

January 27, 2017

## Atlas Copco Interim report on Q4 and full-year summary 2016

(unaudited)

### Strong end to a solid year

The figures presented in this report refer to continuing operations unless otherwise stated

- Orders increased 19% to MSEK 27 617 (23 206), organic growth of 7%
- Revenues increased 14% to MSEK 28 495 (25 003), organic growth of 2%
- Operating profit increased 18% to MSEK 5 785 (4 882), corresponding to a margin of 20.3% (19.5)
  - Adjusted operating profit, excluding items affecting comparability, was MSEK 5 849 (4 977)
- Profit before tax amounted to MSEK 5 618 (4 704)
- Reported earnings per share were SEK 3.49 (0.89)
  - Previous year includes a negative effect of SEK 2.30 from the large Belgian tax provision
- Record strong operating cash flow at MSEK 6 537 (5 355), including discontinued operations
- Proposed dividend of SEK 6.80 (6.30) per share, paid in two installments
- Mats Rahmström was appointed new President and CEO of Atlas Copco AB, effective April 27, 2017
- Proposal for AGM 2018 to split the group in two parts, one industrial and one mining/civil engineering
- Divestment of Road Construction Equipment division

MSEK	October - December			January - December		
	2016	2015		2016	2015	
Orders received	27 617	23 206	19%	102 812	97 002	6%
Revenues	28 495	25 003	14%	101 356	98 973	2%
Operating profit	5 785	4 882	18%	19 798	19 772	0%
– as a percentage of revenues	20.3	19.5		19.5	20.0	
Profit before tax	5 618	4 704	19%	18 805	18 875	0%
– as a percentage of revenues	19.7	18.8		18.6	19.1	
Profit for the period from continuing operations	4 254	1 078	295%	13 785	11 777	17%
Loss for the period from discontinued operations	-1 793	-48		-1 837	-54	
Profit for the period	2 461	1 030	139%	11 948	11 723	2%
Basic earnings per share, SEK	2.01	0.85 <sup>1)</sup>		9.81	9.62 <sup>1)</sup>	
- of which continuing operations	3.49	0.89 <sup>1)</sup>		11.32	9.67 <sup>1)</sup>	
Diluted earnings per share, SEK	2.01	0.85 <sup>1)</sup>		9.79	9.58 <sup>1)</sup>	
- of which continuing operations	3.48	0.89 <sup>1)</sup>		11.30	9.62 <sup>1)</sup>	
Return on capital employed, %				26 <sup>2)</sup>	27 <sup>2)</sup>	

<sup>1)</sup> Effect of SEK -2.30 from the Belgian tax provision

<sup>2)</sup> Estimated for continuing operations

### Near-term demand outlook

The overall demand for the Group is expected to improve somewhat.

*Previous near-term demand outlook (published October 20, 2016):*

*The overall demand for the Group is expected to remain at current level.*

### Atlas Copco Group Center

Atlas Copco AB  
SE-105 23 Stockholm  
Sweden

Visitors address:  
Sickla Industriväg 19  
Nacka

Telephone: +46 8 743 8000  
www.atlascopcogroup.com

A Public Company (publ)  
Reg. No: 556014-2720  
Reg. Office Nacka

## Atlas Copco Group – Summary of full-year 2016

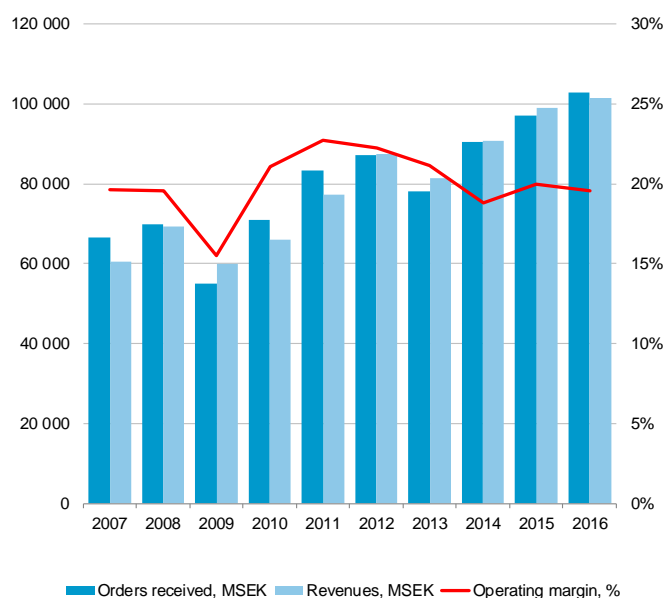
### Orders and revenues

Orders received in 2016 increased 6% to a record MSEK 102 812 (97 002), corresponding to an organic growth of 4%. Revenues increased 2%, to MSEK 101 356 (98 973), unchanged organically.

### Sales bridge

MSEK	January - December	
	Orders received	Revenues
2015	97 002	98 973
Structural change, %	+3	+3
Currency, %	-1	-1
Price, %	+0	+0
Volume, %	+4	+0
Total, %	+6	+2
2016	102 812	101 356

### Orders, revenues and operating profit margin



### Results and cash flow

Operating profit reached a record MSEK 19 798 (19 772), corresponding to a margin of 19.5% (20.0). Items affecting comparability amounted to MSEK -264 (-359), whereof the change in provision for share-related long-term incentive programs, reported in Common Group Functions, accounted for MSEK -314 (-144). Adjusted operating margin was 19.8% (20.3). Changes in exchange rates compared with the previous year had a MSEK 250 negative effect on the operating profit. Profit before tax amounted to MSEK 18 805 (18 875), corresponding to a margin of 18.6 %

(19.1). Income tax expense amounted to MSEK 5 020 (7 098). Previous year includes a provision of MSEK 2 802 following the European Commission's decision on Belgium's tax rulings.

Profit for the period was MSEK 13 785 (11 777). Basic and diluted earnings per share were SEK 11.32 (9.67) and SEK 11.30 (9.62), respectively.

Operating cash flow (including discontinued operations) before acquisitions, divestments and dividends reached MSEK 18 109 (16 955).

### Dividend

The Board of Directors proposes to the Annual General Meeting 2017 that an ordinary dividend of SEK 6.80 (6.30) per share be paid for the 2016 fiscal year. Excluding shares currently held by the company, this corresponds to a total of MSEK 8 258 (7 665). The dividend is proposed to be paid in two equal installments, the first with record date April 28, 2017 and the second with record date October 30, 2017.

### Discontinued operations

On January 19, Atlas Copco announced the agreement to sell its Road Construction Equipment division to the French industrial and construction company Fayat Group. The deal includes sales and service operations in 37 countries and production units in five countries; Sweden, Germany, Brazil, India and China. The business has 1 265 employees and revenues of MSEK 2 912 (MEUR 309) in 2016.

The divestment is expected to be completed during Q2 2017, and has resulted in an impairment of intangible assets of MSEK 1 754, net after tax, in Q4 2016. For further information, please see page 15.

### Board of Directors proposes to split the Group

Atlas Copco has initiated a work in order to propose to the Annual General Meeting 2018 to decide on a split of the Group into two listed companies; one focused on industrial customers and another focused on mining/civil engineering customers. For further information, please visit: <http://www.atlascopcogroup.com/investor-relations>

### Personnel stock option program

The Board of Directors will propose to the Annual General Meeting a similar performance-based long-term incentive program as in previous years. For Group Management, participation in the plan will require own investment in Atlas Copco shares. It is proposed that the plan is covered as before through the repurchase of the company's own shares. The details of the proposal will be communicated in connection with the Notice of the Annual General Meeting.

