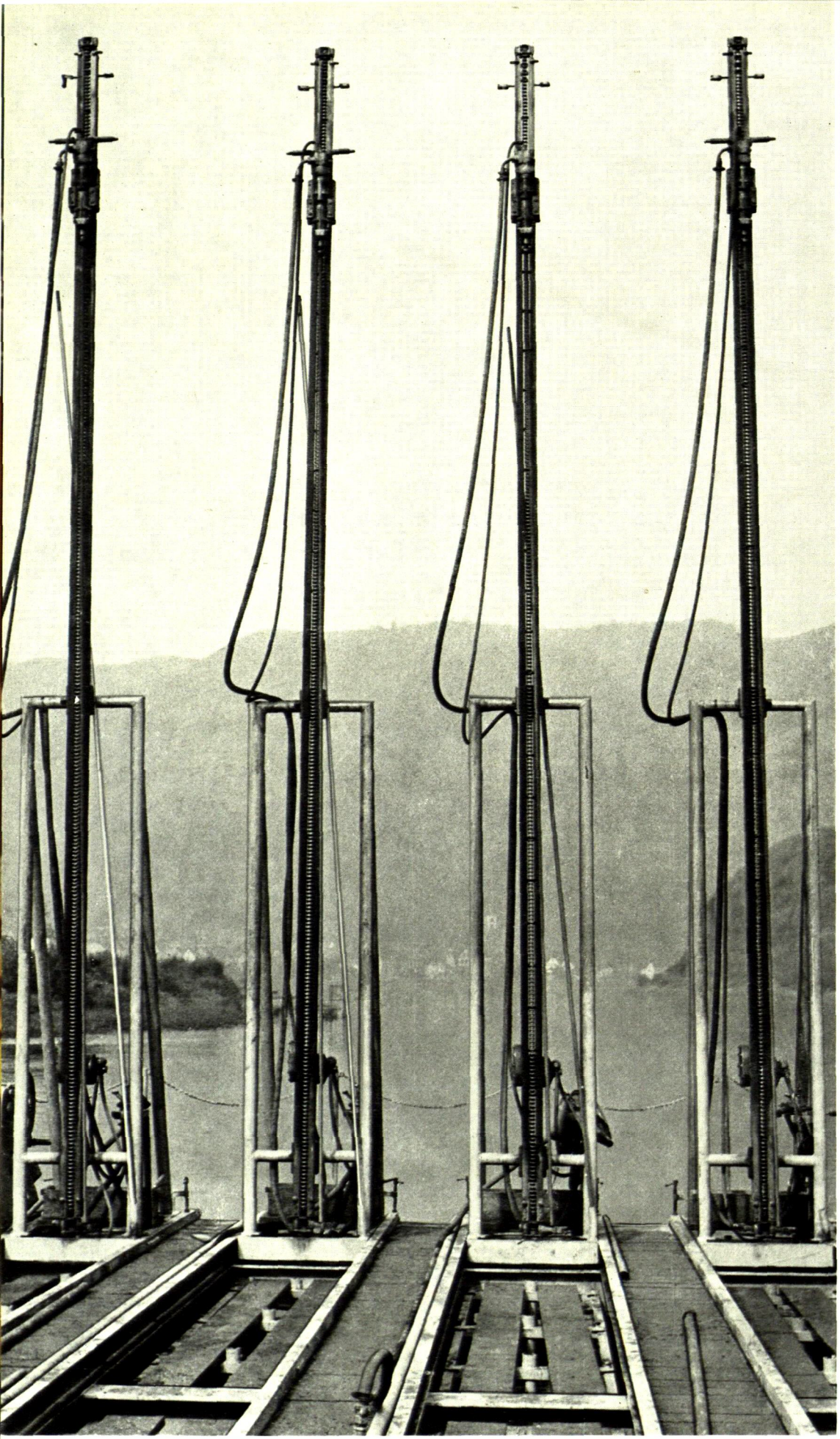
Atlas Copco

ANNUAL REPORT FOR 1961



The Moselle valley sets the scene for a new underwater drilling technique used in opening up the first heavy tonnage waterway connecting the Ruhr and Lorraine industrial centres.

Front cover:

Six fathoms down. Frogmen put a standard Atlas Copco wagon drill to effective if unusual use in deepening Kenya's Mombasa Harbour to take heavy tankers of the BP and Shell fleets.

Directors' Report

THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR OF ATLAS COPCO AB HAVE PLEASURE IN SUBMITTING HEREWITH THEIR REPORT ON THE COMPANY'S ACTIVITIES IN 1961

Sales and Deliveries

Continued industrial expansion in the leading Western European countries, combined with the economic recovery in the United States, has permitted a continued increase in the volume of sales during 1961. However, as forecast in last year's report this increase has not been as great as in 1960, a year which was characterized by an exceptional rise in sales. During 1961 orders received by the Parent Company amounted to 231 million Kr. (£15,930,000) as opposed to 237 million Kr. (£16,340,000) in the preceding year. To enable a comparison to be made the latter figure should, in fact, be reduced by some 17 million Kr. (£1,170,000) to 220 million Kr. (£15,170,000) following a transfer in invoicing to a daughter company. On this basis incoming orders in 1961 have thus increased by 5 % as compared with 1960. In 1961 invoiced deliveries by the Company were 215 million Kr. (£14,830,000) as opposed to 222 million Kr. (£15,310,000) the year before. Again, to make a comparison the latter figure should be reduced by some 17 million Kr. (£1,170,000) to 205 million Kr. (£14,140,000), then invoiced deliveries are also 5 % higher than those for 1960. Unfulfilled orders have increased during 1961 by some 16 million Kr. (£1,100,000). Over 70 % of the Company's orders were for export.

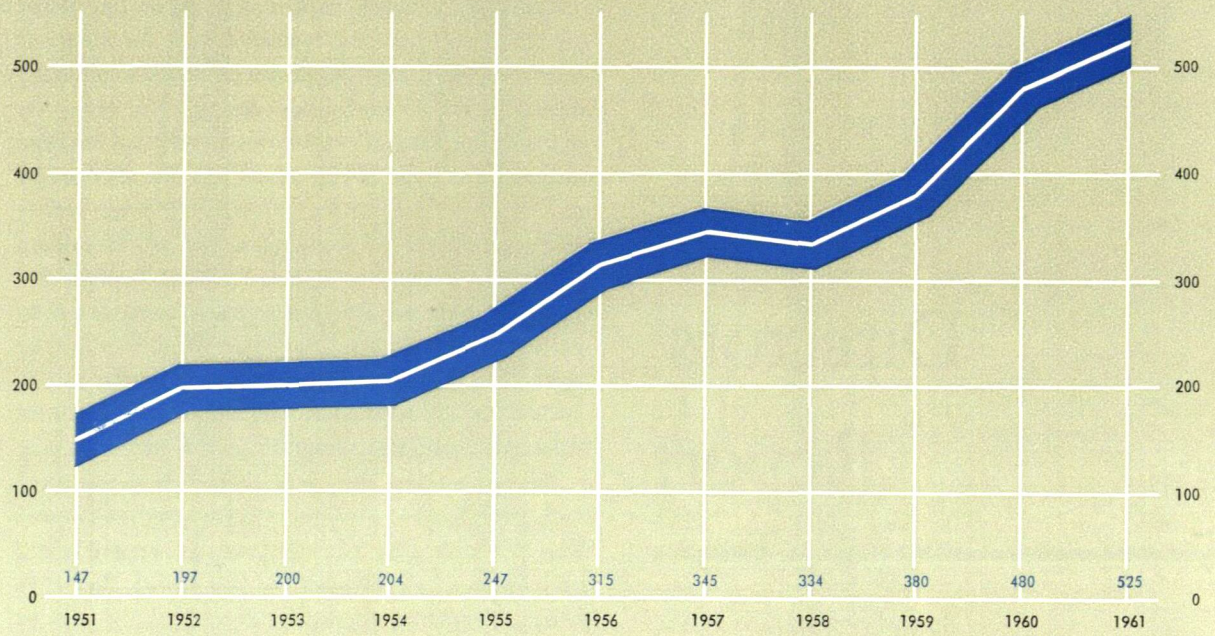
In the main the incoming orders and invoicing of the Parent Company are based on orders from companies in the Group, while the actual picture concerning incoming orders and invoicing appears in the figures of the daughter companies. Therefore a clearer picture of results is given by comparing total Group sales in 1961 and 1960. The total value of invoicing by the Group amounted in 1961 to 525 million Kr. (£36,210,000) as opposed to 480 million Kr. (£33,100,000) in 1960, which means an increase of nearly 10 %. Only 20 % of this total invoicing figure stems from the Swedish market. So far the inflow of orders in 1962 has continued to be satisfactory.

The increase in 1961 was reflected in practically all markets except the Swedish, where it has not been possible to maintain the exceptionally high sales level which characterized 1960 due to certain large orders. On the export markets the Italian company continues to lead the field, with invoiced sales covering over 6 % of total Group sales. Other successful sales companies include those in Western Germany, Belgium, Denmark, Brazil,

The Development of Group Sales

INVOICING IN MILLIONS OF SW. KRONOR

(Average rate: 14.50 Sw. Kr. to £1 sterling)



Holland and France. In this connection it is worth noting that the Parent Company sells not less than 29 % of its total exports to the Common Market.

