

# Atlas Copco Financials



Atlas Copco Capital Markets Day, November 20, 2007

Hans Ola Meyer, CFO

## Income Statement

MSEK	12 mo Sep 30, 2007	12 mo Sep 30, 2006
Revenues	59 388	48 912
Cost of goods sold	-37 400	-30 447
<b>Gross profit</b>	<b>21 988</b>	<b>18 465</b>
Marketing expenses	-6 197	-5 477
Administration expenses	-3 423	-2 909
Research and development costs	-1 230	-1 097
Other income and expense from operations	31	-97
<b>Operating profit</b>	<b>11 169</b>	<b>8 885</b>
Net financial items	-387	-475
<b>Profit before tax</b>	<b>10 782</b>	<b>8 410</b>
Income tax expenses	-2 975	-2 382
Profit for the period from continuing operations	7 807	6 028
Profit for the period from discontinued operation	7 458	2 355
<b>Profit for the period</b>	<b>15 265</b>	<b>8 383</b>
- attributable to equity holders of the parent	15 238	8 358
- attributable to minority interest	27	25
<b>Basic earnings per share, SEK</b>	<b>12.42</b>	<b>6.65</b>
- of which continuing operations, SEK	6.35	4.79

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## Profit Bridge – by Business Area

Q3, July – September, 2007 vs 2006

MSEK	Q3 2007	Organic Growth Price/Volume	Currency	One-time Items Acq./Div.	Q3 2006
<b>Atlas Copco Group</b>					
Revenues	16 431	2 362	-400	1 931	12 538
EBIT	3 127	769	-100	152	2 306
%	19,0%	33%	-	8%	18,4%

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## Profit Bridge – by Business Area

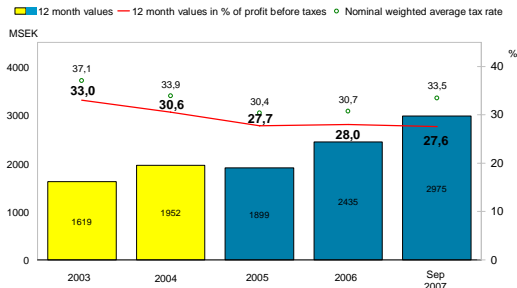
Q3, July – September, 2007 vs 2006

MSEK	Q3 2007	Organic Growth Price/Volume	Currency	One-time Items Acq./Div.	Q3 2006
<b>Compressor Technique</b>					
Revenues	8 304	1 123	-185	826	6 540
EBIT	1 801	422	-165	102	1 442
%	21,7%	38%	-	12%	22,0%
<b>Construction &amp; Mining Technique</b>					
Revenues	6 634	1 103	-175	1 139	4 567
EBIT	1 119	387	-85	69	748
%	16,9%	35%	-	6%	16,4%
<b>Industrial Technique</b>					
Revenues	1 646	134	-40	59	1 493
EBIT	343	53	-2	-19	311
%	20,8%	40%	-	-32%	20,8%

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## Taxes



Adjusted for IFRS from 2004. Figures for 2005, 2006 and 2007 are for continuing operations.

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## Atlas Copco Group - Currency Effects

### Policy

- Transaction exposure: Match the currency flows as much as possible.  
Remaining exposure:
  - Surplus: USD, AUD, CAD, HKD, ZAR etc
  - Deficit: SEK, EUR

The Group selectively buys option contracts on its currency basket to hedge the downside risk. The result of Group hedges is reported as a corporate item, while the Business Area results always show an "unhedged" situation.

- Translation exposure: match assets and liabilities in the same currencies as much as possible. A mismatch is left unhedged.

