

Q3 2014 results presentation

Summary Q3 2014

- Continued trend of improved performance for the Group
 - FX-adjusted sales up 3%, EBIT increased 46% to SEK 301m
 - Strengthened balance sheet and improved solvency ratios
- Higher earnings for Europe & Asia/Pacific, in a flat market
- Improved demand and supply chain productivity for Americas; seasonal operating loss cut in half
 - Positive development for dealer channel sales
- Continued profitable growth and margin expansion for Construction



Financial highlights, Group

SEKm	% change, Q3				% change, 9M				FY 2013	
	Q3 2014	Q3 2013	As reported	Adjusted ¹	Jan-Sep 2014	Jan-Sep 2013	As reported	Adjusted ¹		LTM ²
Net sales, Group	6,785	6,349	7	3	27,515	25,600	7	6	32,222	30,307
Gross margin	28.5	26.3	-	-	28.8	26.7	-	-		26.5
EBIT	301	206	46	44	2,588	1,916	35	34	2,280	1,608
EBIT margin, %	4.4	3.2	-	-	9.4	7.5	-	-	7.1	5.3

¹ Adjusted for currency translation effects and items affecting comparability. ² Last 12 months.

Q3 2014

- Sales increased 3% (FX adjusted)
- EBIT rose 46%, margin improved 1.2pp
 - + Volume increase
 - + Accelerated Improvement Program
 - + Reduction of material costs
 - + Productivity
- Improved solvency ratios
 - + Net debt/equity ratio improved to 0.50 (0.57)
 - + Net debt/EBITDA decreased to 2.3 (3.6)



Europe & Asia/Pacific

SEKm	Q3 2014	Q3 2013	% change, Q3		Jan-Sep 2014	Jan-Sep 2013	% change, 9M		LTM ²	FY 2013
			As reported	Adjusted ¹			As reported	Adjusted ¹		
Net sales	3,305	3,209	3	0	13,406	12,442	8	5	15,700	14,736
EBIT	309	285	8	8	2,079	1,635	27	25	1,932	1,488
<i>EBIT margin, %</i>	9.4	8.9	-	-	15.5	13.1	-	-	12.3	10.1

¹ Adjusted for currency translation effects and items affecting comparability. ² Last 12 months.

Q3 2014

- Sales unchanged (FX adjusted)
 - + Good development for handheld and electrical products
 - Downturn in Russia
 - Decline for watering products due to favorable weather impact prior year Q3
- EBIT rose 8% and margin improved 0.5pp
 - + Increase in handheld and reduction of material costs compensated for drop in watering



Americas

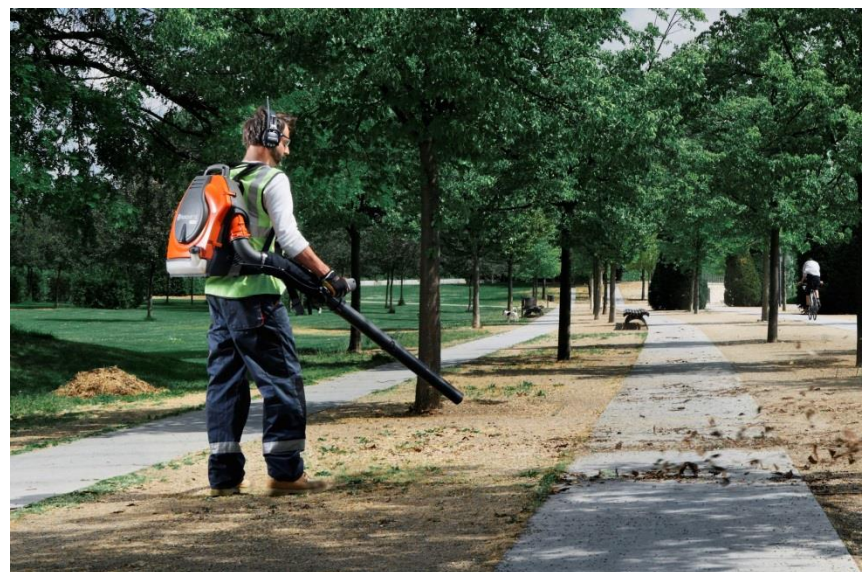
SEKm	Q3 2014	Q3 2013	% change, Q3		Jan-Sep 2014	Jan-Sep 2013	% change, 9M		LTM ²	FY 2013
			As reported	Adjusted ¹			As reported	Adjusted ¹		
Net sales	2,614	2,357	11	6	11,576	10,854	7	6	13,293	12,571
EBIT	-55	-122	55	55	383	176	n/a	n/a	237	30
<i>EBIT margin, %</i>	-2.1	-5.2	-	-	3.3	1.6	-	-	1.8	0.2

