



Q2 2013 Results presentation

Summary Q2 2013

- Slow start to garden season due to late spring, activity picked up in May and June
- Challenging environment for Europe & Asia/Pacific
- Positive trend for Americas and Construction continues
- Reduced inventory levels
 - Positive cash flow impact
 - Short term negative impact by lower absorption
- Kai Wärn new President & CEO as of July 1, 2013.



Financial highlights, Group

SEKm	Q2 2013	Q2 2012	% change, Q2		Jun 2013	Jan-Jun 2012	% change, H1		LTM ²	FY 2012
			As reported	Adjusted ¹			As reported	Adjusted ¹		
Net sales	10,227	10,706	-4	0	19,251	20,517	-6	-2	29,568	30,834
Gross margin	28.3	28.7	-	-	26.8	27.7	-	-	26.3	26.9
EBIT	1,022	1,152	-11	-8	1,710	2,082	-18	-14	1,303	1,675
EBIT excl. items affecting comparability	1,022	1,152	-11	-8	1,710	2,082	-18	-14	1,559	1,931
EBIT margin, %	10.0	10.8	-	-	8.9	10.1	-	-	4.4	5.4
EBIT margin excl. items affecting comparability	10.0	10.8	-	-	8.9	10.1	-	-	5.3	6.3

¹ Adjusted for currency translation effects and items affecting comparability.

² Last twelve months rolling.

Q2 2013

- Group sales unchanged, adjusted for FX
 - Higher for Europe & Asia/Pacific and Construction, lower for Americas
- EBIT and margin declined
 - Margins under pressure by unfavorable FX and lower factory utilization
- Inventory reductions





Europe & Asia/Pacific

SEKm	% change, Q2				% change, H1				FY 2012	
	Q2 2013	Q2 2012	As reported	Adjusted ¹	Jan-Jun 2013	Jan-Jun 2012	As reported	Adjusted ¹		LTM ²
Net sales	5,200	5,345	-3	2	9,326	9,998	-7	-2	14,679	15,351
EBIT	806	1,018	-21	-18	1,361	1,864	-27	-24	1,257	1,760
EBIT, excl. Items affecting comparability	806	1,018	-21	-18	1,361	1,864	-27	-24	1,444	1,947
<i>EBIT margin, %</i>	15.5	19.0	-	-	14.6	18.6	-	-	8.6	11.5
<i>EBIT margin, excl. Items affecting comparability</i>	15.5	19.0	-	-	14.6	18.6	-	-	9.8	12.7

¹ Adjusted for currency translation effects and items affecting comparability.

² Last twelve months rolling.

Q2 2013

- Sales increased 2% adjusted for FX
 - Late spring resulted in weak April, recovery in May and June
 - Macro uncertainty in Europe remains
 - Robotic mowers positive sales trend continue
- Lower EBIT
 - Negative FX impact SEK -153m
 - Lower factory utilization levels; planned inventory reductions and further production cuts as a result of late start to season
 - No improvement for watering vs. prior year
 - Positive impact from lower costs for materials



Americas

SEKm	% change, Q2				% change, H1				FY 2012	
	Q2 2013	Q2 2012	As reported	Adjusted ¹	Jan-Jun 2013	Jan-Jun 2012	As reported	Adjusted ¹		LTM ²
Net sales	4,212	4,553	-8	-3	8,404	8,973	-6	-2	11,962	12,531
EBIT	150	87	72	96	287	170	69	85	-43	-160
EBIT, excl. Items affecting comparability	150	87	72	96	287	170	69	85	-7	-124
EBIT margin, %	3.6	1.9	-	-	3.4	1.9	-	-	-0.4	-1.3
EBIT margin, excl. Items affecting comparability	3.6	1.9	-	-	3.4	1.9	-	-	-0.1	-1.0

¹ Adjusted for currency translation effects and items affecting comparability.

