

INTERIM REPORT JANUARY - SEPTEMBER 2009

Stockholm 23 October 2009

Magnus Yngen, President and CEO:

"Market demand in the quarter was substantially weaker than in the previous year in all product areas. Adjusted for changes in exchange rates and acquisitions, Group sales declined by 11% and operating income by 11% exclusive of the restructuring charge. The decline in income resulted mainly from lower volumes and a less favorable product and country mix. Lower material costs had a positive effect, as did savings from previously implemented cost cutting measures. Despite a difficult market environment, income for Professional Products remained at a high level. Forestry reported largely unchanged income with a higher margin, while Construction showed a decline.

Cash flow for the nine month period was strong as our efforts to reduce working capital have paid off.

In line with our strategic plan, we intend to implement a number of structural changes to improve internal efficiency. The total cost for these measures is estimated at approx. SEK 400m, of which SEK 59m was charged against operating income in the third quarter. The remaining part, i.e. approx. SEK 340m, is expected to be charged against operating income in the fourth quarter of 2009. The restructuring refers mainly to consolidation of production in Sweden and the US, and to changes within the sales organization. Annual savings from all these activities are expected to amount to approximately SEK 400m, and will be generated gradually from the second half of 2010 with full effect as of the start of 2012.

- Net sales for the first nine months rose by 8% to SEK 29,342m (27,216). Adjusted for acquisitions and changes in exchange rates, net sales declined by 9%. Operating income decreased by 27% to SEK 2,075m (2,833). Income for the period was SEK 1,355m (1,706), corresponding to SEK 2.50 (3.74) per share.
- Net sales for the third quarter declined by 2% to SEK 6,709m (6,830). Adjusted for acquisitions and changes in exchange rates, net sales declined by 11%.
- Operating income for the third quarter includes a restructuring charge of SEK 59m (15), referring to relocation of production from Italy to China.
- Excluding the above restructuring, operating income for the third quarter declined by 29% to SEK 232m (325).
- The decline in operating income in the quarter, exclusive of restructuring refers mainly to Consumer Products. Income for Professional Products also declined, but margin was unchanged.

SEKm	Q3 2009	Q3 2008	Jan - Sep 2009	Jan - Sep 2008	% change, Jan - Sep		Full year 2008
					As reported	Adjusted ¹	
Net sales	6,709	6,830	29,342	27,216	8	-9	32,342
EBITDA	492	593	3,082	3,676	-16	-18	3,524
EBITDA margin, %	7.3	8.7	10.5	13.5	-	-	10.9
Operating income	173	310	2,075	2,833	-27	-24	2,361
Operating margin, %	2.6	4.5	7.1	10.4	-	-	7.3
Income after financial items	108	178	1,642	2,379	-31	-	1,767
Margin, %	1.6	2.6	5.6	8.7	-	-	5.5
Income for the period	130	143	1,355	1,706	-21	-	1,288
Earnings per share, SEK ²	0.23	0.32	2.50	3.74	-33	-	2.81
Return on capital employed, % ³	-	-	6.8	14.0	-	-	10.7
Return on equity, % ³	-	-	8.3	22.9	-	-	15.8

¹ Excluding one-time costs, acquisitions and adjusted for changes in exchange rates.

² Earnings per share for 2008 have been restated as an effect of the rights issue.

³ Calculated on a 12-month rolling basis.

NET SALES AND INCOME THIRD QUARTER

Net sales

Net sales for the third quarter amounted to SEK 6,709m (6,830), a decline of 2%.

Adjusted for acquisitions and changes in exchange rates, net sales declined by 11%. Sales for Consumer Products were lower than in the previous year both in North America and outside North America. Sales for Professional Products declined in all product areas with the largest downturns for Construction and Forestry.

Operating income

Operating income, including a restructuring charge of SEK 59m, amounted to SEK 173 (310). For details of the restructuring charge, see below.

Excluding the restructuring charge, operating income declined by 29% to SEK 232m (325), corresponding to a margin of 3.5% (4.8). The decline resulted mainly from generally lower volumes and a less favorable product and country mix. Lower material costs and savings from previously implemented cost reductions had a positive effect.

In terms of business areas, the decline in operating income refers mainly to Consumer Products outside North America. Professional Products also reported a decline, referring mainly to Construction, while income for Forestry was largely unchanged and margin improved.

Changes in exchange rates, including both translation and transaction effects net of hedging, had a total negative effect on operating income of approximately SEK -74m (64). Hedging contracts had a negative effect of SEK -30m (-12).

Costs for restructuring

The Group intends to implement a number of structural changes during 2009-2010. The total cost for these restructuring measures is estimated at approximately SEK 400m, of which SEK 59m was charged against operating income in the third quarter of 2009. The charge in the third quarter refers to relocation of production of chainsaws and other handheld products from the plant in Valmadrera, Italy to the plant in Shanghai, China. Approximately SEK 10m of this amount refers to non-cash items.

The remaining part of the restructuring cost, i.e. approximately SEK 340m, is expected to be charged against operating income in the fourth quarter of 2009. Approximately SEK 170m of this amount refers to non-cash items.

Capital expenditure related to the restructuring is expected to amount to approximately SEK 400m, of which a new plant in Poland will account for approximately SEK 250m.