¹ Adjusted for currency translation effects and items affecting comparability. ² Last 12 months.

Q3 2014

- Sales increased 6% (FX adjusted)
 - + Good development in U.S. and Latin America
 - + Continued favorable development in dealer channel

- Seasonal operating loss cut in more than half
 - + Direct material cost reductions
 - + Supply chain productivity
 - + Higher sales volume



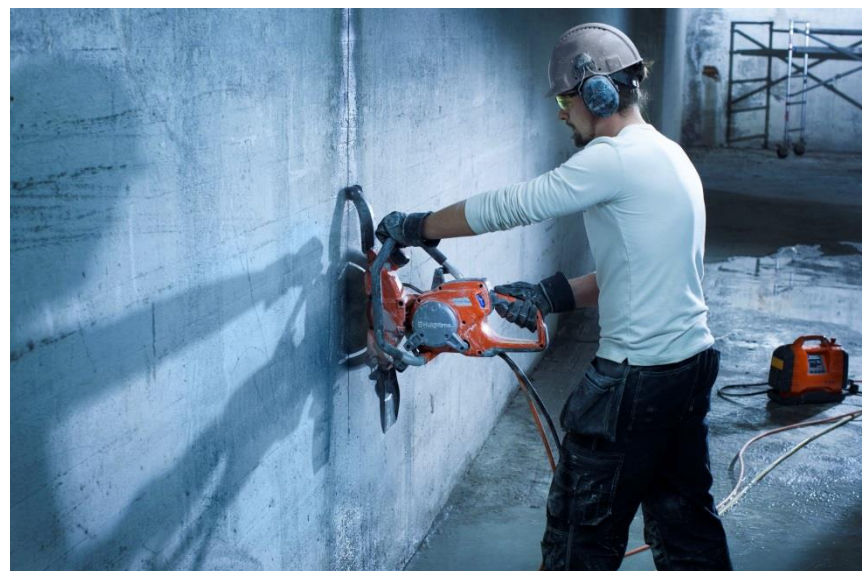
Construction

SEKm	Q3 2014	Q3 2013	% change, Q3		Jan-Sep 2014	Jan-Sep 2013	% change, 9M		LTM ²	FY 2013
			As reported	Adjusted ¹			As reported	Adjusted ¹		
Net sales	866	783	11	6	2,533	2,304	10	8	3,229	3,000
EBIT	109	86	27	21	307	232	33	31	352	277
<i>EBIT margin, %</i>	12.6	10.9	-	-	12.1	10.1	-	-	10.9	9.2

¹ Adjusted for currency translation effects and items affecting comparability. ² Last 12 months.

