

October 18, 2017

Atlas Copco Third-quarter report 2017

(unaudited)

Strong order growth and record profit

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

- Order growth for all business areas and in all regions
- Orders increased 17% to MSEK 30 552 (26 038), organic growth of 17%
- Revenues increased 10% to MSEK 28 499 (25 843), organic growth of 10%
- Reported operating profit increased 24% to MSEK 6 268 (5 074) and includes MSEK +81 (-166) of items affecting comparability
- Adjusted operating profit of MSEK 6 187 (5 240), corresponding to a margin of 21.7% (20.3)
- Profit before tax amounted to MSEK 6 067 (4 770)
- Profit for the period was MSEK 4 446 (3 436)
- Basic earnings per share were SEK 3.66 (2.82)
- Operating cash flow at MSEK 5 008 (4 958), including discontinued operations

| MSEK | July - September | | | January - September | | |
|---|------------------|--------|-----|---------------------|--------|-----|
| | 2017 | 2016 | | 2017 | 2016 | |
| Orders received | 30 552 | 26 038 | 17% | 93 059 | 75 195 | 24% |
| Revenues | 28 499 | 25 843 | 10% | 85 556 | 72 861 | 17% |
| Operating profit | 6 268 | 5 074 | 24% | 17 967 | 14 013 | 28% |
| – as a percentage of revenues | 22.0 | 19.6 | | 21.0 | 19.2 | |
| Profit before tax | 6 067 | 4 770 | 27% | 17 183 | 13 187 | 30% |
| – as a percentage of revenues | 21.3 | 18.5 | | 20.1 | 18.1 | |
| Profit for the period from continuing operations | 4 446 | 3 436 | 29% | 12 519 | 9 531 | 31% |
| Profit/loss for the period from discontinued operations | -32 | -45 | | -14 | -44 | |
| Profit for the period | 4 414 | 3 391 | 30% | 12 505 | 9 487 | 32% |
| Basic earnings per share, SEK | 3.63 | 2.78 | | 10.29 | 7.80 | |
| – of which continuing operations | 3.66 | 2.82 | | 10.30 | 7.83 | |
| Diluted earnings per share, SEK | 3.63 | 2.76 | | 10.22 | 7.79 | |
| – of which continuing operations | 3.65 | 2.79 | | 10.24 | 7.82 | |
| Return on capital employed, % | 30 | 27 | | | | |

Near-term demand outlook

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

Previous near-term demand outlook (published July 17, 2017):

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

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Atlas Copco Group

Summary of nine-month results

Orders received in the first nine months of 2017 increased by 24% to MSEK 93 059 (75 195), corresponding to an organic increase of 15%. Structural changes added 6%, and the currency effect was 3%. Revenues were MSEK 85 556 (72 861), corresponding to 9% organic increase.

Operating profit was MSEK 17 967 (14 013). The operating margin was 21.0% (19.2). The positive impact of changes in exchange rates was MSEK 800.

Profit before tax was MSEK 17 183 (13 187), corresponding to a margin of 20.1% (18.1). Profit for the period totaled MSEK 12 519 (9 531). Basic and diluted earnings per share were SEK 10.30 (7.83) and 10.24 (7.82) respectively.

Operating cash flow before acquisitions, divestments and dividends totaled MSEK 13 356 (11 572), including discontinued operations.

Review of the third quarter

Market development

The overall demand for Atlas Copco's products and services remained strong, and order volumes increased, year-on-year and sequentially, for both equipment and service.

The strongest order growth was in vacuum equipment, which grew significantly, primarily due to high order volumes for semiconductor, but also for other applications. Mining equipment also recorded strong order growth, driven by expansions of existing mines and replacement investments. Good growth was achieved in all other product segments; industrial and gas & process compressors, industrial tools & assembly solutions, and equipment for construction and infrastructure projects.

The service business grew for all business areas with particularly strong growth for the vacuum related services.

Geographically, double-digit order growth, year-on-year, was achieved in all regions.

Geographic distribution of orders received

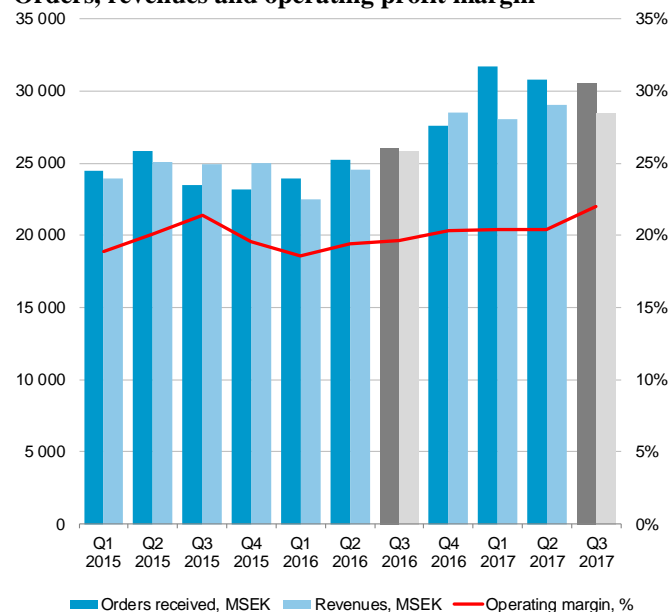
| July - September 2017 | Atlas Copco Group | |
|-----------------------|-------------------|------------|
| | Orders Received % | Change %,* |
| North America | 23 | +19 |
| South America | 7 | +15 |
| Europe | 28 | +14 |
| Africa/Middle East | 8 | +11 |
| Asia | 30 | +33 |
| Australia | 4 | +40 |
| Atlas Copco Group | 100 | +21 |

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

Sales bridge

| MSEK | July - September | |
|----------------------|------------------|----------|
| | Orders received | Revenues |
| 2016 | 26 038 | 25 843 |
| Structural change, % | +3 | +3 |
| Currency, % | -3 | -3 |
| Price, % | +0 | +0 |
| Volume, % | +17 | +10 |
| Total, % | +17 | +10 |
| 2017 | 30 552 | 28 499 |

Orders, revenues and operating profit margin



Geographic distribution of orders received

| July - September | Compressor | Vacuum | Industrial | Mining and Rock | Power | Atlas Copco |
|--------------------|-------------|-------------|-------------|--------------------|-------------|-------------|
| | Technique % | Technique % | Technique % | Excavation Tech. % | Technique % | Group % |
| North America | 21 | 17 | 31 | 21 | 23 | 23 |
| South America | 6 | 0 | 3 | 13 | 7 | 7 |
| Europe | 33 | 15 | 40 | 21 | 38 | 28 |
| Africa/Middle East | 8 | 2 | 2 | 17 | 10 | 8 |
| Asia/Australia | 32 | 66 | 24 | 28 | 22 | 34 |
| | 100 | 100 | 100 | 100 | 100 | 100 |

Revenues, profits and returns

Revenues increased 10% to MSEK 28 499 (25 843), corresponding to a 10% organic increase. Acquisitions contributed with 3%, and the currency effect was -3%.

The operating profit increased to MSEK 6 268 (5 074) and includes items affecting comparability of MSEK +81 net (-166). The MSEK 81 consist of MSEK +380 in Industrial Technique, mainly due to a release of liabilities for contingent consideration from the Henrob acquisition in 2014, and MSEK -299 (-166) in Common Group Functions. The latter include two items related to the split of the Group; MSEK -170 for a partial impairment of capitalized costs for a Group common IT system which Epiroc will not utilize, and MSEK -70 for other split costs. Finally, MSEK -59 (-166) related to long-term incentive programs. The adjusted operating profit increased 18% to MSEK 6 187 (5 240), corresponding to a margin of 21.7% (20.3).

