
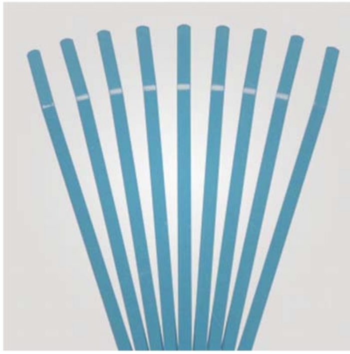





Q4 2012 Results presentation

Summary 2012

Full year

- Net sales 30,834 m (unchanged adj. for FX)
  - Good start in 2012, followed by macro and weather driven downturn for Europe & Asia/Pacific
  - Good recovery for Americas, enabled by mitigation of prior year's production disturbances
- EBIT rose to 1,871m (1,615), excl. items affecting comparability
- Substantially higher cash flow
- Cost improvement efforts announced
- Investment in core technologies announced
- Dividend proposal of SEK 1.50 (1.50) per share

Q4

- Net sales 4,476m (-8% adj. for FX)
  - Volume decline driven mainly by Europe & Asia/Pacific
  - Delayed launch of hand-held products
- SEK -256m items affecting comparability related to staff reductions
- EBIT declined to SEK -362m (-236), excluding items affecting comparability
  - Lower mix in Europe & Asia/Pacific

SEK 1bn investment in core technologies

Announcement February 13, 2013

- Investment in new factory for saw chain manufacturing and expanded capacity for cylinder manufacturing in existing site
  - SEK ~1bn over three years
  - Chain (currently 100% sourced) and cylinder critical for chainsaw performance
- Continued product leadership requires full control of innovation in and also manufacturing of the cutting equipment (chain)
- The investment also creates a substantial aftermarket opportunity
  - Chain is the largest aftermarket product category

Cost structure improvements

Announcement November 7

- Layoffs of 600 employees in several countries, whereof almost half in Sweden
  - Will be implemented during the first six months of 2013
- The measures aim to improve efficiency, reduce fixed costs, increase flexibility
- Savings will be achieved gradually, full annual effect of ~SEK 220m in 2014
  - For 2013 cost savings are estimated at ~SEK 160m.
- Total cost for implementing measures are SEK -256m, charged to Q4 2012
  - SEK -187m Europe & Asia/Pacific
  - SEK -36m Americas
  - SEK -25m Construction
  - SEK -8m Group common costs.

Financial highlights

SEKm	Q4 2012	Q4 2011	% change, Q4 As reported	% change, Q4 Adjusted[1]	Jan-Dec 2012	Jan-Dec 2011	% change, 12M As reported	% change, 12M Adjusted[1]
Net sales, Group	4,476	4,994	-10	-8	30,834	30,357	2	0
Gross margin	*22.0*	*27.8*	-	-	*26.9*	*27.7*	-	-
EBIT, Group	-618	-236	n.a	-62	1,615	1,551	4	15
EBIT excl. items affecting comparability, Group	-362	-236	-53	-61	1 871	1 615	16	15
EBIT margin, %	*-13.8*	*-4.7*	-	-	*5.2*	*5.1*	-	-
EBIT margin excl. items affecting comparability	*-8.1*	*-4.7*	-	-	*6.1*	*5.3*	-	-

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

Q4 2012

- Sales declined -8% adjusted
  - Continued challenging macro environment in Europe
  - As expected, lower demand for snow throwers
- Lower EBIT and margin
  - SEK -256m staff reduction costs
  - Negative volume and mix impact

Europe & Asia/Pacific

SEKm	Q4 2012	Q4 2011	% change, Q4 As reported	% change, Q4 Adjusted[1]	Jan-Dec 2012	Jan-Dec 2011	% change, 12M As reported	% change, 12M Adjusted[1]
Net sales	2,257	2,642	-15	-12	15,351	16,365	-6	-6
EBIT	-353	92	n.a	n.a	1,709	2,277	-25	-18
EBIT, excl. Items affecting comparability	-166	92	n.a	n.a	1,896	2,277	-17	-18
EBIT margin, %	*-15.6*	*3.5*	-	-	*11.1*	*13.9*	-	-
EBIT margin, excl. Items affecting comparability	*-7.3*	*3.5*	-	-	*12.4*	*13.9*	-	-