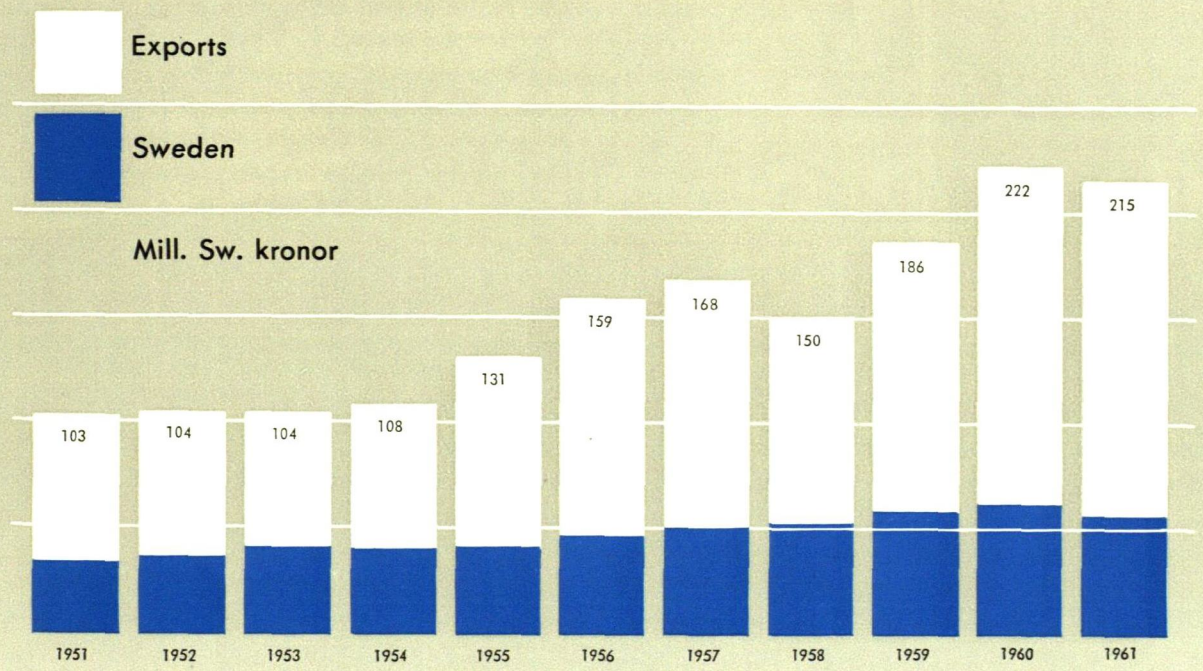
Of the increased Group sales the largest part is accounted for by *stationary compressors*. In spite of the fact that delivery times have to some extent hampered sales, incoming orders in this sector have practically doubled in the past three years.

The new types of piston compressors ER, DT and TT, mentioned in the last report, have been well received and the large ER8 piston compressors have also proved to be a success. Unfulfilled orders for stationary compressors are satisfactory and an increase in production is anticipated. Sales of *portable compressors* have also made good progress, particularly successful markets being Italy, France, Western Germany and Greece.

The demand for *pneumatic tools for industrial use* has been outstanding. Following the full scale introduction of the new 33-Series, with its range of different models, remarkable gains have been won, particularly in Sweden, Holland and Britain. These new types of tools have been successfully marketed also in countries such as Western Germany and Canada, where sales of tools have previously been insignificant.

Although deliveries of *rock drills* have not increased to the same extent as that of compressors, considerable successes have been gained. During the year deliveries have been made to internationally-known hydro power projects in Austria, Mexico and Canada. "The Ladder Drilling Method," mentioned in last year's Annual Report, has been further developed and is now being employed at several large tunnel projects in different parts of the world. It has created a new concept in the history of rock drilling—that is "one man and two machines" as opposed to "one man and one machine," which was our signature tune about 15 years ago when "the Swedish Method" with light pusher-fed rock drills and tungsten carbide tipped drill steels created a "breakthrough." Overburden Drilling, a method for drilling through subsoil and boulders to and through bed rock, which was mentioned in last year's Report, has also met with great interest all over the world. A special sales

The Parent Company's Invoiced Deliveries



campaign, which was started during the middle of the year, has begun to bear fruit.

Sales of *loaders* during the year have not been up to expectations. This was mainly due to a labour crisis in the German coal mines, which in the past ordered large numbers of these machines.

The sales of Ecco products, i.e. *paint spray equipment* and *small compressors,* have developed favourably and a number of sales companies abroad, which previously had not sold these products, made successful starts during the year. The sales of small compressors were a record and were nearly 20 % above the previous year's figure.

The great versatility of compressed air means that its fields of application are continuously increasing. For example, it can be mentioned, that during the world famous salvage operation of the royal warship WASA, two portable compressors set up on a pontoon delivered compressed air for a variety of purposes; fresh, oilfree air was needed for the divers and compressed air was utilized by means of a so-called mammoth pump to clear the mud and clay in and around the ship. Pneumatic hammers and different kinds of drills were used in caulking and reinforcing the hull. Finally compressed air was utilized to fill the huge balloons which made it possible to raise the ship.

During the summer the Company participated in a "floating exhibition" when Transatlantic's m.s. KIRRIBILLI visited eight Australian ports. The machines on display—air compressors, rock drilling equipment, industrial tools etc.—created considerable interest wherever they were shown.

Production and Employment

The steep increase in production noted in 1960 continued during 1961 and production at the Sickla works shows an increase of about 15 %, mainly in stationary compressors and rock drilling equipment. The Sirocco workshop was completed and put into service during the year, thus providing a considerable increase in capacity at the Sickla works. It has also made possible

a thorough rationalization of rock drill production. The Simba workshop, completed in 1960, has been further equipped to meet demands for increased deliveries. Further rationalization has been carried out in the forge and this has been implemented with new equipment and tools. Finally, a certain amount of reorganisation has taken place to reduce throughput times in the workshops and to create a basis for more intensive rationalization.

Production at all the Company's plants, both in Sweden and abroad, has increased in relation to 1960.

Technical Development

Development of new products, and the thorough modernization of existing products, has continued in practically all fields. Heavy crawler-mounted drilling units designed for drilling 3″ and 4″ holes have been put into production. This new type of equipment has already proved competitive on world markets and from the very beginning has aroused great interest, particularly among contractors. In the field of heavy drilling equipment there is also another new crawler-mounted drilling unit, which has been designed for rotary drilling in soft rock. A special drill, with screw feed for long hole drilling in underground operations, has been put into production.

Much work has been devoted to the technical development of standardized components designed for inclusion in several different types of machine. This programme has been carried out parallel and in conjunction with the design of new products. The modernization of our rotary tools, mentioned in last year's report, has continued on a large scale, and the Company has been able to introduce a new series of tools. Technical development in the surface treatment field has led to improved products for industrial finishing.

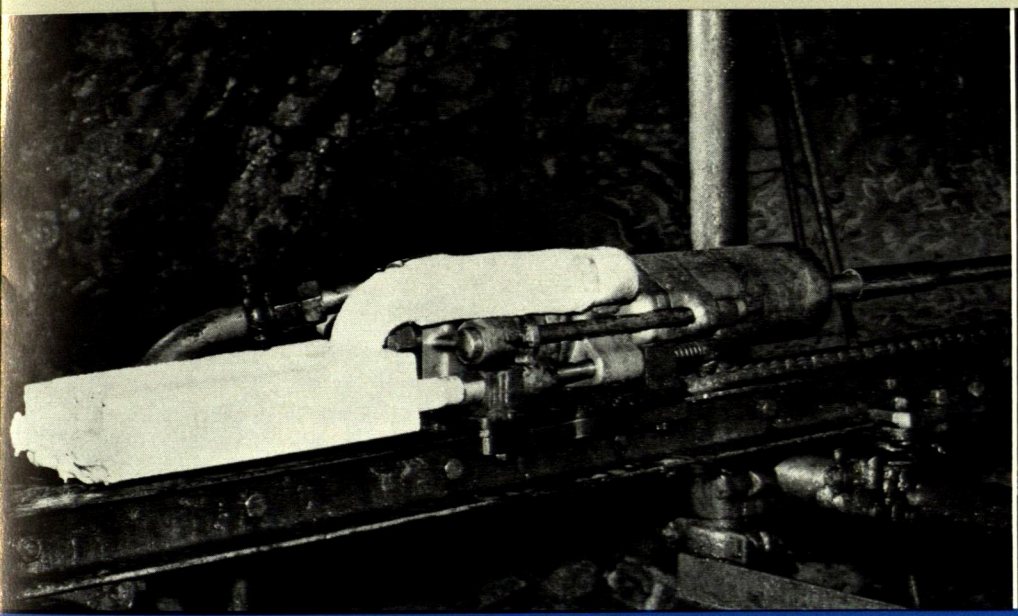
The extensive research work which the Company has undertaken for many years has been reorganised to increase efficiency. All essential research projects are now carried out at the Group's Central Laboratory for which a Chief of Research has been specially appointed. Particular study has been given to the noise problem in an effort to establish what sort of sound damping is required to render noise harmless and new designs of percussive tools have been developed which makes it possible to include silencers.

