

Press Release from the Atlas Copco Group

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Atlas Copco to acquire compressed air treatment company in the United States

Stockholm, Sweden, October 13, 2005: Atlas Copco North America Inc. has signed an agreement to acquire Pneumatech Inc. and ConservAIR Technologies Company LLP, of the United States. The companies have a consolidated turnover of approximately MSEK 140 (MUSD 18) and 175 employees. The expected closing date of the acquisition is October 31, 2005.

Pneumatech Inc. is a manufacturer of compressed air and gas drying and filtration equipment. It has been operating in the air treatment industry since 1966. It has production facilities in the United States and China. ConservAIR, acquired by Pneumatech in 1991, has developed and patented its proprietary line of compressed air management systems. See also www.pneumatech.com.

The acquisition is in line with Atlas Copco's strategy to offer complete solutions to its customers.

"Through the acquisition we will be able to offer our customers a wider and more complete range of air treatment equipment. It also brings our production closer to customers in some key markets, increasing our presence in both the North American and the Chinese markets," says Bengt Kvarnäck, Business Area President, Atlas Copco Compressor Technique.

Pneumatech and ConservAIR will become part of Atlas Copco Compressor Technique's Industrial Air division. They will continue to operate under the Pneumatech and ConservAIR brand names.

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. More information can be found on atlascopco.com.

Industrial Air is a division within the business area Compressor Technique of the Atlas Copco Group with the main production center located in Antwerp, Belgium. The division develops, manufactures and markets worldwide a vast range of oil injected and oil-free air compressors and Quality Air Solutions used in all kinds of industries. Professional aftermarket support and air monitoring are equally part of the added value product offer. By nature and innovative design Industrial Air provides increased customer value and cares for the environment.

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