Press Release from the Atlas Copco Group

October 25, 2013

Atlas Copco
Third quarter report 2013
(unaudited)

Healthy profitability despite lower mining equipment revenues

- Order intake decreased to MSEK 19 433 (21 379), organic decline of 6%
- Revenues decreased to MSEK 20 552 (22 094), organic decline of 4%
- Operating profit decreased by 14% to MSEK 4 212 (4 925)
- Operating margin at 20.5% (22.3)
- Profit before tax amounted to MSEK 4 017 (4 737)
- Profit for the period was MSEK 3 054 (3 488)
- Basic earnings per share were SEK 2.52 (2.87)
- Operating cash flow at MSEK 2 404 (4 611, including divestment of customer financing assets of 1 400)
- Actions to adjust capacity to lower mining equipment demand. Restructuring costs of MSEK 50
- Expanding into process vacuum solutions. Compressor Technique to acquire Edwards Group Ltd.

	July - September			January - September		
MSEK	2013	2012	%	2013	2012	%
Orders received	19 433	21 379	-9%	61 576	69 469	-11%
Revenues	20 552	22 094	-7%	62 622	67 785	-8%
Operating profit	4 212	4 925	-14%	12 901	14 567	-11%
– as a percentage of revenues	*20.5*	*22.3*		*20.6*	*21.5*	
Profit before tax	4 017	4 737	-15%	12 341	14 074	-12%
– as a percentage of revenues	*19.5*	*21.4*		*19.7*	*20.8*	
Profit for the period	3 054	3 488	-12%	9 179	10 517	-13%
Basic earnings per share, SEK	2.52	2.87		7.56	8.66	
Diluted earnings per share, SEK	2.51	2.86		7.54	8.62	
Return on capital employed, %	30	37				

Near term demand outlook
The overall demand for the Group’s products and services is expected to remain at the current level.

Previous near-term demand outlook (published July 17, 2013):
The overall demand for the Group’s products and services is expected to remain at the current level.

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Atlas Copco Group

Summary of nine-month results

Orders received in the first nine months of 2013 decreased by 11%, to MSEK 61 576 (69 469). Volume for comparable units decreased by 9%, price increases added 2%, structural changes contributed with 1%, and the negative currency effect was 5%. Revenues were MSEK 62 622 (67 785), corresponding to 4% organic decline.

Operating profit decreased by 11% to MSEK 12 901 (14 567), corresponding to a margin of 20.6% (21.5). The net currency effect compared to the previous year was MSEK -1 015 for the first nine months.

Profit before tax decreased to MSEK 12 341 (14 074), corresponding to a margin of 19.7% (20.8). Profit for the period totaled MSEK 9 179 (10 517). Basic and diluted earnings per share were SEK 7.56 (8.66) and 7.54 (8.62), respectively.

Operating cash flow before acquisitions, divestments and dividends totaled MSEK 7 323 (7 943). The operating cash flow 2012 included divestment of customer financing assets at a value of approximately MSEK 1 400.

Review of the third quarter

Market development

The order intake for Atlas Copco's equipment was lower compared to the previous year, primarily due to a significant decrease in orders received for mining equipment and partly due to fewer large compressor orders. The order intake increased significantly for industrial tools and assembly systems and increased slightly for small- and medium-sized compressors and for construction equipment.

The service business continued to develop well and grew organically compared to the previous year.

In **North America,** the order intake remained at a good level for small- and medium-sized industrial compressors, for industrial tools and assembly systems, and for construction equipment. The order intake for mining equipment and for large compressor installations was, however, lower compared to the previous year, when some large orders were won.

In **South America,** order volumes grew for all business areas, except Mining and Rock Excavation Technique, which suffered from the low mining equipment demand.

In **Europe**, orders received were slightly lower compared to the previous year. Orders for mining and rock excavation equipment decreased, while they increased somewhat for construction equipment and industrial tools. Order intake for compressed air solutions declined slightly, primarily due to fewer orders for large installations. The United Kingdom continued to have solid growth, while most markets in southern and eastern Europe had a negative development.

In **Africa/Middle East,** order volumes increased compared to the previous year, primarily due to good performance of Compressor Technique.

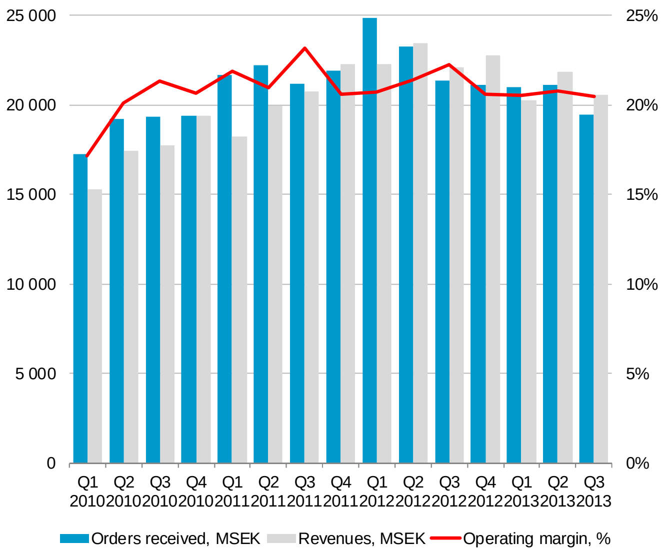
The order volumes in **Asia** were largely unchanged compared to the previous year. The order intake was very strong for industrial tools and assembly system, stable for industrial compressors, but declined for most other equipment.

The order intake in **Australia** decreased significantly compared to the previous year, due to lower demand from the mining industry.

Sales bridge

	July - September	
MSEK	Orders received	Revenues
2012	21 379	22 094
Structural change, %	+1	+1
Currency, %	-4	-4
Price, %	+1	+1
Volume, %	-7	-5
Total, %	-9	-7
2013	19 433	20 552

Orders, revenues and operating profit margin



Geographic distribution of orders received

%, last 12 months incl. September 2013	Compressor Technique	Industrial Technique	Mining and Rock Excavation Tech.	Construction Technique	Atlas Copco Group
North America	19	26	21	16	20
South America	7	6	15	13	10
Europe	35	46	20	34	31
Africa/Middle East	8	1	17	13	11
Asia/Australia	31	21	27	24	28
	100	100	100	100	100

Revenues, profits and returns
Revenues were MSEK 20 552 (22 094), corresponding to an organic decline of 4%.

