

YEAR-END REPORT 2011

Stockholm February 23, 2012



Hans Linnarson, President and CEO:

"2011 was a challenging year for Husqvarna. We experienced operational difficulties in one of our largest production facilities, which had a substantial negative impact on the Group's operating income. Despite the issues, I am pleased that our sales, adjusted for changes in exchange rates, increased and we maintained our position as global leader. Market shares in key areas remained stable and in some areas they even increased, such as for professional riders, robotic lawn mowers and construction equipment.

In Europe & Asia/Pacific, the operating margin remained on a high level, almost 14 percent. The positive development for Construction continued, as sales, operating income and margin increased. In Americas, our North American operations remained challenging. Net sales recovered in the second half of the year, but operating income did not recover at the same pace. We are working to improve the margin in our US operations through sustainable measures to improve mix and efficiency.

Due to normal seasonality, the fourth quarter is the smallest of the year for the Group. Sales gradually improved and for the full quarter, sales increased for all business areas while the operating profit was negatively impacted by several non-recurring items.

The outlook regarding consumer demand is difficult to assess. As we have communicated earlier, our listings with major retail customers are unchanged compared with 2011, but with a slightly improved mix. I view this accomplishment as a confirmation of our strategy to consistently invest in innovative quality products under strong brands. The ramp-up of production ahead of the garden season has been positive and we are now delivering a high level of service and delivery reliability – our top priorities for 2012."

Fourth quarter

- Net sales for the Group increased by 4% to SEK 4,994m (4,794). Adjusted for exchange rate effects, net sales increased by 5%.
- Operating income amounted to SEK -236m (-63). Changes in exchange rates had a negative effect of SEK -47m and costs directly related to production disturbances amounted to SEK -30m.
- Operating income also includes other non-recurring items with a total net negative effect of SEK -55m.
- Hans Linnarson was appointed President and CEO.

Full-year

- Net sales for the Group, adjusted for exchange rate effects, increased by 2%.
- Strengthened market position for Construction and maintained for forest and garden products.
- Operating income amounted to SEK 1,551m (2,445). Changes in exchange rates had a negative effect of SEK -382m and costs directly related to production disturbances amounted to SEK -398m.
- The Board proposes a dividend of SEK 1.50 (1.50) per share for 2011.

SEKm	Q4	Q4	Change, %		Jan-Dec	Jan-Dec	Change, %	
	2011	2010	As rep.	Adj. ¹	2011	2010	As rep.	Adj. ¹
Net sales, Group	4,994	4,794	4	5	30,357	32,240	-6	2
Europe & Asia/Pacific	2,642	2,609	1	2	16,365	16,621	-2	3
Americas	1,672	1,571	6	9	11,193	12,944	-14	-2
Construction	680	614	11	11	2,799	2,675	5	12
EBITDA	55	232	-76	-70	2,671	3,666	-27	-19
EBITDA margin, %	1.1	4.8	-	-	8.8	11.4	-	-
Operating income, Group	-236	-63	n.a	n.a	1,551	2,445	-37	-29
Europe & Asia/Pacific	92	-5	n.a	n.a	2,277	2,383	-4	0
Americas	-290	-39	n.a	n.a	-654	152	n.a	n.a
Construction	22	28	-21	45	130	82	58	n.a
Operating margin, %	-4.7	-1.3	-	-	5.1	7.6	-	-
Income after financial items	-363	-199	-82	-	1,147	2,051	-44	-
Income for the period	-223	-124	-80	-	997	1,749	-43	-
Earnings per share, SEK	-0.39	-0.21	-86	-	1.73	3.03	-43	-

¹ Adjusted for items affecting comparability (including restructuring charges), changes in exchange rates and acquisitions/divestments. Items affecting comparability are provided on page 13.

Address
Husqvarna AB (publ)
Box 7454
SE-103 92 Stockholm
Sweden

Visiting address
Regeringsgatan 28

Telephone
+46 8 738 64 00

Reg. No.
556000-5331

Web site
www.husqvarnagroup.com

NASDAQ OMX Stockholm
HUSQ A
HUSQ B

FOURTH QUARTER

Net sales

Net sales for the fourth quarter increased to SEK 4,994m (4,794). Adjusted for exchange rate effects, sales increased for the Group by 5%, for Europe & Asia/Pacific by 2%, for Americas by 9% and for Construction by 11%.

Operating income

Operating income for the fourth quarter amounted to SEK -236m (-63). 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 -47m (20). Operating income was also negatively impacted by SEK -85m referring to costs directly related to production disturbances amounting to SEK -30m and other non-recurring items with a total net negative effect of SEK -55m.

