October 22, 2009

Atlas Copco
Interim report at September 30, 2009

Healthy profitability and good aftermarket

- **Organic order intake declined 30%.**
  - **Demand for equipment remained low.**
  - **Aftermarket products and services held up well.**
- **Revenues decreased 18% to MSEK 15 088 (18 440), organic decline 25%.**
- **Operating profit at MSEK 2 402 (3 640), a margin of 15.9% (19.7).**
  - **Positive net currency effect of MSEK 60 compared to previous year.**
  - **Annual cost savings in excess of MSEK 2 000 now achieved.**
- **Profit before tax amounted to MSEK 2 210 (3 224).**
- **Profit for the period was MSEK 1 730 (2 432).**
- **Basic and diluted earnings per share were SEK 1.42 (1.99).**
- **Strong operating cash flow at MSEK 4 275 (1 054).**

	July – September			January – September		
MSEK	2009	2008	%	2009	2008	%
Orders received	14 309	18 842	-24	43 175	58 135	-26
Revenues	15 088	18 440	-18	47 820	54 446	-12
Operating profit	2 402	3 640	-34	6 640	10 518	-37
– as a percentage of revenues	*15.9*	*19.7*		*13.9*	*19.3*	
Profit before tax	2 210	3 224	-31	5 947	9 604	-38
– as a percentage of revenues	*14.6*	*17.5*		*12.4*	*17.6*	
Profit for the period	1 730	2 432	-29	4 576	7 271[1)]	-37
Basic and diluted earnings per share from continuing operations, SEK	1.42	1.99	-29	3.75	5.79	-35
Basic earnings per share, SEK	1.42	1.99		3.75	5.94[1)]	
Diluted earnings per share, SEK	1.42	1.99		3.75	5.93[1)]	

[1)] Including MSEK 184 from discontinued operations.

Near-term demand outlook
The overall demand is expected to stay around the current level.

The demand in some emerging markets, including China and India, is expected to gradually improve.

Atlas Copco Group Center

Atlas Copco AB
SE-105 23 Stockholm
Sweden

Visitors address:
Sickla Industriväg 3
Nacka

Telephone: +46 (0)8 743 8000
Telefax: +46 (0)8 644 9045
Web site www.atlascopco.com

A Public Company (publ)
Reg. No: 556014-2720
Reg. Office Nacka

Atlas Copco Group

Summary of nine-month results

Orders received in the first nine months of 2009 decreased 26%, to MSEK 43 175 (58 135). Volume for comparable units decreased 35%, while price increases added 1% and the positive currency effect was 9%. Cancellations, all from the first quarter, represented -1%. Revenues decreased 12%, to MSEK 47 820 (54 446), corresponding to 23% organic decline.

Operating profit decreased 37% to MSEK 6 640 (10 518), corresponding to a margin of 13.9% (19.3). The positive impact of changes in exchange rates compared with the previous year was approximately MSEK 960 for the first nine months. Profit before tax amounted to MSEK 5 947 (9 604), down 38% and corresponding to a margin of 12.4% (17.6). Profit for the period totaled MSEK 4 576 (7 271, including MSEK 184 from discontinued operations). Basic earnings per share were SEK 3.75 (5.94) and diluted earnings per share were 3.75 (5.93).

Operating cash flow before acquisitions, divestments and dividends totaled MSEK 9 618 (2 350).

Review of the third quarter

Market development

Demand remained stable but on a lower level than the previous year in all regions and for most types of equipment throughout the third quarter.

In **North America,** the demand from the manufacturing industry remained on a low level for most compressed air equipment. An improvement was recorded for applications within oil and gas and energy recovery. Sales of mining equipment for both underground and open-pit applications remained low. Demand for most types of construction equipment was still low and not yet markedly affected by government stimulus packages. The demand for industrial power tools from the motor vehicle industry was weak.

Demand for both mining and construction equipment improved in **South America**. Sales of compressed air equipment and industrial power tools were fairly low but somewhat above the level of recent quarters.

Demand remained on a low level in **Europe**. Sales were weak for most types of equipment throughout the region within the mining, construction and industrial sectors. No major bright spots were seen even though the development was slightly better in Western Europe than in the Eastern part, where Russia continued to be very weak. Among the major markets, France performed better than the average in the region.

Total order intake was fairly stable in the **Africa/Middle East** region. Demand was good within the oil and gas sector in Northern Africa and the Middle East, mainly affecting sales of large gas and process compressors. South Africa had a tough quarter, both for mining and industrial equipment.

The demand in **Asia** was better than in most other regions. Gradually higher sales were recorded compared to the beginning of the year, especially in China and India. The improvement was noted both in construction equipment and for compressors. Sales of mining equipment in South East Asia were also good, whereas order intake for industrial power tools was quite low throughout the region.

In **Australia**, demand was somewhat weaker both from the mining industry and most other sectors.

