

INTERIM REPORT JANUARY - MARCH 2016

Stockholm April 21, 2016



Kai Wörn, President and CEO:

“2016 has started in line with our expectations with pre-season demand slightly higher than last year. The operating income continued to be positively impacted by favorable product mix development as well as a successful execution of efficiency improvements and cost reductions. All in all, the operational improvements have more than offset the currency headwind of around SEK -215m as well as the additional costs related to profitable growth initiatives. The operating income increased with SEK 54m to SEK 1,166m (1,112) for the first quarter and the operating margin improved to 10.3% (10.2).

Sales in the Husqvarna Division increased 4% adjusted for currency, with a continued strong sales trend for robotic lawn mowers. The favorable product mix development was offset by adverse currency impact, and consequently the operating income was somewhat lower at SEK 844m (897). The Gardena Division is off to a strong start of the year with sales growing 17% adjusted for currency. Demand was driven by low retail trade inventory levels following the strong end of last year’s season and our growth ambitions in respect of geography, channel and new product introductions such as the Gardena Smart Garden. Operating income for the division rose to SEK 226m (204).

Consumer Brands continued to focus on their turn-around. Several important steps have been taken and encouraging signs were seen in the first quarter. Sales stabilized after prior year’s decline which was driven by the value before volume strategy. Operating income rose to SEK 64m (-11) with a corresponding margin of 1.9% (-0.3), despite unfavorable currency impact of almost SEK -55m.

The Construction division continued to capitalize on its market leading portfolio of products and services, as well as the recent investments in market and sales structure. Growth in the first quarter was 6% adjusted for currency, resulting in an increase of operating income to SEK 89m (74) and the corresponding margin widening to 9.2% (8.0).

The priority for the Group during the remainder of the year will be to offset both the currency headwind and to finance the profitable growth initiatives by operational improvements.”

January - March 2016

- Net sales amounted to SEK 11,361m (10,928), an increase of 5% adjusted for changes in exchange rates.
- Operating income improved to SEK 1,166m (1,112).
- Changes in exchange rates impacted operating income negatively by around SEK -215m.
- Net debt decreased to SEK 8,254m (10,172) and the net debt/equity ratio improved to 0.60 (0.79).
- Earnings per share decreased to SEK 1.32 (1.37).

Group SEKm	Q1	Q1	Change, %		LTM ²	FY
	2016	2015	As rep.	Adj. ¹		2015
Net sales	11,361	10,928	4	5	36,603	36,170
Items affecting comparability	-	-	-	-	-153	-153
Operating income	1,166	1,112	5	6	2,881	2,827
Excl. items affecting comparability	1,166	1,112	5	6	3,034	2,980
Operating margin, %	10.3	10.2	-	-	7.9	7.8
Excl. items affecting comparability, %	10.3	10.2	-	-	8.3	8.2
Income for the period	761	788	-3	n/a	1,861	1,888
Earnings per share after dilution, SEK	1.32	1.37	-4	n/a	3.23	3.28
Net sales, Divisions						
Husqvarna	5,457	5,342	2	4	17,739	17,624
Gardena	1,518	1,319	15	17	4,868	4,669
Consumer Brands	3,419	3,343	2	2	10,012	9,936
Construction	967	924	5	6	3,984	3,941
Operating income, Divisions						
Husqvarna, excl. items affecting comparability	844	897	-6	-5	2,231	2,284
Gardena, excl. items affecting comparability	226	204	11	11	613	591
Consumer Brands, excl. items affecting comparability	64	-11	n/a	n/a	-45	-120
Construction, excl. items affecting comparability	89	74	20	22	480	465

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

FIRST QUARTER

Net sales

Net sales for the first quarter 2016 increased by 4% to SEK 11,361m (10,928). Adjusted for exchange rate effects, net sales for the Group increased 5%. Sales increased in all divisions.

