Husqvarna

Q1 2009 results presentation

8 May 2009

Summary, Q1 2009

- Weaker market conditions than in Q1 2008
  - Retailers cautious about inventory build-ups
  - Sharp downturn for Construction and in Russia/Eastern Europe
- Higher sales for Consumer Products North America
  - Second consecutive quarter, improved market position
- Strong improvement in cash flow
- Rights issue fully subscribed, increased Group equity by approx. SEK 3 bn

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Group sales and earnings

SEKm	Q1 2009	Q1 2008	Change, % As reported	Change, % Adjusted*
Net sales	11 152	10 043	11%	-9%
EBITDA	1 138	1 488	-24%	-28%
EBITDA-margin	10,2%	14,8%	-	-
EBIT	786	1 202	-35%	-36%
EBIT-margin,%	7,0%	12,0%	-	-
Pre-tax profit	590	1 060	-44%	-
Income for the period	464	753	-38%	-
Operating cash flow	714	-3 169	-	-

* Excluding costs for personnel cutbacks, acquisitions and adjusted for changes in exchange rates.

- Increase in sales refers to Consumer Products in NA and changes in exchange-rates
- Decline of 35% in EBIT compared to a strong Q1 2008
  - Lower sales and production volumes
  - Less favorable product/country mix
  - Higher costs for materials and components
  - SEK 35m in costs for additional personnel cutbacks
- Strong improvement in cash flow
  - Lower production, sale of approx. SEK 2 bn in trade receivables

Consumer Products

SEKm	Q1 2009	Q1 2008	Change, % As reported	Change, % Adjusted*
Sales	**8 092**	6 830	18%	-5%
EBIT	**532**	727	-27%	-29%
Margin	**6,6%**	10,6%	-	-

*Excluding costs for personnel cutbacks and acquisitions, adjusted for changes in exchange-rates

- Higher sales and EBIT in North America in USD
  - Strong growth in handheld products and new listings
  - Lower margin, mainly due to higher costs for materials/components
- Lower sales and EBIT in RoW
  - To both mass-market channels and dealers
  - Sharp downturn in Russia/ Eastern Europe
- Pricing stable in both Europe and North America
- Decline in EBIT compared to strong Q1 2008
  - Higher material costs
  - Lower volumes and less favorable mix

Professional Products

SEKm	Q1 2009	Q1 2008	Change, % As reported	Change, % Adjusted*
Sales	**3 060**	3 213	-5%	-17%
EBIT	**293**	522	-44%	-44%
Margin	**9,6%**	16,2%	-	-

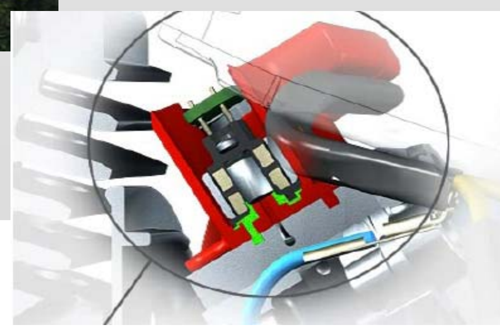
*Excluding costs for personnel cutbacks and acquisitions, adjusted for changes in exchange-rates

- Decline in sales refers to Construction and Lawn & Garden
  - Continued weak demand for Construction products in all regions and for Lawn & Garden in US
- Sales of chainsaws up in North America, down in all other regions
  - Sharp downturn in Russia and Eastern Europe
- Considerable decline in EBIT, mainly due to:
  - Lower sales and production volumes for Construction
  - Less favorable product and country mix for Forestry and Lawn & Garden

New innovative chainsaws

In 2009, Husqvarna celebrates 50 years as chainsaw producer

- More efficient in terms of emissions and fuel consumption
- Computer-chip controls fuel flow to engine
- Performance of chainsaw automatically optimized



New AutoTune technology

Cost cutting measures

	As of Q1 2009	Previously stated
Announced personnel cutbacks - No. of employees	1,250	960
Total estimated costs, SEKm - of which SEK 35m taken in Q1 2009 and SEK 316m in 2008	351	316
Estimated annual savings, SEKm - Expected to take full effect as of Q3 2009	440	350

Group income statement

	Q1 2009	Q1 2008	Change, quarter	FY 2008
Net Sales	**11 152**	**10 043**	**11%**	**32 342**
Cost of goods sold	-8 485	-7 022	-21%	-22 965
Gross operating income	**2 667**	**3 021**	**-12%**	**9 377**
Margin, %	*23,9%*	*30,1%*		*29,0%*
Selling expense	-1 509	-1 447	-4%	-5 496
Administrative expense	-374	-371	-1%	-1 474
Other operating income/expense	2	-1		-46
Operating income *)	**786**	**1 202**	**-35%**	**2 361**
Margin, %	*7,0%*	*12,0%*		*7,3%*
Financial items, net	-196	-142	-38%	-594
Income after financial items	**590**	**1 060**	**-44%**	**1 767**
Taxes	-126	-307	-	-479
Income for the period	**464**	**753**	**-38%**	**1 288**
*) *Incl. depreciation/amortization*	*-352*	*-286*	*-23%*	*-1 163*

