



## Q4 and full year results 2007

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## Sales and earnings, Q4 2007

SEKm	2007	2006	Change %		
			Reported	Adj. for acq. & currency <sup>1)</sup>	Adj. for acq. & currency <sup>1)</sup>
<b>Net sales</b>	<b>5,196</b>	4,539	14%	-3%	-1%
<b>EBITDA</b>	<b>549</b>	498	10%	16%	13%
<i>Margin, %</i>	10.6	11.0	-	-	-
<b>EBIT</b>	<b>269</b>	346	-22%	7%	1%
<i>Margin, %</i>	5.2	7.6	-2.4 ppt.	+0.8 ppt.	-
<b>Income after fin. items</b>	<b>94</b>	279	-66%		
<i>Margin, %</i>	1.8	6.1	-		-
<b>Income for the period</b>	<b>80</b>	197	-59%		-

- **Decline in operating income refers mainly to normal seasonality in Gardena's earnings**
- **Adjusted for acquisitions, operating income increased by 7%**
- **Substantial improvement for operations outside North America**
  - *Professional products*
  - *Husqvarna-branded consumer products*

1) Excluding acquisitions, including both transaction and translation effects.

## Sales and earnings, full year 2007

SEKm	2007	2006	Reported	Change %	
				Adj. for acq.	Adj. for acq. & currency <sup>2)</sup>
<b>Net sales</b>	<b>33,284</b>	29,402	13%	-2%	3%
<b>EBITDA</b>	<b>4,645</b>	3,957	17%	2%	4%
<i>Margin, %</i>	<i>14.0</i>	<i>13.5</i>			
<b>EBIT</b>	<b>3,564</b>	3,121	14%	2%	3%
<i>Margin, %</i>	<i>10.7</i>	<i>10.6</i>	<i>+0.1 ppt.</i>	<i>+0.4 ppt.</i>	-
<b>Income after fin. items</b>	<b>2,889</b>	2,692 <sup>1)</sup>	7%	-	
<i>Margin, %</i>	<i>8.7</i>	<i>9.2</i> <sup>1)</sup>	-		-
<b>Income for the period</b>	<b>2,036</b>	1,862 <sup>1)</sup>	9%	-	-

<sup>1)</sup> Pro forma

- Lower sales but higher operating income, excl. acquisitions
- Substantial decline in operating income for the consumer operation in NA, due to higher material costs
- Substantial improvement in income for operations outside NA

<sup>2)</sup> Excluding acquisitions, including both transaction and translation effects.

# Consumer Products

SEKm	Q4 2007	Q4 2006	Change		2007	2006	Change	
			Adj. for acquisitions	Adj. for acquisitions & currency			Adj. for acquisitions	Adj. for acquisitions & currency
Sales	2,328	2,028	-8%	-4%	20,621	18,335	-3%	2%
EBIT	-113	14	N.A.	N.A.	1,638	1,415	0%	-6%
Margin	-4.9%	0.7%	-1.0 ppt.	-	7.9%	7.7%	+0.2 ppt.	-

## Q4

- Industry shipments in US declined, Group sales in NA down less than shipments
- Substantial downturn in operating income due to higher material costs
- Substantial improvement for operations outside NA, excl. Gardena
- Gardena's income in line with Q4 2006
- Overall, operating income for Consumer Products in line with 2006, excl. Gardena

## Full year 2007

- Sales in NA unchanged in USD, operating income declined substantially due to higher material costs
- Improved market share in US
- Decline in income in NA offset by a substantial increase outside US
  - Increased volumes
  - Higher share of Husqvarna-branded products
  - Positive exchange-rate effects

# Professional Products

SEKm	Q4 2007	Q4 2006	Change		Full year 2007	Full year 2006	Change	
			Adj. for acquisitions	Adj. for acquisitions & currency			Adj. for acquisitions	Adj. for acquisitions & currency
Sales	2,868	2,511	0%	2%	12,663	11,067	1%	4%
EBIT	442	397	10%	11%	2,123	1,875	6%	12%
Margin	15.4%	15.8%	+1.5ppt.	-	16.8%	16.9%	+0.7ppt.	-