Operating income

Operating income increased to SEK 1,166m (1,112), an improvement of 5% despite negative currency exchange rate effects which had a total year-on-year impact of around SEK -215m. The corresponding operating margin was 10.3% (10.2). Operating income was positively impacted by the higher sales volume, favorable product mix and continued efficiency improvements and cost reductions.

Financial items net

Financial items net amounted to SEK -142m (-55) related to higher interest cost on borrowings and other financial instruments as well as some periodization effects.

Income after financial items

Income after financial items amounted to SEK 1,024m (1,057), corresponding to a margin of 9.0% (9.7).

Taxes

Tax amounted to SEK -263m (-269) corresponding to a tax rate of 26% (25) of income after financial items.

Earnings per share

Income for the period attributable to equity holders of the Parent Company amounted to SEK 759m (786), corresponding to SEK 1.32 (1.37) per share after dilution.

OPERATING CASH FLOW

Operating cash flow, which due to the seasonal build-up of working capital normally is negative in the first quarter, amounted to SEK -1,737m (-2,259). Operating cash flow improved mainly due to higher earnings and a lower build-up of inventory.

FINANCIAL POSITION

Group equity as of March 31, 2016, excluding non-controlling interests, increased to SEK 13,643m (12,911), corresponding to SEK 23.8 (22.5) per share after dilution.

Net debt decreased to SEK 8,254m (10,172). The net pension liability decreased to SEK 1,552m (1,934), other interest-bearing liabilities decreased to SEK 8,816m (10,479) and liquid funds and other interest-bearing assets amounted to SEK 2,114m (2,241).

The net debt/equity ratio improved to 0.60 (0.79) and the equity/assets ratio increased to 39% (36).

PERFORMANCE BY BUSINESS SEGMENT

Husqvarna

SEKm	Q1	Q1	Change, %		LTM ²	Full-year
	2016	2015	As rep.	Adj. ¹		2015
Net sales	5,457	5,342	2	4	17,739	17,624
Operating income	844	897	-6	-5	2,180	2,233
<i>Excl. items affecting comparability</i>	844	897	-6	-5	2,231	2,284
Operating margin, %	15.5	16.8	-	-	12.3	12.7
<i>Excl. items affecting comparability</i>	15.5	16.8	-	-	12.6	13.0

¹ Adjusted for currency translation effects. ² Last twelve months

Net sales in the Husqvarna Division increased by 4% in the first quarter, adjusted for changes in exchange rates. Growth was strong for robotic lawn mowers and accessories. By region, sales increased primarily in EMEA.

Operating income declined to SEK 844m (897), corresponding to an operating margin of 15.5% (16.8). The effect from increased sales volume, a continued improvement of the product mix and cost reductions were not enough to offset the adverse currency impact and additional costs due to investments in growth initiatives. The currency impact amounted to around SEK -135m year-on-year.

Gardena

SEKm	Q1	Q1	Change, %		LTM ²	Full-year
	2016	2015	As rep.	Adj. ¹		2015
Net sales	1,518	1,319	15	17	4,868	4,669
Operating income	226	204	11	11	608	586
<i>Excl. items affecting comparability</i>	226	204	11	11	613	591
Operating margin, %	14.9	15.5	-	-	12.5	12.5
<i>Excl. items affecting comparability</i>	14.9	15.5	-	-	12.6	12.7

¹ Adjusted for currency translation effects. ² Last twelve months

Net sales in the Gardena Division increased by 17% in the first quarter, adjusted for changes in exchange rates. Sales benefitted from low retail trade inventory levels entering the year, following the strong end of last year's season. Growth ambitions in respect of geography, channel and new product introductions impacted positively.

Operating income increased by 11% to SEK 226m (204), corresponding to an operating margin of 14.9% (15.5). The increase was mainly a result of the higher sales volume, partly offset by changes in exchange rates, which had a total negative year-on-year impact of around SEK -30m.

