

October 20, 2015

Atlas Copco Third-quarter report 2015

(unaudited)

Mixed demand development and record profit

- Growth in the service business
- Stable industrial demand, but weak demand from mining and oil and gas-related segments
- Orders increased 3% to MSEK 24 149 (23 395), organic decline of 5%
- Revenues increased 9% to MSEK 25 723 (23 590), unchanged organically
- Record operating profit of MSEK 5 313 (4 145), including items affecting comparability
- Adjusted operating profit of MSEK 5 239 (4 604), corresponding to a margin of 20.4% (19.5)
- Profit before tax amounted to MSEK 5 042 (3 879)
- Profit for the period was MSEK 3 806 (2 878)
- Basic earnings per share were SEK 3.12 (2.37)
- Strong operating cash flow at MSEK 4 621 (4 075)

MSEK	July - September			January - September		
	2015	2014	%	2015	2014	%
Orders received	24 149	23 395	3%	76 394	69 498	10%
Revenues	25 723	23 590	9%	76 579	68 361	12%
Operating profit	5 313	4 145	28%	14 904	12 244	22%
– as a percentage of revenues	20.7	17.6		19.5	17.9	
Profit before tax	5 042	3 879	30%	14 179	11 655	22%
– as a percentage of revenues	19.6	16.4		18.5	17.0	
Profit for the period	3 806	2 878	32%	10 693	8 840	21%
Basic earnings per share, SEK	3.12	2.37		8.78	7.27	
Diluted earnings per share, SEK	3.10	2.36		8.72	7.27	
Return on capital employed, %	27	25				

Near-term demand outlook

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

Previous near-term demand outlook (published July 16, 2015):

The overall demand for the Group is expected to increase somewhat.

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

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Atlas Copco Group

Summary of nine-month results

Orders received in the first nine months of 2015 increased by 10% to MSEK 76 394 (69 498), corresponding to a 3% organic decline. Structural changes added 2%, and the currency effect was +11%. Revenues were MSEK 76 579 (68 361), corresponding to a 2% organic decline.

Operating profit was MSEK 14 904 (12 244). The operating margin was 19.5% (17.9). The positive impact of changes in exchange rates was to MSEK 2 680.

Profit before tax was MSEK 14 179 (11 655), corresponding to a margin of 18.5% (17.0). Profit for the period totaled MSEK 10 693 (8 840). Basic and diluted earnings per share were SEK 8.78 (7.27) and 8.72 (7.27) respectively.

Operating cash flow before acquisitions, divestments and dividends totaled MSEK 11 600 (9 040).

Review of the third quarter

Market development

Atlas Copco's service business continued to grow. The order intake for equipment was mixed with stable to slightly positive demand trends from some manufacturing segments, e.g. automotive and aerospace, but with weak demand for oil and gas-related applications as well as for construction and mining. Orders received were also affected by cancellations of mining equipment orders, mainly in Australia. In general, demand for large equipment remained soft, reflecting the still very low interest from customers for larger investments.

Geographically, the year-on-year order development was negative in China, Brazil, the Middle East and in the United States. The latter was primarily due to fewer large vacuum equipment orders and lower activity in oil and gas and petrochemical industries. In Europe, in contrast, the recent positive order development continued, and all business areas reported organic order growth.

Geographic distribution of orders received

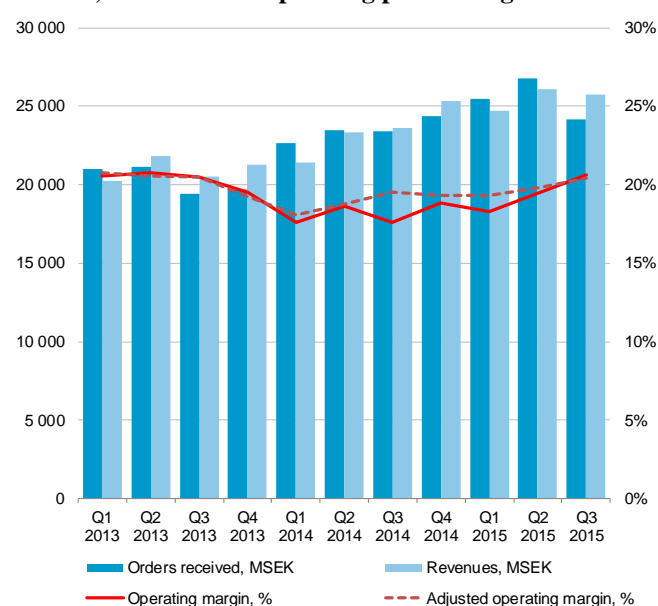
%, July - September 2015	Atlas Copco Group	
	Orders Received	Change*
North America	25	-7
South America	7	-17
Europe	30	+7
Africa/Middle East	9	-18
Asia	26	+2
Australia	3	-20
	100	-3

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

Sales bridge

MSEK	July - September	
	Orders received	Revenues
2014	23 395	23 590
Structural change, %	+1	+1
Currency, %	+7	+8
Price, %	+0	+1
Volume, %	-5	-1
Total, %	+3	+9
2015	24 149	25 723

Orders, revenues and operating profit margin



%, July - September 2015	Compressor	Industrial	Mining and Rock	Construction	Atlas Copco
	Technique	Technique	Excavation Tech.	Technique	Group
North America	22	32	27	22	25
South America	5	3	15	7	7
Europe	30	41	23	33	30
Africa/Middle East	6	2	15	14	9
Asia/Australia	37	22	20	24	29
	100	100	100	100	100

Revenues, profits and returns

Revenues increased 9% to MSEK 25 723 (23 590) and were unchanged organically. Currency and acquisitions contributed with 8% and 1%, respectively.

