Press Release from the Atlas Copco Group

July 16, 2015

Atlas Copco
Second-quarter report 2015

Growth in service and improved order intake in Europe

- Record orders received, revenues and operating profit with strong impact from currency
- Orders increased 14% to a record of MSEK 26 775 (23 450), flat organic development
- Revenues increased to MSEK 26 111 (23 348), organic decline of 3%
- Adjusted operating profit of MSEK 5 162 (4 382), corresponding to a margin of 19.8% (18.8)
- Reported operating profit at a record MSEK 5 072 (4 339), including items affecting comparability of MSEK -90 (-43), corresponding to a margin of 19.4% (18.6)
- Profit before tax amounted to MSEK 4 850 (4 174)
- Profit for the period increased 14% to MSEK 3 651 (3 207)
- Basic earnings per share were SEK 3.00 (2.64)
- Operating cash flow at MSEK 3 481 (3 102)

	April - June			January - June		
MSEK	2015	2014	%	2015	2014	%
Orders received	26 775	23 450	14%	52 245	46 103	13%
Revenues	26 111	23 348	12%	50 856	44 771	14%
Operating profit	5 072	4 339	17%	9 591	8 099	18%
– as a percentage of revenues	*19.4*	*18.6*		*18.9*	*18.1*	
Profit before tax	4 850	4 174	16%	9 137	7 776	18%
– as a percentage of revenues	*18.6*	*17.9*		*18.0*	*17.4*	
Profit for the period	3 651	3 207	14%	6 887	5 962	16%
Basic earnings per share, SEK	3.00	2.64		5.65	4.91	
Diluted earnings per share, SEK	2.96	2.64		5.63	4.90	
Return on capital employed, %	25	25				

Near-term demand outlook
The overall demand for the Group is expected to increase somewhat.

Previous near-term demand outlook (published April 28, 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.

Atlas Copco Group Center

Atlas Copco AB	Visitors address:	Telephone: +46 (0)8 743 8000	A Public Company (publ)
SE-105 23 Stockholm	Sickla Industriväg 19	Telefax: +46 (0)8 644 9045	Reg. No: 556014-2720
Sweden	Nacka	www.atlascopco.com	Reg. Office Nacka

Atlas Copco Group
Summary of half-year results

Orders received in the first six months of 2015 increased by 13% to MSEK 52 245 (46 103). Volume for comparable units decreased by 3%, price increases contributed 1%, structural changes added 2%, and the positive currency effect was 13%. Revenues were MSEK 50 856 (44 771), corresponding to a 2% organic decline.

Operating profit increased by 18% to MSEK 9 591 (8 099). The operating margin was 18.9% (18.1). The positive impact of changes in exchange rates amounted to MSEK 2 010 for the first half-year.

Profit before tax was MSEK 9 137 (7 776), corresponding to a margin of 18.0% (17.4). Profit for the period totaled MSEK 6 887 (5 962). Basic and diluted earnings per share were SEK 5.65 (4.91) and 5.63 (4.90) respectively.

Operating cash flow before acquisitions, divestments and dividends totaled MSEK 6 979 (4 965).

Review of the second quarter
Market development

Atlas Copco's service business continued to grow, both compared to the previous year and sequentially, i.e. compared to the previous quarter. The demand for equipment was, again, mixed and was low for large equipment and good for small and medium sized industrial equipment. Order volumes improved somewhat sequentially, but were slightly lower compared to the previous year.

The demand for industrial tools, assembly systems and solutions remained strong. The orders received were robust and improved compared to the previous year. The order volumes for small and medium-sized compressors remained stable at a good level and the order volumes increased for vacuum equipment. The demand for large compressors as well as for mining and rock excavation equipment continued to be soft. Order volumes for these products decreased compared to the previous year, but improved somewhat compared to the weak first quarter 2015. The demand for construction equipment also remained weak and the order intake decreased compared to the previous year.

Geographic distribution of orders received

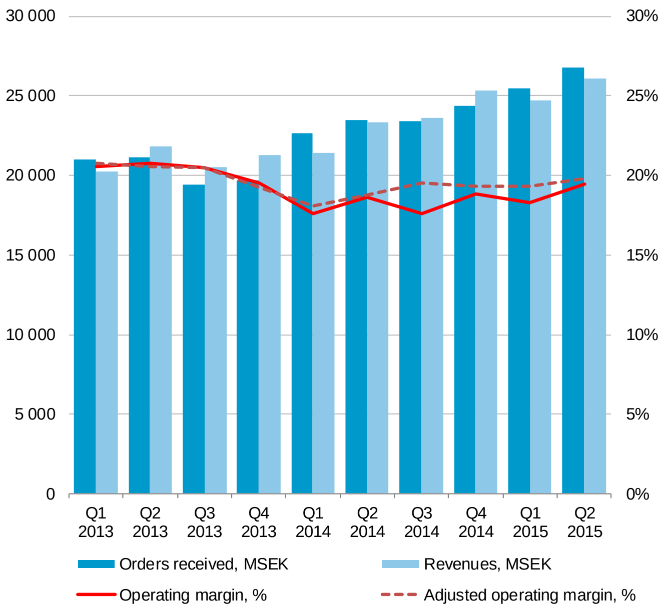
	Atlas Copco Group	
%, April - June 2015	Orders Received	Change*
North America	24	+2
South America	7	-9
Europe	30	+10
Africa/Middle East	9	-1
Asia	26	-2
Australia	4	-10
	100	+2