Consumer Brands

SEKm	Q1	Q1	Change, %		LTM ²	Full-year
	2016	2015	As rep.	Adj. ¹		2015
Net sales	3,419	3,343	2	2	10,012	9,936
Operating income	64	-11	n/a	n/a	-72	-147
<i>Excl. items affecting comparability</i>	64	-11	n/a	n/a	-45	-120
Operating margin, %	1.9	-0.3	-	-	-0.7	-1.5
<i>Excl. items affecting comparability</i>	1.9	-0.3	-	-	-0.4	-1.2

¹ Adjusted for currency translation effects. ² Last twelve months

Net sales in the Consumer Brands Division increased by 2% in the first quarter, adjusted for changes in exchange rates. The sales increase was mainly attributable to North America and wheeled products.

Operating income increased to SEK 64m (-11) and the corresponding operating margin recovered to 1.9% (-0.3). On-going improvement measures such as reductions of direct and indirect material cost and efficiency enhancements more than offset the unfavorable impact from changes in exchange rates, which had a total negative year-on-year impact of around SEK -55m.

Construction

SEKm	Q1	Q1	Change, %		LTM ²	Full-year 2015
	2016	2015	As rep.	Adj. ¹		
Net sales	967	924	5	6	3,984	3,941
Operating income	89	74	20	22	410	395
<i>Excl. items affecting comparability</i>	89	74	20	22	480	465
Operating margin, %	9.2	8.0	-	-	10.3	10.0
<i>Excl. items affecting comparability</i>	9.2	8.0	-	-	12.0	11.8

¹ Adjusted for currency translation effects. ² Last twelve months

Net sales in the Construction Division increased by 6% in the first quarter, adjusted for changes in exchange rates. Sales growth was continued strong in North America on the basis of increased construction activity and an ability to leverage on the market leading portfolio of products and services. Sales in Europe also continued to grow, however at a slow pace and with a mixed development between countries. Demand for stone industry products was weak.

Operating income increased by 20% to SEK 89m (74), mainly as a result of the higher sales volume. The corresponding operating margin increased to 9.2% (8.0). Changes in exchange rates had a total positive year-on-year impact of around SEK 5m on operating income.

ANNUAL GENERAL MEETING 2016

The AGM of Husqvarna AB (publ) was held on April 6, 2016 in Jönköping, Sweden.

The dividend was set at SEK 1.65 per share to be paid in two installments, firstly SEK 0.55 per share with Friday, April 8, 2016 as the first record day, secondly SEK 1.10 per share with Monday October 10, 2016 as the second record day.

The Nomination Committee's proposal that the Board of Directors shall comprise nine Board members to be elected by the AGM, and no deputies, was adopted. Tom Johnstone, Magdalena Gerger, Ulla Litzén, Katarina Martinson, Daniel Nodhäll, David Lumley, Lars Pettersson and Kai Wörn were re-elected and Bertrand Neuschwander was elected new Board member. Tom Johnstone was elected Chairman of the Board.

Furthermore, the AGM approved the Board's proposal for a performance based long-term incentive program for 2016, and the proposal for principles of remuneration to Husqvarna Group Management.

For further information, notice, proposals, minutes and other documents from the Annual General Meeting are found on www.husqvarnagroup.com/agm.

PARENT COMPANY

Net sales for the Parent Company, Husqvarna AB, amounted to SEK 4,206m (3,974), of which SEK 3,409 (3,274) referred to sales to Group companies and SEK 797m (700) to external customers.

Income after financial items amounted to SEK 644m (-388). Income for the period was SEK 485m (-352). Investments in property, plant and equipment and intangible assets amounted to SEK 127m (122). Cash and cash equivalents amounted to SEK 115m (73) at the end of the quarter. Undistributed earnings in the Parent Company amounted to SEK 18,797m (17,176).

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 2016, 1 (one) A-share was converted. The total number of votes thereafter amounts to 159,959,720.3.

The total number of registered shares in the company at March 31, 2016 amounted to 576,343,778 of which 113,694,825 were A-shares and 462,648,953 were B-shares.

