

Q4 2011 Results presentation

Summary

Q4 2011

- Minor quarter due to seasonality
 - Group net sales (adjusted) increased 5%
- EBIT amounted to SEK -236m (-63)
 - FX impact SEK -47m
 - Production disturbances SEK -30m
 - Other non-recurring items net SEK -55m
- Group funding re-financed
- Production ramped up for coming garden season
- Proposed dividend of SEK 1.50 (1.50) per share

FY 2011

- Group net sales (adjusted) increased 2%
 - Production disturbances
 - Lower EBIT
- Strengthened market position for Construction
- Un-changed market position overall for forestry and garden
- Unchanged listings for 2012

Financial highlights

SEKm	% change, Q4				% change, FY			
	Q4 2011	Q4 2010	As reported	Adjusted	FY 2011	FY 2010	As reported	Adjusted
Net sales	4,994	4,794	4	5	30,357	32,240	-6	2
Gross margin, %	27.8	29.5	-	-	27.7	28.5	-	-
EBIT	-236	-63	n.a	n.a	1,551	2,445	-37	-29
EBIT margin, %	-4.7	-1.3	-	-	5.1	7.6	-	-

Costs directly related to production disturbances amounted to SEK -30m in Q4 and SEK -398m YTD.

Q4 2011

- Higher sales (adjusted) for all business areas
- Increased operating income (adjusted) for Europe & Asia/Pacific and Construction, lower for Americas
- Group EBIT impacted negatively by FX -47m, costs for mitigating production disturbances SEK -30m and other non-recurring items net SEK -55m
- Higher sales and improved pricing offset mainly by negative absorption, less favorable mix and higher costs

FY 2011

- Group net sales (adjusted) increased 2%
- Lower EBIT mainly due to
 - Negative FX impact
 - Costs for mitigating production disturbances
 - Other non-recurring items
 - Higher costs due to increased marketing and product development

Europe & Asia/Pacific

SEKm	Q4 2011	Q4 2010	% change, Q4		FY 2011	FY 2010	% change, FY	
			As reported	Adjusted			As reported	Adjusted
Net sales	2,642	2,609	1	2	16,365	16,621	-2	3
EBIT	92	-5	n.a	n.a	2,277	2,383	-4	0
<i>EBIT margin, %</i>	3.5	-0.2	-	-	13.9	14.3	-	-

Q4 2011

- Higher sales (adjusted)
 - Snow products increased
- Increased operating income
 - Higher sales and improved pricing
 - Non-recurring item SEK 53m from closure of defined benefit pension scheme

FY 2011

- Sales (adjusted) increased 3%
- Margin remained on high level
- Strong market position maintained
- Increased costs for marketing and product development

Americas

SEKm			% change, Q4				% change, FY	
	Q4 2011	Q4 2010	As reported	Adjusted	FY 2011	FY 2010	As reported	Adjusted
Net sales	1,672	1,571	6	9	11,193	12,944	-14	-2
EBIT	-290	-39	n.a	n.a	-654	152	n.a	n.a
EBIT margin, %	-17.3	-2.5	-	-	-5.8	1.2	-	-

Q4 2011

- Sales (adjusted) increased 9%
 - Higher pre-season shipments of ride-on products
- Lower EBIT
 - Higher costs for due to production disturbances, non-recurring items and transportation
 - Non-recurring items; costs for staff reductions SEK -19, provisions for non-recoverable VAT receivables SEK -33m and environmental remediation costs SEK -31m.

FY 2011

- Lower sales
 - Lower market demand
 - Production disturbances
- Overall market shares unchanged
- Negative EBIT
 - Costs for production disturbances
 - Negative impact from FX
 - Non-recurring items

Construction

SEKm	Q4 2011	Q4 2010	% change, Q4		FY 2011	FY 2010	% change, FY	
			As reported	Adjusted			As reported	Adjusted
Net sales	680	614	11	11	2,799	2,675	5	12
EBIT	22	28	-21	45	130	82	58	n.a
<i>EBIT margin, %</i>	3.3	4.6	-	-	4.7	3.1	-	-

