

Construction and Mining Technique



Atlas Copco Capital Markets Day, December 2, 2008

Björn Rosengren, Business Area President

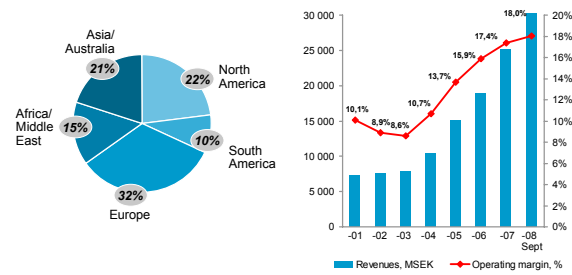
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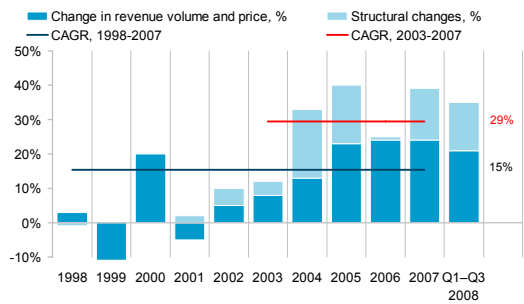


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12 month figures. Restated for IFRS from 2004.

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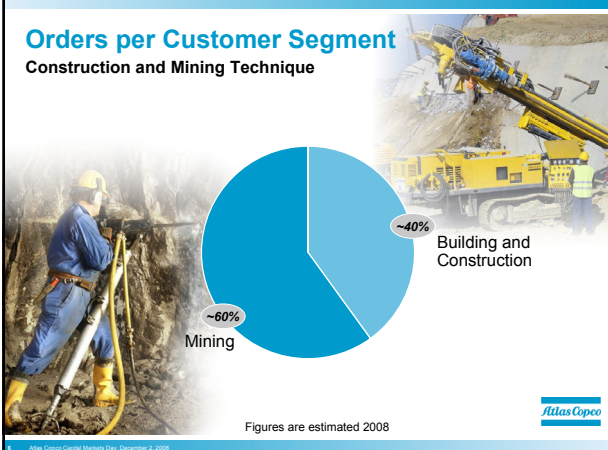
Q3 2008

MSEK	July – Sept 2008	July – Sept 2007	Change %
Orders received	7 884	6 814	+ 16%
Revenues	7 742	6 634	+ 17%
Operating profit	1 455	1 119	+ 30%
– as a percentage of revenues	18.8	16.9	
Return on capital employed, %	31	33	

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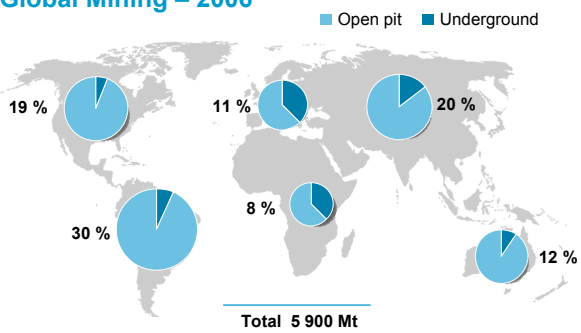
Orders per Customer Segment

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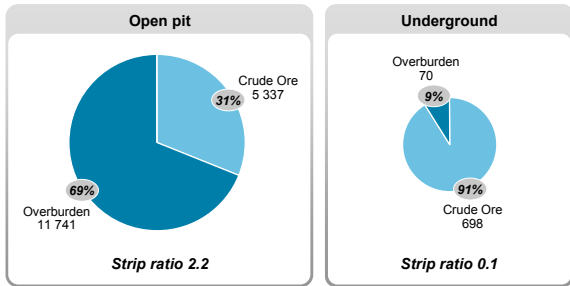
Global Mining – 2006