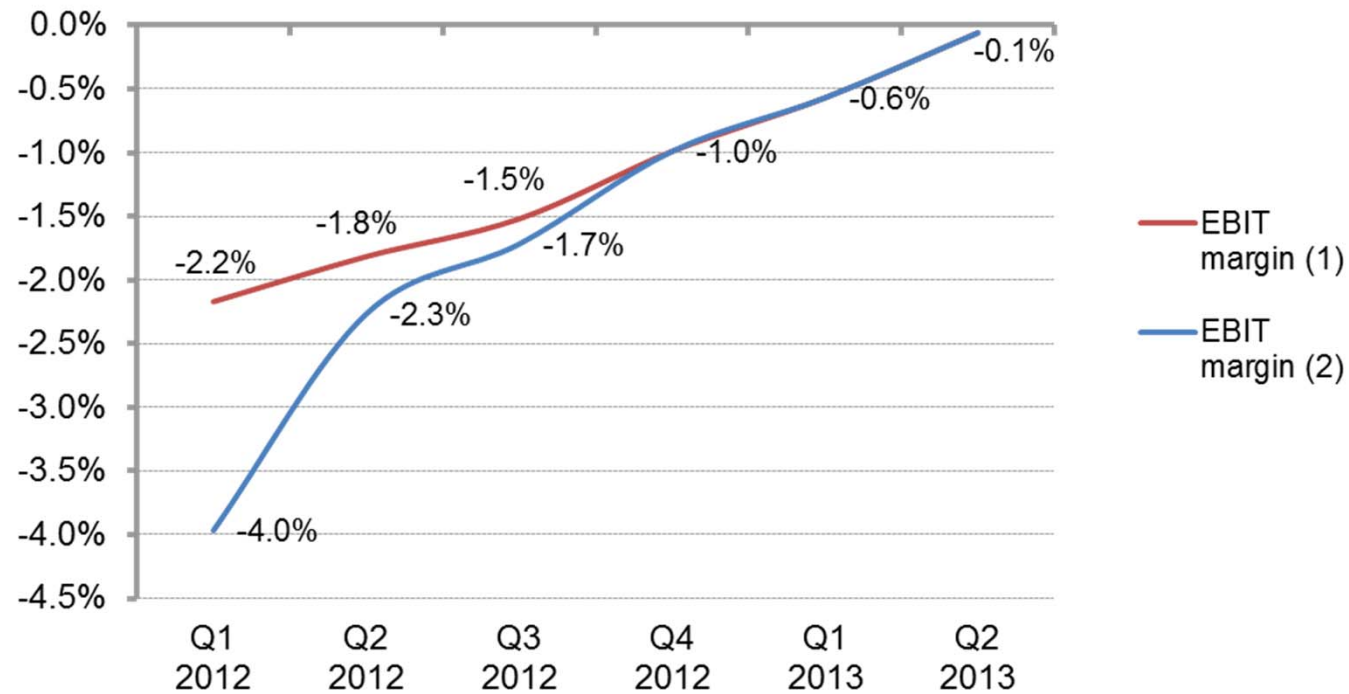
² Last twelve months rolling.

Q2 2013

- Sales declined -3% adjusted for FX
 - Delayed start for garden season due to late spring
 - Lower sales partly due to channel management to prioritize margin
 - Continued growth in dealer channel
 - AWD mower and FAST tractor
- EBIT and margin positive trend remains
 - Price increases
 - Cost reductions
 - Channel management / mix



Americas margin development



(1) Last twelve months rolling, excluding items affecting comparability and Orangeburg costs

(2) Last twelve months rolling, excluding items affecting comparability

Construction

SEKm	Q2 2013	Q2 2012	% change, Q2		Jan-Jun 2013	Jan-Jun 2012	% change, H1		LTM ²	FY 2012
			As reported	Adjusted ¹			As reported	Adjusted ¹		
Net sales	815	808	1	7	1,521	1,546	-2	4	2,927	2,952
EBIT	100	85	19	24	146	124	19	23	255	233
EBIT, excl. Items affecting comparability	100	85	19	24	146	124	19	23	280	258
<i>EBIT margin, %</i>	12.3	10.5	-	-	9.6	8.0	-	-	8.7	7.9
<i>EBIT margin, excl. Items affecting comparability</i>	12.3	10.5	-	-	9.6	8.0	-	-	9.6	8.7

¹ Adjusted for currency translation effects and items affecting comparability.