Other non-recurring items refer to staff reduction costs of SEK -44m, provisions for non-recoverable VAT receivables of SEK -33m in Brazil, environmental remediation costs of SEK -31m, as well as a positive effect of SEK 53m from the closure of a defined benefit pension scheme. The environmental remediation costs relate to a former US production site, no longer owned by Husqvarna, but where there is a contractual duty to remediate the site. The staff reduction costs refer mainly to business areas Americas and Construction, where personnel cut-backs are estimated to generate annual savings of SEK 50m as of 2012.

Operating income was positively affected by higher sales and selling prices, which were offset mainly by negative absorption of fixed costs, a less favorable mix and higher costs for marketing and transportation, as well as the reasons stated above.

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

FULL-YEAR

Net sales

Net sales for the full-year declined by -6% to SEK 30,357m (32,240). Adjusted for exchange rate effects, sales increased for the Group by 2%, for Europe & Asia/Pacific by 3% and for Construction by 12%. For Americas adjusted sales decreased by -2%.

Operating income

Operating income for the full-year decreased by -37% and amounted to SEK 1,551m (2,445). Items affecting comparability amounted to SEK -64m (-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 -382m (150). Hedging contracts had a negative effect of SEK -118m (88). Adjusted for exchange rate effects and items affecting comparability, operating income thus decreased by -29% or by SEK -655m.

Operating income also includes other non-recurring items with a total net negative effect of SEK -474m; costs directly related to the production disturbances in North America amounting to SEK -398m, staff reduction costs of SEK -44m, provisions for non-recoverable VAT receivables of SEK -33m and environmental remediation costs of SEK -31m, costs related to terminating the former CEO's contract of SEK -21m, as well as a positive effect from the closure of a pension scheme of SEK 53m.

Adjusted operating income was positively affected by higher sales prices and higher sales, which were offset by the non-recurring items stated above, higher input costs and higher costs due to increased marketing and product development activities. In addition, IT and transportation costs also rose. The Group operating margin decreased to 5.1% (7.6).

Adjusted operating income was unchanged for Europe & Asia/Pacific, increased for Construction while it was lower for Americas.

OUTLOOK FOR THE FIRST QUARTER OF 2012

The Group's listings with retailers for the season 2012 are estimated to be unchanged compared to the previous year, and inventories of the Group's products at retailers and dealers at the end of 2011 are estimated to have been somewhat higher than a normal level.

Financial items net

Net financial items for the fourth quarter amounted to SEK -127m (-136) and for the full-year to SEK -404m (-394). The increase for the year is explained mainly by higher net debt. The average interest rate on borrowings at the end of the year was 4.7% (4.8).

Income after financial items

Income after financial items for the fourth quarter amounted to SEK -363m (-199) corresponding to a margin of -7.3% (-4.2). For the full-year, income after financial items amounted to SEK 1,147m (2,051) corresponding to a margin of 3.8% (6.4).

Taxes

Taxes amounted to SEK -150m (-302), corresponding to a tax rate of 13% (15) of income after financial items.

Earnings per share

Income for the year amounted to SEK 997m (1,749), corresponding to SEK 1.73 (3.03) per share.

OPERATING CASH FLOW

Operating cash flow for the full-year amounted to SEK -472m (962). The lower operating cash flow is mainly due to the Group's lower income after financial items as well as higher inventory at the end of the year. The higher inventory resulted in a negative cash flow amounting to SEK -1,045m (-645) and was mainly due to greater utilization of pre-season production at the end of the year and build-up of temporary inventory to facilitate ongoing changes in the manufacturing footprint.

Operating cash flow SEKm	Q4 2011	Q4 2010	Jan-Dec 2011	Jan-Dec 2010
Cash flow from operations, excluding changes in operating assets and liabilities	-126	-19	1,915	2,888
Changes in operating assets and liabilities	302	158	-1,418	-613
Cash flow from operations	176	139	497	2,275
Cash flow from investments, excluding acquisitions	-320	-452	-969	-1,313
Operating cash flow	-144	-313	-472	962

FINANCIAL POSITION

Group equity as of December 31, 2011, excluding non-controlling interests, increased to SEK 12,332m (12,154), corresponding to SEK 21.5 (21.2) per share.

Net debt at year-end amounted to SEK 6,921m (5,600). Liquid funds amounted to SEK 1,340m (2,067) and interest bearing debt amounted to SEK 8,261m (7,667). The increase in net debt was mainly a result of the lower earnings, an increase in working capital and higher paid dividend. The major currencies used for debt financing are SEK and USD. Changes in exchange rates during the year had no material impact on net debt as of the end of the year.

The net debt/equity ratio amounted to 0.56 (0.46) and the equity/assets ratio to 42.4% (42.8).

