

Press Release from the Atlas Copco Group

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Atlas Copco to acquire Japanese air tool manufacturer

Stockholm, Sweden, October 10, 2005: Atlas Copco KK Japan has signed an agreement to acquire Japanese tool manufacturer Fuji Air Tools Co. Ltd. Fuji Air Tools has annual sales of MSEK 190 (MJPY 2 750) and 120 employees. The acquisition is subject to regulatory approvals and is expected to be completed in November, 2005.

Fuji Air Tools has its head office and primary operations in Osaka, Japan, and joint ventures in Australia, India, Brazil and Mexico. The company manufactures and distributes a wide range of standard and specialized air powered tools and accessories for customers within markets such as general industry and the motor vehicle industry.

Fuji Air Tools will become part of the Chicago Pneumatic (CP) division within Atlas Copco's Industrial Technique business area. The present majority owner and General Manager, Mr. Muneyoshi Inoue, will continue as General Manager for the company. Fuji's product line complements and gives more depth to CP's existing range. The production unit in Osaka will also provide key strategic sourcing and serve as a support to CP's operations in China.

"The addition of Fuji Air Tools into the Atlas Copco Group will provide an important gateway into the Japanese and Asian motor vehicle industry," says Fredrik Möller, Business Area President, Industrial Technique. "Through this acquisition, we will also get access to a very capable and competitive supplier base."

CP is increasing its presence in the industrial and automotive businesses, including an equity joint venture in China, CP Qianshao (Qingdao) Power Tools Ltd., 2004; and the acquisitions of CP Scanrotor, Sweden, 2004; and of CP Techmotive, United States, which was completed earlier this year.

Atlas Copco is an international industrial Group with its head office in Stockholm, Sweden. In 2004, the Group had revenues of approximately BSEK 49 with 98% of revenues outside Sweden. The Group has more than 25 000 employees. The Group produces and markets compressed air equipment and generators, construction and mining equipment, industrial tools, and assembly systems and offers related service and equipment rental. The Atlas Copco Group includes famous brands such as Atlas Copco, RSC Equipment Rental, and CP Chicago Pneumatic. More information can be found on www.atlascopco.com.

The CP division within the Industrial Technique business area is comprised of some of the world's major and long standing power tools manufacturers: CP Chicago Pneumatic, CP Desoutter, CP Georges Renault, CP Qianshao, CP Scanrotor and CP Techmotive, now fully integrated into one business. CP develops, manufactures and markets an extensive range of products, from simple fastening tools, drills and abrasive tools to the most advanced assembly and drilling systems available. The division has five focus market sectors: vehicle service, land transportation, air and spacecraft, light assembly and general industry. Primary markets include North America, Europe, and Asia. Please visit CP website for more information: www.cp.com.