

Q1 2012 Results presentation

Summary Q1 2012

- Net sales for the Group increased substantially
- Strong demand in the US
- Good factory delivery performance to meet demand
- New products received well by trade
- Higher operating income



Financial highlights

SEKm	% change, Q1				12 months rolling	FY 2011
	Q1 2012	Q1 2011	As reported	Adjusted ¹		
Net sales	9,811	8,774	12	9	31,394	30,357
Gross margin, %	26.7	26.6	-	-	27.8	27.7
EBIT	915	662	38	30	1,804	1,551
EBIT margin, %	9.3	7.5	-	-	5.7	5.1

¹ Adjusted for currency translation effects and items affecting comparability.

Q1 2012

- Higher sales and operating income for all business areas
- Group net sales increased 9% adjusted for currency, primarily driven by the US market
- Group EBIT grew 38%, mainly as a result of the higher sales, lower production costs, changes in exchange rates and absence of restructuring costs
- Dealer sales as a percentage of total Group sales continued to grow



Europe & Asia/Pacific

SEKm	Q1 2012	Q1 2011	% change, Q1		12 months rolling	FY 2011
			As reported	Adjusted ¹		
Net sales	4,653	4,541	2	1	16,477	16,365
EBIT	833	815	2	2	2,295	2,277
EBIT margin, %	17.9	17.9	-	-	13.9	13.9

¹ Adjusted for currency translation effects and items affecting comparability.

Q1 2012

- Sales increased slightly
- Higher demand in northern Europe and Germany, lower in southern Europe, unchanged in Asia/Pacific
- New products, including robotic mower, upgraded rider series and McCulloch branded products, received well by trade
- Commercial lawn and garden sales force off to good start
- Operating margin remained on a high level, compared to a strong first quarter previous year



Americas

SEKm	% change, Q1				12 months rolling	FY 2011
	Q1 2012	Q1 2011	As reported	Adjusted ¹		
Net sales	4,420	3,588	23	19	12,025	11,193
EBIT	81	-94	n.a	n.a	-479	-654
EBIT margin, %	1.8	-2.6	-	-	-4.0	-5.8

¹ Adjusted for currency translation effects and items affecting comparability.

Q1 2012

- Strong demand across all product categories in the U.S., helped by favorable weather
- Market share gains
- Good factory delivery performance
- Net sales grew 19%, adjusted for currency
- EBIT improved mainly as a result of higher sales and lower production costs
- *EBIT Q1 2011 included costs of SEK -132m directly related to production disturbances*



Construction

SEKm	% change, Q1				12 months rolling	FY 2011
	Q1 2012	Q1 2011	As reported	Adjusted		
Net sales	738	645	14	11	2,892	2,799
EBIT	39	-17	n.a	58	186	130
EBIT margin, %	5.3	-2.6	-	-	6.4	4.6

¹ Adjusted for currency translation effects and items affecting comparability.