Annual savings from all the above mentioned activities are expected to amount to approximately SEK 400m, and will be generated gradually from the second half of 2010 with full effect as of the start of 2012. For further details on the restructuring, see the separate press release.

One-time costs, SEKm	Q1	Q2	Q3	Q4	Estimated annual savings
2009			-59	-340 ³	400 ¹
2009	-35	-18			450 ²
2008	-	-	-15	-301	

¹ Savings are expected to be generated gradually from the second half of 2010, with full effect as of the start of 2012

² Full effect as of Q3 2009

³ Estimated charge

Financial net

Net financial items amounted to SEK -65 (-132). Net financial items were positively affected by the SEK 3 billion rights issue earlier in the year and by lower interest rates.

The average interest rate on borrowings at the end of the quarter was 3.16% (4.80). The average fixed interest-term of the loans was extended during the third quarter from 3.3 months to 18.1 months.

Income after financial items

Income after financial items amounted to SEK 108m (178) corresponding to a margin of 1.6% (2.6).

Taxes

Tax was positive in the amount of SEK 22m (-35), as a result of utilization of tax-loss carry forwards and the previously announced changes in Group structure.

Earnings per share

Income for the period was SEK 130m (143), corresponding to SEK 0.23 (0.32) per share after dilution.

NET SALES AND INCOME JANUARY - SEPTEMBER

Net sales

Net sales amounted to SEK 29,342m (27,216), corresponding to an increase of 8%.

Adjusted for changes in exchange rates and acquisitions, net sales declined by 9%. Sales for Consumer Products in North America rose somewhat from the previous year, while sales for Consumer Products outside North America declined. Sales for Professional Products were lower than in 2008 in all product areas with the largest downturn for Construction.

Operating income

Operating income including restructuring charges of SEK 112m, amounted to SEK 2,075m (2,833), corresponding to a margin of 7.1% (10.4). For details of the restructuring charges, see section "Operating income" on the previous page.

Excluding the restructuring charge, operating income declined by 23% to SEK 2,187m (2,848), corresponding to a margin of 7.5% (10.5).

The decline in operating income resulted mainly from a higher share of sales of consumer products with lower margins than professional products, as well as a less favorable mix in terms of products and geographical markets.

Operating income declined for both business areas, with the largest downturn for Professional Products. Income for Consumer Products in North America rose from the previous year and margin improved. All areas within Professional Products reported declines with the largest downturn for Construction. Margin for Forestry was higher than in 2008.

Changes in exchange rates, including both translation and transaction effects net of hedging, had a total negative effect on operating income of SEK -16m (93). Hedging contracts had a negative effect of SEK -48m (-126).

Financial net

Net financial items amounted to SEK -433m (-454). Lower interest rates and lower net debt were partly offset by the negative effect of the weaker SEK, as the greater part of funding is denominated in foreign currencies.

Income after financial items

Income after financial items amounted to SEK 1,642m (2,379), corresponding to a margin of 5.6% (8.7).

Taxes

Total taxes amounted to SEK -287m (-673). The lower tax rate is an effect of previously announced changes in Group structure, a one-time tax repayment in the amount of SEK 40m in the second quarter and utilization of tax-loss carry forwards.

Earnings per share

Income for the period was SEK 1,355m (1,706), corresponding to SEK 2.50 (3.74) per share after dilution.

OUTLOOK FOR FOURTH QUARTER 2009

The gardening season ends during the third quarter, and production for next year's season normally starts late in the fourth quarter. The major share of Group sales during the fourth quarter normally 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. Uncertainty remains regarding shipments in light of the recession, and retailers are expected to continue maintaining inventories at low levels. The Group expects shipments in the fourth quarter to be slightly lower than in the fourth quarter of 2008.

OPERATING CASH FLOW

Operating cash flow for the third quarter declined to SEK 1,411m (2,216). Cash flow in the third quarter was negatively affected by the sale of trade receivables in the second quarter in the amount of SEK 400m.

Operating cash flow for the first nine months improved to SEK 2,936m (1,897), mainly as a result of efforts to reduce working capital, which resulted in lower levels of inventory and trade receivables.

Operating cash flow SEKm	Q3 2009	Q3 2008	Jan - Sep 2009	Jan - Sep 2008	Full year 2008
Cash flow from operations, excluding changes in operating assets and liabilities	434	355	2,788	2,818	2,703
Changes in operating assets and liabilities	1,188	2,147	795	-129	441
Cash flow from operations	1,622	2,502	3,583	2,689	3,144
Cash flow from investments, excluding acquisitions	-211	-286	-647	-792	-1,131
Operating cash flow	1,411	2,216	2,936	1,897	2,013

FINANCIAL POSITION

Group equity as of 30 September 2009, excluding minority interests, amounted to SEK 12,374m (8,566), corresponding to SEK 21.57 (18.85) per share. The rights issue that was completed in March, increased Group equity by SEK 2,988m net of transaction costs.

The Group's net debt as of 30 September 2009 was reduced to SEK 6,918m (12,014), mainly as a result of the rights issue and the improved cash flow. As the main currencies used for debt financing are Euro, US Dollar and Japanese yen, net debt declined by SEK 760m due to the strengthening of the Swedish Krona during the third quarter. In comparison with 30 September 2008 the Swedish Krona has weakened, resulting in an increase of net debt of SEK 565m.

