

Committed to Sustainable Productivity



Atlas Copco Capital Markets Day, December 1, 2010
 Ronnie Leten, President and CEO

Sustainable Productivity



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Quick facts

- Established 1873 in Stockholm, Sweden
- Three focused business areas
 - Compressor Technique
 - Construction and Mining Technique
 - Industrial Technique
- Global presence In more than 170 countries
- Employees ¹⁾ 32 152
- Annual Revenues ²⁾ MSEK 66 416 (BEUR 7.3) (BUSD 9.9)
- Operating margin ²⁾ 18.7%
- Market capitalization ¹⁾ BSEK 154 (BEUR 17) (BUSD 23)
 Listed on NASDAQ OMX Stockholm and available as ADR in the United States

Symbols and Tickers


	A share	B share
NASDAQ OMX	ATCO A	ATCO B
ISIN code	SE0000101032	SE0000122467
Reuters	ATCOa.SF	ATCOb.SF
Bloomberg	ATCOA.SS	ATCOB.SS
ADR (USA)	ATLKY.OTC	ATLSY.OTC

1) As of September 30, 2010
 2) 12 months ending September 30, 2010
 SEKUSD 8.71; SEKEUR 9.95 as of September 30, 2010



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- A leading provider of industrial productivity solutions, with three focused, profitable and strong industrial business areas
- Diversified sources of revenues and earnings: Worldwide presence, customer diversification, and strong and stable aftermarket business
- Focus on capital efficiency
- Solid growth of revenues and profits for decades
- Strong profitability and cash flow, also during financial crises
- Consistent strategy
- Well positioned for the future – fit for more



A leading provider of industrial productivity solutions

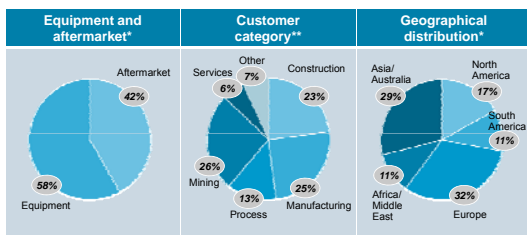
Compressor Technique	Construction and Mining Technique	Industrial Technique
7 divisions	8 divisions	4 divisions
Product areas Industrial compressors, compressed air treatment products, portable compressors and generators, gas and process compressors and expanders.	Product areas Drilling rigs, rock drilling tools, mobile crushers, loading equipment, exploration equipment, construction tools, and road construction equipment.	Product areas Industrial power tools and assembly systems
Revenues MSEK 33 295	Revenues MSEK 27 378	Revenues MSEK 6 042
Operating margin 22.5%	Operating margin 16.5%	Operating margin 15.8%
ROCE 64%	ROCE 24%	ROCE 38%



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12 months ending September 30, 2010
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Diversified businesses



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* Orders received 12 months ending September 30, 2010
** Orders received 2009

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What unites the Atlas Copco Group

Compressor Technique	Construction and Mining Technique	Industrial Technique
7 divisions	8 divisions	4 divisions
A shared vision and a common identity		
The corporate culture and the core values; interaction, commitment and innovation		
The sharing of brands, trademarks and channels to market		
The sharing of assets and infrastructure		
Common processes and shared best practices		
Using common services through internal and external service providers		
Financial and human resources, and their free mobility within the Group		
A common leadership approach		

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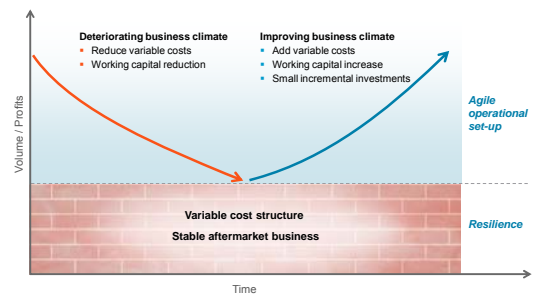
One Group ~ 400 operational entities

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
<ul style="list-style-type: none"> Global presence Economies of scale Standardized products and processes Efficient production and logistics 	<ul style="list-style-type: none"> Local presence Aftermarket performance Application knowledge Focused product development
Operational excellence	Innovation



