Press Release from the Atlas Copco Group

April 24, 2008

Atlas Copco
Interim report at March 31, 2008
(unaudited)

Continued strong sales and profit growth

- **11% organic order growth; all business areas and regions contributed.**
- **Revenues reached MSEK 17 122 (13 390), organic growth 18%.**
- **Operating profit up 28% to MSEK 3 248 (2 541), a margin of 19.0% (19.0)**
  - **in spite of negative currency impact of MSEK 380 vs previous year.**
- **Profit before tax increased 22% to MSEK 3 026 (2 477).**
- **Profit for the period was MSEK 2 376 (1 826)**
  - **whereof continuing operations MSEK 2 192 (1 773).**
- **Basic and diluted earnings per share were SEK 1.94 (1.49).**
  - **Earnings per share from continuing operations were SEK 1.79 (1.45).**
- **Operating cash flow was MSEK 900 (845).**

MSEK	January – March 2008	2007	%
Orders received	**19 505**	**16 120**	**+21**
Revenues	**17 122**	**13 390**	**+28**
Operating profit	**3 248**	**2 541**	**+28**
– as a percentage of revenues	***19.0***	***19.0***	
Profit before tax	**3 026**	**2 477**	**+22**
– as a percentage of revenues	***17.7***	***18.5***	
Profit from continuing operations	**2 192**	**1 773**	**+24**
Profit from discontinued operations, net of tax	**184**	**53**	
Profit for the period [1)]	**2 376**	**1 826**	
Basic and diluted earnings per share from continuing operations, SEK	**1.79**	**1.45**	**+23**
Basic and diluted earnings per share, SEK [1)]	**1.94**	**1.49**	

[1)] Including discontinued operations.

Near-term demand outlook
The demand for Atlas Copco's products and services from most customer segments and regions is expected to remain at a high level.

The positive outlook includes the main part of the construction segment, while certain sectors, primarily related to housing is expected to remain weak in North America and parts of Europe.

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Review of the first quarter

Market development

In **North America,** the demand for industrial equipment remained on a high level in most segments, benefitting primarily compressed air equipment and related aftermarket products. Demand for advanced assembly tools and systems from the motor vehicle industry increased compared to the levels seen in recent periods. Sales to the mining industry continued to be strong, boosted by significantly higher activity in the coal mining segment in the USA. Exploration equipment, consumables and services were also high in demand, while the demand from parts of the construction industry, primarily related to housing, was weaker than the previous year.

The demand development for all types of equipment and most customer segments continued to be strong throughout **South America**.

In **Europe**, most countries continued to see high levels of demand. Eastern Europe reported very strong growth rates for all types of equipment while growth in Western Europe was more moderate. Demand for mining equipment, predominantly in Eastern Europe, continued to increase and demand for compressed air equipment and industrial tools from manufacturing industries remained healthy. However, a more cautious attitude from parts of the construction industry affected the demand for construction equipment negatively in Western Europe.

Demand in the **Africa/Middle East** region continued to grow. Construction equipment sales grew strongly in Middle East and Northern Africa and compressed air equipment showed a good development in Southern Africa.

Demand for all types of equipment was good throughout **Asia**, with particularly strong increases in India. Growth in China and South East Asia was also very good, while it remained negative in Japan. In **Australia**, the demand from the important mining industry remained strong.

Sales bridge

	January – March	
MSEK	Orders Received	Revenues
2007	16 120	13 390
Structural change, %	+13	+13
Currency, %	-3	-3
Price, %	+3	+3
Volume, %	+8	+15
Total, %	+21	+28
2008	19 505	17 122

Geographic distribution of orders received

%, last 12 months incl. March 2008	Compressor Technique	Construction and Mining Technique	Industrial Technique	Atlas Copco Group
North America	15	23	24	19
South America	6	9	4	7
Europe	45	33	56	41
Africa/Middle East	8	15	2	10
Asia/Australia	26	20	14	23
	100	100	100	100

Earnings and profitability

Operating profit increased 28% to MSEK 3 248 (2 541), corresponding to a margin of 19.0% (19.0). All business areas contributed to the improvement in operating profit. Increased revenue volumes and a continued positive price development were the main reasons behind the strong profit development. These factors managed to more than offset the negative effects of higher material costs and an unfavorable development of exchange rates. The changes in exchange rates had a negative effect of approximately MSEK 380 compared to the previous year, or almost two percentage points effect on the operating margin. This includes some offsetting corporate hedging gains. The valuation to period-end exchange rates of customer receivables in the balance sheet, primarily in USD, CAD and ZAR, increased the negative currency impact significantly. Recent acquisitions affected the operating margin negatively by about one percentage point. A capital gain in Compressor Technique and minor restructuring costs in Construction and Mining Technique had a net positive effect of MSEK 9.

