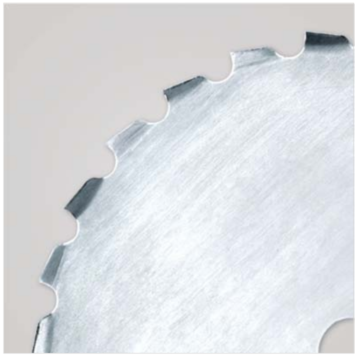





Q3 2013 Results presentation

Summary Q3 2013

- Higher demand driven by good weather conditions and extended season
  - Strong sales development across all business areas, however, especially in U.S.
- Income in-line with prior year Q3
  - Improved income for Europe & Asia/Pacific
  - Stable for Construction
  - Lower income for Americas
- Strong cash flow generation
- Acceleration of improvement programs

Financial highlights, Group

SEKm	Q3 2013	Q3 2012	% change, Q3 As reported	% change, Q3 Adjusted[1]	Jan-Sep 2013	Jan-Sep 2012	% change, 9M As reported	% change, 9M Adjusted[1]	LTM[2]	FY 2012
Net sales	6,349	5,841	9	12	25,600	26,358	-3	1	30,076	30,834
Gross margin	*26.3*	*27.7*	-	-	*26.7*	*27.7*	-	-	*26.0*	*26.9*
EBIT	206	197	5	9	1,916	2,279	-16	-12	1,312	1,675
EBIT excl. items affecting comparability	206	197	5	9	1,916	2,279	-16	-12	1,568	1,931
EBIT margin, %	*3.2*	*3.4*	-	-	*7.5*	*8.6*	-	-	*4.4*	*5.4*
EBIT margin excl. items affecting comparability	*3.2*	*3.4*	-	-	*7.5*	*8.6*	-	-	*5.2*	*6.3*

[1] Adjusted for currency translation effects and items affecting comparability.

[2] Last twelve months rolling.

Q3 2013

- Group sales increased 12%, adjusted for FX
  - Positive for all business areas and especially for Americas
- Slight EBIT improvement
  - + Higher sales and savings from staff reductions
  - – Unfavorable business area mix
  - – Inefficiencies in U.S. supply chain
- Continued inventory reductions drove strong cash flow

Europe & Asia/Pacific

SEKm	Q3 2013	Q3 2012	% change, Q3 As reported	% change, Q3 Adjusted[1]	Jan-Sep 2013	Jan-Sep 2012	% change, 9M As reported	% change, 9M Adjusted[1]	LTM[2]	FY 2012
Net sales	3,258	3,096	5	8	12,584	13,094	-4	0	14,841	15,351
EBIT	289	238	21	25	1,650	2,102	-21	-19	1,308	1,760
EBIT, excl. Items affecting comparability	289	238	21	25	1,650	2,102	-21	-19	1,495	1,947
EBIT margin, %	*8.9*	*7.7*	-	-	*13.1*	*16.1*	-	-	*8.8*	*11.5*
EBIT margin, excl. Items affecting comparability	*8.9*	*7.7*	-	-	*13.1*	*16.1*	-	-	*10.1*	*12.7*

[1] Adjusted for currency translation effects and items affecting comparability.

[2] Last twelve months rolling.

Q3 2013

- Sales increased 8% adjusted for FX
  - \+ Favorable weather and catch-up from weak first half-year
  - \+ Watering recovered
  - – Hand-held unchanged
- EBIT recovery
  - \+ Sales volume impact
  - \+ Savings from staff reductions
  - \+ Favorable product mix
  - – Under-absorption due to inventory reductions

Americas

SEKm	Q3 2013	Q3 2012	% change, Q3 As reported	% change, Q3 Adjusted[1]	Jan-Sep 2013	Jan-Sep 2012	% change, 9M As reported	% change, 9M Adjusted[1]	LTM[2]	FY 2012
Net sales	2,308	1,986	16	20	10,712	10,959	-2	2	12,284	12,531
EBIT	-126	-97	-29	-30	161	73	n.a	n.a	-72	-160
EBIT, excl. Items affecting comparability	-126	-97	-29	-30	161	73	n.a	n.a	-36	-124
EBIT margin, %	*-5.4*	*-4.9*	-	-	*1.5*	*0.7*	-	-	*-0.6*	*-1.3*
EBIT margin, excl. Items affecting comparability	*-5.4*	*-4.9*	-	-	*1.5*	*0.7*	-	-	*-0.3*	*-1.0*

[1] Adjusted for currency translation effects and items affecting comparability.