The net debt/equity ratio improved to 0.56 (1.39) and the equity/asset ratio to 39.0% (28.6), primarily as a result of the rights issue and the improvement in cash flow.

Net debt SEKm	30 Sep 2009	30 Sep 2008	December 2008
Interest-bearing liabilities	10,276	13,168	16,287
Liquid funds	3,358	1,154	2,735
Net debt	6,918	12,014	13,552

Husqvarna finances its operations on the basis of shareholders' equity, cash flow and various types of loans. On 30 September 2009, long-term loans amounted to SEK 7,900m and short-term loans to SEK 2,052m. Long-term loans consist of SEK 1,612m in medium-term notes as well as bank loans of SEK 6,288m. In 2009 and 2010, medium-term notes totaling SEK 1,550m will mature. The bank loans mature in 2011 and onward. In addition to the above funding, Husqvarna has revolving credit facilities totaling SEK 10,000m, all of which is unutilized. The major parts of these facilities mature in 2013.

PERFORMANCE BY BUSINESS AREA THIRD QUARTER

Consumer Products

SEKm	Q3 2009	Q3 2008	Change, %		Jan - Sep 2009	Jan - Sep 2008	Change, %		Full year 2008
			As reported	Adjusted ²			As reported	Adjusted ²	
Net sales	3,937	3,764	5	-5	20,326	17,367	17	-3	19,849
Operating income ¹	-131	-65	-102	23	1,131	1,407	-20	-15	1,043
Operating margin ¹ , %	-3.3	-1.7	-	-	5.6	8.1	-	-	5.3

¹ Excluding one-time costs.

² Excluding acquisitions and adjusted for changes in exchange rates.

Sales for the Consumer Products business area rose in SEK, but declined after adjustment for changes in exchange rates. Sales in North America in the quarter were lower than in 2008, particularly for handheld equipment as a result of lower demand and in comparison with the previous year when sales were positively impacted by storms. The Group's shipments in North America, in both the third quarter and for the nine-month period, outperformed overall industry shipments which are estimated to have declined in most product categories.

Sales outside North America rose slightly in the mass-market channels. Gardena-branded electrical products showed a positive sales trend on the basis of several new products for this season, such as chainsaws and lawnmowers. Sales of Husqvarna-branded products in the dealer channel declined, particularly within handheld products and in Eastern Europe and Russia.

Operating income for this business area was lower than in the previous year, and margin declined. Income for the North American operation improved somewhat in local currency. Income for the operation outside North America showed a slight improvement in the mass-market channel, and a significant decrease in the dealer channel.

Professional Products

SEKm	Q3 2009	Q3 2008	Change, %		Jan - Sep 2009	Jan - Sep 2008	Change, %		Full year 2008
			As reported	Adjusted ²			As reported	Adjusted ²	
Net sales	2,772	3,066	-10	-17	9,016	9,849	-8	-20	12,493
Operating income ¹	401	445	-10	-15	1,175	1,590	-26	-31	1,822
Operating margin ¹ , %	14.5	14.5	-	-	13.0	16.1	-	-	14.6

¹ Excluding one-time costs.

² Excluding acquisitions and adjusted for changes in exchange rates.

Sales for the Professional Products business area were substantially lower than in the previous year, as a result of weaker demand in most product areas and markets. All product areas reported declines, the largest being for Construction and Forestry.

Operating income for this business area declined, but margin was unchanged. The decline in income was due mainly to lower sales volumes. Income for Forestry declined slightly but margin improved mainly as a result of rationalization of production, and despite substantially lower volumes in markets such as Eastern Europe and Russia. Lawn and Garden reported largely unchanged income and margin. Operating income for Construction decreased from a low level.

CHANGES IN GROUP MANAGEMENT

As of 1 October 2009, Michael Jones was appointed head of Sales in North and Latin America and a member of Group Management. Michael Jones has held various leading positions in General Electric in the US since 1994, most recently as General Manager, Cooking Products within the Appliances Division.

Roger Leon, who was acting head of Sales in North and Latin America, was appointed head of Global purchasing.

ANNUAL GENERAL MEETING 2010

The Annual General Meeting of Husqvarna AB (publ) will be held on 27 April 2010, in the Elmia Congress- and Concert Hall in Jönköping, Sweden.

Shareholders who wish to have matters dealt with by the AGM should submit their proposals to the Board by email to board@husqvarna.se, or by post to Husqvarna AB, General Counsel, Box 30224, SE- 104 25 Stockholm. Proposals must be received by the Company no later than 26 February 2010.

COMPOSITION OF NOMINATION COMMITTEE

The Annual General Meeting of Husqvarna AB (publ) will be held on April 27, 2010, in Jönköping, Sweden. In accordance with the decision by the Annual General Meeting in April 2009, Husqvarna shall have a Nomination Committee consisting of representatives of each of the four largest shareholders in terms of voting rights, and the Chairman of the Husqvarna Board. The members of the Nomination Committee for the AGM in 2010 are Petra Hedengran, Investor AB (chairman), Claes Boustedt, LE Lundbergföretagen, Ramsay Brufer, Alecta, Torgny Wännström, AFA Försäkring and Lars Westerberg, Chairman of Husqvarna.

