



Q4 2013 Results presentation

Summary 2013

Q4

- Good sales development across all business areas
- Lower seasonal operating loss
 - Improvements for Americas and Europe & Asia/Pacific
 - Stable for Construction
- Continued improvement of cash flow

Full-year

- Sales increased in second half year
- Group operating income declined
 - FX headwind, lower factory utilization
- Americas improved to break-even
- Strong cash flow generation; inventory reductions
- Net debt/Equity declined to 0.58 (0.75)
- Dividend proposal SEK 1.50 (1.50)



Financial highlights, Group

SEKm	Q4 2013	Q4 2012	% change, Q4		Jan-Dec 2013	Jan-Dec 2012	% change, 12M	
			As reported	Adjusted ¹			As reported	Adjusted ¹
Net sales	4,707	4,476	5	8	30,307	30,834	-2	2
<i>Gross margin</i>	25.1	22.0	-	-	26.5	26.9	-	-
EBIT	-308	-604	49	50	1,608	1,675	-4	2
EBIT excl. items affecting comparability	-308	-348	11	13	1,608	1,931	-17	-12
<i>EBIT margin, %</i>	-6.5	-13.5	-	-	5.3	5.4	-	-
<i>EBIT margin excl. items affecting comparability</i>	-6.5	-7.8	-	-	5.3	6.3	-	-

¹ Adjusted for currency translation effects and items affecting comparability.

Q4 2013

- Positive sales development
- Seasonal operating loss declined
 - + Higher sales, staff reductions, lower costs for materials
 - Selling cost increased, continued negative FX impact
- Continued working capital management
 - + Mainly inventory reductions
- Full-year operating cash flow rose to SEK 1,813 (1,144)



Europe & Asia/Pacific

SEKm	% change, Q4				% change, 12M			
	Q4 2013	Q4 2012	As reported	Adjusted ¹	Jan-Dec 2013	Jan-Dec 2012	As reported	Adjusted ¹
Net sales	2,368	2,257	5	8	14,952	15,351	-3	1
EBIT	-136	-342	60	61	1,514	1,760	-14	-10
EBIT, excl. Items affecting comparability	-136	-155	12	17	1,514	1,947	-22	-19
<i>EBIT margin, %</i>	-5.8	-15.1	-	-	10.1	11.5	-	-
<i>EBIT margin, excl. Items affecting comparability</i>	-5.8	-6.8	-	-	10.1	12.7	-	-

¹ Adjusted for currency translation effects and items affecting comparability.

Q4 2013

- Sales increased 8% adjusted for FX
 - + Storms activity drove hand-held sales
 - Weak season for snow products
- Seasonal operating loss declined
 - + Sales volume, product mix
 - + Savings from staff reductions
 - Marketing and branding
 - FX impact



Americas

SEKm	Q4 2013	Q4 2012	% change, Q4		Jan-Dec 2013	Jan-Dec 2012	% change, 12M	
			As reported	Adjusted ¹			As reported	Adjusted ¹
Net sales	1,643	1,572	5	8	12,355	12,531	-1	3
EBIT	-157	-233	33	31	4	-160	n.a	n.a
EBIT, excl. Items affecting comparability	-157	-197	20	19	4	-124	n.a	n.a
<i>EBIT margin, %</i>	<i>-9.5</i>	<i>-14.8</i>	-	-	<i>0.0</i>	<i>-1.3</i>	-	-
<i>EBIT margin, excl. Items affecting comparability</i>	<i>-9.5</i>	<i>-12.5</i>	-	-	<i>0.0</i>	<i>-1.0</i>	-	-

¹ Adjusted for currency translation effects and items affecting comparability.

Q4 2013

- Sales increased 8% adjusted for FX
 - + Snow throwers benefitted from winter storms
- Seasonal operating loss declined
 - + Lower costs for materials, Savings from staff reductions
 - Higher logistics costs

Full-year 2013

- Dealer sales increased 11%
- EBIT turned around to positive territory
- Re-organization into Dealer and Retail operations



