

Atlas Copco

Atlas Copco AB Annual Report 1971





The death of Marc Wallenberg Jr, 47, banker and industrialist, and actively engaged in Board duties for Atlas Copco AB for more than eighteen years, is a sad loss to the Group by whom his financial and industrial ability and personal interest will long be valued.

Atlas Copco AB Annual Report 1971

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Board of Directors

Marcus Wallenberg	Chairman
Kurt-Allan Belfrage	Deputy Chairman
Sture Ekefalk	
Jan Hellner	
Henry N. Sporborg	
Marc Wallenberg Jr	† 19.11 1971
Sture Ödner	
Erik Johnsson	Deputy Member, Man. Dir.
Peter Wallenberg	Deputy Member, Deputy Man. Dir.

Group Management Committee

Erik Johnsson	Man. Dir.
Peter Wallenberg	Deputy Man. Dir.
Bengt Andersson	Dir. of Finance
Rune Back	Marketing Dir.
Jan Holdo	Technical Dir.
Bo Gyllenberg	Man. Dir., Atlas Copco MCT AB
Iwan Åkerman	Man. Dir., Atlas Copco Airpower N.V.
Arne Ekholm	Man. Dir., Atlas Copco Tools AB

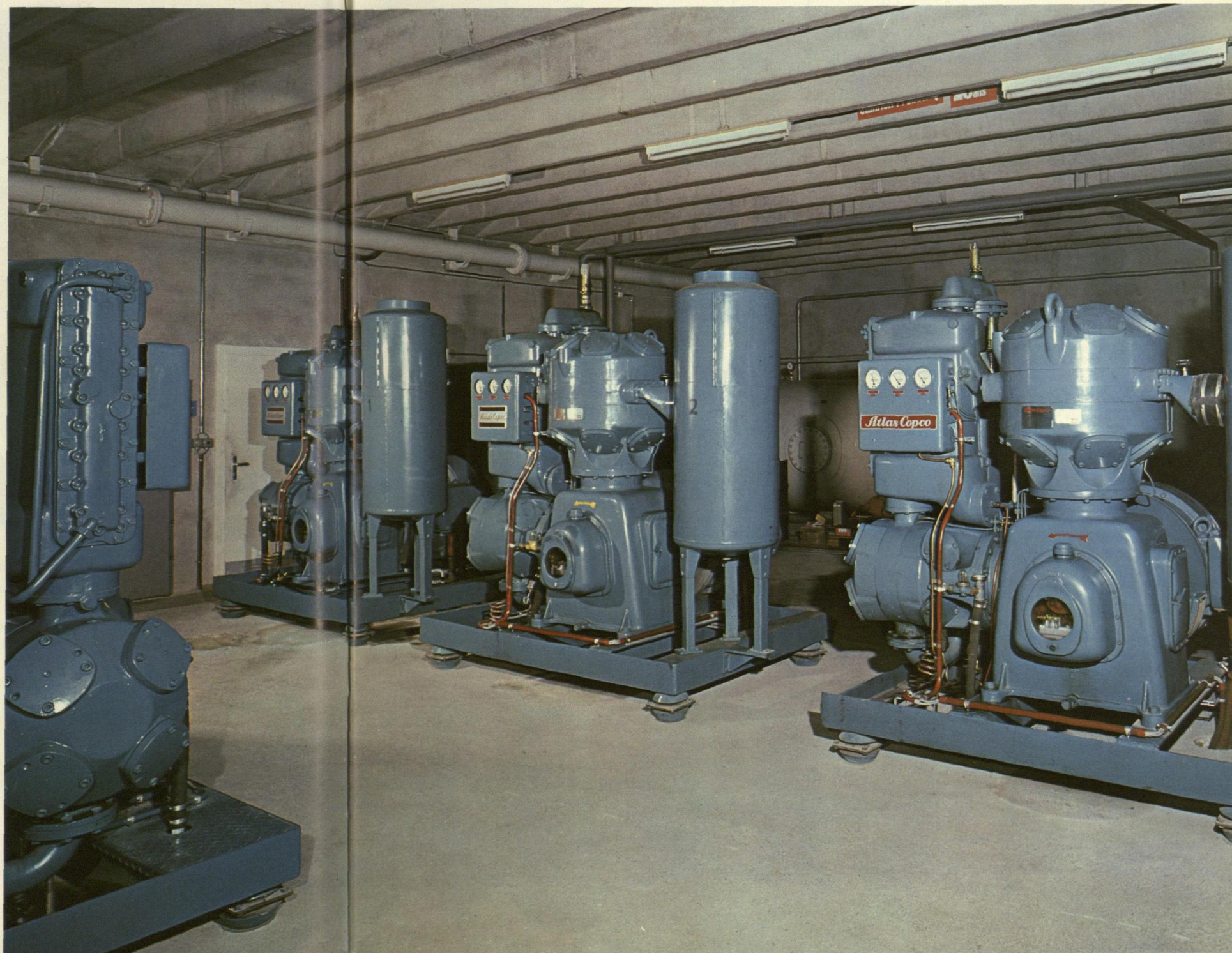
Special Advisers

Stig Unger
Gunnar Widegren

Associate Directors

Anders Björk
Lennart Friberg
Hans Johnsson
Rolf Lahnhausen
Jan Larcén
Olle Lindberg
Pelle Löfström
Gunnar Ruding
Nils Starfelt
Sven-Ingvar Svensson

The ER installation shown here in a Swiss foundry exemplifies modern installation thinking. The compressors are delivered ready to run, with motor, aftercooler and intake silencer mounted on a steel frame fitted with rubber mountings. The only installation work remaining for the customer is connecting electric power, air and water mains.



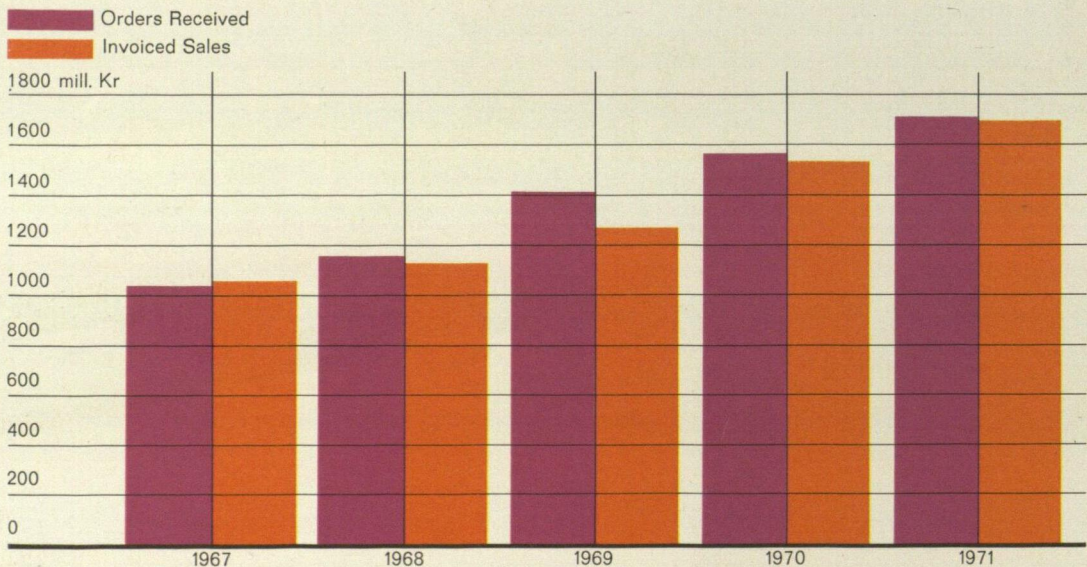
The Atlas Copco Group of Companies

Five Years in Summary

		1971	1970	1969	1968	1967
From the Profit and Loss Account						
Invoiced Sales	mill. Kr	1,696	1,542	1,280	1,138	1,058
Profit before Capital Gains, Appropriations and Taxes . .	mill. Kr	171	161	125	105	89
Depreciation	mill. Kr	42	36	31	28	27
Appropriations	mill. Kr	8	3	3	5	13
Income Taxes	mill. Kr	72	71	52	47	36
Net Profit after Taxes	mill. Kr	87	87	67	51	41
Per share	Kr	*15.76	18.84	14.61	11.01	9.01
From the Balance Sheet						
Fixed Assets at Cost	mill. Kr	663	604	545	480	436
Accumulated Depreciation . . .	mill. Kr	251	214	192	164	144
Current Assets	mill. Kr	1,465	1,430	1,076	935	852
Short-Term Liabilities	mill. Kr	683	716	516	437	415
Long-Term Liabilities	mill. Kr	368	378	244	203	163
Net Worth	mill. Kr	669	575	519	475	427
Other Items						
Number of Employees		13,706	13,764	12,734	11,349	11,196

*) Kr 17.19 after adjustment for Bonus Issue

Orders Received and Invoiced



Directors' Report

To the Shareholders

This report on the activities in 1971 is a translation of the Swedish original signed by the members of the Board and the Managing Director.