Q4 2011

- Sales (adjusted) increased 11%
 - Replacement need in rental/sales channels
- EBIT-margin adjusted for non-recurring items increased to 5.3%
 - Staff reduction costs SEK -14m
 - Negative FX impact SEK -13m

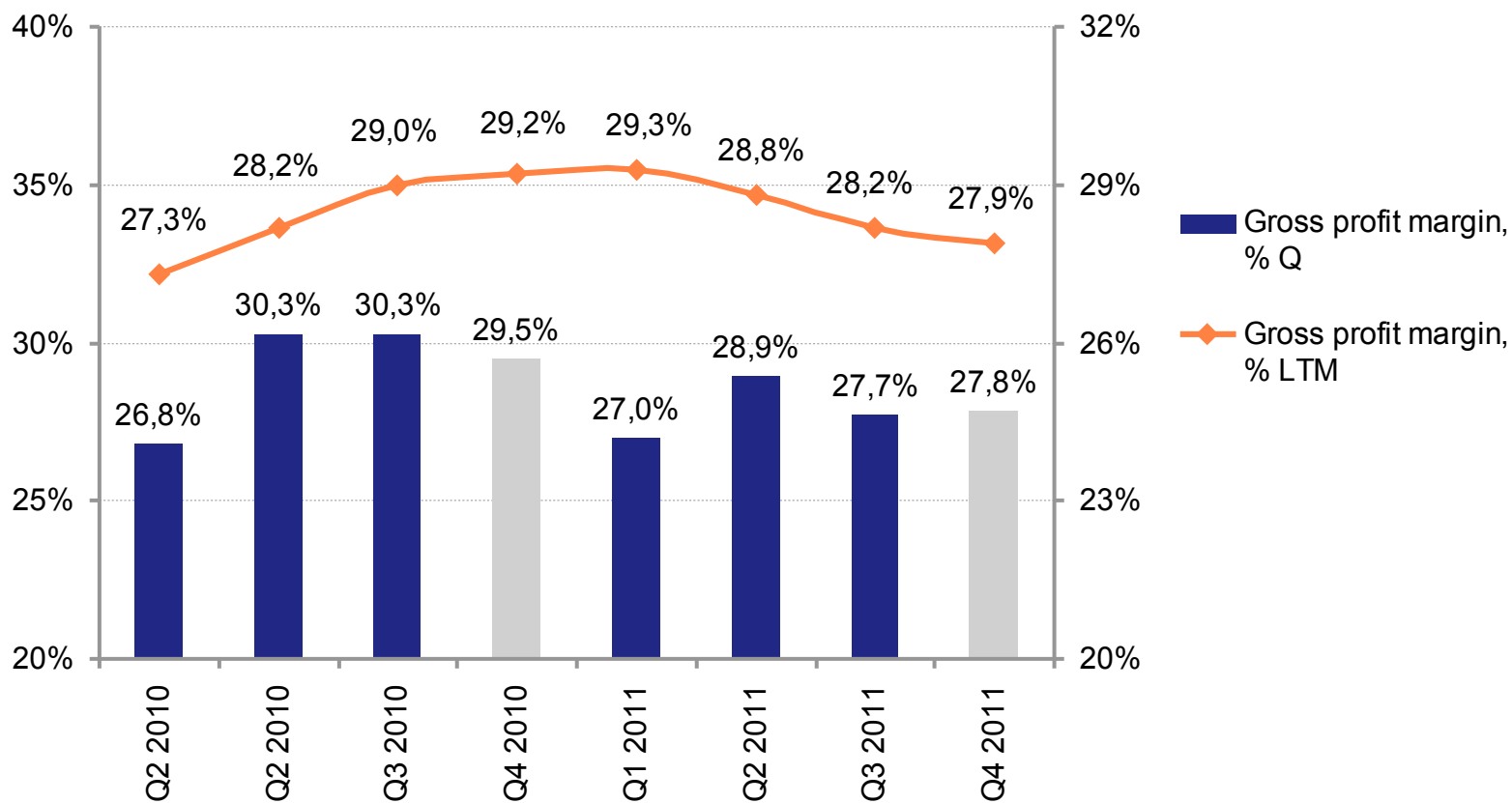
FY 2011

- Sales (adjusted) increased 12%
 - Market share gains
 - Replacement need in rental/sales channels
- Many new products performing well
- Higher EBIT and margin
 - Higher sales main EBIT driver
 - EBIT includes negative impact from FX of SEK -52m, items affecting comparability SEK -64m (-47) and non-recurring items SEK -14m.

