Press Release from the Atlas Copco Group

April 27, 2012

Atlas Copco

Interim report at March 31, 2012

(unaudited)

Continued strong order intake

- **Order intake increased to a record MSEK 24 827, organic growth of 10%**
- **Revenues increased to MSEK 22 254 (18 223), organic growth of 17%**
- **Operating profit increased by 15% to MSEK 4 604 (3 987)**
- **Operating margin at 20.7% (21.9)**
- **Profit before tax amounted to MSEK 4 489 (4 056)**
- **Profit for the period was MSEK 3 405 (3 033)**
- **Basic earnings per share were SEK 2.81 (2.48)**
- **Operating cash flow at MSEK 1 441 (2 026)**

	January - March		
MSEK	**2012**	**2011**	**%**
Orders received	**24 827**	**21 675**	**15%**
Revenues	**22 254**	**18 223**	**22%**
Operating profit	**4 604**	**3 987**	**15%**
– as a percentage of revenues	***20.7***	***21.9***	
Profit before tax	**4 489**	**4 056**	**11%**
– as a percentage of revenues	***20.2***	***22.3***	
Profit for the period	**3 405**	**3 033**	**12%**
Basic earnings per share, SEK	**2.81**	**2.48**	
Diluted earnings per share, SEK	**2.79**	**2.47**	
Return on capital employed, %	**37**	**32**	

Near-term demand outlook

The overall demand for Atlas Copco's products and services is expected to remain at the current high level.

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Atlas Copco Group

Review of the first quarter

Market development
The overall demand for Atlas Copco's products and services remained at a high level. Order intake from the mining industry as well as from the automotive industry was particularly strong and increased both compared with the previous year and sequentially (compared with the previous quarter). Order intake from manufacturing and process industries was relatively unchanged, supported by good demand from North America and Africa/Middle East. Orders received for construction equipment was lower than in the previous year, but improved sequentially, supported by strong demand in North America and normal seasonal effects. The aftermarket business grew strongly, both compared with the previous year and with the previous quarter.

In **North America**, demand continued to develop strongly and orders received increased both compared with the previous year and sequentially and reached a new record. Order intake from the mining industry was somewhat lower than the record level in Q1 2011.

Orders received in **South America** increased strongly and reached a new record, with the mining industry as the main contributor. Demand from the manufacturing industry remained robust, while the demand from construction industry was weaker than the previous year.

Order intake in **Europe** grew compared with the previous year. The best development was seen in Russia and Germany as well as for industrial tools and assembly systems for the motor vehicle industry. Sequentially, orders received were largely flat. Industrial compressors declined slightly, while there was a seasonal improvement for construction equipment.

Orders received in **Africa/Middle East** increased compared with the previous year as well as sequentially for all major product categories.

In **Asia,** orders received did not reach the record level of the previous year as it was lower for both construction equipment and industrial compressors. The order intake increased sequentially, however, supported by robust underlying demand for mining and industrial equipment and a seasonal improvement for construction equipment.

Order intake of mining equipment was very strong in **Australia,** contributing to yet another record quarter.

Sales bridge

	January - March	
MSEK	Orders received	Revenues
2011	21 675	18 223
Structural change, %	+3	+3
Currency, %	+2	+2
Price, %	+2	+2
Volume, %	+8	+15
Total, %	+15	+22
2012	24 827	22 254

Geographic distribution of orders received

%, last 12 months incl. March 2012	Compressor Technique	Industrial Technique	Mining and Rock Excavation Tech.	Construction Technique	Atlas Copco Group
North America	18	24	21	14	19
South America	7	6	14	13	10
Europe	33	47	21	38	30
Africa/Middle East	10	1	17	11	12
Asia/Australia	32	22	27	24	29
	100	100	100	100	100

Earnings and profitability

Operating profit increased 15% to MSEK 4 604 (3 987), corresponding to an operating margin of 20.7% (21.9%). The increased operating profit was mainly a result of higher revenue volumes. Corporate costs were MSEK 235 (101), including a negative effect from the provision for share-related long-term compensation programs of MSEK 69 (9). Adjusted for this corporate cost, the operating margin was 21.0%. Compared to previous year the margin was also affected negatively by revenue mix and acquisitions while net currency effects of MSEK 200 had a positive effect.

Net financial items were MSEK -115 (69). Previous year includes a capital gain of MSEK 151 related to sale of shares in RSC Holdings Inc. Interest net increased to MSEK -149 (-74), primarily as an effect of the significant capital distribution in 2011.