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

Sales bridge

	April - June	
MSEK	Orders received	Revenues
2014	23 450	23 348
Structural change, %	+2	+2
Currency, %	+12	+13
Price, %	+1	+0
Volume, %	-1	-3
Total, %	+14	+12
2015	26 775	26 111

Orders, revenues and operating profit margin



%, April - June 2015	Compressor Technique	Industrial Technique	Mining and Rock Excavation Tech.	Construction Technique	Atlas Copco Group
North America	23	29	24	20	24
South America	5	4	13	8	7
Europe	29	42	24	35	30
Africa/Middle East	7	1	14	16	9
Asia/Australia	36	24	25	21	30
	100	100	100	100	100

Revenues, profits and returns
Revenues increased 12% to a record MSEK 26 111 (23 348). Currency and acquisitions contributed with 13% and 2%, respectively, while the organic decrease was 3%.

The operating profit increased 17% to MSEK 5 072 (4 339) and include items affecting comparability of MSEK -90 (-43). These include restructuring costs of MSEK 65 in Mining and Rock Excavation Technique and MSEK 95 in Construction Technique, and a change in provision for share-related long-term incentive programs, reported in Common Group Functions of MSEK +70 (-43).

The adjusted operating profit increased 18% to MSEK 5 162 (4 382), corresponding to a margin of 19.8% (18.8). The net currency effect compared to the previous year was strongly positive at MSEK 945 and this also contributed to the margin improvement. The margin was, however, negatively affected by lower revenue volume and equipment mix, as well as by dilution from acquisitions.

Net financial items were MSEK -222 (-165). Interest net was MSEK -176 (-175) and other financial items were MSEK -46 (+10), related to exchange differences and revaluation of financial derivatives.

Profit before tax amounted to MSEK 4 850 (4 174), corresponding to a margin of 18.6% (17.9).

Profit for the period totaled MSEK 3 651 (3 207). Basic and diluted earnings per share were SEK 3.00 (2.64) and SEK 2.96 (2.64), respectively.

The return on capital employed during the last 12 months was 25% (25). Return on equity was 28% (31). 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 6 170 (4 999), supported by currency. Cash flows from financial items were MSEK +367 (-422). The main explanation is positive cash flows from currency hedges of loans of MSEK 508 (-194) where the offsetting cash flow occurs in the future. Working capital increased by MSEK 520 (decreased 409) due to increased revenues and consequently increased customer receivables. Rental equipment, net, increased MSEK 272 (318). Net investments in property, plant and equipment were MSEK 399 (331).

In total, operating cash flow, adjusted for currency hedges of loans, reached MSEK 3 481 (3 102).

Net indebtedness
The Group's net indebtedness, adjusted for the fair value of interest rate swaps, amounted to MSEK 20 715 (20 424), of which MSEK 2 740 (2 066) was attributable to post-employment benefits. The Group has an average maturity of 4.5 years on interest-bearing liabilities.

In the quarter, payments for the first installment of the annual dividend and the extra distribution (mandatory redemption of shares) were made of in total MSEK 10 956. The second 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 0.9 (1.0). The net debt/equity ratio was 48% (51).

Acquisition and divestment of own shares
During the quarter, 587 605 A shares and 107 500 B shares, net, were divested for a net value of MSEK 176. These transactions are in accordance with mandates granted by the Annual General Meeting and relate to the Group's long-term incentive programs.

Employees
On June 30, 2015, the number of employees was 43 584 (43 937). The number of consultants/external workforce was 3 084 (3 107). For comparable units, the total workforce decreased by 973 from June 30, 2014.

Revenues and operating profit – bridge

MSEK	Q2 2015	Volume, price, mix and other	Currency	One-time items Acquisitions	Share based LTI programs	Q2 2014
Atlas Copco Group						
Revenues	26 111	-667	2 900	530	-	23 348
EBIT	5 072	-255	945	-70	113	4 339
%	19.4%	38.2%				18.6%

Compressor Technique

	April - June			January - June		
MSEK	2015	2014	%	2015	2014	%
Orders received	12 014	10 474	15%	23 325	20 414	14%
Revenues	11 462	10 353	11%	22 511	19 762	14%
Operating profit	2 603	2 219	17%	4 995	4 134	21%
– as a percentage of revenues	*22.7*	*21.4*		*22.2*	*20.9*	
Return on capital employed, %	38	48				

- **Record order intake, supported by service growth and currency**
- **Stable demand for small and medium-sized compressors – low for large compressors**
- **Increased order intake for vacuum solutions**

Sales bridge

	April - June	
MSEK	Orders received	Revenues
2014	10 474	10 353
Structural change, %	+1	+1
Currency, %	+14	+13
Price, %	+1	+1
Volume, %	-1	-4
Total, %	+15	+11
2015	12 014	11 462

Industrial compressors

The overall demand for small and medium-sized compressors remained stable and the order volumes were unchanged compared to the previous year. Geographically, the development was positive in Europe, but negative in North America and Asia.