Q3 2014

- Sales increased 6% (FX adjusted)
 - + Strong development in North America
- Continued EBIT growth and margin expansion
 - + Sales volume increase
 - + Product mix



Acquisition of Neta, Australia

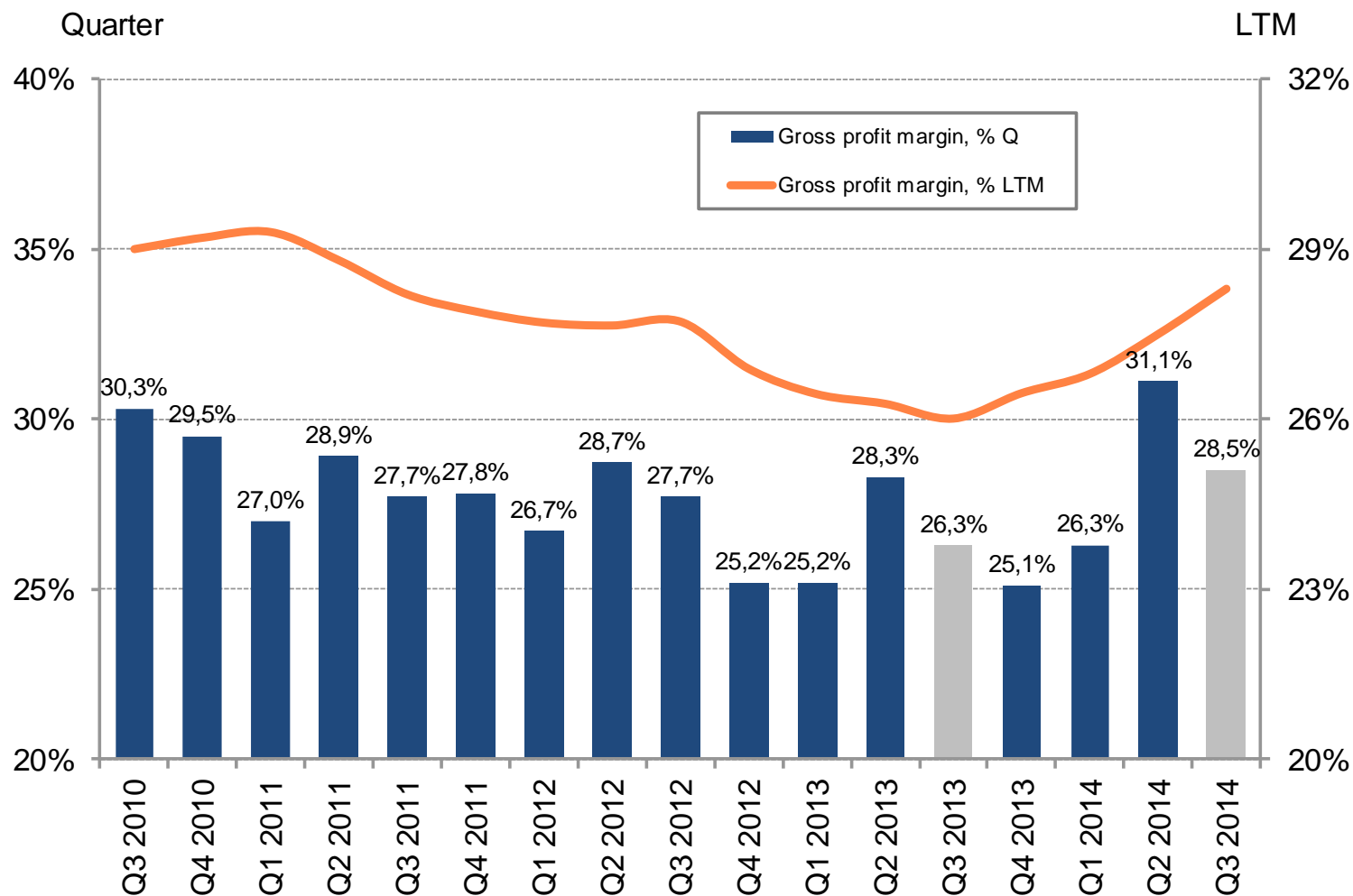
- One of Australia's leaders in mobile watering and specialty irrigation
- Platform for micro-drip irrigation market
- Will be included in Gardena division (as of 2015)
- Annual sales of SEK ~100m
- Price ~25m (asset purchase)
- Limited financial impact in 2014.