Profit before tax amounted to MSEK 4 489 (4 056), corresponding to a margin of 20.2% (22.3).

Profit for the period totaled MSEK 3 405 (3 033). Basic and diluted earnings per share were SEK 2.81 (2.48) and SEK 2.79 (2.47) respectively.

The return on capital employed during the last 12 months was 37% (32). Return on equity was 48% (41).

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 5 371 (4 758).

Taxes paid were high at MSEK 1 500 (751) reflecting both increased profits and timing differences between accounting and payment of taxes.

Working capital increased by MSEK 2 027 (2 350) as a result of the strong sales development. Higher inventory in relation to revenue compared with previous year is also explained by strong growth in the mining business, which has a higher inventory ratio than the Group average.

Rental equipment, net, increased by MSEK 194 (126).

Investments in property, plant and equipment were MSEK 413 (301). Net cash flow from other investing activities, excluding acquisitions and divestments of MSEK -561 (-91), was MSEK -691 (+356) and includes MSEK 523 of cash liquidity invested in instruments with maturities above 3 months.

Operating cash flow equaled MSEK 1 441 (2 026).

Acquisition and divestment of own shares

During the quarter, 1 977 819 series A shares, net, and 172 567 series B shares, net, were divested, for a net value of MSEK 356. These transactions are in accordance with mandates granted by the 2011 Annual General Meeting and relate to the Group’s long-term incentive programs.

Net indebtedness

The Group’s net indebtedness, adjusted for the fair value of interest rate swaps, amounted to MSEK 13 031 (5 137), of which MSEK 1 491 (1 548) was attributable to post-employment benefits. In the quarter, a 7-year MEUR 500 bond was issued at 2.65% interest rate. The average tenor of interest-bearing debt was 3.9 years. The net debt/EBITDA ratio was 0.6 (0.3). The net debt/equity ratio was 41% (17).

Employees

On March 31, 2012, the number of employees was 38 623 (33 595). The number of consultants/external workforce was 2 155 (1 934). For comparable units, the total workforce increased by 4 275 from March 31, 2011.

New customer centers

In April, a customer center was opened in Mozambique. The company offers a range of products including surface mining, exploration and compressed air equipment, as well as drilling consumables and related parts and service.

Atlas Copco has also established a customer center in Senegal. The new customer center offers products such as road construction equipment, compressors and generators, covering most countries in western and central Africa.

Compressor Technique

The Compressor Technique business area consists of seven divisions and provides industrial compressors, gas and process compressors and expanders, air and gas treatment equipment and air management systems. The business area has a global service network and offers specialty rental services.

	January - March		
MSEK	**2012**	**2011**	
Orders received	**9 166**	**8 338**	**10%**
Revenues	**8 306**	**6 989**	**19%**
Operating profit	**1 833**	**1 701**	**8%**
– as a percentage of revenues	***22.1***	***24.3***	
Return on capital employed, %	**68**	**72**	

- Record order intake; overall demand remained at a high level
- Operating margin at 22.1%, negatively affected by revenue mix
- Expansion of product offer and market presence through acquisitions

Sales bridge

	January - March	
MSEK	Orders received	Revenues
2011	8 338	6 989
Structural change, %	+3	+3
Currency, %	+2	+2
Price, %	+1	+1
Volume, %	+4	+13
Total, %	+10	+19
2012	9 166	8 306

Industrial compressors

The overall demand for industrial compressors remained at a healthy level. Compared with previous year, order volumes were largely unchanged. Growth was recorded in North America and in Africa/Middle East, while Europe and Asia declined somewhat.

The order intake increased somewhat compared with the previous quarter. It increased in North America and in Africa/Middle East, was unchanged in Asia, while it decreased slightly in Europe.

Gas and process compressors

Order intake for gas and process compressors increased significantly compared with the first quarter previous year and also sequentially. The best year-on-year development was seen in the Middle East.

Specialty rental

The specialty rental business increased somewhat compared with the previous year. The best development was recorded in Africa/ Middle East.

Aftermarket

Revenues from service and spare parts continued to develop well. All major regions recorded healthy growth with Asia performing particularly well.

Innovation

A new range of medium sized compressors were launched. This new range has fewer components, which increases the efficiency in the manufacturing. The range comprises of three product platforms and is used by twelve different brands globally. In addition, several brands continued to extend their product offer in terms of variants and different options.