As of August 31, 2009, Investor's shareholding in Husqvarna corresponded to 28.9% of the voting rights in the company, Lundbergföretagen's to 14.1%, Alecta's to 6.6%, and AFA's to 2.2%.

The Nomination Committee will prepare proposals for the AGM in 2010, including proposals for election of Board members, fees to Board members, fees to the auditors, and the tasks and composition of the Nomination Committee for the AGM in 2011.

Shareholders who wish to submit proposals to the Nomination Committee should send an email to nominationcommittee@husqvarna.se

RISKS AND UNCERTAINTY FACTORS

A number of factors can affect Husqvarna's operations in terms of operational and financial risks. Operational risks are managed by the operative units, and financial risks by Group Treasury.

Operational risks

Operational risks include general economic conditions, as well as trends in consumer and professional spending, particularly in North America and Europe, where the majority of the Group's products are sold. An economic downturn in these markets may have an adverse effect on Group earnings.

Demand for the Group's products is also dependent on weather conditions. Dry weather can reduce demand for products such as lawn mowers and tractors, but can stimulate demand for irrigation products. Demand for chainsaws normally increases after storms and during cold winters.

Husqvarna's operations are also subject to seasonal variations. Demand for consumer garden products and commercial lawn and garden products normally peaks in the second quarter, while the peak season for chainsaws is normally in the third quarter. Husqvarna has adapted its production processes and supply chain to respond to these conditions. However, parameters such as cash flow and production levels follow

the seasonal variations in demand, which results in relatively greater risk exposure for the Group over short periods of time.

The Group is currently implementing a number of structural changes as well as a new organization. Restructuring and organizational changes always involve the risk of creating higher costs than anticipated and losing key personnel.

Financial risks

Financial risks refer primarily to exchange rates, interest rates, financing, and credit risks. Risk management within the Husqvarna Group is regulated by a financial policy established by the Board of Directors. The higher indebtedness resulting from acquisitions as well as the seasonality of the Group's operations involve greater exposure to changes in exchange rates and interest rates, and also affect the possibility of accessing capital.

Acquisitions

Husqvarna has completed a number of acquisitions. Although the Group has historically demonstrated an ability to successfully integrate acquired businesses, such integration always involves certain risks. Net sales can be adversely affected and costs can be higher than anticipated.

For more information on risk factors, see the Annual Report 2008, page 34.

PARENT COMPANY

Net sales January - September 2009 for the Parent Company, Husqvarna AB, amounted to SEK 7,049m (8,308), of which SEK 5,352m (6,276) referred to sales to Group Companies and SEK 1,697m (2,032) to external customers. Income after financial items amounted to SEK 2,187m (6,725). Income for the period was SEK 1,857m (6,380).

Investments in tangible and intangible assets during the period amounted to SEK 191m (187). Cash and cash equivalents amounted to SEK 1,311m (43). Undistributed earnings in the Parent Company at the end of the period amounted to SEK 16,416m (13,058).

ACCOUNTING PRINCIPLES

Husqvarna applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and RFR 1.2 from the Swedish Financial Reporting Board.

The financial statements of the Parent Company have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2.2 "Accounting for Legal Entities".

IASB (International Accounting Standards Boards) has issued new and amended IFRS standards applicable as of 1 January 2009. IAS 1 Presentation of financial statements has been revised. For Husqvarna, IAS 1 results in that income and expense previously reported directly in equity should instead be reported in a separate statement, Comprehensive income statement, in connection to the Group's income statement. Only changes referring to transactions with shareholders can be reported in the equity statement. IFRS 8 Operating Segments replaces IAS 14 Segment reporting. The new standard applies to reporting of segments. This standard has not impacted Husqvarna's presentation of segments. Other new or revised IFRS and interpretations from IFRIC have not had any material effect on the financial position of the Group or the Parent Company.

For a complete description of the accounting principles applied by the Group and the Parent Company in this quarterly report see Husqvarna's Annual Report for 2008.

AUDITORS' REVIEW REPORT

To the Board of Directors of Husqvarna AB (publ)

We have reviewed the interim report for Husqvarna AB (publ) for the period 1 January 2009 - 30 September 2009. The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 23 October 2009
PricewaterhouseCoopers AB