Operating profit decreased by 14% to MSEK 4 212 (4 925), corresponding to an operating margin of 20.5% (22.3). The margin was affected by MSEK 50 restructuring costs in Mining and Rock Excavation Technique and by one-time items in Common Group Functions of MSEK +48, including an insurance reimbursement of MSEK +155 and change in provision for share-related long-term incentive programs of MSEK -107. Previous year included net one-time items in Common Group Functions of MSEK +68. The operating margin was negatively affected by lower volumes, currency and dilution from acquisitions, but was supported by cost reductions, higher prices and a positive revenue mix. The net currency effect compared to the previous year was MSEK -260.

Net financial items were MSEK -195 (-188). Interest net was MSEK -180 (-145).

Profit before tax amounted to MSEK 4 017 (4 737), corresponding to a margin of 19.5% (21.4).

Profit for the period totaled MSEK 3 054 (3 488). Basic and diluted earnings per share were SEK 2.52 (2.87) and SEK 2.51 (2.86), respectively.

The return on capital employed during the last 12 months was 30% (37). Return on equity was 37% (48).

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 5 170 (5 333).

Working capital increased by MSEK 485 (106), as payables decreased, and rental equipment, net, increased by MSEK 343 (53).

Investments in property, plant and equipment were MSEK 323 (365).

Operating cash flow equaled MSEK 2 404 (4 611). Previous year includes approximately MSEK 1 400 related to the divestment of assets in the customer financing portfolio.

Net indebtedness
The Group's net indebtedness, adjusted for the fair value of interest rate swaps, amounted to MSEK 9 639 (12 464), of which MSEK 2 097 (1 792) was attributable to post-employment benefits. The Group has an average maturity of 4.7 years on interest-bearing liabilities. The net debt/EBITDA ratio was 0.5 (0.6). The net debt/equity ratio was 42% (39).

Acquisition and divestment of own shares
During the quarter, 671 134 series A shares, net, were divested, for a net value of MSEK 124. These transactions are in accordance with mandates granted by the 2013 Annual General Meeting and relate to the Group's long-term incentive programs.

Employees
On September 30, 2013, the number of employees was 40 116 (39 921). The number of consultants/external workforce was 2 220 (2 131). For comparable units, the total workforce decreased by 649 from September 30, 2012. The number of employees increased in service and research and development, while it decreased in manufacturing and in administration.

Revenues and operating profit – bridge

MSEK	Q3 2013	Volume, price, mix and other	Currency	One-time items Acquisitions	Share based LTI programs	Q3 2012
Atlas Copco Group						
Revenues	20 552	-882	-885	225	-	22 094
EBIT	4 212	-383	-260	5	-75	4 925
%	20.5%	43.4%				22.3%

Compressor Technique

	July - September			January - September		
MSEK	2013	2012	%	2013	2012	%
Orders received	8 299	8 895	-7%	25 526	27 102	-6%
Revenues	8 334	8 599	-3%	24 732	25 597	-3%
Operating profit	1 970	2 065	-5%	5 731	5 810	-1%
– as a percentage of revenues	*23.6*	*24.0*		*23.2*	*22.7*	
Return on capital employed, %	62	62				

- **Stable order intake for small- and medium sized compressors, but lower order intake for large machines**
- **Service business continued to grow**
- **Expanding into process vacuum solutions by acquiring Edwards Group Ltd.**

Sales bridge

	July - September	
MSEK	Orders received	Revenues
2012	8 895	8 599
Structural change, %	+0	+0
Currency, %	-3	-3
Price, %	+1	+1
Volume, %	-5	-1
Total, %	-7	-3
2013	8 299	8 334

Industrial compressors
The order intake for stationary industrial compressors and air treatment equipment was somewhat lower, both sequentially and compared to the previous year. Year on year, the order volume for small- and medium sized compressors was stable in all major markets, while orders for larger machines decreased. The larger machine orders were stable in Asia, its biggest market, but decreased in North America and Europe.

Service
The service business continued to grow in all major markets. The highest growth was achieved in Africa/Middle East and in Asia.

Gas and process compressors
Orders for gas and process compressors were significantly lower compared to the high level of previous year but remained at the same level as in the second quarter. Orders increased year on year in Europe, but decreased in Asia and North America.

Specialty rental
The specialty rental business improved compared to the previous year. The best development was achieved in Africa/Middle East and in South America.

Innovation
The following products have been launched:

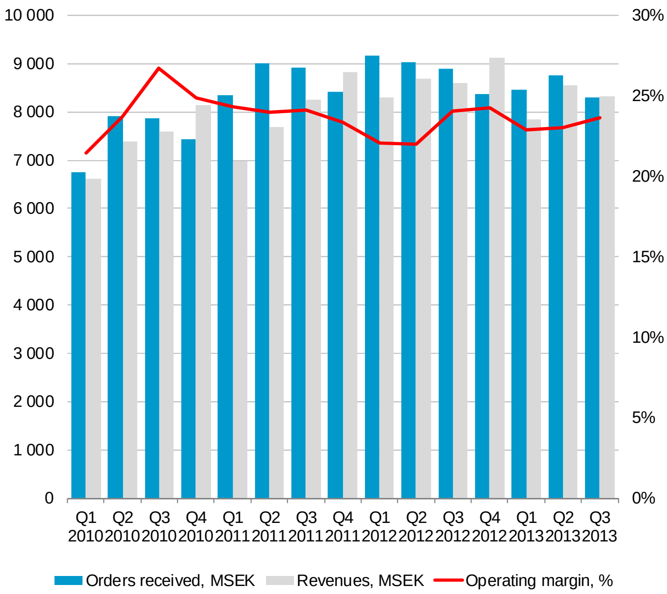
- A range of highly energy-efficient centrifugal compressors which saves up to 7% energy at full load.

Acquisitions
- In August, Atlas Copco AB and main owners of Edwards Group Ltd. entered into an agreement where Atlas Copco will acquire Edwards, a leading global supplier of vacuum and abatement solutions for an amount of up to BSEK 10.6 (BUSD 1.6). The agreement was approved by Edwards' shareholders on October 4, 2013. The transaction is subject to regulatory approval and is expected to close in the first quarter of 2014.
- In September, Atlas Copco Internationaal B.V. acquired Dost Kompresör ve Endüstri Makinalari Imal Bakim ve Ticaret A.S., a distributor and service provider of compressors and related equipment in Turkey. The business has 16 employees.

