

April 26, 2016

## Atlas Copco First-quarter report 2016

(unaudited)

### Stable order intake – weak mining

- Orders received were MSEK 24 721 (25 470), unchanged organically
  - Growth in service in all business areas, except in Mining and Rock Excavation
  - Order intake for equipment was slightly lower
- Revenues decreased to MSEK 23 137 (24 745), organic decline of 3%
- Operating profit at MSEK 4 170 (4 519), including items affecting comparability of MSEK +13 (-248). Adjusted margin of 18.0% (19.3)
  - Negative currency effect of MSEK 415 compared to Q1 2015
- Profit before tax amounted to MSEK 3 997 (4 287)
- Profit for the period was MSEK 2 908 (3 236)
- Basic earnings per share were SEK 2.39 (2.66)
- Operating cash flow amounted to MSEK 3 127 (3 498)

| MSEK                            | January - March |        | %    |
|---------------------------------|-----------------|--------|------|
|                                 | 2016            | 2015   |      |
| Orders received                 | 24 721          | 25 470 | -3%  |
| Revenues                        | 23 137          | 24 745 | -6%  |
| Operating profit                | 4 170           | 4 519  | -8%  |
| – as a percentage of revenues   | 18.0            | 18.3   |      |
| Profit before tax               | 3 997           | 4 287  | -7%  |
| – as a percentage of revenues   | 17.3            | 17.3   |      |
| Profit for the period           | 2 908           | 3 236  | -10% |
| Basic earnings per share, SEK   | 2.39            | 2.66   |      |
| Diluted earnings per share, SEK | 2.38            | 2.65   |      |
| Return on capital employed, %   | 26              | 24     |      |

### Near-term demand outlook

The overall demand for the Group is expected to remain at current level.

*Previous near-term demand outlook (published January 28, 2016).*

*The overall demand for the Group is expected to remain at current level.*

*Atlas Copco discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act.*

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## Review of the first quarter

### Market development

Atlas Copco's service business remained robust and continued to grow in total and in all business areas, except in Mining and Rock Excavation Technique. The latter reflects a challenging business climate within mining, with several closed or downsized mines. The order volumes for equipment decreased somewhat compared to the previous year, with negative comparisons for gas and process compressors, surface drill rigs, construction equipment, and for industrial tools and assembly solutions. Order volumes increased for vacuum solutions and underground rock excavation equipment. The order volumes for industrial compressors were largely unchanged.

Geographically, growth was achieved in Asia, with a strong order intake in India and South East Asia and a positive year-on-year comparison in China. Growth was also achieved in Europe, primarily due to Southern and Eastern Europe. Order volumes were largely unchanged in North America, but lower in South America and in Africa/Middle East.

### Geographic distribution of orders received

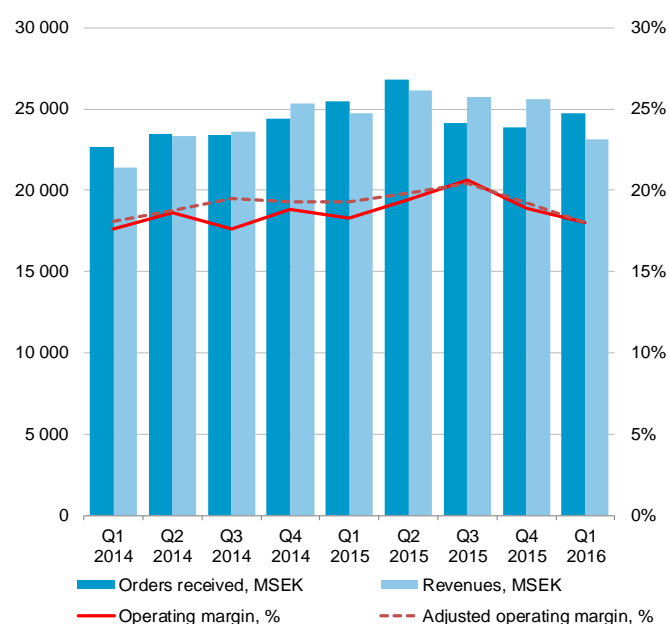
| %, Jan - Mar 2016  | Atlas Copco Group |         |
|--------------------|-------------------|---------|
|                    | Orders Received   | Change* |
| North America      | 24                | -2      |
| South America      | 6                 | -11     |
| Europe             | 30                | +6      |
| Africa/Middle East | 9                 | -12     |
| Asia               | 28                | +13     |
| Australia          | 3                 | -5      |
|                    | 100               | +2      |

\*Change in orders received compared to the previous year in local currency, %.

### Sales bridge

| MSEK                 | January - March |          |
|----------------------|-----------------|----------|
|                      | Orders received | Revenues |
| 2015                 | 25 470          | 24 745   |
| Structural change, % | +1              | +1       |
| Currency, %          | -4              | -4       |
| Price, %             | +0              | +0       |
| Volume, %            | +0              | -3       |
| Total, %             | -3              | -6       |
| 2016                 | 24 721          | 23 137   |

### Orders, revenues and operating profit margin



| %, Jan - Mar 2016  | Compressor | Industrial | Mining and Rock  | Construction | Atlas Copco |
|--------------------|------------|------------|------------------|--------------|-------------|
|                    | Technique  | Technique  | Excavation Tech. | Technique    | Group       |
| North America      | 22         | 31         | 22               | 21           | 24          |
| South America      | 4          | 3          | 13               | 6            | 6           |
| Europe             | 29         | 42         | 23               | 38           | 30          |
| Africa/Middle East | 6          | 2          | 18               | 13           | 9           |
| Asia/Australia     | 39         | 22         | 24               | 22           | 31          |
|                    | 100        | 100        | 100              | 100          | 100         |

**Revenues, profits and returns**

Revenues decreased 6% to MSEK 23 137 (24 745). Acquisitions contributed with 1%, while volumes decreased 3%. The currency translation effect was -4%.

The operating profit was MSEK 4 170 (4 519), corresponding to a margin of 18.0% (18.3), and includes an effect of change in provision for share-related long-term incentive programs, reported in Common Group Functions, of MSEK +13 (-248).

The adjusted operating profit decreased 13% to MSEK 4 157 (4 767), corresponding to a margin of 18.0% (19.3). The decreased profit was primarily due to unfavorable exchange rates. The net effect was MSEK -415, which also had a negative effect on the margin. The margin was also negatively affected by lower revenue volume.

Net financial items were MSEK -173 (-232). Interest net was MSEK -161 (-197) and other financial items were MSEK -12 (-35), related to exchange differences and revaluation of financial derivatives.

Profit before tax amounted to MSEK 3 997 (4 287), corresponding to a margin of 17.3% (17.3).

Profit for the period was MSEK 2 908 (3 236) with an effective tax rate of 27.2% (24.5). The increased tax rate reflects the decision on Belgium's tax rulings, see below. Basic and diluted earnings per share were SEK 2.39 (2.66) and SEK 2.38 (2.65), respectively.

The return on capital employed during the last 12 months was 26% (24). Return on equity was 24% (27). The Group uses a weighted average cost of capital (WACC) of 8.0% as an investment and overall performance benchmark.

**European Commission's decision on Belgium's tax rulings**

On January 11, 2016, the European Commission announced its decision that Belgian tax rulings granted to multinationals with regard to "Excess Profit" shall be considered as illegal state aid and that unpaid taxes should be paid to the Belgian state. The Belgian government has appealed the decision to the European Court of Justice in Luxembourg (ECJ). Atlas Copco will also appeal to ECJ.