RISKS AND UNCERTAINTY FACTORS

A number of factors may affect Husqvarna's operations in terms of operational and financial 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, as will fluctuations in prices of sourced raw materials and components.

Short term, demand for the Group's products is impacted by weather conditions. The Group's production processes and supply chain are therefore adapted to respond to changes in weather conditions. In the ordinary course of business, the Group is exposed to legal risks such as commercial, product liability and other disputes and provides for them as appropriate.

Financial risks refer primarily to currency exchange rates, interest rates, financing, tax and credit risks. Risk management within Husqvarna Group is regulated by a financial policy established by the Board of Directors.

For further information on risks and uncertainty factors, see pages 44 - 47 in the Annual Report 2015 which is available at www.husqvarnagroup.com/ir.

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 2015, which 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, 2016

Kai Wärm
President and CEO

Consolidated income statement

SEKm	Q1 2016	Q1 2015	Full-year 2015
Net sales	11,361	10,928	36,170
Cost of goods sold	-8,199	-7,952	-25,996
Gross income	3,162	2,976	10,174
<i>Gross margin, %</i>	27.8	27.2	28.1
Selling expenses	-1,546	-1,467	-5,833
Administrative expenses	-451	-397	-1,532
Other operating income/expense	1	0	18
Operating income	1,166	1,112	2,827
<i>Operating margin, %</i>	10.3	10.2	7.8
Financial items, net	-142	-55	-344
Income after financial items	1,024	1,057	2,483
<i>Margin, %</i>	9.0	9.7	6.9
Income tax	-263	-269	-595
Income for the period	761	788	1,888
Income for the period attributable to:			
Equity holders of the Parent Company	759	786	1,883
Non-controlling interest	2	2	5
Earnings per share:			
Before dilution, SEK	1.32	1.37	3.29
After dilution, SEK	1.32	1.37	3.28
Average number of shares outstanding:			
Before dilution, millions	573.0	572.9	573.0
After dilution, millions	574.3	573.8	574.2

Key data

<i>Net sales growth, %</i>	4.0	12.8	10.1
Items affecting comparability, SEKm	-	-	-153
Operating income excl. items affecting comparability, SEKm	1,166	1,112	2,980
<i>Operating margin excl. items affecting comparability, %</i>	10.3	10.2	8.2
Average number of employees	14,170	14,436	13,572

EBITDA

Operating income, SEKm	1,166	1,112	2,827
Reversal of depreciation, amortization and impairment, SEKm	280	261	1,153
EBITDA, SEKm	1,446	1,373	3,980
<i>EBITDA margin, %</i>	12.7	12.6	11.0

Consolidated comprehensive income statement

SEKm	Q1 2016	Q1 2015	Full-year 2015
Income for the period	761	788	1,888
Other comprehensive income			
<i>Items that will not be reclassified to the income statement:</i>			
Remeasurements on defined benefit pension plans, net of tax	-110	-65	295
Total items that will not be reclassified to the income statement, net of tax	-110	-65	295
<i>Items that may be reclassified to the income statement:</i>			
Currency translation differences	-110	571	12
Net investment hedge, net of tax	140	-462	-250
Cash flow hedges, net of tax	-86	4	-60
Total items that may be reclassified to the income statement, net of tax	-56	113	-298
Other comprehensive income, net of tax	-166	48	-3
Total comprehensive income for the period	595	836	1,885
Total comprehensive income attributable to:			
Equity holders of the Parent Company	593	834	1,882
Non-controlling interest	2	2	3

