

YEAR-END REPORT 2012

Stockholm February 13, 2013



Hans Linnarson, President and CEO:

“Market conditions in Europe weakened significantly in the fourth quarter. Due to the macroeconomic uncertainty, trade partners were cautious about building inventory for the coming season. Sales of seasonal products such as snow throwers and chainsaws declined mainly as a result of the weak consumer demand. Sales were also negatively impacted by delays in some recently launched handheld products. Operating income was negatively affected by the lower sales volume, as well as product and sales channel mix.

For Americas, sales of forest and garden products were slightly lower in the quarter, which mainly was a result of soft demand for snow throwers. Although the operating loss for Americas decreased during the year, the work with measures to further improve the result continues.

Construction continued to benefit from a positive development in North America. Operating income for the business area continued to improve, although sales in the quarter declined due to falling demand in markets outside of North America.

The Group enters the new season well prepared, as retail listings with our main trade partners are on satisfactory levels.

Today the Group announced a SEK 1bn investment in core technologies. The investment in manufacturing of chainsaw chain and cylinders will further strengthen our leading position in chainsaws. By expanding into saw chain, we are also creating an opportunity to grow in the replacement part market, as chains represent the biggest aftermarket category.

The near-term demand outlook for North America is positive, while the European markets are expected to remain challenging as the macroeconomic uncertainty remains. The cost structure improvement initiative which was announced in November is progressing according to plan and will support earnings in 2013.”

Fourth quarter

- Net sales amounted to SEK 4,476m (4,994). Adjusted for exchange rate effects, net sales declined -8%.
- Operating income amounted to SEK -618m (-236). Excluding items affecting comparability, referring to already announced costs for staff reductions, operating income amounted to SEK -362m (-236).
- Operating cash flow amounted to SEK -451m (-144).
- Earnings per share amounted to SEK -0.87 (-0.39).

Full-year

- Net sales amounted to SEK 30,834m (30,357). Adjusted for exchange rate effects, net sales were unchanged.
- Operating income increased to SEK 1,615m (1,551). Excluding items affecting comparability, operating income increased to 1,871m (1,615).
- Operating cash flow improved to SEK 1,144m (-472).
- Earnings per share increased to SEK 1.78 (1.73).
- The Board proposes a dividend of SEK 1.50 (1.50) per share for 2012.

SEK/m	Q4	Q4	Change, %		Jan-Dec	Jan-Dec	Change, %	
	2012	2011	As rep.	Adj. ¹	2012	2011	As rep.	Adj. ¹
Net sales, Group	4,476	4,994	-10	-8	30,834	30,357	2	0
Europe & Asia/Pacific	2,257	2,642	-15	-12	15,351	16,365	-6	-6
Americas	1,572	1,672	-6	-3	12,531	11,193	12	7
Construction	647	680	-5	-2	2,952	2,799	5	4
EBITDA	-359	55	n.a	n.a	2,677	2,671	0	7
EBITDA margin, %	-8.0	1.1	-	-	8.7	8.8	-	-
Operating income, Group	-618	-236	n.a	-62	1,615	1,551	4	15
Operating income excl. items affecting comparability, Group	-362	-236	-53	-62	1,871	1,615	16	15
Europe & Asia/Pacific	-166	92	n.a	n.a	1,896	2,277	-17	-18
Americas	-200	-290	31	30	-133	-654	80	80
Construction	45	22	98	99	258	194	33	27
Operating margin, %	-13.8	-4.7	-	-	5.2	5.1	-	-
Excl. items affecting comparability	-8.1	-4.7	-	-	6.1	5.3	-	-
Income after financial items	-757	-363	n.a	-	1,169	1,147	2	-
Income for the period	-499	-223	n.a	-	1,023	997	3	-
Earnings per share, SEK	-0.87	-0.39	n.a	-	1.78	1.73	3	-

¹ Adjusted for items affecting comparability (see table on page 12), currency translation effects and acquisitions/divestments.

FOURTH QUARTER

Net sales

Net sales for the fourth quarter decreased by -10% to SEK 4,476m (4,994). Adjusted for exchange rate effects, net sales for the Group declined by -8%, for Europe & Asia/Pacific by -12%, for Americas by -3% and for Construction by -2%.

Operating income

Operating income for the fourth quarter amounted to SEK -618m (-236) and the corresponding operating margin amounted to -13.8% (-4.7). Excluding items affecting comparability, which refer to already announced costs for staff reductions, operating income amounted to SEK -362m (-236). Construction's operating income, excluding items affecting comparability, increased, and the operating loss for Americas decreased. Staff reduction measures and the associated cost is shown on page 6.

Operating income, excluding items affecting comparability, was negatively affected mainly by the lower sales volume as well as product and sales channel mix.

