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Consolidated results for 2007

Stockholm 15 February 2008

- Net sales for the full year 2007 rose to SEK 33,284 m (29,402) and income for the period to SEK 2,036 m (1,862*), corresponding to SEK 5.29 (4.83*) per share.
- Lower operating income in fourth quarter due to Gardena's normal seasonality and higher material costs for Consumer Products in North America.
- Improved operating income for Consumer Products in Rest of the World, excluding Gardena.
- Higher sales and income for Professional Products, margin remained at a high level.
- The Board proposes a dividend of SEK 2.25 (2.25)** per share corresponding to an increase of 29%, adjusted for the bonus issue in 2007, and to a total dividend payment of SEK 862m (667).

*Pro forma

** Before bonus issue of 88.9 million shares

SEKm	Fourth quarter 2007	Fourth quarter 2006	Change, %	Change, adjusted for currency and acquisitions, % ²⁾	Full year 2007	Full year 2006	Change, %	Change, adjusted for currency and acquisitions, % ²⁾
Net sales	5,196	4,539	14	-1	33,284	29,402	13	3
EBITDA	549	498	10		4,645	3,957	17	
EBITDA margin, %	10.6	11.0			14.0	13.5		
Operating income	269	346	-22	1	3,564	3,121	14	3
Operating margin, %	5.2	7.6			10.7	10.6	-	-
Income after financial items	94	279	-66		2,889	2,692 ¹⁾	7	-
Margin, %	1.8	6.1		-	8.7	9.2 ¹⁾	-	-
Income for the period	80	197	-59		2,036	1,862 ¹⁾	9	-
Earnings per share, SEK ³⁾	0.21	0.51	-59		5.29	4.83 ¹⁾	9	-
Return on capital employed, % ⁴⁾	-	-	-		17.6	23.8 ¹⁾	-	-
Return on equity, % ⁴⁾	-	-	-		28.6	32.5 ¹⁾	-	-

1) Pro forma.

2) Including both transaction and translation effects excluding acquisitions.

3) After dilution. Based on an average of 383.2 (385,1) million shares for the fourth quarter and 384.6 million (385.1) for the full year. Earnings per share and no. of shares for 2006 are adjusted for the bonus issue in May 2007.

4) Calculated as rolling 12 months.

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HUSQVARNA'S FINANCIAL INFORMATION

The Husqvarna Group was established and capitalized as of 31 May 2006. Operations in Husqvarna previously comprised the Outdoor Product segment within the Electrolux Group.

During 2006 Husqvarna published pro forma financial information as well as combined financial statements. The difference between the pro forma information and the combined financial statements is described in Note 29 in the Group's Annual report 2006.

This report shows pro forma comparable figures for the full year 2007. The income statement and cash flow analysis on pages 10 and 12 show pro forma and combined comparable figures.

Pro forma financial information

The pro forma financial information has been prepared in order to describe Husqvarna on a stand-alone basis, and is based on the assumption that Husqvarna was established and capitalized as of 1 January 2005 for the pro forma income statement and 31 December 2005 for the pro forma balance sheet.

Financial net, taxes, earnings per share and cash flow for 2006 are shown pro forma in the report and are marked by an asterisk*.

Combined Financial Statements

Operations were transferred to Husqvarna at book values reported by Electrolux according to the predecessor basis. The combined financial statements represent the financial position, results of operations and cash flows of Husqvarna AB and its subsidiaries and other legal entities, which were included in the former Outdoor Product segment within Electrolux.

As the establishment of the Group was finalized on 31 May 2006, the income statement, balance sheet, equity statement and cash flow statement as of 1 June 2006 and onward represent the 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 RFR 1.1 from the Swedish Financial Reporting Board.

The financial statements of the Parent Company have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2.1 "Accounting for Legal Entities".

The accounting principles applied in this interim report are described in Husqvarna's Annual Report. The IFRS amendments and interpretations effective since 1 January 2007 have had no material effect on the Group's financial statements. The accounting principles are also available at www.husqvarna.com under Investor Relations.

Acquisitions

Acquisitions during 2007 are included in the Group's accounts as follows:

Date of acquisition	Company	Business area
1 February 2007	Klippo AB	Professional products
28 February 2007	King Concepts	Professional products
20 March 2007	Gardena AG	Consumer Products
2 April 2007	Zenoah	Professional products
1 June 2007	Soff-Cut	Professional products

For more information, see page 17.