[2] Last twelve months rolling.

Q3 2013

- Sales increased 20% adjusted for FX
  - \+ Favorable weather vs. prior year
  - \+ Extended season
  - \+ Strong sales, primarily in retail and with low margin
- Lower EBIT
  - \+ Sales volume
  - – Unfavorable product and channel mix; low margin retail
  - – Inefficiencies in US manufacturing and logistics, caused by inability to benefit from scale

Construction

SEKm	Q3 2013	Q3 2012	% change, Q3 As reported	% change, Q3 Adjusted[1]	Jan-Sep 2013	Jan-Sep 2012	% change, 9M As reported	% change, 9M Adjusted[1]	LTM[2]	FY 2012
Net sales	783	759	3	6	2,304	2,305	0	4	2,951	2,952
EBIT	86	89	-4	-3	232	213	9	12	252	233
EBIT, excl. Items affecting comparability	86	89	-4	-3	232	213	9	12	277	258
EBIT margin, %	*10.9*	*11.7*	-	-	*10.1*	*9.2*	-	-	*8.5*	*7.9*
EBIT margin, excl. Items affecting comparability	*10.9*	*11.7*	-	-	*10.1*	*9.2*	-	-	*9.4*	*8.7*

[1] Adjusted for currency translation effects and items affecting comparability.
[2] Last twelve months rolling.

Q3 2013

- Sales grew 6%, adjusted for FX
  - \+ Higher demand in in all major regions, but some slowdown in U.S.
  - \+ Continued strong growth in Brazil
- Stable EBIT and margin
  - \+ Higher sales volume
  - – Lower factory utilization levels
  - – FX impact