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

Q4 2012

- Sales declined -12% adjusted
  - Continued challenging macro and soft consumer demand
  - Downturn across most geographies, incl. Australia, and product categories, in particular snow throwers and hand-held
  - Hand-held also impacted by a product launch delay
- Lower EBIT
  - Negative impact from lower sales and mix
  - SEK -187m staff reduction costs as items affecting comparability
  - (Prior year Q4 positive one-time effect SEK 53m)

Americas

SEKm	Q4 2012	Q4 2011	% change, Q4 As reported	% change, Q4 Adjusted[1]	Jan-Dec 2012	Jan-Dec 2011	% change, 12M As reported	% change, 12M Adjusted[1]
Net sales	1,572	1,672	-6	-3	12,531	11,193	12	7
EBIT	-236	-290	18	30	-169	-654	74	80
EBIT, excl. Items affecting comparability	-200	-290	31	30	-133	-654	80	80
EBIT margin, %	*-15.0*	*-17.3*	-	-	*-1.3*	*-5.8*	-	-
EBIT margin, excl. Items affecting comparability	*-12.8*	*-17.3*	-	-	*-1.1*	*-5.8*	-	-

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

Q4 2012

- Stable demand
- Sales decline largely related to snow throwers
- EBIT improved
  - Continued production efficiency improvement
  - SEK -36m staff reduction costs as items affecting comparability

Construction

SEKm	Q4 2012	Q4 2011	% change, Q4 As reported	% change, Q4 Adjusted[1]	Jan-Dec 2012	Jan-Dec 2011	% change, 12M As reported	% change, 12M Adjusted[1]
Net sales	647	680	-5	-2	2,952	2,799	5	4
EBIT	20	22	-12	99	233	130	79	27
EBIT, excl. Items affecting comparability	45	22	98	99	258	194	33	27
EBIT margin, %	*3.1*	*3.3*	-	-	*7.9*	*4.7*	-	-
EBIT margin, excl. Items affecting comparability	*6.9*	*3.3*	-	-	*8.7*	*6.9*	-	-

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

Q4 2012

- Sales decreased -2% adjusted
  - Continued growth in U.S., offset by slowdown in other markets
  - Market share gains in U.S.
- Continued recovery of EBIT and margin
  - Volume impact compensated by efficiency improvements and absence of prior year's Q4 negative one-time items
  - SEK -25m staff reduction costs as items affecting comparability

Consolidated income statement

SEKm	**Q4 2012**	Q4 2011	**Jan-Dec 2012**	Jan-Dec 2011
Net sales	4,476	4,994	30,834	30,357
Cost of goods sold	-3,490	-3,608	-22,543	-21,948
Gross operating income	**986**	**1,386**	**8,291**	**8,409**
Margin, %	*22.0*	*27.8*	*26.9*	*27.7*
Selling expense	-1,215	-1,191	-5,223	-5,332
Administrative expense	-397	-428	-1,461	-1,530
Other operating income/expense	8	-3	8	4
Operating income[1]	**-618**	**-236**	**1,615**	**1,551**
Margin, %	*-13.8*	*-4.7*	*5.2*	*5.1*
Financial items, net	-139	-127	-446	-404
Income after financial items	**-757**	**-363**	**1,169**	**1,147**
Margin, %	*-16.9*	*-7.3*	*3.8*	*3.8*
Taxes	258	140	-146	-150
Income for the period	**-499**	**-223**	**1,023**	**997**
Basic earnings per share, SEK	-0.87	-0.39	1.78	1.73
Diluted earnings per share, SEK	-0.87	-0.39	1.78	1.73
[1] Of which depreciation, amortization and impairment	*-259*	*-291*	*-1,062*	*-1,120*

