

January 28, 2016

Atlas Copco Interim report on Q4 and full-year summary 2015

(unaudited)

Solid profitability and record cash flow in tough market conditions

- Orders decreased 2% to MSEK 23 847 (24 375), organic decline of 5%
 - Robust service business in all business areas
 - Lower order intake for equipment, except for industrial tools and assembly solutions
- Revenues increased 1% to MSEK 25 582 (25 360), organic decline of 2%
- Adjusted operating profit of MSEK 4 919 (4 886), corresponding to a margin of 19.2% (19.3)
 - Reported operating profit at MSEK 4 824 (4 771), including items affecting comparability
- Profit before tax amounted to MSEK 4 644 (4 436)
- Adjusted profit for the period was MSEK 3 832 (3 335)
 - Reported profit for the period was MSEK 1 030, including tax provision of MSEK 2 802 following European Commission's decision on Belgium's tax rulings
- Adjusted basic earnings per share were SEK 3.15 (2.74)
 - Reported earnings per share were SEK 0.85, including the tax provision of MSEK 2 802
- Record operating cash flow at MSEK 5 355 (4 876)
- The Board of Directors proposes a dividend of SEK 6.30 (6.00) per share, paid in two installments

MSEK	October - December			January - December		
	2015	2014	%	2015	2014	%
Orders received	23 847	24 375	-2%	100 241	93 873	7%
Revenues	25 582	25 360	1%	102 161	93 721	9%
Operating profit	4 824	4 771	1%	19 728	17 015	16%
– as a percentage of revenues	18.9	18.8		19.3	18.2	
Profit before tax	4 644	4 436	5%	18 823	16 091	17%
– as a percentage of revenues	18.2	17.5		18.4	17.2	
Profit for the period	1 030	3 335	-69%	11 723	12 175	-4%
Basic earnings per share, SEK	0.85	2.74		9.62	10.01	
Diluted earnings per share, SEK	0.85	2.73		9.58	9.99	
Return on capital employed, %				27	24	
Figures adjusted for tax provision of MSEK 2 802						
Adjusted profit for the period	3 832	3 335	15%	14 525	12 175	19%
Adjusted basic earnings per share, SEK	3.15	2.74		11.92	10.01	

Near-term demand outlook

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

Previous near-term demand outlook (published October 20, 2015):

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

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

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Atlas Copco Group – Summary of full-year 2015

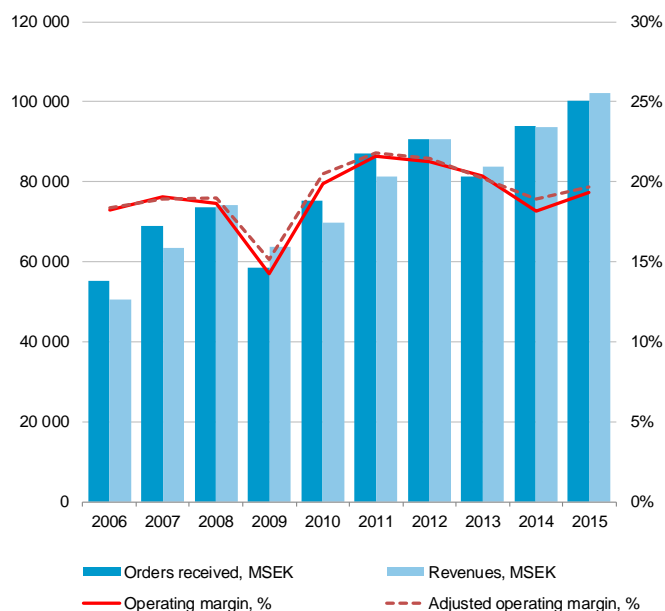
Orders and revenues

Orders received in 2015 increased 7% to a record MSEK 100 241 (93 873), corresponding to an organic decline of 4%. Revenues increased 9%, to a record MSEK 102 161 (93 721), corresponding to a 2% organic decline.

Sales bridge

MSEK	January - December	
	Orders received	Revenues
2014	93 873	93 721
Structural change, %	+2	+2
Currency, %	+9	+9
Price, %	+0	+0
Volume, %	-4	-2
Total, %	+7	+9
2015	100 241	102 161

Orders, revenues and operating profit margin



Results and cash flow

Operating profit reached a record MSEK 19 728 (17 015), corresponding to a margin of 19.3% (18.2). Items affecting comparability amounted to MSEK -359 (-729) and includes restructuring costs of MSEK -55 in Compressor Technique, MSEK -65 in Mining and Rock Excavation Technique and MSEK -95 in Construction Technique, and a change in provision for share-related long-term incentive programs, reported in Common Group Functions of MSEK -144. Adjusted operating margin was 19.7% (18.9). Changes in exchange rates compared with the previous year had a positive effect on the operating profit of MSEK 3 070. Profit before tax amounted to MSEK 18 823 (16 091), corresponding to a margin of 18.4% (17.2). Income tax expense amounted to MSEK 7 100 (3 916) and include a

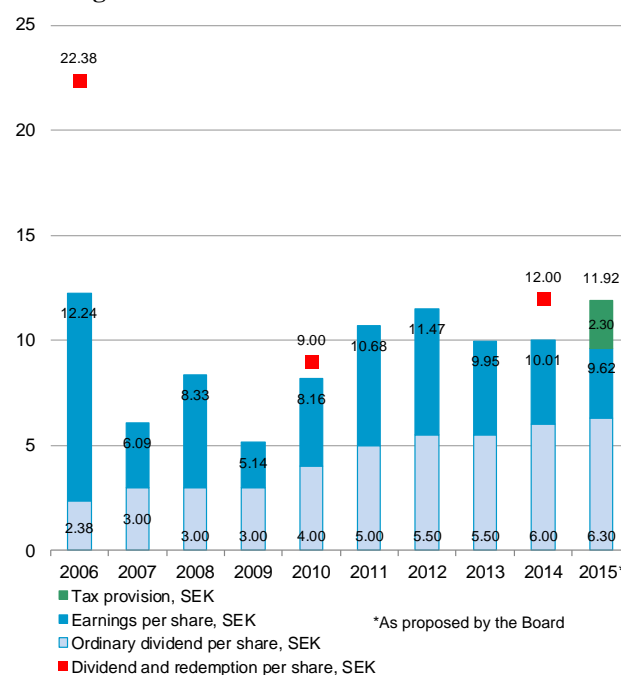
provision of MSEK 2 802 following European Commission's decision on Belgium's tax rulings, see page 4. Profit for the period was MSEK 11 723 (12 175) and totaled MSEK 14 525 adjusted for the tax provision. Basic and diluted earnings per share were SEK 9.62 (10.01) and SEK 9.58 (9.99), respectively. Adjusted for the tax provision, basic earnings per share were SEK 11.92.