## Review of the fourth quarter

### Market development

The order volumes for equipment increased significantly compared to the previous year, and growth was achieved in all major equipment segments.

The service business also recorded growth, both compared to the previous year and sequentially. Order volumes for mining consumables remained fairly stable compared to the previous year.

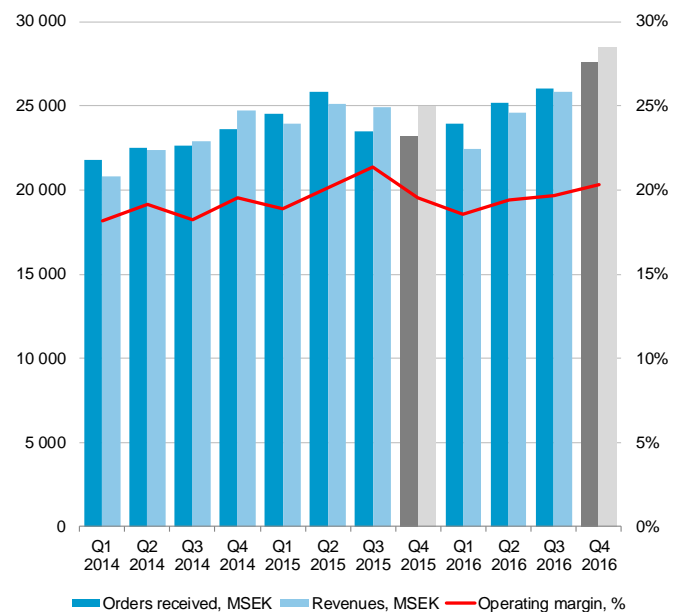
Geographically, a positive year-on-year order development was achieved in all regions.

### Geographic distribution of orders received

%, October - December 2016	Atlas Copco Group	
	Orders Received	Change*
North America	24	+8
South America	7	+1
Europe	30	+14
Africa/Middle East	9	+5
Asia	27	+29
Australia	3	+16
Atlas Copco Group	100	+14

\*Change in orders received compared to the previous year in local currency, %.

### Orders, revenues and operating profit margin



### Sales bridge

MSEK	October - December	
	Orders received	Revenues
2015	23 206	25 003
Structural change, %	+7	+7
Currency, %	+5	+5
Price, %	+0	+0
Volume, %	+7	+2
Total, %	+19	+14
2016	27 617	28 495

### Geographic distribution of orders received

%, October - December 2016	Atlas Copco Group			
	Compressor Technique	Industrial Technique	Mining and Rock Excavation Tech.	Construction Technique
North America	22	33	24	24
South America	4	3	15	6
Europe	29	39	23	40
Africa/Middle East	8	2	14	10
Asia/Australia	37	23	24	20
	100	100	100	100

**Revenues, profits and returns**

Revenues increased 14% to MSEK 28 495 (25 003), corresponding to a 2% organic increase. The currency translation effect was +5%.

The operating profit increased 18% to MSEK 5 785 (4 882) and includes items affecting comparability of MSEK -64 (-95). The MSEK -64 consists of a net MSEK +50 in Compressor Technique (a release of pension provision related to the acquisition of Edwards and restructuring costs), and MSEK -114 (-40) from a change in provision for share-related long-term incentive programs, reported in Common Group Functions.

The adjusted operating profit of MSEK 5 849 (4 977), corresponds to a margin of 20.5% (19.9). The net currency effect compared to the previous year was positive at MSEK 500, mainly due to a stronger USD.

Net financial items were MSEK -167 (-178). Interest net was MSEK -200 (-190). Other financial items were MSEK 33 (+12).

Profit before tax amounted to MSEK 5 618 (4 704), corresponding to a margin of 19.7% (18.8).

Income tax expense amounted to MSEK 1 364 (3 626). Previous year includes a provision of MSEK 2 802 following the European Commission's decision on Belgium's tax rulings.

Profit for the period was MSEK 4 254 (1 078). Basic and diluted earnings per share were SEK 3.49 (0.89) and SEK 3.48 (0.89), respectively. Adjusted for the tax provision, profit for the period and basic earnings per share in 2015 were MSEK 3 880 and SEK 3.19, respectively.

The return on capital employed during the last 12 months was 26% (27). Return on equity was 24% (24). The Group uses a weighted average cost of capital (WACC) of 8.0% as an investment and overall performance benchmark.

**Operating cash flow and investments (including discontinued operations)**

Operating cash surplus reached MSEK 7 071 (5 914). Cash flows from financial items were MSEK -450 (-855). The main explanation, this quarter as well as previous year, is negative cash flows from currency hedges of loans of MSEK -526 (-621) where the offsetting cash flow from the loans occurs in the future. Working capital decreased by MSEK 1 155 (1 381), primarily due to a reduction of inventory. Net investments in rental equipment were MSEK 171 (221). Net investments in property, plant and equipment were MSEK 349 (424).

In total, operating cash flow, adjusted for currency hedges of loans, reached a record MSEK 6 537 (5 355). The contribution from discontinued operations was insignificant.

**Net indebtedness**

The Group's net indebtedness, adjusted for the fair value of interest rate swaps, amounted to MSEK 14 829 (14 805), of which MSEK 3 907 (2 225) was attributable to post-employment benefits. The Group has an average maturity of 5.7 years on interest-bearing liabilities. The net debt/EBITDA ratio was 0.6 (0.6). The net debt/equity ratio was 28% (32).

**Acquisition and divestment of own shares**

During the quarter, 2 833 985 A shares, net, were acquired and 61 220 B shares, net, were divested for a total net value of MSEK 781. These transactions are in accordance with mandates granted by the Annual General Meeting and relate to the Group's long-term incentive programs.

**Employees**

On December 31, 2016, the number of employees was 44 695 (41 852). The number of consultants/external workforce was 3 300 (2 804). For comparable units, the total workforce increased by 228 from December 31, 2015.

**Revenues and operating profit – bridge**

MSEK	Q4 2016	Volume, price, mix and other	Currency	One-time items Acquisitions	Share based LTI programs	Q4 2015
<b>Atlas Copco Group</b>						
Revenues	28 495	572	1 135	1 785	-	25 003
Operating profit	5 785	284	500	193	-74	4 882
%	20.3%	49.7%				19.5%

## Compressor Technique

MSEK	October - December			January - December		
	2016	2015		2016	2015	
Orders received	13 984	11 201	25%	50 536	45 458	11%
Revenues	14 438	11 851	22%	49 991	46 237	8%
Operating profit	3 274	2 620	25%	11 175	10 324	8%
– as a percentage of revenues	22.7	22.1		22.4	22.3	
Return on capital employed, %				40	38	

- **Record orders, revenues and profit**
- **Strong organic growth in vacuum**
- **Highest growth in Europe and Asia**

## Sales bridge

MSEK	October - December	
	Orders received	Revenues
2015	11 201	11 851
Structural change, %	+14	+14
Currency, %	+5	+5
Price, %	+0	+0
Volume, %	+6	+3
Total, %	+25	+22
2016	13 984	14 438

## Industrial compressors

The order volumes for industrial compressors increased compared to the previous year, with similar growth rates for both small and large compressors. Sequentially, the overall order intake increased somewhat.

Geographically, and compared to the previous year, the order intake increased in all regions, except from North America where the volumes were somewhat down. The strongest growth was achieved in Europe and in Asia.

## Compressor service

The compressor service business continued to achieve growth in all regions, except for a weak Brazil.

## Gas and process compressors

The order intake increased compared to the previous year from a low level, driven by important orders in the Middle East. Orders grew also sequentially.

