

October 20, 2014

## Atlas Copco Third-quarter report 2014 (unaudited)

### Improved industrial demand and strong cash flow

- Orders increased 20% year-on-year to MSEK 23 395 (19 433), organic growth of 2%
- Revenues increased to a record of MSEK 23 590 (20 552), organic decline of 2%
- Operating profit at MSEK 4 145 (4 212), including impairment of assets, restructuring costs and other items affecting comparability of MSEK -459 (-2)
- Adjusted operating profit of MSEK 4 604 (4 214), corresponding to a margin of 19.5% (20.5)
- Profit before tax amounted to MSEK 3 879 (4 017)
- Profit for the period was MSEK 2 878 (3 054)
- Basic earnings per share were SEK 2.37 (2.52)
- Strong operating cash flow at MSEK 3 915 (2 394)
- Acquisition of Henrob, a market leader in self-pierce riveting

MSEK	July - September			January - September		
	2014	2013	%	2014	2013	%
Orders received	23 395	19 433	20%	69 498	61 576	13%
Revenues	23 590	20 552	15%	68 361	62 622	9%
Operating profit	4 145	4 212	-2%	12 244	12 901	-5%
– as a percentage of revenues	17.6	20.5		17.9	20.6	
Profit before tax	3 879	4 017	-3%	11 655	12 341	-6%
– as a percentage of revenues	16.4	19.5		17.0	19.7	
Profit for the period	2 878	3 054	-6%	8 840	9 179	-4%
Basic earnings per share, SEK	2.37	2.52		7.27	7.56	
Diluted earnings per share, SEK	2.36	2.51		7.27	7.54	
Return on capital employed, %	25	30				

### Near term demand outlook

The overall demand for the Group's equipment and service is expected to increase somewhat.

*Previous near-term demand outlook (published July 16, 2014):*

*The overall demand for the Group's equipment and service is expected to increase somewhat.*

### 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	Web site www.atlascopco.com	Reg. Office Nacka

## Atlas Copco Group

### Summary of nine-month results

Orders received in the first nine months of 2014 increased by 13% to MSEK 69 498 (61 576). Volume for comparable units decreased by 1%, price increases contributed with 1%, structural changes added 12%, and the currency effect was +1%. Revenues were MSEK 68 361 (62 622), corresponding to a 2% organic decline.

Operating profit was MSEK 12 244 (12 901). The operating margin was 17.9% (20.6). The impact of changes in exchange rates amounted to MSEK +210 for the period.

Profit before tax was MSEK 11 655 (12 341), corresponding to a margin of 17.0 (19.7). Profit for the period totaled MSEK 8 840 (9 179). Basic and diluted earnings per share were SEK 7.27 (7.56) and 7.27 (7.54) respectively.

Operating cash flow before acquisitions, divestments and dividends totaled MSEK 8 786 (7 323).

## Review of the third quarter

### Market development

The overall demand for Atlas Copco's equipment improved somewhat sequentially, i.e. compared to the previous quarter and adjusted for normal seasonality. The order intake for industrial tools and assembly systems and for stationary compressors improved somewhat, while it decreased for construction equipment due to seasonality. The demand for mining equipment was unchanged at a low level, and order volumes were slightly lower sequentially. Edwards, the newly acquired vacuum solutions business, had a strong quarter.

Compared to the previous year, the order volumes increased for industrial tools and assembly systems and for mining equipment. The orders were stable for stationary compressors, while they decreased slightly for construction equipment.

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

### Geographic distribution of orders received

July - September 2014	Atlas Copco Group		excl. Edwards
	Orders received	Change*	Change*
North America	23	+33	+15
South America	10	+18	+18
Europe	29	+11	+5
Africa/Middle East	11	+1	+0
Asia	23	+12	-8
Australia	4	+4	+2
	100	+15	+4

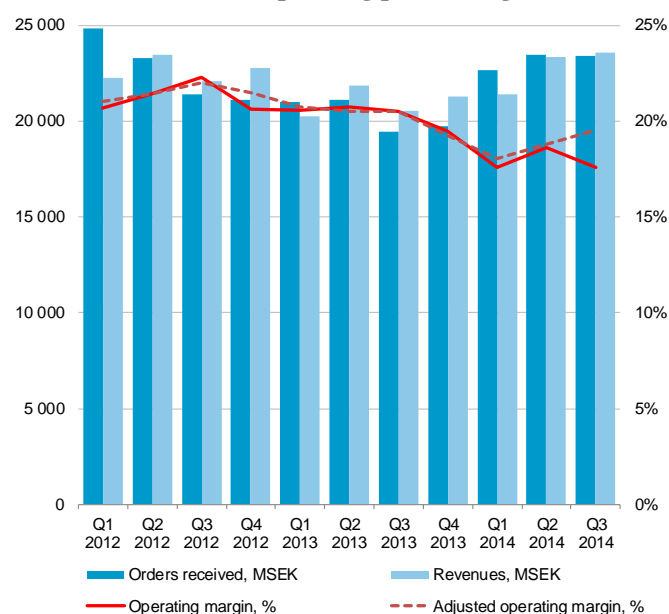
\*Change in orders received compared to the previous year in local currency, %

% July - September 2014	Compressor Technique	Industrial Technique	Mining and Rock Excavation Tech.	Construction Technique	Atlas Copco Group
North America	24	26	24	19	23
South America	5	5	17	11	10
Europe	30	45	21	32	29
Africa/Middle East	8	1	16	16	11
Asia/Australia	33	23	22	22	27
	100	100	100	100	100

### Sales bridge

MSEK	July - September	
	Orders received	Revenues
2013	19 433	20 552
Structural change, %	+12	+11
Currency, %	+6	+6
Price, %	+1	+1
Volume, %	+1	-3
Total, %	+20	+15
2014	23 395	23 590

### Orders, revenues and operating profit margin



**Revenues, profits and returns**

Revenues were MSEK 23 590 (20 552), corresponding to an organic decrease of 2%.

