	0
Cash and cash equivalents at end of period	698	729	698	729

1) Actual.

NET SALES BY BUSINESS AREA

SEKm	**Fourt quarter 2006**	Fourth quarter 2005	Change, %	Change in comparable currencies, %	**Full year 2006**	Full year 2005	Change, %	Change in comparable currencies, %
Consumer Products	2,028	2,519	-20	-6	18,335	18,360	0	-1
Professional Products	2,511	2,481	1	8	11,067	10,408	6	7
Total	**4,539**	**5,000**	**-9**	**1**	**29,402**	**28,768**	**2**	**2**

OPERATING INCOME BY BUSINESS AREA

Pro forma SEKm	**Fourt quarter 2006**1)	Fourth quarter 2005	Change, %	Change in comparable currencies, %2)	**Full year 2006**	Full year 2005	Change, %	Change in comparable currencies, %2)
Consumer Products	14	34 3)	-58	275	1,415	1,332	6	2
Margin, %	*0.7*	*1.3*	-	-	*7.7*	*7.3*	-	-
Professional Products	397	333	19	26	1,875	1,739	8	12
Margin, %	*15.8*	*13.4*	-	-	*16.9*	*16.7*	-	-
Total business areas	**411**	**367**	**12**	**33**	**3,290**	**3,071**	**7**	**7**
Margin, %	*9.1*	*7.3*	-	-	*11.2*	*10.7*	-	-
Group common costs etc.4)	-65	-40	-	-	-169	-144	-	-
Total	**346**	**327**	**6**	**29**	**3,121**	**2,927**	**7**	**7**
Margin, %	*7.6*	*6.5*	-	-	*10.6*	*10.2*	-	-

1) Actual.

2) Including both transaction and translation effects.

3) The principle for allocation of production costs over the year has been changed from 2006. When applying the same principle for 2005, operating income would decrease to SEK 8m for the fourth quarter 2005.

4) In order to enable year-on-year comparisons, the Group common costs for 2005 have been adjusted to equal actual costs for the fourth quarter and full year 2006, excluding an insurance provision of approximately SEK 25m taken in the fourth quarter of 2006 (see page 10).

KEY RATIOS

Pro forma	**Fourt quarter 2006**[1]	Fourth quarter 2005	**Full year 2006**	Full year 2005
Net sales, SEKm	**4,539**	5,000	**29,402**	28,768
Operating income, SEKm	**346**	327	**3,121**	2,927
Net sales growth, %	**-9**		**2**	
Gross margin, %	**32.2**	31.0	**27.0**	26.6
Operating margin, %	**7.6**	6.5	**10.6**	10.2
Working capital, SEKm	**-**	-	**4,335**	3,562
Return on capital employed, %	**-**	-	**23,8**	24.1
Return on equity, %	**-**	-	**32.5**	40.1
Earnings per share, SEK[2]	**0.66**	0.54	**6.29**	5.54
Capital-turnover rate, times	**-**	-	**2.4**	2.6
Operating cash flow, SEKm	**292**	655	**535**	949
Net debt/equity ratio	**-**	-	**0.68**	1.11
Capital expenditure, SEKm	**206**	350	**890**	1,259
Average number of employees	**-**	-	**11,412**	11,681

1) Actual.
2) Before dilution. To enable comparison, the figures for both 2005 and 2006 are based on the number of shares as of 31 December 2006, i.e. 296,259,153.

EXCHANGE RATES IN SEK

	Full year 2006	Full year 2005
USD, average	7.38	7.46
USD, end of period	*6.87*	*7.95*
EUR, average	9.26	9.28
EUR, end of period	*9.05*	*9.40*
GBP, average	13.58	13.54
GBP, end of period	*13.49*	*13.69*

