



press information

Group Communications

Mazzalupi comments on Atlas Copco's Q2 results

Stockholm, August 8, 2000—In the second quarter of 2000, the Atlas Copco Group increased its order intake, corresponding to volume gain of 13 percentage for comparable units. *"The volume development is particularly encouraging, since the period we are comparing with was relatively strong,"* said Giulio Mazzalupi, President and Chief Executive Officer of Atlas Copco. *"The demand for our products remained robust in all region in the world."*

Atlas Copco's order received for the first half of 2000 was 34 percent higher than in 1999, representing a volume increase of 13 percent after adjustment for acquisitions, etc. Revenues increased 34 percent, to SEK 21,891 m., up 11 percent in volume. The operating profit margin was 13.1 percent (10.9), and 13.5 percent in the quarter. *"Through positive volume development, and rationalizations carried out last year, we achieved a better operating margin. However, there are still a number of areas with potential for further improvements."* The targets over the next business cycle are to have an annual revenue growth of 8 percent, an average operating margin of 15 percent, and to continuously challenge the operating capital efficiency in terms of stock, receivables, and hire fleet utilization.

"During the second quarter, we finalized a number of important e-business projects such as e-commerce in the Industrial Technique business area and the Internet plant room where we can monitor, control, and administer compressors from anywhere in the world. We are currently in the process of integrating all our Internet sites and all brands in the Group can today be reached through one common gateway."

Since 1997, Atlas Copco operates in the growing equipment rental business in the United States. *"The Rental Service business area achieved a real volume increase of 11 percent in the quarter, reflecting the sustained strong outsourcing trend in the industry throughout the business cycle. As a comparison, the overall demand level in the construction industry is reported to be flat, compared with the same period last year,"* Mazzalupi says. *"Moreover, we will accelerate the process aimed at realizing synergies in the business area, in all fields."*

Overall, the strong demand for Atlas Copco's products and services is expected to remain in the near term. *"We anticipate a continued healthy demand for our products during the reminder of the year 2000."*

Atlas Copco is an international group of industrial companies with its head office in Stockholm, Sweden. In 1999, the Group had revenues of SEK 36 billion, with 98 percent of revenues outside Sweden, and over 26,000 employees. Atlas Copco companies develop, manufacture, and market electric and pneumatic tools, compressed air equipment, construction and mining equipment, assembly systems, and offer related service and equipment rental. Additional information about Atlas Copco is available at the Group's web site, www.atlascopco-group.com, which provides access to current news about the Company.

Atlas Copco Group
Summary of result for the period ended June 30, 2000

Atlas Copco Group	April - June		Change %	January – June		Change %
	2000	1999		2000	1999	
Orders received	11,620	8,743	+33	22,708	16,900	+34
Revenues	11,374	8,619	+32	21,891	16,370	+34
Operating profit	1,541	1,062	+45	2,869	1,787	+61
- as a percentage of revenues	13.5	12.3		13.1	10.9	
Profit after financial items	1,130	868	+30	2,073	1,425	+45
- as a percentage of revenues	9.9	10.1		9.5	8.7	
Earnings per share*, SEK	3.32	3.02		6.12	4.89	

*) Number of shares: 209.6 m. (183.5)

	April - June		Change %	January – June		Change %
	2000	1999		2000	1999	
Compressor Technique						
Orders received	3,879	3,433	+13	7,620	6,604	+15
Revenues	3,625	3,422	+6	6,970	6,393	+9
Operating profit	664	572	+16	1,244	962	+29
- as a percentage of revenues	18.3	16.7		17.8	15.0	
Construction and Mining Technique						
Orders received	1,802	1,582	+14	3,577	3,027	+18
Revenues	1,809	1,477	+22	3,459	2,830	+22
Operating profit	173	104	+66	315	188	+68
- as a percentage of revenues	9.6	7.0		9.1	6.6	
Industrial Technique						
Orders received	2,894	2,664	+9	5,634	5,274	+7
Revenues	2,805	2,645	+6	5,424	5,093	+6
Operating profit	299	257	+16	562	473	+19
- as a percentage of revenues	10.7	9.7		10.4	9.3	
Rental Service						
Revenues	3,332	1,202	+177	6,355	2,284	+178
Operating profit	464	146	+218	854	229	+273
- as a percentage of revenues	13.9	12.1		13.4	10.0	

More detailed information on financial performance in the second quarter is published in the interim report for the period.

The interim report on the Atlas Copco Group's operations ended September 30, 2000 will be published on October 24, 2000.

For further information, please contact:

Annika Berglund, Senior Vice President, Group Communications, (media)
phone +46 8 743 8070, mobile +46 70 322 8070, annika.berglund@atlascopco.com
Mattias Olsson, Investor Relations Manager, (analysts)
Phone +46 8 743 8291, mobile +46 70 518 8291, mattias.olsson@atlascopco.com