² Last twelve months rolling.

Q2 2013

- Sales grew 7%, adjusted for FX
 - Sales increased in North America, Europe and rest of the world
 - Good development in the U.S., Germany, UK and Brazil
 - Market share gains
- Continued recovery of EBIT and margin
 - Higher sales volume
 - Mix; new products with higher margin represented larger share of sales

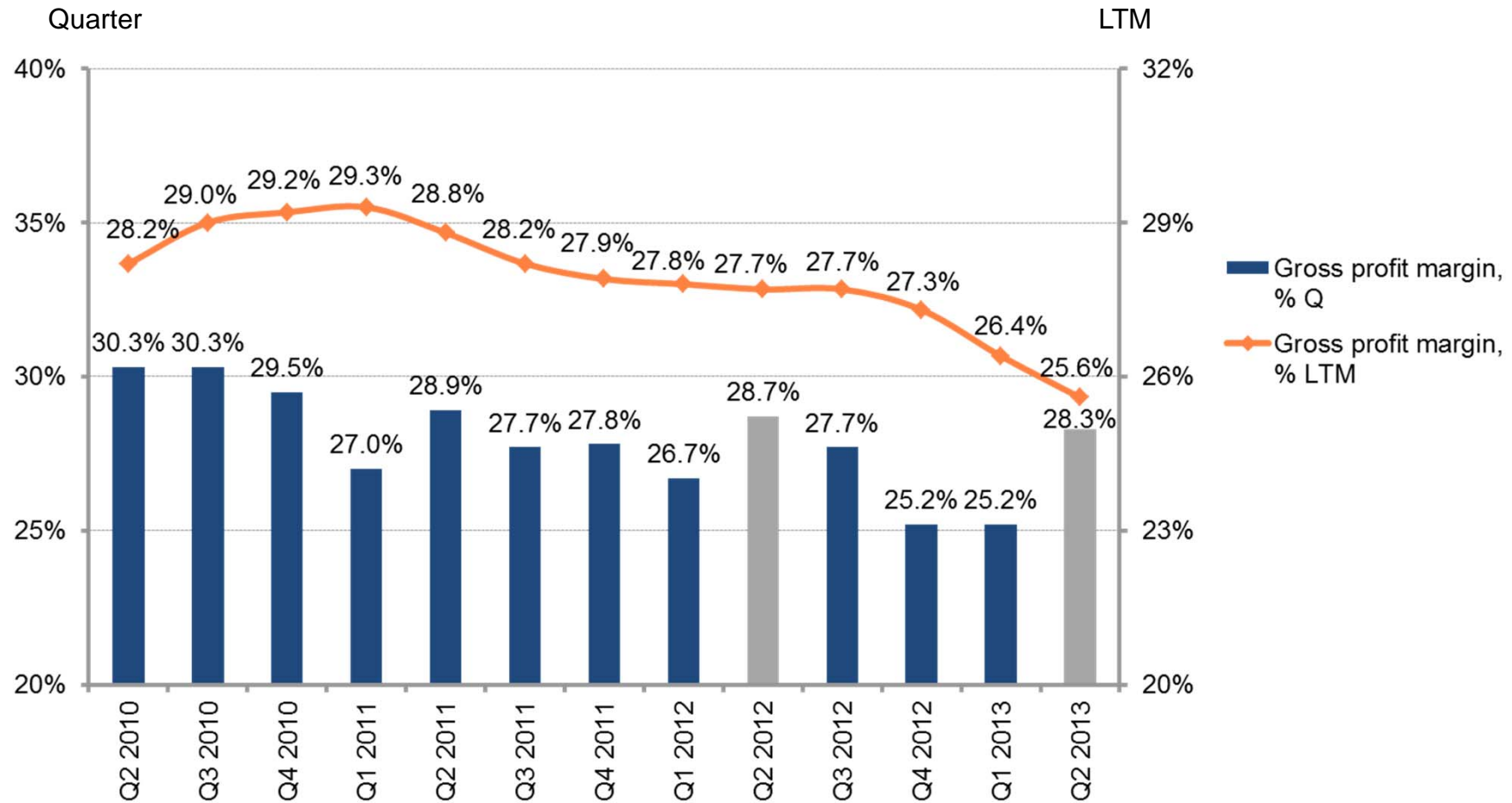


Consolidated income statement

SEKm	Q2 2013	Q2 2012	Jan-Jun 2013	Jan-Jun 2012	FY 2012
Net sales	10,227	10,706	19,251	20,517	30,834
Cost of goods sold	-7,333	-7,635	-14,085	-14,828	-22,543
Gross operating income	2,894	3,071	5,166	5,689	8,291
<i>Margin, %</i>	28.3	28.7	26.8	27.7	26.9
Selling expense	-1,550	-1,559	-2,819	-2,885	-5,223
Administrative expense	-322	-360	-633	-722	-1,401
Other operating income/expense	0	0	-4	0	8
Operating income¹	1,022	1,152	1,710	2,082	1,675
<i>Margin, %</i>	10.0	10.8	8.9	10.1	5.4
Financial items, net	-106	-121	-192	-255	-500
Income after financial items	916	1,031	1,518	1,827	1,175
<i>Margin, %</i>	9.0	9.6	7.9	8.9	3.8
Taxes	-255	-245	-390	-408	-148
Income for the period	661	786	1,128	1,419	1,027
Basic earnings per share, SEK	1.15	1.36	1.96	2.46	1.78
Diluted earnings per share, SEK	1.15	1.36	1.96	2.46	1.78
¹ Of which depreciation, amortization and impairment	-243	-274	-490	-547	-1,062