The currency effect in operating profit, compared to previous year, was negative at MSEK -270.

Net financial items were MSEK -201 (-304). Interest net was MSEK -200 (-218). Other financial items were MSEK -1 (-86). Last year included one-time costs for the repurchase of public USD bonds.

Profit before tax amounted to MSEK 6 067 (4 770), corresponding to a margin of 21.3% (18.5).

Profit for the period totaled MSEK 4 446 (3 436). Basic and diluted earnings per share were SEK 3.66 (2.82) and SEK 3.65 (2.79) respectively.

The return on capital employed during the last 12 months was 30% (27). Return on equity was 28% (22). 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 7 282 (6 398). Working capital decreased by MSEK 345 (1 166). Net investments in rental equipment were MSEK 242 (268). Net investments in property, plant and equipment were MSEK 390 (321).

In total, operating cash flow, adjusted for currency hedges of loans, reached MSEK 5 008 (4 958). See page 14.

Net indebtedness

The Group's net indebtedness, adjusted for the fair value of interest rate swaps, amounted to MSEK 6 454 (17 154), of which MSEK 3 252 (4 622) was attributable to post-employment benefits. The Group has an average maturity of 4.9 years on interest-bearing liabilities. The second and last installment of the annual dividend, MSEK 4 120, will be paid in November 2017 and is recorded as a liability. The net debt/EBITDA ratio was 0.2 (0.7). The net debt/equity ratio was 12% (34).

Acquisition and divestment of own shares

During the quarter, 204 033 A shares were divested for a net value of MSEK 66. 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 September 30, 2017, the number of employees was 46 792 (44 272). The number of consultants/external workforce was 3 987 (3 266). For comparable units, the total workforce increased by 2 876 from September 30, 2016.

Proposal to split the Group

As announced in January 2017, Atlas Copco is preparing for a proposed split of the Group into two listed companies. The decision to split the company will be taken at the Annual General Meeting in April 2018. Epiroc is the name of the business, with focus on customers in mining, infrastructure and natural resources, that is planned to be divided out to Atlas Copco's shareholders in 2018.

The President and CEO, management team and members of the Board of Directors for Epiroc AB were announced in the quarter.

Divestments (subsequent event)

On October 4 Atlas Copco completed the divestment of the Road Construction Equipment division. The business has 1 280 employees and had revenues of approximately MSEK 2 900 (MEUR 309) in 2016. The business has been reported as discontinued operations since Q4 2016 (see page 15).

Revenues and operating profit – bridge

| MSEK | Q3 2017 | Volume, price, mix and other | Currency | One-time items Acquisitions | Share based LTI programs* | Q3 2016 |
|--------------------------|---------|---------------------------------|----------|--------------------------------|------------------------------|---------|
| Atlas Copco Group | | | | | | |
| Revenues | 28 499 | 2 616 | -795 | 835 | - | 25 843 |
| Operating profit | 6 268 | 1 117 | -270 | 240 | 107 | 5 074 |
| | 22.0% | 42.7% | | | | 19.6% |

*LTI=Long Term Incentive

Compressor Technique

| MSEK | July - September | | | January - September | | |
|-------------------------------|------------------|-------|-----|---------------------|--------|-----|
| | 2017 | 2016 | | 2017 | 2016 | |
| Orders received | 10 240 | 9 125 | 12% | 30 644 | 26 938 | 14% |
| Revenues | 9 505 | 9 421 | 1% | 28 463 | 26 553 | 7% |
| Operating profit | 2 218 | 2 173 | 2% | 6 562 | 5 972 | 10% |
| – as a percentage of revenues | 23.3 | 23.1 | | 23.1 | 22.5 | |
| Return on capital employed, % | 74 | 68 | | | | |

- **Good order development for industrial, and gas & process compressors**
- **Steady growth for service in most regions**
- **Operating margin supported by volume and mix**

Sales bridge

| MSEK | July - September | |
|----------------------|------------------|----------|
| | Orders received | Revenues |
| 2016 | 9 125 | 9 421 |
| Structural change, % | +2 | +2 |
| Currency, % | -4 | -3 |
| Price, % | +1 | +0 |
| Volume, % | +13 | +2 |
| Total, % | +12 | +1 |
| 2017 | 10 240 | 9 505 |

Industrial compressors

The order volumes for industrial compressors increased compared to the previous year and sequentially. The growth for small and medium sized compressors was similar to large compressors.

The order volumes increased in all regions, with North America and Asia as the most significant contributors to the overall growth.

Compressor service

The compressor service business continued to grow, and increased compared to the previous year in all regions except North America, where the development was flat.

Gas and process compressors

The order volumes increased compared to the previous year and sequentially.

Geographically, and compared to the previous year, the order intake increased in all regions except Africa/Middle East where the order development was negative.

Acquisitions

Two acquisitions were completed in the quarter. In August, certain assets of the US-based Atlas Copco compressor distributor Glauber Equipment Corporation was acquired. 16 employees joined Atlas Copco.

In September, Atlas Copco acquired the operating assets of C.H. Spencer & Company Co., a US distributor and service provider of industrial pumps, compressors, and related products. 40 employees joined Atlas Copco.

Innovation

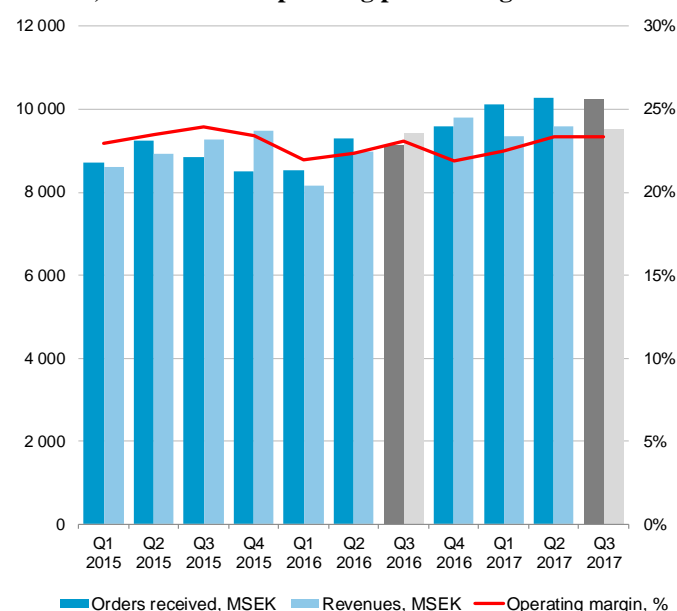
A new, low energy consuming, adsorption dryer was launched in the quarter. In addition to low energy consumption, the dryer is designed with only a few moving components which minimizes maintenance cost and maximizes operational reliability.

Revenues and profitability

Revenues increased 1% to MSEK 9 505 (9 421), corresponding to an organic growth of 2%.

Operating profit reached MSEK 2 218 (2 173), corresponding to a margin of 23.3% (23.1). The margin was supported by volume and mix, but negatively affected by currency. Return on capital employed (last 12 months) was 74% (68).