Significant events and structural changes

In January, Atlas Copco acquired Houston Service Industries, Inc., a U.S. manufacturer of low-pressure blowers and vacuum pumps. The company has annual revenues of about MUSD 37 (MSEK 240) and 123 employees.

In February, Wuxi Shengda Air and Gas Purity Equipment Co Ltd. in China was acquired. The company manufactures compressed air and gas drying and filtration equipment, has annual revenues of MCNY 95 (MSEK 85) and 130 employees.

In March, the business of Guangzhou Linghein Compressor Co., China, was consolidated. Linghein adds a brand of industrial air compressors with a strong regional presence. The business has a turnover of about MCNY 110 (MSEK 100) and 160 employees.

Profit and returns

Operating profit was MSEK 1 833 (1 701), corresponding to a margin of 22.1% (24.3). The margin was negatively impacted by revenue mix, investments in the market organization as well as by dilution from acquisitions.

Return on capital employed (last 12 months) was 68% (72).

Industrial Technique

The Industrial Technique business area consists of four divisions and provides industrial power tools, assembly systems, quality assurance products, software and services through a global network.

	January - March		
MSEK	**2012**	**2011**	
Orders received	**2 498**	**1 995**	**25%**
Revenues	**2 471**	**1 768**	**40%**
Operating profit	**592**	**401**	**48%**
– as a percentage of revenues	***24.0***	***22.7***	
Return on capital employed, %	**51**	**57**	

- 10% organic order growth
- Record order intake supported by strong demand for advanced tools from the motor vehicle industry
- Record revenues, operating profit and margin

Sales bridge

	January - March	
MSEK	Orders received	Revenues
2011	1 995	1 768
Structural change, %	+14	+14
Currency, %	+1	+2
Price, %	+1	+1
Volume, %	+9	+23
Total, %	+25	+40
2012	2 498	2 471

General industry

Order volumes for industrial power tools from the general manufacturing industries, e.g. electrical appliances, aerospace, and shipyards, continued to be favorable, even if they decreased somewhat compared with the previous year. Orders received increased significantly in Asia, but declined in North America and Europe.

Motor vehicle industry

The demand for advanced industrial tools and assembly systems to the motor vehicle industry continued to develop very favorably. Order volumes increased significantly in all major regions compared with the previous year and the highest growth rate was achieved in Europe.

Vehicle service

Orders received decreased slightly for the vehicle service business, providing large fleet operators and specialized repair shops with tools and other equipment. Sales increased in North America and it decreased in Europe.

Aftermarket

The aftermarket business continued to perform well. Sales grew significantly in North and South America as well as in Asia and healthy growth was also recorded in Europe.

Innovation

Atlas Copco’s two most prestigious awards will this year be presented to teams within the Industrial Technique business area. The Peter Wallenberg Sales and Marketing Award recognizes a successful product launch towards the aerospace industry, while the John Munck Award rewards the development of an innovative range of power tools.

A new screwdriver system for low torque tightening applications in the electronics industry was introduced. The system increases the productivity and end-product quality and offers cost savings by reducing reworking and scrapping rates to a minimum.

In addition, several new pneumatic grinders, drills and impact wrenches were launched in the quarter.

Profit and returns

Operating profit increased 48% to a record MSEK 592 (401), corresponding to a margin of 24.0% (22.7). The margin increase was primarily due to the effects of higher volumes.

Return on capital employed (last 12 months) was 51% (57).

Mining and Rock Excavation Technique

The Mining and Rock Excavation Technique business area consists of seven divisions and provides equipment for drilling and rock excavation, a complete range of related consumables and service through a global network.

	January - March		
MSEK	**2012**	**2011**	
Orders received	**9 733**	**7 849**	**24%**
Revenues	**8 434**	**6 516**	**29%**
Operating profit	**2 072**	**1 537**	**35%**
– as a percentage of revenues	***24.6***	***23.6***	
Return on capital employed, %	**66**	**58**	

- 22% organic order growth and record order intake; continued strong mining activity
- Operating margin 24.6%, supported by strong volume growth
- Three acquisitions finalized – increased scope of supply and improved market presence

Sales bridge

	January - March	
MSEK	Orders received	Revenues
2011	7 849	6 516
Structural change, %	+1	+1
Currency, %	+1	+1
Price, %	+3	+3
Volume, %	+19	+24
Total, %	+24	+29
2012	9 733	8 434

Mining

The activity in the mining industry remained high with strong demand for equipment. Several important orders for drilling equipment for open-pit mines were won in Australia, South America and in Africa, which contributed to the very strong order intake. Order intake for underground mining equipment as well as for exploration equipment remained on a high level.

