

INTERIM REPORT JANUARY - JUNE 2011

Stockholm July 19, 2011

Hans Linnarson, Acting CEO and President:

"For the second quarter, reported sales for the Group decreased eleven percent, but adjusted for exchange rates the decrease was one percent. For the first half-year sales adjusted for exchange rates increased by two percent. Industry demand decreased in North America and together with the supply chain challenges in the Orangeburg factory sales were affected negatively. The European market started strongly but slowed down towards the end of the second quarter. Adjusted sales for Europe & Asia/Pacific increased four percent for the second quarter, which was in line with the total market. For Construction the positive development continued and market shares increased.

The production disturbances continued to hamper the output from Orangeburg as well as resulting in higher costs. As a result of measures taken, the going cost rate directly related to the disturbances gradually decreased. In the first quarter, the costs were approximately SEK 150m, whereof the majority in March. The total amount for the second quarter was SEK 180m.

Our highest priority going forward is to secure deliveries to our customers for the 2012 season in a timely manner. Further measures will be taken within the Orangeburg factory which is expected to result in SEK 100 - 150m higher costs during the remainder of 2011. We are also planning to increase our pre-season production.

As production capacity and flexibility to guarantee the highest delivery performance will be prioritized, we will also review the pace of our ongoing restructuring projects. Savings from manufacturing footprint restructuring will therefore be delayed.

The Group's operating income declined in the second quarter. Higher selling prices and a favorable mix were not able to offset negative currency effects, costs related to the production disturbances, higher input costs and marketing expenses."

Second quarter

- Net sales amounted to SEK 10,179m (11,457) and operating income to SEK 1,012m (1,319). Income for the period amounted to SEK 681m (936), or SEK 1.18 (1.62) per share.
- Net sales and operating income, adjusted for exchange rate effects and items affecting comparability, decreased by 1% and 23% respectively.
- Changes in exchange rates had a negative year-on-year effect on Group operating income of approximately SEK -170m.
- Costs related directly to production disturbances in North America amounted to approximately SEK 180m.
- Adjusted sales increased for Europe & Asia/Pacific and Construction but declined for Americas.
- Hans Linnarson, Head of Sales Europe & Asia/Pacific, was appointed acting CEO and President.

| SEKm | Q2 | | Change, % | | Jan-Jun | | Change, % | | LTM ² | FY 2010 |
|------------------------------|--------|--------|-----------|-------------------|---------|--------|-----------|-------------------|------------------|---------|
| | 2011 | 2010 | As rep. | Adj. ¹ | 2011 | 2010 | As rep. | Adj. ¹ | | |
| Net sales, Group | 10,179 | 11,457 | -11 | -1 | 18,953 | 20,539 | -8 | 2 | 30,654 | 32,240 |
| Europe & Asia/Pacific | 5,752 | 5,845 | -2 | 4 | 10,293 | 10,304 | 0 | 7 | 16,610 | 16,621 |
| Americas | 3,692 | 4,863 | -24 | -9 | 7,280 | 8,891 | -18 | -5 | 11,333 | 12,944 |
| Construction | 735 | 749 | -2 | 10 | 1,380 | 1,344 | 3 | 13 | 2,711 | 2,675 |
| EBITDA | 1,281 | 1,660 | -23 | -19 | 2,227 | 2,733 | -19 | -10 | 3,160 | 3,666 |
| EBITDA margin, % | 12.6 | 14.5 | - | - | 11.8 | 13.3 | - | - | 10.3 | 11.4 |
| Operating income, Group | 1,012 | 1,319 | -23 | -23 | 1,674 | 2,097 | -20 | -13 | 2,022 | 2,445 |
| Europe & Asia/Pacific | 1,079 | 1,145 | -6 | -4 | 1,894 | 1,877 | 1 | 9 | 2,400 | 2,383 |
| Americas | -98 | 202 | n.a. | n.a. | -192 | 283 | n.a. | n.a. | -323 | 152 |
| Construction | 75 | 11 | n.a. | 80 | 59 | 12 | n.a. | 175 | 129 | 82 |
| Operating margin, % | 9.9 | 11.5 | - | - | 8.8 | 10.2 | - | - | 6.6 | 7.6 |
| Income after financial items | 897 | 1,250 | -28 | - | 1,486 | 1,940 | -23 | - | 1,597 | 2,051 |
| Income for the period | 681 | 936 | -27 | - | 1,165 | 1,471 | -21 | - | 1,443 | 1,749 |
| Earnings per share, SEK | 1.18 | 1.62 | -26 | - | 2.02 | 2.54 | -20 | - | 2.51 | 3.03 |

¹ Adjusted for items affecting comparability (including restructuring charges), changes in exchange rates and acquisitions/divestments. Items affecting comparability are provided on page 12. ² Last twelve months.

SECOND QUARTER

Net sales

Net sales for the second quarter amounted to SEK 10,179m (11,457). Adjusted for exchange rate effects, sales decreased by approximately 1% or by SEK 64m. Sales prices increased slightly. Europe & Asia/Pacific accounted for an adjusted sales increase of approximately 4% or SEK 246m, Americas' adjusted sales decreased by approximately 9% or by SEK 375m and Construction's adjusted sales increased by approximately 10% or SEK 65m.

Operating income

Operating income for the second quarter amounted to SEK 1,012m (1,319). Costs related to the production disturbances in North America amounted to approximately SEK 180m. Adjusted for exchange rate effects and items affecting comparability, operating income decreased by 23% or by approximately SEK 294m. The second quarter of 2010 included items affecting comparability amounting to SEK -157m while there were no items affecting comparability in the second quarter of 2011.

Changes in exchange rates, including both translation and transaction effects net of hedging, had a total negative year-on-year effect on Group operating income of SEK -170m (-30). Hedging contracts had a negative effect of SEK -88m (26) in the second quarter 2011.

Adjusted operating income was positively affected by higher selling prices and a favorable mix, which were more than offset by costs related to the production disturbances in North America, higher input costs and marketing expenses. The Group operating margin declined to 9.9% (11.5).

Adjusted operating income and operating margin for Europe & Asia/Pacific and Americas decreased, while they increased for Construction.

FIRST HALF-YEAR

Net sales

Net sales for the first half-year declined by 8% to SEK 18,953m (20,539). Adjusted for exchange rate effects, sales increased by approximately 2% or by SEK 423m. Sales prices increased slightly. Europe & Asia/Pacific accounted for an adjusted sales increase of approximately 7% or SEK 652m, Americas' adjusted sales decreased by approximately 5% or by SEK 391m and Construction's adjusted sales increased by approximately 13% or by SEK 162m.

