

Atlas Copco Group



Atlas Copco Capital Markets Day, December 1, 2010
 Hans Ola Meyer, CFO


Sustainable Productivity



Income statement

January – September


MSEK	Jan-Sep 2010		Jan-Sep 2009	
Orders received	55 804		43 175	
Revenues	50 474		47 820	
Cost of goods sold	-31 475		-32 038	
Gross profit	18 999	37.6%	15 782	33.0%
Marketing expenses	-5 076	-10.1%	-5 182	-10.8%
Administration expenses	-2 965	-5.9%	-2 882	-6.0%
Research and development costs	-1 094	-2.2%	-1 037	-2.2%
Other income and expense from operations	44		-41	
Operating profit	9 908	19.6%	6 640	13.9%
Net financial items	-333	-0.7%	-693	-1.4%
Profit before tax	9 575	19.0%	5 947	12.4%
Income tax expenses	-2 547		-1 371	
Profit for the period	7 028	13.9%	4 576	9.6%
- attributable to equity holders of the parent	7 015		4 554	
- attributable to minority interest	13		22	
Basic earnings per share, SEK	5.77		3.75	

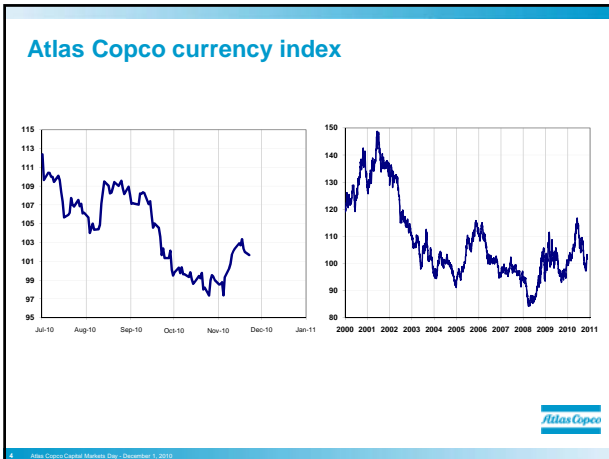


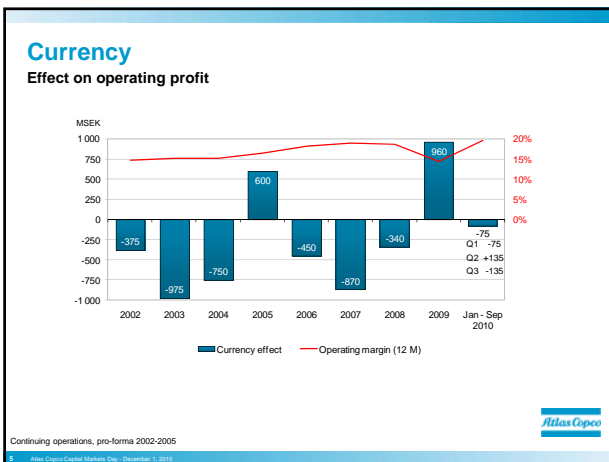
Profit bridge

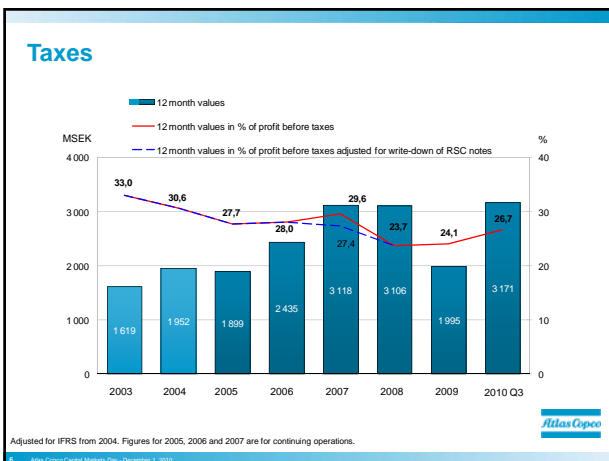
January – September

MSEK	Jan-Sep 2010	Organic Growth Price/Volume	Currency	One-time Items Acq./Div.	Jan-Sep 2009
Atlas Copco Group					
Revenues	50 474	3 642	-1 750	762	47 820
EBIT	9 908	2 884	-75	459	6 640
%	19.6%	79%	-	-	13.9%