Civil engineering

Demand for drilling equipment for infrastructure applications was stable. Order intake increased moderately compared with the previous year and remained at the same level as in the previous quarter. Compared with the previous year, sales of surface drilling equipment in North America developed particularly well.

Aftermarket and consumables

Demand for service, spare parts and consumables developed strongly and high sales growth was, again, achieved. The primary driver for this development was continued high activity in the mining industry.

Innovation

A new multi-purpose drilling rig for tunneling and mining was introduced. It has large onboard water tanks and a large diesel engine, making it possible to work in mines or construction sites lacking water and electrical infrastructure.
In addition, four different versions of underground production drill rigs were introduced, as well as a new drilling rig for bolting.

Significant events and structural changes

Three acquisitions were made in January:

Perfora S.p.A., an Italian company that manufactures and sells drilling and cutting equipment for the dimension stone industry. The company employs 43 people and has annual revenues of about MEUR 10 (MSEK 90).

The underground business of GIA Industri AB, a Sweden-based manufacturer of electric mine trucks, utility vehicles and equipment for continuous loading for mining and tunneling applications. The business has 113 employees and annual revenues of about MSEK 230.

Neumatica, Atlas Copco’s distributor of large surface drilling equipment and related services in Colombia. The business has 15 employees.

Profit and returns

Operating profit increased 35% to a record MSEK 2 072 (1 537), corresponding to a margin of 24.6% (23.6). The margin increase was primarily due to increased volumes.

Return on capital employed (last 12 months) was 66% (58).

Construction Technique

The Construction Technique business area consists of four divisions and provides construction and demolition tools, portable compressors, pumps and generators, lighting towers, and compaction and paving equipment. The business area offers service through a global network.

	January - March		
MSEK	**2012**	**2011**	
Orders received	**3 596**	**3 615**	**-1%**
Revenues	**3 206**	**3 063**	**5%**
Operating profit	**342**	**449**	**-24%**
– as a percentage of revenues	***10.7***	***14.7***	
Return on capital employed, %	**11**	**13**	

- Order intake decreased, weak demand for road construction equipment
- Increased sales in North America and Africa/Middle East
- Operating margin at 10.7%

Sales bridge

	January - March	
MSEK	Orders received	Revenues
2011	3 615	3 063
Structural change, %	+2	+2
Currency, %	+1	+1
Price, %	+1	+1
Volume, %	-5	+1
Total, %	-1	+5
2012	3 596	3 206

Construction equipment

Orders received decreased compared with the previous year. Order volumes decreased significantly in Asia and in South America, primarily in China and in Brazil and decreased moderately in Europe. This was partly offset by increased sales in North America and Africa/Middle East.

The demand for road construction equipment, continued to be particularly weak, seasonally adjusted. Demand for portable compressors and generators developed favorably, positively impacted by investments by rental companies, and order intake increased.

Compared to the previous quarter, order intake increased, supported by the strong demand in North America as well as by normal seasonal effects.

Aftermarket

Demand for service and spare parts developed favorably and strong sales growth was recorded in all regions, with North America performing particularly well.

Innovation

A high pressure booster suitable for drilling applications was introduced in the quarter. It has a Tier 4 engine with reduced emissions. Several new portable compressors and generators targeting selected markets were introduced. A new small pick hammer was launched as well as a new light weight pusher-leg rock drill. Also, a large hydraulic breaker with reduced weight and improved performance was launched.

Profit and returns

Operating profit was MSEK 342 (449), corresponding to a margin of 10.7% (14.7). The operating margin was affected by lower production volumes, increased costs for research and development and the establishment of new customer centers.

Return on capital employed (last 12 months) was 11% (13).

Previous near-term demand outlook

(Published January 31, 2012)

The overall demand for Atlas Copco's products and services is expected to weaken somewhat from the current high level.

Accounting principles

The consolidated accounts of the Atlas Copco Group are prepared in accordance with International Financial Reporting Standards (IFRS) as disclosed in the Annual Report 2011.

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

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, such as the one experienced during 2009, 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 is 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 about risk factors, see the 2011 Annual Report.