The demand for larger machines continued to be soft and order volumes were lower compared to the previous year, but somewhat higher than the weak first quarter. The order intake for large machines increased in the Middle East, North America and in Europe, but was lower in Asia.

Gas and process compressors

The order intake was lower compared to the previous year, but it was somewhat higher sequentially. Compared to the previous year, orders increased in North America and in Europe, but decreased significantly in Asia.

Vacuum solutions

The demand for vacuum solutions remained strong, particularly from the semiconductor industry. The order intake increased both compared to the previous year and sequentially.

Service

The service business continued to grow in all regions, with strong growth in China and a positive development of service contracts.

Innovation

A range of oil-injected screw compressors was launched in the quarter. The range has an enhanced design that improves the performance up to 5% compared to the previous generation.

An improved range of on-site nitrogen generators were presented during the quarter. These machines use 50% less energy than the typical installations in the industry.

ISO 22000 Food Safety System Certification

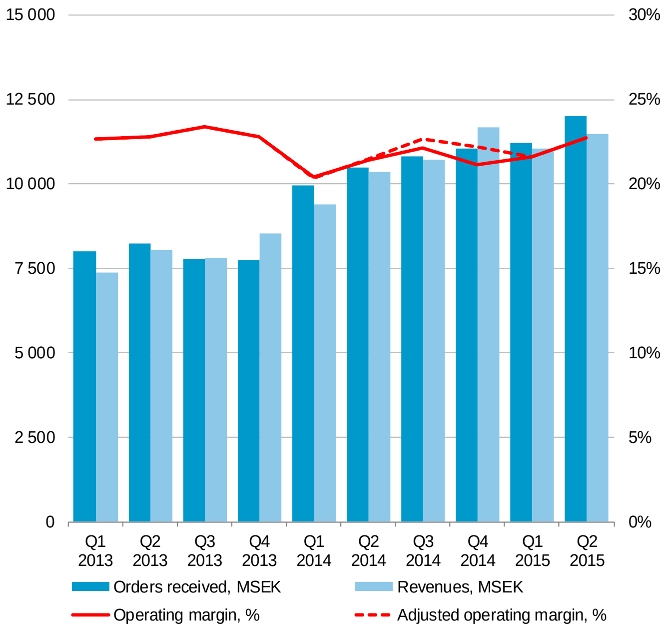
Atlas Copco is the first compressor manufacturer to receive ISO 22000 - Food Safety System Certification – for its production facility in Antwerp, Belgium, which manufactures state-of-the-art oil-free air compressors, blowers and air treatment products.

Revenues and profitability

Revenues increased 11%, supported by currency, to MSEK 11 462 (10 353), corresponding to an organic decline of 3%.

The operating profit was a record MSEK 2 603 (2 219). The operating margin reached 22.7% (21.4), also supported by currency. Return on capital employed (last 12 months) was 38% (48).

Orders, revenues and operating profit margin



Industrial Technique

	April - June			January - June		
MSEK	2015	2014	%	2015	2014	%
Orders received	3 702	2 754	34%	7 434	5 347	39%
Revenues	3 697	2 650	40%	7 091	5 155	38%
Operating profit	865	595	45%	1 635	1 138	44%
– as a percentage of revenues	*23.4*	*22.5*		*23.1*	*22.1*	
Return on capital employed, %	33	42				

- **Increased order intake with continued strong demand from the motor vehicle industry**
- **Mixed demand in general industry with strong aerospace and weak off-road**
- **Continued growth in the service business**

Sales bridge

	April - June	
MSEK	Orders received	Revenues
2014	2 754	2 650
Structural change, %	+12	+17
Currency, %	+13	+13
Price, %	+0	+0
Volume, %	+9	+10
Total, %	+34	+40
2015	3 702	3 697

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 and were largely unchanged sequentially. Compared to the previous year, the order intake increased in most major markets, most significantly in North America.

General industry
The overall demand for industrial power tools from the general manufacturing industries was mixed. Demand from aerospace and electronics had a positive development, while the business climate in off-road continued to be challenging, which affected the order intake negatively. The order volumes were largely flat compared to the previous year. Geographically, orders received increased in many markets in Europe, but declined in North America. Sequentially, the order intake was stable.