Sales bridge

	July – September	
MSEK	Orders Received	Revenues
2008	18 842	18 440
Structural change, %	0	+1
Currency, %	+6	+6
Price, %	+1	+1
Volume, %	-31	-26
Total, %	-24	-18
2009	14 309	15 088

Geographic distribution of orders received

%, last 12 months incl. September 2009	Compressor Technique	Construction and Mining Technique	Industrial Technique	Atlas Copco Group
North America	15	17	21	17
South America	7	13	5	9
Europe	39	28	55	36
Africa/Middle East	12	16	2	13
Asia/Australia	27	26	17	25
	100	100	100	100

Earnings and profitability

Operating profit amounted to MSEK 2 402 (3 640), corresponding to an operating margin of 15.9% (19.7). The continued low production volumes and the resulting under-absorption of fixed costs explained the drop from the previous year. At the same time, significant cost reductions and a more favorable sales mix (more aftermarket) helped to mitigate the drop and even improve the margin compared to the second quarter. In the quarter, the previously announced measures for capacity and cost adjustments reached the targeted annual level of savings of more than MSEK 2 000, compared to the situation a year ago. The net currency effect was MSEK +60 compared to the previous year. A negative impact on the business area margins was offset by positive corporate currency hedges.

Net financial items were MSEK -192 (-416), of which interest net MSEK -171 (-358). The reduced interest cost reflects both a lower net interest-bearing debt, thanks to a strong cash generation, and lower interest rates for loans with short-term interest periods.

Profit before tax amounted to MSEK 2 210 (3 224), corresponding to a margin of 14.6% (17.5).

Profit for the period totaled MSEK 1 730 (2 432). Basic and diluted earnings per share were SEK 1.42 (1.99).

The return on capital employed during the last 12 months was 21% (32) and 23% (35) excluding the customer financing business. The return on equity was 33% (56). The Group currently uses a weighted average cost of capital (WACC) of 7.4%, pre-tax equivalent approximately 9.9%, as an investment and overall performance benchmark.

Operating cash flow and investments

Operating cash surplus decreased to MSEK 3 157 (4 221), while the reduction in working capital of MSEK 2 032 (increase of 772) contributed strongly to the cash flow. The lower sales volumes and a strong focus on inventory and receivables management gave significant reductions in the working capital.

Cash flows from investing activities, excluding acquisitions and divestments of businesses, were MSEK -117 (-1 110). Lower investments in property, plant and equipment and reduced customer financing volumes explained most of the drop.

Operating cash flow increased significantly to MSEK 4 275 (1 054).

Net indebtedness

The Group’s net indebtedness, adjusted for the fair value of interest rate swaps, amounted to MSEK 14 624 (22 500), of which MSEK 1 776 (1 749) was attributable to post-employment benefits. The funding situation for the Group is favorable, with an average tenor of around five years. The net debt/EBITDA ratio, indicating the Group’s ability to service its interest bearing debt, was 1.2 (1.4). The debt/equity ratio was 62% (120).

Employees

On September 30, 2009, the number of employees was 29 892 (35 073). In the quarter, the number of employees was reduced by 676 for comparable units. The number of full-time consultants/external workforce was reduced by 12 to 897.

Compressor Technique

The Compressor Technique business area consists of seven divisions in the following product areas: industrial compressors, compressed air treatment products, portable compressors and generators, gas and process compressors and expanders, service and specialty rental.

MSEK	July – September 2009	2008	Change %	January – September 2009	2008	Change %
Orders received	**7 405**	**9 305**	**-20**	22 449	28 209	-20
Revenues	**7 799**	**9 028**	**-14**	24 380	25 721	-5
Operating profit	**1 451**	**1 921**	**-24**	4 158	5 275	-21
– as a percentage of revenues	***18.6***	***21.3***		*17.1*	*20.5*	
Return on capital employed, %	**45**	**59**				

- Equipment sales affected by low investment needs; aftermarket held up well.
- Gradual improvement from low levels in most emerging markets.
- Profit margin at 18.6% confirms resilient business model.

Sales bridge

MSEK	July – September Orders Received	Revenues
2008	9 305	9 028
Structural change, %	0	0
Currency, %	+7	+7
Price, %	+1	+1
Volume, %	-28	-22
Total, %	-20	-14
2009	7 405	7 799

Industrial compressors

Demand for stationary industrial compressors remained low, and was significantly lower than the previous year in most OECD markets. A gradual improvement from a very low level in the beginning of the year was seen in emerging markets such as India, China and the Middle East. Demand from the public services and utilities sector continued to be somewhat better than average, while most of the manufacturing industry remained weak. Order intake for air treatment products such as dryers, coolers, and filters continued on a level below the previous year.

Gas and process compressors

Demand for large gas and process compressors, including expanders, remained below the previous year’s high level, even though a pickup was seen in some markets. Some significant orders, mostly for gas processing and energy recovery applications were won in the Middle East, China and the United States.