Consolidated income statement

	3 months ended		12 months ended		
	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Dec. 31
MSEK	2012	2011	2012	2011	2011
Revenues	22 254	18 223	85 234	72 797	81 203
Cost of sales	-13 666	-10 930	-52 787	-44 650	-50 051
Gross profit	**8 588**	**7 293**	**32 447**	**28 147**	**31 152**
Marketing expenses	-2 136	-1 788	-7 973	-7 052	-7 625
Administrative expenses	-1 308	-1 011	-4 631	-4 224	-4 334
Research and development costs	-501	-399	-1 907	-1 559	-1 805
Other operating income and expenses	-39	-108	241	-37	172
Operating profit	**4 604**	**3 987**	**18 177**	**15 275**	**17 560**
- as a percentage of revenues	*20.7*	*21.9*	*21.3*	*21.0*	*21.6*
Net financial items	-115	69	-468	-221	-284
Profit before tax	**4 489**	**4 056**	**17 709**	**15 054**	**17 276**
- as a percentage of revenues	*20.2*	*22.3*	*20.8*	*20.7*	*21.3*
Income tax expense	-1 084	-1 023	-4 349	-3 932	-4 288
Profit for the period	**3 405**	**3 033**	**13 360**	**11 122**	**12 988**
Profit attributable to					
- owners of the parent	3 402	3 023	13 342	11 090	12 963
- non-controlling interests	3	10	18	32	25
Basic earnings per share, SEK	**2.81**	**2.48**	**11.00**	**9.12**	**10.68**
Diluted earnings per share, SEK	2.79	2.47	10.94	9.10	10.62
Basic weighted average number of shares outstanding, millions	1 212.5	1 217.1	1 213.1	1 216.2	1 214.3
Diluted weighted average number of shares outstanding, millions	1 215.1	1 220.4	1 215.7	1 218.2	1 217.3

Key ratios			
Equity per share, period end, SEK	26	25	24
Return on capital employed, 12 month values, %	37	32	37
Return on equity, 12 month values, %	48	41	48
Debt/equity ratio, period end, %	41	17	49
Equity/assets ratio, period end, %	39	41	38
Number of employees, period end	38 623	33 595	37 579

Consolidated statement of comprehensive income

MSEK	3 months ended Mar. 31 2012	3 months ended Mar. 31 2011	12 months ended Mar. 31 2012	12 months ended Mar. 31 2011	12 months ended Dec. 31 2011
Profit for the period	**3 405**	**3 033**	**13 360**	**11 122**	**12 988**
Other comprehensive income					
Translation differences on foreign operations	-694	-1 032	-12	-3 074	-350
- realized and reclassified to income statement	-	-	-2	-	-2
Hedge of net investments in foreign operations	194	145	142	1 254	93
Cash flow hedges	-3	-72	137	-162	68
Available-for-sale investments	-	168	-57	275	111
- realized and reclassified to income statement	-	-151	-200	-233	-351
Income tax relating to components of other comprehensive income	-139	-101	-112	-992	-74
Other comprehensive income for the period, net of tax	**-642**	**-1 043**	**-104**	**-2 932**	**-505**
Total comprehensive income for the period	**2 763**	**1 990**	**13 256**	**8 190**	**12 483**
Total comprehensive income attributable to					
- owners of the parent	2 760	1 991	13 245	8 176	12 476
- non-controlling interests	3	-1	11	14	7

Consolidated balance sheet

MSEK	Mar. 31, 2012	Dec. 31, 2011	Mar. 31, 2011
Intangible assets	15 649	15 352	13 154
Rental equipment	2 164	2 117	1 774
Other property, plant and equipment	6 620	6 538	5 555
Financial assets and other receivables	3 070	2 931	2 809
Deferred tax assets	987	1 052	1 271
Total non-current assets	**28 490**	**27 990**	**24 563**
Inventories	18 509	17 579	13 969
Trade and other receivables	22 300	21 996	17 586
Other financial assets	2 080	1 773	1 369
Cash and cash equivalents	10 655	5 716	14 412
Assets classified as held for sale	46	55	59
Total current assets	**53 590**	**47 119**	**47 395**
TOTAL ASSETS	**82 080**	**75 109**	**71 958**
Equity attributable to owners of the parent	31 756	28 776	29 638
Non-controlling interests	63	63	92
TOTAL EQUITY	**31 819**	**28 839**	**29 730**
Borrowings	21 001	17 013	18 949
Post-employment benefits	1 491	1 504	1 548
Other liabilities and provisions	1 024	1 039	982
Deferred tax liabilities	1 369	1 390	1 306
Total non-current liabilities	**24 885**	**20 946**	**22 785**
Borrowings	3 548	3 422	506
Trade payables and other liabilities	20 571	20 696	17 655
Provisions	1 257	1 206	1 282
Total current liabilities	**25 376**	**25 324**	**19 443**
TOTAL EQUITY AND LIABILITIES	**82 080**	**75 109**	**71 958**