Q1 2012

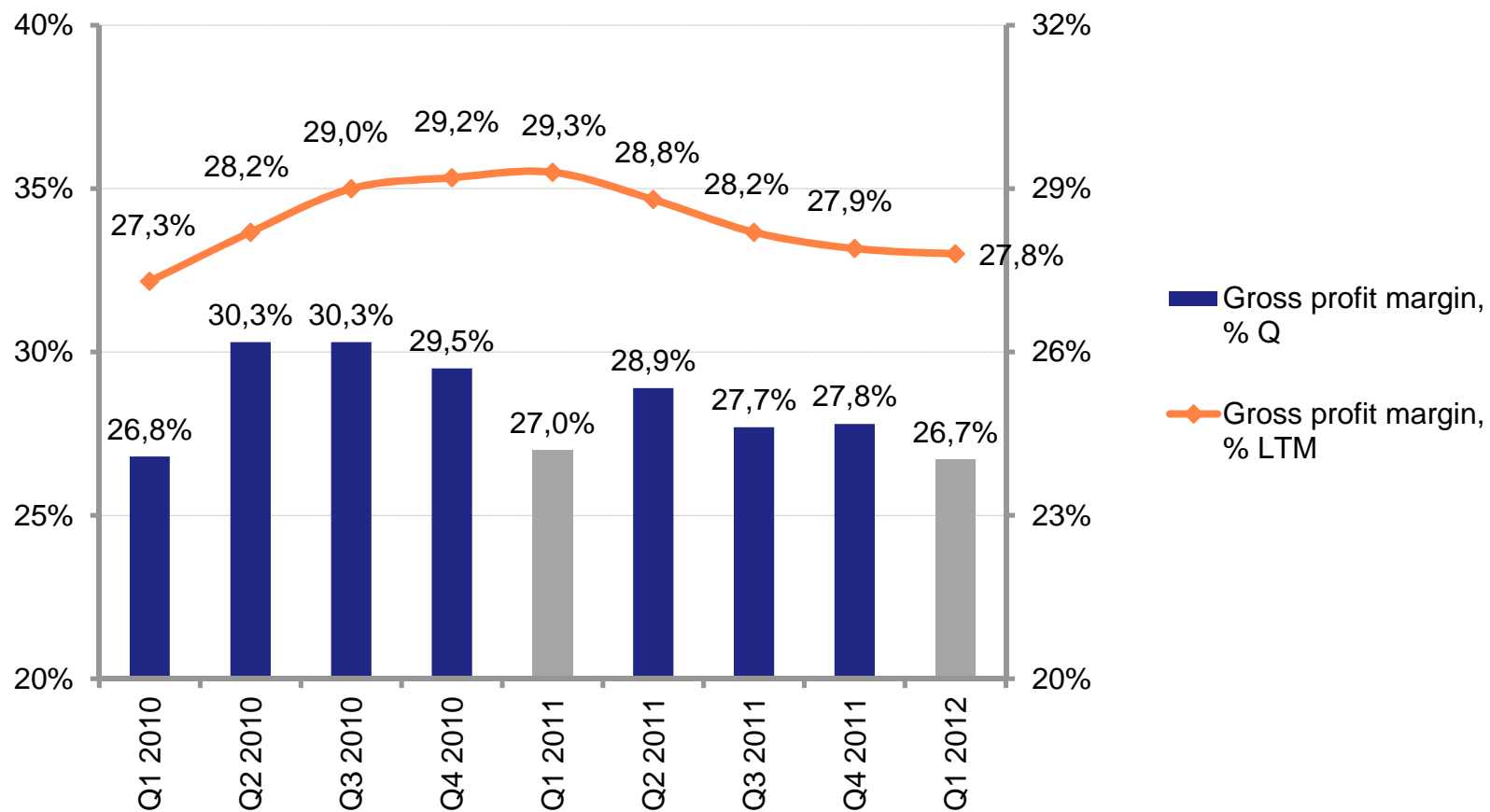
- Strong demand in the U.S., stable but mixed in Europe, higher in rest of the world
- Net sales increased 11% adjusted for currency, primarily driven by the U.S. market
- Market share gains in the U.S.
- EBIT and margin continues to recover as sales increase
- Q1 2011 included restructuring charges of SEK -40m



Consolidated income statement

SEKm	Q1 2012	Q1 2011	FY 2011
Net sales	9,811	8,774	30,357
Cost of goods sold	-7,193	-6,444	-21,948
Gross operating income	2,618	2,330	8,409
<i>Margin, %</i>	26.7	26.6	27.7
Selling expense	-1,326	-1,298	-5,332
Administrative expense	-377	-375	-1,530
Other operating income/expense	0	5	4
Operating income¹	915	662	1,551
<i>Margin, %</i>	9.3	7.5	5.1
Financial items, net	-121	-73	-404
Income after financial items	794	589	1,147
<i>Margin, %</i>	8.1	6.7	3.8
Taxes	-162	-105	-150
Income for the period	632	484	997
Basic earnings per share, SEK	1.10	0.84	1.73
Diluted earnings per share, SEK	1.10	0.84	1.73
¹ Of which depreciation, amortization and impairment	-273	-284	-1,120