The year 1971 was characterized by a receding market trend in most industrial countries. Anti-inflationary measures initiated during the latter part of 1970 were accentuated by the increasing imbalance on the international foreign exchange market. The result of those conditions was falling mineral prices and, in consequence, sharply reduced demand for industrial products. These factors influenced sales within the Atlas Copco Group.

In many countries, price control measures coupled with increased competition made it more difficult for the Group to cover continued increases in the costs of production and distribution. The changes on the international foreign exchange market which took place during the latter part of the year had an adverse affect on the Group's results.

For the year 1971 the Atlas Copco Group reports total invoiced sales of Kr 1,696 million (1970: 1,542), Group sales were Kr 1,704 million (1,566). By achieving above average sales results in countries with expanding economies the Group has succeeded in offsetting less favourable results in some other markets.

90 % (89 %) of the Group sales went to foreign markets. Sweden remained the largest individual market.

The restrictive economic measures taken by the Swedish government were eased during the second half of the year and resulted in a certain rise in sales. Despite the state of the market a favourable sales result was noted in all European sales companies. Among overseas markets, sales have been particularly satisfactory in Argentina, Australia, Brazil and India. A gradually more expansive economic policy has been pursued in the U.S. and Canada. Even so, the Group's sales on these markets were slightly below those of 1970.

It is too early to judge what the effects might be of the efforts made in December to stabilize the international currency situation, and the Group therefore expects only a modest sales increase in 1972.

Under present circumstances it seems likely that the compressed air industry will suffer from a certain degree of over-capacity. Thus the possibility of increasing the Group's export prices to meet rising costs is remote.

Production and Employment

Investment in production equipment remained on the same high level as during the two previous years. The utilization of the total production capacity has been reasonably good.

The biggest investment for production, both in buildings and machinery is being made at the Arpic Works and is reported under Atlas Copco Airpower N.V. At the Avos Works at Örebro, Sweden, increased manufacturing space of 6,000 sq.m. is under construction. An additional 21,000 sq.m. of industrial land was purchased at the central installation at Nacka. Atlas Copco Tools AB has acquired another 2,000 sq.m. of workshop space at Tierp, Sweden.

The new office in Sao Paulo, Brazil, has been completed. In Denmark a new sales centre with office, service, and warehouse facilities is under construction at Herstedøster, outside Copenhagen. In England a new sales centre with a total floor space of 8,500 sq.m. is under construction at Hemel Hempstead. When completed these new buildings for the sales company will permit Atlas Copco (Manufacturing) Ltd. to add another 4,000 sq.m. of workshop space to its present facilities.

In Portugal a new branch office is under construction at Evora and in Spain the new branch office in Barcelona has been completed. Atlas Copco Hellas A.E., Greece, has its new service workshop in operation.

In New Zealand a new sales centre is under construction in Wellington and the new branch office at Christchurch has been completed.

In Switzerland all the planned first stage buildings have been completed for the Institut CERAC S.A..

Research and Development

Research for the Atlas Copco Group is carried out mainly by the Central Laboratories of Atlas Copco AB at Nacka and at the Institut CERAC S.A. in Switzerland.

During 1971 continued studies on the applications of compressed air technology for environmental purposes were made. One research project of wide interest is that of lake restoration. The purpose is to develop methods for revitalizing normal biological processes in lakes which have "died" owing to lack of oxygen. The project is being carried out in cooperation with limnological experts.

Much attention continues to be given to ergonomics, a branch of research, which has resulted in products offering significant advantages from the user's point of view.

Rapid mechanization is a characteristic feature of many of the engineering industries which use Atlas Copco products. The next step is increased automation. Atlas Copco, therefore, is carrying out an intensive research and development programme in this field by applying modern control techniques and systems.

Finance, Investments and Administration

The Company's share capital was increased from Kr 114,975,000 to Kr 137,970,000 by a bonus issue of Kr 11,497,500, giving the shareholders one new share for each ten old shares, as well as by a new issue of Kr 11,497,500 with preference for the shareholders to buy one new share for every ten old shares held.

The issue price of the new shares was Kr 100 per share. The Company received Kr 45,990,000 in cash from this issue. The difference between the issue price and the par value has been appropriated to the legal reserve fund, which thereby increased by Kr 34,492,500 to a total of Kr 102,150,000.

Increases in share capital have been made by the sales companies in Argentina, Austria, Brazil, Greece, India and West-Germany. The parent company has participated in all the above-mentioned issues.

The Company has increased its participation in Atlas Copco Notz AG from 50 % to 90% and in Atlas Copco Deutschland G.m.b.H. from 75 % to 95 %.

Number of Employees

The number of employees in Sweden and abroad on December 31, 1971, is shown in the following table:

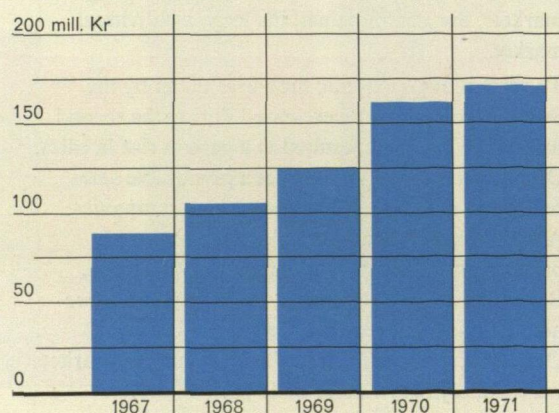
	Industrial employees	Office staff	Total
Atlas Copco AB			
(Parent Company)	—	599	599
Atlas Copco MCT AB	1,309	803	2,112
Atlas Copco Tools AB	580	368	948
Atlas Copco Svenska Försäljnings AB	209	385	594
Others in Sweden	100	77	177
Total in Sweden	2,198	2,232	4,430
Atlas Copco Airpower N.V.	1,060	589	1,649
Other companies abroad	2,658	4,969	7,627
Total Atlas Copco employees	5,916	7,790	13,706

Group Results

Group invoiced sales increased during 1971 by Kr 155 million or US\$ 32.0 million and exceeded the 1970 figure by 10 %. The operating profit for 1971 of Kr 252 million, or US\$ 51.9 million, showed an increase of slightly more than 8 % over the previous year. Profits on sales were reduced from 15.1 % in 1970 to 14.8 %. The considerable rises in wages and salaries, together with currency exchange losses of some 8 million Kr, are the main causes of this reduction.

Improved financial results have been achieved by many foreign sales companies, particularly those in Austria, Belgium, England, India, Italy and Norway. The regular depreciation of buildings and machinery

Profit before Capital Gains, Appropriations and Taxes



has increased by some 17 %, or more than Kr 6 million, owing to the high level of investment during the last years. Net interest cost increased by Kr 7 million compared with 1970. Higher income from interest and dividends has partly offset the continued increase in interest paid.

Group profits before appropriations and taxes rose to Kr 171 (161) million, or US\$ 35.2 million, an increase of approximately 6 %.

Consolidated Balance Sheet

Investments in land and buildings amounted to Kr 23 million, or US\$ 4.7 million. Further acquisition of land in Nacka and the construction of a new workshop in Atlas Copco Airpower account for the main part of these investments.

Kr 46 million (US\$ 9.5 million) were invested in new machinery, particularly at Atlas Copco MCT and Atlas Copco Airpower.

Group inventories have continued to rise as a consequence of increased production and sales. The upward trend is, however, more moderate than during last year.

Outstanding debts including acceptances from customers are considerably lower than 1970, in spite of the sales increase, owing to intensified efforts to improve collection procedures.

For further details, see separate notes to balance sheet (p. 16—17).

The consolidated balance sheet shows an unappropriated profit of Kr 220.8 million (US\$ 45.5 million).

Profit and Loss Account of the Parent Company

Although commissions, licences and royalties from Group companies are lower than in 1970, owing to lower profitability of the Swedish subsidiaries,

the Parent company reports some 8 million Kr higher operating revenues because of considerably increased dividends and interest from Group companies.

Operating costs are Kr 5 million (US\$ 1 million) higher than in the previous year. They include pension costs of Kr 4.8 million and costs for the increase of the share capital of Kr 1.8 million.

Both depreciation and financial costs, net, have decreased compared with 1970. Profit before taxes has increased by Kr 5.5 million (US\$ 1.1 million).

Despite this, the tax burden on the Company's profit is lower than in 1970, as the pre-tax figures include a substantially increased amount of tax-free income from dividends. Net profit, Kr 36.2 million (US\$ 7.5 million) is therefore up by Kr 7.9 million (US\$ 1.6 million).

Balance Sheet of the Parent Company

Purchases of land in Nacka explain the increased value of the Parent company's properties.

The book value of the Company's share and participating rights in a number of subsidiaries as well as in other companies has been revised. Revaluations of the share values of certain companies have been offset by write-offs of the book value of the shares in other companies. The Company's profit has therefore not been affected by these adjustments.

