



Q2 2009 results presentation

17 July 2009

Summary, Q2 2009

- Substantially lower market demand vs Q2 2008
 - Retail inventories at low levels
 - Sharp downturn in Construction and Russia/Eastern Europe
 - Pricing stable in both Europe and NA
- Higher sales for Consumer Products NA
 - Third consecutive quarter
- Favorable sales trend for mass-market products in Europe
 - Strong quarter for Gardena-branded irrigation products
- Improved market positions
- Cost and capacity reductions starting to take effect



Group sales and earnings

SEKm	Change, %				Change, %			
	Q2 2009	Q2 2008	As reported	Adjusted*	Jan-Jun 2009	Jan-Jun 2008	As reported	Adjusted*
Net sales	11,481	10,343	11%	-7%	22,633	20,386	11%	-9%
EBIT	1,116	1,321	-16%	-12%	1,902	2,523	-25%	-25%
EBIT-margin,%	9.7%	12.8%	-	-	8.4%	12.4%	-	-
Pre-tax profit	944	1,141	-17%	-	1,534	2,201	-30%	-
Income for the period	761	810	-6%	-	1,225	1,563	-22%	-
Earnings per share**	1.35	1.77	-24%	-	2.33	3.42	-32%	-
Operating cash flow	811	2,850	-	-	1,525	-319	-	-

- Net sales declined adjusted for FX effects and acquisitions
 - Growth for Consumer Products in North America
- EBIT down 16% in Q2 as reported, 25% in H1
 - Lower volumes, less favorable product/country mix
 - Cost of SEK 18m in Q2 for additional personnel cutbacks, SEK 53m in H1
- Decline in EBIT refers mainly to Professional Products
- Strong cash flow
 - Focus on reducing inventories and trade receivables
 - Sale of approx. SEK 400m in trade receivables in Q2 and SEK 2,000m in Q1

* Excl. costs for personnel cutbacks, acquisitions and changes in exchange rates.

** Restated as an effect of the right issue.

Consumer Products

SEKm	Q2 2009	Q2 2008	Change, %		Jan-Jun 2009	Jan-Jun 2008	Change, %	
			As reported	Adjusted*			As reported	Adjusted*
Sales	8,297	6,773	22%	2%	16,389	13,603	20%	-2%
EBIT	730	745	-2%	-1%	1,262	1,472	-14%	-15%
EBIT-margin	8.8%	11.0%	-	-	7.7%	10.8%	-	-

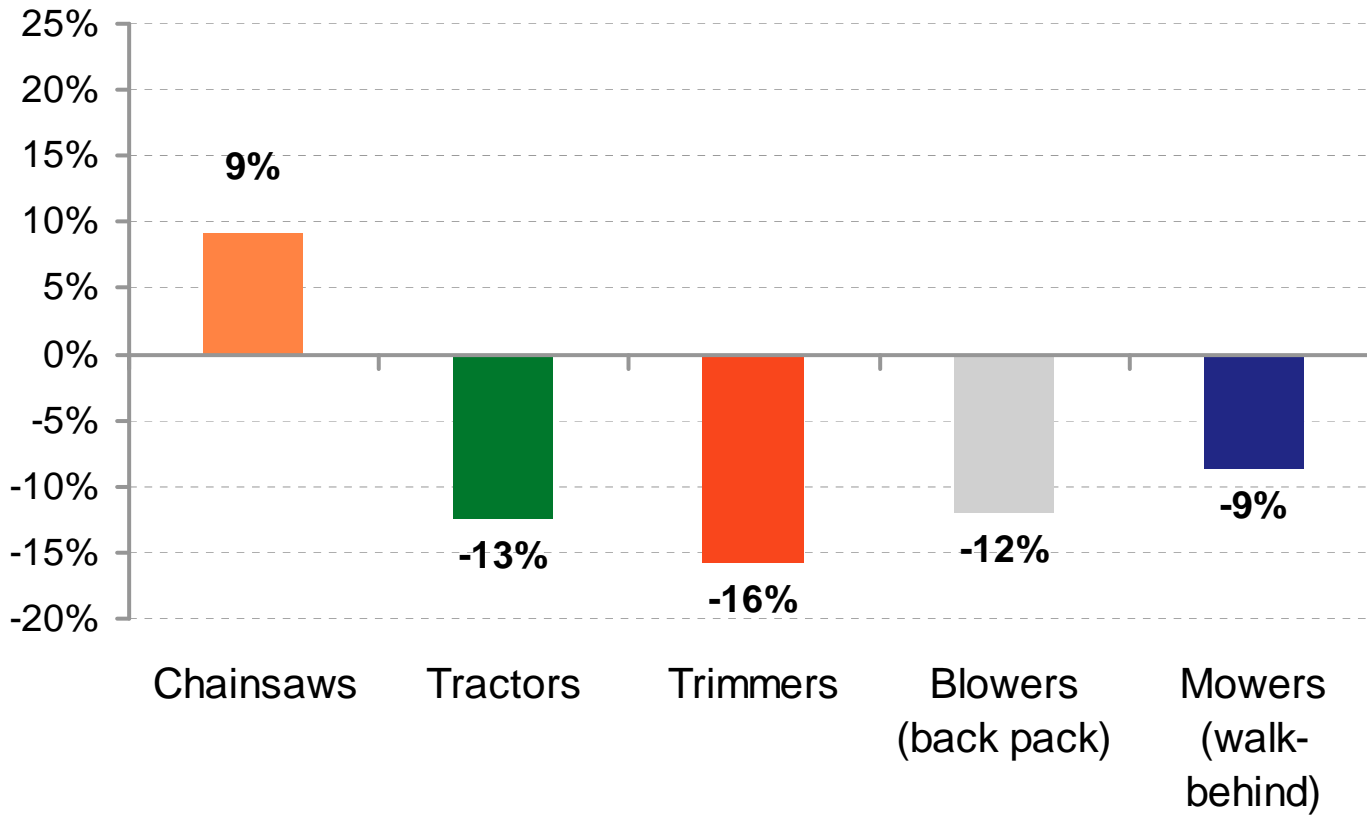
* Excluding costs for personnel cutbacks, acquisitions and adjusted for changes in exchange rates.