Operating cash flow before acquisitions, divestments and dividends reached a record MSEK 16 955 (13 916).

Dividend

The Board of Directors proposes to the Annual General Meeting that an ordinary dividend of SEK 6.30 (6.00) per share be paid for the 2015 fiscal year. Excluding shares currently held by the company, this corresponds to a total of MSEK 7 661 (7 305). The dividend is proposed to be paid in two equal installments, the first with record date April 28, 2016 and the second with record date October 31, 2016. The proposed payment periods will facilitate a more efficient cash management.

Earnings and dividends



Personnel stock option program

The Board of Directors will propose to the Annual General Meeting a similar performance-based long-term incentive program as in previous years. For Group Management, participation in the plan will require own investment in Atlas Copco shares. It is proposed that the plan is covered as before through the repurchase of the company's own shares. The details of the proposal will be communicated in connection with the Notice of the Annual General Meeting.

Review of the fourth quarter

Market development

Atlas Copco's service business remained robust in all business areas and moderate growth was achieved. The demand for Atlas Copco's equipment, however, decreased in total. The demand from some customer segments, e.g. automotive and electronics remained healthy, while other segments continued to be weak, e.g. mining, construction, and oil and gas. The order volumes increased for industrial assembly solutions as well as for vacuum equipment, while they decreased for mining and construction equipment and for compressors.

Geographically, Europe was robust and a moderate year-on-year order growth was achieved in the region. Order volumes also grew in India, but they were lower in many other markets, including China, Brazil, Australia and the United States.

Geographic distribution of orders received

%, October - December 2015	Atlas Copco Group	
	Orders Received	Change*
North America	25	-6
South America	7	-12
Europe	31	+2
Africa/Middle East	10	+4
Asia	24	-7
Australia	3	-28
	100	-4

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

%, October - December 2015	Compressor	Industrial	Mining and Rock	Construction	Atlas Copco
	Technique	Technique	Excavation Tech.	Technique	Group
North America	26	33	21	23	25
South America	5	3	14	5	7
Europe	29	41	25	38	31
Africa/Middle East	8	1	16	13	10
Asia/Australia	32	22	24	21	27
	100	100	100	100	100

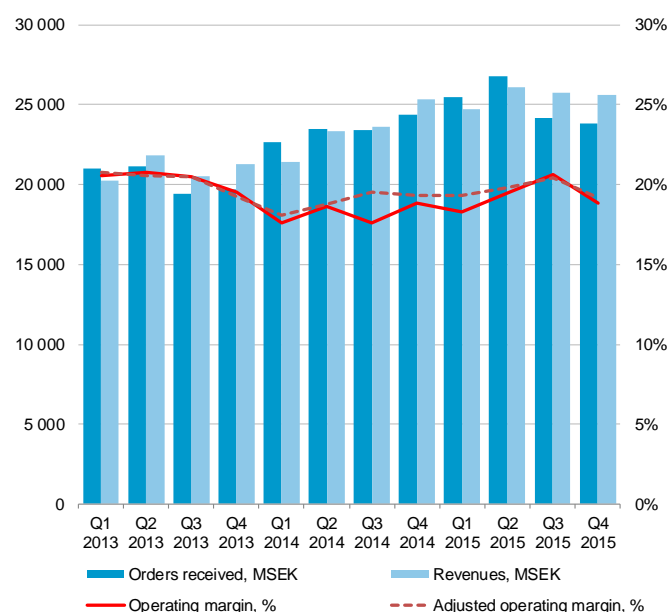
Atlas Copco launched dedicated corporate website

To better support its stakeholders, Atlas Copco launched a new website on January 22, 2016, focusing on corporate stakeholders, with new content and a new design. The corporate website is focusing on jobseekers, journalists, investors, governmental and/or non-governmental organizations, as well as the general public. It also serves all customers and business partners who want to learn more about the Atlas Copco Group. Welcome to visit us at www.atlascopcogroup.com

Sales bridge

MSEK	October - December	
	Orders received	Revenues
2014	24 375	25 360
Structural change, %	+0	+0
Currency, %	+3	+3
Price, %	+0	+0
Volume, %	-5	-2
Total, %	-2	+1
2015	23 847	25 582

Orders, revenues and operating profit margin



Atlas Copco ranked top sustainable machinery company

In January 2016, Atlas Copco was for the tenth time recognized as one of the world's most sustainable companies by the prestigious annual Global 100 list. The list, presented at the World Economic Forum, ranks companies that prove they are increasing productivity while using less resources. Atlas Copco was ranked 34th overall and is the only company in the machinery industry included in the list

Revenues, profits and returns

Revenues increased 1% to MSEK 25 582 (25 360), but decreased 2%, organically. The currency translation effect was +3%.

The operating profit increased 1% to MSEK 4 824 (4 771) and includes items affecting comparability of MSEK -95 (-115). These include restructuring costs in Compressor Technique of MSEK -55 (-120) and a change in provision for share-related long-term incentive programs, reported in Common Group Functions of MSEK -40 (-35). Previous year also included an insurance reimbursement of MSEK 40.

The adjusted operating profit of MSEK 4 919 (4 886), corresponds to a margin of 19.2% (19.3). The net currency effect compared to the previous year was positive at MSEK 235.

Net financial items were MSEK -180 (-335). Interest net was MSEK -193 (-206) and other financial items were MSEK +13 (-129), related to exchange differences and revaluation of financial derivatives.

Profit before tax amounted to MSEK 4 644 (4 436), corresponding to a margin of 18.2% (17.5).

Income tax expense amounted to MSEK 3 614 and include a provision of MSEK 2 802 following European Commission's decision on Belgium's tax rulings, see separate paragraph. Adjusted for this provision, the income tax expense was MSEK 812 (1 101).

Profit for the period was MSEK 1 030 (3 335) and totaled MSEK 3 832 adjusted for the tax provision. Basic and diluted earnings per share were SEK 0.85 (2.74) and SEK 0.85 (2.73) respectively. Adjusted basic earnings per share were SEK 3.15.

The return on capital employed during the last 12 months was 27% (24). Return on equity was 24% (28). 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 5 914 (5 707). Cash flows from financial items were MSEK -855 (+102). The main explanation is negative cash flows from currency hedges of loans of MSEK 621 (+207) where the offsetting cash flow occurs in the future. Working capital decreased by MSEK 1 381 (1 179), primarily due to a reduction of inventory. Net investments in rental equipment were MSEK 221 (224). Net investments in property, plant and equipment were MSEK 424 (503).

In total, operating cash flow, adjusted for currency hedges of loans, reached a record MSEK 5 355 (4 876).