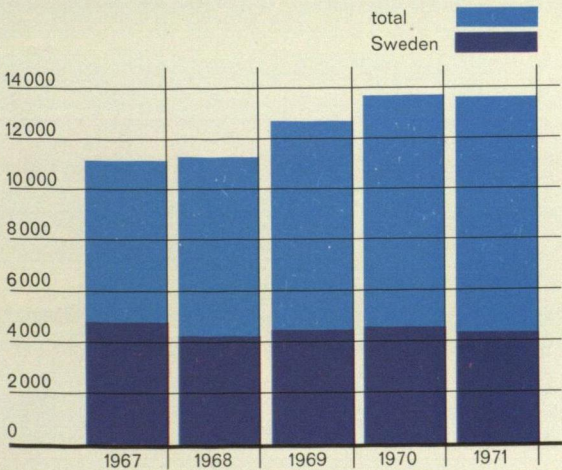
Part of the special investment reserve has been transferred to Atlas Copco MCT AB.

In as much as all industrial activity is conducted by wholly-owned subsidiary companies no direct workers are on the books of the Parent company.

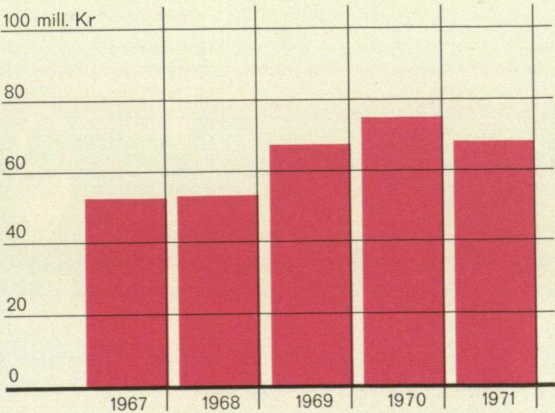
The average number of employees during the year was 602, as compared with 593 in the previous year.

Kr 1,797,870 (US\$ 370,695) was paid to the Board of Directors and Senior Management and Kr 31,142,719 (US\$ 6,421,179) to other staff.

Number of Employees



Investments



Appropriation of Profits

Further details regarding the Company's accounts are given in the attached Balance Sheets and Profit and Loss Accounts.

According to the Parent Company's Balance Sheet unappropriated earnings from the previous year amounted to	Kr	2,731,863
to which should be added the Net Profit for the Year	Kr	*36,224,032
	Kronor	<u>38,955,895</u>

The Board of Directors and the Managing Director propose that the unappropriated earnings be applied as follows:

pay shareholders a dividend of Kr 5 per share on both existing shares and the bonus shares issued in 1971	Kr	27,594,000
leaving a balance to be carried forward of	Kr	11,361,895
	Kronor	<u>38,955,895</u>

* Net Profit for the Year US\$ 7,468,873.

CAVODRILL is the name of Atlas Copco's new mechanized standard unit for drifting and tunnel driving as well as production drilling. The unit is equipped with silenced rock drills on medium heavy hydraulic booms allowing excellent accessibility. It utilizes the same chassis as the CAVO loaders, an advantage where spares and servicing are concerned.



Atlas Copco AB

Balance Sheet — as at 31st December 1971

ASSETS	1971	1970
Fixed Assets (note 1)	Kronor	
Office and Industrial Properties at Cost	63,877,025	59,174,663
Housing Properties at Cost	2,385,895	2,782,713
Machinery and Equipment at Cost	22,629,389	21,904,618
Installation and Plant under Construction	825,200	620,500
	<u>89,717,509</u>	<u>84,482,494</u>
 Shares and Long-Term Receivables		
Shares in Subsidiaries	133,155,012	122,547,037
Shares in Other Companies	14,182,956	15,181,847
Advances to Subsidiaries	45,189,341	34,263,439
Other Long-Term Receivables	47,190,417	47,133,205
	<u>239,717,726</u>	<u>219,125,528</u>
 Blocked Account with Sveriges Riksbank (note 2)	<u>7,947,732</u>	<u>10,940,952</u>
 Current Assets		
Inventories	24,158,020	16,220,183
Short-Term Advances to Subsidiaries (Less: Due to Subsidiaries Kr 22,421,930 and Kr 18,819,234)	22,222,806	16,407,305
Accounts Receivable from Customers	33,412,870	25,931,620
Other Accounts Receivable	29,679,578	35,910,465
Customers' Acceptances	24,453,433	29,442,198
Tax Claim	590,482	3,819,405
Cash in Hand and at Banks	99,833,586	83,619,023
	<u>234,350,775</u>	<u>211,350,199</u>
 Pledged Assets (note 3)	 1971 1970 47,589,276 42,138,992	
	<u>571,733,742</u>	<u>525,899,173</u>

LIABILITIES

1971

1970

Capital, Reserves and Surplus

Kronor

Share Capital	137,970,000	114,975,000
Legal Reserve Fund	102,150,000	67,657,500
	<u>240,120,000</u>	<u>182,632,500</u>
Contingency Fund (note 4)	12,500,000	12,500,000
Surplus		
Profit brought forward	39,523,863	34,189,213
Less: Dividend	25,294,500	22,995,000
Transferred to Share Capital	11,497,500	—
	<u>2,731,863</u>	<u>11,194,213</u>
Profit for the Year	36,224,032	28,329,650
	<u>38,955,895</u>	<u>39,523,863</u>
	<u>291,575,895</u>	<u>234,656,363</u>
Accumulated Depreciation on Fixed Assets (note 1)	41,098,461	38,136,882
Inventory Reserve	9,665,591	9,665,591
Special Investment Reserve	<u>17,277,677</u>	<u>23,784,677</u>
Long-Term Liabilities		
4 ¾ % Bond Loan, 1963	9,910,000	10,590,000
5 ½ % Debenture Loan, 1963	12,440,000	14,150,000
7 ½ % Debenture Loan, 1967	27,210,000	29,000,000
9 ½ % US\$ Bond Loan, 1970	96,735,100	100,097,550
Provision for Pensions (note 5)	27,567,298	24,549,206
Mortgage Loans	672,581	677,906
Promissory Notes	7,176,148	13,050,186
	<u>181,711,127</u>	<u>192,114,848</u>
Short-Term Liabilities		
Suppliers	3,450,434	3,169,179
Sundry Accounts Payable	16,040,056	15,392,601
Employees' Preliminary Taxes	1,951,961	1,686,582
Current Portion of Long-Term Debts	8,962,540	7,292,450
	<u>30,404,991</u>	<u>27,540,812</u>
Contingent Liabilities (note 3)	1971	1970
Other Contingent Liabilities	227,160,456	233,050,331
Bills Discounted	7,268,464	28,943,500
	<u>571,733,742</u>	<u>525,899,173</u>

Atlas Copco AB

Profit and Loss Account for the Year 1971

	1971	1970
Operating Revenue	Kronor	
Commission, Licences and Royalties from Subsidiaries	73,095,800	81,272,804
Interest Received from Subsidiaries	8,934,461	1,640,254
Interest Paid to Subsidiaries	— 1,213,766	— 2,108,214
Dividends from Subsidiaries	28,854,287	16,547,446
Other Costs and Revenue	— 3,064,629	945,088
	<u>106,606,153</u>	<u>98,297,378</u>
Cost of Technical Development, Sales, Administration, etc.		
(of which General Administrative Costs, Kr 17,066,297 and Kr 15,702,080)	— 57,661,584	— 52,744,568
Balance	<u>48,944,569</u>	<u>45,552,810</u>
Depreciation		
Buildings	1,495,042	1,376,076
Machinery and Equipment	1,891,564	2,355,955
	<u>— 3,386,606</u>	<u>— 3,732,031</u>
Financial Costs and Revenue		
Interest Paid to Others (excl. Subsidiaries)	— 25,082,406	— 20,038,902
Interest Received from Others (excl. Subsidiaries)	+ 11,117,330	+ 7,513,384
Dividends from Others (excl. Subsidiaries)	+ 8,131,145	+ 4,934,389
	<u>— 5,833,931</u>	<u>— 7,591,129</u>
Profit before Taxes	39,724,032	34,229,650
Taxes	— 3,500,000	— 5,900,000
Net Profit	<u>*36,224,032</u>	<u>28,329,650</u>