The operating profit increased 28% to a record of MSEK 5 313 (4 145) and includes items affecting comparability of MSEK +74 (-459). These include a change in provision for share-related long-term incentive programs, reported in Common Group Functions of MSEK +74 (-59). Previous year's items comparing comparability included impairment of assets and restructuring costs MSEK -340 in Mining and Rock Excavation Technique and MSEK -60 in Compressor Technique.

The adjusted operating profit increased 14% to MSEK 5 239 (4 604), corresponding to a margin of 20.4% (19.5). The net currency effect compared to the previous year was positive at MSEK 670, which also contributed to the margin improvement.

Net financial items were MSEK -271 (-266). Interest net was MSEK -193 (-180) and other financial items were MSEK -78 (-86), mainly related to financial exchange differences.

Profit before tax amounted to MSEK 5 042 (3 879), corresponding to a margin of 19.6% (16.4).

Profit for the period totaled MSEK 3 806 (2 878). Basic and diluted earnings per share were SEK 3.12 (2.37) and SEK 3.10 (2.36) respectively.

The return on capital employed during the last 12 months was 27% (25). Return on equity was 29% (30). The Group uses a weighted average cost of capital (WACC) of 8.0% as an investment and overall performance benchmark.

Operating cash flow and investments

Operating cash surplus reached MSEK 6 168 (5 205), supported by currency. Working capital decreased by MSEK 558 (986) due to lower inventory and customer receivables. Net investments in rental equipment were

MSEK 181 (408). Net investments in property, plant and equipment were MSEK -89 (297). The decrease was a result of a sale and leaseback of premises in Sweden amounting to MSEK 420.

In total, operating cash flow, adjusted for the above property sale and currency hedges of loans, reached MSEK 4 621 (4 075).

Net indebtedness

The Group's net indebtedness, adjusted for the fair value of interest rate swaps, amounted to MSEK 15 988 (19 540), of which MSEK 2 542 (2 173) was attributable to post-employment benefits. The Group has an average maturity of 4.3 years on interest-bearing liabilities. The second and last installment of the annual dividend, MSEK 3 660, will be paid in November 2015 and is recorded as a liability. The net debt/EBITDA ratio was 0.7 (1.0). The net debt/equity ratio was 34% (44).

Acquisition and divestment of own shares

During the quarter, 81 961 A shares were divested for a net value of MSEK 17. These transactions are in accordance with mandates granted by the Annual General Meeting and relate to the Group's long-term incentive programs.

Recognitions

Atlas Copco was listed in the Dow Jones Sustainability Europe Index for 2015/2016, the fifth consecutive year, and was listed as the top industrial company by the Newsweek Green Rankings that looks at corporate sustainability and environmental impact.

Employees

On September 30, 2015, the number of employees was 43 295 (44 243). The number of consultants/external workforce was 3 005 (3 114). For comparable units, the total workforce decreased by 1 138 from September 30, 2014.

Revenues and operating profit – bridge

MSEK	Q3 2015	Volume, price, mix and other	Currency	One-time items Acquisitions	Share based LTI programs	Q3 2014
Atlas Copco Group						
Revenues	25 723	-132	1 945	320	-	23 590
Operating profit	5 313	-85	670	450	133	4 145
%	20.7%	64.4%				17.6%

Compressor Technique

MSEK	July - September			January - September		
	2015	2014	%	2015	2014	%
Orders received	11 022	10 800	2%	34 257	31 214	10%
Revenues	11 875	10 718	11%	34 386	30 480	13%
Operating profit	2 709	2 369	14%	7 704	6 503	18%
– as a percentage of revenues	22.8	22.1		22.4	21.3	
Return on capital employed, %	38	43				

- **Growth in service, but lower order intake for gas and process compressors and vacuum solutions**
- **Record revenues and operating profit**
- **Investment in a vacuum solutions facility in China**

Sales bridge

MSEK	July - September	
	Orders received	Revenues
2014	10 800	10 718
Structural change, %	+0	+0
Currency, %	+8	+11
Price, %	+1	+1
Volume, %	-7	-1
Total, %	+2	+11
2015	11 022	11 875

Industrial compressors

Demand for industrial compressors was mixed, with stable order intake in many markets and segments, a continued positive development in Europe, but also a weaker development in some markets and segments. Lower orders were primarily recorded in China, Brazil and the United States, and from oil, gas and petrochemical industries. Sequentially, the order volumes decreased somewhat.

Compressor service

The compressor service business continued to grow, supported by a positive development in Europe.

Gas and process compressors

The order intake was significantly lower compared to the previous year and sequentially. Compared to the previous year, order volumes were stable in Asia, while they decreased in all other regions.

In response to the weak demand, Atlas Copco has initiated a reduction of capacity at its facility in Cologne, Germany. Approximately 120 employees will be affected.

Vacuum solutions

The order volumes from the important semiconductor industry, primarily in the United States, were lower compared to the previous year and the most recent quarters.