Anders Lundin
Authorized Public Accountant
Auditor in charge

Christine Rankin Johansson
Authorized Public Accountant

Consolidated income statement

SEKm	Q3 2009	Q3 2008	Jan - Sep 2009	Jan - Sep 2008	Full year 2008
Net sales	6,709	6,830	29,342	27,216	32,342
Cost of goods sold	-4,998	-4,901	-21,813	-19,056	-22,965
Gross operating income	1,711	1,929	7,529	8,160	9,377
Margin, %	25.5%	28.2%	25.7%	30.0%	29.0%
Selling expense	-1,199	-1,218	-4,369	-4,196	-5,496
Administrative expense	-336	-399	-1,084	-1,126	-1,474
Other operating income/expense	-3	-2	-1	-5	-46
Operating income¹	173	310	2,075	2,833	2,361
Margin, %	2.6	4.5	7.1	10.4	7.3
Financial items, net	-65	-132	-433	-454	-594
Income after financial items	108	178	1,642	2,379	1,767
Margin, %	1.6	2.6	5.6	8.7	5.5
Taxes	22	-35	-287	-673	-479
Income for the period	130	143	1,355	1,706	1,288
Attributable to:					
Equity holders of the Parent Company	132	143	1,351	1,698	1,278
Minority interest in income for the period	-2	0	4	8	10
Basic earnings per share, SEK					
	0.23	0.32	2.50	3.74	2.81
Diluted earnings per share, SEK					
	0.23	0.32	2.50	3.74	2.81
Basic weighted average number of shares outstanding, millions					
	573.6	454.5	540.2	454.5	454.3
Diluted weighted average number of shares, millions					
	573.8	454.8	540.5	454.7	454.5

Consolidated comprehensive income statement

SEKm	Q3 2009	Q3 2008	Jan - Sep 2009	Jan - Sep 2008	Full year 2008
Income for the period	130	143	1,355	1,706	1,288
Other comprehensive income, net of tax:					
Exchange differences on translating foreign operations	-751	516	-750	330	1,038
Available-for-sale instrument	0	0	0	0	3
Cash flow hedges	31	16	7	47	16
Other comprehensive income, net of tax	-720	532	-743	377	1,057
Total comprehensive income for the period	-590	675	612	2,083	2,345
Attributable to:					
Equity holders of the Parent Company	-586	670	609	2,074	2,331
Minority interest in comprehensive income	-4	5	3	9	14
¹ Of which depreciation, amortization and impairment					
	-319	-283	-1,007	-843	-1,163

Consolidated balance sheet

SEKm	30 Sep 2009	30 Sep 2008	31 December 2008
Assets			
Property, plant and equipment	4,462	4,485	5,035
Goodwill	6,364	5,811	6,788
Other intangible assets	4,428	4,516	4,789
Investments in associates	6	13	7
Deferred tax assets	766	892	928
Financial assets	187	225	187
Total non-current assets	16,213	15,942	17,734
Inventories	5,823	6,361	8,556
Trade receivables	5,326	5,794	4,184
Derivatives	720	160	907
Tax receivables	571	272	577
Other current assets	568	596	551
Other short term investments	187	0	0
Cash and cash equivalents	2,451	994	1,828
Total current assets	15,646	14,177	16,603
Total assets	31,859	30,119	34,337
<i>Assets pledged</i>	35	35	49
Equity and liabilities			
Total equity attributable to equity holders of the Parent Company	12,374	8,566	8,772
Minority interests	42	48	43
Total equity	12,416	8,614	8,815
Long-term borrowings	7,900	11,159	10,694
Deferred tax liabilities	1,673	1,695	1,829
Provisions for pensions and other post-employment benefits	1,080	1,111	1,170
Other provisions	733	646	686
Total non-current liabilities	11,386	14,611	14,379
Trade payables	2,461	2,104	3,280
Tax liabilities	968	590	367
Other liabilities	1,966	1,979	1,474
Short-term borrowings	2,052	1,386	3,159
Derivatives	324	623	2,434
Other provisions	286	212	429
Total current liabilities	8,057	6,894	11,143
Total equity and liabilities	31,859	30,119	34,337
<i>Contingent liabilities</i>	22	23	24

Consolidated cash flow statement

SEKm	Q3 2009	Q3 2008	Jan - Sep 2009	Jan - Sep 2008	Full year 2008
Operations					
Income after financial items	108	178	1,642	2,379	1,767
Depreciation and amortization	308	283	996	843	1,163
Impairment of fixed assets	11	0	11	0	40
Change in accrued and prepaid interest	9	40	-22	29	12
Provision for restructuring	48	0	101	0	264
Taxes paid	-50	-146	60	-433	-543
Cash flow from operations, excluding change in operating assets and liabilities	434	355	2,788	2,818	2,703
Change in operating assets and liabilities					
Change in inventories	773	678	2,530	1,667	260
Change in trade receivables	1,075	2,327	-1,412	-1,580	196
Change in trade payables	-425	-643	-710	-703	114
Change in other operating assets/liabilities	-235	-215	387	487	-129
Cash flow from operating assets and liabilities	1,188	2,147	795	-129	441
Cash flow from operations	1,622	2,502	3,583	2,689	3,144
Investments					
Acquisitions of operations	0	-133	-43	-636	-845
Sale of fixed assets	0	0	0	0	30
Capital expenditure in property, plant and equipment	-170	-260	-497	-642	-909
Capitalization of product development and software	-42	-35	-151	-155	-254
Other	1	9	1	5	2
Cash flow from investments	-211	-419	-690	-1,428	-1,976
Total cash flow from operations and investments	1,411	2,083	2,893	1,261	1,168
Financing					
Change in other short-term investments	-197	0	-197	0	0
Change in interest-bearing liabilities	-1,629	-2,272	-5,046	-669	175
Dividend paid to shareholders	-	-	-	-862	-862
Rights issue	-	-	2,988	-	-
Repurchase of shares	-	-	-	-	-48
Dividend to minorities	0	0	-4	0	-11
Cash flow from financing	-1,826	-2,272	-2,259	-1,531	-746
Total cash flow	-415	-189	634	-270	422
Cash and cash equivalents at beginning of period	2,877	1,110	1,828	1,216	1,216
Exchange-rate differences	-11	65	-11	40	190
Cash and cash equivalents at end of period	2,451	986	2,451	986	1,828