NET SALES AND INCOME

Fourth quarter 2007

Net sales

Net sales for the Husqvarna Group in the fourth quarter of 2007 amounted to SEK 5,196m, (4,539) corresponding to an increase of 14%. The increase refers to acquisitions during the year.

Adjusted for acquisitions, net sales declined by 3% in SEK and by 1% in comparable currencies.

Operating income

Operating income decreased by 22% to SEK 269m (346), corresponding to an operating margin of 5.2% (7.6). The decline refers mainly to the acquisition of Gardena and the seasonality of its earnings, which normally involves a negative result in the fourth quarter.

Adjusted for acquisitions, operating income increased by 7% as a result of a substantial improvement for operations outside North America. The consumer operation in North America showed a substantial downturn in operating income due to higher costs for materials and components.

Changes in exchange rates, including both transaction and translation effects, had a total positive impact on operating income of approximately SEK 21m. Transaction effects, net of hedging contracts, amounted to approximately SEK 11m, and effects from translation of income statements in subsidiaries amounted to approximately SEK 10m.

Financial net

Net financial items for the fourth quarter amounted to SEK -175m (-67). The financial net was adversely affected by higher net borrowings related to the acquisitions.

Income after financial items

Income after financial items declined to SEK 94m (279), corresponding to a margin of 1.8 % (6.1).

Taxes

Total taxes amounted to SEK -14m (-82), corresponding to 14.9% (29.4) of income after financial items. The lower tax rate refers mainly to positive effects of adjustments of tax reserves in the quarter.

Earnings per share

Income for the period was SEK 80m (197), corresponding to SEK 0.21 (0.51) per share after dilution.

Full year 2007

Net sales

Net sales for the full year 2007 rose by 13% to SEK 33,284m (SEK 29,402m). The increase refers mainly to acquisitions during the year.

Adjusted for acquisitions, net sales declined by 2% in SEK and rose by 3% in comparable currencies.

Operating income

Operating income rose by 14% to SEK 3,564m (3,121) and operating margin amounted to 10.7% (10.6). The improvement in operating income refers mainly to acquisitions.

Adjusted for acquisitions, operating income rose by 2%. Operations outside North America reported a substantial improvement in operating income, while the consumer operation in North America showed a substantial decline due to higher costs for materials and components.

In comparable currencies and adjusted for acquisitions, operating income rose by 3%. Changes in exchange rates, including both transaction and translation effects, had a total negative impact on operating income of approximately SEK -21m. Transaction effects net of hedging contracts had a positive impact of approximately SEK 66m, and referred mainly to the weakening of the USD against SEK and CAD. Translation of income statements in subsidiaries had a negative impact of approximately SEK -87m.

Financial net

Net financial items for the full year 2007 amounted to SEK -675m (-429*). The financial net was negatively affected by higher net borrowings related to the acquisitions.

Income after financial items

Income after financial items increased by 7% to SEK 2,889m (2,692*), corresponding to a margin of 8.7% (9.2).

Taxes

Total taxes amounted to SEK -853m (-830*), corresponding to 29.5 % (30.8*) of income after financial items.

Earnings per share

Income for the period rose by 9% to SEK 2,036m (1,862*), corresponding to SEK 5.29 (4.83*) per share after dilution.

OUTLOOK FOR THE FIRST QUARTER OF 2008

Inventories of the Group's garden products at retailers at the end of the year are estimated to have been on a level with the previous year. The Group's listings with retailers for the 2008 season are in line with 2007.

The Group's shipments to the trade in the first quarter of 2008 are expected to be lower in the US and higher in Europe, as compared to the first quarter of 2007.

OPERATING CASH FLOW

Operating cash flow	Fourth quarter	Fourth quarter 2006	Full year 2007	Full year 2006 Pro forma
SEKm				
Cash flow from operations, excluding changes in operating assets and liabilities	274	193	3,232	2,626
Changes in operating assets and liabilities	-283	273	-576	-1,194
Cash flow from operations	-9	466	2,656	1,432
Cash flow from investments	-206	-174	-813	-897
Operating cash flow	-215	292	1,843	535

Operating cash flow for the fourth quarter decreased to SEK -215m (292). The decline was due mainly to higher inventories, which were at an unusually low level in 2006 due to a late start-up of production for the coming season. The build up of inventories in 2007 is aimed at improving delivery capability for the 2008 season and limiting the need for a strong increase in production in the first quarter of 2008.

Operating cash flow for the full year increased to SEK 1,843m (535). The improvement refers mainly to trade payables, which were at an exceptionally high level at the start of 2006. Higher inventories had a negative impact as explained above.