## Q4

- Overall sales unchanged but significant improvement in operating income and margin, excl. acquisitions
- Demand and sales for Forestry unchanged  
-Up in EE and Latin America  
-Down in NA
- Sales and operating income for acquired operations in line with previous year

## Full year 2007

- Sales largely unchanged but operating income and margin improved, excl. acquisitions
- Trend in demand and sales for Forestry same as in Q4
- Higher sales and significantly higher income for Lawn & garden
- Income and margin largely unchanged for Forestry and Construction
- Negative transactional exchange-rate effects for Forestry and Construction

## Balance sheet

SEKm	Dec 31 2007	Dec 31 2007 excl acquisitions	Dec 31 2006
Non-current assets	14,921	6,208	6,746
Inventories	7,758	6,348	5,165
Trade receivables	3,912	3,026	3,106
Other current assets	906	674	498
Liquid funds	1,306	1,027	840
<b>Total assets</b>	<b>28,803</b>	<b>17,283</b>	<b>16,355</b>
Total equity	7,389	7,216	6,264
Int. bearing liab.	13,318	4,825	5,090
Provisions	3,503	1,585	1,463
Trade payables	2,731	2,234	2,209
Other current liabilities	1,862	1,423	1,329
<b>Tot equity and liabilities</b>	<b>28,803</b>	<b>17,283</b>	<b>16,355</b>

