

INTERIM REPORT JANUARY – MARCH 2015

Stockholm April 21, 2015



Kai Wärn, President and CEO:

“Since January 1, Husqvarna Group operates under a new brand-driven divisional structure. The new organization shall be seen as a proactive measure to position Husqvarna Group for the next phase 2016 and beyond, with a stronger focus on profitable growth. In 2015 however, the main focus will remain on operating margin recovery through the Accelerated Improvement Program (AIP).

Overall, the year has started well for us. Group operating income increased by 22% to SEK 1,112m (908), despite a currency adjusted sales decline of -3%. The corresponding operating margin rose to 10.2% (9.4). Even if total sales declined, the development in terms of divisional mix was positive. Sales increased 9% in both of our higher margin forest and garden divisions Husqvarna and Gardena. Consumer Brands' sales were down by -21% predominantly reflecting a late start of the season due to another cold winter in the U.S., and our ambition to prioritize value before revenue. Construction was off to a slow start, mainly due to external reasons, but sales gradually improved and ended at an increase of 2% but with a significantly higher run-rate in March.

AIP continues to deliver according to plan and the trend of improving gross and operating margins for the Group remains. Margins were positively affected by continued impact from the two main components in our improvement program; Operational Excellence driven cost reductions and sales growth in our product leadership areas - the latter having a favorable impact on the mix. Some of the progress was offset by unfavorable volume impact due to the lower sales in Consumer Brands. On the other hand, income for the Group was supported by a positive impact from changes in exchange rates, as currency hedges offset most of the negative transaction effects.

The recent currency movements have helped us short term, but the longer-term impact, mainly referring to the strengthening of the USD, is expected to have a negative impact. So whereas operating income and margin recovery have been solid since the launch of the AIP program, additional improvement areas to balance the negative currency impact have been identified, such as indirect material and logistics as well as capacity and efficiency measures.”

First quarter, January – March 2015

- Net sales increased by 13% to SEK 10,928m (9,685). Adjusted for exchange rate effects, net sales decreased -3%.
 - Growth for Husqvarna, Gardena and Construction, while Consumer Brands declined substantially.
- Operating income rose 22% to SEK 1,112m (908).
 - Operational Excellence cost reductions and favorable divisional mix.
- Positive short-term impact from changes in exchange rates amounting to SEK 107m.
- Earnings per share increased to SEK 1.37 (1.08).
- Operating cash flow amounted to SEK -2,410m (-1,969).

SEKm	Q1	Q1	Change, %		LTM ²	FY
	2015	2014	As rep.	Adj. ¹		2014
Net sales, Group	10,928	9,685	13	-3	34,081	32,838
Husqvarna	5,342	4,358	23	9	16,433	15,449
Gardena	1,319	1,152	15	9	4,379	4,212
Consumer Brands	3,343	3,393	-1	-21	9,788	9,838
Construction	924	782	18	2	3,481	3,339
EBITDA	1,373	1,139	21	6	3,549	3,315
EBITDA margin, %	12.6	11.8	-	-	10.4	10.1
Impairment of goodwill	-	-	-	-	-767	-767
Operating income, Group	1,112	908	22	7	1,785	1,581
Excl. items affecting comparability, Group	1,112	908	22	7	2,552	2,348
Husqvarna	897	667	35	23	2,238	2,008
Gardena	204	177	15	6	410	383
Consumer Brands	-11	44	n/a	n/a	-210	-155
Construction	74	81	-9	-21	347	354
Operating margin, %	10.2	9.4	-	-	5.2	4.8
Excl. items affecting comparability, %	10.2	9.4	-	-	7.5	7.2
Income after financial items	1,057	812	30	-	1,501	1,256
Income for the period	788	620	27	-	992	824
Earnings per share, SEK	1.37	1.08	27	-	1.72	1.43

¹ Adjusted for currency translation effects (i.e. excluding transaction and hedging effects). ² 12 months rolling

FIRST QUARTER, JANUARY – MARCH 2015

Net sales

Net sales for the first quarter 2015 increased by 13% to SEK 10,928m (9,685). Adjusted for exchange rate effects, net sales for the Group declined -3%.

The decline in net sales refers to the Consumer Brands Division. Net sales for Husqvarna, Gardena and Construction increased compared with the previous year.

Currency adjusted sales in Husqvarna and Gardena increased by 9%, Construction increased by 2% while sales for Consumer Brands declined by -21%.

Operating income

Operating income for the first quarter increased 22% to SEK 1,112m (908), corresponding to an operating margin of 10.2% (9.4).

Operating income was positively impacted primarily by favorable divisional mix, material cost reductions and efficiency improvements, which partly were offset by the lower sales volume and higher costs for selling and administration.

Changes in exchange rates had a total positive impact on operating income of SEK 107m compared to the first quarter 2014.

Financial items net

Financial items net amounted to SEK -55m (-96), of which net interest amounted to SEK -64m (-82). The average interest rate on borrowings on March 31, 2015, was 2.9% (3.3).

Income after financial items

Income after financial items increased to SEK 1,057m (812) corresponding to a margin of 9.7% (8.4).