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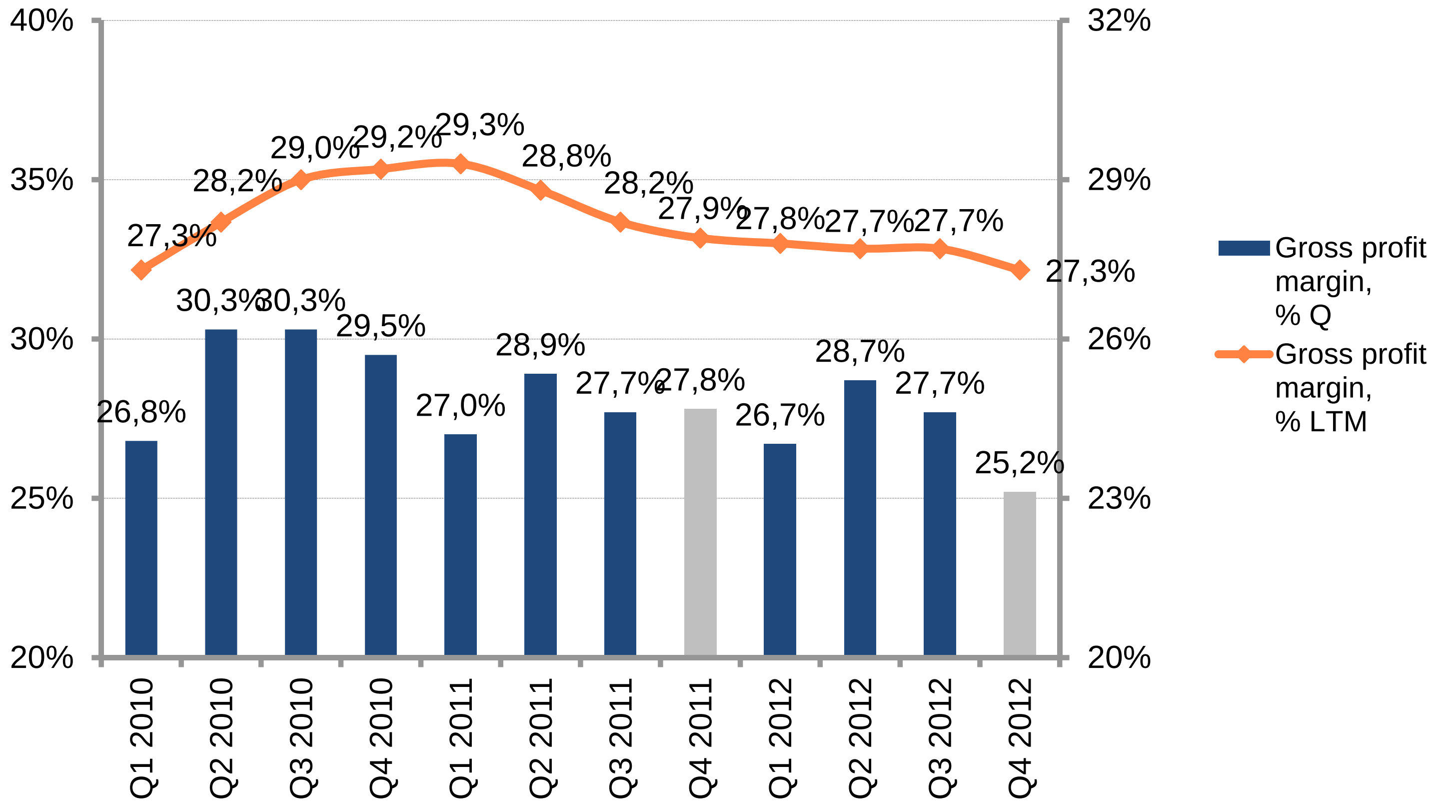
Gross profit margin development