The operating profit at MSEK 4 145 (4 212) was affected negatively by impairment of assets, restructuring costs and other items comparing comparability of MSEK -459 (-2), whereof MSEK -340 (-50) in Mining and Rock Excavation Technique, MSEK -60 in Compressor Technique and MSEK -59 (+48) in Common Group Functions. The latter includes MSEK -59 (-107) change in provision for share-related long-term incentive programs. The cash flow impact from these items was minor.

The adjusted operating profit increased 9% to MSEK 4 604 (4 214), corresponding to a margin of 19.5% (20.5). The profit increase was primarily due to the acquisition of Edwards. The margin was affected negatively by acquisitions and the lower revenue volume. This was partly compensated for by more favorable exchange rates and cost reductions.

The net currency effect compared to the previous year was MSEK +370.

Net financial items were MSEK -266 (-195). Interest net was MSEK -180 (-180) and other financial items were MSEK -86 (-15), related to revaluation of financial derivatives and exchange differences.

Profit before tax amounted to MSEK 3 879 (4 017), corresponding to a margin of 16.4% (19.5).

Profit for the period totaled MSEK 2 878 (3 054). Basic and diluted earnings per share were SEK 2.37 (2.52) and SEK 2.36 (2.51) respectively.

The return on capital employed during the last 12 months was 25% (30). Return on equity was 30% (37). 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 5 205 (5 170). Working capital decreased MSEK 986 (increased 485), primarily due to a reduction of inventories.

Rental equipment, net, increased by MSEK 408 (343). Net investments in property, plant and equipment were MSEK 297 (302).

Operating cash flow was strong at MSEK 3 915 (2 394).

**Net indebtedness**

The Group's net indebtedness, adjusted for the fair value of interest rate swaps, amounted to MSEK 19 540 (9 639), of which MSEK 2 173 (2 097) was attributable to post-employment benefits. The acquisitions of Edwards and Henrob explain the main part of the increase in net debt. The Group has an average maturity of 4.4 years on interest-bearing liabilities. The net debt/EBITDA ratio was 1.0 (0.5). The net debt/equity ratio was 44% (42).

**Acquisition and divestment of own shares**

During the quarter, 1 176 118 A shares were divested for a net value of MSEK 245. These transactions are in accordance with mandates granted by the Annual General Meetings and relate to hedging of the Group's long-term incentive programs.

**Employees**

On September 30, 2014, the number of employees was 44 243 (40 116). The number of consultants/external workforce was 3 114 (2 131). For comparable units, the total workforce decreased by 332 from September 30, 2013.

**Revenues and operating profit – bridge**

MSEK	Q3 2014	Volume, price, mix and other	Currency	One-time items Acquisitions	Share based LTI programs	Q3 2013
<b>Atlas Copco Group</b>						
Revenues	23 590	-317	1 105	2 250	-	20 552
EBIT	4 145	-370	370	-115	48	4 212
%	17.6%	117%				20.5%

## Compressor Technique

MSEK	July - September			January - September		
	2014	2013	%	2014	2013	%
Orders received	10 800	7 782	39%	31 214	24 031	30%
Revenues	10 718	7 816	37%	30 480	23 236	31%
Operating profit	2 369	1 826	30%	6 503	5 331	22%
– as a percentage of revenues	22.1	23.4		21.3	22.9	
Return on capital employed, %	43	66				

2013 figures have been restated to adjust for the move of the Specialty Rental division from the Compressor Technique business area to the Construction Technique business area.

- **Record quarter with robust demand for small machines and service**
- **Strong quarter for Edwards vacuum solutions**
- **Items affecting comparability of MSEK -60, primarily related to consolidation of manufacturing in the U.S.**

## Sales bridge

MSEK	July - September	
	Orders received	Revenues
2013	7 782	7 816
Structural change, %	+27	+27
Currency, %	+8	+7
Price, %	+1	+1
Volume, %	+3	+2
Total, %	+39	+37
2014	10 800	10 718

## Industrial compressors

The demand for small- and medium-sized compressors was robust and the order intake increased compared to the previous year, with a positive development in North America, Europe and Asia.

The demand for larger machines continued to be soft and order volumes were slightly lower compared to the previous year. Geographically, North America and Europe were stable, while Asia was negative.

## Gas and process compressors

The order intake improved somewhat sequentially. Compared to the previous year, however, the order volumes decreased slightly. Geographically, orders increased in North America and in the Middle East, while Asia was negative.

## Vacuum solutions

The vacuum solutions business had strong order intake with a strong demand from the semiconductor industry. See also page 15.

## Service

The service business continued to grow in all major markets.

## Innovation

A range of oil-injected rotary screw compressors with many energy savings features was introduced. The features improve the performance of the compressors with up to 5% compared to the previous generation.

## Acquisition

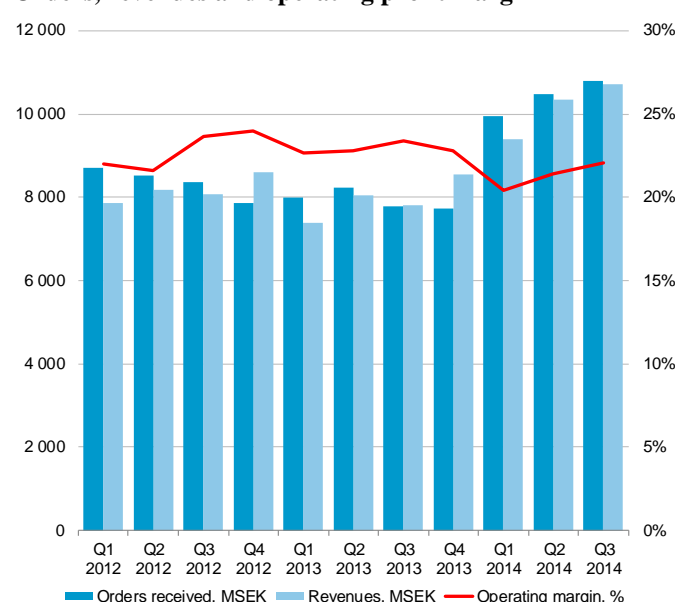
In September, Atlas Copco acquired a compressor distribution and service business in New Zealand. The business had revenues in 2013 of approximately MNZD 30 (MSEK 162) and around 120 employees.