Investment in vacuum solutions in China

In September, a manufacturing facility for Edwards vacuum and abatement solutions in Qingdao, China was formally inaugurated. Atlas Copco is investing about MUSD 40 (MSEK 330) over three years in the state-of-the-art facility.

Innovation

The range of nitrogen generators has been extended and upgraded. The range has top-end energy efficiency that ensures low cost of ownership and quick payback.

Acquisition

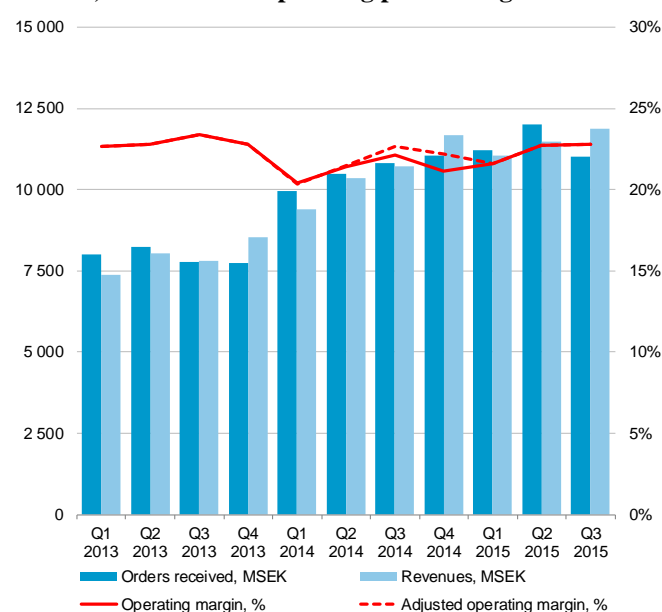
In September, Air Repair Sales and Services based in Moncton, Canada, was acquired. The company, which has 12 employees, was an authorized Atlas Copco distributor.

Revenues and profitability

Revenues increased 11% to a record of MSEK 11 875 (10 718) and were unchanged organically.

Operating profit increased to a record of MSEK 2 709 (2 369), corresponding to a margin of 22.8% (22.1). Previous year's profit was affected by items affecting comparability of MSEK 60, primarily related to consolidation of manufacturing in the United States and the adjusted operating margin was 22.7%. Return on capital employed (last 12 months) was 38% (43).

Orders, revenues and operating profit margin



Industrial Technique

MSEK	July - September			January - September		
	2015	2014	%	2015	2014	%
Orders received	3 604	2 822	28%	11 038	8 169	35%
Revenues	3 668	2 827	30%	10 759	7 982	35%
Operating profit	866	636	36%	2 501	1 774	41%
– as a percentage of revenues	23.6	22.5		23.2	22.2	
Return on capital employed, %	31	40				

- **Increased order intake for tools and systems from both the motor vehicle and general industry**
- **Continued growth in the service business**
- **Acquisition of process control systems specialist**

Sales bridge

MSEK	July - September	
	Orders received	Revenues
2014	2 822	2 827
Structural change, %	+9	+10
Currency, %	+10	+10
Price, %	+0	+0
Volume, %	+9	+10
Total, %	+28	+30
2015	3 604	3 668

Motor vehicle industry

The demand for advanced industrial tools, assembly systems and solutions to the motor vehicle industry continued to be strong. The order volumes increased compared to the previous year, particularly for industrial assembly solutions and in North America. Sequentially, orders were somewhat lower.

General industry

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

Service

The service business, including maintenance and calibration services, continued to grow in most markets.

Innovation

A range of electric assembly tools for high torque assemblies that require high productivity, accuracy and traceability was introduced in the quarter.

Expansion of innovation center for adhesive equipment

Atlas Copco will expand its SCA facility in Bretten, Germany, to meet growing customer demand for its innovative assembly solutions. The expansion will double

the capacity to test customer projects. The project will cost about MSEK 65 and will be completed in 2016.

Acquisition

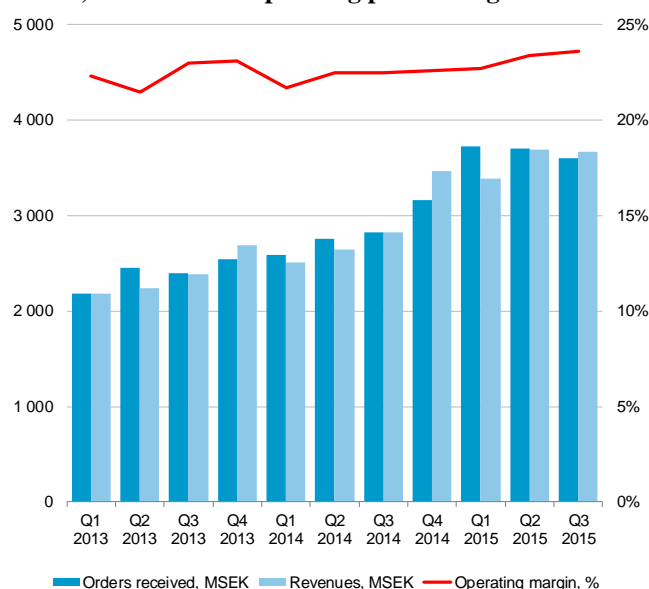
In early October, Atlas Copco acquired the assets of NJS Technologies Ltd., an engineering and sales company that specializes in process control systems for assembly operations. The business is based in the United Kingdom and had revenues in 2014 of about MSEK 9 and seven employees.

