

Press Release from the Atlas Copco Group

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Atlas Copco reorganizes roller manufacturing in Sweden

Stockholm, Sweden, August 14, 2012: Atlas Copco has decided to reorganize the production of road construction equipment in Karlskrona, Sweden, to create a more competitive production unit with stronger future growth potential. The planned activities will require an investment of about MSEK 30, and unfortunately also a reduction of the workforce.

A full analysis of the Karlskrona facility has been carried out after the first flow-based production line was started up in March this year. The investments to be carried out in the coming 12 months will be used to rationalize the setup for logistics and assembly at the factory site, bringing the cost level closer to that of other production units and freeing up space for future manufacturing of products.

Atlas Copco's subsidiary Dynapac Compaction Equipment AB has today therefore given notice to Arbetsförmedlingen (Public Employment Service) about a reduction of 83 blue-collar employees. Negotiations with the local metal workers union will begin immediately.

"Given the ongoing changes and the current production volumes, it has become clear that these are difficult but necessary decisions to ensure we have a competitive facility that lives up to the full potential of its application and product knowledge," said Nico Delvaux, President of Atlas Copco's business area Construction Technique. "We will do all we can to support employees who are affected by these measures."

The factory in Karlskrona, which primarily manufactures soil and asphalt rollers, currently has 493 employees. The facility will be developed as Atlas Copco's competence center for design and production of premium rollers.

Atlas Copco is an industrial group with world-leading positions in compressors, expanders and air treatment systems, construction and mining equipment, power tools and assembly systems. With innovative products and services, Atlas Copco delivers solutions for sustainable productivity. The company was founded in 1873, is based in Stockholm, Sweden, and has a global reach spanning more than 170 countries. In 2011, Atlas Copco had 37 500 employees and revenues of BSEK 81 (BEUR 9). Learn more at www.atlascopco.com.

Atlas Copco's Construction Technique business area provides construction and demolition tools, portable compressors, pumps and generators, lighting towers, and compaction and paving equipment. It offers service through a global network. Construction Technique innovates for sustainable productivity in infrastructure, civil works and road construction projects. Principal product development and manufacturing units are located in Belgium, Germany, Sweden, China and Brazil.