

## Atlas Copco Group



Atlas Copco Capital Markets Day, November 19, 2009  
Ronnie Leten, President and CEO



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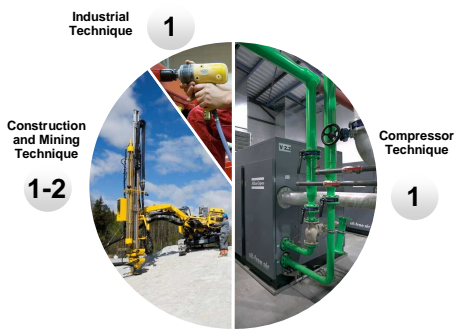
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## Businesses and Market Positions



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## Innovative Solutions



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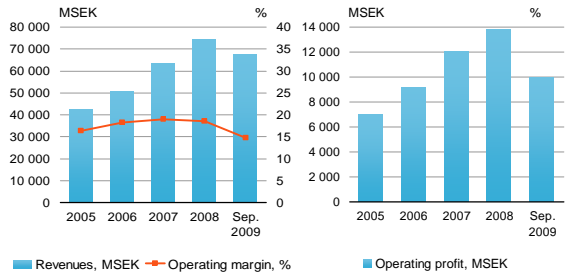
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# Atlas Copco

## Revenues and operating margin

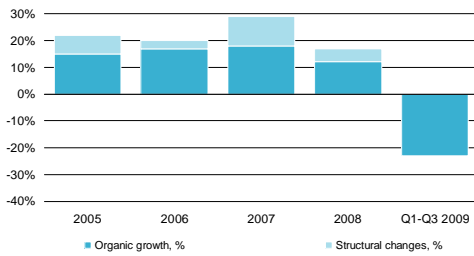


12 month values, 2004 pro forma, excluding divested businesses

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# Atlas Copco

## Growth - Revenues



Continuing operations

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# Atlas Copco - Our Genes

## Atlas Copco

Benefits of a large Group

- Global presence
- Economies of scale
- Standardized products and processes
- Efficient production and logistics

Operational excellence

## Local companies

Agility of a small organization

- Local presence
- Aftermarket performance
- Application knowledge
- Focused product development

Innovation

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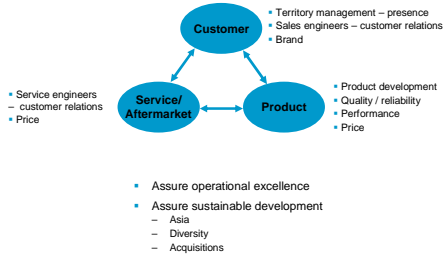
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## The Atlas Copco Way

### The business triangle



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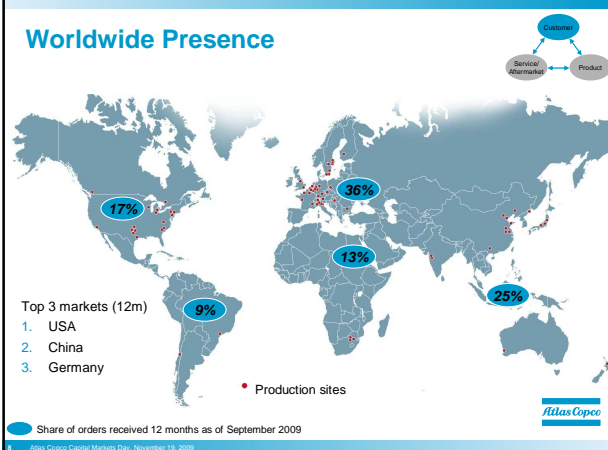
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## Worldwide Presence



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## The Hunting Season

Presence improves the chances of getting the game (or business)



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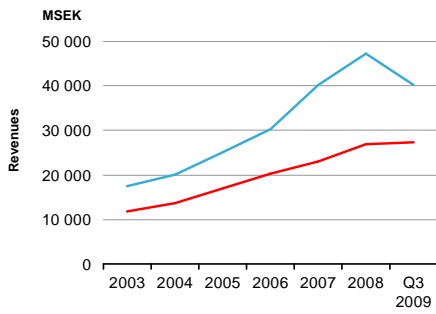
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### Capital Equipment and Aftermarket



12 month values

Equipment

Aftermarket (incl. rental and consumables)



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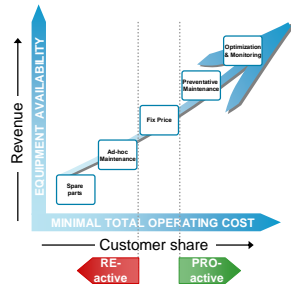
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### Aftermarket

Increase customer satisfaction

- Create customer value
- Move up the service ladder
- Organizational focus
  - Increase 1 – 1 ratio
  - Efficiency in execution



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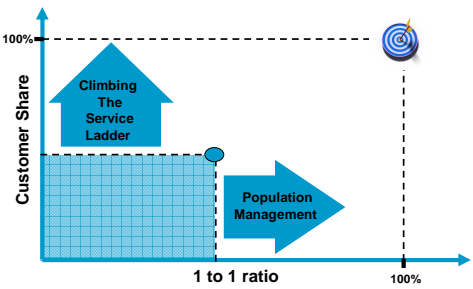
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### Aftermarket

Increasing penetration



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## Product Development



- New products and solutions, a driving force in organic growth
- Increase customer value
- Long-term strategic importance
  - Stay ahead of competition
  - Support profitability and pricing
  - Stay ahead of trends and regulations
- Core process
- Strong focus

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## Operational Excellence

- Flows
  - Information
  - Cash
  - Material/goods
- Regional manufacturing
- Regional distribution
- Quality in processes
- Leverage core competencies

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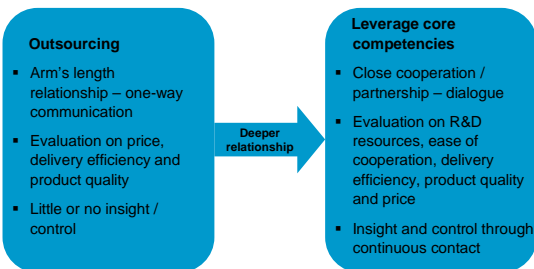
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## Outsourcing vs. Leverage Core Competencies



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## Sustainable Development

- Asia
- Diversity
- Acquisitions



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## Why Focus on Asia?

