

## INTERIM REPORT JANUARY - JUNE 2010

Stockholm 20 July 2010

### Magnus Yngen, President and CEO:

"The year had a slow start due to the late spring in several markets. However, during the second quarter activities gradually improved with strong sales in June.

Sales adjusted for changes in exchange rates, acquisitions and divestments (adjusted sales) were up 5% during the quarter. Europe & Asia/Pacific increased by 10% and Americas was down 1%. In Americas we were able to compensate most of the lost low-end listings with strong improvements in other accounts.

End-user demand has increased compared to the preceding season. Performance was strong in several important markets, especially in Europe. Our estimate is that we have gained market shares in Europe during the first half of the year. Dealer sales were up significantly in all markets, demonstrating the strength of our brand in the market for high-end products. In other important areas such as Eastern Europe, demand continued to recover and sales picked up substantially. Construction showed good improvement in sales; the sustained focus on innovation and market-leading products have resulted in increased market shares.

Operating income adjusted for items affecting comparability, changes in exchange rates, acquisitions and divestments (adjusted operating income) increased by 34%. Increased sales and production volumes, improved mix as well as continued cost efficiency gains contributed positively.

Although it seems our industry has passed the bottom of the recession and end-user demand is on the rise, the trade still remains cautious regarding inventory management. Lead times are short and shipments are unusually volatile. Our estimate is that Group shipments in the third quarter will be slightly higher compared with the third quarter of 2009."

- Net sales for the second quarter amounted to SEK 11,457m (11,481) and operating income was SEK 1,319m (1,116). Excluding restructuring charges, operating income amounted to SEK 1,476m (1,134).
- Adjusted operating income in the second quarter increased 34%.
- Operating margin for the second quarter increased to 11.5% (9.7).
- Higher operating income for Europe & Asia/Pacific and Construction in the second quarter.
- Net sales for the first half-year amounted to SEK 20,539m (22,633) and operating income was SEK 2,097m (1,902). Income for the first half-year was SEK 1,471m (1,225), or SEK 2.54 (2.33) per share.

SEKm	Q2		Change, %		Jan-Jun		Change, %		Full-year 2009
	2010	2009	As rep.	Adj. <sup>1</sup>	2010	2009	As rep.	Adj. <sup>1</sup>	
Net sales, Group	11,457	11,481	0	5	20,539	22,633	-9	-2	34,074
Europe & Asia/Pacific	5,845	5,639	4	10	10,304	10,673	-3	3	16,594
Americas	4,863	5,142	-5	-1	8,891	10,612	-16	-8	14,845
Construction	749	700	7	12	1,344	1,348	0	6	2,635
EBITDA	1,660	1,452	14	27	2,733	2,590	6	9	3,060
EBITDA margin, %	14.5	12.6	-	-	13.3	11.4	-	-	9.0
Operating income, Group	1,319	1,116	18	34	2,097	1,902	10	11	1,560
Europe & Asia/Pacific	1,145	840	36	37	1,877	1,514	24	12	1,355
Americas	202	332	-39	-1	283	550	-48	-14	492
Construction	11	-14	n.a.	n.a.	12	-81	n.a.	n.a.	-123
Operating margin, %	11.5	9.7	-	-	10.2	8.4	-	-	4.6
Income after financial items	1,250	944	32	-	1,940	1,534	26	-	1,094
Income for the period	936	761	23	-	1,471	1,225	20	-	903
Earnings per share, SEK <sup>2</sup>	1.62	1.35	20	-	2.54	2.33	9	-	1.64

<sup>1</sup> Adjusted for items affecting comparability (including restructuring charges), changes in exchange rates and acquisitions/divestments. Items affecting comparability are provided on page 12.

<sup>2</sup> Due to the rights issue in 2009, the average number of shares Jan - Jun has increased.

## SECOND QUARTER

### Net sales

Net sales for the second quarter were unchanged and amounted to SEK 11,457m (11,481). Adjusted for exchange-rate effects, sales increased by 5%. Prices were unchanged. Europe & Asia Pacific accounted for 5 percentage points of the adjusted increase and Construction for 1 percentage point while Americas accounted for a decrease of 1 percentage point.

The reduced listings with a major retailer in North America for the 2010 season had a negative effect on sales, which were nearly offset by sales to other accounts. Efforts to grow sales in the dealer channel continued to be successful and increased double digit both in Europe & Asia/Pacific and in Americas.

The second quarter predominantly consists of sell-out and replenishment orders from the trade. The low inventory levels of lawn and garden products in the trade at the end of the first quarter combined with the late spring had a positive effect on sales in the second quarter.

### Operating income

Operating income for the second quarter increased by 18% compared to the corresponding quarter 2009 and amounted to SEK 1,319m (1,116). Currency had a negative effect of approximately 4% and the net effect from items affecting comparability was negative 12%. Adjusted operating income increased by 34%.

Operating income includes charges of SEK 157m for the previously announced closure of two factories in North America and Greece. For further information see page 6. The second quarter 2009 included restructuring charges of SEK 18m related to personnel cut-backs.

The increase in operating income was mainly due to higher sales and production volumes, a better mix and favorable direct material costs. Selling and administrative costs increased, mainly due to higher transportation costs and costs for implementation of IT systems. Operating margin, excluding items affecting comparability, increased to 12.9% (9.9).

Changes in exchange rates, including both translation and transaction effects net of hedging, had a total negative effect on operating income of SEK -30m (-35). Hedging contracts had a positive effect of SEK 26m (-92).

Operating income and operating margin for Europe & Asia/Pacific and Construction increased, while decreasing somewhat for Americas.

## FIRST HALF-YEAR

### Net sales

Net sales for the first half-year declined by 9% to SEK 20,539m (22,633). Adjusted for exchange-rate effects, sales decreased by 2%. Prices were unchanged. Europe & Asia/Pacific accounted for a positive 2 percentage points of the adjusted change and Americas for a negative 4 percentage points while Construction's contribution was limited. Efforts to grow sales in the dealer channel were successful and sales to dealers increased in all major markets.

### Operating income

Operating income for the first half-year increased by 10% compared to the first half-year of 2009 and amounted to SEK 2,097m (1,902). Currency had a positive effect of approximately 7% and the net effect from items affecting comparability was negative 8%. Adjusted operating income increased by 11%.

