April 29, 2014

Atlas Copco
First-quarter report 2014
(unaudited)

Stabilized order intake, lower profit margin

- Orders increased 8% year-on-year to MSEK 22 653 (21 008)
  - Strong quarter for Edwards, the newly acquired vacuum solutions business
  - Organic decline of 2% year-on-year
  - The service business continued to grow
- Revenues increased to MSEK 21 423 (20 227), organic decline of 2%
- Operating profit at MSEK 3 760 (4 156) including restructuring costs of MSEK 75
- Operating margin at 17.6% (20.5) or 18.1% (20.8) adjusted for items affecting comparability
- Profit before tax amounted to MSEK 3 602 (4 045)
- Profit for the period was MSEK 2 755 (2 988)
- Basic earnings per share were SEK 2.27 (2.46)
- Operating cash flow amounted to MSEK 1 963 (1 635)

	January - March		
MSEK	2014	2013	%
Orders received	22 653	21 008	8%
Revenues	21 423	20 227	6%
Operating profit	3 760	4 156	-10%
– as a percentage of revenues	*17.6*	*20.5*	
Profit before tax	3 602	4 045	-11%
– as a percentage of revenues	*16.8*	*20.0*	
Profit for the period	2 755	2 988	-8%
Basic earnings per share, SEK	2.27	2.46	
Diluted earnings per share, SEK	2.27	2.45	
Return on capital employed, %	26	34	

Near term demand outlook
The overall demand for the Group’s products and services is expected to increase somewhat.

The demand from the mining industry is expected to remain at the current level, while the demand from manufacturing and construction segments is expected to increase somewhat.

Previous near-term demand outlook (published January 30, 2014):
The overall demand for the Group’s products and services is expected to remain at the current level.

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Review of the first quarter

Market development

The overall demand for Atlas Copco's equipment was largely unchanged sequentially, i.e. compared to the previous quarter. The order intake for Atlas Copco's equipment was unchanged sequentially for industrial compressors and for industrial tools and assembly systems. It increased for construction equipment, partly due to normal seasonal effects, and was somewhat higher for mining and rock excavation equipment. Edwards, the newly acquired vacuum solutions business had a strong quarter.

Compared to the previous year, the order volumes increased for industrial tools and assembly systems and for construction equipment, but was lower for mining and rock excavation equipment and for industrial compressors.

The service business grew organically compared to the previous year and was largely unchanged sequentially.

Geographic distribution of orders recieved

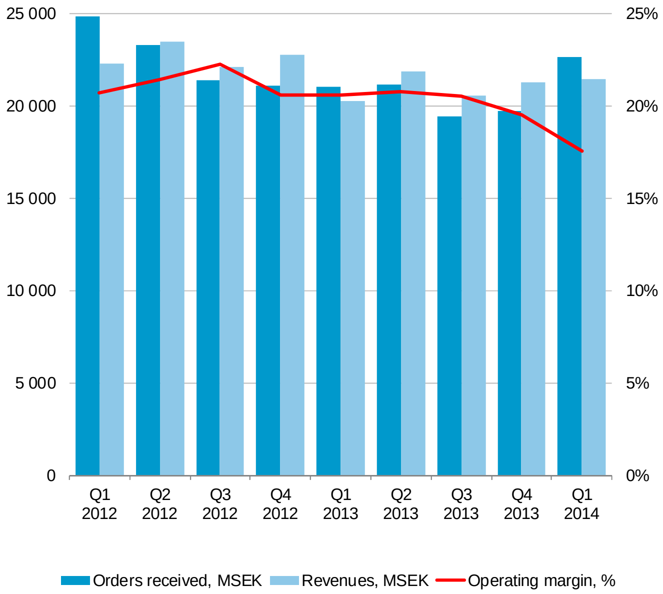
Jan. - Mar. 2014	Atlas Copco Group Orders recieved	Change*	excl. Edwards Change*
North America	5 013	+21	+3
South America	1 978	+11	+10
Europe	7 283	+10	+4
Africa/Middle East	2 282	-1	-1
Asia	5 226	+13	-9
Australia	871	-13	-13
	22 653	+10	+0

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

Sales bridge

MSEK	January - March Orders received	Revenues
2013	21 008	20 227
Structural change, %	+12	+10
Currency, %	-2	-2
Price, %	+1	+1
Volume, %	-3	-3
Total, %	+8	+6
2014	22 653	21 423

Orders, revenues and operating profit margin



%. Jan. - Mar. 2014	Compressor Technique	Industrial Technique	Mining and Rock Excavation Tech.	Construction Technique	Atlas Copco Group
North America	24	24	19	20	22
South America	5	5	16	10	9
Europe	32	50	23	37	32
Africa/Middle East	6	1	18	14	10
Asia/Australia	33	20	24	19	27
	100	100	100	100	100

Revenues, profits and returns
Revenues were MSEK 21 423 (20 227), corresponding to an organic decline of 2%.

