



***PROPOSAL TO SPLIT
ATLAS COPCO INTO TWO
LISTED COMPANIES IN 2018***

Stockholm, Sweden, January 16, 2017

Atlas Copco

PROPOSAL TO SPLIT THE GROUP

One industrial and one mining/civil engineering company

Atlas Copco AB: Industrial

- Compressor Technique
- Vacuum Technique
- Industrial Technique
- Portable Energy division and related service
- Specialty Rental division

NewCo AB: Mining/civil engineering

- Mining and Rock Excavation Technique
- Construction Tools division and related service

Note: NewCo AB is a working name only.
Atlas Copco will establish a new company name for the mining/civil engineering part

STRATEGIC RATIONALE AND BUSINESS BENEFITS

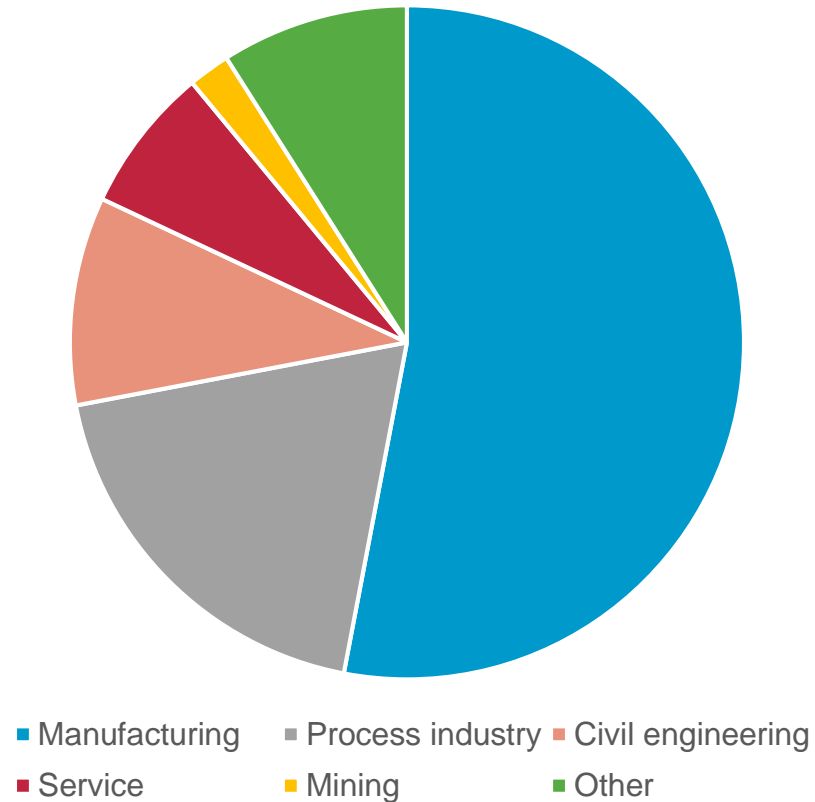
One industrial and one mining/civil engineering company

- Both businesses are global leaders in their respective areas
- The businesses have different end-markets and different demand drivers
- The businesses have different demand patterns; more stability vs. high volatility
- A fully focused, dedicated management can
 - serve customers even better
 - drive growth and profitability
- The synergies between the two businesses are limited
- A separation into two world-leading listed companies will facilitate a fair valuation on the stock market