Net debt SEKm	31 Dec 2011	31 Dec 2010
Interest-bearing liabilities	8,261	7,667
Liquid funds	1,340	2,067
Net debt	6,921	5,600

On December 31, 2011, long-term loans including financial leases amounted to SEK 6,941m (6,985) and short-term loans including financial leases to SEK 968m (309). Long-term loans consist of SEK 3,135m (3,208) in issued bonds, and bank loans of SEK 3,556m (3,583). The issued bonds and the bank loans mature in 2012 and onwards.

The Group's syndicated revolving credit facility, which was due to mature in 2013, was refinanced during the fourth quarter 2011. The new facility of SEK 6 billion has a maturity of five years. A SEK 950m bilateral loan, due to mature in 2012, was also refinanced. The new loan has a maturity of five years. Furthermore the Group also entered into a SEK 500m bond loan with a maturity of 7 years.

PERFORMANCE BY BUSINESS AREA

Europe & Asia/Pacific

SEKm	Q4	Q4	Change, %		Jan-Dec	Jan-Dec	Change, %	
	2011	2010	As rep.	Adj.	2011	2010	As rep.	Adj.
Net sales	2,642	2,609	1	2	16,365	16,621	-2	3
Operating income	92	-5	n.a	n.a	2,277	2,383	-4	0
Operating margin, %	3.5	-0.2	-	-	13.9	14.3	-	-

Net sales for Europe & Asia/Pacific in the fourth quarter increased by 1%. Adjusted for exchange rate effects, sales increased by 2%. For the full-year, sales decreased by -2%, but adjusted for exchange rate effects sales increased by 3%. Sales prices increased and volumes were slightly negatively affected by the production disturbances in North America, as some of the production in the plant is sold in the Europe and Asia/Pacific region.

Total market demand during the year in Europe & Asia/Pacific is estimated to have increased compared with the preceding year. Overall for forest and garden products, it is estimated that the Group's market share was unchanged. Husqvarna's sales increased in the most important markets such as Germany, France, Sweden, and the UK, while sales were weaker in the southern part of Europe. The development for the Asia/Pacific region, including Australia, was in line with the previous year. In terms of sales by product category, ride-on and walk-behind products increased, watering products were flat while handheld products were slightly down compared with the preceding year. Sales growth was particularly high for professional riders, robotic lawn mowers and snow products, segments where market shares also are estimated to have increased. Sales to the dealer channel developed positively.

Operating income amounted to SEK 2,277m (2,383) and the operating margin remained at a high level, 13.9% (14.3). Changes in exchange rates had a negative year-on-year effect on operating income of SEK -100m. Adjusted for changes in exchange rates operating income was unchanged. Higher selling prices and increased sales volume impacted adjusted operating income positively, while mainly mix and higher costs for branding, marketing and product development had an adverse impact. Operating income includes costs related to the production disturbances in North America amounting to SEK -50m and a positive effect from the closure of a pension scheme of SEK 53m.

Operating income for the fourth quarter increased, mainly as a result of higher selling prices and higher sales, as well as a net positive effect of SEK 53m from the closure of a pension scheme. Changes in exchange rates had a negative year-on-year effect on operating income by approximately SEK -21m in the fourth quarter and costs directly related to the production disturbances in North America amounted to SEK -5m.

Americas

SEKm	Q4	Q4	Change, %		Jan-Dec	Jan-Dec	Change, %	
	2011	2010	As rep.	Adj.	2011	2010	As rep.	Adj.
Net sales	1,672	1,571	6	9	11,193	12,944	-14	-2
Operating income	-290	-39	n.a	n.a	-654	152	n.a	n.a
Operating margin, %	-17.3	-2.5	-	-	-5.8	1.2	-	-

Net sales for Americas in the fourth quarter increased by 6%. Adjusted for exchange rate effects, sales increased by 9%. For the full year, sales decreased by -14%, or by -2% when adjusted for exchange rate effects. Sales prices were relatively stable. Sales growth was strong towards the end of the year.

Total market demand over the full-year in North America decreased. Industry shipments were lower for most product categories except for chainsaws and commercial ride-on lawn mowers. Husqvarna's overall market shares for shipments of forest and garden products in North America are estimated to be in line with the previous year, with a small gain in walk-behind mowers and a slight loss of share in consumer garden tractors and commercial ride-on lawn mowers.

Husqvarna's sales decreased in the US and Canada. Latin America, driven by Brazil, had double digit sales growth, however from a low level. Sales of ride-on products such as consumer garden tractors and commercial ride-on lawn mowers were negatively affected by production disturbances. Efforts to grow sales in the dealer channel continued, but were adversely impacted by the production issues. Sales of handheld products such as chainsaws increased, partially as a result of favorable weather conditions. Sales in Canada were lower due to lower sales of snow products in the retail channel.