Taxes

Tax for the first quarter amounted to SEK -269m (-192), corresponding to a tax rate of 25% (24) of income after financial items.

Earnings per share

Income for the period increased to SEK 788m (620), corresponding to SEK 1.37 (1.08) per share.

OPERATING CASH FLOW

Operating cash flow for the first quarter amounted to SEK -2,410m (-1,960). Cash flow from operations, excluding changes in operating assets and liabilities, was supported by the improved earnings while cash flow from changes in working capital decreased primarily as a result of higher inventory build-up ahead of the high season compared with previous year.

Due to the seasonality of the Group's operations, operating cash flow is normally negative in the first quarter.

Operating cash flow SEKm	Q1 2015	Q1 2014	Full-year 2014
Cash flow from operations, excluding changes in operating assets and liabilities	1,100	1,022	2,051
Changes in operating assets and liabilities	-3,267	-2,690	203
Cash flow from operations	-2,167	-1,668	2,254
Cash flow from investments, excluding acquisitions and divestments	-243	-292	-1,386
Operating cash flow	-2,410	-1,960	868

FINANCIAL POSITION

Group equity as of March 31, 2015, excluding non-controlling interests, amounted to SEK 12,911m (11,904), corresponding to SEK 22.5 (20.8) per share.

Net debt increased to SEK 10,172m (8,698) of which hedges of net investments in foreign operations accounted for a major share of the increase. Liquid funds amounted to SEK 2,241m (1,755) and interest-bearing debt amounted to SEK 10,479m (9,096), excluding pensions. The major currencies used for debt financing are SEK and USD. Net debt increased by SEK 545m during the last twelve months as a result of changes in exchange rates.

The net debt/equity ratio amounted to 0.79 (0.73) and the equity/assets ratio was 36% (38).

Net debt SEKm	Mar 31, 2015	Mar 31, 2014	Dec 31, 2014
Interest-bearing liabilities	10,479	9,096	7,504
Provisions for pensions and other post-employment benefits	1,934	1,357	1,835
Less: Liquid funds	-2,241	-1,755	-2,105
Net debt	10,172	8,698	7,234

On March 31, 2015, non-current borrowings including financial leases amounted to SEK 5,681m (6,852) and current borrowings including financial leases to SEK 3,408m (2,041). Non-current borrowings consist of SEK 3,490m (4,946) in issued bonds and of SEK 2,191m (1,906) in bank loans and financial leases. The bonds and bank loans mature in 2016 - 2018. The Group also has an unutilized SEK 5bn syndicated revolving credit facility, with maturity in 2019, with an option for an additional 1+1 year.

PERFORMANCE BY BUSINESS SEGMENT

As of January 1, 2015, Husqvarna Group operates under a new brand driven organization. The business segment reporting has been adjusted accordingly. The new structure includes the divisions Husqvarna, Gardena, Consumer Brands and Construction.

Husqvarna

SEKm	Q1	Q1	Change, %		Full-year LTM ²	2014
	2015	2014	rep.	Adj. ¹		
Net sales	5,342	4,358	23	9	16,433	15,449
Operating income	897	667	35	23	2,238	2,008
Operating margin, %	16.8	15.3	-	-	13.6	13.0

¹ Adjusted for currency translation effects.

² 12 months rolling.

Net sales in Husqvarna increased by 23% in the first quarter. Adjusted for changes in exchange rates, net sales increased by 9%.

Sales in the Division rose in all regions. Wheeled products in Europe, such as garden tractors, riders and lawn mowers contributed with the largest improvement, partly due to earlier sell-in compared with last year. Electric products, in particular robotic mowers, showed a continued high growth rate in Europe. For handheld products the North American market had the best development. In general, the North American market was adversely impacted by substantially lower average temperatures than in the prior year, resulting in a late start to the gardening season.

Operating income increased 35% to SEK 897m (667) and the operating margin improved to 16.8% (15.3), mainly attributable to the higher sales volume and improved productivity. The favorable product mix impact due to the growth for robotic mowers was partially offset by a higher share of sales for wheeled products. Costs for selling and administration were slightly higher.

Changes in exchange rates had a total positive year-on-year impact of SEK 98m on operating income.

Gardena

SEKm	Q1	Q1	Change, %		LTM ²	Full-year 2014
	2015	2014	rep.	Adj. ¹		
Net sales	1,319	1,152	15	9	4,379	4,212
Operating income	204	177	15	6	410	383
Operating margin, %	15.5	15.4	-	-	9.4	9.1

¹ Adjusted for currency translation effects.

² 12 months rolling.

Net sales in Gardena increased by 15% in the first quarter. Adjusted for changes in exchange rates, net sales increased by 9%.

Sales rose mainly as a result of higher volumes of watering products and robotic mowers. New retail customers accounted for a significant part of the growth.

Operating income improved to SEK 204m (177) and the corresponding margin rose to 15.5% (15.4), mainly due to the higher sales volume and a favorable mix, which partly was offset by higher costs for product development.