Portable compressors, generators and rental

Sales of portable compressors and generators were well below the previous year’s level in all geographic regions except in Asia, where it was nearly flat.

The specialty rental business, i.e. rental of portable air and power, held up well in most regions, but recorded lower revenues in North America and Eastern Europe.

Aftermarket

Sales of service and spare parts were stable on a sequential basis but still somewhat below the previous year’s level. Most regions had a similar negative year-on-year comparison but many emerging markets performed slightly better than the average.

Product development

A new oil-free scroll compressor was introduced in the quarter. The compressor targets sensitive applications such as in hospitals, laboratories and breweries. The low-pressure compressor range was extended with new air-cooled and variable speed versions. A portable open-frame compressor, intended for oil and gas applications in remote areas, was also launched.

Structural changes

In early September, the business area acquired a small compressor service company in the Czech Republic.

Profit and returns

Operating profit decreased to MSEK 1 451 (1 921), corresponding to an operating margin of 18.6% (21.3). The margin increased compared to the previous quarters due to lower levels of under-absorption of fixed costs and continuous cost reductions. The margin was also supported by a more favorable sales mix with a higher ratio of aftermarket revenues.

Return on capital employed (last 12 months) was 45% (59).

Construction and Mining Technique

The Construction and Mining Technique business area consists of eight divisions in the following product areas: drilling rigs, rock drilling tools, loading equipment, exploration equipment, construction tools, and road construction equipment.

MSEK	July – September 2009	2008	Change %	January – September 2009	2008	Change %
Orders received	**5 653**	**7 884**	**-28**	16 923	24 659	-31
Revenues	**5 976**	**7 742**	**-23**	19 514	23 653	-17
Operating profit	**823**	**1 455**	**-43**	2 566	4 322	-41
– as a percentage of revenues	***13.8***	***18.8***		*13.1*	*18.3*	
Return on capital employed, %	**18**	**31**				

- Continued low level of equipment orders, but solid aftermarket; organic order decline of 34%.
- Activity level in mining picked up.
- Good profit margin at 13.8%, in spite of heavy revenue drop and negative currency effect.

Sales bridge

MSEK	July – September Orders Received	Revenues
2008	7 884	7 742
Structural change, %	0	0
Currency, %	+6	+5
Price, %	+1	+2
Volume, %	-35	-30
Total, %	-28	-23
2009	5 653	5 976

Mining

Many mining customers showed a higher activity level compared to a few months ago and the number of inquiries remained on a relatively good level throughout the quarter. Actual orders for mining equipment were however still on a low level, reflecting the previous years' high investments in capacity. Consequently, the year-on-year comparison continued to be substantially negative for most regions and types of equipment. Demand in South America and Asia was relatively better than the other regions, both for underground and surface equipment. Russia continued to be very weak. Sales of exploration equipment remained low in most markets.

Construction

Demand was weak within most parts of the construction segment and few countries saw clear effects on investments from government stimulus packages. Sales decreased sharply for drilling rigs for surface applications used in quarries and road construction in all regions except Asia and South America. Order intake for underground drilling rigs for infrastructure projects, e.g. tunneling and hydropower, remained very low.

Sales of light construction equipment remained low in all regions and well below the levels from the previous year.

Demand for road construction equipment was relatively strong in South America and Asia and both regions recorded good growth compared to the previous year. Sales in Europe were in line with the previous year.

Aftermarket and consumables

Demand for service and spare parts remained stable and growth was recorded in most emerging markets. In total, however, sales declined compared to the previous year. Sales of consumables, mainly drill bits and drill steel, continued on a lower level than the previous year though the difference was less than in previous quarters. Growth was, however, recorded in South America.

Product development

Two new drill rigs were added to the range of radio remote controlled surface crawlers. A new hydraulic breaker, with more percussion power and increased productivity compared to its predecessor, was added to the medium breaker range. The assortment of consumables was extended with drill bits for soft rock drilling.

Profit and returns

Operating profit decreased to MSEK 823 (1 455), a margin of 13.8% (18.8). Effects of low capacity utilization continued to impact the margin negatively, while a more favorable sales mix, reduced functional costs and other efficiency measures supported the margin. Currency had a negative impact on the operating margin, mainly caused by valuation to period-end exchange rates of customer receivables in the balance sheet.

Return on capital employed (last 12 months) was 18% (31).

Industrial Technique

The Industrial Technique business area consists of four divisions in the product areas industrial power tools and assembly systems.

	July – September		Change	January – September		Change
MSEK	2009	2008	%	2009	2008	%
Orders received	**1 201**	**1 776**	**-32**	3 861	5 675	-32
Revenues	**1 243**	**1 788**	**-30**	3 937	5 449	-28
Operating profit	**83**	**337**	**-75**	146	1 067	-86
– as a percentage of revenues	***6.7***	***18.8***		*3.7*	*19.6*	
Return on capital employed, %	**13**	**51**				

- Weak demand continued; order intake down 38% organically.
- Operating margin at 6.7% still heavily affected by the low volumes.
- Continued focus on adapting the operations to current market situation.

