



Q4 2010 results presentation
February 23, 2011

Summary 2010

- Higher demand for park, garden and construction products
- Strengthened market shares for park and garden products in Europe and for construction products in North America
- Strong growth for dealer sales and Husqvarna-branded products
- Substantially higher operating income
- Stronger balance sheet
- The Board proposes an increase of the dividend to SEK 1.50 (1.00) per share
- Adjustment of dividend policy: Dividend shall normally exceed 40% of net income (previous policy: 25 – 50%)

Change initiatives are paying off

Brand

- New brand strategy concentrated to our global premium brands.
- Launch of new McCulloch premium consumer products for the retail channel will start during spring 2011.
- ***Substantial increase in sale of premium branded products in 2010***

Channel

- Dealer Development Program rolled out 2010 was an important contributor to the increase in dealer sales.
- Investments to grow US dealer sales will continue 2011.
- ***Strong growth in dealer channel sales in 2010***

Product

- Increased R&D spending - future success dependent on innovation.
- Strong line-up of new products for 2011.
- ***Many new products introduced in 2010 became bestsellers***

Supply chain/ production

- New factory in Poland was inaugurated on plan in December.
- Closure of 8 production facilities on plan, will be completed 2011.
- Lean manufacturing program HOS soon rolled out in all manufacturing sites.
- Number of suppliers reduced from 2,800 to 2,400 and LCC sourcing ratio has increased from 23% to 26%. Improvements follow plan and will continue.
- ***Labor productivity has increased and direct material costs have decreased***

Financial highlights

SEKm	% change, Q4				% change, 12M			
	Q4 2010	Q4 2009	As reported	Adjusted	Jan-Dec 2010	Jan-Dec 2009	As reported	Adjusted
Net sales	4,794	4,732	1	5	32,240	34,074	-5	0
Gross margin, %	29.5	23.7	-	-	28.5	25.4	-	-
EBIT	-63	-515	n.a	n.a	2,445	1,560	57	23
EBIT margin, %	-1.3	-10.9	-	-	7.6	4.6	-	-
EBIT margin ¹ , %	-1.3	-3.7	-	-	8.2	5.9	-	-

Q4

- Small quarter in terms of sales and earnings
- Increased sales and improved earnings

Full-year

- Adjusted EBIT up 23%
- Favorable channel / regional mix
- Lower direct material costs



¹ Excluding items affecting comparability.

Europe & Asia/Pacific

SEKm	% change, Q4				% change, 12M			
	Q4 2010	Q4 2009	As reported	Adjusted	Jan-Dec 2010	Jan-Dec 2009	As reported	Adjusted
Net sales	2,609	2,475	5	10	16,621	16,594	0	6
EBIT	-5	-294	n.a	n.a	2,383	1,410	69	30
<i>EBIT margin, %</i>	-0.2	-11.9	-	-	14.3	8.5	-	-
<i>EBIT margin¹, %</i>	-0.2	-4.2	-	-	14.3	10.3	-	-

Q4

- Adjusted sales increased 10%
- Strong growth for dealer channel, riders, winter products and “summer season countries”

Full-year

- Strengthened market shares
- Strong dealer sales growth
- Adjusted EBIT up 30%
- Favorable channel mix



¹ Excluding items affecting comparability.

Americas

SEKm	% change, Q4				% change, 12M			
	Q4 2010	Q4 2009	As reported	Adjusted	Jan-Dec 2010	Jan-Dec 2009	As reported	Adjusted
Net sales	1,571	1,649	-5	-3	12,944	14,845	-13	-7
EBIT	-39	-105	n.a	n.a	152	437	-65	-41
<i>EBIT margin, %</i>	-2.5	-6.4	-	-	1.2	2.9	-	-
<i>EBIT margin¹, %</i>	-2.5	-0.5	-	-	2.4	3.6	-	-

Q4

- Lower sales despite continued growth in dealer sales
- Good growth for handheld products driven by professional US and Latin America

Full-year

- Increased market demand after four years of decline
- Growth in dealer channel, lost retail listings
- Lower EBIT due to lower volumes and higher costs for distribution and IT, somewhat compensated for by improved mix



¹ Excluding items affecting comparability.