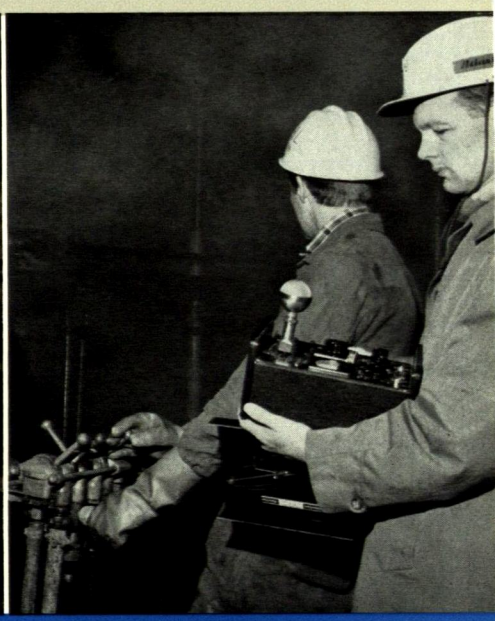
Finance and Administration

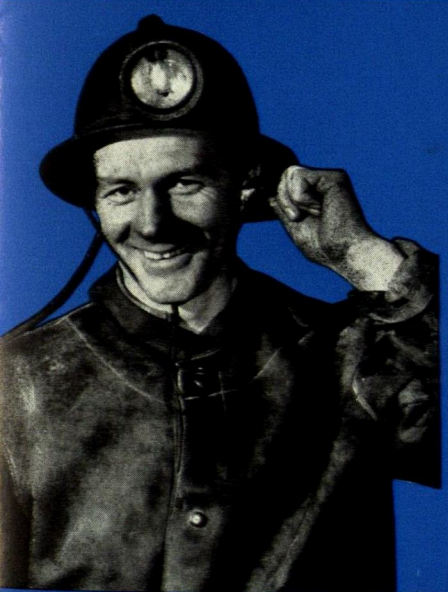
The relatively large extensions to the Sickla works during the year are reflected in an increase in the book value of this plant by over 7 million Kr. (£480,000).

During the year the Company subscribed for new shares in Injector Company AB for 1 million Kr. (£68,970); in AB Eccoverken for 0.5 million Kr. (£34,480) and in Atlas Copco (India) Private Ltd. for a sum equal to 0.5 million Kr. (£34,480).

The new Sirocco workshop brings advanced mechanization techniques to the manufacture of rock drill components cutting total processing times by more than half.





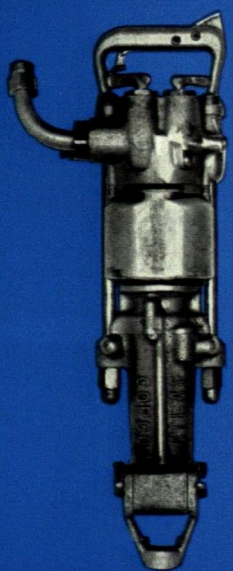


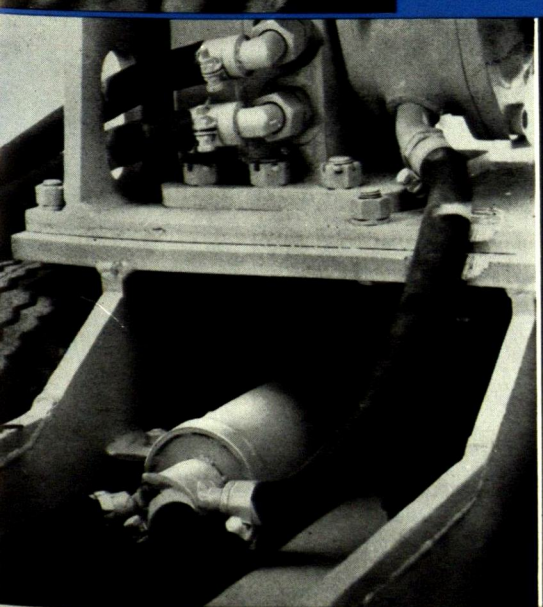
Bringing down the decibels

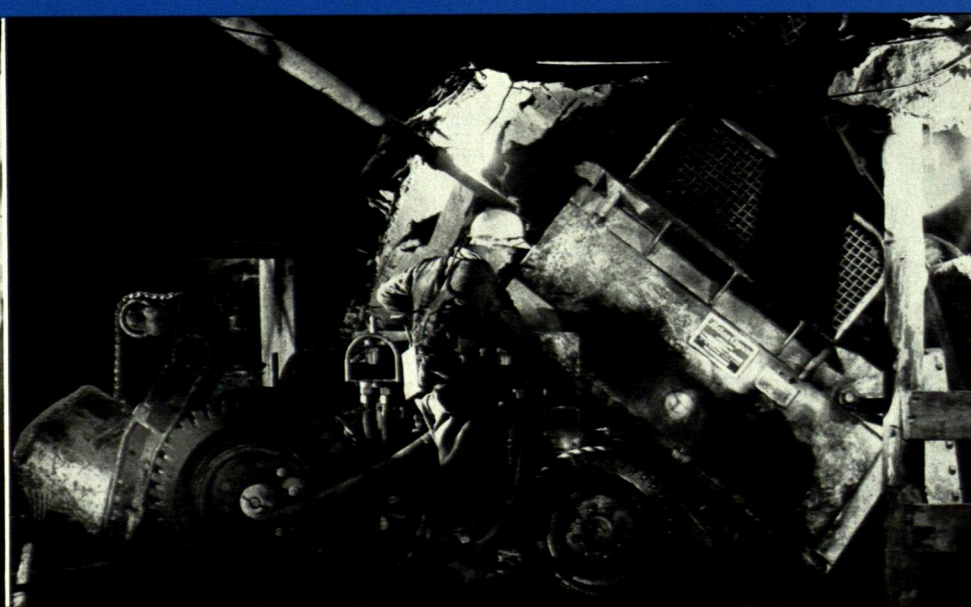
Rendering noise harmless at the source rather than placing the entire onus on ear protectors is the object of constant research on noise and its effects carried out at the Group's Central Engineering Departments in Stockholm. Results have led to new machine designs with high built-in muffling qualities (rock drill on right) or with fitted silencers (loader below).

(Above, left)
Frost formation due to low exhaust temperatures covers the special rock drill silencer. Noise level of six silenced rock drills is no more than for one unsilenced machine.

(Above, right)
Using a sound-level meter, a research technologist measures the noise of a heavy rock drill used in the Company's test mine.







As shown in the Profit and Loss Account, two million Kr. (£137,930) has been transferred to a Contingency Reserve.

Shares totalling 5,460 with a nominal value of 1,000 Aust. Sch. each have been acquired in Strager Maschinenfabrik A/G, Vienna, for a price of Aust. Sch. 9,500,000. This investment and a new subscription at par in Svensk Interkontinental Lufttrafik AB to 4,050 shares at a nominal value of 100 Kr., account for the increase shown in the Balance Sheet under "Shares and Participating Rights in Other Companies."

The increase of some 17 million Kr. (£1,170,000) under "Advances to Other Companies" refers to the Company's share in the continued financing of the Swedish Lamco Syndicate.

Factory and Office Buildings are insured against fire risks for 31.9 million Kr. (£2,200,000), Housing Properties for 1.7 million Kr. (£117,000) and Machinery, Furniture, Fittings and Vehicles for 50.3 million Kr. (£3,470,000). The taxation values of the Factory and Office Premises are 16.3 million Kr. (£1,120,000) and for Housing Properties 1.4 million Kr. (£96,550).

The average number of industrial employees during the year was 1391, as compared with 1301 in the preceding year. Headquarters personnel have increased from an average of 812 in 1960 to 911 in 1961. The major part of the increase consists of technical staff in workshops and drawing offices. During the financial year 1.4 million Kr. (£96,550) was paid to the Board of Directors, the Managing Director and the Senior Executives. Payment of 21.1 million Kr. (£1,460,000) was made to industrial employees and 21.1 million Kr. (£1,460,000) to the staff.

Depreciation on Buildings, Machinery, Furniture and Fixtures has been set aside on an unchanged basis.

In view of the continued increase in inventories the Board, as in 1960, has found it advisable to make a further write down of the inventory value although this has been done to a lesser extent than previously.

The Year's Result

The results of the Company's operations for 1961 have been slightly less satisfactory than in 1960. A continued increase in invoiced sales and increased sales commissions from manufacturing subsidiaries abroad have raised the Company's gross receipts, but an inevitable increase in personnel, negotiated wage and salary increases, increased costs for social benefits and increased sales costs have counterbalanced this increase in income. Prices have been kept down by stiff international competition.

Practically all the subsidiaries, both in Sweden and abroad, have shown satisfactory results. A marked increase in dividends from subsidiaries is shown in the Profit and Loss Account. This is due not only to the new dividends from the Company's holdings in Svenska Diamantbergborrnings AB but also to increased dividends from a number of other subsidiaries.

The Balance Sheets as at December 31, 1961, for Tryckluft AB Atlas Copco, Svenska Diamantbergborrnings AB, Injector Company AB, AB Avos, AB Ecco-verken, Injector-Hesselman AB and AB Sicklahus are appended.

The disposable profit according to the appended Consolidated Balance Sheet amounts to 66,956,000 Kr. (£4,617,000).