* Net Profit for the Year US\$ 7,468,873

Shares and Participating Rights

As at 31st December 1971

Subsidiaries	Number of shares/part. rts	Par value per share/part. rt	Book value Kr
Atlas Copco MCT AB, Nacka	300,000 shares	Kr 100	30,000,000
Atlas Copco Svenska Försäljnings AB, Nacka	100,000 shares	Kr 100	10,000,000
AB Sicklahus, Nacka	2,000 shares	Kr 100	200,000
Atlas Copco Tools AB, Stockholm	100,000 shares	Kr 100	10,000,000
Atlas Copco ABEM AB, Stockholm	50 shares	Kr 100	5,000
Atlas Copco Airpower N.V., Antwerp	59,500 shares	no par value	40,000,000
Atlas Copco Belgium S.A., Overijse	49,994 shares	BFrs 1,000	3,000,000
Atlas Copco (Great Britain) Ltd., Hemel Hempstead	399,997 shares	£ 1	4,000,000
Atlas Copco France S.A., Franconville	17,963 shares	Frs 500	5,000,000
Atlas Copco Nederland N.V., Zwijndrecht	1,500 shares	Hfl. 1,000	1,500,000
Atlas Copco Italia S.p.A., Milan	119,998 shares	Lire 10,000	7,000,000
Atlas Copco A/S, Oslo	898 shares	Norw. Kr 10,000	2,000,000
Atlas Copco Notz A.G., Biel	3,600 shares	SFRs 1,000	5,000,000
Institut CERAC S.A., Ecublens	2,000 shares	SFRs 1,000	2,400,000
Atlas Copco S.A.E., Madrid	98,500 shares	Ptas 500	3,650,000
Atlas Copco Deutschland G.m.b.H., Essen	14 part. rts		1,000,000
Atlas Copco G.m.b.H., Vienna	8,990 part. rts	Aust. Sch. 1,000	400,000
Atlas Copco Inc., Hackensack	1,400 shares	no par value	5,000,000
Delfos & Atlas Copco (Pty) Ltd., Benoni	650,640 shares	R 0.5	3,000,000
Atlas Copco A/S, Copenhagen	2,997 shares	Dan. Kr 1,000	1
Atlas Copco Hellas A.E., Athens	3,840 shares	Drs 10,000	1
Soc. Atlas Copco de Portugal Lda., Lisbon	4,980 part. rts	Esc. 1,000	1
Atlas Copco Industrial S.A., Madrid	95 shares	Ptas 10,000	1
Atlas Copco Ticaret ve Sanayi T.A.S., Istanbul	1,140 shares	T£ 500	1
Atlas Copco Maroc S.A., Casablanca	1,815 shares	Dirh. 800	1
Atlas Copco Argentina S.A.C.I., Buenos Aires	15,000 shares	Pesos 100	1
Atlas Copco (India) Private Ltd., Bombay	4,820 shares	Rs 1,000	1
Atlas Copco Paulista Ltda., Sao Paulo	20,899,988 shares	no par value	1
Atlas Copco Chilena S.A.C., Santiago de Chile	1,300,000 shares	Esc. 1	1
Atlas Copco Colombiana Ltda., Bogotá	190 part. rts	Pesos 100	1
Atlas Copco (Philippines) Inc., Makati, Rizal	3,995 shares	Pesos 100	1
			<hr/> Kronor 133,155,012

Other Companies

Atlas Copco Finans AB, Stockholm	12,000 shares	Kr 100	1,006,370
The Swedish Lamco Syndicate,			
Trafik AB Grängesberg-Oxelösund & Co., Stockholm	6/28 of the capital		450,000
Monsun-Tison AB, Borås	33,600 shares	Kr 100	10,320,000
AB Stadsfastigheter, Stockholm	6 shares	Kr 1,000	6,000
Svensk Interkontinental Lufttrafik AB, Stockholm	7,050 shares	Kr 100	705,000
AB Byggnadsgaranti, Stockholm	40 shares	Kr 100	4,000
Cockerill-Ougree-Providence et Espérance-Longdoz, Liège	1,420 shares	no par value	203,200
ADELA Investment Company S.A., Luxembourg	1,820 shares	US\$ 100	916,260
SIFIDA Investment Company S.A., Luxembourg	20 shares	US\$ 5,000	516,650
La Maison de Suède, Paris	40 shares	Frs 100	5,475
Casa de Suecia S.A., Madrid	90 shares	Ptas 5,000	50,000
Other Companies			1
			<hr/> Kronor 14,182,956

The Atlas Copco Group of Companies

Consolidated Balance Sheet — as at 31st December 1971

ASSETS	1971	1970
	1,000 Kr	
Fixed Assets (note 6)		
Land and Buildings at Cost	310,757	293,540
Machinery and Equipment at Cost	286,084	243,184
Shares	14,438	16,443
Other Investments	51,978	50,828
	663,257	603,995
Blocked Accounts with Sveriges Riksbank	10,968	13,733
Current Assets		
Inventories (note 7)	801,383	741,943
Accounts Receivable from Customers	340,002	386,651
Acceptances	68,737	73,045
Other Accounts Receivable	94,674	102,702
Cash in Hand and at Banks	160,258	126,006
	1,465,054	1,430,347
	2,139,279	2,048,075
LIABILITIES		
Capital, Reserves and Surplus		
Share Capital	137,970	114,975
Legal Reserves	139,661	95,069
Other Reserves, not available for distribution (note 8)	139,051	124,738
Contingency Fund	31,500	31,500
Surplus	*133,791	121,999
Profit for the Year	*86,969	86,643
	668,942	574,924
Accumulated Depreciation on Fixed Assets (note 6)	251,278	214,171
Inventory Reserves	125,025	116,799
Special Investment Reserves (note 9)	31,140	30,891
Minority Holdings (note 10)	12,717	17,552
Long-Term Liabilities		
Bond and Debenture Loans (note 11)	146,295	153,838
Mortgage and Other Long-Term Loans (note 11)	138,399	152,411
Provision for Pensions (note 12)	79,429	68,247
Other Long-Term Liabilities	3,523	3,363
	367,646	377,859
Short-Term Liabilities		
Suppliers	144,826	137,882
Bills Payable	168,952	207,776
Current Portion of Long-Term Debts	24,228	17,716
Provision for Taxes	45,677	63,290
Bank Loans	200,568	179,866
Other Short-Term Liabilities	98,280	109,349
	682,531	715,879
Pledged Assets (note 13)	149,770	143,226
Contingent Liabilities		
Bills Discounted	80,759	95,819
Other Contingent Liabilities	44,977	38,716
	2,139,279	2,048,075

* Surplus US\$ 27,585,800
Profit for the Year US\$ 17,931,800
Disposable Profit US\$ 45,517,600

The Atlas Copco Group of Companies

Consolidated Profit and Loss Account for the Year 1971

	1971	1970
	1,000 Kr	
Invoiced Sales	1,696,346	1,541,698
Cost of Goods Sold, Technical Development, Sales, Administration, etc.	—1,444,443	—1,309,391
Operating Profit	<u>251,903</u>	<u>232,307</u>
 Depreciation		
Buildings	10,072	7,159
Machinery and Equipment	32,117	28,758
	<u>— 42,189</u>	<u>— 35,917</u>
 Financial Costs and Revenue		
Interest Paid to Others (excl. Subsidiaries)	— 62,042	— 52,291
Interest Received from Others (excl. Subsidiaries)	+ 14,813	+ 11,637
Dividends from Others (excl. Subsidiaries)	+ 8,131	+ 4,934
	<u>— 39,098</u>	<u>— 35,720</u>
Balance	<u>170,616</u>	<u>160,670</u>
 Other Costs and Revenue		
Extra Depreciation on Fixed Assets	— 3,450	—
Profit before Appropriations and Taxes	<u>167,166</u>	<u>160,670</u>
 Appropriations		
Inventory Reserve	— 8,226	— 3,243
Profit before Taxes	<u>158,940</u>	<u>157,427</u>
 Taxes	— 71,971	— 70,784
Net Profit	<u>*86,969</u>	<u>86,643</u>

* Net Profit for the Year US\$ 17,931,800

Notes to Balance Sheet

Atlas Copco AB

Note 1

Fixed Assets

	<i>Industrial Properties</i>		<i>Housing Properties</i>	
	1971	1970	1971	1970
	(mill. Kr)			
Cost value	63.9	59.2	2.4	2.8
Accumulated depreciation	21.2	19.9	0.6	0.8
Book value	42.7	39.3	1.8	2.0
Assessment value	66.4	66.0	1.9	1.9
Fire Insurance value	106.7	107.3	6.0	4.9

	<i>Machinery and Equipment</i>	
	1971	1970
	(mill. Kr)	
Cost value	22.6	21.9
Accumulated depreciation	19.3	17.5
Book value	3.3	4.4
Fire Insurance value	23.1	19.3

Note 2

Blocked Account with Sveriges Riksbank

The amount of 3.0 million Kr has been transferred to Atlas Copco MCT AB during the year.

Note 3

Pledged Assets and Contingent Liabilities

Out of the total amount for pledged assets, mortgaged properties amount to 25.4 million Kr (1970: 25.4). Trade mortgages are included in the total with 18.4 million Kr.

In addition there is the participation in the Swedish Lamco Syndicate, Trafik AB Grängesberg-Oxelösund & Co. in the form of guarantees for US\$ 25.6 million and 28 million Swiss Francs. By the terms of the agreement, Atlas Copco AB's share is US\$ 5.5 million and 6 million Swiss Francs.

Note 4

Contingency Fund

The amounts shown under this heading are tax surplus and from this year onwards they refer to the company's equity.

Note 5

Provision for Pensions

The total pension obligations amount to 27.6 million Kr including obligations for the supplementary pension plan of 20.9 million Kr.

