

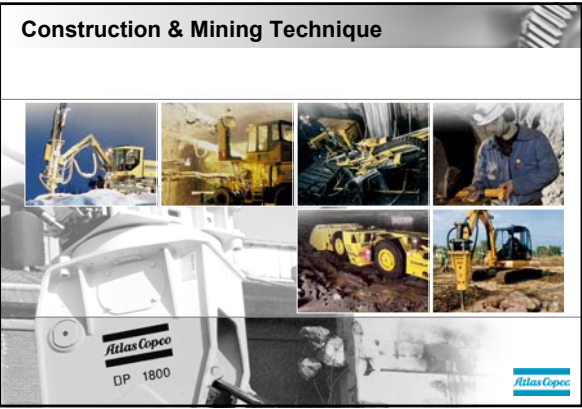


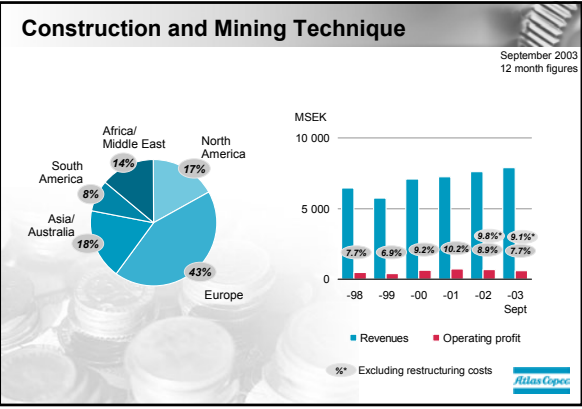
Construction and Mining Technique

Björn Rosengren



Atlas Copco





Construction and Mining Technique

Markets / Customers

Construction	Mining
<ul style="list-style-type: none"> > 50% of Business Area Tunnelling and road construction Dam construction Quarrying Breaking and demolition Ground engineering 	<ul style="list-style-type: none"> < 50% of Business Area Production and development work <ul style="list-style-type: none"> Underground and surface mining Loading and haulage Exploration drilling
<ul style="list-style-type: none"> Demand keys Infrastructure- and public investments Non-building construction activity 	<ul style="list-style-type: none"> Demand keys Mining machine investments Ore production


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Construction & Mining Technique
Underground Drilling Equipment



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Construction & Mining Technique
Södra Länken



- Excavated rock volume 2 million m3
- Total length of tunnels 16.6 km
- Construction period 1998 - 2004

Södra länken, connecting the southern suburbs of Stockholm, is the largest road tunnel system ever built in Sweden.

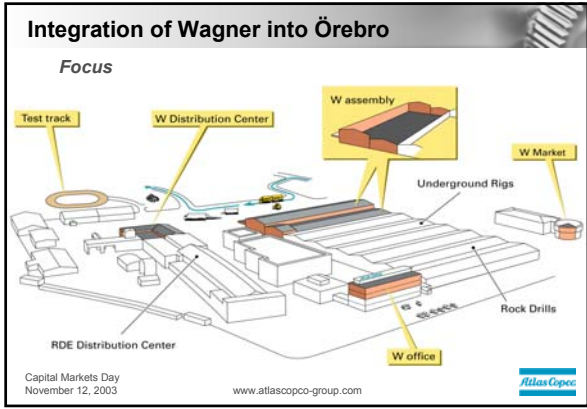
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Construction & Mining Technique
LHDs and Trucks



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Wagner new product range

Focus

- Increased investments in R&D
- New product range in 5 years

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Surface Drilling Equipment

Construction & Mining Technique

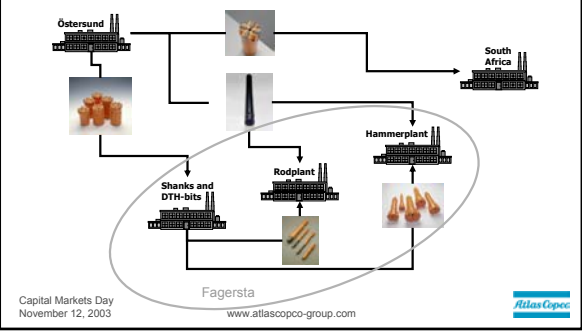
Rock Drilling Tools



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Rock Drilling Tools

Closure of Östersund Plant



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Geotechnical Drilling Equipment