Revenues and profitability
Revenues reached MSEK 8 334 (8 599), corresponding to a flat development organically.

Operating profit was MSEK 1 970 (2 065), corresponding to a margin of 23.6% (24.0). The margin was negatively impacted by currency. Return on capital employed (last 12 months) was 62% (62).

Orders, revenues and operating profit margin



Industrial Technique

MSEK	July - September 2013	July - September 2012		January - September 2013	January - September 2012	
Orders received	2 402	2 218	8%	7 046	7 181	-2%
Revenues	2 383	2 280	5%	6 809	7 171	-5%
Operating profit	548	480	14%	1 517	1 625	-7%
– as a percentage of revenues	*23.0*	*21.1*		*22.3*	*22.7*	
Return on capital employed, %	41	44				

- **Continued strong order intake from the motor vehicle industry**
- **Operating margin at 23.0%, supported by efficiency improvements and volume**
- **Acquisition of assembly solutions expert**

Sales bridge

MSEK	July - September Orders received	July - September Revenues
2012	2 218	2 280
Structural change, %	+2	+2
Currency, %	-3	-2
Price, %	+0	+0
Volume, %	+9	+5
Total, %	+8	+5
2013	2 402	2 383

Motor vehicle industry
The orders received for advanced industrial tools and assembly systems from the motor vehicle industry continued to be strong. Order volumes remained at the same high level as in the second quarter, and meant a significant growth in all major markets compared to the previous year. The order intake was particularly strong in Asia and in North America.

General industry
The order volumes for industrial power tools for general industry were largely unchanged sequentially, but decreased somewhat compared to the previous year, primarily due to the development in the important European market. Growth was, however, achieved in Asia and South America.

Service
The service business developed well and the order intake increased both compared to the previous year and sequentially in most major markets.

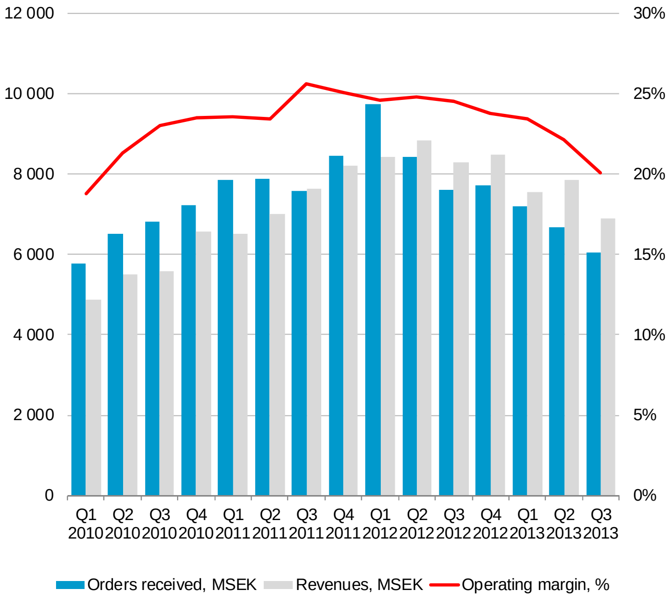
Innovation
The following product has been launched:
- A pneumatic grinder with a two-stage turbine motor that provides an extremely high efficiency combined with high operator comfort and safety. A speed governor helps reduce process time to a minimum and since the job is done faster, the total energy consumption is significantly lower.

Acquisition
- In September, Atlas Copco agreed to acquire Synatec, which provides quality improvement solutions mainly to the automotive industry. The company is based near Stuttgart, Germany, and had 120 employees and revenues of MSEK 105 in 2012. The acquisition was finalized in October.

Revenues and profitability
Revenues reached MSEK 2 383 (2 280), corresponding to an organic increase of 5%.

Operating profit was MSEK 548 (480), corresponding to an operating margin of 23.0% (21.1), positively impacted by efficiency improvements and volume. Return on capital employed (last 12 months) was 41% (44).

Orders, revenues and operating profit margin



Mining and Rock Excavation Technique

	July - September			January - September		
MSEK	2013	2012		2013	2012	
Orders received	6 044	7 603	-21%	19 930	25 771	-23%
Revenues	6 885	8 278	-17%	22 304	25 558	-13%
Operating profit	1 384	2 036	-32%	4 893	6 309	-22%
– as a percentage of revenues	*20.1*	*24.6*		*21.9*	*24.7*	
Return on capital employed, %	47	62				

- **Continued weak demand for mining equipment – actions to adjust capacity ongoing**
- **Service, parts and consumables business remained at good level**
- **Operating margin at 20.8%, adjusted for MSEK 50 in restructuring costs**

Sales bridge

	July - September	
MSEK	Orders received	Revenues
2012	7 603	8 278
Structural change, %	+2	+2
Currency, %	-6	-6
Price, %	+3	+3
Volume, %	-20	-16
Total, %	-21	-17
2013	6 044	6 885

Mining
The weak demand for mining equipment continued to affect order intake, which decreased significantly compared to the previous year for all types of equipment. Cancellations of approximately MSEK 340 affected the orders received further. Sequentially, orders for underground mining equipment were stable, but the order intake for large surface mining equipment decreased.

Civil engineering
The order intake for equipment for infrastructure projects was largely unchanged compared to the previous year, but lower sequentially. The development was similar for both underground and surface drilling equipment.

Service and consumables
The demand for service, spare parts and consumables remained at a good level and sales were largely unchanged compared to the previous year. The development was positive in Africa, South America and in Asia, but negative in Australia and North America. Sequentially, the volumes were slightly lower, also with a negative development in Australia and North America.

Innovation
The following products have been launched:

- Underground loaders and trucks with Tier 4 interim engines with lower emissions and reduced fuel consumption. The optional engine offers up to 5% greater efficiency than the equivalent Tier 3 engine.

Changes in management
Atlas Copco appointed Johan Halling as President of the Mining and Rock Excavation Technique business area and member of Group Management, effective August 1, 2013.