The Atlas Copco Group of Companies

Principles for Consolidation

When converting foreign currencies to Swedish Kronor, the general rule has been to convert sums for land and buildings at the exchange rate for Swedish Kronor at the time when the assets were acquired, while other assets and liabilities have been converted at the rates prevailing on the date of the balance sheet.

Note 6

Fixed Assets

Amounts of accumulated depreciation shown under liabilities and the book values are as follows:

	<i>Land and Buildings</i>		<i>Machinery and Equipment</i>	
	1971	1970	1971	1970
	(mill. Kr)			
Cost value	310.8	293.5	286.1	243.2
Accumulated depreciation	66.4	58.5	184.9	155.7
Book value	244.4	235.0	101.2	87.5

Note 7

Inventories

Inventories are valued at the lower of cost or market value, in general according to the principle "first in — first out", reduced by depreciation for obsolescence.

Note 8

Other Reserves, not available for distribution

These reserves mainly represent profits invested in the share capital of the subsidiaries.

Note 9

Special Investment Reserves

Appropriations to Special Investment Reserves and the utilization of same mainly refer to Swedish Group Companies and are governed by law. The appropriations are deductible from taxable income provided 46 % of the appropriation is blocked with Sveriges Riksbank.

Note 10

Minority Holdings

The decrease in Minority Holdings mainly refers to earlier mentioned increase of the Parent Company's holdings in the German and Swiss Sales Companies.

Note 11

Long-Term Loans

	1971	1970
	(mill. Kr)	
<i>Bond and Debenture Loans</i>		
Atlas Copco AB		
9½ % Debentures (US\$ 20 mill.)		
from 1970	96.7	100.1
4¾ % Bonds from 1963	9.9	10.6
5½ % Subordinated Debentures		
from 1963	12.5	14.1
7½ % Subordinated Debentures		
from 1967	27.2	29.0
	146.3	153.8
<i>Mortgage and Other Long-Term Loans</i>		
Atlas Copco AB	7.8	13.7
Atlas Copco MCT AB	28.8	26.6
Atlas Copco Airpower N.V.	41.7	43.1
Atlas Copco Tools AB	4.6	4.0
Other Group Companies	55.5	65.0
	138.4	152.4
Total Long-Term Loans	284.7	306.2

Note 12

Provision for Pensions

Refers mainly to Swedish subsidiaries and corresponds to the actuarially calculated amount for pension obligations under the supplementary pension plans existing beside the National Pension Plans.

Note 13

Pledged Assets

See note 3. The mortgaged properties amount to 96.2 million Kr (91.3). Trade mortgages represent 33.0 million Kr.

Auditors' Report

In our capacity of auditors to Atlas Copco Aktiebolag we submit the following report for the year 1971.

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 Company, and made such other tests as we considered necessary.

The accounts have continuously been checked by Bohlins Revisionsbyrå Aktiebolag on a sampling basis.

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

We have no objection to the writing up of certain shares and the corresponding writing down of other shares.

In the course of the audit there appeared no reason to remark upon the Annual Report, the book-keeping or the verification of assets, or upon the management in general.

The Board of Directors and the Managing Director propose that the profit for the year, 36,224,032 Kr, together with unappropriated earnings from the previous year, 2,731,863 Kr, a total of 38,955,895 Kr, be appropriated as follows:

Dividend to Shareholders	27,594,000
Unappropriated earnings carried forward	11,361,895
	Kronor <u>38,955,895</u>

These proposals do not conflict with the provisions of the Company Act concerning appropriations to legal reserves or with sound business practice.

We recommend:

- that the Balance Sheet as at 31st December 1971, 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 the period covered by the Annual Report.

Translated from the original Swedish Report signed by the elected auditors Ebbe Rybeck and Bertil E. Olsson (Authorized Public Accountants) March 22nd, 1972.

Throughout the world the aircraft industry uses compressed air tools for numerous jobs. LBB 22 and LBV 22 drills are here being used on a wing section of a DC-10.



At a reassuring distance from vibration, dust and falling rock, the loader operator does his work efficiently and in safety.

Atlas Copco's remote-control equipment can today be fitted to the Company's complete loader range.



Atlas Copco MCT AB

Sales and Deliveries

Since Atlas Copco MCT sells in both the contracting and mining fields, it has been possible to counteract the effect of the poor economic climate in mining by taking more positive advantage of the situation in the contracting industry.

Sales of heavy rock drilling equipment, especially hydraulic booms, have shown a marked improvement. Deliveries have primarily been made to civil engineering underground operations. Several impressive orders have been received in connection with international projects such as the construction of a new highway tunnel in Switzerland and a hydro-electric power station in Tanzania. Crawler drills for contractors have also enjoyed a reassuring increase in sales. There has been a lively demand for light contractor equipment, especially silenced breakers.

The demand for light rock drills has been relatively encouraging. On the other hand loader sales have been less satisfactory, mainly owing to a low production rate coupled with a low investment rate in the mining industry.

The demand for drill steel equipment from the Sandvik Steel Works has continued to grow. The new PREMIUM integral drill steel has been well received.

Production and Employment

A lower volume of production plus expanded production capacity have resulted in reduced utilization of capacity. Atlas Copco MCT's investments have, despite this, been higher than in previous years. The Smedjebacken Works in Sweden have been brought into service and the intended capacity has now been attained.

Personnel turn-over decreased considerably during the year and, especially during the later months, the recruitment of skilled labour has been easier.

At the Sickla Works in Nacka a three year industrial training course at secondary school level was initiated.

Product Development

In the development of new products special consideration has been given to ergonomic factors such

as noise, vibration and dust. New types of dust-binding equipment have been introduced to cut down rock dust produced by above-ground drilling.

The demand for increased mechanization of rock drilling equipment is growing steadily. To meet this demand, a new medium-heavy hydraulic boom and new rock drills were introduced during the year. The boom can be mounted on both diesel- and compressed air-powered carriers, utilizing components from the well known CAVO series of loaders.

For production drilling in underground mines, the company has embarked on series production of a high capacity, fully mechanized drilling rig. Continued development of the air-powered CAVO series has produced a diesel-hydraulic, rubber-tyred loader.

For the contracting industry mechanized equipment has been developed for driving light sheeting, e.g., for trenching operations in populated areas.

In the areas of prospecting and diamond core drilling a new series of wire-line equipment has been introduced to facilitate the withdrawal of cores from great depths.

Company Results

Invoiced sales from Atlas Copco MCT and subsidiary companies remained almost unchanged compared with the preceding year.

Profit before appropriations and taxes is Kr 13.9 million (18.0) which is 23 % lower than the previous year. The reason for this fall is that it was not possible to increase prices to fully compensate for rises in costs of materials and wages.

The result has also been affected by increased costs of prototypes and field tests of new products, which are directly related to the intensified product development work of the company.

The high rate of investment has led to an increase of the interest paid by Kr 2.2 million.

Atlas Copco MCT AB*

Balance Sheet — as at 31st December 1971

ASSETS	1971	1970
Fixed Assets	1,000 Kr	
Land and Buildings at Cost	28,227	29,826
Machinery and Equipment at Cost	98,141	72,065
Other Investments	100	183
	<u>126,468</u>	<u>102,074</u>
Blocked Accounts with Sveriges Riksbank	925	704
Current Assets		
Inventories	203,457	199,163
Advances to Group Companies	12,810	26,499
Accounts Receivable from Customers	6,561	8,887
Acceptances	863	185
Other Accounts Receivable	18,167	10,068
Cash in Hand and at Banks	2,113	6,309
	<u>243,971</u>	<u>251,111</u>
	371,364	353,889
LIABILITIES		
Capital, Reserves and Surplus		
Share Capital	30,000	30,000
Legal Reserves	6,802	5,037
Surplus	13,561	8,901
Profit for the Year	6,749	9,196
	<u>57,112</u>	<u>53,134</u>
Accumulated Depreciation on Fixed Assets	65,107	55,016
Inventory Reserves	76,494	73,150
Special Investment Reserves	8,037	1,530
Long-Term Liabilities		
Mortgage and Other Long-Term Loans	28,823	26,574
Provision for Pensions	24,530	21,614
	<u>53,353</u>	<u>48,188</u>
Short-Term Liabilities		
Suppliers	39,126	45,945
Bills Payable	24,013	27,090
Due to Group Companies	1,001	3,336
Current Portion of Long-Term Debts	2,006	1,631
Provision for Taxes	5,062	8,756
Bank Loans	19,792	15,397
Other Short-Term Liabilities	20,261	20,716
	<u>111,261</u>	<u>122,871</u>
Pledged Assets	24,212	23,636
Contingent Liabilities		
Bills Discounted	1,490	3,091
Other Contingent Liabilities	2,467	2,703
	<u>371,364</u>	<u>353,889</u>