## Revenues and profitability

Revenues increased to a record of MSEK 10 718 (7 816), corresponding to 3% organic growth.

Operating profit was MSEK 2 369 (1 826). The profit was affected by items affecting comparability of MSEK 60, primarily related to consolidation of manufacturing in the United States. The adjusted operating margin was 22.7% (23.4). The margin was supported by currency, but negatively impacted by dilution from acquisitions. Return on capital employed (last 12 months) was 43% (66).

## Orders, revenues and operating profit margin



## Industrial Technique

MSEK	July - September			January - September		
	2014	2013	%	2014	2013	%
Orders received	2 822	2 402	17%	8 169	7 046	16%
Revenues	2 827	2 383	19%	7 982	6 809	17%
Operating profit	636	548	16%	1 774	1 517	17%
– as a percentage of revenues	22.5	23.0		22.2	22.3	
Return on capital employed, %	40	41				

- Record quarter with solid organic order growth in all businesses
- Acquisition of Henrob, a market leader in self-pierce riveting
- Operating margin at 22.5%

## Sales bridge

MSEK	July - September	
	Orders received	Revenues
2013	2 402	2 383
Structural change, %	+4	+6
Currency, %	+6	+6
Price, %	+1	+1
Volume, %	+6	+6
Total, %	+17	+19
2014	2 822	2 827

## Motor vehicle industry

The demand for advanced industrial tools and assembly systems to the motor vehicle industry continued to be strong and the orders received increased compared both to the previous year and sequentially. Geographically and compared to the previous year, orders increased in all major regions, with strong growth in the United States and in China.

## General industry

The demand for industrial power tools from the general manufacturing industries improved and orders received increased compared to the previous year. The aerospace industry had a particularly positive development. Geographically, the strongest development was achieved in Asia and in Europe.

## Service

The service business, e.g. maintenance and calibration services, continued to improve, with significant growth in Europe.

## Innovation

A comprehensive range of battery-powered tools for automotive and maintenance professionals was introduced. The tools deliver the high power of an air tool while providing the mobility of a battery tool.

## Acquisition

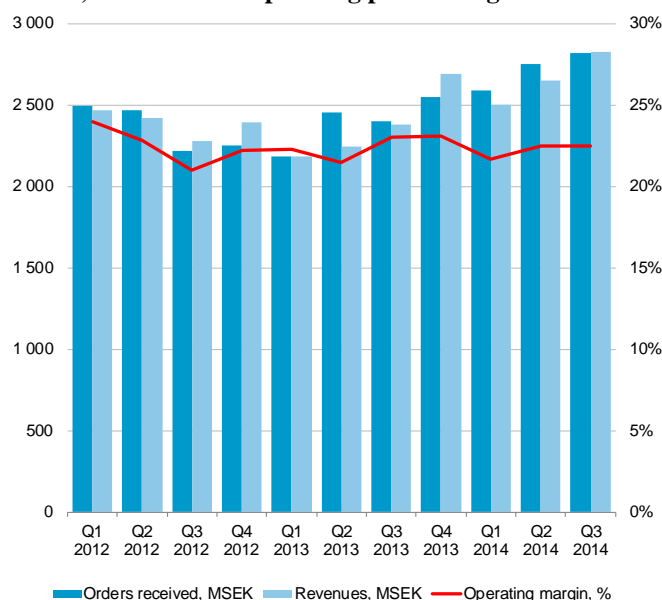
In September, Atlas Copco finalized the acquisition of Henrob, a pioneer and market leader in self-pierce riveting, a mechanical fastening process for joining two or more sheets of material where welding is difficult, e.g. aluminum. The company, with main facilities in the U.S. and the U.K., had revenues of MUSD 162 (MSEK 1 063) in the 12 months period ending June 2014 and about 400 employees.

## Revenues and profitability

Revenues increased to a record of MSEK 2 827 (2 383), corresponding to an organic increase of 7%.

Operating profit was also the best ever at MSEK 636 (548), corresponding to an operating margin of 22.5% (23.0), supported by increased volume and currency, but diluted by acquisitions. Return on capital employed (last 12 months) was 40% (41).

## Orders, revenues and operating profit margin



## Mining and Rock Excavation Technique

MSEK	July - September			January - September		
	2014	2013	%	2014	2013	%
Orders received	6 399	6 044	6%	19 260	19 930	-3%
Revenues	6 449	6 885	-6%	19 096	22 304	-14%
Operating profit	856	1 384	-38%	3 082	4 893	-37%
– as a percentage of revenues	13.3	20.1		16.1	21.9	
Return on capital employed, %	29	47				

- **Unchanged demand for mining equipment**
- **One-time cost for impairment of assets and restructuring costs amounted to MSEK -340**
- **Adjusted operating margin at 18.5% (20.8)**

### Sales bridge

MSEK	July - September	
	Orders received	Revenues
2013	6 044	6 885
Structural change, %	+1	+1
Currency, %	+3	+3
Price, %	+1	+1
Volume, %	+1	-11
Total, %	+6	-6
2014	6 399	6 449

### Mining equipment

The demand for mining equipment remained at a low level. The order volumes were slightly lower sequentially, but increased compared to the previous year, which included cancellations. Geographically, North and South America had higher order intake compared to the previous year, whereas the order intake in Asia and Africa/Middle East was lower.

### Civil engineering equipment

The order intake for equipment for infrastructure projects was at the same level as in the previous year, but was somewhat lower sequentially.

### Service and consumables

The service and spare parts business increased both sequentially and compared to the previous year. Consumables orders decreased compared to the previous year mainly due to a weak development in Asia. Sequentially, however, the order intake for consumables was stable.