Group balance sheet

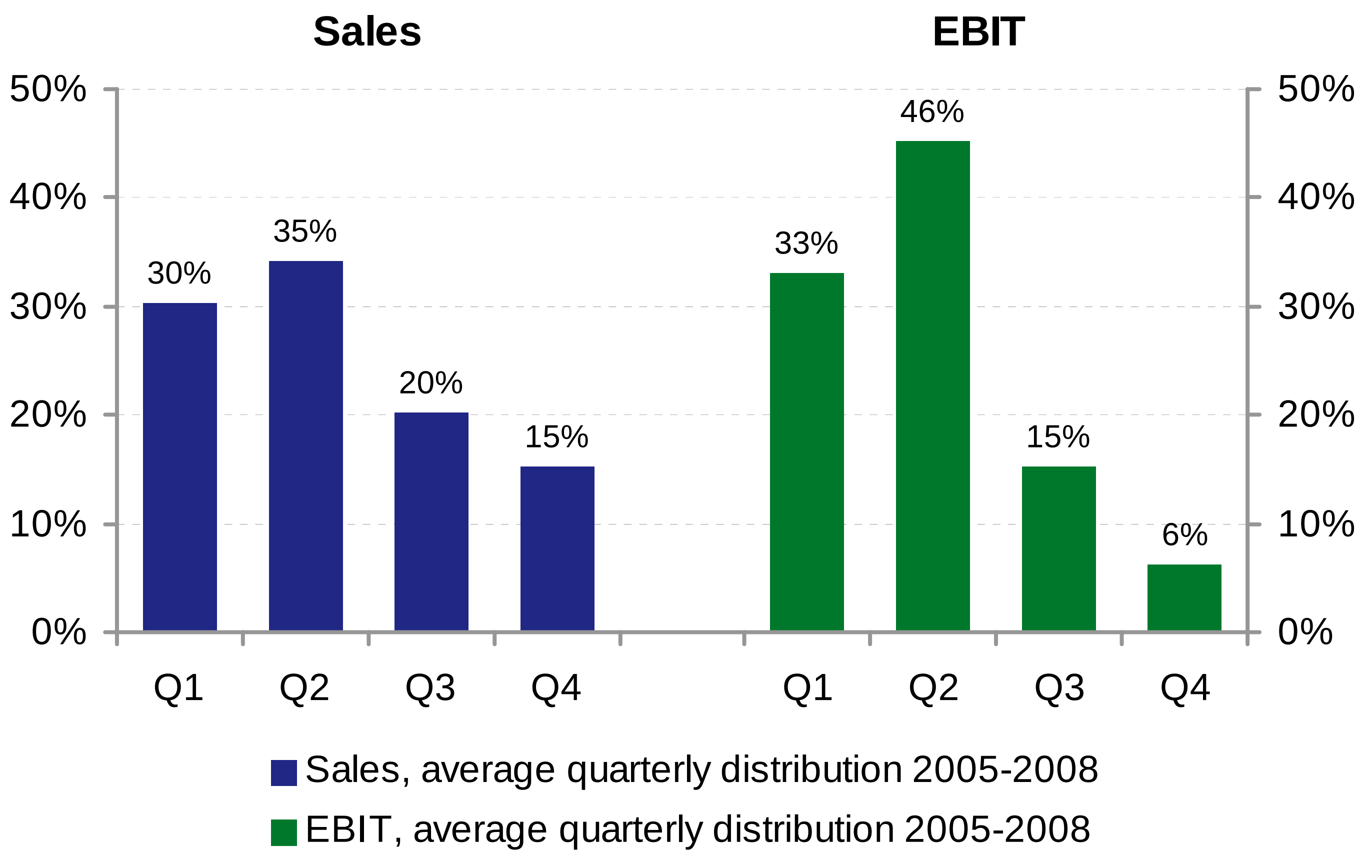
SEKm	Mar 2009	Mar 2008	Dec 2008
Non-current assets	18 065	14 523	17 734
Inventories	8 975	7 723	8 556
Trade receivables	6 825	8 789	4 184
Other current assets	1 144	754	1 128
Liquid funds	2 583	1 511	2 735
Total assets	**37 592**	**33 300**	**34 337**
Total equity	12 579	7 903	8 815
Interest-bearing liabilities	12 895	16 245	16 287
Provisions	4 157	3 452	4 114
Trade payables	5 303	3 284	3 280
Other current liabilities	2 658	2 416	1 841
Total equity and liabilities	**37 592**	**33 300**	**34 337**

Key figures

	Q1 2009	Q1 2008	FY 2008
Net debt, SEKm	10 312	14 734	13 552
Return on capital employed, %	8,4%	17,4%	10,7
Return on equity, %	11,2	29,6	15,8
Net debt/equity ratio	0,82	1,86	1,54
Equity/assets ratio, %	33,5%	23,7%	25,7
Earnings per share, SEK*	0,98	1,65	2,81

*Earnings per share 2008 have been restated as an effect of the rights issue.

Seasonality



Outlook for Q2 2009

- Retail inventories of Group's garden products at the end of Q1 estimated to have been substantially lower than in 2008.
- Retailers expected to continue maintaining inventories at low levels.
- Shipments in Q2 expected to be somewhat lower than in Q2 2008.
  – Consumer products for mass-market channels expected to account for greater share of total sales, while share of construction products will be lower.
- Weather conditions important, as Q2 represents peak of garden season.

Summary

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• Uncertainty regarding demand/volumes • Customers and end-users remain cautious • Risk of less favorable product/ country mix	• Stronger positions with retailers • Savings from cost-cutting measures • Integration of acquisitions • Lower costs for materials • Weak SEK • Lower tax cost

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Q & A