* Including subsidiaries as per foot note p. 23

Atlas Copco MCT AB*

Profit and Loss Account for the Year 1971

	1971	1970
	1,000 Kr	
Invoiced Sales	473,612	477,907
Cost of Goods Sold, Technical Development, Sales, Administration, etc.	—445,237	—450,561
Operating Profit	28,375	27,346
Depreciation		
Buildings	1,143	673
Machinery and Equipment	10,620	8,123
	— 11,763	— 8,796
Financial Costs and Revenue		
Interest Paid to Others (excl. Group Companies)	— 3,242	— 2,914
Interest Received from Others (excl. Group Companies)	+ 150	+ 302
Interest Paid to Group Companies	— 1,328	— 1,531
Interest Received from Group Companies	+ 1,690	+ 3,577
	— 2,730	— 566
Profit before Appropriations and Taxes	13,882	17,984
Appropriations		
Inventory Reserve	— 3,344	— 467
Profit before Taxes	10,538	17,517
Taxes	— 3,789	— 8,321
Net Profit	**6,749	9,196

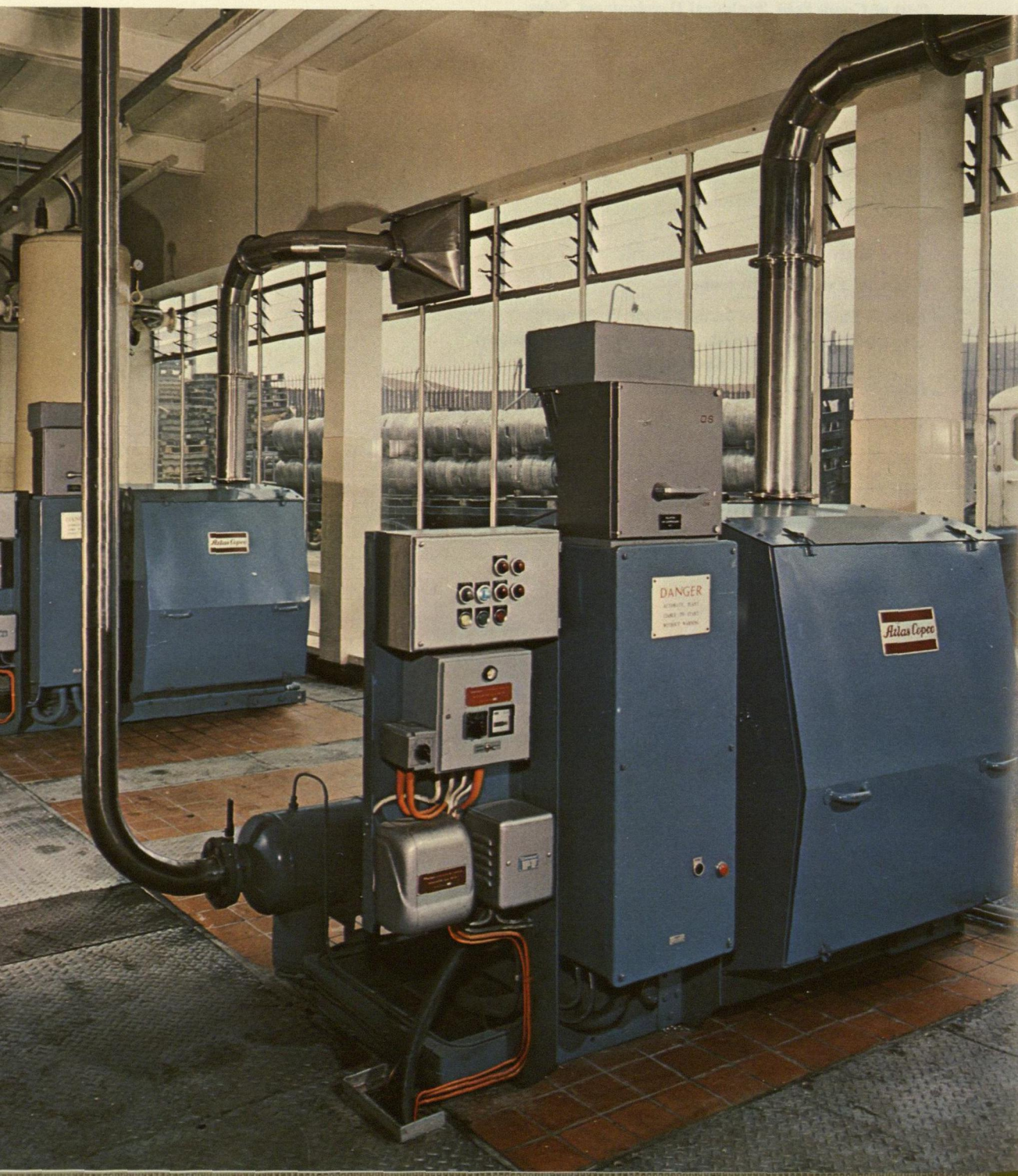
* Including the subsidiary companies Atlas Copco (Manufacturing) Ltd., Hemel Hempstead, Atlas Copco Maschinen AG, Thun, Atlas Copco MCT GmbH, Bremen, Craelius Company Ltd., Daventry and Craelius Diabor AB, Sundbyberg with subsidiary companies.

** Net Profit for the Year US\$ 1,391,500

In recent years the need for oil-free air in industry has risen, partly because of the increasing use of pneumatic governing and control systems. Oil-free air is also required by the chemical and food industries.

Breweries, for example, demand absolutely clean and dry air, as the beer comes into direct contact with the compressed air during its production.

Two ZR compressors supply a brewery in Scotland with oil-free air.



Atlas Copco Airpower N.V.

Sales and Deliveries

The low activity of the contracting industry in a number of areas in 1971 has resulted in a decreasing market for portable compressors, resulting in keen price competition. However, a slight upward trend was noted towards the end of the year. Stationary compressor sales remained high during the first half of the year, but fell during the second half. The prevailing monetary situation may have influenced larger investments. Nevertheless, the order book for large capacity compressors is still at a substantial level.

Production and Employment

To meet the increasing demand for oil-free stationary screw compressors work was started on a further extension of the Arpic Works, Antwerp. The new building, which will be operational during the first half of 1972, covers a total area of 7,200 sq.m., including 6,000 sq.m. of workshop space. There has been a corresponding increase in testing facilities. The production capacity for portable compressors and stationary screw compressors was adequate to meet the demand.

Product Development

Research in noise suppression for both stationary and portable compressors continued. The series of silenced portable compressors has been extended. The intensive development work in the field of compressor regulation and operation of compressor stations resulted in a new advanced system for compressor control.

Company Results

Invoiced sales in 1971 increased by 6.0 % over the previous year. Profit before appropriations and taxes rose to Kr 46.0 million (40.0). The unstable monetary situation and a considerable increase in labour costs had a negative influence on profitability. However, improved net interest, rationalization and strict cost control resulted in profits before taxes rising at a rate equal to the rise in turn-over.

Atlas Copco Airpower N.V.

Balance Sheet — as at 31st December 1971

ASSETS	1971	1970
Fixed Assets	1,000 Kr	
Land and Buildings at Cost	49,723	41,784
Machinery and Equipment at Cost	55,128	46,343
Shares in Subsidiaries	3,771	4,668
Shares in Other Companies	55	52
	<u>108,677</u>	<u>92,847</u>
Current Assets		
Inventories	99,969	74,148
Advances to Group Companies	88,250	101,869
Accounts Receivable from Customers	12,595	13,027
Acceptances	15,690	16,495
Other Accounts Receivable	30,956	23,743
Cash in Hand and at Banks	111	484
	<u>247,571</u>	<u>229,766</u>
	356,248	322,613
LIABILITIES		
Capital, Reserves and Surplus		
Share Capital	64,200	62,400
Legal Reserves	6,420	3,952
Surplus	9,475	388
Profit for the Year	24,913	23,590
	<u>105,008</u>	<u>90,330</u>
Accumulated Depreciation on Fixed Assets	47,947	35,180
Long-Term Liabilities		
Mortgage and Other Long-Term Loans	41,730	43,086
Other Long-Term Liabilities	—	419
	<u>41,730</u>	<u>43,505</u>
Short-Term Liabilities		
Suppliers	21,454	24,584
Bills Payable	78,086	77,886
Due to Group Companies	5,903	3,924
Current Portion of Long-Term Debts	7,210	3,714
Provision for Taxes	18,598	24,221
Bank Loans	16,385	9,702
Other Short-Term Liabilities	13,927	9,567
	<u>161,563</u>	<u>153,598</u>
Contingent Liabilities	1971	1970
Bills Discounted	177	309
Other Contingent Liabilities	5,106	3,484
	<u>356,248</u>	<u>322,613</u>

Atlas Copco Airpower N.V.

