

INTERIM REPORT JANUARY – MARCH 2018

Stockholm April 24, 2018



Kai Wörn, President and CEO:

“Cold weather delayed the start of the gardening season in Europe as well as in North America, resulting in low sell-through at our trade partners. Despite the weather issues, the three divisions in profitable growth mode continued their growth trajectory with higher operating income and margin at the same time as continuing to invest in growth initiatives. The Group operating income of SEK 1,373m (1,425) was slightly below last year as the Consumer Brands Division had a challenging start to the year. However, the operating margin for the Group remained on a healthy level of 11.2%.

Sales for the Husqvarna Division were unchanged adjusted for currency. Robotic lawn mowers and other battery-powered products continued to grow. From a regional perspective sales were higher in Europe while North America decreased. Operating income rose to SEK 1,070m (1,032²) and the margin improved to 17.7% (16.8²), positively impacted by currency effects and favorable mix, which partly was offset by higher costs for investments in profitable growth initiatives.

The Gardena Division is off to a good start due to geographic expansion, new product launches and growth in the online channel, all supporting the currency adjusted sales growth of 15%. Operating income increased to SEK 301m (251), mainly due to the strong volume development. The margin remained at 14.6% (14.6) as we continue to invest in strategic growth initiatives.

The 17% currency adjusted sales decline in the Consumer Brands Division was mainly related to the announced scale-back of sales to a major retailer in North America and cautious retail ordering in general. In addition to a low sales volume, an increasing headwind from higher commodity prices added further pressure on earnings and operating income fell to SEK -63m (68²).

The Construction Division continues to focus on delivering organic growth* while at the same time integrating last year's acquired entities. The total currency adjusted sales growth was 16% in the first quarter, of which 4% was organic growth*. Demand in Europe was strong while the U.S. renovation market was softer than last year. Operating income increased to SEK 158m (141) and the corresponding margin improved slightly to 11.9% (11.8).

Our profitable growth initiatives in Husqvarna, Gardena and Construction are on track and we have many new and innovative products in the market. We expect further progress as the gardening season gets going.”

January - March 2018

- Net sales decreased to SEK 12,303m (12,746), corresponding to a currency adjusted* decline of 1%.
- Operating income amounted to SEK1,373m (1,425).
- Operating margin remained unchanged at 11.2% (11.2).
- Operating cash flow* improved to SEK -1,326m (-2,137).
- Net debt* was reduced to SEK 9,198m (9,800).

Group	Q1	Q1	Change,		FY
SEKm	2018	2017	%	LTM ^{*1,2}	2017
Net sales	12,303	12,746	-3	38,951	39,394
<i>Currency adjusted change*, %</i>	-1	7	-	-	7
Operating income	1,373	1,425	-4	3,738	3,790
<i>Operating margin, %</i>	11.2	11.2	-	9.6	9.6
Income for the period	940	988	-5	2,612	2,660
Earnings per share after dilution, SEK	1.64	1.72	-5	4.54	4.62
Net sales, Divisions					
Husqvarna ²	6,049	6,136	-1	19,122	19,209
Gardena	2,059	1,715	20	5,974	5,630
Consumer Brands ²	2,859	3,697	-23	8,695	9,533
Construction	1,328	1,197	11	5,146	5,015
Operating income, Divisions					
Husqvarna ²	1,070	1,032	4	2,765	2,727
Gardena	301	251	20	756	706
Consumer Brands ²	-63	68	n.a.	-183	-52
Construction	158	141	12	666	649

* Alternative Performance Measure, refer to page 20 for definitions and reconciliations. ¹ Last twelve months.

² Restatement due to reclassification of certain sales between segments, for further information refer to page 16.

FIRST QUARTER

Net sales

Net sales for the first quarter 2018 declined by 3% to SEK 12,303m (12,746). Adjusted for changes in exchange rates, net sales decreased 1%.

Operating income

Operating income for the first quarter amounted to SEK 1,373m (1,425) and the corresponding operating margin remained at 11.2% (11.2). The higher costs for investments in profitable growth initiatives and the somewhat lower sales volume impacted negatively, which was partly offset by a positive mix effect and improved product quality.

Changes in exchange rates had a total positive year-on-year impact on operating income of approximately SEK 60m compared to the first quarter previous year, which was offset by higher raw material prices of the same amount.

Financial items net

Financial items net were unchanged at SEK -137m (-138).

Income after financial items

Income after financial items amounted to SEK 1,236m (1,287).

Taxes

Income tax amounted to SEK -296m (-299) corresponding to a tax rate of 24% (23).

Earnings per share

Income for the period attributable to equity holders of the Parent Company decreased to SEK 939m (985), corresponding to SEK 1.64 (1.72) per share after dilution.

OPERATING CASH FLOW

Operating cash flow* for January - March improved to SEK -1,326m (-2,137). The later start of the gardening season delayed sales and consequently the build-up of trade receivable was lower than prior year, which partly was offset by a higher inventory.

Due to the seasonal build-up of working capital, operating cash flow* is normally negative in the first quarter, followed by positive cash flow in the second and third quarters, while cash flow in the fourth quarter is impacted by the pre-season production for the next year.

FINANCIAL POSITION

Group equity as of March 31, 2018, excluding non-controlling interests, increased to SEK 16,977m (15,372), corresponding to SEK 29.6 (26.8) per share after dilution.

Net debt* decreased to SEK 9,198m (9,800). The net pension liability decreased to SEK 1,686m (1,736), other interest-bearing liabilities increased to SEK 10,472m (10,297) and liquid funds and other interest-bearing assets increased to SEK 2,960m (2,233).

The net debt/EBITDA ratio amounted to 1.6 (1.7) and the equity/assets ratio was 40% (39).