Consolidated balance sheet

SEKm	Mar 31, 2016	Mar 31, 2015	Dec 31, 2015
Assets			
Property, plant and equipment	4,617	4,681	4,620
Goodwill	5,577	5,749	5,613
Other intangible assets	3,938	3,940	3,926
Derivatives	-	-	4
Other non-current assets	162	99	165
Deferred tax assets	1,381	1,830	1,421
Total non-current assets	15,675	16,299	15,749
Inventories	8,331	9,338	7,874
Trade receivables	7,766	7,805	3,126
Derivatives	442	492	342
Tax receivables	53	34	70
Other current assets	1,067	621	882
Other short term investments	5	4	4
Cash and cash equivalents	1,667	1,745	1,622
Total current assets	19,331	20,039	13,920
Total assets	35,006	36,338	29,669
Equity and liabilities			
Equity attributable to equity holders of the Parent Company	13,643	12,911	13,041
Non-controlling interests	22	22	20
Total equity	13,665	12,933	13,061
Borrowings	4,569	5,681	4,580
Derivatives	49	39	10
Deferred tax liabilities	1,546	1,502	1,554
Provisions for pensions and other post-employment benefits	1,580	1,934	1,425
Other provisions	883	914	860
Total non-current liabilities	8,627	10,070	8,429
Trade payables	5,110	5,632	3,077
Tax liabilities	222	228	121
Other liabilities	2,596	2,439	2,080
Borrowings	4,010	3,408	2,016
Derivatives	188	1,351	346
Other provisions	588	277	539
Total current liabilities	12,714	13,335	8,179
Total equity and liabilities	35,006	36,338	29,669

Key data

Working capital, SEKm	7,818	8,308	5,275
Return on capital employed, %	12.7	8.5	12.4
<i>Excl. items affecting comparability</i>	13.3	11.9	13.1
Return on equity, %	14.2	7.9	14.6
<i>Excl. items affecting comparability</i>	15.0	13.8	15.5
Capital turn-over rate, times	1.8	1.7	1.7
Equity/assets ratio, %	39	36	44
Net debt/equity ratio	0.60	0.79	0.49
Equity per share after dilution, SEK	23.8	22.5	22.7

Net debt

Net pension liability, SEKm	1,552	1,934	1,395
Other interest-bearing liabilities, SEKm	8,816	10,479	6,952
Less: Liquid funds and other interest-bearing assets, SEKm	-2,114	-2,241	-1,972
Net debt, SEKm	8,254	10,172	6,375

Consolidated cash flow statement

SEKm	Q1 2016	Q1 2015	Full-year 2015
Cash flow from operations			
Operating income	1,166	1,112	2,827
Non cash items	397	245	1,406
<i>Cash items</i>			
Paid restructuring expenses	-17	-12	-27
Net financial items, received/paid	-42	-12 ¹	-251 ¹
Taxes paid	-85	-82	-252
Cash flow from operations, excluding change in operating assets and liabilities	1,419	1,251	3,703
Change in operating assets and liabilities			
Change in inventories	-525	-1,189	-89
Change in trade receivables	-4,706	-4,728	-287
Change in trade payables	2,122	2,216	-175
Change in other operating assets/liabilities	264	434	-32
Cash flow from operating assets and liabilities	-2,845	-3,267	-583
Cash flow from operations	-1,426	-2,016	3,120
Investments			
Acquired and divested assets/subsidiaries	82	-	63
Investments in property, plant and equipment and intangible assets	-311	-243	-1,388
Cash flow from investments	-229	-243	-1,325
Cash flow from operations and investments	-1,655	-2,259	1,795
Financing			
Dividend paid to shareholders	-	-	-945
Dividend paid to non-controlling interests	-	-	-3
Other financing activities	1,714	2,298 ¹	-829 ¹
Cash flow from financing	1,714	2,298	-1,777
Total cash flow	59	39	18
Cash and cash equivalents at beginning of period	1,622	1,579	1,579
Exchange rate differences referring to cash and cash equivalents	-14	127	25
Cash and cash equivalents at end of period	1,667	1,745	1,622

Key data

Capital expenditure, SEKm	311	243	1,388
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Operating cash flow

Cash flow from operations and investments, SEKm	-1,655	-2,259 ¹	1,795 ¹
Acquired and divested assets/subsidiaries, SEKm	-82	-	-63
Operating cash flow, SEKm	-1,737	-2,259¹	1,732¹

¹ Hedges related to financing have been moved from operations to financing activities (SEK -151m for the first quarter 2015 and SEK -64m for full-year 2015). The equivalent amount has affected the operating cash flow.

