Atlas Copco Board of Directors proposes to split the Group in 2018

Stockholm, Sweden, January 16, 2017: Atlas Copco, a leading provider of sustainable productivity solutions, will initiate work in order to propose to the Annual General Meeting 2018 to decide on a split of the Group into two listed companies, Atlas Copco and “NewCo” (working name), and to distribute NewCo to the shareholders.

NewCo will focus on mining/civil engineering customers and include the existing Mining and Rock Excavation Technique business area and the Construction Tools division with related service operations. This business has approximately 12,000 employees and had pro forma revenues of BSEK 28 (BEUR 3.0) and an operating margin of about 16% for the 12 months ended September 30, 2016.

Atlas Copco will focus on industrial customers and include the Compressor Technique, Vacuum Technique and Industrial Technique business areas plus the Portable Energy division, including service, and the Specialty Rental division. This business has approximately 33,000 employees and pro forma revenues of BSEK 74 (BEUR 7.9) and an operating margin of about 20% for the 12 months ended September 30, 2016.

“The Board and Management believe that long-term shareholder value will be created by splitting the Group into two separate companies,” said Hans Stråberg, Chair of the Board of Directors of Atlas Copco AB. “Both businesses are global leaders in their respective fields and will benefit from a more focused management responsibility.”

The Atlas Copco Group covers a diverse range of business segments and end-customers. Atlas Copco has over the years grown profitably and developed strong customer relations globally.

“The two businesses have different demand drivers and demand characteristics,” said Ronnie Leten, President and CEO of the Atlas Copco Group. “A split will increase their respective abilities to add value to customers, grow the business and attract talent.”

If the shareholders decide in favor of the proposal, the split of the Group is planned to be done through a share distribution, whereby Atlas Copco AB’s shareholders will receive shares in NewCo AB in proportion to their existing shareholding. The intention is to list NewCo AB on the Nasdaq Stockholm stock exchange in Stockholm, Sweden, in the second quarter 2018.

The distribution of NewCo AB is foreseen to meet the requirements of Lex Asea, meaning that the Swedish-based shareholders of Atlas Copco AB are taxed only on the value of the shares received when they sell them.

For more information, please see [http://www.atlascopco.com/investor-relations/](http://www.atlascopco.com/investor-relations/).

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This information is information that Atlas Copco AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact persons set out above, at 8.30 am CET on January 16, 2017.

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 services 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 more than 180 countries. In 2015, Atlas Copco had revenues of BSEK 102 (BEUR 11) and more than 43,000 employees. Learn more at www.atlascopco.com.