**Alternative Performance Measures, refer to page 20.*

PERFORMANCE BY BUSINESS SEGMENT

Husqvarna

SEKm	Q1 2018	Q1 2017 ¹	Change, %	LTM ^{*1,2}	Full-year 2017 ¹
Net sales	6,049	6,136	-1	19,122	19,209
Currency adjusted change*, %	0	11	-	-	8
Operating income	1,070	1,032	4	2,765	2,727
Operating margin, %	17.7	16.8	-	14.5	14.2

*Alternative Performance Measure, refer to page 20.

¹Restatement due to reclassification of certain sales between segments, for further information refer to page 16.

²Last twelve months.

Net sales in the Husqvarna Division decreased by 1% in the first quarter, adjusted for changes in exchange rates net sales were unchanged.

As a consequence of the late spring in Europe as well as in North America, dealers have experienced a low sell-through. However, robotic lawn mowers and other battery-powered products continued to grow, while other product categories declined.

Operating income increased to SEK 1,070m (1,032) and the operating margin increased to 17.7% (16.8). Product mix impacted positively, while costs for investments in profitable growth initiatives impacted negatively.

Changes in exchange rates had a total favorable year-on-year impact of around SEK 60m on operating income in the first quarter.

Gardena

SEKm	Q1 2018	Q1 2017	Change, %	LTM ^{*1}	Full-year 2017
Net sales	2,059	1,715	20	5,974	5,630
Currency adjusted change*, %	15	9	-	-	9
Operating income	301	251	20	756	706
Operating margin, %	14.6	14.6	-	12.7	12.5

*Alternative Performance Measure, refer to page 20. ¹Last twelve months.

Net sales in the Gardena Division increased by 20% in the first quarter, or 15% adjusted for changes in exchange rates. Efforts to grow sales in countries outside of the core markets and additional fill-up of the online channel, continued to contribute to the strong development. All product categories showed good growth and introductions of new innovative products impacted positively.

Operating income increased by 20% to SEK 301m (251), mainly as a result of the good sales growth partly offset by investments in profitable growth initiatives. The operating margin remained on a high level at 14.6% (14.6).

Changes in exchange rates had a total favorable year-on-year impact of around SEK 20m on operating income in the first quarter.

Consumer Brands

SEKm	Q1 2018	Q1 2017 ¹	Change, %	LTM ^{*1,2}	Full-year 2017 ¹
Net sales	2,859	3,697	-23	8,695	9,533
Currency adjusted change*, %	-17	-4	-	-	-1
Operating income	-63	68	n.a.	-183	-52
Operating margin, %	-2.2	1.8	-	-2.1	-0.5

*Alternative Performance Measure, refer to page 20.

¹Restatement due to reclassification of certain sales between segments, for further information refer to page 16.

²Last twelve months.

Net sales in the Consumer Brands Division decreased by 17% in the first quarter, adjusted for changes in exchange rates. The decline was largely due to the earlier communicated decision to reduce the volume of business with one of the Group's biggest retail customers in the U.S., cautious retail ordering in general and the cold weather that delayed the start of the gardening season in Europe as well as in North America.

Operating income decreased to -63m (68). Efficiency improvements continue, however not enough to offset the impact from higher raw material prices and significantly lower sales volume.

Changes in exchange rates had a total negative year-on-year impact of around SEK 10m on operating income in the first quarter.

Construction

SEKm	Q1 2018	Q1 2017	Change, %	LTM * ¹	Full-year 2017
Net sales	1,328	1,197	11	5,146	5,015
<i>Currency adjusted change*, %</i>	16	18	-	-	21
Operating income	158	141	12	666	649
<i>Operating margin, %</i>	11.9	11.8	-	12.9	12.9

*Alternative Performance Measure, refer to page 20. ¹ Last twelve months.

Net sales in the Construction Division increased by 11% in the first quarter, or by 16% adjusted for changes in exchange rates. Acquired entities contributed with approximately 12 percentage points of the currency adjusted increase. The sales increase was largely related to higher volumes in Europe and Asia/Pacific.

Operating income increased by 12% to SEK 158m (141), mainly as a result of the higher sales volume.

Changes in exchange rates had a total negative year-on-year impact of around SEK 10m on operating income in the first quarter.

During the quarter, the previously announced acquisition of Atlas Copco's Light Compaction & Concrete Equipment business was completed. The operations are included in the accounts as of February 1.

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.

73,401 shares were converted in the first quarter 2018 and in April another 52 shares were converted. The total number of votes thereafter amounts to 158,829,971.

The total number of registered shares in the company at March 31, 2018 amounted to 576,343,778 of which 112,439,600 were A-shares and 463,904,178 were B-shares.

ANNUAL GENERAL MEETING 2018

The AGM of Husqvarna AB (publ) was held on April 10, 2018 in Jönköping, Sweden. The dividend was set at SEK 2.25 per share and to be paid in two installments. SEK 0.75 per share in April, and SEK 1.50 per share in October.

The Nomination Committee's proposal that the Board of Directors shall comprise eight Board members to be elected by the AGM, and no deputies, was adopted. Tom Johnstone, Ulla Litzén, Katarina Martinson, Bertrand Neuschwander, Daniel Nodhäll, Lars Pettersson, Christine Robins and Kai Wärm were re-elected. Tom Johnstone was elected Chair of the Board.

Furthermore, the AGM approved the Board's proposal for a performance based long-term incentive program for 2018, the proposals for principles of remuneration to Husqvarna Group Management and authorization for new share issue.

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

CHANGE IN GROUP MANAGEMENT

Earl Bennett, former Husqvarna Group General Counsel for Americas, has been appointed Acting President Consumer Brands Division following the sudden and unexpected passing of Jeff Hohler in March.

PARENT COMPANY

Net sales for January – March 2018 for the Parent Company, Husqvarna AB, amounted to SEK 5,454m (5,065) of which SEK 4,571m (4,215) referred to sales to Group companies and SEK 883m (850) to external customers.

Income after financial items decreased to SEK 583m (1,079). Income for the period decreased to SEK 447m (833). Investments in property, plant and equipment and intangible assets increased to SEK 410m (163) partly due to acquisitions. Cash and cash equivalents amounted to SEK 480m (373) at the end of the quarter. Undistributed earnings in the Parent Company amounted to till 21,156m (22,339) at the end of the quarter.