Source: Raw Materials Group, 2008

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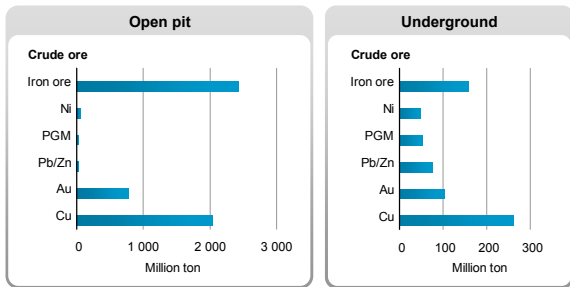
Ore Production and Overburden 2007



Strip ratio = waste rock
 Source: Raw Materials Group, 2008



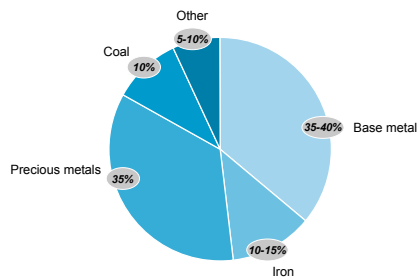
Open Pit / Underground Ore Production 2007



Source: Raw Materials Group, 2008



CMT – Mining Exposure to Different Minerals and Metals

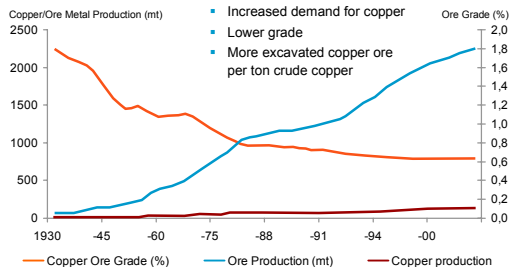


Source: Raw Materials Group, 2008



Copper – an Example

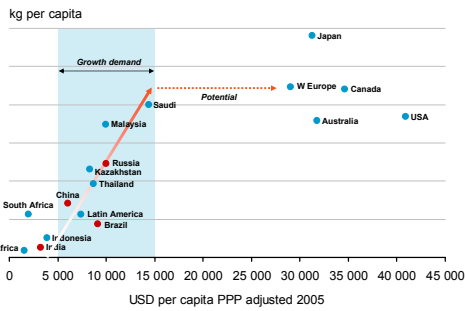
Copper production vs ore grade



Source: Raw Materials Group, Stockholm

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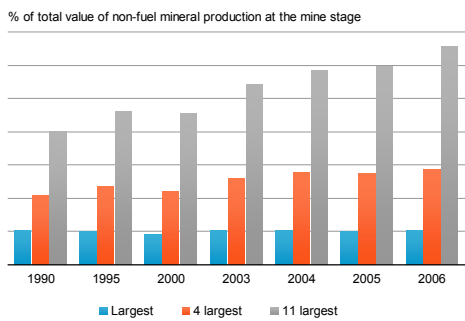
Copper Use vs GDP



Source: Haggström, Handelsbanken, 2006

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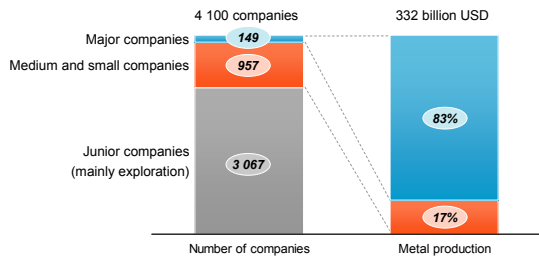
Corporate Concentration



Source: Raw Materials Group, 2008

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Mining Companies and Control of Mining



Source: Raw Materials Group, 2007

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Top Ranked Mining Companies

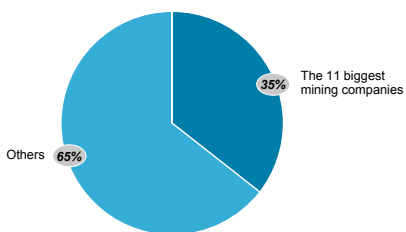
Metals

- 1 BHP Australia
- 2 Vale Brazil
- 3 Rio Tinto Australia
- 4 Anglo American UK
- 5 Freeport USA
- 6 Codelco Chile
- 7 Xstrata Switzerland
- 8 Norilsk Nickel Russia
- 9 Barrick Canada
- 10 Grupo Mexico Mexico
- 11 Newmont USA

Source: Raw Materials Group, 2007

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CMT – Mining Orders Split by Customer Size



