



Atlas Copco Group Q3

Gunnar Brock



Atlas Copco

Q3 - Highlights

- Increased volume
 - Improved demand from manufacturing and mining customers
 - Strong growth in priority markets
- Improved profitability
 - High revenue volume and a favourable sales mix
 - Further efficiency improvements mitigate negative currency effect
 - Continued improvement in Rental Service
- Strong cash flow

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Q3 - Figures in summary

- Order and revenue volume up 5%
- Operating margin at 12.7% (11.8)
- Profit after financial items MSEK 1,368 (1,241)
 - Negative currency effect MSEK 300
- Earnings per share up 15% to SEK 4.25
- Operating cash flow at MSEK 1,702 (1,645)

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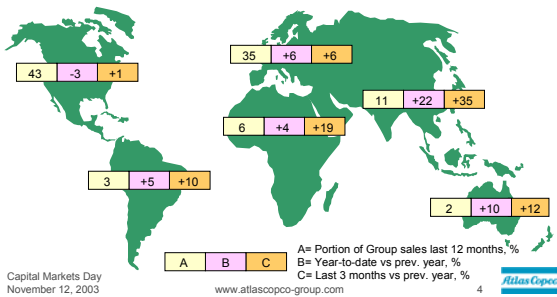
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Orders received - Local currency

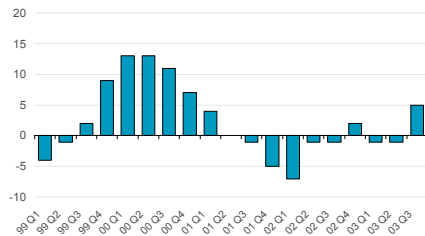
Group total +4% YTD (+7%, 3 months)

September 2003



Volume Growth

per Quarter



— Change in orders received in % vs. same Quarter previous year

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Income Statement

MSEK	Jul. – Sept.			Jan. – Sept.		
	2003	2002*	Change %	2003	2002*	Change %
Orders Received	11,607	11,833	-2	34,008	36,532	-7
Revenues	11,598	11,873	-2	33,146	35,613	-7
EBIT*	1,469	1,405	+5	3,847	3,875	-1
- margin, %	12.7	11.8		11.6	10.9	
Profit after financial items (PAFI)	1,368	1,241	+10	3,536	3,227	+10
- margin, %	11.8	10.5		10.7	9.1	
Net Profit	891	774	+15	2,337	2,035	+15
Earnings per share	4.25	3.69	+15	11.15	9.71	+15

* Excluding goodwill impairment charge

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Balance Sheet

September 30, 2003

MSEK	Sept. 30,		Dec 31		Sept. 30,	
	2003	%	2002	%	2002	%
Intangible fixed assets	11,751	25	12,956	27	13,614	27
Rental equipment	9,966	21	11,294	23	12,320	24
Other fixed assets	6,036	13	6,726	14	6,896	14
Inventories	5,692	12	5,782	12	6,211	12
Receivables	10,263	22	10,554	22	10,548	21
Cash and bank	2,813	6	1,356	3	1,458	3
Total assets	46,521		48,668		51,047	
Equity	20,401	44	20,194	41	19,707	39
Minority interest	52	0	160	0	163	0
Interest-bearing liabilities	12,255	26	15,050	31	17,241	34
Non-interest-bearing liabilities	13,813	30	13,264	27	13,936	27
Total liabilities and equity	46,521		48,668		51,047	

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Cash Flow

MSEK	July – Sept.		January – Sept.	
	2003	2002	2003	2002
Operating cash surplus after tax	1,991	1,887	5,080	5,045
of which depreciation added back	855	986	2,515	3,055
Change in working capital	501	-73	1,091	576
Cash flow from operations	2,492	1,814	6,171	5,621
Investments in tangible fixed assets	-1,150	-485	-2,807	-2,541
Sale of tangible fixed assets	452	410	1,178	1,358
Other investments, net	-92	-94	-225	-241
Cash flow from investments	-790	-169	-1,854	-1,424
Operating cash flow	1,702	1,645	4,317	4,197
Company acquisitions / divestments	-49	-9	-682	-710
Dividend paid	-1	0	-1,219	-1,163
Net Cash flow	1,652	1,636	2,416	2,324

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Near-term Outlook

The overall demand for the Group's products and services, seasonally adjusted, is expected to improve slightly.

The demand for industrial equipment is expected to continue to increase gradually in most geographical markets, and the demand from the mining industry is foreseen to remain favorable. Construction activity is expected to stay at a relatively low level in the biggest markets, the United States and the European Union.

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