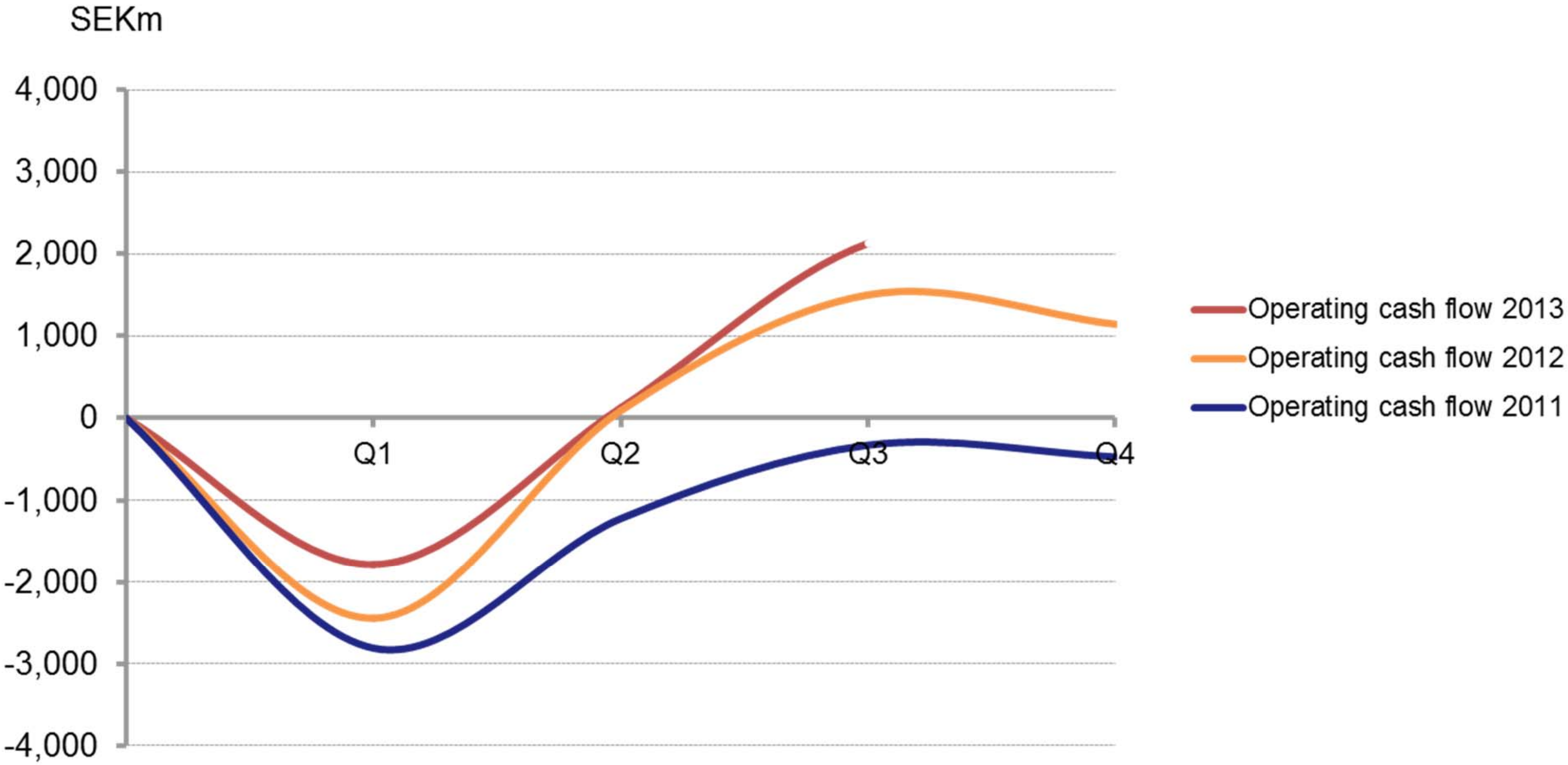
Consolidated income statement

SEKm	**Q3 2013**	Q3 2012	**Jan-Sep 2013**	Jan-Sep 2012	**FY 2012**
Net sales	6,349	5,841	25,600	26,358	30,834
Cost of goods sold	-4,678	-4,225	-18,763	-19,053	-22,543
Gross operating income	**1,671**	**1,616**	**6,837**	**7,305**	**8,291**
Margin, %	*26.3*	*27.7*	*26.7*	*27.7*	*26.9*
Selling expense	-1,179	-1,123	-3,998	-4,008	-5,223
Administrative expense	-286	-296	-919	-1,018	-1,401
Other operating income/expense	0	0	-4	0	8
Operating income[1]	**206**	**197**	**1,916**	**2,279**	**1,675**
Margin, %	*3.2*	*3.4*	*7.5*	*8.6*	*5.4*
Financial items, net	-111	-93	-303	-348	-500
Income after financial items	**95**	**104**	**1,613**	**1,931**	**1,175**
Margin, %	*1.5*	*1.8*	*6.3*	*7.3*	*3.8*
Taxes	-3	2	-393	-406	-148
Income for the period	**92**	**106**	**1,220**	**1,525**	**1,027**
Basic earnings per share, SEK	0.16	0.19	2.12	2.65	1.78
Diluted earnings per share, SEK	0.16	0.19	2.12	2.65	1.78
[1] Of which depreciation, amortization and impairment	*-248*	*-256*	*-738*	*-803*	*-1,062*