Operating income for 2011 amounted to SEK -654m (152) and the corresponding operating margin was -5.8% (1.2). Changes in exchange rates had a negative year-on-year effect on operating income of SEK -230m. Operating income was also negatively impacted by SEK -431m referring to costs directly related to production disturbances amounting to SEK -348m and other non-recurring items with a total net negative effect of SEK -83m. The non-recurring items refer to provisions for non-recoverable VAT receivables of SEK -33m and environmental remediation costs of SEK -31m as well as costs for staff reductions amounting to SEK -19m. The environmental remediation costs relate to a former US production site, no longer owned by Husqvarna, but where there is a contractual duty to remediate the site.

Operating income for the fourth quarter was negatively affected by costs directly related to production disturbances amounting to SEK -25m, changes in exchange rates amounting to SEK -14 and other non-recurring items with a total net negative effect of SEK -83m. The non-recurring items refer to costs for staff reductions amounting to SEK -19m, provisions for non-recoverable VAT receivables of SEK -33m and environmental remediation costs of SEK -31m. In addition, costs for IT and transportation also had an adverse effect.

Construction

SEKm	Q4	Q4	Change, %		Jan-Dec	Jan-Dec	Change, %	
	2011	2010	As rep.	Adj.	2011	2010	As rep.	Adj.
Net sales	680	614	11	11	2,799	2,675	5	12
Operating income	22	28	-21	45	130	82	58	n.a
Operating margin, %	3.3	4.6	-	-	4.7	3.1	-	-

Net sales for Construction in the fourth quarter increased by 11%. Adjusted for exchange rate effects, sales also increased by 11%. For the full-year, sales increased by 5% and by 12% if adjusted for exchange rate effects. Sales prices increased slightly.

Total construction market activity during 2011 decreased in North America, was unchanged in Europe and increased in the rest of the world. Total market demand for construction products increased despite the lower construction activity, as there was need for replacement of construction equipment following a period of low investment levels.

Many new products with innovative features have been successfully launched, resulting in double digit sales growth and higher market shares for 2011, especially in the US. New product launches during the year include electric power cutters, wire saws and drilling systems. The US represented the largest share of the sales growth

in 2011, followed by Brazil, France and the United Kingdom. Sales in southern Europe dropped compared to the previous year.

Operating income for the full year increased to SEK 130m (82) and the operating margin improved to 4.7 percent (3.1), mainly as a result of higher sales volumes. Changes in exchange rates had a negative effect on operating income of SEK -52m. Operating income 2011 was charged with items affecting comparability referring to restructuring costs amounting to SEK -64m (-47).

Adjusted operating income for the fourth quarter increased, mainly as a result of higher sales. Operating income was charged with non-recurring items referring to costs for staff reductions amounting to SEK -14m. Changes in exchange rates had a negative year-on-year effect on operating income by approximately SEK -13m in the fourth quarter 2011.

PARENT COMPANY

Net sales in 2011 for the Parent Company, Husqvarna AB, amounted to SEK 11,121m (10,304), of which SEK 8,486m (7,768) referred to sales to Group Companies and SEK 2,635m (2,536) to external customers. Income after financial items amounted to SEK 446m (1,582). Income for the period was SEK 737m (1,379).

Investments in tangible and intangible assets amounted to SEK 336m (339). Cash and cash equivalents amounted to SEK 28m (642) at the end of the year. Undistributed earnings in the Parent Company amounted to SEK 17,449m (17,511).

RESTRUCTURING UPDATE

During 2009 – 2012, the Group is implementing a number of structural changes, aiming at eliminating overlaps and increasing efficiency within production and administration. The changes involved mainly consolidation of production in Sweden and the US, and of the sales organization in Europe & Asia/Pacific.

As production capacity and flexibility to guarantee customers a high delivery performance will be prioritized in 2012, the pace and priority of ongoing restructuring projects is being reviewed. As a consequence, remaining savings from manufacturing footprint restructuring will be delayed to beyond 2012.

The extensive efforts to eliminate the supply chain disturbances in the Orangeburg production facility in North America have progressed successfully. To ensure a successful delivery of committed volumes in 2012, the ramp-up of pre-season production started earlier than in the previous year.

Costs related to production disturbances

SEKm, 2011	Q1	Q2	Q3	Q4	Full year
Americas	-132	-158	-33	-25	-348
Europe & Asia/Pacific	-18	-22	-5	-5	-50
Total	-150	-180	-38	-30	-398

ORGANIZATIONAL CHANGES

On December 2, the Board of Directors' appointed Hans Linnarson President and CEO of Husqvarna, following the termination of the former CEOs contract on August 28. Hans Linnarson, who was appointed acting CEO and President on June 9, will also continue as Head of Europe & Asia/Pacific until a successor has been appointed.

Effective January 1, 2012, Henric Andersson was appointed Head of Product Management & Development. Most recently Henric Andersson held the position as VP Construction Equipment within the Construction business area. Furthermore as of February 7, 2012, Sascha Menges has been appointed Head of Manufacturing & Logistics, a position in which he has been acting since November 1, 2011.