RISKS AND UNCERTAINTY FACTORS

A number of factors may affect Husqvarna Group'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 and sales channels 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 the Annual Report 2017 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 Accounts Act. The financial statement of the Parent Company has been prepared in accordance with the Swedish Annual Accounts 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 2017, which is available at www.husqvarnagroup.com/ir.

New standards applicable from January 1, 2018

Husqvarna Group applies IFRS 15 "Revenue From Contracts with Customers" from January 1, 2018. IFRS 15 replaces IAS 18 "Revenue" and IAS 11 "Construction contracts". IFRS 15 establishes a new principle based model of recognizing revenue from customer contracts. Husqvarna Group have chosen the full retrospective method, hence the comparative figures for 2017 have been restated in this report. IFRS 15 has not had an impact on operating income, net income nor balance sheet amounts. The opening balance for 2017 has not been affected by IFRS 15. For further information on transition to IFRS 15 and restatement, refer to page 16.

Husqvarna Group applies IFRS 9 "Financial Instruments" from January 1, 2018. IFRS 9 replaces IAS 39 "Financial instruments: recognition and measurement". The Group applies IFRS 9 retrospectively on the effective date January 1, 2018, which means that the opening retained earnings January 1, 2018 will be affected but the comparative information will not be restated. IFRS 9 does not have a significant impact on the financial reports in the Group. For further information on transition to IFRS 9 and restatement, refer to page 16.

RECLASSIFICATIONS

Reclassification of certain income and expenses related to changes in exchange rates

Certain income and expenses, such as change in value of currency hedging contracts and the translation of assets and liabilities in foreign currency, previously recorded in selling expenses have been reclassified to cost of goods sold. The reclassification will better reflect the underlying performance of selling expenses and cost of goods sold. The comparative amounts for 2017 have been restated. For further information see page 16.

Reclassification of certain sales between segments

To better reflect the responsibilities in the reporting, certain retail sales and costs have been transferred to Consumer Brands Division from Husqvarna Division in 2018. The comparative amounts for 2017 have been restated. For further information see page 16.

FOOTNOTE

*Alternative Performance Measures, see page 20 “Definitions and reconciliations of Alternative Performance Measures”.

AUDITORS’ REVIEW REPORT

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

Stockholm, April 24, 2018

Kai Wörn
President and CEO

Consolidated income statement

SEKm	Q1 2018	Q1 2017	Full-year 2017
Net sales	12,303	12,746	39,394
Cost of goods sold ¹	-8,756	-9,234	-27,922
Gross income	3,547	3,512	11,472
<i>Gross margin, %</i>	28.8	27.6	29.1
Selling expenses ¹	-1,667	-1,600	-5,870
Administrative expenses	-506	-489	-1,879
Other operating income/expense	-1	2	67
Operating income	1,373	1,425	3,790
<i>Operating margin, %</i>	11.2	11.2	9.6
Financial items, net	-137	-138	-500
Income after financial items	1,236	1,287	3,290
<i>Margin, %</i>	10.0	10.1	8.4
Income tax	-296	-299	-630
Income for the period	940	988	2,660
Income for the period attributable to:			
Equity holders of the Parent Company	939	985	2,654
Non-controlling interest	1	3	6
Earnings per share:			
Before dilution, SEK	1.64	1.72	4.64
After dilution, SEK	1.64	1.72	4.62
Average number of shares outstanding:			
Before dilution, millions	571.1	572.1	572.0
After dilution, millions	574.2	574.2	574.2

Key data

<i>Net sales growth, %</i>	-3	12	9
Operating income, SEKm	1,373	1,425	3,790
<i>Operating margin, %</i>	11.2	11.2	9.6
Average number of employees	13,532	13,947	13,252

EBITDA*

SEKm			
Operating income	1,373	1,425	3,790
Reversal of depreciation, amortization and impairment	343	327	1,315
EBITDA*	1,716	1,752	5,105
<i>EBITDA margin, %</i>	13.9	13.7	13.0

*Alternative Performance Measure, refer to page 20 for definitions and reconciliations.

¹Restatement due to IFRS 15 transition and reclassification of certain exchange rate effects, for further information refer to page 16-17.

Consolidated comprehensive income statement

SEKm	Q1 2018	Q1 2017	Full-year 2017
Income for the period	940	988	2,660
Other comprehensive income			
<i>Items that will not be reclassified to the income statement:</i>			
Re measurements on defined benefit pension plans, net of tax	51	0	33
Total items that will not be reclassified to the income statement, net of tax	51	0	33
<i>Items that may be reclassified to the income statement:</i>			
Currency translation differences	530	-62	-693
Net investment hedge, net of tax	-167	109	632
Cash flow hedges, net of tax	-37	-10	-71
Total items that may be reclassified to the income statement, net of tax	326	37	-132
Other comprehensive income, net of tax	377	37	-99
Total comprehensive income for the period	1,317	1,025	2,561
Total comprehensive income attributable to:			
Equity holders of the Parent Company	1,316	1,022	2,555
Non-controlling interest	1	3	6

Consolidated balance sheet

SEKm	Mar. 31, 2018	Mar. 31, 2017	Dec. 31, 2017
Assets			
Property, plant and equipment	6,014	5,455	5,806
Goodwill	6,927	6,491	6,635
Other intangible assets	5,447	4,633	5,122
Derivatives	4	-	4
Other non-current assets	542	100	527
Deferred tax assets	1,310	1,406	1,197
Total non-current assets	20,244	18,085	19,291
Inventories	10,302	9,252	9,522
Trade receivables	8,037	8,727	3,407
Derivatives	178	208	316
Tax receivables	80	63	71
Other current assets	991	990	937
Other short-term investments	2	4	2
Cash and cash equivalents	2,426	2,021	1,872
Total current assets	22,016	21,265	16,127
Total assets	42,260	39,350	35,418
Equity and liabilities			
Equity attributable to equity holders of the Parent Company	16,977	15,372	15,665
Non-controlling interests	3	31	2
Total equity	16,980	15,403	15,667
Borrowings	6,824	6,672	4,684
Derivatives	31	37	28
Deferred tax liabilities	1,984	1,759	1,895
Provisions for pensions and other post-employment benefits	1,813	1,768	1,818
Other provisions	712	828	683
Total non-current liabilities	11,364	11,064	9,108
Trade payables	6,096	5,418	4,098
Tax liabilities	531	389	345
Other liabilities	3,202	2,902	2,457
Borrowings	2,853	3,303	2,913
Derivatives	764	285	414
Other provisions	470	586	416
Total current liabilities	13,916	12,883	10,643
Total equity and liabilities	42,260	39,350	35,418