Operating profit decreased by 10% to MSEK 3 760 (4 156), corresponding to an operating margin of 17.6% (20.5). The margin was affected by MSEK 75 restructuring costs in the Mining and Rock Excavation Technique business area and by a change in provision for share-related long-term incentive programs of MSEK -37 (-42) in Common Group Functions. The adjusted operating margin was 18.1% (20.8). The operating margin was negatively affected by lower volumes, investments in the sales and service organizations, currency and dilution from acquisitions, which was partly compensated for by cost reductions and price increases. The net currency effect compared to the previous year was MSEK -220.

Net financial items were MSEK -158 (-111). Interest net was MSEK -138 (-118).

Profit before tax amounted to MSEK 3 602 (4 045), corresponding to a margin of 16.8% (20.0).

Profit for the period totaled MSEK 2 755 (2 988). Basic and diluted earnings per share were SEK 2.27 (2.46) and SEK 2.27 (2.45).

The return on capital employed during the last 12 months was 26% (34). Return on equity was 32% (42). 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 4 515 (4 486). Working capital increased MSEK 518, primarily related to increased inventory and customer receivables. Net cash flow from financial items and pension funding was MSEK -274 (-730).
Rental equipment, net, increased by MSEK 353 (217). Net investments in property, plant and equipment were MSEK 331 (287).

Operating cash flow equaled MSEK 1 963 (1 635).

Net indebtedness
The Group's net indebtedness, adjusted for the fair value of interest rate swaps, amounted to MSEK 15 510 (8 273), of which MSEK 1 796 (2 120) was attributable to post-employment benefits. The Group has an average maturity of 4.2 years on interest-bearing liabilities. The net debt/EBITDA ratio was 0.8 (0.4). The net debt/equity ratio was 37% (23).

Acquisition and divestment of own shares
During the quarter, 1 133 398 Series A shares were divested, for a net value of MSEK 206. These transactions are in accordance with mandates granted by the 2013 Annual General Meeting and relate to the Group's long-term incentive programs.

Specialty Rental division to Construction Technique
On January 1, 2014, the Specialty Rental division moved from the Compressor Technique business area to the Construction Technique business area. The objective is to strengthen growth by further developing product and service synergies. The business area data for comparative periods have been restated.

Employees
On March 31, 2014, the number of employees was 43 846 (40 344). The number of consultants/external workforce was 3 038 (2 189). For comparable units, the total workforce decreased by 451 from March 31, 2013. The number of employees increased in service and research and development, while it decreased in manufacturing.

Revenues and operating profit – bridge

MSEK	Q1 2014	Volume, price, mix and other	Currency	One-time items Acquisitions	Share based LTI programs	Q1 2013
Atlas Copco Group						
Revenues	21 423	-429	-485	2 110	-	20 227
EBIT	3 760	-431	-220	250	5	4 156
%	17.6%	100.5%				20.5%

Atlas Copco acquires Edwards, expanding into process vacuum solutions
On January 9, 2014, the acquisition of Edwards, a leading global supplier of vacuum and abatement solutions, was completed.

From the date of control, revenues were MSEK 1 868 and operating profit MSEK 339, corresponding to an operating margin of 18.1%, including the amortization of intangible assets related to the acquisition of MSEK 52.

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

The total purchase price corresponded to an enterprise value of MSEK 9 900, whereof approximately MSEK 2 100 of net debt at the time of closing. A prelimary purchase price allocation is outlined below. It is expected to be finalized at the year-end closing.

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

SEK / USD 6.5145 as at December 31, 2013.

Compressor Technique

	January - March		
MSEK	2014	2013	%
Orders received	9 940	8 004	24%
Revenues	9 409	7 383	27%
Operating profit	1 915	1 671	15%
– as a percentage of revenues	*20.4*	*22.6*	
Return on capital employed, %	55	65	

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

- **Stable order intake for small- and medium-sized compressors, but low demand for larger machines**
- **Service continued to grow**
- **The acquired vacuum solutions business had a strong first quarter**

Sales bridge

	January - March	
MSEK	Orders received	Revenues
2013	8 004	7 383
Structural change, %	+28	+26
Currency, %	-1	-1
Price, %	+1	+1
Volume, %	-4	+1
Total, %	+24	+27
2014	9 940	9 409

Industrial compressors

The order volumes for small- and medium-sized compressors were stable, both compared to the previous year and sequentially. Geographically, North America had a positive development, Asia was stable, while the development in Europe was somewhat negative.

The order volumes for larger machines decreased compared to the previous year, but were stable sequentially. Year on year, the order intake was unchanged in Europe, while it was lower in all other regions.

Gas and process compressors

Orders received for gas and process compressors were somewhat higher sequentially, but lower than the previous year. Orders increased year on year in North America, but decreased in Europe and in Asia.

Vaccum solutions

The vacuum solutions business developed well with strong order intake, primarily from the semiconductor industry in Asia and North America.

