

INTERIM REPORT JANUARY – MARCH 2014

Stockholm April 24, 2014



Kai Wörn, President and CEO:

“We are pleased to see that the first quarter performance is benefiting from the Accelerated Improvement Program and a good market demand. The program that was launched last year and which aims at substantially strengthening the profitability of the Group is delivering encouraging results. In particular, direct material costs have been reduced and the distinct focus on our premium brands and product leadership areas is beginning to have a positive impact.

From a market perspective, the year has started well in Europe, affected favorably by an early spring. Demand in North America developed positively, driven by retail inventory stock-up, despite another long winter across much of the region. Total currency adjusted net sales for the Group increased 7%, with higher sales in all business areas. Operating income rose 31% to SEK 903m – despite a negative currency development – and the operating margin increased to 9.3% (7.6).

Substantial profitability improvements were achieved in Americas. Direct material costs were reduced and the channel mix developed favorably, supporting a continued recovery of the operating income and margin to SEK 218m (142) and 4.8% (3.3) respectively. First experiences of the new organization, based on separate profit centers for retail and dealer operations, is reinforcing our view that this structure will be an important vehicle for further profitability improvements.

In Europe & Asia/Pacific, we are especially pleased with the product mix. Sales developed well for the prioritized areas, including robotic lawn mowers and watering products. Total sales for the business area rose 5% adjusted for currency, and operating income increased 22% to SEK 669m (550).

Construction reported another strong quarter with higher sales in all regions. The margin rose to 9.8% (6.5), leveraging primarily on a sales growth of 11%.

Going forward, we will continue the execution of the Accelerated Improvement Program. In addition, we are cautiously optimistic about the underlying demand.”

First quarter, January - March

- Net sales increased to SEK 9,685m (9,024). Adjusted for exchange rate effects, net sales increased 7%.
- Operating income rose 31% to SEK 903m (688), including negative foreign exchange impact of SEK -45m.
- Higher sales and operating income for all business areas.
- Operating income positively impacted by lower costs for materials, product mix and channel mix.
- Earnings per share increased to SEK 1.07 (0.81).
- The net debt/equity ratio improved to 0.73 (0.90).

SEKm	Q1	Q1	Change, %		LTM	FY
	2014	2013	As rep.	Adj. ¹		
Net sales, Group	9,685	9,024	7	7	30,968	30,307
Europe & Asia/Pacific ²	4,334	4,085	6	5	14,985	14,736
Americas ²	4,569	4,233	8	9	12,907	12,571
Construction	782	706	11	11	3,076	3,000
EBITDA	1,134	935	21	20	2,785	2,586
EBITDA margin, %	11.7	10.4	-	-	9.0	8.5
Operating income, Group	903	688	31	30	1,823	1,608
Europe & Asia/Pacific ²	669	550	22	19	1,607	1,488
Americas ²	218	142	54	61	106	30
Construction	77	46	69	70	308	277
Operating margin, %	9.3	7.6	-	-	5.9	5.3
Income after financial items	807	602	34	-	1,385	1,180
Income for the period	616	467	32	-	1,065	916
Earnings per share, SEK	1.07	0.81	32	-	1.86	1.60

¹ Adjusted for currency translation effects only (i.e. excluding transaction and hedging effects) and items affecting comparability.

² Sales and operating income for 2013 has been restated between Europe & Asia/Pacific and Americas. See page 13.

FIRST QUARTER, JANUARY – MARCH 2014

Net sales

Net sales for the first quarter 2014 increased by 7% to SEK 9,685m (9,024). Adjusted for exchange rate effects, net sales for the Group increased 7%, by 5% for Europe & Asia/Pacific, by 9% for Americas and by 11% for Construction.

Operating income

Operating income for the first quarter increased 31% to SEK 903m (688), corresponding to an operating margin of 9.3% (7.6). Operating income and margin rose for all business areas.

Operating income was positively impacted primarily by the higher sales volume and lower direct material costs. Costs for selling and administration as a percentage of sales declined, although logistics costs increased due to the higher sales activity. Operating income also benefitted from savings of SEK 34m related to the staff reduction program from 2012.