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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

Agile operational set-up

Resilience

Variable cost structure

Stable aftermarket business

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Consistent strategy

2000

Directions for Growth

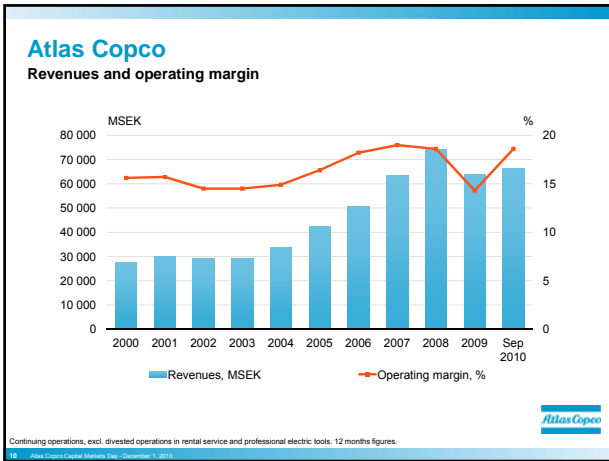


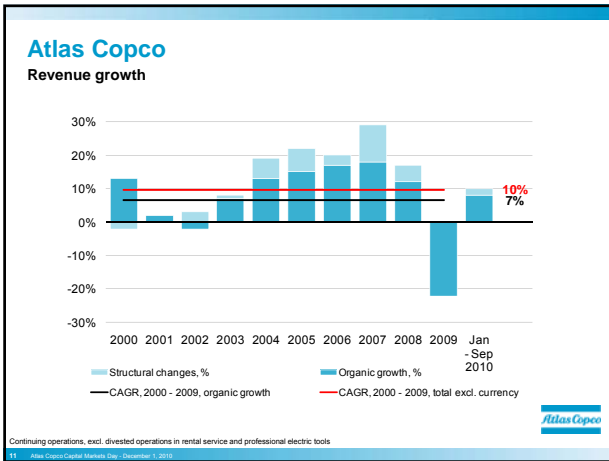
Organic growth

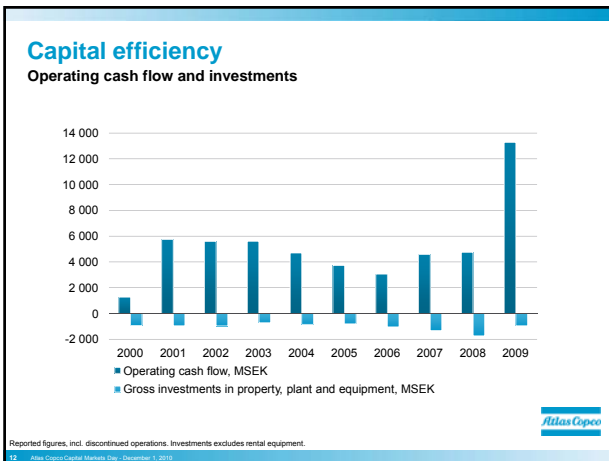
Asia

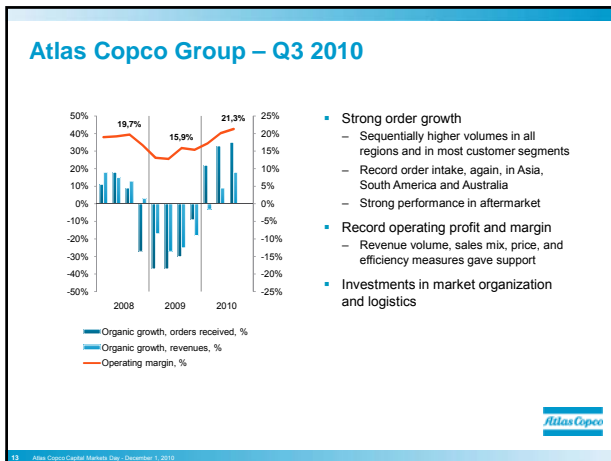
Use of products

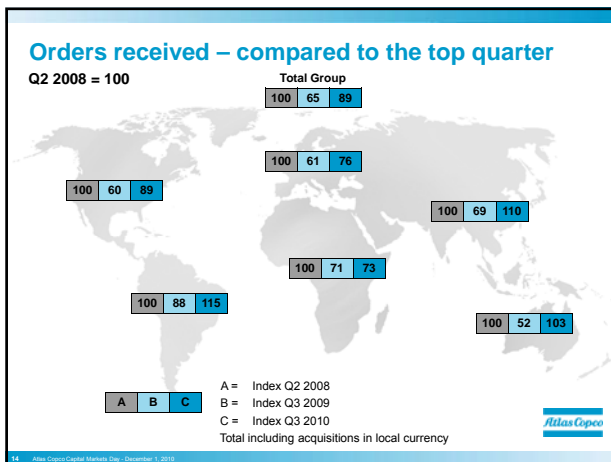
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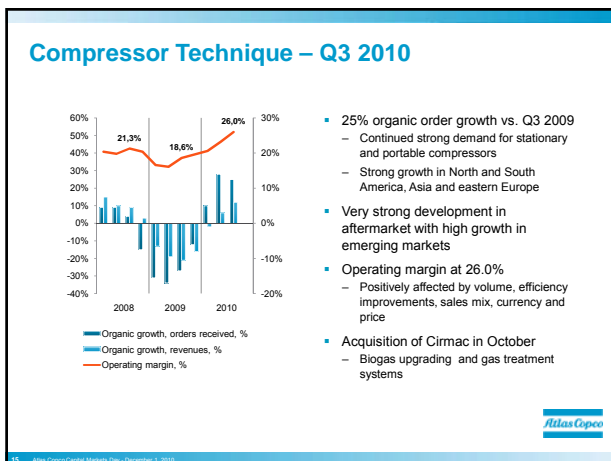




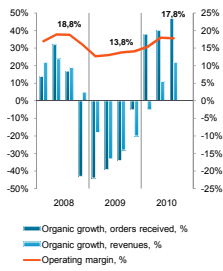








Construction and Mining Technique – Q3 2010

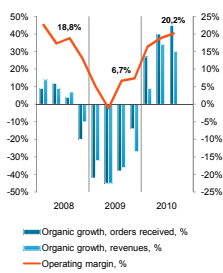


- Strong growth in both equipment and aftermarket
 - 47% organic order growth vs. Q3 2009
 - Continued strong demand from the mining industry
 - Orders for construction equipment somewhat weaker than in Q2
- Operating margin at 17.8%
 - MSEK 100 restructuring cost for consolidating production in Germany
 - Record high operating margin, excluding restructuring, at 19.2%