Operating income includes charges of SEK 207m for the previously announced closure of two factories in North America and Greece and costs related to a legal case in North America. For further information see page 6. The first half-year 2009 included restructuring charges of SEK 53m related to personnel cut-backs.

The increase in operating income was mainly a result of lower costs for direct material, improved mix and lower selling and administrative costs. Operating margin, excluding items affecting comparability, increased to 11.2% (8.6).

Changes in exchange rates, including both translation and transaction effects net of hedging, had a total positive effect on operating income of SEK 113m (58). Hedging contracts had a positive effect of SEK 52m (-17).

Operating income and operating margin for Europe & Asia/Pacific and Construction increased, but decreased for Americas.

## NET FINANCIAL ITEMS

Net financial items for the second quarter amounted to SEK -69m (-172) and for the first half-year to SEK -157m (-368). The improvement is primarily due to lower net debt. The average interest rate on borrowings at the end of the second quarter was 3.0% (3.0).

## INCOME AFTER FINANCIAL ITEMS

Income after financial items for the second quarter increased by 32% to SEK 1,250m (944) corresponding to a margin of 10.9% (8.2). For the first half-year income after financial items increased by 26% to SEK 1,940m (1,534) corresponding to a margin of 9.4% (6.8).

## TAXES

Taxes for the first half-year amounted to SEK -469m (-309), corresponding to a tax rate of 24% (20) of income after financial items.

## EARNINGS PER SHARE

Income for the second quarter increased by 23% to SEK 936m (761), corresponding to SEK 1.62 (1.35) per share after dilution. For the first half-year, the increase was 20% to SEK 1,471m (1,225), corresponding to SEK 2.54 per share (2.33). Due to the rights issue in 2009, the average number of shares for the first half-year 2010 has increased compared with the first half-year 2009.

## OUTLOOK FOR THE THIRD QUARTER 2010

Inventories in the trade of the Group's products at the end of the second quarter were estimated to be slightly lower than a year ago in the dealer channel and approximately on the same level in the retail channel. End-user demand increased in most markets compared to the preceding season, but the trade is still reluctant to build inventory. The positive development in Europe & Asia/Pacific and for Construction is expected to continue. For the Americas, shipments are not expected to exceed last year's numbers. For garden products, the season normally ends towards the end of the third quarter. In total, Group shipments in the third quarter of 2010 are expected to be slightly higher than in the third quarter of 2009.

## OPERATING CASH FLOW

Operating cash flow for the first half-year amounted to SEK 72m (1,525). During the first-half year 2009, cash flow was positively affected by an inventory reduction amounting to SEK 1,757m compared to an inventory reduction of SEK 67m during the first half-year 2010. The opening balance of inventory was substantially lower in 2010 than in 2009. Inventory at the end of June 2010 was slightly lower than inventory at the end of June 2009. Cash flow in the first half-year 2009 was positively affected by the sale of trade receivables totaling approximately SEK 400m. No trade receivables have been sold during 2010.

Operating cash flow SEKm	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Full-year 2009
Cash flow from operations, excluding changes in operating assets and liabilities	1,454	1,259	2,318	2,354	2,749
Changes in operating assets and liabilities	1,398	-227	-1,688	-393	1,897
<b>Cash flow from operations</b>	<b>2,852</b>	<b>1,032</b>	<b>630</b>	<b>1,961</b>	<b>4,646</b>
Cash flow from investments, excluding acquisitions	-349	-221	-558	-436	-909
<b>Operating cash flow</b>	<b>2,503</b>	<b>811</b>	<b>72</b>	<b>1,525</b>	<b>3,737</b>

## FINANCIAL POSITION

Group equity as of 30 June 2010 increased to SEK 13,024m (12,957). Equity per share amounted to SEK 22.7 (22.6).

Net debt as of 30 June amounted to SEK 6,632m (9,137). The major currencies used for debt financing are EUR, USD and JPY. The reduction in net debt was mainly a result of the positive cash flow during the past twelve months and changes in exchange rates. During the second quarter a dividend of SEK 574m was distributed to the shareholders. The impact on net debt due to changes in exchange rates resulted in an increase of SEK 300m in the second quarter, had only minor effects in the first half-year and the impact for the past twelve months was a decrease SEK 600m.

The net debt/equity ratio improved to 0.51 (0.70) and the equity/assets ratio to 37.7% (36.3).

<b>Net debt</b> SEKm	<b>30 June</b> <b>2010</b>	30 June 2009	<b>31 Dec</b> <b>2009</b>
Interest-bearing liabilities	10,525	12,929	9,094
Cash and cash equivalents	3,893	3,792	2,745
<b>Net debt</b>	<b>6,632</b>	<b>9,137</b>	<b>6,349</b>

On 30 June 2010, long-term loans amounted to SEK 7,231m (8,319) and short-term loans to SEK 2,487m (4,201). Long-term loans consist of SEK 3,170m (1,650) in medium-term notes as well as bank loans of SEK 4,061m (6,669). The medium term notes mature in 2012 and onwards and the bank loans mature in 2011 and onwards. In addition to the above funding, Husqvarna has revolving credit facilities totaling SEK 10,000m, all of which are unutilized. The major parts of these facilities mature in 2013.

## PERFORMANCE BY BUSINESS AREA

As of 1 January 2010, external reporting comprises three business areas:

- Europe & Asia/Pacific, comprising forestry and garden products sold in Europe, Asia and the Pacific region
- Americas, comprising forestry and garden products sold in North America and Latin America
- Construction, comprising products for the global construction and stone industries.

### Europe & Asia/Pacific

SEKm	Q2	Q2	Change, %		Jan-Jun	Jan-Jun	Change, %		LTM*	Full year 2009
	2010	2009	As rep.	Adj.	2010	2009	As rep.	Adj.		
Net sales	5,845	5,639	4	10	10,304	10,673	-3	3	16,225	16,594
Operating income	1,145	840	36	37	1,877	1,514	24	12	1,718	1,355
Operating margin, %	19.6	14.9	-	-	18.2	14.2	-	-	10.6	8.2

\* Last twelve months

Sales for Europe & Asia/Pacific in the second quarter increased 4%. Adjusted for exchange-rate effects the sales increase was 10%. In the first half-year, sales decreased 3%. Adjusted for exchange-rate effects, sales in the first half-year increased by 3%.

