

Atlas Copco Group



Atlas Copco Capital Markets Day, November 15, 2012

Ronnie Leten, President and CEO

Sustainable Productivity



Atlas Copco

Established	1873 in Stockholm, Sweden
Four focused business areas	<ul style="list-style-type: none"> ▪ Compressor Technique ▪ Industrial Technique ▪ Mining and Rock Excavation Technique ▪ Construction Technique
Global presence	In more than 170 countries
Employees ¹⁾	39 921
Annual revenues ²⁾	MSEK 90 075 (BEUR 10.7)
Operating margin ²⁾	21.2%
Market Capitalization ¹⁾	MSEK 182 295
Largest shareholders ¹⁾	Investor (16.8% of capital)



Symbols and Tickers

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

¹⁾ As of September 30, 2012
²⁾ 12 months rolling
 SEK/EUR 8.43 as of September 30, 2012



Atlas Copco



- A **world leading** provider of industrial productivity solutions
- **Diversified** sources of revenues and earnings: Worldwide presence and customer diversification.
- Strong and stable global **aftermarket** business
- **Consistent strategy**
- **Asset-light business model** with focus on capital efficiency
- Strong **value creation** track record
- **Resilience** in profit and cash flow



3 Atlas Copco Capital Markets Day - November 15, 2012

Industry benchmarks



WE SUPPORT



THOMSON REUTERS
TOP100
GLOBAL INNOVATORS

Dow Jones Sustainability Indexes
Member 2012/13



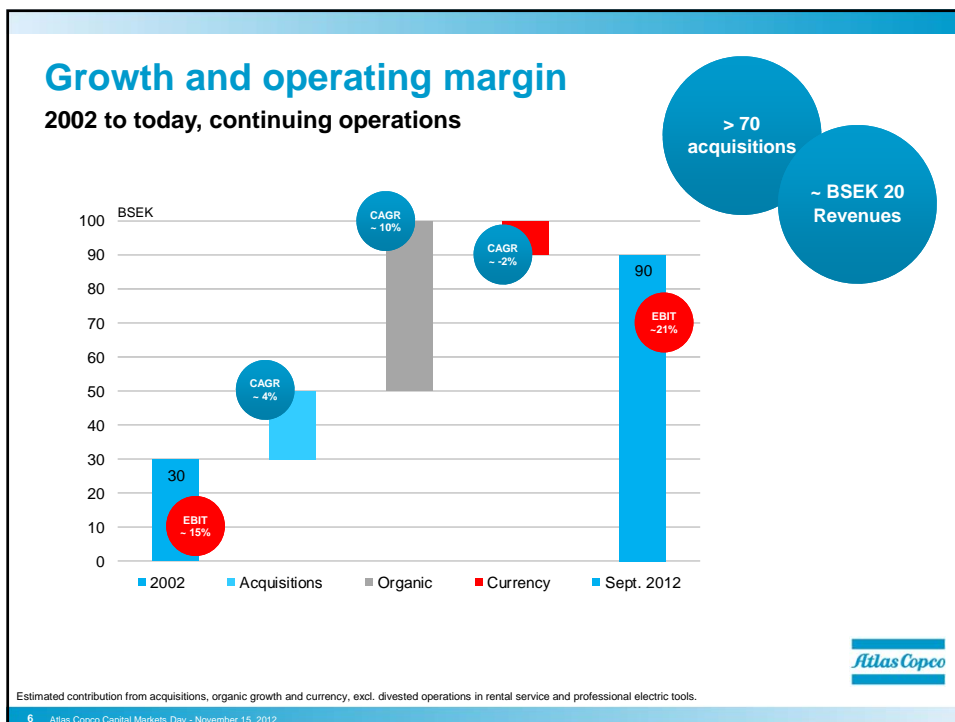
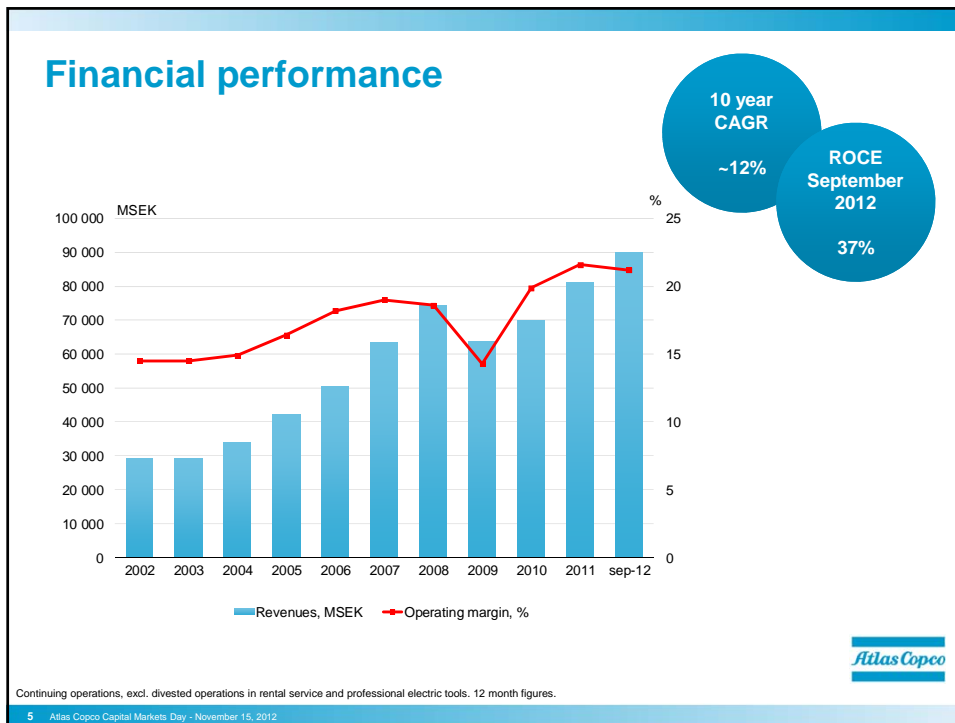
Sense in sustainability



