ATCO

News Release

ATCO LTD.
Corporate Head Office: 1400, 909 - 11 Avenue S.W., Calgary, Alberta T2R 1N6 Tel: (403) 292-7500

For Immediate Release

February 22, 2012

ATCO REPORTS RECORD 2011 EARNINGS

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

ATCO Ltd. today reported record earnings for 2011 led by worldwide increased activity for ATCO Structures & Logistics, higher earnings in ATCO Power and additional infrastructure investment in the utilities to support Alberta growth.

Earnings attributable to Class I and Class II Shares were $327 million ($5.65 per share) and Adjusted Earnings were $330 million for the year ended Dec. 31, 2011, compared to $281 million ($4.83 per share) and $296 million, respectively, in 2010.

Fourth quarter earnings were also higher in 2011 compared to 2010 for similar operating reasons. Year-over-year earnings increased $30 million to $102 million ($1.76 per share compared to $1.25 per share) and Adjusted Earnings increased $3 million to $83 million.

In 2011, ATCO Structures & Logistics had an exceptionally strong year as rental activity increased and manufacturing expanded to address growth in demand for modular structures and services, especially new workforce housing needs in the resource-rich regions of Australia, Canada, and South America. Australia was particularly strong with three major workforce housing complexes associated with liquefied natural gas projects.

ATCO Power recorded higher power pool prices and related spark spreads for electricity generated at its Alberta plants. However, ATCO Midstream's results negatively affected earnings due to lower storage price differentials.

ATCO Electric, ATCO Gas and ATCO Pipelines invested more than $1.3 billion in infrastructure to address Alberta's continuing growth, adding to the rate base upon which the companies earn a regulated rate of return. Partially off-setting the positive impact of continued rate base growth were two regulatory decisions: ATCO Gas' general rate application and the generic cost of capital decision applicable to all utilities. These decisions had a negative impact on fourth quarter earnings because of the disallowance of certain program costs and capital expenditures and a reduction in the utilities' approved return on equity.

Earnings include results from ATCO Gas Australia, a natural gas distribution company serving more than 650,000 customers in the Perth region, which was acquired for approximately $1.1 billion in July 2011.

RECENT DEVELOPMENTS

- ATCO declared a first quarter dividend for 2012 of 32.75 cents per Class I Non-Voting and Class II Voting Share, a 15% increase over the 28.5 cents paid in each of the previous four quarters. ATCO's dividend per share has increased for 19 consecutive years.

- ATCO Structures & Logistics was awarded a contract to construct a 1,700-person workforce housing facility and office complex for Phase 2 of Teck's Quebrada Blanca copper mining operation in northern Chile.
- ATCO Structures & Logistics completed its noise abatement project for New York City's newest power plant, Astoria Energy II, surpassing New York's strict noise level compliance criteria which are among the most stringent in the United States.
- ATCO released its second biennial Sustainability Report for 2009-2010. It reports on the Company's approach to corporate governance, community involvement, safety and employee practices.

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:

	For the Three Months Ended December 31		For the Year Ended December 31	
($ Millions except per share data)	**2011**	2010	**2011**	2010
Adjusted Earnings [1]	**83**	80	**330**	296
Adjustments for Rate Regulated Activities	**19**	(8)	**23**	(15)
Acquisition Transaction Costs	**-**	-	**(26)**	-
Earnings Attributable to Class I and Class II Shares	**102**	72	**327**	281
Earnings Per Share	**1.76**	1.25	**5.65**	4.83
Revenues	**1,130**	955	**3,991**	3,486
Funds Generated By Operations [1] [2]	**474**	357	**1,514**	1,234

(1) These measures are not defined by International Financial Reporting Standards (IFRS) and may not be comparable to similar measures used by other companies.
(2) This measure is cash flow from operations before changes in non-cash working capital.

The $505 million annual increase in revenues ($175 million in the fourth quarter) was due primarily to higher business activity in ATCO Structures & Logistics, the utilities and ATCO Power, as well as increased flow through natural gas sales in ATCO Midstream and the addition of ATCO Gas Australia. The 2010 revenues included $130 million related to the lease of Karratha plant generating units in Australia.

Funds Generated by Operations increased $280 million for the year ($117 million in the fourth quarter) mainly for the same reasons earnings increased, as well as higher total payments by utility customers for infrastructure.

IMPORTANCE OF ADJUSTED EARNINGS

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 present earnings on the same basis as was used prior to adopting IFRS – that basis being the U.S. accounting principles for rate regulated entities currently used by regulated companies in Canada. Adjusted Earnings also exclude one-time gains and losses and items that are not in the normal course of business or day-to-day operations.

Adjusted Earnings is 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. Earnings reflect ATCO's implementation of IFRS. Comparative figures for 2010 have been presented on the same basis.

Adjusted Earnings is a key measure for several reasons:

- It is used by ATCO in assessing segment performance and allocating resources.
- It is ATCO's view that this measure is a better reflection of the economics of rate regulation that are directly affected by orders and decisions of utility regulators.
- It will facilitate comparison with those Canadian regulated companies that chose to wait another year before adopting IFRS and with those companies that may choose to adopt U.S. accounting principles instead of IFRS.

For rate regulated activities, the differences between Adjusted Earnings and earnings as reported under IFRS are strictly timing in nature: Adjusted Earnings for the utilities are recognized on the basis of accounting principles that recognize the economics of rate regulation and take into account the orders and decisions of the regulator, whereas earnings under IFRS are recognized when billed to customers. Over time, there is no difference.

Refer to Note 6 to the consolidated financial statements for descriptions of the adjustments for rate regulated activities and the timing of their recovery from or refund to customers.

ATCO's consolidated financial statements and management's discussion and analysis for the year ended Dec. 31, 2011, will be available on the ATCO website (www.atco.com), via SEDAR (www.sedar.com) or can be requested from the Company.

Alberta-based ATCO Ltd., with more than 8,800 employees and assets of approximately $12 billion, delivers service excellence and innovative business solutions worldwide with leading companies engaged in structures & logistics (manufacturing, logistics and noise abatement), utilities (pipelines, natural gas and electricity transmission and distribution), energy (power generation, natural gas gathering, processing, storage and liquids extraction) and technologies (business systems solutions). More information can be found at www.atco.com.

For further information, please contact:

B.R. (Brian) Bale
Senior Vice President &
Chief Financial Officer
ATCO Ltd.
(403) 292-7502

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 Corporation 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 Corporation's expectations as of the date hereof, and is subject to change after such date. The Corporation 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.