Key data

Operating working capital, SEKm	12,243	12,561	8,831
Operating working capital / net sales, %*	27.5	28.1	25.5
Return on capital employed, %	13.9	14.2	14.7
Return on equity, %	16.5	16.3	17.4
Capital turn-over rate, times	1.6	1.7	1.7
Equity/assets ratio, %	40	39	44
Equity per share after dilution, SEK	29.6	26.8	27.3

Net debt*

SEKm			
Net pension liability	1,686	1,736	1,698
Other interest-bearing liabilities	10,472	10,297	8,039
Less: Liquid funds and other interest-bearing assets	-2,960	-2,233	-2,538
Net debt*	9,198	9,800	7,199
Net debt/equity ratio	0.54	0.64	0.46

*Alternative Performance Measure, refer to page 20 for definitions and reconciliations.

Consolidated cash flow statement

SEKm	Q1 2018	Q1 2017	Full-year 2017
Cash flow from operations			
Operating income	1,373	1,425	3,790
Non cash items	380	412	1,197
<i>Cash items</i>			
Paid restructuring expenses	-4	-1	-52
Net financial items, received/paid	-116	-83	-467
Taxes paid	-116	-174	-431
Cash flow from operations, excluding change in operating assets and liabilities	1,517	1,579	4,037
Change in operating assets and liabilities			
Change in inventories	-474	-18	-567
Change in trade receivables	-4,408	-5,391	-104
Change in trade payables	1,807	1,672	406
Change in other operating assets/liabilities	671	365	-33
Cash flow from operating assets and liabilities	-2,404	-3,372	-298
Cash flow from operations	-887	-1,793	3,739
Investments			
Acquisitions and divestments of subsidiaries/operations and divestments of property, plant and equipment	-293	-942	-1,619
Investments in property, plant and equipment and intangible assets	-439	-344	-1,892
Investments and divestments of financial assets	-1	-	-358
Cash flow from investments	-733	-1,286	-3,869
Cash flow from operations and investments	-1,620	-3,079	-130
Financing			
Dividend paid to shareholders	-	-	-1,114
Dividend paid to non-controlling interests	-5	-	-10
Other financing activities	2,128	3,154	1,267
Cash flow from financing	2,123	3,154	143
Total cash flow	503	75	13
Cash and cash equivalents at beginning of period	1,872	1,937	1,937
Exchange rate differences referring to cash and cash equivalents	51	9	-78
Cash and cash equivalents at end of period	2,426	2,021	1,872
Operating cash flow*			
SEKm			
Cash flow from operations and investments	-1,620	-3,079	-130
Acquisitions and divestments of subsidiaries/operations and divestments of property, plant and equipment	293	942	1,619
Investments and divestments of financial assets	1	-	358
Operating cash flow*	-1,326	-2,137	1,847

*Alternative Performance Measure, refer to page 20 for definitions and reconciliations.

Change in Group equity

SEKm	Attributable to equity holders of the Parent company	Non-controlling interests	Total equity
Opening balance January 1, 2017	14,339	26	14,365
Share-based payment	62	-	62
Transfer of treasury shares ¹	4	-	4
Hedge for LTI-programs	-334	-	-334
Sales of treasury shares	151	-	151
Dividend	-1,114	-15	-1,129
Acquisition of non-controlling interest	4	-17	-13
Divestment of non-controlling interest	-2	2	-
Total comprehensive income	2,555	6	2,561
Closing balance December 31, 2017	15,665	2	15,667
IFRS 9 restatement (see page 16)	-12	-	-12
Opening balance January 1, 2018	15,653	2	15,655
Share-based payment	8	-	8
Total comprehensive income	1,316	1	1,317
Closing balance March 31, 2018	16,977	3	16,980

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 2017. The carrying value approximates fair value for all financial instruments except for non-current borrowings, which are shown in the table below.

SEKm	Mar. 31, 2018		Mar. 31, 2017		Dec. 31, 2017	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
<i>Non-current borrowings</i>						
Financial leases	188	196	189	201	198	207
Loans	6,636	6,672	6,483	6,564	4,486	4,560
Total non-current borrowings	6,824	6,868	6,672	6,765	4,684	4,767

Five-year review, Group

	2017	2016	2015	2014	2013
Net sales, SEKm	39,394	35,982	36,170	32,838	30,307
<i>Net sales growth, %</i>	9.5	-0.5	10.1	8.4	-1.7
<i>Gross margin, %¹</i>	29.1	30.8	28.1	28.5	26.5
Operating income, SEKm	3,790	3,218	2,827	1,581	1,608
<i>Excluding items affecting comparability*, SEKm</i>	3,790	3,218	2,980	2,348	1,608
<i>Operating margin, %</i>	9.6	8.9	7.8	4.8	5.3
<i>Excluding items affecting comparability*, %</i>	9.6	8.9	8.2	7.2	5.3
<i>Return on capital employed, %</i>	14.7	13.7	12.4	7.6	7.7
<i>Excluding items affecting comparability*, %</i>	14.7	13.7	13.1	11.1	7.7
<i>Return on equity, %</i>	17.4	15.2	14.6	6.7	8.1
<i>Excluding items affecting comparability*, %</i>	17.4	15.2	15.5	12.9	8.1
Capital turn-over rate, times	1.7	1.7	1.7	1.7	1.6
Operating cash flow ² , SEKm	1,847	1,666	1,732	1,274	1,411
Capital expenditure, SEKm	1,892	1,889	1,388	1,386	1,078
Average number of employees	13,252	12,704	13,572	14,337	14,156

¹ 2017 has been restated due to IFRS 15 transition and reclassification of certain exchange rate effects, for further information refer to page 16-17.

