



Corporate Action Announcement

Citibank, N.A., acting as sponsored depositary bank, announces the following:

Date: July 10, 2007

Announcement For: Redemption, Stock Split

Description

Company Name: Atlas Copco AB
Ticker Symbol: ATLKY A Share

ATLSY B Share

CUSIP Number: 049255706 A Share

049255805 B Share

Country: Sweden
Listing Exchange: OTC
Ratio (ADR:ORD): 1:1

Underlying Share Symbol: ATCOA SS A Share

ATCOB SS B Share

Underlying Share ISIN SE0000101032 A Share

SE0000122467 B Share

DR ISIN: US0492667063 A Share

US0492668053 B Share

Custodian(s): Svenska Handlesbanken

Skandinaviska Enskilda Banken

Atlas Copco Details:

- Share split 3:1 effective May 20, 2007
- Nominal value is now known as quota value.
- Each share with a nominal value of SEK 1.25 will be divided into three shares with a new quota value of SEK 0.4167
- o Two ordinary shares (one new for every one held as of the record date to equal two ordinary shares)



- Every third share, the redemption share of either Class A (Atlas AK IL A) or Class B (Atlas AK IL B), to be redeemed for SEK 40 (mandatory)
- o On June 15, 2007 the quota value will change from SEK 0.4167 to SEK 0.625
- On July 5th the VPC cancels the 28,000,000 B-shares held by Atlas Copco AB and the quota value will change from SEK 0.625 to SEK 0.639

ADR holders will receive one additional ADR and one (non-issuable) redemption share for every ADR held as of the record date.

 The redemption shares will not be issued in the US but will be held until the redemption date and the redemption proceeds will be disbursed

Interim accounting will be imposed by the NASD for this payment. All cross border conversions of ordinary shares into ADRs will be delivered by Citibank to the broker only by DWAC during the interim period.

Pursuant to the above referenced offer, the following details the Redemption proceeds distributed:

Cash Redemption Rate:

Gross Rate \$:	5.9355723	5.9355723	5.9355723
Tax Rate:	0%	15%	30%
Tax \$:	0.0000000	0.8903358	1.7806717
Dividend Fee \$:	0.0000000	0.0000000	0.0000000
Tax Relief at Source Fee \$:	0.0035000	0.0035000	0.0000000
Net Dividend Rate \$:	5.9320723	5.0417365	4.1549006

Qualified beneficial owners are entitled to a reduced tax treaty rate of 15% rather than the Unfavorable w/tax rate of 30%. U.S. Pensions qualify for 0% w/tax in Sweden.

<u>Note:</u> Tax Relief at Source Processing Fee of \$0.0035 per share is applicable for those electing the Favorable Tax Rate of 0% (tax exempt) and 15%.

ADR Stock Payable Date: May 29, 2007

ADR Cash Redemption Payable Date: July 10, 2007

Shareholder Services

Questions may be directed to Shareholder Services toll free at 1-877-248-4237

For further information on Citi's Depositary Receipt Services, visit www.citi.com/adr.

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