As a result of the European Commission decision, Atlas Copco made a provision of MEUR 300 (MSEK 2 802) in Q4 2015. The amount is an estimate of the potential liability for the years 2010-2015. Atlas Copco has not yet received a claim with information about how to calculate the amount of taxes to be paid.

Payment of the estimated tax amount will likely take place in 2016. The money will be returned if the appeal in ECJ is successful. It will likely takes several years until the judgment with the final decision from ECJ is passed.

**Operating cash flow and investments**

Operating cash surplus reached MSEK 5 278 (5 295). Cash flows from financial items were MSEK +9 (-1 679). The main explanation is positive cash flows from currency hedges of loans of MSEK 177 (negative 1 420) where the offsetting cash flow occurs in the future.

Working capital decreased by MSEK 113 (180). Net investments in rental equipment were MSEK 113 (163). Net investments in property, plant and equipment were MSEK 263 (371).

In total, operating cash flow, adjusted for currency hedges of loans, reached MSEK 3 127 (3 498).

**Net indebtedness**

The Group's net indebtedness, adjusted for the fair value of interest rate swaps, amounted to MSEK 12 655 (14 381), of which MSEK 2 404 (3 219) was attributable to post-employment benefits. The Group has an average maturity of 3.8 years on interest-bearing liabilities. The net debt/EBITDA ratio was 0.5 (0.7). The net debt/equity ratio was 25% (26).

**Dividend**

The Board of Directors proposes to the Annual General Meeting that an ordinary dividend of SEK 6.30 (6.00) per share be paid for the 2015 fiscal year. The dividend is proposed to be paid in two equal installments, the first with record date April 28, 2016 and the second with record date October 31, 2016. The proposed payment periods will facilitate a more efficient cash management.

**Acquisition and divestment of own shares**

During the quarter, 322 140 A shares, net, were acquired for a net value of MSEK 31. These transactions are in accordance with mandates granted by the Annual General Meeting and relate to the Group's long-term incentive programs.

**Employees**

On March 31, 2016, the number of employees was 43 274 (43 866). The number of consultants/external workforce was 2 889 (3 140). For comparable units, the total workforce decreased by 1 339 from March 31, 2015.

**Revenues and operating profit – bridge**

| MSEK                     | Q1 2016 | Volume, price,<br>mix and other | Currency | One-time items<br>Acquisitions | Share based<br>LTI programs | Q1 2015 |
|--------------------------|---------|---------------------------------|----------|--------------------------------|-----------------------------|---------|
| <b>Atlas Copco Group</b> |         |                                 |          |                                |                             |         |
| Revenues                 | 23 137  | -798                            | -965     | 155                            | -                           | 24 745  |
| Operating profit         | 4 170   | -205                            | -415     | 10                             | 261                         | 4 519   |
| %                        | 18.0%   | 25.7%                           |          |                                |                             | 18.3%   |

## Compressor Technique

| MSEK                          | January - March |        | %   |
|-------------------------------|-----------------|--------|-----|
|                               | 2016            | 2015   |     |
| Orders received               | 11 795          | 11 221 | 5%  |
| Revenues                      | 10 692          | 11 049 | -3% |
| Operating profit              | 2 296           | 2 392  | -4% |
| – as a percentage of revenues | 21.5            | 21.6   |     |
| Return on capital employed, % | 38              | 38     |     |

- **Organic order growth with record order intake for vacuum solutions**
- **Stable orders for industrial compressors – lower for gas and process compressors**
- **Solid growth for compressor service**

## Sales bridge

| MSEK                 | January - March |          |
|----------------------|-----------------|----------|
|                      | Orders received | Revenues |
| 2015                 | 11 221          | 11 049   |
| Structural change, % | +1              | +1       |
| Currency, %          | -3              | -2       |
| Price, %             | +0              | +0       |
| Volume, %            | +7              | -2       |
| Total, %             | +5              | -3       |
| 2016                 | 11 795          | 10 692   |

## Industrial compressors

The order volumes for industrial compressors were stable compared to the previous year. The order volumes increased in both Europe and in Asia, despite a negative development in China. Orders received were lower in the United States, the Middle East and in South America. Sequentially, the order volumes were largely unchanged.

## Compressor service

The compressor service business continued to achieve organic growth in nearly all markets.

## Gas and process compressors

The order intake was lower compared to the previous year and unchanged sequentially. Compared to the previous year, order volumes were lower in Asia, but higher in Europe.

## Vacuum solutions

The order volumes for vacuum solutions increased both compared to the previous year and sequentially. The orders received were record high, primarily due to strong order intake from the semiconductor industry in Asia and in the United States.

## Acquisitions

In January, Capitol Research Equipment Inc., a U.S. parts and service provider for vacuum pumps, was acquired.

In March, Atlas Copco acquired FIAC, a manufacturer of piston compressors and related equipment, with a global sales network. The company had revenues in 2014 of about MSEK 640 and about 400 employees.

Air et Fluides Lyonnais, a French distributor of industrial air compressors and ancillary systems, was acquired in April.

Scales Industrial Technologies Inc., a U.S. distributor of industrial air compressors and ancillary system, was also acquired in April. The company has about 180 employees.

In November 2015, an agreement to acquire Leybold Vacuum was signed. The business has about 1 600 employees, and had revenues in 2015 of about MSEK 3 100. The acquisition is subject to regulatory approval and is estimated to be completed in the third quarter 2016.

## Innovation

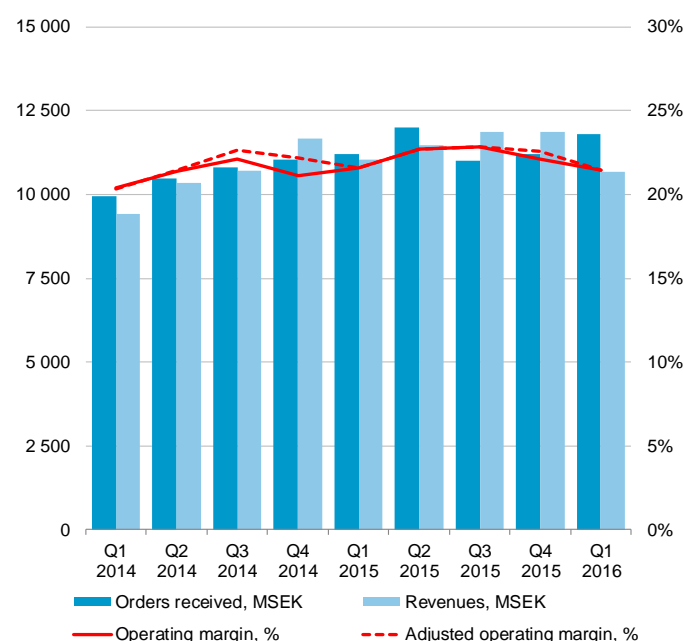
The GHS VSD+ range of screw vacuum pumps introduced in April 2015 was extended to 1900 m<sup>3</sup>/h in the quarter. The range offers average energy savings of up to 50% compared to alternative technologies.

## Revenues and profitability

Revenues decreased to MSEK 10 692 (11 049), corresponding to an organic decline of 2%.

The operating profit was MSEK 2 296 (2 392). The operating margin was 21.5% (21.6) and was supported by currency, but diluted by acquisitions. Return on capital employed (last 12 months) was 38% (38).