Capital expenditure

Capital expenditure in 2007 amounted to SEK 857m (890), corresponding to 3% (3) of net sales. Capital expenditure will be higher in 2008 as a result of acquisitions in 2007.

FINANCIAL POSITION

The Group's equity as of 31 December 2007, excluding minority interest, amounted to SEK 7,349m (6,252), corresponding to SEK 19.11 (16.23) per share.

The net debt/equity ratio increased to 1.63 (0.68), while the equity/asset ratio declined to 25.7% (38.3).

The Group's net borrowings as of 31 December 2007 increased to SEK 12,012 m (4,250), mainly as a result of the acquisitions. Net borrowings increased by SEK 472m in the fourth quarter.

Net borrowings	31 December 2007	31 December 2006
SEKm		
Interest-bearing liabilities	13,318	5,090
Liquid funds	1,306	840
Net borrowings	12,012	4,250
Net debt/equity	1.63	0.68
Equity/assets ratio, %	25.7	38.3

PERFORMANCE BY BUSINESS AREA

Operations in Husqvarna comprise two business areas - Consumer Products and Professional Products. Consumer Products is divided into two geographical areas, i.e. North America and Rest of the world. Professional Products comprises three areas, i.e. Forestry, Commercial Lawn and garden, and Construction.

Consumer Products

SEKm	Fourth quarter 2007	Fourth quarter 2006	Change, %	Change, adjusted for currency and acquisitions, % ¹⁾	Full year 2007	Full year 2006	Change, %	Change, adjusted for currency and acquisitions, % ¹⁾
Net sales	2,328	2,028	15	-4	20,621	18,335	12	2
Operating income	-113	14	N.A.	-119	1,638	1,415	16	-6
Operating margin, %	-4.9	0.7	-	-	7.9	7.7	-	-

1) Including both transaction and translation effects, excluding acquisitions.

Sales of garden equipment, excluding chainsaws, are seasonally low during the fourth quarter and refer mainly to the build-up of inventory in the trade for the coming season.

Sales for Consumer Products increased substantially in the fourth quarter, due mainly to the acquisition of Gardena. Excluding Gardena, sales were lower than in the previous year due to a decline in North America. Sales for the North American operation are estimated to have declined less than overall industry shipments, however.

Excluding Gardena, operating income for Consumer Products was in line with the previous year. The North American operation reported a substantial downturn in operating income due mainly to higher costs for materials and components. The operation outside North America showed an improvement as a result of a positive trend in sales and margin for Husqvarna-branded products as well as positive transactional exchange-rate effects.

Full year 2007, excluding acquisitions

Sales for Consumer Products for the full year declined, and operating income was largely unchanged.

Sales in North America declined in SEK but were in line with the previous year in local currency. The Group is estimated to have increased its market share. Sales outside North America were higher than in 2006.

Income in North America showed a substantial downturn due to higher material costs. The decline was offset by a corresponding increase outside North America attributable to higher volumes, an improved product mix with a higher share of Husqvarna-branded products in the dealer channel, and positive exchange-rate effects.

Professional Products

SEKm	Fourth quarter 2007	Fourth quarter 2006	Change, %	Change, adjusted for currency and acquisitions, % ¹⁾	Full year 2007	Full year 2006	Change, %	Change, adjusted for currency and acquisitions, % ¹⁾
Net sales	2,868	2,511	14	2	12,663	11,067	14	4
Operating income	442	397	11	11	2,123	1,875	13	12
Operating margin, %	15.4	15.8	-	-	16.8	16.9	-	-

1) Including both transaction and translation effects excluding acquisitions.

Sales for Professional products rose considerably in the quarter, primarily due to acquisitions. Excluding acquisitions, sales for this business area were largely unchanged.

Excluding acquisitions, operating income showed a significant improvement, mainly referring to Construction. Income for Lawn and garden also increased from the previous year, while income for Forestry was somewhat lower than in 2006.

Full year 2007, excluding acquisitions

Sales and income for Professional Products for the full year increased over 2006. The improvement in both sales and income was attributable mainly to Lawn and garden, which reported good growth and higher margin for both riders and handheld products in Europe.

Sales for Forestry increased in Eastern Europe and Latin America but declined in North America and Western Europe, and were unchanged overall in SEK. Operating income was in line with 2006 despite negative exchange-rate effects. Sales for Construction declined in SEK but rose in comparable currencies, and both operating income and margin were unchanged.

RISKS AND UNCERTAINTY FACTORS

A number of factors can affect Husqvarna's operations in terms of operational risks and financial risks. Operational risks are managed by the operative units and financial risks by the Group Treasury function.