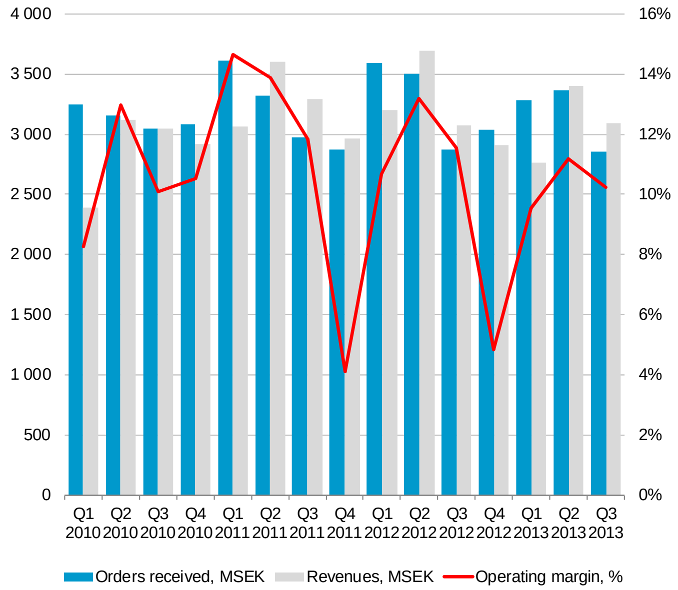
Acquisition
- In October, Atlas Copco acquired operational assets of Archer Underbalanced Services, a service provider of drilling equipment and compressed air packages to U.S. land-based oil and gas drilling companies. The business had revenues in 2012 of MSEK 230 and 75 employees.

Adjustment of capacity
Several actions to adjust capacity to the lower mining equipment demand have been implemented, including insourcing of final assembly. The total workforce for comparable units has been reduced with about 800 during the year. Further reduction of capacity will follow, including the announced reduction in Örebro, Sweden, affecting 163 employees.

Revenues and profitability
Revenues were MSEK 6 885 (8 278), corresponding to an organic decline of 13%.

Operating profit was MSEK 1 384 (2 036), including restructuring costs of MSEK 50. The adjusted operating margin was 20.8% (24.6). The margin was supported by a more favorable sales mix, but that was not enough to offset the negative effects from lower volumes, currency and dilution from acquisitions. Return on capital employed (last 12 months) was 47% (62).

Orders, revenues and operating profit margin



Construction Technique

	July - September			January - September		
MSEK	2013	2012		2013	2012	
Orders received	2 857	2 872	-1%	9 511	9 966	-5%
Revenues	3 090	3 074	1%	9 254	9 977	-7%
Operating profit	316	356	-11%	960	1 189	-19%
– as a percentage of revenues	*10.2*	*11.6*		*10.4*	*11.9*	
Return on capital employed, %	9	10				

- **Organic order growth of 3%**
- **Operating margin at 10.2%, negatively affected by currency**
- **Acquisition of light construction tool business**

Sales bridge

	July - September	
MSEK	Orders received	Revenues
2012	2 872	3 074
Structural change, %	+0	+0
Currency, %	-4	-4
Price, %	+0	+1
Volume, %	+3	+4
Total, %	-1	+1
2013	2 857	3 090

Construction equipment

The orders volumes for construction equipment increased somewhat compared to the previous year. Geographically, organic order intake increased in North and South America, Africa/Middle East and in Europe, but decreased somewhat in Asia. The order volumes for portable compressors, generators and construction tools were largely unchanged, while sales of road construction equipment increased compared to the previous year.

Compared to the previous quarter, and due to normal seasonal effects, the order intake decreased for all types of equipment and in all major markets.

Service

The service business remained healthy and grew organically compared to the previous year. The order intake improved in North and South America as well as in Africa/Middle East, but decreased somewhat in Asia and Europe.

Innovation

The following products have been launched:

- A range of small submersible pumps primarily intended for the light construction and general equipment rental industries. The pump is low weight, robust and easy to maintain.
- A range of compact rollers for soil compaction with software and features to optimize the compaction performance. These rollers are also easier to service and have lower noise and fuel consumption than their predecessors.

Acquisition

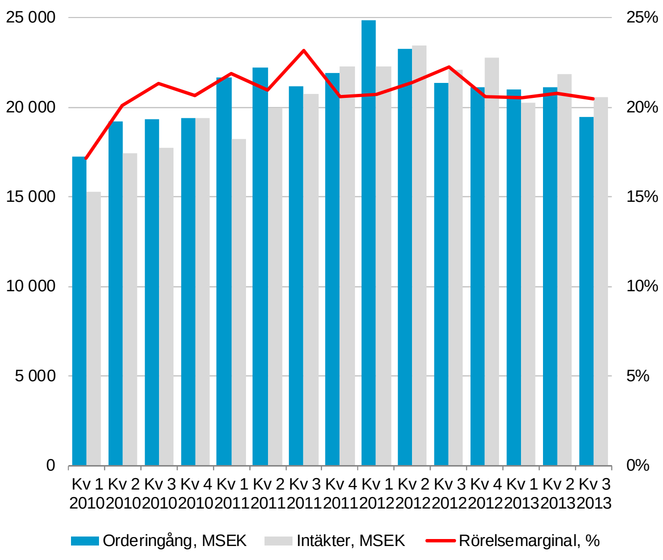
- In September, Atlas Copco acquired Pneumatic Holdings Inc., a U.S. provider of pneumatic light construction tools. The company is based in Santa Fe Springs, California and had revenues in 2012 of MSEK 73 and 16 employees.

Revenues and profitability

Revenues reached MSEK 3 090 (3 074), corresponding to an organic increase of 5%.

Operating profit was MSEK 316 (356), corresponding to a margin of 10.2% (11.6). The lower operating margin is primarily explained by currency. Return on capital employed (last 12 months) was 9% (10).

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 2012. The interim report is prepared in accordance with IAS 34 Interim Financial Reporting.

New and amended accounting standards

IASB has issued several new and amended standards and interpretations effective from January 1, 2013.

Amendment to IAS 19 Employees Benefits

The amended version of IAS 19 Employee Benefits was adopted by Atlas Copco as from January 1, 2013 with full retrospective application. As a consequence, the income statement and balance sheet for previous year have been restated. The effects on relevant lines are detailed in the table below:

Balance sheet, MSEK	Dec. 31, 2012	Sept. 30, 2012
Other financial assets	-507	-406
Deferred tax assets	152	64
Equity	-947	-588
Post-employment benefits	748	372
Deferred tax liabilities	-198	-170
Other liabilities and provisions	42	44
Income statement, MSEK	2012	Q3 2012
Operating profit	38	26
Profit before tax	24	12
Profit for the period	19	9

Other new and amended IFRS standards and IFRIC interpretations

The other new or amended IFRS standards and IFRIC interpretations have not had any material effect on the consolidated financial statements.