Service

The service business continued to grow in all major markets. The highest growth was achieved in Asia.

Innovation

The following product has been launched:

- An enhanced AIRnet piping system, which reduces installation time by up to 85%.

Acquisitions

- On January 9, 2014, the acquisition of Edwards, a leading global supplier of vacuum and abatement solutions, was completed. For further information, see page 3.
- In April, Atlas Copco has agreed to acquire the compressor business of National Pump & Compressor Ltd. and McKenzie Compressed Air Inc. in the United States with, in total, about 120 employees. The acquisitions are expected to close in the second quarter 2014.

Changes in management

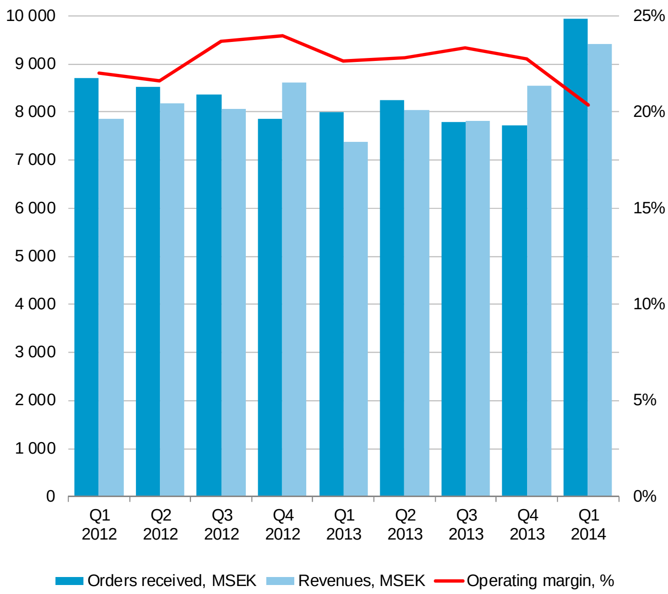
The business area president Stephan Kuhn will leave Atlas Copco. The recruitment of a new president starts immediately.

Revenues and profitability

Revenues reached MSEK 9 409 (7 383), corresponding to 2% organic growth.

Operating profit was MSEK 1 915 (1 671), corresponding to a margin of 20.4% (22.6). The margin was negatively impacted by investments in the sales and service organizations, by dilution from acquisitions and by currency. Return on capital employed (last 12 months) was 55% (65).

Orders, revenues and operating profit margin



Industrial Technique

	January - March		
MSEK	2014	2013	
Orders received	2 593	2 187	19%
Revenues	2 505	2 183	15%
Operating profit	543	487	11%
– as a percentage of revenues	*21.7*	*22.3*	
Return on capital employed, %	42	41	

- **Continued strong order intake from the motor vehicle industry**
- **Improved order intake from the general industry**
- **Operating margin at 21.7%, diluted by currency and acquisitions**

Sales bridge

	January - March	
MSEK	Orders received	Revenues
2013	2 187	2 183
Structural change, %	+5	+5
Currency, %	+1	+1
Price, %	+0	+0
Volume, %	+13	+9
Total, %	+19	+15
2014	2 593	2 505

Motor vehicle industry

The demand for advanced industrial tools and assembly systems to the motor vehicle industry continued to be strong as manufacturers continued to invest in new and more productive tools and systems, both for existing and new assembly lines. The orders received increased in all major regions with strong growth in Europe, North America and Asia. Sequentially, the orders received remained at the high level of the fourth quarter 2013.

General industry

The demand for industrial power tools for the general manufacturing industries improved and orders received increased both compared to the previous year and sequentially. The aerospace and the electronics industy had a particularly positive development. Geographically, all regions grew compared to the previous year, with the the strongest development in Europe and South America.

Service

The demand for service, e.g maintenance and calibration services, continued to be improve in all major markets and a healthy order growth was achieved compared to the previous year. The strongest growth was noted in Europe and in Asia.

Innovation

The following products have been launched:

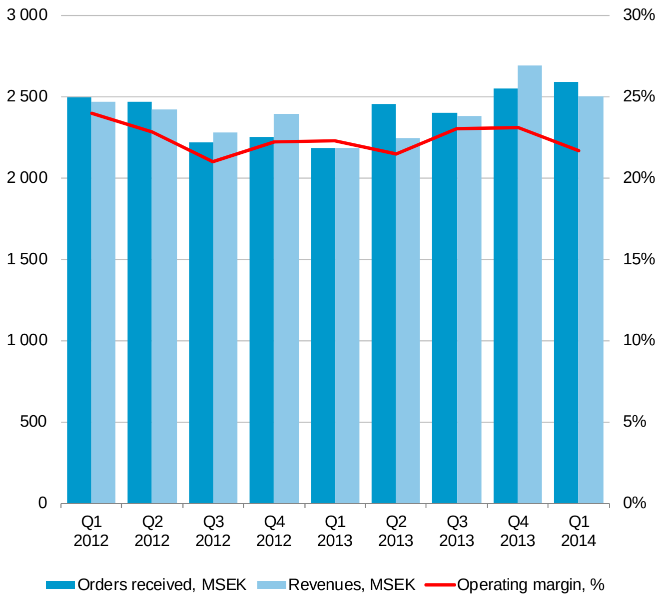
- An electric pulse tool for assembly operations. The tool gives no torque reaction to the operator and offers full traceability and high productivity.
- An electro mechanical press tool, primarily used in power train assembly applications, that enhances customers' flexibility and efficiency in production. With the added tool two types of assembly solutions is provided in one system.