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 October 2011, 1,057,629 A-shares were converted to B-shares at the request of shareholders. In January 2012, another 500,259 A-shares were converted to B-shares at the request of shareholders. The total number of votes thereafter amounts to 173,698,449.8.

The total number of registered shares in the company at December 31, 2011 amounted to 576,343,778 shares of which 129,460,339 were A-shares and 446,883,439 were B-shares.

ANNUAL GENERAL MEETING 2012

The Annual General Meeting (AGM) of Husqvarna AB (publ) will be held on March 28, 2012, in the Auditorium of the School of Education and Communication in Jönköping, Sweden.

Proposals to the Annual General Meeting in 2012

The notification and full proposal to the AGM 2012 is available on the Group's website as of February 24, 2012: www.husqvarnagroup.com/agm

Dividend for 2011

The Board of Directors proposes a dividend for 2011 of SEK 1.50 (1.50) per share, corresponding to a total dividend payment of SEK 859m (859) based on the number of outstanding shares at the end of 2011. Monday, April 2, 2012 is proposed as record date. The last day for trading in Husqvarna shares including the right to dividend for 2011 is March 28, 2012.

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. Eight of the 14 parties were judged guilty by the Court of Appeal in June 2011, among them Husqvarna Belgium. Husqvarna has appealed to the Belgian Supreme Court, which is expected to rule on the matter during 2012.

The verdict also resulted in proceedings before the Court of Appeal in Mons, adjudicating the damages for each deceased or injured person. These proceedings are expected to be finalized before June 2012. The Court of Appeal is also expected to rule on the distribution of liability for damages between the parties finally found guilty. The extent of the damage claims may lead to negative financial effects for Husqvarna, if the verdict is upheld by the Supreme Court. Husqvarna has, together with other parties found guilty, adopted a proactive approach in order to settle some of the damage claims out of court, which may reduce the financial exposure.

There are also claims for compensation of property losses and subrogated claims from insurance companies and other parties. Husqvarna estimates that the liabilities arising for Husqvarna due to the accident will largely be covered by relevant insurance policies; however, Husqvarna cannot rule out that the claims may ultimately result in negative financial effects for Husqvarna. As most of the claims yet presented in court specify only provisional damages, a sufficiently reliable estimate of the amounts cannot be made.

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 an adjusted 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.

IAS 19 "Employee benefits" - amended

As from January 1, 2013 the amendment to IAS 19 "Employee benefits" will become effective. The amendment will impact the financial reporting as follows; the corridor approach will be eliminated and all actuarial gains and losses will be recognized in other comprehensive income as they occur and all past service cost will be recognized immediately. Interest cost and expected return on plan assets will be replaced with a net amount that is calculated applying the same discount rate as when calculating the net defined liability. The standard is expected to have an impact on the consolidated financial statement for the Group and the full effect is still to be determined. The recognition of the unrecognized actuarial losses of SEK 600m will increase the net defined liability and decrease equity (after deduction for deferred tax). The standard is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

Husqvarna has in all material aspects presented its interim report in accordance with the accounting and valuation principles presented in the Annual Report. The annual report is available at www.husqvarnagroup.com under Investor Relations.

Stockholm February 23, 2012

Hans Linnarson
President and CEO

Consolidated income statement

SEKm	Q4 2011	Q4 2010	Jan-Dec 2011	Jan-Dec 2010
Net sales	4,994	4,794	30,357	32,240
Cost of goods sold	-3,608	-3,380	-21,948	-23,037
Gross operating income	1,386	1,414	8,409	9,203
Margin, %	27.8	29.5	27.7	28.5
Selling expense	-1,191	-1,111	-5,332	-5,232
Administrative expense	-428	-364	-1,530	-1,524
Other operating income/expense	-3	-2	4	-2
Operating income¹	-236	-63	1,551	2,445
Margin, %	-4.7	-1.3	5.1	7.6
Financial items, net	-127	-136	-404	-394
Income after financial items	-363	-199	1,147	2,051
Margin, %	-7.3	-4.2	3.8	6.4
Income tax	140	75	-150	-302
Income for the period	-223	-124	997	1,749
Attributable to:				
Equity holders of the Parent Company	-222	-123	990	1,739
Non-controlling interest in income for the period	-1	-1	7	10
Basic earnings per share, SEK	-0.39	-0.21	1.73	3.03
Diluted earnings per share, SEK	-0.39	-0.21	1.73	3.03
Basic weighted average number of shares outstanding, millions	572.5	572.6	572.5	573.4
Diluted weighted average number of shares, millions	572.6	573.5	572.6	574.2