Consolidated balance sheet

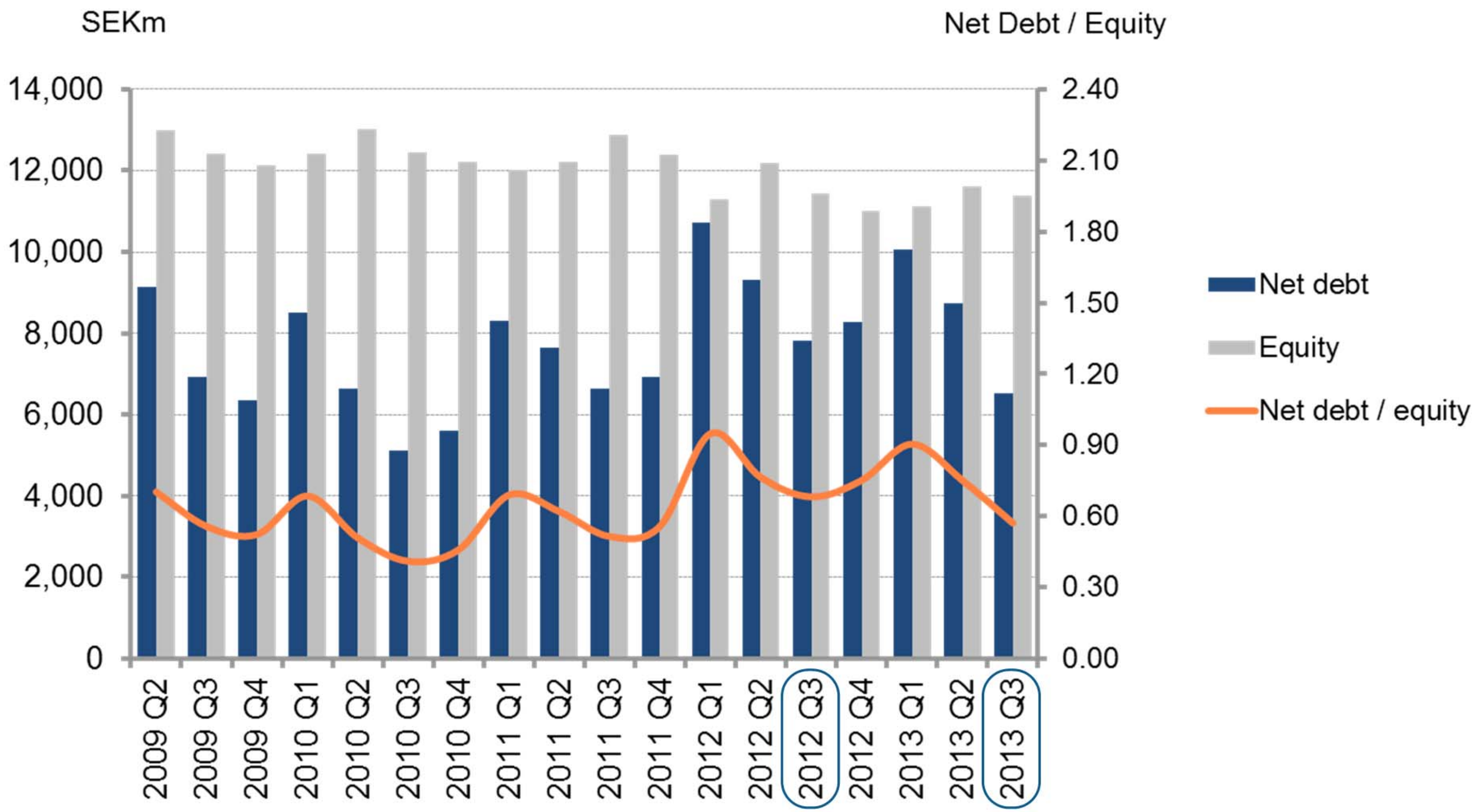
SEKm	30 Sep 2013	30 Sep 2012	31 Dec 2012
Non-current assets	13,918	14,191	14,305
Inventories	5,863	6,789	8,058
Trade receivables	4,084	4,156	3,032
Other current assets	632	843	940
Liquid funds	1,588	1,285	1,571
Total assets	**26,085**	**27,264**	**27,906**
Total equity	11,382	11,448	11,008
Interest-bearing liabilities	6,834	7,640	8,366
Pension liabilities	1,265	1,456	1,478
Provisions	2,231	2,429	2,385
Trade payables	2,188	2,137	2,716
Other current liabilities	2,185	2,154	1,953
Total equity and liabilities	**26,085**	**27,264**	**27,906**

Operating cash flow



Improved cash flow generation: reduction of working capital mainly by inventory reductions, offsetting lower cash flow from operations