Revenues and profitability

Revenues increased to a record of MSEK 3 668 (2 827), corresponding to an organic growth of 10%.

Operating profit was also at a record level of MSEK 866 (636), corresponding to an operating margin of 23.6% (22.5). The margin was supported by increased volume and currency, but diluted by acquisitions. Return on capital employed (last 12 months) was 31% (40).

Orders, revenues and operating profit margin



Mining and Rock Excavation Technique

MSEK	July - September			January - September		
	2015	2014	%	2015	2014	%
Orders received	6 077	6 399	-5%	19 696	19 260	2%
Revenues	6 481	6 449	0%	20 107	19 096	5%
Operating profit	1 296	856	51%	3 830	3 082	24%
– as a percentage of revenues	20.0	13.3		19.0	16.1	
Return on capital employed, %	34	29				

- Lower order intake for equipment, negatively affected by cancellations of about MSEK 300
- Growth in service and parts
- Operating margin at 20.0% (18.5 adjusted)

Sales bridge

MSEK	July - September	
	Orders received	Revenues
2014	6 399	6 449
Structural change, %	+0	+0
Currency, %	+3	+4
Price, %	+0	+0
Volume, %	-8	-4
Total, %	-5	+0
2015	6 077	6 481

Mining equipment

The demand for mining equipment continued to be soft. The order volumes were lower compared to the previous year and sequentially, negatively affected by cancellations of about MSEK 300, primarily related to large surface drilling rigs in Australia. Compared to the previous year, the order intake increased in Europe, but decreased in most other major mining markets.

Civil engineering equipment

The orders received for equipment for infrastructure projects decreased compared to the previous year and was largely unchanged sequentially.

Service and consumables

The service and spare parts business increased compared to the previous year with a positive development in all regions except Asia/Australia.

Consumables volumes decreased somewhat compared to the previous year and sequentially in most markets.

Innovation

A low pressure rock drill for surface drilling applications was introduced in the quarter. It is intended for customers whose top priority is to operate a reliable rock drill with consistent performance.

Efficiency measures

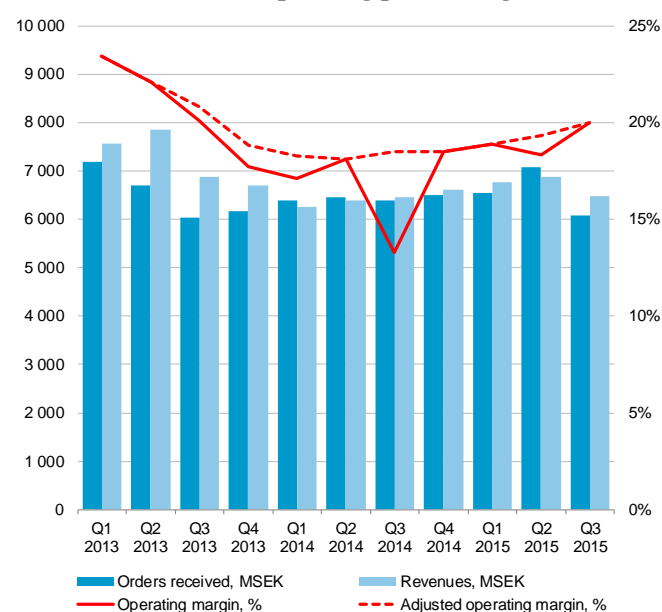
The business area continues to identify and implement further efficiency measures in order to strengthen the operations for the future.

Revenues and profitability

Revenues were MSEK 6 481 (6 449), corresponding to an organic decline of 4%.

Operating profit was MSEK 1 296 (856), corresponding to a margin of 20.0% (13.3). Previous year was affected by items affecting comparability of MSEK -340 and the adjusted operating margin was 18.5%. The margin was supported by currency and mix, but was impacted negatively by lower volumes. Return on capital employed (last 12 months) was 34% (29).

Orders, revenues and operating profit margin



Construction Technique

MSEK	July - September			January - September		
	2015	2014	%	2015	2014	%
Orders received	3 600	3 435	5%	11 872	11 133	7%
Revenues	3 855	3 692	4%	11 809	11 114	6%
Operating profit	538	422	27%	1 445	1 373	5%
– as a percentage of revenues	14.0	11.4		12.2	12.4	
Return on capital employed, %	12	12				

- Lower order intake for equipment, primarily due to Brazil and China
- Positive development for specialty rental
- Operating margin at 14.0%

Sales bridge

MSEK	July - September	
	Orders received	Revenues
2014	3 435	3 692
Structural change, %	+1	+0
Currency, %	+7	+7
Price, %	+1	+1
Volume, %	-4	-4
Total, %	+5	+4
2015	3 600	3 855

Construction equipment

The order volumes decreased compared to the previous year for most types of equipment. The order intake improved in Europe and in some other major markets such as India and the United States, but deteriorated significantly in Brazil, China and the Middle East.

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

Specialty rental

The demand for the specialty rental business remained solid and orders received increased compared to the previous year and sequentially. Compared to the previous year, order intake increased in all major regions.

Service

The service business was largely unchanged compared to the previous year and sequentially. Compared to the previous year, it increased in North America, but decreased somewhat in South America and in China.