Operational risks

Operational risks include general economic conditions and consumer spending, particularly in North America and Europe, where the majority of the Group's products are sold. An economic downturn in these markets may have an adverse effect on Group earnings.

Demand for the Group's products is also dependent on weather conditions. Demand for such products as lawn mowers and tractors tends to decline in dry weather, whereas demand for chainsaws increases after storms.

Husqvarna's operations are also subject to seasonal variations. Demand for Consumer Products and Commercial Lawn and Garden normally peaks in the second quarter, while the peak season for chainsaws is normally the third quarter. Husqvarna has adapted its production processes and supply chain to respond to these conditions. However, parameters such as cash flow and production follow the seasonal variations in demand, which results in relatively greater risk exposure for the Group during concentrated periods of time.

Financial risks

Financial risks refer primarily to exchange rates, interest rates and credit risks. Risk management within the Husqvarna Group is regulated by a financial policy established by the Board of Directors. The increased indebtedness resulting from acquisitions as well as the seasonality of the Group's operations increase the exposure to changes in both exchange rates and interest rates.

Acquisitions

Husqvarna has completed a number of acquisitions during the past 12 months. Although the Group has historically demonstrated an ability to successfully integrate acquired businesses, such integration always involves certain risks. Net sales can be negatively affected and costs can be higher than anticipated.

For more information on risk factors, see the Annual Report.

PARENT COMPANY

Net sales for the Parent Company, Husqvarna AB, for the full year 2007 amounted to SEK 10,156m (9,404), of which SEK 7,750m (7,097) referred to sales to Group Companies and SEK 2,406m (2,307) to external customers. Income after financial items amounted to SEK 2,208m (1,405), including dividends received from subsidiaries in the amount of SEK 643m (0). Income for the year was SEK 1,906m (1,148).

Investments in tangible and intangible assets during the period amounted to SEK 230m (224). Liquid funds at the end of the period amounted to SEK 11,100m (5,955).

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 7,738 m (7,517). During the year a dividend payment was made to shareholders in the amount of SEK 667m.

Repurchase of own shares

In the third quarter of 2007 Husqvarna repurchased 1,969,000 own B-shares for a total of SEK 166m. The average purchase price was SEK 84.05. Husqvarna thus owns 0.5% of the total number of outstanding shares.

The repurchases were in accordance with the authorization by the AGM in April 2007 and in order to hedge the company's obligations in connection with implemented incentive programs.

PROPOSALS TO ANNUAL GENERAL MEETING IN 2008

The Annual General Meeting (AGM) of Husqvarna AB will be held at 4 pm on Wednesday 23 April 2008, at the Elmia Congress Centre, Elmiavägen in Jönköping, Sweden.

Dividend for 2007

The Board of Directors proposes a dividend for 2007 of SEK 2.25 (2.25) per share, corresponding to an increase of 29% adjusted for the bonus issue in 2007, and to a total dividend payment of SEK 862m (667). The bonus issue in 2007 comprised 88.9 million shares and was implemented as of May 16. The proposed dividend for 2007 corresponds to approximately 42% of income for the period.

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

Other proposals

New long-term incentive program

The Board of Directors proposes that the AGM adopt a new performance-based incentive program for a maximum of 50 senior managers. The program is based on the same parameters as the program for 2007.

Repurchase of own shares

The Board proposes that the AGM authorize the Board to acquire B-shares totalling up to 3% of the total number of shares, and to pay for the shares in cash. The shares may be purchased only on the Stockholm Stock Exchange, in order to hedge the company's obligations, including employer contributions, pursuant to the long-term incentive programs for 2006, 2007 and the proposed 2008 program.

Guidelines for remuneration of senior management

The Board proposes that the AGM adopt principles for remuneration and other conditions of employment for Husqvarna Group Management. The principles will be largely unchanged from those approved in 2007.

Authorization for new share issue

The Board of Directors also proposes that the AGM authorize the Board to issue not more than 38.5 million A- and B-shares, on one or more occasions, during the period until the Annual General Meeting in 2009.

The purpose of the authorization is to give flexibility to make acquisitions for which payment will be made in own shares. The price of the new shares shall be based on the prevailing market price of the Husqvarna share.

More information on the above proposals will be provided well in advance of the AGM.