Risks and factors of uncertainty

Market risks

The demand for Atlas Copco's products 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 2012.

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		
	Sept. 30	Sept. 30	Sept. 30	Sept. 30	Sept. 30	Sept. 30	Dec. 31
MSEK	2013	2012	2013	2012	2013	2012	2012
Revenues	20 552	22 094	62 622	67 785	85 370	90 075	90 533
Cost of sales	-12 604	-13 430	-38 443	-41 675	-52 539	-55 562	-55 771
Gross profit	**7 948**	**8 664**	**24 179**	**26 110**	**32 831**	**34 513**	**34 762**
Marketing expenses	-2 035	-2 080	-6 175	-6 449	-8 372	-8 525	-8 646
Administrative expenses	-1 253	-1 179	-3 589	-3 693	-4 869	-5 021	-4 973
Research and development costs	-516	-473	-1 545	-1 530	-2 049	-2 073	-2 034
Other operating income and expenses	68	-7	31	129	59	269	157
Operating profit	**4 212**	**4 925**	**12 901**	**14 567**	**17 600**	**19 163**	**19 266**
- as a percentage of revenues	*20.5*	*22.3*	*20.6*	*21.5*	*20.6*	*21.3*	*21.3*
Net financial items	-195	-188	-560	-493	-771	-653	-704
Profit before tax	**4 017**	**4 737**	**12 341**	**14 074**	**16 829**	**18 510**	**18 562**
- as a percentage of revenues	*19.5*	*21.4*	*19.7*	*20.8*	*19.7*	*20.5*	*20.5*
Income tax expense	-963	-1 249	-3 162	-3 557	-4 234	-4 621	-4 629
Profit for the period	**3 054**	**3 488**	**9 179**	**10 517**	**12 595**	**13 889**	**13 933**
Profit attributable to							
- owners of the parent	3 051	3 484	9 170	10 507	12 583	13 875	13 920
- non-controlling interests	3	4	9	10	12	14	13
Basic earnings per share, SEK	**2.52**	**2.87**	**7.56**	**8.66**	**10.37**	**11.44**	**11.47**
Diluted earnings per share, SEK	2.51	2.86	7.54	8.62	10.36	11.42	11.44
Basic weighted average number of shares outstanding, millions	1 212.7	1 214.2	1 212.6	1 213.5	1 213.2	1 213.3	1 213.8
Diluted weighted average number of shares outstanding, millions	1 213.3	1 216.0	1 214.0	1 215.7	1 214.7	1 215.5	1 215.6

Key ratios

Key ratios	Sept. 30 2013	Sept. 30 2012	Dec. 31 2012
Equity per share, period end, SEK	30	25	28
Return on capital employed, 12 month values, %	30	37	36
Return on equity, 12 month values, %	37	48	46
Debt/equity ratio, period end, %	27	40	27
Equity/assets ratio, period end, %	42	39	42
Number of employees, period end	40 116	39 921	39 811

Consolidated statement of comprehensive income

MSEK	3 months ended Sept. 30 2013	3 months ended Sept. 30 2012	9 months ended Sept. 30 2013	9 months ended Sept. 30 2012	12 months ended Sept. 30 2013	12 months ended Sept. 30 2012	12 months ended Dec. 31 2012
Profit for the period	**3 054**	**3 488**	**9 179**	**10 517**	**12 595**	**13 889**	**13 933**
Other comprehensive income							
Items that will not be reclassified to profit or loss							
Remeasurements of defined benefit pension plans	-6	4	32	16	-463	16	-479
Income tax relating to items that will not be reclassified	-4	-1	-5	-4	115	-4	116
	-10	**3**	**27**	**12**	**-348**	**12**	**-363**
Items that may be reclassified subsequently to profit or loss							
Translation differences on foreign operations	-1 216	-1 822	-657	-2 476	-84	-3 279	-1 903
- realized and reclassified to income statement	-	-	1	-	1	-2	-
Hedge of net investments in foreign operations	205	701	-133	1 035	-523	1 509	645
Cash flow hedges	-10	-7	86	6	58	66	-22
Available-for-sale investments	-	-	-	-	-	19	-
- realized and reclassified to income statement	-	-	-	-	-	-43	-
Income tax relating to items that may be reclassified	-107	-467	58	-709	502	-1 102	-265
	-1 128	**-1 595**	**-645**	**-2 144**	**-46**	**-2 832**	**-1 545**
Other comprehensive income for the period, net of tax	**-1 138**	**-1 592**	**-618**	**-2 132**	**-394**	**-2 820**	**-1 908**
Total comprehensive income for the period	**1 916**	**1 896**	**8 561**	**8 385**	**12 201**	**11 069**	**12 025**
Total comprehensive income attributable to							
- owners of the parent	1 922	1 892	8 558	8 377	12 197	11 062	12 016
- non-controlling interests	-6	4	3	8	4	7	9

Consolidated balance sheet

MSEK	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012	Jan. 1, 2012
Intangible assets	16 495	15 879	15 718	15 352
Rental equipment	2 302	2 030	1 900	2 117
Other property, plant and equipment	6 759	6 846	6 723	6 538
Financial assets and other receivables	2 598	2 219	2 159	2 501
Deferred tax assets	1 131	1 262	1 237	1 114
Total non-current assets	**29 285**	**28 236**	**27 737**	**27 622**
Inventories	17 378	17 653	18 642	17 579
Trade and other receivables	21 807	21 155	21 551	21 996
Other financial assets	1 646	1 333	1 395	1 773
Cash and cash equivalents	16 056	12 416	8 772	5 716
Assets classified as held for sale	1	1	1	55
Total current assets	**56 888**	**52 558**	**50 361**	**47 119**
TOTAL ASSETS	**86 173**	**80 794**	**78 098**	**74 741**
Equity attributable to owners of the parent	35 921	34 131	30 745	28 159
Non-controlling interests	145	54	53	63
TOTAL EQUITY	**36 066**	**34 185**	**30 798**	**28 222**
Borrowings	19 060	20 150	20 052	17 013
Post-employment benefits	2 097	2 149	1 792	1 878
Other liabilities and provisions	1 096	1 127	1 000	1 085
Deferred tax liabilities	1 684	1 678	1 888	1 207
Total non-current liabilities	**23 937**	**25 104**	**24 732**	**21 183**
Borrowings	6 367	902	1 050	3 422
Trade payables and other liabilities	18 649	19 412	20 338	20 708
Provisions	1 154	1 191	1 180	1 206
Total current liabilities	**26 170**	**21 505**	**22 568**	**25 336**
TOTAL EQUITY AND LIABILITIES	**86 173**	**80 794**	**78 098**	**74 741**