Changes in exchange rates had a total negative year-on-year effect of SEK -2m on operating income.

Consumer Brands

SEKm	Q1	Q1	Change, %		LTM ²	Full-year 2014
	2015	2014	rep.	Adj. ¹		
Net sales	3,343	3,393	-1	-21	9,788	9,838
Operating income	-11	44	n/a	n/a	-210	-155
Operating margin, %	-0.3	1.3	-	-	-2.1	-1.6

¹ Adjusted for currency translation effects.

² 12 months rolling.

Net sales for Consumer Brands decreased by -1% in the first quarter. Adjusted for exchange rate effects, net sales decreased by -21%.

Retail shipments in North America across all product categories showed a significant downturn as a result of a cautiousness given the generally cold weather conditions. Sales were also negatively impacted by an overall ambition to prioritize long-term value before short-term net sales growth. Sales in Europe, which accounts for a small share of the Division's sales, increased.

Operating income declined to SEK -11m (44) and the corresponding operating margin decreased to -0.3% (1.3). Material cost reductions and manufacturing productivity enhancements continued to have a positive impact on operating income, however not enough to offset a lower absorption of fixed costs due to lower sales and production levels.

Changes in exchange rates had a total negative year-on-year impact of SEK -31m on operating income.

Construction

SEKm	Q1	Q1	Change, %		LTM ²	Full-year 2014
	2015	2014	rep.	Adj. ¹		
Net sales	924	782	18	2	3,481	3,339
Operating income	74	81	-9	-21	347	354
Operating margin, %	8.0	10.4	-	-	10.0	10.6

¹ Adjusted for currency translation effects.

² 12 months rolling.

Net sales for Construction increased by 18% in the first quarter. Adjusted for changes in exchange rates, the increase was 2%.

The start of the quarter in North America was weaker than anticipated, partly due to supply disruptions resulting from U.S. west coast port strikes. Sales in Europe were higher, however with a downturn in France. Sales were lower in the rest of the world. Australia developed positively while the market in Brazil was weaker to some extent due to customer inventory reductions. The Division's sales run-rate gradually improved and was on a higher level in March.

Operating income decreased to SEK 74m (81), mainly as a result of continued investments in sales capacity and a higher level of investments in product development. The corresponding operating margin amounted to 8.0% (10.4).

Changes in exchange rates had a total positive year-on-year effect of SEK 42m on operating income.

CHANGES IN MANAGEMENT

Effective May 1, 2015, Jeff Hohler has been appointed President of the Consumer Brands Division and member of Husqvarna Group Management. Most recently, Jeff Hohler has held the position as President of the Tools Business Segment within Newell Rubbermaid, Inc. in the U.S. Alan Shaw, President of the Consumer Brands Division will leave Husqvarna Group in order to pursue other interests.

As previously communicated, Jan Ytterberg, most recently Chief Financial Officer at Scania, took office as Chief Financial Officer of Husqvarna Group on April 1.

PARENT COMPANY

Net sales in the first quarter 2015 for the Parent Company, Husqvarna AB, amounted to SEK 3,974m (3,398), of which SEK 3,274m (2,835) referred to sales to Group companies and SEK 700m (563) to external customers.

Income after financial items amounted to SEK -388m (113). Income for the period was SEK -352m (15). Investments in property, plant and equipment and intangible assets amounted to SEK 122m (129). Cash and cash equivalents amounted to SEK 73m (93) at the end of the quarter. Undistributed earnings in the Parent Company amounted to SEK 17,176m (17,479).

CONVERSION OF SHARES

According to the Company's articles of association, owners of A-shares have the right to have such shares converted to B-shares. Conversion reduces the total number of votes in the company.

In the first quarter 2015, 3,950,640 A-shares were converted to B-shares at the request of shareholders. In April 2015, another 2,686,114 A-shares were converted to B-shares at the request of shareholders. The total number of votes thereafter amounts to 161,844,221.3.

The total number of registered shares in the company at March 31, 2015 amounted to 576,343,778 shares of which 118,474,829 were A-shares and 457,868,949 were B-shares.

ANNUAL GENERAL MEETING 2015

The Annual General Meeting (AGM) of Husqvarna AB (publ) will be held at 16:00 CET on April 21, 2015, at the Culture Centre of Spira, Kulturgatan 3 in Jönköping, Sweden.

Proposals, minutes, decisions and other documents from the AGM are published on the Group's website www.husqvarnagroup.com/agm.

RISKS AND UNCERTAINTY FACTORS

A number of factors may affect Husqvarna's operations in terms of operational and financial risks. Operational risks are managed by the operative units, and financial risks by Group Treasury.

For more information on risk than stated below, see the Annual Report, which is available at www.husqvarnagroup.com/ir.

Operational risks

Operational risks include general economic conditions, as well as trends in consumer and professional spending, particularly in North America and Europe, where the majority of the Group's products are sold. An economic downturn in these markets may have an adverse effect on Group sales and earnings. Shifts in product technology as well as shifts in distribution structure could also have a negative impact on Group sales and earnings, as will fluctuations in prices of sourced raw materials and components.

