



Q3 2010 results presentation
22 October 2010

Highlights Q3 2010

- Market demand continued to increase in major markets
- Adjusted Group EBIT increased 66%
 - Strong development for Europe & Asia/Pacific and Construction as a result of higher sales and improved mix, as well as good cost control
 - Weak EBIT for Americas due to higher costs
- Increased market shares for Europe & Asia/Pacific
- Good growth in dealer channel in all markets
- Prices in the trade have remained stable



Strategic initiatives

Brands

- New brand strategy
- Husqvarna, Gardena and McCulloch; global brands
- Concentrated brand spend

Distribution

- One sales company per country (done by end 2010)
- Dealer business development program
- Dealer shop profiling

Products

- Focus on Battery technology
- Customer insight driven R&D
- Consolidation of R&D (North America done 2010)
- Opportunities in spare parts

Production / Supply chain

- Closure of 8 of 36 plants announced
- Implementation of HOS (lean manufacturing) in majority of factories
- Increase of LCC production
 - New factory in Poland, start up for 2011 season
 - Increased utilization of Chinese factories
- Increased LCC sourcing (currently 23%, potential to double)
- Reduction of number of suppliers (by at least 10% annually)
- Reduction of warehouses from 70 to 40

Financial highlights Q3 2010

SEKm	Q3 2010	Q3 2009	% change, Q3		Jan-Sep 2010	Jan-Sep 2009	% change, 9M		LTM ²	Jan-Dec 2009
			As reported	Adjusted			As reported	Adjusted		
Net sales	6,907	6,709	3	5	27,446	29,342	-6	0	32,178	34,074
Gross margin, %	30.3	25.5	-	-	28.4	25.7	-	-	27.7	25.4
EBIT	411	173	137	66	2,508	2,075	21	17	1,993	1,560
EBIT margin, %	5.9	2.6	-	-	9.1	7.1	-	-	6.2	4.6
EBIT margin ¹ , %	5.9	3.5	-	-	9.9	7.5	-	-	7.9	5.9

Q3 comments

- Adjusted net sales increased
 - Strong performance for Europe & Asia/Pacific and Construction
 - Reduced listings in North America not fully compensated by increased dealer sales and sales to other accounts
 - Stable pricing in all markets
- Higher gross margin
- Currency effects slightly positive
- Higher EBIT and EBIT margin
 - Improved mix and higher sales
 - Strong development for Europe & Asia/Pacific and Construction, weak for Americas
- Lower net debt and improved net debt/equity ratio



¹ Excluding items affecting comparability. ² Last twelve months, as reported.

Europe & Asia/Pacific

SEKm	Q3 2010	Q3 2009	% change, Q3		Jan-Sep 2010	Jan-Sep 2009	% change, 9M		LTM ²	Jan-Dec 2009
			As reported	Adjusted			As reported	Adjusted		
Net sales	3,708	3,446	8	11	14,012	14,119	-1	5	16,487	16,594
EBIT	511	190 ³	168	112	2,388	1,704 ³	40	24	2,094	1,410 ³
<i>EBIT margin, %</i>	13.8	5.5	-	-	17.0	12.1	-	-	12.7	8.5
<i>EBIT margin¹, %</i>	13.8	7.2	-	-	17.0	12.9	-	-	13.8	10.3

Q3 comments

- Higher sales
 - Higher sales in all markets but France and UK
 - Significant growth in dealer channel
 - Strong development for watering products and riders
- Increased market shares
- Higher EBIT and EBIT margin
 - Improved mix
 - Higher sales
 - Good cost control



Americas

SEKm	Q3 2010	Q3 2009	% change, Q3		Jan-Sep 2010	Jan-Sep 2009	% change, 9M		LTM ²	Jan-Dec 2009
			As reported	Adjusted			As reported	Adjusted		
Net sales	2,482	2,584	-4	-5	11,373	13,196	-14	-7	13,022	14,845
EBIT	-92	-8 ³	n.a.	n.a.	191	542 ³	-65	-35	86	437 ³
EBIT margin, %	-3.7	-0.3	-	-	1.7	4.1	-	-	0.7	2.9
EBIT margin ¹ , %	-3.7	-0.3	-	-	3.1	4.1	-	-	2.6	3.6