- Higher sales and EBIT in NA, both in SEK and USD
 - Margin improved from a low level in 2008
 - Group shipments outperformed overall industry shipments
- Favorable trend in sales for mass-market channels in RoW
 - Growth in Q2, strong performance for irrigation products
- Lower sales of Husqvarna-branded products
 - Sharp declines in Russia/Eastern Europe
- Overall decline in EBIT and margin



US industry shipments

H1 2009 vs. H1 2008



Professional Products

SEKm	Change, %				Change, %			
	Q2 2009	Q2 2008	As reported	Adjusted*	Jan-Jun 2009	Jan-Jun 2008	As reported	Adjusted*
Sales	3,184	3,570	-11%	-23%	6,244	6,783	-8%	-21%
EBIT	428	623	-31%	-26%	721	1,145	-37%	-37%
EBIT-margin	13.4%	17.5%	-	-	11.5%	16.9%	-	-

* Excluding costs for personnel cutbacks, acquisitions and adjusted for changes in exchange rates.

- Lower demand and sales in all product areas
 - Largest downturn for Construction

- Substantial decline in EBIT overall
 - Lower volumes and less favorable product/country mix
 - Largest declines for Construction and Lawn & Garden

- EBIT for Forestry largely unchanged, margin improved
 - Price increases
 - Rationalization of production



In 2009, Husqvarna celebrates 50 years as chainsaw producer

Cost cutting measures

	As of Q2 2009	Previously stated
Announced personnel cutbacks, no. of employees	1,275	1,250
Total estimated costs, SEKm - SEK 35m in Q1 2009 and SEK 18m in Q2 2009 - SEK 316m in 2008	369	351
Estimated annual savings, SEKm - Full effect as of Q3 2009	450	440

Group income statement

	Q2 2009	Q2 2008	Jan-Jun 2009	Jan-Jun 2008	Change, quarter	Change, period
Net Sales	11,481	10,343	22,633	20,386	11%	11%
Cost of goods sold	-8,330	-7,133	-16,815	-14,155	-17%	-19%
Gross operating income	3,151	3,210	5,818	6,231	-2%	-7%
<i>Margin, %</i>	<i>27.4%</i>	<i>31.0%</i>	<i>25.7%</i>	<i>30.6%</i>	-	-
Selling expense	-1,661	-1,531	-3,170	-2,978	-8%	-6%
Administrative expense	-374	-356	-748	-727	-5%	-3%
Other operating income/expense	0	-2	2	-3	-	-
Operating income^{*)}	1,116	1,321	1,902	2,523	-16%	-25%
<i>Margin, %</i>	<i>9.7%</i>	<i>12.8%</i>	<i>8.4%</i>	<i>12.4%</i>	-	-
Financial items, net	-172	-180	-368	-322	4%	-14%
Income after financial items	944	1,141	1,534	2,201	-17%	-30%
Taxes	-183	-331	-309	-638	-	-
Income for the period	761	810	1,225	1,563	-6%	-22%
^{*)} Incl. depreciation/amortization	-336	-274	-688	-560	-23%	-23%

Group balance sheet

SEKm	June 2009	June 2008	Dec 2008
Non-current assets	17,411	14,917	17,734
Inventories	6,979	6,642	8,556
Trade receivables	6,678	7,757	4,184
Other current assets	953	755	1,128
Liquid funds	3,792	1,514	2,735
Total assets	35,813	31,585	34,337
Total equity	13,003	7,939	8,815
Interest-bearing liabilities	12,929	14,901	16,287
Provisions	3,997	3,518	4,114
Trade payables	3,078	2,598	3,280
Other current liabilities	2,806	2,629	1,841
Total equity and liabilities	35,813	31,585	34,337