Changes in exchange rates had a total negative impact on operating income of SEK -45m compared to the first quarter 2013.

Financial items net

Financial items net amounted to SEK -96m (-86), of which net interest amounted to SEK -82m (-91). The average interest rate on borrowings at March 31, 2014, was 3.3% (3.6).

Income after financial items

Income after financial items increased to SEK 807m (602) corresponding to a margin of 8.3% (6.7).

Taxes

Tax for the first quarter amounted to SEK -191m (-135), corresponding to a tax rate of 24% (22) of income after financial items.

Earnings per share

Income for the period increased to SEK 616m (467), corresponding to SEK 1.07 (0.81) per share.

OPERATING CASH FLOW

Operating cash flow for the first quarter amounted to SEK -1,892m (-1,786). Cash flow from operations, excluding changes in operating assets and liabilities, increased due to the higher result. Cash flow from changes in receivables decreased as a result of the higher sales. The increase in capital expenditure was mainly related to the previously communicated investments within the new manufacturing facility for chainsaw chains in Huskvarna.

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

Operating cash flow SEKm	Q1 2014	Q1 2013	Full year 2013
Cash flow from operations, excluding changes in operating assets and liabilities	1,085	700	1,642
Changes in operating assets and liabilities	-2,685	-2,282	1,250
Cash flow from operations	-1,600	-1,582	2,892
Cash flow from investments, excluding acquisitions and divestments	-292	-204	-1,079
Operating cash flow	-1,892	-1,786	1,813

FINANCIAL POSITION

Group equity as of March 31, 2014, excluding non-controlling interests, amounted to SEK 11,975m (11,093), corresponding to SEK 20.9 (19.4) per share.

Net debt decreased to SEK 8,698m (10,053) as of March 31, 2014, of which liquid funds amounted to

SEK 1,755m (1,412) and interest-bearing debt amounted to SEK 9,096m (10,043), excluding pensions. The major currencies used for debt financing are SEK and USD. Net debt decreased by SEK 375m during the last twelve months as a result of changes in exchange rates.

The net debt/equity ratio improved to 0.73 (0.90) and the equity/assets ratio rose to 38% (35).

Net debt	31 Mar.	31 Mar.	31 Dec.
SEKm	2014	2013	2013
Interest-bearing liabilities	9,096	10,043	7,290
Provisions for pensions and other post-employment benefits	1,357	1,422	1,253
Less: Liquid funds	-1,755	-1,412	-1,884
Net debt	8,698	10,053	6,659

On March 31, 2014, long-term loans including financial leases amounted to SEK 6,852m (6,574) and short-term loans including financial leases to SEK 2,041m (3,104). Long-term loans consist of SEK 4,946m (4,061) in issued bonds, and bank loans and financial leases of SEK 1,906m (2,513). The bonds and bank loans mature in 2015 - 2018. During the first quarter the Group has entered into a new long term loan amounting to SEK 425m with a five year maturity. The Group also has an unutilized SEK 6 bn syndicated revolving credit facility, with maturity in 2016.

PERFORMANCE BY BUSINESS AREA

Europe & Asia/Pacific

SEKm	Q1	Q1	Change, %		LTM ²	Full year
	2014	2013	As rep.	Adj. ¹		
Net sales	4,334	4,085	6	5	14,985	14,736
Operating income	669	550	22	19	1,607	1,488
<i>Operating margin, %</i>	<i>15.4</i>	<i>13.5</i>	-	-	<i>10.7</i>	<i>10.1</i>

¹ Adjusted for currency translation effects and items affecting comparability. ² Last 12 months rolling.

Sales and operating income for 2013 has been restated between Europe & Asia/Pacific and Americas. See page 13.

Net sales for Europe & Asia/Pacific increased by 6% in the first quarter. Adjusted for exchange rate effects, net sales increased by 5%.