## Vacuum solutions

The order volumes for vacuum solutions were significantly higher compared to the previous year as well as sequentially, with Asia being the main contributor to the growth. A major contribution to growth also came from the recent acquisitions of Leybold and CSK.

## Innovation

A new range of refrigerant air dryers was introduced in the quarter. Several new technologies integrated into the new dryers provide the opportunity for 50% energy consumption savings.

## Acquisitions

In December, an agreement to acquire the business of Kompressoren Druckluft- und Industrietechnik GmbH, a German distributor and service provider was signed. About 10 people from the company will join Atlas Copco. The acquisition was completed in January 2017.

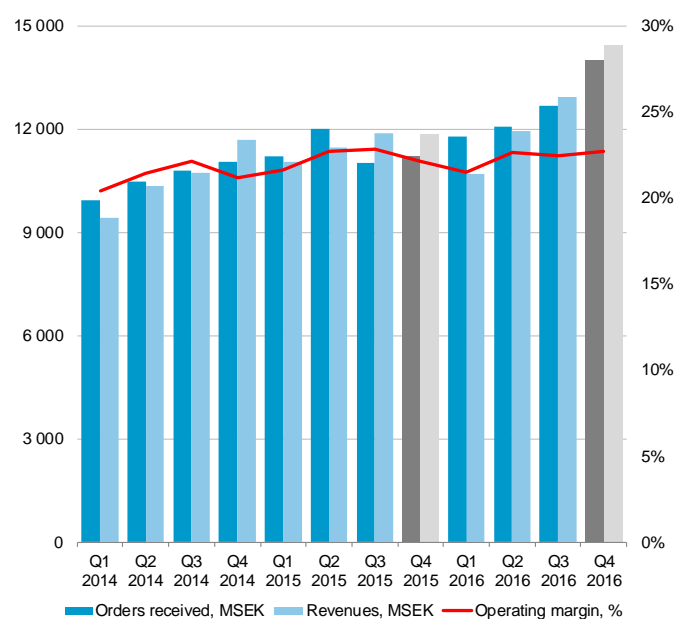
The US-based distributor and service provider Air Power of Nebraska, with 12 employees, was acquired in December.

## Revenues and profitability

Revenues increased 22% to MSEK 14 438 (11 851), corresponding to an organic increase of 3%.

Operating profit increased 25% to MSEK 3 274 (2 620). Adjusted for restructuring costs, MSEK -330 (-55), related to recent acquisitions, and a release of a pension provision of MSEK +380, related to the acquisition of Edwards, the adjusted operating margin was 22.3% (22.6). The margin was supported by currency and efficiency improvements but diluted by acquisitions. Return on capital employed (last 12 months) was 40% (38).

## Orders, revenues and operating profit margin



## Industrial Technique

MSEK	October - December			January - December		
	2016	2015		2016	2015	
Orders received	3 897	3 574	9%	15 112	14 612	3%
Revenues	4 137	3 819	8%	15 017	14 578	3%
Operating profit	997	854	17%	3 430	3 355	2%
– as a percentage of revenues	24.1	22.4		22.8	23.0	
Return on capital employed, %				34	31	

- **Record orders, revenues and profit**
- **Order growth in all customer segments and all major regions**

## Sales bridge

MSEK	October - December	
	Orders received	Revenues
2015	3 574	3 819
Structural change, %	+1	+1
Currency, %	+4	+4
Price, %	+0	+0
Volume, %	+4	+3
Total, %	+9	+8
2016	3 897	4 137

## Motor vehicle industry

The demand for advanced industrial tools and assembly solutions from the motor vehicle industry continued to be strong, and orders grew compared to the previous year.

Geographically, the order volumes increased in Asia and Europe while order intake declined slightly in North America.

## General industry

The order volumes for industrial power tools from the general manufacturing industries increased compared to the previous year and sequentially. Orders for application segments such as general assembly, electronics industries, off-road and energy increased.

Compared to the previous year, the orders received increased in North America and Asia, while Europe was flat.

## Service

The service business, including maintenance and calibration services, continued to grow. Geographically, all regions achieved growth compared to the previous year.

## Innovation

A new range of high torque electrical nutrunners was launched in the quarter. The products allow high accessibility and full traceability tightening. Primary applications for the products can be found in wind energy operations, and aircraft and off-road assembly.

## Acquisition

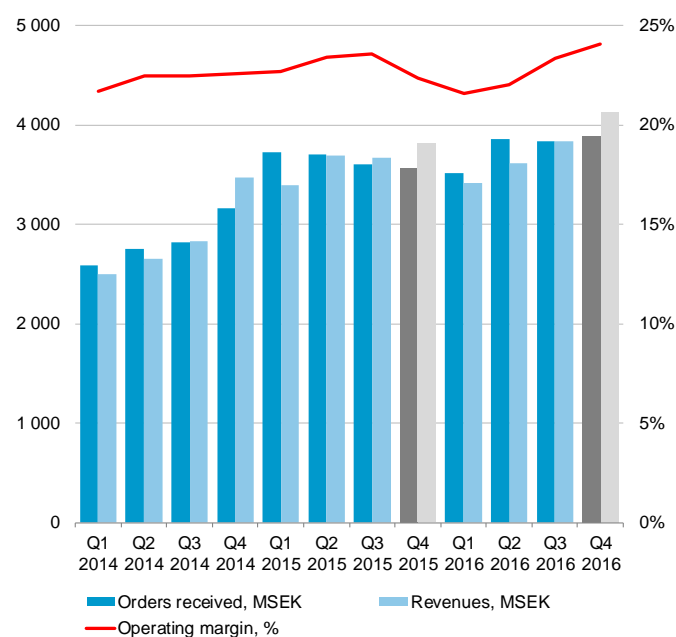
The self-pierce riveting business of Phillip-Tech in China, with about 45 employees was acquired in November. The business sells products and solutions designed by Atlas Copco-owned Henrob.

## Revenues and profitability

Revenues increased to a record of MSEK 4 137 (3 819), corresponding to an organic growth of 3%.

Operating profit increased 17% to MSEK 997 (854), corresponding to an operating margin of 24.1% (22.4). The margin was supported by increased volume and currency. Return on capital employed (last 12 months) was 34% (31).

## Orders, revenues and operating profit margin



## Mining and Rock Excavation Technique

MSEK	October - December			January - December		
	2016	2015		2016	2015	
Orders received	6 799	5 891	15%	25 565	25 587	0%
Revenues	6 971	6 558	6%	25 043	26 665	-6%
Operating profit	1 395	1 163	20%	4 465	4 993	-11%
– as a percentage of revenues	20.0	17.7		17.8	18.7	
Return on capital employed, %				32	34	

- Strong order growth for underground equipment and service
- Operating margin back on track

## Sales bridge

MSEK	October - December	
	Orders received	Revenues
2015	5 891	6 558
Structural change, %	+0	+0
Currency, %	+6	+5
Price, %	+0	+0
Volume, %	+9	+1
Total, %	+15	+6
2016	6 799	6 971

## Mining equipment

The order volumes for mining equipment increased significantly compared to the previous year and improved slightly sequentially.

Geographically, and compared to the previous year, the order intake increased in all regions except Africa/Middle East. The highest growth was achieved in Australia and North America.

## Civil engineering equipment

The orders received for equipment for infrastructure projects increased compared to the previous year.

## Service and consumables

The service and spare parts business grew compared to the previous year and sequentially. The main contributor to the order growth was North America but most other regions also increased.