Income statement

SEKm	Q4 2011	Q4 2010	FY 2011	FY 2010
Net sales	4,994	4,794	30,357	32,240
Cost of goods sold	-3,608	-3,380	-21,948	-23,037
Gross operating income	1,386	1,414	8,409	9,203
<i>Margin, %</i>	<i>27.8</i>	<i>29.5</i>	<i>27.7</i>	<i>28.5</i>
Selling expense	-1,191	-1,111	-5,332	-5,232
Administrative expense	-428	-364	-1,530	-1,524
Other operating income/expense	-3	-2	4	-2
Operating income¹	-236	-63	1,551	2,445
<i>Margin, %</i>	<i>-4.7</i>	<i>-1.3</i>	<i>5.1</i>	<i>7.6</i>
Financial items, net	-127	-136	-404	-394
Income after financial items	-363	-199	1,147	2,051
<i>Margin, %</i>	<i>-7.3</i>	<i>-4.2</i>	<i>3.8</i>	<i>6.4</i>
Taxes	140	75	-150	-302
Income for the period	-223	-124	997	1,749
Basic earnings per share, SEK	-0.39	-0.21	1.73	3.03
Diluted earnings per share, SEK	-0.39	-0.21	1.73	3.03
¹ <i>Of which depreciation, amortization and impairment</i>	<i>-291</i>	<i>-295</i>	<i>-1,120</i>	<i>-1,221</i>