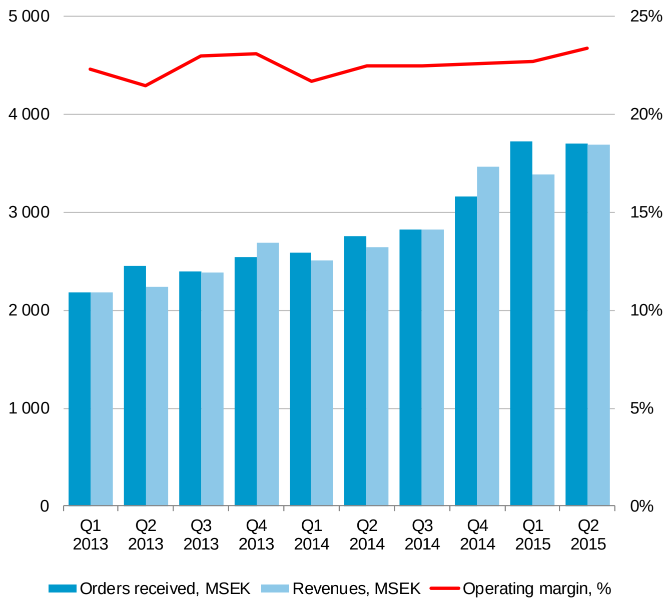
Service
The service business, including maintenance and calibration services, continued to grow in most major markets.

Innovation
A range of versatile and general purpose bolt tensioning tools was introduced in the quarter. These tools feature integrated springs, a feature that greatly speeds up the tensioning operation and reduces the physical effort needed by the user.

Revenues and profitability
Revenues increased to a record of MSEK 3 697 (2 650), corresponding to an organic increase of 10%.

Operating profit was also a record at MSEK 865 (595), corresponding to an operating margin of 23.4% (22.5). The margin was supported by increased volume and currency, but diluted by acquisitions. Return on capital employed (last 12 months) was 33% (42).

Orders, revenues and operating profit margin



Mining and Rock Excavation Technique

	April - June			January - June		
MSEK	2015	2014	%	2015	2014	%
Orders received	7 079	6 461	10%	13 619	12 861	6%
Revenues	6 870	6 396	7%	13 626	12 647	8%
Operating profit	1 258	1 155	9%	2 534	2 226	14%
– as a percentage of revenues	*18.3*	*18.1*		*18.6*	*17.6*	
Return on capital employed, %	31	34				

- **Order intake for equipment higher than the low levels in the first quarter**
- **Strong development in the service business**
- **Further efficiency measures - restructuring costs of MSEK 65, adjusted operating margin 19.3%**

Sales bridge

	April - June	
MSEK	Orders received	Revenues
2014	6 461	6 396
Structural change, %	+0	+0
Currency, %	+11	+11
Price, %	+0	+0
Volume, %	-1	-4
Total, %	+10	+7
2015	7 079	6 870

Mining equipment
The demand for mining equipment continued to be soft. The order volumes were somewhat lower compared to the previous year, but were higher compared to the weak first quarter. The sequential improvement was attributable to higher order intake for underground equipment. 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 improved sequentially, but were largely unchanged compared to the previous year.

Service and consumables
The service and spare parts business increased compared to the previous year with a positive development in nearly all major markets.

Consumables volumes decreased compared to the previous year, but were stable sequentially. Compared to the previous year, orders decreased in Asia and in North America and improved in Europe.

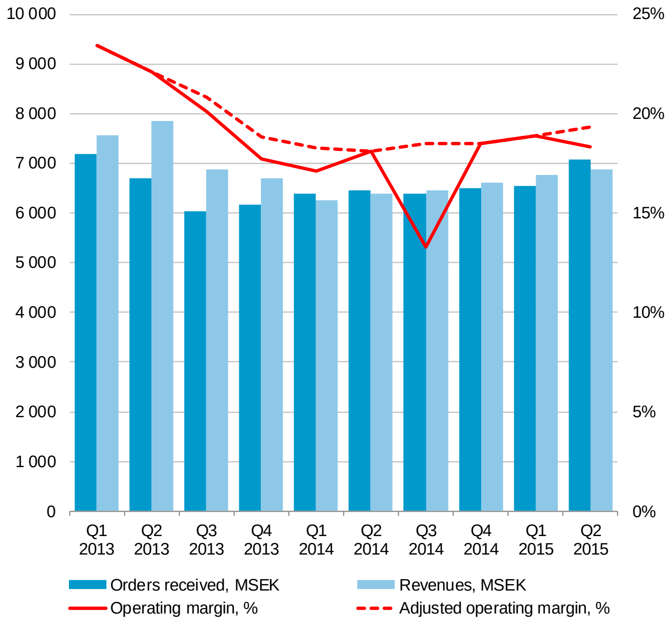
Innovation
A surface drill rig for construction applications and small quarries was introduced in the quarter. The rig meets the demands for speed and efficiency in drilling small and medium-sized holes and is equipped with a Tier 4 Final low-emissions engine and a system that eliminates oil leakages.

Efficiency measures and consolidation
The business area continues to identify and implement further efficiency measures in order to strengthen the operations for the future. As part of these measures, it has been decided to consolidate the manufacturing of concrete spraying equipment to the existing plant in Örebro, Sweden, and to make further rationalization measures in the global sales and service organization.

Revenues and profitability
Revenues were MSEK 6 870 (6 396), corresponding to an organic decline of 4%.

Operating profit was MSEK 1 258 (1 155), including restructuring costs of MSEK 65. Adjusted operating profit was MSEK 1 323 (1 155), corresponding to a margin of 19.3% (18.1). The margin was supported by currency, but was impacted negatively by lower volumes. Return on capital employed (last 12 months) was 31% (34).