Net financial items were MSEK -222 (-64). The change in interest net to MSEK -258 (64) reflected the Group's new capital structure with more interest-bearing debt. The rest of the financial net was primarily due to positive fair value adjustments of derivatives.

Profit before tax amounted to MSEK 3 026 (2 477), corresponding to a margin of 17.7% (18.5).

Profit for the period totaled MSEK 2 376 (1 826). This includes MSEK 184 (53) from discontinued operations, due to dissolvement of tax provisions related to the sale of the equipment rental business in 2006. Basic and diluted earnings per share were SEK 1.94 (1.49). Basic earnings per share from continuing operations were SEK 1.79 (1.45).

The return on capital employed, during the last 12 months, was 31% (34, including discontinued operations) and the return on equity was 44% (51). Excluding the write-down of right to notes, made in the end of 2007, the return on capital employed was 33% and the return on equity 49%. The Group currently uses a weighted average cost of capital (WACC) of 8.5%, pre-tax equivalent approximately 11.8%, as an investment and overall performance benchmark.

Cash flow and investments

Net cash from operating activities reached MSEK 1 679 (1 512). Working capital increased MSEK 1 625 (506). The significant increase reflects the strong sales growth and longer lead times in the supply chain.

Cash flows from investing activities, excluding acquisitions and divestments of businesses, were MSEK -779 (-667).

Operating cash flow equaled MSEK 900 (845).

Net indebtedness

The Group's net indebtedness amounted to MSEK 18 532 (12 519 net cash position), of which MSEK 1 671 (1 708) was attributable to post-employment benefits. The net debt/EBITDA ratio, indicating the Group's ability to service its interest bearing debt, was 1.3. The debt/equity ratio was 115%.

Employees

On March 31, 2008, the number of employees was 33 523 (26 960). For comparable units, the number of employees increased by 2 682 from March 31, 2007.

Compressor Technique

The Compressor Technique business area consists of seven divisions in the following product areas: industrial compressors, compressed air treatment products, portable compressors and generators, gas and process compressors and expanders, service, and specialty rental.

	January – March		Change
MSEK	2008	2007	%
Orders received	**9 382**	**8 325**	**+13**
Revenues	**8 053**	**6 794**	**+19**
Operating profit	**1 643**	**1 440**	**+14**
– as a percentage of revenues	***20.4***	***21.2***	
Return on capital employed, %	**63**	**69**	

- Growth continued, adding to an already strong order book.
- Organic order growth 9%; 12% excluding the gas and process business.
- Currency changes and recent acquisitions affected profit margin negatively.

Sales bridge

	January – March	
MSEK	Orders Received	Revenues
2007	8 325	6 794
Structural change, %	+6	+6
Currency, %	-2	-2
Price, %	+2	+2
Volume, %	+7	+13
Total, %	+13	+19
2008	9 382	8 053

Industrial compressors

Order intake for stationary industrial compressors and related aftermarket products continued on high levels in all geographic regions. Segments with particularly good growth were medical air and metal machinery, the latter in which a large order was won for a new aluminum plant that will be established in Qatar. The high-pressure business had a good development for compressed natural gas (CNG) applications. Asia, the Middle East and Eastern Europe were the strongest regions for equipment sales. Demand for aftermarket products and services continued to develop favorably and solid growth was recorded in all geographic regions.

Gas and process compressors

Demand for equipment, including expanders, was good but order intake was down compared to the previous year due to the Asian region, where a number of very large orders were recorded in the first quarter last year. In all other regions the growth was strong.