Operating income

Operating income for the first half-year decreased by 20% and amounted to SEK 1,674m (2,097). Costs related to the production disturbances in North America amounted to approximately SEK 330m. Adjusted for exchange rate effects and items affecting comparability, operating income decreased by 13% or by approximately SEK 247m. Items affecting comparability amounted to SEK -40m (-207).

Changes in exchange rates, including both translation and transaction effects net of hedging, had a total negative year-on-year effect on operating income of SEK -342m (113). Hedging contracts had a negative effect of SEK -150m (52) in the first half-year.

Adjusted operating income was positively affected by higher sales and higher selling prices, which were more than offset by costs related to the production disturbances in North America and higher input costs. The Group operating margin decreased to 8.8% (10.2).

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

OUTLOOK FOR THE THIRD QUARTER OF 2011

Group shipments of forest and garden products in the third quarter of 2011 are estimated to be lower than in the third quarter of 2010. Inventories in the trade of the Group's forest and garden products at the end of the second quarter were estimated to be high except for European retail where trade inventory was estimated to be on a low level. The garden season in Europe ended strongly last year, resulting in a good third quarter of 2010. Shipments of Construction products in the third quarter 2011 are estimated to be higher than in the corresponding quarter of the previous year. In total, Group shipments in the third quarter of 2011 are expected to be lower than in the third quarter of 2010.

FINANCIAL ITEMS NET

Net financial items for the second quarter amounted to SEK -115m (-69) and for the first half-year to SEK -188m (-157). The increase is primarily due to higher interest rates, higher net debt and negative mark-to-market valuation on the interest rate component of the Group's hedge contracts. The average interest rate on borrowings at the end of the second quarter was 4.1% (3.0). Compared to year-end 2010, the average interest rate has decreased from 4.8%, mainly due to an increase in share of lower interest rate USD funding for financing of the seasonal increase in working capital.

INCOME AFTER FINANCIAL ITEMS

Income after financial items for the second quarter amounted to SEK 897m (1,250) corresponding to a margin of 8.8% (10.9). For the first half-year, income after financial items amounted to SEK 1,486m (1,940) corresponding to a margin of 7.8% (9.4).

TAXES

Taxes for the first half-year 2011 amounted to SEK -321m (-469), corresponding to a tax rate of 22% (24) of income after financial items.

EARNINGS PER SHARE

Income for the second quarter 2011 amounted to SEK 681m (936), corresponding to SEK 1.18 (1.62) per share after dilution. For the first half-year, income amounted to SEK 1,165m (1,471), corresponding to SEK 2.02 (2.54) per share.

OPERATING CASH FLOW

Operating cash flow for the first half-year amounted to SEK -1,222m (72). The change is mainly due to the lower result and lower cash flow from change in inventory and trade payables.

| Operating cash flow SEKm | Q2 2011 | Q2 2010 | Jan-Jun 2011 | Jan-Jun 2010 | Jan-Dec 2010 |
|--|--------------|--------------|-----------------|-----------------|-----------------|
| Cash flow from operations, excluding changes in operating assets and liabilities | 959 | 1,454 | 1,786 | 2,318 | 2,888 |
| Changes in operating assets and liabilities | 814 | 1,398 | -2,618 | -1,688 | -613 |
| Cash flow from operations | 1,773 | 2,852 | -832 | 630 | 2,275 |
| Cash flow from investments, excluding acquisitions | -186 | -349 | -390 | -558 | -1,313 |
| Operating cash flow | 1,587 | 2,503 | -1,222 | 72 | 962 |

FINANCIAL POSITION

Group equity as of June 30, 2011 decreased to SEK 12,228m (13,079). Equity per share amounted to SEK 21.6 (22.7). Group equity was negatively affected by exchange differences on translating foreign operations to SEK.

Net debt as of June 30, 2011 amounted to SEK 7,632m (6,632). The major currencies used for debt financing are SEK, USD and JPY. The increase of net debt was mainly a result of an increase in working capital, an increase in dividend and a lower result. During the second quarter a dividend of SEK 859m was distributed to the shareholders. The impact on net debt due to changes in exchange rates during the first six months was a decrease of SEK 123m.

The net debt/equity ratio amounted to 0.62 (0.51) and the equity/assets ratio to 38.9% (37.7).

| | | | |
|------------------------------|---------------|--------------|--------------|
| Net debt | 30 Jun | 30 jun | 31 Dec |
| SEKm | 2011 | 2010 | 2010 |
| Interest-bearing liabilities | 9,247 | 10,525 | 7,667 |
| Liquid funds | 1,615 | 3,893 | 2,067 |
| Net debt | 7,632 | 6,632 | 5,600 |

On June 30, 2011, long-term loans including financial leases amounted to SEK 5,398m (7,231) and short-term loans including financial leases to SEK 3,593m (2,487). Long-term loans consist of SEK 2,713m (3,170) in issued bonds, and bank loans of SEK 2,685m (4,061). The issued bonds and the bank loans mature in 2012 and onwards. In addition to the above funding, Husqvarna has unutilized revolving credit facilities totaling SEK 9,000m. The major parts of these facilities mature in 2013.

PERFORMANCE BY BUSINESS AREA

Europe & Asia/Pacific

| SEKm | Q2 | | Change, % | | Jan-Jun | | Change, % | | Full-year | |
|---------------------|-------|-------|-----------|------|---------|--------|-----------|------|------------------|--------|
| | 2011 | 2010 | As rep. | Adj. | 2011 | 2010 | As rep. | Adj. | LTM ¹ | 2010 |
| Net sales | 5,752 | 5,845 | -2 | 4 | 10,293 | 10,304 | 0 | 7 | 16,610 | 16,621 |
| Operating income | 1,079 | 1,145 | -6 | -4 | 1,894 | 1,877 | 1 | 9 | 2,400 | 2,383 |
| Operating margin, % | 18.8 | 19.6 | - | - | 18.4 | 18.2 | - | - | 14.4 | 14.3 |

¹Last twelve months

Net sales for Europe & Asia/Pacific in the second quarter decreased 2%. Adjusted for exchange rate effects, sales increased 4%. In the first half-year, sales were unchanged. Adjusted for exchange rate effects, sales increased 7%. Sales prices increased. Sales were slightly negatively affected by the production disturbances in North America, as some of the products are exported to markets in Europe and the Asia/Pacific region.