Efforts to grow sales of premium brands, in the prioritized product areas and sales channels, developed well. Robotic lawn mowers, watering products and professional chainsaws showed the best development. By sales channel, the sales growth was mainly related to the dealer channel. Market demand was positively impacted by favorable weather conditions due to an early spring.

Operating income increased 22% to SEK 669m (550) and the operating margin improved to 15.4% (13.5), mainly as a result of the higher sales volume, lower direct material costs and favorable product and channel mix.

Changes in exchange rates had a positive year-on-year impact of SEK 5m on operating income.

Americas

SEKm	Q1	Q1	Change, %		LTM ²	Full year
	2014	2013	As rep.	Adj. ¹		
Net sales	4,569	4,233	8	9	12,907	12,571
Operating income	218	142	54	61	106	30
<i>Operating margin, %</i>	<i>4.8</i>	<i>3.3</i>	-	-	<i>0.8</i>	<i>0.2</i>

¹ Adjusted for currency translation effects and items affecting comparability. ² Last 12 months rolling.

Sales and operating income for 2013 has been restated between Europe & Asia/Pacific and Americas. See page 13.

Net sales for Americas increased by 8% in the first quarter 2014. Adjusted for exchange rate effects, net sales increased by 9%.

The market continued to gain support from an improving U.S. economy, but was also negatively impacted by the severe winter conditions across much of North America.

Sales increased in the U.S. and Latin America, with the majority of the growth in the wheeled product category. Dealer channel sales continued to develop strongly, increasing 12% in the quarter.

Operating income improved to SEK 218m (142) and the corresponding margin rose to 4.8% (3.3), mainly due to lower direct material costs and the higher sales volume, which partly was offset by higher logistics costs.

Changes in exchange rates had a negative year-on-year effect of SEK -36m on operating income.

Construction

SEKm	Q1	Q1	Change, %		LTM ²	Full year 2013
	2014	2013	As rep.	Adj. ¹		
Net sales	782	706	11	11	3,076	3,000
Operating income	77	46	69	70	308	277
Operating margin, %	9.8	6.5	-	-	10.0	9.2

¹ Adjusted for currency translation effects and items affecting comparability. ² Last 12 months rolling.

Net sales for Construction increased by 11% in the first quarter 2014. Adjusted for exchange rate effects, the increase in sales was also 11%.

Market demand for construction products developed positively in all regions. Sales increased in all regions, with the best development in the rest of the world, primarily driven by continued strong growth in Brazil.

Operating income increased to SEK 77m (46), mainly as a result of the higher sales volume. The corresponding operating margin improved to 9.8% (6.5).

Changes in exchange rates had a negative year-on-year effect of SEK -13m on operating income.

PARENT COMPANY

Net sales in the first quarter 2014 for the Parent Company, Husqvarna AB, amounted to SEK 3,398m (3,217), of which SEK 2,835 (2,660) referred to sales to Group companies and SEK 563m (557) to external customers.

Income after financial items amounted to SEK 113m (-60). Income for the period was SEK 15m (-111). Investments in tangible and intangible assets amounted to SEK 129m (92). Cash and cash equivalents amounted to SEK 93m (90) at the end of the quarter. Undistributed earnings in the Parent Company amounted to SEK 17,479m (17,308).

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 January 2014, 3,110,239 A-shares were converted to B-shares at the request of shareholders. In April 2014, another 66,454 A-shares were converted to B-shares at the request of shareholders. The total number of votes thereafter amounts to 168,709,835.3.

The total number of registered shares in the company at March 31, 2014 amounted to 576,343,778 shares of which 123,483,629 were A-shares and 452,860,149 were B-shares.

ONE OF THE WORLD'S 100 MOST SUSTAINABLE COMPANIES

Husqvarna Group has been recognized as one of the 100 most sustainable companies by the 2014 Global 100 list. Since 2005, Canadian Corporate Knights Inc. have been compiling The Global 100, which is an extensive data-driven corporate sustainability assessment, where inclusion is limited to a select group of the top 100 large-cap companies in the world. It is based on 12 key indicators, including energy, carbon, water and waste productivity, innovation capacity, safety performance and leadership diversity.