FTSE4Good

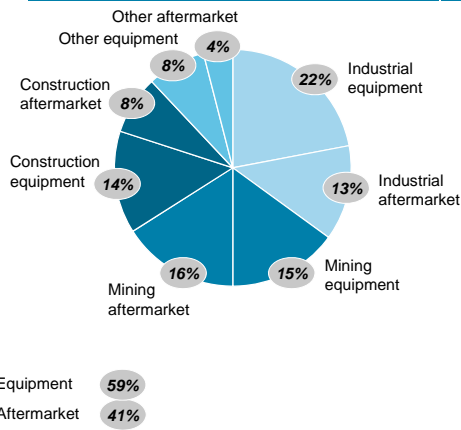


4 Atlas Copco Capital Markets Day - November 15, 2012

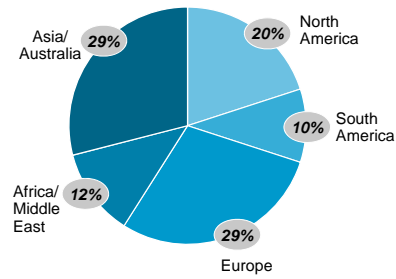


Diversified businesses

Orders received by customer category and business type



Orders received by geographic area



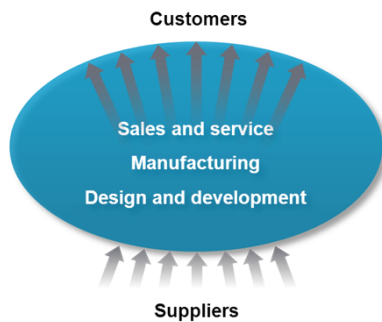
Orders received YTD Sept. 2012. Industrial includes customer categories manufacturing and process industry.