## Orders, revenues and operating profit margin



## Industrial Technique

| MSEK                          | January - March |       | %   |
|-------------------------------|-----------------|-------|-----|
|                               | 2016            | 2015  |     |
| Orders received               | 3 512           | 3 732 | -6% |
| Revenues                      | 3 417           | 3 394 | 1%  |
| Operating profit              | 737             | 770   | -4% |
| – as a percentage of revenues | 21.6            | 22.7  |     |
| Return on capital employed, % | 31              | 34    |     |

- **Healthy demand level, but fewer large projects**
- **Robust growth in the service business**
- **Operating margin at 21.6% negatively affected by currency**

## Sales bridge

| MSEK                 | January - March |          |
|----------------------|-----------------|----------|
|                      | Orders received | Revenues |
| 2015                 | 3 732           | 3 394    |
| Structural change, % | +0              | +0       |
| Currency, %          | -2              | -2       |
| Price, %             | +0              | +0       |
| Volume, %            | -4              | +3       |
| Total, %             | -6              | +1       |
| 2016                 | 3 512           | 3 417    |

## Motor vehicle industry

The order intake for advanced industrial tools, assembly systems and assembly solutions from the motor vehicle industry was somewhat lower compared to the strong order intake previous year, primarily due to lower order intake for large projects. Compared to the previous year, growth was achieved in North America, while the order intake in Europe and in Asia was lower.

## General industry

The order volumes for industrial power tools from the general manufacturing industries was stable compared to the previous year and sequentially. The demand from the aerospace and electronics industries continued to be favorable. Geographically and compared to the previous year, orders received increased in Europe, but decreased in North America.

## Service

The service business, including maintenance and calibration services, continued to grow in most markets with the best development in North America and Europe.

## Innovation

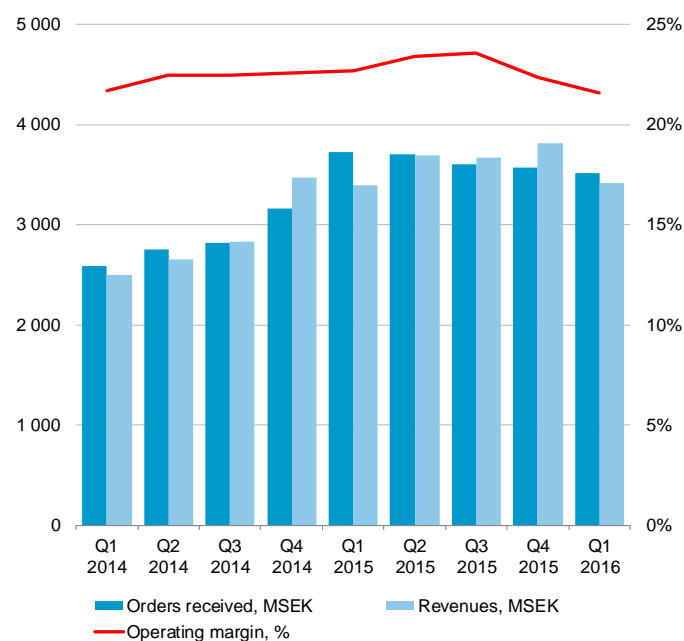
A very compact and light weight angle impact wrench for vehicle service applications was introduced. The wrench has an ergonomic composite handle and the motor is positioned in the head of the tool. These features increase the usability and the performance of the tool.

## Revenues and profitability

Revenues increased to MSEK 3 417 (3 394), corresponding to an organic increase of 3%.

Operating profit was MSEK 737 (770), corresponding to an operating margin of 21.6% (22.7). The margin was supported by volume, but negatively affected by currency. Return on capital employed (last 12 months) was 31% (34).

## Orders, revenues and operating profit margin



## Mining and Rock Excavation Technique

| MSEK                          | January - March |       | %    |
|-------------------------------|-----------------|-------|------|
|                               | 2016            | 2015  |      |
| Orders received               | 5 729           | 6 540 | -12% |
| Revenues                      | 5 736           | 6 756 | -15% |
| Operating profit              | 866             | 1 276 | -32% |
| – as a percentage of revenues | 15.1            | 18.9  |      |
| Return on capital employed, % | 32              | 31    |      |

- Continued weak demand for equipment
- The service and consumables business negatively affected by several closed or downsized mines
- Operating margin negatively affected by volumes and currency

## Sales bridge

| MSEK                 | January - March |          |
|----------------------|-----------------|----------|
|                      | Orders received | Revenues |
| 2015                 | 6 540           | 6 756    |
| Structural change, % | +0              | +0       |
| Currency, %          | -7              | -7       |
| Price, %             | +0              | +0       |
| Volume, %            | -5              | -8       |
| Total, %             | -12             | -15      |
| 2016                 | 5 729           | 5 736    |

## Mining equipment

The demand for mining equipment continued to be weak. The order volumes decreased somewhat year-on-year, but were somewhat higher sequentially. The underground equipment had increased order intake, while the orders for surface drill rigs decreased. Compared to the previous year, the order volumes increased in Asia and Europe, but decreased in North America, South America and Australia.

## Civil engineering equipment

The orders received for equipment for infrastructure projects increased somewhat compared to the previous year and were largely unchanged sequentially.

## Service and consumables

The demand for service and consumables was negatively impacted by lower activity within both construction and mining with the latter negatively affected by several closed or downsized mines.

The service and spare parts business decreased somewhat both compared to the previous year and sequentially. Compared to the previous year, the largest decrease was in North America and Australia. Consumables volumes decreased compared to the previous year and sequentially. Volumes decreased most in North America.

## Innovation

A range of concrete sprayers built to support all types of mid-sized to large scale underground construction and mining projects were introduced. The range has an increased precision spraying, it is available in a fully automated version, and it allows improved data collection to continuously upgrade the machines for improved efficiency.

## Efficiency measures

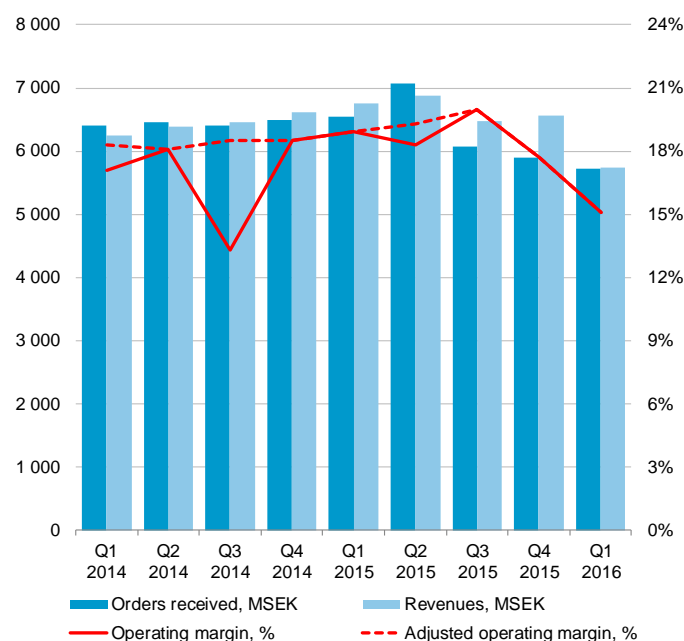
The business area continues to identify and implement further efficiency measures in order to strengthen the operations for the future. This includes consolidation of mining consumables manufacturing in the United States, which will be finished in 2017.

## Revenues and profitability

Revenues decreased to MSEK 5 736 (6 756), corresponding to an organic decline of 8%.

Operating profit decreased to MSEK 866 (1 276), corresponding to a margin of 15.1% (18.9). The margin was impacted negatively by lower volumes and currency. Return on capital employed (last 12 months) was 32% (31).