The Group is currently investing in a new production facility for manufacturing of chainsaw chains. As the Group has limited experience of producing saw chains, such an investment involves risks including, but not

limited to, unsatisfactory ramp-up of production capacity, or fine tuning of the manufacturing equipment parameters could take longer time to achieve adequate quality of the finished products.

A new organization was fully implemented in the Group as of January 1, 2015. Organizational changes always involve the risk of adverse effects such as creating higher costs than anticipated or losing key personnel.

Demand for the Group's products is also dependent on weather conditions. Dry weather can reduce demand for products such as lawn mowers and tractors, but can stimulate demand for watering products. Demand for chainsaws normally increases after storms and during cold winters.

The Group's operations are also subject to seasonal variations. Demand for consumer garden products and commercial lawn and garden products normally peaks in the second quarter, while the peak season for chainsaws normally is in the third quarter. Husqvarna has adapted its production processes and supply chain to respond to these conditions. However, parameters such as cash flow and production levels follow the seasonal variations in demand, which results in relatively greater risk exposure for the Group over short periods of time.

The Group operates in many countries and undertakes a great number of international transactions. The operations are subject to complex national and international tax rules, which change over time. From 2013, new restrictions on tax deductibility of interest expenses on intra-group loans apply in Sweden. Interests are only deductible provided one of two exceptions is satisfied: i) the loan is mainly motivated by business reasons, or ii) the interest beneficiary is taxed at income tax rate of at least 10% and the loan is not merely tax driven. It is unclear how these exceptions shall apply. Therefore, Husqvarna Group has made provisions to mitigate potential exposure related to these new restrictions.

In the ordinary course of business, the Group is exposed to legal risks such as commercial, product liability and other disputes.

Financial risks

Financial risks refer primarily to currency exchange rates, interest rates, financing, and credit risks. Risk management within Husqvarna Group is regulated by a financial policy established by the Board of Directors. A higher indebtedness resulting from the seasonality of the Group's operations involve greater exposure to changes in exchange rates and interest rates, as well as financing risks.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34, Interim financial reporting and the Swedish Annual Act. The financial statement of the Parent Company has been prepared in accordance with the Swedish Annual Act, chapter 9 and the Swedish Financial Reporting Board's standard RFR 2 Accounting for Legal Entities.

The accounting policies adopted are consistent with those presented in the Annual Report of 2014. The Annual Report 2014 is available at www.husqvarnagroup.com/ir.

AUDITORS' REVIEW REPORT

This interim report has not been subject to review by the auditors.

Stockholm, April 21, 2015

Kai Wärm
President and CEO

Consolidated income statement

SEKm	Q1 2015	Q1 2014	Full-year 2014
Net sales	10,928	9,685	32,838
Cost of goods sold	-7,952	-7,128	-23,488
Gross income	2,976	2,557	9,350
<i>Gross margin, %</i>	27.2	26.4	28.5
Selling expense	-1,467	-1,324	-5,626
Administrative expense	-397	-325	-1,392
Other operating income/expense	0	0	16
Impairment of goodwill	-	-	-767
Operating income¹	1,112	908	1,581
<i>Operating margin, %</i>	10.2	9.4	4.8
Financial items, net	-55	-96	-325
Income after financial items	1,057	812	1,256
<i>Margin, %</i>	9.7	8.4	3.8
Income tax	-269	-192	-432
Income for the period	788	620	824
Income for the period attributable to:			
Equity holders of the Parent Company	786	619	820
Non-controlling interest	2	1	4
Earnings per share:			
Before dilution, SEK	1.37	1.08	1.43
After dilution, SEK	1.37	1.08	1.43
Average number of shares outstanding:			
Before dilution, millions	572.9	572.7	572.8
After dilution, millions	573.8	572.9	573.1

Consolidated comprehensive income statement

SEKm	Q1 2015	Q1 2014	Full-year 2014
Income for the period	788	620	824
Items that will not be reclassified to the income statement:			
Remeasurements on defined benefit pension plans, net of tax	-65	-79	-377
	-65	-79	-377
Items that may be reclassified to the income statement:			
Currency translation differences	571	54	1,762
Net investment hedge, net of tax	-462	-	-721
Cash flow hedges, net of tax	4	11	132
	113	65	1,173
Other comprehensive income, net of tax	48	-14	796
Total comprehensive income for the period	836	606	1,620
Total comprehensive income attributable to:			
Equity holders of the Parent Company	834	605	1,614
Non-controlling interest	2	1	6
¹ Of which depreciation, amortization and impairment	-261	-231	-1,734