Total market demand in the Europe and Asia/Pacific region slowed down at the end of the quarter. The Group's sales to the dealer channel developed positively while retail channel sales were weaker. Watering products had the highest sales growth and ride-on and walk-behind lawn mowers also increased. In terms of regions, Germany and Scandinavia had the best performances.

Operating income and operating margin for the second quarter decreased. Adjusted for exchange rate effects and items affecting comparability, operating income for the second quarter decreased by 4% or by approximately SEK -40m. For the first half-year, the corresponding was an increase of 9% or SEK 157 m.

Operating income was positively affected mainly by higher selling prices and higher volumes while mix, input and marketing costs and changes in exchange rates had a negative effect.

Changes in exchange rates had a negative year-on-year effect on operating income by approximately SEK -114m in the first quarter and SEK -26m in the second quarter.

Americas

| SEKm | Q2 | | Change, % | | Jan-Jun | | Change, % | | Full-year | |
|---------------------|-------|-------|-----------|------|---------|-------|-----------|------|------------------|--------|
| | 2011 | 2010 | As rep. | Adj. | 2011 | 2010 | As rep. | Adj. | LTM ¹ | 2010 |
| Net sales | 3,692 | 4,863 | -24 | -9 | 7,280 | 8,891 | -18 | -5 | 11,333 | 12,944 |
| Operating income | -98 | 202 | n.a. | n.a. | -192 | 283 | n.a. | n.a. | -323 | 152 |
| Operating margin, % | -2.7 | 4.2 | - | - | -2.6 | 3.2 | - | - | -2.9 | 1.2 |

¹Last twelve months

Net sales for Americas in the second quarter decreased by 24%. Adjusted for exchange rate effects, sales decreased by 9%. For the first half-year, sales decreased by 18% or by 5% when adjusted for exchange rate effects.

Total market demand in North America decreased during the quarter and industry shipments for the major product categories decreased, reflecting a lower sell-out in the trade.

Operating income for the second quarter decreased to SEK -98m (202) as a result of costs related to the production disturbances, negative effects from changes in exchange rates, lower volumes, unfavorable mix and higher input costs. Operating income was positively affected by lower items affecting comparability.

Changes in exchange rates had a negative year-on-year effect on operating income of approximately SEK -129m in the second quarter and SEK -50m in the first quarter. Operating income in the second quarter 2010 was charged with items affecting comparability amounting to SEK -110m and the first quarter 2010 included items affecting comparability amounting to SEK -50m. There were no items affecting comparability in the first half year of 2011.

The production disturbances led to lower shipments and therefore negatively affected sales and mix as well as leading to significantly higher costs. The higher costs directly related to the disturbances amounted to approximately SEK -150m in the first quarter and approximately SEK -180m in the second quarter.

The production disturbances are due to the increased complexity of materials, associated with the combination of the move of the production from Beatrice, Nebraska into the production facility in Orangeburg, South Carolina as well as a significantly higher number of new products being launched.

To secure the confidence of our customers, extensive measures for a competitive production set-up in Orangeburg are being implemented. The measures will result in additional costs of approximately SEK 100 – 150m during the second half of 2011.

Construction

| SEKm | Q2 | Q2 | Change, % | | Jan-Jun | Jan-Jun | Change, % | | LTM ¹ | Full-year 2010 |
|---------------------|------|------|-----------|------|---------|---------|-----------|------|------------------|-------------------|
| | 2011 | 2010 | As rep. | Adj. | 2011 | 2010 | As rep. | Adj. | | |
| Net sales | 735 | 749 | -2 | 10 | 1,380 | 1,344 | 3 | 13 | 2,711 | 2,675 |
| Operating income | 75 | 11 | n.a. | 80 | 59 | 12 | n.a. | 175 | 129 | 82 |
| Operating margin, % | 10.3 | 1.5 | - | - | 4.3 | 0.9 | - | - | 4.8 | 3.1 |

¹⁾Last twelve months

Net sales for Construction in the second quarter decreased by -2%. Adjusted for exchange rate effects, sales increased by 10%. For the first half-year, sales increased by 3% or by 13% if adjusted for exchange rate effects. Sales prices increased slightly during the first half year.

Total market demand for construction products improved in Europe and in emerging markets while the market environment in North America was more challenging with a decline in the underlying market. The business area's sales increased on the back of a strong product portfolio with several new innovative products as well as a replacement need in the rental channel and at construction contractors. Equipment sales increased double digit while sales of consumables, such as diamond tools, was only slightly up, reflecting the lower end-user activity.

Operating income and operating margin increased. Adjusted for exchange rate effects and items affecting comparability, operating income for the second quarter increased by 80% or by approximately SEK 33m. For the first half-year, the corresponding increase was 175% or SEK 63 m. The second quarter of 2010 was charged with restructuring costs amounting to SEK -47m and the first quarter 2011 had corresponding costs amounting to SEK -40m.

Operating income was positively affected by higher sales, improved mix and higher selling prices, offsetting higher selling and administrative costs and negative currency impact.

Changes in exchange rates had a negative year-on-year effect on operating income by approximately SEK -9m in the first quarter and SEK -14m in the second quarter 2011.

PARENT COMPANY

Net sales in the first half year for the Parent Company, Husqvarna AB, amounted to SEK 6,538m (6,201), of which SEK 4,931m (4,716) referred to sales to Group Companies and SEK 1,607m (1,485) to external customers. Income after financial items amounted to SEK 797m (1,518). Income for the period was SEK 675m (1,266)

Investments in tangible and intangible assets amounted to SEK 165m (151). Cash and cash equivalents amounted to SEK 280m (1,478) at the end of June. Undistributed earnings in the Parent Company amounted to

SEK 17,179m (17,308). A dividend payment to shareholders in the amount of SEK 859m (574) was made during the period.

CONVERSION OF SHARES

According to the company's articles of association, owners of A-shares have the right to have such shares converted to B-shares. Conversion reduces the total number of votes in the company.

In April 2011, 336,460 A-shares were converted to B-shares at the request of shareholders. In July, another 3,262,684 A-shares were converted to B-shares at the request of shareholders. The total number of votes thereafter amounts to 175,100,549.0.

The total number of registered shares in the company at June 30, 2011 amounted to 576,343,778 shares of which 133,780,652 were A-shares and 442,563,126 were B-shares.