Portable compressors, generators and rental

Sales of portable compressors and generators, primarily serving construction-related customers, were down in North America and Western Europe. Most other markets showed healthy growth with particularly good development in Asia.

The specialty rental business, i.e. rental of portable air and power, showed solid organic growth but was affected by recent divestments of non-core rental assets.

Product development

A renewed range of large oil-injected screw compressors, a range of medium-sized oil-free compressors and a new series of generators were all launched in the quarter. These products serve a wide variety of applications, but typical areas for the respective products above are: air-supply for large packaging equipment, air-supply for food processing and stand-by power for telecommunication.

Structural changes

In February the business area announced the divestment of Guimera S.A., Spain, a non-core part of its rental business. The divested business has annual revenues of about MSEK 130.

As per January 1, 2008 customer service and spare parts operations from other divisions within the business area have been merged into a separate service division.

During the quarter a new manufacturing plant was inaugurated in Shanghai, China and a new customer center was established in Angola.

Profit and returns

Operating profit increased 14% to MSEK 1 643 (1 440) corresponding to an operating margin of 20.4% (21.2) or 20.2% excluding an MSEK 19 gain from the sale of the rental business in Spain. The negative effect on the margin from currency changes was more than two percentage points. Recent acquisitions diluted the margin by another percentage point.

Return on capital employed (last 12 months) was 63% (69).

Construction and Mining Technique

The Construction and Mining Technique business area consists of eight divisions in the following product areas: drilling rigs, rock drilling tools, loading equipment, exploration equipment, construction tools, and road construction equipment.

MSEK	January – March 2008	2007	Change %
Orders received	**8 285**	**6 081**	**+36**
Revenues	**7 344**	**5 093**	**+44**
Operating profit	**1 252**	**912**	**+37**
– as a percentage of revenues	***17.0***	***17.9***	
Return on capital employed, %	**30**	**37**	

- Continued strong demand from the mining industry.
- 14% organic order growth over strong Q1 2007.
- Operating margin at 17.0%, negatively affected by currency changes.

Sales bridge

MSEK	January – March Orders Received	Revenues
2007	6 081	5 093
Structural change, %	+26	+26
Currency, %	-4	-4
Price, %	+4	+4
Volume, %	+10	+18
Total, %	+36	+44
2008	8 285	7 344

Mining

Sales to the mining industry continued on a high level and solid growth was recorded compared to the same quarter previous year. Demand was high for both equipment and aftermarket products in most geographic regions, with a particularly strong development in North America, Eastern Europe and Asia. Order intake for underground drilling and loading equipment remained strong in most markets. Demand for surface drill rigs used in open pit applications also continued on a high level and sales of large rotary drill rigs used in open pit coal mines showed exceptional growth in many of the major markets. The demand for exploration equipment was strong in the quarter, reflecting continued high activity among mining customers. Sales of spare parts, consumables, and service recorded healthy growth compared to the same period previous year, in line with the high activity on the market.

Construction

The demand from the construction industry varied throughout the world. The highest growth rate was noted in Asia while sales in North America and parts of Europe were below previous year's levels, primarily due to slowing demand from housing related construction. Order intake for drill rigs for surface applications, used in quarries and road construction, slowed down in some of the major markets. The demand for underground drilling rigs for infrastructure projects, e.g. tunneling and hydropower, remained healthy in most regions. Sales of light construction equipment continued on a lower level compared to the previous year. Order intake for road construction equipment was affected by the slowing housing market in some of the major regions and the order development was flat compared to the previous year.

Product development

Two new heavy compaction machines were launched in the quarter. A small remotely controlled surface drill rig was also introduced targeting the construction market. The largest grouting rig ever produced by Atlas Copco was delivered in the quarter. The rig is to be used in a tunneling project in Stockholm, Sweden and is fully automated.

Profit and returns

Operating profit increased to MSEK 1 252 (912), corresponding to an operating margin of 17.0% (17.9). Higher sales volumes and price increases had a positive effect on the margin while recent acquisitions and currency affected the margin negatively. Changes in currencies had a very negative impact of almost three percentage points on the operating margin. The Dynapac business improved in line with plans and reported a 9.6% margin before restructuring costs of MSEK 10.

Return on capital employed (last 12 months) was 30% (37).

