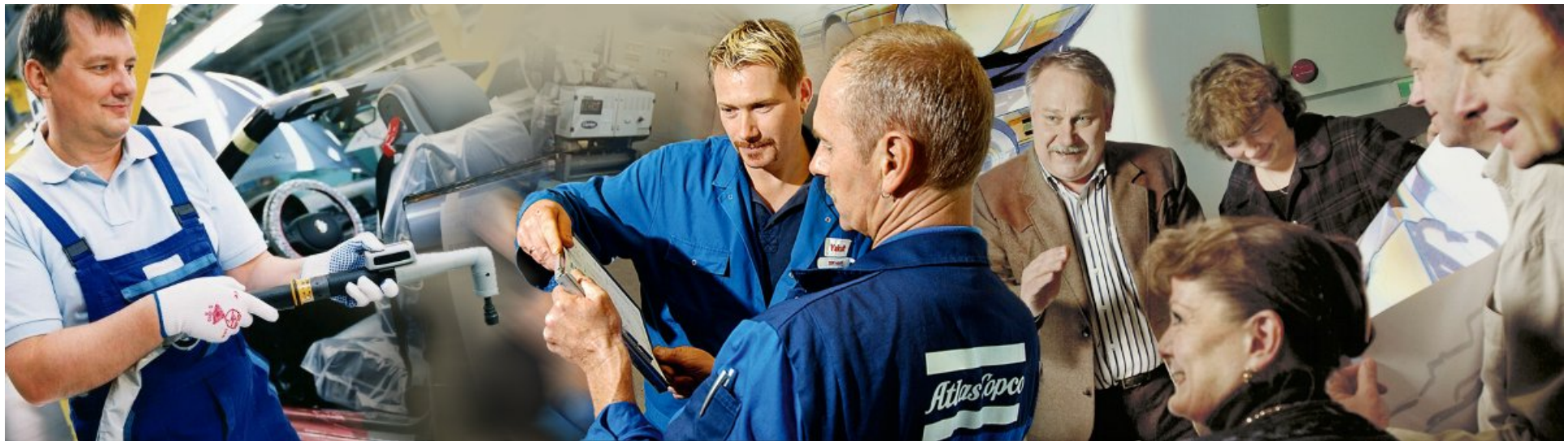


# Atlas Copco Group



Atlas Copco Capital Markets Day, November 20, 2007

Gunnar Brock, President and CEO

## Contents

- Performance today
- Growth drivers
- Value creation in summary



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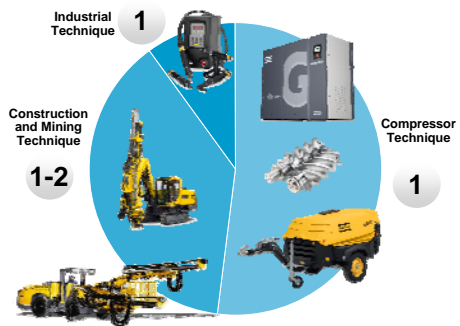
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## Businesses and Market Positions