Innovation

A high pressure portable compressor for geothermal drilling applications has been introduced. The new compressor offers faster drilling and improved fuel efficiency, it meets all the latest environmental standards, and is a low noise machine making it suitable for construction projects in urban and residential areas.

Acquisition

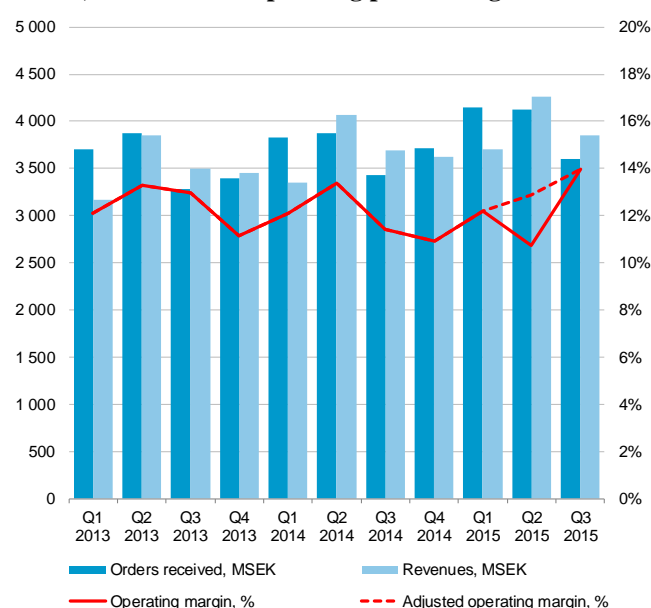
In early July, Atlas Copco acquired the operating assets of Mustang Services, a U.S. specialty dryer rental business that serves industries such as refineries, petrochemical plants and general manufacturing. The business had revenues in 2014 of about MSEK 45.

Revenues and profitability

Revenues reached MSEK 3 855 (3 692), corresponding to an organic decline of 3%.

Operating profit was MSEK 538 (422), corresponding to a margin of 14.0% (11.4). The margin was negatively affected by volume, but supported by currency and mix. 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 2014. The interim report is prepared in accordance with IAS 34 Interim Financial Reporting.

New and amended accounting standards

The new and amended IFRS standards and IFRIC interpretations effective from January 1, 2015 have not had any material effect on the consolidated financial statements. For further information, see the annual report 2014.

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 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 2014.

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		9 months ended		12 months ended		
	Sep. 30 2015	Sep. 30 2014	Sep. 30 2015	Sep. 30 2014	Sep. 30 2015	Sep. 30 2014	Dec. 31 2014
MSEK							
Revenues	25 723	23 590	76 579	68 361	101 939	89 627	93 721
Cost of sales	-15 440	-15 007	-46 517	-42 918	-62 268	-56 241	-58 669
Gross profit	10 283	8 583	30 062	25 443	39 671	33 386	35 052
Marketing expenses	-2 650	-2 494	-8 213	-7 221	-10 817	-9 384	-9 825
Administrative expenses	-1 401	-1 428	-4 728	-4 187	-6 209	-5 399	-5 668
Research and development costs	-870	-755	-2 437	-2 145	-3 225	-2 717	-2 933
Other operating income and expenses	-49	239	220	354	255	513	389
Operating profit	5 313	4 145	14 904	12 244	19 675	16 399	17 015
- as a percentage of revenues	20.7	17.6	19.5	17.9	19.3	18.3	18.2
Net financial items	-271	-266	-725	-589	-1 060	-819	-924
Profit before tax	5 042	3 879	14 179	11 655	18 615	15 580	16 091
- as a percentage of revenues	19.6	16.4	18.5	17.0	18.3	17.4	17.2
Income tax expense	-1 236	-1 001	-3 486	-2 815	-4 587	-3 837	-3 916
Profit for the period	3 806	2 878	10 693	8 840	14 028	11 743	12 175
Profit attributable to							
- owners of the parent	3 805	2 878	10 687	8 836	14 020	11 738	12 169
- non-controlling interests	1	0	6	4	8	5	6
Basic earnings per share, SEK	3.12	2.37	8.78	7.27	11.52	9.66	10.01
Diluted earnings per share, SEK	3.10	2.36	8.72	7.27	11.45	9.65	9.99
Basic weighted average number of shares outstanding, millions	1 217.8	1 216.2	1 217.6	1 215.1	1 217.5	1 214.6	1 215.6
Diluted weighted average number of shares outstanding, millions	1 218.4	1 216.9	1 219.0	1 215.8	1 218.9	1 215.3	1 216.6

Key ratios

Equity per share, period end, SEK	38	37	42
Return on capital employed, 12 month values, %	27	25	24
Return on equity, 12 month values, %	29	30	28
Debt/equity ratio, period end, %	34	44	30
Equity/assets ratio, period end, %	44	45	48
Number of employees, period end	43 295	44 243	44 056