Industrial Technique

The Industrial Technique business area consists of five divisions in the product areas industrial power tools and assembly systems.

MSEK	January – March 2008	2007	Change %
Orders received	**1 959**	**1 774**	**+10**
Revenues	**1 825**	**1 591**	**+15**
Operating profit	**412**	**378**	**+9**
– as a percentage of revenues	***22.6***	***23.8***	
Return on capital employed, %	**56**	**61**	

- 9% organic order growth, spread over all major markets.
- Strong order growth from the motor vehicle industry.
- Profit margin affected by currency and unfavorable sales mix.

Sales bridge

MSEK	January – March Orders Received	Revenues
2007	1 774	1 591
Structural change, %	+4	+4
Currency, %	-3	-3
Price, %	+1	+1
Volume, %	+8	+13
Total, %	+10	+15
2008	1 959	1 825

Order intake increased in the first quarter compared with the same period previous year. Demand within the general industry segment remained on a high level and demand from the motor vehicle industry increased.

General industry

Sales of industrial power tools to the general manufacturing industries, e.g. electrical appliances, aerospace, and shipyards continued on a high level, reflecting a healthy demand in most important markets. Following a long period of significant organic growth, the order intake was relatively flat compared to the strong first quarter the previous year. A negative development in North America was compensated by healthy growth in other regions.

Motor vehicle industry

The demand for advanced industrial tools and assembly systems from the motor vehicle industry improved and good growth was recorded in all important markets. Particularly good growth was recorded in North America and Europe, two regions that have been relatively weak over the past quarters.

The aftermarket business continued to perform well in all major markets. The strongest sales growth was recorded in Asia and North America.

Vehicle service

The vehicle service business, providing large fleet operators and specialized repair shops with tools, recorded sales in line with the level from previous year for comparable units.

Product development

In the quarter a new electric high torque nutrunner was introduced within the multibrand strategy. The ergonomically developed nutrunner offers multi torque and accuracy for applications such as assembly of trucks and excavators.

Structural changes

In September 2007, the business area announced the decision to establish a factory for assembly of pneumatic power tools in Hungary and transfer assembly from Great Britain. The Hungarian factory is now fully operational and employs some 65 people.

Profit and returns

Operating profit increased to MSEK 412 (378), corresponding to a margin of 22.6% (23.8). The margin was affected negatively by the currency changes; approximately half a percentage point and an unfavorable sales mix.

Return on capital employed (last 12 months) was 56% (61).

Previous near-term demand outlook

(Published February 4, 2008)

The demand for Atlas Copco's products and services from most customer segments and regions is expected to remain at the current high level.

The positive outlook includes the main part of the construction segment, while construction related to housing is expected to remain weak, primarily in North America.

Accounting principles

The consolidated accounts of the Atlas Copco Group are prepared in accordance with International Financial Reporting Standards (IFRS) as disclosed in the Annual Report 2007.

The interim report is prepared in accordance with IAS 34 *Interim Financial Reporting* and the Swedish Financial Accounting Standards Council's recommendation RR 31 *Consolidated Interim Reporting*.

The new or amended IFRS standards or IFRIC interpretations, which became effective January 1, 2008, have had no material effect on the financial position or results of the Group.

Risks and factors of uncertainty

Financial risks

Atlas Copco completed a multi-currency bond issue program in the second quarter of 2007 in order to adjust the balance sheet to a more efficient structure. The higher indebtedness increases the exposure to changes in interest rates, whereas the borrowings partially hedge the currency exposure of net assets of foreign subsidiaries.

Acquisitions

Atlas Copco's strategy is to grow both organically and through acquisitions. Although the Group has demonstrated in the past an ability to successfully integrate acquired businesses, the integration of new companies always carries certain risks. Costs related to acquisitions can be higher than anticipated.

Capacity constraints

Atlas Copco's manufacturing strategy is based on manufacturing of core components and outsourcing of non-core components. Currently, capacity utilization is high and if there are interruptions or lack of capacity in the supply chain, this may affect the business, result of operations, and financial position negatively.

For further information about risk factors, please see the 2007 Annual Report.