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## Innovative Solutions



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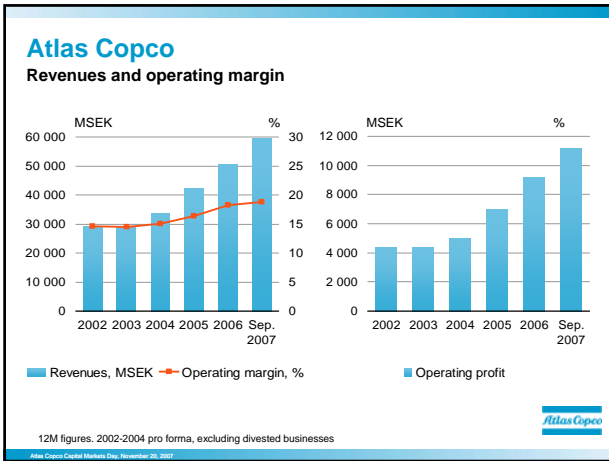
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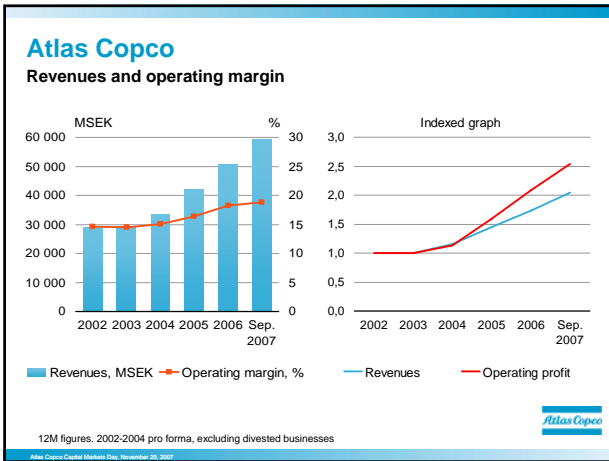
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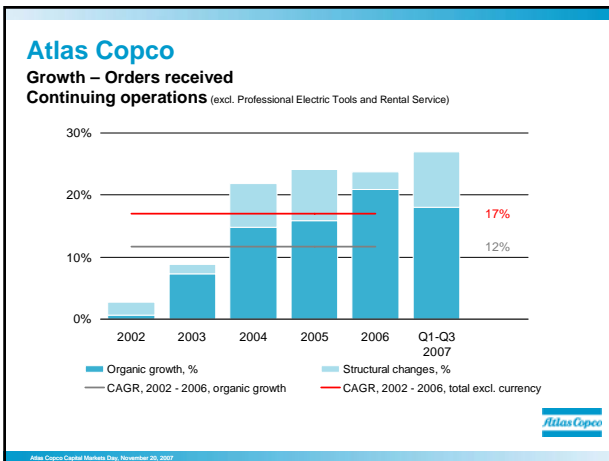
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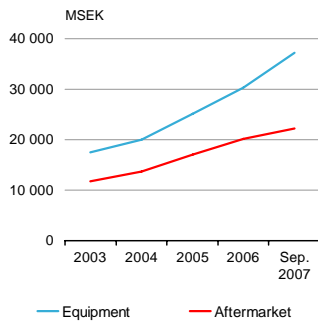
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## Capital Equipment and Aftermarket Revenues



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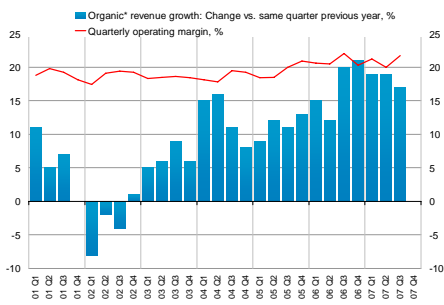
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## Compressor Technique



Quarterly operating margins include Prime Energy from Q1 2006  
\*Volume and price

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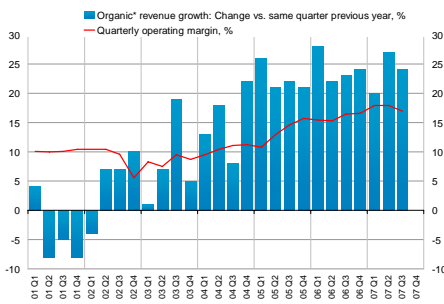
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## Construction and Mining Technique



\*Volume and price

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## Atlas Copco – Our Genes

- Leading market positions
- + Global presence – primarily direct sales
- + Patented product development
- + Standardized products and processes
- + Application knowledge
- + Low capital need
- + Efficient production and logistics
- + Aftermarket focus
- = Strong growth, high operating margins and high capital turnover

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Value creation



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## Organic and Acquisitive Growth

### Success factors - Platform

- Strong portfolio of businesses and products
- Leading market position
- Commitment to product development
- Global footprint
- Multibranding
- Dedication to aftermarket
- Acquisition potential
- Continuous improvement



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## Growth Drivers

- China, India, Russia, Brazil, and other emerging markets
- Infrastructure investments
- Extraction of natural resources
  - Mining
  - Oil and Gas
- Productivity enhancements
- Energy efficiency
- Aftermarket
- Increased scope of supply



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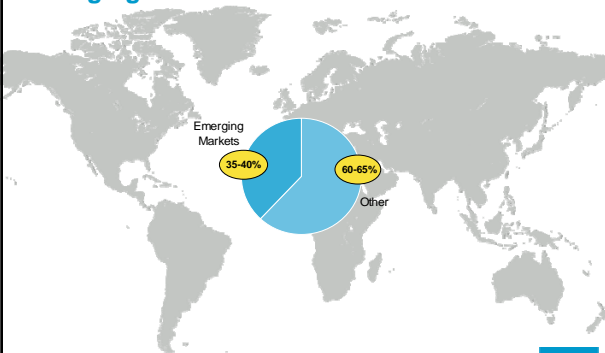
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## Emerging Market Sales