² Hedges related to financing have been moved from operations to financing activities (SEK -64m for 2015, SEK 15m for 2014 and SEK 402m for 2013).

*Alternative Performance Measure, refer to page 20 for definitions and reconciliations.

Net sales and income by quarter, Group

SEKm		Q1	Q2	Q3	Q4	Full-year
Net sales, finished goods	2018	12,248				
	2017	12,734	13,058	7,437	6,117	39,346
Net sales, services, royalty and other	2018	55				
	2017	12	11	12	13	48
Net sales total	2018	12,303				
	2017	12,746	13,069	7,449	6,130	39,394
	2016	11,361	11,504	7,349	5,768	35,982
Operating income	2018	1,373				
	2017	1,425	2,002	433	-70	3,790
	2016	1,166	1,729	431	-108	3,218
Operating margin, %	2018	11.2				
	2017	11.2	15.3	5.8	-1.1	9.6
	2016	10.3	15.0	5.9	-1.9	8.9
Income for the period	2018	940				
	2017	988	1,401	210	61	2,660
	2016	761	1,259	205	-121	2,104
Earnings per share after dilution, SEK	2018	1.64				
	2017	1.72	2.43	0.37	0.10	4.62
	2016	1.32	2.19	0.36	-0.21	3.66

Net sales and operating income, last twelve months, Group

SEKm		Q1	Q2	Q3	Q4
Net sales	2018	38,951			
	2017	37,367	38,932	39,032	39,394
	2016	36,603	35,844	35,886	35,982
Operating income	2018	3,738			
	2017	3,477	3,750	3,752	3,790
	2016	2,881	2,935	2,961	3,218
<i>Excl. items affecting comparability*</i>	2016	3,034	3,088	3,114	3,218
Operating margin, %	2018	9.6			
	2017	9.3	9.6	9.6	9.6
	2016	7.9	8.2	8.3	8.9
<i>Excl. items affecting comparability*</i>	2016	8.3	8.6	8.7	8.9

*Alternative Performance Measure, refer to page 20 for definitions and reconciliations.

Items affecting comparability*

SEKm		Q1	Q2	Q3	Q4	Full-year
No items	2018	-				
No items	2017	-	-	-	-	-
No items	2016	-	-	-	-	-
Restructuring expenses	2015	-	-	-	-153	-153
Impairment of goodwill	2014	-	-	-	-767	-767

*Alternative Performance Measure, refer to page 20 for definitions and reconciliations.

Net sales (external) by segment

SEKm	Q1	Q2	Q3	Q4	Full-year
Husqvarna	2018 6,049				
	2017 ² 6,136	6,164	3,669	3,240	19,209
	2016 5,457	5,721	3,752	3,030	17,960
Gardena	2018 2,059				
	2017 1,715	2,326	1,033	556	5,630
	2016 1,518	1,995	1,002	518	5,033
Consumer Brands	2018 2,859				
	2017 ² 3,697	3,237	1,484	1,115	9,533
	2016 3,419	2,682	1,553	1,234	8,888
Construction	2018 1,328				
	2017 1,197	1,341	1,260	1,217	5,015
	2016 967	1,106	1,042	986	4,101
Group common costs¹	2018 8				
	2017 1	1	3	2	7
	2016 -	-	-	-	-
Total Group	2018 12,303				
	2017 12,746	13,069	7,449	6,130	39,394
	2016 11,361	11,504	7,349	5,768	35,982

¹ Royalty income is included in Group common cost.

² Restatement due to reclassification of certain sales between segments, for further information refer to page 16.

Operating income by segment

SEKm	Q1	Q2	Q3	Q4	Full-year
Husqvarna	2018 1,070				
	2017 ¹ 1,032	1,180	388	127	2,727
	2016 844	1,031	368	74	2,317
Gardena	2018 301				
	2017 251	565	62	-172	706
	2016 226	449	50	-130	595
Consumer Brands	2018 -63				
	2017 ¹ 68	86	-97	-109	-52
	2016 64	147	-80	-128	3
Construction	2018 158				
	2017 141	233	143	132	649
	2016 89	179	155	145	568
Group common costs	2018 -93				
	2017 -67	-62	-63	-48	-240
	2016 -57	-77	-62	-69	-265
Total Group	2018 1,373				
	2017 1,425	2,002	433	-70	3,790
	2016 1,166	1,729	431	-108	3,218

*Alternative Performance Measure, refer to page 20 for definitions and reconciliations.

¹ Restatement due to reclassification of certain sales between segments, for further information refer to page 16.

Operating margin by segment

%		Q1	Q2	Q3	Q4	Full-year
Husqvarna	2018	17.7				
	2017 ¹	16.8	19.1	10.6	3.9	14.2
	2016	15.5	18.0	9.8	2.4	12.9
Gardena	2018	14.6				
	2017	14.6	24.3	6.0	-30.9	12.5
	2016	14.9	22.5	5.0	-25.2	11.8
Consumer Brands	2018	-2.2				
	2017 ¹	1.8	2.7	-6.5	-9.8	-0.5
	2016	1.9	5.5	-5.2	-10.3	0.0
Construction	2018	11.9				
	2017	11.8	17.4	11.4	10.9	12.9
	2016	9.2	16.2	14.9	14.7	13.9
Total Group	2018	11.2				
	2017	11.2	15.3	5.8	-1.1	9.6
	2016	10.3	15.0	5.9	-1.9	8.9

*Alternative Performance Measure, refer to page 20 for definitions and reconciliations.