Consolidated comprehensive income statement

SEKm	Q4 2011	Q4 2010	Jan-Dec 2011	Jan-Dec 2010
Income for the period	-223	-124	997	1,749
Other comprehensive income, net of tax:				
Exchange differences on translating foreign operations	-313	-37	-39	-1,056
Cash flow hedges	50	14	77	10
Other comprehensive income, net of tax	-263	-23	38	-1,046
Total comprehensive income for the period	-486	-147	1,035	703
Attributable to:				
Equity holders of the Parent Company	-485	-148	1,027	695
Non-controlling interest	-1	1	8	8
¹ Of which depreciation, amortization and impairment				
	-291	-295	-1,120	-1,221

Consolidated balance sheet

SEKm	31 Dec 2011	31 Dec 2010
Assets		
Property, plant and equipment	3,922	4,125
Goodwill	6,029	5,995
Other intangible assets	3,956	3,989
Investments in associates	5	5
Derivatives	0	1
Deferred tax assets	1,024	614
Financial assets	272	168
Total non-current assets	15,208	14,897
Inventories	8,078	7,000
Trade receivables	3,660	3,575
Derivatives	257	417
Tax receivables	217	335
Other current assets	600	529
Other short term investments	327	173
Cash and cash equivalents	756	1,476
Total current assets	13,895	13,505
Total assets	29,103	28,402
<i>Assets pledged</i>	68	72
Equity and liabilities		
Equity attributable to equity holders of the Parent Company	12,332	12,154
Non-controlling interests	56	49
Total equity	12,388	12,203
Long-term borrowings	6,941	6,985
Deferred tax liabilities	1,598	1,571
Provisions for pensions and other post-employment benefits	959	992
Derivatives	78	39
Other provisions	730	707
Total non-current liabilities	10,306	10,294
Trade payables	2,797	2,810
Tax liabilities	313	340
Other liabilities	1,691	1,783
Short-term borrowings	968	309
Derivatives	274	334
Other provisions	366	329
Total current liabilities	6,409	5,905
Total equity and liabilities	29,103	28,402
<i>Contingent liabilities</i>	154	102

Consolidated cash flow statement

SEKm	Q4 2011	Q4 2010	Jan-Dec 2011	Jan-Dec 2010
Operations				
Income after financial items	-363	-199	1,147	2,051
Depreciation and amortization	291	295	1,112	1,180
Restructuring provision	0	-8	56	108
Capital gain/Impairment	0	0	2	41
Change in accrued and prepaid interest	21	12	11	11
Taxes paid	-75	-119	-413	-503
Cash flow from operations, excluding change in operating assets and liabilities	-126	-19	1,915	2,888
Change in operating assets and liabilities				
Change in inventories	-960	-974	-1,045	-645
Change in trade receivables	1,231	1,184	-99	-331
Change in trade payables	454	404	-29	73
Change in other operating assets/liabilities	-423	-456	-245	290
Cash flow from operating assets and liabilities	302	158	-1,418	-613
Cash flow from operations	176	139	497	2,275
Investments				
Capital expenditure in property, plant and equipment	-204	-341	-702	-991
Capitalization of product development and software	-116	-104	-292	-311
Sale of fixed assets	0	0	25	4
Other	0	-7	0	-15
Cash flow from investments	-320	-452	-969	-1,313
Total cash flow from operations and investments	-144	-313	-472	962
Financing				
Change in short-term investments	-53	208	39	63
Change in interest-bearing liabilities	-131	101	518	-1,250
Dividend to shareholders	-	-	-859	-574
Repurchase of shares	-	-59	-	-59
Dividend to non-controlling interests	-	-	-1	-3
Cash flow from financing	-184	250	-303	-1,823
Total cash flow	-328	-63	-775	-861
Cash and cash equivalents at beginning of period	1,139	1,479	1,476	2,333
Exchange rate differences referring to cash and cash equivalents	-55	60	55	4
Cash and cash equivalents at end of period	756	1,476	756	1,476

Change in Group equity

SEKm	January - December 2011			January - December 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	10	-	10	10	-	10
Repurchase of own shares	-	-	-	-59	-	-59
Dividend	-859	-1	-860	-574	-3	-577
Total comprehensive income	1,027	8	1,035	695	8	703
Closing balance	12,332	56	12,388	12,154	49	12,203

Key data

	Q4 2011	Q4 2010	Jan-Dec 2011	Jan-Dec 2010
Net sales, SEKm	4,994	4,794	30,357	32,240
Operating income, SEKm	-236	-63	1,551	2,445
Net sales growth, %	4	1	-6	-5
Gross margin, %	27.8	29.5	27.7	28.5
Operating margin, %	-4.7	-1.3	5.1	7.6
Working capital, SEKm	5,699	4,478	5,699	4,478
Return on capital employed, %	-	-	7.4	11.0
Return on equity, %	-	-	8.0	13.9
Earnings per share, SEK	-0.39	-0.21	1.73	3.03
Capital-turnover rate, times	-	-	1.6	1.7
Operating cash flow, SEKm	-144	-313	-472	962
Net debt/equity ratio	-	-	0.56	0.46
Capital expenditure, SEKm	320	445	994	1,302
Average number of employees	14,638	13,987	15,698	14,954

