

ATCO REPORTS 2015 SECOND QUARTER EARNINGS

CALGARY, Alberta – ATCO Ltd. (TSX: ACO.X, ACO.Y)

ATCO today announced second quarter 2015 adjusted earnings of \$57 million, compared to \$57 million in 2014, led by continued investment in utility infrastructure, offset by lower project activity in Structures & Logistics and an unfavourable regulatory decision in Australia.

ATCO continued to invest in utility infrastructure in Alberta in addition to achieving improvements in operations and maintenance costs. The Company's Utilities in Alberta invested \$306 million in the second quarter and \$617 million for the year to date. This investment was for projects to replace aging infrastructure as well as new infrastructure to meet Alberta's long-term natural gas and electricity demand, and improve reliability for customers.

Increased earnings in the Utilities were partly offset by lower earnings in ATCO Structures & Logistics as a result of lower project activity due to the conclusion of several major projects in late 2014 and early 2015. Also contributing to ATCO Structures & Logistics' lower earnings were reduced fleet rental rates and utilizations, and lodging occupancy levels and room rates, all due to a weakened demand from customers whose business activity is exposed to commodity price declines.

On July 9, 2015, ATCO declared a third quarter dividend for 2015 of 24.75 cents per Class I Non-Voting and Class II Voting Share. This represents a 15 per cent increase on the dividends declared in the same period last year. ATCO's annual dividend per share has increased for 22 consecutive years.

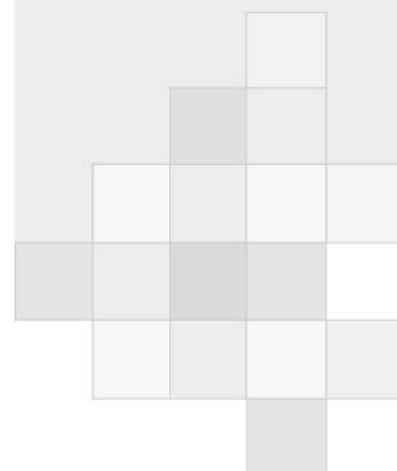
RECENT DEVELOPMENTS

- In the second quarter of 2015, ATCO Structures & Logistics was awarded additional work valued at \$96 million at the Chevron-operated Wheatstone project in Western Australia to provide additional modular units to the project. Since the start of 2013, the total value for this project is now estimated to be \$317 million.
- In April 2015, ATCO Structures & Logistics was chosen as the preferred proponent by BC Hydro to manufacture, install and operate a 1,600-person workforce housing facility for workers constructing the Site C Clean Energy Project on the Peace River in northeast BC. ATCO will operate the facility until 2022. The parties have entered into a Limited Notice to Proceed agreement

July 29, 2015

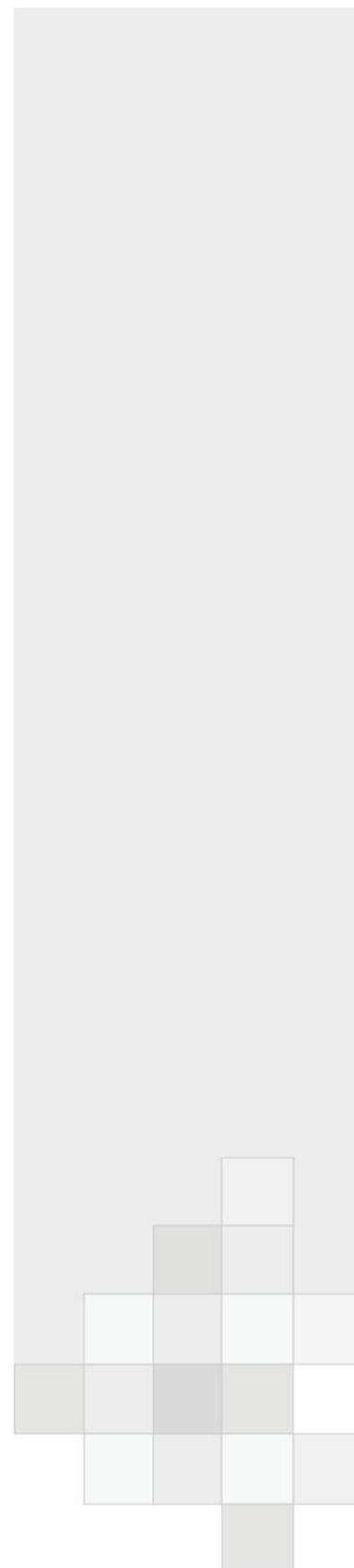
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directing ATCO Structures & Logistics to proceed with preliminary services through the summer months. A definitive project agreement is expected to be completed in the third quarter of 2015.