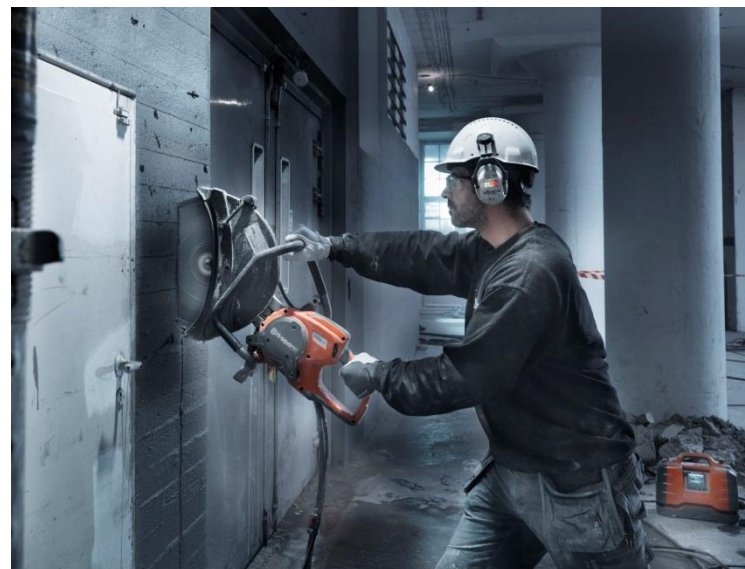
Construction

SEKm	Q4 2013	Q4 2012	% change, Q4		Jan-Dec 2013	Jan-Dec 2012	% change, 12M	
			As reported	Adjusted ¹			As reported	Adjusted ¹
Net sales	696	647	8	10	3,000	2,952	2	6
EBIT	45	20	n.a	n.a	277	233	19	23
EBIT, excl. Items affecting comparability	45	45	0	3	277	258	7	10
EBIT margin, %	6.5	3.1	-	-	9.2	7.9	-	-
EBIT margin, excl. Items affecting comparability	6.5	6.9	-	-	9.2	8.7	-	-

¹ Adjusted for currency translation effects and items affecting comparability.

Q4 2013

- Sales increased 10%, adjusted for FX
 - + Sales up in all regions, however the development in Europe remains mixed
 - + Continued strong growth in Brazil
- Operating income unchanged*
 - + Higher sales volume
 - Unfavorable product mix
 - FX impact
- Launch of PRIME™ high frequency range



