

Press Release from the Atlas Copco Group

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Atlas Copco invests in new factory in China

Stockholm, Sweden, February 8, 2006: Atlas Copco (China) Investment Company Ltd has opened an assembly facility, distribution center and service workshop in the Nanjing Economic and Technological Development Zone, which will give shorter lead times, better service and higher quality products to customers.

The new wholly owned foreign enterprise, Atlas Copco (Nanjing) Construction and Mining Equipment Ltd, will assemble construction and mining equipment, mainly drill rigs, predominantly for the Chinese market. It will also serve as a competence center and distribution center for these products.

Atlas Copco Construction and Mining Technique has over eleven years manufacturing experience and a leading market position in China. The new facility has better flow and higher production volume than the former joint venture which it replaces. It is roughly 30% bigger than the old facility and is large enough for the creation of additional assembly space, planned for 2007/2008. The investment is in line with Atlas Copco's growth strategy and its goal of owning 100% of its companies in China.

"The new factory is designed for "demand flow assembly", which will ensure shorter lead times and less inventory, which will better serve customers and have a positive cost effect. The environment is also better, which contributes to higher quality," says Björn Rosengren, President, Atlas Copco Construction and Mining Technique.

Atlas Copco is an international industrial Group with its head office in Stockholm, Sweden. In 2005, the Group had revenues of approximately BSEK 53, with 98% of revenues outside Sweden. The Group has more than 27 000 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.

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