

Atlas Copco To Expand Into Vacuum Solutions

Atlas Copco

Stockholm, Sweden - Atlas Copco AB and Edwards Group Ltd. have entered into an agreement where Atlas Copco will acquire Edwards, a leading global supplier of vacuum and abatement solutions for an amount of up to BSEK 10.6 (BUSD 1.6). The company is headquartered in the United Kingdom and listed on the NASDAQ stock exchange in New York.

“Edwards is a technology leader with a well-developed structure and solid customer relationships in industries we know well. It is a great fit for Atlas Copco,” said Ronnie Leten, President and CEO at Atlas Copco. “The vacuum solutions market is growing and has similar characteristics to our existing industrial businesses.”

Edwards is a technology and market leader in sophisticated vacuum products and abatement solutions with more than 90 years' experience. The products and services are integral to manufacturing processes, such as for semiconductors and flat panel displays, and are used within an increasingly diverse range of industrial applications. The vacuum solutions market is estimated to be larger than BSEK 40 (BUSD 6). Edwards has more than 3 200 employees and is headquartered in Crawley, United Kingdom.

The acquisition of Edwards offers Atlas Copco an opportunity to expand into a growing business which serves industries that are well-known to Atlas Copco. There are several synergies between vacuum and compressed air solutions in sales, service and technology development.

“We recognize the strength Edwards has in its people and products as well as their excellence in technology and innovation. We are excited that this professional company will join our Group,” said Ronnie Leten.

Edwards had revenues in 2012 of MGBP 595 (MSEK 6 400), of which more than half in Asia, with an adjusted EBITDA margin was 19.1 percent. The reported operating margin was 10.6 percent, including restructuring costs and amortization of the sellers' purchase price adjustments, corresponding to about 4 percentage points of revenues. Atlas Copco will pay up to USD 10.50 per share, corresponding to an enterprise value of BSEK 10.6 (BUSD 1.6), including BSEK 2.8 (BUSD 0.4) of assumed net debt. Edwards's shareholders will initially receive USD 9.25 per share and once the audited 2013 income statement is final, an additional payment of up to USD 1.25 per share will be made. The additional amount is linked to the revenue and EBITDA performance in 2013; revenues within the range of MGBP 587.5 to MGBP 650 and adjusted EBITDA within the range of MGBP 113.9 to MGBP 145. Analysts' consensus for the full year and Edwards's strong start to the third quarter point towards the upper end of the additional payment range. Depending on the amount of any additional payment, the offer represents a premium of 11 percent to 26 percent to Edwards's 30-day average closing share price of USD 8.33 up to

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August 16, 2013, the last trading day prior to this announcement.

The acquisition is an all-cash transaction utilizing Atlas Copco's existing own funds.

The transaction, which will be completed by way of a merger, is subject to customary closing conditions including Edwards shareholder approval and antitrust clearance. It has been unanimously approved by the Boards of Directors of both companies. Further, the Board of Directors of Edwards unanimously recommends the offer to all Edwards shareholders. The transaction is expected to close in the first quarter of 2014. Edwards shareholders representing approximately 84 percent of the current shares outstanding have entered into voting agreements with Atlas Copco to vote in favor of the transaction. Edwards will be part of Atlas Copco's new Vacuum Solutions division within the Compressor Technique business area.

Atlas Copco discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act.

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 2012, Atlas Copco had 39 800 employees and revenues of BSEK 90.5 (BEUR 10.5). Learn more at www.atlascopco.com [1].

Atlas Copco's Compressor Technique business area provides industrial compressors, gas and process compressors and expanders, air and gas treatment equipment and air management systems. It has a global service network and offers specialty rental services. Compressor Technique innovates for sustainable productivity in the manufacturing, oil and gas, and process industries. Principal product development and manufacturing units are located in Belgium, Germany, the United States, China and India.

More information about Edwards on www.Edwardsvacuum.com [2].

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