Consumables revenues improved somewhat sequentially and compared to the previous year. The development was good in the Americas and Australia, while Asia and Africa/Middle East decreased.

## Innovation

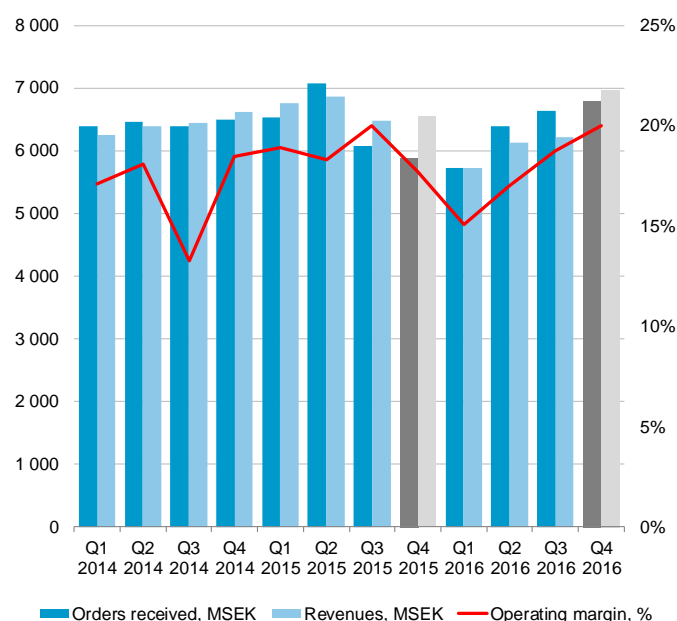
A new surface exploration drilling rig was introduced. The drilling rig offers a range of new safety features to meet the most stringent safety standards. With a capability of long cores, the machine can also provide increased productivity.

## Revenues and profitability

Revenues increased 6% to MSEK 6 971 (6 558), corresponding to an organic growth of 1%.

Operating profit increased 20% to MSEK 1 395 (1 163), corresponding to a margin of 20.0% (17.7). The margin was supported by currency and better absorption of costs in the factories. Return on capital employed (last 12 months) was 32% (34).

## Orders, revenues and operating profit margin



## Construction Technique

MSEK	October - December		January - December			
	2016	2015		2016	2015	
Orders received	3 066	2 654	16%	12 110	11 927	2%
Revenues	3 073	2 911	6%	11 794	12 112	-3%
Operating profit	428	452	-5%	1 769	1 883	-6%
– as a percentage of revenues	13.9	15.5		15.0	15.5	
Return on capital employed, %				17*	18*	

\*Estimated for continuing operations

The figures presented refer to continuing operations, unless otherwise stated.

- Increased equipment orders
- Operating margin affected by sales mix
- Divestment of Road Construction Equipment division

## Sales bridge

MSEK	October - December	
	Orders received	Revenues
2015	2 654	2 911
Structural change, %	+2	+3
Currency, %	+5	+4
Price, %	+1	+1
Volume, %	+8	-2
Total, %	+16	+6
2016	3 066	3 073

## Construction equipment

The order volumes for construction equipment increased compared to the previous year and stayed more or less unchanged sequentially. Year-on-year growth was primarily due to good orders for portable compressors.

Overall, and compared to the previous year, orders received increased in Europe, Asia and North America, but decreased in Africa/Middle East and South America.

## Specialty rental

The order intake for the specialty rental business decreased somewhat compared to the previous year, mainly due to lower demand from the oil and gas sector.

Europe was strong while North America and Africa/Middle East decreased.

## Service

The orders received for the service business decreased somewhat compared to the previous year and sequentially.

Geographically, the best performance was in Asia, while North and South America decreased.

## Innovation

During the quarter Atlas Copco introduced a petrol breaker with electronic fuel injection, a technology that offers significant benefits for users in construction work: easy to start, better handling through compact measurement and lower in weight combined with 10% less fuel consumption versus comparable models.

## Discontinued operations

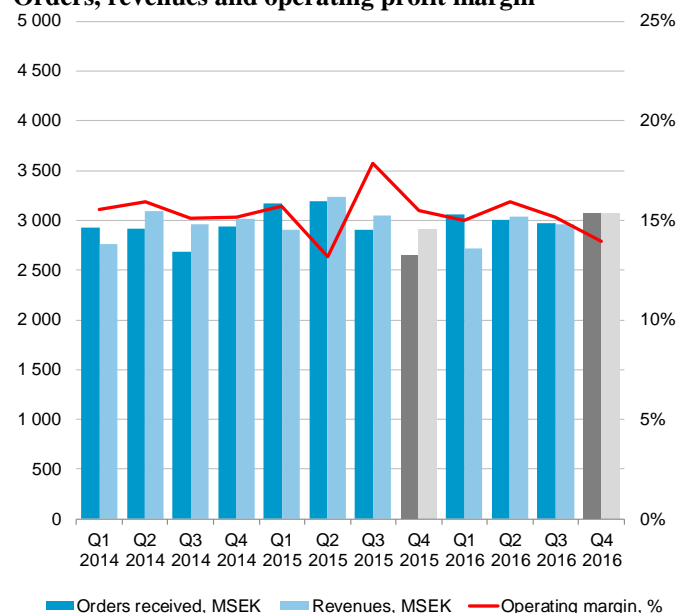
On January 19 Atlas Copco announced the agreement to sell its Road Construction Equipment division to the French industrial and construction company Fayat Group. The deal includes sales and service operations in 37 countries and production units in five countries; Sweden, Germany, Brazil, India and China. The business has 1 265 employees and revenues of MSEK 2 912 (MEUR 309) in 2016. For further information, please see page 15.

## Revenues and profitability

Revenues reached MSEK 3 073 (2 911), corresponding to an organic decrease of 1%.

Operating profit was MSEK 428 (452), corresponding to a margin of 13.9% (15.5). The margin was negatively affected by sales mix as service and rental volumes decreased. Return on capital employed (last 12 months and estimated for continuing operations) was 17% (18).

## Orders, revenues and operating profit margin





### **Accounting principles**

The consolidated accounts of the Atlas Copco Group are prepared in accordance with International Financial Reporting Standards (IFRS). The description of the accounting principles and definitions are found in the annual report 2015. The interim report is prepared in accordance with IAS 34 Interim Financial Reporting. Non-IFRS measures are also presented in the report since they are considered to be important supplemental measures of the company's performance. For further information on how these measures have been calculated, please visit: <http://www.atlascopcogroup.com/investor-relations>

### **Risks and factors of uncertainty**

#### *Market risks*

The demand for Atlas Copco's equipment and services is affected by changes in the customers' investment and production levels. A widespread financial crisis and economic downturn affects the Group negatively both in terms of revenues and profitability. However, the Group's sales are well diversified with customers in many industries and countries around the world, which limits the risk.

#### *Financial risks*

Atlas Copco is subject to currency risks, interest rate risks, tax risks, and other financial risks. In line with the overall goals with respect to growth, return on capital, and protecting creditors, Atlas Copco has adopted a policy to control the financial risks to which the Group is exposed. A financial risk management committee meets regularly to manage and follow up financial risks, in line with the policy.

#### *Production risks*

Many components are sourced from sub-suppliers. The availability is dependent on the sub-suppliers and if they have interruptions or lack capacity, this may adversely affect production. To minimize these risks, Atlas Copco has established a global network of sub-suppliers, which means that in most cases there are more than one sub-supplier that can supply a certain component.

Atlas Copco is also directly and indirectly exposed to raw material prices. Cost increases for raw materials and components often coincide with strong end-customer demand and can partly be offset by increased sales to mining customers and partly compensated for by increased market prices.

