



press information

Group Communications

Mazzalupi comments on Atlas Copco's Q1 results

Stockholm, Sweden, April 26, 2001—In the first quarter of 2001, Atlas Copco's orders received increased 13 percent to MSEK 12,488. The volume gain was 4 percent, compared to the same period last year. *"Atlas Copco's order intake continued to grow, even if at a lower rate than in the preceding quarters and despite the slowdown in the U.S. economy,"* said Giulio Mazzalupi, President and Chief Executive Officer of Atlas Copco.

"The best contributors to growth were compressors and industrial tools, but also the rental business, which continues to develop better than the markets it serves. In all areas, after-sales activities increased in importance. Marketwise, Asia, Europe and Middle East developed well."

Revenues totaled MSEK 12,101 (10,517). Operating profit improved 10 percent to MSEK 1,463 and the margin was 12.1 percent (12.6). Profit after financial items was up 11 percent to MSEK 1,049. *"Currency had a positive effect on the results of about MSEK 100."*

Because of lower overall revenue growth, actions were taken and adjustments to the cost structure were made for the affected businesses. *"Industrial Technique saw a further decline in the demand for professional electric tools in the first quarter and continued to adjust production. In the same way, the Rental Service business area took actions to adjust costs to current revenue levels. The restructuring program announced a few weeks ago is well under way, and today Rental Service Corporation operates with a more lean organization for higher efficiency and a better overall transparency."*

Atlas Copco continued to launch new innovative products according to the strategy and to increase customers' productivity. *"During the first quarter the business areas continued to introduce new products and broaden the existing product ranges. We also launched new concepts in the after-sales market."*

"There is an increased degree of uncertainty in the near-term forecast. Overall we expect demand for Atlas Copco's products and services to remain at the present level, but with significant differences between markets and businesses."

Atlas Copco is an international group of industrial companies with its head office in Stockholm, Sweden. In 2000, the Group had revenues of over SEK 46 billion, with 98 percent of revenues outside Sweden, and over 26,000 employees. Atlas Copco companies develop, manufacture, and market industrial and professional tools, compressed air equipment, construction and mining equipment, and assembly systems, and offer related service and equipment rental. Additional information about Atlas Copco is available at the Group's website, www.atlascopco-group.com, which provides access to current news about the Company.

Forward-looking statements

Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially effected by other factors like for example, the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and the major customer credit losses.

More detailed information on first quarter results is published in the interim report for the period.

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