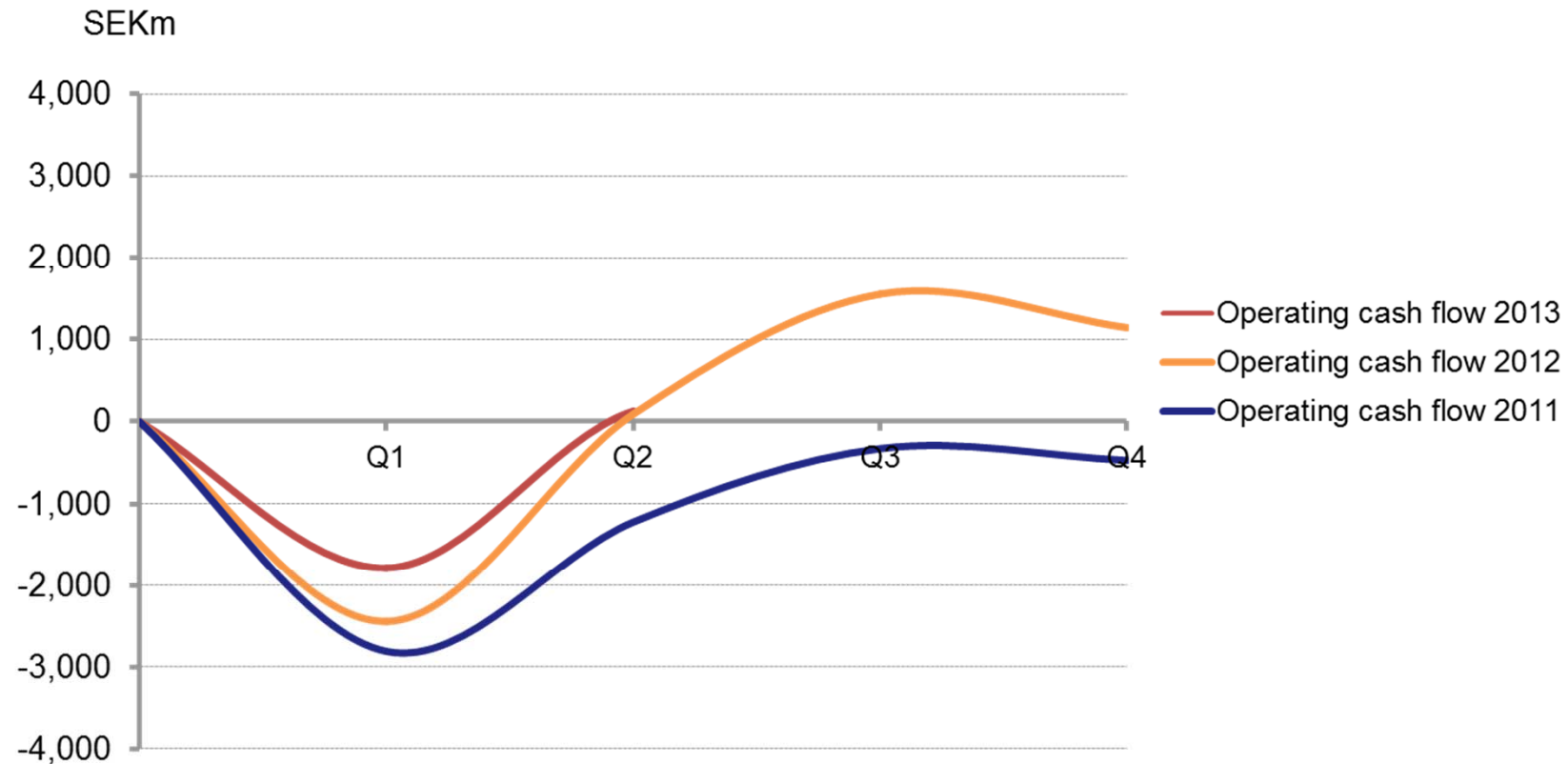
Gross profit margin development



Consolidated balance sheet

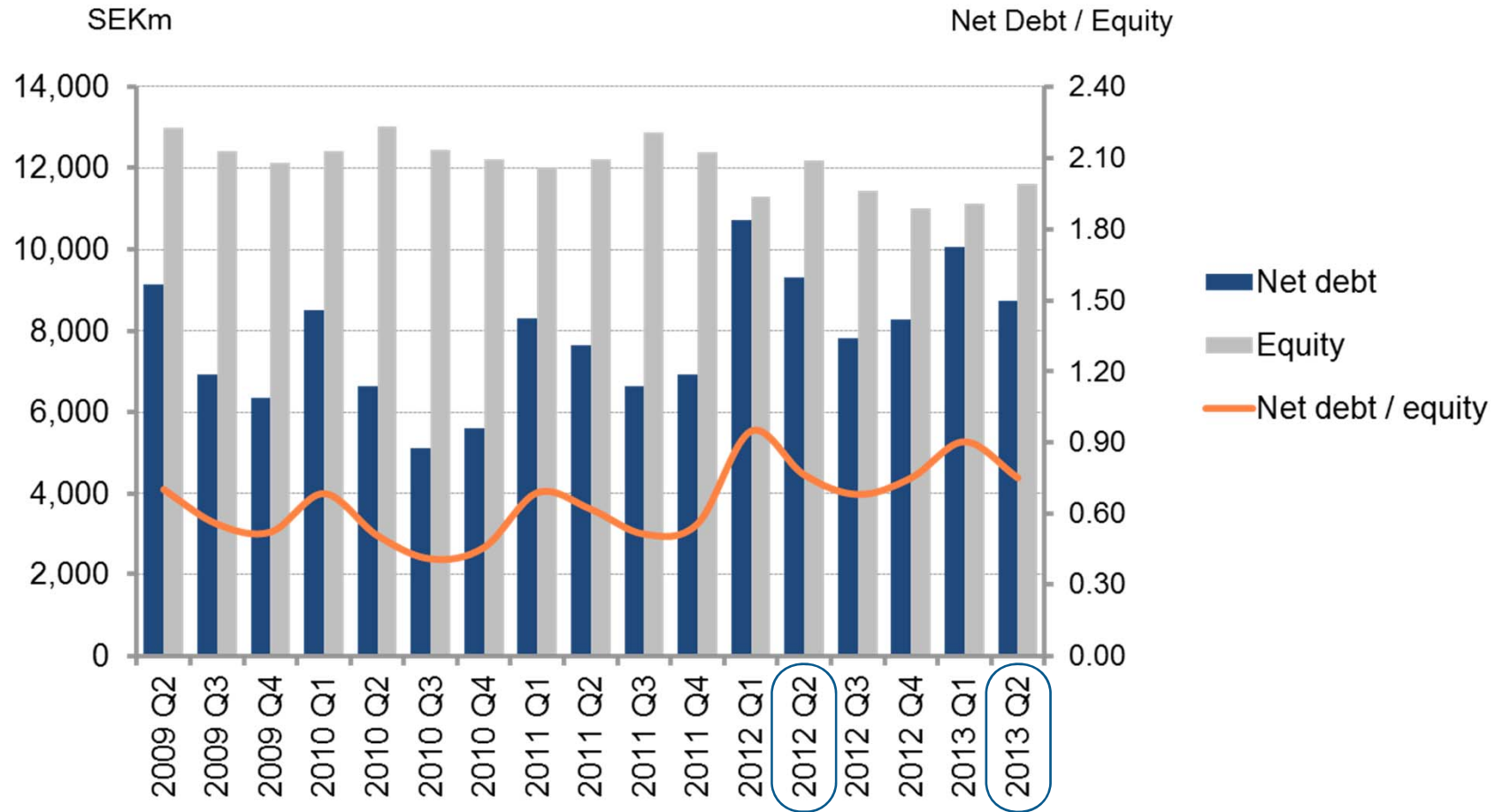
SEKm	30 June 2013	30 June 2012	31 Dec 2012
Non-current assets	14,420	14,938	14,305
Inventories	6,678	7,469	8,058
Trade receivables	6,467	6,616	3,032
Other current assets	823	746	940
Liquid funds	1,940	1,658	1,571
Total assets	30,328	31,427	27,906
Total equity	11,614	12,195	11,008
Interest-bearing liabilities	9,209	9,469	8,366
Provisions	3,836	4,125	3,863
Trade payables	2,903	3,117	2,716
Other current liabilities	2,766	2,521	1,953
Total equity and liabilities	30,328	31,427	27,906

Operating cash flow



- Planned inventory reductions