Sales bridge

	July – September	
MSEK	Orders Received	Revenues
2008	1 776	1 788
Structural change, %	0	0
Currency, %	+6	+6
Price, %	0	0
Volume, %	-38	-36
Total, %	-32	-30
2009	1 201	1 243

General industry

Sales of industrial power tools to the general manufacturing industries, e.g. electrical appliances, aerospace, and shipyards, were low in most parts of the world, to some extent affected by longer-than-normal summer shut-downs at some customer sites. A small sequential improvement was seen in some markets but overall the development was flat. Compared to the same quarter the previous year Asia performed relatively well, while sales in both North America and Europe were significantly down.

Motor vehicle industry

Demand for advanced industrial tools and assembly systems to the motor vehicle industry remained low in all regions. The year-on-year decline was similar in all geographic regions. The pickup in car production from the very low levels in the beginning of the year have had very limited or no effect on investments in assembly tools.

Vehicle service

The vehicle service business, providing large fleet operators and specialized repair shops with tools and other equipment, recorded sales clearly below the previous year's level in all major regions.

Aftermarket

The service business grew in many emerging markets compared to the previous year. Sales were, however, clearly down in the major regions. A positive trend was noted in North America compared to the previous quarter.

Product development

Two new sanders were added to the range of material removal tools in the quarter. The products are ergonomically designed for long periods of use. A new generation of process monitoring and analysis software was also launched. The software makes it possible for customers to continuously improve the tightening process on their assembly lines.

Structural changes

Measures to adjust the capacity and cost structure, both in manufacturing and in the sales organization continued to be a strong focus area for management.

Profit and returns

Operating result was MSEK 83 (337), corresponding to an operating margin of 6.7% (18.8). Under-absorption due to lower production levels than the previous year continued to be the main reason for the low profit margin. However, cost reductions had a gradual positive effect on the operating profitability.

Return on capital employed (last 12 months) was 13% (51).

Previous near-term demand outlook

(Published July 17, 2009)

The demand is expected to remain weak in most industries and regions and stay around the current level.

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 2008, with the exception of new or revised standards and interpretations endorsed by the EU and effective as from January 1, 2009, as explained below.

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

Changes in accounting principles

Revised IAS 1 Presentation of financial statements
The adoption of the revised IAS 1 results in that total comprehensive income is now presented in an income statement and a separate statement of comprehensive income. The statement of changes in equity now includes only transactions with owners and comprehensive income. Items of comprehensive income were previously included in the statement of changes in equity.

IFRS 8 Operating Segments
IFRS 8 replaces IAS 14 Segment Reporting and introduces the “management approach” to segment reporting. The operating segments are identified based on the internal reports regularly reviewed by the Group’s Chief Operating Decision Maker. The Group’s President has been identified as the Chief Operating Decision Maker.

The adoption of IFRS 8 does not require any change in the presentation of the segments as those previously presented, i.e. the business areas, agree with the operating segments reviewed by the Group’s Chief Operating Decision Maker. Accordingly, there has been no restatement of previously reported information.

The accounting principles applicable for the segment presentation are the same as those principles described in the Annual Report for 2008.

Revised IAS 23 Borrowing costs
The revised standard requires capitalization of borrowing costs directly attributable to the acquisition, construction or production of qualifying assets. The implementation constitutes a change in accounting policy for the Group and is applicable for qualifying assets for which capitalization of borrowing costs commences on or after January 1, 2009. The adoption of this accounting policy has not had a significant impact on the consolidated financial statements.

Other new and amended IFRS standards and IFRIC interpretations
The other new or amended IFRS standards and IFRIC interpretations, which became effective January 1, 2009, have had no material effect on the consolidated financial statements.

Risks and factors of uncertainty

Market risks
The demand for Atlas Copco’s products and services is affected by changes in the customers’ investment and production levels. Sales volumes and the operating profit are therefore affected by customers’ ability and willingness to invest. Changes in customer’s production levels also have an effect on sales of aftermarket products such as spare parts, service, and consumables. These changes have however historically been relatively small in comparison to changes in machinery investments.

Financial risks
Atlas Copco is subject to currency risks, interest rate risks, and other financial risks. The recent turbulence in the financial markets has made it more expensive and difficult to obtain new funding for borrowers in general. Although Atlas Copco has already secured long-term loans and a guaranteed long-term stand-by credit facility, a prolonged turbulence and further deterioration of the functioning of the financial markets could lead to increased costs and difficulty to meet future funding needs. See comments on the net indebtedness on page 3.

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. Reflecting the current economic situation, management is closely monitoring the carrying value of goodwill and intangible assets related to acquired businesses.

For further information about risk factors, please see the 2008 Annual Report.