7 Atlas Copco Capital Markets Day - November 15, 2012



Our business model

- Own the relationship with the customer

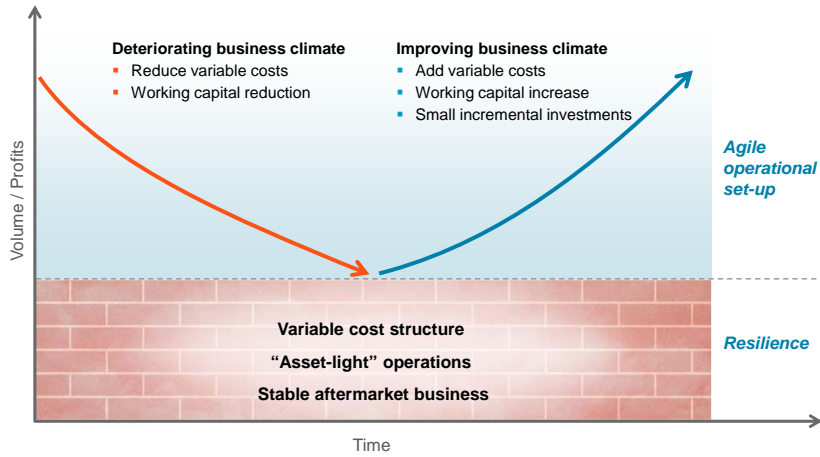


- Leverage the competence of our partners



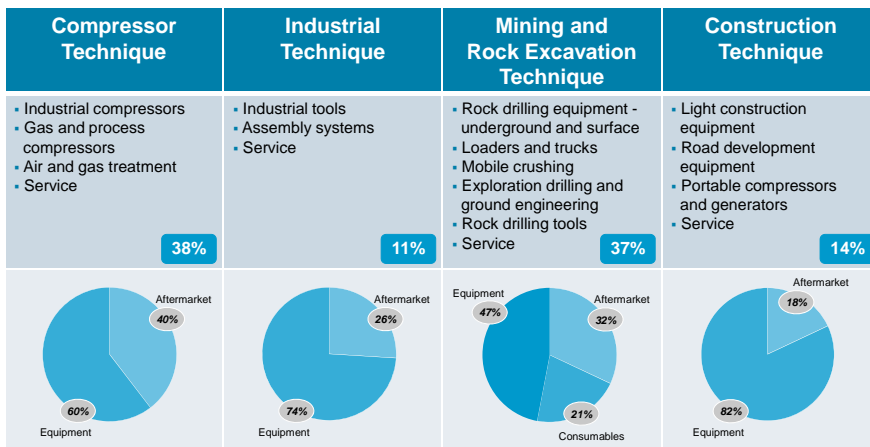
8 Atlas Copco Capital Markets Day - November 15, 2012

Our business model – agile and resilient



9 Atlas Copco Capital Markets Day - November 15, 2012

Four business areas

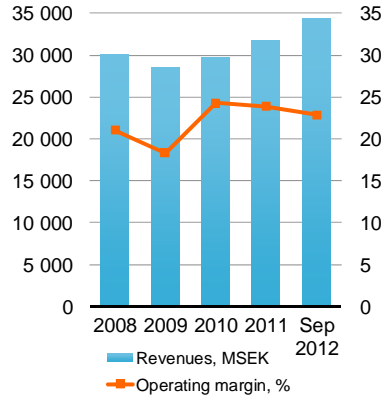
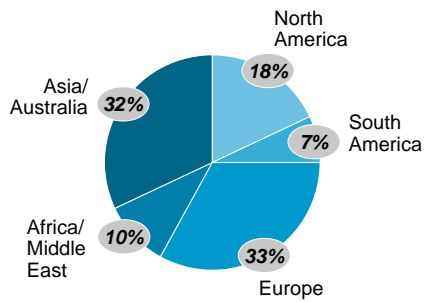


Revenues 12 months rolling, September 2012

10 Atlas Copco Capital Markets Day - November 15, 2012

Compressor Technique

- Develop Atlas Copco's leading position in the field of compressed air and gas

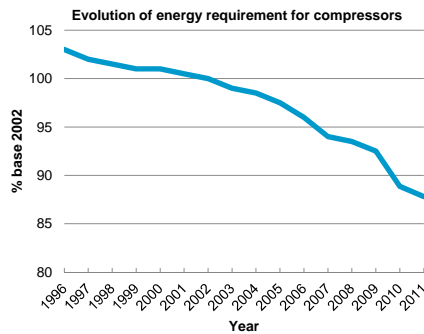


Pie chart: Revenues YTD September 2012, Graph: 12 months figures

Compressor Technique

Trends

- Continuous strong focus on energy efficiency
- Increased demand for industrial services



Compressor Technique

Priorities

- Product development
- Extending the offer
- More feet on the street
- Develop service
- Increase operational efficiency



Compressor Technique

Product development

- Equipment for waste heat recovery
- Full range of vacuum pumps
- Low pressure
- Oxygen and nitrogen generators
- Management systems/controllers