Revenues and profitability

Revenues increased to MSEK 2 505 (2 183), corresponding to an organic increase of 9%.

Operating profit was MSEK 543 (487), corresponding to an operating margin of 21.7% (22.3), supported by increased volumes, but diluted by currency and acquisitions. Return on capital employed (last 12 months) was 42% (41).

Orders, revenues and operating profit margin



Mining and Rock Excavation Technique

	January - March		
MSEK	2014	2013	
Orders received	6 400	7 197	-11%
Revenues	6 251	7 562	-17%
Operating profit	1 071	1 771	-40%
– as a percentage of revenues	*17.1*	*23.4*	
Return on capital employed, %	36	56	

- **Stable sequential demand for mining equipment**
- **Operating margin at 18.3%, adjusted for MSEK 75 in restructuring costs**
- **Further efficiency measures**

Sales bridge

	January - March	
MSEK	Orders received	Revenues
2013	7 197	7 562
Structural change, %	+2	+1
Currency, %	-5	-5
Price, %	+2	+2
Volume, %	-10	-15
Total, %	-11	-17
2014	6 400	6 251

Mining equipment

The demand for mining equipment continued to be soft and the order intake decreased compared to the previous year. Geographically, most regions had a negative development, except for South America. Sequentially, the orders received were stable.

Civil engineering equipment

The order intake for equipment for infrastructure projects was lower compared to the previous year, but somewhat higher sequentially.

Service and consumables

The service and spare parts business was unchanged organically compared to the previous year. It grew in most regions, but had a negative development in North America. Consumable orders decreased with a negative development in Africa, North America, Australia, and with a continued low demand for exploration consumables. Sequentially, the volumes of service, spare parts and consumables were slightly lower.

Innovation

The following product has been launched:

- A system with large diameter drilling consumables for both mining and construction applications. The new system offers up to 30% longer service life providing fewer rod changes and increased productivity.

Acquisition

- In February, Atlas Copco acquired Sweden-based Geawelltech, which sells, rents out and manufactures well- and geotechnical drilling equipment. The company has 19 employees.

Efficiency measures

To further increase efficiency and strengthen the company for the future, Atlas Copco plans to move the mining equipment operations in Märsta and Grängesberg to Örebro, Sweden. MSEK 75 in restructuring costs related to the relocation were booked in the quarter.

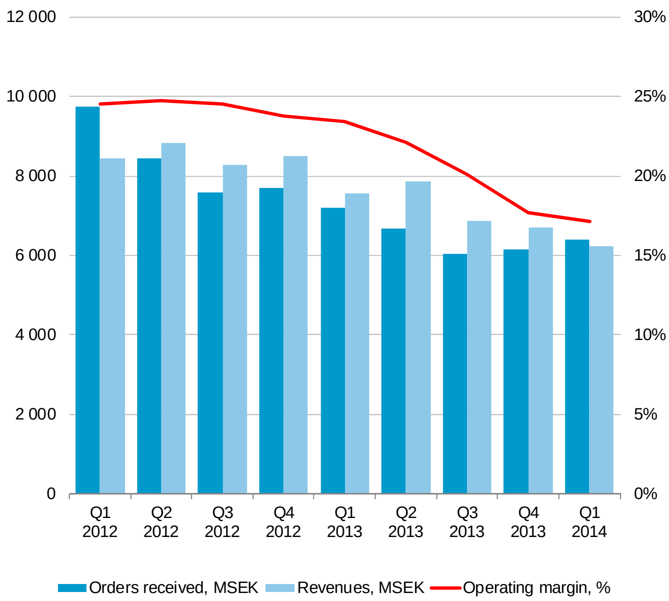
The total workforce for comparable units has been reduced by 276 during the quarter.

Revenues and profitability

Revenues were MSEK 6 251 (7 562), corresponding to an organic decline of 13%.

Operating profit was MSEK 1 071 (1 771), including restructuring costs of MSEK 75. The adjusted operating margin was 18.3% (23.4), and was impacted negatively by lower volumes, currency and dilution from acquisitions. Return on capital employed (last 12 months) was 36% (56).