Gross profit margin development



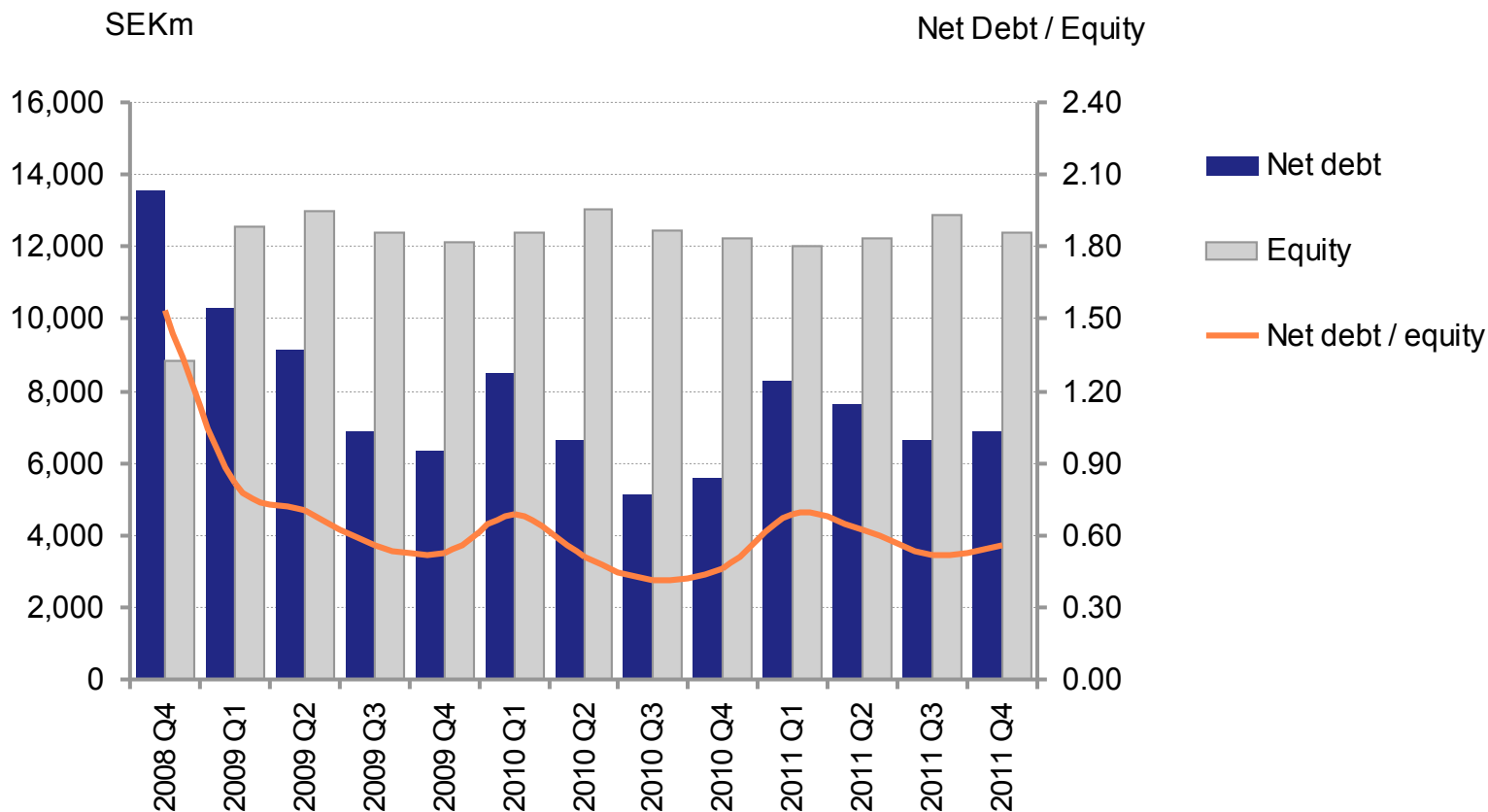
Restructuring costs in Q4 2011

- Staff cut-backs to reduce fixed costs
- SEK -44m cost in Q4 2011
 - Americas SEK -19m
 - Construction SEK -14m
 - Europe & Asia/Pacific SEK -3m
 - Group common cost SEK -8m
- Will generate annual savings of SEK 50m as of 2012
 - Americas SEK 30m
 - Construction SEK 14m
 - Europe SEK 2m
 - Group common cost SEK 4m