Net debt and equity



Key figures

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Operating margin, %	*3.2*	*3.4*	*7.5*	*8.6*	*5.4*
Working capital, SEKm	5,108	6,530	5,108	6,530	6,194
Return on capital employed, %	-	-	*6.0*	9.4	*7.4*
Return on equity, %	-	-	*6.4*	10.9	*8.8*
Earnings per share, SEK	0.16	0.19	2.12	2.65	1.78
Capital-turnover rate, times	-	-	1.5	1.5	1.5
Operating cash flow, SEKm	2,001	1,503	2,130	1,595	1,144
Net debt/equity ratio	-	-	0.57	0.68	0.75
Capital expenditure, SEKm	254	187	689	548	776
Average number of employees	12,758	13,383	14,359	15,861	15,429

Summary Q3 2013

- Higher demand driven by weather and extended season
- Income in-line with prior year Q3
  - Improved income for Europe & Asia/Pacific
  - Stable for Construction
  - Lower income for Americas
- Strong cash flow generation
- Acceleration of improvement programs

Husqvarna Group

www.husqvarnagroup.com







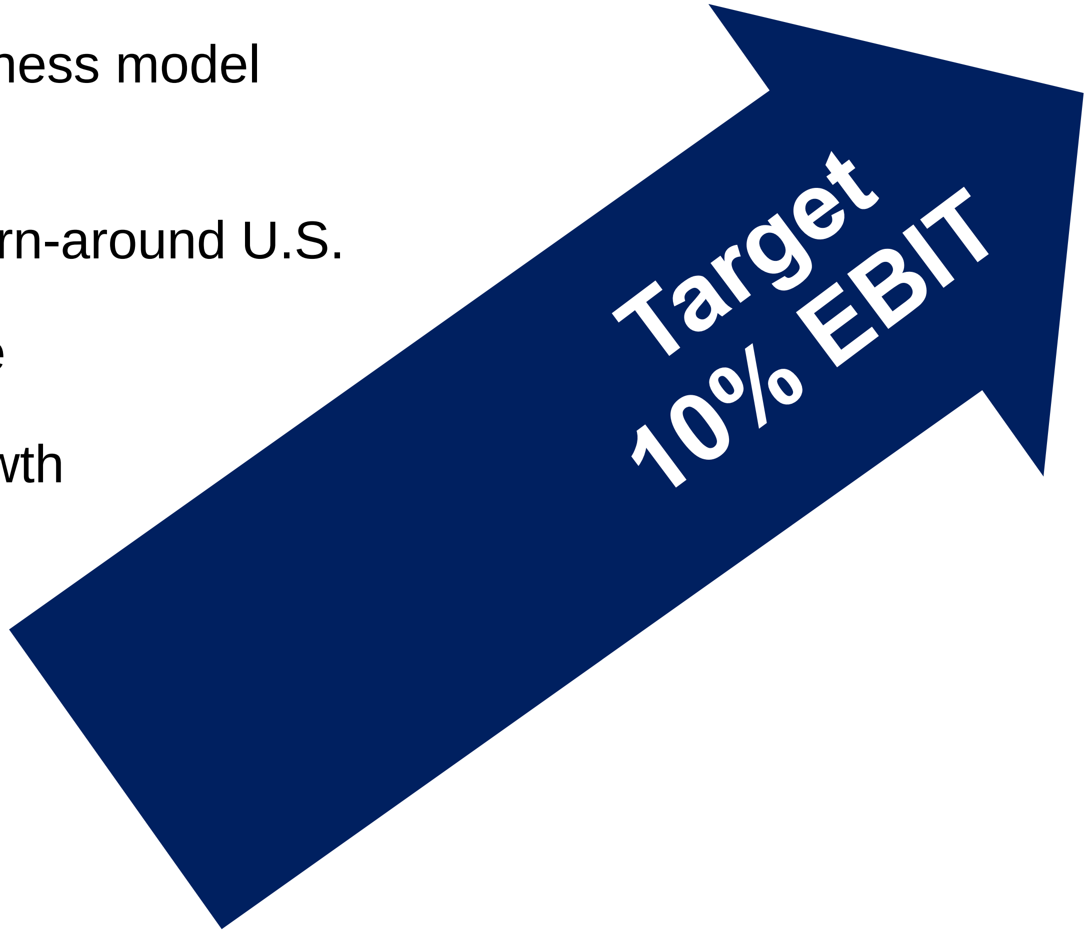

Accelerate improvement programs

in Forest and Garden

October 24, 2013

Accelerate improvement programs

- Focus on premium brands and leadership positions
- Dealers and retail business model differentiation
- Further measures to turn-around U.S.
- Operational Excellence
- Emerging markets growth



Focus on core brands and leadership positions

Global premium brands

Husqvarna

GARDENA

Leverage product leadership positions

Professional hand-held

Robotic mowers

Watering

Business model differentiation

Retail channel

Price points, cost and scale

Dealer channel

Premium and expert

VS.