Orders, revenues and operating profit margin



Construction Technique

	January - March		
MSEK	2014	2013	
Orders received	3 827	3 704	3%
Revenues	3 354	3 173	6%
Operating profit	406	384	6%
– as a percentage of revenues	*12.1*	*12.1*	
Return on capital employed, %	13	13	

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

- **Orders received increased 4% organically**
- **Strong growth for construction and demolition tools and specialty rental**
- **Operating margin stable at 12.1% despite negative currency effects**

Sales bridge

	January - March	
MSEK	Orders received	Revenues
2013	3 704	3 173
Structural change, %	+1	+1
Currency, %	-2	-2
Price, %	+1	+1
Volume, %	+3	+6
Total, %	+3	+6
2014	3 827	3 354

Construction equipment

The order volumes for construction equipment increased compared to the previous year. The strongest growth was seen in construction and demolition tools. Geographically, solid growth was recorded in North America and Europe for most types of equipment. In Asia, however, the order intake decreased in the two largest markets China and India, which impacted the region negatively.

Compared to the previous quarter, the order intake increased for all types of equipment, supported by normal seasonal effects.

Specialty rental

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

Service

The service business remained healthy and grew compared to the previous year. The order intake improved in most markets, most significantly in the Americas and in Africa/Middle East.

Innovation

The following products have been launched:

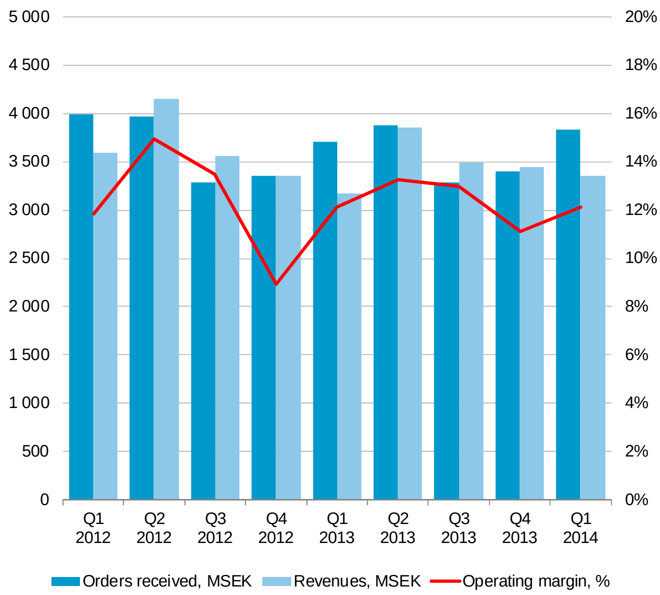
- A range of drum cutter attachments with low noise and vibration levels suitable for urban areas. This is a complementary product to hydraulic breakers and it offers a solution for concrete or soft rock applications.
- A hydraulic attachment; the Hydro Magnet, which enables iron and steel to be separated quickly and easily from concrete waste for subsequent recycling. It features a magnetization and demagnetization process cycle that is up to 25% shorter. This, in turn, means lower fuel consumption.

Revenues and profitability

Revenues reached MSEK 3 354 (3 173), corresponding to an organic increase of 7%.

Operating profit was MSEK 406 (384), corresponding to a margin of 12.1% (12.1). The margin was supported by volume, but negatively affected by currency and dilution from acquistions. Return on capital employed (last 12 months) was 13% (13).

Orders, revenues and operating profit margin



Accounting principles
The consolidated accounts of the Atlas Copco Group are prepared in accordance with International Financial Reporting Standards (IFRS) as disclosed in the annual report 2013. The interim report is prepared in accordance with IAS 34 Interim Financial Reporting.

New and amended accounting standards
The new and amended IFRS standards and IFRIC interpretations effective from January 1, 2014 have not had any material effect on the consolidated financial statements. For further information, see the annual report 2013.

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

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

Production risks
Many components are sourced from sub-suppliers. The availability is dependent on the sub-suppliers and if they have interruptions or lack capacity, this may adversely affect production. To minimize these risks, Atlas Copco has established a global network of sub-suppliers, which means that in most cases there are more than one sub-supplier that can supply a certain component.

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

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

For further information, see the annual report 2013.

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

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

Consolidated income statement

	3 months ended		12 months ended		
	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Dec. 31
MSEK	2014	2013	2014	2013	2013
Revenues	21 423	20 227	85 084	88 506	83 888
Cost of sales	-13 320	-12 360	-52 726	-54 468	-51 766
Gross profit	**8 103**	**7 867**	**32 358**	**34 038**	**32 122**
Marketing expenses	-2 302	-2 010	-8 630	-8 523	-8 338
Administrative expenses	-1 330	-1 203	-4 928	-4 870	-4 801
Research and development costs	-675	-511	-2 281	-2 046	-2 117
Other operating income and expenses	-36	13	141	209	190
Operating profit	**3 760**	**4 156**	**16 660**	**18 808**	**17 056**
- as a percentage of revenues	*17.6*	*20.5*	*19.6*	*21.3*	*20.3*
Net financial items	-158	-111	-837	-695	-790
Profit before tax	**3 602**	**4 045**	**15 823**	**18 113**	**16 266**
- as a percentage of revenues	*16.8*	*20.0*	*18.6*	*20.5*	*19.4*
Income tax expense	-847	-1 057	-3 974	-4 601	-4 184
Profit for the period	**2 755**	**2 988**	**11 849**	**13 512**	**12 082**
Profit attributable to					
- owners of the parent	2 754	2 986	11 840	13 500	12 072
- non-controlling interests	1	2	9	12	10
Basic earnings per share, SEK	**2.27**	**2.46**	**9.76**	**11.11**	**9.95**
Diluted earnings per share, SEK	2.27	2.45	9.75	11.10	9.92
Basic weighted average number					
of shares outstanding, millions	1 213.9	1 212.6	1 213.1	1 213.9	1 212.8
Diluted weighted average number					
of shares outstanding, millions	1 214.3	1 214.3	1 213.9	1 215.4	1 214.2