Orders, revenues and operating profit margin



Vacuum Technique

| MSEK | July - September | | | January - September | | |
|-------------------------------|------------------|-------|-----|---------------------|-------|-----|
| | 2017 | 2016 | | 2017 | 2016 | |
| Orders received | 5 160 | 3 555 | 45% | 16 216 | 9 614 | 69% |
| Revenues | 4 801 | 3 511 | 37% | 14 346 | 9 000 | 59% |
| Operating profit | 1 225 | 732 | 67% | 3 604 | 1 929 | 87% |
| – as a percentage of revenues | 25.5 | 20.8 | | 25.1 | 21.4 | |
| Return on capital employed, % | 24 | 16 | | | | |

- **Strong growth for semiconductor, industrial and high vacuum**
- **Record revenues and profit**
- **Solid growth for service, especially in Asia**

Sales bridge

| MSEK | July - September | |
|----------------------|------------------|----------|
| | Orders received | Revenues |
| 2016 | 3 555 | 3 511 |
| Structural change, % | +18 | +18 |
| Currency, % | -5 | -4 |
| Price, % | +0 | +0 |
| Volume, % | +32 | +23 |
| Total, % | +45 | +37 |
| 2017 | 5 160 | 4 801 |

Semiconductor and flat panel display

The demand for equipment remained very strong. The order volumes increased significantly compared to the previous year, but growth was also achieved sequentially. The growth was primarily driven by vacuum pumps and abatement systems for the semiconductor industry.

Geographically, most of the growth came from Asia and North America, although order volumes also increased in Europe.

Industrial and high vacuum

The order intake for industrial and high vacuum equipment increased considerably compared to the previous year, and also grew sequentially.

Growth was achieved in all regions, with the highest growth in Europe and Asia.

Service

The service business achieved solid growth compared to the previous year, primarily driven by the semiconductor industry. Order volumes increased in all major regions, particularly in Europe and Asia.

Innovation

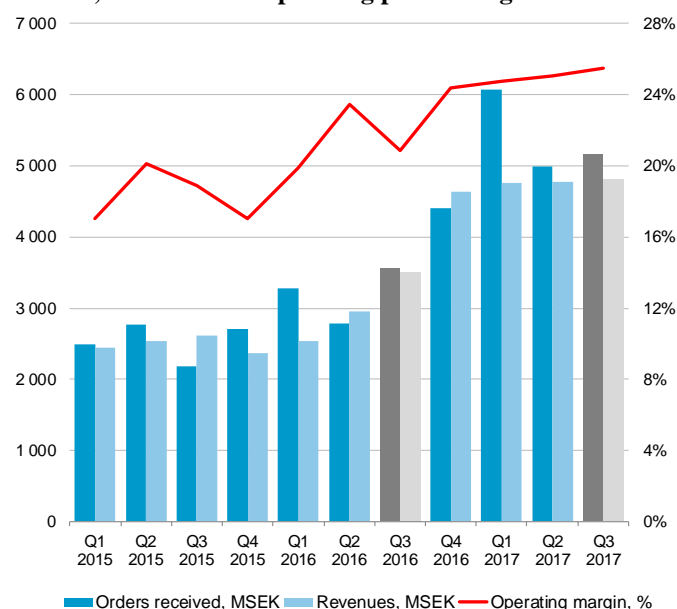
A new turbo pump, optimized for industrial coating applications, was presented to the market. Designed with patented pumping technology, the pump brings significant energy savings compared to similar products. In addition, the pump is easy to install and service, thanks to its light weight and compact design.

Revenues and profitability

Revenues increased 37% to a record of MSEK 4 801 (3 511), corresponding to an organic increase of 23%.

The operating profit increased 67% to a record of MSEK 1 225 (732) and the operating margin reached 25.5% (20.8). The higher revenue volume was the main explanation for the increased margin. Return on capital employed (last 12 months) was 24% (16).

Orders, revenues and operating profit margin



Industrial Technique

| MSEK | July - September | | | January - September | | |
|-------------------------------|------------------|-------|-----|---------------------|--------|-----|
| | 2017 | 2016 | | 2017 | 2016 | |
| Orders received | 4 091 | 3 841 | 7% | 12 624 | 11 215 | 13% |
| Revenues | 4 010 | 3 841 | 4% | 12 195 | 10 880 | 12% |
| Operating profit | 1 311 | 897 | 46% | 3 208 | 2 433 | 32% |
| – as a percentage of revenues | 32.7 | 23.4 | | 26.3 | 22.4 | |
| Return on capital employed, % | 43 | 32 | | | | |

- **Increased order intake for both motor vehicle industry and general industry**
- **Good growth for service**
- **Adjusted operating profit increased 4%, corresponding to a margin of 23.2%**

Sales bridge

| MSEK | July - September | |
|----------------------|------------------|----------|
| | Orders received | Revenues |
| 2016 | 3 841 | 3 841 |
| Structural change, % | +0 | +0 |
| Currency, % | -4 | -4 |
| Price, % | +1 | +0 |
| Volume, % | +10 | +8 |
| Total, % | +7 | +4 |
| 2017 | 4 091 | 4 010 |

Motor vehicle industry

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

Geographically, and compared to the previous year, growth was achieved in Europe, North America, and Asia, while order intake was down in South America.

General industry

The order volumes for industrial power tools from the general manufacturing industries increased compared to the previous year. Orders for application segments such as metal fabrication, off-road and general assembly were the main contributors to the growth.

The order intake increased in North America and Africa/Middle East, while it was down in South America. The development in Asia and Europe was more or less flat.

Service

The order intake for the service business, including maintenance and calibration services, increased both year-on-year and sequentially.

All regions achieved growth compared to the previous year, except North America where the development was more or less flat.

Innovation

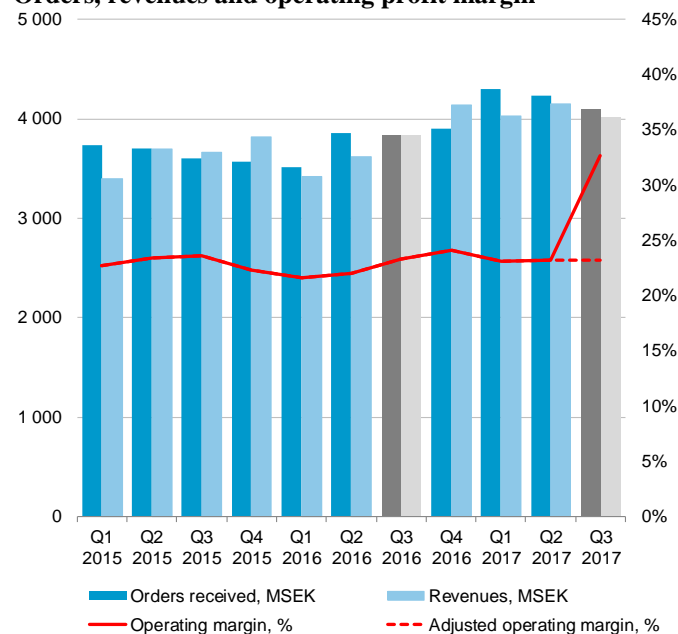
A new software product was launched in the quarter. The software supports error proofing in assembly applications and is used together with assembly tools to minimize defects in production. Through this, customers can reduce their cost for rework and warranty claims.

Revenues and profitability

Revenues increased 4% to MSEK 4 010 (3 841), corresponding to an organic growth of 8%.

Operating profit increased 46% to MSEK 1 311 (897) and includes items affecting comparability of MSEK +380, mainly related to a release of liabilities for contingent consideration connected to the Henrob acquisition in 2014. The adjusted operating margin was 23.2% (23.4), affected negatively by currency but supported by volume. Return on capital employed (last 12 months) was 43% (32).