Stockholm 15 February 2008

Bengt Andersson
President and CEO

PRESENTATION AND TELEPHONE CONFERENCE

A combined presentation and telephone conference will be held at 14.30 CET on 15 February 2008, at the Husqvarna head office at Lindhagensgatan 126 in Stockholm, Sweden. In order to participate in the telephone conference, please call +46 (0)8 5052 0114 or +44 (0)20 7162 0125. A replay of the presentation will be available at the web site.

REPORTING DATES IN 2008

April 23	Interim report for January-March (date of Annual General Meeting)
July 18	Interim report for January-June
October 23	Interim report for January-September

This interim report comprises information which Husqvarna is required to disclose under the Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. It was released for publication at 08.30 CET on 15 February 2008.

This report has not been audited.

Consolidated results for 2007

CONSOLIDATED INCOME STATEMENT

SEKm	Fourth quarter 2007	Fourth quarter 2006	Full year 2007	Full year 2006 Pro forma	Full year 2006 Combined
Net sales	5,196	4,539	33,284	29,402	29,402
Cost of goods sold	-3,490	-3,076	-23,509	-21,477	-21,477
Gross operating income	1,706	1,463	9,775	7,925	7,925
Selling expense	-1,140	-821	-4,927	-3,727	-3,727
Administrative expense	-307	-300	-1,303	-1,086	-1,086
Other operating income/expenses	10	4	19	9	9
Operating income^{*)}	269	346	3,564	3,121	3,121
Margin, %	5.2	7.6	10.7	10.6	10.6
Financial items, net	-175	-67	-675	-429	-378
Income after financial items	94	279	2,889	2,692	2,743
Margin, %	1.8	6.1	8.7	9.2	9.3
Taxes	-14	-82	-853	-830	-846
Income for the period	80	197	2,036	1,862	1,897
Attributable to:					
Equity holders of the Parent Company	79	197	2,029	1,862	1,897
Minority interests in income for the period	1	0	7	0	0
*) Operating income includes:					
Depreciation and amortization	280	152	1,081	836	836
Basic earnings per share, SEK ¹⁾	0.21	0.51	5.29	4.83	4.93
Diluted earnings per share, SEK ¹⁾	0.21	0.51	5.29	4.83	4.93
Basic weighted average number of shares outstanding, millions ¹⁾	383.2	385.1	384.6	385.1	385.1
Diluted weighted average number of shares outstanding, millions ¹⁾	383.2	385.1	384.6	385.1	385.1

1) Earnings per share and number of shares have been adjusted for the bonus issue made in May 2007.

CONSOLIDATED BALANCE SHEET

SEKm	31 December 2007	31 December 2006
Assets		
Property plant and equipment	4,312	3,575
Goodwill	5,461	1,780
Other intangible assets	4,031	511
Investments in associates	12	6
Deferred tax assets	898	628
Financial assets	207	246
Total non-current assets	14,921	6,746
Inventories	7,758	5,165
Trade receivables	3,912	3,106
Derivatives	90	142
Tax receivables	256	112
Other current assets	650	386
Cash and cash equivalents	1,216	698
Total current assets	13,882	9,609
Total assets	28,803	16,355
Assets pledged	44	38
Equity and liabilities		
Total equity attributable to equity holders of the Parent Company	7,349	6,252
Minority interest	40	12
Total equity	7,389	6,264
Long-term borrowings	2,911	4,683
Deferred tax liabilities	1,666	567
Provisions for pensions and other post-employment benefits	1,059	363
Other provisions	570	477
Total non-current liabilities	6,206	6,090
Trade payables	2,731	2,209
Tax liabilities	342	233
Other liabilities	1,520	1,096
Short-term borrowings	10,130	303
Derivatives	277	104
Other provisions	208	56
Total current liabilities	15,208	4,001
Total equity and liabilities	28,803	16,355
Contingent liabilities	20	41