- Acquisition of manufacturer of mobile crushers and screeners



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Industrial Technique – Q3 2010

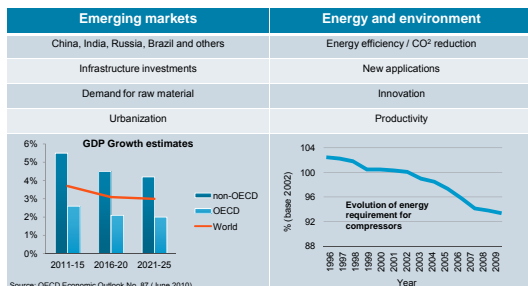


- Improved demand from all customer segments
 - 45% organic order growth vs. Q3 2009
 - Strong growth in Asia
 - Rapid growth of aftermarket, particularly in emerging markets
- Operating margin increased to 20.2%
 - Positively affected by increased volumes and cost savings
- Acquisition of a distributor business in Michigan, the United States



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Major trends



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Energy efficiency and environment

Everyone wins

- Customers increase their competitiveness
- More efficient use of energy results in a cleaner environment
- Profitable growth for Atlas Copco
- A good example – energy recovery for compressors

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Priorities

Profitable growth

Presence in growth markets

Developing our service business

Continued innovation

Operational excellence

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Worldwide presence 2002 vs Sept. 2010