Stockholm, October 22, 2009

Atlas Copco AB
(publ)

Ronnie Leten
President and Chief Executive Officer

Auditors' Review Report

Introduction
We have reviewed the interim report for Atlas Copco AB as per September 30, 2009 and the nine-month period ending thereon. 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.

Focus and scope of the review
We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information Performed by the Independent Auditors of the Entity*, issued by FAR SRS. A review consists of making inquiries, primarily to 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 Standards on Auditing in Sweden RS and other generally accepted auditing standards in Sweden. 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 on the basis of 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 aspects, prepared in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company, in accordance with the Annual Accounts Act.

Stockholm, October 22, 2009

KPMG AB

Thomas Thiel
Authorized Public Accountant

Consolidated Income Statement

MSEK	3 months ended Sep. 30 2009	3 months ended Sep. 30 2008	9 months ended Sep. 30 2009	9 months ended Sep. 30 2008	12 months ended Sep. 30 2009	12 months ended Sep. 30 2008	12 months ended Dec. 31 2008
Revenues	15 088	18 440	47 820	54 446	67 551	71 995	74 177
Cost of sales	-9 889	-11 852	-32 038	-34 775	-45 049	-45 839	-47 786
Gross profit	**5 199**	**6 588**	**15 782**	**19 671**	**22 502**	**26 156**	**26 391**
Marketing expenses	-1 560	-1 836	-5 182	-5 435	-7 161	-7 215	-7 414
Administrative expenses	-891	-927	-2 882	-2 827	-3 969	-3 757	-3 914
Research and development costs	-306	-386	-1 037	-1 118	-1 392	-1 468	-1 473
Other operating income and expenses	-40	201	-41	227	-52	163	216
Operating profit	**2 402**	**3 640**	**6 640**	**10 518**	**9 928**	**13 879**	**13 806**
- as a percentage of revenues	*15.9*	*19.7*	*13.9*	*19.3*	*14.7*	*19.3*	*18.6*
Net financial items	-192	-416	-693	-914	-473	-2 141	-694
Profit before tax	**2 210**	**3 224**	**5 947**	**9 604**	**9 455**	**11 738**	**13 112**
- as a percentage of revenues	*14.6*	*17.5*	*12.4*	*17.6*	*14.0*	*16.3*	*17.7*
Income tax expense	-480	-792	-1 371	-2 517	-1 960	-3 275	-3 106
Profit from continuing operations	**1 730**	**2 432**	**4 576**	**7 087**	**7 495**	**8 463**	**10 006**
Profit from discontinued operations, net of tax	-	-	-	184	-	184	184
Profit for the period	**1 730**	**2 432**	**4 576**	**7 271**	**7 495**	**8 647**	**10 190**
Profit for the period attributable to							
- owners of the parent	1 721	2 424	4 554	7 246	7 465	8 614	10 157
- minority interest	9	8	22	25	30	33	33

Basic earnings per share, SEK	**1.42**	**1.99**	**3.75**	**5.94**	**6.14**	**7.06**	**8.33**
- of which continuing operations	*1.42*	*1.99*	*3.75*	*5.79*	*6.14*	*6.91*	*8.18*
Diluted earnings per share, SEK	1.42	1.99	3.75	5.93	6.14	7.05	8.33
Basic weighted average number of shares outstanding, millions	1 215.9	1 218.9	1 215.9	1 220.1	1 215.9	1 220.3	1 219.1
Diluted weighted average number of shares outstanding, millions	1 216.5	1 219.4	1 216.3	1 220.9	1 216.1	1 221.1	1 219.8

Key ratios, including discontinued operations	Sep. 30 2009	Sep. 30 2008	Dec. 31 2008
Equity per share, period end, SEK	19	15	20
Return on capital employed before tax, 12 month values, %	21	32	34
Return on equity after tax, 12 month values, %	33	56	58
Debt/equity ratio, period end, %	62	120	91
Equity/assets ratio, period end, %	35	29	32
Number of employees, period end	29 892	35 073	34 043

Consolidated Statement of Comprehensive Income

MSEK	3 months ended Sep. 30 2009	3 months ended Sep. 30 2008	9 months ended Sep. 30 2009	9 months ended Sep. 30 2008	12 months ended Sep. 30 2009	12 months ended Sep. 30 2008	12 months ended Dec. 31 2008
Profit for the period	**1 730**	**2 432**	**4 576**	**7 271**	**7 495**	**8 647**	**10 190**
Other comprehensive income							
Translation differences on foreign operations	-1 965	1 563	-1 712	1 574	2 478	2 491	5 764
- realized and reclassified to income statement	-	-	-	-3	-847	-3	-850
Hedge of net investments in foreign operations	942	-785	1 124	-1 038	-1 270	-1 532	-3 432
- realized and reclassified to income statement	-	-	-	-	656	-	656
Cash flow hedges	108	-13	401	-162	171	-248	-392
Available-for-sale investments	27	223	-120	-74	-327	-386	-281
- realized and reclassified to income statement	-	-	-	-	-33	-15	-33
Income tax relating to components of other comprehensive income	-786	555	-967	686	720	848	2 373
Income tax relating to components of other comprehensive income, reclassified to income statement	-	-	-	-	-749	-	-749
Other comprehensive income for the period, net of tax	**-1 674**	**1 543**	**-1 274**	**983**	**799**	**1 155**	**3 056**
Total comprehensive income for the period	**56**	**3 975**	**3 302**	**8 254**	**8 294**	**9 802**	**13 246**
Total comprehensive income attributable to							
- owners of the parent	60	3 961	3 293	8 239	8 266	9 779	13 212
- minority interest	-4	14	9	15	28	23	34

