



Press release

Stockholm 23 March 2009

Annual General Meeting of Husqvarna AB (publ)

The Annual General Meeting of Husqvarna AB (publ) will be held at 4 p.m. on Thursday, April 23, 2009, at the Elmia Congress Centre, the Hammarskjöld Hall, Elmiavägen 15 in Jönköping.

Registration and notice

Shareholders who intend to participate at the Annual General Meeting must

- have their names entered in the register of shareholders maintained by Euroclear Sweden AB on Friday, April 17, 2009, and
- notify the Company of their intention to participate no later than on Friday, April 17, 2009. The notification can be made by mail to Husqvarna AB, Att. EM-LA, Box 30224, SE-104 25 Stockholm, Sweden, or by telephone at +46 8 738 70 10 between 9 a.m. and 12 a.m. or between 1 p.m. and 4 p.m. weekdays or via the Company's website, www.husqvarna.se/agm and must include information of any advisors that will be attending.

Notice should include the shareholder's name, personal or company registration number, address and telephone number. The data received will be computerized and used solely for the purpose of the Annual General Meeting 2009. For shareholders wishing to participate by proxy, proxy templates are provided on the Company's website. Shareholders participating by proxy should submit a copy of the proxy authorization to the above address prior to the date of the Annual General Meeting.

Shareholders whose shares are registered in the names of nominees must temporarily register the shares in their own name in order to be entitled to participate at the Annual General Meeting. To ensure that such registration is made prior to Friday, April 17, 2009 shareholders must inform the nominee well in advance of that date.

At the time of the issue of this notice, the total number of shares in the Company amounts to 98,380,020 of A-shares and 286,756,875 of B-shares, corresponding to 127,055,707.5 votes.

Agenda

1. Opening of the Annual General Meeting
2. Election of Chairman of the Meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to check and verify the minutes
6. Determination as to whether the meeting has been properly convened
7. Presentation of the Annual Report and the Audit Report as well as the Consolidated Accounts and the Audit Report of the Group and in connection therewith, the President's business report
8. Resolution on
 - a) adoption of the Profit and Loss Statement and the Balance Sheet as well as the Consolidated Profit and Loss Statement and the Consolidated Balance Sheet,
 - b) the proposed treatment in respect of the Company's profit or loss pursuant to the adopted Balance Sheet,

- c) discharge from liability of the Directors and the Presidents
9. Determination of the number of Directors to be elected
10. Determination of remuneration to the Directors and the Auditor
11. Election of Directors
12. Resolution on Nomination Committee
13. Resolution on principles for remuneration for the Group Management
14. Resolution on long term incentive program (LTI 2009)
15. Resolutions on purchase and transfer of own B-shares
 - a) resolution on authorization for the Board to re-purchase own B-shares
 - b) resolution on authorization for the Board to transfer own B-shares
 - c) resolution to transfer own B-shares in relation to LTI 2009
16. Closing of the meeting

Proposals

Chairman and number of Directors (item 2 and 9)

The Nomination Committee proposes that Lars Westerberg is elected chairman of the Annual General Meeting. Further, the Nomination Committee proposes that the Board of Directors shall comprise nine Directors without Deputies.

Remuneration to the Board of Directors and the Auditors (item 10)

The Nomination Committee proposes an unchanged total Board remuneration of SEK 5,345,000, whereof SEK 1,600,000 to the Chairman of the Board and SEK 460,000 to each of the Directors not employed by the Company. For work within the Remuneration Committee, the Chairman shall receive SEK 100,000 and the two members SEK 50,000 each. For work within the Audit Committee, the Chairman shall receive SEK 175,000 and the two members shall receive SEK 75,000 each.

The Nomination Committee proposes that the Auditor's fee shall be paid on the basis of approved invoice.

The Nomination Committee proposes that a part of the remuneration to the Board of Directors shall be paid by allocation of synthetic shares corresponding to a maximum of 50% of the remuneration, according to the following.

Each Director shall have the option to choose between receiving 50% of the remuneration in cash and 50% in the form of synthetic shares or to receive 75% in cash and 25% of the remuneration in the form of synthetic shares. Directors being non-Swedish tax subjects, can choose to receive all of the remuneration in cash. However, if the total remuneration is made in cash, such Director is expected to invest 25% of the net remuneration after tax in the Company's shares. The number of synthetic shares allocated to the Director is determined based on a volume-weighted average of the B-share price at NASDAQ OMX Stockholm during five trading days immediately following the announcement of the Company's first quarterly report of the year, when the Director is elected or re-elected.

The right to synthetic shares incurs a right to receive, during the fifth calendar year after the beginning of the Board Director's tenure at each of four occasions, an amount, for 25% of the allocated synthetic shares, in cash per synthetic share that corresponds to the price of the Company's B-shares at NASDAQ OMX Stockholm at each point in time for payment.