CONSOLIDATED CASH FLOW STATEMENT

SEKm	Fourth quarter 2007	Fourth quarter 2006	Full year 2007	Full year 2006 Pro forma	Full year 2006 Combined
Operations					
Income after financial items	94	279	2,889	2,692	2,743
Depreciation and amortization	280	152	1,081	836	836
Change in accrued and prepaid interest	-10	-8	29	1	1
Taxes paid	-90	-230	-767	-903	-606
Cash flow from operations, excluding change in operating assets and liabilities	274	193	3,232	2,626	2,974
Change in operating assets and liabilities					
Change in inventories	-1,799	-954	-1,468	716	716
Change in trade receivables	1,620	1,108	992	2	2
Change in trade payables	373	273	-15	-1,787	-1,787
Change in other operating assets/liabilities	-477	-154	-85	-125	149
Cash flow from operating assets and liabilities	-283	273	-576	-1,194	-920
Cash flow from operations	-9	466	2,656	1,432	2,054
Investments					
Acquisitions of operations	-9	-119	-8,876	-558	-558
Capital expenditure in property, plant and equipment	-207	-169	-698	-735	-735
Capitalization of product development and software	-33	-37	-159	-155	-155
Other	34	32	44	-7	-7
Cash flow from investments	-215	-293	-9,689	-1,455	-1,455
Total cash flow from operations and investments	-224	173	-7,033	-23	599
Financing					
Change in short-term investments	0	-88	0	233	-38
Change in interest-bearing liabilities	-176	-82	8,389	-224	-3,559
Dividend	-	-	-667	-	-
Repurchase of shares	-	-	-166	-	-
Dividend/Group contribution to Electrolux	-	-	-	-	-777
Contribution from Electrolux	-	-	-	-	4,250
Cash flow from financing	-176	-170	7,556	9	-124
Total cash flow	-400	3	523	-14	475
Cash and cash equivalents at beginning of period	1,604	719	698	729	267
Exchange-rate differences	12	-24	-5	-17	-44
Cash and cash equivalents at end of period	1,216	698	1,216	698	698

NET SALES BY BUSINESS AREA

SEKm	Fourth quarter 2007	Fourth quarter 2006	Change, %	Change, adjusted for currency and acquisitions, % ¹⁾	Full year 2007	Full year 2006	Change, %	Change, adjusted for currency and acquisitions, % ¹⁾
Consumer Products	2,328	2,028	15	-4	20,621	18,335	12	2
Professional Products	2,868	2,511	14	2	12,663	11,067	14	4
Total	5,196	4,539	14	-1	33,284	29,402	13	3

1) Including both transaction and translation effects, excluding acquisitions.

OPERATING INCOME BY BUSINESS AREA

SEKm	Fourth quarter 2007	Fourth quarter 2006	Change, %	Change, adjusted for currency and acquisitions, % ¹⁾	Full year 2007	Full year 2006	Change, %	Change, adjusted for currency and acquisitions, % ¹⁾
Consumer Products	-113	14	-907	-119	1.638	1,415	16	-6
Margin, %	-4.9	0.7	-	-	7.9	7.7	-	-
Professional Products	442	397	11	11	2.123	1,875	13	12
Margin, %	15.4	15.8	-	-	16.8	16.9	-	-
Total business areas	329	411	-20	0	3.761	3,290	14	4
Margin, %	6.3	9.1	-	-	11.3	11.2	-	-
Group common costs etc.	-60	-65	8	2	-197	-169	-17	-19
Total	269	346	-22	1	3.564	3,121	14	3
Margin, %	5.2	7.6	-	-	10.7	10.6	-	-

1) Including both transaction and translation effects, excluding acquisitions.

Consolidated results for 2007

KEY RATIOS

	Fourth quarter 2007	Fourth quarter 2006	Full year 2007	Full year 2006 Pro forma	Full year 2006 Combined
Net sales, SEKm	5.196	4,539	33,284	29,402	29,402
Operating income, SEKm	269	346	3,564	3,121	3,121
Net sales growth, %	14	-9	13	2	2
Gross margin, %	32.8	32.2	29.4	27.0	27.0
Operating margin, %	5.2	7.6	10.7	10.6	10.6
Working capital, SEKm	6.146	4.335	6.146	4,335	4,335
Return on capital employed, %	-	-	17.6	23.8	24.1
Return on equity, %	-	-	28.6	32.5	43.2
Earnings per share, SEK ¹⁾	0.21	0.51	5.29	4.83	4.93
Capital-turnover rate, times	-	-	1.8	2.4	2.4
Operating cash flow, SEKm	-215	292	1,843	535	1,157
Net debt/equity ratio	-	-	1.63	0.68	0.68
Capital expenditure, SEKm	240	206	857	890	890
Average number of employees	-	-	16,093	11,412	11,412

1) After dilution. Earnings per share and number of shares for 2006 have been adjusted for the bonus issue made in May 2007.