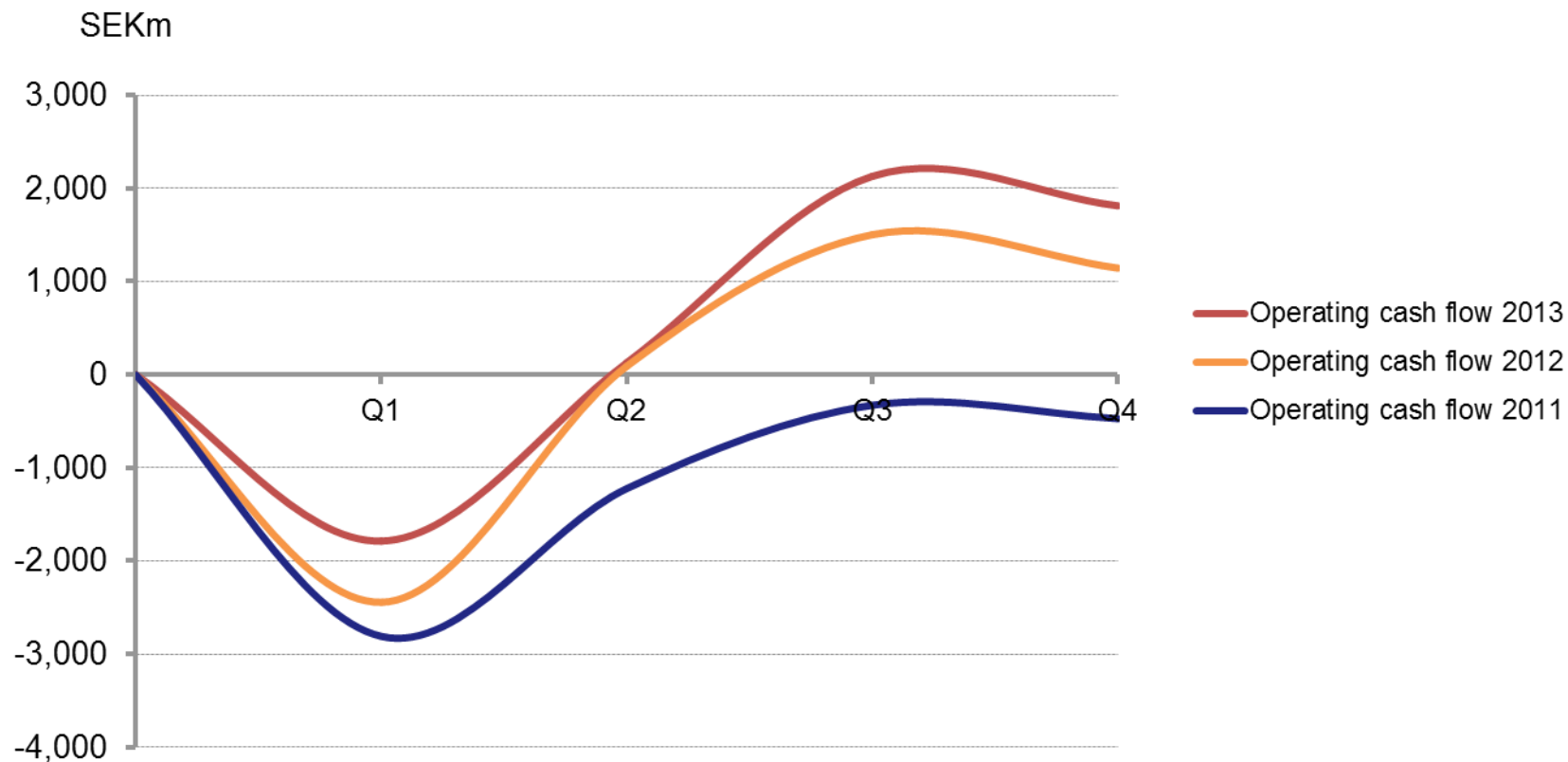
Consolidated income statement

SEKm	Q4 2013	Q4 2012	Jan-Dec 2013	Jan-Dec 2012
Net sales	4,707	4,476	30,307	30,834
Cost of goods sold	-3,525	-3,490	-22,288	-22,543
Gross operating income	1,182	986	8,019	8,291
<i>Margin, %</i>	25.1	22.0	26.5	26.9
Selling expense	-1,150	-1,215	-5,148	-5,223
Administrative expense	-341	-383	-1,260	-1,401
Other operating income/expense	1	8	-3	8
Operating income¹	-308	-604	1,608	1,675
<i>Margin, %</i>	-6.5	-13.5	5.3	5.4
Financial items, net	-125	-152	-428	-500
Income after financial items	-433	-756	1,180	1,175
<i>Margin, %</i>	-9.2	-16.9	3.9	3.8
Income tax	129	258	-264	-148
Income for the period	-304	-498	916	1,027
Basic earnings per share, SEK	-0.53	-0.87	1.60	1.78
Diluted earnings per share, SEK	-0.53	-0.87	1.60	1.78
¹ Of which depreciation, amortization and impairment	-240	-259	-978	-1,062