Orders, revenues and operating profit margin



Construction Technique

	April - June			January - June		
MSEK	2015	2014	%	2015	2014	%
Orders received	4 120	3 871	6%	8 272	7 698	7%
Revenues	4 256	4 068	5%	7 954	7 422	7%
Operating profit	457	545	-16%	907	951	-5%
– as a percentage of revenues	*10.7*	*13.4*		*11.4*	*12.8*	
Return on capital employed, %	12	13				

- **Weak demand and decreased order intake**
- **Order intake increased in Europe, but decreased in all other regions**
- **Cost of MSEK 95 for consolidation of manufacturing and efficiency measures; adjusted operating margin 13.0%**

Sales bridge

	April - June	
MSEK	Orders received	Revenues
2014	3 871	4 068
Structural change, %	+0	+0
Currency, %	+11	+11
Price, %	+1	+1
Volume, %	-6	-7
Total, %	+6	+5
2015	4 120	4 256

Construction equipment
The overall order volumes decreased compared to the previous year. The order volumes were stable for construction and demolition tools, but decreased for portable compressors and for road construction equipment. Orders received increased in Europe, but decreased in all other regions.

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 somewhat compared to the previous year and sequentially, mainly due to good development in the Middle East and in South America.

Service
The service business grew somewhat sequentially, but was largely unchanged compared to the previous year.

Innovation
An intelligent telematics system for road construction equipment was launched in the quarter. The system monitors the machine fleet and offers many possibilities to optimize fleet usage, reduces maintenance cost and saves time and money for the customers.

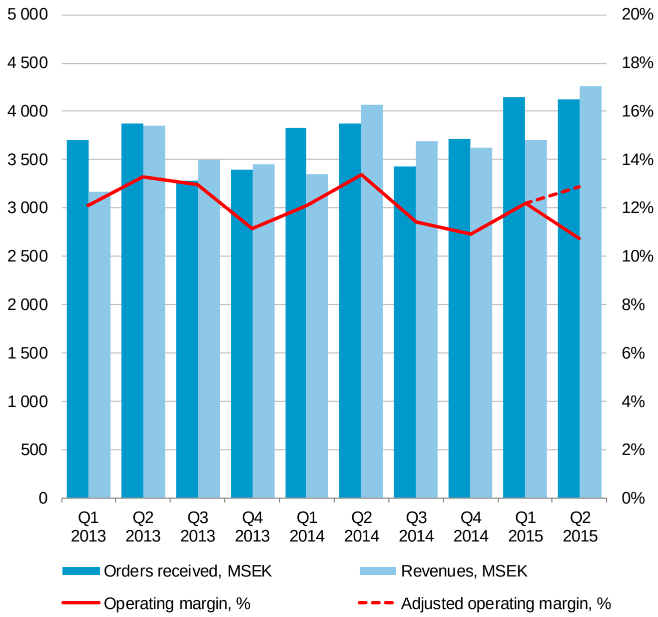
Acquisition
In early July, Atlas Copco acquired the operating assets of Mustang Services, a U.S. specialty dryer rental business that serves industries such as refineries, petrochemical plants and general manufacturing. The business had revenues in 2014 of about MUSD 6.3 (MSEK 45).

Consolidation of manufacturing and efficiency measures
The business area has decided to create dedicated competence centers for the product portfolio. This will result in the closure of two small manufacturing locations in the United States and Germany by the end of 2015. These and other efficiency measures are being implemented to strengthen the operations for the future.

Revenues and profitability
Revenues reached MSEK 4 256 (4 068), corresponding to an organic decline of 6%.

Operating profit was MSEK 457 (545), including restructuring costs of MSEK 95. Adjusted operating profit was MSEK 552 (545), corresponding to a margin of 13.0% (13.4). The margin was negatively affected by volume and equipment mix, but supported by currency. Return on capital employed (last 12 months) was 12% (13).