## Orders, revenues and operating profit margin



## Construction Technique

| MSEK                          | January - March |       | %   |
|-------------------------------|-----------------|-------|-----|
|                               | 2016            | 2015  |     |
| Orders received               | 3 832           | 4 152 | -8% |
| Revenues                      | 3 402           | 3 698 | -8% |
| Operating profit              | 408             | 450   | -9% |
| – as a percentage of revenues | 12.0            | 12.2  |     |
| Return on capital employed, % | 12              | 12    |     |

- Lower order intake for equipment
- Strong growth in India, but significant decline in Brazil
- Service and specialty rental increased

## Sales bridge

| MSEK                 | January - March |          |
|----------------------|-----------------|----------|
|                      | Orders received | Revenues |
| 2015                 | 4 152           | 3 698    |
| Structural change, % | +3              | +2       |
| Currency, %          | -4              | -4       |
| Price, %             | +1              | +1       |
| Volume, %            | -8              | -7       |
| Total, %             | -8              | -8       |
| 2016                 | 3 832           | 3 402    |

## Construction equipment

The demand for construction equipment remained challenging and the order volumes decreased compared to the previous year, albeit moderately for portable compressors and construction and demolition tools. The order volumes decreased significantly for road construction equipment.

The order intake improved in Asia, mainly due to strong growth in India. Europe was somewhat lower, while Brazil was significantly lower. In the United States the order intake was negatively affected by lower order intake from equipment rental companies.

Compared to the previous quarter, and due to normal seasonal effects, the order intake increased for most types of equipment.

## Specialty rental

The demand for the specialty rental business remained at a healthy level and order intake increased somewhat compared to the previous year, but it was somewhat lower sequentially. Compared to the previous year, the order intake was higher in North America and Asia, unchanged in Europe and lower in the Middle East.

## Service

The service business increased somewhat year-on-year. The order intake increased in Asia and Europe, but decreased in Africa/ Middle East and in South America.

## Innovation

A range of portable compressors that sets new standards were presented. The compressors are lighter and more fuel

efficient than comparable models. The new range use an average of 12% less fuel than comparable models.

## Acquisition

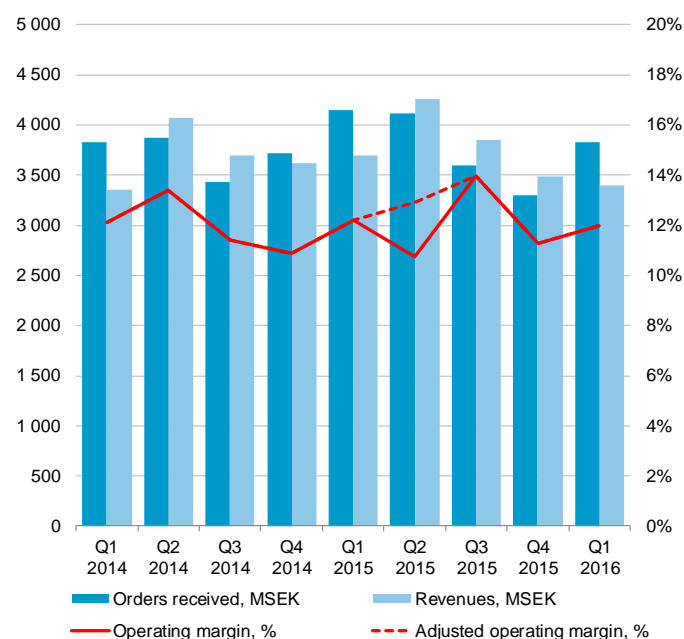
In January 2016, Atlas Copco acquired Varisco, an Italian pump manufacturer. Varisco's high quality pumps are used by a wide range of customers, e.g. to remove unwanted water or other liquids in the construction, mining, and oil and gas industries. They are also used in industrial process plants and for emergency services in case of floods. The company had revenues in 2014 of MSEK 270 and about 135 employees.

## Revenues and profitability

Revenues reached MSEK 3 402 (3 698), corresponding to an organic decline of 6%.

Operating profit was MSEK 408 (450), corresponding to a margin of 12.0% (12.2). The margin was negatively affected by volume and currency. Return on capital employed (last 12 months) was 12% (12).

## Orders, revenues and operating profit margin



**Accounting principles**

The consolidated accounts of the Atlas Copco Group are prepared in accordance with International Financial Reporting Standards (IFRS) as disclosed in the annual report 2015. The interim report is prepared in accordance with IAS 34 Interim Financial Reporting.

**Risks and factors of uncertainty***Market risks*

The demand for Atlas Copco's equipment and services is affected by changes in the customers' investment and production levels. A widespread financial crisis and economic downturn affects the Group negatively both in terms of revenues and profitability. However, the Group's sales are well diversified with customers in many industries and countries around the world, which limits the risk.

*Financial risks*

Atlas Copco is subject to currency risks, interest rate risks, tax risks, and other financial risks. In line with the overall goals with respect to growth, return on capital, and protecting creditors, Atlas Copco has adopted a policy to control the financial risks to which the Group is exposed. A financial risk management committee meets regularly to manage and follow up financial risks, in line with the policy.

*Production risks*

Many components are sourced from sub-suppliers. The availability is dependent on the sub-suppliers and if they have interruptions or lack capacity, this may adversely affect production. To minimize these risks, Atlas Copco has established a global network of sub-suppliers, which means that in most cases there are more than one sub-supplier that can supply a certain component.

Atlas Copco is also directly and indirectly exposed to raw material prices. Cost increases for raw materials and components often coincide with strong end-customer demand and can partly be offset by increased sales to mining customers and partly compensated for by increased market prices.

*Acquisitions*

Atlas Copco has the ambition to grow all its business areas, primarily through organic growth, complemented by selected acquisitions. The integration of acquired businesses is a difficult process and it is not certain that every integration will be successful. Therefore, costs related to acquisitions can be higher and/or synergies can take longer to materialize than anticipated.

For further information, see the annual report 2015.

**Forward-looking statements**

Some statements in this report are forward-looking, and the actual outcome could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcome. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact of competing products and their pricing, product development, commercialization and technological difficulties, interruptions in supply, and major customer credit losses.

**Atlas Copco AB**

Atlas Copco AB and its subsidiaries are sometimes referred to as the Atlas Copco Group, the Group or Atlas Copco. Atlas Copco AB is also sometimes referred to as Atlas Copco. Any mentioning of the Board of Directors or the Directors refers to the Board of Directors of Atlas Copco AB.



**Consolidated income statement**

|  | 3 months ended  |                 | 12 months ended |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | Mar. 31<br>2016 | Mar. 31<br>2015 | Mar. 31<br>2016 | Mar. 31<br>2015 | Dec. 31<br>2015 |
| MSEK   |                 |                 |                 |                 |                 |
| Revenues   | 23 137          | 24 745          | 100 553         | 97 043          | 102 161         |
| Cost of sales  | -13 947         | -15 298         | -60 680         | -60 647         | -62 031         |
| <b>Gross profit</b>  | <b>9 190</b>    | <b>9 447</b>    | <b>39 873</b>   | <b>36 396</b>   | <b>40 130</b>   |
| Marketing expenses   | -2 625          | -2 719          | -10 904         | -10 242         | -10 998         |
| Administrative expenses  | -1 531          | -1 810          | -6 075          | -6 148          | -6 354          |
| Research and development costs                                     | -774            | -775            | -3 286          | -3 033          | -3 287          |
| Other operating income and expenses                                | -90             | 376             | -229            | 801             | 237             |
| <b>Operating profit</b>  | <b>4 170</b>    | <b>4 519</b>    | <b>19 379</b>   | <b>17 774</b>   | <b>19 728</b>   |
| - as a percentage of revenues                                      | 18.0            | 18.3            | 19.3            | 18.3            | 19.3            |
| Net financial items  | -173            | -232            | -846            | -998            | -905            |
| <b>Profit before tax</b>   | <b>3 997</b>    | <b>4 287</b>    | <b>18 533</b>   | <b>16 776</b>   | <b>18 823</b>   |
| - as a percentage of revenues                                      | 17.3            | 17.3            | 18.4            | 17.3            | 18.4            |
| Income tax expense   | -1 089          | -1 051          | -7 138          | -4 120          | -7 100          |
| <b>Profit for the period</b>                                       | <b>2 908</b>    | <b>3 236</b>    | <b>11 395</b>   | <b>12 656</b>   | <b>11 723</b>   |
| Profit attributable to   |                 |                 |                 |                 |                 |
| - owners of the parent   | 2 907           | 3 234           | 11 390          | 12 649          | 11 717          |
| - non-controlling interests  | 1               | 2               | 5               | 7               | 6               |
| <b>Basic earnings per share, SEK</b>                               | <b>2.39</b>     | <b>2.66</b>     | <b>9.36</b>     | <b>10.40</b>    | <b>9.62</b>     |
| Diluted earnings per share, SEK                                    | 2.38            | 2.65            | 9.28            | 10.39           | 9.58            |
| Basic weighted average number<br>of shares outstanding, millions   | 1 215.4         | 1 217.5         | 1 216.9         | 1 216.5         | 1 217.4         |
| Diluted weighted average number<br>of shares outstanding, millions | 1 215.5         | 1 218.5         | 1 217.5         | 1 217.1         | 1 218.7         |