Consolidated balance sheet

SEKm	Mar 31, 2015	Mar 31, 2014	Dec. 31, 2014
Assets			
Property, plant and equipment	4,681	3,704	4,481
Goodwill	5,749	5,732	5,520
Other intangible assets	3,940	3,844	4,001
Derivatives	-	-	0
Deferred tax assets	1,830	1,276	1,644
Other financial assets	99	84	102
Total non-current assets	16,299	14,640	15,748
Inventories	9,338	7,277	7,709
Trade receivables	7,805	7,180	2,898
Derivatives	492	173	526
Tax receivables	34	40	51
Other current assets	621	590	665
Other short term investments	4	1	0
Cash and cash equivalents	1,745	1,581	1,579
Total current assets	20,039	16,842	13,428
Total assets	36,338	31,482	29,176
Equity and liabilities			
Equity attributable to equity holders of the Parent Company	12,911	11,904	12,068
Non-controlling interests	22	19	20
Total equity	12,933	11,923	12,088
Borrowings	5,681	6,852	5,598
Deferred tax liabilities	1,502	1,228	1,492
Provisions for pensions and other post-employment benefits	1,934	1,357	1,835
Derivatives	39	16	30
Other provisions	914	839	848
Total non-current liabilities	10,070	10,292	9,803
Trade payables	5,632	4,514	3,154
Tax liabilities	228	186	50
Other liabilities	2,439	2,078	1,995
Borrowings	3,408	2,041	1,154
Derivatives	1,351	187	722
Other provisions	277	261	210
Total current liabilities	13,335	9,267	7,285
Total equity and liabilities	36,338	31,482	29,176

Consolidated cash flow statement

SEKm	Q1 2015	Q1 2014	Full-year 2014
Cash flow from operations			
Operating income	1,112	908	1,581
<i>Non cash items</i>			
Depreciation/amortization and impairment	261	231	1,734
Capital gain and losses	0	0	-4
Other non cash items	-16	65	-113
<i>Cash items</i>			
Paid restructuring expenses	-12	-26	-96
Net financial items, received/paid	-163	-116	-820
Taxes paid	-82	-40	-231
Cash flow from operations, excluding change in operating assets and liabilities	1,100	1,022	2,051
Change in operating assets and liabilities			
Change in inventories	-1,189	-413	-60
Change in trade receivables	-4,728	-4,332	137
Change in trade payables	2,216	1,664	-10
Change in other operating assets/liabilities	434	391	136
Cash flow from operating assets and liabilities	-3,267	-2,690	203
Cash flow from operations	-2,167	-1,668	2,254
Investments			
Acquisition of assets/subsidiaries	-	-	-26
Investments in property, plant and equipment	-178	-230	-1,131
Investments in intangible assets	-65	-62	-255
Sale of property, plant and equipment and intangible assets	0	0	0
Other	0	0	0
Cash flow from investments	-243	-292	-1,412
Cash flow from operations and investments	-2,410	-1,960	842
Financing			
Change in interest-bearing assets and liabilities, net	2,446	1,948	-180
Transfer of treasury shares	3	-	5
Dividend paid to shareholders	-	-	-859
Dividend paid to non-controlling interests	-	-	-4
Cash flow from financing	2,449	1,948	-1,038
Total cash flow	39	-12	-196
Cash and cash equivalents at beginning of period	1,579	1,594	1,594
Exchange rate differences referring to cash and cash equivalents	127	-1	181
Cash and cash equivalents at end of period	1,745	1,581	1,579

Change in Group equity

SEKm	Attributable to equity holders of the Parent company	Non controlling interests	Total equity
Opening balance January 1, 2014	11,372	18	11,390
Correction of prior year error	-75	-	-75
Opening balance January 1, 2014	11,297	18	11,315
Share-based payment	11	-	11
Transfer of treasury shares*	5	-	5
Dividend	-859	-4	-863
Total comprehensive income	1,614	6	1,620
Closing balance December 31, 2014	12,068	20	12,088
Opening balance January 1, 2015	12,068	20	12,088
Share-based payment	5	-	5
Transfer of treasury shares *	4	-	4
Dividend	-	-	-
Total comprehensive income	834	2	836
Closing balance March 31, 2015	12,911	22	12,933

* Options exercised related to 2009 LTI-program

Fair value of financial instruments

The Group's financial instruments carried at fair value are derivatives. Derivatives belong to Level 2 in the fair value hierarchy. Future cash flows have been discounted using current quoted market interest rates and exchange rates for similar instruments. Further information about the accounting principles for financial instruments and methods used for estimating the fair value of the financial instruments are described in note 1 and note 20, respectively, in the Annual Report 2014.

The carrying value approximates fair value for all financial instruments except for non-current borrowings, which are shown in the table below.

SEKm	March 31, 2015		March 31, 2014	
	Book Value	Fair value	Book Value	Fair value
<i>Non-current borrowings</i>				
Financial leases	161	180	167	178
Loans	5,520	5,677	6,685	6,835
Total non-current borrowing	5,681	5,857	6,852	7,013