Waste heat recovery



Oxygen generator



Low pressure



Vacuum pump

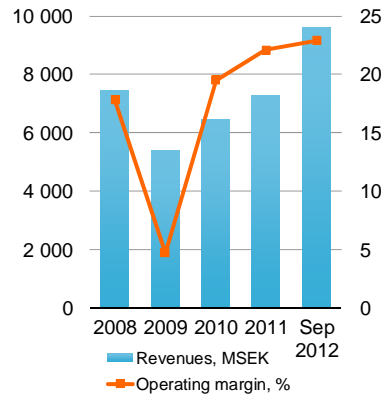
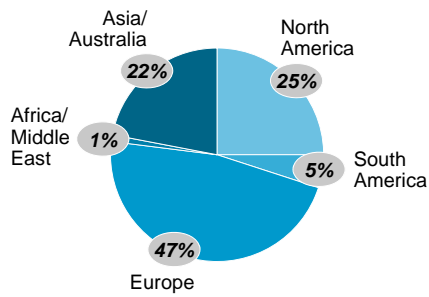


Controller



Industrial Technique

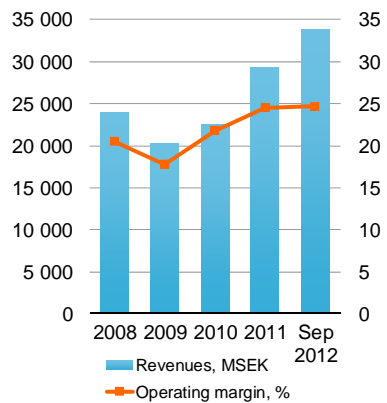
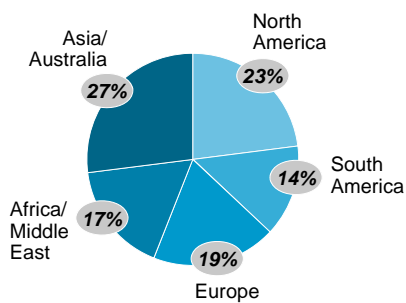
- Develop Atlas Copco's leading position in industrial power tools, assembly systems, quality assurance products, software and services



Pie chart: Revenues YTD September 2012, Graph: 12 months figures

Mining and Rock Excavation Technique

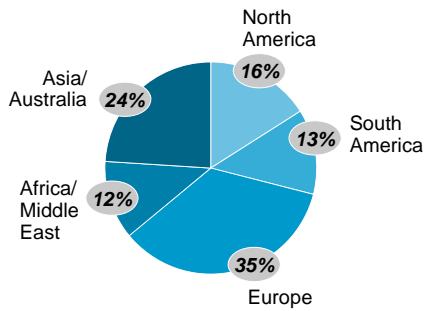
- Develop Atlas Copco's leading position in rock excavation for mining and civil engineering applications



Pie chart: Revenues YTD September 2012, Graph: 12 months figures

Construction Technique

- Develop Atlas Copco's position in portable energy, construction and demolition tools, and road construction equipment



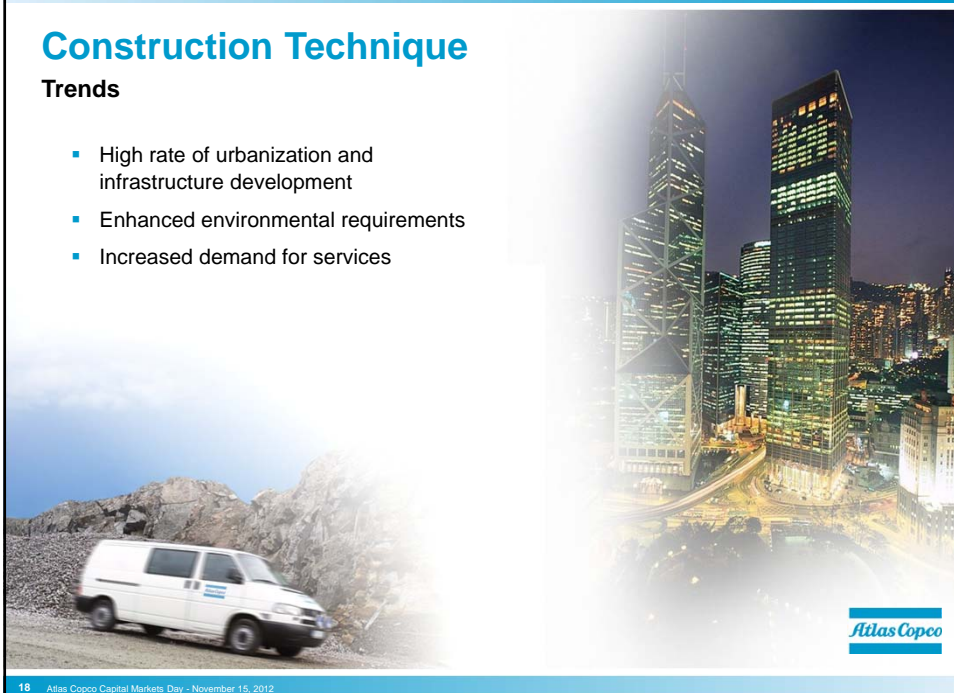
Pie chart: Revenues YTD September 2012. Graph: 12 months figures