**Key ratios**

|  |        |        |        |
|--|--------|--------|--------|
| Equity per share, period end, SEK              | 40     | 45     | 38     |
| Return on capital employed, 12 month values, % | 26     | 24     | 27     |
| Return on equity, 12 month values, %           | 24     | 27     | 24     |
| Debt/equity ratio, period end, %               | 25     | 26     | 32     |
| Equity/assets ratio, period end, %             | 46     | 49     | 45     |
| Number of employees, period end                | 43 274 | 43 866 | 43 114 |

**Consolidated statement of comprehensive income**

| MSEK   | 3 months ended  |                 | 12 months ended |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | Mar. 31<br>2016 | Mar. 31<br>2015 | Mar. 31<br>2016 | Mar. 31<br>2015 | Dec. 31<br>2015 |
| <b>Profit for the period</b>   | <b>2 908</b>    | <b>3 236</b>    | <b>11 395</b>   | <b>12 656</b>   | <b>11 723</b>   |
| <b>Other comprehensive income</b>                                    |                 |                 |                 |                 |                 |
| <b>Items that will not be reclassified to profit or loss</b>         |                 |                 |                 |                 |                 |
| Remeasurements of defined benefit pension plans                      | -179            | -641            | 1 124           | -1 171          | 662             |
| Income tax relating to items that will not be reclassified           | 45              | 147             | -226            | 285             | -124            |
|  | <b>-134</b>     | <b>-494</b>     | <b>898</b>      | <b>-886</b>     | <b>538</b>      |
| <b>Items that may be reclassified subsequently to profit or loss</b> |                 |                 |                 |                 |                 |
| Translation differences on foreign operations                        | -185            | 1 797           | -3 352          | 7 862           | -1 370          |
| Hedge of net investments in foreign operations                       | -186            | 421             | 74              | -677            | 681             |
| Cash flow hedges   | 9               | -91             | 168             | -252            | 68              |
| Income tax relating to items that may be reclassified                | 118             | -264            | -75             | 479             | -457            |
|  | <b>-244</b>     | <b>1 863</b>    | <b>-3 185</b>   | <b>7 412</b>    | <b>-1 078</b>   |
| <b>Other comprehensive income for the period, net of tax</b>         | <b>-378</b>     | <b>1 369</b>    | <b>-2 287</b>   | <b>6 526</b>    | <b>-540</b>     |
| <b>Total comprehensive income for the period</b>                     | <b>2 530</b>    | <b>4 605</b>    | <b>9 108</b>    | <b>19 182</b>   | <b>11 183</b>   |
| Total comprehensive income attributable to                           |                 |                 |                 |                 |                 |
| - owners of the parent   | 2 533           | 4 584           | 9 122           | 19 129          | 11 173          |
| - non-controlling interests  | -3              | 21              | -14             | 53              | 10              |

**Consolidated balance sheet**

| MSEK  | Mar. 31, 2016  | Mar. 31, 2015  | Dec. 31, 2015  |
|---|----------------|----------------|----------------|
| Intangible assets                           | 33 522         | 34 878         | 33 520         |
| Rental equipment                            | 2 960          | 3 201          | 3 076          |
| Other property, plant and equipment         | 8 932          | 9 770          | 8 947          |
| Financial assets and other receivables      | 2 134          | 2 048          | 2 305          |
| Deferred tax assets                         | 1 808          | 1 776          | 1 823          |
| <b>Total non-current assets</b>             | <b>49 356</b>  | <b>51 673</b>  | <b>49 671</b>  |
| Inventories                                 | 17 711         | 19 805         | 16 906         |
| Trade and other receivables                 | 25 979         | 27 121         | 25 985         |
| Other financial assets                      | 1 639          | 2 156          | 1 576          |
| Cash and cash equivalents                   | 11 490         | 10 329         | 8 861          |
| Assets classified as held for sale          | 11             | 35             | 11             |
| <b>Total current assets</b>                 | <b>56 830</b>  | <b>59 446</b>  | <b>53 339</b>  |
| <b>TOTAL ASSETS</b>                         | <b>106 186</b> | <b>111 119</b> | <b>103 010</b> |
| Equity attributable to owners of the parent | 49 092         | 54 796         | 46 591         |
| Non-controlling interests                   | 144            | 199            | 159            |
| <b>TOTAL EQUITY</b>                         | <b>49 236</b>  | <b>54 995</b>  | <b>46 750</b>  |
| Borrowings                                  | 21 663         | 22 580         | 21 888         |
| Post-employment benefits                    | 2 404          | 3 219          | 2 225          |
| Other liabilities and provisions            | 1 419          | 2 052          | 1 595          |
| Deferred tax liabilities                    | 1 366          | 1 357          | 1 497          |
| <b>Total non-current liabilities</b>        | <b>26 852</b>  | <b>29 208</b>  | <b>27 205</b>  |
| Borrowings                                  | 1 577          | 1 080          | 1 101          |
| Trade payables and other liabilities        | 27 068         | 24 285         | 26 481         |
| Provisions                                  | 1 453          | 1 551          | 1 473          |
| <b>Total current liabilities</b>            | <b>30 098</b>  | <b>26 916</b>  | <b>29 055</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>         | <b>106 186</b> | <b>111 119</b> | <b>103 010</b> |

**Fair value of derivatives and borrowings**

The carrying value and fair value of the Group's outstanding derivatives and borrowings are shown in the tables below. The fair values of bonds are based on level 1 and the fair values of derivatives and other loans are based on level 2 in the fair value hierarchy. Compared to 2015, no transfers have been made between different levels in the fair value hierarchy for derivatives and borrowings and no significant changes have been made to valuation techniques, inputs or assumptions.