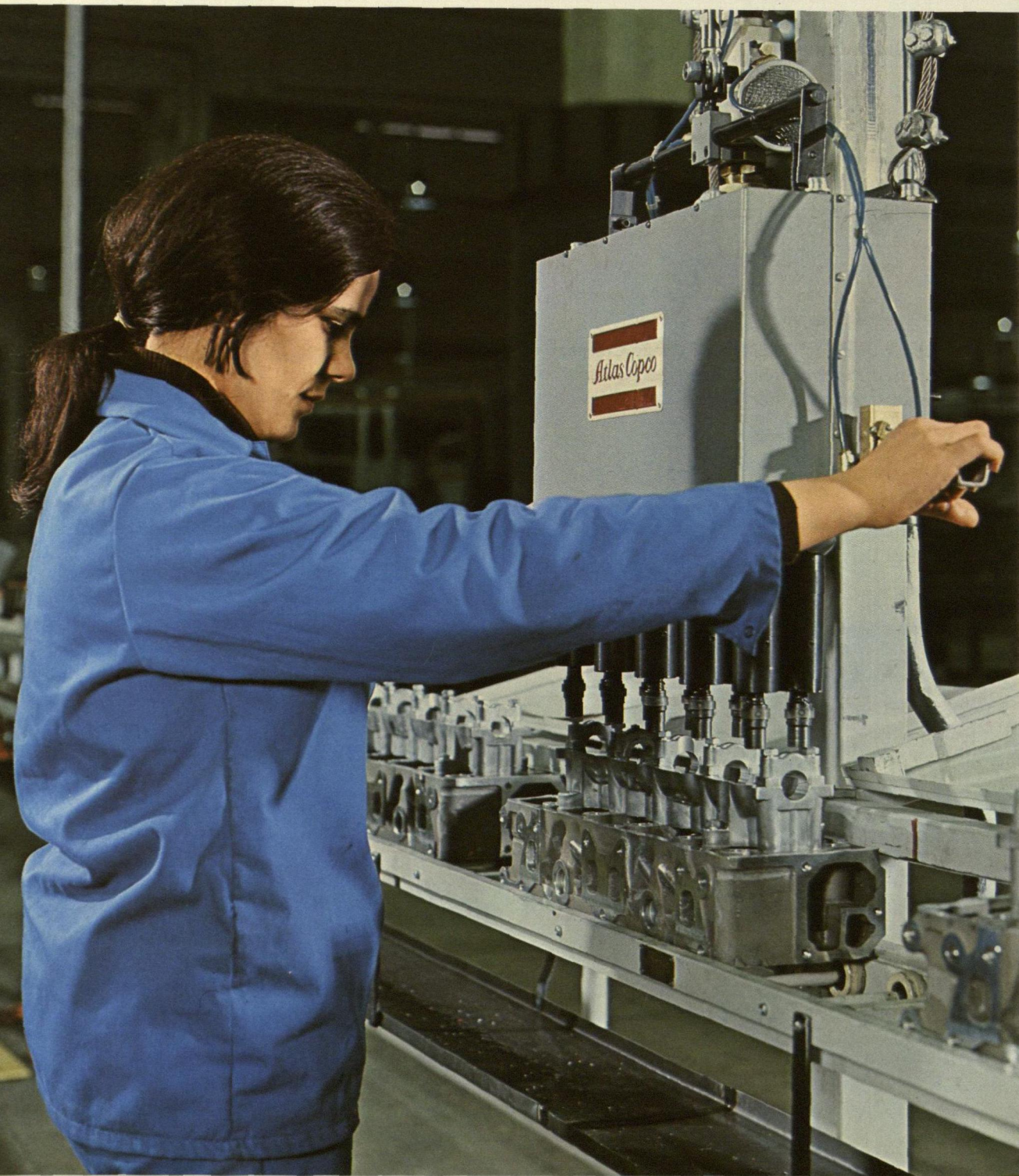
Profit and Loss Account for the Year 1971

	1971	1970
	1,000 Kr	
Invoiced Sales	293,468	276,024
Cost of Goods Sold, Technical Development, Sales, Administration, etc.	—234,277	—221,776
Operating Profit	<u>59,191</u>	<u>54,248</u>
Depreciation		
Buildings	2,260	1,919
Machinery and Equipment	6,864	6,427
	<u>— 9,124</u>	<u>— 8,346</u>
Financial Costs and Revenue		
Interest Paid to Others (excl. Group Companies)	— 7,595	— 7,465
Interest Received from Others (excl. Group Companies)	+ 737	+ 774
Interest Received from Group Companies	+ 2,828	+ 811
	<u>— 4,030</u>	<u>— 5,880</u>
Balance	46,037	40,022
Other Costs and Revenue		
Extra Depreciation on Fixed Assets	<u>— 2,720</u>	<u>—</u>
Profit before Taxes	43,317	40,022
Taxes	<u>— 18,404</u>	<u>— 16,432</u>
Net Profit	<u>*24,913</u>	<u>23,590</u>

* Net Profit for the Year US\$ 5,136,700

Ten operations become one . . . multiple nut runners have come more and more into use in the car industry.

Over the past few years Atlas Copco has developed a component system which makes it possible to produce tailored multiple nut runners for different applications on the assembly line.



Atlas Copco Tools AB

Sales and Deliveries

The slow-down in economic activity which characterized most manufacturing industries during the year has had some dampening effect upon sales. The high volume of orders on hand at the beginning of the year was reduced to a normal level, while the stock of finished products increased. The improved delivery situation made considerable sales increases possible in, for example, Austria, Belgium, Brazil, Portugal, West-Germany, and the Eastern countries.

The most substantial sales increases were recorded in pneumatic components, which have now been introduced into all European markets.

In some areas there was a marked increase in competition on price, particularly of impact wrenches. The multiple nut runners introduced during the year were well received in the market.

Sales efforts in finishing equipment have mainly been concentrated on small installations and specific products, e.g., spray guns and pumps.

The finishing equipment programme has been extended and a new pump line, capable of handling the new zinc-rich anti-corrosive paints, has been introduced.

Company Results

Invoicing remained, on the whole, at the same level in 1971 as in the previous year. The year's profit before appropriations and taxes was Kr 4.1 million (4.5). This is below the previous year's result mainly because the net interest has deteriorated considerably due to an increased investment volume and stock keeping.

Production and Employment

During the year the production of hoists and large grinders was transferred from Injector Works to Ecco Works, with a consequent increase in the total production capacity. During the latter part of the year production was decreased by cutting down the work put out to sub-contractors, thereby making it possible to maintain the level of employment.

Product Development

The need for rationalization in assembly work in the manufacturing industry becomes more and more obvious. To be able to meet the demands of the market, increased efforts towards the development of tools and machines for assembly work have been made.

The first deliveries have been made of multiple nut runners capable of tightening all the bolts in a joint in one operation. A new series of nut runner motors, constituting the basic elements in multiples are available for sale. New angle drills have been developed.

Atlas Copco Tools AB*

Balance Sheet — as at 31st December 1971

ASSETS	1971	1970
Fixed Assets	1,000 Kr	
Land and Buildings at Cost	17,990	17,929
Machinery and Equipment at Cost	26,619	23,684
Other Investments	89	95
	44,698	41,708
Blocked Accounts with Sveriges Riksbank	1,907	1,907
Current Assets		
Inventories	63,851	53,515
Advances to Group Companies	1,968	2,057
Accounts Receivable from Customers	1,973	1,189
Tax Claim	237	—
Other Accounts Receivable	2,198	2,051
Cash in Hand and at Banks	1,000	976
	71,227	59,788
	117,832	103,403
LIABILITIES		
Capital, Reserves and Surplus		
Share Capital	10,000	10,000
Legal Reserves	1,784	1,369
Other Reserves, not available for distribution	124	124
Surplus	3,945	3,859
Profit for the Year	1,099	1,513
	16,952	16,865
Accumulated Depreciation on Fixed Assets	25,465	22,461
Inventory Reserves	22,281	19,810
Special Investment Reserves	4,441	4,441
Long-Term Liabilities		
Mortgage and Other Long-Term Loans	4,566	3,983
Provision for Pensions	5,433	4,585
	9,999	8,568
Short-Term Liabilities		
Suppliers	9,439	11,828
Bills Payable	161	272
Due to Group Companies	17,769	6,973
Current Portion of Long-Term Debts	543	453
Provision for Taxes	—	1,077
Bank Loans	2,960	3,120
Other Short-Term Liabilities	7,822	7,535
	38,694	31,258
Pledged Assets	820	785
Contingent Liabilities	673	613
	117,832	103,403

* Including subsidiaries as per foot note p. 31.

Atlas Copco Tools AB*

Profit and Loss Account for the Year 1971

	1971	1970
	1,000 Kr	
Invoiced Sales	107,693	106,256
Cost of Goods Sold, Technical Development, Sales, Administration, etc.	— 99,162	— 97,986
Operating Profit	<u>8,531</u>	<u>8,270</u>
Depreciation		
Buildings	593	631
Machinery and Equipment	2,884	2,729
	<u>— 3,477</u>	<u>— 3,360</u>
Financial Costs and Revenue		
Interest Paid to Others (excl. Group Companies)	— 725	— 652
Interest Received from Others (excl. Group Companies)	+ 36	+ 38
Interest Paid to Group Companies	— 248	—
Interest Received from Group Companies	+ 19	+ 207
	<u>— 918</u>	<u>— 407</u>
Profit before Appropriations and Taxes	4,136	4,503
Appropriations		
Inventory Reserve	— 2,471	— 1,091
Profit before Taxes	<u>1,665</u>	<u>3,412</u>
Taxes	— 566	— 1,899
Net Profit	<u>**1,099</u>	<u>1,513</u>

* Including the subsidiary companies
OY Atlas Copco AB, Helsinki and
Maskinfabriken Pluto A/S, Saeby.