Appropriation of profits

Further details about the position of the Company and the results of its operations are shown in the appended balance sheet and profit and loss account.

According to these accounts unappropriated earnings from the previous year amount to	Kr.	3,171,190
To which should be added the net profit for the year	„	10,507,713*
Total at the disposal of the shareholders in general meeting	Kronor	13,678,903

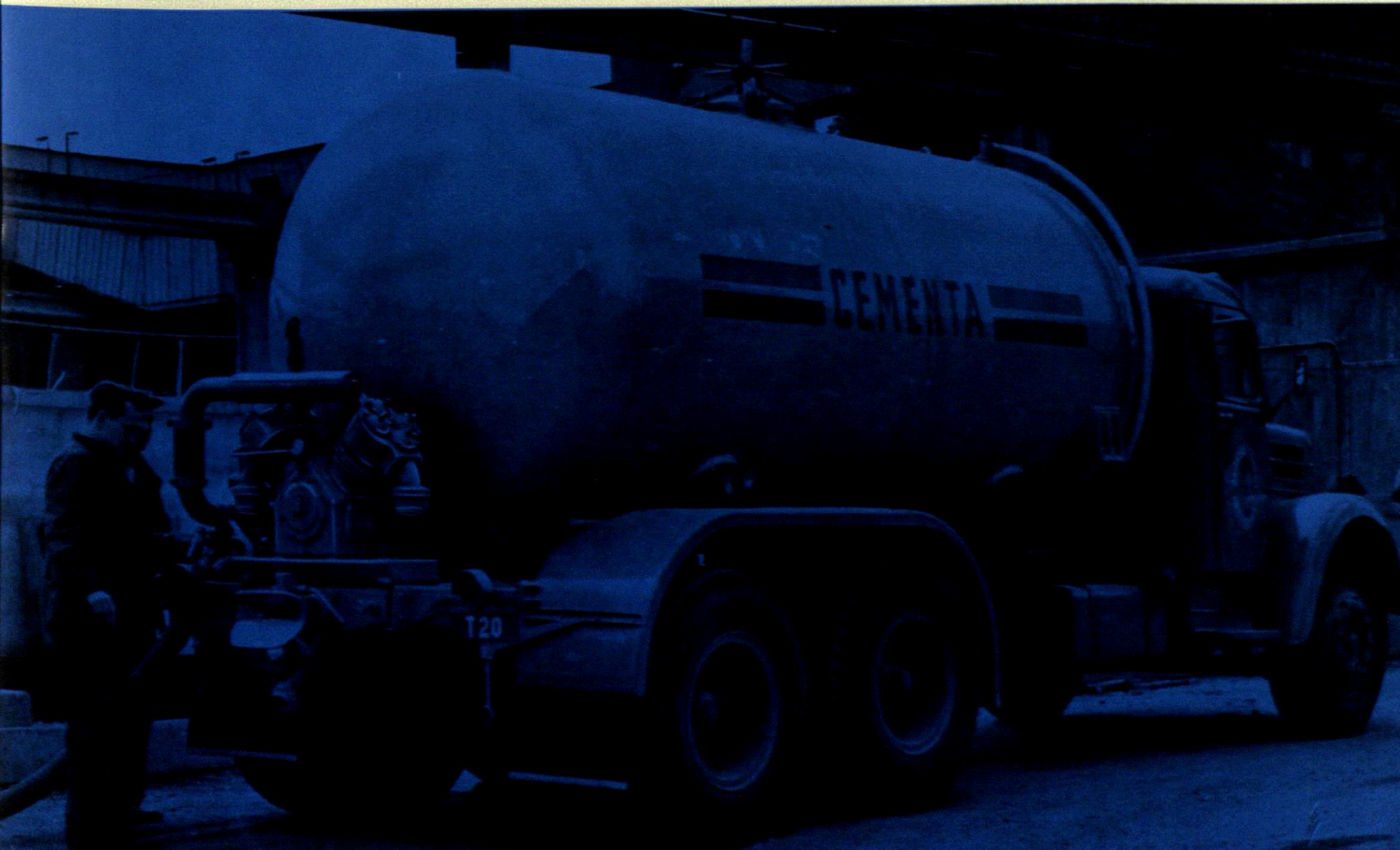
The Board of Directors and the Managing Director propose that unappropriated earnings be distributed		
by transferring to the General Reserve	Kr.	583,180
by paying a dividend of 3 Kr. per share, totalling	„	9,198,000
Leaving a balance to be carried forward of	„	3,897,723
	Kronor	13,678,903

* Profit for the Year £724,670

Compressed air is versatile

A flying start for Western Air Lines with the world's first "in place" jet engine starter installed at the new Salt Lake City airport. A stationary Air Partner rotary screw unit delivers compressed air through ducts to eight hydrant stations in the plane service area.

Compressed air handles cement. This compressor mounted for pneumatic pressure tank transport delivers a flow of warm, dry air that gives "fluid" handling properties to powders for bulk loading and unloading.



Balance Sheet

ASSETS	1961	1960
Fixed Assets	Kronor	
Land	1,251,812	1,211,530
Factory and Office Buildings	22,237,042	18,084,930
Less: Accumulated Depreciation	9,100,492	8,516,255
	13,136,550	9,568,675
Dwellings	1,725,469	1,505,469
Less: Accumulated Depreciation	675,405	656,573
	1,050,064	848,896
Machinery, Furniture and Fixtures	38,559,250	33,236,130
Less: Accumulated Depreciation	30,701,737	28,006,043
	7,857,513	5,230,087
Installation and plant under construction	2,550,179	1,648,029
	25,846,118	18,507,217
Investments in Subsidiaries and Other Companies		
Shares and Participating Rights in Subsidiaries	64,762,516	62,586,515
Shares and Participating Rights in Other Companies	3,519,371	1,172,371
Advances to Subsidiaries	10,606,812	15,159,157
„ „ Other Companies	43,479,748	26,387,212
	122,368,447	105,305,255
Current Assets		
Raw materials, Finished and Semi-Finished Products	52,592,962	39,362,532
Short-Term Advances to Subsidiaries	16,114,205	23,050,699
Accounts Receivable from Customers	6,446,811	5,615,175
Other Accounts Receivable	1,619,427	1,489,514
Acceptances	2,097,493	830,879
Cash in Hand and at Banks	255,142	5,306,064
	79,126,040	75,654,863

Pledged Assets

	1961	1960		
Mortages on Land and Buildings	8,058,750	7,950,000		
Chattel Mortgages	13,100,000	13,100,000		
Other Pledged Assets	1,085,710	—		
		Kronor	227,340,605	199,467,335

as at 31st December, 1961

LIABILITIES	1961	1960
	Kronor	
Capital, Reserves and Surplus		
Share Capital	76,650,000	76,650,000
Legal Reserve Fund	40,830,000	40,830,000
General Reserve	4,416,820	4,416,820
	121,896,820	121,896,820
Surplus		
Profit brought forward	12,369,190	21,538,975
Less:		
Dividend	9,198,000	5,880,000
Transfer to Share Capital	—	14,000,000
Appropriation to Legal Reserve	—	1,000,000
	3,171,190	658,975
Profit for the Year	10,507,713	11,710,215
	13,678,903	12,369,190
	135,575,723	134,266,010
Building Investment Fund	1,143,137	1,216,627
Contingency Reserve	2,000,000	—
Long-Term Liabilities		
Atlas Copco AB's Pension Foundation Reserves	13,301,770	13,018,340
Mortgage Loans	207,050	197,050
Promissory Notes	17,554,518	110,195
	31,063,338	13,325,585
Short-Term Liabilities		
Accounts Payable to Suppliers	7,618,822	9,563,138
Bills Payable	22,034,679	16,585,357
Prepayments from Customers	25,347	25,347
Due to Subsidiaries	9,745,393	10,517,882
Sundry Accounts Payable	6,895,710	7,252,318
Employees' Preliminary Taxes	2,405,695	2,280,561
Instalment due on 3½ % Bond Loan	—	310,000
Unpaid and Estimated Taxes	1,849,859	4,124,510
Bank Loans	6,982,902	—
	57,558,407	50,659,113

Contingent Liabilities

	1961	1960		
Bills Discounted	24,160,938	12,528,877		
Other Contingent Liabilities	43,311,744	25,513,033		
Pensions disbursed in accordance with Swedish Company Law § 101:7	157,963	145,016		
		Kronor	227,340,605	199,467,335

Profit and Loss Account for the Year 1961

	1961	1960
	Kronor	
Gross Operating Profit	35,935,829	36,999,124
General Administrative Expenses	7,456,605	6,830,061
	28,479,224	30,169,063
Depreciation		
Buildings	571,079	443,705
Machinery, Furniture and Fixtures	3,321,814	2,594,317
	3,892,893	3,038,022
Interest Received, etc.		
Interest Received from Subsidiaries	406,429	339,979
„ „ „ Other Companies	651,274	17,483
Dividends from Subsidiaries	3,403,861	1,436,043
„ „ Other Companies	6,080	175,040
	4,467,644	1,968,545
Interest Paid		
Interest Paid to Subsidiaries	69,190	240,480
Other Interest Paid	7,277,072	4,411,891
	7,346,262	4,652,371
Other Expenditures		
Appropriation to Pension Foundation Reserve	—	912,000
Appropriation to Contingency Reserve	2,000,000	—
	2,000,000	912,000
Profit before taxes	19,707,713	23,535,215
Taxes	9,200,000	11,825,000
Net Profit for the Year Kr.	10,507,713*	11,710,215

Nacka, 16th February, 1962

M. Wallenberg

Nils von Steyern — *Ove Borlind*

Marc Wallenberg Jr — *K-A. Belfrage*
Managing Director

With reference to the Auditors' report, it is hereby certified that the above Balance Sheet and Profit and Loss Account agree with those recorded on the books.