NET SALES AND INCOME BY QUARTER

Net sales and income		Q1	Q2	Q3	Q4	Full year
Net sales, SEKm	2007	9,214	12,048	6,826	5,196	33,284
	2006	9,338	10,133	5,392	4,539	29,402
Operating income, SEKm	2007	984	1,758	553	269	3,564
	Margin, %	10.7	14.6	8.1	5.2	10.7
	2006	929	1,275	571	346	3,121
	Margin, %	9.9	12.6	10.6	7.6	10.6
Income after financial items, SEKm	2007	876	1,528	391	94	2,889
	Margin, %	9.5	12.7	5.7	1.8	8.7
	2006	792 ¹⁾	1,154 ¹⁾	467	279	2,692 ¹⁾
	Margin, %	8.5 ¹⁾	11.4 ¹⁾	8.7	6.1	9.2 ¹⁾
Income for the period, SEKm	2007	613	1,070	273	80	2,036
	2006	546 ¹⁾	797 ¹⁾	322	197	1,862 ¹⁾
Earnings per share, SEK ²⁾	2007	1.59	2.77	0.70	0.21	5.29
	2006	1.42 ¹⁾	2.07 ¹⁾	0.84	0.51	4.83 ¹⁾

1) Pro forma.

2) After dilution. Earnings per share and number of shares have been adjusted for the bonus issue made in May 2007.

NET SALES BY BUSINESS AREA PER QUARTER

SEKm		Q1	Q2	Q3	Q4	Full year
Consumer Products	2007	6,207	8,418	3,668	2,328	20,621
	2006	6,540	6,993	2,774	2,028	18,335
Professional Products	2007	3,007	3,630	3,158	2,868	12,663
	2006	2,798	3,140	2,618	2,511	11,067
Total	2007	9,214	12,048	6,826	5,196	33,284
	2006	9,338	10,133	5,392	4,539	29,402

OPERATING INCOME BY BUSINESS AREA PER QUARTER

SEKm		Q1	Q2	Q3	Q4	Full year
Consumer Products	2007	521	1,164	66	-113	1,638
	Margin, %	8.4	13.8	1.8	-4.9	7.9
	2006	503	734	164	14	1,415
	Margin, %	7.7	10.5	5.9	0.7	7.7
Professional Products	2007	510	642	529	442	2,123
	Margin, %	17.0	17.7	16.8	15.4	16.8
	2006	455	576	447	397	1,875
	Margin, %	16.3	18.3	17.1	15.8	16.9
Group common costs etc.	2007	-47	-48	-42	-60	-197
	2006	-29	-35	-40	-65	-169
Total	2007	984	1,758	553	269	3,564
	Margin, %	10.7	14.6	8.1	5.2	10.7
	2006	929	1,275	571	346	3,121
	Margin, %	9.9	12.6	10.6	7.6	10.6

NET SALES AND OPERATING INCOME, 12 MONTHS ROLLING

SEKm		Q1	Q2	Q3	Q4
Net sales, SEKm	2007	29,278	31,193	32,627	33,284
	2006	30,226	30,629	29,863	29,402
Operating income, SEKm	2007	3,176	3,659	3,641	3,564
	Margin, %	10.8	11.7	11.2	10.7
	2006	3,042	3,155	3,102	3,121
	Margin, %	10.1	10.3	10.4	10.6

CHANGE IN GROUP EQUITY

SEKm	Full year 2007			Full year 2006		
	Equity	Minority interest	Total equity	Equity	Minority interest	Total equity
Opening balance	6,252	12	6,264	2,416	0	2,416
Transactions in equity, net ¹⁾	-	-	-	-1,903	-	-1,903
Dividend	-667	-	-667	-	-	-
Unconditional shareholder contribution ²⁾	-	-	-	4,250	-	4,250
Change in hedge reserve	-102	-	-102	61	-	61
Available for sale instrument	-3	-	-3	-	-	-
Translation difference	0	-	0	-476	-	-476
Repurchase of shares	-166	-	-166	-	-	-
Share-based payment	6	-	6	7	-	7
Other	-	21	21	-	12	12
Income for the period	2,029	7	2,036	1,897	0	1,897
Closing balance	7,349	40	7,389	6,252	12	6,264

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

2) *An unconditional shareholder's contribution of SEK 4,250m from Electrolux 15 May 2006 in order to adjust the capital structure of Husqvarna AB prior to distribution.*

FOUR-YEAR REVIEW

	2007	2006 ²⁾	2005 ²⁾	2004 ^{1) 2)}
Net sales, SEKm	33,284	29,402	28,768	27,202
Operating income, SEKm	3,564	3,121	2,898	2,983
Net sales growth, %	13	2	6	1
Gross margin, %	29.4	27.0	26.6	26.9
Operating margin, %	10.7	10.6	10.1	11.0
Return on capital employed, %	17.6	24.1	31.0	31.1
Return on equity, %	28.6	43.2	46.0	41.9
Capital turn-over rate, times	1.8	2.4	2.6	2.9
Operating cash flow, SEKm	1,843	1,157	1,736	2,073
Capital expenditure, SEKm	857	890	1,259	1,040
Average number of employees	16,093	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) *Combined financial statements.*