Consolidated income statement

SEKm	Q3 2014	Q3 2013	Jan-Sep 2014	Jan-Sep 2013	FY 2013
Net sales	6,785	6,349	27,515	25,600	30,307
Cost of goods sold	-4,850	-4,678	-19,592	-18,763	-22,288
Gross operating income	1,935	1,671	7,923	6,837	8,019
<i>Margin, %</i>	28.5	26.3	28.8	26.7	26.5
Selling expense	-1,306	-1,179	-4,344	-3,998	-5,148
Administrative expense	-328	-286	-1,004	-919	-1,260
Other operating income/expense	0	0	13	-4	-3
Operating income¹	301	206	2,588	1,916	1,608
<i>Margin, %</i>	4.4	3.2	9.4	7.5	5.3
Financial items, net	-70	-111	-276	-303	-428
Income after financial items	231	95	2,312	1,613	1,180
<i>Margin, %</i>	3.4	1.5	8.4	6.3	3.9
Income tax	-55	-3	-545	-393	-264
Income for the period	176	92	1,767	1,220	916
Basic earnings per share, SEK	0.31	0.16	3.08	2.12	1.60
Diluted earnings per share, SEK	0.31	0.16	3.08	2.12	1.60
¹ Of which depreciation, amortization and impairment	-238	-248	-707	-738	-978