Stockholm, April 24, 2008

Atlas Copco AB
(publ)

Gunnar Brock
President and Chief Executive Officer

Consolidated Income Statement

	3 months ended		12 months ended		
MSEK	Mar. 31 2008	Mar. 31 2007	Mar. 31 2008	Mar. 31 2007	Dec. 31 2007
Revenues	17 122	13 390	67 087	51 954	63 355
Cost of sales	-10 670	-8 242	-42 324	-32 349	-39 896
Gross profit	**6 452**	**5 148**	**24 763**	**19 605**	**23 459**
Marketing expenses	-1 761	-1 481	-6 829	-5 688	-6 549
Administrative expenses	-965	-785	-3 698	-3 007	-3 518
Research and development costs	-364	-300	-1 350	-1 139	-1 286
Other operating income and expenses	-114	-41	-113	-123	-40
Operating profit	**3 248**	**2 541**	**12 773**	**9 648**	**12 066**
- as a percentage of revenues	*19.0*	*19.0*	*19.0*	*18.6*	*19.0*
Net financial items	-222	-64	-1 690	-508	-1 532
Profit before tax	**3 026**	**2 477**	**11 083**	**9 140**	**10 534**
- as a percentage of revenues	*17.7*	*18.5*	*16.5*	*17.6*	*16.6*
Income tax expense	-834	-704	-3 248	-2 570	-3 118
Profit from continuing operations	**2 192**	**1 773**	**7 835**	**6 570**	**7 416**
Profit from discontinued operations, net of tax	184	53	184	8 843	53
Profit for the period	**2 376**	**1 826**	**8 019**	**15 413**	**7 469**
- attributable to equity holders of the parent	*2 368*	*1 820*	*7 987*	*15 389*	*7 439*
- attributable to minority interest	*8*	*6*	*32*	*24*	*30*
Basic earnings per share, SEK	**1.94**	**1.49**	**6.54**	**12.36**	**6.09**
- of which continuing operations	*1.79*	*1.45*	*6.39*	*5.26*	*6.05*
Diluted earnings per share, SEK	1.94	1.49	6.54	12.34	6.09
Basic weighted average number of shares outstanding, millions	1 220.8	1 220.8	1 220.8	1 244.8	1 220.8
Diluted weighted average number of shares outstanding, millions	1 221.7	1 222.1	1 222.1	1 246.7	1 222.3

Key ratios, including discontinued operations			
Equity per share, period end, SEK	13	29	12
Return on capital employed before tax, 12 month values, %	31	34	29
Return on equity after tax, 12 month values, %	44	51	35
Debt/equity ratio, period end, %	115	-35	135
Equity/assets ratio, period end, %	27	65	26
Number of employees, period end	33 523	26 960	32 947

Earnings per share and other per share figures have been adjusted for the share split 2:1 in 2007. No adjustment has been made for the redemption of shares. To adjust historical figures also for the redemption of shares, use factor 0.85.

Consolidated Balance Sheet

MSEK	Mar. 31, 2008	Dec. 31, 2007	Mar. 31, 2007
Intangible assets	11 475	11 665	4 722
Rental equipment	1 712	1 906	2 010
Other property, plant and equipment	4 914	4 894	4 000
Financial assets and other receivables	3 827	3 413	3 000
Deferred tax assets	610	832	554
Total non-current assets	**22 538**	**22 710**	**14 286**
Inventories	13 721	12 725	9 783
Trade and other receivables	17 737	16 627	13 523
Other financial assets	1 265	1 124	944
Cash and cash equivalents	3 975	3 473	16 139
Total current assets	**36 698**	**33 949**	**40 389**
TOTAL ASSETS	**59 236**	**56 659**	**54 675**
Equity attributable to equity holders of the parent	16 068	14 524	35 629
Minority interest	113	116	101
TOTAL EQUITY	**16 181**	**14 640**	**35 730**
Borrowings	19 792	19 926	1 184
Post-employment benefits	1 671	1 728	1 708
Other liabilities and provisions	622	568	572
Deferred tax liabilities	719	823	421
Total non-current liabilities	**22 804**	**23 045**	**3 885**
Borrowings	2 309	2 743	1 672
Trade payables and other liabilities	17 041	15 303	12 652
Provisions	901	928	736
Total current liabilities	**20 251**	**18 974**	**15 060**
TOTAL EQUITY AND LIABILITIES	**59 236**	**56 659**	**54 675**