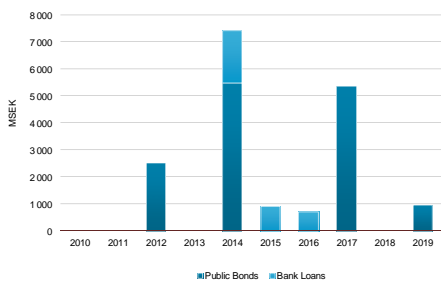
Balance sheet

MSEK	Sep 30, 2010		Dec 31, 2009		Sep 30, 2009	
Intangible assets	13 539	20%	12 697	19%	12 593	19%
Rental equipment	1 867	3%	2 056	3%	2 048	3%
Other property, plant and equipment	5 702	8%	5 993	9%	6 046	9%
Other fixed assets	4 452	7%	6 556	10%	6 060	9%
Inventories	12 287	18%	11 377	17%	12 623	19%
Receivables	16 575	25%	15 433	23%	15 883	24%
Current financial assets	1 554	2%	1 530	2%	1 598	2%
Cash and cash equivalents	11 388	17%	12 165	18%	10 005	15%
Assets classified as held for sale	64	0%	67	0%	35	0%
TOTAL ASSETS	67 428		67 874		66 891	
Total equity	26 124	39%	25 671	38%	23 404	35%
Interest-bearing liabilities	21 913	32%	25 735	38%	27 498	41%
Non-interest-bearing liabilities	19 391	29%	16 468	24%	15 989	24%
TOTAL EQUITY AND LIABILITIES	67 428		67 874		66 891	



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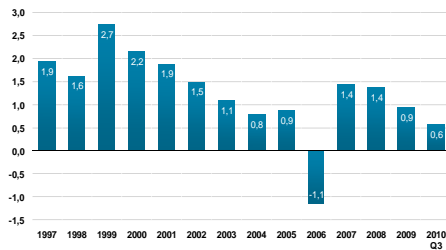
Atlas Copco AB's loan maturity profile



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Capital structure

Net Debt/EBITDA



Adjusted for IFRS from 2004. Including discontinued operations.

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Cash flow

MSEK	July - September		January - September	
	2010	2009	2010	2009
Operating cash surplus after tax	3 739	2 360	9 886	5 383
of which depreciation added back	639	661	1 834	1 840
Change in working capital	-1 035	2 032	-1 087	5 118
Increase in rental equipment, net	-92	-35	-274	-140
Cash flows from operating activities	2 612	4 357	8 525	10 361
Investments of property, plant & eq.	-274	-217	-644	-788
Sale of property, plant & eq.	14	29	37	67
Other investments, net	127	106	-369	-22
Cash flow from investments	-133	-82	-976	-743
Operating cash flow	2 479	4 275	7 549	9 618
Company acquisitions/ divestments	-282	-10	-1 668	-165

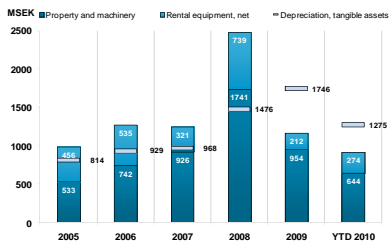
Operating cash surplus after tax is adjusted for equity hedges in net financial items.



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Capital expenditures and depreciation

Tangible fixed assets, continuing operations



YTD 2010 until September



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Planning and follow up in Atlas Copco



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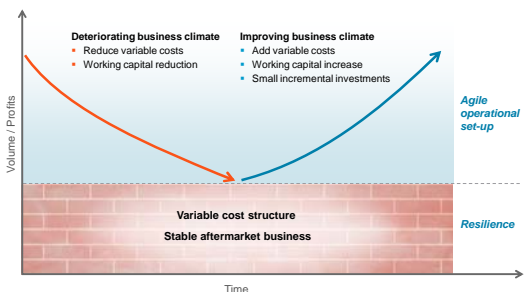
One Group ~ 400 operational entities

The Group	Local companies
One Group	~400 operational entities with full responsibility for P&L and working capital
Benefits of a large Group	Agility of a small organization
Global presence Economies of scale Standardized products and processes Efficient production and logistics	Local presence Aftermarket performance Application knowledge Focused product development
Operational excellence	Innovation



Atlas Copco

Our business model – agile and resilient



Deteriorating business climate

- Reduce variable costs
- Working capital reduction

Improving business climate

- Add variable costs
- Working capital increase
- Small incremental investments

Volume / Profits

Time

Variable cost structure
Stable aftermarket business

Agile operational set-up

Resilience

Atlas Copco

The planning process – a short background

- In 1997, the traditional budget process was buried
 - Time and cost-consuming
 - Base assumptions “never right”
 - A year is too short, long-term budget is never right
- We wanted a continuous planning and follow-up based on “best practice” ambitions
 - Focus on activities instead of numbers
 - Increase transparency
 - Read trends instead of single numbers

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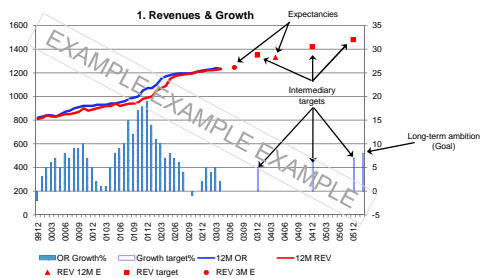
The planning process

- 3-year horizon
- A formal strategic management process where goals and targets are set, activity plans and actions are described, evaluated and analyzed financially
- Translates the strategy into actions
- Forces a continuous planning and follow-up and also presents a greater flexibility
- Focus is on managing the business instead of calculation exercises



The planning process

Scorecards – a graphical presentation of the planning process



Committed to sustainable productivity.