Consolidated statement of comprehensive income

	3 months ended		9 months ended		12 months ended		
	Sep. 30 2015	Sep. 30 2014	Sep. 30 2015	Sep. 30 2014	Sep. 30 2015	Sep. 30 2014	Dec. 31 2014
MSEK							
Profit for the period	3 806	2 878	10 693	8 840	14 028	11 743	12 175
Other comprehensive income							
Items that will not be reclassified to profit or loss							
Remeasurements of defined benefit pension plans	223	-93	118	-599	-42	-586	-759
Income tax relating to items that will not be reclassified	-51	24	-20	147	27	134	194
	172	-69	98	-452	-15	-452	-565
Items that may be reclassified subsequently to profit or loss							
Translation differences on foreign operations	-199	1 519	-152	2 835	2 700	3 936	5 687
- realized and reclassified to income statement	-	-	-	-	-	15	-
Hedge of net investments in foreign operations	-356	-15	196	-412	-444	-991	-1 052
Cash flow hedges	-27	-116	62	-184	47	-301	-199
Adjustments for amounts transferred to the initial carrying amounts of acquired operations	-	-	-	81	-	81	81
Income tax relating to items that may be reclassified	222	31	-156	283	272	635	711
	-360	1 419	-50	2 603	2 575	3 375	5 228
Other comprehensive income for the period, net of tax	-188	1 350	48	2 151	2 560	2 923	4 663
Total comprehensive income for the period	3 618	4 228	10 741	10 991	16 588	14 666	16 838
Total comprehensive income attributable to							
- owners of the parent	3 617	4 215	10 727	10 971	16 562	14 642	16 806
- non-controlling interests	1	13	14	20	26	24	32

Consolidated balance sheet

MSEK	Sep. 30, 2015	Dec. 31, 2014	Sep. 30, 2014
Intangible assets	33 789	33 197	31 425
Rental equipment	3 077	3 177	3 039
Other property, plant and equipment	9 069	9 433	8 998
Financial assets and other receivables	2 075	1 981	2 100
Deferred tax assets	1 893	1 549	1 197
Total non-current assets	49 903	49 337	46 759
Inventories	18 261	18 364	18 561
Trade and other receivables	26 817	26 015	25 360
Other financial assets	1 674	2 150	2 025
Cash and cash equivalents	8 279	9 404	6 245
Assets classified as held for sale	41	11	12
Total current assets	55 072	55 944	52 203
TOTAL ASSETS	104 975	105 281	98 962
Equity attributable to owners of the parent	46 529	50 575	44 511
Non-controlling interests	162	178	166
TOTAL EQUITY	46 691	50 753	44 677
Borrowings	22 372	22 182	22 427
Post-employment benefits	2 542	2 531	2 173
Other liabilities and provisions	1 624	1 958	1 809
Deferred tax liabilities	1 292	1 127	1 507
Total non-current liabilities	27 830	27 798	27 916
Borrowings	1 020	2 284	3 235
Trade payables and other liabilities	27 842	22 953	21 812
Provisions	1 592	1 493	1 322
Total current liabilities	30 454	26 730	26 369
TOTAL EQUITY AND LIABILITIES	104 975	105 281	98 962

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 2014, no transfers have been made between different levels in the fair value hierarchy and no significant changes have been made to valuation techniques, inputs or assumptions.

Outstanding derivative instruments recorded to fair value

MSEK	Sep. 30, 2015	Dec. 31, 2014
<i>Non-current assets and liabilities</i>		
Assets	151	161
Liabilities	134	159
<i>Current assets and liabilities</i>		
Assets	202	166
Liabilities	198	496

Carrying value and fair value of borrowings

MSEK	Sep. 30, 2015	Sep. 30, 2015	Dec. 31, 2014	Dec. 31, 2014
	Carrying value	Fair value	Carrying value	Fair value
Bonds	17 547	18 904	17 269	18 800
Other loans	5 845	5 999	7 197	7 351
	23 392	24 903	24 466	26 151

Consolidated statement of changes in equity

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
Opening balance, January 1, 2015	50 575	178	50 753
Changes in equity for the period			
Total comprehensive income for the period	10 727	14	10 741
Dividends	-7 311	-30	-7 341 *
Redemption of shares	-7 305	-	-7 305
Acquisition and divestment of own shares	-56	-	-56
Share-based payments, equity settled	-101	-	-101
Closing balance, September 30, 2015	46 529	162	46 691

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
Opening balance, January 1, 2014	39 647	147	39 794
Changes in equity for the period			
Total comprehensive income for the period	16 806	32	16 838
Dividends	-6 681	-1	-6 682
Acquisition and divestment of own shares	890	-	890
Share-based payments, equity settled	-87	-	-87
Closing balance, December 31, 2014	50 575	178	50 753

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
Opening balance, January 1, 2014	39 647	147	39 794
Changes in equity for the period			
Total comprehensive income for the period	10 971	20	10 991
Dividends	-6 681	-1	-6 682
Acquisition and divestment of own shares	628	-	628
Share-based payments, equity settled	-54	-	-54
Closing balance, September 30, 2014	44 511	166	44 677

* The annual dividend of which the first installment of MSEK 3 651 has been paid in May 2015 and the second installment, MSEK 3 660, will be paid in November 2015. This latter amount has been recorded as a liability.

