



## Press release

Stockholm April 11, 2011

### Lower than expected result for business area Americas in the first quarter 2011

*All numbers are preliminary and unaudited.*

Husqvarna's sales and operating income for Americas are lower than both the company's own as well as current market expectations, as a consequence of production disturbances in Husqvarna's largest production facility in North America.

The total Husqvarna Group's sales and operating income adjusted for exchange rate effects and items affecting comparability, increased by 6 percent and 7 percent respectively, compared to the first quarter previous year.

Net sales for the Group amounts to SEK 8,774 m (9,082). Adjusted for exchange rate effects sales increased by 6 percent or by approximately SEK 490m. Operating income for the Group amounts to SEK 662m (778). Adjusted for exchange rate effects and items affecting comparability operating income increased by 7 percent or by approximately SEK 50m.

Net sales for Europe & Asia/Pacific amounts to SEK 4,541 m (4,459). Adjusted for exchange rate effects sales increased by 10 percent or by approximately SEK 400m. Operating income for Europe & Asia/Pacific amounts to SEK 815m (732). Adjusted for exchange rate effects and items affecting comparability operating income increased by 32 percent or by approximately SEK 200m.

Net sales for Americas amounts to SEK 3,588 m (4,028). Adjusted for exchange rate effects sales were flat. Operating income for Americas amounts to SEK -94m (81). Adjusted for exchange rate effects and items affecting comparability operating income declined by approximately SEK -175m.

Net sales for Construction amounts to SEK 645m (595). Adjusted for exchange rate effects sales increased by 18 percent or by SEK 97m. Operating income for Construction amounts to SEK -17 m (1), and includes a restructuring charge related to the closure of the production facility in Spain of SEK 40m. Adjusted for exchange rate effects and items affecting comparability operating income increased by approximately SEK 30m.

The production disturbances in North America have led to lower shipments and therefore negatively affected sales as well as significantly higher costs.

The production disturbances are due to an increase in material complexity which is associated with the combination of both the move of the production from Beatrice, Nebraska into the production facility in Orangeburg, South Carolina as well as a significantly higher number of new products being launched.

Measures to resolve the situation and to minimize the impact for customers have been taken. The production increased gradually during the quarter, as did the associated cost for measures taken. The improvement work is continuing and production output is expected to continue to improve during the second quarter, however with higher manufacturing costs throughout the season.

The manufacturing facility in Orangeburg produces mainly ride-on lawn mowers for the North American market. Some production is also exported to Europe and worldwide.

#### **Further information**

Further information will be provided in Husqvarna's interim report for the first quarter 2011. The report will, as earlier announced, be published on April 19, 2011, at 11:00 CET followed by a conference call and analyst meeting at 13:00 CET.

Husqvarna Press Hotline, tel. +46 (0)8 738 70 80 or [press@husqvarna.se](mailto:press@husqvarna.se)  
Boel Sundvall, SVP Corporate Communications & IR, +46 8 738 70 18  
Tobias Norrby, Investor Relations Manager, +46 8 738 83 35

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The Husqvarna Group is the world's largest producer of outdoor power products including chainsaws, trimmers, lawn mowers and garden tractors. The Group is also the European leader in consumer watering products and one of the world leaders in cutting equipment and diamond tools for the construction and stone industries. The product offering includes products for both consumers and professional users. The Group's products are sold via dealers and retailers in more than 100 countries. Net sales in 2010 amounted to SEK 32 billion, and the average number of employees was approximately 15,000.

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| Address  | Visiting address  | Telephone       | Fax             | Reg. No.    | Web site   |
|--|-------------------|-----------------|-----------------|-------------|--|
| Husqvarna AB (publ)<br>Box 7454<br>SE-103 92 Stockholm<br>Sweden | Regeringsgatan 28 | +46 8 738 64 00 | +46 8 738 64 01 | 556000-5331 | <a href="http://www.husqvarna.com">www.husqvarna.com</a> |