



Q3 results presentation

23 October 2008

Magnus Yngen, CEO & Bernt Ingman, CFO

Summary, Q3 2008

- Group net sales in line with Q3 2007
 - Sales slightly up in Consumer and down in Professional
- EBIT declined to SEK 310m (553), mainly related to
 - Consumer Products in North America
 - Construction product area within Professional Products
- Continued strong performance by Forestry
- Strong improvement in cash flow
- Magnus Yngen new President and CEO as of 1 October



Group sales and earnings

SEKm	Change, %				
	Q3 2008	Q3 2007	As reported	Excl. acq.	Excl. acq. & FX-effects
Net sales	6,830	6,826	0%	-1%	1%
EBIT	310	553	-44%	-44%	-50%
EBIT-margin,%	4.5%	8.1%	-	-	-
Pre-tax profit	178	391	-	-	-
Income for the period	143	273	-	-	-

SEKm	Change, %				
	Jan-Sep 2008	Jan-Sep 2007	As reported	Excl. acq.	Excl. acq. & FX-effects
Net sales	27,216	28,088	-3%	-9%	-5%
EBIT	2,833	3,295	-14%	-21%	-23%
EBIT-margin,%	10.4%	11.7%	-	-	-
Pre-tax profit	2,379	2,795	-15%	-	-
Income for the period	1,706	1,956	-13%	-	-
Return on equity,% ¹⁾	22.9%	31.5%			

¹⁾ Calculated on a rolling 12-month basis

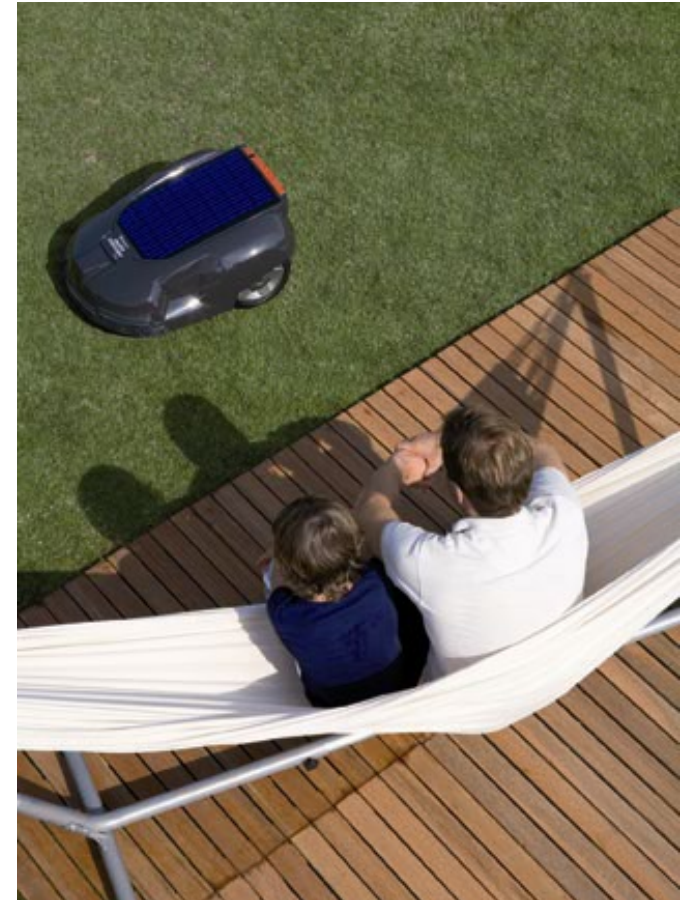
Consumer Products

SEKm	Change, %				
	Q3 2008	Q3 2007	As reported	Excl. acq.	Excl. acq. & FX-effects
Sales	3,764	3,668	3%	1%	4%
EBIT	-71	66	-208%	-211%	-172%
EBIT-margin	-1.9%	1.8%	-	-	-