Consolidated balance sheet

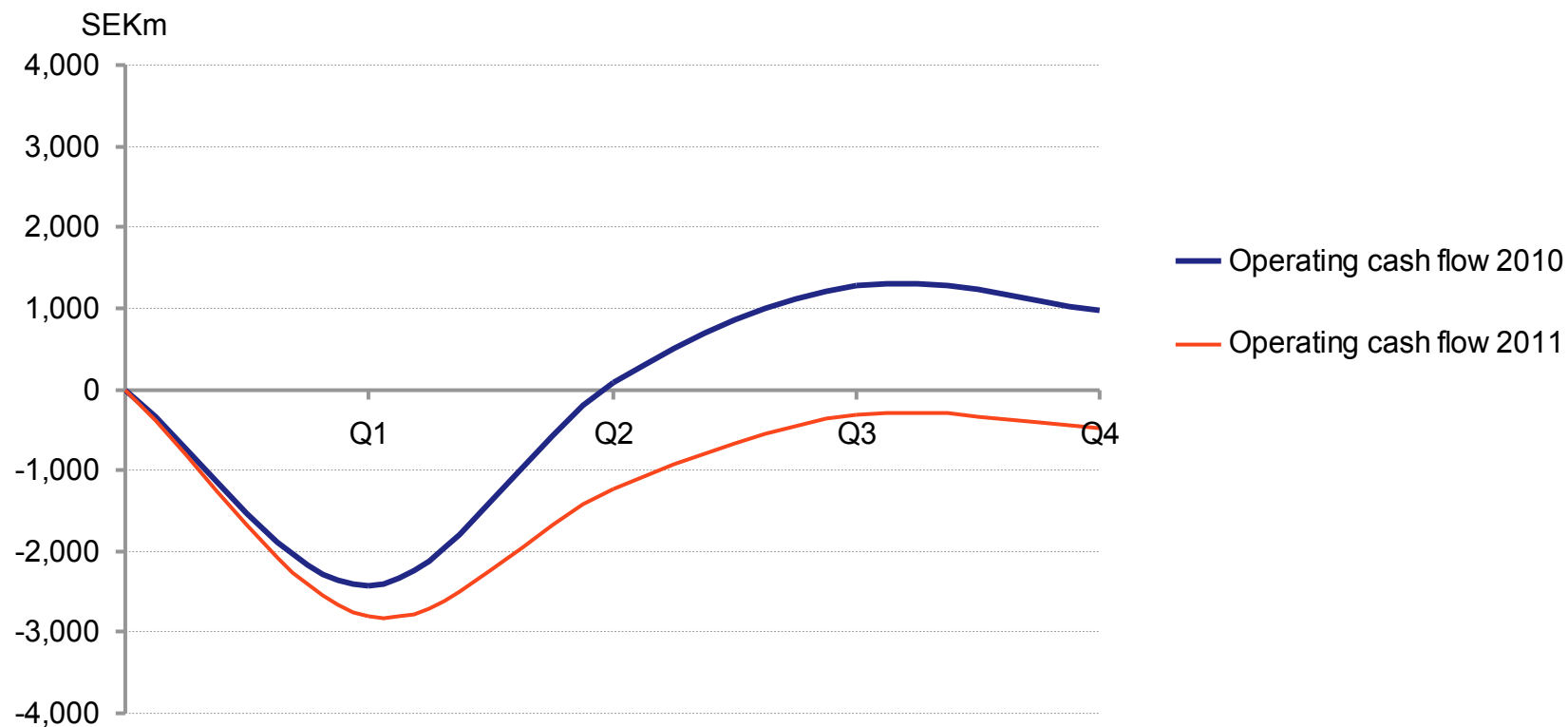
SEKm	31 Dec 2011	31 Dec 2010
Non-current assets	15,208	14,897
Inventories	8,078	7,000
Trade receivables	3,660	3,575
Other current assets	817	864
Liquid funds	1,340	2,066
Total assets	29,103	28,402
Total equity	12,388	12,203
Interest-bearing liabilities	8,261	7,667
Provisions	3,653	3,599
Trade payables	2,797	2,810
Other current liabilities	2,004	2,123
Total equity and liabilities	29,103	28,402

Net debt and equity



- Back-up credit facility re-financed
 - SEK 6bn, 5 yr maturity
- 2012 bank loan and MTN maturities refinanced

Operating cash flow



Lower cash-flow in 2011 mainly due to

- Lower earnings
- Higher inventory

Key figures

	Q4 2011	Q4 2010	Jan-Dec 2011	Jan-Dec 2010
Net sales, SEKm	4,994	4,794	30,357	32,240
Operating income, SEKm	-236	-63	1,551	2,445
Gross margin, %	27.8	29.5	27.7	28.5
Operating margin, %	-4.7	-1.3	5.1	7.6
Working capital, SEKm	5,699	4,478	5,699	4,478
Return on capital employed, %	-	-	7.4	11.0
Return on equity, %	-	-	8.0	13.9
Earnings per share, SEK	-0.39	-0.21	1.73	3.03
Capital-turnover rate, times	-	-	1.6	1.7
Operating cash flow, SEKm	-144	-313	-472	962
Net debt/equity ratio	-	-	0.56	0.46
Capital expenditure, SEKm	320	445	994	1,302
Average number of employees	14,638	13,987	15,698	14,954

Outlook for Q1 2012

- The Group's listings with retailers for the season 2012 are estimated to be unchanged compared to the previous year.
- Inventories of the Group's products at retailers and dealers at the end of the 2011 are estimated to have been somewhat higher than a normal level.



Summary

- Higher sales (adjusted) in 2011
 - Lower EBIT
- Strengthened market position for Construction, maintained for forest and garden products
- Dividend proposal of SEK 1.50 (1.50) per share for 2011
- Group funding re-financed
- Unchanged retail listings for 2012
- Production ramped-up for garden season
 - delivering high level of service and delivery reliability
- *Outlook regarding consumer demand difficult to assess*



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