Changes in exchange rates had a total positive effect on operating income of approximately SEK 11m, compared with the fourth quarter 2011, of which transaction effects amounted to SEK -10m (-29), translation effects amounted to SEK 0m (-12) and change in value of currency hedging contracts amounted to SEK -5m (15).

In the fourth quarter 2011, operating income was negatively impacted by in total SEK -85m, referring to costs directly related to production disturbances amounting to SEK -30m and other non-recurring items with a combined net negative effect of SEK -55m.

FULL-YEAR

Net sales

Net sales for 2012 increased by 2% to SEK 30,834m (30,357). Adjusted for exchange rate effects, sales for the Group were unchanged, Americas increased by 7%, Construction increased by 4%, while Europe & Asia/Pacific adjusted sales decreased by -6%.

Operating income

Operating income for 2012 amounted to SEK 1,615m (1,551). Excluding items affecting comparability, which refer to costs for staff reductions, operating income amounted to SEK 1,871m (1,615).

Changes in exchange rates had a total positive effect on operating income of approximately SEK 46m, compared with 2011, of which transaction effects amounted to SEK -205m (8), translation effects amounted to SEK 0m (-11) and change in value of currency hedging contracts amounted to SEK 129m (-119).

Operating income, adjusted for changes in exchange rates and items affecting comparability, was positively affected by higher selling prices, lower material and production costs, while mainly mix effects had a negative impact.

In 2011, operating income was negatively impacted by SEK -398m directly related to production disturbances in North America and other non-recurring items with a total net negative effect of SEK -76m.

The Group operating margin amounted to 5.2% (5.1). Excluding items affecting comparability, Group operating margin amounted to 6.1% (5.3).

Operating income, adjusted for items affecting comparability and changes in exchange rates, increased for Construction, declined for Europe & Asia/Pacific, while the operating loss for Americas was lower than in the previous year.

FINANCIAL ITEMS NET

Net financial items amounted to SEK -446m (-404) for the full year. The higher financial cost is explained mainly by higher borrowings and negative impact from revaluation of the interest rate component in foreign exchange agreements. The average interest rate on borrowings at the end of the year was 4.2% (4.7).

INCOME AFTER FINANCIAL ITEMS

Income after financial items for the fourth quarter decreased to SEK -757m (-363) corresponding to a margin of -16.9% (-7.3). For the full-year, income after financial items amounted to SEK 1,169 (1,147) corresponding to a margin of 3.8% (3.8).

TAXES

Taxes for the full year amounted to SEK -146m (-150), corresponding to a tax rate of 12% (13) of income after financial items.

The lowering of the company tax rate in Sweden from 26.3% to 22.0% had no material impact on the Group's income tax in 2012.

EARNINGS PER SHARE

Income for the year amounted to SEK 1,023m (997), corresponding to SEK 1.78 (1.73) per share.

OPERATING CASH FLOW

Operating cash flow for the full year amounted to SEK 1,144m (-472). The improved operating cash flow was mainly related to a reduction of working capital and lower investments. Operating Cash-flow for the fourth quarter was impacted by higher pre-season production.

Due to the seasonality of the Group's operations, operating cash flow is normally negative in the first quarter followed by positive cash flow in the second and third quarters, while the operating cash-flow in the fourth quarter is dependent on the level of pre-season production.

Operating cash flow	Q4	Q4	Jan-Dec	Jan-Dec
SEKm	2012	2011	2012	2011
Cash flow from operations, excluding changes in operating assets and liabilities	-345	-153	1,951	1,792
Changes in operating assets and liabilities	113	329	-60	-1,295
Cash flow from operations	-232	176	1,891	497
Cash flow from investments, excluding acquisitions	-219	-320	-747	-969
Operating cash flow	-451	-144	1,144	-472

FINANCIAL POSITION

Group equity as of December 31, 2012, excluding non-controlling interests, amounted to SEK 11,564m (12,332), corresponding to SEK 20.2 (21.5) per share. Group equity was negatively affected by exchange differences on translating foreign operations to SEK amounting to SEK -784m.

Net debt at year-end amounted to SEK 6,793m (6,921) of which liquid funds amounted to SEK 1,573m (1,340) and interest bearing debt amounted to SEK 8,366m (8,261). The major currencies used for debt financing are SEK and USD. For the full-year, net debt decreased by SEK -75m as a result of changes in exchange rates.

The net debt/equity ratio amounted to 0.59 (0.56) and the equity/assets ratio to 41% (43).