Q3 comments

- Lower sales
 - Growth in dealer channel continued
 - Good growth for Husqvarna brand
 - Reduced listings on low-end lawn mowers
- Good performance in Latin America
- Lower EBIT and EBIT margin
 - Lower sales and production volumes
 - Higher costs for distribution and IT



Improve profitability in Americas

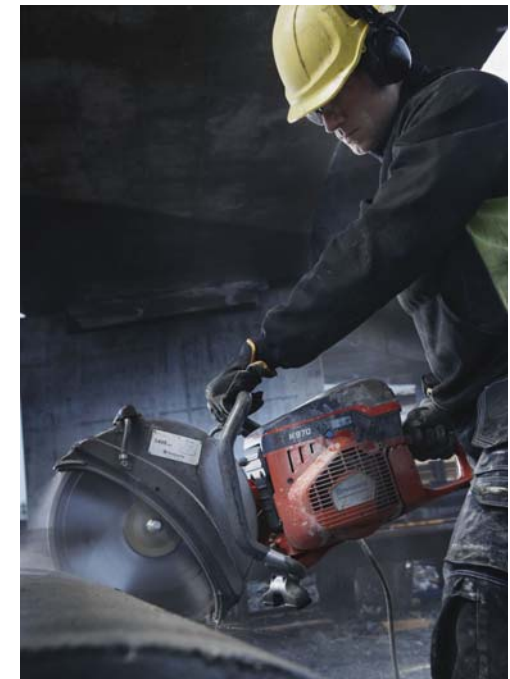
- Improve margin by growing dealer sales
 - Dealer channel is more profitable than retail
 - Husqvarna is underrepresented in dealer channel
- Improve margin on retail business
 - Upgrade to a more differentiated consumer product offering to enable a more favorable mix
- Balanced retail distribution

Construction

SEKm	Q3 2010	Q3 2009	% change, Q3		Jan-Sep 2010	Jan-Sep 2009	% change, 9M		LTM ²	Jan-Dec 2009
			As reported	Adjusted			As reported	Adjusted		
Net sales	717	679	6	8	2,061	2,027	2	7	2,669	2,635
EBIT	42	29	47	109	54	-52	n.a.	n.a.	-17	-123
<i>EBIT margin, %</i>	5.9	4.3	-	-	2.6	-2.6	-	-	-0.6	-4.7
<i>EBIT margin¹, %</i>	5.9	4.3	-	-	4.9	-2.6	-	-	3.1	-2.6

Q3 comments

- Market demand increased
- Sales increased both in Europe and North America
- Sales to rental companies increased
- Higher market shares
- New products continued to perform well
- Higher EBIT and EBIT margin
 - Higher sales and production volumes and a favorable mix
 - EBIT includes SEK 16m for a legal settlement



¹ Excluding items affecting comparability. ² Last twelve months, as reported.

Restructuring update

Charges 2008 - 2010

By business area

Europe and Asia/Pacific	Americas	Construction	Total
453	234	238	925

By P&L item

COGS	SG&A	Total
739	186	925

Investments 2010 - 2011

By business area

Europe and Asia/Pacific	Americas	Construction	Total
280	100	20	400

Savings by 2010

By business area

Europe and Asia/Pacific	Americas	Construction	Total
274	44	182	500

Savings* 2012-

By business area

Europe and Asia/Pacific	Americas	Construction	Total
445	235	230	910

**Savings will increase gradually and reach SEK 910m annually as of Q1 2012*

- Limited restructuring savings in 2011; higher in 2012
 - Some of the existing production capacity in Sweden will be used as back-up when production is gradually moved to Poland
 - Approximately SEK 400m of announced savings to be realized in 2012

Outlook for Q4 2010

Due to seasonality, the fourth quarter is the smallest quarter of the year in terms of sales and operating income. Inventories in the trade of the Group's products at the end of the third quarter were estimated to be on low levels in both the dealer and retail channels. To date in 2010, end-user demand has increased in most markets compared to the preceding season. However, the trade remains reluctant to build inventory. The positive development for Europe & Asia/Pacific and for Construction is expected to continue, while shipments in Americas are expected to be down. In total, Group shipments in the fourth quarter of 2010 are expected to be slightly higher than in the fourth quarter of 2009.