Orders, revenues and operating profit margin



Mining and Rock Excavation Technique

| MSEK | July - September | | | January - September | | |
|-------------------------------|------------------|-------|-----|---------------------|--------|-----|
| | 2017 | 2016 | | 2017 | 2016 | |
| Orders received | 7 959 | 6 644 | 20% | 23 934 | 18 766 | 28% |
| Revenues | 7 116 | 6 212 | 15% | 21 155 | 18 072 | 17% |
| Operating profit | 1 440 | 1 163 | 24% | 4 215 | 3 070 | 37% |
| – as a percentage of revenues | 20.2 | 18.7 | | 19.9 | 17.0 | |
| Return on capital employed, % | 41 | 31 | | | | |

- Strong order growth for underground and surface mining as well as for civil engineering
- Service and consumables continued to grow
- Operating margin supported primarily by volume

Sales bridge

| MSEK | July - September | |
|----------------------|------------------|----------|
| | Orders received | Revenues |
| 2016 | 6 644 | 6 212 |
| Structural change, % | +0 | +0 |
| Currency, % | -2 | -2 |
| Price, % | +0 | +0 |
| Volume, % | +22 | +17 |
| Total, % | +20 | +15 |
| 2017 | 7 959 | 7 116 |

Mining equipment

The order volumes for mining equipment increased compared to the previous year. The growth was driven by both expansions of existing mines and replacement investments.

Geographically, the order intake increased in all regions, with the highest growth in Asia and North America.

Civil engineering equipment

The order intake 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 was positively impacted by higher activities in mines and infrastructure projects. Sequentially the development was slightly down.

Service order volumes increased in all regions except Africa/Middle East, where the development was more or less flat.

Order volumes for consumables increased compared to the previous year. Growth was achieved in all regions except North America, where the development was negative.

Innovation

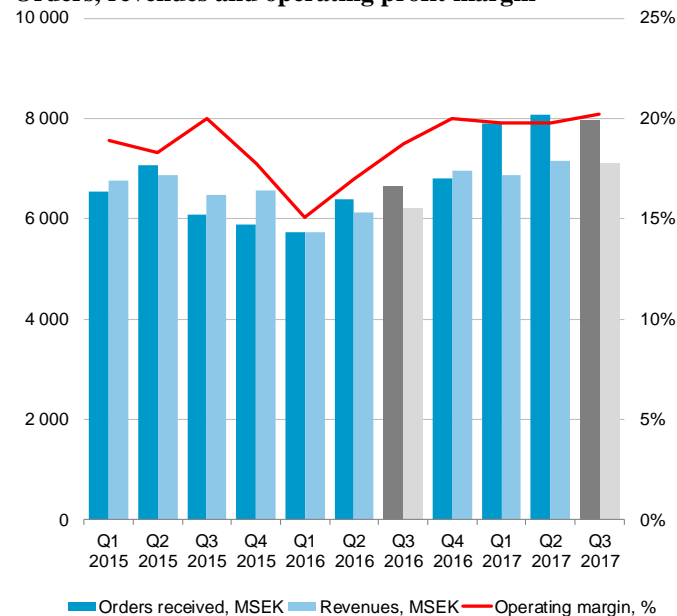
A new generation Mobile Miner for continuous mechanical mining was introduced in the quarter. The new electrically powered Mobile Miner product line enables faster advance rates in hard rock mining, easier scheduling, and safer work environment than traditional methods.

Revenues and profitability

Revenues were MSEK 7 116 (6 212), corresponding to an organic increase of 17%.

Operating profit was MSEK 1 440 (1 163), corresponding to a margin of 20.2% (18.7). The higher revenue volume was the main explanation for the increased margin. Return on capital employed (last 12 months) was 41% (31).

Orders, revenues and operating profit margin



Power Technique

| MSEK | July - September | | | January - September | | |
|-------------------------------|------------------|-------|-----|---------------------|-------|-----|
| | 2017 | 2016 | | 2017 | 2016 | |
| Orders received | 3 190 | 2 977 | 7% | 10 229 | 9 044 | 13% |
| Revenues | 3 236 | 2 961 | 9% | 9 909 | 8 721 | 14% |
| Operating profit | 532 | 449 | 18% | 1 668 | 1 341 | 24% |
| – as a percentage of revenues | 16.4 | 15.2 | | 16.8 | 15.4 | |
| Return on capital employed, % | 20 | 17 | | | | |

- **Order growth for portable compressors, construction tools and specialty rental**
- **Growth in all regions**
- **Increased operating profit margin mainly due to higher volumes**

Sales bridge

| MSEK | July - September | |
|----------------------|------------------|----------|
| | Orders received | Revenues |
| 2016 | 2 977 | 2 961 |
| Structural change, % | +1 | +1 |
| Currency, % | -3 | -3 |
| Price, % | +1 | +1 |
| Volume, % | +8 | +10 |
| Total, % | +7 | +9 |
| 2017 | 3 190 | 3 236 |

Equipment

The demand for equipment increased, and order growth was achieved for portable compressors in particular, but also for construction tools. Sequentially and due to normal seasonal effects, the order intake decreased for most types of equipment.

Compared to the previous year, the order intake increased in all regions except Africa/Middle East where volumes were down.

Specialty rental

Order volumes for the specialty rental business increased compared to the previous year.

Geographically, the orders received increased in all regions except Asia where volumes were down.

Service

The service business order intake increased somewhat compared to last year.

Geographically, order volumes increased in Asia and Europe, while decreased in South America. The order volumes in North America and Africa/Middle East were more or less unchanged.

Innovation

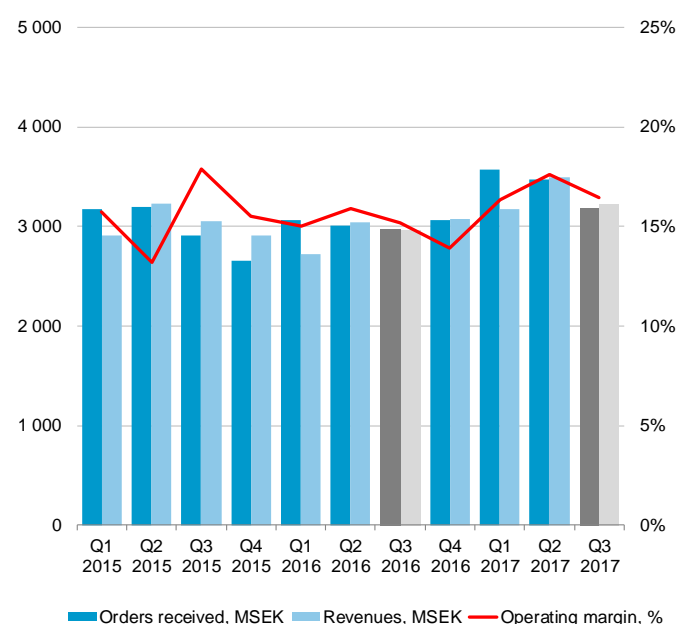
The QES range of portable generators was extended in the quarter with the launch of four new models. The expanded range offers more flexibility for contractors in the construction and rental sector, particularly those looking for generators with favorable plug-and-play capabilities.

Revenues and profitability

Revenues reached MSEK 3 236 (2 961), corresponding to an organic increase of 11%.

Operating profit was MSEK 532 (449), corresponding to a margin of 16.4% (15.2). The margin was positively affected by volume, but negatively affected by currency. Return on capital employed (last 12 months) was 20% (17).

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 2016. 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 2016.

