Businesses and Market Positions

Innovative Solutions

Services

Knowledge

Products

Industrial Technique

Construction and Mining Technique

Compressor Technique

1-2

1. Revenues and operating margin
   - 12 month values, 2006 pro forma, excluding divested businesses
   - Organic growth, %
   - Operating margin, %
   - Operating profit, MSEK

2. Growth – Revenues
   - Organic growth, %
   - Structural changes, %

3. Atlas Copco – Our Genes
   - Benefits of a large Group
     - Global presence
     - Economies of scale
     - Standardized products and processes
     - Efficient production and logistics
     - Operational excellence
   - Agility of a small organization
     - Local presence
     - aftermarket performance
     - Application knowledge
     - Focused product development
     - Innovation

Atlas Copco Local companies
- Innovation
- Operational excellence
The Atlas Copco Way

- The business triangle
  
  Customer
  
  - Territory management – presence
  - Sales engineers – customer relations
  - Brand

  Service/Aftermarket
  
  - Customer relations
  - Service engineers

  Product
  
  - Product development
  - Quality, reliability
  - Performance
  - Price

  - Assure operational excellence
  - Assure sustainable development
  - Asia
  - Diversity
  - Acquisitions

Worldwide Presence

Top 3 markets (12m)
1. USA
2. China
3. Germany

Share of orders received 12 months as of September 2009

Production sites

The Hunting Season

Presence improves the chances of getting the game (or business)
Aftermarket

Increase customer satisfaction

- Create customer value
- Move up the service ladder
- Organizational focus
  - Increase 1–1 ratio
  - Efficiency in execution

Aftermarket

Increasing penetration
Product Development

- New products and solutions, a driving force in organic growth
- Increase customer value
- Long-term strategic importance
  - Stay ahead of competition
  - Support profitability and pricing
  - Stay ahead of trends and regulations
- Core process
- Strong focus

Operational Excellence

- Flows
  - Information
  - Cash
  - Material/goods
- Regional manufacturing
- Regional distribution
- Quality in processes
- Leverage core competencies

Outsourcing vs. Leverage Core Competencies

Outsourcing
- Arm’s length relationship – one-way communication
- Evaluation on price, delivery efficiency and product quality
- Little or no insight / control

Leverage core competencies
- Close cooperation / partnership – dialogue
- Evaluation on R&D resources, ease of cooperation, delivery efficiency, product quality and price
- Insight and control through continuous contact
Sustainable Development

- Asia
- Diversity
- Acquisitions

Why Focus on Asia?

- To stay market leader, one has to be market leader in Asia
- Fastest growing region
- Market share potential for Atlas Copco
- Potential also in other emerging markets – Africa, South America, Eastern Europe

Worldwide Presence 2002 vs 2009

The Shift

<table>
<thead>
<tr>
<th>Year</th>
<th>Share of Orders Received</th>
<th>Average Exchange Rates</th>
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<tbody>
<tr>
<td>2002</td>
<td>29%</td>
<td>USD 9.72, EUR 9.15</td>
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<tr>
<td>2009</td>
<td>47%</td>
<td>USD 7.75, EUR 10.54</td>
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</tbody>
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The Shift

2006
1. USA
2. China
3. 
4. 
5. 
6. 
7. 
8. 
9. 
10. 
11. 
12. India
13. Russia
14. Brazil
15. 

2009 YTD
1. China
2. USA
3. 
4. 
5. Russia
6. Brazil
7. 
8. 
9. 
10. India
11. 
12. 
13. 
14. 
15. 

Orders received

Diversity – a Must for the Future

Workforce distribution

Women (14%)

Men (86%)

Proportion of managers

Women (12%)

Men (88%)

Recent graduates recruited

Women (22%)

Men (78%)

- Group wide female mentorship program
- Local initiatives
  - Country wise
    - Business Areas / Divisions

Data as per December 2008 (2007)

Diversity – a Must for the Future

Workforce distribution

Africa/Middle East

Europe

Asia/Australia

North America

South America

Proportion of senior managers

Expatriate

Local Manager

48%

14%

14%

18%
**Growth Strategy**

- ~2/3 organic growth
- ~1/3 acquired growth

**Acquisitions**

- Geographic expansion
- Market presence/penetration
- Close product/market/brand gap
- Expand product range
- Increase scope of supply
- Channel to market
- Technology/expertise
- Diversification based on existing knowledge and synergy potential

**Summary and Conclusion**

- Business model for profitable growth
  - The business triangle
  - Assure operational excellence
  - Assure sustainable development
- Current demand
  - A year after the turn
  - Demand stable on a lower level
  - Fit for more
We are committed to your superior productivity through interaction and innovation.

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 and adversely affected by other factors such as the effect of economic conditions, exchange-rate and interest-rate movements, political risks, the impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and major customer credit losses.”