- In July 2015, ATCO Structures & Logistics acquired the modular business of Morris Modular Space located in Sudbury, Ontario. The Morris business contributes fleet assets, rental contracts, light vehicles, parts and other inventory, and positions the Company for growth in that geographical region. The addition of this business increases the Company's modular fleet in Eastern Canada by 10 per cent and builds on the current operating platform in Ontario with branches in Ottawa, Toronto and Timmins. ATCO Structures & Logistics will continue to invest in strategic market locations that will provide geographic diversification and improve utilization rates.
- In June 2015, the Alberta Utilities Commission issued a decision on ATCO Electric Transmission's interim rates and approved the 2015 interim revenue requirement at 90 per cent of the applied for amount under ATCO Electric's general tariff application for its operations for 2015, 2016 and 2017.
- Earnings for ATCO Australia were unfavourably impacted by a regulatory decision from the Economic Regulation Authority (ERA). In July 2015, the ERA released its final decision for ATCO Gas Australia's next Access Arrangement that covers the period from July 2014 to December 2019. Among other things, the decision reduced the company's return on equity. The Access Arrangement decision reduced second quarter earnings by \$10 million, \$2 million related to the second quarter of 2015 and \$8 million related to prior periods. Without the one-time earnings adjustment relating to prior periods, adjusted earnings in ATCO Australia were comparable to the second quarter of 2014.
- On July 27, 2015 CU Inc., a subsidiary of the Company, issued \$400 million of 3.964 per cent 30-year debentures. Proceeds from this issue will be used to finance capital expenditures, to repay existing indebtedness, and for other general corporate purposes of the Utilities.
- On July 27, 2015, Canadian Utilities Limited, a subsidiary of the Company, entered into an agreement with a syndicate of underwriters who have agreed to buy \$125 million of 5.25 per cent fixed Cumulative Redeemable Second Preferred Shares Series EE. Canadian Utilities Limited has granted the underwriters an option to purchase up to an additional \$50 million on the date that is two business days prior to closing. Should the option be fully exercised, the total gross proceeds of the issue will be \$175 million. The closing date of the issue is expected to be on or about August 7, 2015. Proceeds from this issue will be used for capital expenditures, to repay existing indebtedness and for other general corporate purposes.



FINANCIAL SUMMARY AND RECONCILIATION OF ADJUSTED EARNINGS

A financial summary and reconciliation of adjusted earnings to earnings attributable to Class I and Class II Shares is provided below:

(\$ Millions except share data)	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Adjusted earnings ⁽¹⁾	57	57	135	172
Restructuring costs ⁽²⁾	(3)	-	(3)	-
Impairments ⁽²⁾	(13)	(6)	(13)	(6)
Rate-regulated activities ⁽²⁾				
Changes in income taxes ⁽²⁾	(34)	-	(34)	-
Other ⁽²⁾	1	15	17	27
Earnings attributable to Class I and Class II Shares	8	66	102	193
Weighted average shares outstanding (millions of shares)	114.8	114.8	114.8	114.8

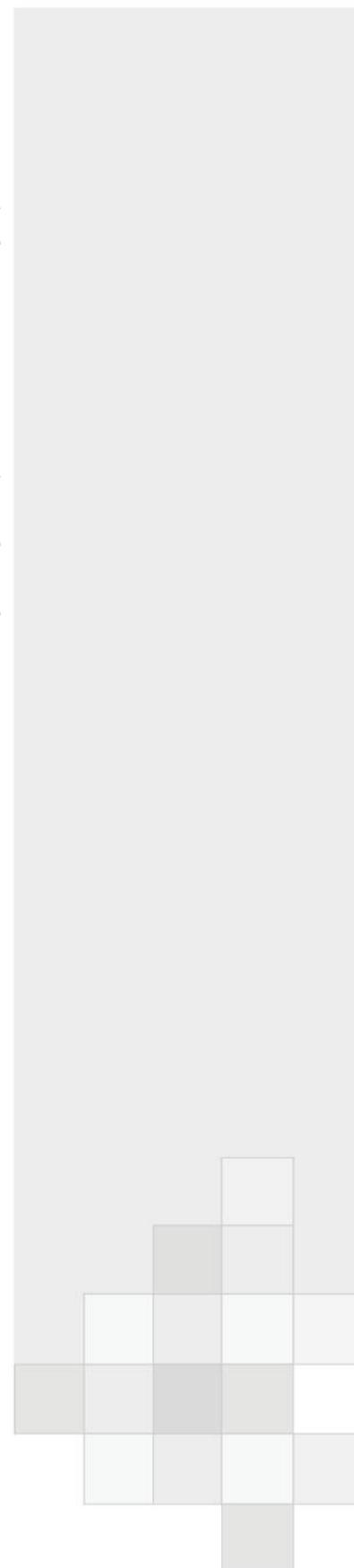
(1) Adjusted earnings are earnings attributable to Class I and Class II Shares after adjusting for the timing of revenues and expenses associated with rate-regulated activities. Adjusted earnings also exclude one-time gains and losses, significant impairments and items that are not in the normal course of business or a result of day-to-day operations. Adjusted earnings present earnings on the same basis as was used prior to adopting International Financial Reporting Standards (IFRS) - that basis being the U.S. accounting principles for rate-regulated entities - and they are a key measure used to assess segment performance, to reflect the economics of rate regulation and to facilitate comparability of ATCO's earnings with other Canadian rate-regulated companies.

(2) Refer to Note 3 of the consolidated financial statements for descriptions of the adjustments.

Earnings attributable to Class I and Class II Shares were \$8 million in the second quarter of 2015 compared to \$66 million in the same period of 2014. The largest impact was due to the Government of Alberta announced increase in the corporate tax rate from 10 per cent to 12 per cent effective July 1, 2015. The Company made a one-time adjustment to earnings relating to deferred income taxes to reflect the portion of the income tax that will be billed and recovered from utility customers in future periods.

Also included in earnings attributable to Class I and II Shares was a \$13 million write-down relating to ATCO Structures & Logistics' open lodge assets. As this charge was a significant impairment, it was excluded from adjusted earnings.

This news release should be used as a preparation for reading the full disclosure documents. ATCO's consolidated financial statements and management's discussion and analysis for the second quarter ended June 30, 2015, will be available on the ATCO website (www.atco.com), via SEDAR (www.sedar.com) or can be requested from the Company.



With nearly 9,000 employees and assets of approximately \$18 billion, ATCO is a diversified global corporation delivering service excellence and innovative business solutions through leading companies engaged in Structures & Logistics, Utilities and Energy. More information can be found at www.atco.com.

Forward-Looking Information:

Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company.

The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