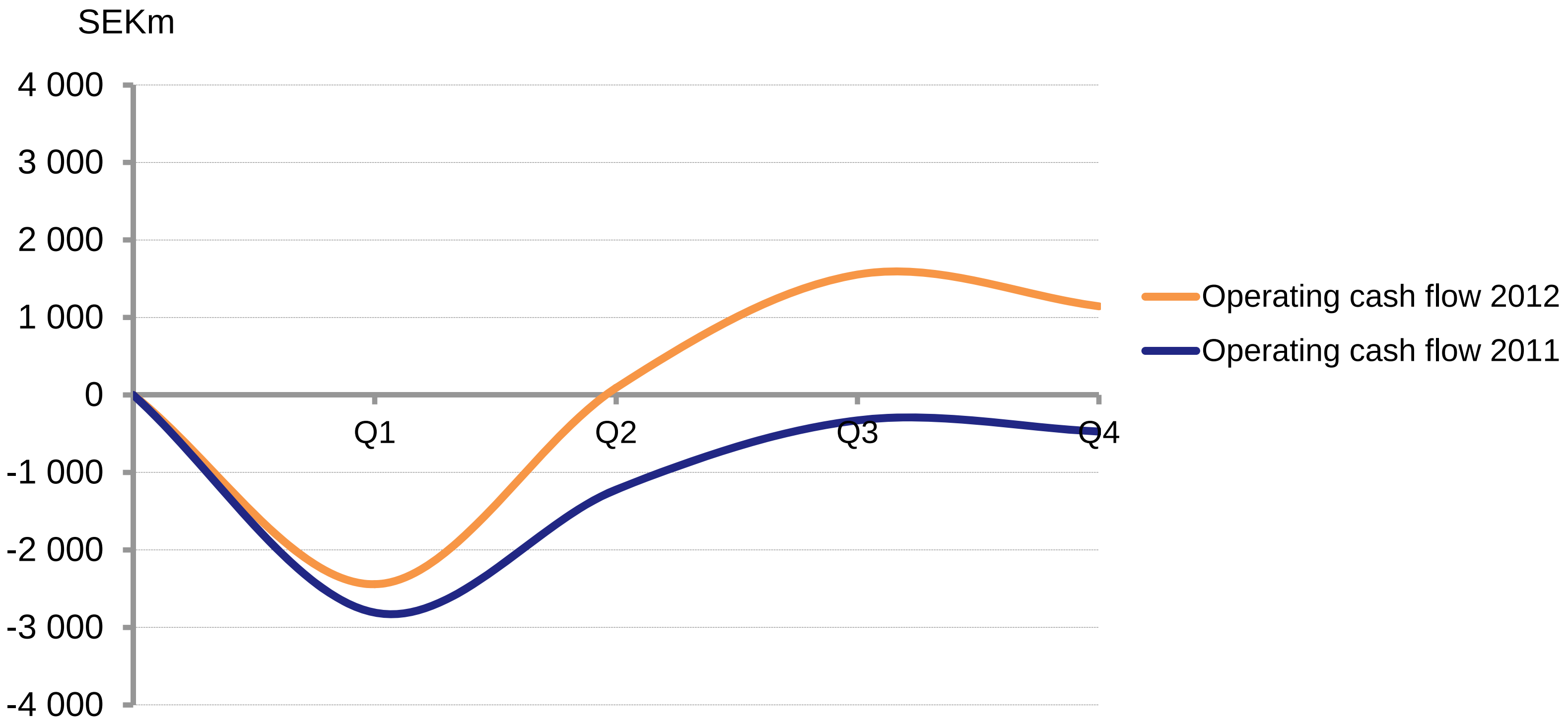


Excluding items affecting comparability. LTM = Last 12 months.