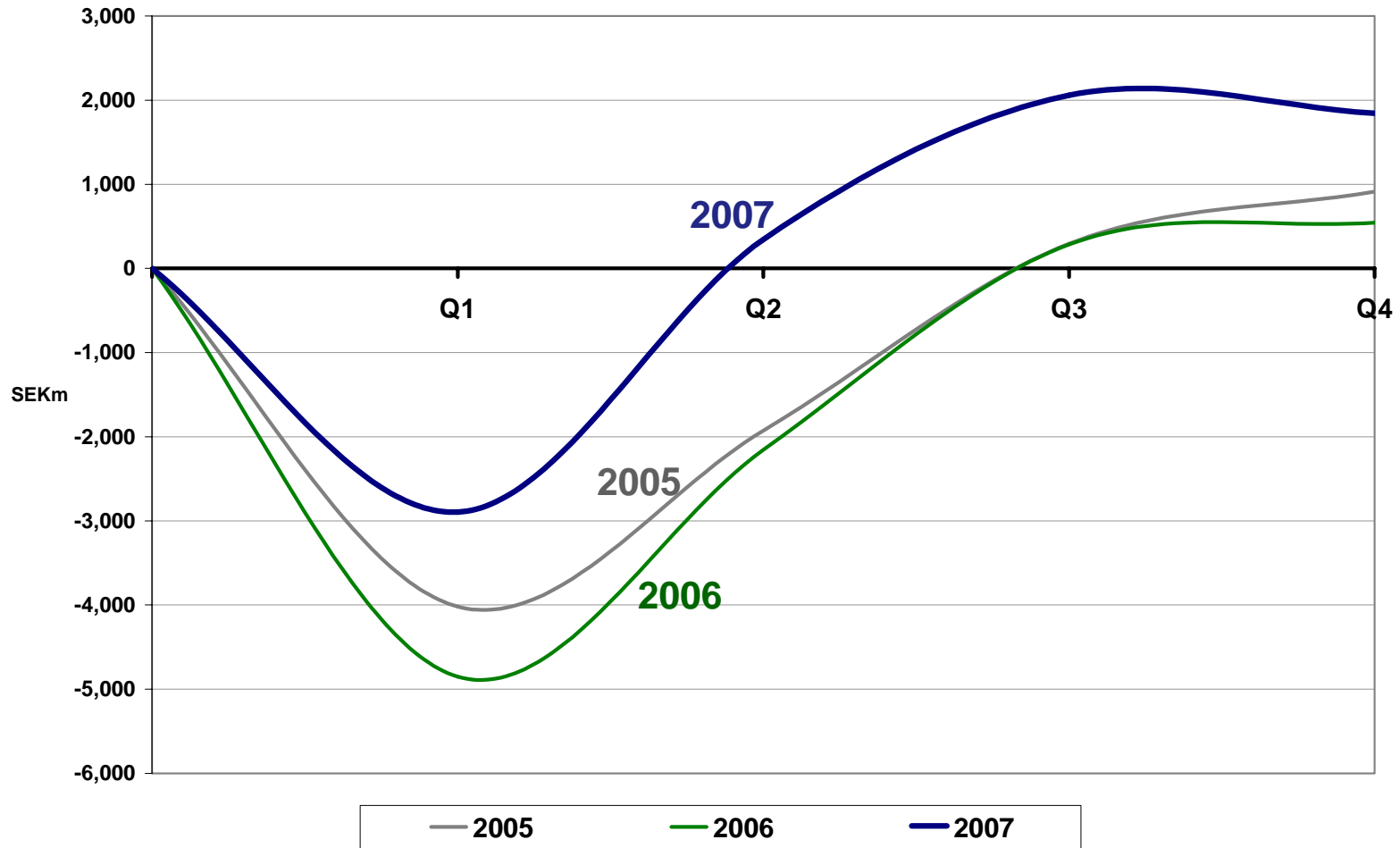
# Key ratios

	Q4, 2007					
	Q4	excl.	Q4		2007,excl.	
	2007	acquisitions	2006	2007	acquisitions	2006 <sup>1)</sup>
<b>Return on capital employed, %<sup>2)</sup></b>	-	-	-	17.6	24.8	23.8
<b>Return on equity, %<sup>2)</sup></b>	-	-	-	28.6	28.6	32.5
<b>Interest coverage ratio, times</b>	1.6	5.8	5.0	5.3	8.3	6.7
<b>Net borrowings, SEKm</b>	-	-	-	12,012	3,798	4,250
<b>Net debt/equity</b>	-	-	-	1.63	0.53	0.68
<b>Earnings per share, SEK</b>	0.21	0.53	0.51	5.29	5.19	4.83

1) Pro forma

2) Calculated on rolling 12 months

# Cash flow\*



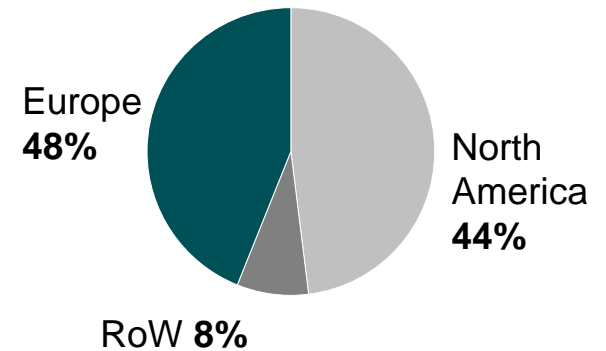
\*Total cash flow from operations and investments, excluding payments for acquisitions



# Husqvarna 2007, pro forma

SEKm	As reported	Pro forma
Net sales	33,284	34,960
EBITDA	4,645	4,920
EBIT	3,564	3,750
EBIT margin	10.7%	10.7%