Ebbe Rybeck
Authorized Public Accountant

Wilhelm Moberg

* *Net profit for the Year £724,670*

List of Shares and Participating Rights

Shares and Participating Rights in Subsidiary Companies

			Kronor
111,417 shares	@	Kr. 100 each in Svenska Diamantbergborrnings AB, Stockholm	41,401,000
8,000 shares	@	Kr. 250 each in AB Avos, Örebro	3,062,000
20,000 shares	@	Kr. 100 each in AB Eccoverken, Skara	1,970,000
35,000 shares	@	Kr. 100 each in Injector Company AB, Stockholm	3,500,000
2,000 shares	@	Kr. 100 each in AB Sicklahus, Nacka	200,000
10,000 shares	@	Kr. 100 each in Tryckluft AB Atlas Copco, Nacka	1,000,000
37,500 shares	@	Kr. 60 each in Injector-Hesselman AB, Stockholm	2,250,000
54,500 shares	@	Belg. Frs. 1,000 each in Arpic Engineering S.A., Antwerp	8,045,000
997 shares	@	Dan. Kr. 1,000 each in Atlas Copco A/S, Copenhagen	751,000
650,640 shares	@	R0.50 (5/-) each in Delfos & Atlas Copco (Pty.) Ltd., Benoni, South Africa	1,315,000
69,994 shares	@	Cruz. 1,000 each in Atlas Copco Industrial Paulista S.A., São Paulo	381,500
700 shares	@	Rs. 1,000 each in Atlas Copco (India) Private Ltd., Bombay	734,000
125 shares	@	Fl. 1,000 each in Atlas Copco Holland N.V., Rotterdam	153,000
994 part. rts	@	Kat. Frs. 1,000 each in Atlas Copco Congo S.P.R.L., Elisabethville	1
497 part. rts	@	Esc. 1,000 each in Sociedade Atlas Copco de Portugal, Lda, Lisbon	1
1,500 shares	@	Ptas. 500 each in Atlas Copco S.A.E., Madrid	1
300 shares	@	Norw. Kr. 7,000 each in Atlas Copco A/S, Oslo	1
99,996 shares	@	£1 each in Atlas Copco (Great Britain) Ltd., Hemel Hempstead	1
4,970 shares	@	N. Frs. 400 each in Atlas Copco France S.A., Saint Cloud	1
30,000 shares	@	F. Mk. 1,000 each in Oy Atlas Copco Ab, Helsinki	1
940 shares	@	Turk. £500 each in Atlas Copco Ticaret ve Sanayi T.A.S., Istanbul	1
499 part. rts	@	DM 1,000 each in Deutsche Atlas Copco GmbH, Essen	1
998 shares	@	£1 each in Atlas Diesel Company Ltd., London	1
940 shares	@	Dirh. 400 each in Atlas Copco Maroc, Casablanca	1
4,994 shares	@	Belg. Frs. 1,000 each in Atlas Copco Belgique S.A., Brussels	1
69,670 shares	@	Escudos 1 each in Atlas Copco Chilena S.A.C., Santiago de Chile	1
2,990 part. rts	@	Aust. Sch. 1,000 each in Atlas Copco Ges.m.b.H., Vienna	1
299 part. rts	@	Drs. 10,000 each in Atlas Copco Greece Ltd., Athens	1
190 part. rts	@	Col. Pes. 100 each in Atlas Copco Colombiana Ltda., Bogota	1
		Kronor	64,762,516

Shares and Participating Rights in Other Companies

5,460 shares	@	Aust. Sch. 1,000 each in Strager Maschinenfabrik A/G, Vienna	1,892,000
4,000 shares	@	Kr. 100 each in Atlas Copco Finans AB, Stockholm	406,370
		Parts corresponding to 6/28 of the capital of Kr. 2,100,000 in The Swedish Lamco Syndicate, Trafik AB Grängesberg-Oxelösund & Co, Stockholm	450,000
7,050 shares	@	Kr. 100 each in SILA, Stockholm	705,000
40 shares	@	Kr. 100 each in AB Byggnadsgaranti, Stockholm	4,000
75 shares	@	Ptas. 5,000 each in Casa de Suecia S.A., Madrid	50,000
		Participating rights totalling Kr. 12,000 in Swedish MIDEC Consortium, Allmänna Svenska Elektriska AB & Co, Stockholm	12,000
2 shares	@	Kr. 500 each in Tekniska Röntgencentralen AB, Stockholm	1
		Kronor	3,519,371

Auditors' Report

In our capacity of auditors to ATLAS COFCO AKTIEBOLAG we hereby submit the following report for the year 1961.

We have examined the Annual Report, studied the accounts, the minutes and other documents containing information as to the financial position and the management of the corporation, and made such other inquiries as we considered necessary.

The detailed checking of the records has been carried out by the Corporation's internal audit department who have reported to us on their examination.

The provisions of the Corporation Act concerning shareholdings and group reporting have been complied with.

In the course of the audit there appeared no reason for remarks to be made upon the Annual Report, the book-keeping or the verification of assets, or upon the management.

The Board of Directors and the Managing Director propose that the profits according to the balance sheet be appropriated as follows:

Transfer to General Reserve	Kr.	583,180
Dividend to Shareholders of Kr. 3.00 per Share	,,	9,198,000
Carried forward	,,	3,897,723
	Kronor	13,678,903

This proposal does not conflict with the provisions of the Corporation Act concerning appropriations to legal reserves or with sound business practice.

We recommend:

that the balance sheet as at 31st December 1961, included in the Annual Report and signed by us, be adopted,

that the profits be appropriated as proposed above, and

that the Board of Directors and the Managing Director be granted discharge from liability for their management for the period covered by the annual report.

Stockholm, 27th March, 1962

Ebbe Rybeck — *Wilhelm Moberg*

Authorized Public Accountant

Consolidated Balance Sheet — as at 31 st December, 1961

The Atlas Copco Group Companies

ASSETS		1961	1960
Fixed Assets		1,000 Kr.	
Land and Buildings		71,007	61.729
Machinery, Furniture and Fixtures		35,405	27,399
Goodwill		—	47
Shares		4,583	2,632
Other Investments		43,480	26,387
		154,475	118,194
Current Assets			
Stocks and Work in Progress		235,190	198,292
Shares and Bonds		166	270
Accounts Receivable		111,656	105,016
Acceptances		10,274	8,271
Cash in Hand and at Banks		19,942	20,994
		377,228	332,843
	1,000 Kr.	531,703	451,037

LIABILITIES				
Capital, Reserves and Surplus				
Share Capital			76,650	76,650
Legal Reserves			51,721	49,414
General Reserve			4,417	4,417
Profit Brought Forward			45,360*	27,858
Profit for the Year			21,596*	26,685
			199,744	185,024
Investment Funds			1,643	1,217
Group Contingency Reserve			41,464	35,111
Minority Holdings			1,494	1,570
Long-Term Liabilities				
Mortgage Loans and Other Long-Term Debts			35,562	16,326
Employees' Pension Foundations			32,999	31,098
			68,561	47,424
Short-Term Liabilities				
Accounts Payable to Suppliers etc.			62,479	60,850
Bills Payable			103,232	82,877
Customers' Prepayments			3,091	3,544
Provision for Taxes			10,835	10,570
Bank Overdrafts			39,160	22,850
	1961	1960	218,797	180,691
Pledged Assets	53,401	51,175		
Contingent Liabilities				
Bills Discounted	15,173	10,367		
Other Contingent Liabilities	22,285	6,729		
		1,000 Kr.	531,703	451,037