**Outstanding derivative instruments recorded to fair value**

| MSEK                                      | Mar. 31, 2016 | Dec. 31, 2015 |
|---|---------------|---------------|
| <i>Non-current assets and liabilities</i> |               |               |
| Assets                                    | 2             | 102           |
| Liabilities                               | 144           | 134           |
| <i>Current assets and liabilities</i>     |               |               |
| Assets                                    | 417           | 324           |
| Liabilities                               | 95            | 190           |

**Carrying value and fair value of borrowings**

| MSEK        | Mar. 31, 2016  | Mar. 31, 2016 | Dec. 31, 2015  | Dec. 31, 2015 |
|-------------|----------------|---------------|----------------|---------------|
|             | Carrying value | Fair value    | Carrying value | Fair value    |
| Bonds       | 17 081         | 18 441        | 17 199         | 18 408        |
| Other loans | 6 159          | 6 285         | 5 790          | 5 920         |
|             | 23 240         | 24 726        | 22 989         | 24 328        |

**Consolidated statement of changes in equity**

| MSEK                                      | Equity attributable to |                           | Total equity  |
|---|------------------------|---------------------------|---------------|
|   | owners of the parent   | non-controlling interests |               |
| <b>Opening balance, January 1, 2016</b>   | <b>46 591</b>          | <b>159</b>                | <b>46 750</b> |
| <b>Changes in equity for the period</b>   |                        |                           |               |
| Total comprehensive income for the period | 2 533                  | -3                        | 2 530         |
| Dividends                                 | -                      | -12                       | -12           |
| Acquisition and divestment of own shares  | -31                    | -                         | -31           |
| Share-based payments, equity settled      | -1                     | -                         | -1            |
| <b>Closing balance, March 31, 2016</b>    | <b>49 092</b>          | <b>144</b>                | <b>49 236</b> |

| MSEK                                      | Equity attributable to |                           | Total equity  |
|---|------------------------|---------------------------|---------------|
|   | owners of the parent   | non-controlling interests |               |
| <b>Opening balance, January 1, 2015</b>   | <b>50 575</b>          | <b>178</b>                | <b>50 753</b> |
| <b>Changes in equity for the period</b>   |                        |                           |               |
| Total comprehensive income for the period | 11 173                 | 10                        | 11 183        |
| Dividends                                 | -7 305                 | -29                       | -7 334        |
| Redemption of shares                      | -7 305                 | -                         | -7 305        |
| Acquisition and divestment of own shares  | -453                   | -                         | -453          |
| Share-based payments, equity settled      | -94                    | -                         | -94           |
| <b>Closing balance, December 31, 2015</b> | <b>46 591</b>          | <b>159</b>                | <b>46 750</b> |

| MSEK                                      | Equity attributable to |                           | Total equity  |
|---|------------------------|---------------------------|---------------|
|   | owners of the parent   | non-controlling interests |               |
| <b>Opening balance, January 1, 2015</b>   | <b>50 575</b>          | <b>178</b>                | <b>50 753</b> |
| <b>Changes in equity for the period</b>   |                        |                           |               |
| Total comprehensive income for the period | 4 584                  | 21                        | 4 605         |
| Acquisition and divestment of own shares  | -249                   | -                         | -249          |
| Share-based payments, equity settled      | -114                   | -                         | -114          |
| <b>Closing balance, March 31, 2015</b>    | <b>54 796</b>          | <b>199</b>                | <b>54 995</b> |

**Consolidated statement of cash flows**

| MSEK  | January - March |               |
|---|-----------------|---------------|
|   | 2016            | 2015          |
| <b>Cash flows from operating activities</b>           |                 |               |
| Operating profit                                      | 4 170           | 4 519         |
| Depreciation, amortization and impairment (see below) | 1 035           | 1 035         |
| Capital gain/loss and other non-cash items            | 73              | -259          |
| Operating cash surplus                                | 5 278           | 5 295         |
| Net financial items received/paid                     | 9               | -1 679        |
| Taxes paid  | -1 390          | -972          |
| Pension funding and payment of pension to employees   | -1              | 23            |
| Change in working capital                             | 113             | 180           |
| Investments in rental equipment                       | -249            | -291          |
| Sale of rental equipment                              | 136             | 128           |
| <b>Net cash from operating activities</b>             | <b>3 896</b>    | <b>2 684</b>  |
| <b>Cash flows from investing activities</b>           |                 |               |
| Investments in property, plant and equipment          | -291            | -390          |
| Sale of property, plant and equipment                 | 28              | 19            |
| Investments in intangible assets                      | -272            | -252          |
| Sale of intangible assets                             | 2               | -             |
| Acquisition of subsidiaries and associated companies  | -607            | -1 635 *      |
| Sale of subsidiaries                                  | -               | 43            |
| Other investments, net                                | -59             | 17            |
| <b>Net cash from investing activities</b>             | <b>-1 199</b>   | <b>-2 198</b> |
| <b>Cash flows from financing activities</b>           |                 |               |
| Dividends paid to non-controlling interest            | -12             | -             |
| Repurchase and sales of own shares                    | -31             | -249          |
| Change in interest-bearing liabilities                | 169             | 316           |
| <b>Net cash from financing activities</b>             | <b>126</b>      | <b>67</b>     |
| <b>Net cash flow for the period</b>                   | <b>2 823</b>    | <b>553</b>    |
| Cash and cash equivalents, beginning of the period    | 8 861           | 9 404         |
| Exchange differences in cash and cash equivalents     | -194            | 372           |
| <b>Cash and cash equivalents, end of the period</b>   | <b>11 490</b>   | <b>10 329</b> |
| Depreciation, amortization and impairment             |                 |               |
| <i>Rental equipment</i>                               | 246             | 260           |
| <i>Other property, plant and equipment</i>            | 393             | 417           |
| <i>Intangible assets</i>                              | 396             | 358           |
| <i>Total</i>  | 1 035           | 1 035         |

\*Includes deferred consideration for acquisitions made in 2014.

**Calculation of operating cash flow**

| MSEK                                       | January - March |              |
|--|-----------------|--------------|
|  | 2016            | 2015         |
| <b>Net cash flow for the period</b>        | <b>2 823</b>    | <b>553</b>   |
| Add back:                                  |                 |              |
| Change in interest-bearing liabilities     | -169            | -316         |
| Repurchase and sales of own shares         | 31              | 249          |
| Dividends paid to non-controlling interest | 12              | -            |
| Acquisitions and divestments               | 607             | 1 592        |
| Currency hedges of loans                   | -177            | 1 420        |
| <b>Operating cash flow</b>                 | <b>3 127</b>    | <b>3 498</b> |

## Revenues by business area

| MSEK (by quarter)                       | 2014          |               |               |               | 2015          |               |               |               | 2016          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | Q1            | Q2            | Q3            | Q4            | Q1            | Q2            | Q3            | Q4            | Q1            |
| Compressor Technique                    | 9 409         | 10 353        | 10 718        | 11 685        | 11 049        | 11 462        | 11 875        | 11 851        | 10 692        |
| - of which external                     | 9 361         | 10 307        | 10 682        | 11 653        | 10 951        | 11 378        | 11 806        | 11 793        | 10 611        |
| - of which internal                     | 48            | 46            | 36            | 32            | 98            | 84            | 69            | 58            | 81            |
| Industrial Technique                    | 2 505         | 2 650         | 2 827         | 3 468         | 3 394         | 3 697         | 3 668         | 3 819         | 3 417         |
| - of which external                     | 2 493         | 2 636         | 2 816         | 3 454         | 3 382         | 3 684         | 3 656         | 3 806         | 3 406         |
| - of which internal                     | 12            | 14            | 11            | 14            | 12            | 13            | 12            | 13            | 11            |
| Mining and Rock                         |               |               |               |               |               |               |               |               |               |
| Excavation Technique                    | 6 251         | 6 396         | 6 449         | 6 622         | 6 756         | 6 870         | 6 481         | 6 558         | 5 736         |
| - of which external                     | 6 237         | 6 373         | 6 398         | 6 618         | 6 724         | 6 856         | 6 451         | 6 527         | 5 723         |
| - of which internal                     | 14            | 23            | 51            | 4             | 32            | 14            | 30            | 31            | 13            |
| Construction Technique                  | 3 354         | 4 068         | 3 692         | 3 625         | 3 698         | 4 256         | 3 855         | 3 491         | 3 402         |
| - of which external                     | 3 272         | 3 971         | 3 621         | 3 558         | 3 634         | 4 136         | 3 762         | 3 408         | 3 310         |
| - of which internal                     | 82            | 97            | 71            | 67            | 64            | 120           | 93            | 83            | 92            |
| Common Group functions/<br>Eliminations | -96           | -119          | -96           | -40           | -152          | -174          | -156          | -137          | -110          |
| <b>Atlas Copco Group</b>                | <b>21 423</b> | <b>23 348</b> | <b>23 590</b> | <b>25 360</b> | <b>24 745</b> | <b>26 111</b> | <b>25 723</b> | <b>25 582</b> | <b>23 137</b> |