Net debt	31 Dec	31 Dec
SEKm	2012	2011
Interest-bearing liabilities	8,366	8,261
Liquid funds	1,573	1,340
Net debt	6,793	6,921

On December 31, 2012, long-term loans including financial leases amounted to SEK 6,611m (6,941) and short-term loans including financial leases to SEK 1,470m (968). Long-term loans consist of SEK 4,075m (3,135) in issued bonds, and bank loans and financial leases of SEK 2,536m (3,556). Long term bonds and long term bank loans mature in 2014 and onwards. In November 2012, the Group issued bonds totaling SEK 1.5bn with five year maturity. The Group also has an unutilized SEK 6 bn syndicated revolving credit facility, with maturity in 2016.

PERFORMANCE BY BUSINESS AREA

Europe & Asia/Pacific

SEKm	Q4	Q4	Change, %		Jan-Dec	Jan-Dec	Change, %	
	2012	2011	As rep.	Adj. ¹	2012	2011	As rep.	Adj.
Net sales	2,257	2,642	-15	-12	15,351	16,365	-6	-6
Operating income	-353	92	n.a	n.a	1,709	2,277	-25	-18
Operating income excl. items affecting comparability	-166	92	n.a	n.a	1,896	2,277	-17	-18
Operating margin, %	-15.6	3.5	-	-	11.1	13.9	-	-
Operating margin excl. items affecting comparability	-7.3	3.5	-	-	12.4	13.9	-	-

¹ Adjusted for currency translation effects and items affecting comparability.

Net sales for Europe & Asia/Pacific in the fourth quarter decreased by -15%. Adjusted for exchange rate effects, net sales decreased by -12%. For the full-year, sales decreased by -6%. Adjusted for exchange rate effects, the decline was also -6%.

Consumer demand and confidence remained weak as the macroeconomic uncertainty continued in the fourth quarter. The decline in sales was mainly related to handheld products and snow-throwers in Europe, and a broad downturn in Australia. Sales were also negatively impacted by delays in some recently launched products.

Market demand was weak also for the full-year, as a result of a combination of unfavorable weather and macroeconomic uncertainty. Trade inventory levels were conservatively managed and the Group's sales declined in Europe as well as in the Asia/Pacific region. The decline in full-year sales is estimated to be in line with the drop in the total market. In terms of product categories, robotic lawn mowers had the best development while watering and handheld products, such as chainsaws, had the weakest development.

Operating income for the full year amounted to SEK 1,709m (2,277) and the operating margin amounted to 11.1% (13.9). Operating income in the fourth quarter was charged with items affecting comparability amounting to SEK -187m, referring to costs related to staff reductions. Changes in exchange rates had a negative year-on-year effect of SEK -5m on operating income in the fourth quarter and a positive impact of SEK 67m for the full year.

For the full-year, operating income excluding items affecting comparability and changes in exchange rates declined, mainly as a result of the lower sales volume and negative product mix, referring mainly to lower sales of watering products and chainsaws. For the fourth quarter, the lower operating income was mainly related to the lower sales, and negative product and channel mix.

Operating income for 2011 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.

Of the 2011 impact, the fourth quarter 2011 was affected by costs directly related to production disturbances amounting to SEK -5m and the positive effect from the closure of a pension scheme of SEK 53m.

Americas

SEKm	Q4	Q4	Change, %		Jan-Dec	Jan-Dec	Change, %	
	2012	2011	As rep.	Adj. ¹	2012	2011	As rep.	Adj.
Net sales	1,572	1,672	-6	-3	12,531	11,193	12	7
Operating income	-236	-290	18	30	-169	-654	74	80
Operating income excl. items affecting comparability	-200	-290	31	30	-133	-654	80	80
Operating margin, %	-15.0	-17.3	-	-	-1.3	-5.8	-	-
Operating margin excl. items affecting comparability	-12.8	-17.3	-	-	-1.1	-5.8	-	-

¹ Adjusted for currency translation effects and items affecting comparability.

Net sales for Americas in the fourth quarter decreased by -6%. Adjusted for exchange rate effects, net sales decreased by -3%. For the full-year, sales increased by 12%. Adjusted for exchange rate effects, the increase was 7%.

The decline in sales in the fourth quarter was mainly related to snow throwers.

Total market demand in North America over the full-year increased. The garden season started with an early spring, which positively impacted demand for lawn and garden products. The positive development in the first half of the year was partially offset by a sharp downturn in the third quarter, following serious drought weather conditions in large areas of the U.S.

The Group's market shares for forest and garden products in North America are estimated to have increased for consumer garden tractors and commercial ride-on mowers. Full-year sales increased in the U.S. and in Canada, while sales in Latin America were slightly lower. In terms of product categories, consumer garden tractors and ride-on mowers for commercial use had the best development. The number of dealers selling Husqvarna Group products increased and the total dealer channel sales also grew.

Operating income for 2012 amounted to SEK -169m (-654) and the corresponding operating margin was -1.3% (-5.8). Operating income was charged with items affecting comparability amounting to SEK -36m, referring to a staff reduction program. Changes in exchange rates had a positive year-on-year effect of SEK 19m on operating income in the fourth quarter and a negative impact of SEK -11m for the full year.

