



press information

Group Communications

CONTACT: Annika Berglund, Senior Vice President, Group Communications
Phone +46 8 743 8070 or +46 70 322 8070, annika.berglund@se.atlascopco.com

Brock comments on Atlas Copco's Q3 results, 2003

Stockholm, Sweden, October 23, 2003—Today, the Atlas Copco Group reported its third quarter results. *"The order volume turned positive and we have achieved an improved profitability,"* says Gunnar Brock, President and CEO. *"The increase in volume, continued efficiency measures, and price increases all added to the positive results."*

Orders received in the third quarter were MSEK 11,607 (11,833), corresponding to a volume increase of 5% after adjusting for a negative currency effect of 9%. Also revenues were up 5% in volume, at MSEK 11,598 (11,873). Profit after financial items increased to MSEK 1,368 (1,241), corresponding to a margin of 11.8% (10.5), despite a negative currency impact of MSEK 300. The operating margin was 12.7% (11.8). Earnings per share were up 15%, to SEK 4.25 (3.69). The operating cash flow remained high.

"We had an order volume growth in all regions. The depreciation of the U.S. dollar is putting a lot of pressure on all our operations, but we are pleased with the resilience shown by our business units. We have taken measures to further improve the efficiency of our operations, to reduce product costs and to increase prices wherever possible. Programs of various magnitudes to develop and reinforce our structure are in place in all business areas, and we are already benefiting from the results."

The acquisitions of Spanish compressor manufacturer, Puska Pneumatic S.A., and South African Professional Diamond Drilling Equipment (Pty) Ltd and Mining Drilling Services (Pty) Ltd, were finalized in the period.

For the first nine months of 2003 revenues were MSEK 33,146 (35,613), a drop of 7%, primarily reflecting a negative currency effect. This result corresponds to a 1% increase in volume. Profit after financial items was MSEK 3,536 (3,227), a margin of 10.7% (9.1). The operating profit margin was 11.6% (10.9).

Overall, demand for the Atlas Copco Group's products and services is expected to improve slightly in the near-term. *"Looking forward, the demand for industrial equipment is expected to continue to increase gradually in most geographical markets, and the demand from the mining industry is predicted to remain favorable. However, construction activity is expected to stay at a relatively low level in the United States and in the European Union, our biggest markets."*

All comparative figures are for the same period last year.

Atlas Copco is an international industrial Group with its head office in Stockholm, Sweden. In 2002, the Group had revenues of close to SEK 48 billion (EUR 5.2 billion), with 98% of revenues outside Sweden, and about 26,000 employees. The Group produces and markets compressed air equipment and generators, construction and mining equipment, electric and pneumatic tools, and assembly systems and offers related service and equipment rental. The Atlas Copco Group includes famous brands such as Atlas Copco, RSC, Milwaukee Electric Tool, Chicago Pneumatic, and AEG Power Tools. More information can be found on the web site: www.atlascopco-group.com.