CHANGES IN GROUP MANAGEMENT

Magnus Yngen, CEO and President of Husqvarna, is as of June 9, 2011, absent due to illness. Hans Linnarson, Executive Vice President, Head of Sales Europe & Asia/Pacific, has been appointed acting CEO and President. Hans Linnarson will also remain as Head of Sales Europe & Asia/Pacific.

Ulf Liljedahl, previously CFO at Cardo, has been appointed Senior Vice President and CFO of Husqvarna. Ulf Liljedahl assumed his new position on June 1, 2011.

ANNUAL GENERAL MEETING 2011

The Annual General Meeting of Husqvarna AB (publ) was held on May 4, 2011. All ordinary board members were re-elected and a dividend of SEK 1.50 (1.00) per share was resolved.

Notice, full proposals, minutes and other documents from the Annual General Meeting can be found on www.husqvarna.com/agm.

LEGAL MATTERS

In a judgment of February 2010, the criminal court of Tournai in Belgium acquitted Husqvarna in a case regarding a gas explosion on Husqvarna's property in Ghislenghien, Belgium in 2004. The ruling was appealed by the public prosecutor, as well as by other parties, to the Court of Appeal.

Seven years after the accident, the Court of Appeal in Mons has issued its verdict. The accident, when 24 people died and over 100 were injured, was caused by the bursting of a sub-surface industrial gas pipe on Husqvarna Belgium's property. Eight of the 14 parties were judged guilty, among them Husqvarna Belgium, together with the gas company, employees of two construction companies, the safety coordinators and the architect. This results in a suspended sentence (a small amount of fines) for Husqvarna Belgium. Husqvarna has appealed to the Belgian Supreme Court.

In December 2011, the Court of Appeal in Mons will commence proceedings adjudicating the damages for each victim and is also expected to rule on the distribution of liability for damages between the parties finally found guilty. Today, the damages claims are only partly known, but it cannot be ruled out that, if the verdict is upheld, this may lead to negative financial effects for Husqvarna. The damages claims are expected to become fully known latest at the commencement of the claims proceedings in the Court of Appeal in December. A final outcome of these damages proceedings may take 1 - 2 years.

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.

For more information on risk than stated below, see the annual report.

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 watering 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.

ACCOUNTING PRINCIPLES

Husqvarna's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. The financial statement of the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

Husqvarna has in all material aspects presented its interim report in accordance with the accounting and valuation principles presented in the Annual Report for 2010. The annual report is available at 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, 19 July 2011

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
Board member

Johan Ihrman
Employee representative
Board member

Annika Ögren
Employee representative
Board member

Hans Linnarson
Acting CEO and President

AUDITORS' REVIEW REPORT

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

Consolidated income statement

| SEKm | Q2 2011 | Q2 2010 | Jan-Jun 2011 | Jan-Jun 2010 | Full-year 2010 |
|---|--------------|--------------|-----------------|-----------------|-------------------|
| Net sales | 10,179 | 11,457 | 18,953 | 20,539 | 32,240 |
| Cost of goods sold | -7,238 | -8,145 | -13,682 | -14,842 | -23,037 |
| Gross operating income | 2,941 | 3,312 | 5,271 | 5,697 | 9,203 |
| Margin, % | 28.9 | 28.9 | 27.8 | 27.7 | 28.5 |
| Selling expense | -1,566 | -1,574 | -2,864 | -2,851 | -5,232 |
| Administrative expense | -364 | -420 | -739 | -749 | -1,524 |
| Other operating income/expense | 1 | 1 | 6 | 0 | -2 |
| Operating income¹ | 1,012 | 1,319 | 1,674 | 2,097 | 2,445 |
| Margin, % | 9.9 | 11.5 | 8.8 | 10.2 | 7.6 |
| Financial items, net | -115 | -69 | -188 | -157 | -394 |
| Income after financial items | 897 | 1,250 | 1,486 | 1,940 | 2,051 |
| Margin, % | 8.8 | 10.9 | 7.8 | 9.4 | 6.4 |
| Taxes | -216 | -314 | -321 | -469 | -302 |
| Income for the period | 681 | 936 | 1,165 | 1,471 | 1,749 |
| Attributable to: | | | | | |
| Equity holders of the Parent Company | 677 | 930 | 1,157 | 1,460 | 1,739 |
| Non-controlling interest in income for the period | 4 | 6 | 8 | 11 | 10 |
| Basic earnings per share, SEK | 1.18 | 1.62 | 2.02 | 2.54 | 3.03 |
| Diluted earnings per share, SEK | 1.18 | 1.62 | 2.02 | 2.54 | 3.03 |
| Basic weighted average number of shares outstanding, millions | 572.5 | 573.7 | 572.5 | 573.6 | 573.4 |
| Diluted weighted average number of shares, millions | 572.6 | 573.8 | 572.7 | 573.8 | 574.2 |

Consolidated comprehensive income statement

| SEKm | Q2 2011 | Q2 2010 | Jan-Jun 2011 | Jan-Jun 2010 | Full-year 2010 |
|---|--------------|--------------|-----------------|-----------------|-------------------|
| Income for the period | 681 | 936 | 1,165 | 1,471 | 1,749 |
| Other comprehensive income, net of tax: | | | | | |
| Exchange differences on translating foreign operations | 362 | 251 | -256 | 17 | -1,056 |
| Cash flow hedges | -30 | 8 | -30 | 38 | 10 |
| Other comprehensive income, net of tax | 332 | 259 | -286 | 55 | -1,046 |
| Total comprehensive income for the period | 1,013 | 1,195 | 879 | 1,526 | 703 |
| Attributable to: | | | | | |
| Equity holders of the Parent Company | 1,009 | 1,186 | 873 | 1,512 | 695 |
| Non-controlling interest in comprehensive | 4 | 9 | 6 | 14 | 8 |
| ¹ Of which depreciation, amortization and impairment | -269 | -341 | -553 | -636 | -1,221 |