Operating income for 2011 was 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.

Of the full-year 2011 impact, the fourth quarter 2011 was affected by costs directly related to production disturbances amounting to SEK -25m other nonrecurring items with a total net negative effect of SEK -83m.

Construction

SEKm	Q4		Change, %		Jan-Dec		Change, %	
	2012	2011	As rep.	Adj. ¹	2012	2011	As rep.	Adj.
Net sales	647	680	-5	-2	2,952	2,799	5	4
Operating income	20	22	-12	99	233	130	79	27
Operating income excl. items affecting comparability	45	22	98	99	258	194	33	27
Operating margin, %	3.1	3.3	-	-	7.9	4.7	-	-
Operating margin excl. items affecting comparability	6.9	3.3	-	-	8.7	6.9	-	-

¹ Adjusted for currency translation effects and items affecting comparability.

Net sales for Construction in the fourth quarter decreased by -5%. Adjusted for exchange rate effects, the decrease was -2%. For the full-year, sales increased by 5%. Adjusted for exchange rate effects, the increase was 4%.

Total construction market activity during 2012 increased in North America while other markets had a negative development. The demand in the U.S. was also positively affected by a replacement need of construction equipment following a period of low investment levels.

Many new products with innovative features, such as electric power cutters, wire saws and drilling systems, have been successfully launched in recent years, resulting in sales growth and increased market shares, especially in the U.S.

For the full year as well as for the fourth quarter, sales increased in North America, while most other markets had declines in line with the drop in over-all market demand.

Operating income for 2012 increased to SEK 233m (130) and the operating margin improved to 7.9% (4.7). Excluding items affecting comparability, operating income increased to SEK 258m (194) mainly due to the higher sales volume.

Operating income 2012 was charged with items affecting comparability referring to costs for staff reductions amounting to SEK -25m, while income in 2011 was charged with costs referring to the closure of a production

facility in Spain amounting to SEK -64m. Changes in exchange rates had a positive year-on-year effect of SEK 3m on operating income in the fourth quarter and a negative impact of SEK -9m for the full year.

PARENT COMPANY

Net sales in 2012 for the Parent Company, Husqvarna AB, amounted to SEK 10,564m (11,121), of which SEK 8,172m (8,486) referred to sales to Group companies and SEK 2,392m (2,635) to external customers.

Income after financial items amounted to SEK 564m (1,414). Income for the period was SEK 908m (737). Investments in tangible and intangible assets amounted to SEK 1,517m (336). Cash and cash equivalents amounted to SEK 91m (28) at the end of the year. Undistributed earnings in the Parent Company amounted to SEK 17,384m (17,449).

ORGANIZATIONAL CHANGES

Effective January 1, 2013, the business unit 'Sales and Service Europe & Asia/Pacific' was divided into two new business units - 'EMEA' (Europe, Middle East, Africa), and 'Asia/Pacific'. The change will not imply any changes in the external financial reporting. Effective January 1, 2013, the business unit 'Sales and Service Europe & Asia/Pacific' was divided into two new business units - 'EMEA' (Europe, Middle East, Africa), and 'Asia/Pacific'. The change will currently not imply any changes in the external financial reporting. The split of 'Sales and Service Europe & Asia/Pacific' is ongoing and no financial information is available to assess if these units will exceed any of the quantitative thresholds according to IFRS8. If the units will exceed any of these thresholds, the Group will report these as external business areas.

In conjunction, Frida Norrbom Sams, who most recently headed the Nordic and Baltic regions within Sales and Service Europe & Asia/Pacific, was appointed Executive Vice President and Head of EMEA and member of Group Management. Furthermore, Nicolas Lanus was appointed Executive Vice President and Head of business unit Asia/Pacific and new member of Group Management.

As of January 23, 2013, Michael Jones, Head of business unit Americas, left the Group. Earl Bennett, Vice President and General Counsel for business unit Americas, was appointed acting Head of Americas and member of Group Management until a replacement has been recruited.

STAFF REDUCTION MEASURES

In November 2012, Husqvarna Group announced measures to improve the Group's cost structure. The measures include layoffs of in total approximately 600 employees in several countries, whereof almost half in Sweden. The measures aim to improve efficiency, reduce the fixed cost base and further increase flexibility.

The cut-backs will be implemented during the first six months of 2013. Cost savings will be achieved gradually and full annual effect of around SEK 220m will be reached during 2014. For 2013 cost savings are estimated at around SEK 160m. Total costs for implementing the measures are SEK -256m, which were charged to the operating income for the fourth quarter of 2012. SEK -187m was charged to Europe & Asia/Pacific, SEK -36m to Americas, SEK -25m to Construction and SEK -8m are Group Common Costs.