Key figures

	Jan-Jun 2009	Jan-Jun 2008
Net debt, SEKm	9,137	13,387
Return on capital employed, %	7.5	15.2
Return on equity, %	9.4	25.4
Net debt/equity ratio	0.7	1.69
Equity/assets ratio, %	36.3	25.1

Outlook for Q3 2009

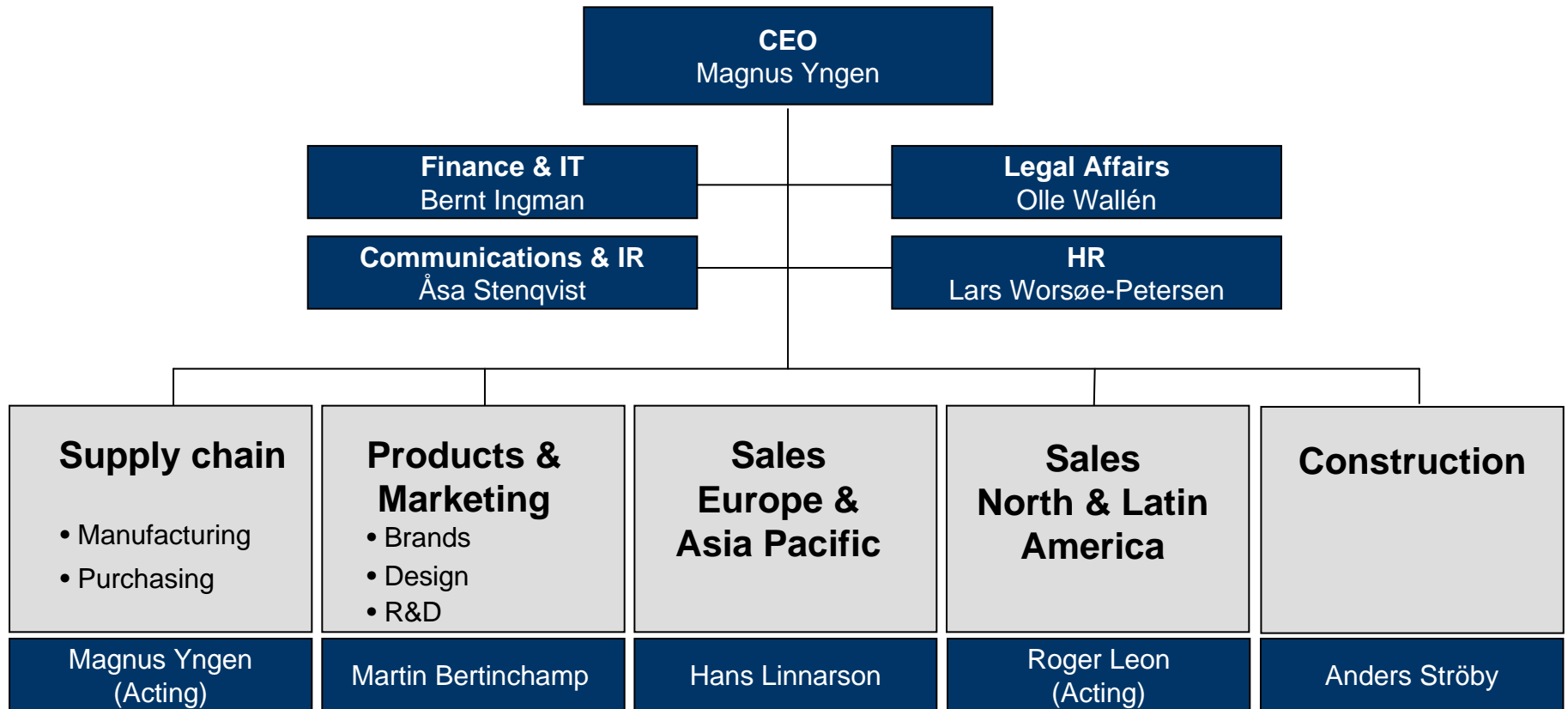
- Retail inventories of Group's garden products at the end of Q2 estimated to have been lower than in 2008.
- Uncertainty remains due to recession.
 - Consumer demand likely to remain low
 - Retailers expected to maintain inventories at low levels
- Shipments in Q3 expected to be somewhat lower than in Q3 2008.
- Consumer products for mass-market channels expected to account for greater share of total sales than Professional Products.
 - Adverse effect on Group's operating margin

Summary of first half 2009

- Higher share of sales in consumer products with lower margins than professional products
- No dramatic deterioration of mix within respective product areas
- Pricing stable in both Europe and North America
- Material costs easing-off
- Retailers reluctant to build up inventories
- Demand for Construction and Lawn & Garden remained at low levels
- Lower demand for Forestry, profitability stable
- Improved market positions



New organization as of 1 January 2010





Q & A