The Company's payment obligations for synthetic shares may be hedged by the Company; either by way of re-purchased shares, which may be sold in the market in connection with payments to the Board Directors or by hedge arrangements with a bank. The financial impact on the Company of synthetic share program compared to payment in cash is, according to the Nomination Committee, very limited, if properly hedged.

Election of Directors and Chairman of the Board (item 11)

The Nomination Committee proposes a re-election of the Directors Lars Westerberg, Peggy Bruzelius, Robert F. Connolly, Börje Ekholm, Tom Johnstone, Ulf Lundahl, Anders Moberg and Gun Nilsson and election of Magnus Yngen. Bengt Andersson has declined re-election.

The Nomination Committee proposes that Lars Westerberg is appointed chairman of the Board.

Resolution on Nomination Committee (item 12)

The Nomination Committee proposes that the nomination procedures for the annual general meeting 2010 should be carried out as follows:

- The Company shall have a Nomination Committee consisting of one representative of each of the four largest shareholders in the Company with regard to the number of votes held, together with the Chairman of the Board of Directors. The names of the four representatives and the names of the shareholders they represent shall be announced at the latest six months before the Annual General Meeting 2010 and shall be based on the known number of votes as of August 31, 2009. The term of office for the Nomination Committee shall be for the period until a new Nomination Committee has been appointed. Unless the members of the Nomination Committee agree otherwise, the Chairman of the Nomination Committee shall be the member that represents the largest shareholder with regard to the number of votes held.
- If, during the term of office of the Nomination Committee, one or more of the shareholders having appointed a representative to the Nomination Committee no longer is among the four largest shareholders with regard to the number of votes held, representatives appointed by these shareholders shall resign and the shareholder or shareholders who then are among the four largest shareholders with regard to the number of votes held, may appoint their representatives. If there are only minor changes in the number of votes held or if the change occurs later than three months before the Annual General Meeting, no changes shall be made in the composition of the Nomination Committee unless there are special circumstances. A shareholder who has appointed a representative as member of the Nomination Committee has the right to dismiss such member and appoint a new representative as member of the committee. Changes in the composition of the Nomination Committee shall be announced as soon as they have occurred.
- The Nomination Committee shall prepare the below proposals to be submitted to the Annual General Meeting 2010 for resolution on: a) Chairman of the Annual General Meeting; b) number of Directors and Directors on the Board; c) Chairman of the Board of Directors; d) Directors' fees and remuneration for committee work; stating the distribution between each member of the Board of Directors; e) Auditors; e) Auditors' fees; and f) Nomination Committee for the Annual General Meeting of 2011.
- When the Nomination Committee performs its duties, it shall fulfill the tasks that rest upon the Nomination Committee under the Swedish Code on Corporate Governance including, i.a., to provide the Company with certain information in order to enable the Company to fulfill its information obligation under the Code and for the Company to, upon request of the Nomination Committee, provide personnel resources such as secretary function for the Nomination Committee to facilitate the work of the committee. If needed, the Company shall also be able to pay reasonable costs for external consultants that the Nomination Committee deems necessary in order for the Committee to be able to fulfill its assignment.

Principles for remuneration for the Group Management (item 13)

For the Husqvarna CEO and other members of the Group Management (the "Group Management"), the principles for remuneration approved by the AGM 2008 applies. These principles consist of a fixed salary, variable salary in the form of short-term incentives based on yearly performance targets, long-term incentives, pension and other benefits. The Board of Directors proposes that the corresponding principles should be approved by the AGM 2009 for the period up to and including AGM 2010. If special circumstances exist, the Board of Directors shall be able to deviate from these guidelines.

Adoption of an incentive program (item 14)

The Board of Directors proposes that the Annual General Meeting resolves to adopt a performance based incentive program, LTI 2009. The terms and conditions for LTI 2009 are similar to the incentive programs that were approved by the Annual General Meetings in

2007 and 2008. LTI 2009 is proposed to include in total approximately 50 senior managers within the Husqvarna Group. LTI 2009 entails that the participants will, at market price, invest in B-shares in Husqvarna, corresponding to a value of a minimum of SEK 20,000 and a maximum of 6% of their annual target income (fixed salary plus variable salary at a target level). This personal investment will thereafter be matched by the Company free of charge through grants of restricted so called share awards and performance based employee stock options on the terms stipulated below.

For each B-share which the employee purchases within the framework of LTI 2009, the Company will grant one share award and a number of employee stock options. Each share award entitles the holder to one B-share free of charge, three years after grant, provided that the holder of the share awards is still employed by the Husqvarna Group and that the level "entry" is fulfilled, which is a level of increase in respect of the Company's earnings per share during 2009-2011 as determined by the Board of Directors. The share awards are non-transferable. Each employee stock option entitles the holder to purchase one B-share. When exercising the employee stock options, the purchase price for the shares shall correspond to 110% of the closing price of the Company's B-share at NASDAQ OMX Stockholm, during a period of 10 trading days prior to the day of grant. The employee stock options are non-transferable and may be exercised at the earliest three years and at the latest eight years from the day of grant, provided that the holder is still employed by the Husqvarna Group. The employee stock options may be granted by Husqvarna or through another company within the Husqvarna Group.

