Press Release from the Atlas Copco Group

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The Board of Directors’ proposal for a redemption procedure

Stockholm, Sweden, February 2, 2011: The financial position of Atlas Copco is strong and therefore the Board of Directors proposes to the Annual General Meeting a redemption procedure.

Atlas Copco has generated significant cash flows both during the financial crisis and during the fast growth of 2010. Without jeopardizing the capacity to finance further growth, the Board of Directors proposes to the Annual General Meeting a share redemption procedure, whereby every share is split into 1 ordinary share and 1 redemption share. The redemption share is then automatically redeemed at SEK 5.00 per share. Excluding shares currently held by the company this corresponds to a total of MSEK 6 092. Combined with the proposed ordinary dividend of SEK 4.00 per share, shareholders will receive MSEK 10 966.

The redemption is subject to approval at the Annual General Meeting 2011 on the following:

- Amendment of the Articles of Association, so that the permitted range of number of shares is increased from a minimum of 300 million and a maximum of 1.2 billion to a minimum of 1.0 billion and a maximum of 4.0 billion. At the same time, the maximum number of series A shares, as well as of series B, is increased from 2.0 billion of each to 4.0 billion of each.
- Share split, through which each existing share, of series A as well as of series B, will be divided into two shares, of which one will be named redemption share.
- Reduction of the share capital for repayment to the shareholders by way of redemption of 1 229 613 104 shares, whereby shares of series A and series B will be redeemed in proportion to the number of shares of the respective series issued.
- Increase of the share capital by SEK 393 004 095 by way of a bonus issue, whereby the Company's non-restricted equity is to be made use of.

The suggested record day for the share split is May 13, 2011. Trading in the redemption shares is estimated to take place on NASDAQ OMX Stockholm on May 16 – June 8, 2011, after which the redemption shares will automatically be redeemed. The payment of the redemption price is estimated to be made around June 15, 2011.

Atlas Copco discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act.

Atlas Copco is an industrial group with world-leading positions in compressors, construction and mining equipment, power tools and assembly systems. The Group delivers sustainable solutions for increased customer productivity through innovative products and services. Founded 1873, the company is based in Stockholm, Sweden, and has a global reach spanning more than 170 countries. In 2010, Atlas Copco had about 33 000 employees and revenues of BSEK 70 (BEUR 7.3). Learn more at www.atlascopco.com.