The year started slow as spring was unusually late and in addition retailers and dealers were cautious about building up inventories ahead of the season. Activity picked up in March and accelerated in the latter part of the second quarter. Sales in the dealer channel developed strongly while the retail channel experienced minor growth. Prices were stable during the first two quarters.

Demand in Eastern Europe continued to recover and sales increased considerably both for the second quarter and for the first half-year compared to the corresponding periods of 2009. The Nordic region was also strong, while UK and France were weaker than last year. Over-all, it is estimated that the Group gained market share in Europe during the first half-year.

Operating income and operating margin increased in the second quarter. Performance was strong for all product categories. Operating income was positively affected by higher sales and production volumes as well as an improved mix.

## Americas

SEKm	Q2	Q2	Change, %		Jan-Jun	Jan-Jun	Change, %		LTM*	Full year
	2010	2009	As rep.	Adj.	2010	2009	As rep.	Adj.		
Net sales	4,863	5,142	-5	-1	8,891	10,612	-16	-8	13,124	14,845
Operating income	202	332	-39	-1	283	550	-48	-14	225	492
Operating margin, %	4.2	6.5	-	-	3.2	5.2	-	-	1.7	3.3

\* Last twelve months

Sales for Americas in the second quarter decreased 5%. Adjusted for exchange-rate effects the decrease was 1%. In the first half-year, sales decreased 16%. Adjusted for exchange-rate effects, sales in the first half-year decreased by 8%.

The season started later than in the preceding year due to the late spring. Activity picked up in March and held up well over the second quarter. The reduced listings with a major retailer in North America for the 2010 season had a negative effect on sales, especially for low-end lawn mowers. However, efforts to grow sales in the dealer channel and with other retail accounts continued to pay off and almost compensated the reduced listings. Prices were stable during the period.

Brand-building activities to promote the Husqvarna brand have been successful and the Husqvarna brand is gaining market share on the North American market. Retailers continued their cautious approach to building inventory.

Operating income for the second quarter of 2010 includes a charge of SEK 110m for the closure of the factory in Beatrice and transfer of the production to the Group's plant in Orangeburg. The first quarter included a charge of SEK 50m for settlement of an engine-capacity lawsuit.

Operating income in the second quarter was positively affected by lower costs for direct material and higher production volumes, while restructuring costs and merchandising and transportation costs had a negative effect. Operating margin for the second quarter, excluding items affecting comparability, amounted to 6.4% (6.5).

## Construction

SEKm	Q2	Q2	Change, %		Jan-Jun	Jan-Jun	Change, %		LTM*	Full year
	2010	2009	As rep.	Adj.	2010	2009	As rep.	Adj.		
Net sales	749	700	7	12	1,344	1,348	0	6	2,631	2,635
Operating income	11	-14	n.a.	n.a.	12	-81	n.a.	n.a.	-30	-123
Operating margin, %	1.5	-2.0	-	-	0.9	-6.0	-	-	-1.1	-4.7

\* Last twelve months

Sales for Construction in the second quarter increased 7%. Adjusted for exchange-rate effects the sales increase was 12%. In the first half-year, sales were unchanged. Adjusted for exchange-rate effects, sales in the first half-year increased by 6%. Demand for construction products improved in both North America and Europe during the first half of the year. Stimulus packages for infrastructure projects in North America had a positive effect on demand in the second quarter.

During the year a number of new products have been successfully launched and market shares are estimated to have increased.

Operating income and margin in the second quarter improved, mainly due to higher sales and production volumes. Operating income in the second quarter was charged with restructuring costs amounting to SEK 47m. Operating margin for the second quarter, excluding items affecting comparability, increased to 7.8% (-2.0).

## PARENT COMPANY

Net sales in the first half-year 2010 for the Parent Company, Husqvarna AB, amounted to SEK 6,201m (5,372), of which SEK 4,716m (4,146) referred to sales to Group Companies and SEK 1,485m (1,226) to external customers. Income after financial items amounted to SEK 1,518m (525). Income for the first half-year was SEK 1,266m (458).

The increase in income after financial items is mainly related to received dividend from subsidiaries of SEK 542m (249) and changes in market value of net investment hedges of SEK 336m (102). These hedges are made in the Parent Company to limit the effects on the Group's consolidated equity resulting from translation differences. In the Group's financial statements these effects are included in Other comprehensive income.

Investments in tangible and intangible assets amounted to SEK 151m (119). Cash and cash equivalents amounted to SEK 1,478m (1,297). Undistributed earnings in the Parent Company at the end of the period amounted to SEK 17,308m (15,029). A dividend payment to shareholders in the amount of SEK 574m (0) was made during the period.

## RESTRUCTURING

In Q2 2010, the Group announced further restructuring in line with its strategy which includes increasing efficiency by consolidating the manufacturing footprint. The factory in Beatrice, Nebraska, will be closed and the production will be transferred to the factory in Orangeburg, South Carolina. The factory for construction equipment in Athens, Greece will also be closed. Annual savings from the initiatives will amount to SEK 60m and will be realized gradually with full effect from the first quarter of 2012. Second-quarter operating income was charged with SEK 157m, of which the closure of the Beatrice factory accounted for SEK 110m.

In October 2009, the Group announced the implementation of a number of structural changes in 2009-2011. These measures are aimed at eliminating overlapping and increase efficiency within production and administration, and involve consolidation of production in Sweden and the US, and of the sales organization in Europe & Asia/Pacific. The total cost of these measures amounts to SEK 399m and annual savings from these activities are expected to amount to approximately SEK 400m, and will be realized gradually from the second half of 2010 with full effect from the first quarter of 2012. 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.

In September 2008, an initiative to reduce fixed costs through personnel cut-backs was announced. The total costs for the cut-backs were SEK 369m and the annual savings are SEK 450m as of the third quarter 2009.

A table summarizing items affecting comparability is provided on page 12.

## RISKS AND UNCERTAINTY FACTORS

A number of factors may 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 sales and earnings. Shifts in product technology as well as shifts in distribution structure could also have a negative impact on Group sales and earnings.

Demand for the Group's products is also dependent on weather conditions. Dry weather can reduce demand for such products 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. A higher indebtedness resulting from the seasonality of the Group's operations involve greater exposure to changes in exchange rates and interest rates, as well as financing risks.

