

Press release

Stockholm October 7, 2015

Husqvarna Group implements structural measures to boost competitiveness

As part of the previously communicated intentions to define further cost reductions after the Accelerated Improvement Program, Husqvarna Group will implement changes in the manufacturing and logistics structures in Sweden, the U.S and China. The cost reductions will be utilized for investments in profitable growth activities and to mitigate unfavorable currency impact going forward. The measures are estimated to entail restructuring costs of around SEK 150m, which will be provisioned for in the Group's income statement for the fourth quarter of 2015. The changes are gradually expected to lead to annual cost savings of around SEK 80m, with full effect as of 2018.

"Manufacturing and logistics operations, including related ways of working has been one of our special focus areas lately. In respect of the production facility in Huskvarna we have invested in automation technology and changes in our production processes," says **Kai Wärn**, President and CEO of Husqvarna Group. The changes affect staffing requirements and it is estimated that approximately 80 employees related to production will be affected. The personnel reductions are planned for 2015 and 2016, after negotiations with the labor union.

It has also been decided to invest in, and consolidate, the logistics and warehouse structure around the production facilities in Orangeburg and McRae, U.S., which will be implemented gradually during 2016 and 2017. The consolidation implicates accounting consequences such as adjustments of asset values and provisions for current leasing agreements.

Furthermore, as previously announced, the Group's production facility in Shanghai will be consolidated into the Group's production plant in Changzhou, China. The change will be completed during 2016.

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The above information has been made public in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. It was released for publication at 08:30 CET on October 7, 2015.

Husqvarna Group

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