Consolidated balance sheet

| SEKm | 30 Jun 2011 | 30 jun 2010 | 31 Dec 2010 |
|---|----------------|----------------|----------------|
| Assets | | | |
| Property, plant and equipment | 3,851 | 4,287 | 4,125 |
| Goodwill | 5,867 | 6,452 | 5,995 |
| Other intangible assets | 3,990 | 4,197 | 3,989 |
| Investments in associates | 5 | 6 | 5 |
| Deferred tax assets | 677 | 806 | 614 |
| Derivatives | 0 | 0 | 1 |
| Financial assets | 183 | 181 | 168 |
| Total non-current assets | 14,573 | 15,929 | 14,897 |
| Inventories | 7,157 | 6,769 | 7,000 |
| Trade receivables | 7,039 | 7,198 | 3,575 |
| Derivatives | 178 | 588 | 417 |
| Tax receivables | 325 | 350 | 335 |
| Other current assets | 584 | 521 | 529 |
| Other short term investments | 163 | 433 | 173 |
| Cash and cash equivalents | 1,274 | 2,872 | 1,476 |
| Total current assets | 16,720 | 18,731 | 13,505 |
| Total assets | 31,293 | 34,660 | 28,402 |
| <i>Assets pledged</i> | 29 | 47 | 42 |
| Equity and liabilities | | | |
| Equity attributable to equity holders of the Parent Company | 12,174 | 13,024 | 12,154 |
| Non-controlling interests | 54 | 55 | 49 |
| Total equity | 12,228 | 13,079 | 12,203 |
| Long-term borrowings | 5,398 | 7,231 | 6,985 |
| Deferred tax liabilities | 1,773 | 1,938 | 1,571 |
| Provisions for pensions and other post-employment benefits | 972 | 1,097 | 992 |
| Derivatives | 67 | 105 | 39 |
| Other provisions | 693 | 729 | 707 |
| Total non-current liabilities | 8,903 | 11,100 | 10,294 |
| Trade payables | 3,464 | 3,992 | 2,810 |
| Tax liabilities | 255 | 451 | 340 |
| Other liabilities | 2,355 | 2,363 | 1,783 |
| Short-term borrowings | 3,593 | 2,487 | 309 |
| Derivatives | 189 | 702 | 334 |
| Other provisions | 306 | 486 | 329 |
| Total current liabilities | 10,162 | 10,481 | 5,905 |
| Total equity and liabilities | 31,293 | 34,660 | 28,402 |
| <i>Contingent liabilities</i> | 36 | 34 | 28 |

Consolidated cash flow statement

| SEKm | Q2 2011 | Q2 2010 | Jan-Jun 2011 | Jan-Jun 2010 | Full-year 2010 |
|--|---------------|--------------|-----------------|-----------------|-------------------|
| Operations | | | | | |
| Income after financial items | 897 | 1,250 | 1,486 | 1,940 | 2,051 |
| Depreciation and amortization | 269 | 300 | 545 | 595 | 1,180 |
| Capital gain/Impairment | 0 | 41 | 3 | 41 | 41 |
| Change in accrued and prepaid interest | -21 | -19 | -10 | -9 | 11 |
| Provision for restructuring | 0 | 116 | 32 | 116 | 108 |
| Taxes paid | -186 | -234 | -270 | -365 | -503 |
| Cash flow from operations, excluding change in operating assets and liabilities | 959 | 1,454 | 1,786 | 2,318 | 2,888 |
| Change in operating assets and liabilities | | | | | |
| Change in inventories | 403 | 745 | -341 | 67 | -645 |
| Change in trade receivables | 844 | 577 | -3,527 | -3,683 | -331 |
| Change in trade payables | -588 | -414 | 764 | 1,004 | 73 |
| Change in other operating assets/liabilities | 155 | 490 | 486 | 924 | 290 |
| Cash flow from operating assets and liabilities | 814 | 1,398 | -2,618 | -1,688 | -613 |
| Cash flow from operations | 1,773 | 2,852 | -832 | 630 | 2,275 |
| Investments | | | | | |
| Sale of fixed assets | 13 | - | 23 | - | 0 |
| Capital expenditure in property, plant and equipment | -149 | -246 | -295 | -384 | -991 |
| Capitalization of product development and software | -47 | -95 | -117 | -164 | -311 |
| Other | -3 | -8 | -1 | -10 | -11 |
| Cash flow from investments | -186 | -349 | -390 | -558 | -1,313 |
| Total cash flow from operations and investments | 1,587 | 2,503 | -1,222 | 72 | 962 |
| Financing | | | | | |
| Change in other short-term investments | 174 | -11 | -3 | -163 | 63 |
| Change in interest-bearing liabilities | -681 | 6 | 1,919 | 1,235 | -1,250 |
| Dividend to shareholders | -859 | -574 | -859 | -574 | -574 |
| Repurchase of shares | - | - | - | - | -59 |
| Dividend to non-controlling interests | -1 | -2 | -1 | -3 | -3 |
| Cash flow from financing | -1,367 | -581 | 1,056 | 495 | -1,823 |
| Total cash flow | 220 | 1,922 | -166 | 567 | -861 |
| Cash and cash equivalents at beginning of period | 1,040 | 982 | 1,476 | 2,333 | 2,333 |
| Exchange-rate differences | 14 | -32 | -36 | -28 | 4 |
| Cash and cash equivalents at end of period | 1,274 | 2,872 | 1,274 | 2,872 | 1,476 |

Change in Group equity

| SEKm | January - June 2011 | | | January - June 2010 | | |
|----------------------------|---------------------|---------------------------|---------------|---------------------|---------------------------|---------------|
| | Equity holders | Non-controlling interests | Total equity | Equity holders | Non-controlling interests | Total equity |
| Opening balance | 12,154 | 49 | 12,203 | 12,082 | 44 | 12,126 |
| Share-based payment | 6 | - | 6 | 4 | - | 4 |
| Dividend | -859 | -1 | -860 | -574 | -3 | -577 |
| Total comprehensive income | 873 | 6 | 879 | 1,512 | 14 | 1,526 |
| Closing balance | 12,174 | 54 | 12,228 | 13,024 | 55 | 13,079 |

