

Press release

Stockholm September 26, 2011

Company update

Continued economic uncertainty

Husqvarna is a consumer oriented company in the discretionary capital goods industry, and has been negatively affected by the slowdown in the global consumer demand and the uncertain economic environment in combination with unfavorable weather. Due to the demand situation, a hiring freeze has been implemented for the entire Group until further notice. The fourth quarter which normally represents a small volume for the company is expected to continue to suffer from poor economic conditions.

Confirming the outlook in the Q2 report

Confirming the outlook in the second quarter report 2011, the total Group net sales have declined. Sales for the third quarter are estimated to around SEK 6,200m (6,907), which is approximately 5% lower compared with the corresponding quarter 2010 adjusted for exchange rate effects.

Operating income for the third quarter, which due to normal seasonality represents only a small share of full-year earnings, is estimated in the range of SEK 100m (411). Costs related to the production disturbances in Orangeburg amounts to approximately SEK 45m and costs related to the termination of the former CEO's contract amounts to SEK 21m and are included in the estimated third quarter results.

As commented in the second quarter report, market demand weakened towards the end of the quarter. The weakness has continued. Operating income for the third quarter has also been impacted mainly by an unfavorable mix and higher costs.

Prepared for the 2012 season in North America

Extensive efforts to eliminate the supply chain disturbances in the Orangeburg production facility have progressed successfully. In order to ensure successful delivery of committed volumes, the ramp up of pre-season production has started earlier than previous year.

The Group's product range listings with major retailers in the North American market for 2012, although not yet finalized, are projected to be unchanged versus 2011, however with a somewhat new balance among the different retailers.

Further information

Further information will be provided in Husqvarna's interim report for the third quarter 2011. The report will, as earlier announced, be published on October 20, 2011 at 08:00 CET. A conference call and analyst meeting will be held the same day at 11:00 CET. Dial-in number +46 (0) 8 5052 0110 (Sweden) or +44 (0)20 7162 0077 (UK).

Husqvarna Press Hotline at +46 8 738 70 80 or press@husqvarna.se

The above information has been made public in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information was published at 15:00 on September 26, 2011.

The Husqvarna Group is the world's largest producer of outdoor power products including chainsaws, trimmers, lawn mowers and garden tractors. The Group is also the European leader in consumer watering products and one of the world leaders in cutting equipment and diamond tools for the construction and stone industries. The product offering includes products for both consumers and professional users. The Group's products are sold via dealers and retailers in more than 100 countries. Net sales in 2010 amounted to SEK 32 billion, and the average number of employees was approximately 15,000.