NET SALES AND INCOME BY QUARTER – PRO FORMA

Net sales and income		Q1	Q2	Q3	Q4	Full year
Net sales, SEKm	**2006**[1]	**9,338**	**10,133**	**5,392**	**4,539**	**29,402**
	2005	7,880	9,730	6,158	5,000	28,768
Operating income, SEKm[2]	**2006**[1]	**929**	**1,275**	**571**	**346**	**3,121**
	Margin, %	*9.9*	*12.6*	*10.6*	*7.6*	*10.6*
	2005	814	1,162	624	327	2,927
	Margin, %	*10.3*	*11.9*	*10.1*	*6.5*	*10.2*
Income after financial items, SEKm[2]	**2006**[1]	**792**	**1,154**	**467**	**279**	**2,692**
	Margin, %	*8.5*	*11.4*	*8.7*	*6.1*	*9.2*
	2005	676	1,020	516	236	2,448
	Margin, %	*8.6*	*10.5*	*8.4*	*4.7*	*8.5*
Income for the period, SEKm[2]	**2006**[1]	**546**	**797**	**322**	**197**	**1,862**
	2005	453	683	346	159	1,641
Earnings per share, SEK [3]	**2006**[1]	**1.84**	**2.69**	**1.09**	**0.66**	**6.29**
	2005	1.53	2.31	1.17	0.54	5.54

1) Figures for Q3 and Q4 2006 shows actual figures.
2) In order to enable year-on-year comparisons, the Group common costs for 2005 have been adjusted to equal actual costs for the first, second, third and fourth quarter of 2006 (see page 10) excluding an insurance provision of approximately SEK 25m taken in the fourth quarter of 2006.
3) Before dilution. To enable comparison, the figures for both 2005 and 2006 are based on the number of shares as of 31 December 2006, i.e. 296,259,153.

NET SALES BY BUSINESS AREA PER QUARTER

SEKm		Q1	Q2	Q3	Q4	Full year
Consumer Products	**2006**	**6,540**	**6,993**	**2,774**	**2,028**	**18,335**
	2005	5,417	6,841	3,583	2,519	18,360
Professional Products	**2006**	**2,798**	**3,140**	**2,618**	**2,511**	**11,067**
	2005	2,463	2,889	2,575	2,481	10,408
Total	**2006**	**9,338**	**10,133**	**5,392**	**4,539**	**29,402**
	2005	7,880	9,730	6,158	5,000	28,768

OPERATING INCOME BY BUSINESS AREA PER QUARTER – PRO FORMA

SEKm		Q1	Q2	Q3	Q4	Full year
Consumer Products	**2006**	**503**	**734**	**164**	**14**	**1,415**
	Margin, %	*7.7*	*10.5*	***5.9***	***0.7***	***7.7***
	2005	421[1)]	687[1)]	190[1)]	34[1)]	1,332
	Margin, %	*7.8*	*10.0*	*5.3*	*1.3*	*7.3*
Professional Products	**2006**	**455**	**576**	**447**	**397**	**1,875**
	Margin, %	*16.3*	*18.3*	*17.1*	*15.8*	*16.9*
	2005	422	510	474	333	1,739
	Margin, %	*17.1*	*17.7*	*18.4*	*13.4*	*16.7*
Group common costs etc.[2)]	**2006**	**-29**	**-35**	**-40**	**-65**	**-169**
	2005	-29	-35	-40	-40	-144
Total	**2006**	**929**	**1,275**	**571**	**346**	**3,121**
	Margin, %	*9.9*	*12.6*	*10.6*	*7.6*	*10.6*
	2005	814	1,162	624	327	2,927
	Margin, %	*10.3*	*11.9*	*10.1*	*6.5*	*10.2*

1) The principle for allocation of production costs over the year has been changed from 2006. When applying the same principle for 2005, operating income would increase to SEK 449m for Q1 and SEK 706m for Q2, and decrease to SEK 169m for Q3 and SEK 8m for Q4. For the full-year 2005 there was no impact.

2) In order to enable year-on-year comparisons, Group common costs for 2005 have been adjusted to equal actual costs for the first, second, third and fourth quarter of 2006 excluding an insurance provision of approximately SEK 25m taken in the fourth quarter of 2006 (see page 10).

HUSQVARNA COMBINED FINANCIAL STATEMENTS

Operations in Electrolux were transferred to Husqvarna at book values reported by the Electrolux Group, according to the predecessor basis. In accordance with internationally accepted accounting practices, reports for the Husqvarna Group shall be prepared in the form of Combined Financial Statements. The Combined Financial Statements have been prepared as if the Husqvarna operations had been formed as of 1 January 2004.

The information in these statements is based on the actual reporting for the operations within the Outdoor segment, within Electrolux, which is now part of the Husqvarna Group. The results and net asset, as well as equity and provisions have been aggregated.