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

| | 3 months ended | | 9 months ended | | 12 months ended | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Sep. 30 2017 | Sep. 30 2016 | Sep. 30 2017 | Sep. 30 2016 | Sep. 30 2017 | Sep. 30 2016 | Dec. 31 2016 |
| MSEK | | | | | | | |
| Continuing operations | | | | | | | |
| Revenues | 28 499 | 25 843 | 85 556 | 72 861 | 114 051 | 97 864 | 101 356 |
| Cost of sales | -16 711 | -15 544 | -49 874 | -43 856 | -67 255 | -58 876 | -61 237 |
| Gross profit | 11 788 | 10 299 | 35 682 | 29 005 | 46 796 | 38 988 | 40 119 |
| Marketing expenses | -3 111 | -2 759 | -9 255 | -7 956 | -12 343 | -10 660 | -11 044 |
| Administrative expenses | -1 752 | -1 767 | -5 676 | -4 880 | -7 620 | -6 475 | -6 824 |
| Research and development costs | -931 | -760 | -2 663 | -2 246 | -3 513 | -3 061 | -3 096 |
| Other operating income and expenses | 274 | 61 | -121 | 90 | 432 | 103 | 643 |
| Operating profit | 6 268 | 5 074 | 17 967 | 14 013 | 23 752 | 18 895 | 19 798 |
| - as a percentage of revenues | 22.0 | 19.6 | 21.0 | 19.2 | 20.8 | 19.3 | 19.5 |
| Net financial items | -201 | -304 | -784 | -826 | -951 | -1 004 | -993 |
| Profit before tax | 6 067 | 4 770 | 17 183 | 13 187 | 22 801 | 17 891 | 18 805 |
| - as a percentage of revenues | 21.3 | 18.5 | 20.1 | 18.1 | 20.0 | 18.3 | 18.6 |
| Income tax expense | -1 621 | -1 334 | -4 664 | -3 656 | -6 028 | -7 282 | -5 020 |
| Profit for the period from continuing operations | 4 446 | 3 436 | 12 519 | 9 531 | 16 773 | 10 609 | 13 785 |
| Discontinued operations | | | | | | | |
| Profit/loss for the period from discontinued operations | -32 | -45 | -14 | -44 | -1 807 | -92 | -1 837 |
| Profit for the period | 4 414 | 3 391 | 12 505 | 9 487 | 14 966 | 10 517 | 11 948 |
| Profit attributable to | | | | | | | |
| - owners of the parent | 4 409 | 3 389 | 12 489 | 9 481 | 14 939 | 10 511 | 11 931 |
| - non-controlling interests | 5 | 2 | 16 | 6 | 27 | 6 | 17 |
| Basic earnings per share, SEK | 3.63 | 2.78 | 10.29 | 7.80 | 12.30 | 8.64 | 9.81 |
| - of which continuing operations | 3.66 | 2.82 | 10.30 | 7.83 | 13.79 | 8.72 | 11.32 |
| Diluted earnings per share, SEK | 3.63 | 2.76 | 10.22 | 7.79 | 12.23 | 8.62 | 9.79 |
| - of which continuing operations | 3.65 | 2.79 | 10.24 | 7.82 | 13.72 | 8.70 | 11.30 |
| Basic weighted average number of shares outstanding, millions | 1 214.0 | 1 216.7 | 1 214.0 | 1 216.1 | 1 214.5 | 1 216.3 | 1 216.1 |
| Diluted weighted average number of shares outstanding, millions | 1 215.2 | 1 217.5 | 1 215.4 | 1 216.5 | 1 216.0 | 1 216.8 | 1 216.8 |
| Key ratios | | | | | | | |
| Equity per share, period end, SEK ¹⁾ | | | | | 45 | 42 | 44 |
| Return on capital employed, 12 month values, % | | | | | 30 | 27 | 27 |
| Return on equity, 12 month values, % ¹⁾ | | | | | 28 | 22 | 24 |
| Debt/equity ratio, period end, % ¹⁾ | | | | | 12 | 34 | 28 |
| Equity/assets ratio, period end, % ¹⁾ | | | | | 45 | 44 | 46 |
| Number of employees, period end | | | | | 46 792 | 44 272 | 44 695 |

¹⁾ Including discontinued operations

Consolidated statement of comprehensive income

| MSEK | 3 months ended | | 9 months ended | | 12 months ended | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Sep. 30 2017 | Sep. 30 2016 | Sep. 30 2017 | Sep. 30 2016 | Sep. 30 2017 | Sep. 30 2016 | Dec. 31 2016 |
| Profit for the period | 4 414 | 3 391 | 12 505 | 9 487 | 14 966 | 10 517 | 11 948 |
| Other comprehensive income | | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | | |
| Remeasurements of defined benefit pension plans | -80 | -439 | -252 | -703 | 338 | -159 | -113 |
| Income tax relating to items that will not be reclassified | 16 | 102 | 72 | 162 | -93 | 58 | -3 |
| | -64 | -337 | -180 | -541 | 245 | -101 | -116 |
| Items that may be reclassified subsequently to profit or loss | | | | | | | |
| Translation differences on foreign operations | -1 537 | 1 294 | -2 485 | 2 647 | -1 931 | 1 429 | 3 201 |
| Hedge of net investments in foreign operations - realized and reclassified to income statement | 182 | -378 | -16 | -881 | 103 | -396 | -762 |
| Cash flow hedges | 25 | -22 | 134 | -22 | 131 | -16 | -25 |
| Income tax relating to items that may be reclassified | -119 | 241 | -19 | 560 | -92 | 259 | 487 |
| | -1 449 | 1 135 | -2 386 | 2 304 | -1 789 | 1 276 | 2 901 |
| Other comprehensive income for the period, net of tax | -1 513 | 798 | -2 566 | 1 763 | -1 544 | 1 175 | 2 785 |
| Total comprehensive income for the period | 2 901 | 4 189 | 9 939 | 11 250 | 13 422 | 11 692 | 14 733 |
| Total comprehensive income attributable to | | | | | | | |
| - owners of the parent | 2 900 | 4 182 | 9 928 | 11 241 | 13 398 | 11 687 | 14 711 |
| - non-controlling interests | 1 | 7 | 11 | 9 | 24 | 5 | 22 |

Consolidated balance sheet

| MSEK | Sep. 30, 2017 | Sep. 30, 2016* | Dec. 31, 2016 |
|---|----------------|----------------|----------------|
| Intangible assets | 34 992 | 39 370 | 37 828 |
| Rental equipment | 2 833 | 3 102 | 3 095 |
| Other property, plant and equipment | 9 226 | 10 064 | 9 793 |
| Financial assets and other receivables | 2 177 | 2 240 | 2 286 |
| Deferred tax assets | 1 689 | 2 058 | 1 889 |
| Total non-current assets | 50 917 | 56 834 | 54 891 |
| Inventories | 17 961 | 18 462 | 16 912 |
| Trade and other receivables | 28 217 | 28 201 | 27 685 |
| Other financial assets | 1 760 | 1 675 | 2 455 |
| Cash and cash equivalents | 19 742 | 10 785 | 11 458 |
| Assets classified as held for sale | 2 950 | 10 | 2 491 |
| Total current assets | 70 630 | 59 133 | 61 001 |
| TOTAL ASSETS | 121 547 | 115 967 | 115 892 |
| Equity attributable to owners of the parent | 54 707 | 50 433 | 53 105 |
| Non-controlling interests | 75 | 69 | 72 |
| TOTAL EQUITY | 54 782 | 50 502 | 53 177 |
| Borrowings | 23 013 | 23 306 | 23 148 |
| Post-employment benefits | 3 252 | 4 622 | 3 907 |
| Other liabilities and provisions | 1 696 | 1 865 | 1 589 |
| Deferred tax liabilities | 680 | 1 235 | 1 028 |
| Total non-current liabilities | 28 641 | 31 028 | 29 672 |
| Borrowings | 1 602 | 1 548 | 1 574 |
| Trade payables and other liabilities | 33 697 | 31 093 | 28 519 |
| Provisions | 1 932 | 1 796 | 2 139 |
| Liabilities directly associated with assets classified as held for sale | 893 | - | 811 |
| Total current liabilities | 38 124 | 34 437 | 33 043 |
| TOTAL EQUITY AND LIABILITIES | 121 547 | 115 967 | 115 892 |