Revenues and operating profit – bridge

MSEK	Q4 2015	Volume, price, mix and other	Currency	One-time items Acquisitions	Share based LTI programs	Q4 2014
Atlas Copco Group						
Revenues	25 582	-613	790	45	-	25 360
Operating profit	4 824	-217	235	40	-5	4 771
%	18.9%	35.4%				18.8%

Net indebtedness

The Group's net indebtedness, adjusted for the fair value of interest rate swaps, amounted to MSEK 14 805 (15 428), of which MSEK 2 225 (2 531) was attributable to post-employment benefits. The Group has an average maturity of 4.1 years on interest-bearing liabilities. The net debt/EBITDA ratio was 0.6 (0.7). The net debt/equity ratio was 32% (30).

Acquisition and divestment of own shares

During the quarter, 1 745 932 A shares were acquired for a net value of MSEK 397. These transactions are in accordance with mandates granted by the Annual General Meeting and relate to the Group's long-term incentive programs.

Tax provision of MSEK 2 802 following European Commission's decision on Belgium's tax rulings

On January 11, 2016, the European Commission announced its decision that Belgian tax rulings granted to multinationals with regard to "Excess Profit" shall be considered as illegal state aid and that unpaid taxes should be returned to the Belgian state. Atlas Copco has had such tax rulings since 2010.

As a result of the European Commission decision, Atlas Copco has made a provision of MEUR 300 (MSEK 2 802). The amount fully covers the potential liability for the years 2010-2015. Atlas Copco has not yet received a specific claim, nor information from the European Commission or the Belgian government as to what methodology should be used to establish the amount of taxes to be paid. The European Commission's decision may be appealed to the European Court of Justice.

Atlas Copco expects that information about how the tax amount should be established will become available in the coming weeks. Payment of the claimed tax amount will likely take place during Q2 2016 independent of whether or not appeals are made against the decision.

Going forward, Atlas Copco estimates that the decision will increase the Group's effective tax rate by approximately 3.5 percentage points.

Employees

On December 31, 2015, the number of employees was 43 114 (44 056). The number of consultants/external workforce was 2 835 (3 015). For comparable units, the total workforce decreased by 1 230 from December 31, 2014.

Compressor Technique

MSEK	October - December			January - December		
	2015	2014	%	2015	2014	%
Orders received	11 201	11 035	2%	45 458	42 249	8%
Revenues	11 851	11 685	1%	46 237	42 165	10%
Operating profit	2 620	2 471	6%	10 324	8 974	15%
– as a percentage of revenues	22.1	21.1		22.3	21.3	
Return on capital employed, %				38	40	

- **Growth in service, but lower order intake on compressors**
- **Solid order intake for vacuum solutions**
- **Agreement to acquire Leybold Vacuum and FIAC, a manufacturer of piston compressors**

Sales bridge

MSEK	October - December	
	Orders received	Revenues
2014	11 035	11 685
Structural change, %	+0	+0
Currency, %	+5	+5
Price, %	+1	+0
Volume, %	-4	-4
Total, %	+2	+1
2015	11 201	11 851

Industrial compressors

The overall demand for industrial compressors was somewhat softer and the orders received decreased somewhat compared to the previous year. The order volumes were stable in Europe and in the United States, and increased in some markets, e.g. India, but had a weak development in China, Brazil and in the Middle East. Sequentially, the order volumes decreased somewhat.

Compressor service

The compressor service business continued to achieve organic growth in nearly all markets.

Gas and process compressors

The order intake was significantly lower compared to the previous year and also lower sequentially. Compared to the previous year, order volumes were lower in all major markets.

Vacuum solutions

The order volumes for vacuum solutions increased both compared to the previous year and sequentially, primarily due to higher order intake in the United States.

Innovation

An improved range of industrial vacuum pumps were introduced in the quarter. The range has a unique screw technology and high efficiency drives, enabling advanced temperature control and long service intervals. The pumps deliver best-in-class pumping speeds and low running costs.

Acquisitions

In November, an agreement to acquire Leybold Vacuum for a total enterprise value of MEUR 486 (MSEK 4 520) was

signed. The business has about 1 600 employees, and had revenues in 2014 of about MSEK 3 335. The acquisition is subject to regulatory approval is estimated to be completed in the first half of 2016.

In January 2016, Atlas Copco agreed to acquire FIAC, a manufacturer of piston compressors and related equipment, with a global sales network. The company had revenues in 2014 of about MSEK 640 and about 400 employees. The acquisition is subject to regulatory approvals and is expected to be completed during the first quarter of 2016.

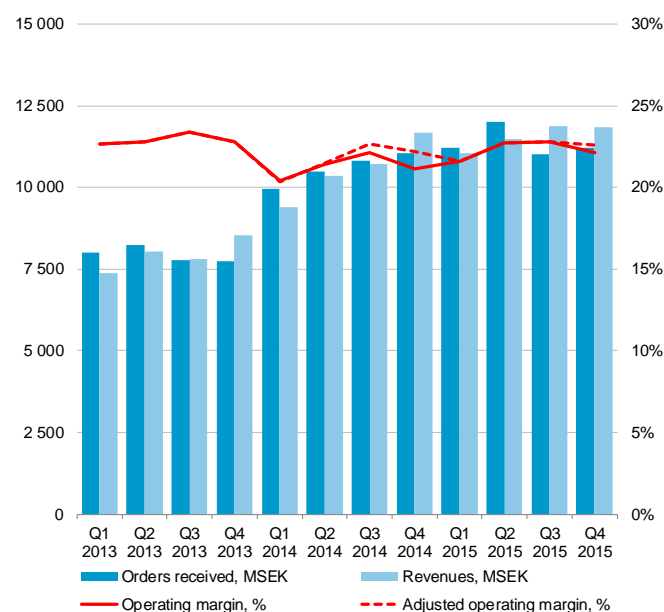
Three smaller acquisitions were completed in December 2015 and in January 2016. See page 16.

Revenues and profitability

Revenues increased 1% to MSEK 11 851 (11 685), corresponding to an organic decline of 4%.

Operating profit increased to MSEK 2 620 (2 471) including restructuring costs of MSEK 55 (120), primarily related to a reduction of capacity in Germany, due to weak demand for large compressors. The adjusted operating margin was 22.6% (22.2) and was supported by currency and mix, but was impacted negatively by lower volumes. Return on capital employed (last 12 months) was 38% (40).