## Acquisitions

Husqvarna has completed a number of acquisitions. Although the Group has historically demonstrated 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.

## ANNUAL GENERAL MEETING

At the Annual General Meeting on 27 April, two new board members - Magdalena Gerger and Ulla Litzén – were elected. Gun Nilsson declined re-election and the Board was expanded by one member.

A dividend of SEK 1 (0) per share was resolved.

## 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 1.3 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 2.3 "Accounting for Legal Entities".

The accounting principles applied in this interim report are described in Husqvarna's Annual Report 2009. The annual report is available at [www.husqvarna.com](http://www.husqvarna.com) under Investor relations.

The Board of Directors and the President certify that, according to our knowledge, the half-year report has been prepared in accordance with the accounting principles applicable to Swedish listed companies, that the information provided presents a fair overview of the facts, and that nothing of a significant nature which could influence the view created by the report has been omitted.

Stockholm, 20 July 2010

*Lars Westerberg*  
Chairman of the Board

*Peggy Bruzelius*  
Board member

*Robert F. Connolly*  
Board member

*Börje Ekholm*  
Board member

*Magdalena Gerger*  
Board member

*Tom Johnstone*  
Board member

*Ulla Litzén*  
Board member

*Ulf Lundahl*  
Board member

*Anders Moberg*  
Board member

*Magnus Yngen*  
President and CEO  
Board member

*Johan Ihrman*  
Employee representative  
Board member

*Annika Ögren*  
Employee representative  
Board member

## AUDITORS' REVIEW REPORT

This interim report has not been subject to review by the auditors.

Stockholm, 20 July 2010

*Magnus Yngen*  
**President and CEO**



## Consolidated income statement

SEKm	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Full-year 2009
Net sales	11,457	11,481	20,539	22,633	34,074
Cost of goods sold	-8,145	-8,330	-14,842	-16,815	-25,423
<b>Gross operating income</b>	<b>3,312</b>	<b>3,151</b>	<b>5,697</b>	<b>5,818</b>	<b>8,651</b>
Margin, %	28.9	27.4	27.7	25.7	25.4
Selling expense	-1,574	-1,661	-2,851	-3,170	-5,547
Administrative expense	-420	-374	-749	-748	-1,541
Other operating income/expense	1	0	0	2	-3
<b>Operating income<sup>1</sup></b>	<b>1,319</b>	<b>1,116</b>	<b>2,097</b>	<b>1,902</b>	<b>1,560</b>
Margin, %	11.5	9.7	10.2	8.4	4.6
Financial items, net	-69	-172	-157	-368	-466
<b>Income after financial items</b>	<b>1,250</b>	<b>944</b>	<b>1,940</b>	<b>1,534</b>	<b>1,094</b>
Margin, %	10.9	8.2	9.4	6.8	3.2
Taxes	-314	-183	-469	-309	-191
<b>Income for the period</b>	<b>936</b>	<b>761</b>	<b>1,471</b>	<b>1,225</b>	<b>903</b>
Attributable to:					
<b>Equity holders of the Parent Company</b>	<b>930</b>	<b>756</b>	<b>1,460</b>	<b>1,219</b>	<b>899</b>
Non-controlling interest in income for the period	6	5	11	6	4
Basic earnings per share, SEK					
	1.62	1.35	2.54	2.33	1.64
Diluted earnings per share, SEK					
	1.62	1.35	2.54	2.33	1.64
Basic weighted average number of shares outstanding, millions					
	573.7	573.6	573.6	523.6	548.6
Diluted weighted average number of shares, millions					
	573.8	573.7	573.8	523.7	548.8

## Consolidated comprehensive income statement

SEKm	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Full-year 2009
<b>Income for the period</b>	<b>936</b>	<b>761</b>	<b>1,471</b>	<b>1,225</b>	<b>903</b>
Other comprehensive income, net of tax:					
Exchange differences on translating foreign operations	251	-316	17	1	-581
Cash flow hedges	8	-21	38	-24	-1
<b>Other comprehensive income, net of tax</b>	<b>259</b>	<b>-337</b>	<b>55</b>	<b>-23</b>	<b>-582</b>
<b>Total comprehensive income for the period</b>	<b>1,195</b>	<b>424</b>	<b>1,526</b>	<b>1,202</b>	<b>321</b>
Attributable to:					
Equity holders of the Parent Company	1,186	419	1,512	1,195	316
Non-controlling interest in comprehensive income	9	5	14	7	5
<sup>1</sup> Of which depreciation, amortization and impairment					
	-341	-336	-636	-688	-1,500

## Consolidated balance sheet

SEKm	30 June 2010	30 June 2009	31 Dec 2009
<b>Assets</b>			
Property, plant and equipment	4,287	4,859	4,375
Goodwill	6,452	6,776	6,461
Other intangible assets	4,197	4,714	4,411
Investments in associates	6	7	6
Deferred tax assets	806	862	756
Derivatives	0	0	7
Financial assets	181	193	173
<b>Total non-current assets</b>	<b>15,929</b>	<b>17,411</b>	<b>16,189</b>
Inventories	6,769	6,979	6,706
Trade receivables	7,198	6,678	3,385
Derivatives	588	915	160
Tax receivables	350	343	671
Other current assets	521	610	540
Other short term investments	433	0	245
Cash and cash equivalents	2,872	2,877	2,333
<b>Total current assets</b>	<b>18,731</b>	<b>18,402</b>	<b>14,040</b>
<b>Total assets</b>	<b>34,660</b>	<b>35,813</b>	<b>30,229</b>
<i>Assets pledged</i>	47	39	45
<b>Equity and liabilities</b>			
Equity attributable to equity holders of the Parent Company	13,024	12,957	12,082
Non-controlling interests	55	46	44
<b>Total equity</b>	<b>13,079</b>	<b>13,003</b>	<b>12,126</b>
Long-term borrowings	7,231	8,319	7,934
Deferred tax liabilities	1,938	1,795	1,870
Provisions for pensions and other post-employment benefits	1,097	1,133	1,116
Derivatives	105	0	17
Other provisions	729	763	740
<b>Total non-current liabilities</b>	<b>11,100</b>	<b>12,010</b>	<b>11,677</b>
Trade payables	3,992	3,078	2,854
Tax liabilities	451	507	594
Other liabilities	2,363	2,299	1,494
Short-term borrowings	2,487	4,201	661
Derivatives	702	409	482
Other provisions	486	306	341
<b>Total current liabilities</b>	<b>10,481</b>	<b>10,800</b>	<b>6,426</b>
<b>Total equity and liabilities</b>	<b>34,660</b>	<b>35,813</b>	<b>30,229</b>
<i>Contingent liabilities</i>	34	22	54