Consolidated statement of changes in equity

	Equity attributable to		
MSEK	owners of the parent	non-controlling interests	Total equity
Opening balance, January 1, 2013	**34 131**	**54**	**34 185**
Changes in equity for the period			
Total comprehensive income for the period	8 558	3	8 561
Dividends	-6 668	-	-6 668
Change of non-controlling interests	-2	88	86
Acquisition and divestment of own shares	-38	-	-38
Share-based payments, equity settled	-60	-	-60
Closing balance, September 30, 2013	**35 921**	**145**	**36 066**

	Equity attributable to		
MSEK	owners of the parent	non-controlling interests	Total equity
Opening balance, January 1, 2012	**28 776**	**63**	**28 839**
Changes in accounting policy	-617	-	-617
Restated balance, January 1, 2012	**28 159**	**63**	**28 222**
Changes in equity for the period			
Total comprehensive income for the period	12 016	9	12 025
Dividends	-6 069	-1	-6 070
Change of non-controlling interests	-90	-17	-107
Acquisition and divestment of own shares	271	-	271
Share-based payments, equity settled	-156	-	-156
Closing balance, December 31, 2012	**34 131**	**54**	**34 185**

	Equity attributable to		
MSEK	owners of the parent	non-controlling interests	Total equity
Opening balance, January 1, 2012	**28 776**	**63**	**28 839**
Changes in accounting policy	-617	-	-617
Restated balance, January 1, 2012	**28 159**	**63**	**28 222**
Changes in equity for the period			
Total comprehensive income for the period	8 377	8	8 385
Dividends	-6 069	-1	-6 070
Change of non-controlling interests	-90	-17	-107
Acquisition and divestment of own shares	481	-	481
Share-based payments, equity settled	-113	-	-113
Closing balance, September 30, 2012	**30 745**	**53**	**30 798**

Consolidated statement of cash flows

MSEK	July - September 2013	2012	January - September 2013	2012
Cash flows from operating activities				
Operating profit	4 212	4 925	12 901	14 567
Depreciation, amortization and impairment (see below)	688	664	1 998	1 973
Capital gain/loss and other non-cash items	270	-256	-4	-314
Operating cash surplus	5 170	5 333	14 895	16 226
Net financial items received/paid	-235	-164	-452	-611
Taxes paid	-1 135	-1 111	-3 274	-3 942
Change in working capital	-485	-106	-1 141	-2 534
Increase in rental equipment	-447	-209	-1 109	-961
Sale of rental equipment	104	156	322	521
Net cash from operating activities	**2 972**	**3 899**	**9 241**	**8 699**
Cash flows from investing activities				
Investments in property, plant and equipment	-323	-365	-902	-1 234
Sale of property, plant and equipment	21	15	52	41
Investments in intangible assets	-231	-218	-710	-661
Sale of intangible assets	8	2	11	4
Acquisition of subsidiaries and associated companies	-126	-349	-1 135	-1 049
Sale of subsidiaries	-	-	1	-
Other investments, net	-43	1 278	-722	1 094
Net cash from investing activities	**-694**	**363**	**-3 405**	**-1 805**
Cash flows from financing activities				
Dividends paid	-	-	-6 668	-6 069
Dividends paid to non-controlling interest	-	-2	-	-1
Acquisition of non-controlling interest	-	-2	-3	-107
Repurchase and sales of own shares	124	87	-38	481
Change in interest-bearing liabilities	-199	400	4 555	1 990
Net cash from financing activities	**-75**	**483**	**-2 154**	**-3 706**
Net cash flow for the period	**2 203**	**4 745**	**3 682**	**3 188**
Cash and cash equivalents, beginning of the period	14 076	4 160	12 416	5 716
Exchange differences in cash and cash equivalents	-223	-133	-42	-132
Cash and cash equivalents, end of the period	**16 056**	**8 772**	**16 056**	**8 772**

Depreciation, amortization and impairment				
Rental equipment	*177*	*155*	*507*	*520*
Other property, plant and equipment	*313*	*279*	*888*	*832*
Intangible assets	*198*	*230*	*603*	*621*
Total	*688*	*664*	*1 998*	*1 973*

Calculation of operating cash flow

MSEK	July - September 2013	2012	January - September 2013	2012
Net cash flow for the period	**2 203**	**4 745**	**3 682**	**3 188**
Add back:				
Change in interest-bearing liabilities	199	-400	-4 555	-1 990
Repurchase and sales of own shares	-124	-87	38	-481
Dividends paid	-	-	6 668	6 069
Dividends paid to non-controlling interest	-	2	-	1
Acquisition of non-controlling interest	-	2	3	107
Acquisitions and divestments	126	349	1 134	1 049
Investments of cash liquidity	-	-	353	-
Operating cash flow	**2 404**	**4 611**	**7 323**	**7 943**