Nacka, 21st March, 1962

K-A. Belfrage

Presented to the Auditors on 28th March, 1962

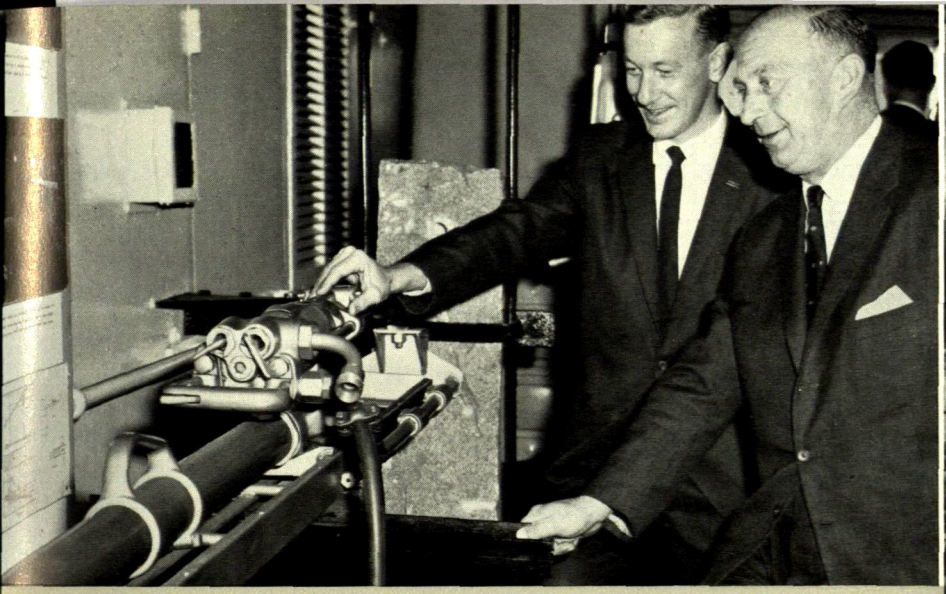
Ebbe Rybeck *Wilhelm Moberg*

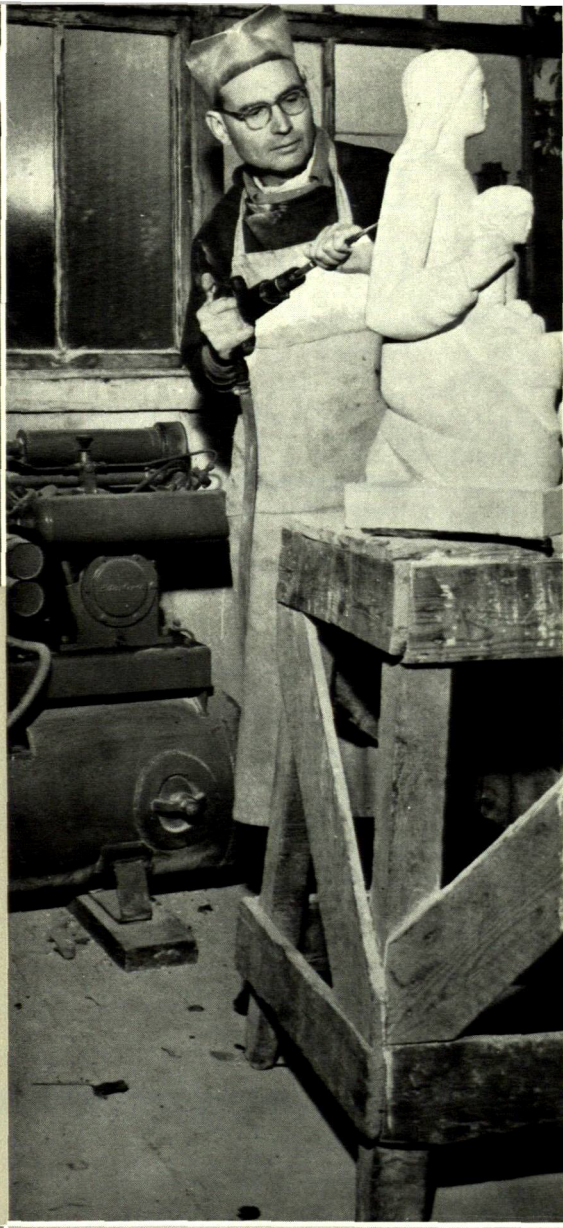
* *Profit Brought Forward* £3,128,000
Profit for the Year 1961 £1,489,000
Disposable Profit £4,617,000

Atlas Copco round the world

Reclaiming the Wasa man o'war after three centuries spent 17 fathoms down in Stockholm harbour proved a triumph for modern salvaging techniques. Atlas Copco equipment played an important part throughout the operation, from supplying air for divers to powering air tools used in strengthening the hull and in the final lift.

Ladder drilling at El Infiernillo. This vast Mexican hydro-electric complex being built on the Balsas River is one of many important construction projects where the one-man-two-machine ladder drilling method, pioneered by contractors Widmark & Platzer AB, is being used.



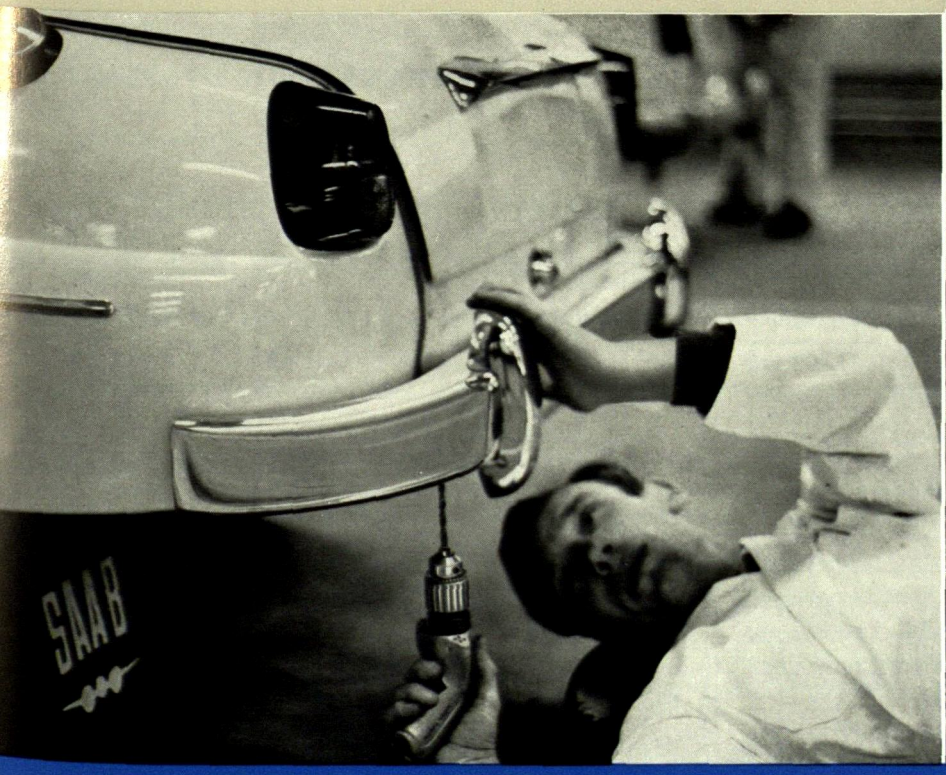


Victorian Premier, the Hon. Henry Bolte, was among 20,000 visitors to the Atlas Copco stand on board m/s Kirribilli, Sweden's floating fair, during a 40-day round Australia tour. (Above)

In the hands of sculptor Peter Watts a pneumatic chipping hammer roughs out a work of art for Bath Abbey, England, giving more time for the final delicate sculpting. (Right)

The self-contained Cobra makes light work of ballast tamping during railway maintenance work in South Africa. (Below, right)

Putting the finishing touches to a SAAB—outright winner of the 1962 Monte Carlo rally. Atlas Copco tools are used extensively on the SAAB production line. (Below)



Balance Sheets for Swedish Subsidiaries as at 31st December, 1961

TRYCKLUFT AB ATLAS COPCO

(Swedish Sales Company)

ASSETS

	Kr.
Fixed Assets	1,512,287
Current Assets	25,626,635
Kr.	27,138,922

LIABILITIES

	Kr.
Share Capital	1,000,000
Reserves and Surplus	2,894,795
Long-Term Liabilities	581,400
Short-Term Liabilities	22,662,727
Kr.	27,138,922

SVENSKA DIAMANTBERGBORRNINGS AB

ASSETS

	Kr.
Fixed Assets	19,451,284
Current Assets	17,741,829
Kr.	37,193,113

LIABILITIES

	Kr.
Share Capital	11,250,000
Reserves and Surplus	7,818,260
Long-Term Liabilities	14,469,129
Short-Term Liabilities	3,655,724
Kr.	37,193,113

INJECTOR COMPANY AB

ASSETS

	Kr.
Fixed Assets	2,447,331
Current Assets	7,467,201
Kr.	9,914,532

LIABILITIES

	Kr.
Share Capital	3,500,000
Reserves and Surplus	1,695,609
Investment Fund	500,000
Long-Term Liabilities	2,568,086
Short-Term Liabilities	1,650,837
Kr.	9,914,532

AB AVOS

ASSETS

	Kr.
Fixed Assets	1,928,395
Current Assets	6,398,897
Kr.	8,327,292

LIABILITIES

	Kr.
Share Capital	2,000,000
Reserves and Surplus	1,376,853
Long-Term Liabilities	3,461,092
Short-Term Liabilities	1,489,347
Kr.	8,327,292

AB ECCOVERKEN

(Including wholly-owned Fastighets AB Kämpagården, real estate company)

ASSETS

	Kr.
Fixed Assets	2,231,752
Current Assets	3,849,161
Kr.	6,080,913

LIABILITIES

	Kr.
Share Capital	2,000,000
Reserves and Surplus	986,774
Long-Term Liabilities	1,538,348
Short-Term Liabilities	1,555,791
Kr.	6,080,913

INJECTOR-HESSELMAN AB

ASSETS

	Kr.
Fixed Assets	1,226,405
Current Assets	7,106,145
Kr.	8,332,550

LIABILITIES

	Kr.
Share Capital	2,250,000
Reserves and Surplus	854,609
Long-Term Liabilities	3,093,332
Short-Term Liabilities	2,134,609
Kr.	8,332,550

AB SICKLAHUS

(Real estate company)