Orders, revenues and operating profit margin



Industrial Technique

MSEK	October - December			January - December		
	2015	2014	%	2015	2014	%
Orders received	3 574	3 166	13%	14 612	11 335	29%
Revenues	3 819	3 468	10%	14 578	11 450	27%
Operating profit	854	783	9%	3 355	2 557	31%
– as a percentage of revenues	22.4	22.6		23.0	22.3	
Return on capital employed, %				31	36	

- **Strong demand from the motor vehicle, aerospace and electronics industries supported order growth**
- **Strong growth in the service business**
- **Record revenues**

Sales bridge

MSEK	October - December	
	Orders received	Revenues
2014	3 166	3 468
Structural change, %	+1	+1
Currency, %	+6	+6
Price, %	+0	+0
Volume, %	+6	+3
Total, %	+13	+10
2015	3 574	3 819

Motor vehicle industry

The demand for advanced industrial tools, assembly systems and solutions to the motor vehicle industry continued to be strong. The order intake increased compared to the previous year, with a positive development for industrial assembly solutions. The order volumes increased in North America, but were lower in Europe. Sequentially, the order intake was stable.

General industry

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

Service

The service business, including maintenance and calibration services, continued to grow strongly and in most markets with the best development in North America and Europe.

Innovation

An advanced electric drilling unit for demanding aerospace applications was launched in the quarter. The new solution reduces the cycle time and increases the quality. At same time it is compact and user-friendly.

Acquisition

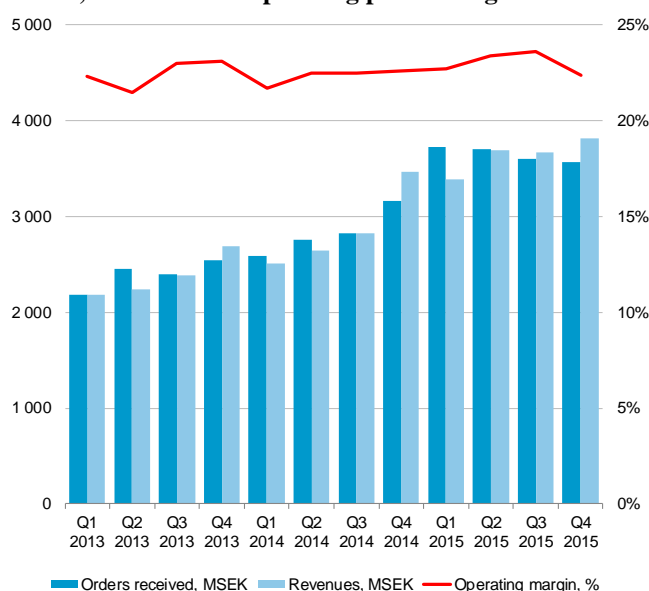
In October, Atlas Copco acquired the assets of NJS Technologies Ltd., an engineering and sales company that specializes in process control systems for assembly operations. The business is based in the United Kingdom, had revenues in 2014 of about MSEK 9, and seven employees.

Revenues and profitability

Revenues increased to a record of MSEK 3 819 (3 468), corresponding to an organic growth of 3%.

Operating profit increased to MSEK 854 (783), corresponding to an operating margin of 22.4% (22.6). The margin was supported by increased volume and currency, but was impacted negatively by product mix. Return on capital employed (last 12 months) was 31% (36).

Orders, revenues and operating profit margin



Mining and Rock Excavation Technique

MSEK	October - December			January - December		
	2015	2014	%	2015	2014	%
Orders received	5 891	6 492	-9%	25 587	25 752	-1%
Revenues	6 558	6 622	-1%	26 665	25 718	4%
Operating profit	1 163	1 225	-5%	4 993	4 307	16%
– as a percentage of revenues	17.7	18.5		18.7	16.7	
Return on capital employed, %				34	29	

- **Growth in service and parts**
- **Continued weak demand for equipment**
- **Operating margin at 17.7%, negatively impacted by currency**

Sales bridge

MSEK	October - December	
	Orders received	Revenues
2014	6 492	6 622
Structural change, %	+0	+0
Currency, %	-2	-1
Price, %	+0	+0
Volume, %	-7	+0
Total, %	-9	-1
2015	5 891	6 558

Mining equipment

The demand for mining equipment continued to be weak. The order volumes were lower compared to the previous year and also sequentially, if adjusted for the cancellations in Q3 2015, primarily due to lower order intake for underground equipment. Compared to the previous year, the order volumes increased in a few markets, e.g. Russia and Chile, but decreased in most other mining markets, most significantly in Brazil, Australia and in the United States.

Civil engineering equipment

The orders received for equipment for infrastructure projects decreased somewhat compared to the previous year and sequentially, mainly due to lower orders for surface drilling equipment.

Service and consumables

The service and spare parts business grew somewhat, despite lower volumes in North America and Australia.

Consumables volumes decreased somewhat compared to the previous year and sequentially. Volumes increased in Europe, but decreased in North and South America, and in Australia.

Innovation

An exploration drilling rig with an advanced control system that enables automatic functions such as drilling and rod handling was introduced in the quarter. The automatic functions are not only increasing the safety for the operator, it also improves the working environment and increases the productivity.

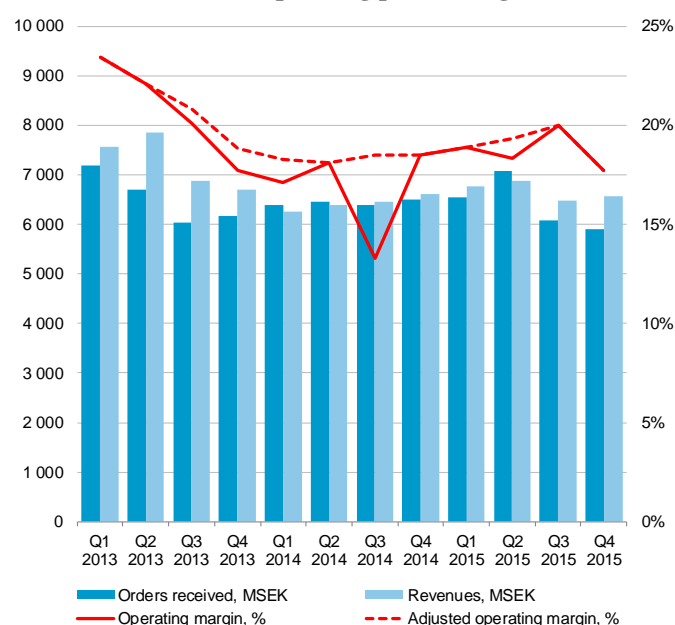
A range of drill bits with greatly increased service life was also introduced in the quarter. Depending on rock type, service life is up to 75% better than the competition.

Revenues and profitability

Revenues decreased 1% to MSEK 6 558 (6 622) and were unchanged organically.

Operating profit decreased to MSEK 1 163 (1 225), corresponding to a margin of 17.7% (18.5). The margin was negatively impacted by currency. Return on capital employed (last 12 months) was 34% (29).