Key ratios			
Equity per share, period end, SEK	35	30	33
Return on capital employed, 12 month values, %	26	34	28
Return on equity, 12 month values, %	32	42	34
Debt/equity ratio, period end, %	37	23	19
Equity/assets ratio, period end, %	45	42	45
Number of employees, period end	43 846	40 344	40 241

Consolidated statement of comprehensive income

	3 months ended		12 months ended		
	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Dec. 31
MSEK	2014	2013	2014	2013	2013
Profit for the period	**2 755**	**2 988**	**11 849**	**13 512**	**12 082**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit pension plans	-229	60	-244	-425	45
Income tax relating to items that will not be reclassified	56	-12	50	106	-18
	-173	**48**	**-194**	**-319**	**27**
Items that may be reclassified subsequently to profit or loss					
Translation differences on foreign operations	-378	-1 137	1 203	-2 351	444
- realized and reclassified to income statement	-	-	16	-	16
Hedge of net investments in foreign operations	46	575	-1 241	1 026	-712
Cash flow hedges	-38	-9	-60	-28	-31
Adjustments for amounts transferred to the initial carrying amounts of acquired operations	81	-	81	-	-
Available-for-sale investments	-	-	-	-	-
- realized and reclassified to income statement	-	-	-	-	-
Income tax relating to items that may be reclassified	-32	-326	704	-452	410
	-321	**-897**	**703**	**-1 805**	**127**
Other comprehensive income for the period, net of tax	**-494**	**-849**	**509**	**-2 124**	**154**
Total comprehensive income for the period	**2 261**	**2 139**	**12 358**	**11 388**	**12 236**
Total comprehensive income attributable to					
- owners of the parent	2 261	2 136	12 354	11 379	12 229
- non-controlling interests	0	3	4	9	7

Consolidated balance sheet

MSEK	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2013
Intangible assets	26 249	17 279	16 095
Rental equipment	2 599	2 420	2 095
Other property, plant and equipment	8 078	6 907	6 850
Financial assets and other receivables	2 194	2 440	2 719
Deferred tax assets	1 276	961	1 216
Total non-current assets	**40 396**	**30 007**	**28 975**
Inventories	18 174	16 826	17 645
Trade and other receivables	23 255	21 726	21 282
Other financial assets	1 946	1 697	1 455
Cash and cash equivalents	9 899	17 633	17 136
Assets classified as held for sale	3	2	1
Total current assets	**53 277**	**57 884**	**57 519**
TOTAL ASSETS	**93 673**	**87 891**	**86 494**
Equity attributable to owners of the parent	42 080	39 647	36 010
Non-controlling interests	147	147	147
TOTAL EQUITY	**42 227**	**39 794**	**36 157**
Borrowings	19 971	19 997	23 957
Post-employment benefits	1 796	1 414	2 120
Other liabilities and provisions	1 310	1 074	1 091
Deferred tax liabilities	1 912	1 027	2 220
Total non-current liabilities	**24 989**	**23 512**	**29 388**
Borrowings	5 696	5 595	973
Trade payables and other liabilities	19 551	17 925	18 821
Provisions	1 210	1 065	1 155
Total current liabilities	**26 457**	**24 585**	**20 949**
TOTAL EQUITY AND LIABILITIES	**93 673**	**87 891**	**86 494**

Consolidated statement of changes in equity

	Equity attributable to		
MSEK	owners of the parent	non-controlling interests	Total equity
Opening balance, January 1, 2014	**39 647**	**147**	**39 794**
Changes in equity for the period			
Total comprehensive income for the period	2 261	-	2 261
Dividends	-	-	0
Change of non-controlling interests	-	-	0
Acquisition and divestment of own shares	206	-	206
Share-based payments, equity settled	-34	-	-34
Closing balance, March 31, 2014	**42 080**	**147**	**42 227**