ASSETS

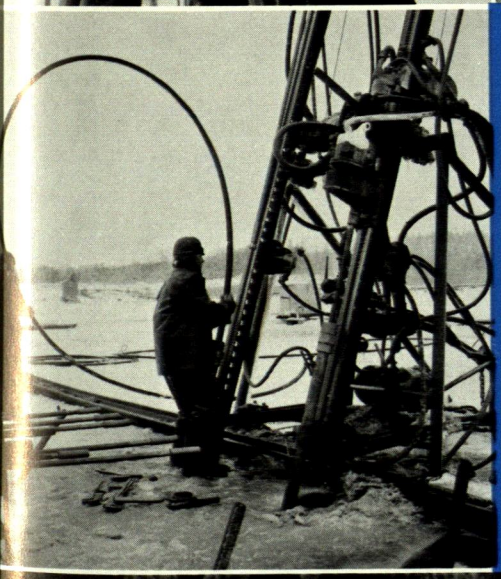
	Kr.
Fixed Assets	9,805,256
Current Assets	40,307
Kr.	9,845,563

LIABILITIES

	Kr.
Share Capital	200,000
Reserves and Surplus	7,681
Long-Term Liabilities	9,527,837
Short-Term Liabilities	110,045
Kr.	9,845,563

The Overburden Drilling Method

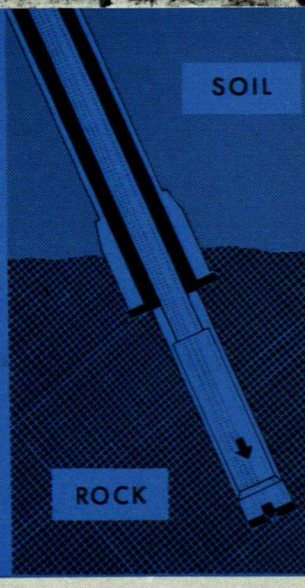
Marking one of the major advances in applying compressed air in the construction field, the Overburden Drilling technique was primarily evolved for drilling and blasting bedrock without first removing the overlying soil cap. This unique equipment has opened up new and more economical aspects on a host of related applications, particularly in projects involving underwater drilling, grouting and geological exploration.

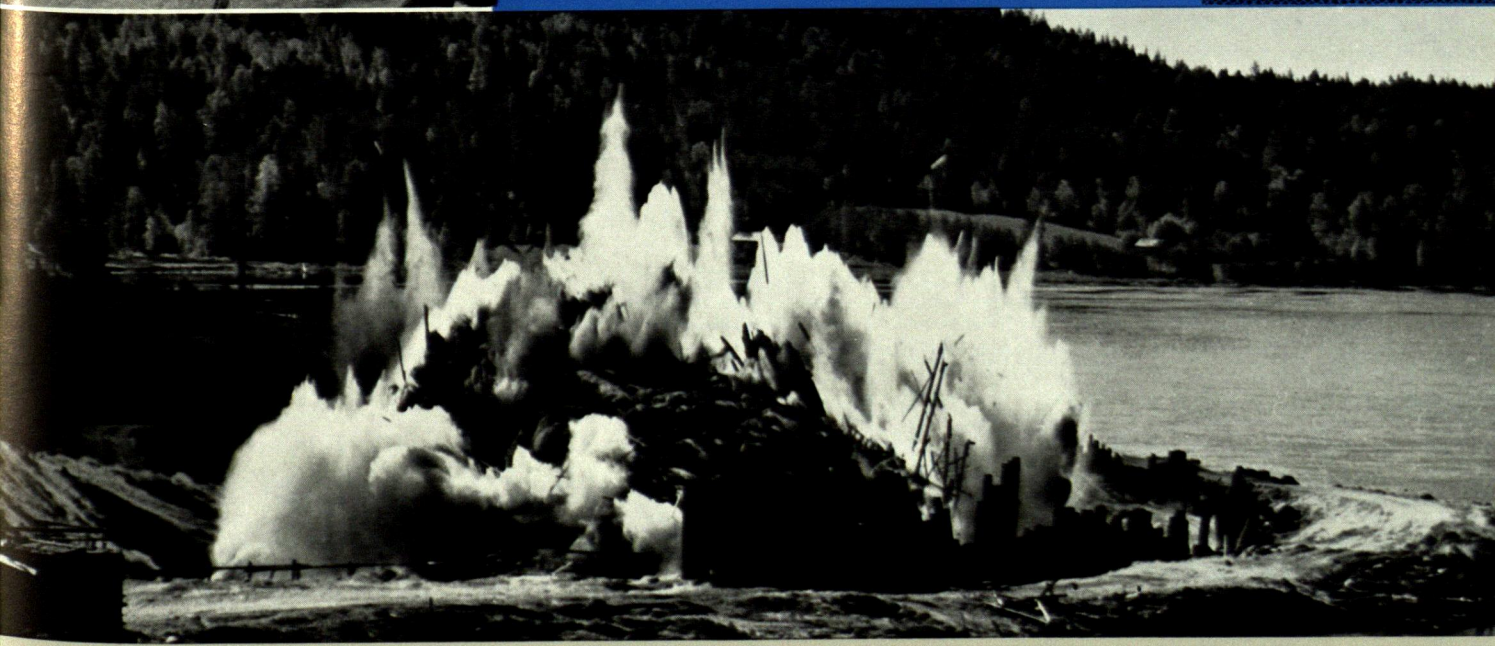


The OD-method was first introduced by AB Skånska Cementgjuteriet, Scandinavia's largest contractor, in constructing the 4-mile Lindö seaway to the Baltic where some five million cubic yards of overburden and rock were together blasted and dredged.

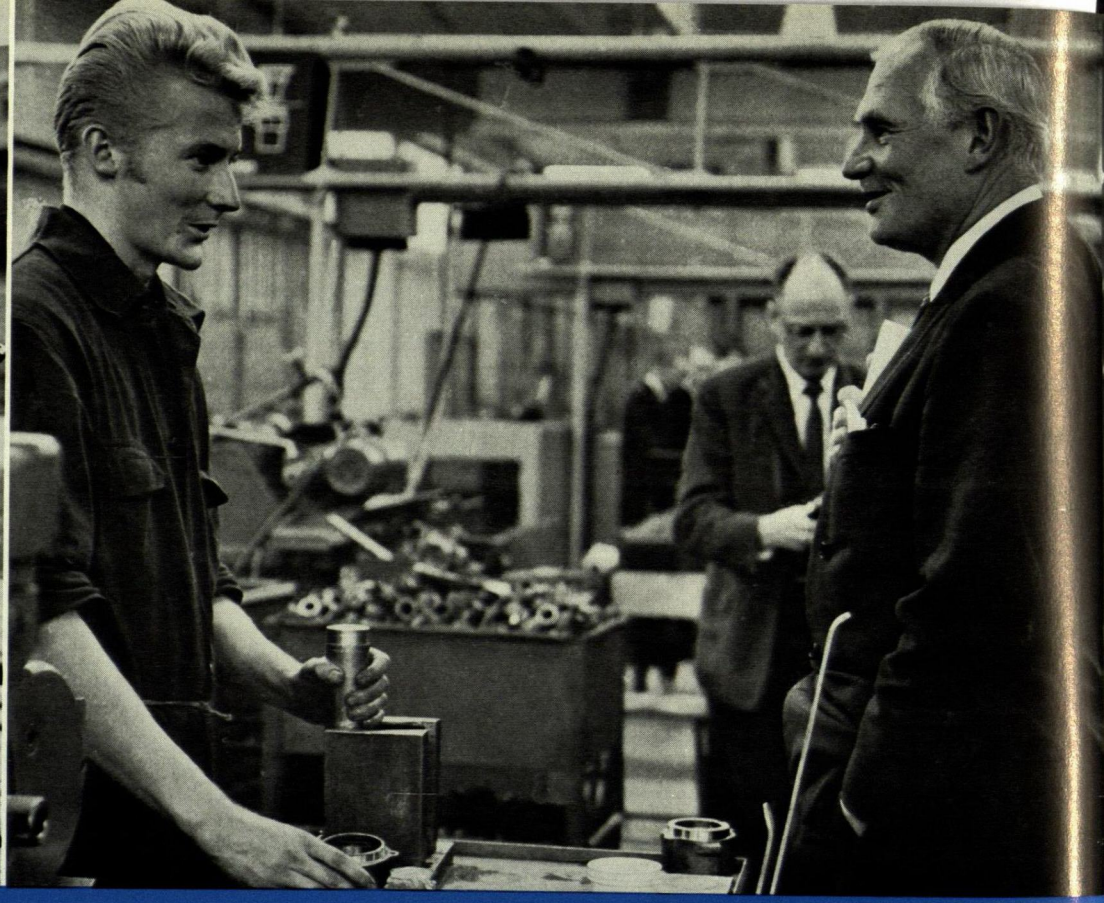
Basically, the new technique involves the use of specially developed equipment whereby a unique Sandvik Coromant drill pipe with inner drill steels can be driven through any type of earth strata and into bedrock where the inner steels alone take over drilling (right). The steels are then replaced by a plastic tube (left), the pipe withdrawn and the holes charged for the final blasting.

At all stages of the operation, an open connection is maintained with the surface.





An outlet channel takes shape where the OD-method was the only time-saving solution.