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## AC currency-basket index

The USD weakening has to some extent been offset by strengthening of other currencies

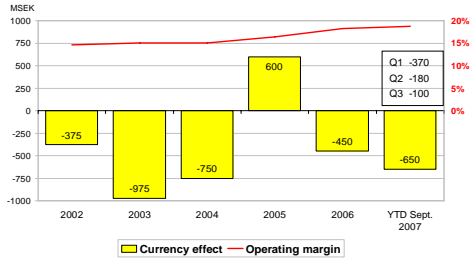


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Atlas Copco Capital Markets Day, November 25, 2007

## Currency

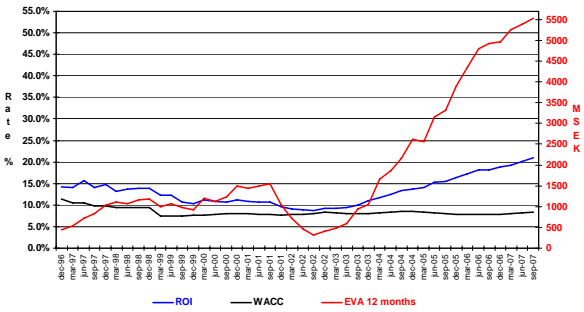
### Effect on operating profit



Continuing operations, pro-forma 2002-2005

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## Economic Value Added (EVA)



Including discontinued operations

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## EVA (Economic Value Added) 2006-2007

### Atlas Copco Group

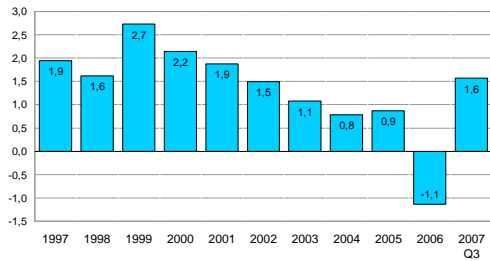
	Sep 2006 YTD	Sep 2007 YTD
Operating Profit	6,739	8,655
Financial revenue	140	351
Goodwill amortization	0	0
Taxes paid	-2,188	-2,462
Tax shield on financial cost	-200	-170
Real capital cost	-1,345	-2,588
<b>EVA, 9 months</b>	<b>3,146</b>	<b>3,786</b>
Pre-tax WACC (Weighted Average Cost of Capital)	11,5%	11,8%

Continuing operations

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## Capital Structure

### Net Debt/EBITDA



Adjusted for IFRS from 2004. Including discontinued operations.

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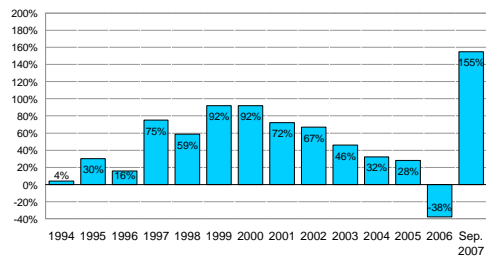
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## Capital Structure

### Net Debt/Equity



Adjusted for IFRS from 2004. Including discontinued operations.

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## Cash Flow

### Continuing operations

MSEK	July - September		January - September	
	2007	2006*	2007	2006*
Operating cash surplus after tax	2 576	2 012	7 312	6 420
of which depreciation added back	445	379	1 302	1 196
Change in working capital	-168	-315	-1 461	-1 582
Cash flows from operating activities	2 408	1 697	5 851	4 838
Investments in tangible fixed assets	635	509	-1 707	-1 625
Sale of tangible fixed assets	165	170	532	423
Other investments, net	-352	-442	-1 013	-1 045
Cash flow from investments	-822	-781	-2 188	-2 247
Operating cash flow	1 586	916	3 663	2 591
Company acquisitions/ divestments	-68	-637	-5 750	-1 050

\*Restated, continuing operations

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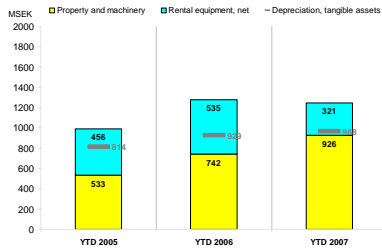
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## Capital Expenditures and Depreciation

### Tangible fixed assets, continuing operations



YTD until September



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## Cautionary Statement

“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 major customer credit losses.”



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