Construction Technique

Trends

- High rate of urbanization and infrastructure development
- Enhanced environmental requirements
- Increased demand for services



Construction Technique

Priorities

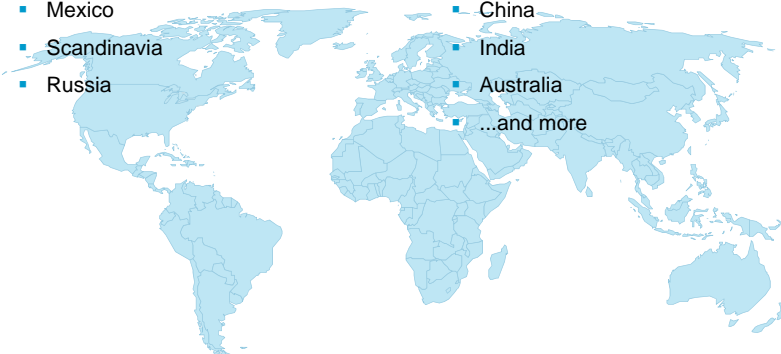
- Improve profitability
- Increase operational efficiency
- Further investments in product development
- Enhance the service offering
- Densify presence



Construction Technique

Newly created dedicated organizations

- USA
- Canada
- Mexico
- Scandinavia
- Russia
- South Africa
- Middle East
- China
- India
- Australia
- ...and more



Construction Technique

Product development

- Demolition and compaction equipment
- Road construction equipment
- Portable energy applications



The future of Atlas Copco

How to create more value



Capitalize on major trends

Global growth

Continued strong demand for minerals

Investments in infrastructure

The energy efficiency and productivity requirements from the industry

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Planting new seeds for the future

Create options

Build new business

Develop and defend core

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Create options



Assembly technologies



Mechanical rock excavation



Service products



Waste heat recovery



Quality air



Recycling



Build new business

Training



Tool calibration

Atlas Copco Service



Low pressure



Generators



Develop and defend core

The strategic pillars for profitable growth

The diagram consists of five light blue rounded rectangular boxes. The first four are arranged in a 2x2 grid: 'Presence' (top-left), 'Service' (top-right), 'Innovation' (bottom-left), and 'Operational excellence' (bottom-right). A fifth, wider box labeled 'Organization and people' is positioned horizontally below the grid.

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Presence in fast growing economies

The slide features a world map with Africa, Asia, and South America highlighted in blue. The background is a photograph of a busy city street with cars and people. Three overlapping blue circles on the right contain the text: 'Direct presence', 'Develop local competence', and 'Create high brand awareness'.

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...and grow in mature markets



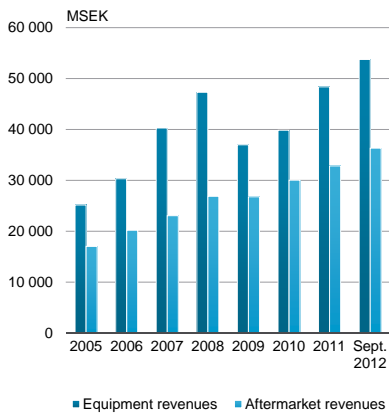

Presence	Service
Innovation	Operational excellence
Organization and people	

- Direct presence
- Develop local competence
- Create high brand awareness



29 Atlas Copco Capital Markets Day - November 15, 2012

Service




Year	Equipment revenues	Aftermarket revenues
2005	25,000	18,000
2006	30,000	20,000
2007	40,000	23,000
2008	48,000	27,000
2009	38,000	26,000
2010	40,000	30,000
2011	48,000	33,000
Sept. 2012	55,000	36,000