## Consolidated cash flow statement

SEKm	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Full-year 2009
<b>Operations</b>					
Income after financial items	1,250	944	1,940	1,534	1,094
Depreciation and amortization	300	336	595	688	1,325
Capital loss/Impairment	41	0	41	0	189
Change in accrued and prepaid interest	-19	-18	-9	-31	-39
Provision for restructuring	116	18	116	53	213
Taxes paid	-234	-21	-365	110	-33
<b>Cash flow from operations, excluding change in operating assets and liabilities</b>	<b>1,454</b>	<b>1,259</b>	<b>2,318</b>	<b>2,354</b>	<b>2,749</b>
<b>Change in operating assets and liabilities</b>					
Change in inventories	745	1,845	67	1,757	1,678
Change in trade receivables	577	7	-3,683	-2,487	694
Change in trade payables	-414	-2,122	1,004	-285	-345
Change in other operating assets/liabilities	490	43	924	622	-130
<b>Cash flow from operating assets and liabilities</b>	<b>1,398</b>	<b>-227</b>	<b>-1,688</b>	<b>-393</b>	<b>1,897</b>
<b>Cash flow from operations</b>	<b>2,852</b>	<b>1,032</b>	<b>630</b>	<b>1,961</b>	<b>4,646</b>
<b>Investments</b>					
Acquisitions of operations	-	0	-	-43	-43
Capital expenditure in property, plant and equipment	-246	-160	-384	-327	-667
Capitalization of product development and software	-95	-52	-164	-109	-247
Other	-8	-9	-10	0	5
<b>Cash flow from investments</b>	<b>-349</b>	<b>-221</b>	<b>-558</b>	<b>-479</b>	<b>-952</b>
<b>Total cash flow from operations and investments</b>	<b>2,503</b>	<b>811</b>	<b>72</b>	<b>1,482</b>	<b>3,694</b>
<b>Financing</b>					
Change in other short-term investments	-11	0	-163	0	-243
Change in interest-bearing liabilities	6	221	1,235	-3,417	-6,012
Rights issue	-	3	-	2,988	2,988
Dividend to shareholders	-574	-	-574	-	-
Dividend to non-controlling interests	-2	-4	-3	-4	-4
<b>Cash flow from financing</b>	<b>-581</b>	<b>220</b>	<b>495</b>	<b>-433</b>	<b>-3,271</b>
<b>Total cash flow</b>	<b>1,922</b>	<b>1,031</b>	<b>567</b>	<b>1,049</b>	<b>423</b>
Cash and cash equivalents at beginning of period	982	1,890	2,333	1,828	1,828
Exchange-rate differences	-32	-44	-28	0	82
<b>Cash and cash equivalents at end of period</b>	<b>2,872</b>	<b>2,877</b>	<b>2,872</b>	<b>2,877</b>	<b>2,333</b>

## Change in Group equity

SEKm	January - June 2010			January - June 2009		
	Equity holders	Non-controlling interests	Total equity	Equity holders	Non-controlling interests	Total equity
<b>Opening balance</b>	<b>12,082</b>	<b>44</b>	<b>12,126</b>	<b>8,772</b>	<b>43</b>	<b>8,815</b>
Rights issue <sup>1</sup>	-	-	-	2,988	-	2,988
Share-based payment	4	-	4	2	-	2
Dividend	-574	-3	-577	-	-4	-4
Total comprehensive income	1,512	14	1,526	1,195	7	1,202
<b>Closing balance</b>	<b>13,024</b>	<b>55</b>	<b>13,079</b>	<b>12,957</b>	<b>46</b>	<b>13,003</b>

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

## Key data

	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Full-year 2009
Net sales, SEKm	11,457	11,481	20,539	22,633	34,074
Operating income, SEKm	1,319	1,116	2,097	1,902	1,560
Net sales growth, %	0	11	-9	11	5
Gross margin, %	28.9	27.4	27.7	25.7	25.4
Operating margin, %	11.5	9.7	10.2	8.4	4.6
Working capital, SEKm	5,720	6,524	5,720	6,524	4,163
Return on capital employed, %	-	-	7.8	7.5	6.6
Return on equity, %	-	-	9.1	9.4	7.5
Earnings per share, SEK	1.62	1.35	2.54	2.33	1.64
Capital-turnover rate, times	-	-	1.6	1.6	1.6
Operating cash flow, SEKm	2,503	811	72	1,525	3,737
Net debt/equity ratio	-	-	0.51	0.70	0.52
Capital expenditure, SEKm	341	212	548	436	914
Average number of employees	16,038	16,707	15,648	16,606	15,030

## Items affecting comparability

SEKm	Q1	Q2	Q3	Q4	Full year
<b>Restructuring charges</b>					
<b>2010</b>	-	<b>-157</b>			
2009	-	-	-59	-340	-399
<b>Costs for personnel cut-backs</b>					
<b>2010</b>	-	-			
2009	-35	-18	-	-	-53
2008	-	-	-15	-301	-316
<b>Legal settlement cost</b>					
<b>2010</b>	-50	-			
<b>Total</b>					
<b>2010</b>	-50	<b>-157</b>			
2009	-35	-18	-59	-340	-452
2008	-	-	-15	-301	-316

## Net sales by business area

SEKm	Q2	Q2	Change, %		Jan-Jun	Jan-Jun	Change, %		Full-year
	2010	2009	As rep.	Adj.	2010	2009	As rep.	Adj.	
Europe & Asia/Pacific	5,845	5,639	4	10	10,304	10,673	-3	3	16,594
Americas	4,863	5,142	-5	-1	8,891	10,612	-16	-8	14,845
Construction	749	700	7	12	1,344	1,348	0	6	2,635
<b>Total</b>	<b>11,457</b>	<b>11,481</b>	<b>0</b>	<b>5</b>	<b>20,539</b>	<b>22,633</b>	<b>-9</b>	<b>-2</b>	<b>34,074</b>