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 2012, 71,552 A-shares were converted to B-shares at the request of shareholders. In January 2013, another 125,400 A-shares were converted to B-shares at the request of shareholders. The total number of votes thereafter amounts to 172,450,670.

The total number of registered shares in the company at December 31, 2012 amounted to 576,343,778 shares of which 127,699,058 were A-shares and 448,644,720 were B-shares.

ANNUAL GENERAL MEETING 2013

The Annual General Meeting (AGM) of Husqvarna AB (publ) will be held on April 11, 2013, at the Elmia Congress Center, the Hammarskjöld Hall, Elmiavägen 15 in Jönköping, Sweden.

Shareholders who wish to have matters dealt with by the AGM should submit their proposals to the Board by email to board@husqvarnagroup.com, or by post to Husqvarna AB, General Counsel, Box 7454, SE-103 92 Stockholm. Proposals must be received by the Company no later than February 18, 2013.

Proposals to the Annual General Meeting in 2013

The notification to the AGM 2013 will be available on the Group's website www.husqvarnagroup.com/agm as of March 8, 2013. Full proposal to the AGM will be published on the Group's website no later than March 21, 2013.

Dividend

The Board of Directors proposes a dividend for 2012 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 2012. Tuesday, April 16, 2013 is proposed as record date. The last day for trading in Husqvarna shares including the right to dividend for 2012 is April 11, 2013.

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, which is available at www.husqvarnagroup.com under Investor Relations.

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.

In the ordinary course of business, Husqvarna is exposed to legal risks such as commercial, product liability and other disputes.

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 which is available at www.husqvarnagroup.com under Investor Relations.

A description of new and amended standards and the potential effect on the Group's financial statements can be found in the Annual Report for 2011, note 1. There are no new or amended accounting standards, or interpretations issued during 2012 that are effective for the first time for financial years beginning 1 January 2012 that would be expected to have a material impact on the Group's financial statements except those described in the Annual Report 2011.

New and amended standards from 2013 and forward

A number of new standards and amendments to standards and interpretations are effective for annual periods effective after 1 January 2012. An assessment of the effect on the Group's consolidated financial statement from these standards will be presented in the Annual report 2012.

IAS 19 "Employee benefits" - amended

The amendments to IAS 19, Employee benefits will be applied from 1 January 2013. Since the corridor approach will be eliminated, all actuarial gains and losses will be recognized in other comprehensive income as they occur and all past service cost will be recognized immediately. As a consequence of this amendment the recognition of the unrecognized actuarial losses of approximately SEK 800m will increase the net defined pension liability (whereof SEK 600 from 2011 through equity and SEK 200 from 2012 through other comprehensive income) and decrease equity with comparable amounts after deduction for deferred tax. The amendment will be applied retrospectively why the first quarter of 2013 will show comparable figures for the first quarter 2012. Due to this change in accounting treatment, the net defined pension liability will be reclassified to interest-bearing liabilities and included in the Groups net debt. For further information please see note1 in Annual report 2012.

AUDITORS' REVIEW REPORT

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

Stockholm, February 13, 2013

Hans Linnarson
President and CEO

Consolidated income statement

SEKm	Q4 2012	Q4 2011	Jan-Dec 2012	Jan-Dec 2011
Net sales	4,476	4,994	30,834	30,357
Cost of goods sold	-3,490	-3,608	-22,543	-21,948
Gross income	986	1,386	8,291	8,409
Margin, %	22.0	27.8	26.9	27.7
Selling expense	-1,215	-1,191	-5,223	-5,332
Administrative expense	-397	-428	-1,461	-1,530
Other operating income/expense	8	-3	8	4
Operating income¹	-618	-236	1,615	1,551
Margin, %	-13.8	-4.7	5.2	5.1
Financial items, net	-139	-127	-446	-404
Income after financial items	-757	-363	1,169	1,147
Margin, %	-16.9	-7.3	3.8	3.8
Income tax	258	140	-146	-150
Income for the period	-499	-223	1,023	997
Attributable to:				
Equity holders of the Parent Company	-497	-222	1,018	990
Non-controlling interest in income for the period	-2	-1	5	7
Basic earnings per share, SEK	-0.87	-0.39	1.78	1.73
Diluted earnings per share, SEK	-0.87	-0.39	1.78	1.73
Basic weighted average number of shares outstanding, millions	572.6	572.5	572.6	572.5
Diluted weighted average number of shares, millions	572.6	572.6	572.6	572.6