Change in Group equity

SEKm	January - September 2009			January - September 2008		
	Equity holders	Minority	Total equity	Equity holders	Minority	Total equity
Opening balance	8,772	43	8,815	7,349	40	7,389
Rights issue ¹	2,988	0	2,988	-	-	0
Share-based payment	5	0	5	5	-	5
Dividend	0	-4	-4	-862	-1	-863
Total comprehensive income	609	3	612	2,074	9	2,083
Closing balance	12,374	42	12,416	8,566	48	8,614

¹ Reported net of costs associated with the rights issue amounting to SEK 71m, net of tax.

Key data

	Q3 2009	Q3 2008	Jan - Sep 2009	Jan - Sep 2008	Full year 2008
Net sales, SEKm	6,709	6,830	29,342	27,216	32,342
Operating income, SEKm	173	310	2,075	2,833	2,361
Net sales growth, %	-2	0	8	-3	-3
Gross margin, %	25.5	28.2	25.7	30.0	29.0
Operating margin, %	2.6	4.5	7.1	10.4	7.3
Working capital, SEKm	4,794	6,381	4,794	6,381	6,462
Return on capital employed, %	-	-	6.8	14.0	10.7
Return on equity, %	-	-	8.3	22.9	15.8
Earnings per share, SEK ¹	0.23	0.32	2.50	3.74	2.81
Capital-turnover rate, times	-	-	1.6	1.6	1.5
Operating cash flow, SEKm	1,411	2,216	2,936	1,897	2,013
Net debt/equity ratio	-	-	0.56	1.39	1.54
Capital expenditure, SEKm	212	295	648	797	1,163
Average number of employees	14,088	14,985	15,816	16,284	15,720

¹ Earnings per share for 2008 have been restated as an effect of the rights issue.

Net sales by business area

SEKm	Q3 2009	Q3 2008	Change, %		Jan - Sep 2009	Jan - Sep 2008	Full year 2008
			As reported	Adjusted*			
Consumer Products	3,937	3,764	5	-5	20,326	17,367	19,849
Professional Products	2,772	3,066	-10	-17	9,016	9,849	12,493
Total	6,709	6,830	-2	-11	29,342	27,216	32,342

*Adjusted for changes in exchange-rates and excluding acquisitions.

Operating income by business area

SEKm	Q3 2009	Q3 2008	Change, %		Jan - Sep 2009	Jan - Sep 2008	Full year 2008
			As reported	Adjusted ¹			
Consumer Products	-191	-71	-169	23	1,071	1,401	963
Consumer Products excl. one-time costs	-131	-65	-102	23	1,131	1,407	1,043
<i>Margin excl. one-time costs, %</i>	-3.3	-1.7	-	-	5.6	8.1	5.3
Professional Products	402	436	-8	-15	1,123	1,581	1,587
Professional Products excl. one-time costs	401	445	-10	-15	1,175	1,590	1,822
<i>Margin excl. one-time costs, %</i>	14.5	14.5	-	-	13.0	16.1	14.6
Total business areas	211	365	-42	-14	2,194	2,982	2,550
Total business areas excl. one-time costs	270	380	-29	-14	2,306	2,997	2,865
<i>Margin excl. one-time costs, %</i>	4.0	5.6	-	-	7.9	11.0	8.9
Group common costs etc.	-38	-55	31	32	-119	-149	-189
Group common costs etc. excl. one-time costs	-38	-55	31	32	-119	-149	-188
Total	173	310	-44	-11	2,075	2,833	2,361
Total excl. one-time costs	232	325	-	-	2,187	2,848	2,677
<i>Margin excl. one-time costs, %</i>	3.5	4.8	-	-	7.5	10.5	8.3

¹ Excl. one-time costs, acquisitions and adjusted for changes in exchange rates.

Net assets by business area

SEKm	Assets			Liabilities			Net Assets		
	Q3 2009	Q3 2008	Full year 2008	Q3 2009	Q3 2008	Full year 2008	Q3 2009	Q3 2008	Full year 2008
Consumer Products	17,965	17,785	19,895	4,065	3,256	4,117	13,900	14,529	15,778
Professional Products	9,285	10,044	10,648	2,614	2,832	2,773	6,671	7,212	7,875
Other	1,251	1,136	1,059	2,488	2,249	2,345	-1,237	-1,113	-1,286
Total	28,501	28,965	31,602	9,167	8,337	9,235	19,334	20,628	22,367

Liquid assets, interest-bearing liabilities and equity is not included in the above table.

Other includes deferred taxes and Husqvarna's common group services such as Holding, Treasury and Risk Management.