### *Acquisitions*

Atlas Copco has the ambition to grow all its business areas, primarily through organic growth, complemented by selected acquisitions. The integration of acquired businesses is a difficult process and it is not certain that every integration will be successful. Therefore, costs related to acquisitions can be higher and/or synergies can take longer to materialize than anticipated.

For further information, see the annual report 2015.

### **Forward-looking statements**

Some statements in this report are forward-looking, and the actual outcome could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcome. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact of competing products and their pricing, product development, commercialization and technological difficulties, interruptions in supply, and major customer credit losses.

### **Atlas Copco AB**

Atlas Copco AB and its subsidiaries are sometimes referred to as the Atlas Copco Group, the Group or Atlas Copco. Atlas Copco AB is also sometimes referred to as Atlas Copco. Any mentioning of the Board of Directors or the Directors refers to the Board of Directors of Atlas Copco AB.

**Consolidated income statement**

MSEK	3 months ended		12 months ended	
	Dec. 31 2016	Dec. 31 2015	Dec. 31 2016	Dec. 31 2015
<b>Continuing operations</b>				
Revenues	28 495	25 003	101 356	98 973
Cost of sales	-17 381	-15 020	-61 237	-59 348
<b>Gross profit</b>	<b>11 114</b>	<b>9 983</b>	<b>40 119</b>	<b>39 625</b>
Marketing expenses	-3 088	-2 704	-11 044	-10 669
Administrative expenses	-1 944	-1 595	-6 824	-6 232
Research and development costs	-850	-815	-3 096	-3 151
Other operating income and expenses	553	13	643	199
<b>Operating profit</b>	<b>5 785</b>	<b>4 882</b>	<b>19 798</b>	<b>19 772</b>
- as a percentage of revenues	20.3	19.5	19.5	20.0
Net financial items	-167	-178	-993	-897
<b>Profit before tax</b>	<b>5 618</b>	<b>4 704</b>	<b>18 805</b>	<b>18 875</b>
- as a percentage of revenues	19.7	18.8	18.6	19.1
Income tax expense	-1 364	-3 626	-5 020	-7 098
<b>Profit for the period from continuing operations</b>	<b>4 254</b>	<b>1 078</b>	<b>13 785</b>	<b>11 777</b>
<b>Discontinued operations</b>				
Loss for the period from discontinued operation	-1 793	-48	-1 837	-54
<b>Profit for the period</b>	<b>2 461</b>	<b>1 030</b>	<b>11 948</b>	<b>11 723</b>
Profit attributable to				
- owners of the parent	2 450	1 030	11 931	11 717
- non-controlling interests	11	0	17	6
<b>Basic earnings per share, SEK</b>	<b>2.01</b>	<b>0.85</b>	<b>9.81</b>	<b>9.62</b>
- of which continuing operations	<b>3.49</b>	<b>0.89</b>	<b>11.32</b>	<b>9.67</b>
Diluted earnings per share, SEK	2.01	0.85	9.79	9.58
- of which continuing operations	3.48	0.89	11.30	9.62
Basic weighted average number of shares outstanding, millions	1 216.1	1 216.9	1 216.1	1 217.4
Diluted weighted average number of shares outstanding, millions	1 217.2	1 217.3	1 216.8	1 218.7
<b>Key ratios</b>				
Equity per share, period end, SEK			44 <sup>1)</sup>	38 <sup>1)</sup>
Return on capital employed, 12 month values, %			26 <sup>2)</sup>	27 <sup>2)</sup>
Return on equity, 12 month values, %			24 <sup>1)</sup>	24 <sup>1)</sup>
Debt/equity ratio, period end, %			28 <sup>1)</sup>	32 <sup>1)</sup>
Equity/assets ratio, period end, %			46 <sup>1)</sup>	45 <sup>1)</sup>
Number of employees, period end			44 695	41 852

<sup>1)</sup> Including discontinued operations<sup>2)</sup> Estimated for continuing operations

**Consolidated statement of comprehensive income, including discontinued operations**

MSEK	3 months ended		12 months ended	
	Dec. 31 2016	Dec. 31 2015	Dec. 31 2016	Dec. 31 2015
<b>Profit for the period</b>	<b>2 461</b>	<b>1 030</b>	<b>11 948</b>	<b>11 723</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of defined benefit pension plans	590	544	-113	662
Income tax relating to items that will not be reclassified	-165	-104	-3	-124
	<b>425</b>	<b>440</b>	<b>-116</b>	<b>538</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Translation differences on foreign operations	554	-1 218	3 201	-1 370
Hedge of net investments in foreign operations	119	485	-762	681
Cash flow hedges	-3	6	-25	68
Income tax relating to items that may be reclassified	-73	-301	487	-457
	<b>597</b>	<b>-1 028</b>	<b>2 901</b>	<b>-1 078</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>1 022</b>	<b>-588</b>	<b>2 785</b>	<b>-540</b>
<b>Total comprehensive income for the period</b>	<b>3 483</b>	<b>442</b>	<b>14 733</b>	<b>11 183</b>
Total comprehensive income attributable to				
- owners of the parent	3 470	446	14 711	11 173
- non-controlling interests	13	-4	22	10

**Consolidated balance sheet**

MSEK	Dec. 31, 2016	Dec. 31, 2015
Intangible assets	37 828	33 520
Rental equipment	3 095	3 076
Other property, plant and equipment	9 793	8 947
Financial assets and other receivables	2 286	2 305
Deferred tax assets	1 889	1 823
<b>Total non-current assets</b>	<b>54 891</b>	<b>49 671</b>
Inventories	16 912	16 906
Trade and other receivables	27 685	25 985
Other financial assets	2 455	1 576
Cash and cash equivalents	11 458	8 861
Assets classified as held for sale	2 491	11
<b>Total current assets</b>	<b>61 001</b>	<b>53 339</b>
<b>TOTAL ASSETS</b>	<b>115 892</b>	<b>103 010</b>
Equity attributable to owners of the parent	53 105	46 591
Non-controlling interests	72	159
<b>TOTAL EQUITY</b>	<b>53 177</b>	<b>46 750</b>
Borrowings	23 148	21 888
Post-employment benefits	3 907	2 225
Other liabilities and provisions	1 589	1 595
Deferred tax liabilities	1 028	1 497
<b>Total non-current liabilities</b>	<b>29 672</b>	<b>27 205</b>
Borrowings	1 574	1 101
Trade payables and other liabilities	28 519	26 481
Provisions	2 139	1 473
Liabilities directly associated with assets classified as held for sale	811	-
<b>Total current liabilities</b>	<b>33 043</b>	<b>29 055</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>115 892</b>	<b>103 010</b>

**Fair value of derivatives and borrowings**

The carrying value and fair value of the Group's outstanding derivatives and borrowings are shown in the tables below. The fair values of bonds are based on level 1 and the fair values of derivatives and other loans are based on level 2 in the fair value hierarchy. Compared to 2015, no transfers have been made between different levels in the fair value hierarchy for derivatives and borrowings and no significant changes have been made to valuation techniques, inputs or assumptions.