Consolidated comprehensive income statement

SEKm	Q4 2012	Q4 2011	Jan-Dec 2012	Jan-Dec 2011
Income for the period	-499	-223	1,023	997
Other comprehensive income, net of tax:				
Exchange differences on translating foreign operations	127	-313	-784	-39
Cash flow hedges	-25	50	-103	77
Other comprehensive income, net of tax	102	-263	-887	38
Total comprehensive income for the period	-397	-486	136	1,035
Attributable to:				
Equity holders of the Parent Company	-395	-485	132	1,027
Non-controlling interest	-2	-1	4	8
¹ Of which depreciation, amortization and impairment				
	-259	-291	-1,062	-1,120

Consolidated balance sheet

SEKm	31 Dec 2012	31 Dec 2011
Assets		
Property, plant and equipment	3,515	3,922
Goodwill	5,733	6,029
Other intangible assets	3,786	3,956
Investments in associated companies	4	5
Derivatives	2	0
Deferred tax assets	1,116	1,024
Other financial assets	267	272
Total non-current assets	14,423	15,208
Inventories	8,058	8,078
Trade receivables	3,032	3,660
Derivatives	326	257
Tax receivables	337	217
Other current assets	603	600
Other short term investments	325	327
Cash and cash equivalents	920	756
Total current assets	13,601	13,895
Total assets	28,024	29,103
<i>Pledged assets</i>	<i>77</i>	<i>68</i>
Equity and liabilities		
Equity attributable to equity holders of the Parent Company	11,564	12,332
Non-controlling interests	21	56
Total equity	11,585	12,388
Long-term borrowings	6,611	6,941
Deferred tax liabilities	1,361	1,598
Provisions for pensions and other post-employment benefits	879	959
Derivatives	77	78
Other provisions	763	730
Total non-current liabilities	9,691	10,306
Trade payables	2,716	2,797
Tax liabilities	438	313
Other liabilities	1,512	1,691
Short-term borrowings	1,470	968
Derivatives	208	274
Other provisions	404	366
Total current liabilities	6,748	6,409
Total equity and liabilities	28,024	29,103
<i>Contingent liabilities</i>	<i>132</i>	<i>154</i>

Consolidated cash flow statement

SEKm	Q4 2012	Q4 2011	Jan-Dec 2012	Jan-Dec 2011
Operations				
Income after financial items	-757	-363	1,169	1,147
Depreciation/amortization and impairment	259	291	1,062	1,120
Capital gain and losses	-8	0	-12	-6
Restructuring provision	256	0	256	56
Paid restructuring expenses*	-29	-27	-79	-123
Change in accrued and prepaid interest	8	21	-14	11
Taxes paid	-74	-75	-431	-413
Cash flow from operations, excluding change in operating assets and liabilities	-345	-153	1,951	1,792
Change in operating assets and liabilities				
Change in inventories	-1,298	-960	-299	-1,045
Change in trade receivables	1,138	1,231	454	-99
Change in trade payables	606	454	38	-29
Change in other operating assets/liabilities	-333	-396	-253	-122
Cash flow from operating assets and liabilities	113	329	-60	-1,295
Cash flow from operations	-232	176	1,891	497
Investments				
Capital expenditure in property, plant and equipment	-175	-204	-516	-702
Capitalization of intangible assets	-53	-116	-260	-292
Sale of fixed assets	10	0	20	25
Other	-1	0	9	0
Cash flow from investments	-219	-320	-747	-969
Cash flow from operations and investments	-451	-144	1,144	-472
Financing				
Change in short-term investments	-84	-53	-99	39
Change in interest-bearing liabilities	741	-131	87	518
Acquisition of interest from non-controlling interests	4	-	-42	-
Dividend to shareholders	-	-	-859	-859
Dividend to non-controlling interests	-4	-	-22	-1
Cash flow from financing	657	-184	-935	-303
Total cash flow	206	-328	209	-775
Cash and cash equivalents at beginning of period	728	1,139	756	1,476
Exchange rate differences referring to cash and cash equivalents	-14	-55	-45	55
Cash and cash equivalents at end of period	920	756	920	756

* Paid restructuring provision previous included in "Change in other operating assets/liabilities".

Change in Group equity

SEKm	January - December 2012			January - December 2011		
	Equity holders	Non-controlling interests	Total equity	Equity holders	Non-controlling interests	Total equity
Opening balance	12,332	56	12,388	12,154	49	12,203
Share-based payment ¹	-16	-	-16	10	-	10
Dividend	-859	-22	-881	-859	-1	-860
Acquisition of non-controlling interests	-25	-17	-42	-	-	-
Total comprehensive income	132	4	136	1,027	8	1,035
Closing balance	11,564	21	11,585	12,332	56	12,388

¹ Reversal of cumulative expenses related to the Groups long term incentive plans (LTI 2010, LTI 2011) due to not fulfilling the performance condition.

