



# press information

Group Communications

## Mazzalupi comments on Atlas Copco's Q3 results

**Stockholm, October 24, 2000—In the third quarter of 2000, the Atlas Copco Group's revenues were up 26 percent and operating profit increased 42 percent, excluding net nonrecurring items. "I am happy and proud that we have achieved the highest results ever in a single quarter," said Giulio Mazzalupi, President and Chief Executive Officer of Atlas Copco. The volume gain for orders received was 11 percent in the same period.**

*"The demand for our products and services remained strong throughout the period in all parts of the world. The softening of the construction market in the U.S. has not affected the demand for rental equipment, which continued to grow because of the sustained outsourcing trend."*

Atlas Copco's orders received increased 31 percent for the first nine months of 2000, corresponding to a volume increase of 12 percent for comparable units. Revenues also increased 31 percent, to SEK 33,686 m., a volume gain of 12 percent. The operating profit margin was 13.6 percent (11.9), and 14.4 percent in the quarter. *"The margin of 14.4 is a good step towards our ambition to reach 15 percent."* The targets over a business cycle are to have an annual revenue growth of 8 percent, an average operating margin of 15 percent, and to continuously challenge operating capital efficiency in terms of stock, receivables, and hire fleet utilization.

*"We have made a number of innovative and successful product launches during the year and some of those are already giving good contributions. We have invested in market presence both in the U.S. and China, to further strengthen the platform for growth"*

Since 1997, Atlas Copco operates in the growing equipment rental business in the United States. *"We have decided to take the next step in our re-engineering process. With the ambition to optimize customer care and operational synergies, we will merge Prime and RSC into one legal unit. This development will also be of benefit for our employees, providing them with the best environment in which to maximize their skills"* The new U.S. company will have specialized sales organizations focusing on specific market segments. Stores concentrating on the industrial market will be branded Prime, and stores serving the construction market will use the RSC brand.

Overall, the demand for Atlas Copco's products and services is expected to continue to increase. *"We foresee a continued robust demand for our products in the near term."*

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**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](http://www.atlascopco-group.com), which provides access to current news about the Company.

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

Atlas Copco Group	Jul. – Sep.		Change %	Jan. – Sep.		Change %
	2000	1999		2000	1999	
Orders received	11,743	9,424	+25	34,451	26,324	+31
Revenues	11,795	9,357	+26	33,686	25,727	+31
Operating profit	1,700	1,283	+33	4,569	3,070	+49
- as a percentage of revenues	14.4	13.7		13.6	11.9	
Profit after financial items	1,245	965	+29	3,318	2,390	+39
- as a percentage of revenues	10.6	10.3		9.8	9.3	
Earnings per share*, SEK	3.71	3.34		9.83	8.23	

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

	Jul. – Sep.		Change %	Jan. – Sep.		Change %
	2000	1999		2000	1999	
<b>Compressor Technique</b>						
Orders received	3,693	3,154	+17	11,313	9,758	+16
Revenues	3,643	3,288	+11	10,613	9,681	+10
Operating profit	698	579	+21	1,942	1,541	+26
- as a percentage of revenues	19.2	17.6		18.3	15.9	
<b>Construction and Mining Technique</b>						
Orders received	1,591	1,377	+16	5,168	4,404	+17
Revenues	1,726	1,323	+30	5,185	4,153	+25
Operating profit	164	88	+86	479	276	+74
- as a percentage of revenues	9.5	6.7		9.2	6.6	
<b>Industrial Technique</b>						
Orders received	2,915	2,653	+10	8,549	7,927	+8
Revenues	2,869	2,522	+14	8,293	7,615	+9
Operating profit	298	288	+3	860	761	+13
- as a percentage of revenues	10.4	11.4		10.4	10.0	
<b>Rental Service</b>						
Revenues	3,751	2,335	+61	10,106	4,619	+119
Operating profit	469	359	+31	1,323	588	+125
- as a percentage of revenues	12.5	15.4		13.1	12.7	

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

The preliminary report on the Atlas Copco Group's operations for the year 2000 will be published on February 12, 2001.

#### 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.

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