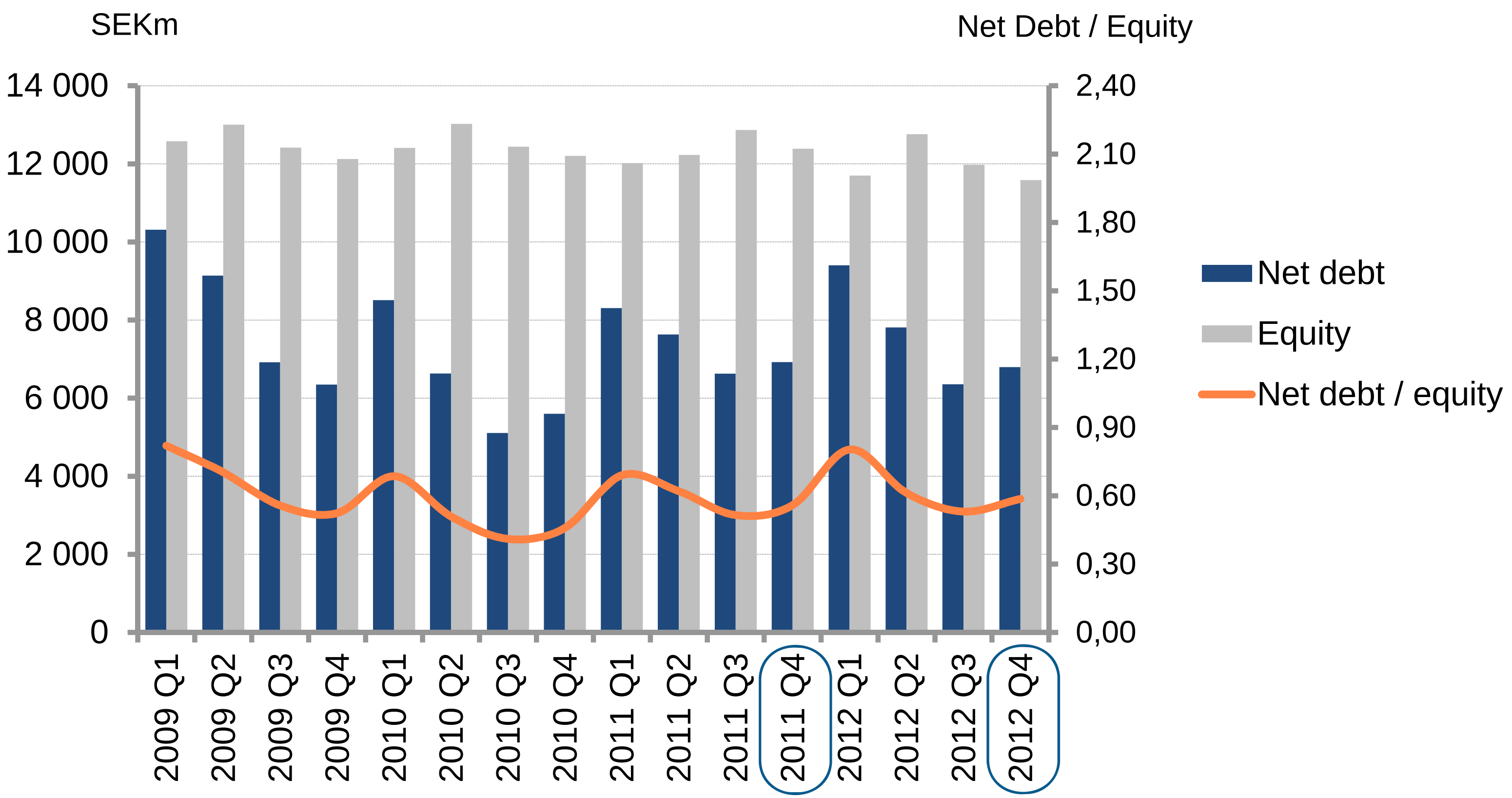
Consolidated balance sheet

SEKm	31 Dec 2012	31 Dec 2011
Non-current assets	14,423	15,208
Inventories	8,058	8,078
Trade receivables	3,032	3,660
Other current assets	940	817
Liquid funds	1,571	1,340
Total assets	**28,024**	**29,103**
Total equity	11,585	12,388
Interest-bearing liabilities	8,366	8,261
Provisions	3,407	3,653
Trade payables	2,716	2,797
Other current liabilities	1,950	2,004
Total equity and liabilities	**28,024**	**29,103**

Operating cash flow



Net debt and equity



Key figures

	Q4 2012	Q4 2011	**Jan-Dec 2012**	Jan-Dec 2011
Net sales, SEKm	4,476	4,994	30,834	30,357
Operating income, SEKm	-618	-236	1,615	1,551
Gross margin, %	22.0	27.8	26.9	27.7
Operating margin, %	-13.8	-4.7	5.2	5.1
Working capital, SEKm	5,318	5,699	5,318	5,699
Return on capital employed, %	-	-	7.7	7.4
Return on equity, %	-	-	8.4	8.0
Earnings per share, SEK	-0.87	-0.39	1.78	1.73
Capital-turnover rate, times	-	-	1.6	1.6
Operating cash flow, SEKm	-451	-144	1,144	-472
Net debt/equity ratio	-	-	0.59	0.56
Capital expenditure, SEKm	228	320	776	994
Average number of employees	13,858	14,638	15,429	15,698

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Near-term demand outlook; North American market positive, while Europe is expected to remain challenging due to continued macroeconomic uncertainty

Q4

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