¹Restatement due to reclassification of certain sales between segments, for further information refer to page 16.

Net assets by segment

SEKm	Assets		Liabilities		Net Assets	
	Mar. 31, 2018	Mar. 31, 2017	Mar. 31, 2018	Mar. 31, 2017	Mar. 31, 2018	Mar. 31, 2017
Husqvarna ¹	15,948	14,883	5,301	4,776	10,647	10,107
Gardena	8,507	7,853	1,570	1,218	6,937	6,635
Consumer Brands ¹	7,193	7,976	2,206	2,552	4,987	5,424
Construction	6,121	4,865	1,019	747	5,102	4,118
Other	1,404	1,508	2,899	2,589	-1,495	-1,081
Total	39,173	37,085	12,995	11,882	26,178	25,203

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

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

¹2017 restated due to reclassification of certain sales between segments, for further information refer to page 16.

Business combinations

Husqvarna Group acquired the Light Compaction and Concrete Equipment business from Atlas Copco on February 1, 2018, the global leader in this segment. The acquisition includes product lines, operations and R&D in Bulgaria, and specific sales and service resources that will reinforce Husqvarna Construction's existing organization. The acquired product range complements the Construction Division's offering within concrete surfaces and floors.

Husqvarna Group acquired 100% of the shares in Construction Tools EOOD, Bulgaria, and assets in mainly Sweden. Husqvarna Group will, during a transition period in 2018, also acquire inventory from the vendor.

The goodwill of SEK 115m arising from the acquisition is attributable to economies of scale from distributing the Light Compaction and Concrete Equipment business range of products in the Construction Division's distribution network. A part of the goodwill is related to assets and is expected to be income tax deductible.

The following table summarizes the fair value of assets acquired and liabilities assumed at the acquisition date. The amounts are based on a preliminary purchase price allocation and may be subject to change.

SEKm	
Property, plant and equipment	38
Other intangible assets	115
Inventories	46
Trade receivables and other current assets	35
Cash and cash equivalents	12
Trade payables and other liabilities	-55
Total identifiable net assets	191
Goodwill	115
Total net assets	306
Less acquired cash	-12
Net cash flow - investments	294

Acquisition-related costs of SEK 6m have been charged to administrative expenses in the consolidated income statement in 2017.

The fair value of trade and other receivables is SEK 35m and includes trade receivables with contractual amount of SEK 29m. No trade receivables are expected to be uncollectible.

The net sales, contributed by the Light Compaction and Concrete Equipment business, included in the consolidated statement of comprehensive income since the acquisition date amounted to SEK 52m. Light Compaction & Concrete Equipment also contributed with a small positive operating income during this period. No transactions recognized before the acquisition date.

IFRS 15 TRANSITION, IFRS 9 TRANSITION AND RECLASSIFICATIONS

a) IFRS 15 transition

Husqvarna Group applies IFRS 15 "Revenue From Contracts with Customers" from January 1, 2018. IFRS 15 replaces IAS 18 "Revenue" and IAS 11 "Construction contracts". IFRS 15 establishes a new principle based model of recognizing revenue from customer contracts. The implementation resulted in a change in accounting principles, the new accounting principles have been disclosed in the Annual Report 2017 (www.husqvarnagroup.com/ir). Husqvarna Group have chosen the full retrospective method, hence the comparative figures for 2017 have been restated in the financial reports for periods beginning on or after January 1, 2018. IFRS 15 has not had an impact on operating income, net income nor balance sheet amounts. The opening balance for 2017 has not been affected by IFRS 15. Refer below for details regarding the impact on the financial reports:

Some transport/shipping income and expense have been reclassified in the income statement due to the more detailed requirements on allocation of the transaction price to the performance obligations identified and due to the more detailed definitions of principal versus agent. The reclassification has not had an impact on operating income but have reduced the Group's gross income and reduced the selling expenses by the corresponding amount. The opening balance for 2017 has not been affected.

IFRS 15 includes extended disclosure requirements regarding revenue, for example regarding disaggregated revenue. Disaggregated revenue will be disclosed for periods starting from January 1, 2018, with comparatives for 2017 (periods prior to 2017 have not been disclosed).

b) Reclassification of certain income and expenses related to changes in exchange rates (FX)

Certain income and expenses, such as change in value of currency hedging contracts and the translation of assets and liabilities in foreign currency, previously recorded in selling expense have been reclassified to cost of goods sold. The reclassification will better reflect the underlying performance of selling expenses and cost of goods sold. The comparative amounts for 2017 have been restated.

c) IFRS 9 transition

Husqvarna Group applies IFRS 9 "Financial Instruments" from January 1, 2018. IFRS 9 replaces IAS 39 "Financial instruments: recognition and measurement". The implementation of IFRS 9 have resulted in changes in the Group's accounting principles, as disclosed in the Annual Report 2017 (www.husqvarnagroup.com/ir). The Group applies IFRS 9 retrospectively on the effective date January 1, 2018, which means that the opening retained earnings January 1, 2018 will be affected but the comparative information will not be restated. IFRS 9 does not have a significant impact on the financial reports in the Group. The Group's current hedge relationships qualify as continuing hedges upon the adoption of IFRS 9, there is no significant impact on the accounting for its hedging relationships.

The new impairment model in IFRS 9 requires the recognition of impairment provisions based on expected credit losses rather than incurred credit losses as is the case under IAS 39. It applies to the Group's financial assets classified at amortized cost as well as financial assets classified at fair value through other comprehensive income and result in an earlier recognition of credit losses. The restatement of the loss allowance provision on transition to IFRS 9, as a result of applying the expected credit loss model, amount to SEK -16m (before tax), affecting opening retained earnings January 1, 2018.

d) Reclassification of certain sales between segments

To better reflect the responsibilities in the reporting, certain retail sales and costs have been transferred to Consumer Brands Divisions from Husqvarna Division in 2018. The comparative amounts for 2017 have been restated.

Please see below for details.