Consolidated Balance Sheet

MSEK	Sep. 30, 2009	Dec. 31, 2008	Sep. 30, 2008
Intangible assets	12 593	12 916	12 177
Rental equipment	2 048	2 282	1 992
Other property, plant and equipment	6 046	6 353	5 698
Financial assets and other receivables	4 295	5 287	3 957
Deferred tax assets	1 765	2 690	840
Total non-current assets	**26 747**	**29 528**	**24 664**
Inventories	12 623	17 106	16 371
Trade and other receivables	15 883	21 603	19 770
Other financial assets	1 598	1 659	1 531
Cash and cash equivalents	10 005	5 455	3 403
Assets classified as held for sale	35	43	39
Total current assets	**40 144**	**45 866**	**41 114**
TOTAL ASSETS	**66 891**	**75 394**	**65 778**
Equity attributable to owners of the parent	23 259	23 627	18 634
Minority interest	145	141	125
TOTAL EQUITY	**23 404**	**23 768**	**18 759**
Borrowings	23 061	26 997	23 648
Post-employment benefits	1 776	1 922	1 749
Other liabilities and provisions	644	660	755
Deferred tax liabilities	103	155	101
Total non-current liabilities	**25 584**	**29 734**	**26 253**
Borrowings	2 661	1 485	2 297
Trade payables and other liabilities	13 997	19 033	17 345
Provisions	1 245	1 374	1 124
Total current liabilities	**17 903**	**21 892**	**20 766**
TOTAL EQUITY AND LIABILITIES	**66 891**	**75 394**	**65 778**

Consolidated Statement of Changes in Equity

	Equity attributable to		
MSEK	owners of the parent	minority interest	Total equity
Opening balance, January 1, 2008	**14 524**	**116**	**14 640**
Changes in equity for the period			
Dividends	-3 662	-5	-3 667
Repurchase of own shares	-453	-	-453
Acquisition of minority shares in subsidiaries	1	-4	-3
Share-based payments, equity settled	5	-	5
Total comprehensive income for the period	13 212	34	13 246
Closing balance, December 31, 2008	**23 627**	**141**	**23 768**

	Equity attributable to		
MSEK	owners of the parent	minority interest	Total equity
Opening balance, January 1, 2009	**23 627**	**141**	**23 768**
Changes in equity for the period			
Dividends	-3 648	-6	-3 654
Acquisition of minority shares in subsidiaries	-	1	1
Share-based payments, equity settled	-13	-	-13
Total comprehensive income for the period	3 293	9	3 302
Closing balance, September 30, 2009	**23 259**	**145**	**23 404**

	Equity attributable to		
MSEK	owners of the parent	minority interest	Total equity
Opening balance, January 1, 2008	**14 524**	**116**	**14 640**
Changes in equity for the period			
Dividends	-3 662	-5	-3 667
Acquisition of minority shares in subsidiaries	-	-1	-1
Repurchase of own shares	-453	-	-453
Share-based payments, equity settled	-14	-	-14
Total comprehensive income for the period	8 239	15	8 254
Closing balance, September 30, 2008	**18 634**	**125**	**18 759**