Key data, Group

	Q1 2015	Q1 2014	Full-year 2014
Net sales, SEKm	10,928	9,685	32,838
Net sales growth, %	12.8	7.3	8.4
Gross margin, %	27.2	26.4	28.5
Operating income, SEKm	1,112	908	1,581
<i>Excl. items affecting comparability</i>	1,112	908	2,348
Operating margin, %	10.2	9.4	4.8
<i>Excl. items affecting comparability</i>	10.2	9.4	7.2
Working capital, SEKm	8,308	7,209	5,066
Return on capital employed, %	8.5	8.6	7.6
Return on equity, %	7.9	9.1	6.7
Earnings per share, SEK	1.37	1.08	1.43
Capital turn-over rate, times	1.7	1.6	1.7
Operating cash flow, SEKm	-2,410	-1,960	868
Net debt/equity ratio	0.79	0.73	0.60
Capital expenditure, SEKm	243	292	1,386
Average number of employees	14,436	15,750	14,337

Items affecting comparability

SEKm		Q1	Q2	Q3	Q4	Full-year
Impairment of goodwill	2014	-	-	-	-767	-767
Costs for personnel cut-backs	2012	-	-	-	-256	-256

Net sales and income by quarter, Group

SEKm		Q1	Q2	Q3	Q4	Full-year
Net sales	2015	10,928				
	2014	9,685	11,045	6,785	5,323	32,838
	2013	9,024	10,227	6,349	4,707	30,307
Operating income	2015	1,112				
	<i>Margin, %</i>	10.2				
	2014	908	1,373	332	-1,032	1,581
	<i>Margin, %</i>	9.4	12.4	4.9	-19.4	4.8
	2013	688	1,022	206	-308	1,608
	<i>Margin, %</i>	7.6	10.0	3.2	-6.5	5.3
Income after financial items	2015	1,057				
	<i>Margin, %</i>	9.7				
	2014	812	1,263	262	-1,081	1,256
	<i>Margin, %</i>	8.4	11.4	3.9	-20.3	3.8
	2013	602	916	95	-433	1,180
	<i>Margin, %</i>	6.7	9.0	1.5	-9.2	3.9
Income for the period	2015	788				
	2014	620	967	199	-962	824
	2013	467	661	92	-304	916
Earnings per share, SEK	2015	1.37				
	2014	1.08	1.68	0.35	-1.68	1.43
	2013	0.81	1.15	0.16	-0.53	1.60

Net sales and operating income, 12 months rolling, Group

SEKm		Q1	Q2	Q3	Q4
Net sales	2015	34,081			
	2014	30,968	31,786	32,222	32,838
	2013	30,047	29,568	30,076	30,307
Operating income	2015	1,785			
	<i>Margin, %</i>	5.2			
	2014	1,828	2,179	2,305	1,581
<i>Excluding items affecting comparability</i>	2014	1,828	2,179	2,305	2,348
	<i>Margin, %</i>	5.9	6.9	7.2	4.8
<i>Excluding items affecting comparability</i>	<i>Margin, %</i>	5.9	6.9	7.2	7.2
	2013	1,433	1,303	1,312	1,608
	<i>Margin, %</i>	4.8	4.4	4.4	5.3

Net sales by segment

SEKm		Q1	Q2	Q3	Q4	Full-year
Husqvarna	2015	5,342				
	2014	4,358	5,038	3,264	2,789	15,449
Gardena	2015	1,319				
	2014	1,152	1,712	879	469	4,212
Consumer Brands	2015	3,343				
	2014	3,393	3,410	1,776	1,259	9,838
Construction	2015	924				
	2014	782	885	866	806	3,339
Total Group	2015	10,928				
	2014	9,685	11,045	6,785	5,323	32,838

Operating income by segment

SEKm		Q1	Q2	Q3	Q4	Full-year
Husqvarna	2015	897				
	2014	667	818	432	91	2,008
Gardena	2015	204				
	2014	177	399	-7	-186	383
Consumer Brands	2015	-11				
	2014	44	97	-138	-158	-155
Construction	2015	74				
	2014	81	117	107	49	354
Group common costs	2015	-52				
	2014	-61	-58	-62	-828	-1,009
<i>Excl. items affecting comparability</i>	2014	-61	-58	-62	-61	-242
Total Group	2015	1,112				
	2014	908	1,373	332	-1,032	1,581
<i>Excl. items affecting comparability</i>	2014	908	1,373	332	-265	2,348

Operating margin by segment

%		Q1	Q2	Q3	Q4	Full-year
Husqvarna	2015	16.8				
	2014	15.3	16.2	13.2	3.3	13.0
Gardena	2015	15.5				
	2014	15.4	23.3	-0.8	-39.7	9.1
Consumer Brands	2015	-0.3				
	2014	1.3	2.8	-7.8	-12.5	-1.6
Construction	2015	8.0				
	2014	10.4	13.2	12.4	6.0	10.6
Total Group	2015	10.2				
	2014	9.4	12.4	4.9	-19.4	4.8
<i>Excl. items affecting comparability</i>	2014	9.4	12.4	4.9	-5.0	7.2

Net assets by segment

SEKm	Assets		Liabilities		Net Assets	
	Mar 31, 2015	Mar 31, 2014	Mar 31, 2015	Mar 31, 2014	Mar 31, 2015	Mar 31, 2014
Husqvarna	13,016	10,720	3,848	3,404	9,168	7,316
Gardena	6,964	7,285	953	804	6,011	6,481
Consumer Brands	8,498	7,330	3,457	2,599	5,041	4,731
Construction	3,725	3,023	595	507	3,130	2,516
Other	1,894	1,369	2,139	1,792	-245	-423
Total	34,097	29,727	10,992	9,106	23,105	20,621

Liquid assets, interest-bearing liabilities and equity are not included in the above table.