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

	Equity attributable to		
MSEK	owners of the parent	non-controlling interests	Total equity
Opening balance, January 1, 2013	**34 131**	**54**	**34 185**
Changes in equity for the period			
Total comprehensive income for the period	2 136	3	2 139
Change of non-controlling interests	-2	90	88
Acquisition and divestment of own shares	-196	-	-196
Share-based payments, equity settled	-59	-	-59
Closing balance, March 31, 2013	**36 010**	**147**	**36 157**

Consolidated statement of cash flows

	January - March	
MSEK	2014	2013
Cash flows from operating activities		
Operating profit	3 760	4 156
Depreciation, amortization and impairment (see below)	820	633
Capital gain/loss and other non-cash items	-65	-303
Operating cash surplus	4 515	4 486
Net financial items received/paid	-241	-642
Taxes paid	-981	-1 089
Pension funding and payment of pension to employees	-33	-88
Change in working capital	-518	-185
Investments in rental equipment	-462	-324
Sale of rental equipment	109	107
Net cash from operating activities	**2 389**	**2 265**
Cash flows from investing activities		
Investments in property, plant and equipment	-344	-304
Sale of property, plant and equipment	13	17
Investments in intangible assets	-264	-207
Sale of intangible assets	4	1
Acquisition of subsidiaries and associated companies	-6 943 *	-443
Other investments, net	165	-490
Net cash from investing activities	**-7 369**	**-1 426**
Cash flows from financing activities		
Acquisition of non-controlling interest	-	-2
Repurchase and sales of own shares	206	-196
Change in interest-bearing liabilities	-2 823	4 417
Net cash from financing activities	**-2 617**	**4 219**
Net cash flow for the period	**-7 597**	**5 058**
Cash and cash equivalents, beginning of the period	17 633	12 416
Exchange differences in cash and cash equivalents	-137	-338
Cash and cash equivalents, end of the period	**9 899**	**17 136**

* Includes MSEK 920 of existing cash in acquired entities

Depreciation, amortization and impairment		
Rental equipment	*196*	*161*
Other property, plant and equipment	*355*	*277*
Intangible assets	*269*	*195*
Total	*820*	*633*

Calculation of operating cash flow

	January - March	
MSEK	2014	2013
Net cash flow for the period	**-7 597**	**5 058**
Add back:		
Change in interest-bearing liabilities	2 823	-4 417
Repurchase and sales of own shares	-206	196
Acquisition of non-controlling interest	-	2
Acquisitions and divestments	6 943	443
Investments of cash liquidity	-	353
Operating cash flow	**1 963**	**1 635**

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

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

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

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

Key figures by quarter

	2012				2013				2014
SEK	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Basic earnings per share	2.81	2.98	2.87	2.81	2.46	2.58	2.52	2.39	2.27
Diluted earnings per share	2.80	2.97	2.86	2.81	2.45	2.56	2.51	2.38	2.27
Equity per share	26	24	25	28	30	28	30	33	35
Operating cash flow per share	1.19	1.56	3.80	3.53	1.34	2.71	1.98	2.11	1.72
%									
Return on capital employed, 12 months value	37	39	37	36	34	32	30	28	26
Return on equity, 12 months value	49	52	48	46	42	40	37	34	32
Debt/equity ratio, period end	43	62	40	27	23	37	27	19	37
Equity/assets ratio, period end	38	37	39	42	42	39	42	45	45
Number of employees, period end	38 623	39 332	39 921	39 811	40 344	40 369	40 116	40 241	43 846

Acquisitions

Date	Acquisitions	Business area	Revenues MSEK*	Number of employees*
2014 Feb. 3	Geawelltech	Mining & Rock Excavation Tech.	90	19
2014 Jan. 9	Edwards Group	Compressor Technique	6 950	3 400
2013 Nov. 22	Tentec Ltd	Industrial Technique	105	65
2013 Oct. 17	Archer Underbalanced Services	Mining & Rock Excavation Tech.	230	75
2013 Oct. 14	Synatec	Industrial Technique	105	120
2013 Sep. 10	Pneumatic Holdings	Construction Technique	73	16
2013 Sep. 9	Dost Kompresör *Distributor Turkey*	Compressor Technique		16
2013 May 3	National Pump & Compressor *Distributor USA*	Compressor Technique		45
2013 May 2	Saltus-Werk Max Forst	Industrial Technique	70	65
2013 Apr. 23	Rapid-Torc	Industrial Technique	75	30
2013 Apr. 3	MEYCO	Mining & Rock Excavation Tech.	190	45
2013 Mar. 5	Shandong Rock Drilling Tools Co., Ltd	Mining & Rock Excavation Tech.	420	687
2013 Feb. 28	Air et Techniques Energies Provence *Distributor France*	Compressor Technique		30

* Annual revenues and number of employees at time of acquisition. No revenues are disclosed for former Atlas Copco distributors. For disclosure as per IFRS 3 for the Edwards acquisition, see page 3. Due to the relatively small size of the other acquisitions, full disclosure as per IFRS 3 is not given in this interim report. The annual report for 2014 will include all stipulated disclosures for acquisitions made during 2014. See the annual report for 2013 for disclosure of acquisitions and divestments made in 2013.