Consolidated Statement of Changes in Equity

MSEK	Equity attributable to equity holders of the parent	Equity attributable to minority interest	Total equity
Opening balance, January 1, 2007	**32 616**	**92**	**32 708**
Translation differences	1 895	4	1 899
Hedge of net investments in foreign subsidiaries	-824	-	-824
Change in fair values			
– Cash flow hedge	-86	-	-86
– Available-for-sale	562	-	562
Realized on divestments, available-for-sale	-15	-	-15
Tax on items transferred to/from equity	255	-	255
Net income and expense recognized directly in equity	**1 787**	**4**	**1 791**
Profit for the period	7 439	30	7 469
Total recognized income and expense for the period, excl. shareholders' transactions	**9 226**	**34**	**9 260**
Dividends	-2 899	-4	-2 903
Repurchase of own shares	-25	-	-25
Redemption of shares	-24 416	-	-24 416
Share-based payments, equity settled	22	-	22
Acquisition of minority interest	-	-6	-6
Closing balance, December 31, 2007	**14 524**	**116**	**14 640**

MSEK	Equity attributable to equity holders of the parent	Equity attributable to minority interest	Total equity
Opening balance, January 1, 2008	**14 524**	**116**	**14 640**
Translation differences	-619	-11	-630
Hedge of net investments in foreign subsidiaries	-26		-26
Change in fair values			
– Cash flow hedge	26		26
– Available-for-sale	-185		-185
Tax on items transferred to/from equity	-		-
Net income and expense recognized directly in equity	**-804**	**-11**	**-815**
Profit for the period	2 368	8	2 376
Total recognized income and expense for the period, excl. shareholders' transactions	**1 564**	**-3**	**1 561**
Repurchase of own shares	-21		-21
Share-based payments, equity settled	1		1
Closing balance, March 31, 2008	**16 068**	**113**	**16 181**

MSEK	Equity attributable to equity holders of the parent	Equity attributable to minority interest	Total equity
Opening balance, January 1, 2007	**32 616**	**92**	**32 708**
Translation differences	1 081	3	1 084
Hedge of net investments in foreign subsidiaries	-226	-	-226
Change in fair value			
– Cash flow hedge	-	-	-
– Available-for-sale	182		182
Tax on items transferred to/from equity	164	-	164
Net income and expense recognized directly in equity	**1 201**	**3**	**1 204**
Profit for the period	1 820	6	1 826
Total recognized income and expense for the period, excl. shareholders' transactions	**3 021**	**9**	**3 030**
Share-based payments, equity settled	-8	-	-8
Closing balance, March 31, 2007	**35 629**	**101**	**35 730**

Consolidated Statement of Cash Flows, including discontinued operations

MSEK	January – March 2008	2007
Cash flows from operating activities		
Operating profit	3 248	2 541
Depreciation, amortization and impairment	469	414
Capital gain/loss and other non-cash items	75	29
Operating cash surplus	3 792	2 984
Net financial items received/paid	114	-274
Taxes paid	-602	-692
Change in working capital	-1 625	-506
Net cash from operating activities	**1 679**	**1 512**
Cash flows from investing activities		
Investments in rental equipment	-191	-245
Investments in other property, plant and equipment	-352	-283
Sale of rental equipment	122	163
Sale of other property, plant and equipment	5	9
Investments in intangible assets	-164	-132
Sale of intangible assets	-	-1
Acquisition of subsidiaries	-4	-219
Divestment of subsidiaries	91	-759
Other investments, net	-199	-178
Net cash from investing activities	**-692**	**-1 645**
Cash flows from financing activities		
Repurchase of own shares	-21	-
Change in interest-bearing liabilities	-358	-4 348
Net cash from financing activities	**-379**	**-4 348**
Net cash flow for the period	**608**	**-4 481**
Cash and cash equivalents, beginning of the period	3 473	20 135
Exchange differences in cash and cash equivalents	-106	485
Cash and cash equivalents, end of the period	**3 975**	**16 139**