Retail channel:

- Price points and cost management
- Brands and private label
- Volume and scale
- "Good enough "

Dealer channel:

- Product performance and specification
- Premium brands
- Price management
- Solutions - products and after sales support

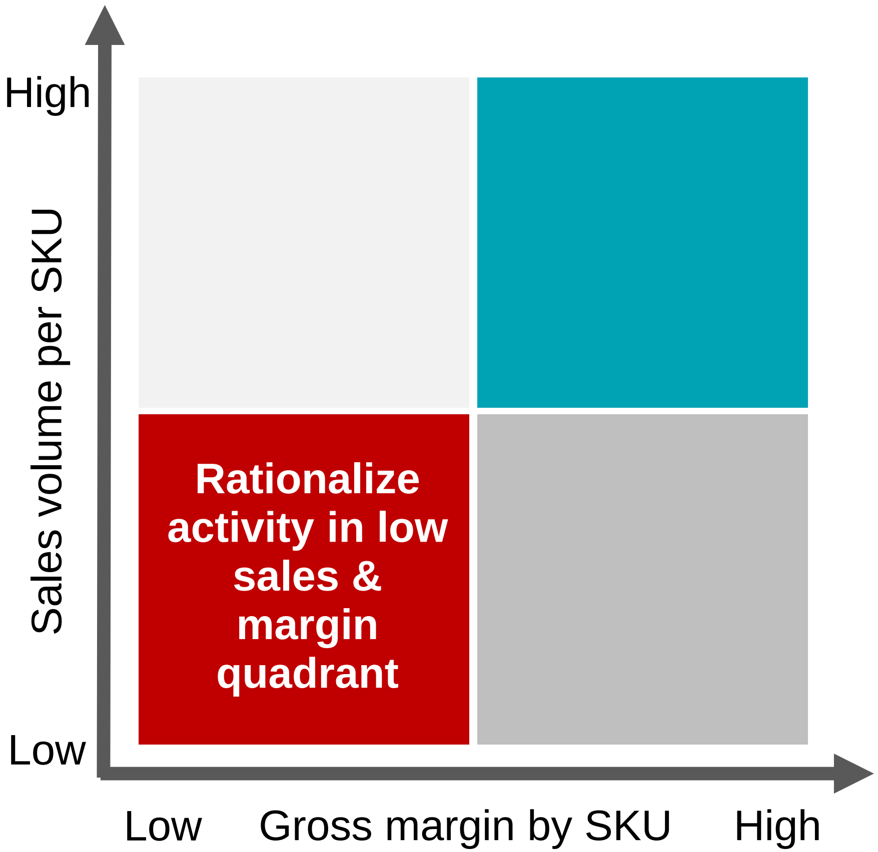
Further measures to turn around U.S.

Significant improvements accomplished, but further measures required

Priorities to speed up margin recovery:

- Value over revenue
- Dealer channel growth via core brands
- Reducing complexity and cost for the retail channel
  - Reducing brands, platforms, SKU´s
  - Optimizing key processes, supply-chain and foot-print

Operational excellence 2015 (1)



Complexity reduction

- Product complexity drives cost throughout the complete company
- Target raised from 20% to 30% reduction of product platforms vs. 2012

Operational excellence 2015 (2)

Group cost structure
% of sales

Components represents ~42% of sales

10%	Target to reduce direct material cost (excl. raw material) by 10% vs. 2012 by initiatives in Purchasing and R&D

Emerging markets growth

- Asia Pacific and Latin America
- Dealer focus
- Hand-held assortment key product offering
- Enhanced lead time by establishing local distribution center
- Better customer responsiveness

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Factors affecting forward-looking statements

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Husqvarna believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for Husqvarna include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate and (iii) change in interest rate level.

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