## Operating income by business area

SEKm	Q2	Q2	Change, %		Jan-Jun	Jan-Jun	Change, %		Full-year
	2010	2009	As rep.	Adj.	2010	2009	As rep.	Adj.	
<b>Europe &amp; Asia/Pacific</b>	<b>1,145</b>	<b>840</b>	<b>36</b>	<b>37</b>	<b>1,877</b>	<b>1,514</b>	<b>24</b>	<b>12</b>	<b>1,355</b>
Excl. items affecting comparability	1,145	858	33	37	1,877	1,566	20	12	1,655
<i>Margin excl. items affecting comparability, %</i>	19.6	15.2	-	-	18.2	14.7	-	-	10.0
<b>Americas</b>	<b>202</b>	<b>332</b>	<b>-39</b>	<b>-1</b>	<b>283</b>	<b>550</b>	<b>-48</b>	<b>-14</b>	<b>492</b>
Excl. items affecting comparability	312	332	-6	-1	443	551	-20	-14	590
<i>Margin excl. items affecting comparability, %</i>	6.4	6.5	-	-	5.0	5.2	-	-	4.0
<b>Construction</b>	<b>11</b>	<b>-14</b>	<b>n.a.</b>	<b>n.a.</b>	<b>12</b>	<b>-81</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-123</b>
Excl. items affecting comparability	58	-14	n.a.	n.a.	59	-81	n.a.	n.a.	-69
<i>Margin excl. items affecting comparability, %</i>	7.8	-2.0	-	-	4.4	-6.0	-	-	-2.6
<b>Total business areas</b>	<b>1,358</b>	<b>1,158</b>	<b>17</b>	<b>32</b>	<b>2,172</b>	<b>1,983</b>	<b>10</b>	<b>11</b>	<b>1,724</b>
Excl. items affecting comparability	1,515	1,176	29	32	2,379	2,036	17	11	2,176
<i>Margin excl. items affecting comparability, %</i>	13.2	10.2	-	-	11.6	9.0	-	-	6.4
Group common costs	-39	-42	8	8	-75	-81	7	7	-164
<b>Total Group</b>	<b>1,319</b>	<b>1,116</b>	<b>18</b>	<b>34</b>	<b>2,097</b>	<b>1,902</b>	<b>10</b>	<b>11</b>	<b>1,560</b>
Excl. items affecting comparability	1,476	1,134	30	34	2,304	1,955	18	11	2,012
<i>Margin excl. items affecting comparability, %</i>	12.9	9.9	-	-	11.2	8.6	-	-	5.9

## Net assets by business area

SEKm	Assets		Liabilities		Net Assets	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009	30 June 2010	30 June 2009
Europe & Asia/Pacific	18,134	19,469	5,111	4,128	13,023	15,341
Americas	8,114	7,628	2,549	2,839	5,565	4,789
Construction	3,567	3,787	738	642	2,829	3,145
Other	952	1,137	2,658	2,272	-1,706	-1,135
<b>Total</b>	<b>30,767</b>	<b>32,021</b>	<b>11,056</b>	<b>9,881</b>	<b>19,711</b>	<b>22,140</b>

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

SEKm		Q1	Q2	Q3	Q4	Full year
<b>Europe &amp; Asia/Pacific</b>	<b>2010</b>	4,459	<b>5,845</b>			
	2009	5,034	5,639	3,446	2,475	16,594
	2008	5,200	5,677	3,491	2,566	16,934
<b>Americas</b>	<b>2010</b>	4,028	<b>4,863</b>			
	2009	5,470	5,142	2,584	1,649	14,845
	2008	4,052	3,777	2,556	1,881	12,266
<b>Construction</b>	<b>2010</b>	595	<b>749</b>			
	2009	648	700	679	608	2,635
	2008	791	889	783	679	3,142
<b>Total Group</b>	<b>2010</b>	9,082	<b>11,457</b>			
	2009	11,152	11,481	6,709	4,732	34,074
	2008	10,043	10,343	6,830	5,126	32,342

## Operating income by business area

SEKm		Q1	Q2	Q3	Q4	Full year
<b>Europe &amp; Asia/Pacific</b>	<b>2010</b>	732	<b>1,145</b>			
<i>Excl. items affecting comparability</i>	<b>2010</b>	732	<b>1,145</b>			
	2009	674	840	135	-294	1,355
<i>Excl. items affecting comparability</i>	2009	708	858	194	-105	1,655
	2008	957	1,130	317	-188	2,216
<i>Excl. items affecting comparability</i>	2008	957	1,130	323	-42	2,368
<b>Americas</b>	<b>2010</b>	81	<b>202</b>			
<i>Excl. items affecting comparability</i>	<b>2010</b>	131	<b>312</b>			
	2009	218	332	47	-105	492
<i>Excl. items affecting comparability</i>	2009	219	332	47	-8	590
	2008	229	158	14	-80	321
<i>Excl. items affecting comparability</i>	2008	229	158	14	-54	347
<b>Construction</b>	<b>2010</b>	1	<b>11</b>			
<i>Excl. items affecting comparability</i>	<b>2010</b>	1	<b>58</b>			
	2009	-67	-14	29	-71	-123
<i>Excl. items affecting comparability</i>	2009	-67	-14	29	-17	-69
	2008	63	80	34	-164	13
<i>Excl. items affecting comparability</i>	2008	63	80	43	-36	150
<b>Group common costs</b>	<b>2010</b>	-36	<b>-39</b>			
	2009	-39	-42	-38	-45	-164
	2008	-47	-47	-55	-40	-189
<i>Excl. items affecting comparability</i>	2008	-47	-47	-55	-39	-188
<b>Total Group</b>	<b>2010</b>	778	<b>1,319</b>			
<i>Excl. items affecting comparability</i>	<b>2010</b>	828	<b>1,476</b>			
	2009	786	1,116	173	-515	1,560
<i>Excl. items affecting comparability</i>	2009	821	1,134	232	-175	2,012
	2008	1,202	1,321	310	-472	2,361
<i>Excl. items affecting comparability</i>	2008	1,202	1,321	325	-171	2,677