SEKm	Change, %				
	Jan-Sep 2008	Jan-Sep 2007	As reported	Excl. acq.	Excl. acq. & FX-effects
Sales	17,367	18,239	-5%	-12%	-7%
EBIT	1,401	1,751	-20%	-31%	-35%
EBIT-margin	8.1%	9.6%	-	-	-

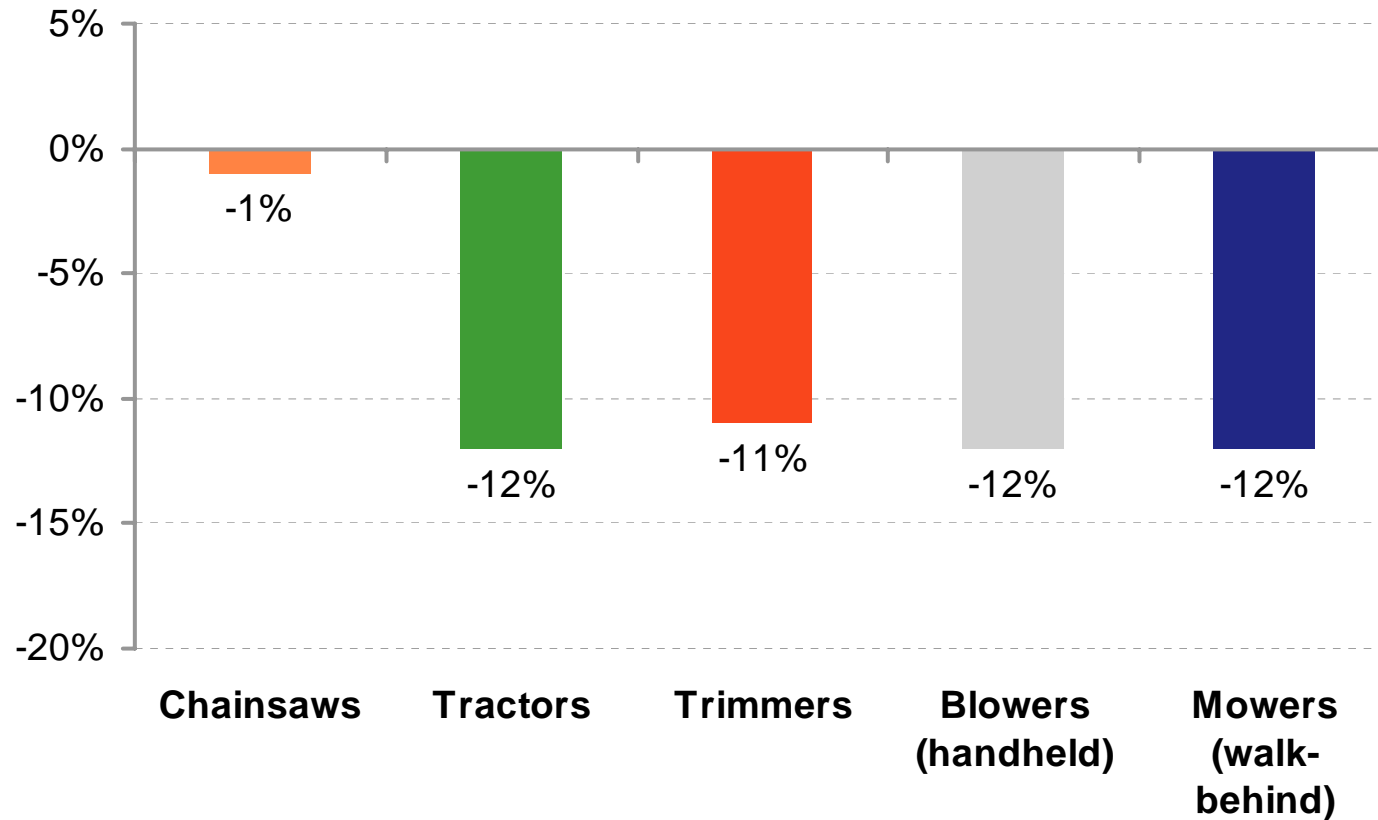
Consumer Products, Q3 2008

- Sales rose 4% adjusted for acquisitions and FX-effects
 - Increase in North America
 - Slight decline in rest of world
- Substantial EBIT decline due to
 - Production cut-backs to reduce inventories, as well as higher material costs, in North America
 - Unfavorable mix of irrigation products and integration costs for Gardena in Europe
- Continued positive trend for Husqvarna-branded products in dealer channel
- Additional retailer listings for next season



US industry shipments

Change in units, 2008 season vs. 2007



* Season = September - August. Source: OPEI

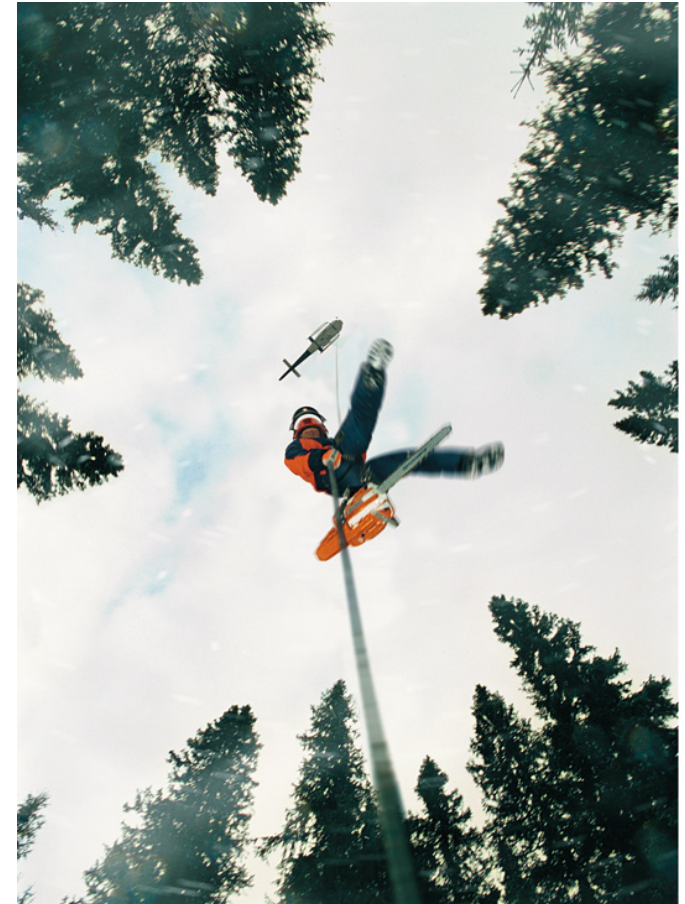
Professional Products

SEKm	Q3 2008	Q3 2007	Change, %		
			As reported	Excl. acq.	Excl. acq. & FX-effects
Sales	3,066	3,158	-3%	-3%	-2%
EBIT	436	529	-18%	-18%	-22%
EBIT-margin	14.2%	16.8%	-	-	-

SEKm	Jan-Sep 2008	Jan-Sep 2007	Change, %		
			As reported	Excl. acq.	Excl. acq. & FX-effects
Sales	9,849	9,795	1%	-4%	-2%
EBIT	1,581	1,681	-6%	-8%	-7%
EBIT-margin	16.1%	17.2%	-	-	-

Professional Products, Q3 2008

- Strong performance for Forestry
 - Higher sales and EBIT
 - Sales higher, primarily in US and Latin America
 - Hurricane season and new products pushed US sales
- Lawn and garden stable
 - Sales down
 - Improvements in mix and productivity
 - Slightly lower EBIT, but margin unchanged
- Construction continued weak
 - Weaker demand in most markets
 - Sales down, substantial decline in EBIT and margin due to lower production level