Change in Group equity

SEKm	Attributable to equity holders of the Parent company	Non-controlling interests	Total equity
Opening balance January 1, 2015	12,068	20	12,088
Share-based payment	5	-	5
Transfer of treasury shares ¹	4	-	4
Total comprehensive income	834	2	836
Closing balance March 31, 2015	12,911	22	12,933
Opening balance January 1, 2016	13,041	20	13,061
Share-based payment	8	-	8
Transfer of treasury shares ¹	1	-	1
Total comprehensive income	593	2	595
Closing balance March 31, 2016	13,643	22	13,665

¹ 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 19, respectively, in the Annual Report 2015.

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, 2016		March 31, 2015		December 31, 2015	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
<i>Non-current borrowings</i>						
Financial leases	222	238	161	180	214	225
Loans	4,347	4,440	5,520	5,677	4,366	4,466
Total non-current borrowings	4,569	4,678	5,681	5,857	4,580	4,691

Five-year review, Group

	2015	2014 ¹	2013	2012 ²	2011
Net sales, SEKm	36,170	32,838	30,307	30,834	30,357
Net sales growth, %	10.1	8.4	-1.7	1.6	-5.8
Gross margin, %	28.1	28.5	26.5	26.9	27.7
Operating income, SEKm	2,827	1,581	1,608	1,675	1,551
Excluding items affecting comparability, SEKm	2,980	2,348	1,608	1,931	1,615
Operating margin, %	7.8	4.8	5.3	5.4	5.1
Excluding items affecting comparability, %	8.2	7.2	5.3	6.3	5.3
Return on capital employed, %	12.4	7.6	7.7	7.4	7.4
Excluding items affecting comparability, %	13.1	11.1	7.7	8.5	7.7
Return on equity, %	14.6	6.7	8.1	8.8	8.0
Excluding items affecting comparability, %	15.5	12.9	8.1	10.5	8.6
Capital turn-over rate, times	1.7	1.7	1.6	1.5	1.6
Operating cash flow ³ , SEKm	1,732	1,274	1,411	1,499	-554
Capital expenditure, SEKm	1,388	1,386	1,078	776	994
Average number of employees	13,572	14,337	14,156	15,429	15,698

¹ 2014 has been restated due to a correction.

² 2012 has been restated due to the amended IAS 19. 2011 is not affected by the amendment.

³ Hedges related to financing have been moved from operations to financing activities (SEK -64m for 2015, SEK 15m for 2014, SEK 402m for 2013, SEK -355m for 2012 and SEK 82m for 2011).

Net sales and income by quarter, Group¹

SEKm		Q1	Q2	Q3	Q4	Full-year
Net sales	2016	11,361				
	2015	10,928	12,263	7,307	5,672	36,170
	2014	9,685	11,045	6,785	5,323	32,838
Operating income	2016	1,166				
	2015	1,112	1,675	405	-365	2,827
	2014	908	1,373	332	-1,032	1,581
Operating margin, %	2016	10.3				
	2015	10.2	13.7	5.5	-6.4	7.8
	2014	9.4	12.4	4.9	-19.4	4.8
Income for the period	2016	761				
	2015	788	1,143	196	-239	1,888
	2014	620	967	199	-962	824
Earnings per share after dilution, SEK	2016	1.32				
	2015	1.37	1.98	0.34	-0.42	3.28
	2014	1.08	1.68	0.35	-1.68	1.43

¹ Including items affecting comparability.

