

## Press Release from the Atlas Copco Group

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### **Brock comments on Atlas Copco's Q3 results 2004**

**Stockholm, Sweden, October 22, 2004:** Today, the Atlas Copco Group published its third quarter results. *"We had record profits and good volume growth,"* says **Gunnar Brock**, President and CEO. *"The operating margin was above our target of 15% for the Group, with strong contributions from all business areas"*.

The operating margin in the Rental Service business area reached an all-time high of 19.2%. *"Rental Service showed an impressive performance with very high efficiency levels and substantial price increases"*. Also the three manufacturing business areas achieved improved operating margins: Compressor Technique, 19.3%, Industrial Technique, 12.4%, and Construction and Mining Technique, 10.5%.

Orders received were up 11%, corresponding to a volume increase of 6%. Revenues were also up 6% in volume, to MSEK 12 760 (11 598). The operating margin increased to 15.4% (12.7). Profit after financial items was up 35% to MSEK 1 847 (1 368). Earnings per share were SEK 5.86 (4.25), up 38%.

Atlas Copco further strengthened its market position. Strong organic growth in many market segments was complemented by selective acquisitions: Baker Hughes Mining Tools, United States, Rotex, Finland, and Kolfor Plant, Great Britain. *"The acquired companies offer know-how and market presence in segments that are part of our core business. There are significant synergies with our operations and good opportunities for growth"*. In the quarter, Atlas Copco finalized an agreement to sell its professional electric tool business to Techtronic Industries, Hong Kong.

In its outlook for the demand of products and services in the near-term, Atlas Copco stated: In North America, the non-residential construction sector is expected to improve and the demand from the manufacturing and process industries is foreseen to stay unchanged at the current favorable level. The overall demand in Western Europe is also expected to remain at the current level, while Eastern Europe still provides good opportunities for growth. The growth of demand in Asia is expected to continue, but at a slower rate compared to the most recent quarters.

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**Atlas Copco** is an international industrial Group with its head office in Stockholm, Sweden. In 2003, the Group had revenues of approximately BSEK 45 (BEUR 4.9), 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, and CP Chicago Pneumatic. More information can be found on [www.atlascopco-group.com](http://www.atlascopco-group.com).

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