The shift


Average exchange rates	02/12	10/09	Δ
USD	9.72	7.24	-26%
EUR	9.15	9.83	+7%

Legend:
 ● Share of orders received 2002 (continuing operations)
 ● Share of orders received 12 months until September 30, 2010

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The shift

	2002	2006	2008	YTD Sept. 2010
1	USA	USA	USA	China
2	China	China	China	USA
3				
4				Brazil
5			Russia	India
6			Brazil	
7				Russia
8				
9				
10			India	
11				
12	Brazil	India		
13		Russia		
14		Brazil		
15	India			
21	Russia			



Orders received, continuing operations. OECD data excludes Chile, Slovenia and Israel, members from 2010

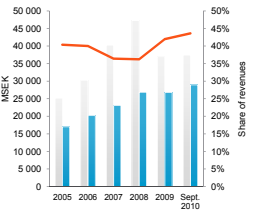
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Making China our home market



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Aftermarket growth



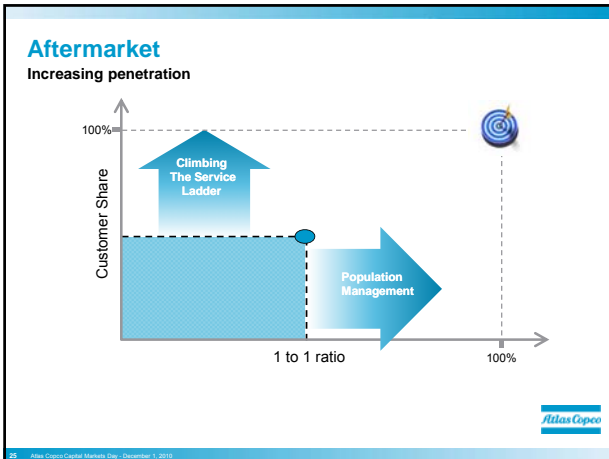
Year	Equipment revenues (MSEK)	Aftermarket revenues (MSEK)	Aftermarket share (%)
2005	22000	18000	45%
2006	28000	20000	42%
2007	38000	22000	36%
2008	45000	28000	39%
2009	38000	30000	45%
Sept 2010	32000	32000	50%

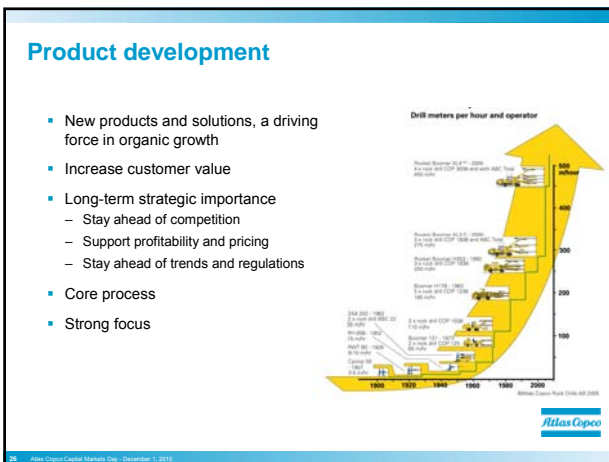
Characteristics

- High growth potential
- High profit potential
- Stable revenue stream
- Optimized business processes
- Enhanced product development
- Closer relationships with customers

12 month revenues. Aftermarket includes consumables and rental

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Operational excellence

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

Distribution centers



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Operational excellence

Leverage core competencies



- Design competence "in-house"
- Share capacity and competence with partners
- Leverage the innovations of the partners in our products/services
 - Open innovation



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Organic growth and acquisitions

- ~ 2/3 organic growth**
 - Capital equipment
 - Consumables
 - Accessories
 - Aftermarket
 - Multiple brand
 - Channel
- ~ 1/3 acquired growth**
 - 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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Growth opportunities in Industrial Technique

 Automotive	 Off-road
 Asia	 Power & Energy
 Aerospace	 Service
 Electronics	 Globally

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The way forward – profitable growth



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Cautionary statement

"Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially and adversely affected by other factors such as the effect of economic conditions, exchange-rate and interest-rate movements, political risks, the impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and major customer credit losses."



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