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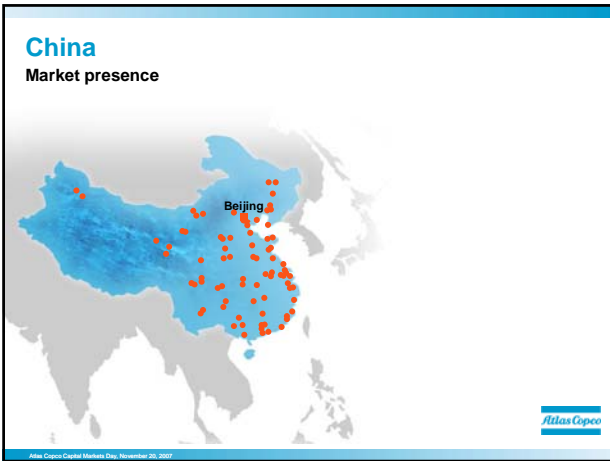
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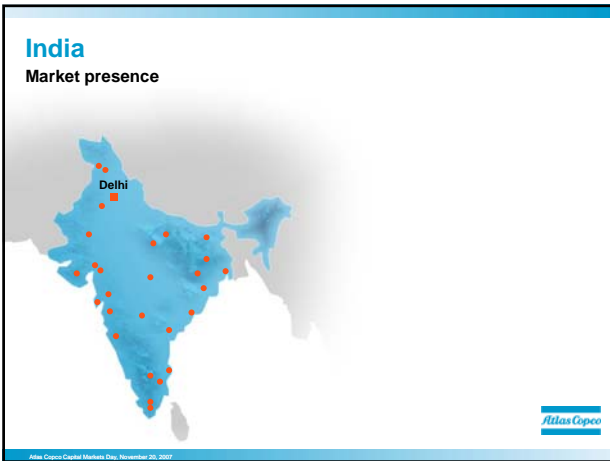
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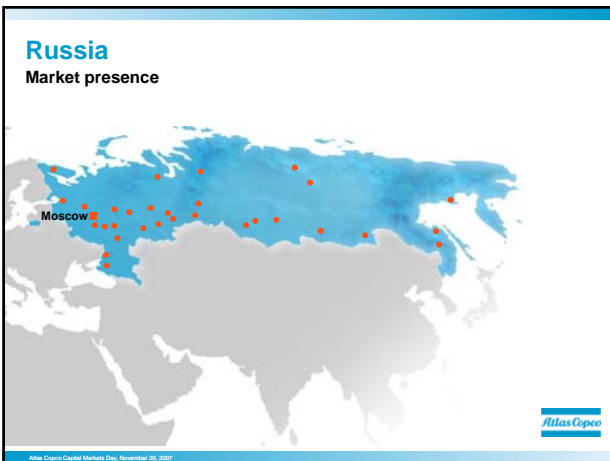
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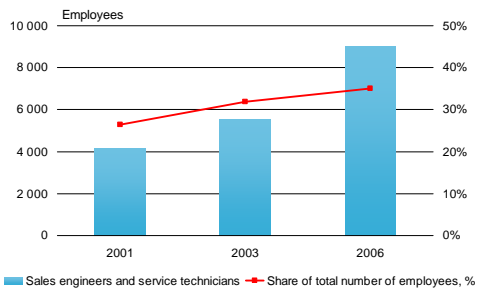
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## Atlas Copco

### Feet in the street; sales engineers and service technicians



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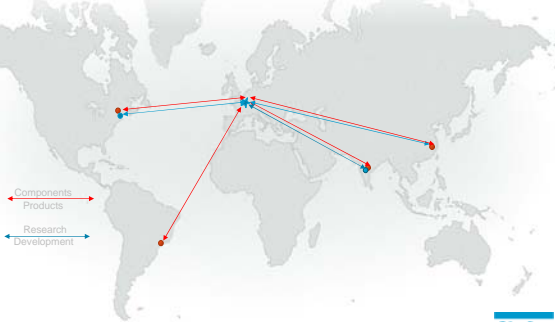
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## Compressor Technique