### Innovation

A hydraulic handheld rock-drill system was introduced. It delivers outstanding drill rate and considerable energy efficiency compared to conventional pneumatic or electric rock drills.

### Efficiency measures and items affecting comparability

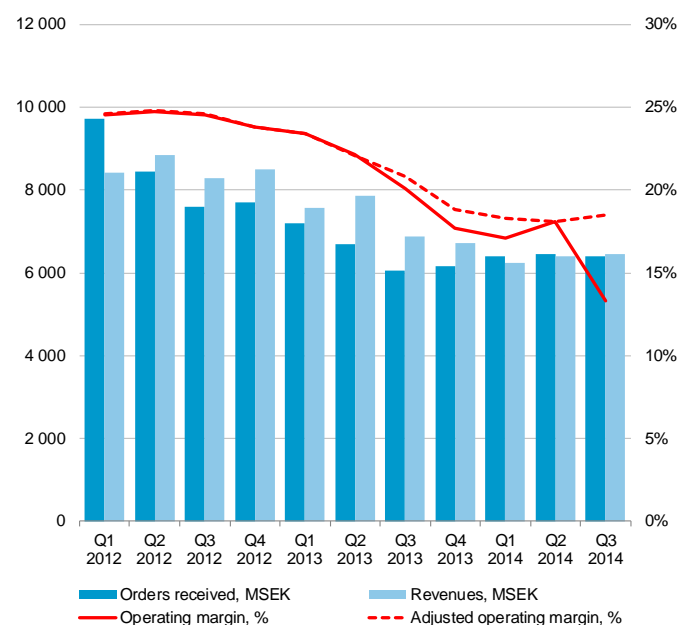
The business area continued to identify and implement further efficiency measures. This process also confirmed a need for impairment of intangible and tangible assets related to recent acquisitions. The combined impact was MSEK -340. The total workforce for comparable units has been reduced by 198 during the quarter.

### Revenues and profitability

Revenues were MSEK 6 449 (6 885), corresponding to an organic decline of 10%.

Operating profit was MSEK 856 (1 384), affected negatively by items affecting comparability of MSEK -340 (-50). The adjusted operating profit was MSEK 1 196 (1 434), corresponding to a margin of 18.5% (20.8). The margin was supported by currency, but was impacted negatively by lower volumes and dilution from acquisitions. Return on capital employed (last 12 months) was 29% (47%).

### Orders, revenues and operating profit margin



## Construction Technique

MSEK	July - September			January - September		
	2014	2013	%	2014	2013	%
Orders received	3 435	3 283	5%	11 133	10 865	2%
Revenues	3 692	3 495	6%	11 114	10 518	6%
Operating profit	422	454	-7%	1 373	1 349	2%
– as a percentage of revenues	11.4	13.0		12.4	12.8	
Return on capital employed, %	12	12				

2013 figures have been restated to adjust for the move of the Specialty Rental division from the Compressor Technique business area to the Construction Technique business area.

- **Order intake for equipment decreased somewhat, affected by low demand in BRIC countries**
- **Good development of the specialty rental business**
- **Andrew Walker appointed business area president**

## Sales bridge

MSEK	July - September	
	Orders received	Revenues
2013	3 283	3 495
Structural change, %	+1	+1
Currency, %	+6	+5
Price, %	+1	+1
Volume, %	-3	-1
Total, %	+5	+6
2014	3 435	3 692

## Construction equipment

The overall order intake for construction equipment decreased somewhat compared to the previous year. The order intake increased for road construction equipment and for construction and demolition tools, while it decreased for portable compressors and generators. Geographically, the best development was achieved in North America, while Brazil, Russia, India and China (BRIC), all declined.

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

## Specialty rental

The specialty rental business continued to develop favorably and orders received increased in most major markets compared to the previous year. The growth in North America, Asia and Australia was particularly strong.

## Service

The service business was stable, despite a negative development in North America.

## Innovation

A reversible plate with a compaction indicator was introduced in the quarter. It reduces the risk of over- or under compaction, saves costs and increases the uptime for the machine.

## Changes in management

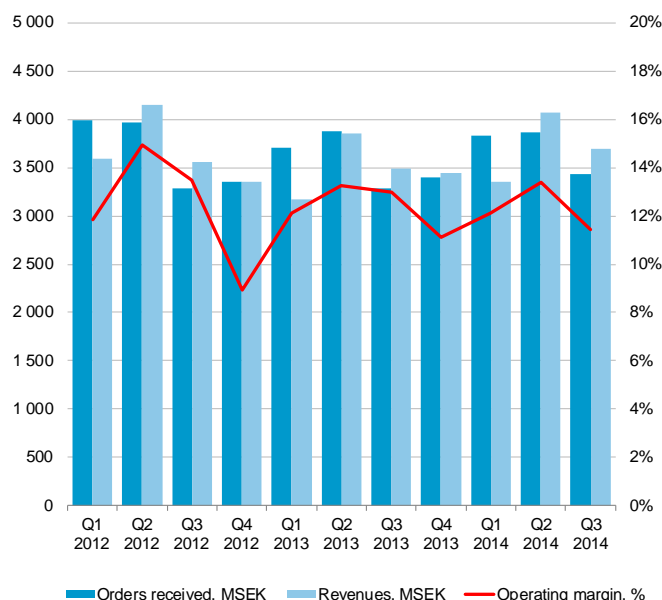
Atlas Copco has appointed Andrew Walker as President of the Construction Technique business area and member of Group management, effective September 15, 2014. Andrew Walker was previously President of the Service division in the Compressor Technique business area.

## Revenues and profitability

Revenues reached MSEK 3 692 (3 495) and were unchanged organically.

Operating profit was MSEK 422 (454), corresponding to a margin of 11.4% (13.0). The margin was negatively affected by product mix. Return on capital employed (last 12 months) was 12% (12).

## Orders, revenues and operating profit margin



**Accounting principles**

The consolidated accounts of the Atlas Copco Group are prepared in accordance with International Financial Reporting Standards (IFRS) as disclosed in the annual report 2013. 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, 2014 have not had any material effect on the consolidated financial statements. For further information, see the annual report 2013.