Items affecting comparability

SEKm		Q1	Q2	Q3	Q4	Full year
Restructuring charges	2011	-40	-	-24	-	-64
	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	-	-24	-	-64
	2010	-50	-157	-	-	-207
	2009	-35	-18	-59	-340	-452

Net sales by business area

SEKm	Q4	Q4	Change, %		Jan-Dec	Jan-Dec	Change, %	
	2011	2010	As rep.	Adj.	2011	2010	As rep.	Adj.
Europe & Asia/Pacific	2,642	2,609	1	2	16,365	16,621	-2	3
Americas	1,672	1,571	6	9	11,193	12,944	-14	-2
Construction	680	614	11	11	2,799	2,675	5	12
Total	4,994	4,794	4	5	30,357	32,240	-6	2

Operating income by business area

SEKm	Q4	Q4	Change, %		Jan-Dec	Jan-Dec	Change, %	
	2011	2010	As rep.	Adj.	2011	2010	As rep.	Adj.
Europe & Asia/Pacific	92	-5	n.a	n.a	2,277	2,383	-4	0
Excl. items affecting comparability	92	-5	n.a	n.a	2,277	2,383	-4	0
<i>Margin excl. items affecting comparability, %</i>	3.5	-0.2	-	-	13.9	14.3	-	-
Americas	-290	-39	n.a	n.a	-654	152	n.a	n.a
Excl. items affecting comparability	-290	-39	n.a	n.a	-654	312	n.a	n.a
<i>Margin excl. items affecting comparability, %</i>	-17.3	-2.5	-	-	-5.8	2.4	-	-
Construction	22	28	-21	45	130	82	58	n.a
Excl. items affecting comparability	22	28	-21	45	194	129	50	n.a
<i>Margin excl. items affecting comparability, %</i>	3.3	4.6	-	-	6.9	4.8	-	-
Total business areas	-176	-16	n.a	n.a	1,753	2,617	-33	-26
Excl. items affecting comparability	-176	-16	n.a	n.a	1,817	2,824	-36	-26
<i>Margin excl. items affecting comparability, %</i>	-3.5	-0.3	-	-	6.0	8.8	-	-
Group common costs	-60	-47	-27	-27	-202	-172	-17	-17
Total Group	-236	-63	n.a	n.a	1,551	2,445	-37	-29
Excl. items affecting comparability	-236	-63	n.a	n.a	1,615	2,652	-39	-29
<i>Margin excl. items affecting comparability, %</i>	-4.7	-1.3	-	-	5.3	8.2	-	-

Net assets by business area

SEKm	Assets		Liabilities		Net Assets	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
Europe & Asia/Pacific	16,311	15,564	3,929	4,014	12,382	11,550
Americas	7,105	6,826	1,430	1,609	5,675	5,217
Construction	3,222	3,161	646	565	2,576	2,596
Other	1,125	784	2,449	2,344	-1,324	-1,560
Total	27,763	26,335	8,454	8,532	19,309	17,803

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	3,430	2,642	16,365
	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	2,241	1,672	11,193
	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	739	680	2,799
	2010	595	749	717	614	2,675
	2009	648	700	679	608	2,635
Total Group	2011	8,774	10,179	6,410	4,994	30,357
	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	291	92	2,277
<i>Excl. items affecting comparability</i>	2011	815	1,079	291	92	2,277
	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	-172	-290	-654
<i>Excl. items affecting comparability</i>	2011	-94	-98	-172	-290	-654
	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	50	22	130
<i>Excl. items affecting comparability</i>	2011	23	75	74	22	194
	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	-56	-60	-202
	2010	-36	-39	-50	-47	-172
	2009	-39	-42	-38	-45	-164
Total Group	2011	662	1,012	113	-236	1,551
<i>Excl. items affecting comparability</i>	2011	702	1,012	137	-236	1,615
	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	8.5	3.5	13.9
<i>Excl. items affecting comparability</i>	2011	17.9	18.8	8.5	3.5	13.9
	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	-7.7	-17.3	-5.8
<i>Excl. items affecting comparability</i>	2011	-2.6	-2.7	-7.7	-17.3	-5.8
	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	6.7	3.3	4.7
<i>Excl. items affecting comparability</i>	2011	3.6	10.3	9.9	3.3	6.9
	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	1.8	-4.7	5.1
<i>Excl. items affecting comparability</i>	2011	8.0	9.9	2.1	-4.7	5.3
	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	6,410	4,994	30,357
	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	113	-236	1,551
	Margin, %	7.5	9.9	1.8	-4.7	5.1
	2010	778	1,319	411	-63	2,445
	<i>Margin, %</i>	8.6	11.5	5.9	-1.3	7.6
	2009	786	1,116	173	-515	1,560
	<i>Margin, %</i>	7.0	9.7	2.6	-10.9	4.6
Income after financial items	2011	589	897	24	-363	1,147
	Margin, %	6.7	8.8	0.4	-7.3	3.8
	2010	690	1,250	310	-199	2,051
	<i>Margin, %</i>	7.6	10.9	4.5	-4.2	6.4
	2009	590	944	108	-548	1,094
	<i>Margin, %</i>	5.3	8.2	1.6	-11.6	3.2
Income for the period	2011	484	681	55	-223	997
	2010	535	936	402	-124	1,749
	2009	464	761	130	-452	903
Earnings per share, SEK	2011	0.84	1.18	0.10	-0.39	1.73
	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	30,157	30,357
	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	1,724	1,551
	Margin, %	7.3	6.6	5.7	5.1
	2010	1,552	1,755	1,993	2,445
	<i>Margin, %</i>	4.8	5.5	6.2	7.6
	2009	1,945	1,740	1,603	1,560
	<i>Margin, %</i>	5.8	5.0	4.7	4.6