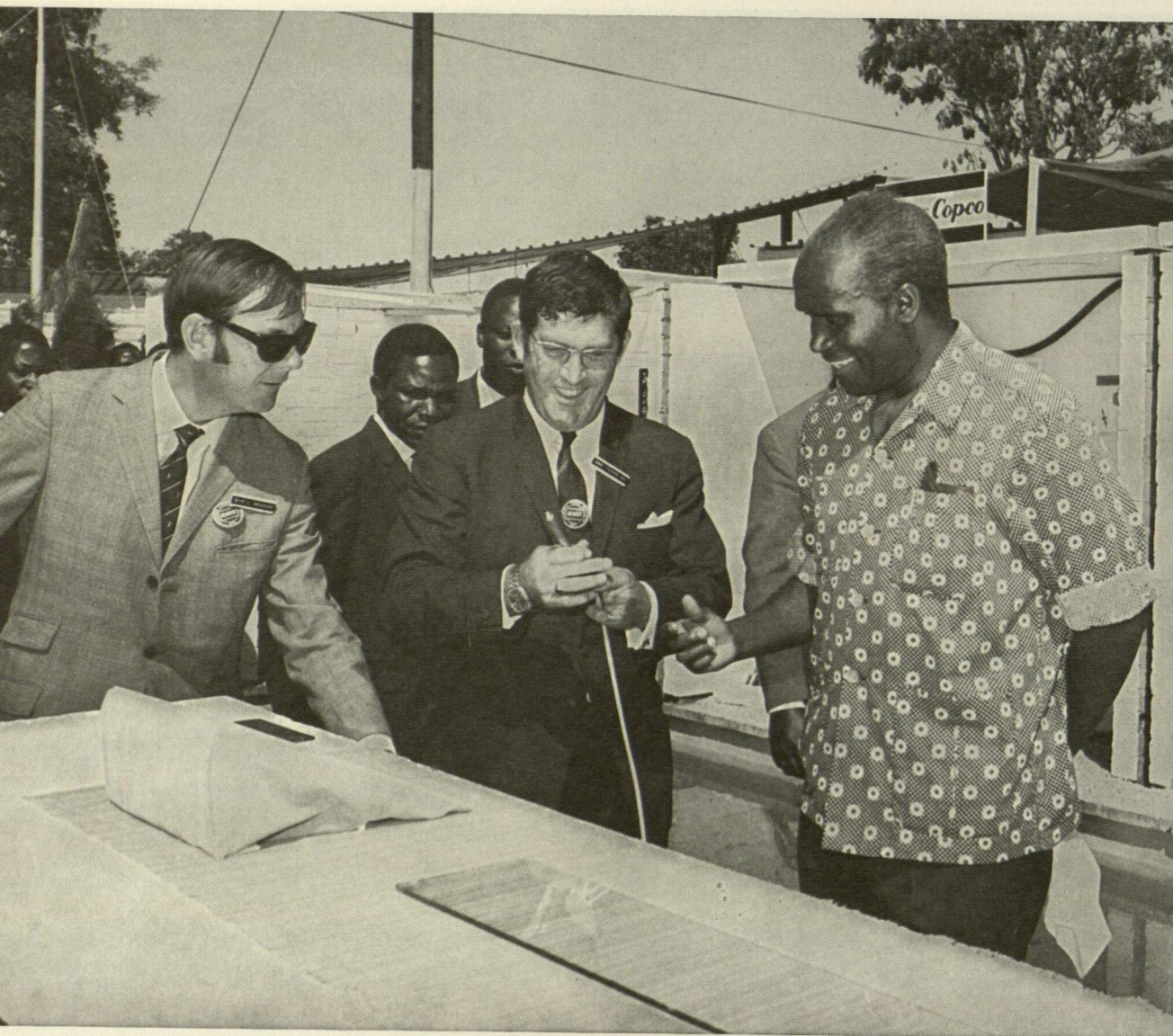
** Net Profit for the Year US\$ 226,600

Atlas Copco's sales through agents have risen sharply during recent years. Today the company has agents covering 86 countries in Asia, Africa and South America. At Headquarters in Stockholm there is a staff of specialists at the disposal of the agents to guarantee to the customer qualified technical and economic consultation plus service of delivered equipment.

The range of equipment on the agent market includes the crawler drill rig ROC 601 and screw compressor PR 600, seen here in use in a limestone quarry in Thailand.



President K. D. Kaunda inaugurated the Zambia Trade Fair in July 1971. Before the inauguration ceremony the President visited the Atlas Copco exhibition where he was welcomed by Mr. Don Ferreira, Managing Director of the Zambian Sales Company.



At the inauguration of Atlas Copco's new compressed-air centre in Blacktown, Australia, the Group Managing Director, Mr. Erik Johnsson, presented Australia's Prime Minister, Mr. William McMahon with a gift of Swedish crystal. Also present at the ceremony was Sir Ian Potter (centre), Chairman of the Board of Atlas Copco Australia Pty., Limited.

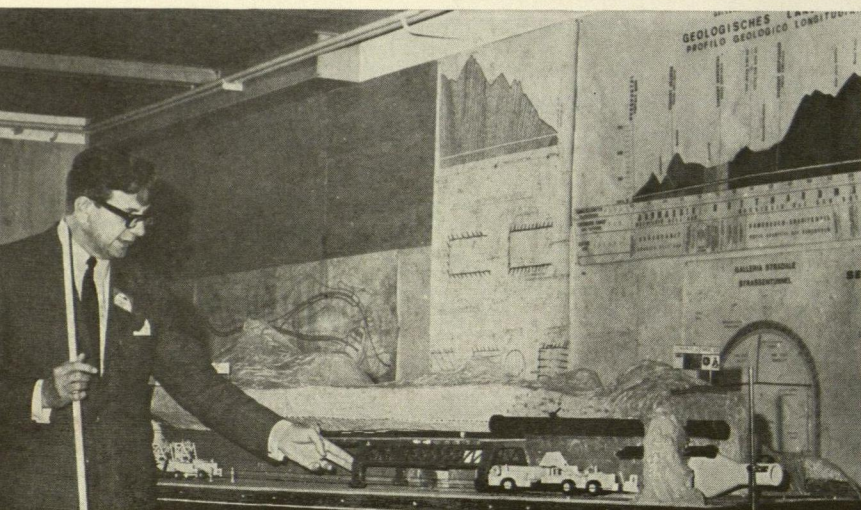


The Brazilian Sales Company's new headquarters situated on the outskirts of Sao Paulo.



During the year Atlas Copco Nederland N.V. moved into their new premises in Zwijndrecht, 20 kilometres outside Rotterdam.

In September 1971 Atlas Copco and Sandvik arranged a press visit to the Swiss Alpine village of Airolo to inform about the progress of the St Gotthard road tunnel project. Mr. Lennart Ottosson, Technical Director of Atlas Copco MCT AB, is seen here demonstrating the tunnel driving methods used at the southern end.

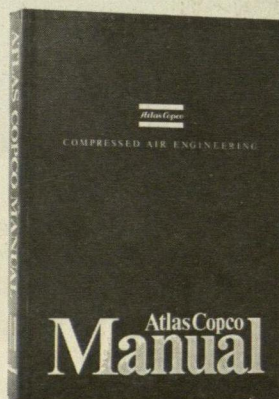


During his visit to Sweden H.M. the King of Sikkim visited Atlas Copco. In the Expo industry hall, the King tried his hand at some of the Atlas Copco Tools' products. Assisting him is Mr. Roland Lütz, PR Manager of Atlas Copco Tools AB.



At the 14th International Roadbuilding Congress in Prague Atlas Copco demonstrated the new drilling rig ROC 302. Among the interested spectators was the Czechoslovakian Head of State, President Svoboda.

The Atlas Copco Manual was released by the Sales Literature Department at Headquarters during the year. The book fulfills a long-felt need — both within and outside the Group — for a complete survey in English on the Company's product range.



Old methods and modern technique . . . a UT 85 compressor is transported through the jungle with the assistance of a buffalo to a work site at Dipolog, Zamboanga del Norte, Mindanao, Philippines.



Carburization — part of the advanced manufacturing process of Coromant drilling rods at the Sandvik Steel Works.

Atlas Copco and the Sandvik Steel Works have worked in continuous and harmonious co-operation since 1947 and this relationship has resulted in simpler, more effective and economic rock-drilling. Coromant drill steel products are marketed through the Atlas Copco international organization and are an important part of the Company's sales.

Front cover: The Super Silensair compressor and the new silenced TEX breakers, seen here at work in central Copenhagen, are praise-worthy examples of equipment which have been designed to do as little harm as possible to the environment.