### Global development, manufacturing, sourcing strategy



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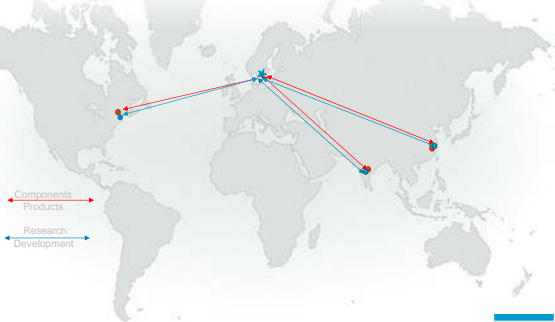
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## Construction and Mining Technique

### Global development, manufacturing, sourcing strategy



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## Growth Drivers

China, India, Russia, Brazil, and other emerging markets

- **Infrastructure investments**

Extraction of natural resources

- Mining
- Oil and Gas

Productivity enhancements

Energy efficiency

Aftermarket

Increased scope of supply



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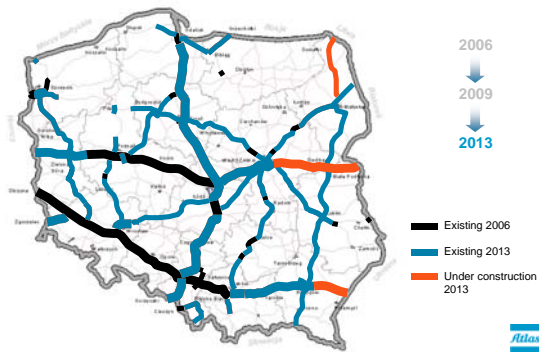
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## Motorway and Expressway - Poland



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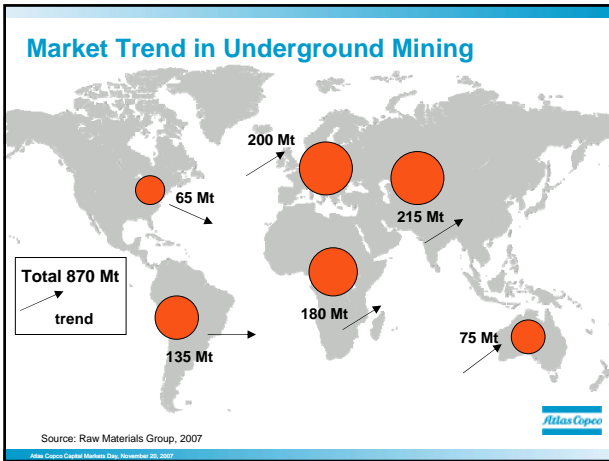
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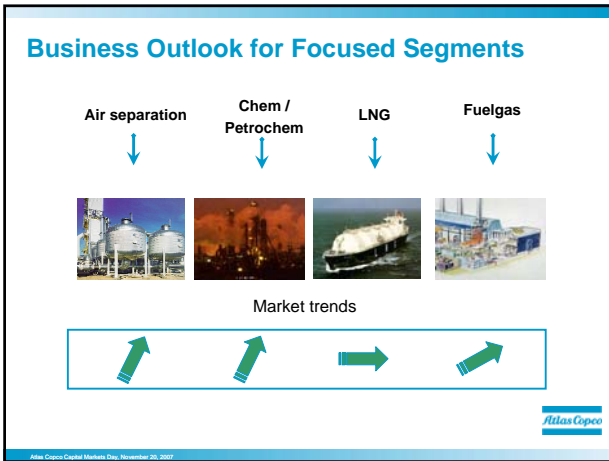
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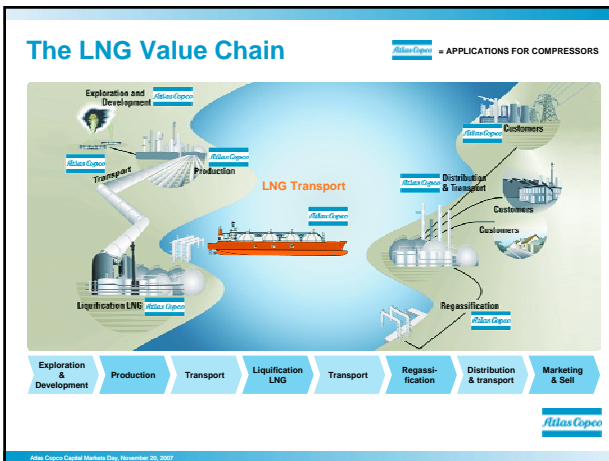
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## CNG Market Drivers