Fair value of derivatives and borrowings

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

Outstanding derivative instruments recorded to fair value

MSEK	Mar. 31, 2014	Dec. 31, 2013
Non-current assets and liabilities		
Assets	210	188
Liabilities	68	24
Current assets and liabilities		
Assets	159	250
Liabilities	226	243

Carrying value and fair value of borrowings

MSEK	Mar. 31, 2014	Mar. 31, 2014	Dec. 31, 2013	Dec. 31, 2013
	Carrying value	Fair value	Carrying value	Fair value
Bonds	18 529	19 798	18 630	19 793
Other loans	7 138	7 237	6 964	7 053
	25 667	27 035	25 593	26 846

Parent company

Income statement

	January - March	
MSEK	2014	2013
Administrative expenses	-103	-108
Other operating income and expenses	26	47
Operating profit/loss	**-77**	**-61**
Financial income and expenses	-288	-219
Profit/loss before tax	**-365**	**-280**
Income tax	25	171
Profit/loss for the period	**-340**	**-109**

Balance sheet

	Mar. 31	Mar. 31
MSEK	2014	2013
Total non-current assets	93 466	93 604
Total current assets	11 491	17 489
TOTAL ASSETS	**104 957**	**111 093**
Total restricted equity	5 785	5 785
Total non-restricted equity	41 045	35 812
TOTAL EQUITY	**46 830**	**41 597**
Untaxed reserves	-	1 255
Total provisions	738	1 082
Total non-current liabilities	42 007	53 346
Total current liabilities	15 382	13 813
TOTAL EQUITY AND LIABILITIES	**104 957**	**111 093**
Assets pledged	159	154
Contingent liabilities	7 553	361

Accounting principles
Atlas Copco AB is the ultimate Parent Company of the Atlas Copco Group. The financial statements of Atlas Copco AB have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2, Accounting for Legal Entities. The same accounting principles and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. See also accounting principles, page 8.

Parent Company

Distribution of shares

Share capital equaled MSEK 786 (786) at the end of the period, distributed as follows:

Class of share	Shares
A shares	839 394 096
B shares	390 219 008
Total	1 229 613 104
- of which A shares held by Atlas Copco	*-14 281 414*
- of which B shares held by Atlas Copco	*-645 379*
Total shares outstanding, net of shares held by Atlas Copco	1 214 686 311

Personnel stock option program

The Annual General Meeting 2013 approved a performance-based long-term incentive program. For Group Executive Management, the plan requires management's own investment in Atlas Copco shares. The intention is to cover Atlas Copco's obligation under the plan through the repurchase of the company's own shares.

The Board of Directors will propose to the Annual General Meeting 2014 a similar performance-based long-term incentive program as in previous years.

For further information, see the proposals to the Annual General Meetings published on www.atlascopco.com/agm.

Transactions in own shares

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

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

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

During the quarter, 1 133 398 Series A shares were divested. These transactions are in accordance with mandates granted.

The company's holding of own shares on March 31, 2014 appears in the table to the left.

Risks and factors of uncertainty

Financial risks

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

For further information, see the 2013 annual report.

Related parties

There have been no significant changes in the relationships or transactions with related parties for the Group or Parent Company compared with the information given in the annual report 2013.

Stockholm, April 29, 2014

Atlas Copco AB

Ronnie Leten
President and Chief Executive Officer

This is Atlas Copco

Atlas Copco is a world-leading provider of sustainable productivity solutions. The Group serves customers with innovative compressors, vacuum solutions and air treatment systems, construction and mining equipment, power tools and assembly systems. Atlas Copco develops products and service focused on productivity, energy efficiency, safety and ergonomics. The company was founded in 1873, is based in Stockholm, Sweden, and has a global reach spanning more than 180 countries. In 2013, Atlas Copco had revenues of BSEK 84 (BEUR 9.7) and more than 40 000 employees.

Business areas

Atlas Copco has four business areas. The business areas are responsible for developing their respective operations by implementing and following up on strategies and objectives to achieve sustainable, profitable development.

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

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

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

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

Vision, mission and strategy

The Atlas Copco Group’s vision is to become and remain First in Mind—First in Choice® of its customers and other principal stakeholders. The mission is to achieve sustainable, profitable development. Sustainability plays an important role in Atlas Copco’s vision and it is an integral aspect of the Group’s mission. An integrated sustainability strategy, backed by ambitious goals, helps the company deliver greater value to all its stakeholders in a way that is economically, environmentally and socially responsible. See the annual report 2013 for a summary of all Group goals and for more information.

For further information

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Conference call

A conference call to comment on the results will be held on April 29 at 2.00 PM CEST. The dial-in numbers are:

- Sweden: +46 8 5199 9351
- UK: +44 203 194 0550
- US: +1 877 788 9023

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

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

Report on Q2 2014

The report on Q2 2014 will be published on July 16, 2014.

Annual General Meeting

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