Net sales and operating income, 12 months rolling, Group

SEKm		Q1	Q2	Q3	Q4
Net sales	2016	36,603			
	2015	34,081	35,299	35,821	36,170
	2014	30,968	31,786	32,222	32,838
Operating income	2016	2,881			
<i>Excluding items affecting comparability</i>	2016	3,034			
	2015	1,785	2,087	2,160	2,827
<i>Excluding items affecting comparability</i>	2015	2,552	2,854	2,927	2,980
	2014	1,828	2,179	2,305	1,581
<i>Excluding items affecting comparability</i>	2014	1,828	2,179	2,305	2,348
Operating margin, %	2016	7.9			
<i>Excluding items affecting comparability</i>	2016	8.3			
	2015	5.2	5.9	6.0	7.8
<i>Excluding items affecting comparability</i>	2015	7.5	8.1	8.2	8.2
	2014	5.9	6.9	7.2	4.8
<i>Excluding items affecting comparability</i>	2014	5.9	6.9	7.2	7.2

Items affecting comparability

SEKm		Q1	Q2	Q3	Q4	Full-year
Restructuring charge	2015	-	-	-	-153	-153
Impairment of goodwill	2014	-	-	-	-767	-767

Net sales by segment

SEKm		Q1	Q2	Q3	Q4	Full-year
Husqvarna	2016	5,457				
	2015	5,342	5,727	3,519	3,036	17,624
	2014	4,358	5,038	3,264	2,789	15,449
Gardena	2016	1,518				
	2015	1,319	1,795	1,060	495	4,669
	2014	1,152	1,712	879	469	4,212
Consumer Brands	2016	3,419				
	2015	3,343	3,643	1,708	1,242	9,936
	2014	3,393	3,410	1,776	1,259	9,838
Construction	2016	967				
	2015	924	1,098	1,020	899	3,941
	2014	782	885	866	806	3,339
Total Group	2016	11,361				
	2015	10,928	12,263	7,307	5,672	36,170
	2014	9,685	11,045	6,785	5,323	32,838

Operating income by segment

SEKm		Q1	Q2	Q3	Q4	Full-year
Husqvarna	2016	844				
	2015	897	1,001	321	14	2,233
<i>Excluding items affecting comparability</i>	2015	897	1,001	321	65	2,284
	2014	667	818	432	91	2,008
Gardena	2016	226				
	2015	204	397	113	-128	586
<i>Excluding items affecting comparability</i>	2015	204	397	113	-123	591
	2014	177	399	-7	-186	383
Consumer Brands	2016	64				
	2015	-11	178	-119	-195	-147
<i>Excluding items affecting comparability</i>	2015	-11	178	-119	-168	-120
	2014	44	97	-138	-158	-155
Construction	2016	89				
	2015	74	160	144	17	395
<i>Excluding items affecting comparability</i>	2015	74	160	144	87	465
	2014	81	117	107	49	354
Group common costs	2016	-57				
	2015	-52	-61	-54	-73	-240
	2014	-61	-58	-62	-828	-1,009
<i>Excluding items affecting comparability</i>	2014	-61	-58	-62	-61	-242
Total Group	2016	1,166				
	2015	1,112	1,675	405	-365	2,827
<i>Excluding items affecting comparability</i>	2015	1,112	1,675	405	-212	2,980
	2014	908	1,373	332	-1,032	1,581
<i>Excluding items affecting comparability</i>	2014	908	1,373	332	-265	2,348

Operating margin by segment

%		Q1	Q2	Q3	Q4	Full-year
Husqvarna	2016	15.5				
	2015	16.8	17.5	9.1	0.5	12.7
<i>Excluding items affecting comparability</i>	2015	16.8	17.5	9.1	2.1	13.0
	2014	15.3	16.2	13.2	3.3	13.0
Gardena	2016	14.9				
	2015	15.5	22.1	10.7	-25.9	12.5
<i>Excluding items affecting comparability</i>	2015	15.5	22.1	10.7	-24.8	12.7
	2014	15.4	23.3	-0.8	-39.7	9.1
Consumer Brands	2016	1.9				
	2015	-0.3	4.9	-7.0	-15.7	-1.5
<i>Excluding items affecting comparability</i>	2015	-0.3	4.9	-7.0	-13.6	-1.2
	2014	1.3	2.8	-7.8	-12.5	-1.6
Construction	2016	9.2				
	2015	8.0	14.6	14.1	1.9	10.0
<i>Excluding items affecting comparability</i>	2015	8.0	14.6	14.1	9.7	11.8
	2014	10.4	13.2	12.4	6.0	10.6
Total Group	2016	10.3				
	2015	10.2	13.7	5.5	-6.4	7.8
<i>Excluding items affecting comparability</i>	2015	10.2	13.7	5.5	-3.7	8.2
	2014	9.4	12.4	4.9	-19.4	4.8
<i>Excluding items affecting comparability</i>	2014	9.4	12.4	4.9	-5.0	7.2