ANNUAL GENERAL MEETING 2014

The Annual General Meeting of Husqvarna AB (publ) was held on April 10, 2014, in Jönköping, Sweden. A dividend of SEK 1.50 (1.50) per share was resolved.

Lars Westerberg, Magdalena Gerger, Tom Johnstone, Ulla Litzén, Katarina Martinson and Daniel Nodhäll were re-elected as Board members. David Lumley, Lars Pettersson and Kai Wörn were elected as new members while Ulf Lundahl and Anders Moberg declined re-election. Lars Westerberg was elected Chairman of the Board.

The AGM approved the Nomination Committee's proposal to elect Ernst & Young AB as auditor for the period from the AGM 2014 up until the end of the AGM 2018.

Furthermore, the AGM approved the Board's proposal for a performance based long-term incentive program for 2014, and the proposal for principles of remuneration to Husqvarna Group Management.

Notice, full proposals, minutes and other documents from the Annual General Meeting are found on 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.

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

Husqvarna'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 is normally 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.

In the ordinary course of business, Husqvarna 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 the 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 2013, except as described below. The Annual Report 2013 is available at www.husqvarnagroup.com/ir.

New and amended standards adopted as of January 1, 2014

Husqvarna Group has adopted the following new and amended standards as of January 1, 2014.

IFRS 10, "Consolidated financial statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity shall be included in the consolidated financial reports of the parent company. The Group's assessment is that this will not have a significant impact on the financial statements.

IFRS 12 "Disclosures of interests in other entities" includes the disclosure requirements for all forms of interests in other entities. The Group's assessment is that this will not have a significant impact on the financial statements.

IAS 27 (revised 2011), "Separate financial statements" includes the provisions on separate financial statements that remain after the control provisions of IAS 27 have been included in the new IFRS 10.

There are no other new or amended standards or interpretations effective as from January 1, 2014 that has had any impact on Husqvarna Group's financial statements.

AUDITORS' REVIEW REPORT

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

Stockholm, April 24, 2014

Kai Wärm
President and CEO

Consolidated income statement

SEKm	Q1 2014	Q1 2013	Full-year 2013
Net sales	9,685	9,024	30,307
Cost of goods sold	-7,133	-6,752	-22,288
Gross income	2,552	2,272	8,019
<i>Margin, %</i>	26.3	25.2	26.5
Selling expense	-1,324	-1,269	-5,148
Administrative expense	-325	-311	-1,260
Other operating income/expense	0	-4	-3
Operating income¹	903	688	1,608
<i>Margin, %</i>	9.3	7.6	5.3
Financial items, net	-96	-86	-428
Income after financial items	807	602	1,180
<i>Margin, %</i>	8.3	6.7	3.9
Income tax	-191	-135	-264
Income for the period	616	467	916
Attributable to:			
Equity holders of the Parent Company	615	465	914
Non-controlling interest in income for the period	1	2	2
Basic earnings per share, SEK			
	1.07	0.81	1.60
Diluted earnings per share, SEK			
	1.07	0.81	1.60
Basic weighted average number of shares outstanding, millions			
	572.7	572.6	572.6
Diluted weighted average number of shares, millions			
	572.9	572.7	572.8

Consolidated comprehensive income statement

SEKm	Q1 2014	Q1 2013	Full-year 2013
Income for the period	616	467	916
Items that will not be reclassified to the income statement:			
Remeasurements on defined benefit pension plans	-79	-	148
	-79	-	148
Items that may be reclassified to the income statement:			
Currency translation differences	54	-389	163
Cash flow hedges	11	28	4
	65	-361	167
Other comprehensive income, net of tax	-14	-361	315
Total comprehensive income for the period	602	106	1,231
Attributable to:			
Equity holders of the Parent Company	601	104	1,231
Non-controlling interest	1	2	0
¹ Of which depreciation, amortization and impairment			
	-231	-247	-978

