

# Press release

Stockholm April 10, 2015

## Correction of balance sheet and income statement 2014

Husqvarna Group has established a new brand-driven organization for its forest and garden operations, which was fully effective as of January 1, 2015. The new organization includes three global divisions for the forest and garden operations; Husqvarna, Gardena and Consumer Brands. The Construction division was not affected by the reorganization. The business area reporting for 2014, restated into the new divisions, is included in the Group's annual report for 2014.

Furthermore, the Group has revisited the calculation model for elimination of internal profits in inventory. The application of the new model results in a correction of the opening balance of Group inventory as of January 1, 2015, by SEK -245m before tax. The impact on Group income for the period 2014 is limited to SEK -7m, with differences between the four individual quarters and divisions. In addition, there has also been a minor correction of prior years' reported equity, primarily related to income tax.

The full restatement is attached to this press release.

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*The above information has been made public in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. It was released for publication at 08:30 CET on April 10, 2015.*

### Husqvarna Group

Husqvarna Group is a world leading producer of outdoor power products including chainsaws, trimmers, robotic lawn mowers and garden tractors. The Group is also the European leader in garden watering products and a world leader in cutting equipment and diamond tools for the construction and stone industries. The Group's products and solutions are sold under brands including Husqvarna, Gardena, McCulloch, Poulan Pro, Weed Eater, Flymo, Zenoah and Diamant Boart via dealers and retailers to end-customers in more than 100 countries. Net sales in 2014 amounted to SEK 33 billion, and the Group had more than 14,000 employees in 40 countries.

## Group Income Statement

SEKm	Q1 2014 restated	Q1 2014	Q2 2014 restated	Q2 2014	Q3 2014 restated	Q3 2014	Q4 2014 restated	Q4 2014	Full-year 2014 restated	Full-year 2014
Cost of goods sold	-7 128	-7 133	-7 620	-7 609	-4 819	-4 850	-3 921	-3 886	-23 488	-23 478
<b>Gross income</b>	<b>2 557</b>	<b>2 552</b>	<b>3 425</b>	<b>3 436</b>	<b>1 966</b>	<b>1 935</b>	<b>1 402</b>	<b>1 437</b>	<b>9 350</b>	<b>9 360</b>
<b>Operating income</b>	<b>908</b>	<b>903</b>	<b>1 373</b>	<b>1 384</b>	<b>332</b>	<b>301</b>	<b>-1 032</b>	<b>-997</b>	<b>1 581</b>	<b>1 591</b>
Income tax	-192	-191	-296	-299	-63	-55	119	110	-432	-435
<b>Income for the period</b>	<b>620</b>	<b>616</b>	<b>967</b>	<b>975</b>	<b>199</b>	<b>176</b>	<b>-962</b>	<b>-936</b>	<b>824</b>	<b>831</b>
Earnings per share before dilution, SEK	1,08	1,07	1,68	1,70	0,35	0,31	-1,68	-1,63	1,43	1,44
Earnings per share after dilution, SEK	1,08	1,07	1,68	1,70	0,35	0,31	-1,68	-1,63	1,43	1,44
<b>Other comprehensive income</b>	<b>606</b>	<b>602</b>	<b>1 434</b>	<b>1 442</b>	<b>311</b>	<b>288</b>	<b>-731</b>	<b>-705</b>	<b>1 620</b>	<b>1 627</b>

## Group Balance Sheet

SEKm	March 31, 2014 restated	Mar 31, 2014	June 30, 2014 restated	Jun 30, 2014	Sept 30, 2014 restated	Sep 30, 2014	Dec 31, 2014 restated	Dec 31, 2014
Property, plant and equipment	3 704	3 686	3 878	3 860	4 094	4 076	4 481	4 463
Deferred tax assets	1 276	1 221	1 326	1 268	1 281	1 231	1 644	1 585
Inventories	7 277	7 507	6 704	6 945	6 577	6 787	7 709	7 954
<b>Total assets</b>	<b>31 482</b>	<b>31 639</b>	<b>31 301</b>	<b>31 466</b>	<b>28 827</b>	<b>28 969</b>	<b>29 176</b>	<b>29 344</b>
<b>Total equity</b>	<b>11 923</b>	<b>11 994</b>	<b>12 497</b>	<b>12 576</b>	<b>12 816</b>	<b>12 872</b>	<b>12 088</b>	<b>12 170</b>
Tax liabilities	186	272	438	524	231	317	50	136
<b>Total liabilities</b>	<b>19 559</b>	<b>19 645</b>	<b>18 804</b>	<b>18 890</b>	<b>16 011</b>	<b>16 097</b>	<b>17 088</b>	<b>17 174</b>
<b>Total equity and liabilities</b>	<b>31 482</b>	<b>31 639</b>	<b>31 301</b>	<b>31 466</b>	<b>28 827</b>	<b>28 969</b>	<b>29 176</b>	<b>29 344</b>