Consolidated balance sheet

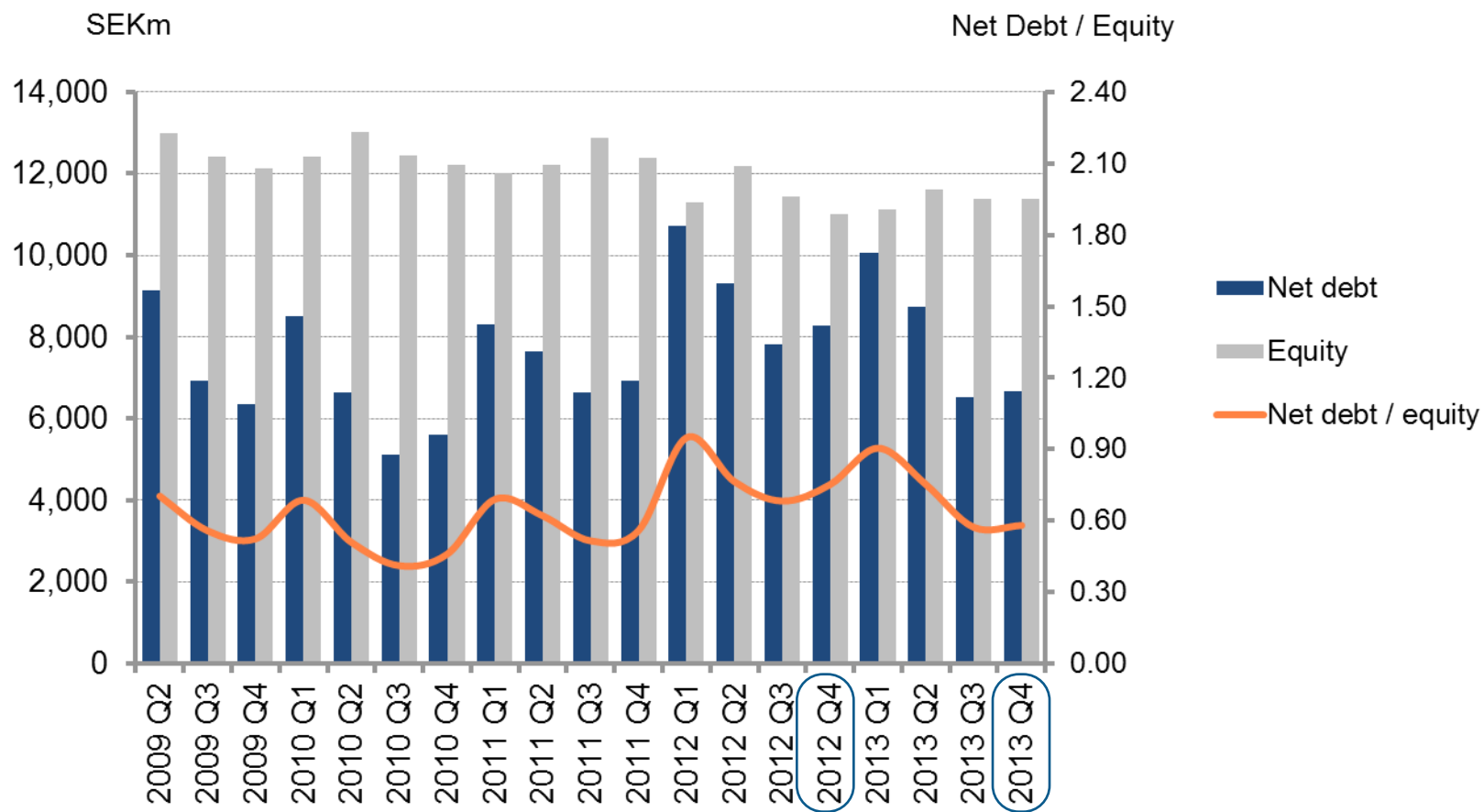
SEKm	31 Dec 2013	31 Dec 2012
Non-current assets	14,367	14,305
Inventories	7,087	8,058
Trade receivables	2,816	3,032
Other current assets	608	940
Liquid funds	1,884	1,571
Total assets	26,762	27,906
Total equity	11,390	11,008
Interest-bearing liabilities	7,290	8,366
Pension liabilities	1,253	1,478
Provisions	2,262	2,385
Trade payables	2,838	2,716
Other current liabilities	1,729	1,953
Total equity and liabilities	26,762	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

	Q4 2013	Q4 2012	Jan-Dec 2013	Jan-Dec 2012
Net sales, SEKm	4,707	4,476	30,307	30,834
Operating income, SEKm	-308	-604	1,608	1,675
Gross margin, %	25.1	22.0	26.5	26.9
Operating margin, %	-6.5	-13.5	5.3	5.4
Working capital, SEKm	4,885	6,194	4,885	6,194
Return on capital employed, %	-	-	7.7	7.4
Return on equity, %	-	-	8.1	8.8
Earnings per share, SEK	-0.53	-0.87	1.60	1.78
Capital-turnover rate, times	-	-	1.6	1.5
Operating cash flow, SEKm	-317	-451	1,813	1,144
Net debt/equity ratio	-	-	0.58	0.75
Capital expenditure, SEKm	389	228	1,078	776
Average number of employees	13,238	13,858	14,156	15,429

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Accelerated improvement programs for 10% margin

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



Saw chain factory investment

Business rationale

- Husqvarna market leader in chainsaws
- Opportunity to leverage from optimizing performance of the complete product (chainsaw + chain)
- Focus on increasing after-market sales
- Reduce dependency of external suppliers

Location

- Huskvarna, Sweden
 - Good balance between competence, production cost and geographic location
- Existing facility/premises of 10,000 m²
- Closeness to key resources
 - The Group's factory and R&D center for professional handheld products

Investment financials summary

SEKm	2013	2014E	2015E	2016E
CAPEX	218	500	20	0
Project and start-up costs	-62	-100	0	0
EBIT contribution	n.a.	n.a.	Neutral	Positive

Capital Markets Day; June 10, 2014

- Save the date for Husqvarna's Capital Markets Day
- June 10, 2014
 - Full day including product event
- Location; Huskvarna, Sweden
- Invitation and details will be provided in due course





**Husqvarna
Group**

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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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