Income statement, Group

	2008 Q3	2007 Q3	Jan-Sep 2008	Jan-Sep 2007	Change, quarter	Change, period
Net Sales	6,830	6,826	27,216	28,088	0%	-3%
Cost of goods sold	-4,901	-4,690	-19,056	-20,019	4%	-5%
Gross operating income	1,929	2,136	8,160	8,069	-10%	1%
Selling expense	-1,218	-1,253	-4,196	-3,787	-3%	11%
Administrative expense	-399	-338	-1,126	-996	18%	13%
Operating income ^{*)}	310	553	2,833	3,295	-44%	-14%
Financial items, net	-132	-162	-454	-500	-19%	-9%
Income after financial items	178	391	2,379	2,795	-54%	-15%
Taxes	-35	-118	-673	-839	-70%	-20%
Income for the period	143	273	1,706	1,956	-48%	-13%
^{*)} incl. depreciation/amortization	283	283	843	801	0%	5%

Key figures

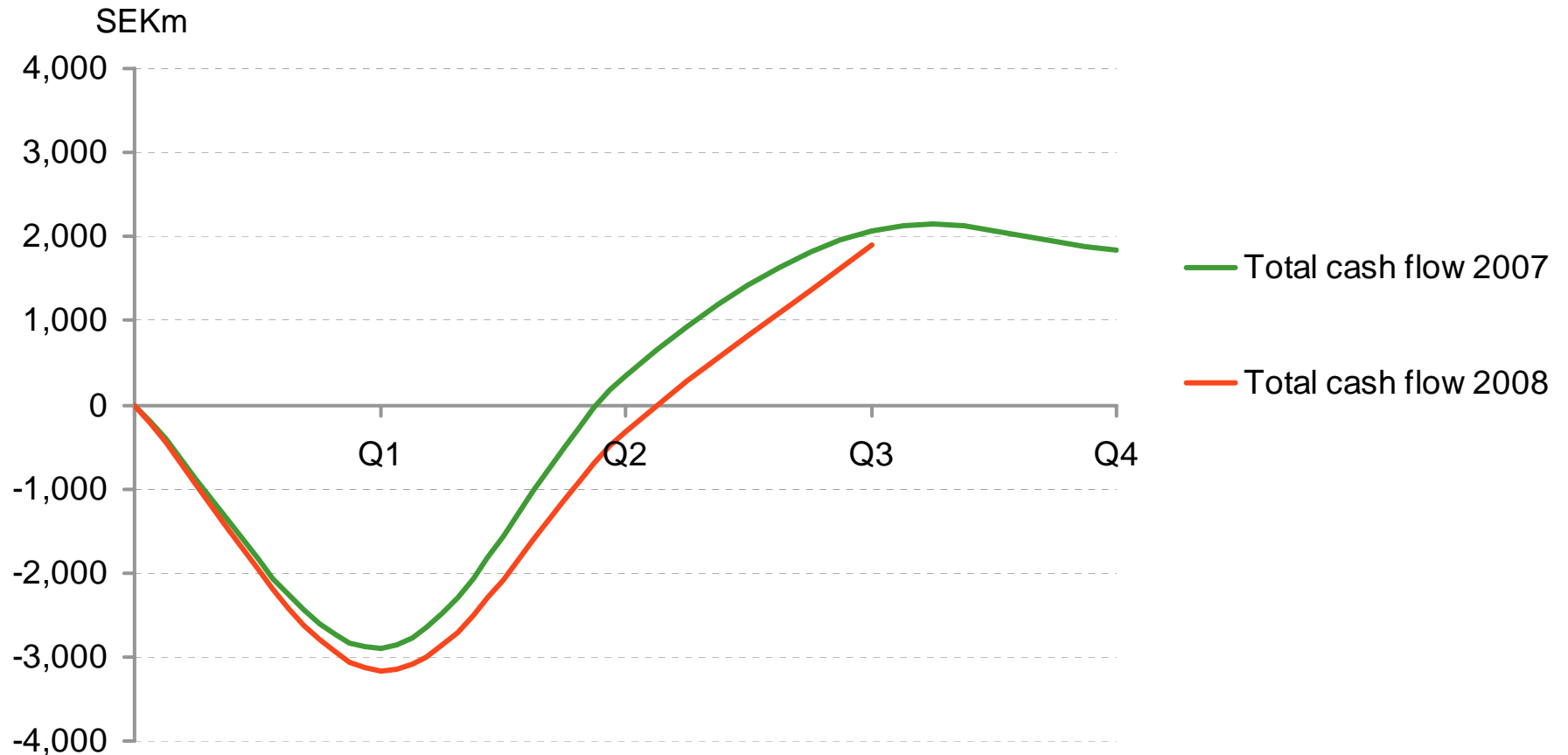
	Q3 2008	Q3 2007	Jan-Sep 2008	Jan-Sep 2007
Operating cash flow, SEKm	2,216	1,715	1,897	2,058
Working capital, SEKm	-	-	6,381	5,592
Net borrowings, SEKm	-	-	12,014	11,540
Return on capital employed, % ¹⁾	-	-	14.0	20.2
Return on equity, % ¹⁾	-	-	22.9	31.5
Net debt/equity ratio	-	-	1.39	1.58
Equity/assets ratio, %	-	-	29	25
Earnings per share, SEK	0.37	0.70	4.43	5.06