Key data

| | Q2 2011 | Q2 2010 | Jan-Jun 2011 | Jan-Jun 2010 | Full-year 2010 |
|-------------------------------|---------|---------|--------------|--------------|----------------|
| Net sales, SEKm | 10,179 | 11,457 | 18,953 | 20,539 | 32,240 |
| Operating income, SEKm | 1,012 | 1,319 | 1,674 | 2,097 | 2,445 |
| Net sales growth, % | -11 | 0 | -8 | -9 | -5 |
| Gross margin, % | 28.9 | 28.9 | 27.8 | 27.7 | 28.5 |
| Operating margin, % | 9.9 | 11.5 | 8.8 | 10.2 | 7.6 |
| Working capital, SEKm | 7,060 | 5,720 | 7,060 | 5,720 | 4,478 |
| Return on capital employed, % | - | - | 9.3 | 7.8 | 11.0 |
| Return on equity, % | - | - | 11.7 | 9.1 | 13.9 |
| Earnings per share, SEK | 1.18 | 1.62 | 2.02 | 2.54 | 3.03 |
| Capital-turnover rate, times | - | - | 1.6 | 1.6 | 1.7 |
| Operating cash flow, SEKm | 1,773 | 2,503 | -832 | 72 | 962 |
| Net debt/equity ratio | - | - | 0.62 | 0.51 | 0.46 |
| Capital expenditure, SEKm | 196 | 341 | 412 | 548 | 1,302 |
| Average number of employees | 18,588 | 16,038 | 17,792 | 15,648 | 14,954 |

Items affecting comparability

| SEKm | | Q1 | Q2 | Q3 | Q4 | Full year |
|-------------------------------|-------------|-----|------|-----|------|-----------|
| Restructuring charges | 2011 | -40 | - | | | |
| | 2010 | - | -157 | - | - | -157 |
| | 2009 | - | - | -59 | -340 | -399 |
| Costs for personnel cut-backs | 2009 | -35 | -18 | - | - | -53 |
| Legal settlement cost | 2010 | -50 | - | - | - | -50 |
| Total | 2011 | -40 | - | | | |
| | 2010 | -50 | -157 | - | - | -207 |
| | 2009 | -35 | -18 | -59 | -340 | -452 |

Net sales by business area

| SEKm | Q2 | | Change, % | | Jan-Jun | | Change, % | | Full-year 2010 |
|-----------------------|---------------|---------------|------------|-----------|---------------|---------------|-----------|----------|-------------------|
| | 2011 | 2010 | As rep. | Adj. | 2011 | 2010 | As rep. | Adj. | |
| Europe & Asia/Pacific | 5,752 | 5,845 | -2 | 4 | 10,293 | 10,304 | 0 | 7 | 16,621 |
| Americas | 3,692 | 4,863 | -24 | -9 | 7,280 | 8,891 | -18 | -5 | 12,944 |
| Construction | 735 | 749 | -2 | 10 | 1,380 | 1,344 | 3 | 13 | 2,675 |
| Total | 10,179 | 11,457 | -11 | -1 | 18,953 | 20,539 | -8 | 2 | 32,240 |

Operating income by business area

| SEKm | Q2 | | Change, % | | Jan-Jun | | Change, % | | Full-year 2010 |
|--|--------------|--------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------------|
| | 2011 | 2010 | As rep. | Adj. | 2011 | 2010 | As rep. | Adj. | |
| Europe & Asia/Pacific | 1,079 | 1,145 | -6 | -4 | 1,894 | 1,877 | 1 | 9 | 2,383 |
| Excl. items affecting comparability | 1,079 | 1,145 | -6 | -4 | 1,894 | 1,877 | 1 | 9 | 2,383 |
| <i>Margin excl. items affecting comparability, %</i> | <i>18.8</i> | <i>19.6</i> | <i>-</i> | <i>-</i> | <i>18.4</i> | <i>18.2</i> | <i>-</i> | <i>-</i> | <i>14.3</i> |
| Americas | -98 | 202 | n.a. | n.a. | -192 | 283 | n.a. | n.a. | 152 |
| Excl. items affecting comparability | -98 | 312 | n.a. | n.a. | -192 | 443 | n.a. | n.a. | 312 |
| <i>Margin excl. items affecting comparability, %</i> | <i>-2.7</i> | <i>6.4</i> | <i>-</i> | <i>-</i> | <i>-2.6</i> | <i>5.0</i> | <i>-</i> | <i>-</i> | <i>2.4</i> |
| Construction | 75 | 11 | n.a. | 80 | 59 | 12 | n.a. | 175 | 82 |
| Excl. items affecting comparability | 75 | 58 | 29 | 80 | 99 | 59 | 67 | 175 | 129 |
| <i>Margin excl. items affecting comparability, %</i> | <i>10.3</i> | <i>7.8</i> | <i>-</i> | <i>-</i> | <i>7.2</i> | <i>4.4</i> | <i>-</i> | <i>-</i> | <i>4.8</i> |
| Total business areas | 1,056 | 1,358 | -22 | -21 | 1,761 | 2,172 | -19 | -12 | 2,617 |
| Excl. items affecting comparability | 1,056 | 1,515 | -30 | -21 | 1,801 | 2,379 | -24 | -12 | 2,824 |
| <i>Margin excl. items affecting comparability, %</i> | <i>10.4</i> | <i>13.2</i> | <i>-</i> | <i>-</i> | <i>9.5</i> | <i>11.6</i> | <i>-</i> | <i>-</i> | <i>8.8</i> |
| Group common costs | -44 | -39 | -13 | -13 | -87 | -75 | -15 | -16 | -172 |
| Total Group | 1,012 | 1,319 | -23 | -23 | 1,674 | 2,097 | -20 | -13 | 2,445 |
| Excl. items affecting comparability | 1,012 | 1,476 | -31 | -23 | 1,714 | 2,304 | -26 | -13 | 2,652 |
| <i>Margin excl. items affecting comparability, %</i> | <i>9.9</i> | <i>12.9</i> | <i>-</i> | <i>-</i> | <i>9.0</i> | <i>11.2</i> | <i>-</i> | <i>-</i> | <i>8.2</i> |

Net assets by business area

| SEKm | Assets | | Liabilities | | Net Assets | |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 30 Jun 2011 | 30 jun 2010 | 30 Jun 2011 | 30 jun 2010 | 30 Jun 2011 | 30 jun 2010 |
| Europe & Asia/Pacific | 18,263 | 18,134 | 4,883 | 5,111 | 13,380 | 13,023 |
| Americas | 7,380 | 8,114 | 1,815 | 2,549 | 5,565 | 5,565 |
| Construction | 3,263 | 3,567 | 672 | 738 | 2,591 | 2,829 |
| Other | 772 | 952 | 2,448 | 2,658 | -1,676 | -1,706 |
| Total | 29,678 | 30,767 | 9,818 | 11,056 | 19,860 | 19,711 |