Orders, revenues and operating profit margin



Construction Technique

MSEK	October - December			January - December		
	2015	2014	%	2015	2014	%
Orders received	3 294	3 714	-11%	15 166	14 847	2%
Revenues	3 491	3 625	-4%	15 300	14 739	4%
Operating profit	394	395	0%	1 839	1 768	4%
– as a percentage of revenues	11.3	10.9		12.0	12.0	
Return on capital employed, %				12	12	

- Lower order intake for equipment in all regions
- Positive development for service and specialty rental
- Italian pump manufacturer acquired

Sales bridge

MSEK	October - December	
	Orders received	Revenues
2014	3 714	3 625
Structural change, %	+1	+0
Currency, %	+1	+2
Price, %	+1	+1
Volume, %	-14	-7
Total, %	-11	-4
2015	3 294	3 491

Construction equipment

The order volumes decreased both compared to the previous year and sequentially for all types of equipment. The order intake improved only in a few markets, was somewhat lower in Europe, and decreased significantly in China, Brazil as well as in the United States. In the latter, the main reason for the decrease was lower orders from equipment rental companies.

Specialty rental

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

Service

The service business increased somewhat compared to the previous year and sequentially. Compared to the previous year, the order intake increased in North America and in Europe, but decreased in Africa/Middle East, South America and in Asia.

Innovation

The specialty rental fleet of portable 100% oil-free compressors was complemented with a new compressor. The engine conform to the latest emission standards and guarantees optimal fuel efficiency.

Acquisition

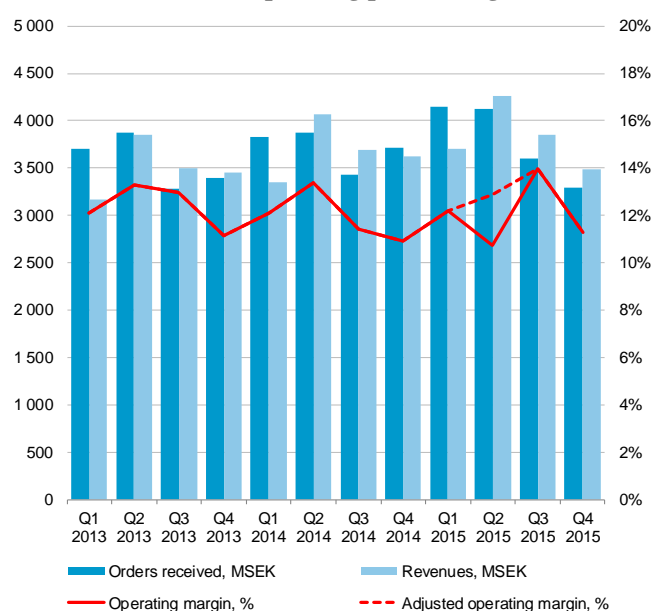
In January 2016, Atlas Copco acquired Varisco, an Italian pump manufacturer. Varisco's high quality pumps are used by a wide range of customers, e.g. to remove unwanted water or other liquids in the construction, mining, and oil and gas industries. They are also used in industrial process plants and for emergency services in case of floods. The company had revenues in 2014 of MSEK 270 and about 135 employees.

Revenues and profitability

Revenues reached MSEK 3 491 (3 625), corresponding to an organic decline of 6%.

Operating profit was MSEK 394 (395), corresponding to a margin of 11.3% (10.9). The margin was negatively affected by volume, but supported by currency and mix. Return on capital employed (last 12 months) was 12% (12).

Orders, revenues and operating profit margin



Accounting principles

The consolidated accounts of the Atlas Copco Group are prepared in accordance with International Financial Reporting Standards (IFRS) as disclosed in the annual report 2014. The interim report is prepared in accordance with IAS 34 Interim Financial Reporting.

New and amended accounting standards

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

Risks and factors of uncertainty*Market risks*

The demand for Atlas Copco's equipment and services is affected by changes in the customers' investment and production levels. A widespread financial crisis and economic downturn affects the Group negatively both in terms of revenues and profitability. However, the Group's sales are well diversified with customers in many industries and countries around the world, which limits the risk.

Financial risks

Atlas Copco is subject to currency risks, interest rate risks, tax risks, and other financial risks. In line with the overall goals with respect to growth, return on capital, and protecting creditors, Atlas Copco has adopted a policy to control the financial risks to which the Group is exposed. A financial risk management committee meets regularly to manage and follow up financial risks, in line with the policy.

Production risks

Many components are sourced from sub-suppliers. The availability is dependent on the sub-suppliers and if they have interruptions or lack capacity, this may adversely affect production. To minimize these risks, Atlas Copco has established a global network of sub-suppliers, which means

that in most cases there are more than one sub-supplier that can supply a certain component.

Atlas Copco is also directly and indirectly exposed to raw material prices. Cost increases for raw materials and components often coincide with strong end-customer demand and can partly be offset by increased sales to mining customers and partly compensated for by increased market prices.

Acquisitions

Atlas Copco has the ambition to grow all its business areas, primarily through organic growth, complemented by selected acquisitions. The integration of acquired businesses is a difficult process and it is not certain that every integration will be successful. Therefore, costs related to acquisitions can be higher and/or synergies can take longer to materialize than anticipated.

For further information, see the annual report 2014.

Forward-looking statements

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

Atlas Copco AB

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

Consolidated income statement

MSEK	3 months ended		12 months ended	
	Dec. 31 2015	Dec. 31 2014	Dec. 31 2015	Dec. 31 2014
Revenues	25 582	25 360	102 161	93 721
Cost of sales	-15 514	-15 751	-62 031	-58 669
Gross profit	10 068	9 609	40 130	35 052
Marketing expenses	-2 785	-2 604	-10 998	-9 825
Administrative expenses	-1 626	-1 481	-6 354	-5 668
Research and development costs	-850	-788	-3 287	-2 933
Other operating income and expenses	17	35	237	389
Operating profit	4 824	4 771	19 728	17 015
- as a percentage of revenues	18.9	18.8	19.3	18.2
Net financial items	-180	-335	-905	-924
Profit before tax	4 644	4 436	18 823	16 091
- as a percentage of revenues	18.2	17.5	18.4	17.2
Income tax expense	-3 614	-1 101	-7 100	-3 916
Profit for the period	1 030	3 335	11 723	12 175
Profit attributable to				
- owners of the parent	1 030	3 333	11 717	12 169
- non-controlling interests	0	2	6	6
Basic earnings per share, SEK	0.85	2.74	9.62	10.01
Diluted earnings per share, SEK	0.85	2.73	9.58	9.99
Basic weighted average number of shares outstanding, millions	1 216.9	1 217.2	1 217.4	1 215.6
Diluted weighted average number of shares outstanding, millions	1 217.3	1 218.1	1 218.7	1 216.6

