First in Mind—First in Choice™

Capital Markets Day 2006

Gunnar Brock, President and CEO
Atlas Copco in a Snapshot

Continuing operations

- A world leading provider of industrial productivity solutions
- Three focused, profitable and strong industrial businesses
  - The products and services range from compressed air and gas equipment, generators, construction and mining equipment, industrial tools and assembly systems, to related aftermarket and rental
- LTM revenues of BSEK 49, operating margin of 18.2% and high return on capital employed
- More than 25,000 employees

Innovative Solutions

Businesses and Market Position
Compressors
Compressor Technique

- World leader in compressed air products and solutions
- Global coverage with own resources in sales and aftermarket support
- Technology and cost leadership

Construction and Mining Equipment
Construction and Mining Technique

- Leading market position, globally
- Good balance in product portfolio and geographical markets
- Strong foundation for growth

Industrial Tools
Industrial Technique

- Strong global leadership
- Application focus on both Motor Vehicle Industry and General Industry
- Leading technology development
Vision – To be a leader

- First in Mind—First in Choice™
  - Lead in the share of mind and share of choice of our customers
- Be seen as the innovator, setting the standards
- Exceed high expectations
- Be #1 or #2, in every product market/application and geographic segment where we compete

Atlas Copco
Continuing operations

Worldwide Presence

[Graphs and charts are shown, but the specific details are not transcribed here.]
Q3 2006 - Highlights

- Value creation
  - High growth
  - Double-digit growth in all regions
  - Good demand from most customer segments
  - Solid growth in the aftermarket business
  - Increased profits
  - All business areas improved profit margins
- Atlas Copco sells majority stake of the equipment rental business

Q3 2006 - Figures in summary

- Orders received up 21%, +19% in volume
- Revenues up 17% to MSEK 12 538, up 15% in volume
- Operating profit up 29% to MSEK 2 306, a margin of 18.4% (16.6)
- Profit before tax at MSEK 2 081 (1 800), a margin of 16.6% (16.9)
Orders received - Local currency
Group total +24% YTD, +25% last 3 months
(Structural change +2% YTD, +3% last 3 months)

September 2006
A = Portion of orders received, YTD, %
B = YTD vs. prev. year, %
C = Last 3 months vs. prev. year, %

Atlas Copco Group
Operating Profit and Return On Capital Employed (ROCE) by Business Areas

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Revenues</th>
<th>Operating profit</th>
<th>Operating margin</th>
<th>ROCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compressor Technique</td>
<td>23 879</td>
<td>4 931</td>
<td>20.6%</td>
<td>72%</td>
</tr>
<tr>
<td>Construction and Mining Technique</td>
<td>18 208</td>
<td>2 854</td>
<td>15.7%</td>
<td>34%</td>
</tr>
<tr>
<td>Industrial Technique</td>
<td>6 514</td>
<td>1 345</td>
<td>20.6%</td>
<td>64%</td>
</tr>
<tr>
<td>Rental Service</td>
<td>782</td>
<td>259</td>
<td>na.</td>
<td></td>
</tr>
<tr>
<td>Eliminations/Common Group Functions</td>
<td>-471</td>
<td>-504</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atlas Copco Group</td>
<td>48 912</td>
<td>8 885</td>
<td>18.2%</td>
<td>36%*</td>
</tr>
</tbody>
</table>

* Including discontinued operations

Financial Targets
Create Shareholder Value
Atlas Copco
Growth – Revenues
Atlas Copco Group, excl. Professional Electric Tools and Rental Service

- Change in revenue volume and price, %
- Structural changes, %
- CAGR, 2002-YTD 2006, volume and price
- CAGR, 2002-YTD 2006, excl. currency

Atlas Copco
Growth – Orders received
Atlas Copco Group, excl. Professional Electric Tools and Rental Service

- Change in revenue volume and price, %
- Structural changes, %
- CAGR, 2002-YTD 2006, volume and price
- CAGR, 2002-YTD 2006, excl. currency

Volume Growth per Quarter
Atlas Copco Group, excluding Rental Service

- Change in orders received in % vs. same Quarter previous year
Why should Atlas Copco Succeed – in growing 8% per year?

- Strong portfolio of businesses and products
- Commitment to product development
- Market position and brand value
- Dedication to aftermarket
- "Our house is in order" – stability and profitability. Processes in place.
- Acquisition potential
- Strong and competent leadership
- Continuous improvement

- Extend and develop the core and build new businesses and create options that are close to home.