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		6 months ended		12 months ended		
	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Dec. 31
MSEK	2015	2014	2015	2014	2015	2014	2014
Revenues	26 111	23 348	50 856	44 771	99 806	86 589	93 721
Cost of sales	-15 779	-14 591	-31 077	-27 911	-61 835	-53 838	-58 669
Gross profit	**10 332**	**8 757**	**19 779**	**16 860**	**37 971**	**32 751**	**35 052**
Marketing expenses	-2 844	-2 425	-5 563	-4 727	-10 661	-8 925	-9 825
Administrative expenses	-1 517	-1 429	-3 327	-2 759	-6 236	-5 224	-5 668
Research and development costs	-792	-715	-1 567	-1 390	-3 110	-2 478	-2 933
Other operating income and expenses	-107	151	269	115	543	342	389
Operating profit	**5 072**	**4 339**	**9 591**	**8 099**	**18 507**	**16 466**	**17 015**
- as a percentage of revenues	*19.4*	*18.6*	*18.9*	*18.1*	*18.5*	*19.0*	*18.2*
Net financial items	-222	-165	-454	-323	-1 055	-748	-924
Profit before tax	**4 850**	**4 174**	**9 137**	**7 776**	**17 452**	**15 718**	**16 091**
- as a percentage of revenues	*18.6*	*17.9*	*18.0*	*17.4*	*17.5*	*18.2*	*17.2*
Income tax expense	-1 199	-967	-2 250	-1 814	-4 352	-3 799	-3 916
Profit for the period	**3 651**	**3 207**	**6 887**	**5 962**	**13 100**	**11 919**	**12 175**
Profit attributable to							
- owners of the parent	3 648	3 204	6 882	5 958	13 093	11 911	12 169
- non-controlling interests	3	3	5	4	7	8	6
Basic earnings per share, SEK	**3.00**	**2.64**	**5.65**	**4.91**	**10.76**	**9.81**	**10.01**
Diluted earnings per share, SEK	2.96	2.64	5.63	4.90	10.75	9.81	9.99
Basic weighted average number of shares outstanding, millions	1 217.4	1 215.1	1 217.5	1 214.5	1 217.1	1 213.7	1 215.6
Diluted weighted average number of shares outstanding, millions	1 218.6	1 215.6	1 219.0	1 214.9	1 217.9	1 214.1	1 216.6

Key ratios

Equity per share, period end, SEK	35	33	42
Return on capital employed, 12 month values, %	25	25	24
Return on equity, 12 month values, %	28	31	28
Debt/equity ratio, period end, %	48	51	30
Equity/assets ratio, period end, %	41	43	48
Number of employees, period end	43 584	43 937	44 056

Consolidated statement of comprehensive income

	3 months ended		6 months ended		12 months ended		
	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Dec. 31
MSEK	2015	2014	2015	2014	2015	2014	2014
Profit for the period	**3 651**	**3 207**	**6 887**	**5 962**	**13 100**	**11 919**	**12 175**
Other comprehensive income							
Items that will not be reclassified to profit or loss							
Remeasurements of defined benefit pension plans	536	-277	-105	-506	-358	-499	-759
Income tax relating to items that will not be reclassified	-116	67	31	123	102	106	194
	420	**-210**	**-74**	**-383**	**-256**	**-393**	**-565**
Items that may be reclassified subsequently to profit or loss							
Translation differences on foreign operations	-1 750	1 694	47	1 316	4 418	1 201	5 687
- realized and reclassified to income statement	-	-	-	-	-	15	-
Hedge of net investments in foreign operations	131	-443	552	-397	-103	-771	-1 052
Cash flow hedges	180	-30	89	-68	-42	-195	-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	-114	284	-378	252	81	497	711
	-1 553	**1 505**	**310**	**1 184**	**4 354**	**828**	**5 228**
Other comprehensive income for the period, net of tax	**-1 133**	**1 295**	**236**	**801**	**4 098**	**435**	**4 663**
Total comprehensive income for the period	**2 518**	**4 502**	**7 123**	**6 763**	**17 198**	**12 354**	**16 838**
Total comprehensive income attributable to							
- owners of the parent	2 526	4 495	7 110	6 756	17 160	12 349	16 806
- non-controlling interests	-8	7	13	7	38	5	32

Consolidated balance sheet

MSEK	Jun. 30, 2015	Dec. 31, 2014	Jun. 30, 2014
Intangible assets	33 860	33 197	27 232
Rental equipment	3 113	3 177	2 815
Other property, plant and equipment	9 508	9 433	8 324
Financial assets and other receivables	1 953	1 981	2 242
Deferred tax assets	1 737	1 549	1 389
Total non-current assets	**50 171**	**49 337**	**42 002**
Inventories	18 968	18 364	18 643
Trade and other receivables	27 398	26 015	24 786
Other financial assets	1 910	2 150	1 943
Cash and cash equivalents	6 301	9 404	5 364
Assets classified as held for sale	34	11	12
Total current assets	**54 611**	**55 944**	**50 748**
TOTAL ASSETS	**104 782**	**105 281**	**92 750**
Equity attributable to owners of the parent	42 883	50 575	40 066
Non-controlling interests	191	178	154
TOTAL EQUITY	**43 074**	**50 753**	**40 220**
Borrowings	25 258	22 182	23 739
Post-employment benefits	2 740	2 531	2 066
Other liabilities and provisions	1 764	1 958	1 302
Deferred tax liabilities	1 490	1 127	1 536
Total non-current liabilities	**31 252**	**27 798**	**28 643**
Borrowings	945	2 284	1 988
Trade payables and other liabilities	27 954	22 953	20 630
Provisions	1 557	1 493	1 269
Total current liabilities	**30 456**	**26 730**	**23 887**
TOTAL EQUITY AND LIABILITIES	**104 782**	**105 281**	**92 750**

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	Jun. 30, 2015	Dec. 31, 2014
Non-current assets and liabilities		
Assets	148	161
Liabilities	128	159
Current assets and liabilities		
Assets	110	166
Liabilities	226	496