- To stay market leader, one has to be market leader in Asia
- Fastest growing region
- Market share potential for Atlas Copco
- Potential also in other emerging markets – Africa, South America, Eastern Europe



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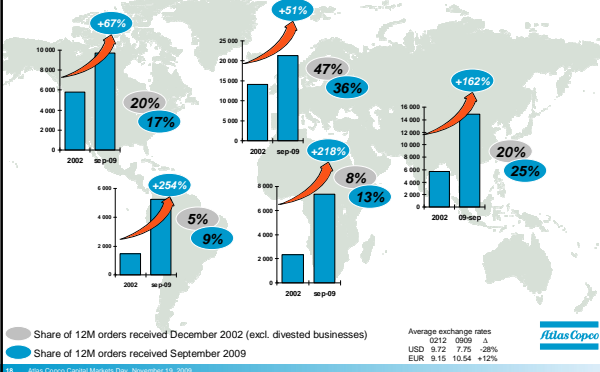
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## Worldwide Presence 2002 vs 2009

### The Shift



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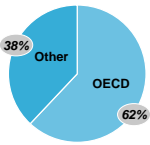
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## The Shift

2006

- USA
- China
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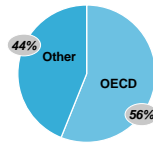


2008

- USA
- China
- 
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- Russia
- Brazil
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- India
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YTD 2009

- China
- USA
- 
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- Brazil
- India
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- Russia
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Orders received

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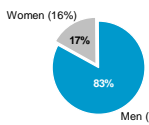
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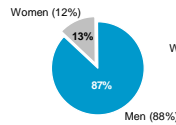
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## Diversity – a Must for the Future

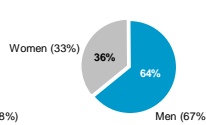
Workforce distribution



Proportion of managers



Recent graduates recruited



- Group wide female mentorship program
- Local initiatives
  - Country wise
  - Business Areas / Divisions

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Data as per December 2008 (2007)

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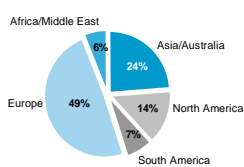
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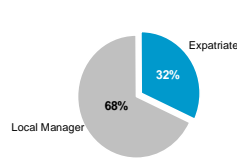
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## Diversity – a Must for the Future

Workforce distribution



Proportion of senior managers



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Data as per December 2008

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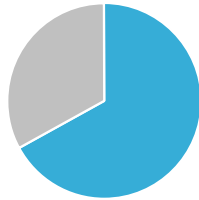
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## Growth Strategy

- ~ 2/3 organic growth
- ~ 1/3 acquired growth



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## Acquisitions

- Geographic expansion
- Market presence/penetration
- Close product/market/brand gap
- Expand product range
- Increase scope of supply
- Channel to market
- Technology/expertise
- Diversification based on existing knowledge and synergy potential

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## Summary and Conclusion

- Business model for profitable growth
  - The business triangle
  - Assure operational excellence
  - Assure sustainable development
- Current demand
  - A year after the turn
  - Demand stable on a lower level
  - Fit for more

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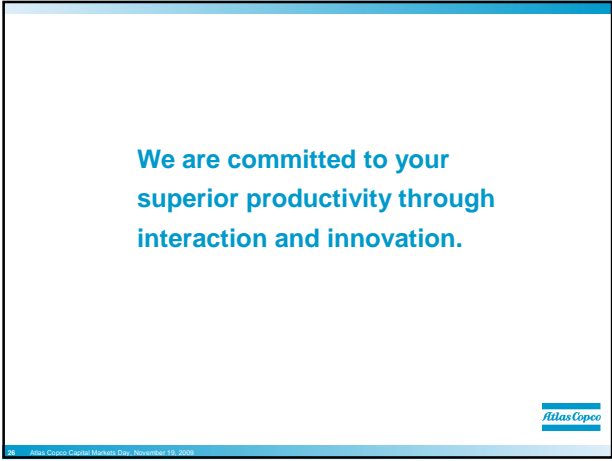
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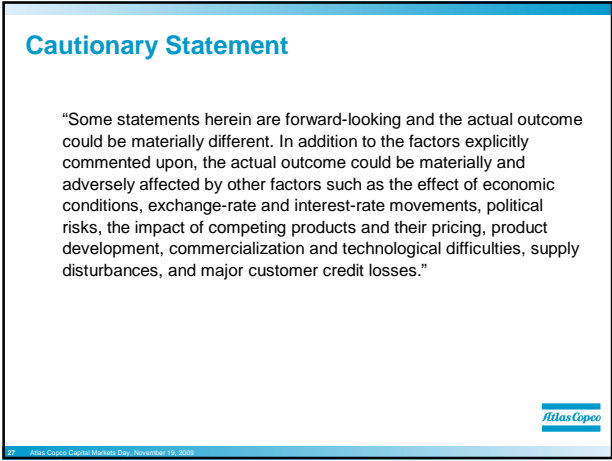
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