

Press Release from the Atlas Copco Group

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Atlas Copco to explore an exit from its Rental Service business

Stockholm, Sweden, February 2, 2006: Following a thorough strategic review, Atlas Copco has decided to explore in detail an exit from the construction equipment rental operations, i.e. the U.S.-based Rental Service Business Area. In 2005, the business area had revenues of MSEK 11 604 (MUSD 1 556), operating profit of MSEK 2 666 (MUSD 357) and 5 100 employees.

"The Rental Service business is growing and performing extremely well," says Gunnar Brock, President and CEO, Atlas Copco Group. "The operating environment and the business characteristics, however, are very different from Atlas Copco's industrial equipment operations and the possibilities to capture and develop synergies are limited."

The Atlas Copco Group's strategy is to be and remain a global leader in its businesses. The Atlas Copco Rental Service operation is only active in North America. *"To grow Rental Service aggressively - in North America and even more so internationally - would accentuate the operational differences and lack of synergies vis-à-vis the rest of the Group. This would also change the Atlas Copco Group's business and capital profile in an unwanted direction,"* says Gunnar Brock.

The process to explore different exit alternatives will start immediately, with the aim of generating the highest possible value for the Atlas Copco shareholders. Deutsche Bank has been retained to advise and assist in this process.

Atlas Copco sees attractive opportunities to develop its industrial equipment operations. Following a completed transaction, Atlas Copco's capital structure will be adjusted to reflect the characteristics and growth potential of these operations.

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.

Atlas Copco Group Center

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