Carrying value and fair value of borrowings

MSEK	Jun. 30, 2015	Jun. 30, 2015	Dec. 31, 2014	Dec. 31, 2014
	Carrying value	Fair value	Carrying value	Fair value
Bonds	17 249	18 566	17 269	18 800
Other loans	8 954	9 085	7 197	7 351
	26 203	27 651	24 466	26 151

Consolidated statement of changes in equity

MSEK	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Opening balance, January 1, 2015	**50 575**	**178**	**50 753**
Changes in equity for the period			
Total comprehensive income for the period	7 110	13	7 123
Dividends	-7 311	-	-7 311 *
Redemption of shares	-7 305	-	-7 305
Acquisition and divestment of own shares	-73	-	-73
Share-based payments, equity settled	-113	-	-113
Closing balance, June 30, 2015	**42 883**	**191**	**43 074**

MSEK	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
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 owners of the parent	Equity attributable to non-controlling interests	Total equity
Opening balance, January 1, 2014	**39 647**	**147**	**39 794**
Changes in equity for the period			
Total comprehensive income for the period	6 756	7	6 763
Dividends	-6 681	-	-6 681
Acquisition and divestment of own shares	383	-	383
Share-based payments, equity settled	-39	-	-39
Closing balance, June 30, 2014	**40 066**	**154**	**40 220**

* 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

	April - June		January - June	
MSEK	2015	2014	2015	2014
Cash flows from operating activities				
Operating profit	5 072	4 339	9 591	8 099
Depreciation, amortization and impairment (see below)	1 059	847	2 094	1 667
Capital gain/loss and other non-cash items	39	-187	-220	-252
Operating cash surplus	6 170	4 999	11 465	9 514
Net financial items received/paid	367	-422	-1 312	-663
Taxes paid	-1 199	-1 037	-2 171	-2 018
Pension funding and payment of pension to employees	36	-14	59	-47
Change in working capital	-520	409	-340	-109
Investments in rental equipment	-361	-431	-652	-893
Sale of rental equipment	89	113	217	222
Net cash from operating activities	**4 582**	**3 617**	**7 266**	**6 006**
Cash flows from investing activities				
Investments in property, plant and equipment	-437	-358	-827	-702
Sale of property, plant and equipment	38	27	57	40
Investments in intangible assets	-327	-278	-579	-542
Sale of intangible assets	3	3	3	7
Acquisition of subsidiaries and associated companies	-22	-356	-1 657 *	-7 299
Sale of subsidiaries	-	-	43	-
Other investments, net	130	265	147	430
Net cash from investing activities	**-615**	**-697**	**-2 813**	**-8 066**
Cash flows from financing activities				
Dividends paid	-3 651	-6 681	-3 651	-6 681
Redemption of shares	-7 305	-	-7 305	-
Repurchase and sales of own shares	176	177	-73	383
Change in interest-bearing liabilities	3 314	-1 051	3 630	-3 874
Net cash from financing activities	**-7 466**	**-7 555**	**-7 399**	**-10 172**
Net cash flow for the period	**-3 499**	**-4 635**	**-2 946**	**-12 232**
Cash and cash equivalents, beginning of the period	10 329	9 899	9 404	17 633
Exchange differences in cash and cash equivalents	-529	100	-157	-37
Cash and cash equivalents, end of the period	**6 301**	**5 364**	**6 301**	**5 364**
Depreciation, amortization and impairment				
Rental equipment	*255*	*208*	*515*	*404*
Other property, plant and equipment	*410*	*357*	*827*	*712*
Intangible assets	*394*	*282*	*752*	*551*
Total	*1 059*	*847*	*2 094*	*1 667*

*Includes deferred consideration for acquisitions made in 2014.

Calculation of operating cash flow

	April - June		January - June	
MSEK	2015	2014	2015	2014
Net cash flow for the period	**-3 499**	**-4 635**	**-2 946**	**-12 232**
Add back:				
Change in interest-bearing liabilities	-3 314	1 051	-3 630	3 874
Repurchase and sales of own shares	-176	-177	73	-383
Dividends paid	3 651	6 681	3 651	6 681
Redemption of shares	7 305	-	7 305	-
Acquisitions and divestments	22	356	1 614	7 299
Investments of cash liquidity	-	-368	-	-368
Currency hedges of loans	-508	194	912	94
Operating cash flow	**3 481**	**3 102**	**6 979**	**4 965**

Revenues by business area

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

Operating profit by business area

	2013				2014				2015	
MSEK (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Compressor Technique	1 671	1 834	1 826	1 948	1 915	2 219	2 369	2 471	2 392	2 603
- 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*
Industrial Technique	487	482	548	621	543	595	636	783	770	865
- 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*
Mining and Rock Excavation Technique	1 771	1 738	1 384	1 190	1 071	1 155	856	1 225	1 276	1 258
- 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*
Construction Technique	384	511	454	384	406	545	422	395	450	457
- 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*
Common Group functions/ Eliminations	-157	-32	0	12	-175	-175	-138	-103	-369	-111
Operating profit	**4 156**	**4 533**	**4 212**	**4 155**	**3 760**	**4 339**	**4 145**	**4 771**	**4 519**	**5 072**
- 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*
Net financial items	-111	-254	-195	-230	-158	-165	-266	-335	-232	-222
Profit before tax	**4 045**	**4 279**	**4 017**	**3 925**	**3 602**	**4 174**	**3 879**	**4 436**	**4 287**	**4 850**
- 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*