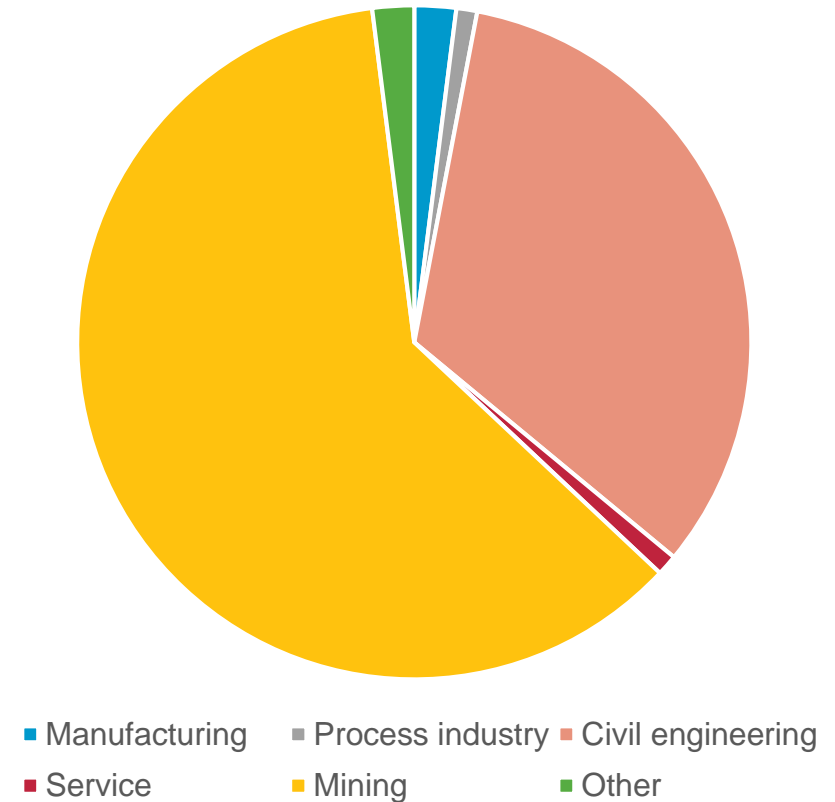
DIFFERENT END CUSTOMERS

Both businesses are global leaders in their respective areas

Atlas Copco AB: Industrial



NewCo AB: Mining/civil engineering



REVENUES, PROFIT AND EMPLOYEES

Both businesses are global leaders in their respective areas

| Q3 2016 last 12 months (BSEK), pro forma | Atlas Copco AB*) | NewCo AB |
|--|------------------|----------|
| Revenues | 74 | 28 |
| Operating profit margin | 20% | 16% |
| Number of employees end-2016 | 33 000 | 12 000 |

*) Including Leybold and CSK pro-forma, 12 months

PROPOSAL TO DISTRIBUTE NEWCO TO SHAREHOLDERS

Provided the shareholders decide in favor of the proposal

Atlas Copco AB: Industrial

- Will stay listed on Nasdaq Stockholm, Sweden
- Headquarters in Sickla, Sweden
- The President and CEO of Atlas Copco stays in the position

NewCo AB: Mining/civil engineering

- Distribution of NewCo to the shareholders
 - Atlas Copco's shareholders will receive shares in NewCo AB, in proportion to their existing shareholding in Atlas Copco AB
- List NewCo AB on Nasdaq Stockholm, Sweden during Q2, 2018
- Headquarters in Sickla, Sweden
- A President and CEO for NewCo AB will be appointed

WHAT WILL HAPPEN WITH THE BRANDS?

Two brands are overlapping

- Atlas Copco and CP - Chicago Pneumatic are overlapping and used across the Group
- Atlas Copco AB will stay owner of the Atlas Copco and the CP brands
- NewCo AB will have a license agreement to use these two brands
- Atlas Copco will establish a new company name for NewCo AB



THE TIME PLAN*)

Split of Atlas Copco AB into two separate listed companies

| Date | What | How |
|--------------|---|------------------------------------|
| Jan 16, 2017 | Atlas Copco announces proposal to split the Group into two separate listed companies; Atlas Copco AB (industrial) and NewCo AB (mining/civil engineering) | Press release and press conference |
| Apr 26, 2017 | Update/brief information only | Annual General Meeting 2017 |
| During 2017 | Legal NewCo AB will be created | |
| Apr 24, 2018 | Decision to distribute the shares of NewCo AB to the shareholders of Atlas Copco AB through a tax-free spin-off for Swedish shareholders (Lex Asea) | Annual General Meeting 2018 |
| Q2, 2018 | NewCo AB listed as a separate company | Nasdaq Stockholm, Sweden |

*) Subject to changes

***COMMITTED TO
SUSTAINABLE PRODUCTIVITY.***



Atlas Copco