Gross margin development

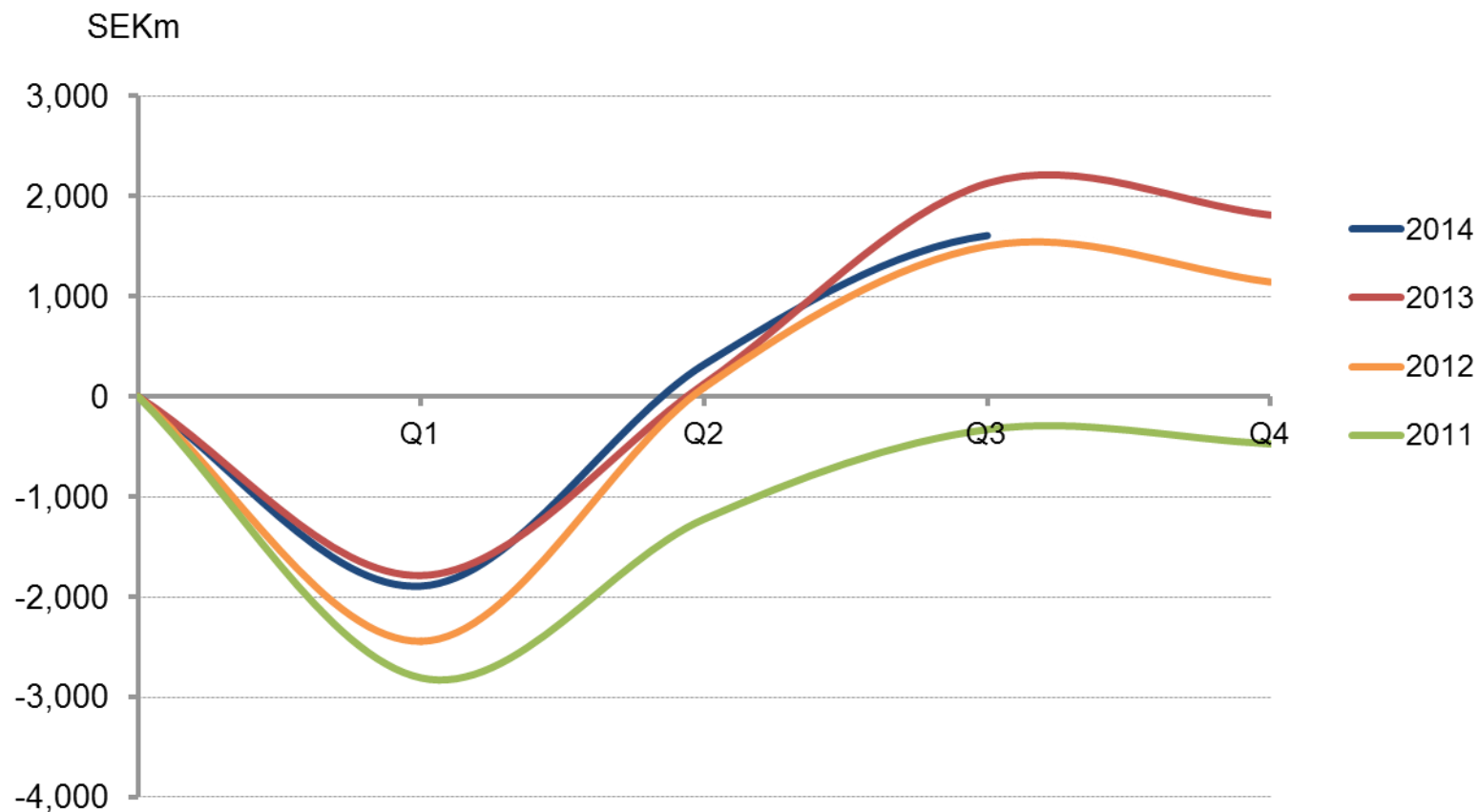


LTM = Last twelve months

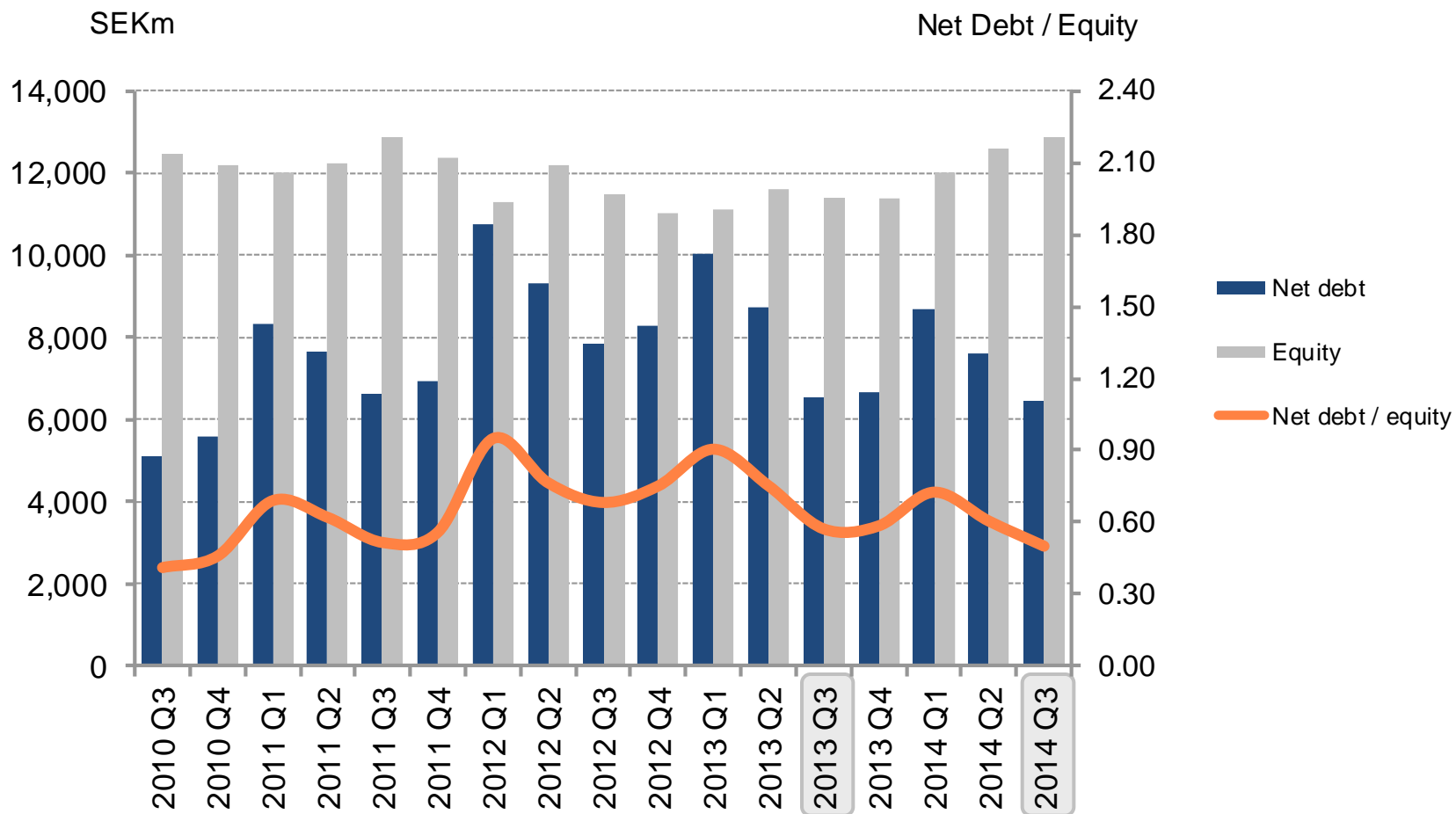
Consolidated balance sheet

SEKm	30 Sep 2014	30 Sep 2013
Non-current assets	15,336	13,918
Inventories	6,787	5,863
Trade receivables	3,970	4,084
Other current assets	560	632
Liquid funds	2,316	1,588
Total assets	28,969	26,085
Total equity	12,872	11,382
Interest-bearing liabilities	7,167	6,834
Pension liabilities	1,599	1,265
Provisions	2,369	2,231
Trade payables	2,533	2,188
Other current liabilities	2,429	2,185
Total equity and liabilities	28,969	26,085

