

Press Release from Atlas Copco South Africa

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Ronnie Leten comments on Atlas Copco's Q1 2015

Atlas Copco, a leading supplier of sustainable productivity solutions, reported solid results for the first quarter. The service business grew while equipment orders were weak. The overall demand for the Group is expected to increase somewhat in the near term.

Orders received in the first quarter rose 12% to MSEK 25 470 with strong contribution from currency and from Henrob, the self-pierce riveting specialist that was acquired last year. Year-on-year, orders decreased 5% organically and revenues were down 2% organically. Revenues reached MSEK 24 745 and the adjusted operating profit was MSEK 4 767 (3 872), corresponding to a margin of 19.3% (18.1). The margin was positively affected by more favorable exchange rates, while it was negatively affected by lower revenue volume and equipment mix.

"We saw strong demand for industrial tools and assembly solutions, while the mining area continued to be challenging," said Ronnie Leten, President and CEO of the Atlas Copco Group. "Theservice business continued to grow at a healthy pace."

In the first quarter, Atlas Copco inaugurated an expanded, state-of-the-art distribution center in Belgium. The Group won three prestigious Red Dot design awards for its MicroTorque high-precision tightening systems.

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"We continue to focus on growth and enhancing customers' productivity by providing more innovative products and strengthening local presence," said Ronnie Leten. "We are proud to see that our business model of being asset light and fast to adapt continues to be successful."

Atlas Copco introduced several innovative products in the quarter, including compressed air filters that save energy, a high torque assembly tool that is faster than competing tools in the market, a unique remote operator station that enables mining operators to do their job from a safe distance, and redesigned petrol breakers that are shorter and lighter and vibrate less than earlier models.

Also in the quarter, Atlas Copco was recognized as one of the world's most sustainable companies in the prestigious annual Global 100 list.

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 2014, Atlas Copco had revenues of BSEK 94 (BEUR 10.3) and more than 44 000 employees. Learn more at www.atlascopco.co.za.