Key ratios

Equity per share, period end, SEK	38	42
Return on capital employed, 12 month values, %	27	24
Return on equity, 12 month values, %	24	28
Debt/equity ratio, period end, %	32	30
Equity/assets ratio, period end, %	45	48
Number of employees, period end	43 114	44 056

Consolidated statement of comprehensive income

MSEK	3 months ended		12 months ended	
	Dec. 31 2015	Dec. 31 2014	Dec. 31 2015	Dec. 31 2014
Profit for the period	1 030	3 335	11 723	12 175
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans	544	-160	662	-759
Income tax relating to items that will not be reclassified	-104	47	-124	194
	440	-113	538	-565
Items that may be reclassified subsequently to profit or loss				
Translation differences on foreign operations	-1 218	2 852	-1 370	5 687
Hedge of net investments in foreign operations	485	-640	681	-1 052
Cash flow hedges	6	-15	68	-199
Adjustments for amounts transferred to the initial carrying amounts of acquired operations	-	-	-	81
Income tax relating to items that may be reclassified	-301	428	-457	711
	-1 028	2 625	-1 078	5 228
Other comprehensive income for the period, net of tax	-588	2 512	-540	4 663
Total comprehensive income for the period	442	5 847	11 183	16 838
Total comprehensive income attributable to				
- owners of the parent	446	5 835	11 173	16 806
- non-controlling interests	-4	12	10	32

Consolidated balance sheet

MSEK	Dec. 31, 2015	Dec. 31, 2014
Intangible assets	33 520	33 197
Rental equipment	3 076	3 177
Other property, plant and equipment	8 947	9 433
Financial assets and other receivables	2 305	1 981
Deferred tax assets	1 823	1 549
Total non-current assets	49 671	49 337
Inventories	16 906	18 364
Trade and other receivables	25 985	26 015
Other financial assets	1 576	2 150
Cash and cash equivalents	8 861	9 404
Assets classified as held for sale	11	11
Total current assets	53 339	55 944
TOTAL ASSETS	103 010	105 281
Equity attributable to owners of the parent	46 591	50 575
Non-controlling interests	159	178
TOTAL EQUITY	46 750	50 753
Borrowings	21 888	22 182
Post-employment benefits	2 225	2 531
Other liabilities and provisions	1 595	1 958
Deferred tax liabilities	1 497	1 127
Total non-current liabilities	27 205	27 798
Borrowings	1 101	2 284
Trade payables and other liabilities	26 481	22 953
Provisions	1 473	1 493
Total current liabilities	29 055	26 730
TOTAL EQUITY AND LIABILITIES	103 010	105 281

Fair value of derivatives and borrowings

The carrying value and fair value of the Group's outstanding derivatives and borrowings are shown in the tables below. The fair values of bonds are based on level 1 and the fair values of derivatives and other loans are based on level 2 in the fair value hierarchy. Compared to 2014, no transfers have been made between different levels in the fair value hierarchy for derivatives and borrowings and no significant changes have been made to valuation techniques, inputs or assumptions.

Outstanding derivative instruments recorded to fair value

MSEK	Dec. 31, 2015	Dec. 31, 2014
<i>Non-current assets and liabilities</i>		
Assets	102	161
Liabilities	134	159
<i>Current assets and liabilities</i>		
Assets	324	166
Liabilities	190	496

Carrying value and fair value of borrowings

MSEK	Dec. 31, 2015	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2014
	Carrying value	Fair value	Carrying value	Fair value
Bonds	17 199	18 408	17 269	18 800
Other loans	5 790	5 920	7 197	7 351
	22 989	24 328	24 466	26 151

Consolidated statement of changes in equity

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
Opening balance, January 1, 2015	50 575	178	50 753
Changes in equity for the period			
Total comprehensive income for the period	11 173	10	11 183
Dividends	-7 305	-29	-7 334
Redemption of shares	-7 305	-	-7 305
Acquisition and divestment of own shares	-453	-	-453
Share-based payments, equity settled	-94	-	-94
Closing balance, December 31, 2015	46 591	159	46 750

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

Consolidated statement of cash flows

MSEK	October - December		January - December	
	2015	2014	2015	2014
Cash flows from operating activities				
Operating profit	4 824	4 771	19 728	17 015
Depreciation, amortization and impairment (see below)	1 105	1 009	4 347	3 709
Capital gain/loss and other non-cash items	-15	-73	-528	-298
Operating cash surplus	5 914	5 707	23 547	20 426
Net financial items received/paid	-855	102	-2 037	-849
Taxes paid	-801	-674	-4 238	-3 828
Pension funding and payment of pension to employees	12	-71	78	-115
Change in working capital	1 381	1 179	1 599	2 056
Investments in rental equipment	-310	-339	-1 263	-1 719
Sale of rental equipment	89	115	426	416
Net cash from operating activities	5 430	6 019	18 112	16 387
Cash flows from investing activities				
Investments in property, plant and equipment	-486	-521	-1 705	-1 548
Sale of property, plant and equipment	62	18	600	86
Investments in intangible assets	-354	-326	-1 168	-1 187
Sale of intangible assets	1	-	17	10
Acquisition of subsidiaries and associated companies	-80	-35	-1 852 *	-8 415
Sale of subsidiaries	15	-	58	-
Other investments, net	81	-107	197	489
Net cash from investing activities	-761	-971	-3 853	-10 565
Cash flows from financing activities				
Dividends paid	-3 654	-	-7 305	-6 681
Dividends paid to non-controlling interest	1	-	-29	-1
Acquisition of non-controlling interest	-	-	-	-
Redemption of shares	-	-	-7 305	-
Repurchase and sales of own shares	-397	262	-453	890
Change in interest-bearing liabilities	43	-2 362	595	-8 566
Net cash from financing activities	-4 007	-2 100	-14 497	-14 358
Net cash flow for the period	662	2 948	-238	-8 536
Cash and cash equivalents, beginning of the period	8 279	6 245	9 404	17 633
Exchange differences in cash and cash equivalents	-80	211	-305	307
Cash and cash equivalents, end of the period	8 861	9 404	8 861	9 404
Depreciation, amortization and impairment				
<i>Rental equipment</i>	228	236	1 006	895
<i>Other property, plant and equipment</i>	448	408	1 694	1 506
<i>Intangible assets</i>	429	365	1 647	1 308
<i>Total</i>	1 105	1 009	4 347	3 709

*Includes deferred consideration for acquisitions made in 2014.