The historical financial statements include historical assets, liabilities, revenues and costs for operations, although historically the amounts involved were not allocated to Husqvarna, nor were they reported in the historical financial accounts for Husqvarna AB and its subsidiaries when they were part of the Electrolux Group.

The primary differences between the Combined Financial Statements and the pro forma statements are as follow:

- The Combined Financial Statements include historical transactions which were not reported in the Husqvarna Group but which would have been included in order to reflect the actual historical costs of operations.
- The pro forma accounts reflect the historical impact of certain transactions which occurred subsequent to the closing date. From an investor perspective it can be appropriate to reverse these transactions to reflect their financial impact. For Husqvarna the transactions mainly refer to, as regards to the income statement, administrative costs, financial costs for borrowing in connection to the capitalization of the new Group as well as tax charges. As regards the balance sheet, the difference mainly comprises the capitalization of the Group.

The extent of aggregation has gradually decreased when the Husqvarna entities have legally been transferred to Husqvarna AB. The establishment of the Group was finalized by the transfer of the Czech operations 31 May and as of 1 June the Group's income statement, balance sheet, equity statement and cash flow statement represent the 100% consolidated Group.

The differences between the pro forma information and the Combined Financial Statements are shown on page 17-19.

GROUP INCOME STATEMENTS BY QUARTER

SEKm	Fourth quarter 2006[1)]	Fourth quarter 2005 Combined	Adjustments[2)]	Pro forma
Net sales	**4,539**	**5,000**	**-**	**5,000**
Cost of goods sold	-3,076	-3,469	19	-3,450
Gross operating income	**1,463**	**1,531**	**19**	**1,550**
Selling expenses	-821	-881	-32	-913
Administrative expenses	-300	-344	37	-307
Other operating income/expenses	4	13	-16	-3
Operating income*)	**346**	**319**	**8**	**327**
Margin, %	7.6	6.4	-	6.5
Financial items, net	-67	-53	-38	-91
Income after financial items	**279**	**266**	**-30**	**236**
Margin, %	6.1	5.3	-	4.7
Taxes	-82	-79	2	-77
Income for the period	**197**	**187**	**-28**	**159**
Attributable to:				
Equity holders of the Parent Company	197	187	-28	159
Minority interests in income for the period	-	-	-	-
*) Operating income includes:				
Depreciation and amortization	152	213	-	213

1) Consolidated values.

2) The income statement has been adjusted for financial costs referring to financing of borrowings as well as for administrative costs, both of which the Group will incur as an independent Group. The actual tax rate has been estimated at approximately 33% of the Group's income after financial items. In order to enable year-on year comparisons, the Group common costs for 2005 have been adjusted to equal actual costs for the fourth quarter of 2006 excluding an insurance provision of approximately SEK 25m taken in the fourth quarter of 2006 (see page 10).

GROUP INCOME STATEMENTS FULL YEAR

	Full year 2006			Full year 2005		
SEKm	**Combined**	Adjustments[1)]	**Pro forma**	Combined	Adjustments[2)]	Pro forma
Net sales	**29,402**		**29,402**	**28,768**		**28,768**
Cost of goods sold	-21,477		-21,477	-21,128	19	-21,109
Gross operating income	**7,925**		**7,925**	**7,640**	**19**	**7,659**
Selling expenses	-3,727		-3,727	-3,663	-32	-3,695
Administrative expenses	-1,086		-1,086	-1,094	57	-1,037
Other operating income/expenses	9		9	15	-15	0
Operating income[*)]	**3,121**		**3,121**	**2,898**	**29**	**2,927**
Margin, %	10.6		10.6	10.1		10.2
Financial items, net	-378	-51	-429	-177	-302	-479
Income after financial items	**2,743**	**-51**	**2,692**	**2,721**	**-273**	**2,448**
Margin, %	9,3		9,2	9,5		8,5
Taxes[3)]	-846	16	-830	-816	9	-807
Income for the period	**1,897**	**-35**	**1,862**	**1,905**	**-264**	**1,641**
Attributable to:						
Equity holders of the Parent Company	1,897	-35	1,862	1,905	-264	1,641
Minority interests in income for the period	0	-	0	-	-	0
**) Operating income includes:*						
Depreciation and amortization	*836*	-	*836*	*827*	-	*827*

1) The income statement has been adjusted for financial costs referring to financing of borrowings which the Group incurs as an independent Group.