Atlas Copco

Consolidated Statement of Cash Flows, including discontinued operations

	July – September		January – September	
MSEK	2009	2008	2009	2008
Cash flows from operating activities				
Operating profit	2 402	3 640	6 640	10 518
Depreciation, amortization and impairment	661	524	1 840	1 483
Capital gain/loss and other non-cash items	94	57	-138	45
Operating cash surplus	3 157	4 221	8 342	12 046
Net financial items received/paid	-708	-191	-1 387	-1 083
Taxes paid	-378	-1 094	-1 560	-2 826
Change in working capital	2 032	-772	5 118	-3 103
Net cash from operating activities	**4 103**	**2 164**	**10 513**	**5 034**
Cash flows from investing activities				
Investments in rental equipment	-170	-189	-544	-720
Investments in other property, plant and equipment	-217	-519	-788	-1 288
Sale of rental equipment	135	67	404	295
Sale of other property, plant and equipment	29	59	67	75
Investments in intangible assets	-104	-125	-485	-421
Sale of intangible assets	-2	1	3	1
Acquisition of subsidiaries	-10	-46	-187	-315
Divestment of subsidiaries	-	1	22	92
Other investments, net	212	-404	460	-1 046
Net cash from investing activities	**-127**	**-1 155**	**-1 048**	**-3 327***
Cash flows from financing activities				
Dividends paid	1	-1	-3 652	-3 667
Repurchase of own shares	-	-432	-	-453
Change in interest-bearing liabilities	-564	-1 053	-1 182	2 239
Net cash from financing activities	**-563**	**-1 486**	**-4 834**	**-1 881**
Net cash flow for the period	**3 413**	**-477**	**4 631**	**-174**
Cash and cash equivalents, beginning of the period	6 727	3 755	5 455	3 473
Exchange differences in cash and cash equivalents	-135	125	-81	104
Cash and cash equivalents, end of the period	**10 005**	**3 403**	**10 005**	**3 403**

* Includes taxes paid and costs related to the divestment of the equipment rental business of -41.

Depreciation, amortization and impairment				
Rental equipment	*231*	*117*	*548*	*399*
Other property, plant and equipment	*250*	*239*	*761*	*640*
Intangible assets	*180*	*168*	*531*	*444*
Total	661	524	1 840	1 483

Calculation of operating cash flow

	July – September		January – September	
MSEK	2009	2008	2009	2008
Net cash flow for the period	**3 413**	**-477**	**4 631**	**-174**
Add back				
- Change in interest-bearing liabilities	564	1 053	1 182	-2 239
- Redemption and repurchase of shares	-	432	-	453
- Dividends paid	-1	1	3 652	3 667
- Acquisitions and divestments	10	45	165	223
- Equity hedges in net financial items	289	-	-12	420
Operating cash flow	**4 275**	**1 054**	**9 618**	**2 350**

Revenues by Segment

MSEK (by quarter)	1	2	3	2008 4	1	2	2009 3
Compressor Technique	8 053	8 640	9 028	9 866	8 360	8 221	7 799
- of which external	*7 967*	*8 544*	*8 937*	*9 777*	*8 292*	*8180*	*7 757*
- of which internal	*86*	*96*	*91*	*89*	*68*	*41*	*42*
Construction and Mining Technique	7 344	8 567	7 742	8 007	6 816	6 722	5 976
- of which external	*7 304*	*8 474*	*7 681*	*7 917*	*6 785*	*6 712*	*5 968*
- of which internal	*40*	*93*	*61*	*90*	*31*	*10*	*8*
Industrial Technique	1 825	1 836	1 788	2 001	1 483	1 211	1 243
- of which external	*1 819*	*1 829*	*1 783*	*1 995*	*1 478*	*1 207*	*1 240*
- of which internal	*6*	*7*	*5*	*6*	*5*	*4*	*3*
Common Group functions/ Eliminations	-100	-159	-118	-143	-82	1	70
Atlas Copco Group	**17 122**	**18 884**	**18 440**	**19 731**	**16 577**	**16 155**	**15 088**

Operating profit by Segment

MSEK (by quarter)	1	2	3	2008 4	1	2	2009 3
Compressor Technique	1 643	1 711	1 921	2 016	1 384	1 323	1 451
- as a percentage of revenues	*20.4*	*19.8*	*21.3*	*20.4*	*16.6*	*16.1*	*18.6*
Construction and Mining Technique	1 252	1 615	1 455	1 280	868	875	823
- as a percentage of revenues	*17.0*	*18.9*	*18.8*	*16.0*	*12.7*	*13.0*	*13.8*
Industrial Technique	412	318	337	261	76	-13	83
- as a percentage of revenues	*22.6*	*17.3*	*18.8*	*13.0*	*5.1*	*-1.1*	*6.7*
Common Group functions/ Eliminations	-59	-14	-73	-269	-156	-119	45
Operating profit	**3 248**	**3 630**	**3 640**	**3 288**	**2 172**	**2 066**	**2 402**
- as a percentage of revenues	*19.0*	*19.2*	*19.7*	*16.7*	*13.1*	*12.8*	*15.9*
Net financial items	-222	-276	-416	220	-378	-123	-192
Profit before tax	**3 026**	**3 354**	**3 224**	**3 508**	**1 794**	**1 943**	**2 210**
- as a percentage of revenues	*17.7*	*17.8*	*17.5*	*17.8*	*10.8*	*12.0*	*14.6*

Acquisitions and Divestments 2008 – 2009

Date	Acquisitions	Divestments	Business area	Revenues MSEK*	Number of employees*
2009 Sep. 8	Servis A.C. s.r.o.		Compressor Technique	10	10
2009 Apr. 1	Focus and Prisma		Construction & Mining	93	104
2009 Jan. 12	Compressor Engineering - UK distributor		Compressor Technique	40	39
2008 Nov. 20**	Aggreko European Rental		Compressor Technique	91	25
2008 Aug. 8	Industrial Power Sales - distributor		Industrial Technique		61
2008 May 23	Two US distributors		Compressor Technique		60
2008 May 2	Hurricane and Grimmer		Compressor Technique	146	90
2008 Apr. 30	Fluidcon		Construction & Mining	68	223
2008 Feb. 13		Guimera	Compressor Technique	130	92

* 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, full disclosure as per IFRS 3 is not given in this interim report. The annual report for 2009 will include all stipulated disclosures for acquisitions made during 2009. See the annual report for 2008 for disclosure of acquisitions and divestments made in 2008.