Net sales by business area per quarter

SEKm		Q1	Q2	Q3	Q4	Full year
Consumer Products	2009	8,092	8,297	3,937		
	2008	6,830	6,773	3,764	2,482	19,849
	2007	6,207	8,418	3,668	2,328	20,621
Professional Products	2009	3,060	3,184	2,772		
	2008	3,213	3,570	3,066	2,644	12,493
	2007	3,007	3,630	3,158	2,868	12,663
Total Group	2009	11,152	11,481	6,709		
	2008	10,043	10,343	6,830	5,126	32,342
	2007	9,214	12,048	6,826	5,196	33,284

Operating income by business area per quarter

SEKm		Q1	Q2	Q3	Q4	Full year
Consumer Products	2009	532	730	-191		
	2009 excl. one-time costs	532	730	-131		
	Margin excl. one-time costs, %	6.6	8.8	-3.3		
	2008	727	745	-71	-438	963
	2008 excl. one-time costs	727	745	-65	-364	1,043
	Margin excl. one-time costs, %	10.6	11.0	-1.7	-14.7	5.3
	2007	521	1,164	66	-113	1,638
	Margin, %	8.4	13.8	1.8	-4.9	7.9
Professional Products	2009	293	428	402		
	2009 excl. one-time costs	328	446	401		
	Margin excl. one-time costs, %	10.7	14.0	14.5		
	2008	522	623	436	6	1,587
	2008 excl. one-time costs	522	623	445	232	1,822
	Margin excl. one-time costs, %	16.2	17.5	14.5	8.8	14.6
	2007	510	642	529	442	2,123
	Margin, %	17.0	17.7	16.8	15.4	16.8
Group common costs	2009	-39	-42	-38		
	2009 excl. one-time costs	-39	-42	-38		
	2008	-47	-47	-55	-40	-189
	2008 excl. one-time costs	-47	-47	-55	-39	-188
	2007	-47	-48	-42	-60	-197
Total Group	2009	786	1,116	173		
	2009 excl. one-time costs	821	1,134	232		
	Margin excl. one-time costs, %	7.4	9.9	3.5		
	2008	1,202	1,321	310	-472	2,361
	2008 excl. one-time costs	1,202	1,321	325	-171	2,677
	Margin excl. one-time costs, %	12.0	12.8	4.8	-3.3	8.3
	2007	984	1,758	553	269	3,564
	Margin, %	10.7	14.6	8.1	5.2	10.7

Net sales and income by quarter, Group

SEKm		Q1	Q2	Q3	Q4	Full year
Net sales	2009	11,152	11,481	6,709		
	2008	10,043	10,343	6,830	5,126	32,342
	2007	9,214	12,048	6,826	5,196	33,284
Operating income	2009	786	1,116	173		
	<i>Margin, %</i>	7.0	9.7	2.6		
	2008	1,202	1,321	310	-472	2,361
	<i>Margin, %</i>	12.0	12.8	4.5	-9.2	7.3
	2007	984	1,758	553	269	3,564
	<i>Margin, %</i>	10.7	14.6	8.1	5.2	10.7
Income after financial items	2009	590	944	108		
	<i>Margin, %</i>	5.3	8.2	1.6		
	2008	1,060	1,141	178	-612	1,767
	<i>Margin, %</i>	10.6	11.0	2.6	-11.9	5.5
	2007	876	1,528	391	94	2,889
	<i>Margin, %</i>	9.5	12.7	5.7	1.8	8.7
Income for the period	2009	464	761	130		
	2008	753	810	143	-418	1,288
	2007	613	1,070	273	80	2,036
Earnings per share, SEK	2009	0.98	1.35	0.23		
	2008 ¹	1.65	1.77	0.32	-0.93	2.81
	2007 ¹	1.34	2.34	0.59	0.19	4.46

Net sales and operating income, 12 months rolling

SEKm		Q1	Q2	Q3	Q4
Net sales	2009	33,451	34,589	34,468	
	2008	34,113	32,408	32,412	32,342
	2007	29,278	31,193	32,627	33,284
Operating income	2009	1,945	1,740	1,603	
	<i>Margin, %</i>	5.8	5.0	4.7	
	2008	3,782	3,345	3,102	2,361
	<i>Margin, %</i>	11.1	10.3	9.6	7.3
	2007	3,176	3,659	3,641	3,564
	<i>Margin, %</i>	10.8	11.7	11.2	10.7

Five-year review

	2008	2007	2006	2005 ²	2004 ^{1,2}
Net sales, SEKm	32,342	33,284	29,402	28,768	27,202
Operating income, SEKm	2,361	3,564	3,121	2,927	2,983
Net sales growth, %	-3	13	2	6	1
Gross margin, %	29.0	29.4	27.0	26.6	26.9
Operating margin, %	7.3	10.7	10.6	10.2	11.0
Return on capital employed, %	10.7	17.6	23.8 ²	24.1	31.1
Return on equity, %	15.8	28.6	32.5 ²	40.1	41.9
Capital turn-over rate, times	1.5	1.8	2.4	2.6	2.9
Operating cash flow, SEKm	2,013	1,843	535 ²	949	2,073
Capital expenditure, SEKm	1,163	857	890	1,259	1,040
Average number of employees	15,720	16,093	11,412	11,681	11,657

¹ Restated to comply with IFRS, except for IAS 39. If IAS 39 had been applied in 2004, the volatility in income, net borrowings and equity would probably have been higher.