Gross profit margin development

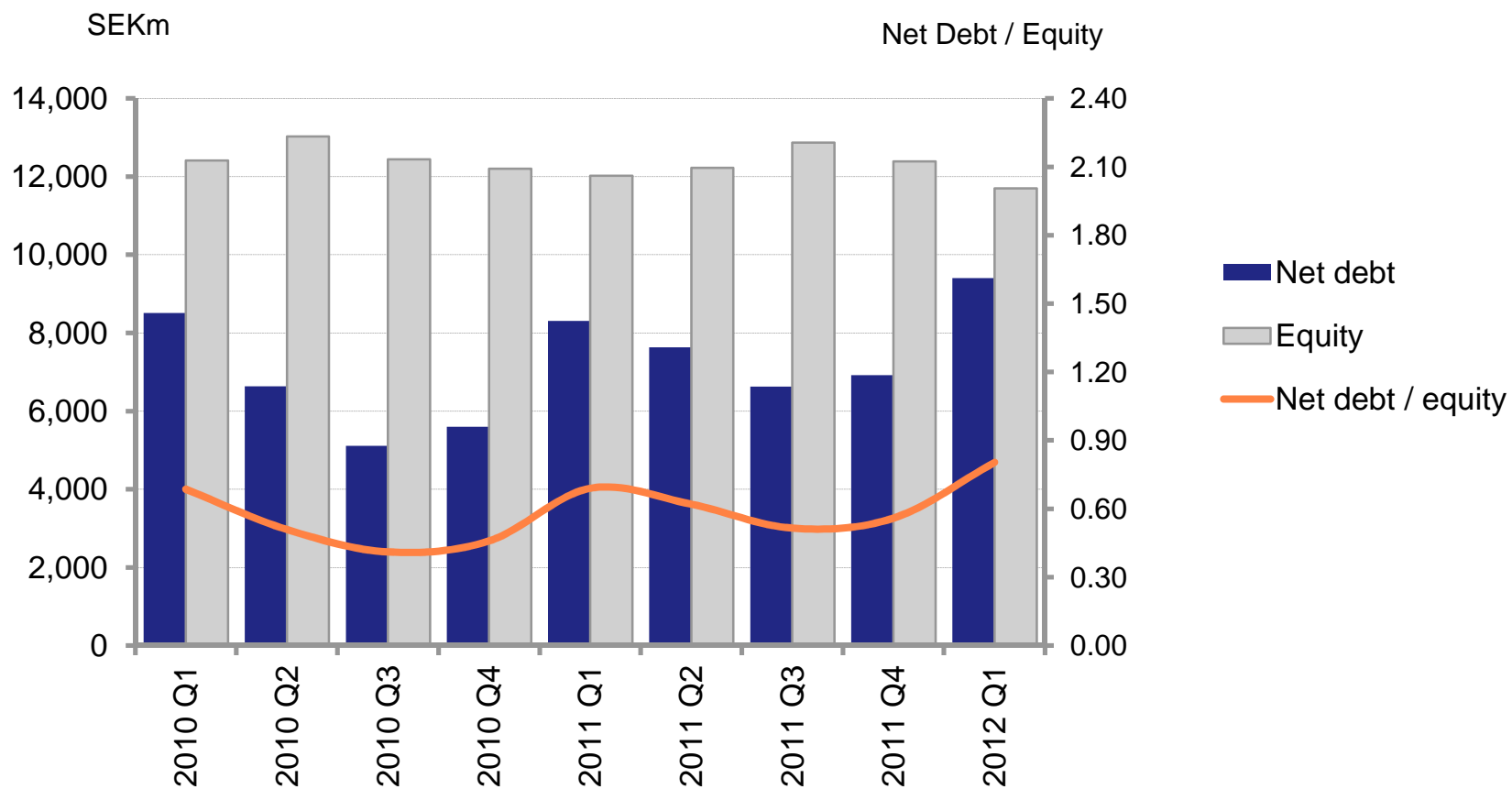


Excluding items affecting comparability. LTM = Last 12 months.

