

Translation

ARTICLES OF ASSOCIATION OF ATLAS COPCO AKTIEBOLAG Adopted at the Annual General Meeting April 27, 2005

§ 1

The name of the Company is Atlas Copco Aktiebolag. The Company is "publikt" (publ).

§ 2

The Board of the Company shall have its registered office in the municipality of Nacka.

§ 3

The object of the Company is to carry out, directly or through wholly or partly owned enterprises, mechanical engineering business and equipment rental business as well as other activities consistent therewith.

§ 4

The share capital shall amount to not less than 300,000,000 SEK and not more than 1,200,000,000 SEK.

The shares can be issued in three series, Series A, Series B and Series C. Shares of Series A can be issued to a number of not more than 960,000,000 and shares of Series B to a number of not more than 720,000,000. Shares of Series C can be issued to a number of not more than 209.602.184.

Each share of Series A is entitled to one vote and each share of Series B and Series C respectively to one tenth of a vote. Each share of Series A and Series B carries equal rights to a part of the Company's assets and profit. Series C shares do not carry any right to dividends. Series C shares carry equal rights to the Company's assets and profit as the other shares, however, not with a higher amount than the subscription price paid for the share adjusted as per the day of redemption due to the liquidation of the Company by an interest rate of STIBOR 30 days plus 0.05 percentage units, calculated from the day of payment of the subscription price.

If the company decides to make a cash issue of new shares of Series A and Series B and Series C, each shareholder of Series A shares and Series B and Series C shares shall have the preferential right to subscribe for new shares of the same class in relation to the number of shares held by the shareholder prior to the new issue (primary priority). Shares that are not subscribed for with primary priority shall be offered for subscription by all shareholders (subsidiary priority). If the number of shares thus offered is not sufficient for the subscription made with subsidiary priority, the shares shall be allocated among the subscribers in relation to the number of shares owned prior to the new issue, irrespective of their shares being of Series A or Series B and, to the extent this cannot be effected, the shares shall be allocated by way of lottery.

If the Company decides to make a cash issue of shares of Series A or Series B or Series C only, all shareholders shall have the preferential right to subscribe for new shares in relation to the number of shares owned prior to the new issue, irrespective of their shares being of Series A or Series B or Series C.

The above stipulations do not constitute any limitation of the possibility to decide on a new cash issue which excludes preferential rights of the shareholders.

In case the share capital is increased through a bonus issue, new shares shall be issued of each class in relation to the number of shares of each such class issued prior to the bonus issue. Old shares of a certain class shall thereby give a right to new shares of the same class. The above stipulations do not constitute any limitation of the possibility to issue shares of a new class through a bonus issue, after a required change of the Articles of Association.

Following a request of holders of Series C shares or a resolution by the Company's Board of Directors or the General Meeting of Shareholders, reduction of the share capital, however not below the minimum share capital allowed, may take place by way of redemption of Series C shares. A request to that effect from shareholders shall be made in writing to the Company's Board of Directors and the Board shall consider the matter urgently. The Company's resolution to reduce the share capital shall include all shares of Series C. When a resolution to reduce the share capital is made, an amount corresponding to the reduction amount shall be transferred to the statutory reserve if the required funds are available.

The redemption price for each Series C share shall be the subscription price paid adjusted as per the day of redemption with an interest rate corresponding to STIBOR 30 days plus 0.05 percentage units calculated from the day of payment of the subscription price.

Holders of shares that are subject to redemption are obliged to accept the redemption price immediately after receipt of information about the resolution on redemption, or, where the reduction is subject to the court's approval, following receipt of information that the court's final judgment has been registered.

§ 5

Each share shall have a nominal value of 1.25 SEK.

§ 6

In addition to the Board members who by law are appointed by someone other than the General Meeting of Shareholders, the Board of Directors shall consist of not less than six and not more than twelve members. These members and not more than four deputy members shall be elected by the Annual General Meeting of Shareholders for the period until the next Annual General Meeting of Shareholders has been held.

At Board meetings, only an opinion supported by more than half of the total number of Board members qualify as Board decision.

§ 7

The Board of Directors authorizes the person or persons who is (are) authorized to sign for the Company.

§ 8

The Company shall have not more than two auditors with not more than two deputy auditors.

§ 9

The calendar year shall be the financial year of the Company.

§ 10

Notice of a Meeting of Shareholders shall be announced in the Official Swedish Gazette (Post- och Inrikes Tidningar) and in Dagens Nyheter or other national newspaper.

In order to be entitled to participate in a Shareholders' Meeting, a shareholder shall register with the Company not later than 4 p.m. the day indicated in the notice of the Meeting. This day may not be a Sunday, any other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not be earlier than the fifth business day before the Meeting

§ 11

Meeting of Shareholders shall be held in Stockholm or Nacka. The Chairman of the Board or the person appointed by the Board shall open a Meeting of Shareholders and shall preside until a Chairman is elected.

§ 12

A shareholder may vote for the full number of shares that he owns or represents.

§ 13

The following matters shall be considered at an Annual General Meeting of Shareholders:

1. election of Chairman to preside at the Meeting;
2. preparation and approval of voting list;
3. approval of agenda;
4. election of one or two persons to approve the minutes;
5. determination whether the Meeting has been properly convened or not;
6. presentation of the Annual Report and the Auditors' Report and the Consolidated Annual Report and the Consolidated Auditors' Report;
7. the President's speech;
8. decision
 - a) regarding approval of the Profit and Loss Account and the Balance Sheet as well as the Consolidated Profit and Loss Account and the Consolidated Balance Sheet,
 - b) regarding discharge from liability of the Board members and the President,
 - c) regarding allocation of the Company's profit or loss according to the approved Balance Sheet,
 - d) regarding registration date for receiving dividend;
9. determination of the number of Board members and deputy members to be elected at the Meeting
10. election of Board members and, if applicable, of deputy members as well as of auditors and deputy auditors;
11. determination of remuneration to the Board of Directors and the auditors;
12. other matters properly submitted to the Meeting for consideration.

§ 14

The one who is recorded, on the registration date decided upon, in the share register or in the special register referred to in the Swedish Companies Act (1975:1385) Chap. 3, § 12 shall be considered authorized to receive dividends and, in a bonus issue, the new share(s) allocated to a shareholder and to exercise the priority right of a shareholder to participate in a new issue.

Nacka April, 2005