² Pro forma.

PARENT COMPANY

Income statement

SEKm	Q3 2009	Q3 2008	Jan - Sep 2009	Jan - Sep 2008	Full-year 2008
Net sales	1,677	2,055	7,049	8,308	10,011
Cost of goods sold	-1,260	-1,446	-5,570	-6,014	-7,281
Gross operating income	417	609	1,479	2,294	2,730
Selling expense	-176	-186	-701	-716	-861
Administrative expense	-87	-93	-265	-275	-336
Other operating income/expense	0	-1	0	-2	5,006
Operating income	154	329	513	1,301	6,539
Financial items, net	1,508	5,248	1,674	5,424	-227
Income after financial items	1,662	5,577	2,187	6,725	6,312
Appropriations	-3	14	9	46	61
Income before taxes	1,659	5,591	2,196	6,771	6,373
Taxes	-261	-66	-339	-391	-290
Income for the period	1,398	5,525	1,857	6,380	6,083

Balance sheet

SEKm	30 Sep 2009	30 Sep 2008	December 2008
Non-current assets	30,819	19,748	30,824
Current assets	5,825	13,726	6,037
Total assets	36,644	33,474	36,861
Equity	17,591	13,850	12,834
Untaxed reserves	895	918	902
Provisions	171	75	108
Interest-bearing liabilities	15,712	16,046	17,551
Current liabilities	2,275	2,585	5,466
Total equity and liabilities	36,644	33,474	36,861

Number of shares

	A-shares	B-shares	Total
Number of shares as of 31 December 2008	98,380,020	286,756,875	385,136,895
<i>Of which re-purchased shares</i>	-	2,919,000	2,919,000
Rights issue March 2009	49,190,010	142,016,873	191,206,883
Number of shares as of 30 September 2009	147,570,030	428,773,748	576,343,778
<i>Of which re-purchased shares</i>	-	2,723,128	2,723,128

DEFINITIONS

Capital indicators

Capital employed	Total liabilities and equity less non-interest-bearing debt, including deferred tax liability.
Equity/assets ratio	Equity as a percentage of total assets.
Liquid funds	Cash and cash equivalents, short term investments and fair-value derivative assets.
Net assets	Total assets exclusive of liquid funds and interest-bearing financial receivables, less operating liabilities, non-interest-bearing provisions and deferred tax liabilities.
Net debt	Total interest-bearing liabilities less liquid funds.
Net debt/equity ratio	Net debt in relation to total adjusted equity.
Operating working capital	Inventories and trade receivables less trade payables.
Working capital	Current assets exclusive of liquid funds and interest-bearing financial receivables, less operating liabilities and non-interest-bearing provisions.

Other key ratios

Average number of shares	Weighted number of outstanding shares during the period, after repurchase of own shares.
Capital expenditure	Property, plant and equipment and capitalization of product development and software.
Earnings per share	Income for the period divided by the average number of shares.
EBITDA	Earnings before interest, taxes, depreciation, amortization and impairment.
Excluding acquisitions	Figures excluding acquisitions are reported in order to enable comparison of the current period with the corresponding period in the previous year. Adjustment is made for acquisitions with annual sales of SEK 100m or more.
Gross margin	Gross operating income as a percentage of net sales.
Net sales growth	Net sales as a percentage of net sales in the preceding period.
Operating cash flow	Total cash flow from operations and investments, excluding acquisitions and divestments.
Operating margin	Operating income as a percentage of net sales.
Return on capital employed	Operating income plus financial income as a percentage of average capital employed.
Return on equity	Income for the period as a percentage of average equity.

PRESS AND TELEPHONE CONFERENCE

A combined press and telephone conference will be held at 13.30 CET on 23 October 2009 at Scandic Anglais, Humlegårdsgatan 23, Stockholm. To participate in the telephone conference, please call +46 (0)8 5052 0110 or +44 (0) 20 7162 0077.

A replay of the telephone conference will be available at www.husqvarna.com/ir.

FINANCIAL REPORTS 2010

February 24	Consolidated Results for 2009
April 27	Interim report for January-March (and date of Annual General Meeting)
July 20	Interim report for January-June
October 22	Interim report for January-September

CONTACTS

- Bernt Ingman, Chief Financial Officer, at +46 3614 65 05
- Åsa Stenqvist, Head of Corporate Communications and Investor Relations, at +46 8 738 64 94
- Tobias Norrby, Investor Relations Manager, at +46 8 738 83 35
- Husqvarna Press Hotline, at +46 8 738 70 80.

This interim report comprises information which Husqvarna is required to disclose under the Securities Markets Act and/or the Financial Instruments Trading Act. It was released for publication at 09.00 CET on 23 October 2009.

Factors affecting forward-looking statements

This report contains forward-looking statements in the sense referred to in the American 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 on present expectations and are subject to risks and uncertainties that may give rise to major deviations in 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 in sales by important distributors, success in developing new products and in marketing, outcome of product responsibility litigation, progress in terms of reaching the goals set for productivity and efficient use of capital, successful identification of growth opportunities and acquisition objects, integration of these into the existing business and successful achievement of goals for making the supply chain more efficient.