**Outstanding derivative instruments recorded to fair value**

MSEK	Dec. 31, 2016	Dec. 31, 2015
<i>Non-current assets and liabilities</i>		
Assets	0	102
Liabilities	126	134
<i>Current assets and liabilities</i>		
Assets	128	324
Liabilities	730	190

**Carrying value and fair value of borrowings**

MSEK	Dec. 31, 2016	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2015
	Carrying value	Fair value	Carrying value	Fair value
Bonds	15 611	16 385	17 199	18 408
Other loans	9 111	9 364	5 790	5 920
	24 722	25 749	22 989	24 328

**Consolidated statement of changes in equity**

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
<b>Opening balance, January 1, 2016</b>	<b>46 591</b>	<b>159</b>	<b>46 750</b>
<b>Changes in equity for the period</b>			
Total comprehensive income for the period	14 711	22	14 733
Dividends	-7 665	-22	-7 687
Change of non-controlling interests	-68	-87	-155
Acquisition and divestment of own shares	-470		-470
Share-based payments, equity settled	6		6
<b>Closing balance, December 31, 2016</b>	<b>53 105</b>	<b>72</b>	<b>53 177</b>

MSEK	Equity attributable to		Total equity
	owners of the parent	non-controlling interests	
<b>Opening balance, January 1, 2015</b>	<b>50 575</b>	<b>178</b>	<b>50 753</b>
<b>Changes in equity for the period</b>			
Total comprehensive income for the period	11 173	10	11 183
Dividends	-7 305	-29	-7 334
Redemption of shares	-7 305	-	-7 305
Acquisition and divestment of own shares	-453	-	-453
Share-based payments, equity settled	-94	-	-94
<b>Closing balance, December 31, 2015</b>	<b>46 591</b>	<b>159</b>	<b>46 750</b>

**Consolidated statement of cash flows, including discontinued operations**

MSEK	October - December		January - December	
	2016	2015	2016	2015
<b>Cash flows from operating activities</b>				
Operating profit, continuing operations	5 785	4 882	19 798	19 772
Operating loss, discontinued operations	-40	-58	-85	-44
Depreciation, amortization and impairment (see below)	1 204	1 105	4 392	4 347
Capital gain/loss and other non-cash items	310	-15	495	-528
<b>Operating cash surplus</b>	<b>7 259</b>	<b>5 914</b>	<b>24 600</b>	<b>23 547</b>
Net financial items received/paid	-414	-855	-771	-2 037
Taxes paid	-863	-801	-7 132 <sup>1)</sup>	-4 238
Pension funding and payment of pension to employees	-449	12	-543	78
Change in working capital	1 155	1 381	2 875	1 599
Investments in rental equipment	-306	-310	-1 207	-1 263
Sale of rental equipment	135	89	459	426
<b>Net cash from operating activities</b>	<b>6 517</b>	<b>5 430</b>	<b>18 281</b>	<b>18 112</b>
<b>Cash flows from investing activities</b>				
Investments in property, plant and equipment	-411	-486	-1 369	-1 705
Sale of property, plant and equipment	62	62	144	600
Investments in intangible assets	-210	-354	-1 027	-1 168
Sale of intangible assets	9	1	15	17
Acquisition of subsidiaries and associated companies	-60	-80	-4 716	-1 852 <sup>2)</sup>
Sale of subsidiaries	-	15	-	58
Other investments, net	44	81	-195	197
<b>Net cash from investing activities</b>	<b>-566</b>	<b>-761</b>	<b>-7 148</b>	<b>-3 853</b>
<b>Cash flows from financing activities</b>				
Dividends paid	-3 835	-3 654	-7 665	-7 305
Dividends paid to non-controlling interest	-9	1	-22	-29
Acquisition of non-controlling interest	-1	-	-68	-
Redemption of shares	-	-	-	-7 305
Repurchase and sales of own shares	-781	-397	-470	-453
Change in interest-bearing liabilities	-798	43	-766	595
<b>Net cash from financing activities</b>	<b>-5 424</b>	<b>-4 007</b>	<b>-8 991</b>	<b>-14 497</b>
<b>Net cash flow for the period</b>	<b>527</b>	<b>662</b>	<b>2 142</b>	<b>-238</b>
Cash and cash equivalents, beginning of the period	10 785	8 279	8 861	9 404
Exchange differences in cash and cash equivalents	180	-80	489	-305
<b>Cash and cash equivalents, end of the period</b>	<b>11 492</b>	<b>8 861</b>	<b>11 492</b>	<b>8 861</b>
Depreciation, amortization and impairment				
<i>Rental equipment</i>	<i>256</i>	<i>228</i>	<i>988</i>	<i>1 006</i>
<i>Other property, plant and equipment</i>	<i>450</i>	<i>448</i>	<i>1 659</i>	<i>1 694</i>
<i>Intangible assets</i>	<i>498</i>	<i>429</i>	<i>1 745</i>	<i>1 647</i>
<i>Total</i>	<i>1 204</i>	<i>1 105</i>	<i>4 392</i>	<i>4 347</i>

<sup>1)</sup> Includes tax payment in Belgium of MSEK 2 250. <sup>2)</sup> Includes deferred consideration for acquisitions made in 2014.

**Calculation of operating cash flow**

MSEK	October - December		January - December	
	2016	2015	2016	2015
<b>Net cash flow for the period</b>	<b>527</b>	<b>662</b>	<b>2 142</b>	<b>-238</b>
Add back:				
Change in interest-bearing liabilities	798	-43	766	-595
Repurchase and sales of own shares	781	397	470	453
Dividends paid	3 835	3 654	7 665	7 305
Dividends paid to non-controlling interest	9	-1	22	29
Acquisition of non-controlling interest	1	-	68	-
Redemption of shares	-	-	-	7 305
Acquisitions and divestments	60	65	4 716	1 794
Currency hedges of loans	526	621	10	1 322
Divestment of property	-	-	-	-420
Tax payment related to Belgian tax rulings	-	-	2 250	-
<b>Operating cash flow</b>	<b>6 537</b>	<b>5 355</b>	<b>18 109</b>	<b>16 955</b>

## Discontinued operations

### Road Construction Equipment division within the Construction Technique business area

On January 19, 2017 Atlas Copco announced the agreement to sell its Road Construction Equipment division to the French industrial and construction company Fayat Group.

The reason for the divestment is that the division does not have the economies of scale to become number one or two in this market segment. Atlas Copco believes that Fayat Group will be a good owner that can develop the business further.

The divestment is expected to be completed during Q2 2017, and has resulted in an impairment of intangible assets of MSEK 1 754, net after tax, in Q4 2016.

As from the fourth quarter 2016 and until closure of the divestment, the Road Construction Equipment division will be reported separately as discontinued operations in the Atlas Copco Group's financial statements, with a retrospective restatement of previous periods.

The following tables present the income statement for the financial year and the condensed balance sheet at December 31, 2016 for Road Construction Equipment. The cash flow statement for the financial year will be reported later, but the indicative operating cash flow for 2016, after investing activities, is close to zero.