2) The income statement has been adjusted for financial costs referring to financing of borrowings as well as for administrative costs, both of which the company will incur as an independent Group. The actual tax rate has been estimated at approximately 33% of the Group's income after financial items. In order to enable year-on-year comparisons, the Group common costs for 2005 have been adjusted to equal actual costs for 2006 (see page 10).

3) In the Combined financial statements for 2005 presented in the "Supplement to the prospectus for listing of Husqvarna AB 2006" transfers of earnings to Electrolux units within countries with tax consolidation were treated as paid dividends with no tax effect. In order to faciltiate comparison and better reflect the Groups actual tax rate the tax expense for 2005 have been adjusted to include tax on these items and equity has been correspondingly adjusted. The restated tax rate for 2005 is 30.0%

GROUP BALANCE SHEET

		31 Dec 2005		
SEKm	**31 Dec 2006[1]**	Combined	Adjustments[2]	Pro forma
Assets				
Property plant and equipment	3,575	3,846		3,846
Goodwill	1,780	1,728		1,728
Other intangible assets	511	454		454
Investments in associates	6	9		9
Deferred tax assets	628	756		756
Financial assets	246	166		166
Total non-current assets	**6,746**	**6,959**		**6,959**
Current assets				
Inventories	5,165	6,264		6,264
Trade receivable	3,106	3,325		3,325
Derivatives	142	104		104
Tax receivables	112	32		32
Other current assets	386	564		564
Short-term investments	0	0	271	271
Cash and cash equivalents	698	267	462	729
Total current assets	**9,609**	**10,556**	**733**	**11,289**
Total assets	**16,355**	**17,515**	**733**	**18,248**
Assets pledged	**38**	**45**		**45**
Equity and liabilities				
Total equity attributable to equity holders of the Parent Company	6,252	2,416	2,339	4,755
Minority interests	12	0		-
Total equity	**6,264**	**2,416**	**2,339**	**4,755**
Non-current liabilities				
Long-term borrowings	4,683	7,838	-1,618	6,220
Deferred tax liabilities	567	504		504
Provisions for pensions and other post-employment benefits	363	373		373
Derivatives	0	0		0
Other provisions	477	163	305	468
Total non-current liabilities	**6,090**	**8,878**	**-1,313**	**7,565**
Current liabilities				
Accounts payable	2,209	4,222		4,222
Tax liabilities	233	103		103
Other liabilities	1,096	1,419	-90	1,329
Short-term borrowings	303	203	-203	0
Derivatives	104	146		146
Other provisions	56	128		128
Total current liabilities	**4,001**	**6,221**	**-293**	**5,928**
Total equity and liabilities	**16,355**	**17,515**	**733**	**18,248**
Contingent liabilities	**41**	**37**		**37**

1) Consolidated values.

2) The balance sheet for 31 December 2005 starts from Combined. The pro forma balance sheet has been adjusted for insurance provisions, which were previously reported in captive companies wholly-owned by Electrolux. Further deferred tax assets are included in the balance sheet as if Husqvarna had been a separate Group at that time. The Equity of the Group has been adjusted with the unconditional shareholder contribution from Electrolux and the remaining part of the financing has been assumed to be based on borrowings. In addition, borrowings have been redistributed as short-term and long-term borrowings.

GROUP CASH FLOW STATEMENT

Combined SEKm	**Fourth quarter 2006**	Fourth quarter 2005	**Full year 2006**	Full year 2005
Operations				
Income after financial items	279	266	2,743	2,721
Depreciation and amortization	152	213	836	827
Change in accrued and prepaid interest	-8	-13	1	0
Taxes paid	-230	-41	-606	-386
Cash flow from operations, excluding change in operating assets and liabilities	**193**	**425**	**2,974**	**3,162**
Change in operating assets and liabilities				
Change in inventories	-954	-1,337	716	-7
Change in accounts receivable	1,108	1,341	2	-64
Change in accounts payable	273	1,152	-1,787	321
Change in other current assets	125	66	141	15
Change in other operating liabilities and provisions	-279	-427	8	-349
Cash flow from operating assets and liabilities	**273**	**795**	**-920**	**-84**
Cash flow from operations	**466**	**1,220**	**2,054**	**3,078**
Investments				
Acquisitions of operations	-119	0	-558	-
Capital expenditure in property, plant and equipment	-169	-279	-735	-1,111
Capitalization of product development and software	-37	-71	-155	-148
Other	32	-24	-7	-83
Cash flow from investments	**-293**	**-374**	**-1,455**	**-1,342**
Total cash flow from operations and investments	**173**	**846**	**599**	**1,736**
Financing				
Change in short-term investments	-88	87	-38	0
Change in interest-bearing liabilities[1)]	-82	588	-3,559	59
Dividend/Group contribution to Electrolux	-	-1,427	-777	-1,656
Contribution from Electrolux	-	-	4,250	-
Cash flow from financing	**-170**	**-752**	**-124**	**-1,597**
Total cash flow	**3**	**94**	**475**	**139**
Cash and cash equivalents at beginning of period	719	169	267	109
Exchange-rate differences	-24	4	-44	19
Cash and cash equivalents at end of period	698	267	698	267