** The acquisition was finalized on March 1, 2009 after anti-trust approval in all relevant countries.

Parent Company

Income Statement

MSEK	July – September 2009	July – September 2008	January – September 2009	January – September 2008
Administrative expenses	-75	-54	-226	-198
Other operating income and expenses	16	59	113	154
Operating profit/loss	**-59**	**5**	**-113**	**-44**
Financial income and expense	-174	-111	6 432	3 253
Profit after financial items	**-233**	**-106**	**6 319**	**3 209**
Appropriations	-	105	-	314
Profit before tax	**-233**	**-1**	**6 319**	**3 523**
Income tax	89	206	367	557
Profit for the period	**-144**	**205**	**6 686**	**4 080**

Balance Sheet

MSEK	Sep. 30 2009	Dec. 31 2008	Sep. 30 2008
Total non-current assets	91 140	93 055	104 103
Total current assets	12 969	15 654	9 322
TOTAL ASSETS	**104 109**	**108 709**	**113 425**
Total restricted equity	5 785	5 785	5 785
Total non-restricted equity	32 085	27 475	27 773
TOTAL EQUITY	**37 870**	**33 260**	**33 558**
Untaxed reserves	-	-	863
Total provisions	151	95	207
Total non-current liabilities	54 675	52 287	47 711
Total current liabilities	11 413	23 067	31 086
TOTAL EQUITY AND LIABILITIES	**104 109**	**108 709**	**113 425**

Assets pledged	39	29	29
Contingent liabilities	268	411	344

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 2.2, *Accounting for Legal Entities* as disclosed in the Annual Report 2008.

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	*-11 275 000*
- of which B shares held by Atlas Copco	*-2 428 400*
Total shares outstanding, net of shares held by Atlas Copco	1 215 909 704

Atlas Copco presently has a mandate to buy back a maximum of 5 570 000 series A shares on NASDAQ OMX Stockholm to be able to fulfill the obligations under the performance stock option plan 2009 and the part of the board fee relating to synthetic shares. The mandate was granted at the Annual General Meeting in April 2009 and is valid up until the AGM in 2010. No repurchases were made in the third quarter of 2009. The company's present holding of own shares appears in the table above. The A shares are held for possible delivery under the 2006, 2007 and 2008 performance stock option plans. The B shares held can be divested over time to cover costs related to the stock option plans. The current mandate covers the sale of not more than 1 445 000 series B shares.

Risks and factors of uncertainty

Financial risks

Atlas Copco is subject to currency risks, interest rate risks, and other financial risks. The recent turbulence in the financial markets has made it more expensive and difficult to obtain new funding for borrowers in general. Although Atlas Copco AB has already secured long-term loans and a guaranteed long-term stand-by credit facility, a prolonged turbulence and further deterioration of the functioning of the financial markets could lead to increased costs and difficulty to meet future funding needs.

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 2008.

Financial targets

The overall objective for the Atlas Copco Group is to grow and to achieve a return on capital employed that will always exceed the Group's average total cost of capital.

The financial targets are:

- to have an annual revenue growth of 8%;
- to reach an operating margin of 15%; and
- to challenge and continuously improve the efficiency of operating capital in terms of fixed assets, stocks, receivables, and rental fleet utilization.

This will have the result that shareholder value is created and continuously increased.

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.

For further information

Atlas Copco AB
SE-105 23 Stockholm, Sweden
Phone: +46 8 743 8000, Fax: +46 8 643 3718
Internet: www.atlascopco.com
Corp. id. no: 556014-2720

Analysts
Mattias Olsson, acting Investor Relations Manager,
Phone: +46 8 743 8290 or +46 70 497 8290
ir@se.atlascopco.com

Media
Daniel Frykholm, Media Relations Manager, Corporate Communications,
Phone: +46 8 743 8060 or +46 70 865 8060
media@se.atlascopco.com

Conference call

A conference call to comment on the results will be held at 11:00 AM CEST, on October 22.

The dial-in number is +44 (0)20 7806 1953 and the code to attend the call is 1740827.

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

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

A recording of the conference call will be available for 2 days on +44 (0)20 7111 1244 with access code 1740827#.

Report on Q4 and full-year 2009 summary

The report on Q4 and full-year 2009 summary will be published on February 2, 2010.