Consolidated statement of changes in equity

MSEK	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Opening balance, January 1, 2012	**28 776**	**63**	**28 839**
Changes in equity for the period			
Total comprehensive income for the period	2 760	3	2 763
Dividends	-	1	1
Change of non-controlling interests	-25	-4	-29
Acquisition and divestment of own shares	356	-	356
Share-based payments, equity settled	-111	-	-111
Closing balance, March 31, 2012	**31 756**	**63**	**31 819**

	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Opening balance, January 1, 2011	**29 141**	**180**	**29 321**
Changes in equity for the period			
Total comprehensive income for the period	12 476	7	12 483
Dividends	-4 851	-2	-4 853
Redemption of shares	-6 067	-	-6 067
Change of non-controlling interests	-869	-122	-991
Acquisition and divestment of own shares	-1 005	-	-1 005
Share-based payments, equity settled	-49	-	-49
Closing balance, Dec. 31, 2011	**28 776**	**63**	**28 839**

	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Opening balance, January 1, 2011	**29 141**	**180**	**29 321**
Changes in equity for the period			
Total comprehensive income for the period	1 991	-1	1 990
Dividends	1	-	1
Change of non-controlling interests	-635	-87	-722
Acquisition and divestment of own shares	-853	-	-853
Share-based payments, equity settled	-7	-	-7
Closing balance, Mar. 31, 2011	**29 638**	**92**	**29 730**

Consolidated statement of cash flows

	January - March	
MSEK	2012	2011
Cash flows from operating activities		
Operating profit	4 604	3 987
Depreciation, amortization and impairment (see below)	648	586
Capital gain/loss and other non-cash items	119	185
Operating cash surplus	5 371	4 758
Net financial items received/paid	372	440
Taxes paid	-1 500	-751
Change in working capital	-2 027	-2 350
Increase in rental equipment	-367	-268
Sale of rental equipment	173	142
Net cash from operating activities	**2 022**	**1 971**
Cash flows from investing activities		
Investments in property, plant and equipment	-413	-301
Sale of property, plant and equipment	8	16
Investments in intangible assets	-172	-123
Sale of intangible assets	3	8
Acquisition of subsidiaries	-561	-91
Other investments, net	-530	455
Net cash from investing activities	**-1 665**	**-36**
Cash flows from financing activities		
Dividends paid	-	1
Dividends paid to non-controlling interest	1	-
Acquisition of non-controlling interest	-29	-722
Repurchase and sales of own shares	356	-853
Change in interest-bearing liabilities	4 372	33
Net cash from financing activities	**4 700**	**-1 541**
Net cash flow for the period	**5 057**	**394**
Cash and cash equivalents, beginning of the period	5 716	14 264
Exchange differences in cash and cash equivalents	-118	-246
Cash and cash equivalents, end of the period	**10 655**	**14 412**
Depreciation, amortization and impairment		
Rental equipment	*179*	*164*
Other property, plant and equipment	*276*	*245*
Intangible assets	*193*	*177*
Total	*648*	*586*

Calculation of operating cash flow

	January - March	
MSEK	2012	2011
Net cash flow for the period	**5 057**	**394**
Add back		
Change in interest-bearing liabilities	-4 372	-33
Repurchase and sales of own shares	-356	853
Dividends paid	-	-1
Dividends paid to non-controlling interest	-1	-
Acquisition of non-controlling interest	29	722
Acquisitions and divestments	561	91
Investments of cash liquidity	523	-
Operating cash flow	**1 441**	**2 026**