Building for the future

Visitors from all over the world attended the inauguration in October of two new factory workshops—Simba and Sirocco—at the main Sickla works. Highly rationalized production methods will virtually double the present manufacturing capacity.

A young aspirant at the "Family Day" preview for company employees. (Above, left)

Chairman of the Board, Dr. Marcus Wallenberg, chats with an operator in the new rock drill component shop, Sirocco. (Above, right)

Closed circuit television gave some 400 guests the opportunity to see equipment being demonstrated in the Company test mine. (Below)

Atlas Copco puts compressed air to work for the world

NORTH AMERICA

Canada: Atlas Copco Canada Ltd., *Montreal, P.Q.*

México: Atlas Copco Mexicana, S.A., *Torreón, Coahuila*

U.S.A.: Atlas Copco, Inc., Eastern Division, *Paramus, N.J.*

U.S.A.: Atlas Copco, Inc., Pacific Division, *San Carlos, California*

CENTRAL AMERICA

Costa Rica: El Gallito Comercial, Ltda., *San José*

Cuba: Fábrica Nacional de Implementos Agrícolas, S.A., *La Habana*

El Salvador: Keilhauer, Pagram & Cía., Ltda., Suc., *San Salvador*

Guatemala: Juan U. Maegli & Cía. Ltda., *Guatemala City*

Haiti: Caribbean Trading Co. S.A., *Port-au-Prince*

Honduras: Casa Comercial Mathews, S.A., *Tegucigalpa, D.C.*

Jamaica, W.I.: Atlas Copco Colombiana Ltda., *Bogotá, Colombia*

Netherlands Antilles: Próspero Baiz & Co. Inc., *Curaçao*

Nicaragua: Atlas Copco Colombiana Ltda., *Bogotá, Colombia*

Panamá: Atlas Copco Colombiana Ltda., *Bogotá, Colombia*

Puerto Rico: Atlas Copco Colombiana Ltda., *Bogotá, Colombia*

Trinidad and Tobago: Sandbach Trinidad Ltd., *Port-of-Spain*

SOUTH AMERICA

Argentina: Itec S.A., *Buenos Aires*

Bolivia: Johansson & Cía. S.A., *La Paz*

Brazil: Atlas Copco Brasileira S.A., *São Paulo*

Brazil: Atlas Copco Industrial Paulista S.A., *São Paulo*

British Guiana: Wieting & Richter Ltd., *Georgetown*

Chile: Atlas Copco Chilena S.A.C., *Santiago de Chile*

Colombia: Atlas Copco Colombiana Ltda., *Bogotá*

Colombia: Bogotá District: L. y R. Peláez & Vélez Angel Ltda., *Bogotá*

Colombia: Medellin District: L. y R. Peláez Ltda., *Medellin*

Colombia: Barranquilla District: General Sales Corporation Ltda., *Barranquilla*

Colombia: Cali District: General Sales Corporation Ltda., *Cali*

Ecuador: Ivan Bohman & Co., *Guayaquil*

Ecuador: Sociedad Financiera y Comercial del Pacífico "Fincom", *Guayaquil*

Perú: Atlas Copco Peruana S.A., *Lima*

Surinam: N.V. Ingenieursbureau H.N. van Dijk, *Paramaribo*

Uruguay: Regusci y Voulminot Ingenieros S.A., *Montevideo*

Venezuela: Carlos Tejera, *Caracas*

Venezuela: Orinoco District: Orinoco Supply Service Co., *Puerto Ordaz, Estado Bolívar, Orinoco*

EUROPE

Austria: Atlas Copco Ges.m.b.H., *Vienna*

Belgium: Atlas Copco Belgique S.A., *Brussels*

Belgium: Arpic Engineering S.A., *Antwerp*

Denmark: Atlas Copco A/S, *Copenhagen*

Finland: OY Atlas Copco AB, *Helsinki*

Finland: OY Julius Tallberg AB, *Helsinki*

France: Atlas Copco France S.A., *Saint-Cloud (S. & O.)*

Germany: Deutsche Atlas Copco GmbH, *Essen-Kupferdreh*

Great Britain: Atlas Copco (Great Britain) Ltd., *Hemel Hempstead*

Great Britain: Atlas Copco (Manufacturing) Ltd., *Hemel Hempstead*

Greece: Atlas Copco Greece Ltd., *Athens*

Holland: Atlas Copco Holland N.V., *Rotterdam*

Iceland: Landssmidjan, The Government Engineering Works, *Reykjavik*

Italy: Atlas Copco Italia S.p.A., *Milan*

Luxemburg: Atlas Copco Belgique S.A., *Luxemburg*

Norway: Atlas Copco A/S, *Oslo*

Portugal: Soc. Atlas Copco de Portugal, Lda., *Lisbon*

Spain: Atlas Copco S.A.E., *Madrid*

Sweden: Atlas Copco AB, *Stockholm*

Sweden: Tryckluft AB Atlas Copco, *Stockholm*

Sweden: AB Avos, *Örebro*

Sweden: AB Eccoverken, *Skara*

Sweden: Injector Company AB, *Stockholm*

Sweden: Craelius (Svenska Diamantbergborrnings AB), *Stockholm*

Switzerland: Notz & Co. A.G., *Biel*

Turkey: Atlas Copco Ticaret ve Sanayi T.A.S., *Istanbul*

Yugoslavia: Elektrobiro, *Belgrade*

MIDDLE EAST AND AFRICA

Algeria: Atlas Copco France S.A., *Algiers*

Angola: Blackwood Hodge (Angola) Lda., *Luanda*

Congo: Atlas Copco Congo S.C.A.R.L., *Elisabethville*

Cyprus: Atlas Copco (Cyprus) Ltd., *Nicosia*

Egypt: Swedish Industries Information Office, *Cairo*

Eritrea: Seferian & Co. (Eritrea) Ltd., *Asmara*

Ethiopia: Seferian & Co. (Ethiopia) Ltd., *Addis-Ababa*

Ghana: Paterson, Simons & Co. (West Africa) Ltd., *Accra*

Iran: Irano Swedish Co. AB, Atlas Copco Department, *Tehran*

Iraq: F.A. Kettaneh & Co., *Baghdad*

Jordan: F.A. Kettaneh & Co. Ltd., *Amman*

Kenya, Tanganyika, Uganda, Zanzibar: Twentsche Overseas Trading Co. Ltd. in *Nairobi, Dar-es-Salaam, Kampala and Zanzibar,* respectively

Kuwait: Latiff Supplies (1961) Limited, *Kuwait*

Lebanon: Éts, F.A. Kettaneh S.A., *Beirut*

Liberia: Liberia Tractor & Equipment Company, *Monrovia*

Libya: Gordon, Woodroffe (Libya) Ltd., *Tripoli*

Morocco: Atlas Copco Maroc, *Casablanca*

Mozambique: Empresa de Comércio Sul-Africana Ltda., *Lourenço Marques*

Nigeria: Nigerian Tool & Die Co. Ltd., *Lagos*

Rhodesia: Atlas Copco Rhodesia (Private) Ltd., *Salisbury*

South Africa: Delfos & Atlas Copco (Pty.) Ltd., *Benoni, Transvaal*

Sudan: Boxall Engineering Ltd., *Khartoum*

Syria: Technical Supplies & Trading Co., *Damascus*

Tunisia: Atlas Copco France S.A., *Saint-Cloud, (S. & O.), France*

FAR EAST

Afghanistan: Indamer Afghan Industries Inc., *Kabul*

British North Borneo, Brunei, Sarawak: Jardine Waugh (B) Ltd., in *Jesselton, Brunei Town and Kuching,* respectively

Burma: Burma Asiatic Company Ltd., *Rangoon*

Cambodia: Denis Frères, S.A., *Phnom-Penh*

Ceylon: Equipment and Construction Company Ltd., *Colombo*

Goa: Agencia E. Sequeira, *Campal, Goa, India*

Hong Kong: The China Engineers, Ltd., *Hong Kong*

India: Atlas Copco (India) Private Limited, *Bombay and Poona*

Indonesia: P.N. Budi Bhakti, *Djakarta*

Japan: Gadelius & Co., Ltd., *Tokyo*

Korea: Hae Nin Commerce Company, Inc., *Seoul*

Malaya: Jardine Waugh (Malaya) Ltd., *Kuala Lumpur*

Pakistan East: The Pakbay Company, Ltd., *Dacca*

Pakistan West: Vulcan Industries Ltd., *Karachi*

Philippine Islands: Scandia Incorporated, *Manila*

Singapore: Jardine Waugh (Singapore) Ltd., *Singapore*

Taiwan: Taiwan Trading Corporation, *Taipei*

Thailand, Laos: Diethelm & Co., Ltd., *Bangkok, Thailand*

Vietnam: Sté des Riz d'Indochine Denis Frères, S.A., *Saigon*

AUSTRALASIA AND PACIFIC TERRITORIES

Australia: Atlas Copco Australia Pty. Ltd., *Auburn, N.S.W.*

New Guinea (Papua): Hastings Deering (New Guinea) Pty. Ltd., *Lae, Papua*

New Zealand: Atlas Copco (N.Z.) Ltd., *Wellington*

Printed in Sweden AB Svenska Telegrambyrån, Stockholm 1962 - Kugelbergs Boktryckeri AB

Prospecting on Nimba — Liberia's iron mountain

Atlas Copco