## Husqvarna Division

SEKm	Q1 2014 restated	Q1 2014	Q2 2014 restated	Q2 2014	Q3 2014 restated	Q3 2014	Q4 2014 restated	Q4 2014	Full-year 2014 restated	Full-year 2014
Net sales	4 358	4 358	5 038	5 038	3 264	3 264	2 789	2 789	15 449	15 449
<b>Operating income</b>	<b>667</b>	<b>653</b>	<b>818</b>	<b>818</b>	<b>432</b>	<b>400</b>	<b>91</b>	<b>145</b>	<b>2 008</b>	<b>2 016</b>
Operating margin, %	15,3	15,0	16,2	16,2	13,2	12,2	3,3	5,2	13,0	13,0
Assets	10 720	10 845	10 696	10 827	9 715	9 826	10 025	10 189	10 025	10 189
Liabilities	3 404	3 404	3 356	3 356	2 754	2 754	2 942	2 942	2 942	2 942
<b>Net assets</b>	<b>7 316</b>	<b>7 441</b>	<b>7 340</b>	<b>7 471</b>	<b>6 961</b>	<b>7 072</b>	<b>7 083</b>	<b>7 247</b>	<b>7 083</b>	<b>7 247</b>

## Gardena Division

SEKm	Q1 2014 restated	Q1 2014	Q2 2014 restated	Q2 2014	Q3 2014 restated	Q3 2014	Q4 2014 restated	Q4 2014	Full-year 2014 restated	Full-year 2014
Net sales	1 152	1 152	1 712	1 712	879	879	469	469	4 212	4 212
<b>Operating income</b>	<b>177</b>	<b>186</b>	<b>399</b>	<b>401</b>	<b>-7</b>	<b>2</b>	<b>-186</b>	<b>-207</b>	<b>383</b>	<b>382</b>
Operating margin, %	15,4	16,1	23,3	23,4	-0,8	0,3	-39,7	-44,2	9,1	9,1
Assets	7 285	7 321	7 441	7 473	6 841	6 873	6 449	6 460	6 449	6 460
Liabilities	804	804	867	867	563	563	639	639	639	639
<b>Net assets</b>	<b>6 481</b>	<b>6 517</b>	<b>6 574</b>	<b>6 606</b>	<b>6 278</b>	<b>6 310</b>	<b>5 810</b>	<b>5 821</b>	<b>5 810</b>	<b>5 821</b>

## Consumer Brands Division

SEKm	Q1 2014 restated	Q1 2014	Q2 2014 restated	Q2 2014	Q3 2014 restated	Q3 2014	Q4 2014 restated	Q4 2014	Full-year 2014 restated	Full-year 2014
Net sales	3 393	3 393	3 410	3 410	1 776	1 776	1 259	1 259	9 838	9 838
<b>Operating income</b>	<b>44</b>	<b>48</b>	<b>97</b>	<b>102</b>	<b>-138</b>	<b>-148</b>	<b>-158</b>	<b>-156</b>	<b>-155</b>	<b>-154</b>
Operating margin, %	1,3	1,4	2,8	3,0	-7,8	-8,3	-12,5	-12,4	-1,6	-1,6
Assets	7 330	7 325	6 194	6 193	5 350	5 336	5 645	5 635	5 645	5 635
Liabilities	2 599	2 599	2 068	2 068	1 514	1 514	1 723	1 723	1 723	1 723
<b>Net assets</b>	<b>4 731</b>	<b>4 726</b>	<b>4 126</b>	<b>4 125</b>	<b>3 836</b>	<b>3 822</b>	<b>3 922</b>	<b>3 912</b>	<b>3 922</b>	<b>3 912</b>

## Construction Division

SEKm	Q1 2014 restated	Q1 2014	Q2 2014 restated	Q2 2014	Q3 2014 restated	Q3 2014	Q4 2014 restated	Q4 2014	Full-year 2014 restated	Full-year 2014
Net sales	782	782	885	885	866	866	806	806	3 339	3 339
<b>Operating income</b>	<b>81</b>	<b>77</b>	<b>117</b>	<b>121</b>	<b>107</b>	<b>109</b>	<b>49</b>	<b>49</b>	<b>354</b>	<b>356</b>
Operating margin, %	10,4	9,8	13,2	13,7	12,4	12,6	6,0	6,0	10,6	10,7
Assets	3 023	3 080	3 179	3 240	3 226	3 288	3 215	3 278	3 215	3 278
Liabilities	507	507	565	565	558	558	538	538	538	538
<b>Net assets</b>	<b>2 516</b>	<b>2 573</b>	<b>2 614</b>	<b>2 675</b>	<b>2 668</b>	<b>2 730</b>	<b>2 677</b>	<b>2 740</b>	<b>2 677</b>	<b>2 740</b>

Liquid assets, interest bearing liabilities, deferred tax and equity are not included in the tables above.

Tax liabilities and tax receivables have also been excluded as they will be excluded in the interim reports going forward (starting January 1, 2015).