Income statement, Group

SEKm	Q3 2010	Q3 2009	Jan-Sep 2010	Jan-Sep 2009	Jan-Dec 2009
Net sales	6,907	6,709	27,446	29,342	34,074
Cost of goods sold	-4,815	-4,998	-19,657	-21,813	-25,423
Gross operating income	2,092	1,711	7,789	7,529	8,651
<i>Margin, %</i>	30.3	25.5	28.4	25.7	25.4
Selling expense	-1,270	-1,199	-4,121	-4,369	-5,547
Administrative expense	-411	-336	-1,160	-1,084	-1,541
Other operating income/expense	0	-3	0	-1	-3
Operating income¹	411	173	2,508	2,075	1,560
<i>Margin, %</i>	5.9	2.6	9.1	7.1	4.6
Financial items, net	-101	-65	-258	-433	-466
Income after financial items	310	108	2,250	1,642	1,094
<i>Margin, %</i>	4.5	1.6	8.2	5.6	3.2
Taxes	92	22	-377	-287	-191
Income for the period	402	130	1,873	1,355	903
Basic earnings per share, SEK	0.70	0.23	3.25	2.50	1.64
Diluted earnings per share, SEK	0.70	0.23	3.25	2.50	1.64
¹ Of which depreciation, amortization and impairment	-290	-319	-926	-1,007	-1,500