### Assets and Liabilities held for sale

	Dec. 31
MSEK	2016
Total non-current assets	450
Total current assets	2 037
<b>Total Assets</b>	<b>2 487</b>
Total non-current liabilities	42
Total current liabilities	769
<b>Total Liabilities</b>	<b>811</b>

### Income Statement

MSEK	3 months ended		12 months ended	
	Dec. 31	Dec. 31	Dec. 31	Dec. 31
	2016	2015	2016	2015
<b>Discontinued operations</b>				
Revenues	670	579	2 912	3 188
Cost of sales	-577	-494	-2 415	-2 683
<b>Gross profit</b>	<b>93</b>	<b>85</b>	<b>497</b>	<b>505</b>
Marketing expenses	-76	-81	-310	-329
Administrative expenses	-33	-31	-125	-122
Research and development costs	-38	-35	-144	-136
Other operating income and expenses	14	4	-3	38
<b>Operating loss</b>	<b>-40</b>	<b>-58</b>	<b>-85</b>	<b>-44</b>
- as a percentage of revenues	-6.0	-10.0	-2.9	-1.4
Net financial items	-3	-2	-12	-8
<b>Loss before tax</b>	<b>-43</b>	<b>-60</b>	<b>-97</b>	<b>-52</b>
- as a percentage of revenues	-6.4	-10.4	-3.3	-1.6
Income tax expense	4	12	14	-2
<b>Loss on remeasurement to fair value less cost to sell</b>				
Impairment of intangible assets	-2 094		-2 094	
Income tax on remeasurement	340		340	
<b>Impairment of intangible assets, net of tax</b>	<b>-1 754</b>		<b>-1 754</b>	
<b>Loss for the period from discontinued operations</b>	<b>-1 793</b>	<b>-48</b>	<b>-1 837</b>	<b>-54</b>
<b>Basic earnings per share, SEK</b>	<b>-1.48</b>	<b>-0.04</b>	<b>-1.51</b>	<b>-0.05</b>

**Revenues by business area**

MSEK (by quarter)	2014				2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Compressor Technique	9 409	10 353	10 718	11 685	11 049	11 462	11 875	11 851	10 692	11 929	12 932	14 438
- of which external	9 361	10 307	10 682	11 653	10 951	11 378	11 806	11 793	10 611	11 847	12 870	14 358
- of which internal	48	46	36	32	98	84	69	58	81	82	62	80
Industrial Technique	2 505	2 650	2 827	3 468	3 394	3 697	3 668	3 819	3 417	3 622	3 841	4 137
- of which external	2 493	2 636	2 816	3 454	3 382	3 684	3 656	3 806	3 406	3 611	3 830	4 125
- of which internal	12	14	11	14	12	13	12	13	11	11	11	12
Mining and Rock												
Excavation Technique	6 251	6 396	6 449	6 622	6 756	6 870	6 481	6 558	5 736	6 124	6 212	6 971
- of which external	6 237	6 373	6 398	6 618	6 724	6 856	6 451	6 527	5 723	6 111	6 204	6 957
- of which internal	14	23	51	4	32	14	30	31	13	13	8	14
Construction Technique	2 761	3 094	2 965	3 015	2 910	3 236	3 055	2 911	2 718	3 042	2 961	3 073
- of which external	2 708	3 024	2 905	2 952	2 849	3 144	2 967	2 830	2 628	2 954	2 890	3 001
- of which internal	53	70	61	63	61	92	87	82	90	88	71	72
Common Group functions/ Eliminations	-96	-119	-96	-40	-152	-174	-157	-136	-110	-152	-103	-124
<b>Atlas Copco Group</b>	<b>20 830</b>	<b>22 374</b>	<b>22 863</b>	<b>24 750</b>	<b>23 957</b>	<b>25 091</b>	<b>24 922</b>	<b>25 003</b>	<b>22 453</b>	<b>24 565</b>	<b>25 843</b>	<b>28 495</b>

**Operating profit by business area**

MSEK (by quarter)	2014				2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Compressor Technique	1 915	2 219	2 369	2 471	2 392	2 603	2 709	2 620	2 296	2 700	2 905	3 274
- as a percentage of revenues	20.4	21.4	22.1	21.1	21.6	22.7	22.8	22.1	21.5	22.6	22.5	22.7
Industrial Technique	543	595	636	783	770	865	866	854	737	799	897	997
- as a percentage of revenues	21.7	22.5	22.5	22.6	22.7	23.4	23.6	22.4	21.6	22.1	23.4	24.1
Mining and Rock	1 071	1 155	856	1 225	1 276	1 258	1 296	1 163	866	1 041	1 163	1 395
Excavation Technique												
- as a percentage of revenues	17.1	18.1	13.3	18.5	18.9	18.3	20.0	17.7	15.1	17.0	18.7	20.0
Construction Technique	429	494	448	457	458	427	546	452	408	484	449	428
- as a percentage of revenues	15.5	16.0	15.1	15.1	15.7	13.2	17.9	15.5	15.0	15.9	15.2	13.9
Common Group functions/ Eliminations	-175	-175	-138	-103	-369	-111	-96	-207	-137	-255	-340	-309
<b>Operating profit</b>	<b>3 783</b>	<b>4 288</b>	<b>4 171</b>	<b>4 833</b>	<b>4 527</b>	<b>5 042</b>	<b>5 321</b>	<b>4 882</b>	<b>4 170</b>	<b>4 769</b>	<b>5 074</b>	<b>5 785</b>
- as a percentage of revenues	18.2	19.2	18.2	19.5	18.9	20.1	21.4	19.5	18.6	19.4	19.6	20.3
Net financial items	-158	-165	-266	-335	-229	-220	-270	-178	-181	-341	-304	-167
<b>Profit before tax</b>	<b>3 625</b>	<b>4 123</b>	<b>3 905</b>	<b>4 498</b>	<b>4 298</b>	<b>4 822</b>	<b>5 051</b>	<b>4 704</b>	<b>3 989</b>	<b>4 428</b>	<b>4 770</b>	<b>5 618</b>
- as a percentage of revenues	17.4	18.4	17.1	18.2	17.9	19.2	20.3	18.8	17.8	18.0	18.5	19.7

Incl. discontinued operations



**Acquisitions and divestments**

## Acquisitions and Divestments

Date	Acquisitions	Divestments	Business area	Revenues MSEK*	Number of employees*
2017 Jan. 3	hb Kompressoren Druckluft- und Industrietechnik <i>Distributor Germany</i>		Compressor Technique		10
2016 Dec. 22	Air Power of Nebraska <i>Distributor USA</i>		Compressor Technique		12
2016 Nov. 24	Phillip-Tech <i>Distributor China</i>		Industrial Technique		45
2016 Sep. 1	Leybold		Compressor Technique	3 150	1 600
2016 Aug. 5	CSK		Compressor Technique	870	400
2016 Aug. 2	Schneider Druckluft		Compressor Technique	250	110
2016 July 4	Roxel Rental		Construction Technique	12	2
2016 June 14	Bondtech		Industrial Technique	32	12
2016 May 2	Kohler Druckluft <i>Distributor Austria, Switzerland and Liechtenstein</i>		Compressor Technique		30
2016 Apr. 15	Scales Industrial Technologies <i>Distributor USA</i>		Compressor Technique		180
2016 Apr. 4	Air et Fluides Lyonnais <i>Distributor France</i>		Compressor Technique		6
2016 Mar. 2	FIAC		Compressor Technique	640	400
2016 Jan. 12	Varisco		Construction Technique	270	135
2016 Jan. 5	Capitol Research Equipment		Compressor Technique	22	15
2015 Dec. 15	Air Supply Systems and A1 <i>Distributors USA</i>		Compressor Technique		37
2015 Dec. 4	Innovative Vacuum Solutions		Compressor Technique	32	19
2015 Oct. 5	NJS Technologies		Industrial Technique	9	7
2015 Sep. 9	Air Repair Sales and Services Limited <i>Distributor Canada</i>		Compressor Technique		12
2015 Aug. 7	Applied Plasma Systems		Compressor Technique		5
2015 July 2	Mustang Services		Construction Technique	45	
2015 Mar. 24		Ortman Fluid Power	Compressor Technique	30	19
2015 Mar. 3	Kalibrierzentrum Bayern		Industrial Technique	28	27
2015 Feb. 9		J.C. Carter	Compressor Technique		35
2015 Jan. 8	Maes Compressoren <i>Distributor Belgium</i>		Compressor Technique		30

\*Annual revenues and number of employees at time of acquisition/divestment. No revenues are disclosed for former Atlas Copco distributors. Due to the relatively small size of the acquisitions and divestments made in 2016, full disclosure as per IFRS 3 is not given in this interim report. Disclosure will be given in the annual report 2016. See the annual report for 2015 for disclosure of acquisitions made in 2015.