*Including assets and liabilities related to discontinued operations

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 2016, 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 | Sep. 30, 2017 | Dec. 31, 2016 |
|---|---------------|---------------|
| <i>Non-current assets and liabilities</i> | | |
| Assets | 2 | - |
| Liabilities | 91 | 126 |
| <i>Current assets and liabilities</i> | | |
| Assets | 279 | 128 |
| Liabilities | 139 | 730 |

Carrying value and fair value of borrowings

| MSEK | Sep. 30, 2017 | Sep. 30, 2017 | Dec. 31, 2016 | Dec. 31, 2016 |
|-------------|----------------|---------------|----------------|---------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Bonds | 15 488 | 15 704 | 15 611 | 16 385 |
| Other loans | 9 127 | 9 269 | 9 111 | 9 268 |
| | 24 615 | 24 972 | 24 722 | 25 653 |

Consolidated statement of changes in equity

| MSEK | Equity attributable to | | Total equity |
|--|------------------------|---------------------------|---------------|
| | owners of the parent | non-controlling interests | |
| Opening balance, January 1, 2017 | 53 105 | 72 | 53 177 |
| Changes in equity for the period | | | |
| Total comprehensive income for the period | 9 928 | 11 | 9 939 |
| Dividends* | -8 246 | -3 | -8 249 |
| Change of non-controlling interests | -12 | -5 | -17 |
| Acquisition and divestment of own shares | -55 | - | -55 |
| Share-based payments, equity settled | -13 | - | -13 |
| Closing balance, September 30, 2017 | 54 707 | 75 | 54 782 |

| MSEK | Equity attributable to | | Total equity |
|---|------------------------|---------------------------|---------------|
| | owners of the parent | non-controlling interests | |
| Opening balance, January 1, 2016 | 46 591 | 159 | 46 750 |
| Changes in equity for the period | | | |
| 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 |
| Closing balance, December 31, 2016 | 53 105 | 72 | 53 177 |

| MSEK | Equity attributable to | | Total equity |
|--|------------------------|---------------------------|---------------|
| | owners of the parent | non-controlling interests | |
| Opening balance, January 1, 2016 | 46 591 | 159 | 46 750 |
| Changes in equity for the period | | | |
| Total comprehensive income for the period | 11 241 | 9 | 11 250 |
| Dividends | -7 659 | -13 | -7 672 |
| Change of non-controlling interests | -67 | -86 | -153 |
| Acquisition and divestment of own shares | 311 | - | 311 |
| Share-based payments, equity settled | 16 | - | 16 |
| Closing balance, September 30, 2016 | 50 433 | 69 | 50 502 |

* The annual dividend of which the first installment has been paid in May 2017 and the second installment will be paid in November 2017. This latter has been recorded as a liability.

Consolidated statement of cash flows, including discontinued operations

| MSEK | July - September | | January - September | |
|---|------------------|---------------|----------------------|---------------|
| | 2017 | 2016 | 2017 | 2016 |
| Cash flows from operating activities | | | | |
| Operating profit, continuing operations | 6 268 | 5 074 | 17 967 | 14 013 |
| Operating profit, discontinued operations | -34 | -51 | -16 | -45 |
| Depreciation, amortization and impairment (see below) | 1 531 | 1 111 | 3 827 | 3 188 |
| Capital gain/loss and other non-cash items | -483 | 264 | 193 | 185 |
| Operating cash surplus | 7 282 | 6 398 | 21 971 | 17 341 |
| Net financial items received/paid | 583 | -448 | 368 | -357 |
| Taxes paid | -1 450 | -1 270 | -5 886 | -6 269 |
| Pension funding and payment of pension to employees | -105 | -57 | -1 099 | -94 |
| Change in working capital | 345 | 1 166 | 166 | 1 720 |
| Investments in rental equipment | -371 | -361 | -954 | -901 |
| Sale of rental equipment | 129 | 93 | 321 | 324 |
| Net cash from operating activities | 6 413 | 5 521 | 14 887 | 11 764 |
| Cash flows from investing activities | | | | |
| Investments in property, plant and equipment | -429 | -345 | -1 151 | -958 |
| Sale of property, plant and equipment | 39 | 24 | 84 | 82 |
| Investments in intangible assets | -303 | -262 | -784 | -817 |
| Sale of intangible assets | - | 3 | 2 | 6 |
| Acquisition of subsidiaries and associated companies | -325 | -3 692 | -510 | -4 656 |
| Other investments, net | 113 | -71 | 154 | -239 |
| Net cash from investing activities | -905 | -4 343 | -2 205 | -6 582 |
| Cash flows from financing activities | | | | |
| Dividends paid | - | - | -4 125 | -3 830 |
| Dividends paid to non-controlling interest | -3 | -1 | -3 | -13 |
| Acquisition of non-controlling interest | - | -67 | -17 | -67 |
| Repurchase and sales of own shares | 66 | 246 | -55 | 311 |
| Change in interest-bearing liabilities | -176 | 244 | 674 | 32 |
| Net cash from financing activities | -113 | 422 | -3 526 | -3 567 |
| Net cash flow for the period | 5 395 | 1 600 | 9 156 | 1 615 |
| Cash and cash equivalents, beginning of the period | 14 550 | 8 891 | 11 492 ¹⁾ | 8 861 |
| Exchange differences in cash and cash equivalents | -234 | 294 | -400 | 309 |
| Cash and cash equivalents discontinued operations | 31 | - | -506 | - |
| Cash and cash equivalents, end of the period | 19 742 | 10 785 | 19 742 | 10 785 |

¹⁾ Includes cash and cash equivalents of 34 related to discontinued operations

Depreciation, amortization and impairment

| | July - September | | January - September | |
|--|------------------|--------------|---------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| <i>Rental equipment</i> | 238 | 250 | 746 | 732 |
| <i>Other property, plant and equipment</i> | 430 | 414 | 1 321 | 1 209 |
| <i>Intangible assets</i> | 863 | 447 | 1 760 | 1 247 |
| <i>Total</i> | <i>1 531</i> | <i>1 111</i> | <i>3 827</i> | <i>3 188</i> |

Calculation of operating cash flow

| MSEK | July - September | | January - September | |
|--|------------------|--------------|---------------------|---------------|
| | 2017 | 2016 | 2017 | 2016 |
| Net cash flow for the period | 5 395 | 1 600 | 9 156 | 1 615 |
| Add back: | | | | |
| Change in pensions | - | - | 772 | - |
| Change in interest-bearing liabilities | 176 | -244 | -674 | -32 |
| Repurchase and sales of own shares | -66 | -246 | 55 | -311 |
| Dividends paid | - | - | 4 125 | 3 830 |
| Dividends paid to non-controlling interest | 3 | 1 | 3 | 13 |
| Acquisition of non-controlling interest | - | 67 | 17 | 67 |
| Acquisitions and divestments | 325 | 3 692 | 510 | 4 656 |
| Currency hedges of loans | -825 | 88 | -1 263 | -516 |
| Tax payment related to Belgian tax rulings | - | - | 655 | 2 250 |
| Operating cash flow | 5 008 | 4 958 | 13 356 | 11 572 |

Discontinued operations

Road Construction Equipment division

In January 2017 Atlas Copco announced the agreement to sell its Road Construction Equipment division to the French industrial and construction company Fayat Group. On October 4, 2017 Atlas Copco completed the divestment.

