

Annex to Agenda Point 13

SUMMARY OF OUTSTANDING SHARE VALUE BASED INCENTIVE PROGRAMS IN ATLAS COPCO AB

Stock options and share appreciation rights

In 2000 the Board of Directors resolved to implement a worldwide incentive program 2000-2003 for key employees in the Group. The incentive program mainly included stock options, which entitle the holders to acquire Atlas Copco A shares at a pre-determined exercise price. In some countries (the United States, Belgium, Brazil, Canada, India, Malaysia and the Philippines) Share Appreciation Rights were granted instead due to legal and tax reasons.

The main terms of the 2003 stock options/share appreciation rights are the following. They are issued by Atlas Copco AB, have a term of 6 years from grant date and vest at a rate of one third per year as from the date of grant. Unvested stock options/rights are null and void at termination of employment, while vested stock options/share appreciation rights are exercisable within three months after termination of employment (12 months in case of retirement). They have been granted free of charge as a part of the compensation package and are not transferable. The exercise price/grant value is equal to 110% of the average share price of the Atlas Copco A share during a limited period before the grant date. Term, exercise price and number of granted and outstanding stock options and rights is presented on the schedule below.

The 2000, 2001 and 2002 grants have expired. No stock options or share appreciation rights were granted in 2004 and 2005.

The Annual General Meeting 2006, 2007 and 2008 resolved to implement performance related stock option plans for key employees in the Group. The performance stock option plans included that the grant of stock options would take place if set targets for the value increase of the Group expressed as Economic Value Added (EVA) were met. The targets that were set for 2006 and 2007 was met and the Board have established that the performance target for granting of personnel options in the 2008 performance stock option plan has also been met. Granting of stock options in the 2008 performance stock option plan will take place no later than during March 2009. The stock options entitle holders to acquire Atlas Copco A shares at a pre-determined exercise price.

In some countries (for example the United States, China, India, South Africa, Switzerland and the Philippines) Share Appreciation Rights are to be granted due to legal and tax reasons under the 2006-2008 plans.

Share appreciation rights do not entitle the holder to acquire shares, but only to receive the difference between the share price of the A-share at exercise and a fixed price, corresponding to the exercise price of a stock option.

The main terms of the 2006, 2007 and 2008 performance stock options/share appreciation rights are the following. They are issued by Atlas Copco AB, have a term of 5 years from grant date and vest at the rate of one third per year as from the date of grant. Unvested stock options/share appreciation rights expire at termination of employment when an employee is being fired. They have been granted free of charge as a part of the compensation package and are not transferable.

The exercise price/grant value is equal to 110% of the average share price of the Atlas Copco A share during a limited period before the grant date. In order to secure delivery of shares under the stock options, for cash payment and for social security charges that may occur, the Annual General Meeting have resolved to repurchase and transfer shares. Term, exercise price and number of granted and outstanding stock options/share appreciation rights are presented in the schedule below.

	Stock options				Share appreciation rights			
	2002	2003	2006	2007	2002	2003	2006	2007
Grant year	2002	2003	2006	2007	2002	2003	2006	2007
Initial number of employees	145	138	182	175	125	127	33	31
Initial number of options	3,378,630	3,337,362	3 187 108	3 098 987	2,964,073	2,901,889	499 360	469 985
Expiration date	May 12, 2008	May 11, 2009	March 30, 2012	March 13, 2013	May 12, 2008	May 11, 2009	March 30, 2012	March 13, 2013
Exercise price/grant value (SEK)	36,41	28,81	111,06	105,00	36,41	28,81	111,06	105,00
Type of share	A	A	A	A	A	A	A	A
Outstanding options Dec 31, 2008	0	674 175	3 187 108	3 098 987	0	266 522	499 360	469 985