Revenues by business area

	2010				2011				2012
MSEK (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Compressor Technique	6 622	7 394	7 598	8 139	6 989	7 676	8 264	8 831	8 306
- of which external	*6 616*	*7 378*	*7 596*	*8 112*	*7 000*	*7 699*	*8 171*	*8 804*	*8 287*
- of which internal	*6*	*16*	*2*	*27*	*-11*	*-23*	*93*	*27*	*19*
Industrial Technique	1 483	1 535	1 569	1 885	1 768	1 800	1 816	2 437	2 471
- of which external	*1 473*	*1 529*	*1 564*	*1 880*	*1 763*	*1 792*	*1 807*	*2 429*	*2 464*
- of which internal	*10*	*6*	*5*	*5*	*5*	*8*	*9*	*8*	*7*
Mining and Rock Excavation Technique	4 876	5 492	5 589	6 563	6 516	6 994	7 642	8 204	8 434
- of which external	*4 878*	*5 488*	*5 587*	*6 559*	*6 485*	*6 987*	*7 609*	*8 183*	*8 418*
- of which internal	*-2*	*4*	*2*	*4*	*31*	*7*	*33*	*21*	*16*
Construction Technique	2 394	3 122	3 047	2 922	3 063	3 599	3 292	2 964	3 206
- of which external	*2 304*	*3 003*	*2 962*	*2 809*	*2 930*	*3 422*	*3 090*	*2 784*	*3 006*
- of which internal	*90*	*119*	*85*	*113*	*133*	*177*	*202*	*180*	*200*
Common Group functions/ Eliminations	-74	-113	-60	-108	-113	-118	-275	-146	-163
Atlas Copco Group	**15 301**	**17 430**	**17 743**	**19 401**	**18 223**	**19 951**	**20 739**	**22 290**	**22 254**

Operating profit by business area

	2010				2011				2012
MSEK (by quarter)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Compressor Technique	1 422	1 755	2 030	2 026	1 701	1 840	1 990	2 061	1 833
- as a percentage of revenues	*21.5%*	*23.7%*	*26.7%*	*24.9%*	*24.3%*	*24.0%*	*24.1%*	*23.3%*	*22.1%*
Industrial Technique	243	289	317	413	401	392	398	576	592
- as a percentage of revenues	*16.4%*	*18.8%*	*20.2%*	*21.9%*	*22.7%*	*21.8%*	*21.9%*	*23.6%*	*24.0%*
Mining and Rock Excavation Technique	917	1 171	1 287	1 544	1 537	1 641	1 959	2 059	2 072
- as a percentage of revenues	*18.8%*	*21.3%*	*23.0%*	*23.5%*	*23.6%*	*23.5%*	*25.6%*	*25.1%*	*24.6%*
Construction Technique	198	405	307	308	449	499	390	122	342
- as a percentage of revenues	*8.3%*	*13.0%*	*10.1%*	*10.5%*	*14.7%*	*13.9%*	*11.8%*	*4.1%*	*10.7%*
Common Group Functions/Eliminations	-153	-121	-159	-284	-101	-195	63	-222	-235
Operating profit	**2 627**	**3 499**	**3 782**	**4 007**	**3 987**	**4 177**	**4 800**	**4 596**	**4 604**
- as a percentage of revenues	*17.2%*	*20.1%*	*21.3%*	*20.7%*	*21.9%*	*20.9%*	*23.1%*	*20.6%*	*20.7%*
Net financial items	-130	-96	-107	-87	69	-96	-97	-160	-115
Profit before tax	**2 497**	**3 403**	**3 675**	**3 920**	**4 056**	**4 081**	**4 703**	**4 436**	**4 489**
- as a percentage of revenues	*16.3%*	*19.5%*	*20.7%*	*20.2%*	*22.3%*	*20.5%*	*22.7%*	*19.9%*	*20.2%*

Acquisitions and divestments

Date	Acquisitions	Divestments	Business area	Revenues MSEK*	Number of employees*
2012 Mar. 16	Guangzhou Linghein Compressor Co.		Compressor Technique	100	160
2012 Feb. 13	Wuxi Shengda Air/Gas Purity Equipment		Compressor Technique	85	130
2012 Jan. 31	Neumatica *Distributor Colombia*		Mining & Rock Excavation Tech.		15
2012 Jan. 31	GIA Industri		Mining & Rock Excavation Tech.	230	113
2012 Jan. 12	Perfora S.p.A.		Mining & Rock Excavation Tech.	90	43
2012 Jan. 4	Houston Service Industries, Inc.		Compressor Technique	240	123
2011 Nov. 21	Seti-Tec S.A.S.		Industrial Technique	40	14
2011 Nov. 1	Kalibrierdienst Stenger		Industrial Technique	6	7
2011 Oct. 7		Self drilling anchors	Mining & Rock Excavation Tech.	100	45
2011 Oct. 7	SCA Schucker		Industrial Technique	600	280
2011 Aug. 17	Penlon Medical Gas Solutions		Compressor Technique	120	100
2011 Jul. 15	Gesan		Construction Technique	510	160
2011 Jul. 1	Sogimair S.A. and Aircom S.A.		Compressor Technique	124	75
2011 May 31	Tencarva *Distributor USA*		Compressor Technique		37
2011 Apr. 1	ABAC Catalunya *Distributor Spain*		Compressor Technique		8
2011 Mar. 7	J.C. Carter		Compressor Technique	175	70

* Annual revenues and number of employees at time of acquisition/divestment. No revenues are disclosed for former Atlas Copco distributors. Due to the relatively small size of the acquisitions, full disclosure as per IFRS 3 is not given in this report. The annual report for 2012 will include all stipulated disclosures for acquisitions made during 2012. See the annual report for 2011 for disclosure of acquisitions and divestments made in 2011.