Sales Potential – Extend and Defend Core

Sales potential = 0.75 x 0.5 x 0.4 = 0.15

Max = 1 x 1 x 1 = 1
Growth by region vs 2002
Continuing operations, including acquisitions. Group Total +81%

15 Largest Markets
Continuing operations

- USA: 37%
- China: 20%
- Germany: 10%
- France: 8%
- Canada: 6%
- Australia: 5%
- Italy: 4%
- Spain: 3%
- South Africa: 3%
- South Africa: 2%
- Great Britain: 2%
- Mexico: 2%
- India: 2%
- Russia: 2%
- Brazil: 2%
- Sweden: 2%

Diversified Customers
Atlas Copco
Revenues, employees and assets by geographic area
Continuing operations

Focused Markets
CAGR 2003-2005
Growth YTD 2006

Aftermarket
Accessories, consumables, spare parts, service and maintenance and training
Acquisition Strategy

Screening of Alternatives

Attractiveness
- Size
- Growth
- Profits

Value added logic
- Customer/market
- Distribution channels / network
- Operational capabilities
- Technologies

Economic Distance from the Core
- is measured on five dimensions

<table>
<thead>
<tr>
<th></th>
<th>Shared customers</th>
<th>Shared costs</th>
<th>Shared channels</th>
<th>Shared competitors</th>
<th>Shared capabilities/ technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core</td>
<td></td>
<td></td>
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<tr>
<td>1 step away from home</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
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<tr>
<td>2 steps away from home</td>
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<td>●</td>
<td>●</td>
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<tr>
<td>3 steps away from home</td>
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<td>Diversifications</td>
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</tbody>
</table>

Source: Bain & Company
**Growth**

**Acquisitions**

- >30 acquisitions completed 2001-2005
  - Annual sales at the time of acquisition, > BSEK 5
- 9 acquisitions in 2006
  - Annual sales approximately BSEK 3

Includes all announced acquisitions (some pending final approval) and some acquisitions not announced. Some of the acquisitions are distributors where some of the annual sales has been Atlas Copco products.

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**Compressor Technique**

**Growth Strategy**

- Capitalize on strong market presence
  - Develop new businesses
  - Aftermarket
- Focused markets
- Focused segments
- Multi-branding
- Global logistics and manufacturing strategy
- Innovative product development
- Acquisitions

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**Construction and Mining Technique**

**Growth Strategy**

- Reinforce leading market position
- New product development
- Service and aftermarket
- Key customer strategy
- Acquisitions
Construction and Mining Technique

Position in the United States

- 4 regions
- Strong distribution network
- Revenues 2005 > 5x revenues 2003
  - Ingersoll-Rand Drilling Solutions and Baker Hughes Mining Tools acquired 2002

Open Pit Mining
Quarry & Construction
Shallow Oil & Gas
UG Mining & Construction

Construction and Mining Technique

Product Development

- Intelligent product concept to enhance productivity
- Scooptram ST 14
Industrial Technique

Growth Strategy

- Invest in sales force
- Increase sales of electric power tools in general industry
- Productivity and quality partner
- New product development
- Service and aftermarket
- Acquisitions

Industrial Technique

Product Development and Strategic Acquisition

- Products for small screw applications
- Atlas Copco electric screwdriver
- Microtec Systems

Industrial Technique

Service

- Operation and maintenance optimization
  - Balancing the cost of maintenance with the reduction of possible failures
- Application analysis
- Optimize tool selection
- Growth >20% YTD
- Strategic acquisitions of BLM and Technisches Büro Böhm GmbH
Financial Targets
Create Shareholder Value

- Return on revenue
- Total cost of capital (WACC)
- Capital turnover
- 8% Growth

Value Creation
Economic Value Added – Continuing Operations

- Invested Capital BSEK 24
- ROI after tax 27%
- WACC 7.8%
- ROCE 43%
- WACC, pre-tax, 11.5%

Atlas Copco Today
Summary

- Three focused, profitable and strong industrial businesses
- Well balanced strong global positions
- #1 or #2 in all important market segments
- High operating margin
- Efficient and effective utilization of capital – High return on capital employed
- Solid platform for growth
- Atlas Copco is well positioned to deliver on its financial targets
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 the major customer credit losses."