Consolidated balance sheet

SEKm	31 Mar. 2014	31 Mar. 2013	31 Dec. 2013
Assets			
Property, plant and equipment	3,686	3,441	3,609
Goodwill	5,732	5,624	5,713
Other intangible assets	3,844	3,667	3,839
Deferred tax assets	1,221	1,199	1,122
Other financial assets	84	74	84
Total non-current assets	14,567	14,005	14,367
Inventories	7,507	8,306	7,087
Trade receivables	7,180	6,775	2,816
Derivatives	173	137	273
Tax receivables	40	321	69
Other current assets	590	750	539
Other short term investments	1	21	17
Cash and cash equivalents	1,581	1,254	1,594
Total current assets	17,072	17,564	12,395
Total assets	31,639	31,569	26,762
<i>Pledged assets</i>	87	76	87
Equity and liabilities			
Equity attributable to equity holders of the Parent Company	11,975	11,093	11,372
Non-controlling interests	19	23	18
Total equity	11,994	11,116	11,390
Long-term borrowings	6,852	6,574	6,408
Deferred tax liabilities	1,228	1,185	1,203
Provisions for pensions and other post-employment benefits	1,357	1,422	1,253
Derivatives	16	73	13
Other provisions	839	747	796
Total non-current liabilities	10,292	10,001	9,673
Trade payables	4,514	4,058	2,838
Tax liabilities	272	488	96
Other liabilities	2,078	2,127	1,633
Short-term borrowings	2,041	3,104	643
Derivatives	187	292	226
Other provisions	261	383	263
Total current liabilities	9,353	10,452	5,699
Total equity and liabilities	31,639	31,569	26,762
<i>Contingent liabilities</i>	99	131	89

Consolidated cash flow statement

SEKm	Q1 2014	Q1 2013	Full-year 2013
Cash flow from operations			
Operating income	903	688	1,608
<i>Non cash items</i>			
Depreciation/amortization and impairment	231	247	978
Capital gain and losses	0	4	3
Other non cash items	65	-44	1
<i>Cash items</i>			
Paid restructuring expenses	-26	-31	-134
Net financial items, received/paid	-48	-68	-420
Taxes paid	-40	-96	-394
Cash flow from operations, excluding change in operating assets and liabilities	1,085	700	1,642
Change in operating assets and liabilities			
Change in inventories	-408	-342	820
Change in trade receivables	-4,332	-3,828	73
Change in trade payables	1,664	1,376	168
Change in other operating assets/liabilities	391	512	189
Cash flow from operating assets and liabilities	-2,685	-2,282	1,250
Cash flow from operations	-1,600	-1,582	2,892
Investments			
Divestments of shares in subsidiaries	-	-	8
Capital expenditure in property, plant and equipment	-230	-158	-796
Capitalization of intangible assets	-62	-45	-282
Sale of fixed assets	0	0	0
Other	0	-1	-1
Cash flow from investments	-292	-204	-1,071
Cash flow from operations and investments	-1,892	-1,786	1,821
Financing			
Change in interest-bearing liabilities, net	1,880	2,139	-246
Dividend to shareholders	-	-	-859
Dividend to non-controlling interests	-	-	-3
Cash flow from financing	1,880	2,139	-1,108
Total cash flow	-12	353	713
Cash and cash equivalents at beginning of period	1,594	920	920
Exchange rate differences referring to cash and cash equivalents	-1	-19	-39
Cash and cash equivalents at end of period	1,581	1,254	1,594

Effective January 1, 2014 Husqvarna Group has changed the format of the Group's cash flow statement. The adjustment has not affected the operating cash flow. The comparative period has been adjusted.

Change in Group equity

SEKm	Attributable to equity holders of the Parent company	Non controlling interests	Total equity
Opening balance January 1, 2013	10,987	21	11,008
Share-based payment	2	-	2
Total comprehensive income	104	2	106
Closing balance Mar 31, 2013	11,093	23	11,116
Opening balance January 1, 2014	11,372	18	11,390
Share-based payment	2	-	2
Total comprehensive income	601	1	602
Closing balance Mar 31, 2014	11,975	19	11,994

Fair value of financial instruments as of March 31, 2014

The carrying value of interest bearing- assets and liabilities in the balance sheet can deviate from the fair value which is showed in the table below. Further information about 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 2013.