Sales by region

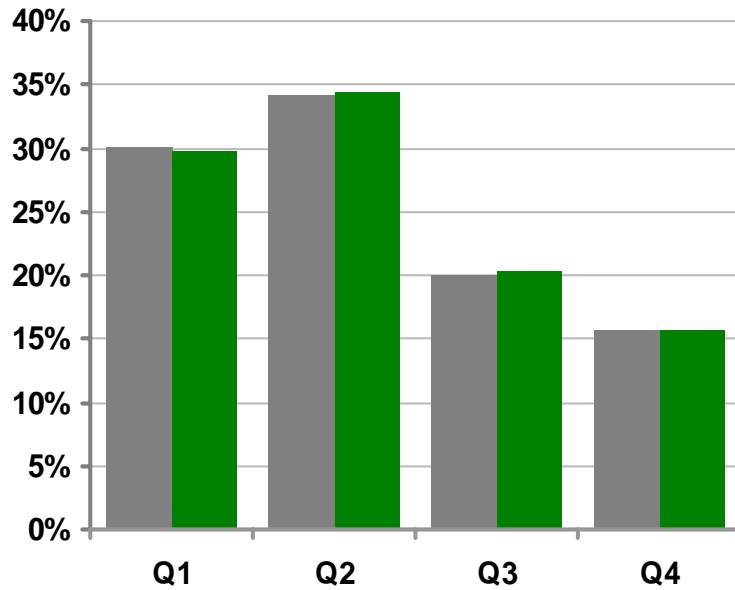


## Outlook for first quarter 2008

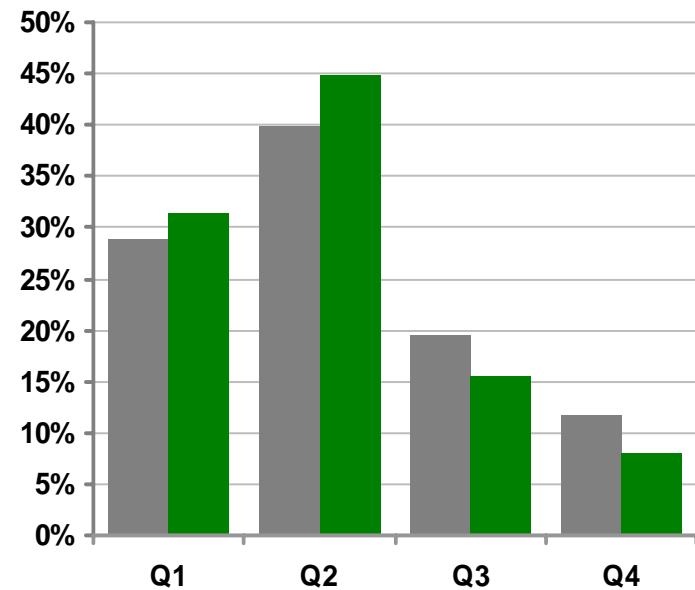
- Retail inventories of Group's garden products at year-end 2007 estimated to have been on level with 2006
- Group's listings with retailers for 2008 season in line with 2007
- Group's shipments to the trade in Q1 2008 expected to be lower in the US and higher in Europe as compared to Q1 2007

# Seasonality

## Net Sales



## Operating Profit



Average 2004-2007, excluding acquisitions  
 Average 2004-2007, including acquisitions

## Highlights of 2007

- Group's position strengthened through acquisitions
- Integration of acquired companies on track
- Increased market shares
  - *Consumer Products in US*
  - *Husqvarna-branded products*
- Continued strong performance by Professional Products

## Focus in 2008

- Achieve synergies from acquisitions
- Continue to grow Husqvarna-branded business
  - *Products, distribution network and marketing*
- Price/mix management
- Cost efficiency
  - *Productivity improvements*
  - *Relocation activities*
  - *Purchasing*



# Q & A



## **Factors affecting forward-looking statements**

This presentation contains forward-looking statements in the sense referred to in the US 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 upon present expectations and are subject to risks and uncertainties that may give rise to major deviations of 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 of sales by important distributors, any success in developing new products and in marketing, outcome of any product responsibility litigation, progress when it comes to reach the goals set for productivity and efficient use of capital, successful identification of growth opportunities and acquisition objects, and to integrate these into the existing business and successful achievement of goals to make the supply chain more efficient.