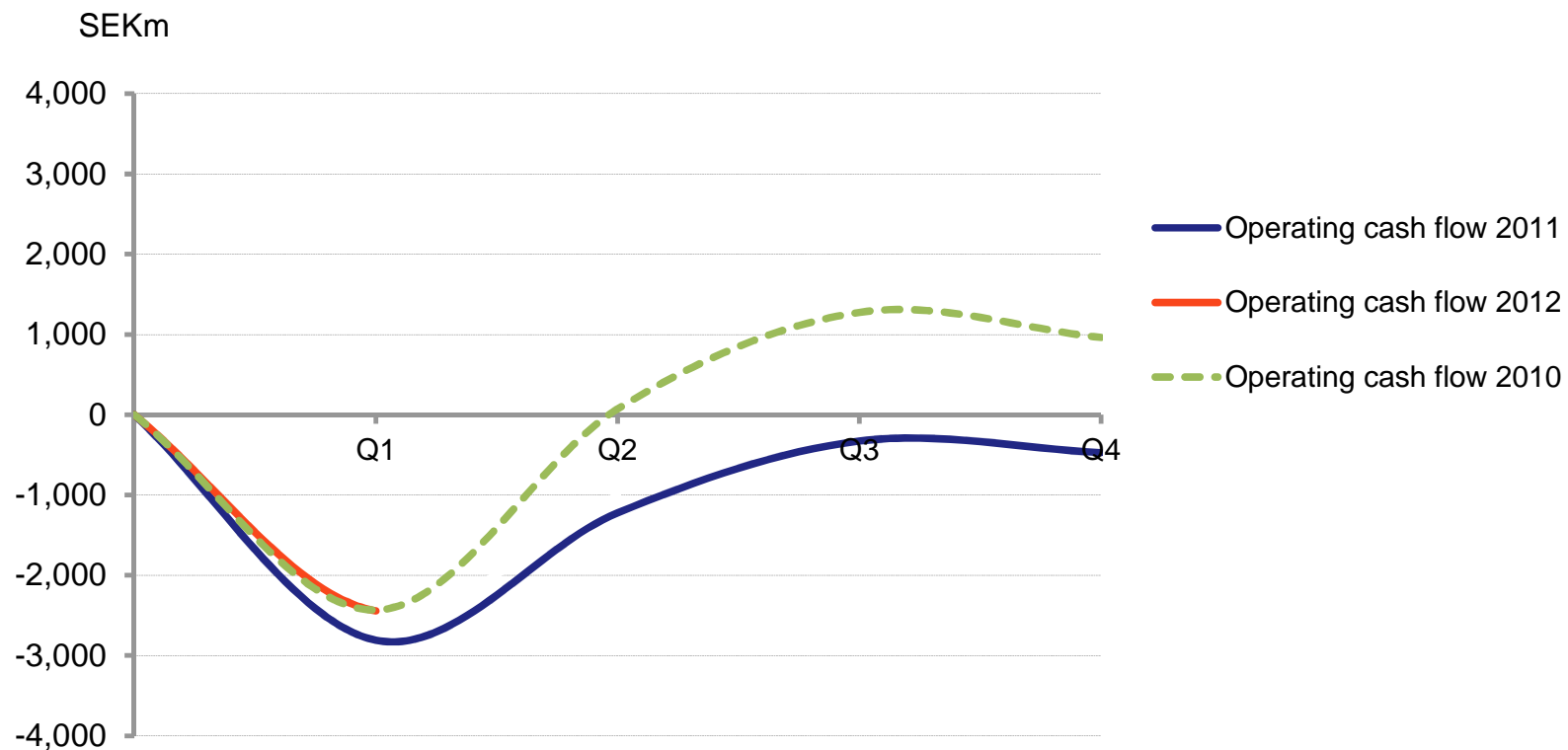
Consolidated balance sheet

SEKm	31 March 2012	31 March 2011
Non-current assets	14,874	14,328
Inventories	8,526	7,442
Trade receivables	7,982	7,729
Other current assets	796	728
Liquid funds	1,433	1,984
Total assets	33,611	32,211
Total equity	11,748	12,073
Interest-bearing liabilities	10,834	10,289
Provisions	3,647	3,543
Trade payables	4,076	3,995
Other current liabilities	3,306	2,311
Total equity and liabilities	33,611	32,211

Net debt and equity



Operating cash flow



Improved cash-flow in Q1 2012 mainly due to

- Higher earnings
- Lower build-up of inventory

Key figures

	Q1 2012	Q1 2011	Jan-Dec 2011
Net sales, SEKm	9,811	8,774	30,357
Operating income, SEKm	915	662	1,551
Gross margin, %	26.7	26.6	27.7
Operating margin, %	9.3	7.5	5.1
Working capital, SEKm	7,901	7,677	5,699
Return on capital employed, %	8.4	10.6	7.4
Return on equity, %	9.3	13.6	8.0
Earnings per share, SEK	1.10	0.84	1.73
Capital-turnover rate, times	1.6	1.7	1.6
Operating cash flow, SEKm	-2,443	-2,809	-472
Net debt/equity ratio	0.80	0.69	0.56
Capital expenditure, SEKm	164	216	994
Average number of employees	17,543	17,344	15,698

Summary Q1 2012

- Group net sales grew substantially
- Strong demand in the U.S. market
- Good factory supply performance
- Market share gains
- Continued high margin in Europe, further measures needed to improve margin in Americas
- *Positive outlook for U.S. market, European markets more difficult to assess*





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