Key figures by quarter

	2013				2014				2015	
SEK	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Basic earnings per share	2.46	2.58	2.52	2.39	2.27	2.64	2.37	2.74	2.66	3.00
Diluted earnings per share	2.45	2.56	2.51	2.38	2.27	2.64	2.36	2.73	2.65	2.96
Equity per share	30	28	30	33	35	33	37	42	45	35
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
%										
Return on capital employed, 12 months value	34	32	30	28	26	25	25	24	24	25
Return on equity, 12 months value	42	40	37	34	32	31	30	28	27	28
Debt/equity ratio, period end	23	37	27	19	37	51	44	30	26	48
Equity/assets ratio, period end	42	39	42	45	45	43	45	48	49	41
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

Acquisitions

Date	Acquisitions	Divestments	Business area	Revenues MSEK*	Number of employees*
2015 July 2	Mustang Services		Construction Technique	45	
2015 Mar. 24		Ortman Fluid Power	Compressor Technique	30	19
2015 Mar. 3	Kalibriercentrum Bayern		Industrial Technique	28	27
2015 Feb. 9		J.C. Carter	Compressor Technique		35
2015 Jan. 8	Maes Compressoren *Distributor Belgium*		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., *Distributor USA*		Compressor Technique		120
2014 Feb. 3	Geawelltech *Distributor Sweden*		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

	April - June		January - June	
MSEK	2015	2014	2015	2014
Administrative expenses	-103	-123	-299	-226
Other operating income and expenses	42	36	76	62
Operating profit/loss	**-61**	**-87**	**-223**	**-164**
Financial income and expenses	5 292	409	5 063	121
Profit/loss before tax	**5 231**	**322**	**4 840**	**-43**
Income tax	-7	-41	74	-16
Profit/loss for the period	**5 224**	**281**	**4 914**	**-59**

Balance sheet

	Jun. 30	Jun. 30	Dec. 31
MSEK	2015	2014	2014
Total non-current assets	94 330	96 681	94 316
Total current assets	3 132	4 078	8 462
TOTAL ASSETS	**97 462**	**100 759**	**102 778**
Total restricted equity	5 785	5 785	5 785
Total non-restricted equity	28 497	34 145	37 515
TOTAL EQUITY	**34 282**	**39 930**	**43 300**
Total provisions	495	592	353
Total non-current liabilities	43 438	49 883	48 510
Total current liabilities	19 247	10 354	10 615
TOTAL EQUITY AND LIABILITIES	**97 462**	**100 759**	**102 778**
Assets pledged	353	492	502
Contingent liabilities	7 804	7 721	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	*-11 458 862*
- of which B shares held by Atlas Copco	*-393 879*
Total shares outstanding, net of shares held by Atlas Copco	1 217 760 363

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 six months of 2015, 347 155 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 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 2014 for a summary of all Group goals and for more information.

For further information

- Analysts and investors

Mattias Olsson, Vice President Investor Relations
Phone: +46 8 743 8295 or +46 72 729 8295
ir@se.atlascopco.com

Karin von Matern, Investor Relations Officer
Phone: +46 8 743 8291 or +46 70 149 8291
ir@se.atlascopco.com

- Media

Ola Kinnander, Media Relations Manager
Phone: +46 8 743 8060 or +46 70 347 2455
media@se.atlascopco.com

Conference call

A conference call for investors, analysts and media will be held on July 16 at 2.00 PM CEST.
The dial-in numbers are:

- Sweden: +46 8 566 426 61
- UK: +44 20 342 814 09
- US: +1 855 831 59 45

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.

Report on Q3 2015

The report on Q3 2015 will be published on October 20, 2015.

Capital Markets Day 2015

Atlas Copco will host its annual Capital Markets Day on November 17, 2015, in Stockholm, Sweden. More detailed information and instructions on how to register will be distributed prior to the event.

The Board of Directors and President declare that the interim report gives a fair view of the business development, financial position and result of operation of the Parent Company and the consolidated Group, and describes significant risks and uncertainties that the parent company and its subsidiaries are facing.

Nacka, July 16, 2015

Atlas Copco AB

Hans Stråberg
Chairman

Ronnie Leten
Director
President and CEO

Ulla Litzén
Director

Anders Ullberg
Director

Staffan Bohman
Director

Margareth Øvrum
Director

Johan Forssell
Director

Gunilla Nordström
Director

Peter Wallenberg Jr
Director

Bengt Lindgren
Director
Union representative

Mikael Bergstedt
Director
Union representative

Auditors' Review Report

Introduction
We have reviewed the interim report for Atlas Copco AB for the period January 1 - June 30, 2015. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Nacka, July 16, 2015

Deloitte AB

Jan Berntsson
Authorized Public Accountant