SEKm	Book value	Fair value
Financial assets		
<i>Financial assets held for trading valued at fair value</i>		
– of w hich derivatives w here hedge accounting is not applied	139	139
– of w hich currency derivatives w here hedge accounting for cash flow hedges is applied	34	34
Total	173	173
Financial liabilities		
<i>Financial liabilities that are held for trading at fair value</i>		
– of w hich derivatives w here hedge accounting is not applied	128	128
– of w hich currency derivatives w here hedge accounting for cash flow hedges is applied	40	40
– of w hich interest derivatives w here hedge accounting for cash flow hedges is applied	35	35
<i>Other financial liabilities</i>		
Loans	8,893	9,050
Total	9,096	9,253

Key data, Group

	Q1 2014	Q1 2013	Full-year 2013
Net sales, SEKm	9,685	9,024	30,307
Net sales growth, %	7	-8	-2
Gross margin, %	26.3	25.2	26.5
Operating income, SEKm	903	688	1,608
Operating margin, %	9.3	7.6	5.3
Working capital, SEKm	7,353	8,349	4,885
Return on capital employed, %	8.6	6.5	7.7
Return on equity, %	9.3	7.5	8.1
Earnings per share, SEK	1.07	0.81	1.60
Capital-turnover rate, times	1.6	1.5	1.6
Operating cash flow, SEKm	-1,892	-1,786	1,813
Net debt/equity ratio	0.73	0.90	0.58
Capital expenditure, SEKm	293	203	1,078
Average number of employees	15,750	15,847	14,156

Items affecting comparability

SEKm		Q1	Q2	Q3	Q4	Full year
Costs for personnel cut-backs	2012	-	-	-	-256	-256

Net sales and income by quarter, Group

SEKm		Q1	Q2	Q3	Q4	Full year
Net sales	2014	9,685				
	2013	9,024	10,227	6,349	4,707	30,307
	2012	9,811	10,706	5,841	4,476	30,834
Operating income	2014	903				
	<i>Margin, %</i>	9.3				
	2013	688	1,022	206	-308	1,608
	<i>Margin, %</i>	7.6	10.0	3.2	-6.5	5.3
	2012	930	1,152	197	-604	1,675
	<i>Margin, %</i>	9.5	10.8	3.4	-13.5	5.4
Income after financial items	2014	807				
	<i>Margin, %</i>	8.3				
	2013	602	916	95	-433	1,180
	<i>Margin, %</i>	6.7	9.0	1.5	-9.2	3.9
	2012	796	1,031	104	-756	1,175
	<i>Margin, %</i>	8.1	9.6	1.8	-16.9	3.8
Income for the period	2014	616				
	2013	467	661	92	-304	916
	2012	633	786	106	-498	1,027
Earnings per share, SEK	2014	1.07				
	2013	0.81	1.15	0.16	-0.53	1.60
	2012	1.10	1.36	0.19	-0.87	1.78

Net sales and operating income, 12 months rolling, Group

SEKm		Q1	Q2	Q3	Q4
Net sales	2014	30,968			
	2013	30,047	29,568	30,076	30,307
	2012	31,394	31,921	31,352	30,834
Operating income	2014	1,823			
	<i>Margin, %</i>	5.9			
	2013	1,433	1,303	1,312	1,608
	<i>Marginal, %</i>	4.8	4.4	4.4	5.3
	2012	1,819	1,959	2,043	1,675
	<i>Margin, %</i>	5.8	6.1	6.5	5.4

Net sales by business area

SEKm		Q1	Q2	Q3	Q4	Full year
Europe & Asia/Pacific	2014	4,334				
	2013	4,085	5,148	3,209	2,294	14,736
	2012	4,653	5,345	3,096	2,257	15,351
Americas	2014	4,569				
	2013	4,233	4,264	2,357	1,717	12,571
	2012	4,420	4,553	1,986	1,572	12,531
Construction	2014	782				
	2013	706	815	783	696	3,000
	2012	738	808	759	647	2,952
Total Group	2014	9,685				
	2013	9,024	10,227	6,349	4,707	30,307
	2012	9,811	10,706	5,841	4,476	30,834