## Operating margin by business area

%		Q1	Q2	Q3	Q4	Full year
<b>Europe &amp; Asia/Pacific</b>	<b>2010</b>	16.4	<b>19.6</b>			
<i>Excl. items affecting comparability</i>	<b>2010</b>	16.4	<b>19.6</b>			
	2009	13.4	14.9	3.9	-11.9	8.2
<i>Excl. items affecting comparability</i>	2009	14.1	15.2	5.6	-4.2	10.0
	2008	18.4	19.9	9.1	-7.3	13.1
<i>Excl. items affecting comparability</i>	2008	18.4	19.9	9.3	-1.6	14.0
<b>Americas</b>	<b>2010</b>	2.0	<b>4.2</b>			
<i>Excl. items affecting comparability</i>	<b>2010</b>	3.3	<b>6.4</b>			
	2009	4.0	6.5	1.8	-6.4	3.3
<i>Excl. items affecting comparability</i>	2009	4.0	6.5	1.8	-0.5	4.0
	2008	5.7	4.2	0.5	-4.3	2.6
<i>Excl. items affecting comparability</i>	2008	5.7	4.2	0.5	-2.9	2.8
<b>Construction</b>	<b>2010</b>	0.1	<b>1.5</b>			
<i>Excl. items affecting comparability</i>	<b>2010</b>	0.1	<b>7.8</b>			
	2009	-10.3	-2.0	4.3	-11.7	-4.7
<i>Excl. items affecting comparability</i>	2009	-10.3	-2.0	4.3	-2.8	-2.6
	2008	8.0	9.0	4.3	-24.2	0.4
<i>Excl. items affecting comparability</i>	2008	8.0	9.0	5.5	-5.3	4.8
<b>Total Group</b>	<b>2010</b>	8.6	<b>11.5</b>			
<i>Excl. items affecting comparability</i>	<b>2010</b>	9.1	<b>12.9</b>			
	2009	7.0	9.7	2.6	-10.9	4.6
<i>Excl. items affecting comparability</i>	2009	7.4	9.9	3.5	-3.7	5.9
	2008	12.0	12.8	4.5	-9.2	7.3
<i>Excl. items affecting comparability</i>	2008	12.0	12.8	4.8	-3.3	8.3

## Information regarding earlier business area structure

As of Q1 2010 Husqvarna introduced a new business area reporting structure as described on page 4 in the Q1 interim report 2010. Net sales and operating income according to the earlier business area structure will be provided until Q4 2010.

### Net sales according to earlier business area structure

SEKm		Q1	Q2	Q3	Q4	Full year
<b>Consumer Products</b>	<b>2010</b>	6,115	<b>7,630</b>			
	2009	8,092	8,297	3,937	2,346	22,672
	2008	6,830	6,773	3,764	2,482	19,849
<b>Professional Products</b>	<b>2010</b>	2,967	<b>3,827</b>			
	2009	3,060	3,184	2,772	2,386	11,402
	2008	3,213	3,570	3,066	2,644	12,493
<b>Total Group net sales</b>	<b>2010</b>	9,082	<b>11,457</b>			
	2009	11,152	11,481	6,709	4,732	34,074
	2008	10,043	10,343	6,830	5,126	32,342

### Operating profit according to earlier business area structure

SEKm		Q1	Q2	Q3	Q4	Full year
<b>Consumer Products</b>	<b>2010</b>	363	<b>910</b>			
<i>Excl. items affecting comparability</i>	<b>2010</b>	413	<b>910</b>			
<i>Excl. items affecting comparability</i>	<b>Margin, %</b>	6.8	<b>11.9</b>			
	2009	532	730	-191	-612	459
<i>Excl. items affecting comparability</i>	2009	532	730	-131	-412	719
<i>Excl. items affecting comparability</i>	<b>Margin, %</b>	6.6	8.8	-3.3	-17.6	3.2
	2008	727	745	-71	-438	963
<i>Excl. items affecting comparability</i>	2008	727	745	-65	-364	1,043
<i>Excl. items affecting comparability</i>	<b>Margin, %</b>	10.6	11.0	-1.7	-14.7	5.3
<b>Professional Products</b>	<b>2010</b>	451	<b>448</b>			
<i>Excl. items affecting comparability</i>	<b>2010</b>	451	<b>605</b>			
<i>Excl. items affecting comparability</i>	<b>Margin, %</b>	15.2	<b>15.8</b>			
	2009	293	428	402	142	1,265
<i>Excl. items affecting comparability</i>	2009	328	446	401	282	1,457
<i>Excl. items affecting comparability</i>	<b>Margin, %</b>	10.7	14.0	14.5	11.8	12.8
	2008	522	623	436	6	1,587
<i>Excl. items affecting comparability</i>	2008	522	623	445	232	1,822
<i>Excl. items affecting comparability</i>	<b>Margin, %</b>	16.2	17.5	14.5	8.8	14.6
<b>Group common costs</b>	<b>2010</b>	-36	<b>-39</b>			
	2009	-39	-42	-38	-45	-164
<i>Excl. items affecting comparability</i>	2009	-39	-42	-38	-45	-164
	2008	-47	-47	-55	-40	-189
<i>Excl. items affecting comparability</i>	2008	-47	-47	-55	-39	-188
<b>Total Group operating profit</b>	<b>2010</b>	778	<b>1,319</b>			
<i>Excl. items affecting comparability</i>	<b>2010</b>	828	<b>1,476</b>			
<i>Excl. items affecting comparability</i>	<b>Margin, %</b>	9.1	<b>12.9</b>			
	2009	786	1,116	173	-515	1,560
<i>Excl. items affecting comparability</i>	2009	821	1,134	232	-175	2,012
<i>Excl. items affecting comparability</i>	<b>Margin, %</b>	7.4	9.9	3.5	-3.7	5.9
	2008	1,202	1,321	310	-472	2,361
<i>Excl. items affecting comparability</i>	2008	1,202	1,321	325	-171	2,677
<i>Excl. items affecting comparability</i>	<b>Margin, %</b>	12.0	12.8	4.8	-3.3	8.3