Calculation of operating cash flow

MSEK	October - December		January - December	
	2015	2014	2015	2014
Net cash flow for the period	662	2 948	-238	-8 536
Add back:				
Change in interest-bearing liabilities	-43	2 362	-595	8 566
Repurchase and sales of own shares	397	-262	453	-890
Dividends paid	3 654	-	7 305	6 681
Dividends paid to non-controlling interest	-1	-	29	1
Redemption of shares	-	-	7 305	-
Acquisitions and divestments	65	35	1 794	8 415
Investments of cash liquidity	-	-	-	-368
Currency hedges of loans	621	-207	1 322	47
Divestment of property	-	-	-420	-
Operating cash flow	5 355	4 876	16 955	13 916

Revenues by business area

MSEK (by quarter)	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Compressor Technique	7 383	8 037	7 816	8 546	9 409	10 353	10 718	11 685	11 049	11 462	11 875	11 851
- of which external	7 368	8 020	7 815	8 538	9 361	10 307	10 682	11 653	10 951	11 378	11 806	11 793
- of which internal	15	17	1	8	48	46	36	32	98	84	69	58
Industrial Technique	2 183	2 243	2 383	2 692	2 505	2 650	2 827	3 468	3 394	3 697	3 668	3 819
- of which external	2 177	2 233	2 374	2 679	2 493	2 636	2 816	3 454	3 382	3 684	3 656	3 806
- of which internal	6	10	9	13	12	14	11	14	12	13	12	13
Mining and Rock												
Excavation Technique	7 562	7 857	6 885	6 709	6 251	6 396	6 449	6 622	6 756	6 870	6 481	6 558
- of which external	7 545	7 851	6 882	6 704	6 237	6 373	6 398	6 618	6 724	6 856	6 451	6 527
- of which internal	17	6	3	5	14	23	51	4	32	14	30	31
Construction Technique	3 173	3 850	3 495	3 449	3 354	4 068	3 692	3 625	3 698	4 256	3 855	3 491
- of which external	3 071	3 706	3 385	3 324	3 272	3 971	3 621	3 558	3 634	4 136	3 762	3 408
- of which internal	102	144	110	125	82	97	71	67	64	120	93	83
Common Group functions/ Eliminations	-74	-144	-27	-130	-96	-119	-96	-40	-152	-174	-156	-137
Atlas Copco Group	20 227	21 843	20 552	21 266	21 423	23 348	23 590	25 360	24 745	26 111	25 723	25 582

Operating profit by business area

MSEK (by quarter)	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Compressor Technique	1 671	1 834	1 826	1 948	1 915	2 219	2 369	2 471	2 392	2 603	2 709	2 620
- as a percentage of revenues	22.6	22.8	23.4	22.8	20.4	21.4	22.1	21.1	21.6	22.7	22.8	22.1
Industrial Technique	487	482	548	621	543	595	636	783	770	865	866	854
- as a percentage of revenues	22.3	21.5	23.0	23.1	21.7	22.5	22.5	22.6	22.7	23.4	23.6	22.4
Mining and Rock												
Excavation Technique	1 771	1 738	1 384	1 190	1 071	1 155	856	1 225	1 276	1 258	1 296	1 163
- as a percentage of revenues	23.4	22.1	20.1	17.7	17.1	18.1	13.3	18.5	18.9	18.3	20.0	17.7
Construction Technique	384	511	454	384	406	545	422	395	450	457	538	394
- as a percentage of revenues	12.1	13.3	13.0	11.1	12.1	13.4	11.4	10.9	12.2	10.7	14.0	11.3
Common Group functions/ Eliminations	-157	-32	0	12	-175	-175	-138	-103	-369	-111	-96	-207
Operating profit	4 156	4 533	4 212	4 155	3 760	4 339	4 145	4 771	4 519	5 072	5 313	4 824
- as a percentage of revenues	20.5	20.8	20.5	19.5	17.6	18.6	17.6	18.8	18.3	19.4	20.7	18.9
Net financial items	-111	-254	-195	-230	-158	-165	-266	-335	-232	-222	-271	-180
Profit before tax	4 045	4 279	4 017	3 925	3 602	4 174	3 879	4 436	4 287	4 850	5 042	4 644
- as a percentage of revenues	20.0	19.6	19.5	18.5	16.8	17.9	16.4	17.5	17.3	18.6	19.6	18.2

Key figures by quarter

SEK	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Basic earnings per share	2.46	2.58	2.52	2.39	2.27	2.64	2.37	2.74	2.66	3.00	3.12	0.85
Diluted earnings per share	2.45	2.56	2.51	2.38	2.27	2.64	2.36	2.73	2.65	2.96	3.10	0.85
Equity per share	30	28	30	33	35	33	37	42	45	35	38	38
Operating cash flow per share	1.25	2.21	1.99	1.59	1.53	2.55	3.35	4.01	2.87	2.86	3.80	4.40
%												
Return on capital employed, 12 months value	34	32	30	28	26	25	25	24	24	25	27	27
Return on equity, 12 months value	42	40	37	34	32	31	30	28	27	28	29	24
Debt/equity ratio, period end	23	37	27	19	37	51	44	30	26	48	34	32
Equity/assets ratio, period end	42	39	42	45	45	43	45	48	49	41	44	45
Number of employees, period end	40 344	40 369	40 116	40 241	43 846	43 937	44 243	44 056	43 866	43 584	43 295	43 114

Acquisitions and divestments

Date	Acquisitions	Divestments	Business area	Revenues MSEK*	Number of employees*
2016 Jan. 12	Varisco		Construction Technique	270	135
2016 Jan. 5	Capitol Research Equipment		Compressor Technique	22	15
2015 Dec. 15	Air Supply Systems and A1 <i>Distributors USA</i>		Compressor Technique		37
2015 Dec. 4	Innovative Vacuum Solutions		Compressor Technique	32	19
2015 Oct. 5	NJS Technologies		Industrial Technique	9	7
2015 Sep. 9	Air Repair Sales and Services Limited <i>Distributor Canada</i>		Compressor Technique		12
2015 Aug. 7	Applied Plasma Systems		Compressor Technique		5
2015 July 2	Mustang Services		Construction Technique	45	
2015 Mar. 24		Ortman Fluid Power	Compressor Technique	30	19
2015 Mar. 3	Kalibrierzentrum Bayern		Industrial Technique	28	27
2015 Feb. 9		J.C. Carter	Compressor Technique		35
2015 Jan. 8	Maes Compressoren <i>Distributor Belgium</i>		Compressor Technique		30
2014 Dec. 31	Titan Technologies International Inc.		Industrial Technique	35	14
2014 Sep. 10	Henrob		Industrial Technique	1 063	400
2014 Sep. 3	Ash Air (NZ) Ltd. and Fox Air NZ Ltd.		Compressor Technique	162	120
2014 May 27	Cavaletti Equipamentos e Servicos Ltda		Compressor Technique	26	34
2014 May 5	National Pump & Compressor Ltd. & McKenzie Compressed Air Inc., <i>Distributor USA</i>		Compressor Technique		120
2014 Feb. 3	Geawelltech <i>Distributor Sweden</i>		Mining & Rock Excavation Technique		19
2014 Jan. 9	Edwards Group		Compressor Technique	6 950	3 400

*Annual revenues and number of employees at time of acquisition/divestment. No revenues are disclosed for former Atlas Copco distributors. Due to the relatively small size of the acquisitions and divestments made in 2015, full disclosure as per IFRS 3 is not given in this interim report. Disclosure will be given in the annual report 2015. See the annual report for 2014 for disclosure of acquisitions made in 2014.