**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 2013.

**Forward-looking statements**

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

**Atlas Copco AB**

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



**Consolidated income statement**

	3 months ended		9 months ended		12 months ended		
	Sep. 30 2014	Sep. 30 2013	Sep. 30 2014	Sep. 30 2013	Sep. 30 2014	Sep. 30 2013	Dec. 31 2013
MSEK							
Revenues	23 590	20 552	68 361	62 622	89 627	85 370	83 888
Cost of sales	-15 007	-12 604	-42 918	-38 443	-56 241	-52 539	-51 766
<b>Gross profit</b>	<b>8 583</b>	<b>7 948</b>	<b>25 443</b>	<b>24 179</b>	<b>33 386</b>	<b>32 831</b>	<b>32 122</b>
Marketing expenses	-2 494	-2 035	-7 221	-6 175	-9 384	-8 372	-8 338
Administrative expenses	-1 428	-1 253	-4 187	-3 589	-5 399	-4 869	-4 801
Research and development costs	-755	-516	-2 145	-1 545	-2 717	-2 049	-2 117
Other operating income and expenses	239	68	354	31	513	59	190
<b>Operating profit</b>	<b>4 145</b>	<b>4 212</b>	<b>12 244</b>	<b>12 901</b>	<b>16 399</b>	<b>17 600</b>	<b>17 056</b>
- as a percentage of revenues	17.6	20.5	17.9	20.6	18.3	20.6	20.3
Net financial items	-266	-195	-589	-560	-819	-771	-790
<b>Profit before tax</b>	<b>3 879</b>	<b>4 017</b>	<b>11 655</b>	<b>12 341</b>	<b>15 580</b>	<b>16 829</b>	<b>16 266</b>
- as a percentage of revenues	16.4	19.5	17.0	19.7	17.4	19.7	19.4
Income tax expense	-1 001	-963	-2 815	-3 162	-3 837	-4 234	-4 184
<b>Profit for the period</b>	<b>2 878</b>	<b>3 054</b>	<b>8 840</b>	<b>9 179</b>	<b>11 743</b>	<b>12 595</b>	<b>12 082</b>
Profit attributable to							
- owners of the parent	2 878	3 051	8 836	9 170	11 738	12 583	12 072
- non-controlling interests	0	4	4	9	5	12	10
<b>Basic earnings per share, SEK</b>	<b>2.37</b>	<b>2.52</b>	<b>7.27</b>	<b>7.56</b>	<b>9.66</b>	<b>10.37</b>	<b>9.95</b>
Diluted earnings per share, SEK	2.36	2.51	7.27	7.54	9.65	10.36	9.92
Basic weighted average number of shares outstanding, millions	1 216.2	1 212.4	1 215.1	1 212.6	1 214.6	1 213.2	1 212.8
Diluted weighted average number of shares outstanding, millions	1 216.9	1 213.6	1 215.8	1 214.0	1 215.3	1 214.7	1 214.2

**Key ratios**

Equity per share, period end, SEK	37	30	33
Return on capital employed, 12 month values, %	25	30	28
Return on equity, 12 month values, %	30	37	34
Debt/equity ratio, period end, %	44	27	19
Equity/assets ratio, period end, %	45	42	45
Number of employees, period end	44 243	40 116	40 241

**Consolidated statement of comprehensive income**

	3 months ended		9 months ended		12 months ended		
	Sep. 30 2014	Sep. 30 2013	Sep. 30 2014	Sep. 30 2013	Sep. 30 2014	Sep. 30 2013	Dec. 31 2013
MSEK							
<b>Profit for the period</b>	<b>2 878</b>	<b>3 054</b>	<b>8 840</b>	<b>9 179</b>	<b>11 743</b>	<b>12 595</b>	<b>12 082</b>
<b>Other comprehensive income</b>							
<b>Items that will not be reclassified to profit or loss</b>							
Remeasurements of defined benefit pension plans	-93	-6	-599	32	-586	-463	45
Income tax relating to items that will not be reclassified	24	-4	147	-5	134	115	-18
	<b>-69</b>	<b>-10</b>	<b>-452</b>	<b>27</b>	<b>-452</b>	<b>-348</b>	<b>27</b>
<b>Items that may be reclassified subsequently to profit or loss</b>							
Translation differences on foreign operations	1 519	-1 216	2 835	-657	3 936	-84	444
- realized and reclassified to income statement	-	-	-	1	15	1	16
Hedge of net investments in foreign operations	-15	205	-412	-133	-991	-523	-712
Cash flow hedges	-116	-10	-184	86	-301	58	-31
Adjustments for amounts transferred to the initial carrying amounts of acquired operations	-	-	81	-	81	-	-
Income tax relating to items that may be reclassified	31	-107	283	58	635	502	410
	<b>1 419</b>	<b>-1 128</b>	<b>2 603</b>	<b>-645</b>	<b>3 375</b>	<b>-46</b>	<b>127</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>1 350</b>	<b>-1 138</b>	<b>2 151</b>	<b>-618</b>	<b>2 923</b>	<b>-394</b>	<b>154</b>
<b>Total comprehensive income for the period</b>	<b>4 228</b>	<b>1 916</b>	<b>10 991</b>	<b>8 561</b>	<b>14 666</b>	<b>12 201</b>	<b>12 236</b>
Total comprehensive income attributable to							
- owners of the parent	4 215	1 922	10 971	8 558	14 642	12 197	12 229
- non-controlling interests	13	-6	20	3	24	4	7