ACQUISITIONS DURING 2007

Date of acquisition	Company	Business area	Consideration	Acquired	Enterprise	Annual net
			paid ¹⁾ , SEKm	Net debt, SEKm	value ¹⁾ , SEKm	sales ²⁾ , SEKm
1 February 2007	Klippo AB	Professional products	222	5	227	150
28 February 2007	King Concepts	Professional products	126	2	128	30
20 March 2007	Gardena AG	Consumer Products	2,949	3,938	6,887	3,800
2 April 2007	Zenoah	Professional products	1,026	73	1,099	1,200
1 June 2007	Soff-Cut	Professional products	302	234	536	240
Total			4,625	4,252	8,877	5,420

1) Including acquisition cost.

2) Financial year for Gardena 1 October - 30 September 2006; for Zenoah 1 April - 31 March 2006; for King Concepts 1 July - 30 June 2006.

SPECIFICATION OF ALL NET ASSETS ACQUIRED AND GOODWILL

SEKm	Acquired companies		Fair value, acquisition balance
	book values	Fair value adjustment	
Goodwill	1,957	-1,957	0
Other intangible assets	181	3,341	3,522
Property, plant and equipment	1,012	4	1,016
Other non-current assets	188	196	384
Inventories	1,152	62	1,214
Trade receivables	1,787	0	1,787
Other operating assets	197	0	197
Trade payables	-598	0	-598
Other operating liabilities and provisions	-1,408	-1,069	-2,477
Net debt	-4,252	0	-4,252
Net identifiable assets	216	577	793
Goodwill			3,832
Consideration paid			4,625
Cash and cash equivalents acquired			-147
Net cash paid			4,478

Total contribution from acquisitions to Group's net sales for the full year amounted to SEK 4,075m and SEK 328m to operating income.

GARDENA

Gardena is the most significant acquisition during 2007 and is therefore shown separately below.

SEKm	Book value	Fair value adjustment	Fair value, acquisition balance
Goodwill	1,774	-1,774	0
Other intangible assets	159	3,009	3,168
Property, plant and equipment	888	0	888
Other non-current assets	161	-15	146
Inventories	845	53	898
Trade receivables	1,188	0	1,188
Other operating assets	151	0	151
Trade payables	-311	0	-311
Other operating liabilities and provisions	-1,255	-937	-2,192
Net debt	-3,938	0	-3,938
Net identifiable assets	-338	336	-2
Goodwill			2,951
Consideration paid			2,949
Cash and cash equivalents acquired			-102
Net cash paid			2,847

The majority of the other intangible assets consist of the trademark Gardena, which has been deemed to have indefinite life. The inventory has been valued to fair value at the date of acquisition, which has increased the purchased inventory by SEK 53m. Due to Gardena's high turnover of inventory in the second quarter the full amount was charged to the income statement during that quarter. The Gardena operation's net sales for the nine months it has been part of Husqvarna amounted to SEK 2,915m with an operating income of SEK 282m, excluding the above mentioned charge for the Group.

During the fourth quarter the purchase price allocation have been finalized which resulted in an increased value allocated to the trademark Gardena compared to the preliminary purchase price allocation.

PARENT COMPANY

INCOME STATEMENT

SEKm	Full year 2007	Full year 2006
Net sales	10,156	9,404
Cost of goods sold	-7,389	-7,020
Gross operating income	2,767	2,384
Selling expense	-902	-765
Administrative expense	-376	-298
Other operating income/expense	-2	3
Operating income	1,487	1,324
Financial items, net	721	81
Income after financial items	2,208	1,405
Appropriations	-302	-257
Income before taxes	1,906	1,148
Taxes	-358	-338
Income for the period	1,548	810

BALANCE SHEET

SEKm	Full year 2007	Full year 2006
Non-current assets	5,055	4,172
Current assets	23,261	13,845
Total assets	28,316	18,017
Equity	8,530	8,131
Untaxed reserves	963	661
Provisions	62	63
Interest-bearing liabilities	12,374	7,204
Current liabilities	6,387	1,958
Total equity and liabilities	28,316	18,017

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 trade payables.
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 debt including deferred tax liability

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.
EBITDA	Earnings before interests, taxes, depreciation and amortization
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.