Systems solution provider to the Health Care sector
Capital Markets Day 2006
Ray Löfgren, President Industrial Air Division
1. Focused segments for growth

2. The Market

3. Products

4. The Strategy for Business Development

5. Atlas Copco’s added value to the sector

6. Integration

7. Growth

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1. Focused segments for growth

**Developing the business**

- Combining compressors, Quality Air Solutions, new filtration and separation technologies and control systems into application oriented solutions for specific customer groups

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2. The Market

What are Medical Gases?

- They are Pharmaceuticals.
  - Governed by purity standards (the Pharmacopeia)
  - Dispensed by order of a physician.
- They are a critical component within the set of life supporting medical utilities.
- The primary medical gases are:
  - Oxygen, Nitrous Oxide, Medical Air, Nitrogen, Instrument or Surgical Air and Medical Vacuum

Medical gas piping system

- A collection of equipment, pipes and wires which distribute and monitor medical gas and vacuum reliably and safely to the clinician.
2. The Market

Growth drivers of the market

- Growing above average (> 7% annually)
- Driven by population growth, quality of life, increasing age...

<table>
<thead>
<tr>
<th>Region</th>
<th>Europe</th>
<th>America</th>
<th>Asia</th>
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<tbody>
<tr>
<td>Population growth</td>
<td>++</td>
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<tr>
<td>Increasing age</td>
<td>+</td>
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<td>Quality of life</td>
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<td>Private clinics</td>
<td>+</td>
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<tr>
<td>Advanced technology</td>
<td>+</td>
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<tr>
<td>Comply legislation</td>
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Average annual growth

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<tbody>
<tr>
<td>GDP Europe</td>
<td>GDP US</td>
<td>Avg HC</td>
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<tr>
<td>Europe</td>
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Key success factors

- Comply with legislation
- Code management
- Air and vacuums
- Controls
- Aftermarket
- Financial services
- Volume
- System management

* High priority

3. Products

Source Equipment

- Medical Air System NFPA 99 Code
- Vacuum System
- Medical Air System HTM Code
3. Products
Pipeline components

Manifolds:
- controlling cylinder supply

Gas outlets:
- plug in for any gas

4. The Strategy for Business Development

Vision

- To become the number one global “Medical Systems” solutions provider.
- Utilize existing “medical” expertise in the U.S. and U.K. centers of excellence
- Leverage both the global presence and manufacturing capabilities of Atlas Copco
4. The Strategy for Business Development

Growth via Acquisition

- BeaconMedaes and Medeas are the leading suppliers in the US and UK Primary Piped Medical Gas sector in the Medical Utilities Delivery Systems market.

Leverage Atlas Copco’s global presence
Leverage the Beacon Medeas market knowledge
Invest in new product development
Bring the ‘oil-free air solution’ to the medical sector
Focus on high growth regions
Apply the successful Beacon Medeas sales model

4. The Strategy for Business Development

Actions

- Leverage Atlas Copco’s global presence
- Leverage the Beacon Medeas market knowledge
- Invest in new product development
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- Focus on high growth regions
- Apply the successful Beacon Medeas sales model

5. Atlas Copco’s added value to the Business

From a fragmented supply... to single source supply
5. Atlas Copco’s added value to the Business

Global presence
- Well positioned for this segment

Countries covered by Atlas Copco Customer Centers
- Production sites

5. Atlas Copco’s added value to the Business

Ability to deliver to all main norms and legislations

6. Integration

Laying the Foundation for profitable growth
- Implementing the right structure
  - Competence center
  - Product company and sales companies
7. Growth Opportunities

- **U.S. Market**
  - Continued market share improvement in selected geographic territories (focus on "Customer Share")
  - Development of the aftermarket

- **U.K. Market**
  - Market share improvement (focus on "Customer Share")
  - Development of the aftermarket

- **Focus countries**
  - Large upside in developing markets (China, India, Russia, Brasil, Korea, Middle East)
  - Leverage existing compressor sales into medical systems solutions in Europe and other markets

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

[Atlas Copco logo]