## Operating profit by business area

| MSEK (by quarter)                       | 2014         |              |              |              | 2015         |              |              |              | 2016         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | Q4           | Q1           |
| Compressor Technique                    | 1 915        | 2 219        | 2 369        | 2 471        | 2 392        | 2 603        | 2 709        | 2 620        | 2 296        |
| - as a percentage of revenues           | 20.4         | 21.4         | 22.1         | 21.1         | 21.6         | 22.7         | 22.8         | 22.1         | 21.5         |
| Industrial Technique                    | 543          | 595          | 636          | 783          | 770          | 865          | 866          | 854          | 737          |
| - as a percentage of revenues           | 21.7         | 22.5         | 22.5         | 22.6         | 22.7         | 23.4         | 23.6         | 22.4         | 21.6         |
| Mining and Rock                         | 1 071        | 1 155        | 856          | 1 225        | 1 276        | 1 258        | 1 296        | 1 163        | 866          |
| Excavation Technique                    |              |              |              |              |              |              |              |              |              |
| - as a percentage of revenues           | 17.1         | 18.1         | 13.3         | 18.5         | 18.9         | 18.3         | 20.0         | 17.7         | 15.1         |
| Construction Technique                  | 406          | 545          | 422          | 395          | 450          | 457          | 538          | 394          | 408          |
| - as a percentage of revenues           | 12.1         | 13.4         | 11.4         | 10.9         | 12.2         | 10.7         | 14.0         | 11.3         | 12.0         |
| Common Group functions/<br>Eliminations | -175         | -175         | -138         | -103         | -369         | -111         | -96          | -207         | -137         |
| <b>Operating profit</b>                 | <b>3 760</b> | <b>4 339</b> | <b>4 145</b> | <b>4 771</b> | <b>4 519</b> | <b>5 072</b> | <b>5 313</b> | <b>4 824</b> | <b>4 170</b> |
| - as a percentage of revenues           | 17.6         | 18.6         | 17.6         | 18.8         | 18.3         | 19.4         | 20.7         | 18.9         | 18.0         |
| Net financial items                     | -158         | -165         | -266         | -335         | -232         | -222         | -271         | -180         | -173         |
| <b>Profit before tax</b>                | <b>3 602</b> | <b>4 174</b> | <b>3 879</b> | <b>4 436</b> | <b>4 287</b> | <b>4 850</b> | <b>5 042</b> | <b>4 644</b> | <b>3 997</b> |
| - as a percentage of revenues           | 16.8         | 17.9         | 16.4         | 17.5         | 17.3         | 18.6         | 19.6         | 18.2         | 17.3         |

## Key figures by quarter

| SEK  | 2014   |        |        |        | 2015   |        |        |        | 2016   |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     | Q4     | Q1     |
| Basic earnings per share                       | 2.27   | 2.64   | 2.37   | 2.74   | 2.66   | 3.00   | 3.12   | 0.85   | 2.39   |
| Diluted earnings per share                     | 2.27   | 2.64   | 2.36   | 2.73   | 2.65   | 2.96   | 3.10   | 0.85   | 2.38   |
| Equity per share                               | 35     | 33     | 37     | 42     | 45     | 35     | 38     | 38     | 40     |
| Operating cash flow per share                  | 1.53   | 2.55   | 3.35   | 4.01   | 2.87   | 2.86   | 3.80   | 4.40   | 2.57   |
| %  |        |        |        |        |        |        |        |        |        |
| Return on capital employed,<br>12 months value | 26     | 25     | 25     | 24     | 24     | 25     | 27     | 27     | 26     |
| Return on equity, 12 months value              | 32     | 31     | 30     | 28     | 27     | 28     | 29     | 24     | 24     |
| Debt/equity ratio, period end                  | 37     | 51     | 44     | 30     | 26     | 48     | 34     | 32     | 25     |
| Equity/assets ratio, period end                | 45     | 43     | 45     | 48     | 49     | 41     | 44     | 45     | 46     |
| Number of employees, period end                | 43 846 | 43 937 | 44 243 | 44 056 | 43 866 | 43 584 | 43 295 | 43 114 | 43 274 |

**Acquisitions and divestments**

| Date         | Acquisitions  | Divestments        | Business area          | Revenues<br>MSEK* | Number of<br>employees* |
|--------------|---|--------------------|------------------------|-------------------|-------------------------|
| 2016 Apr. 15 | Scales Industrial<br>Technologies<br><i>Distributor USA</i>           |                    | Compressor Technique   |                   | 180                     |
| 2016 Apr. 4  | Air et Fluides Lyonnais<br><i>Distributor France</i>                  |                    | Compressor Technique   |                   | 6                       |
| 2016 Mar. 2  | FIAC  |                    | Compressor Technique   | 640               | 400                     |
| 2016 Jan. 12 | Varisco   |                    | Construction Technique | 270               | 135                     |
| 2016 Jan. 5  | Capitol Research Equipment  |                    | Compressor Technique   | 22                | 15                      |
| 2015 Dec. 15 | Air Supply Systems and A1<br><i>Distributors USA</i>                  |                    | Compressor Technique   |                   | 37                      |
| 2015 Dec. 4  | Innovative Vacuum Solutions   |                    | Compressor Technique   | 32                | 19                      |
| 2015 Oct. 5  | NJS Technologies  |                    | Industrial Technique   | 9                 | 7                       |
| 2015 Sep. 9  | Air Repair Sales and Services<br>Limited<br><i>Distributor Canada</i> |                    | Compressor Technique   |                   | 12                      |
| 2015 Aug. 7  | Applied Plasma Systems  |                    | Compressor Technique   |                   | 5                       |
| 2015 July 2  | Mustang Services  |                    | Construction Technique | 45                |                         |
| 2015 Mar. 24 |   | Ortman Fluid Power | Compressor Technique   | 30                | 19                      |
| 2015 Mar. 3  | Kalibrierzentrum Bayern   |                    | Industrial Technique   | 28                | 27                      |
| 2015 Feb. 9  |   | J.C. Carter        | Compressor Technique   |                   | 35                      |
| 2015 Jan. 8  | Maes Compressoren<br><i>Distributor Belgium</i>                       |                    | Compressor Technique   |                   | 30                      |

\*Annual revenues and number of employees at time of acquisition/divestment. No revenues are disclosed for former Atlas Copco distributors. Due to the relatively small size of the acquisitions and divestments made in 2016, full disclosure as per IFRS 3 is not given in this interim report. Disclosure will be given in the annual report 2016. See the annual report for 2015 for disclosure of acquisitions made in 2015.