Consolidated statement of cash flows

MSEK	July - September		January - September	
	2015	2014	2015	2014
Cash flows from operating activities				
Operating profit	5 313	4 145	14 904	12 244
Depreciation, amortization and impairment (see below)	1 148	1 033	3 242	2 700
Capital gain/loss and other non-cash items	-293	27	-513	-225
Operating cash surplus	6 168	5 205	17 633	14 719
Net financial items received/paid	130	-288	-1 182	-951
Taxes paid	-1 266	-1 136	-3 437	-3 154
Pension funding and payment of pension to employees	7	3	66	-44
Change in working capital	558	986	218	877
Investments in rental equipment	-301	-487	-953	-1 380
Sale of rental equipment	120	79	337	301
Net cash from operating activities	5 416	4 362	12 682	10 368
Cash flows from investing activities				
Investments in property, plant and equipment	-392	-325	-1 219	-1 027
Sale of property, plant and equipment	481	28	538	68
Investments in intangible assets	-235	-319	-814	-861
Sale of intangible assets	13	3	16	10
Acquisition of subsidiaries and associated companies	-115	-1 081	-1 772 *	-8 380
Sale of subsidiaries	-	-	43	-
Other investments, net	-31	166	116	596
Net cash from investing activities	-279	-1 528	-3 092	-9 594
Cash flows from financing activities				
Dividends paid	-	-	-3 651	-6 681
Dividends paid to non-controlling interest	-30	-1	-30	-1
Redemption of shares	-	-	-7 305	-
Repurchase and sales of own shares	17	245	-56	628
Change in interest-bearing liabilities	-3 078	-2 330	552	-6 204
Net cash from financing activities	-3 091	-2 086	-10 490	-12 258
Net cash flow for the period	2 046	748	-900	-11 484
Cash and cash equivalents, beginning of the period	6 301	5 364	9 404	17 633
Exchange differences in cash and cash equivalents	-68	133	-225	96
Cash and cash equivalents, end of the period	8 279	6 245	8 279	6 245
Depreciation, amortization and impairment				
<i>Rental equipment</i>	263	255	778	659
<i>Other property, plant and equipment</i>	419	386	1 246	1 098
<i>Intangible assets</i>	466	392	1 218	943
<i>Total</i>	1 148	1 033	3 242	2 700

*Includes deferred consideration for acquisitions made in 2014.

Calculation of operating cash flow

MSEK	July - September		January - September	
	2015	2014	2015	2014
Net cash flow for the period	2 046	748	-900	-11 484
Add back:				
Change in interest-bearing liabilities	3 078	2 330	-552	6 204
Repurchase and sales of own shares	-17	-245	56	-628
Dividends paid	-	-	3 651	6 681
Dividends paid to non-controlling interest	30	1	30	1
Redemption of shares	-	-	7 305	-
Acquisitions and divestments	115	1 081	1 729	8 380
Investments of cash liquidity	-	-	-	-368
Currency hedges of loans	-211	160	701	254
Divestment of property	-420	-	-420	-
Operating cash flow	4 621	4 075	11 600	9 040

Revenues by business area

MSEK (by quarter)	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Compressor Technique	7 383	8 037	7 816	8 546	9 409	10 353	10 718	11 685	11 049	11 462	11 875	
- of which external	7 368	8 020	7 815	8 538	9 361	10 307	10 682	11 653	10 951	11 378	11 806	
- of which internal	15	17	1	8	48	46	36	32	98	84	69	
Industrial Technique	2 183	2 243	2 383	2 692	2 505	2 650	2 827	3 468	3 394	3 697	3 668	
- of which external	2 177	2 233	2 374	2 679	2 493	2 636	2 816	3 454	3 382	3 684	3 656	
- of which internal	6	10	9	13	12	14	11	14	12	13	12	
Mining and Rock												
Excavation Technique	7 562	7 857	6 885	6 709	6 251	6 396	6 449	6 622	6 756	6 870	6 481	
- of which external	7 545	7 851	6 882	6 704	6 237	6 373	6 398	6 618	6 724	6 856	6 451	
- of which internal	17	6	3	5	14	23	51	4	32	14	30	
Construction Technique	3 173	3 850	3 495	3 449	3 354	4 068	3 692	3 625	3 698	4 256	3 855	
- of which external	3 071	3 706	3 385	3 324	3 272	3 971	3 621	3 558	3 634	4 136	3 762	
- of which internal	102	144	110	125	82	97	71	67	64	120	93	
Common Group functions/ Eliminations	-74	-144	-27	-130	-96	-119	-96	-40	-152	-174	-156	
Atlas Copco Group	20 227	21 843	20 552	21 266	21 423	23 348	23 590	25 360	24 745	26 111	25 723	

Operating profit by business area

MSEK (by quarter)	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Compressor Technique	1 671	1 834	1 826	1 948	1 915	2 219	2 369	2 471	2 392	2 603	2 709	
- as a percentage of revenues	22.6	22.8	23.4	22.8	20.4	21.4	22.1	21.1	21.6	22.7	22.8	
Industrial Technique	487	482	548	621	543	595	636	783	770	865	866	
- as a percentage of revenues	22.3	21.5	23.0	23.1	21.7	22.5	22.5	22.6	22.7	23.4	23.6	
Mining and Rock												
Excavation Technique	1 771	1 738	1 384	1 190	1 071	1 155	856	1 225	1 276	1 258	1 296	
- as a percentage of revenues	23.4	22.1	20.1	17.7	17.1	18.1	13.3	18.5	18.9	18.3	20.0	
Construction Technique	384	511	454	384	406	545	422	395	450	457	538	
- as a percentage of revenues	12.1	13.3	13.0	11.1	12.1	13.4	11.4	10.9	12.2	10.7	14.0	
Common Group functions/ Eliminations	-157	-32	0	12	-175	-175	-138	-103	-369	-111	-96	
Operating profit	4 156	4 533	4 212	4 155	3 760	4 339	4 145	4 771	4 519	5 072	5 313	
- as a percentage of revenues	20.5	20.8	20.5	19.5	17.6	18.6	17.6	18.8	18.3	19.4	20.7	
Net financial items	-111	-254	-195	-230	-158	-165	-266	-335	-232	-222	-271	
Profit before tax	4 045	4 279	4 017	3 925	3 602	4 174	3 879	4 436	4 287	4 850	5 042	
- as a percentage of revenues	20.0	19.6	19.5	18.5	16.8	17.9	16.4	17.5	17.3	18.6	19.6	