Parent company**Income statement**

	October - December		January - December	
MSEK	2015	2014	2015	2014
Administrative expenses	-157	-135	-566	-464
Other operating income and expenses	43	80	142	186
Operating profit/loss	-114	-55	-424	-278
Financial income and expenses	2 786	351	8 201	1 007
Appropriations	4 523	3 860	4 523	3 860
Profit/loss before tax	7 195	4 156	12 300	4 589
Income tax	-783	-818	-563	-797
Profit/loss for the period	6 412	3 338	11 737	3 792

Balance sheet

	Dec. 31	Dec. 31
MSEK	2015	2014
Total non-current assets	111 026	94 316
Total current assets	7 331	8 462
TOTAL ASSETS	118 357	102 778
Total restricted equity	5 785	5 785
Total non-restricted equity	34 469	37 515
TOTAL EQUITY	40 254	43 300
Total provisions	267	353
Total non-current liabilities	49 197	48 510
Total current liabilities	28 639	10 615
TOTAL EQUITY AND LIABILITIES	118 357	102 778
Assets pledged	279	502
Contingent liabilities	7 846	9 579

Accounting principles

Atlas Copco AB is the ultimate Parent Company of the Atlas Copco Group. The financial statements of Atlas Copco AB have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2, Accounting for Legal Entities. The same accounting principles and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. See also accounting principles, page 9.

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	-13 123 103
- of which B shares held by Atlas Copco	-393 879
Total shares outstanding, net of shares held by Atlas Copco	1 216 096 122

Performance-based personnel option plan

The Annual General Meeting 2015 approved a performance-based long-term incentive program. For Group Executive Management, the plan requires management's own investment in Atlas Copco shares. The intention is to cover Atlas Copco's obligation under the plan through the repurchase of the company's own shares. For further information, see www.atlascopcogroup.com/agm.

Transactions in own shares

Atlas Copco has mandates to acquire and sell own shares as per below:

- Acquisition of not more than 3 800 000 series A shares, whereof a maximum of 3 500 000 may be transferred to personnel stock option holders under the performance-based stock option plan 2015.
- Acquisition of not more than 70 000 series A shares to hedge the obligation of the company to pay remuneration to Board members who have chosen to receive 50% of the remuneration in synthetic shares.

- The sale of not more than 30 000 series A shares to cover costs related to previously issued synthetic shares to Board members.
- The sale of a maximum 8 100 000 series A and B shares currently held by the company, for the purpose of covering costs of fulfilling obligations related to the option plans 2010, 2011 and 2012.
- The shares may only be acquired or sold on NASDAQ Stockholm at a price within the registered price interval at any given time.

During 2015, 2 011 396 series A shares, net, were acquired and 107 500 series B shares were sold. These transactions are in accordance with mandates granted. The company's holding of own shares at the end of the period appears in the table to the left.

Risks and factors of uncertainty

Financial risks

Atlas Copco is subject to currency risks, interest rate risks, tax risks, and other financial risks. In line with the overall goals with respect to growth, return on capital, and protecting creditors, Atlas Copco has adopted a policy to control the financial risks to which Atlas Copco AB and the Group is exposed. A financial risk management committee meets regularly to manage and follow up financial risks, in line with the policy.

For further information, see the 2014 annual report.

Related parties

There have been no significant changes in the relationships or transactions with related parties for the Group or Parent Company compared with the information given in the annual report 2014.

This is Atlas Copco

Atlas Copco is a world-leading provider of sustainable productivity solutions. The Group serves customers with innovative compressors, vacuum solutions and air treatment systems, construction and mining equipment, power tools and assembly systems. Atlas Copco develops products and service focused on productivity, energy efficiency, safety and ergonomics. The company was founded in 1873, is based in Stockholm, Sweden, and has a global reach spanning more than 180 countries. In 2015, Atlas Copco had revenues of BSEK 102 (BEUR 11) and more than 43 000 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 growth.

The **Compressor Technique** business area provides industrial compressors, vacuum solutions, gas and process compressors and expanders, air and gas treatment equipment and air management systems. The business area has a global service network and innovates for sustainable productivity in the manufacturing, oil and gas, and process industries. Principal product development and manufacturing units are located in Belgium, the United States, China, South Korea, Germany, Italy and the United Kingdom.

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

The **Mining and Rock Excavation Technique** business area provides equipment for drilling and rock excavation, a complete range of related consumables and service through a global network. The business area innovates for sustainable productivity in surface and underground mining, infrastructure, civil works, well drilling and geotechnical applications. Principal product development and manufacturing units are located in Sweden, the United States, Canada, China and India.

The **Construction Technique** business area provides construction and demolition tools, portable compressors, pumps and generators, lighting towers, and compaction and paving equipment. The business area offers specialty rental and provides service through a global network. Construction Technique innovates for sustainable productivity in infrastructure, civil works, oil and gas, energy, drilling and road construction projects. Principal product development and manufacturing units are located in Belgium, Germany, Sweden, the United States, China, India and Brazil.

Vision, mission and strategy

The Atlas Copco Group's vision is to become and remain First in Mind—First in Choice® of its customers and other principal stakeholders. The mission is to achieve sustainable, profitable growth. Sustainability plays an important role in Atlas Copco's vision and it is an integral aspect of the Group's mission. An integrated sustainability strategy, backed by ambitious goals, helps the company deliver greater value to all its stakeholders in a way that is economically, environmentally and socially responsible.

For further information

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Conference call

A presentation for investors, analysts and media will be held on January 28, at 3.00 PM CEST.

The dial-in numbers are:

- Sweden: +46 8 566 426 54
- United Kingdom: +44 203 426 2886
- United States: +1 646 722 4897

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

www.atlascopco.com/ir

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

Report on Q1 2016

The report on Q1 2016 will be published on April 26, 2016.

Annual General Meeting

The Annual General Meeting for Atlas Copco AB will be held April 26, 2016 at 4 PM CEST in Aula Medica, Nobels väg 6, Solna, Sweden.