1) Operations were transferred to Husqvarna from Electrolux during 2005 and 2006. The acquisitions have been financed with internal borrowings from Electrolux and therefore do not represent any cash transactions. The change in interest-bearing liabilities has been adjusted accordingly.

CHANGE IN GROUP EQUITY

Combined SEKm	31 Dec 2006	31 Dec 2005
Opening balance	**2,416**	**4,686**
Transactions in equity, net[1)]	-1,903	-4,794
Contribution from Electrolux[2)]	4,250	-
Change in hedge reserve	61	-1
Share-based payment	7	11
Translation difference	-476	609
Minority	12	-
Income for the period	1,897	1,905[3)]
Closing balance	**6,264**	**2,416**

1) Mainly effects of transfer of operations from Electrolux to Husqvarna and dividend/Group contributions from Husqvarna to Electrolux.

2) An unconditional shareholder contribution of SEK 4,250m was received from Electrolux on 15 May in order to adjust the capital structure of Husqvarna AB prior to distribution.

3) Adjusted due to restated tax rate, see page 18.

THREE-YEAR REVIEW

Combined	2006	2005	2004[1)]
Net sales, SEKm	29,402	28,768	27,202
Operating income, SEKm	3,121	2,898	2,983
Net sales growth, %	2	6	1
Gross margin, %	27.0	26.6	26.9
Operating margin, %	10.6	10.1	11.0
Return on capital employed, %	24.1	31.0	31.1
Return on equity, %[2)]	43.2	46.0	41.9
Capital turn-over rate, times	2.4	2.6	2.9
Operating cash flow, SEKm	1,157	1,736	2,073
Capital expenditure, SEKm	890	1,259	1,040
Average number of employees	11,412	11,681	11,657

1) Restated to comply with IFRS, except for IAS 39. If IAS 39 had been applied in 2004, the volatility in income, net borrowings and equity would most probably have been higher.

2) Adjusted due to restated tax rate, see page 18.

DEFINITIONS

Capital indicators

Net assets	Total assets exclusive of liquid funds and interest-bearing financial receivables, less operating liabilities, non-interest-bearing provisions and deferred tax liabilities.
Operating working capital	Inventories and trade receivables less accounts payable.
Working capital	Current assets exclusive of liquid funds and interest-bearing financial receivables, less operating liabilities and non-interest-bearing provisions.
Net borrowings	Total interest-bearing liabilities less liquid funds.
Liquid funds	Cash and cash equivalents, short term investments as well as fair value derivative assets.
Net debt/equity ratio	Net borrowings in relation to total adjusted equity.
Equity/assets ratio	Equity as a percentage of total assets.
Capital employed	Total liabilities and equity less non-interest bearing debts, including deferred tax liabilities.

Other key ratios

Earnings per share	Income for the period divided by the number of shares.
Net sales growth	Net sales as a percentage of the preceding period.
Gross margin	Gross operating income as a percentage of net sales.
Operating margin	Operating income as a percentage of net sales.
Return on equity	Income for the period as a percentage of average equity.
Return on capital employed	Operating income plus financial income as a percentage of average capital employed.
Operating cash flow	Total cash flow from operations and investments, excluding acquisitions and divestments of operations.
Capital expenditure	Property, plant and equipment and capitalization of product development and software.

Factors affecting forward-looking statements

This report contains forward-looking statements in the sense referred to in the American 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 on 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.