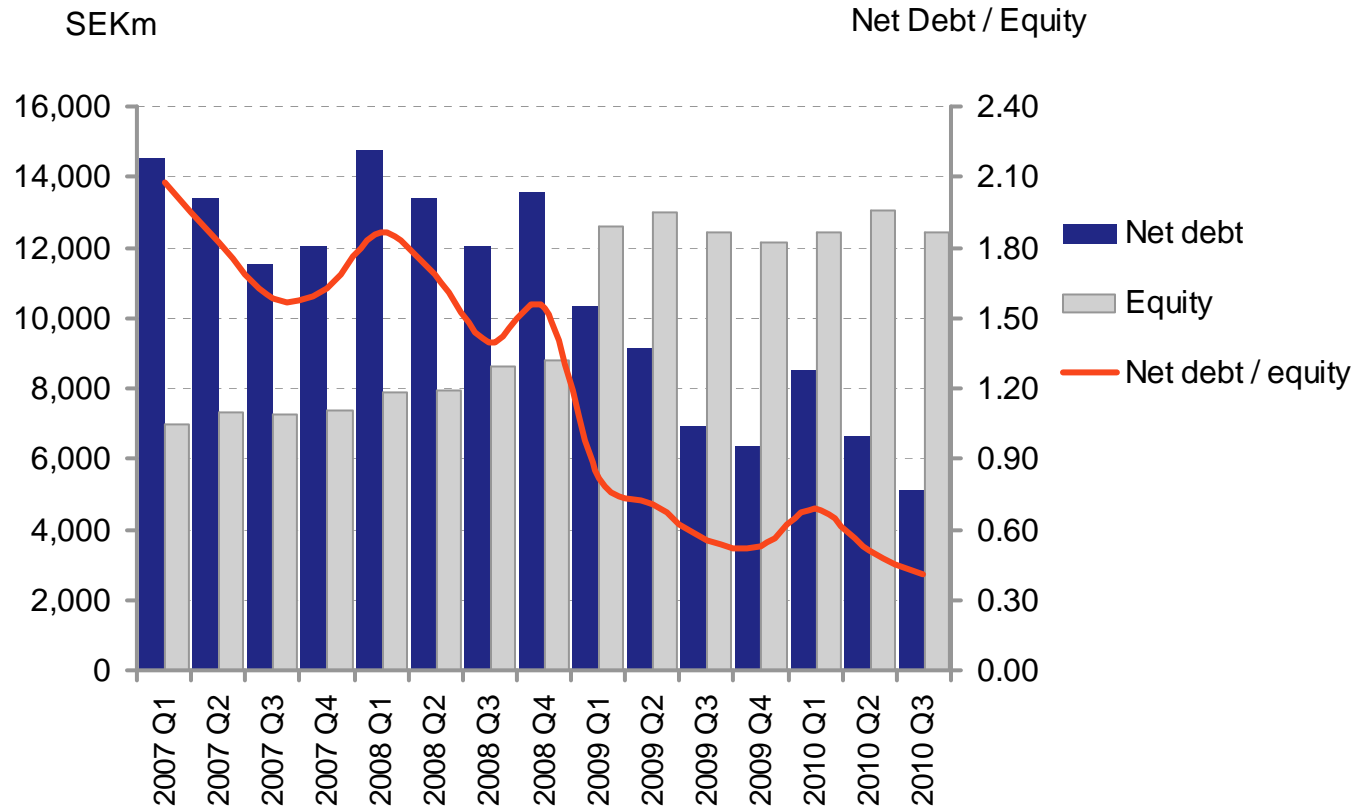
Restatement of business areas Q3 2009

- Operating income for Q3 2009 and first nine months 2009 restated between Americas and Europe & Asia/Pacific due to correction of an intercompany transaction
- No impact on the Group's operating income
- Europe & Asia/Pacific
 - Q3 2009 operating income restated from SEK 135m to SEK 190m
 - First nine months 2009 operating income restated from SEK 1,649m to SEK 1,704m
- Americas
 - Q3 2009 operating income restated from SEK 47m to SEK -8m
 - First nine months 2009 operating income from SEK 597m to SEK 542m