Net assets by segment

	Assets		Liabilities		Net Assets	
	Mar 31, 2016	Mar 31, 2015	Mar 31, 2016	Mar 31, 2015	Mar 31, 2016	Mar 31, 2015
SEKm						
Husqvarna	13,378	13,016	4,308	3,848	9,070	9,168
Gardena	7,286	6,964	1,016	953	6,270	6,011
Consumer Brands	7,286	8,498	2,828	3,457	4,458	5,041
Construction	3,444	3,725	614	595	2,830	3,130
Other	1,470	1,894	2,179	2,139	-709	-245
Total	32,864	34,097	10,945	10,992	21,919	23,105

Liquid assets and other interest-bearing 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.

PARENT COMPANY

Income statement

SEKm	Q1 2016	Q1 2015	Jan-Dec 2015
Net sales	4,206	3,974	12,763
Cost of goods sold	-3,098	-3,247	-9,376
Gross income	1,108	727	3,387
Selling expense	-376	-301	-1,385
Administrative expense	-217	-192	-814
Other operating income/expense	0	0	-1
Operating income	515	234	1,187
Financial items, net	129	-622	892
Income after financial items	644	-388	2,079
Appropriations	-20	-61	-99
Income before taxes	624	-449	1,980
Tax on profit for the year	-139	97	-135
Income for the period	485	-352	1,845

Balance sheet

SEKm	Mar 31, 2016	Mar 31, 2015	Dec 31, 2015
Non-current assets	32,356	32,257	32,485
Current assets	7,751	8,443	5,243
Total assets	40,107	40,700	37,728
Equity	19,972	18,351	19,563
Untaxed reserves	-	24	-
Provisions	144	87	127
Non-current liabilities	4,215	12,815	4,205
Current liabilities	15,776	9,423	13,833
Total equity and liabilities	40,107	40,700	37,728

Number of shares

	Outstanding A-shares	Outstanding B-shares	Re-purchased B-shares	Total
Number of shares as of 31 December 2015	113,694,826	459,305,937	3,343,015	576,343,778
<i>Conversion of A-shares into B-shares</i>	-1	1	-	-
<i>Options exercised related to 2009 LTI-program</i>	-	13,322	-13,322	-
Number of shares as of 31 March 2016 ¹	113,694,825	459,319,260	3,329,693	576,343,778

¹ In April 2016, no A-shares were converted.

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 assets, less operating liabilities, non-interest-bearing provisions and deferred tax liabilities.
Net debt	Total interest-bearing liabilities plus dividend payable, less liquid funds and interest-bearing assets.
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, 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	Capitalization of property, plant and equipment, 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 charges.
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 on rolling 12 months as a percentage of average capital employed.
Return on equity	Income for the period on rolling 12 months as a percentage of average equity.

TELEPHONE CONFERENCE

A combined press and telephone conference, hosted by Kai Wärm, President and CEO, and Jan Ytterberg, CFO, will be held at Husqvarna Group's office, Regeringsgatan 28, Stockholm at 10:00 CET on April 21, 2016. To participate, please dial +46 (0) 8 5033 6434 (Sweden) or +44 (0) 8444933800 (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 later the same day.

DATES FOR FINANCIAL REPORTS

July 15, 2016	Interim report for January - June
October 20, 2016	Interim report for January - September

CONTACTS

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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 08:00 CET on April 21, 2016.

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.