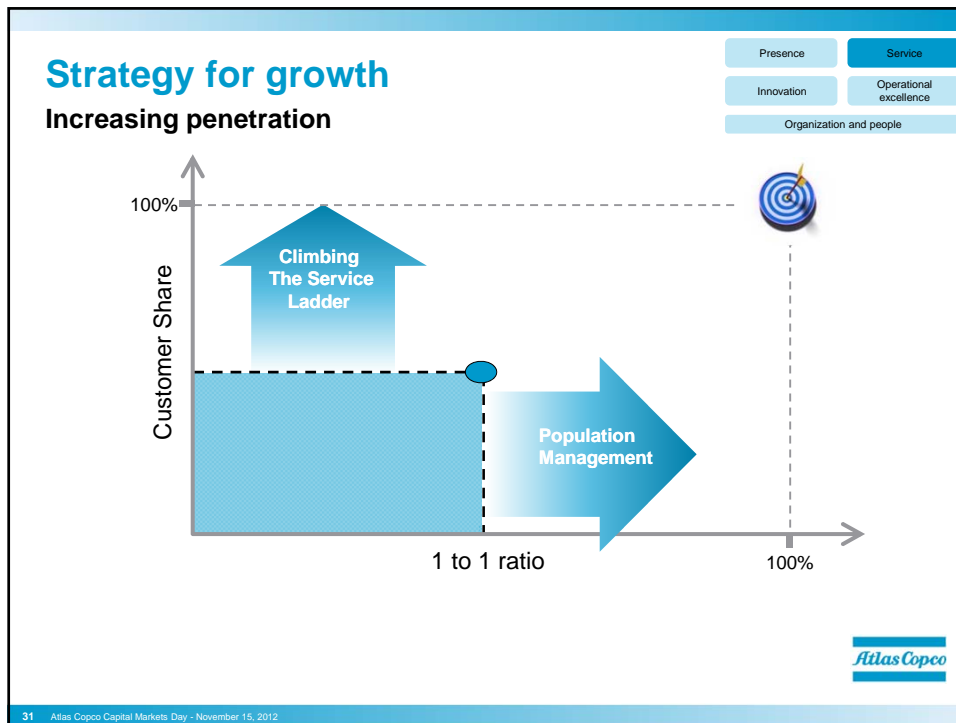
Presence	Service
Innovation	Operational excellence
Organization and people	

■ Why service?

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



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- ### Innovation
- Reduce life cycle cost
 - Increase productivity
 - Safety first
 - Improve reliability
 - Continuous strong focus on energy efficiency
- Presence Service
- Innovation Operational excellence
- Organization and people
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Differentiated value proposition

Example - hydraulic hammers for 10-17 ton carriers

Presence	Service
Innovation	Operational excellence
Organization and people	




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Operational excellence

Presence	Service
Innovation	Operational excellence
Organization and people	



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Operational excellence

Lean manufacturing

Presence	Service
Innovation	Operational excellence
Organization and people	

BEFORE

Line length

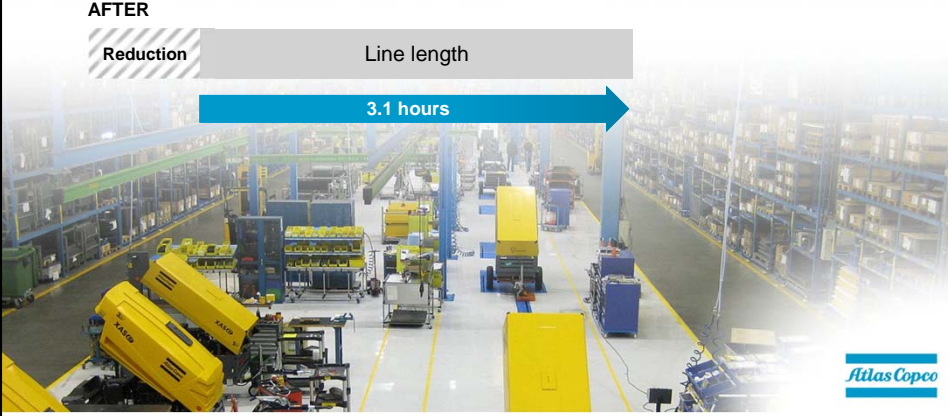
5.0 hours

AFTER

Reduction

Line length

3.1 hours



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Ability to create lasting results

Presence	Service
Innovation	Operational excellence
Organization and people	



- Leadership model
- Diversity
- Competence development

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Summary

- Strong global market position
- Agile and resilient organization
- Fit for more !



**Committed to
sustainable productivity.**



A large version of the Atlas Copco logo, featuring the company name in a blue serif font, centered between two thick horizontal blue bars.

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.”

