Group Strategy

Giulio Mazzalupi

Atlas Copco Capital Markets Day - May 18, 2000
Vision

First in Mind

First in Choice
Development

Continuous improvements
production
products
marketing
organization
business flows
Flow organization
to better serve our customers

Innovations
new technology
new concepts
new methods
Project organization to safeguard long-term results
Directions for Growth

Organic growth

Asia

Use of products
Multi-brand
# In Today’s Program

## Innovations

<table>
<thead>
<tr>
<th>Better Sales Reach</th>
<th>Improved Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>E-business</td>
</tr>
<tr>
<td>Service initiatives</td>
<td>Common service providers</td>
</tr>
<tr>
<td>Rental service</td>
<td></td>
</tr>
<tr>
<td>E-business</td>
<td></td>
</tr>
</tbody>
</table>
Tensor

- Project organization

Christer Hansson
Use of Products
Service

Peter Möller
Use of Products
Rental Service

Lennart Johansson
Old AND New Economy

BETTER SALES REACH
- Territory management
- Global sales
- Product innovation

IMPROVED EFFICIENCY
- Production
- Logistics
Integration vs. Business Unit Culture

Centralization

Fragmentation

Decentralization

Integration

Atlas Copco Group
Common Service Providers
Distribution Center

Åke Larsson
Common Service Providers
ASAP

Anna-Karin Stenberg
Our Values

Interaction

Commitment

Innovation
World Class People
Competence Development
Option Program
# Atlas Copco Group

## Industrial and Geographical Near Term Demand Outlook (Dotted Arrows Indicate Risk/Opportunity)

### Weight by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>40%</td>
</tr>
<tr>
<td>Mechanical</td>
<td>20%</td>
</tr>
<tr>
<td>Automotive</td>
<td>10%</td>
</tr>
<tr>
<td>Mining</td>
<td>10%</td>
</tr>
<tr>
<td>Process</td>
<td>15%</td>
</tr>
<tr>
<td>Others</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Weight by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>50%</td>
</tr>
<tr>
<td>Europe</td>
<td>32%</td>
</tr>
<tr>
<td>Asia/Australia</td>
<td>10%</td>
</tr>
<tr>
<td>Africa/Middle East</td>
<td>4%</td>
</tr>
<tr>
<td>South America</td>
<td>4%</td>
</tr>
</tbody>
</table>

May 2000
Atlas Copco Group
“Six Demand Keys”

Capital Goods 45%

Industry
Industrial Machine Investment

Mining
Mining Machine Investment

Construction
Infrastructure and Public Investment

Expendables and After Market 55%

Industrial Production

Metal Ore Production

Construction Activity

Total Demand Outlook

May 2000
The face of interaction