**Consolidated balance sheet**

MSEK	Sep. 30, 2014	Dec. 31, 2013	Sep. 30, 2013
Intangible assets	31 425	17 279	16 495
Rental equipment	3 039	2 420	2 302
Other property, plant and equipment	8 998	6 907	6 759
Financial assets and other receivables	2 100	2 440	2 598
Deferred tax assets	1 197	961	1 131
<b>Total non-current assets</b>	<b>46 759</b>	<b>30 007</b>	<b>29 285</b>
Inventories	18 561	16 826	17 378
Trade and other receivables	25 360	21 726	21 807
Other financial assets	2 025	1 697	1 646
Cash and cash equivalents	6 245	17 633	16 056
Assets classified as held for sale	12	2	1
<b>Total current assets</b>	<b>52 203</b>	<b>57 884</b>	<b>56 888</b>
<b>TOTAL ASSETS</b>	<b>98 962</b>	<b>87 891</b>	<b>86 173</b>
Equity attributable to owners of the parent	44 511	39 647	35 921
Non-controlling interests	166	147	145
<b>TOTAL EQUITY</b>	<b>44 677</b>	<b>39 794</b>	<b>36 066</b>
Borrowings	22 427	19 997	19 060
Post-employment benefits	2 173	1 414	2 097
Other liabilities and provisions	1 809	1 074	1 096
Deferred tax liabilities	1 507	1 027	1 684
<b>Total non-current liabilities</b>	<b>27 916</b>	<b>23 512</b>	<b>23 937</b>
Borrowings	3 235	5 595	6 367
Trade payables and other liabilities	21 812	17 925	18 649
Provisions	1 322	1 065	1 154
<b>Total current liabilities</b>	<b>26 369</b>	<b>24 585</b>	<b>26 170</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>98 962</b>	<b>87 891</b>	<b>86 173</b>

**Fair value of derivatives and borrowings**

The carrying value and fair value of the Group's outstanding derivatives and borrowings are shown in the tables below. The fair values of bonds are based on level 1 and the fair values of derivatives and other loans are based on level 2 in the fair value hierarchy. Compared to 2013, no transfers have been made between different levels in the fair value hierarchy and no significant changes have been made to valuation techniques, inputs or assumptions.

**Outstanding derivative instruments recorded to fair value**

MSEK	Sep. 30, 2014	Dec. 31, 2013
<i>Non-current assets and liabilities</i>		
Assets	177	188
Liabilities	142	24
<i>Current assets and liabilities</i>		
Assets	153	250
Liabilities	229	243

**Carrying value and fair value of borrowings**

MSEK	Sep. 30, 2014	Sep. 30, 2014	Dec. 31, 2013	Dec. 31, 2013
	Carrying value	Fair value	Carrying value	Fair value
Bonds	16 361	17 910	18 630	19 793
Other loans	9 301	9 373	6 964	7 053
	25 662	27 283	25 593	26 846

**Consolidated statement of changes in equity**

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

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
<b>Opening balance, January 1, 2013</b>	<b>34 131</b>	<b>54</b>	<b>34 185</b>
<b>Changes in equity for the period</b>			
Total comprehensive income for the period	12 229	7	12 236
Dividends	-6 668	-1	-6 669
Change of non-controlling interests	-2	87	85
Acquisition and divestment of own shares	24	-	24
Share-based payments, equity settled	-67	-	-67
<b>Closing balance, December 31, 2013</b>	<b>39 647</b>	<b>147</b>	<b>39 794</b>

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
<b>Opening balance, January 1, 2013</b>	<b>34 131</b>	<b>54</b>	<b>34 185</b>
<b>Changes in equity for the period</b>			
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
<b>Closing balance, September 30, 2013</b>	<b>35 921</b>	<b>145</b>	<b>36 066</b>

**Consolidated statement of cash flows**

MSEK	July - September		January - September	
	2014	2013	2014	2013
<b>Cash flows from operating activities</b>				
Operating profit	4 145	4 212	12 244	12 901
Depreciation, amortization and impairment (see below)	1 033	688	2 700	1 998
Capital gain/loss and other non-cash items	27	270	-225	-4
Operating cash surplus	5 205	5 170	14 719	14 895
Net financial items received/paid	-288	-235	-951	-452
Taxes paid	-1 136	-1 135	-3 154	-3 274
Pension funding and payment of pension to employees	3	-14	-44	-43
Change in working capital	986	-485	877	-1 141
Investments in rental equipment	-487	-447	-1 380	-1 109
Sale of rental equipment	79	104	301	322
<b>Net cash from operating activities</b>	<b>4 362</b>	<b>2 958</b>	<b>10 368</b>	<b>9 198</b>
<b>Cash flows from investing activities</b>				
Investments in property, plant and equipment	-325	-323	-1 027	-902
Sale of property, plant and equipment	28	21	68	52
Investments in intangible assets	-319	-231	-861	-710
Sale of intangible assets	3	8	10	11
Acquisition of subsidiaries and associated companies	-1 081 *	-126	-8 380	-1 135
Sale of subsidiaries	-	-	-	1
Other investments, net	166	-39	596	-677
<b>Net cash from investing activities</b>	<b>-1 528</b>	<b>-690</b>	<b>-9 594</b>	<b>-3 360</b>
<b>Cash flows from financing activities</b>				
Dividends paid	-	-	-6 681	-6 668
Dividends paid to non-controlling interest	-1	-	-1	-
Acquisition of non-controlling interest	-	-	-	-3
Repurchase and sales of own shares	245	124	628	-38
Change in interest-bearing liabilities	-2 330	-189	-6 204	4 553
<b>Net cash from financing activities</b>	<b>-2 086</b>	<b>-65</b>	<b>-12 258</b>	<b>-2 156</b>
<b>Net cash flow for the period</b>	<b>748</b>	<b>2 203</b>	<b>-11 484</b>	<b>3 682</b>
Cash and cash equivalents, beginning of the period	5 364	14 076	17 633	12 416
Exchange differences in cash and cash equivalents	133	-223	96	-42
<b>Cash and cash equivalents, end of the period</b>	<b>6 245</b>	<b>16 056</b>	<b>6 245</b>	<b>16 056</b>

\*Part of the consideration for the acquisition of Henrob will be paid in 2015. In addition, a contingent consideration will, if certain criteria are met, be paid in 2015 or later.