**Parent company****Income statement**

	October - December		January - December	
MSEK	2016	2015	2016	2015
Administrative expenses	-186	-157	-619	-566
Other operating income and expenses	58	43	171	142
<b>Operating profit/loss</b>	<b>-128</b>	<b>-114</b>	<b>-448</b>	<b>-424</b>
Financial income and expenses	2 871	2 786	5 219	8 201
Appropriations	5 031	4 523	5 031	4 523
<b>Profit/loss before tax</b>	<b>7 774</b>	<b>7 195</b>	<b>9 802</b>	<b>12 300</b>
Income tax	-847	-783	-570	-563
<b>Profit/loss for the period</b>	<b>6 927</b>	<b>6 412</b>	<b>9 232</b>	<b>11 737</b>

**Balance sheet**

	Dec. 31	Dec. 31
MSEK	2016	2015
Total non-current assets	110 912	111 026
Total current assets	12 186	7 331
<b>TOTAL ASSETS</b>	<b>123 098</b>	<b>118 357</b>
Total restricted equity	5 785	5 785
Total non-restricted equity	35 578	34 468
<b>TOTAL EQUITY</b>	<b>41 363</b>	<b>40 253</b>
Total provisions	413	267
Total non-current liabilities	53 200	49 198
Total current liabilities	28 122	28 639
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>123 098</b>	<b>118 357</b>
Assets pledged	988	279
Contingent liabilities	8 161	7 846

**Accounting principles**

Atlas Copco AB is the ultimate Parent Company of the Atlas Copco Group. The financial statements of Atlas Copco AB have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2, Accounting for Legal Entities. The same accounting principles and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. See also accounting principles, page 9.

## Parent Company

### Distribution of shares

Share capital equaled MSEK 786 (786) at the end of the period, distributed as follows:

Class of share	Shares
A shares	839 394 096
B shares	390 219 008
<b>Total</b>	<b>1 229 613 104</b>
- of which A shares held by Atlas Copco	-14 813 384
- of which B shares held by Atlas Copco	-332 659
<b>Total shares outstanding, net of shares held by Atlas Copco</b>	<b>1 214 467 061</b>

### Performance-based personnel option plan

The Annual General Meeting 2016 approved a performance-based long-term incentive program. For Group Executive Management, the plan requires management's own investment in Atlas Copco shares. The intention is to cover Atlas Copco's obligation under the plan through the repurchase of the company's own shares. For further information, visit: [www.atlascopcogroup.com/agm](http://www.atlascopcogroup.com/agm)

### Transactions in own shares

Atlas Copco has mandates to acquire and sell own shares as per below:

- Acquisition of not more than 7 250 000 series A shares, whereof a maximum of 7 000 000 may be transferred to personnel stock option holders under the performance-based stock option plan 2016.
- Acquisition of not more than 70 000 series A shares to hedge the obligation of the company to pay remuneration to Board members who have chosen to receive 50% of the remuneration in synthetic shares.

- The sale of not more than 30 000 series A shares to cover costs related to previously issued synthetic shares to Board members.
- The sale of a maximum 5 500 000 series A and B shares currently held by the company, for the purpose of covering costs of fulfilling obligations related to the option plans 2011, 2012 and 2013.
- The shares may only be acquired or sold on NASDAQ Stockholm at a price within the registered price interval at any given time.

During 2016, 1 690 281 series A shares, net, were acquired and 61 220 series B shares were sold. These transactions are in accordance with mandates granted. The company's holding of own shares at the end of the period appears in the table to the left.

### Risks and factors of uncertainty

#### Financial risks

Atlas Copco is subject to currency risks, interest rate risks, tax risks, and other financial risks. In line with the overall goals with respect to growth, return on capital, and protecting creditors, Atlas Copco has adopted a policy to control the financial risks to which Atlas Copco AB and the Group is exposed. A financial risk management committee meets regularly to manage and follow up financial risks, in line with the policy.

For further information, see the 2015 annual report.

#### Related parties

There have been no significant changes in the relationships or transactions with related parties for the Group or Parent Company compared with the information given in the annual report 2015.

## This is Atlas Copco

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 180 countries. In 2016, Atlas Copco had revenues of BSEK 101 (BEUR 11) and more than 42 000 employees.

## Business areas

Atlas Copco has four business areas. The business areas are responsible for developing their respective operations by implementing and following up on strategies and objectives to achieve sustainable, profitable growth.

The **Compressor Technique** business area provides industrial compressors, vacuum solutions, gas and process compressors and expanders, air and gas treatment equipment and air management systems. The business area has a global service network and innovates for sustainable productivity in the manufacturing, oil and gas, and process industries. Principal product development and manufacturing units are located in Belgium, the United States, China, South Korea, Germany, Italy and the United Kingdom.

The **Industrial Technique** business area provides industrial power tools and systems, industrial assembly solutions, quality assurance products, software and service through a global network. The business area innovates for sustainable productivity for customers in the automotive and general industries, maintenance and vehicle service. Principal product development and manufacturing units are located in Sweden, Germany, the United States, United Kingdom, France and Japan.

The **Mining and Rock Excavation Technique** business area provides equipment for drilling and rock excavation, a complete range of related consumables and service through a global network. The business area innovates for sustainable productivity in surface and underground mining, infrastructure, civil works, well drilling and geotechnical applications. Principal product development and manufacturing units are located in Sweden, the United States, Canada, China and India.

The **Construction Technique** business area provides construction and demolition tools, portable compressors, pumps and generators, and lighting towers. The business area offers specialty rental and provides service through a global network. Construction Technique innovates for sustainable productivity in infrastructure, civil works, oil and gas, energy and drilling. Principal product development and manufacturing units are located in Belgium, Spain, Sweden, the United States, China, and India.

## Vision, mission and strategy

The Atlas Copco Group's vision is to become and remain First in Mind—First in Choice® of its customers and other principal stakeholders. The mission is to achieve sustainable, profitable growth. Sustainability plays an important role in Atlas Copco's vision and it is an integral aspect of the Group's mission. An integrated sustainability strategy, backed by ambitious goals, helps the company deliver greater value to all its stakeholders in a way that is economically, environmentally and socially responsible.

## For further information

- Analysts and investors  
Daniel Althoff, Investor Relations Manager  
Phone: +46 8 743 95 97 or +46 768 99 95 97  
ir@se.atlascopco.com

- Media

Ola Kinnander, Media Relations Manager  
Phone: +46 8 743 8060 or +46 70 347 2455  
media@se.atlascopco.com

## Conference call

A presentation for investors, analysts and media will be held on January 27, at 3.00 PM CET.

The dial-in numbers are:

- Sweden: +46 8 566 426 90
- United Kingdom: +44 20 300 898 04
- United States: +1 855 831 5946

The conference call will be broadcasted live via the Internet. Please see our website for link and presentation material:

[www.atlascopco.com/ir](http://www.atlascopco.com/ir)

The webcast and a recorded audio presentation will be available on our homepage following the call.

## Report on Q1 2017

The report on Q1 2017 will be published on April 26, 2017.

## Annual General Meeting

The Annual General Meeting for Atlas Copco AB will be held April 26, 2017 at 4 PM CEST in Aula Medica, Nobels väg 6, Solna, Sweden.

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*This information is information that Atlas Copco AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 12.00 CET on January 27, 2017*