Consolidated income statement

SEKm	a)			Q1 2017 restated	a)			Q2 2017 restated	a)			Q3 2017 restated
	Q1 IFRS 2017	15 reclass.	b) FX		Q2 IFRS 2017	15 reclass.	b) FX		Q3 IFRS 2017	15 reclass.	b) FX	
Net sales	12,746	-	-	12,746	13,069	-	-	13,069	7,449	-	-	7,449
Cost of goods sold	-8,950	-275	-9	-9,234	-8,603	-291	-24	-8,918	-5,085	-182	-15	-5,282
Gross income	3,796	-275	-9	3,512	4,466	-291	-24	4,151	2,364	-182	-15	2,167
Gross margin, %	29.8			27.6	34.2			31.8	31.7			29.1
Selling expenses	-1,884	275	9	-1,600	-2,009	291	24	-1,694	-1,448	182	15	-1,251
Administrative expenses	-489	-	-	-489	-458	-	-	-458	-484	-	-	-484
Other operating income and expense	2	-	-	2	3	-	-	3	1	-	-	1
Operating income	1,425	-	-	1,425	2,002	-	-	2,002	433	-	-	433
Operating margin, %	11.2			11.2	15.3			15.3	5.8			5.8

*There is no impact on financial items, income tax nor income for the period.

Consolidated income statement

SEKm	a)			Q4 2017 restated	a)			Full year 2017 restated
	Q4 IFRS 2017	15 reclass.	b) FX		Full year IFRS 2017	15 reclass.	b) FX	
Net sales	6,130	-	-	6,130	39,394	-	-	39,394
Cost of goods sold	-4,318	-132	-38	-4,488	-26,956	-880	-86	-27,922
Gross income	1,812	-132	-38	1,642	12,438	-880	-86	11,472
Gross margin	29.6			26.8	31.6			29.1
Selling expenses	-1,495	132	38	-1,325	-6,836	880	86	-5,870
Administrative expenses	-448	-	-	-448	-1,879	-	-	-1,879
Other operating income and expense	61	-	-	61	67	-	-	67
Operating income	-70	-	-	-70	3,790	-	-	3,790
Operating margin, %	-1.1			-1.1	9.6			9.6

*There is no impact on financial items, income tax nor income for the period.

Parent Company Income statement

SEKm	a)			Q1 2017 restated	a)			Q2 2017 restated	a)			Q3 2017 restated
	Q1 IFRS 2017	15 reclass.	b) FX		Q2 IFRS 2017	15 reclass.	b) FX		Q3 IFRS 2017	15 reclass.	b) FX	
Net sales	5,065	-	-	5,065	5,008	-	-	5,008	2,645	-	-	2,645
Cost of goods sold	-3,481	-28	-19	-3,528	-3,500	-44	-14	-3,558	-2,103	-23	1	-2,125
Gross income	1,584	-28	-19	1,537	1,508	-44	-14	1,450	542	-23	1	520
Selling expense	-321	28	19	-274	-397	44	14	-339	-274	23	-1	-252
Administrative expense	-251	-	-	-251	-264	-	-	-264	-249	-	-	-249
Other operating income/expense	0	-	-	0	0	-	-	0	0	-	-	0
Operating income	1,012	-	-	1,012	847	-	-	847	19	-	-	19

*There is no impact on on financial items, income tax nor income for the period.

Parent Company Income statement

SEKm	a)			Q4 2017 restated	a)			Full year 2017 restated
	Q4 IFRS 2017	15 reclass.	b) FX		Full year IFRS 2017	15 reclass.	b) FX	
Net sales	2,944	-	-	2,944	15,662	-	-	15,662
Cost of goods sold	-2,526	-21	-28	-2,575	-11,610	-117	-59	-11,786
Gross income	418	-21	-28	369	4,052	-117	-59	3,876
Selling expense	-335	21	28	-286	-1,327	117	59	-1,151
Administrative expense	-252	-	-	-252	-1,016	-	-	-1,016
Other operating income/expense	0	-	-	0	0	-	-	0
Operating income	-169	-	-	-169	1,709	-	-	1,709

*There is no impact on on financial items, income tax nor income for the period.

Consolidated balance sheet

SEKm	Dec. 31, 2017	c) IFRS 9	Jan. 1, 2018 restated
Assets			
Trade receivables	3,407	-16	3,391
Total current assets	16,127	-16	16,111
Total assets	35,418	-16	35,402
Equity and liabilities			
Equity attributable to equity holders of the Parent Company	15,665	-12	15,653
Total equity	15,667	-12	15,655
Deferred tax liabilities	1,895	-4	1,891
Total non-current liabilities	9,108	-4	9,104
Total equity and liabilities	35,418	-16	35,402

SEKm	Q1 2017	d) Re- class.	Q1 2017 restated	Q2 2017	d) Re- class.	Q2 2017 restated	Q3 2017	d) Re- class.	Q3 2017 restated
Net sales	6,372	-236	6,136	6,314	-150	6,164	3,734	-65	3,669
Operating income	1,047	-15	1,032	1,186	-6	1,180	385	3	388
Operating margin, %	16.4		16.8	18.8		19.1	10.3		10.6
Assets	15,140	-257	14,883	13,664	-194	13,470	12,124	-106	12,018
Liabilities	4,779	-3	4,776	4,228	-4	4,224	3,398	-3	3,395
Net Assets	10,361	-254	10,107	9,436	-190	9,246	8,726	-103	8,623

SEKm	Q4 2017	d) Re- class.	Q4 2017 restated	Full year 2017	d) Re- class.	Full year 2017 restated
Net sales	3,313	-73	3,240	19,733	-524	19,209
Operating income	122	5	127	2,740	-13	2,727
Operating margin, %	3.7		3.9	13.9		14.2
Assets	12,890	-149	12,741	12,890	-149	12,741
Liabilities	3,863	-7	3,856	3,863	-7	3,856
Net Assets	9,027	-142	8,885	9,027	-142	8,885