The number of employee stock options that may be exercised depends on the number of B-shares that the employee has purchased within the framework of LTI 2009, as well as the Company's earnings per share increasing, during 2009-2011, to certain levels determined by the Board of Directors. These levels are; "entry", "target" and "stretch". The levels correspond to the following number of stock options:

- Entry: 5 options / purchased B-share + 2,000 options
- Target: 10 options / purchased B-share + 5,000 options
- Stretch: 15 options / purchased B-share + 8,000 options

Consequently, the total number of stock options that may be exercised is limited to 15 options per purchased B-share plus an additional 8,000 options.

LTI 2009 is proposed to comprise a maximum of 3,781,200 B-shares, assuming a price of SEK 30 each for the B-shares purchased as part of the personal investment. In accordance with the above, LTI 2009 will comprise the following number of B-shares for the different categories: the CEO, approximately 284,000 B-shares, members of Group Management, approximately 951,700 B-shares in total and other participants, approximately 2,545,500 B-shares in total. In addition, LTI 2009 is estimated to comprise no more than 0.66% of the share capital assuming full utilization of all share awards and stock options and full subscription of the ongoing rights issue. The Husqvarna Group may incur costs as a consequence of the share awards and the employee stock options in the form of social charges at the time of exercise, as well as costs relating to the accounting treatment during the vesting period.

The Board of Directors shall be responsible for preparing the detailed terms and conditions of the incentive program, in accordance with the terms and guidelines resolved by the Annual General Meeting. To this end, the Board of Directors shall be entitled to make adjustments to meet foreign regulations or market conditions.

The purpose of LTI 2009 is to maintain and recruit competent managers, offer competitive remuneration for managers and to align the interests of the managers with the interests of the shareholders. In light of the above, the Board of Directors believes that adopting the incentive program will have a positive effect on the development of the Husqvarna group and consequently that it will be beneficial to both the shareholders and the Company.

Re-purchase and transfer of own B-shares (item 15)

Authorization to re-purchase and transfer the Company's own B-shares (items 15 a) and b))

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to pass a resolution on one or more occasions for the period up until the next Annual General Meeting on purchasing so many B-shares that the Company's holding does not at any time exceed 3 percent of the total number of shares in the Company. The purchase of shares shall take place on the NASDAQ OMX Stockholm and may only occur at a price within the share price interval registered at that time, where share price interval means the difference between the highest buying price and lowest selling price.

Furthermore, it is proposed that that the Meeting authorizes the Board of Directors to pass a resolution on one or more occasions for the period up until the next Annual General Meeting on transferring the Company's own B-shares on the NASDAQ OMX Stockholm. The transfer of shares on the NASDAQ OMX Stockholm may only occur at a price within the share price interval registered at that time.

The purpose of the authorizations is to hedge the Company's undertakings (including social costs) for proposed and existing incentive programs and to continuously adapt the number of shares held for these purposes. Further, acquired shares will be used to hedge costs (including social costs) arising in connection with the grant of synthetic shares as part of the remuneration to the Board as proposed in item 10.

Resolution to transfer own B-shares (item 15 c))

The Board of Directors proposes that the Annual General Meeting resolves that not more than 3,781,200 B-shares may be transferred to employees in accordance with LTI 2009 as proposed in item 14.

Other information

For a valid resolution in accordance with the Board of Directors' proposal pursuant to items 14 and 15 c) above, a shareholder majority of nine tenths of the votes and nine tenths of the shares represented at the Annual General Meeting is required. For a valid resolution in accordance with the Board of Directors' proposal pursuant to items 15 a) and b) above, a shareholder majority of two thirds of the votes and two thirds of the shares represented at the Annual General Meeting is required.

The Annual Accounts and the Auditor's Report as well as the Board of Directors and the Nomination Committee's complete proposals pursuant to items 8–15 above will be available at the Company, Husqvarna AB, Lindhagensgatan 126, SE-112 51 Stockholm, Sweden and on the Company's website, www.husqvarna.se/agm, and will, on request, be sent to shareholders at the address given, as from April 9, 2009.

Stockholm in March 2009
Husqvarna AB (publ)
The Board of Directors

Husqvarna is the world's largest producer of lawn mowers, chainsaws and portable petrol-powered garden equipment such as trimmers and blowers. The Group is also a world leader in diamond tools and cutting equipment for the construction and stone industries. Net sales in 2008 were SEK 32.3 billion and the average number of employees was 15,700.