**Parent company****Income statement**

| MSEK                                | January - March |             |
|-------------------------------------|-----------------|-------------|
|                                     | 2016            | 2015        |
| Administrative expenses             | -121            | -196        |
| Other operating income and expenses | 34              | 34          |
| <b>Operating profit/loss</b>        | <b>-87</b>      | <b>-162</b> |
| Financial income and expenses       | 85              | -229        |
| <b>Profit/loss before tax</b>       | <b>-2</b>       | <b>-391</b> |
| Income tax                          | 98              | 81          |
| <b>Profit/loss for the period</b>   | <b>96</b>       | <b>-310</b> |

**Balance sheet**

| MSEK                                | Mar. 31        | Mar. 31        | Dec. 31        |
|-------------------------------------|----------------|----------------|----------------|
|                                     | 2016           | 2015           | 2015           |
| Total non-current assets            | 110 989        | 94 443         | 111 026        |
| Total current assets                | 9 578          | 7 077          | 7 331          |
| <b>TOTAL ASSETS</b>                 | <b>120 567</b> | <b>101 520</b> | <b>118 357</b> |
| Total restricted equity             | 5 785          | 5 785          | 5 785          |
| Total non-restricted equity         | 34 518         | 37 502         | 34 469         |
| <b>TOTAL EQUITY</b>                 | <b>40 303</b>  | <b>43 287</b>  | <b>40 254</b>  |
| Total provisions                    | 229            | 622            | 267            |
| Total non-current liabilities       | 54 148         | 44 135         | 49 197         |
| Total current liabilities           | 25 887         | 13 476         | 28 639         |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>120 567</b> | <b>101 520</b> | <b>118 357</b> |
| Assets pledged                      | 233            | 191            | 279            |
| Contingent liabilities              | 7 879          | 7 861          | 7 846          |

**Accounting principles**

Atlas Copco AB is the ultimate Parent Company of the Atlas Copco Group. The financial statements of Atlas Copco AB have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2, Accounting for Legal Entities. The same accounting principles and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. See also accounting principles, page 8.



## Parent company

### Distribution of shares

Share capital equaled MSEK 786 (786) at the end of the period, distributed as follows:

| Class of share  | Shares        |
|---|---------------|
| A shares  | 839 394 096   |
| B shares  | 390 219 008   |
| Total   | 1 229 613 104 |
| - of which A shares held by Atlas Copco                     | -13 445 243   |
| - of which B shares held by Atlas Copco                     | -393 879      |
| Total shares outstanding, net of shares held by Atlas Copco | 1 215 773 982 |

### Performance-based personnel option plan

The Annual General Meeting 2015 approved a performance-based long-term incentive program. For Group Executive Management, the plan requires management's own investment in Atlas Copco shares. The intention is to cover Atlas Copco's obligation under the plan through the repurchase of the company's own shares.

The Board of Directors will propose to the Annual General Meeting 2016 a similar performance-based long-term incentive program as in previous years. For further information, see [www.atlascopcogroup.com/agm](http://www.atlascopcogroup.com/agm).

### Transactions in own shares

Atlas Copco has mandates to acquire and sell own shares as per below:

- Acquisition of not more than 3 800 000 series A shares, whereof a maximum of 3 500 000 may be transferred to personnel stock option holders under the performance-based stock option plan 2015.
- Acquisition of not more than 70 000 series A shares to hedge the obligation of the company to pay remuneration to Board members who have chosen to receive 50% of the remuneration in synthetic shares.

- The sale of not more than 30 000 series A shares to cover costs related to previously issued synthetic shares to Board members.
- The sale of a maximum 8 100 000 series A and B shares currently held by the company, for the purpose of covering costs of fulfilling obligations related to the option plans 2010, 2011 and 2012.
- The shares may only be acquired or sold on NASDAQ Stockholm at a price within the registered price interval at any given time.

During the first quarter 2016, 322 140 series A shares, net, were acquired. These transactions are in accordance with mandates granted. The company's holding of own shares at the end of the period appears in the table to the left.

### Risks and factors of uncertainty

#### Financial risks

Atlas Copco is subject to currency risks, interest rate risks, tax risks, and other financial risks. In line with the overall goals with respect to growth, return on capital, and protecting creditors, Atlas Copco has adopted a policy to control the financial risks to which Atlas Copco AB and the Group is exposed. A financial risk management committee meets regularly to manage and follow up financial risks, in line with the policy.

For further information, see the 2015 annual report.

### Related parties

There have been no significant changes in the relationships or transactions with related parties for the Group or Parent Company compared with the information given in the annual report 2015.

## This is Atlas Copco

Atlas Copco is a world-leading provider of sustainable productivity solutions. The Group serves customers with innovative compressors, vacuum solutions and air treatment systems, construction and mining equipment, power tools and assembly systems. Atlas Copco develops products and service focused on productivity, energy efficiency, safety and ergonomics. The company was founded in 1873, is based in Stockholm, Sweden, and has a global reach spanning more than 180 countries. In 2015, Atlas Copco had revenues of BSEK 102 (BEUR 11) and more than 43 000 employees.

## Business areas

Atlas Copco has four business areas. The business areas are responsible for developing their respective operations by implementing and following up on strategies and objectives to achieve sustainable, profitable growth.

The **Compressor Technique** business area provides industrial compressors, vacuum solutions, gas and process compressors and expanders, air and gas treatment equipment and air management systems. The business area has a global service network and innovates for sustainable productivity in the manufacturing, oil and gas, and process industries. Principal product development and manufacturing units are located in Belgium, the United States, China, South Korea, Germany, Italy and the United Kingdom.

The **Industrial Technique** business area provides industrial power tools and systems, industrial assembly solutions, quality assurance products, software and service through a global network. The business area innovates for sustainable productivity for customers in the automotive and general industries, maintenance and vehicle service. Principal product development and manufacturing units are located in Sweden, Germany, the United States, United Kingdom, France and Japan.

The **Mining and Rock Excavation Technique** business area provides equipment for drilling and rock excavation, a complete range of related consumables and service through a global network. The business area innovates for sustainable productivity in surface and underground mining, infrastructure, civil works, well drilling and geotechnical applications. Principal product development and manufacturing units are located in Sweden, the United States, Canada, China and India.

The **Construction Technique** business area provides construction and demolition tools, portable compressors, pumps and generators, lighting towers, and compaction and paving equipment. The business area offers specialty rental and provides service through a global network. Construction Technique innovates for sustainable productivity in infrastructure, civil works, oil and gas, energy, drilling and road construction projects. Principal product development and manufacturing units are located in Belgium, Germany, Sweden, the United States, China, India and Brazil.

## Vision, mission and strategy

The Atlas Copco Group's vision is to become and remain First in Mind—First in Choice® of its customers and other principal stakeholders. The mission is to achieve sustainable, profitable growth. Sustainability plays an important role in Atlas Copco's vision and it is an integral aspect of the Group's mission. An integrated sustainability strategy, backed by ambitious goals, helps the company deliver greater value to all its stakeholders in a way that is economically, environmentally and socially responsible.

## For further information

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## Conference call

A conference call for investors, analysts and media will be held on April 26, at 2.00 PM CEST.

The dial-in numbers are:

- Sweden: +46 8 566 426 90
- United Kingdom: +44 20 300 898 06
- United States: +1 855 753 2236

The conference call will be broadcasted live via the Internet. Please see our website for link and presentation material:

[www.atlascopco.com/ir](http://www.atlascopco.com/ir)

The webcast and a recorded audio presentation will be available on our homepage following the call.

## Annual General Meeting

The Annual General Meeting for Atlas Copco AB will be held April 26, 2016 at 4 PM CEST in Aula Medica, Nobels väg 6, Solna, Sweden.

## Report on Q2 2016

The report on Q2 2016 will be published on July 15, 2016.

## Capital Markets Day 2016

Atlas Copco will host its annual Capital Markets Day on November 15, 2016, in Antwerp, Belgium. More detailed information and instructions on how to register will be distributed prior to the event.