## Net sales and income by quarter, Group

SEKm		Q1	Q2	Q3	Q4	Full year
<b>Net sales</b>	<b>2010</b>	9,082	<b>11,457</b>			
	2009	11,152	11,481	6,709	4,732	34,074
	2008	10,043	10,343	6,830	5,126	32,342
<b>Operating income</b>	<b>2010</b>	778	<b>1,319</b>			
	<b>Margin, %</b>	8.6	<b>11.5</b>			
	2009	786	1,116	173	-515	1,560
	<i>Margin, %</i>	7.0	9.7	2.6	-10.9	4.6
	2008	1,202	1,321	310	-472	2,361
	<i>Margin, %</i>	12.0	12.8	4.5	-9.2	7.3
<b>Income after financial items</b>	<b>2010</b>	690	<b>1,250</b>			
	<b>Margin, %</b>	7.6	<b>10.9</b>			
	2009	590	944	108	-548	1,094
	<i>Margin, %</i>	5.3	8.2	1.6	-11.6	3.2
	2008	1,060	1,141	178	-612	1,767
	<i>Margin, %</i>	10.6	11.0	2.6	-11.9	5.5
<b>Income for the period</b>	<b>2010</b>	535	<b>936</b>			
	2009	464	761	130	-452	903
	2008	753	810	143	-418	1,288
<b>Earnings per share, SEK</b>	<b>2010</b>	0.92	<b>1.62</b>			
	2009	0.98	1.35	0.23	-0.79	1.64
	2008 <sup>1</sup>	1.65	1.77	0.32	-0.93	2.81

<sup>1</sup> Earnings per share have been restated as an effect of the rights issue.

## Net sales and operating income, 12 months rolling, group

SEKm		Q1	Q2	Q3	Q4
<b>Net sales</b>	<b>2010</b>	32,004	<b>31,980</b>		
	2009	33,451	34,589	34,468	34,074
	2008	34,113	32,408	32,412	32,342
<b>Operating income</b>	<b>2010</b>	1,552	<b>1,755</b>		
	<b>Margin, %</b>	4.8	<b>5.5</b>		
	2009	1,945	1,740	1,603	1,560
	<i>Margin, %</i>	5.8	5.0	4.7	4.6
	2008	3,782	3,345	3,102	2,361
	<i>Margin, %</i>	11.1	10.3	9.6	7.3

## Five-year review

	2009	2008	2007	2006	2005 <sup>1</sup>
Net sales, SEKm	34,074	32,342	33,284	29,402	28,768
Operating income, SEKm	1,560	2,361	3,564	3,121	2,927
Net sales growth, %	5	-3	13	2	6
Gross margin, %	25.4	29.0	29.4	27.0	26.6
Operating margin, %	4.6	7.3	10.7	10.6	10.2
Return on capital employed, %	6.6	10.7	17.6	23.8 <sup>1</sup>	24.1
Return on equity, %	7.5	15.8	28.6	32.5 <sup>1</sup>	40.1
Capital turn-over rate, times	1.6	1.5	1.8	2.4	2.6
Operating cash flow, SEKm	3,737	2,013	1,843	535 <sup>1</sup>	949
Capital expenditure, SEKm	914	1,163	857	890	1,259
Average number of employees	15,030	15,720	16,093	11,412	11,681

<sup>1</sup> Pro forma.

## PARENT COMPANY

## Income statement

SEKm	Q2 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009	Full-year 2009
<b>Net sales</b>	<b>3,165</b>	<b>2,333</b>	<b>6,201</b>	<b>5,372</b>	<b>8,694</b>
Cost of goods sold	-2,383	-1,876	-4,804	-4,310	-7,024
<b>Gross operating income</b>	<b>782</b>	<b>457</b>	<b>1,397</b>	<b>1,062</b>	<b>1,670</b>
Selling expense	-215	-277	-394	-525	-846
Administrative expense	-135	-90	-244	-178	-379
Other operating income/expense	1	-2	2	0	4
<b>Operating income</b>	<b>433</b>	<b>88</b>	<b>761</b>	<b>359</b>	<b>449</b>
Financial items, net	319	695	757	166	2,484
<b>Income after financial items</b>	<b>752</b>	<b>783</b>	<b>1,518</b>	<b>525</b>	<b>2,933</b>
Appropriations	-1	8	16	12	3
<b>Income before taxes</b>	<b>751</b>	<b>791</b>	<b>1,534</b>	<b>537</b>	<b>2,936</b>
Taxes	-57	-144	-268	-79	-238
<b>Income for the period</b>	<b>694</b>	<b>647</b>	<b>1,266</b>	<b>458</b>	<b>2,698</b>

## Balance sheet

SEKm	30 June 2010	30 June 2009	31 Dec 2009
Non-current assets	31,131	30,524	31,093
Current assets	7,241	8,318	5,092
<b>Total assets</b>	<b>38,372</b>	<b>38,842</b>	<b>36,185</b>
Equity	18,483	16,204	17,928
Untaxed reserves	886	893	901
Provisions	186	140	133
Interest-bearing liabilities	15,667	19,285	14,255
Current liabilities	3,150	2,320	2,968
<b>Total equity and liabilities</b>	<b>38,372</b>	<b>38,842</b>	<b>36,185</b>

## Number of shares

	A-shares	B-shares	Total
<b>Number of shares as of 31 December 2009</b>	<b>147,570,030</b>	<b>428,773,748</b>	<b>576,343,778</b>
<i>Of which re-purchased shares</i>	-	2,723,128	2,723,128
<b>Number of shares as of 30 June 2010</b>	<b>147,570,030</b>	<b>428,773,748</b>	<b>576,343,778</b>
<i>Of which re-purchased shares</i>	-	2,636,007	2,636,007

## 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 definitions

Adjusted	Reported adjusted for items affecting comparability, changes in exchange rates and acquisitions/divestments
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.
Gross margin	Gross operating income as a percentage of net sales.
LTM	Last twelve months.
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 12.00 CET on 20 July 2010 at the Scandic Anglais Hotel, Humlegårdsgatan 23, Stockholm. To participate in the telephone conference, please call +46 (0)8 5052 0110 or +44 (0) 20 7162 0077 ten minutes prior to the start of the conference.

A replay of the telephone conference will be available at [www.husqvarna.com/ir](http://www.husqvarna.com/ir).

## DATES FOR FINANCIAL REPORTS

October 22, 2010	Interim report for January-September 2010
February 23, 2011	Year-end report for 2010
April 19, 2011	Interim report for January – March 2011
July 19, 2011	Interim report for January – June 2011
October 20, 2011	Interim report for January – September 2011

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*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 08.00 CET on 20 July 2010.*

### 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.