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Geotechnical Drilling Equipment in 11 years

All acquisitions are operating under the Atlas Copco brand

				
Products	Products Territory	Products Territory	Products Territory	Products Territory
1992	1998	2000	2001	2003

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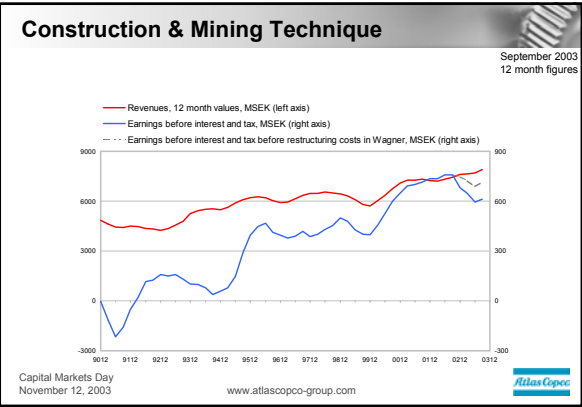
Construction Tools

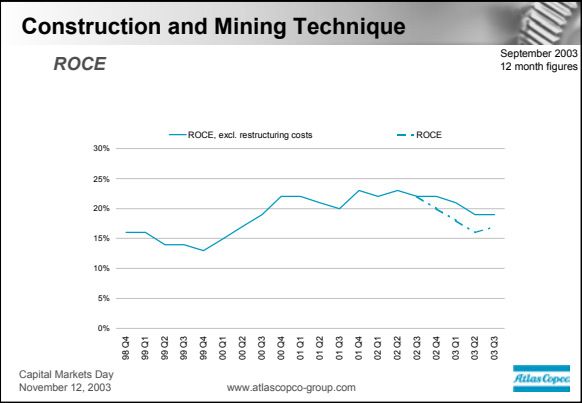


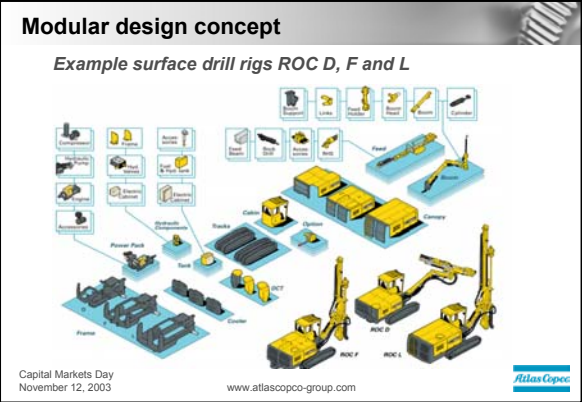

Construction Tools

Krupp - further implementation of synergies



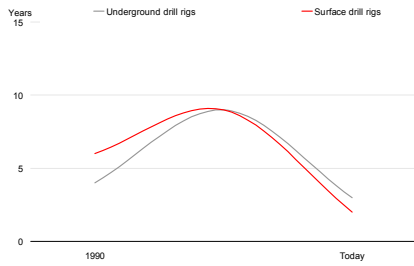






Research and Development

Average product age - drill rigs



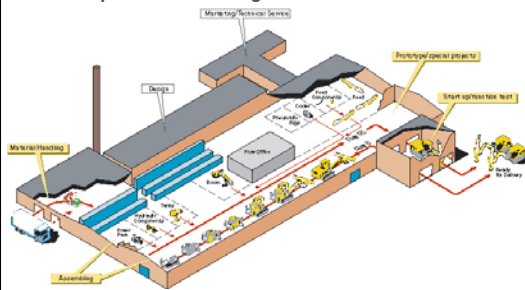
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Flow Manufacturing

Example surface drill rigs



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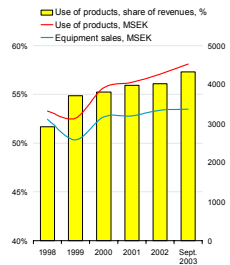


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Aftermarket - Use of Products

September 2003
12 month figures

- Consumables
 - Outsourcing
 - Logistics management
- Service and Spare Parts
 - Service contracts
- Rental