Parent company

Income Statement

	January - March	
MSEK	2012	2011
Administrative expenses	-126	-91
Other operating income and expenses	57	28
Operating profit/loss	**-69**	**-63**
Financial income and expense	-390	-90
Profit/loss before tax	**-459**	**-153**
Income tax	23	83
Profit/loss for the period	**-436**	**-70**

Balance Sheet

	Mar. 31	Mar. 31	Dec. 31
MSEK	2012	2011	2011
Total non-current assets	92 350	91 709	92 190
Total current assets	12 512	13 741	12 025
TOTAL ASSETS	**104 862**	**105 450**	**104 215**
Total restricted equity	5 785	5 785	5 785
Total non-restricted equity	37 548	40 377	37 510
TOTAL EQUITY	**43 333**	**46 162**	**43 295**
Total provisions	1 061	1 098	977
Total non-current liabilities	53 369	53 249	49 578
Total current liabilities	7 099	4 941	10 365
TOTAL EQUITY AND LIABILITIES	**104 862**	**105 450**	**104 215**
Assets pledged	55	52	55
Contingent liabilities	336	400	410

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* (January 2012).

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	*-14 709 811*
- of which B shares held by Atlas Copco	*-1 138 879*
Total shares outstanding, net of shares held by Atlas Copco	1 213 764 414

Personnel stock option program

The Annual General Meeting 2011 approved a performance-based long-term incentive program. For Group Executive Management, the plan requires own investment in Atlas Copco shares. The intention is to cover the plan through the repurchase of the company's own shares.

The Board of Directors will propose to the Annual General Meeting 2012 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.

Transaction in own shares

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

- The purchase of not more than 4 300 000 series A shares, whereof a maximum 3 420 000 may be transferred to personnel stock option holders under the Performance Stock Option Plan 2011.
- 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 70 000 series A shares to cover costs related to previously issued synthetic shares to Board members.
- The sale of maximum 4 700 000 series A shares and maximum 1 500 000 series B shares currently held by the company, for the purpose of covering costs of fulfilling obligations related to the performance stock option plans 2006-2009.

Repurchases and sales are subject to market conditions, regulatory restrictions and the capital structure at any given time.

During the first quarter of 2012, 1 977 819 series A shares, net, and 172 567 series B shares, net, were sold in accordance with mandates granted.

The company's holding of own shares on March 31, 2012 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. Atlas Copco has adopted a policy to control the financial risks to which Atlas Copco AB and the Group are exposed. A financial risk management committee meets regularly to take decisions about how to manage financial risks.

For further information about risk factors, see the 2011 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 2011.

Stockholm, April 27, 2012

Atlas Copco AB

Ronnie Leten
President and Chief Executive Officer

Goals for sustainable, profitable development

Atlas Copco's vision is to become and remain First in Mind—First in Choice® of its customers and prospects, and of other key stakeholders. This vision drives the Group's strategies and goals for its operations.

The financial goals are:

- annual revenue growth of 8% over a business cycle;
- sustained high return on capital employed;
- all acquired businesses to contribute to economic value added; and
- annual dividend distribution about 50% of earnings per share.

This will have the result that shareholder value is created and continuously increased. Atlas Copco is committed to sustainable productivity and aims to be an industry leader in this area. This is manifested by ambitious goals for its operations, products, services and solutions. See the Annual Report 2011 for a summary of all Group goals.

Forward-looking statements

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

Atlas Copco AB

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

For further information

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Conference call

A conference call to comment on the results will be held at 1:00 PM CET, on April 27.

The dial-in number is +44 (0)20 7162 0077 or +46 (0)8 5052 0110 and the code to attend the call is 914522.

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

The conference call will be broadcasted live via the Internet. Please see the Investor Relations section of our website for the webcast 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.

Interim report – Q2 2012

The Q2 2012 report will be published on July 17, 2012.