- **Pollution** in large cities
  - Technology is available for immediate action
- **Environmental** concerns
  - Substitution by Biogas / CNG reduces the emissions of greenhouse gases
- **Economics**
  - Natural gas is widely available, sometime just flared to atmosphere
  - For oil producing nations, crude oil is more interesting to export
  - Clean burning of inexpensive fuel



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## Compressed Natural Gas (CNG) as Alternative Fuel

- Transportation is a major contributor to man-made global pollution
- Reductions for passenger vehicles (NGV vs. e.g. gasoline)
  - CO<sub>2</sub> reduced by 25%
  - CO reduced by 75%
  - NO<sub>x</sub> reduced by 20%
  - CH<sub>x</sub> reduced by 80%



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## Productivity Enhancements

### Creating customer value

- **Quality**
  - To achieve better quality products Toyota chose Atlas Copco's latest Tensor ST line of electric tools, equipped with torque transducers. These tools control the quality of all safety critical applications
- **Productivity**
  - The unique Tensor ST motor technology makes it possible for car producers worldwide to save up to 50% of the time needed to assemble for example a car seat
- **Lowest cost of operation**



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## Productivity Enhancements

### Creating customer value

- The Stawell Gold Mine in Australia is very deep and has an 8-9 km long drive to the surface
- The MT5010 is faster than any other mine truck on the market with the same capacity, enhancing the customer's productivity



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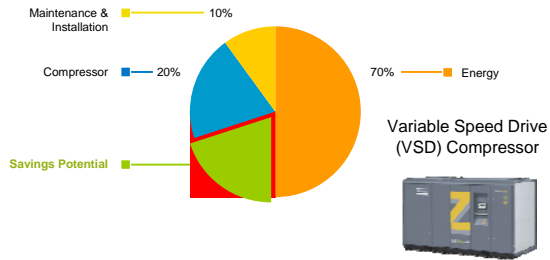
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## Energy Efficiency

Potential savings – compressor life cycle cost



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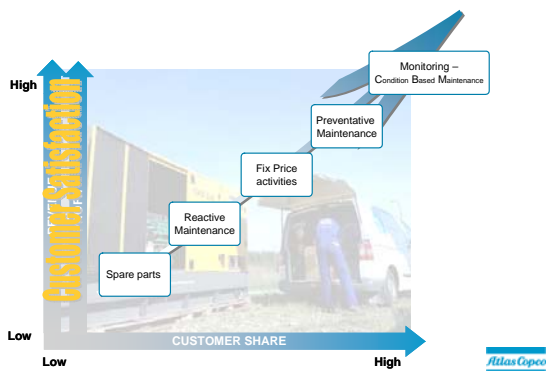
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## Aftermarket Focus



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## Reactive vs Preventative Maintenance



- Equipment failure costs money for customers in terms of
  - Rework
  - Recalls
  - Warranty
  - Quality
  - Injuries
  - Temporary solutions
  - Repair and administration
  - Logistics and purchasing activities



By running a preventative maintenance and inspection program, a typical car plant can save more than \$2 000 000/year



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## Increased Scope of Supply

### Dynapac example

#### Atlas Copco applications



#### Dynapac added



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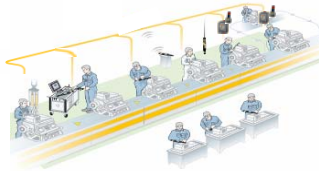
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## Increased Scope of Supply

Atlas Copco BLM – a complete range of products to control the quality of screw joints

- Key applications
  - All quality and safety critical fasteners
- Operator independent results
- Integrated with the other Atlas Copco assembly tools and software



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## Atlas Copco – Our Genes

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Value creation

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## Atlas Copco Offers Low Risk Exposure

- Strong exposure to fast growing emerging markets
- Well diversified
  - Country/market base
  - Industry/segment base
  - Customer base
  - Supplier base
- Strong and sustainable growth in aftermarket through penetration of existing machine population
- Very high level of equipment sales generating large increase in machine population



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## In Summary

Sustainable growth

Resilience in margins

High value creation



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## Near-term Outlook

Published October 24, 2007

The demand for Atlas Copco's products and services from most customer segments and regions is expected to remain at the current high level.

The positive outlook includes the main part of the construction segment, while construction related to housing is expected to slow down, primarily in North America.



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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 effected by other factors like for example, the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and major customer credit losses.”

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