Key data, Group

	Q4 2012	Q4 2011	Jan-Dec 2012	Jan-Dec 2011
Net sales, SEKm	4,476	4,994	30,834	30,357
Operating income, SEKm	-618	-236	1,615	1,551
Net sales growth, %	-10	4	2	-6
Gross margin, %	22.0	27.8	26.9	27.7
Operating margin, %	-13.8	-4.7	5.2	5.1
Working capital, SEKm	5,318	5,699	5,318	5,699
Return on capital employed, %	-	-	7.7	7.4
Return on equity, %	-	-	8.4	8.0
Earnings per share, SEK	-0.87	-0.39	1.78	1.73
Capital-turnover rate, times	-	-	1.6	1.6
Operating cash flow, SEKm	-451	-144	1,144	-472
Net debt/equity ratio	-	-	0.59	0.56
Capital expenditure, SEKm	228	320	776	994
Average number of employees	13,858	14,638	15,429	15,698

Items affecting comparability

SEKm		Q1	Q2	Q3	Q4	Full year
Restructuring charges	2012	-	-	-	-	-
	2011	-40	-	-24	-	-64
	2010	-	-157	-	-	-157
	2009	-	-	-59	-340	-399
Costs for personnel cut-backs	2012	-	-	-	-256	-256
	2011	-	-	-	-	-
	2010	-	-	-	-	-
	2009	-35	-18	-	-	-53
Legal settlement cost	2010	-50	-	-	-	-50
Total	2012	-	-	-	-256	-256
	2011	-40	-	-24	-	-64
	2010	-50	-157	-	-	-207
	2009	-35	-18	-59	-340	-452

Net sales and income by quarter, Group

SEKm		Q1	Q2	Q3	Q4	Full year
Net sales	2012	9,811	10,706	5,841	4,476	30,834
	2011	8,774	10,179	6,410	4,994	30,357
	2010	9,082	11,457	6,907	4,794	32,240
Operating income	2012	915	1,136	182	-618	1,615
	Margin, %	9.3	10.6	3.1	-13.8	5.2
	2011	662	1,012	113	-236	1,551
	<i>Margin, %</i>	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
Income after financial items	2012	794	1,030	102	-757	1,169
	Margin, %	8.1	9.6	1.8	-16.9	3.8
	2011	589	897	24	-363	1,147
	<i>Margin, %</i>	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
Income for the period	2012	632	785	105	-499	1,023
	2011	484	681	55	-223	997
	2010	535	936	402	-124	1,749
Earnings per share, SEK	2012	1.10	1.36	0.19	-0.87	1.78
	2011	0.84	1.18	0.10	-0.39	1.73
	2010	0.92	1.62	0.70	-0.21	3.03

Net sales and operating income, 12 months rolling, Group

SEKm		Q1	Q2	Q3	Q4
Net sales	2012	31,394	31,921	31,352	30,834
	2011	31,932	30,654	30,157	30,357
	2010	32,004	31,980	32,178	32,240
Operating income	2012	1,804	1,928	1,997	1,615
	Margin, %	5.7	6.0	6.4	5.2
	2011	2,329	2,022	1,724	1,551
	<i>Margin, %</i>	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

Net sales by business area

SEKm		Q1	Q2	Q3	Q4	Full year
Europe & Asia/Pacific	2012	4,653	5,345	3,096	2,257	15,351
	2011	4,541	5,752	3,430	2,642	16,365
	2010	4,459	5,845	3,708	2,609	16,621
Americas	2012	4,420	4,553	1,986	1,572	12,531
	2011	3,588	3,692	2,241	1,672	11,193
	2010	4,028	4,863	2,482	1,571	12,944
Construction	2012	738	808	759	647	2,952
	2011	645	735	739	680	2,799
	2010	595	749	717	614	2,675
Total Group	2012	9,811	10,706	5,841	4,476	30,834
	2011	8,774	10,179	6,410	4,994	30,357
	2010	9,082	11,457	6,907	4,794	32,240

Operating income by business area

SEKm		Q1	Q2	Q3	Q4	Full year
Europe & Asia/Pacific	2012	833	1,004	225	-353	1,709
<i>Excl. items affecting comparability</i>	2012	833	1,004	225	-166	1,896
	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
Americas	2012	81	85	-99	-236	-169
<i>Excl. items affecting comparability</i>	2012	81	85	-99	-200	-133
	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
Construction	2012	39	85	89	20	233
<i>Excl. items affecting comparability</i>	2012	39	85	89	45	258
	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
Group common costs	2012	-38	-38	-33	-49	-158
<i>Excl. items affecting comparability</i>	2012	-38	-38	-33	-41	-150
	2011	-42	-44	-56	-60	-202
	2010	-36	-39	-50	-47	-172
Total Group	2012	915	1,136	182	-618	1,615
<i>Excl. items affecting comparability</i>	2012	915	1,136	182	-362	1,871
	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