## Depreciation, amortization and impairment

	July - September	January - September
MSEK	2014	2013
<i>Rental equipment</i>	255	177
<i>Other property, plant and equipment</i>	386	313
<i>Intangible assets</i>	392	198
<b>Total</b>	<b>1 033</b>	<b>688</b>

**Calculation of operating cash flow**

MSEK	July - September		January - September	
	2014	2013	2014	2013
<b>Net cash flow for the period</b>	<b>748</b>	<b>2 203</b>	<b>-11 484</b>	<b>3 682</b>
Add back:				
Change in pensions				
Change in interest-bearing liabilities	2 330	189	6 204	-4 553
Repurchase and sales of own shares	-245	-124	-628	38
Dividends paid	-	-	6 681	6 668
Acquisition of non-controlling interest	-	-	-	3
Redemption of shares	-	-	-	-
Acquisitions and divestments	1 081	126	8 380	1 134
Investments of cash liquidity	-	-	-368	353
<b>Operating cash flow</b>	<b>3 915</b>	<b>2 394</b>	<b>8 786</b>	<b>7 325</b>

**Revenues by business area, adjusted for the move of Specialty Rental division**

MSEK (by quarter)	2012				2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Compressor Technique	7 858	8 182	8 078	8 607	7 383	8 037	7 816	8 546	9 409	10 353	10 718
- of which external	7 839	8 162	8 063	8 586	7 368	8 020	7 815	8 538	9 361	10 307	10 682
- of which internal	19	20	15	21	15	17	1	8	48	46	36
Industrial Technique	2 471	2 420	2 280	2 395	2 183	2 243	2 383	2 692	2 505	2 650	2 827
- of which external	2 464	2 414	2 271	2 387	2 177	2 233	2 374	2 679	2 493	2 636	2 816
- of which internal	7	6	9	8	6	10	9	13	12	14	11
Mining and Rock											
Excavation Technique	8 434	8 846	8 278	8 496	7 562	7 857	6 885	6 709	6 251	6 396	6 449
- of which external	8 418	8 807	8 265	8 508	7 545	7 851	6 882	6 704	6 237	6 373	6 398
- of which internal	16	39	13	-12	17	6	3	5	14	23	51
Construction Technique	3 593	4 156	3 557	3 352	3 173	3 850	3 495	3 449	3 354	4 068	3 692
- of which external	3 454	3 986	3 431	3 236	3 071	3 706	3 385	3 324	3 272	3 971	3 621
- of which internal	139	170	126	116	102	144	110	125	82	97	71
Common Group functions/ Eliminations	-102	-167	-99	-102	-74	-144	-27	-130	-96	-119	-96
<b>Atlas Copco Group</b>	<b>22 254</b>	<b>23 437</b>	<b>22 094</b>	<b>22 748</b>	<b>20 227</b>	<b>21 843</b>	<b>20 552</b>	<b>21 266</b>	<b>21 423</b>	<b>23 348</b>	<b>23 590</b>

**Operating profit by business area, adjusted for the move of Specialty Rental division**

MSEK (by quarter)	2012				2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Compressor Technique	1 730	1 769	1 912	2 063	1 671	1 834	1 826	1 948	1 915	2 219	2 369
- as a percentage of revenues	22.0	21.6	23.7	24.0	22.6	22.8	23.4	22.8	20.4	21.4	22.1
Industrial Technique	593	552	480	533	487	482	548	621	543	595	636
- as a percentage of revenues	24.0	22.8	21.1	22.3	22.3	21.5	23.0	23.1	21.7	22.5	22.5
Mining and Rock											
Excavation Technique	2 077	2 196	2 036	2 026	1 771	1 738	1 384	1 190	1 071	1 155	856
- as a percentage of revenues	24.6	24.8	24.6	23.8	23.4	22.1	20.1	17.7	17.1	18.1	13.3
Construction Technique	426	621	479	299	384	511	454	384	406	545	422
- as a percentage of revenues	11.9	14.9	13.5	8.9	12.1	13.3	13.0	11.1	12.1	13.4	11.4
Common Group functions/ Eliminations	-212	-110	18	-222	-157	-32	0	12	-175	-175	-138
<b>Operating profit</b>	<b>4 614</b>	<b>5 028</b>	<b>4 925</b>	<b>4 699</b>	<b>4 156</b>	<b>4 533</b>	<b>4 212</b>	<b>4 155</b>	<b>3 760</b>	<b>4 339</b>	<b>4 145</b>
- as a percentage of revenues	20.7	21.5	22.3	20.7	20.5	20.8	20.5	19.5	17.6	18.6	17.6
Net financial items	-120	-185	-188	-211	-111	-254	-195	-230	-158	-165	-266
<b>Profit before tax</b>	<b>4 494</b>	<b>4 843</b>	<b>4 737</b>	<b>4 488</b>	<b>4 045</b>	<b>4 279</b>	<b>4 017</b>	<b>3 925</b>	<b>3 602</b>	<b>4 174</b>	<b>3 879</b>
- as a percentage of revenues	20.2	20.7	21.4	19.7	20.0	19.6	19.5	18.5	16.8	17.9	16.4

**Key figures by quarter**

SEK	2012				2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Basic earnings per share	2.81	2.98	2.87	2.81	2.46	2.58	2.52	2.39	2.27	2.64	2.37
Diluted earnings per share	2.80	2.97	2.86	2.81	2.45	2.56	2.51	2.38	2.27	2.64	2.36
Equity per share	26	24	25	28	30	28	30	33	35	33	37
Operating cash flow per share	1.18	1.56	3.79	3.49	1.35	2.72	1.97	2.11	1.62	2.39	3.22
%											
Return on capital employed, 12 months value	37	39	37	36	34	32	30	28	26	25	25
Return on equity, 12 months value	49	52	48	46	42	40	37	34	32	31	30
Debt/equity ratio, period end	43	62	40	27	23	37	27	19	37	51	44
Equity/assets ratio, period end	38	37	39	42	42	39	42	45	45	43	45
Number of employees, period end	38 623	39 332	39 921	39 811	40 344	40 369	40 116	40 241	43 846	43 937	44 243