Revenues by business area

MSEK (by quarter)	2011 Q1	Q2	Q3	Q4	2012 Q1	Q2	Q3	Q4	2013 Q1	Q2	Q3
Compressor Technique	6 989	7 676	8 264	8 831	8 306	8 692	8 599	9 117	7 842	8 556	8 334
- of which external	*7 000*	*7 699*	*8 171*	*8 804*	*8 287*	*8 672*	*8 584*	*9 095*	*7 825*	*8 539*	*8 333*
- of which internal	*-11*	*-23*	*93*	*27*	*19*	*20*	*15*	*22*	*17*	*17*	*1*
Industrial Technique	1 768	1 800	1 816	2 437	2 471	2 420	2 280	2 395	2 183	2 243	2 383
- of which external	*1 763*	*1 792*	*1 807*	*2 429*	*2 464*	*2 414*	*2 271*	*2 387*	*2 177*	*2 233*	*2 374*
- of which internal	*5*	*8*	*9*	*8*	*7*	*6*	*9*	*8*	*6*	*10*	*9*
Mining and Rock Excavation Technique	6 516	6 994	7 642	8 204	8 434	8 846	8 278	8 496	7 562	7 857	6 885
- of which external	*6 485*	*6 987*	*7 609*	*8 183*	*8 418*	*8 807*	*8 265*	*8 508*	*7 545*	*7 851*	*6 882*
- of which internal	*31*	*7*	*33*	*21*	*16*	*39*	*13*	*-12*	*17*	*6*	*3*
Construction Technique	3 063	3 599	3 292	2 964	3 206	3 697	3 074	2 911	2 761	3 403	3 090
- of which external	*2 930*	*3 422*	*3 090*	*2 784*	*3 006*	*3 477*	*2 910*	*2 726*	*2 613*	*3 188*	*2 867*
- of which internal	*133*	*177*	*202*	*180*	*200*	*220*	*164*	*185*	*148*	*215*	*223*
Common Group functions/ Eliminations	-113	-118	-275	-146	-163	-218	-137	-171	-121	-216	-140
Atlas Copco Group	**18 223**	**19 951**	**20 739**	**22 290**	**22 254**	**23 437**	**22 094**	**22 748**	**20 227**	**21 843**	**20 552**

Operating profit by business area

MSEK (by quarter)	2011 Q1	Q2	Q3	Q4	2012 Q1	Q2	Q3	Q4	2013 Q1	Q2	Q3
Compressor Technique	1 701	1 840	1 990	2 061	1 834	1 911	2 065	2 207	1 792	1 969	1 970
- as a percentage of revenues	*24.3*	*24.0*	*24.1*	*23.3*	*22.1*	*22.0*	*24.0*	*24.2*	*22.9*	*23.0*	*23.6*
Industrial Technique	401	392	398	576	593	552	480	533	487	482	548
- as a percentage of revenues	*22.7*	*21.8*	*21.9*	*23.6*	*24.0*	*22.8*	*21.1*	*22.3*	*22.3*	*21.5*	*23.0*
Mining and Rock Excavation Technique	1 537	1 641	1 959	2 059	2 077	2 196	2 036	2 026	1 771	1 738	1 384
- as a percentage of revenues	*23.6*	*23.5*	*25.6*	*25.1*	*24.6*	*24.8*	*24.6*	*23.8*	*23.4*	*22.1*	*20.1*
Construction Technique	449	499	390	122	344	489	356	143	263	381	316
- as a percentage of revenues	*14.7*	*13.9*	*11.8*	*4.1*	*10.7*	*13.2*	*11.6*	*4.9*	*9.5*	*11.2*	*10.2*
Common Group functions/ Eliminations	-101	-195	63	-222	-234	-120	-12	-210	-157	-37	-6
Operating profit	**3 987**	**4 177**	**4 800**	**4 596**	**4 614**	**5 028**	**4 925**	**4 699**	**4 156**	**4 533**	**4 212**
- as a percentage of revenues	*21.9*	*20.9*	*23.1*	*20.6*	*20.7*	*21.5*	*22.3*	*20.7*	*20.5*	*20.8*	*20.5*
Net financial items	69	-96	-97	-160	-120	-185	-188	-211	-111	-254	-195
Profit before tax	**4 056**	**4 081**	**4 703**	**4 436**	**4 494**	**4 843**	**4 737**	**4 488**	**4 045**	**4 279**	**4 017**
- as a percentage of revenues	*22.3*	*20.5*	*22.7*	*19.9*	*20.2*	*20.7*	*21.4*	*19.7*	*20.0*	*19.6*	*19.5*

Key figures by quarter

SEK	2011 Q1	Q2	Q3	Q4	2012 Q1	Q2	Q3	Q4	2013 Q1	Q2	Q3
Basic earnings per share	2.48	2.46	2.96	2.78	2.81	2.98	2.87	2.81	2.46	2.58	2.52
Diluted earnings per share	2.47	2.45	2.91	2.77	2.80	2.97	2.86	2.81	2.45	2.56	2.51
Equity per share	25	18	22	23	26	24	25	28	30	28	30
Operating cash flow per share	1.66	0.47	1.75	1.30	1.19	1.56	3.80	3.53	1.34	2.71	1.98
%											
Return on capital employed, 12 months value	32	34	36	37	37	39	37	36	34	32	30
Return on equity, 12 months value	41	44	47	48	49	52	48	46	42	40	37
Debt/equity ratio, period end	17	69	53	52	43	62	40	27	23	37	27
Equity/assets ratio, period end	41	34	37	38	38	37	39	42	42	39	42
Number of employees, period end	33 595	34 976	36 638	37 579	38 623	39 332	39 921	39 811	40 344	40 369	40 116

Acquisitions

Date	Acquisitions	Business area	Revenues MSEK*	Number of employees*
2013 Oct. 17	Archer Underbalanced Services	Mining & Rock Excavation Tech.	230	75
2013 Oct. 14	Synatec	Industrial Technique	105	120
2013 Sep. 10	Pneumatic Holdings	Construction Technique	73	16
2013 Sep. 9	Dost Kompresör *Distributor Turkey*	Compressor Technique		16
2013 May 3	National Pump & Compressor *Distributor USA*	Compressor Technique		45
2013 May 2	Saltus-Werk Max Forst	Industrial Technique	70	65
2013 Apr. 23	Rapid-Torc	Industrial Technique	75	30
2013 Apr. 3	MEYCO	Mining & Rock Excavation Tech.	190	45
2013 Mar. 5	Shandong Rock Drilling Tools Co., Ltd	Mining & Rock Excavation Tech.	420	687
2013 Feb. 28	Air et Techniques Energies Provence - *Distributor France*	Compressor Technique	50	30
2012 Oct. 26	NewTech Drilling Products	Mining & Rock Excavation Tech.	45	20
2012 Aug. 2	Ekomak Group	Compressor Technique	200	160
2012 Aug. 1	Gazcon A/S	Compressor Technique	30	21
2012 Mar. 16	Guangzhou Linghein Compressor	Compressor Technique	100	160
2012 Feb. 13	Wuxi Shengda Air/Gas Purity Equipment	Compressor Technique	85	130
2012 Jan. 31	Neumatica - *Distributor Colombia*	Mining & Rock Excavation Tech.		15
2012 Jan. 31	GIA Industri AB	Mining & Rock Excavation Tech.	230	113
2012 Jan. 12	Perfora S.p.A.	Mining & Rock Excavation Tech.	90	43
2012 Jan. 4	Houston Service Industries, Inc.	Compressor Technique	240	123

* Annual revenues and number of employees at time of acquisition. No revenues are disclosed for former Atlas Copco distributors. Due to the relatively small size of the acquisitions, full disclosure as per IFRS 3 is not given in this interim report. The annual report for 2013 will include all stipulated disclosures for acquisitions made during 2013. See the annual report for 2012 for disclosure of acquisitions and divestments made in 2012.