The Road Construction Equipment division has been reported as discontinued operations and assets held for sale in the Atlas Copco Group's financial statements, with a retrospective restatement of previous periods unless otherwise stated.

The following tables present the income statement, condensed balance sheet and cash flow for the Road Construction Equipment division.

Assets and Liabilities held for sale

| | Sep. 30 | Dec. 31 |
|-------------------------------|--------------|--------------|
| MSEK | 2017 | 2016 |
| Total non-current assets | 409 | 450 |
| Total current assets | 2 540 | 2 037 |
| Total Assets | 2 949 | 2 487 |
| Total non-current liabilities | 54 | 42 |
| Total current liabilities | 839 | 769 |
| Total Liabilities | 893 | 811 |

Income Statement

| MSEK | 3 months ended | | 9 months ended | | 12 months ended | | |
|--|----------------|--------------|----------------|--------------|-----------------|--------------|---------------|
| | Sep. 30 | Sep. 30 | Sep. 30 | Sep. 30 | Sep. 30 | Sep. 30 | Dec. 31 |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2016 |
| Discontinued operations | | | | | | | |
| Revenues | 696 | 685 | 2 504 | 2 242 | 3 174 | 2 821 | 2 912 |
| Cost of sales | -575 | -600 | -2 069 | -1 838 | -2 646 | -2 332 | -2 415 |
| Gross profit | 121 | 85 | 435 | 404 | 528 | 489 | 497 |
| Marketing expenses | -68 | -75 | -224 | -234 | -300 | -315 | -310 |
| Administrative expenses | -57 | -31 | -148 | -92 | -181 | -123 | -125 |
| Research and development costs | -15 | -36 | -50 | -106 | -88 | -141 | -144 |
| Other operating income and expenses | -15 | 6 | -29 | -17 | -15 | -13 | -3 |
| Operating profit/loss | -34 | -51 | -16 | -45 | -56 | -103 | -85 |
| - as a percentage of revenues | -4.9 | -7.4 | -0.6 | -2.0 | -1.8 | -3.7 | -2.9 |
| Net financial items | -3 | -3 | -5 | -9 | -8 | -11 | -12 |
| Profit/loss before tax | -37 | -54 | -21 | -54 | -64 | -114 | -97 |
| - as a percentage of revenues | -5.3 | -7.9 | -0.8 | -2.4 | -2.0 | -4.0 | -3.3 |
| Income tax expense | 5 | 9 | 7 | 10 | 11 | 22 | 14 |
| Loss on remeasurement to fair value less cost to sell | | | | | | | |
| Impairment of intangible assets | - | - | - | - | -2 094 | - | -2 094 |
| Income tax on remeasurement | - | - | - | - | 340 | - | 340 |
| Impairment of intangible assets, net of tax | | | | | -1 754 | | -1 754 |
| Profit/Loss for the period from discontinued operations | -32 | -45 | -14 | -44 | -1 807 | -92 | -1 837 |
| Basic earnings per share, SEK | -0.03 | -0.04 | -0.01 | -0.03 | -1.49 | -0.08 | -1.51 |

Cash flows from discontinued operations

| MSEK | July - September | | January - September | |
|-------------------------------------|------------------|------------|---------------------|------------|
| | 2017 | 2016 | 2017 | 2016 |
| Cash flows from | | | | |
| Operating activities | 28 | 12 | -63 | 36 |
| Investing activities | -25 | -40 | -74 | -91 |
| Financing activities | 150 | 0 | 53 | -1 |
| Net cash flow for the period | 153 | -28 | -84 | -56 |

Revenues by business area

| MSEK (by quarter) | 2015 | | | | 2016 | | | | 2017 | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | |
| Compressor Technique | 8 610 | 8 922 | 9 261 | 9 489 | 8 156 | 8 976 | 9 421 | 9 803 | 9 361 | 9 597 | 9 505 | |
| - of which external | 8 512 | 8 838 | 9 193 | 9 431 | 8 075 | 8 894 | 9 359 | 9 723 | 9 283 | 9 507 | 9 411 | |
| - of which internal | 98 | 84 | 68 | 58 | 81 | 82 | 62 | 80 | 78 | 90 | 93 | |
| Vacuum Technique | 2 439 | 2 540 | 2 614 | 2 362 | 2 536 | 2 953 | 3 511 | 4 635 | 4 768 | 4 777 | 4 801 | |
| - of which external | 2 439 | 2 540 | 2 614 | 2 362 | 2 536 | 2 953 | 3 511 | 4 635 | 4 768 | 4 777 | 4 801 | |
| - of which internal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Industrial Technique | 3 394 | 3 697 | 3 668 | 3 819 | 3 417 | 3 622 | 3 841 | 4 137 | 4 031 | 4 154 | 4 010 | |
| - of which external | 3 382 | 3 684 | 3 656 | 3 806 | 3 406 | 3 611 | 3 830 | 4 125 | 4 017 | 4 140 | 3 998 | |
| - of which internal | 12 | 13 | 12 | 13 | 11 | 11 | 11 | 12 | 14 | 14 | 12 | |
| Mining and Rock | | | | | | | | | | | | |
| Excavation Technique | 6 756 | 6 870 | 6 481 | 6 558 | 5 736 | 6 124 | 6 212 | 6 971 | 6 882 | 7 157 | 7 116 | |
| - of which external | 6 724 | 6 856 | 6 451 | 6 527 | 5 723 | 6 111 | 6 204 | 6 957 | 6 849 | 7 155 | 7 086 | |
| - of which internal | 32 | 14 | 30 | 31 | 13 | 13 | 8 | 14 | 33 | 2 | 30 | |
| Power Technique | 2 910 | 3 236 | 3 055 | 2 911 | 2 718 | 3 042 | 2 961 | 3 073 | 3 177 | 3 496 | 3 236 | |
| - of which external | 2 849 | 3 144 | 2 968 | 2 791 | 2 628 | 2 954 | 2 890 | 3 001 | 3 061 | 3 390 | 3 145 | |
| - of which internal | 61 | 92 | 87 | 120 | 90 | 88 | 71 | 72 | 116 | 106 | 91 | |
| Common Group functions/ Eliminations | -152 | -174 | -157 | -136 | -110 | -152 | -103 | -124 | -192 | -151 | -169 | |
| Atlas Copco Group | 23 957 | 25 091 | 24 922 | 25 003 | 22 453 | 24 565 | 25 843 | 28 495 | 28 027 | 29 030 | 28 499 | |

