Atlas Copco Group
Financials
Hans Ola Meyer
Atlas Copco Group - Cash Flow

Operating Cash Flow

Going Forward...

- Capital Expenditure
  - Machinery and Buildings
  - Rental Equipment
- Tax
- Working Capital
- Acquisitions

Atlas Copco Group - Cash Flow

Capital Expenditure in Tangible Fixed Assets

Net rental/fleet investment = MSEK 1 647

Capital Markets Day
September 21, 2004
www.atlascopco-group.com
Going Forward...

- Capital Expenditure, Net Rental Equipment
  - Current 12 month spending, 1.5 – 2.0 billion SEK reflects a 1-2 percent rental revenue volume growth.
  - For a 5% rental revenue volume growth in Rental Service, we estimate that net rental equipment cap ex reaches 2.0 - 2.5 billion SEK annually.

Atlas Copco Group - Cash Flow

Tax:

- USA
  - Tax vs. accounting depreciation
- Sweden
  - Untaxed reserves

Atlas Copco Group - Currency Effects

Policy:

- Transaction exposure: Match the currency flows as much as possible. In case of a mismatch, the divisions can hedge actual and forecasted flows with the Internal Bank, to secure short-term stability of profits. The result of these hedges affects the Business Area operating profit. The Group use option contracts to hedge total downside risk. Currently at approximately 95% of spot rates and 12 month ahead. The result of Group hedges is reported as a corporate item.
- Translation exposure: Match assets and liabilities in the same currencies as much as possible. A mismatch is left unhedged.
## Currency Impact on PAFI, Summary

January – June 2004 vs. 2003

<table>
<thead>
<tr>
<th>Currency</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK/USD</td>
<td>7.47 vs 8.32</td>
</tr>
<tr>
<td>SEK/EUR</td>
<td>9.16 vs 9.17</td>
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</tbody>
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- Currency impact: MSEK -400
- Translation exposure: MSEK -100
- Transaction exposure: MSEK -300

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**At Atlas Copco**