Source: Raw Materials Group, 2007

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Mining CAPEX – Opportunities

- BRIC countries will continue to grow volume
- Some major open pit mines are going underground
- Remote located ore-bodies
- Declining ore-grades
- Efficiency improvements in operations
- Safety and environmental requirements



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Economic downturn is normally mitigated by investments in infrastructure



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Infrastructure Projects

Roads and railways

The total network of roads/railways and metros in the world will 2050 will be tripled of today

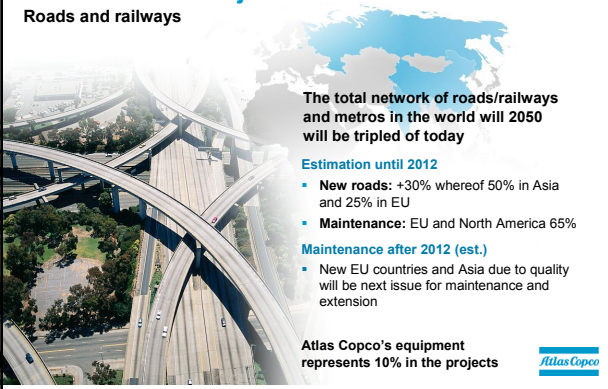
Estimation until 2012

- New roads: +30% whereof 50% in Asia and 25% in EU
- Maintenance: EU and North America 65%

Maintenance after 2012 (est.)

- New EU countries and Asia due to quality will be next issue for maintenance and extension

Atlas Copco's equipment represents 10% in the projects

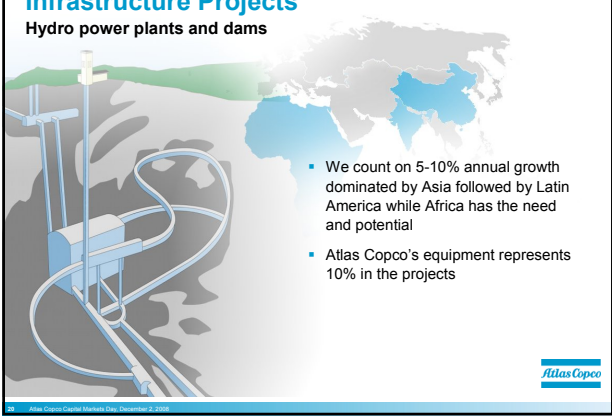


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Infrastructure Projects

Hydro power plants and dams



- We count on 5-10% annual growth dominated by Asia followed by Latin America while Africa has the need and potential
- Atlas Copco's equipment represents 10% in the projects

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Strategy

Organic Growth and Acquisitions



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Strategic Areas for Growth



- Strong presence in both mining and construction
- New product development
- Aftermarket
- Key customer management
- Focused growth markets
- Acquisitions

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Strong Presence in both Mining and Construction

Mining



Underground mining
Surface mining

Construction



Quarries Geotechnical work
Tunneling Water well
Road development Shallow oil and gas
Hydropower plants



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CMT in Mining

Underground mining



Surface mining



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CMT in Construction

Demolition



Quarrying



Surface civil engineering



Underground civil engineering



Global leadership
in defined niches

Road construction and maintenance



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Product Development



- New products and solutions, a driving force in the organic growth
- Trends
 - Safety
 - Enhanced productivity
 - Design and ergonomics
 - Intelligent product concept

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T15



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XLP for "Low Seam Mining"



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DH 5



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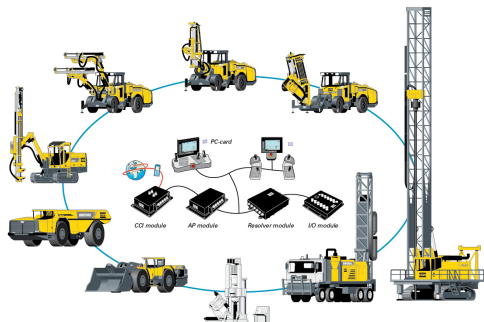
Pit Viper 235



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RCS Total Solutions



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Aftermarket

- Global service competence
- Fleet management system
- Extend product offer on aftermarket products
- Separate organization