Operating income by business area

SEKm		Q1	Q2	Q3	Q4	Full year
Europe & Asia/Pacific	2014	669				
	2013	550	800	285	-147	1,488
	2012	846	1,018	238	-342	1,760
<i>Excl. items affecting comparability</i>	2012	846	1,018	238	-155	1,947
Americas	2014	218				
	2013	142	156	-122	-146	30
	2012	83	87	-97	-233	-160
<i>Excl. items affecting comparability</i>	2012	83	87	-97	-197	-124
Construction	2014	77				
	2013	46	100	86	45	277
	2012	39	85	89	20	233
<i>Excl. items affecting comparability</i>	2012	39	85	89	45	258
Group common costs	2014	-61				
	2013	-50	-34	-43	-60	-187
	2012	-38	-38	-33	-49	-158
<i>Excl. items affecting comparability</i>	2012	-38	-38	-33	-41	-150
Total Group	2014	903				
	2013	688	1,022	206	-308	1,608
	2012	930	1,152	197	-604	1,675
<i>Excl. items affecting comparability</i>	2012	930	1,152	197	-348	1,931

Operating margin by business area

%		Q1	Q2	Q3	Q4	Full year
Europe & Asia/Pacific	2014	15.4				
	2013	13.5	15.5	8.9	-6.4	10.1
	2012	18.2	19.0	7.7	-15.1	11.5
<i>Excl. items affecting comparability</i>	2012	18.2	19.0	7.7	-6.8	12.7
Americas	2014	4.8				
	2013	3.3	3.7	-5.2	-8.5	0.2
	2012	1.9	1.9	-4.9	-14.8	-1.3
<i>Excl. items affecting comparability</i>	2012	1.9	1.9	-4.9	-12.5	-1.0
Construction	2014	9.8				
	2013	6.5	12.3	10.9	6.5	9.2
	2012	5.3	10.5	11.7	3.1	7.9
<i>Excl. items affecting comparability</i>	2012	5.3	10.5	11.7	6.9	8.7
Total Group	2014	9.3				
	2013	7.6	10.0	3.2	-6.5	5.3
	2012	9.5	10.8	3.4	-13.5	5.4
<i>Excl. items affecting comparability</i>	2012	9.5	10.8	3.4	-7.8	6.3

Net assets by business area

SEKm	Assets		Liabilities		Net Assets	
	31 Mar. 2014	31 Mar. 2013	31 Mar. 2014	31 Mar. 2013	31 Mar. 2014	31 Mar. 2013
Europe & Asia/Pacific	17,444	17,348	4,145	4,229	13,299	13,119
Americas	8,081	8,202	2,882	2,233	5,199	5,969
Construction	3,078	3,183	517	627	2,561	2,556
Other	1,281	1,424	1,648	1,899	-367	-475
Total	29,884	30,157	9,192	8,988	20,692	21,169

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

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

Restatement of business areas 2013

As from 1 January 2014, the responsibility for sales from Sweden to certain American distributors has been transferred from Europe & Asia/Pacific to Americas. To reflect this change in the Group's business area reporting, the corresponding sales and operating income has as of the same date been transferred from Europe & Asia/Pacific to Americas. Sales and operating income for 2013, amounting to SEK 216m and SEK 26m respectively, has been restated accordingly between the two business areas, as shown in the tables below:

Europe & Asia/Pacific

SEKm	Q1 (restated) 2013	Q1 2013	Q2 (restated) 2013	Q2 2013	Q3 (restated) 2013	Q3 2013	Q4 (restated) 2013	Q4 2013	Full year (restated) 2013	Full year 2013
Net sales	4,085	4,126	5,148	5,200	3,209	3,258	2,294	2,368	14,736	14,952
Operating income	550	555	800	806	285	289	-147	-136	1,488	1,514
<i>Operating margin, %</i>	13.5	13.4	15.5	15.5	8.9	8.9	-6.4	-5.8	10.1	10.1