Other include tax items and Husqvarna's common group services such as Holding, Treasury and Risk Management.

Five-year review, Group

	2014 ²	2013	2012 ¹	2011	2010
Net sales, SEKm	32,838	30,307	30,834	30,357	32,240
Net sales growth, %	8	-2	2	-6	-5
Gross margin, %	28.5	26.5	26.9	27.7	28.5
Operating income, SEKm	1,581	1,608	1,675	1,551	2,445
<i>Excluding items affecting comparability, SEKm</i>	<i>2,348</i>	<i>1,608</i>	<i>1,931</i>	<i>1,615</i>	<i>2,652</i>
Operating margin, %	4.8	5.3	5.4	5.1	7.6
<i>Excluding items affecting comparability, %</i>	<i>7.2</i>	<i>5.3</i>	<i>6.3</i>	<i>5.3</i>	<i>8.2</i>
Return on capital employed, %	7.6	7.7	7.4	7.4	11.0
Return on equity, %	6.7	8.1	8.8	8.0	13.9
Capital turn-over rate, times	1.7	1.6	1.5	1.6	1.7
Operating cash flow, SEKm	868	1,813	1,144	-472	962
Capital expenditure, SEKm	1,386	1,078	776	994	1,302
Average number of employees	14,337	14,156	15,429	15,698	14,954

¹⁾ 2012 has been restated due to the amended IAS 19. The years 2010-2011 are not affected by the amendment.

²⁾ 2014 has been restated due to a correction.

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 restatements are shown below and on the next page.

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
Gross income	2,557	2,552	3,425	3,436	1,966	1,935	1,402	1,437	9,350	9,360
Operating income	908	903	1,373	1,384	332	301	-1,032	-997	1,581	1,591
Income tax	-192	-191	-296	-299	-63	-55	119	110	-432	-435
Income for the period	620	616	967	975	199	176	-962	-936	824	831
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
Other comprehensive income	606	602	1,434	1,442	311	288	-731	-705	1,620	1,627

Group Balance Sheet

SEKm	Jan 1, 2014 restated	Jan 1, 2014	Mar 31, 2014 restated	Mar 31, 2014	Jun 30, 2014 restated	Jun 30, 2014	Sep 30, 2014 restated	Sep 30, 2014	Dec 31, 2014 restated	Dec 31, 2014
Property, plant and equipment	3,627	3,609	3,704	3,686	3,878	3,860	4,094	4,076	4,481	4,463
Deferred tax assets	1,178	1,122	1,276	1,221	1,326	1,268	1,281	1,231	1,644	1,585
Inventories	6,852	7,087	7,277	7,507	6,704	6,945	6,577	6,787	7,709	7,954
Total assets	26,601	26,762	31,482	31,639	31,301	31,466	28,827	28,969	29,176	29,344
Total equity	11,315	11,390	11,923	11,994	12,497	12,576	12,816	12,872	12,088	12,170
Tax liabilities	10	96	186	272	438	524	231	317	50	136
Total liabilities	15,286	15,372	19,559	19,645	18,804	18,890	16,011	16,097	17,088	17,174
Total equity and liabilities	26,601	26,762	31,482	31,639	31,301	31,466	28,827	28,969	29,176	29,344

Husqvarna

SEKm	Q1 2014 restated	Q1 2014	Q2 2014 restated	Q2 2014	Q3 2014 restated	Q3 2014	Q4 2014 restated	Q4 2014	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
Operating income	667	653	818	818	432	400	91	145	2,008	2,016
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
Net assets	7,316	7,441	7,340	7,471	6,961	7,072	7,083	7,247	7,083	7,247

Gardena

SEKm	Q1 2014 restated	Q1 2014	Q2 2014 restated	Q2 2014	Q3 2014 restated	Q3 2014	Q4 2014 restated	Q4 2014	2014 restated	Full-year 2014
Net sales	1,152	1,152	1,712	1,712	879	879	469	469	4,212	4,212
Operating income	177	186	399	401	-7	2	-186	-207	383	382
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
Net assets	6,481	6,517	6,574	6,606	6,278	6,310	5,810	5,821	5,810	5,821

Consumer Brands

SEKm	Q1 2014 restated	Q1 2014	Q2 2014 restated	Q2 2014	Q3 2014 restated	Q3 2014	Q4 2014 restated	Q4 2014	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
Operating income	44	48	97	102	-138	-148	-158	-156	-155	-154
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
Net assets	4,731	4,726	4,126	4,125	3,836	3,822	3,922	3,912	3,922	3,912

Construction

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
Operating income	81	77	117	121	107	109	49	49	354	356
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
Net assets	2,516	2,573	2,614	2,675	2,668	2,730	2,677	2,740	2,677	2,740