Five-year review

	2011	2010	2009	2008	2007
Net sales, SEKm	30,357	32,240	34,074	32,342	33,284
Operating income, SEKm	1,551	2,445	1,560	2,361	3,564
Net sales growth, %	-6	-5	5	-3	13
Gross margin, %	27.7	28.5	25.4	29.0	29.4
Operating margin, %	5.1	7.6	4.6	7.3	10.7
Return on capital employed, %	7.4	11.0	6.6	10.7	17.6
Return on equity, %	8.0	13.9	7.5	15.8	28.6
Capital turn-over rate, times	1.6	1.7	1.6	1.5	1.8
Operating cash flow, SEKm	-472	962	3,737	2,013	1,843
Capital expenditure, SEKm	994	1,302	914	1,163	857
Average number of employees	15,698	14,954	15,030	15,720	16,093

PARENT COMPANY

Income statement

SEKm	Q4 2011	Q4 2010	Jan-Dec 2011	Jan-Dec 2010
Net sales	2,215	1,888	11,121	10,304
Cost of goods sold	-1,675	-1,545	-8,537	-8,027
Gross operating income	540	343	2,584	2,277
Selling expense	-233	-226	-981	-823
Administrative expense	-144	-116	-553	-473
Other operating income/expense	-1	122	2	126
Operating income	162	123	1,052	1,107
Financial items, net ¹⁾	-849	-1,046	-606	475
Income after financial items	-687	-923	446	1,582
Appropriations	280	-101	307	-109
Income before taxes	-407	-1,024	753	1,473
Taxes	161	310	-16	-94
Income for the period	-246	-714	737	1,379

¹⁾ Group contributions are accounted for in Financial items, net.
Comparative year 2010 has been restated.

Balance sheet

SEKm	31 Dec 2011	31 Dec 2010
Non-current assets	30,413	30,256
Current assets	7,454	5,949
Total assets	37,867	36,205
Equity	18,624	18,686
Untaxed reserves	703	1,010
Provisions	146	110
Interest-bearing liabilities	15,118	13,028
Current liabilities	3,276	3,371
Total equity and liabilities	37,867	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	-5,294,748	5,294,748		
LTI 2008		82,634	-82,634	
Number of shares as of 31 December 2011 ¹⁾	129,460,339	443,060,066	3,823,373	576,343,778

¹⁾ After December 31, 2011, another 500,259 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 hosted by Hans Linnarson, president and CEO, and Ulf Liljedahl, CFO, will be held at 15:30 CET on February 23, 2012. To participate, please call +46 (0)8 5052 0114 or +44 (0)20 7038 9550 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.husqvarnagroup.com/ir. A replay of the telephone conference will be available at www.husqvarnagroup.com/ir later the same day.

DATES FOR FINANCIAL REPORTS

April 26, 2012:	Interim report for January-March 2012
July 19, 2012:	Interim report for January-June 2012
October 26, 2012:	Interim report for January-September 2012

The Group's annual report for 2011 will be available on the Groups website during week 11, 2012.

The AGM 2012 will be held in Jönköping, Sweden, on March 28, 2012.

CONTACTS

- Ulf Liljedahl, CFO, +46 8 738 84 42
- Tobias Norrby, Investor Relations Manager, +46 8 738 83 35
- Husqvarna Press Hotline, +46 8 738 70 80

This interim report comprises information which Husqvarna is required to disclose under the Securities Markets Act and/or the Financial Instruments Trading Act. It was released for publication at 13:00 CET on February 23, 2012.

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.