Summary of Cash Flows from Continuing and Discontinued Operations

	January – March 2008			January – March 2007		
MSEK	Continuing operations	Discont. operations	Total	Continuing operations	Discont. operations	Total
Net cash from						
— operating activities	1 679	-	1 679	1 512	-	1 512
— investing activities	-651	-41*	-692	-886	-759*	-1 645
— financing activities	-379	-	-379	-4 348	-	- 4 348
Net cash flow for the period	**649**	**-41**	**608**	**-3 722**	**-759**	**-4 481**
Cash and cash equivalents, beginning of the period			3 473			20 135
Exchange differences in cash and cash equivalents			-106			485
Cash and cash equivalents, end of the period			**3 975**			**16 139**
Depreciation, amortization and impairment						
Rental equipment	135	-	135	156	-	156
Other property, plant and equipment	198	-	198	160	-	160
Intangible assets	136	-	136	98	-	98

* Includes taxes paid, purchase price adjustment and costs related to the divestment of the equipment rental business.

Revenues by Business Area

MSEK (by quarter)	1	2	3	2007 4	2008 1
Compressor Technique	6 794	8 126	8 304	8 676	8 053
Construction and Mining Technique	5 093	6 292	6 634	7 121	7 344
Industrial Technique	1 591	1 714	1 646	1 920	1 825
Eliminations	-88	-147	-153	-168	-100
Atlas Copco Group	**13 390**	**15 985**	**16 431**	**17 549**	**17 122**

Operating profit by Business Area

MSEK (by quarter)	1	2	3	2007 4	2008 1
Compressor Technique	1 440	1 622	1 801	1 886	1 643
- as a percentage of revenues	*21.2*	*20.0*	*21.7*	*21.7*	*20.4*
Construction and Mining Technique	912	1 125	1 119	1 228	1 252
- as a percentage of revenues	*17.9*	*17.9*	*16.9*	*17.2*	*17.0*
Industrial Technique	378	392	343	426	412
- as a percentage of revenues	*23.8*	*22.9*	*20.8*	*22.2*	*22.6*
Common Group Functions/ Eliminations	-189	-102	-136	-179	-59
Operating profit	**2 541**	**3 037**	**3 127**	**3 361**	**3 248**
- as a percentage of revenues	*19.0*	*19.0*	*19.0*	*19.2*	*19.0*
Net financial items	-64	178	-419	-1 227	-222
Profit before tax	**2 477**	**3 215**	**2 708**	**2 134**	**3 026**
- as a percentage of revenues	*18.5*	*20.1*	*16.5*	*12.2*	*17.7*

Acquisitions and Divestments 2007 – 2008

Date	Acquisitions	Divestments	Business area	Sales* MSEK	Number of employees*
2008 Feb. 13		Guimera	Compressor Technique	130	92
2007 Dec. 17		ABIRD	Compressor Technique	94	31
2007 Dec. 12	KTS		Industrial Technique	75	46
2007 Nov. 1	Shenyang Ruifeng		Construction & Mining	100	700
2007 Aug. 29		Prime Industrial Rentals	Compressor Technique	112	52
2007 Aug. 1	Mafi-Trench		Compressor Technique	360	120
2007 May 31	Dynapac		Construction & Mining	4 600	2 100
2007 April 2	ABAC		Compressor Technique	1 700	650
2007 Mar. 15	Greenfield		Compressor Technique	270	200
2007 Mar. 1	Rodcraft		Industrial Technique	208	78

* Annual revenues and number of employees at time of acquisition/divestment. Due to the relatively small size of the acquisitions, full disclosure as per IFRS 3 is not given in this interim report. The annual report for 2008 will include all stipulated disclosures for acquisitions made during 2008. See the annual report for 2007 for disclosure of acquisitions and divestments made in 2007.