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 are based on level 2 in the fair value hierarchy. Compared to 2012, no transfers have been made between different levels in the fair value hierarchy and no significant changes have been made to valuation techniques, inputs used or assumptions.

Outstanding derivative instruments recorded to fair value

MSEK	Sept. 30, 2013	Dec. 31, 2012
Non-current assets and liabilities		
Assets	215	258
Liabilities	19	82
Current assets and liabilities		
Assets	180	200
Liabilities	365	781

Carrying value and fair value of borrowings

MSEK	Sept. 30, 2013	Sept. 30, 2013	Dec. 31, 2012	Dec. 31, 2012
	Carrying value	Fair value	Carrying value	Fair value
Bonds	18 231	19 482	14 140	15 866
Other loans	7 196	7 284	6 912	7 023
	25 427	26 766	21 052	22 889

Parent company

Income statement

	July - September		January - September	
MSEK	2013	2012	2013	2012
Administrative expenses	-122	-92	-301	-309
Other operating income and expenses	208	47	300	152
Operating profit/loss	**86**	**-45**	**-1**	**-157**
Financial income and expenses	4 343	-115	5 751	-528
Profit/loss before tax	**4 429**	**-160**	**5 750**	**-685**
Income tax	-84	12	165	130
Profit/loss for the period	**4 345**	**-148**	**5 915**	**-555**

Balance sheet

	Sept. 30	Sept. 30	Dec. 31
MSEK	2013	2012	2012
Total non-current assets	93 738	91 751	93 359
Total current assets	14 868	9 545	15 382
TOTAL ASSETS	**108 606**	**101 296**	**108 741**
Total restricted equity	5 785	5 785	5 785
Total non-restricted equity	34 476	32 444	35 452
TOTAL EQUITY	**40 261**	**38 229**	**41 237**
Untaxed reserves	1 255	-	1 255
Total provisions	846	1 370	1 056
Total non-current liabilities	34 708	51 745	48 945
Total current liabilities	31 536	9 952	16 248
TOTAL EQUITY AND LIABILITIES	**108 606**	**101 296**	**108 741**
Assets pledged	134	55	94
Contingent liabilities	387	359	368

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	*-15 656 730*
- of which B shares held by Atlas Copco	*-758 879*
Total shares outstanding, net of shares held by Atlas Copco	1 213 197 495

Personnel stock option program

The Annual General Meeting 2013 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 purchase and sell own shares as per below:

- The purchase of not more than 4 250 000 series A shares, whereof a maximum 3 500 000 may be transferred to personnel stock option holders under the Performance Stock Option Plan 2013.
- The purchase of not more than 70 000 series A shares, later to be sold on the market in connection with payment to Board members who have opted to receive synthetic shares as part of their board fee.
- The sale of not more than 55 000 series A shares to cover costs related to previously issued synthetic shares to Board members.
- The sale of maximum of 8 100 000 series A and series B shares in order to cover the obligations under the performance stock option plans 2008, 2009 and 2010.

The shares may only be purchased or sold on NASDAQ OMX Stockholm and only at a price per share within the registered trading range in effect from time to time.

During the first nine months 2013, 284 081 series A shares, net, were acquired and 59 401 series B shares, net, were divested in accordance with mandates granted.

The company's holding of own shares on September 30, 2013 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. Atlas Copco has adopted a policy to control the financial risks to which Atlas Copco AB and the Group are exposed. A financial risk management committee meets regularly to take decisions about how to manage financial risks.

For further information, see the 2012 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 2012.

This is Atlas Copco

Atlas Copco is an industrial group with world-leading positions in compressors, expanders and air treatment systems, construction and mining equipment, power tools and assembly systems. With innovative products and services, Atlas Copco delivers solutions for sustainable productivity. The company was founded in 1873, is based in Stockholm, Sweden, and has a global reach spanning more than 170 countries. In 2012, Atlas Copco had 39 800 employees and revenues of BSEK 90.5 (BEUR 10.5).

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, gas and process compressors and expanders, air and gas treatment equipment and air management systems. It has a global service network and offers specialty rental services. Compressor Technique innovates for sustainable productivity in the manufacturing, oil and gas, and process industries. Principal product development and manufacturing units are located in Belgium, Germany, the United States, China and India.

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

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. It offers service through a global network. Construction Technique innovates for sustainable productivity in infrastructure, civil works and road construction projects. Principal product development and manufacturing units are located in Belgium, Germany, Sweden, China 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 development. 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 2012 for a summary of all Group goals and for more information.

For further information

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Conference call

A conference call to comment on the results will be held on October 25 at 3.00 PM CET. The dial-in numbers are:

- Sweden: +46 8 5059 8261
- UK: +44 207 660 2077
- US: +1 855 716 1597

To help ensure that the conference call begins in a timely manner, please dial in 5-10 minutes prior to the scheduled start time.

The conference call will be broadcasted live via the Internet. Please see the Investor Relations section of our website for the link, presentation material, and further details: www.atlascopco.com/ir

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

Capital Markets Day

Atlas Copco invites investors, analysts and financial media to its annual Capital Markets Day on November 20, 2013, in Stockholm, Sweden.
Please visit www.atlascopco.com/CMD2013 for more information.

Report on Q4 and full-year 2013 summary

The report on Q4 and full-year 2013 summary will be published on January 30, 2014.

Annual General Meeting

The Annual General Meeting for Atlas Copco AB will be held April 29, 2014 at 4 p.m. in Aula Magna, Stockholm University, Frescativägen 6, Stockholm, Sweden.