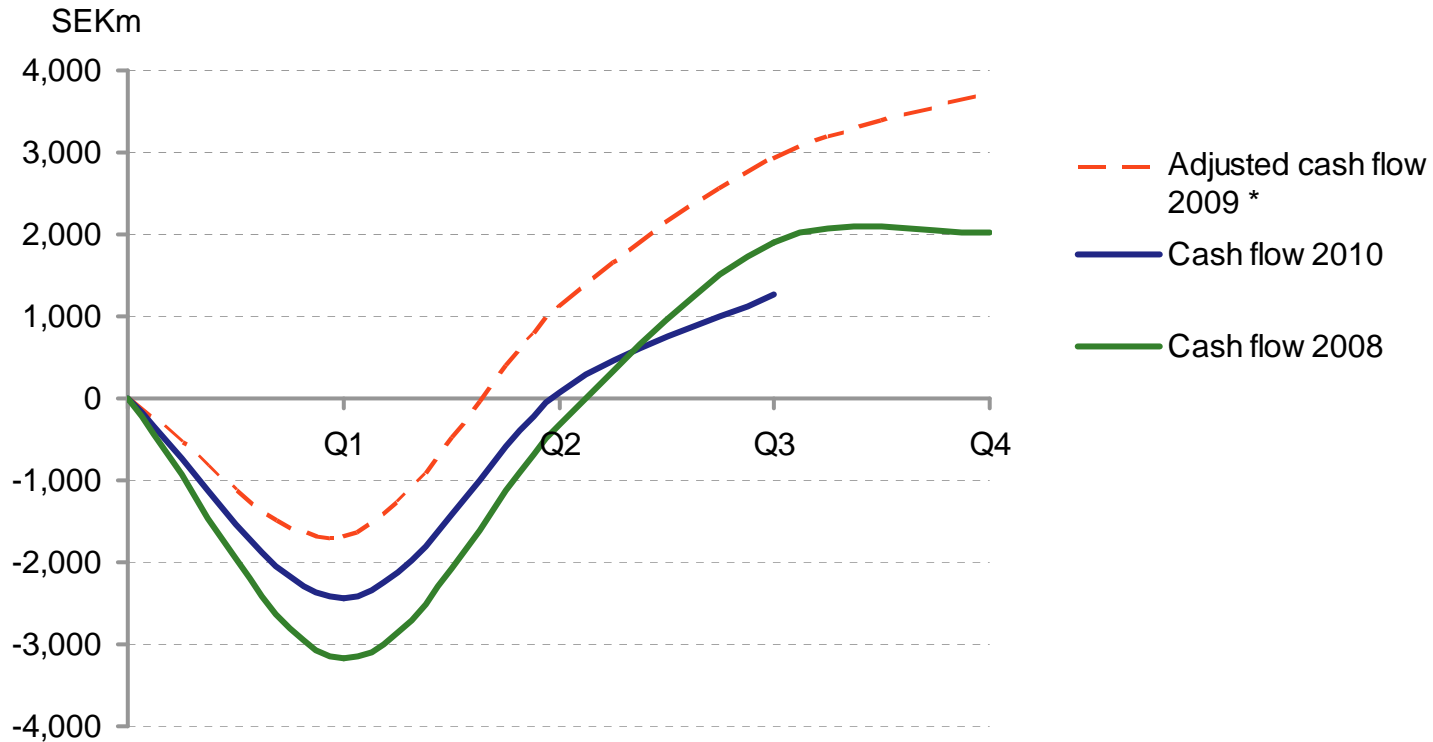
Consolidated balance sheet

SEKm	30 Sep 2010	30 Sep 2009	31 Dec 2009
Non-current assets	14,829	16,213	16,182
Inventories	6,006	5,823	6,706
Trade receivables	4,694	5,326	3,385
Other current assets	917	1,139	1,211
Liquid funds	2,788	3,358	2,745
Total assets	29,234	31,859	30,229
Total equity	12,406	12,416	12,126
Interest-bearing liabilities	7,897	10,276	9,094
Provisions	3,803	3,772	4,067
Trade payables	2,406	2,461	2,854
Other current liabilities	2,722	2,934	2,088
Total equity and liabilities	29,234	31,859	30,229

Net debt and equity



Operating cash flow



* Excluding sale of trade receivables in 2009

Key figures

	Q3 2010	Q3 2009	Jan-Sep 2010	Jan-Sep 2009	Jan-Dec 2009
Net sales, SEKm	6,907	6,709	27,446	29,342	34,074
Gross margin, %	30.3	25.5	28.4	25.7	25.4
Operating income, SEKm	411	173	2,508	2,075	1,560
Operating margin, %	5.9	2.6	9.1	7.1	4.6
Earnings per share, SEK	0.70	0.23	3.25	2.50	1.64
Capital expenditure, SEKm	-309	-212	-857	-648	-914
Working capital, SEKm	-	-	4,377	4,794	4,163
Capital-turnover rate, times	-	-	1.7	1.6	1.6
Return on capital employed, %	-	-	9.0	6.8	6.6
Return on equity, %	-	-	11.3	8.3	7.5
Operating cash flow, SEKm	1,203	1,411	1,275	2,936	3,737
Net debt/equity ratio	-	-	0.41	0.56	0.52
Average number of employees	13,926	14,088	15,051	15,816	15,030

Expectations for 2011

- Higher end-user demand
- Improved listings with retailers in both Europe and North America
- Price increases to compensate for higher direct material costs
- FX negative for EBIT
 - Weak USD is positive, weak EURO is negative
- Limited restructuring savings in 2011
 - Remaining announced savings (~ SEK 400m) will be realized in 2012



Summary Q3 2010

- Market demand continued to increase in our major markets
- Adjusted Group EBIT increased 66%, attributable to Europe & Asia/Pacific and Construction
- Weak EBIT for Americas due to higher costs
- Increased market shares for Europe & Asia/Pacific
- Significant growth in dealer channel in all markets
- Prices in the trade have remained stable



Factors affecting forward-looking statements

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Husqvarna believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for Husqvarna include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate and (iii) change in interest rate level.

This presentation does not imply that Husqvarna has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.