

Enclosure No. 5

## **ATLAS COPCO AB**

### **Statement of the Board in compliance with the Swedish Companies Act (2005:551) clauses 18:4 (dividend), 19:22 (repurchase of own shares) and 20:8 (reduction of share capital)**

The Board has proposed that the Annual General Meeting 2011 resolves on a dividend distribution of SEK 4 per share. The Board has also proposed that the Annual General Meeting resolves that an amount of 6,092 million SEK be paid to the shareholders in connection with an automatic redemption procedure including a share split 2:1, reduction of the share capital for repayment to the shareholders and a bonus issue. Finally, the Board has proposed that the Annual General Meeting resolves to authorize the Board to resolve on a re-purchase of the number of series A-shares required in connection with the proposed performance stock option plan 2011 and the share-saving/share-matching part of this plan as well as the number of shares corresponding to the synthetic shares for the Board members.

After the dividend distribution and the redemption procedure, the remaining unrestricted reserves of some 30,157 million SEK are proposed to be balanced into a new account. The total amount of the proposed dividend distribution and the proposed redemption procedure correspond to approximately 27 % of the unrestricted reserves of the Company, which in total amounts to 41,122 million SEK prior to the transactions. The redemption procedure will reduce the restricted capital with 393,004,095 million SEK, which will be fully covered by a bonus issue without shares, whereby the same amount is moved from unrestricted reserves to restricted reserves. In the Group balance sheet per December 31, 2010, the total equity available to the shareholders of the parent company, i.e. with consideration to minority holdings, amounts to 29,141 million SEK. After the proposed dividend and automatic redemption amounting in total to 10,965 million SEK, an amount of 18,176 million SEK will remain. In the Group balance sheet per 31 December, 2010,

accumulated earnings, including the result of the year 2010, amounts to 22,291 million SEK prior to the proposed dividend distribution and the redemption procedure, and to 11.326 million SEK after the dividend distribution and redemption.

The Board notes that there will be full coverage for the restricted reserves of the Company after the dividend distribution and the redemption procedure, as well as after a repurchase of own shares.

The Board makes the assessment that the Company's and the Group's own capital after the dividend distribution, the redemption procedure and the repurchase of own shares will be able to sustain the requirements which the nature, size and risks of the business will present.

The Board further considers the actions reasonable in light of the Company and the Group's consolidation requirements, liquidity and position in general.

Neither the dividend distribution, the redemption procedure or the repurchase of own shares are assumed to present any risk for the Company's or the Group's ability to fulfil its short or long term payment obligations, and neither of these measures are assumed to affect the ability of the Company to make required investments.

Reflecting this, the Board considers the proposed dividend distribution, the proposed redemption procedure and the proposed repurchase of shares to be compatible with the rules of reason expressed in Swedish Companies Act (2005:551)17:3

Nacka February 2, 2011

Atlas Copco AB

(publ)

THE BOARD OF DIRECTORS