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Strategy

Organic Growth and Acquisitions



Research and Development

New product development

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



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Product Innovation

ROC D5 RRC

- Radio Remote Control
- Balanced design
 - Low center of gravity
 - High ground clearance
- Exceptional rough terrain capabilities




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Product Innovation


Diamec U6 APC

- New Drill Design
 - Reliability
 - Power
 - Flexibility
 - Safety and Ergonomics
- New Hydraulic Control System



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Product Innovation

Simba M6 C

- Computer Controlled
- RCS - Rig Control System



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Product Innovation


Cobra Combi

- Petrol driven drill and breaker
 - Multi-purpose tool
- Portable, Flexible, Economical
- Higher operator comfort and less environmental impact
 - Lower vibrations
 - New vibration-dampening handles reduce vibration levels from 8 to 5m/s²
 - Less noise
 - Fulfilling the European Noise Directive (NED)
 - Cleaner emissions
 - Meets US emission regulations EPA1



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Aftermarket concept

Aggressive growth of aftermarket business

- Develop global service concept/competence
- Introduce fleet management system
- Introduce more aftermarket products
- Focus through a separate organisation



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Key account strategy

- A closer partnership relationship between customers and suppliers, when possible based on performance contracts.



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Fundamental believes



Construction and Mining Technique

Aftermarket - Use of Products Acquisitions / Divestments

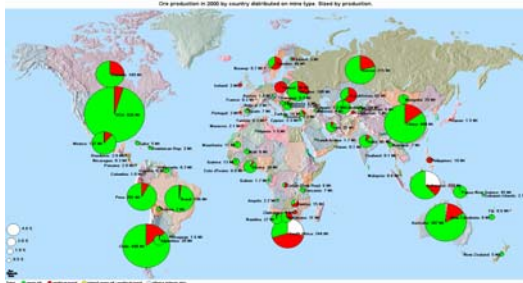
Year	Aquisition	Divestment
1998	JKS Boyles	Robbins TBM
2000	Hobic	JKS Lamage
2001	Christensen Products	
2002	Ankertechnik (MAI)	
	Krupp Berco Bautechnik	
2003	Professional Diamond Drilling Equipment and Mining Drilling Services	
	Shenyang Rock Drilling Machinery	

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World ore production



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Surface mining



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Q3 2003

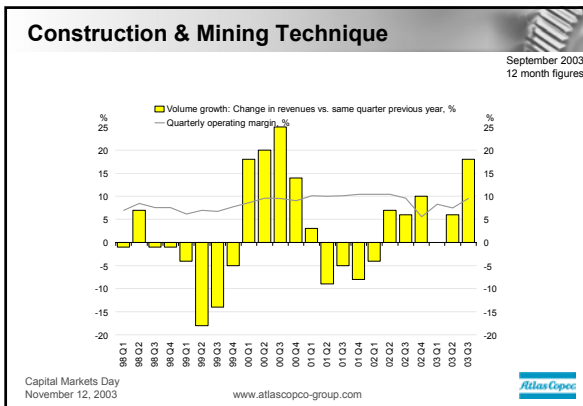
- Order volume growth, +8%
 - Mining orders continued to improve
 - Stabilization of order trend for light construction equipment
- Operating margins rebound
 - Very high invoicing offset sharply negative impact from currency
- Acquisition of Chinese rock drilling equipment manufacturer

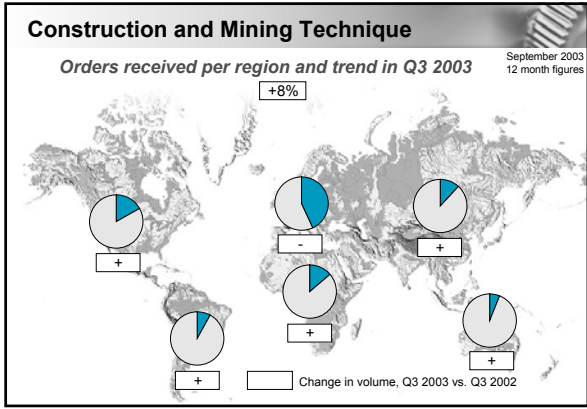


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Construction & Mining Technique

Market Position

- Global leader in rock drilling and excavation equipment and tools for hard rock construction and mining applications
- Defend strong market position by continuous product and service development and improved market presence and penetration
- Further develop position in mining, exploration drilling and light construction equipment

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