Growing the Aftermarket Business



- Growth in Aftermarket comes from:**
- Increased fleet of equipment
 - Growing our Customer Share
 - Offer new products

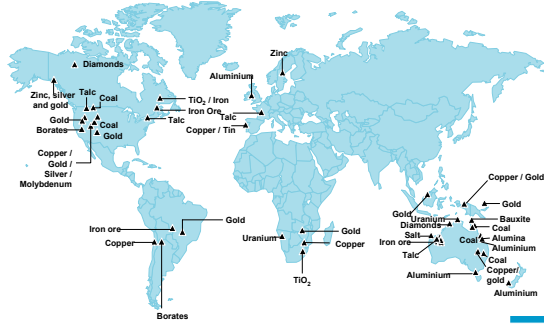
Key Customer Strategy

- Organization to support key customers
- Take more responsibility through aftermarket contracts
- Offer global contracts and support
- Build partnership relations



Atlas Works Closely with Leading Mining Co's

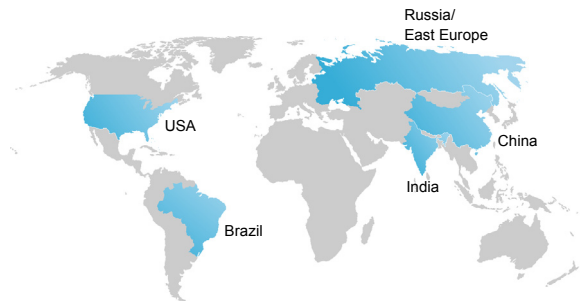
Let's have a look at Rio Tinto



Source: Rio Tinto



Strategic Growth Markets



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India



- Strong market growth
- Market leading position
- Growth areas: Hydro power, Infrastructure and Coal mining
- New factory for Dynapac



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China



- Strong market growth
- Market leading position
- Expected increase in infrastructure investments
- New factory in Nanjing for ADS products

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Brazil



- Strong market growth
- Market leading position
- Large mining and construction market
- Large international contractors

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Russia



- >40% average annual growth since the millennium
- Market leading position
- Very dependent on oil and minerals

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USA

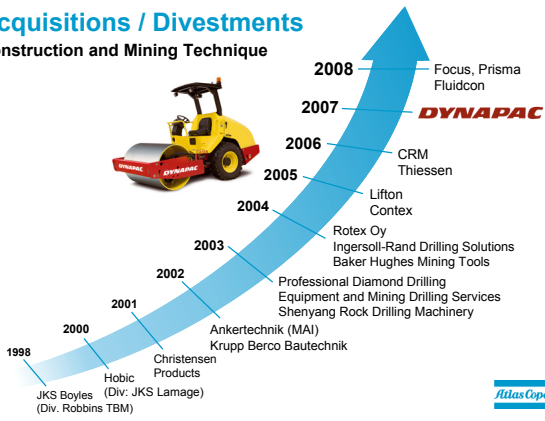


- World's largest construction market
- Market leading position
- Strong distribution network
- Present in several customer segments

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Acquisitions / Divestments

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- 2008: Focus, Prisma, Fluidcon
- 2007: **DYNAPAC**
- 2006: CRM, Thiessen
- 2005: Lifton, Cortex
- 2004: Rotex Oy, Ingersoll-Rand Drilling Solutions, Baker Hughes Mining Tools
- 2003: Professional Diamond Drilling Equipment and Mining Drilling Services, Shenyang Rock Drilling Machinery
- 2002: Anker Technik (MAI), Krupp Berco Bautechnik
- 2001: Christensen Products
- 2000: Hobac (Div. JKS Lamage)
- 1998: JKS Boyles (Div. Robbins TBM)

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Conclusion and Outlook



- The global financial crisis has clearly affected the market demand and we see a clear slowdown in mining investments
- The slow construction market is expected to start growing, driven by infrastructure investments, especially in emerging markets and by projects initiated to stimulate the economy
- Atlas Copco CMT is well prepared to adapt to the changes in demand

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We are committed to your superior productivity through interaction and innovation.



Atlas Copco Confidential Meeting Day, December 2, 2009



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