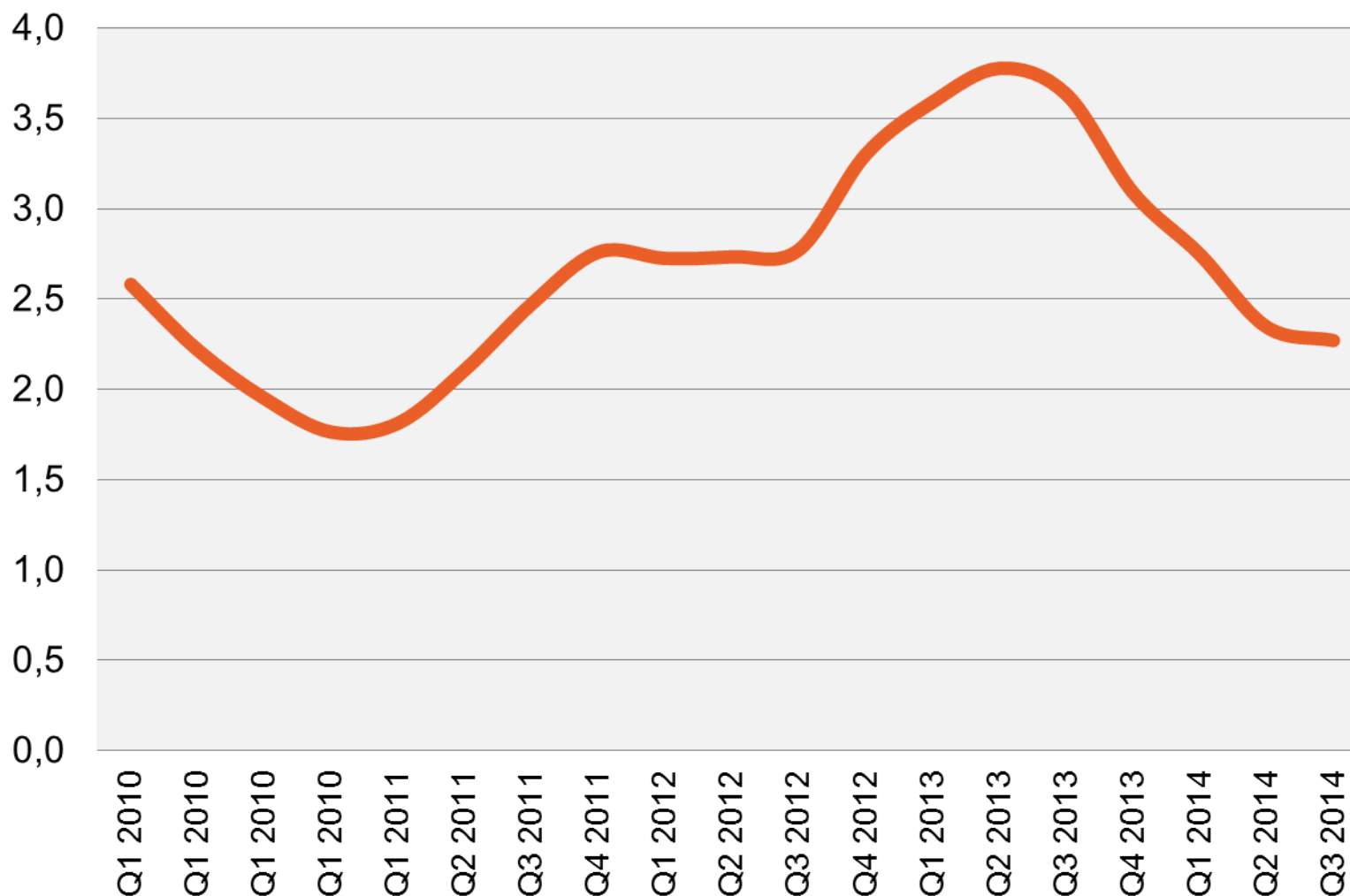
Operating cash flow



Net debt and equity



Net debt/EBITDA (Rolling 12 months)



Key figures

	Q3 2014	Q3 2013	Jan-Sep 2014	Jan-Sep 2013	FY 2013
Net sales, SEKm	6,785	6,349	27,515	25,600	30,307
Gross margin, %	29	26	29	27	27
Operating income, SEKm	301	206	2,588	1,916	1,608
Operating margin, %	4.4	3.2	9.4	7.5	5.3
Working capital, SEKm	5,275	5,108	5,275	5,108	4,885
Return on capital employed, %	-	-	10.8	6.0	7.7
Return on equity, %	-	-	12.2	6.4	8.1
Earnings per share, SEK	0.31	0.16	3.08	2.12	1.60
Capital-turnover rate, times	-	-	1.7	1.5	1.6
Operating cash flow, SEKm	1,286	2,001	1,608	2,130	1,813
Net debt/equity ratio	-	-	0.50	0.57	0.58
Capital expenditure, SEKm	315	254	903	689	1,078
Average number of employees	13,127	12,758	14,825	14,359	14,156

Summary Q3 2014

- Continued trend of improved performance for the Group
 - FX-adjusted sales up 3%, EBIT increased 46% to SEK 301m
 - Strengthened balance sheet and improved solvency ratios
 - Higher earnings for Europe & Asia/Pacific, in a flat market
 - Improved demand and supply chain productivity for Americas; seasonal operating loss cut in half
 - Positive development for dealer channel sales
 - Continued profitable growth and margin expansion for Construction
- 4th quarter demand expected to be stable compared with 4th quarter prior year.





**Husqvarna
Group**

www.husqvarnagroup.com

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.