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 |
|----------------------------------|-------------|--------|---------------|-------|-------|-----------|
| Europe & Asia/Pacific | 2011 | 4,541 | 5,752 | | | |
| | 2010 | 4,459 | 5,845 | 3,708 | 2,609 | 16,621 |
| | 2009 | 5,034 | 5,639 | 3,446 | 2,475 | 16,594 |
| Americas | 2011 | 3,588 | 3,692 | | | |
| | 2010 | 4,028 | 4,863 | 2,482 | 1,571 | 12,944 |
| | 2009 | 5,470 | 5,142 | 2,584 | 1,649 | 14,845 |
| Construction | 2011 | 645 | 735 | | | |
| | 2010 | 595 | 749 | 717 | 614 | 2,675 |
| | 2009 | 648 | 700 | 679 | 608 | 2,635 |
| Total Group | 2011 | 8,774 | 10,179 | | | |
| | 2010 | 9,082 | 11,457 | 6,907 | 4,794 | 32,240 |
| | 2009 | 11,152 | 11,481 | 6,709 | 4,732 | 34,074 |

Operating income by business area

| SEKm | | Q1 | Q2 | Q3 | Q4 | Full year |
|--|-------------|-----|--------------|-----|------|-----------|
| Europe & Asia/Pacific | 2011 | 815 | 1,079 | | | |
| <i>Excl. items affecting comparability</i> | 2011 | 815 | 1,079 | | | |
| | 2010 | 732 | 1,145 | 511 | -5 | 2,383 |
| <i>Excl. items affecting comparability</i> | 2010 | 732 | 1,145 | 511 | -5 | 2,383 |
| | 2009 | 674 | 840 | 190 | -294 | 1,410 |
| <i>Excl. items affecting comparability</i> | 2009 | 708 | 858 | 249 | -105 | 1,710 |
| Americas | 2011 | -94 | -98 | | | |
| <i>Excl. items affecting comparability</i> | 2011 | -94 | -98 | | | |
| | 2010 | 81 | 202 | -92 | -39 | 152 |
| <i>Excl. items affecting comparability</i> | 2010 | 131 | 312 | -92 | -39 | 312 |
| | 2009 | 218 | 332 | -8 | -105 | 437 |
| <i>Excl. items affecting comparability</i> | 2009 | 219 | 332 | -8 | -8 | 535 |
| Construction | 2011 | -17 | 75 | | | |
| <i>Excl. items affecting comparability</i> | 2011 | 23 | 75 | | | |
| | 2010 | 1 | 11 | 42 | 28 | 82 |
| <i>Excl. items affecting comparability</i> | 2010 | 1 | 58 | 42 | 28 | 129 |
| | 2009 | -67 | -14 | 29 | -71 | -123 |
| <i>Excl. items affecting comparability</i> | 2009 | -67 | -14 | 29 | -17 | -69 |
| Group common costs | 2011 | -42 | -44 | | | |
| | 2010 | -36 | -39 | -50 | -47 | -172 |
| | 2009 | -39 | -42 | -38 | -45 | -164 |
| Total Group | 2011 | 662 | 1,012 | | | |
| <i>Excl. items affecting comparability</i> | 2011 | 702 | 1,012 | | | |
| | 2010 | 778 | 1,319 | 411 | -63 | 2,445 |
| <i>Excl. items affecting comparability</i> | 2010 | 828 | 1,476 | 411 | -63 | 2,652 |
| | 2009 | 786 | 1,116 | 173 | -515 | 1,560 |
| <i>Excl. items affecting comparability</i> | 2009 | 821 | 1,134 | 232 | -175 | 2,012 |

Operating margin by business area

| % | | Q1 | Q2 | Q3 | Q4 | Full year |
|--|-------------|-------|-------------|------|-------|-----------|
| Europe & Asia/Pacific | 2011 | 17.9 | 18.8 | | | |
| <i>Excl. items affecting comparability</i> | 2011 | 17.9 | 18.8 | | | |
| | 2010 | 16.4 | 19.6 | 13.8 | -0.2 | 14.3 |
| <i>Excl. items affecting comparability</i> | 2010 | 16.4 | 19.6 | 13.8 | -0.2 | 14.3 |
| | 2009 | 13.4 | 14.9 | 5.5 | -11.9 | 8.5 |
| <i>Excl. items affecting comparability</i> | 2009 | 14.1 | 15.2 | 7.2 | -4.2 | 10.3 |
| Americas | 2011 | -2.6 | -2.7 | | | |
| <i>Excl. items affecting comparability</i> | 2011 | -2.6 | -2.7 | | | |
| | 2010 | 2.0 | 4.2 | -3.7 | -2.5 | 1.2 |
| <i>Excl. items affecting comparability</i> | 2010 | 3.3 | 6.4 | -3.7 | -2.5 | 2.4 |
| | 2009 | 4.0 | 6.5 | -0.3 | -6.4 | 2.9 |
| <i>Excl. items affecting comparability</i> | 2009 | 4.0 | 6.5 | -0.3 | -0.5 | 3.6 |
| Construction | 2011 | -2.6 | 10.3 | | | |
| <i>Excl. items affecting comparability</i> | 2011 | 3.6 | 10.3 | | | |
| | 2010 | 0.1 | 1.5 | 5.9 | 4.6 | 3.1 |
| <i>Excl. items affecting comparability</i> | 2010 | 0.1 | 7.8 | 5.9 | 4.6 | 4.8 |
| | 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 |
| Total Group | 2011 | 7.5 | 9.9 | | | |
| <i>Excl. items affecting comparability</i> | 2011 | 8.0 | 9.9 | | | |
| | 2010 | 8.6 | 11.5 | 5.9 | -1.3 | 7.6 |
| <i>Excl. items affecting comparability</i> | 2010 | 9.1 | 12.9 | 5.9 | -1.3 | 8.2 |
| | 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 |

