



Underground Rock Excavation

Lars Engström

The Atlas Copco logo consists of the company name in a blue, italicized serif font, centered between two horizontal blue bars.

Atlas Copco

Our Business

Capital Markets Day
September 21, 2004

4

Our Products in Use

Capital Markets Day
September 21, 2004

www.atlascopco-group.com

5

Our Products in Use

Capital Markets Day
September 21, 2004

www.atlascopco-group.com

6

Our Products in Use



Capital Markets Day
September 21, 2004

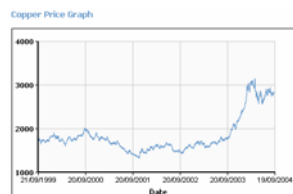
www.atlascopco-group.com





Demand Drivers

Metal demand/prices/stock



Capital Markets Day
September 21, 2004

www.atlascopco-group.com



Demand Drivers

Infrastructure & Energy projects

- Tunnels
 - Roads, Railways and Subways
- Hydropower
- Storage
- Installations
- Sewage



Capital Markets Day
September 21, 2004

www.atlascopco-group.com

10



Our Customers

Underground Mines



Capital Markets Day
September 21, 2004

www.atlascopco-group.com

11



Our Customers

Underground Construction



Capital Markets Day
September 21, 2004

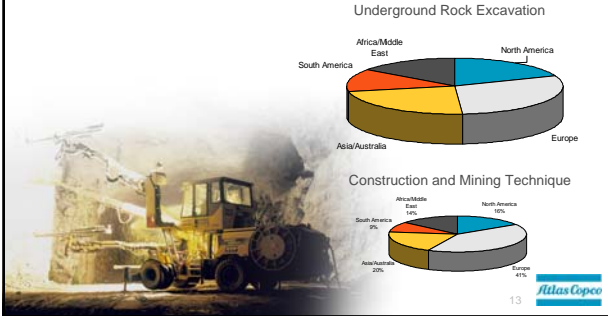
www.atlascopco-group.com

12



Our Revenue Distribution

by region



Our Competitors

- Tamrock
- Elphinstone (CAT)
- Furukawa
- Boart

Capital Markets Day
September 21, 2004 www.atlascopco-group.com 14

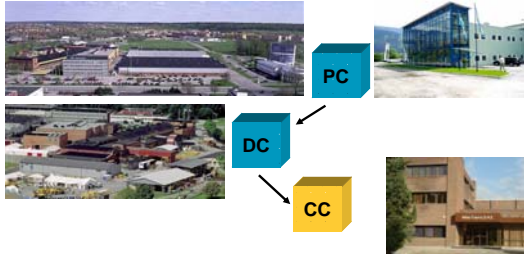
Our Vision

Underground Rock Excavation

- To be First in Mind, First in Choice in the industry of underground rock excavation
- Our products and solutions have, and are perceived as having, the most value creating performance in the industry

www.atlascopco-group.com 15

Our Structure



Capital Markets Day
September 21, 2004

www.atlascopco-group.com

16



Trends in the Market

- More productive equipment
- More intelligent products
- Customer & Supplier consolidation
- Supplier Integration forward – After Market performance contracts
- Preferred suppliers



Capital Markets Day
September 21, 2004

www.atlascopco-group.com

17



The intelligent drill rig

Ex. The Rocket Boomer L3C

- 1 Cabin including air condition
- 6 wheels
- 2 compressors
- 15 hydraulic pumps
- 9 hydraulic motors
- 52 hydraulic cylinders
- 33 computer CPUs
- 3 computer screens
- Approx. 2 200 m hydraulic hoses



Capital Markets Day
September 21, 2004

www.atlascopco-group.com

18



Rock Excavation Technology Centre

- Applied research centre
- Industrial design
- Rock Drill design
- Product design
- System design



- 170 people engaged in R&D
- 4-5% of sales reinvested in R&D

Capital Markets Day
September 21, 2004

www.atlascopco-group.com

19



R&D Philosophy

- New products and solutions, the driving force in the organic growth
- Increased productivity
- Safety
- Extend the product offer based on modular design concept
- Develop intelligent product concept



Capital Markets Day
September 21, 2004

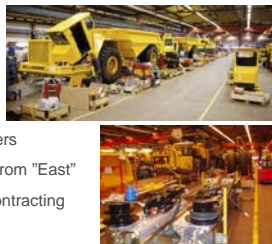
www.atlascopco-group.com

20



Production/Procurement Philosophy

- Flow orientation
- Short delivery times
- Final assembly
- Limited number of suppliers
- Close co-operation with suppliers
- Labour intensive components from "East"
- Capacity peaks through sub-contracting



Capital Markets Day
September 21, 2004

www.atlascopco-group.com

21



Distribution Philosophy

- "Machines can never stop"
- Central Distribution Center in Örebro
- Local stocks as required
- Supply Chain Management focus



Capital Markets Day
September 21, 2004

www.atlascopco-group.com

22



Sales & Marketing Philosophy

- Direct sales operation
- Key customer management
- Strategic alliance approach
- Performance contracts
- Global After Market concept



23



Atlas Copco Wagner





Wagner Product Development plan

- New product range – investment of 200 MSEK over five years.
- Newly developed and upgraded vehicles will form a complete product range of approx. 15 vehicles



Capital Markets Day
September 21, 2004

www.atlascopco-group.com

26 