¹⁾ Calculated on a rolling 12-month basis

Balance sheet, Group

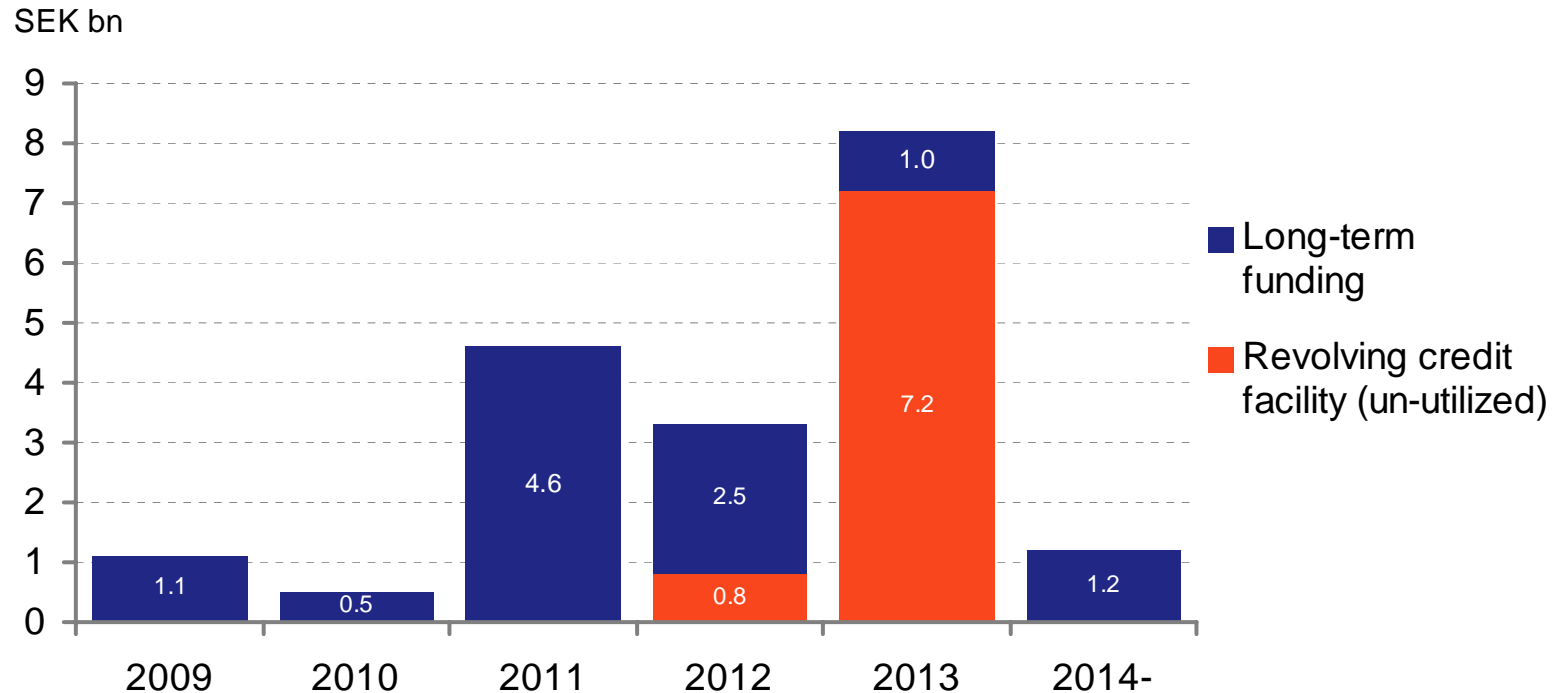
SEKm	Sep 2008	Jun 2008	Sep 2007	Dec 2007
Non-current assets	15,942	14,917	14,630	14,921
Inventories	6,361	6,642	5,965	7,758
Trade receivables	5,794	7,757	5,477	3,912
Other current assets	868	755	813	906
Liquid funds	1,154	1,514	1,722	1,306
Total assets	30,119	31,585	28,607	28,803
Total equity	8,614	7,939	7,284	7,389
Int bearing liabilities *	13,168	14,901	13,262	13,318
Provisions	3,664	3,518	3,185	3,503
Trade payables	2,104	2,598	2,361	2,731
Other current liabilities	2,569	2,629	2,515	1,862
Total equity and liabilities	30,119	31,585	28,607	28,803
<i>* of which long-term</i>	<i>11,159</i>	<i>10,947</i>	<i>10,369</i>	<i>2,911</i>