Operating margin by business area

%		Q1	Q2	Q3	Q4	Full year
Europe & Asia/Pacific	2012	17.9	18.8	7.3	-15.6	11.1
<i>Excl. items affecting comparability</i>	2012	17.9	18.8	7.3	-7.3	12.4
	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
Americas	2012	1.8	1.9	-5.0	-15.0	-1.3
<i>Excl. items affecting comparability</i>	2012	1.8	1.9	-5.0	-12.8	-1.1
	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
Construction	2012	5.3	10.5	11.7	3.1	7.9
<i>Excl. items affecting comparability</i>	2012	5.3	10.5	11.7	6.9	8.7
	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
Total Group	2012	9.3	10.6	3.1	-13.8	5.2
<i>Excl. items affecting comparability</i>	2012	9.3	10.6	3.1	-8.1	6.1
	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

Net assets by business area

SEKm	Assets		Liabilities		Net Assets	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Europe & Asia/Pacific	15,774	16,311	4,090	3,929	11,684	12,382
Americas	6,387	7,105	1,507	1,430	4,880	5,675
Construction	3,039	3,222	599	646	2,440	2,576
Other	1,251	1,125	1,877	2,449	-626	-1,324
Total	26,451	27,763	8,073	8,454	18,378	19,309

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.

Five-year review, Group

	2012	2011	2010	2009	2008
Net sales, SEKm	30,834	30,357	32,240	34,074	32,342
Operating income, SEKm	1,615	1,551	2,445	1,560	2,361
Net sales growth, %	2	-6	-5	5	-3
Gross margin, %	26.9	27.7	28.5	25.4	29.0
Operating margin, %	5.2	5.1	7.6	4.6	7.3
Return on capital employed, %	7.7	7.4	11.0	6.6	10.7
Return on equity, %	8.4	8.0	13.9	7.5	15.8
Capital turn-over rate, times	1.6	1.6	1.7	1.6	1.5
Operating cash flow, SEKm	1,144	-472	962	3,737	2,013
Capital expenditure, SEKm	776	994	1,302	914	1,163
Average number of employees	15,429	15,698	14,954	15,030	15,720

PARENT COMPANY

Income statement

SEKm	Q4 2012	Q4 2011	Jan-Dec 2012	Jan-Dec 2011
Net sales	1,609	2,215	10,564	11,121
Cost of goods sold	-2,128	-1,675	-9,033	-8,537
Gross operating income	-519	540	1,531	2,584
Selling expense	-193	-233	-838	-981
Administrative expense	-427	-144	-787	-553
Other operating income/expense	29	-1	27	2
Operating income	-1,110	162	-67	1,052
Financial items, net ¹	-87	119	631	362
Income after financial items	-1,197	281	564	1,414
Appropriations	546	-492	299	-661
Income before taxes	-651	-211	863	753
Taxes	169	110	45	-16
Income for the period	-482	-101	908	737

¹⁾ Group contributions are accounted for in Appropriations as a result from a change in RFR 2. Comparative period 2011 has been restated.

Balance sheet

SEKm	31 Dec 2012	31 Dec 2011
Non-current assets	30,683	30,413
Current assets	7,534	7,454
Total assets	38,217	37,867
Equity	18,559	18,624
Untaxed reserves	87	703
Provisions	196	146
Interest-bearing liabilities	15,358	15,118
Current liabilities	4,017	3,276
Total equity and liabilities	38,217	37,867

Number of shares

	Outstanding A-shares	Outstanding B-shares	Re-purchased B-shares	Total
Number of shares as of 31 December 2011	129,460,339	443,060,066	3,823,373	576,343,778
Conversion of A-shares into B-shares	-1,761,281	1,761,281		-
LTI 2009		59,344	-59,344	-
Number of shares as of 30 December 2012 ¹	127,699,058	444,880,691	3,764,029	576,343,778

¹ After December 31, 2012, another 125,400 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, translation effects due to 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 10:00 CET on February 13, 2013. To participate by phone, please Dial +46 (0) 8 5052 0110 (Sweden) or +44 (0)20 7162 0077 (UK) ten minutes prior to the start of the conference. The conference call will also be audio cast live on www.husqvarnagroup.com/ir. A replay will be available at www.husqvarnagroup.com/ir later the same day.

DATES FOR FINANCIAL REPORTS

April 24, 2013	Interim report for January-March
July 19, 2013	Interim report for January-June
October 24, 2013	Interim report for January-September

A Capital Markets Day will be held in Stockholm on February 14.

The annual report will be available on www.husqvarnagroup.com as of week 10, 2013.

The AGM will be held in Jönköping, Sweden on April 11.

CONTACTS

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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 February 13, 2013.

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.