Operating profit by business area

| MSEK (by quarter) | 2015 | | | | 2016 | | | | 2017 | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | |
| Compressor Technique | 1 976 | 2 092 | 2 215 | 2 218 | 1 792 | 2 007 | 2 173 | 2 143 | 2 102 | 2 242 | 2 218 | |
| - as a percentage of revenues | 23.0 | 23.4 | 23.9 | 23.4 | 22.0 | 22.4 | 23.1 | 21.9 | 22.5 | 23.4 | 23.3 | |
| Vacuum Technique | 416 | 511 | 494 | 402 | 504 | 693 | 732 | 1 131 | 1 181 | 1 198 | 1 225 | |
| - as a percentage of revenues | 17.1 | 20.1 | 18.9 | 17.0 | 19.9 | 23.5 | 20.8 | 24.4 | 24.8 | 25.1 | 25.5 | |
| Industrial Technique | 770 | 865 | 866 | 854 | 737 | 799 | 897 | 997 | 933 | 964 | 1 311 | |
| - as a percentage of revenues | 22.7 | 23.4 | 23.6 | 22.4 | 21.6 | 22.1 | 23.4 | 24.1 | 23.1 | 23.2 | 32.7 | |
| Mining and Rock | 1 276 | 1 258 | 1 296 | 1 163 | 866 | 1 041 | 1 163 | 1 395 | 1 361 | 1 414 | 1 440 | |
| Excavation Technique | | | | | | | | | | | | |
| - as a percentage of revenues | 18.9 | 18.3 | 20.0 | 17.7 | 15.1 | 17.0 | 18.7 | 20.0 | 19.8 | 19.8 | 20.2 | |
| Power Technique | 458 | 427 | 546 | 452 | 408 | 484 | 449 | 428 | 520 | 616 | 532 | |
| - as a percentage of revenues | 15.7 | 13.2 | 17.9 | 15.5 | 15.0 | 15.9 | 15.2 | 13.9 | 16.4 | 17.6 | 16.4 | |
| Common Group functions/ Eliminations | -369 | -111 | -96 | -207 | -137 | -255 | -340 | -309 | -386 | -446 | -458 | |
| Operating profit | 4 527 | 5 042 | 5 321 | 4 882 | 4 170 | 4 769 | 5 074 | 5 785 | 5 711 | 5 988 | 6 268 | |
| - as a percentage of revenues | 18.9 | 20.1 | 21.4 | 19.5 | 18.6 | 19.4 | 19.6 | 20.3 | 20.4 | 20.6 | 22.0 | |
| Net financial items | -229 | -220 | -270 | -178 | -181 | -341 | -304 | -167 | -215 | -368 | -201 | |
| Profit before tax | 4 298 | 4 822 | 5 051 | 4 704 | 3 989 | 4 428 | 4 770 | 5 618 | 5 496 | 5 620 | 6 067 | |
| - as a percentage of revenues | 17.9 | 19.2 | 20.3 | 18.8 | 17.8 | 18.0 | 18.5 | 19.7 | 19.6 | 19.4 | 21.3 | |

Acquisitions

| Date | Acquisitions | Divestments | Business area* | Revenues MSEK** | Number of employees** |
|--------------|---|-------------|--------------------------|-----------------|-----------------------|
| 2017 Sep. 7 | C.H. Spencer & Company Co. | | Compressor Technique | | 40 |
| 2017 Aug. 8 | Glauber Equipment Corporation (certain assets) | | Compressor Technique | | 16 |
| 2017 Jul. 4 | Mobilaris MCE AB (34%) | | Mining & Rock Excavation | 30 | 20 |
| 2017 May 3 | Itubombas Locação Comércio Importação e Exportação | | Construction Technique | 50 | 40 |
| 2017 May 3 | Pressure Compressores | | Compressor Technique | 145 | 150 |
| 2017 Mar. 2 | Orcan Basincli <i>Distributor Turkey</i> | | Compressor Technique | | 17 |
| 2017 Feb. 2 | Erkat Spezialmaschinen und Service | | Construction Technique | 110 | 38 |
| 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 Jul. 4 | Roxel Rental | | Construction Technique | 12 | 2 |
| 2016 Jun. 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 |

*Effective July 17, 2017, Construction Technique has changed name to Power Technique. As of January 1, 2017, Leybold, CSK and Capitol Research Equipment belong to Vacuum Technique business area.

**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 2017, full disclosure as per IFRS 3 is not given in this interim report. Disclosure will be given in the annual report 2017. See the annual report for 2016 for disclosure of acquisitions made in 2016.

Parent company**Income statement**

| MSEK | July - September | | January - September | |
|-------------------------------------|------------------|-------------|---------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| Administrative expenses | -155 | -175 | -554 | -433 |
| Other operating income and expenses | -3 | 41 | 8 | 113 |
| Operating profit/loss | -158 | -134 | -546 | -320 |
| Financial income and expenses | 5 095 | 387 | 10 436 | 2 348 |
| Profit/loss before tax | 4 937 | 253 | 9 890 | 2 028 |
| Income tax | 62 | 94 | 507 | 277 |
| Profit/loss for the period | 4 999 | 347 | 10 397 | 2 305 |

Balance sheet

| MSEK | Sep. 30 | Sep. 30 | Dec. 31 |
|-------------------------------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2016 |
| Total non-current assets | 112 451 | 111 237 | 110 912 |
| Total current assets | 22 504 | 8 347 | 12 186 |
| TOTAL ASSETS | 134 955 | 119 584 | 123 098 |
| Total restricted equity | 5 785 | 5 785 | 5 785 |
| Total non-restricted equity | 37 679 | 29 429 | 35 578 |
| TOTAL EQUITY | 43 464 | 35 214 | 41 363 |
| Total provisions | 599 | 368 | 413 |
| Total non-current liabilities | 54 559 | 53 186 | 53 200 |
| Total current liabilities | 36 333 | 30 816 | 28 122 |
| TOTAL EQUITY AND LIABILITIES | 134 955 | 119 584 | 123 098 |
| Assets pledged | 397 | 259 | 988 |
| Contingent liabilities | 8 247 | 8 185 | 8 161 |

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 |
| Total | 1 229 613 104 |
| - of which A shares held by Atlas Copco | -15 087 034 |
| - of which B shares held by Atlas Copco | -332 659 |
| Total shares outstanding, net of shares held by Atlas Copco | 1 214 193 411 |

Performance-based personnel option plan

The Annual General Meeting 2017 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, see 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 2 950 000 series A shares, whereof a maximum of 2 900 000 may be transferred to personnel stock option holders under the performance-based stock option plan 2017.
- 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 5 100 000 series A and B shares currently held by the company, for the purpose of covering costs of fulfilling obligations related to the option plans 2012, 2013 and 2014.
- The shares may only be acquired or sold on NASDAQ Stockholm at a price within the registered price interval at any given time.

During the first nine months of 2017, 273 650 series A shares, net, were acquired. 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 2016 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 2016.

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

Business areas

Atlas Copco has five 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 compressed air solutions; industrial compressors, 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, India, Germany and Italy.

The **Vacuum Technique** business area provides vacuum products, exhaust management systems, valves and related products mainly under the Edwards, Leybold and Atlas Copco brands. The main markets served are semiconductor and scientific as well as a wide range of industrial segments including chemical process industries, food packaging and paper handling. The business area has a global service network and innovates for sustainable productivity in order to further improve its customers' performance. Principal product development and manufacturing units are located in the United Kingdom, Czech Republic, Germany, South Korea, China and Japan.

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 **Power Technique** business area provides air, power and flow solutions through products such as mobile compressors, pumps, light towers and generators, along with a number of complementary products. It also offers specialty rental and provides services through a dedicated, global network. Power Technique innovates for sustainable productivity across multiple industries, including construction, manufacturing, oil and gas and exploration drilling. The business area is headquartered in Belgium. Principal product development and manufacturing units are located in Europe, Asia, South America and North America.

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

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Conference call for the third-quarter 2017

A conference call for investors, analysts and media will be held on October 18, at 3.00 PM CEST.

The dial-in numbers are:

- Sweden: +46 8 566 426 66
- UK: +44 20 300 898 02
- US: +1 855 753 2237

The conference call will be broadcasted live via the Internet. Please visit our website for link and presentation material:
<http://www.atlascopcogroup.com/investor-relations>

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

Capital Markets Day 2017

Atlas Copco will host its annual Capital Markets Day on November 14, 2017, in Stockholm, Sweden. Please see:
<http://www.atlascopcogroup.com/CMD2017>

Fourth-quarter report 2017

The Q4 2017 report will be published on January 26, 2018. (Silent period starts December 28, 2017)

Annual General Meeting 2018

The Annual General Meeting for Atlas Copco AB will be held April 24, 2018 at 4 PM CEST in Aula Medica, Nobels väg 6, Solna, Sweden.

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 CEST on October 18, 2017.