



Industrial Technique

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Atlas Copco


Industrial Technique

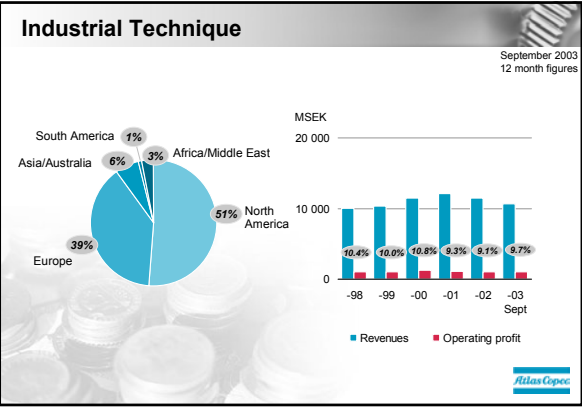
Market Position

- World leading supplier of industrial power tools and assembly systems for industrial manufacturing
- Major supplier of professional electric tools for light construction and building installations
- Focus on innovation
- Growth by increasing use-of-products revenues and by geographic expansion



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Industrial Technique

2 Businesses - 4 Divisions

- Industrial power tools - mainly for assembly
- Electric power tools - mainly for installations




- Atlas Copco Tools & Assembly
- Chicago Pneumatic
- Milwaukee Electric Tools
- Atlas Copco Electric Tools

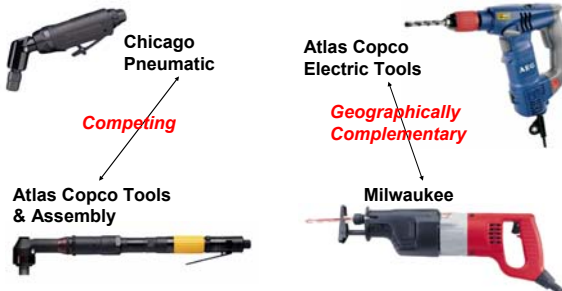


Industrial:	Electric:
<ul style="list-style-type: none"> Assembly/tightening & material removal Run time 10 X High precision In use all the time Light & ergonomic Certain shift to battery tools Price 10 X Sold direct to industry (and via distributors) Market size 2 BUSD After sales service important 	<ul style="list-style-type: none"> Building installations Run time X Durable and robust In use now and then Less heavy, ergo design Strong trend to battery Price X Sold via distributors Market size 10 BUSD Accessory sales important

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Relationship between IT Divisions



Chicago Pneumatic

Atlas Copco Electric Tools

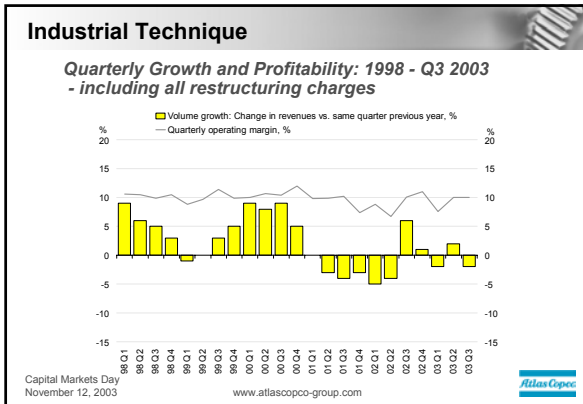
Atlas Copco Tools & Assembly

Milwaukee

Competing

Geographically Complementary

Common matters: Distribution, product components, manufacturing and logistics, battery technology



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Q3 2003

- Revenue volume down 2%
 - Up for industrial tools in all regions except North America but down for professional electric tools
- Restructuring projects on track and contributing to recent margin improvement
- Operating margin at 10%
 - Product cost reductions and favorable sales mix offset negative currency effects



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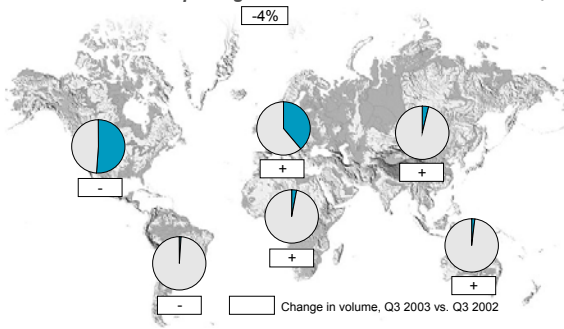
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Orders received per region and trend in Q3 2003

September 2003
12 month figures



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Industrial Power Tools



Motor Vehicle Industry - MVI

Strong Position - Continued Growth

- Every third motor vehicle in the world (but Asia) is assembled by Atlas Copco's tools and tightening systems (primarily under the Atlas Copco brand)



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Light Assembly and Aerospace

- Strong base with all brands.
- Good growth possibilities.
- Certain shift from air tools to DC electric tools



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Automotive After-Market

- High market shares but stagnant business in the 90'ies. Now "Back to basics" - leveraging the CP brand with upgraded products



- Core Markets
 - Service, car
 - Service, truck
 - Tyre shop
 - Body shop
 - Speciality shop