Construction

SEKm	Q4 2010	Q4 2009	% change, Q4		Jan-Dec 2010	Jan-Dec 2009	% change, 12M	
			As reported	Adjusted			As reported	Adjusted
Net sales	614	608	1	5	2,675	2,635	2	6
EBIT	28	-71	n.a.	n.a.	82	-123	n.a.	n.a.
<i>EBIT margin, %</i>	4.6	-11.7	-	-	3.1	-4.7	-	-
<i>EBIT margin¹, %</i>	4.6	-2.8	-	-	4.8	-2.6	-	-

Q4 comments

- Higher sales driven mainly by emerging markets and North America

Full-year

- Market demand for construction products increased
- Market share gains
- Wide range of new products introduced
- Strong EBIT growth driven by higher sales and production volumes and favorable product mix
- Q1 2011 will include a restructuring charge of approx. SEK 40m for closure of the factory in Spain



¹ Excluding items affecting comparability.

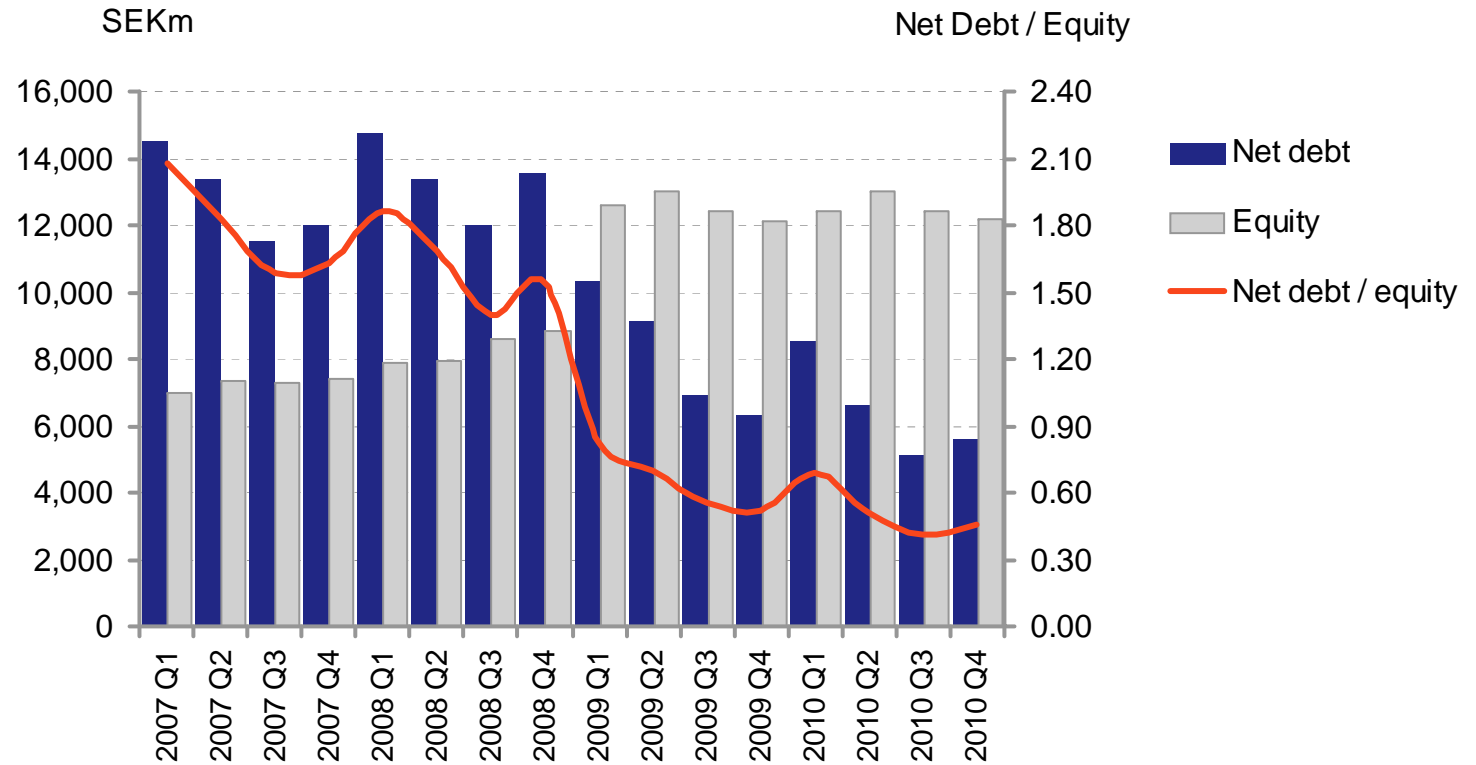
Income statement

SEKm	Q4 2010	Q4 2009	Jan-Dec 2010	Jan-Dec 2009
Net sales	4,794	4,732	32,240	34,074
Cost of goods sold	-3,380	-3,610	-23,037	-25,423
Gross operating income	1,414	1,122	9,203	8,651
<i>Margin, %</i>	29.5	23.7	28.5	25.4
Selling expense	-1,111	-1,178	-5,232	-5,547
Administrative expense	-364	-457	-1,524	-1,541
Other operating income/expense	-2	-2	-2	-3
Operating income¹	-63	-515	2,445	1,560
<i>Margin, %</i>	-1.3	-10.9	7.6	4.6
Financial items, net	-136	-33	-394	-466
Income after financial items	-199	-548	2,051	1,094
<i>Margin, %</i>	-4.2	-11.6	6.4	3.2
Taxes	75	96	-302	-191
Income for the period	-124	-452	1,749	903
Basic earnings per share, SEK	-0.21	-0.79	3.03	1.64
Diluted earnings per share, SEK	-0.21	-0.79	3.03	1.64
¹ <i>Of which depreciation, amortization and impairment</i>	-295	-493	-1,221	-1,500

