



press information

Group Communications

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Brock comments on Atlas Copco's Q2 2002 results

Stockholm, Sweden, July 18, 2002—*"The Group's order volume stabilized in the second quarter and was only slightly below last year's level, year-on-year,"* says **Gunnar Brock**, new President and CEO of the Atlas Copco Group since July 1. *"In Europe, a small volume increase was noted, while North America has not yet recovered."*

"Our strong growth in Asia continued during the second quarter, particularly for compressor sales in China." The Group's order intake decreased 4% compared to the second quarter of 2001. This corresponds to a marginal volume decrease of 1%, after adjustments for a negative translation effect related to the U.S. dollar and a small positive acquisition effect. Revenues were MSEK 12,105 (12,880), and profit after financial items totaled MSEK 1,074, for a margin of 8.9%.

In the United States, the level of activity in the industrial and non-residential building sectors, which significantly affects demand for rental equipment, remained well below last year's level. *"The effects of the gloomy market conditions have been offset to a certain degree by efficiency measures. The Rental Service business area successfully increased the fleet available for rent, while reducing the fleet size. Fleet utilization has gradually improved and was higher than in the second quarter last year."*

The Industrial Technique business area has taken measures to expand its market and improve efficiency in the professional electric tool business in Europe. The program includes a plan to relocate assembly operations from Germany to the Czech Republic. Accordingly, a restructuring provision of MSEK 48 was booked. A few months ago, Atlas Copco introduced Milwaukee, its premium brand for professional electric tools, to Europe. *"The customers' response to the new range was positive. However, we can't talk about the results until the end of the year."*

Overall, the demand for Atlas Copco's products and services is expected to remain at the present level in the near term. *"The increase in manufacturing output in the U.S. is expected to support modest growth in demand for production-related equipment and tools."*

Atlas Copco is an international industrial Group with its head office in Stockholm, Sweden. In 2001, the Group had revenues of SEK 51 billion (EUR 5.4 billion), with 98% of revenues outside Sweden, and close to 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.