Key figures by quarter

SEK	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Basic earnings per share	2.46	2.58	2.52	2.39	2.27	2.64	2.37	2.74	2.66	3.00	3.12	
Diluted earnings per share	2.45	2.56	2.51	2.38	2.27	2.64	2.36	2.73	2.65	2.96	3.10	
Equity per share	30	28	30	33	35	33	37	42	45	35	38	
Operating cash flow per share	1.25	2.21	1.99	1.59	1.53	2.55	3.35	4.01	2.87	2.86	3.80	
%												
Return on capital employed, 12 months value	34	32	30	28	26	25	25	24	24	25	27	
Return on equity, 12 months value	42	40	37	34	32	31	30	28	27	28	29	
Debt/equity ratio, period end	23	37	27	19	37	51	44	30	26	48	34	
Equity/assets ratio, period end	42	39	42	45	45	43	45	48	49	41	44	
Number of employees, period end	40 344	40 369	40 116	40 241	43 846	43 937	44 243	44 056	43 866	43 584	43 295	

Acquisitions

Date	Acquisitions	Divestments	Business area	Revenues MSEK*	Number of employees*
2015 Oct. 5	NJS Technologies		Industrial Technique	9	7
2015 Sep. 9	Air Repair Sales and Services Limited <i>Distributor Canada</i>		Compressor Technique		12
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 <i>Distributor Belgium</i>		Compressor Technique		30
2014 Dec. 31	Titan Technologies International Inc.		Industrial Technique	35	14
2014 Sep. 10	Henrob		Industrial Technique	1 063	400
2014 Sep. 3	Ash Air (NZ) Ltd. and Fox Air NZ Ltd.		Compressor Technique	162	120
2014 May 27	Cavaletti Equipamentos e Servicos Ltda		Compressor Technique	26	34
2014 May 5	National Pump & Compressor Ltd. & McKenzie Compressed Air Inc., <i>Distributor USA</i>		Compressor Technique		120
2014 Feb. 3	Geawelltech <i>Distributor Sweden</i>		Mining & Rock Excavation Technique		19
2014 Jan. 9	Edwards Group		Compressor Technique	6 950	3 400

*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 2015, full disclosure as per IFRS 3 is not given in this interim report. Disclosure will be given in the annual report 2015. See the annual report for 2014 for disclosure of acquisitions made in 2014.

Parent company**Income statement**

	July - September		January - September	
MSEK	2015	2014	2015	2014
Administrative expenses	-110	-103	-409	-329
Other operating income and expenses	23	44	99	106
Operating profit/loss	-87	-59	-310	-223
Financial income and expenses	352	535	5 415	656
Profit/loss before tax	265	476	5 105	433
Income tax	146	37	220	21
Profit/loss for the period	411	513	5 325	454

Balance sheet

	Sep. 30	Sep. 30	Dec. 31
MSEK	2015	2014	2014
Total non-current assets	94 606	94 206	94 316
Total current assets	5 328	8 390	8 462
TOTAL ASSETS	99 934	102 596	102 778
Total restricted equity	5 785	5 785	5 785
Total non-restricted equity	28 418	34 905	37 515
TOTAL EQUITY	34 203	40 690	43 300
Total provisions	347	604	353
Total non-current liabilities	43 713	50 742	48 510
Total current liabilities	21 671	10 560	10 615
TOTAL EQUITY AND LIABILITIES	99 934	102 596	102 778
Assets pledged	249	555	502
Contingent liabilities	8 025	9 145	9 579

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	-11 377 171
- of which B shares held by Atlas Copco	-393 879
Total shares outstanding, net of shares held by Atlas Copco	1 217 842 054

Performance-based personel 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. For further information, see www.atlascopco.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 nine months of 2015, 265 464 series A shares, net, were acquired and 107 500 series B shares were sold. 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 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 2014 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 2014.

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 2014, Atlas Copco had revenues of BSEK 94 (BEUR 10.3) and more than 44 000 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 development.

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. See the annual report 2014 for a summary of all Group goals and for more information.

For further information

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Conference call

A conference call for investors, analysts and media will be held on October 20 at 3.00 PM CEST.

The dial-in numbers are:

- Sweden: +46 8 566 427 00
- UK: +44 20 342 814 14
- US: +1 646 502 51 16

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

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

Capital Markets Day 2015

Atlas Copco will host its annual Capital Markets Day on November 17, 2015, in Stockholm, Sweden. Please see www.atlascopco.com/cmd2015.

Report on Q4 2015

The report on Q4 2015 will be published on January 28, 2016.

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.