Cash flow *



* Cash flow from operations and investments, excluding payments for acquisitions

Maturity profile of long-term funding, Sep 2008



- Net debt amounted to SEK 12 bn, of which SEK 11.2 was long-term
- No major re-financing needs until 2011
- SEK 8 bn un-utilized revolving credit facility as back-up

Decision on cost-cutting measures

As announced on 16 September 2008

- Approx. 850 jobs affected, blue- and white-collar
- Annual savings of SEK 300m, full effect as of Q3 2009
- Total cost estimated at approx. SEK 300m
 - SEK 15m in Q3
 - SEK 200m in Q4
 - SEK 85m in Q1 2009
- Negotiations with labor unions in progress

Outlook for Q4 2008

- The gardening season ends during the third quarter, and production for next year's season starts in the fourth quarter. The major share of Group sales during the fourth quarter comprises chainsaws and other forestry equipment as well as products for the construction industry.
- Retail inventories of the Group's garden products at the end of the third quarter are estimated to have been lower than in the previous year. It is expected that retailers will continue to focus on keeping inventories at low levels.
- In light of weaker consumer confidence and greater caution on the part of retailers, the Group is not planning to build up inventories for the next season to the same extent as in 2007.
- Operating income in the fourth quarter is expected to be charged with costs of approximately SEK 200m related to the previously announced cost-cutting measures.

Expectations for 2009

- Increased uncertainty about demand, but it is expected to be somewhat lower than in 2008
- Good position in terms of retailer listings for 2009
- Price increases accepted by retailers
- Cost cutting activities implemented
- Synergies from acquisitions gradually take effect
- Lower tax cost (SEK 180-200 p.a.) following establishment of Belgian treasury center.



Husqvarna

Q & A



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.