- Cash flow from conversion of receivables delayed into Q3 due to later start of selling season compared with prior years

Net debt and equity



Key figures

	Q2 2013	Q2 2012	Jan-Jun 2013	Jan-Jun 2012	FY 2012
Net sales, SEKm	10,227	10,706	19,251	20,517	30,834
Operating income, SEKm	1,022	1,152	1,710	2,082	1,675
Gross margin, %	28.3	28.7	26.8	27.7	26.9
Operating margin, %	10.0	10.8	8.9	10.1	5.4
Working capital, SEKm	7,179	8,120	7,179	8,120	6,194
Return on capital employed, %	-	-	5.9	8.9	7.4
Return on equity, %	-	-	6.5	10.4	8.8
Earnings per share, SEK	1.15	1.36	1.96	2.46	1.78
Capital-turnover rate, times	-	-	1.5	1.6	1.5
Operating cash flow, SEKm	1,915	2,535	129	92	1,144
Net debt/equity ratio	-	-	0.75	0.76	0.75
Capital expenditure, SEKm	232	197	435	361	776
Average number of employees	14,773	17,137	15,164	17,126	15,429

Summary Q2 2013

- Slow start to garden season due to late spring
- Challenging environment for Europe & Asia/Pacific
- Continued operational improvements for Americas and Construction
- Reduced inventory levels
 - Positive cash flow impact
 - Short term negative impact by lower absorption
- Staff reduction program according to plan; review of acceleration of other ongoing improvement initiatives
- Kai Wörn new President & CEO as of July 1, 2013.



We have a continued cautious outlook for demand in Europe, while the outlook for North America remains more positive.



**Husqvarna
Group**

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