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Report from Atlas Copco's Annual General Meeting 2007

Stockholm, Sweden, April 27, 2007: Atlas Copco's Annual General Meeting (AGM) was held yesterday, chaired by Sune Carlsson, chairman of the board of directors. Chief Executive Officer Gunnar Brock addressed the shareholders, highlighting the Group's growth strategy, with a continued focus on product development and expansion of the sales force.

"We have great opportunities to strengthen our position during this coming year," Brock said. "The possibly most important single factor to keep profitability and growth at a good level is product development. We need a constant stream of products, not necessarily of revolutionizing products, but what we're talking about is continuously introducing products that are better than the ones we have. Even small changes give us the possibility of increasing our market share and raising prices."

Brock noted that Atlas Copco's plan for growth includes strengthening its position in four key markets, China, India, Russia and the U.S. *"Part of this will be achieved by putting more of our resources towards reaching our customers. From 2001 until today, we have almost doubled our sales and service force."*

The income statements and the balance sheets of the parent company and the Group were approved, together with the Board's proposal for distribution of the profit.

A dividend of SEK 4.75 per share was approved. May 2, 2007, was approved as the record date to be entitled to receive dividends. Dividends are estimated to be distributed by VPC AB (the Swedish Central Securities Depository) on May 7, 2007.

Sune Carlsson, Jacob Wallenberg, Gunnar Brock, Staffan Bohman, Ulla Litzén, Grace Reksten Skaugen, and Anders Ullberg were re-elected members of the Board.

Sune Carlsson was elected Chairman of the Board and Jacob Wallenberg Vice Chairman

The Annual General Meeting resolved the Board of Directors' fee for 2007 as follows: An amount of KSEK 1 350 will be distributed to the Chairman of the Board, KSEK 500 to the Vice Chairman and KSEK 400 to each board member not employed by the company. The fee for work in the Remuneration and Audit Committees totals KSEK 500. In addition to the above, a fee of KSEK 50 to each Board member who participates in a committee in accordance with a decision of the Board of Directors

The Annual General Meeting decided to have a nomination committee consisting of the Chairman of the Board and a representative from each of the four largest shareholders in terms of voting rights. The names of the four owner representatives and the names of the

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shareholders they represent shall be made public latest six months prior to the Annual General Meeting 2008 and be based upon the known number of votes immediately prior to the publishing. The task of the Nomination Committee will be to submit proposals to the Annual General Meeting 2008 regarding chairman for the Annual General Meeting, for Board members, chairman and vice chairman of the Board of Directors, and the Board's fee, as well as to fulfil all other tasks that according to the Swedish Code of Corporate Governance are allocated to the nomination committee.

The AGM decided in accordance with the Board of Directors' proposals regarding the guiding principles for remuneration for senior executives, other employment conditions for the Group Management, and on a performance related personnel option program for 2007. The program can give a maximum of 220 key personnel in the Group the possibility to acquire a maximum of 1 600 000 Atlas Copco A-shares. The granting is dependent on the value increase of the Group expressed as Economic Value Added during 2007. The terms for the performance related personnel option program for 2006 were amended in accordance with the proposal of the Board of Directors.

Acquisition of A-shares and transfer of B-shares and A-shares

The Annual General Meeting resolved to authorise the Board of Directors to, during the period up until the next Annual General Meeting, resolve, on one or several occasions, on acquisition of a maximum of 3 200 000 A-shares, corresponding to a maximum of 0.5 per cent of the total number of shares in the company, in order to be able to fulfil the obligation to deliver shares under the company's personnel option programs 2006 and 2007. The shares may only be acquired on the Stockholm Stock Exchange and only at a price per share that falls within the registered price interval for the share at each given time.

The Annual General Meeting also resolved to, during the period up until the next Annual General Meeting, authorise the Board to resolve to transfer B-shares in the company, on one or several occasions, in order to cover costs for acquiring own A-shares, to cover cash set-offs for the case no delivery of A-shares can be made according to the terms and conditions of the company's personnel option programs or in order to fulfil alternative incentive solutions in countries where allocation of personnel options is not possible, and to cover costs, primarily social security charges. Transfer may be made of a maximum of 4 414 200 B-shares, corresponding to a maximum of 0.7 per cent of the total number of shares in the company. The shares may only be transferred on the Stockholm Stock Exchange and only at a price per share that falls within the registered price interval for the share at each given time.

The Annual General Meeting also resolved to transfer a maximum of 1 600 000 A-shares in the company in relation to the company's personnel option program 2006 and a maximum of 1 600 000 A-shares in the company in relation to the company's personnel option program 2007. A right to acquire shares is granted to the persons participating in the company's personnel option program 2006 respectively personnel option program 2007, with a right for each participant to acquire the maximum number of shares

stipulated in the terms and conditions of the respective option program. Shares are to be transferred on the terms and conditions stipulated in the respective personnel option program, meaning that what is there stated regarding price and time during which the participants are to be entitled to use their right to acquire shares is to be applicable to the transfer.

Automatic redemption procedure

The Annual General Meeting resolved on an automatic redemption procedure in accordance with the Board of Directors' proposal. The redemption procedure means that approximately MSEK 24 416, or SEK 40 per share, will be distributed to the shareholders, in addition to the ordinary dividend of SEK 4.75 per share, corresponding to SEK 44.75 per original share.

The redemption procedure includes

- Changes to the company's Articles of Association, so that the limits of the number of shares is increased from SEK 240 million – SEK 960 million to SEK 500 million – SEK 2 000 million. The permitted number of shares of series A and series B respectively is increased from 960 million of each to 2 000 million of each.
- Share split, whereby each existing share, of series A as well as of series B, is divided into three shares, of which one is to be named a redemption share.
- Reduction of the share capital for repayment to the shareholders by redemption of 628 806 552 redemption shares, of which 419 697 048 of series A and 209 109 504 of series B.
- Increase of the share capital by SEK 262 002 730 by way of a bonus issue, whereby the company's non restricted equity will be taken into account.

Record day for the share split will be on 22 May 2007. The redemption shares will be traded on the Stockholm Stock Exchange from 23 May – 12 June 2007, upon which all redemption shares will be redeemed. Payment of the redemption amount is expected to take place on 20 June 2007.

Redemption of the company's own B-shares

The Annual General Meeting further resolved on a reduction of the share capital by way of redemption of 28 000 000 of the 36 828 400 B-shares that the company will hold following the share split. The redemption will be followed by an increase of the share capital by SEK 17 500 000 by way of a bonus issue, whereby the company's non-restricted equity will be taken into account.

Statutory Board meeting

The statutory Board meeting was held after the Annual General Meeting. Ulla Litzén (Chairman), Sune Carlsson and Staffan Bohman were re-elected to serve on the Audit

Committee. Sune Carlsson (Chairman), Jacob Wallenberg and Anders Ullberg were re-elected to serve on the Remuneration Committee.

The speech to the shareholders by Gunnar Brock will be published on the Group's website: www.atlascopco.com/AGM, where also the minutes from the AGM will be published.

Atlas Copco is a world leading provider of industrial productivity solutions. The products and services range from compressed air and gas equipment, generators, construction and mining equipment, industrial tools and assembly systems, to related aftermarket and rental. In close cooperation with customers and business partners, and with more than 130 years of experience, Atlas Copco innovates for superior productivity. Headquartered in Stockholm, Sweden, the Group's global reach spans more than 150 markets. In 2006, Atlas Copco had 25 900 employees and revenues of BSEK 51 (BEUR 5.6). Learn more at www.atlascopco.com.