

February 25, 2016

ATCO REPORTS 2015 EARNINGS

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

ATCO today announced adjusted earnings for 2015 of \$293 million compared to \$374 million in 2014. ATCO had fourth quarter 2015 adjusted earnings of \$92 million compared to \$117 million in the same period of 2014. Lower earnings were mainly due to lower business activity in the Structures & Logistics business unit, lower Alberta Power Pool prices and the adverse earnings impact of several regulatory decisions received from the Alberta Utilities Commission (AUC) and the Australian Economic Regulation Authority in 2015.

Lower adjusted earnings in the Structures & Logistics business unit are related to weakened capital spending in various natural resource sectors in North America and Australia leading to a decline in manufacturing activity, reduced profit margins, and lower Workforce Housing and Space Rental fleet utilization. These decreases were partially offset by additional work at the Wheatstone project in Western Australia, the commencement of work at the Site C Clean Energy project in northeast BC and by business-wide cost reduction initiatives.

In March 2015, the AUC released decisions on the Generic Cost of Capital and Performance Based Regulation Capital Tracker proceedings that covered the period from the beginning of 2013 to the end of 2015. In July 2015, ATCO Gas Australia received the Access Arrangement decision, covering the period from July 2014 to December 2019. The 2013 to 2015 earnings impact that resulted from these decisions was recorded in 2015. If the prior period impact of these retroactive decisions had been recorded in 2013 and 2014, adjusted earnings in 2015 would have been \$27 million higher than the same period last year. The primary reason for increased earnings was due to the ongoing investment in building Alberta's and Australia's infrastructure.

RECENT DEVELOPMENTS

- A robust restructuring exercise to streamline and gain operational efficiencies completed in late 2015 will allow the Company to realize benefits going forward. We will continue to review further opportunities for improved productivity in 2016 and beyond.
- In late 2015, ATCO undertook a transformational change that fundamentally shifted its global business strategy. The Company has restructured into three Global Business Units – Structures & Logistics, Electricity and Pipelines & Liquids – that are vertically integrated and better able to efficiently and effectively respond to customers' needs. ATCO is now better positioned to deliver comprehensive solutions for modular structures and support

services and energy infrastructure development, maintenance and ongoing operations to our customers worldwide.

- ATCO declared a first quarter dividend for 2016 of 28.50 cents per Class I Non-Voting and Class II Voting Share, a 15 per cent increase over the quarterly dividend paid per share in 2015. ATCO's annual dividend per share has increased for 23 consecutive years.
- In the fourth quarter of 2015, ATCO Structures & Logistics was awarded a rental contract to design, construct, transport, and install 591 modular units at a major LNG project near Lake Charles, Louisiana. At the end of the 29 month lease term, the units will be returned to the Company's fleet, thereby expanding its footprint in the U.S. market.
- ATCO's capital investment in 2015 totaled \$1,919 million, of which 78 per cent was invested in assets that earn a return under a regulated business model. ATCO Electric invested \$826 million and ATCO Gas and ATCO Pipelines invested \$588 million to modernize Alberta's electric and natural gas transmission and distribution networks.
- In December 2015, ATCO Electric completed and placed in-service the longest transmission line in Alberta's history. The 485 km, \$1.8 billion Eastern Alberta Transmission Line is a critical component of Alberta's electrical transmission backbone and will play a key role in bringing renewable energy to Albertans across the province.
- ATCO Energy Solutions completed construction on two industrial water supply projects for the North West Redwater Partnership and Air Products Canada Ltd. These projects will provide essential water transportation services and other benefits to customers in the Heartland Industrial area, near Edmonton. Both projects are in operation and began contributing to earnings in the fourth quarter of 2015.

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 December 31		For the Year Ended December 31	
	2015	2014	2015	2014
Adjusted earnings ⁽¹⁾	92	117	293	374
Gain on sales of operations and revaluation of joint venture ⁽²⁾	28	-	28	74
Restructuring costs ⁽²⁾	(44)	-	(50)	-
Impairments ⁽²⁾	(91)	(9)	(104)	(15)
Rate-regulated activities ⁽²⁾	14	(14)	(13)	(13)
Earnings attributable to Class I and Class II Shares	(1)	94	154	420
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 5 of the consolidated financial statements for detailed descriptions of these items.

Earnings attributable to Class I and Class II Shares were \$154 million in 2015 compared to \$420 million in the prior year. 2015 earnings attributable to Class I and Class II Shares have been adjusted for:

- Gain on sales of operations and revaluation of joint venture of \$28 million related to: the sale of the Emissions Management business, the sale of certain non-core natural gas gathering and processing assets, and the revaluation of the Company's Barking Power investment;
- Restructuring costs of \$50 million primarily related to staff reductions and associated severance costs as well as the restructuring of a fuel supply contract in ATCO Power in the third quarter of 2015;
- Impairments of \$104 million related to ATCO Structures & Logistics' open lodge assets and workforce housing assets, the Battle River units 3 and 4 power generation assets, the Mexico Tula Pipeline as well as certain gas gathering and processing facilities;
- Timing adjustments made in rate-regulated accounting that lowered earnings attributable to Class I and Class II shares by \$13 million.

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 year ended December 31, 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 8,000 employees and assets of approximately \$19 billion, ATCO is a diversified global corporation delivering service excellence and innovative business solutions in Structures & Logistics (workforce housing, innovative modular facilities, construction, site support services, and logistics and operations management); Electricity (power generation, distributed generation, and electricity distribution, transmission and infrastructure development); Pipelines & Liquids (natural gas transmission, distribution and infrastructure development, natural gas liquids storage and processing, and industrial water solutions); and Retail Energy (electricity and natural gas retail sales). More information can be found at www.ATCO.com.

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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.