Consumer Brands Division

SEKm	Q1 2017	d) Re- class.	Q1 2017 restated	Q2 2017	d) Re- class.	Q2 2017 restated	Q3 2017	d) Re- class.	Q3 2017 restated
Net sales	3,461	236	3,697	3,087	150	3,237	1,419	65	1,484
Operating income	53	15	68	80	6	86	-94	-3	-97
Operating margin, %	1.5		1.8	2.6		2.7	-6.6		-6.5
Assets	7,719	257	7,976	6,106	194	6,300	5,504	106	5,610
Liabilities	2,549	3	2,552	2,087	4	2,091	1,393	3	1,396
Net Assets	5,170	254	5,424	4,019	190	4,209	4,111	103	4,214

SEKm	Q4 2017	d) Re- class.	Q4 2017 restated	Full year 2017	d) Re- class.	Full year 2017 restated
Net sales	1,042	73	1,115	9,009	524	9,533
Operating income	-104	-5	-109	-65	13	-52
Operating margin, %	-10.0		-9.8	-0.7		-0.5
Assets	5,622	149	5,771	5,622	149	5,771
Liabilities	1,451	7	1,458	1,451	7	1,458
Net Assets	4,171	142	4,313	4,171	142	4,313

PARENT COMPANY

Income statement

SEKm	Q1 2018	Q1 2017	Full-year 2017
Net sales	5,454	5,065	15,662
Cost of goods sold ¹	-3,948	-3,528	-11,786
Gross income	1,506	1,537	3,876
Selling expense ¹	-317	-274	-1,151
Administrative expense	-295	-251	-1,016
Other operating income/expense	0	0	0
Operating income	894	1,012	1,709
Financial items, net	-311	67	1,185
Income after financial items	583	1,079	2,894
Appropriations	-6	-16	-759
Income before taxes	577	1,063	2,135
Tax on profit for the year	-130	-230	-283
Income for the period	447	833	1,852

¹Restatement due to IFRS 15 transition and reclassification of certain exchange rate effects, for further information refer to page 16.

Balance sheet

SEKm	Mar. 31, 2018	Mar. 31, 2017
Non-current assets	33,590	32,446
Current assets	11,864	9,752
Total assets	45,454	42,198
Equity	24,095	23,901
Untaxed reserves	806	-
Provisions	99	128
Non-current liabilities	6,392	6,316
Current liabilities	14,062	11,853
Total equity and liabilities	45,454	42,198

Number of shares

	Outstanding A-shares	Outstanding B-shares	Re-purchased B-shares ²	Total
Number of shares as of December 31, 2017	112,513,001	458,630,777	5,200,000	576,343,778
<i>Conversion of A-shares into B-shares</i>	<i>-73,401</i>	<i>73,401</i>	<i>-</i>	<i>-</i>
Number of shares as of March 31, 2018¹	112,439,600	458,704,178	5,200,000	576,343,778

¹In April 2018, 52 A-shares were converted.

²The 5,200,000 B-shares are entirely in a third party share swap agreement.

DEFINITIONS AND RECONCILIATIONS OF ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority (ESMA) has issued guidelines on Alternative Performance Measures (APMs) for listed issuers. The guidelines apply to APMs disclosed by issuers on or after July 3, 2016.

APMs refer to measures used by management and investors to analyze trends and performance of the Group's operations that cannot be directly read or derived from the financial statements. These measures are relevant to assist management and investors in analyzing the Group's performance. Investors should not consider these APMs as substitutes, but rather as additions, to the financial reporting measures prepared in accordance with IFRS. It should be noted that these APMs as defined, may not be comparable to similarly titled measures used by other companies.

Currency adjusted change

Net sales adjusted for currency translation effects. Net sales are disclosed adjusted for currency translation effects as Husqvarna Group is a global company generating significant transactions in other currencies than the reporting currency (SEK) and the currency rates have proven to be volatile.

EBITDA

EBITDA is a measure of earnings before interest, taxes, depreciation, amortization and impairment charges. EBITDA measures Husqvarna Group's operating performance and the ability to generate cash from operations, without considering the capital structure of the Group or its fiscal environment. For a reconciliation of EBITDA refer to page 7.

Items affecting comparability

To assist in understanding Husqvarna Group's operations, we believe that it is useful to consider certain measures and ratios exclusive of items affecting comparability. Items affecting comparability includes items that are non-recurring, have a significant impact and are considered to be important for understanding the operating performance when comparing results between periods. The items affecting comparability are disclosed on page 12. All measures and ratios in this report have been disclosed including items affecting comparability first and then excluding items affecting comparability as a second measure when deemed appropriate.

Last twelve months (LTM)

Last twelve months rolling has been included to assist investors in their analysis of the seasonality that the Husqvarna Group's business is exposed to, refer to page 12.

Net debt

Net debt is a measure to describe the Group's gearing and its ability to repay its debts from cash generated from the Group's ordinary business (see operating cash flow below), if they were all due today. It's also used to analyze whether the Group is over- or underfunded and how future net interest costs will impact earnings. Net debt is defined as total interest-bearing liabilities plus dividend payable, less liquid funds and interest-bearing assets. For a reconciliation of net debt refer to page 9.

Operating cash flow

Operating cash flow is a measure of the amount of cash generated by the Group's ordinary business operations. The measure is defined as total cash flow from operations and investments, excluding acquisitions and divestments of subsidiaries/operations, divestments of property plant and equipment and investments/divestments of financial assets. For a reconciliation of operating cash flow refer to page 10.

Organic growth

Change in net sales, adjusted for acquisitions, divestments and changes in exchange rates.

For additional definitions refer to page 119 of the Group's Annual Report 2017.

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 24, 2018. To participate, please dial +46 (0) 8 503 364 34 (Sweden) or +44 (0) 8 444 933 800 (UK) ten minutes prior to the start of the conference. Conference ID: Husqvarna or 4697554. 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 17 Interim report for January - June
October 19 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 press release contains insider information that Husqvarna AB is required to disclose under the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the contact person set out above, at 08.00 CET on April 24, 2018.

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.