**Acquisitions**

Date	Acquisitions	Business area	Revenues MSEK*	Number of employees*
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 5	National Pump & Compressor Ltd. & McKenzie Compressed Air Inc., <i>Distributor USA</i>	Compressor Technique		120
2014 Feb. 3	Geawelltech	Mining & Rock Excavation Tech.	90	19
2014 Jan. 9	Edwards Group	Compressor Technique	6 950	3 400
2013 Nov. 22	Tentec Ltd	Industrial Technique	105	65
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, <i>Distributor Turkey</i>	Compressor Technique		16
2013 May 3	National Pump & Compressor, <i>Distributor USA</i>	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 <i>Distributor France</i>	Compressor Technique		30

\*Annual revenues and number of employees at time of acquisition. No revenues are disclosed for former Atlas Copco distributors. For disclosure as per IFRS 3 for the Edwards acquisition, see below. For the other acquisitions made in 2014, disclosure as per IFRS 3 will be given in the annual report 2014. See the annual report for 2013 for disclosure of acquisitions made in 2013.

**Atlas Copco acquires Edwards, expanding into process vacuum solutions**

On January 9, 2014, the acquisition of Edwards, a leading global supplier of vacuum and abatement solutions, was completed.

price allocation is outlined below. It is expected to be finalized at the year-end closing.

Contribution from date of control, MSEK	
Revenues	5 974
Operating profit	1 144
- as a percentage of revenues	19.1
Amortization of intangible assets	163

In 2013, Edwards had revenues of approximately MGBP 680 (MSEK 6 950), and an adjusted EBITDA approximately MGBP 160 (MSEK 1 640).

The total purchase price corresponded to an enterprise value of MSEK 9 900, whereof approximately MSEK 2 100 of net debt at the time of closing. A preliminary purchase

Preliminary values, MSEK	
Intangible assets	4 100
Property, plant and equipment	1 300
Other assets	2 700
Cash and cash equivalents	900
Interest-bearing loans and borrowings	-3 000
Other liabilities and provisions	-3 200
Net identifiable assets	2 800
Goodwill	5 000
Total consideration	7 800

SEK / USD 6.5145 as at December 31, 2013.

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

MSEK	July - September		January - September	
	2014	2013	2014	2013
Administrative expenses	-103	-122	-329	-301
Other operating income and expenses	44	208	106	300
<b>Operating profit/loss</b>	<b>-59</b>	<b>86</b>	<b>-223</b>	<b>-1</b>
Financial income and expenses	535	4 343	656	5 751
<b>Profit/loss before tax</b>	<b>476</b>	<b>4 429</b>	<b>433</b>	<b>5 750</b>
Income tax	37	-84	21	165
<b>Profit/loss for the period</b>	<b>513</b>	<b>4 345</b>	<b>454</b>	<b>5 915</b>

**Balance sheet**

MSEK	Sep. 30	Sep. 30	Dec. 31
	2014	2013	2013
Total non-current assets	94 206	93 738	93 770
Total current assets	8 390	14 868	20 126
<b>TOTAL ASSETS</b>	<b>102 596</b>	<b>108 606</b>	<b>113 896</b>
Total restricted equity	5 785	5 785	5 785
Total non-restricted equity	34 905	34 476	41 194
<b>TOTAL EQUITY</b>	<b>40 690</b>	<b>40 261</b>	<b>46 979</b>
Untaxed reserves	-	1 255	-
Total provisions	604	846	797
Total non-current liabilities	50 742	34 708	39 456
Total current liabilities	10 560	31 536	26 664
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>102 596</b>	<b>108 606</b>	<b>113 896</b>
Assets pledged	555	134	198
Contingent liabilities	9 145	387	7 570

**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	-12 255 484
- of which B shares held by Atlas Copco	-570 879
Total shares outstanding, net of shares held by Atlas Copco	1 216 786 741

### Personnel stock option program

The Annual General Meeting 2014 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](http://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 4 800 000 series A shares, whereof a maximum of 3 500 000 may be transferred to personnel stock option holders under the Performance Stock Option Plan 2014.
- 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 a maximum 8 800 000 series A and B shares currently held by the company, for the purpose of covering costs of fulfilling obligations related to the performance stock option plans 2009, 2010 and 2011.

The shares may only be purchased or sold on NASDAQ Stockholm at a price within the registered price interval at any given time.

During the first nine months 2014, 3 159 328 series A shares and 74 500 series B shares were divested. These transactions are in accordance with mandates granted.

The company's holding of own shares on September 30, 2014 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 2013 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 2013.

## 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 2013, Atlas Copco had revenues of BSEK 84 (BEUR 9.7) and more than 40 000 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, Germany, the United States, China and India.

The **Industrial Technique** business area provides industrial power tools, assembly systems, quality assurance products, software and service through a global network. The business area 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 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 2013 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](mailto:ir@se.atlascopco.com)

Media  
Ola Kinnander  
Media Relations Manager  
Phone: +46 8 743 8060 or +46 70 347 2455  
[media@se.atlascopco.com](mailto:media@se.atlascopco.com)

### Conference call

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

The dial-in numbers are:

- United Kingdom: +44 (0)207 660 2077
- Sweden: +46 (0)8 5199 9030
- United States: +1 855 716 1592

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

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

### Capital Markets Day 2014

Atlas Copco will host its annual Capital Markets Day on November 19, 2014, in Charlotte and Rock Hill, the United States. See [www.atlascopco.com/cmd2014](http://www.atlascopco.com/cmd2014) for additional details.

### Report on Q4 2014

The report on Q4 2014 will be published on January 29, 2015.

### Annual General Meeting

The Annual General Meeting for Atlas Copco AB will be held April 28, 2015 at 4 p.m. in Stockholm, Sweden. Information about the venue will be distributed at the latest in the notice to the AGM.