CP 7750
Example of new, innovative product



IMPACTS



RATCHETS



HAMMERS



SANDERS



DRILLS



GRINDERS

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Material Removal

- Very strong position in grinding tools with several brands




Brazor
New super strong electric grinder with Tensor motor

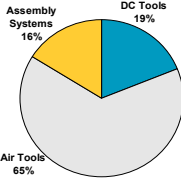
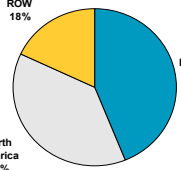
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Industrial Tools for Manufacturing


Estimated Market - 1,400 MUSD World Potential

- By type of tools
- By world region

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Driver for profitable growth

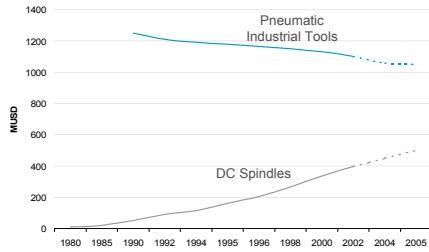
DC electric tools

- Bring innovations and changes to the industry
- Bring new products and concepts
- Bring rethinking in the sales and marketing organization




Industrial Power Tools

Estimated world markets for pneumatic industrial tools and DC Electric Tools



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DC electric tools

2004 - a year of massive product launches

- Tensor ST nutrunner range
 - Build more cars at lower cost



- The CPD screwdriver
 - Error proofing in Tier 1 and white goods



- Express Multiple Nutrunners
 - Cost efficient multiples



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Video

- Now we invite you to do a video-visit to the Motek Fair ("Montage Technik" held in Germany in September.)
- Here Atlas Copco Tools and Assembly Division demonstrates its concept of "error proofing" for a wide audience.

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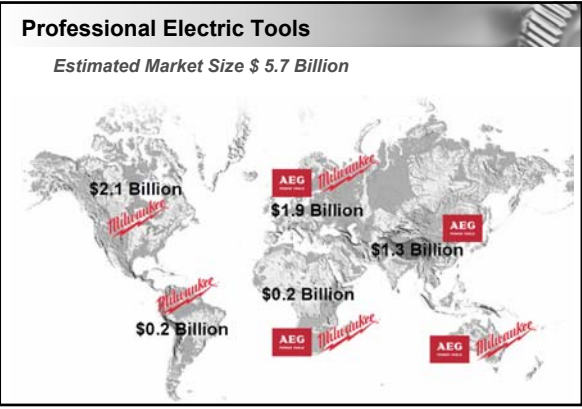
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Industrial Technique

Professional Electric Tools



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Professional Electric Tools

Estimated Market Position

1. Bosch
2. DeWalt
3. Makita
4. Milwaukee - AEG - Atlas Copco

Hitachi
Hilti

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Driver for profitable growth

Battery electric tools (cordless tools)



Development stages

- First stage
 - Cordless driver-drills. 9V and 12V batteries. Consumer and professional tools. Large volumes.
- Current stage
 - Cordless heavier drills and saws using 18V and 24V batteries.
 - ~ 55% of professional cordless market in North America is now in this segment, but only ~ 15% in Europe
- Future stage
 - 24 - 40V cordless tools, i.e. cordless hammers, large drills, heavy saws and grinders



18V Cordless Sawzall – 6515-21

- 1" (25mm) stroke, fast cutting
- Lock off variable speed trigger, 0-2400 strokes per minute, fast cutting
- Cuts up to 60 2x4's in a single charge
- Quik-Lok blade clamp for fast/easy blade changes
- Adjustable shoe – fast/easy, better control of cuts, extends blade life.



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18V Hatchet Sawzall

- The first “foldable” reciprocating saw
- Almost 150,000 saws has been sold since the launch two years ago



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18V Cordless (13mm) Impact Wrench – 9079-20

- 240 ft-lbs of torque – highest among cordless impact wrenches
- Lock off variable speed trigger, 0-1,400 rpm
- 2,200 impacts/minute
- All metal front housing for rugged durability
- Cushion grip for operator comfort and control



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24V Cordless Hammer LokTor H24X

- A very powerful battery rotary hammer
- Highest in class blow energy with 2,3J
- Superior FIXTEC tool changing system



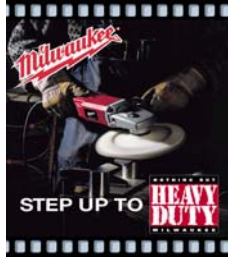
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The power of the Milwaukee brand

- Milwaukee is the only premium brand on the US market
- Milwaukee gets a 10% price premium for most corded tools
- Other professional brands are all "main stream", with regards to price (and features)
- In Europe AEG is the second/third most known brand for Electric Tools. Milwaukee is since 2002 introduced in Europe.



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Video

Milwaukee - Respect for the Trade Marketing Campaign

- "But, the biggest frustration for contractors and tradesmen are people who don't value the knowledge, effort and experience it takes to build their homes, skyscrapers or bridges."
- "Their tools are important as well, and they rely on them each day to perform without fail."



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