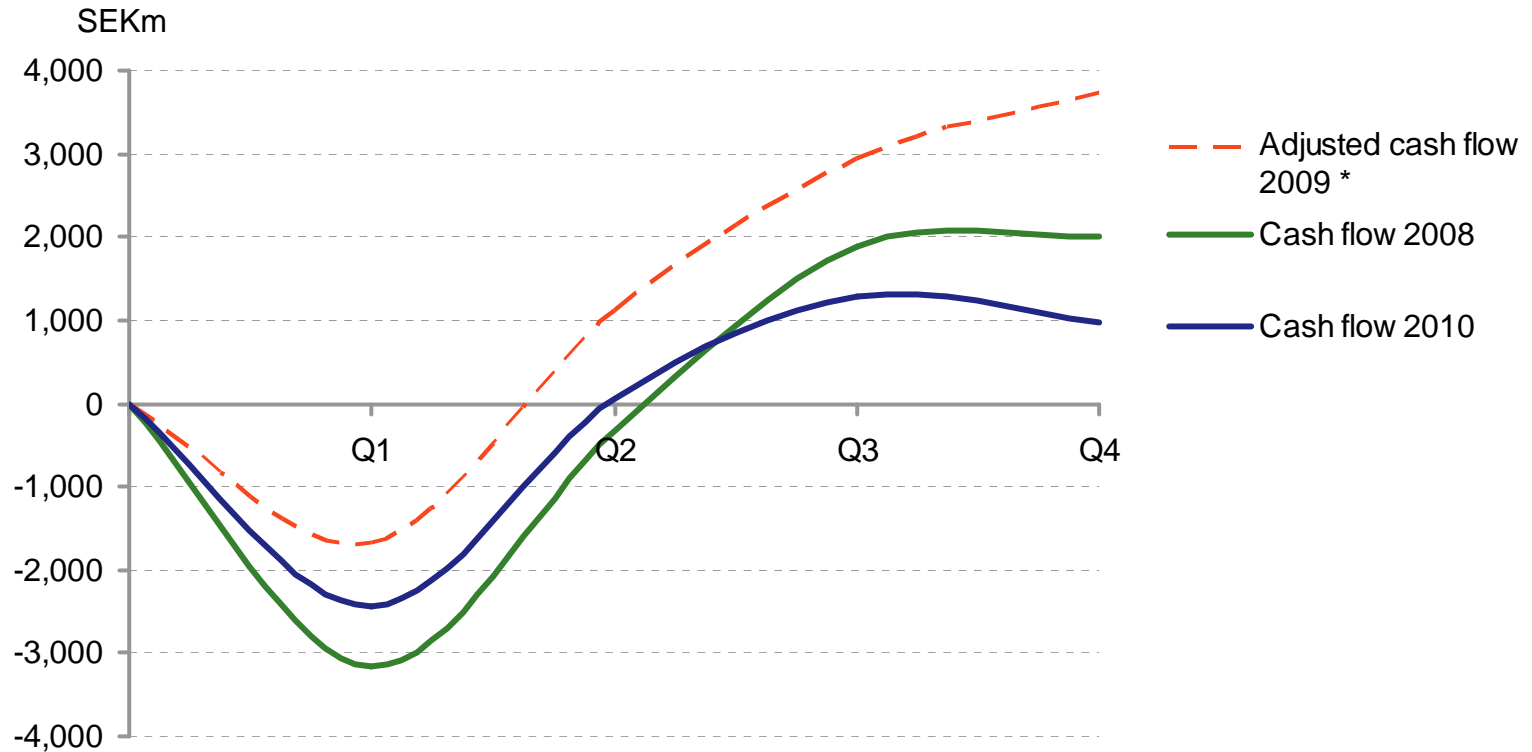
Consolidated balance sheet

SEKm	31 Dec 2010	31 Dec 2009
Non-current assets	14,896	16,182
Inventories	7,000	6,706
Trade receivables	3,575	3,385
Other current assets	864	1,211
Liquid funds	2,067	2,745
Total assets	28,402	30,229
Total equity	12,203	12,126
Interest-bearing liabilities	7,667	9,094
Provisions	3,599	4,067
Trade payables	2,810	2,854
Other current liabilities	2,123	2,088
Total equity and liabilities	28,402	30,229

Net debt and equity



Operating cash flow



* Excluding sale of trade receivables in 2009

Key figures

	Q4 2010	Q4 2009	Jan-Dec 2010	Jan-Dec 2009
Net sales, SEKm	4,794	4,732	32,240	34,074
Gross margin, %	29.5	23.7	28.5	25.4
Operating income, SEKm	-63	-515	2,445	1,560
Operating margin, %	-1.3	-10.9	7.6	4.6
Earnings per share, SEK	-0.21	-0.79	3.03	1.64
Capital expenditure, SEKm	-445	-266	-1,302	-914
Working capital, SEKm	-	-	4,478	4,163
Capital-turnover rate, times	-	-	1.7	1.6
Return on capital employed, %	-	-	11.0	6.6
Return on equity, %	-	-	13.9	7.5
Operating cash flow, SEKm	-313	801	962	3,737
Net debt/equity ratio	-	-	0.46	0.52
Average number of employees	13,987	14,215	14,954	15,030

2011

- Higher end-user demand
- Improved listings with retailers in both Europe and in North America
- Continued focus on dealer channel
- Improve profitability in Americas
- Announced factory closures will be finalized
- Limited restructuring savings
 - Savings will reach full effect as of the start of 2012
- Price increases to compensate for higher direct material costs
- FX effects negative for EBIT
 - Weak USD is positive, weak EURO is negative



Examples of new products in 2011



WeedEater Two;
Building on the success
of WeedEater One

New platform for
professional chainsaws;
Husqvarna 560XP



Several new construction
products, including new
models of demolition robots

Extended robotic mower
range; Automower® 305



Continued expansion of
battery powered range;
Gardena, FlyMo, WeedEater

Outlook for Q1 2011

The Group's shipments to the trade in the first quarter of 2011 are expected to be higher compared to the first quarter of 2010.

Inventories of the Group's garden products at retailers and dealers at the end of the year are estimated to have been on the same low level as one year ago. The Group's listings with retailers for the 2011 season have been improved, both in North America and in Europe, in comparison to 2010. End-user demand is also expected to continue to recover. In 2010, the long winter delayed the start of the season and pre-seasonal shipments were partly pushed from the first to the second quarter.



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.

This presentation does not imply that Husqvarna has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.