Americas

SEKm	Q1 (restated) 2013	Q1 2013	Q2 (restated) 2013	Q2 2013	Q3 (restated) 2013	Q3 2013	Q4 (restated) 2013	Q4 2013	Full year (restated) 2013	Full year 2013
Net sales	4,233	4,192	4,264	4,212	2,357	2,308	1,717	1,643	12,571	12,355
Operating income	142	137	156	150	-122	-126	-146	-157	30	4
<i>Operating margin, %</i>	3.3	3.3	3.7	3.6	-5.2	-5.4	-8.5	-9.5	0.2	0.0

Five-year review, Group

	2013	2012 ¹	2011	2010	2009
Net sales, SEKm	30,307	30,834	30,357	32,240	34,074
Operating income, SEKm	1,608	1,675	1,551	2,445	1,560
Net sales growth, %	-2	2	-6	-5	5
Gross margin, %	26.5	26.9	27.7	28.5	25.4
Operating margin, %	5.3	5.4	5.1	7.6	4.6
Return on capital employed, %	7.7	7.4	7.4	11.0	6.6
Return on equity, %	8.1	8.8	8.0	13.9	7.5
Capital turn-over rate, times	1.6	1.5	1.6	1.7	1.6
Operating cash flow, SEKm	1,813	1,144	-472	962	3,737
Capital expenditure, SEKm	1,078	776	994	1,302	914
Average number of employees	14,156	15,429	15,698	14,954	15,030

¹ 2012 has been restated due to the amended IAS 19. The years 2009-2011 are not affected by the amendment.

PARENT COMPANY

Income statement

SEKm	Q1 2014	Q1 2013	Full-year 2013
Net sales	3,398	3,217	10,442
Cost of goods sold	-2,775	-2,757	-8,530
Gross operating income	623	460	1,912
Selling expense	-274	-273	-1,207
Administrative expense	-164	-164	-608
Other operating income/expense	0	0	0
Operating income	185	23	97
Financial items, net ¹	-72	-83	1,015
Income after financial items	113	-60	1,112
Appropriations	-92	-81	-317
Income before taxes	21	-141	795
Taxes	-6	30	116
Income for the period	15	-111	911

Balance sheet

SEKm	31 Mar. 2014	31 Mar. 2013	31 Dec. 2013
Non-current assets	32,616	30,653	30,952
Current assets	6,945	10,095	5,961
Total assets	39,561	40,748	36,913
Equity	18,654	18,483	18,636
Untaxed reserves	26	82	27
Provisions	127	191	129
Interest-bearing liabilities	16,581	16,357	15,215
Current liabilities	4,173	5,635	2,906
Total equity and liabilities	39,561	40,748	36,913

Number of shares

	Outstanding A-shares	Outstanding B-shares	Re-purchased B-shares	Total
Number of shares as of 31 December 2013	126,593,868	446,092,407	3,657,503	576,343,778
Conversion of A-shares into B-shares	-3,110,239	3,110,239	-	-
Number of shares as of 31 March 2014 ¹	123,483,629	449,202,646	3,657,503	576,343,778

¹ In April 2014 another 66,454 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 items affecting comparability, 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.
Return on equity	Income for the period as a percentage of average equity.

TELEPHONE CONFERENCE

A combined press and telephone conference, hosted by Kai Wörn, President and CEO, and Ulf Liljedahl, CFO, will be held at Husqvarna's office on Regeringsgatan 28 in Stockholm at 10:00 CET on April 24, 2014. To participate by phone, 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 www.husqvarnagroup.com/ir later the same day.

DATES FOR FINANCIAL REPORTS

July 16, 2014	Interim report January – June
October 22, 2014	Interim report January – September

A Capital Markets Day will be held in Huskvarna, Sweden on June 10.

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 24, 2014.

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.