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

PARENT COMPANY

Income statement

SEKm	Q1 2015	Q1 2014	Full-year 2014
Net sales	3,974	3,398	11,453
Cost of goods sold	-3,247	-2,775	-8,762
Gross operating income	727	623	2,691
Selling expense	-301	-274	-1,300
Administrative expense	-192	-164	-693
Other operating income/expense	0	0	0
Operating income	234	185	698
Financial items, net	-622	-72	287
Income after financial items	-388	113	985
Appropriations	-61	-92	-406
Income before taxes	-449	21	579
Taxes	97	-6	200
Income for the period	-352	15	779

Balance sheet

SEKm	Mar 31, 2015	Mar 31, 2014	Dec 31, 2014
Non-current assets	32,257	32,616	32,152
Current assets	8,443	6,945	5,330
Total assets	40,700	39,561	37,482
Equity	18,351	18,654	18,681
Untaxed reserves	24	26	25
Provisions	87	127	75
Non-current liabilities	12,815	14,693	13,763
Current liabilities	9,423	6,061	4,938
Total equity and liabilities	40,700	39,561	37,482

Number of shares

	Outstanding A-shares	Outstanding B-shares	Re-purchased B-shares	Total
Number of shares as of 31 December 2014	122,425,469	450,469,775	3,448,534	576,343,778
<i>Conversion of A-shares into B-shares</i>	-3,950,640	3,950,640	-	-
<i>Options exercised related to 2009 LTI-program</i>	-	73,779	-73,779	-
Number of shares as of 31 March 2015 ¹	118,474,829	454,494,194	3,374,755	576,343,778

¹ In April 2015 another 2,686,114 A-shares have been converted to B-shares.

DEFINITIONS

Capital indicators

Capital employed	Total liabilities and equity less non-interest-bearing debt, including deferred tax liability.
Equity/assets ratio	Equity as a percentage of total assets.
Liquid funds	Cash and cash equivalents, short term investments and fair-value derivative assets.
Net assets	Total assets exclusive of liquid funds and interest-bearing financial receivables, less operating liabilities, non-interest-bearing provisions and deferred tax liabilities.
Net debt	Total interest-bearing liabilities less liquid funds.
Net debt/equity ratio	Net debt in relation to total adjusted equity.
Operating working capital	Inventories and trade receivables less trade payables.
Working capital	Current assets exclusive of liquid funds and interest-bearing financial receivables, less operating liabilities and non-interest-bearing provisions.

Other definitions

Adjusted	As reported adjusted for translation effects due to changes in exchange rates and acquisitions/divestments.
Average number of shares	Weighted number of outstanding shares during the period, after repurchase of own shares.
Capital expenditure	Property, plant and equipment and capitalization of product development and software.
Earnings per share	Income for the period divided by the average number of shares.
EBITDA	Earnings before interest, taxes, depreciation, amortization and impairment.
Gross margin	Gross operating income as a percentage of net sales.
LTM	Last twelve months.
Net sales growth	Net sales as a percentage of net sales in the preceding period.
Operating cash flow	Total cash flow from operations and investments, excluding acquisitions and divestments.
Operating margin	Operating income as a percentage of net sales.
Return on capital employed	Operating income plus financial income as a percentage of average capital employed on rolling 12 months.
Return on equity	Income for the period as a percentage of average equity on rolling 12 months.

TELEPHONE CONFERENCE

A telephone conference, hosted by Kai Wörn, President and CEO, and Jan Ytterberg, CFO, will be held at 13:45 CET on April 21, 2015. To participate, please dial +46 (0) 8 5052 0110 (Sweden) or +44 (0)20 7162 0077 (UK) ten minutes prior to the start of the conference. The conference call will also be audio cast live on www.husqvarnagroup.com/ir. A replay will be available at <http://www.husqvarnagroup.com/ir> later the same day.

DATES FOR FINANCIAL REPORTS 2015

July 17	Interim report for January-June
October 21	Interim report for January-September

CONTACTS

- Jan Ytterberg, CFO, +46 8 738 90 77
- Tobias Norrby, Investor Relations Manager, +46 8 738 93 35

This interim report comprises information which Husqvarna Group is required to disclose under the Securities Markets Act and/or the Financial Instruments Trading Act. It was released for publication at 12:00 CET on April 21, 2015.

Factors affecting forward-looking statements

This report contains forward-looking statements in the sense referred to in the American Private Securities Litigation Reform Act of 1995. Such statements comprise, among other things, financial goals, goals of future business and financial plans. These statements are based on present expectations and are subject to risks and uncertainties that may give rise to major deviations in the result due to several aspects. These aspects include, among other things: consumer demand and market conditions in the geographical areas and lines of business in which Husqvarna operates, the effects of currency fluctuations, downward pressure on prices due to competition, a material reduction in sales by important distributors, success in developing new products and in marketing, outcome of product responsibility litigation, progress in terms of reaching the goals set for productivity and efficient use of capital, successful identification of growth opportunities and acquisition objects, integration of these into the existing business and successful achievement of goals for making the supply chain more efficient.