

Press Release from the Atlas Copco Group

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Atlas Copco continues restructuring of pneumatic tools production

Stockholm, Sweden, June 12, 2008: Desoutter Ltd., part of Atlas Copco Industrial Technique, intends to transfer its manufacturing operations in Hemel Hempstead, Great Britain, to other manufacturing units within the Group and to sub-suppliers. The move is part of a process to strengthen the long-term cost competitiveness of the business area.

The proposed plan is subject to consultation. The reorganization will lead to the closure of the Hemel Hempstead factory, resulting in redundancies for approximately 95 employees.

“Focusing our manufacturing operations to fewer locations will give us increased efficiency of production and administration. This is an important step to be able to operate in the market with a greater competitive edge, to the benefit of our customers”, says Mats Rahmström, Business Area President of Atlas Copco Industrial Technique. “We are now entering into full and detailed consultation with our employees and will take every reasonable action to assist those affected in achieving alternative employment either within or outside of the Atlas Copco Group.”

The factory is producing components for pneumatic tools of the CP Desoutter brand. The changes will not have any effect on the marketing, sales and service of CP Desoutter products.

The transfer of the production from Hemel Hempstead is expected to be finalized by the end of December, 2008. Costs related to the move are estimated to MSEK 36. The transfer follows the move of assembling of pneumatic power tools from Hemel Hempstead to a new plant in Hungary, initiated late 2007.

Atlas Copco may be required to disclose the information provided herein pursuant to the Securities Markets Act.

Atlas Copco is a world leading provider of industrial productivity solutions. The products and services range from compressed air and gas equipment, generators, construction and mining equipment, industrial tools and assembly systems, to related aftermarket and rental. In close cooperation with customers and business partners, and with 135 years of experience, Atlas Copco innovates for superior productivity. Headquartered in Stockholm, Sweden, the Group's global reach spans more than 160 markets. In 2007, Atlas Copco had 33 000 employees and revenues of BSEK 63 (BEUR 6.7). Learn more at www.atlascopco.com.

Atlas Copco's Industrial Technique business area develops, manufactures and markets industrial power tools, assembly systems, aftermarket products, software and service. It innovates for superior productivity for applications in the automotive and aerospace industry, general industrial manufacturing and maintenance, and vehicle service worldwide. Principal product development and main manufacturing units are in Sweden, Great Britain, France. More information is available on www.atlascopco.com.

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