Net sales and income by quarter, Group

| SEKm | | Q1 | Q2 | Q3 | Q4 | Full year |
|-------------------------------------|------------------|--------|---------------|-------|-------|-----------|
| Net sales | 2011 | 8,774 | 10,179 | | | |
| | 2010 | 9,082 | 11,457 | 6,907 | 4,794 | 32,240 |
| | 2009 | 11,152 | 11,481 | 6,709 | 4,732 | 34,074 |
| Operating income | 2011 | 662 | 1,012 | | | |
| | Margin, % | 7.5 | 9.9 | | | |
| | 2010 | 778 | 1,319 | 411 | -63 | 2,445 |
| | Margin, % | 8.6 | 11.5 | 5.9 | -1.3 | 7.6 |
| | 2009 | 786 | 1,116 | 173 | -515 | 1,560 |
| | Margin, % | 7.0 | 9.7 | 2.6 | -10.9 | 4.6 |
| Income after financial items | 2011 | 589 | 897 | | | |
| | Margin, % | 6.7 | 8.8 | | | |
| | 2010 | 690 | 1,250 | 310 | -199 | 2,051 |
| | Margin, % | 7.6 | 10.9 | 4.5 | -4.2 | 6.4 |
| | 2009 | 590 | 944 | 108 | -548 | 1,094 |
| | Margin, % | 5.3 | 8.2 | 1.6 | -11.6 | 3.2 |
| Income for the period | 2011 | 484 | 681 | | | |
| | 2010 | 535 | 936 | 402 | -124 | 1,749 |
| | 2009 | 464 | 761 | 130 | -452 | 903 |
| Earnings per share, SEK | 2011 | 0.84 | 1.18 | | | |
| | 2010 | 0.92 | 1.62 | 0.70 | -0.21 | 3.03 |
| | 2009 | 0.98 | 1.35 | 0.23 | -0.79 | 1.64 |

Net sales and operating income, 12 months rolling, group

| SEKm | | Q1 | Q2 | Q3 | Q4 |
|-------------------------|------------------|--------|---------------|--------|--------|
| Net sales | 2011 | 31,932 | 30,654 | | |
| | 2010 | 32,004 | 31,980 | 32,178 | 32,240 |
| | 2009 | 33,451 | 34,589 | 34,468 | 34,074 |
| Operating income | 2011 | 2,329 | 2,022 | | |
| | Margin, % | 7.3 | 6.6 | | |
| | 2010 | 1,552 | 1,755 | 1,993 | 2,445 |
| | Margin, % | 4.8 | 5.5 | 6.2 | 7.6 |
| | 2009 | 1,945 | 1,740 | 1,603 | 1,560 |
| | Margin, % | 5.8 | 5.0 | 4.7 | 4.6 |

Five-year review

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------------------------|--------|--------|--------|--------|-------------------|
| Net sales, SEKm | 32,240 | 34,074 | 32,342 | 33,284 | 29,402 |
| Operating income, SEKm | 2,445 | 1,560 | 2,361 | 3,564 | 3,121 |
| Net sales growth, % | -5 | 5 | -3 | 13 | 2 |
| Gross margin, % | 28.5 | 25.4 | 29.0 | 29.4 | 27.0 |
| Operating margin, % | 7.6 | 4.6 | 7.3 | 10.7 | 10.6 |
| Return on capital employed, % | 11.0 | 6.6 | 10.7 | 17.6 | 23.8 ¹ |
| Return on equity, % | 13.9 | 7.5 | 15.8 | 28.6 | 32.5 ¹ |
| Capital turn-over rate, times | 1.7 | 1.6 | 1.5 | 1.8 | 2.4 |
| Operating cash flow, SEKm | 962 | 3,737 | 2,013 | 1,843 | 535 ¹ |
| Capital expenditure, SEKm | 1,302 | 914 | 1,163 | 857 | 890 |
| Average number of employees | 14,954 | 15,030 | 15,720 | 16,093 | 11,412 |

¹ Pro forma.

PARENT COMPANY

Income statement

| SEKm | Q2 2011 | Q2 2010 | Jan-Jun 2011 | Jan-Jun 2010 | Full-year 2010 |
|-------------------------------------|--------------|--------------|-----------------|-----------------|-------------------|
| Net sales | 3,397 | 3,165 | 6,538 | 6,201 | 10,304 |
| Cost of goods sold | -2,565 | -2,383 | -5,076 | -4,804 | -8,027 |
| Gross operating income | 832 | 782 | 1,462 | 1,397 | 2,277 |
| Selling expense | -292 | -215 | -512 | -394 | -823 |
| Administrative expense | -153 | -135 | -281 | -244 | -473 |
| Other operating income/expense | 1 | 1 | 2 | 2 | 126 |
| Operating income | 388 | 433 | 671 | 761 | 1,107 |
| Financial items, net | 193 | 319 | 126 | 757 | 1,388 |
| Income after financial items | 581 | 752 | 797 | 1,518 | 2,495 |
| Appropriations | 12 | -1 | 22 | 16 | -109 |
| Income before taxes | 593 | 751 | 819 | 1,534 | 2,386 |
| Taxes | -82 | -57 | -144 | -268 | -335 |
| Income for the period | 511 | 694 | 675 | 1,266 | 2,051 |

Balance sheet

| SEKm | 30 Jun 2011 | 30 jun 2010 | 31 Dec 2010 |
|-------------------------------------|----------------|----------------|----------------|
| Non-current assets | 30,255 | 31,131 | 30,227 |
| Current assets | 7,444 | 7,241 | 5,978 |
| Total assets | 37,699 | 38,372 | 36,205 |
| Equity | 18,354 | 18,483 | 18,686 |
| Untaxed reserves | 988 | 886 | 1,010 |
| Provisions | 105 | 186 | 110 |
| Interest-bearing liabilities | 15,413 | 15,667 | 13,028 |
| Current liabilities | 2,839 | 3,150 | 3,371 |
| Total equity and liabilities | 37,699 | 38,372 | 36,205 |

Number of shares

| | Outstanding A-shares | Outstanding B-shares | Re-purchased B-shares | Total |
|--|-------------------------|-------------------------|--------------------------|--------------------|
| Number of shares as of 31 December 2010 | 134,755,087 | 437,682,684 | 3,906,007 | 576,343,778 |
| Conversion of A-shares into B-shares | -974,435 | 974,435 | | |
| LTI 2008 | | 82,634 | -82,634 | |
| Number of shares as of 30 June 2011 ¹⁾ | 133,780,652 | 438,739,753 | 3,823,373 | 576,343,778 |

¹⁾ After June 30, 2011, another 3,262,684 A-shares have been converted to B-shares.

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 | As 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. |

TELEPHONE CONFERENCE

A telephone conference will be held at 11:00 CET on July 19, 2011. To participate by telephone, please call +46 (0)8 5052 0110 or +44 (0) 20 7162 0077 ten minutes prior to the start of the conference. The conference call will also be audio cast live. To participate in the audio cast, log on to www.husqvarna.com/ir. A replay of the telephone conference will be available at www.husqvarna.com/ir.

DATES FOR FINANCIAL REPORTS

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 July 19, 2011.

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.