Contribution from Dynapac from date of control

Revenues	4 039
Operating profit	266

Parent Company

Income Statement

	January – March	
MSEK	2008	2007
Administrative expenses	-104	-74
Other operating income and expenses	39	52
Operating profit/loss	**-65**	**-22**
Financial income	2 381	323
Financial expense	-1 749	-402
Profit after financial items	**567**	**-101**
Appropriations	105	98
Profit before tax	**672**	**-3**
Income tax expense	161	39
Profit for the period	**833**	**36**

Balance Sheet

MSEK	March 31 2008	Dec 31 2007	March 31 2007
Total non-current assets	97 132	96 636	80 152
Total current assets	9 566	8 725	5 194
TOTAL ASSETS	**106 698**	**105 361**	**85 346**
Total restricted equity	5 785	5 785	5 785
Total non-restricted equity	29 674	28 638	55 748
TOTAL EQUITY	**35 459**	**34 423**	**61 533**
Untaxed reserves	1 073	1 177	1 472
Total provisions	79	138	26
Total non-current liabilities	43 310	43 662	1 053
Total current liabilities	26 777	25 961	21 262
TOTAL EQUITY AND LIABILITIES	**106 698**	**105 361**	**85 346**

Accounting principles

Atlas Copco AB is the ultimate Parent Company of the Atlas Copco Group. The financial statements of Atlas Copco AB have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RR 32:06, *Accounting for Legal Entities* as disclosed in the Annual Report 2007.

Changes in Balance Sheet

In the second quarter 2007 Atlas Copco carried out a share split with a mandatory redemption procedure. This led to a distribution of MSEK 24 416 to the shareholders in addition to the MSEK 2 899 which was distributed as ordinary dividend. The distribution reduced non-restricted equity with MSEK 27 315.

Parent Company

Distribution of shares

Share capital equaled MSEK 786 (786) at the end of the period, distributed as follows:

Class of share	Shares
A shares	839 394 096
B shares	390 219 008
Total	1 229 613 104
- of which A shares held by Atlas Copco	*-6 400 000*
- of which B shares held by Atlas Copco	*-2 428 400*
Total shares outstanding, net of shares held by Atlas Copco	1 220 784 704

According to the resolution by the AGM 2007, the company can divest own B shares and purchase 6 400 000 A shares. At year-end 2007 the company held 3 577 500 of its own B shares and 5 250 900 A shares. The transition of B shares to A shares was finalized in February and the company's present holding of own shares appear in the table above. The A shares are held for possible delivery under the company's personnel stock option programs. Proceeds from divested B shares can be used to cover related costs for social security charges.

Risks and factors of uncertainty

Financial risks

Atlas Copco completed a multi-currency bond issue program in the second quarter of 2007 in order to adjust the balance sheet to a more efficient structure. In addition, the parent company also borrowed funds internally within the Group. The higher indebtedness increases the exposure to changes in interest rates, whereas the borrowings partially hedge the currency exposure of net assets of foreign subsidiaries.

Related parties

There have been no significant changes in the relationships or transactions with related parties compared with the information given in the Annual Report 2007.

Financial targets

The overall objective for the Atlas Copco Group is to grow and to achieve a return on capital employed that will always exceed the Group's average total cost of capital.

The financial targets are:

- to have an annual revenue growth of 8%;
- to reach an operating margin of 15%; and
- to challenge and continuously improve the efficiency of operating capital in terms of fixed assets, stocks, receivables, and rental fleet utilization.

This will have the result that shareholder value is created and continuously increased.

Forward-looking statements

Some statements in this report are forward-looking, and the actual outcomes could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcomes. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact of competing products and their pricing, product development, commercialization and technological difficulties, interruptions in supply, and major customer credit losses.

Atlas Copco AB

Atlas Copco AB and its subsidiaries are sometimes referred to as the Atlas Copco Group, the Group or Atlas Copco. Atlas Copco AB is also sometimes referred to as Atlas Copco. Any mentioning of the Board of Directors or the Directors refers to the Board of Directors of Atlas Copco AB.

For further information

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Conference call

A conference call to comment on the results will be held at 3:00 PM CEST / 9:00 AM EDT, on April 24.

The dial-in number is +44 (0)20 7806 1965 and the code to attend the call is 8787486.

To help ensure that the conference call begins in a timely manner, please dial in 5-10 minutes prior to the scheduled start time.

The conference call will be broadcasted live via the Internet. Please see the Investor Relations section of our website for link, presentation material, and further details: www.atlascopco.com/ir

A recording of the conference call will be available for 2 days on +44 (0)20 7806 1970 with access code 8787486#.

Interim report on Q2 2008

The second quarter report will be published on July 18, 2008.