Stephan Kuhn, Business Area President

Agenda
Sustainable productivity in and after the crisis

COMPRESSOR TECHNIQUE TODAY
• What we do
• Where we stand

FUTURE GROWTH
• Meeting customer needs
• Applications and products
• Markets
• Brands
• Aftermarket
Compressor Technique Today

- What we do

Revenue Diversity

- 11% Gas compressors
- 30% Parts & service
- 52% Compressed air equipment & solutions
- 7% Generators / specialty rental

Compressor Technique Today

- Where we stand
**Revenues and Operating Margin**

- Revenues stabilized
- Positive development of the product cost
- Positive impact from functional cost reductions
- Some factories still under absorbed

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>YTD</th>
<th>% vs. '08</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRI</td>
<td>710</td>
<td>681</td>
<td>716</td>
<td>2,397</td>
<td>-28.7%</td>
</tr>
<tr>
<td>NT</td>
<td>760</td>
<td>762</td>
<td>796</td>
<td>2,278</td>
<td>-18.3%</td>
</tr>
<tr>
<td>EBIT %</td>
<td>16.8%</td>
<td>16.1%</td>
<td>18.6%</td>
<td>17.1% (21.6%)</td>
<td></td>
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</tbody>
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12 month values, 2006 pro forma, continuing business included in CT

**Capacity Adjustments**

- Current factory footprint

<table>
<thead>
<tr>
<th>YEAR</th>
<th># OF FACTORIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>28</td>
</tr>
<tr>
<td>2009</td>
<td>29</td>
</tr>
<tr>
<td>2010</td>
<td>25</td>
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**Cost Reductions**

- Marketing & administration cost: substantial reduction achieved
- Continued high focus on design & development
- Product cost changes through:
  - purchasing savings
  - design modifications
Working Capital Development

- Working capital reduced to former benchmarks

Future Growth

- Meeting customer needs

Meeting Customer Needs

- Total solutions provider
- Increased environmental awareness
- Reduce life cycle cost
- Peace of mind
- Fit for purpose solutions
- Energy savings
- Reduced CO2 emissions
- Value
- Lower total cost of ownership
- Uptime
- Service availability

- Mature markets
- Emerging markets

- Right product at right price
- Availability of product
- Increased environmental awareness
- Reduced CO2 emissions
- Value
- Lower total cost of ownership
- Uptime
- Service availability

- Mature markets
- Emerging markets
Energy Efficiency

SUPERIOR SOLUTIONS

CUSTOMER NEEDS

System assessment

Core technology

Drive technology

Energy recovery

System optimization

Energy savings accessories

Our Legacy of Innovation

... With over 400 patents ...

The first Z compressor with asymmetric screw design, resulting in a very low Specific Energy Requirement.

The Z compressors are the first to be awarded ISO 8573-1 Class 0 (no oil traces in the air stream as measured by the TÜV).

With its 'Carbon Zero' Range, Atlas Copco is the first manufacturer to offer certified net zero energy consumption compressors.
Carbon Zero

Ultimate Reliability

Ultimate Air Quality

Ultimate Efficiency

CUSTOMER EXPECTATIONS

ULTIMATE EFFICIENCY

ULTIMATE AIR QUALITY

ULTIMATE RELIABILITY

Carbon Zero

Fit for Purpose

Customer demands require:

- Right product at right price
- Availability of product close to the customer
Future Growth

Applications and products

Applications & Products

Core Business
- E.g. compressors
- Service: Solid support process

Application extensions
- E.g. medical, marine
- Service: Tailored to need

New expanded markets
- Mix of new products / application extensions with existing technology & customers
- Service: pro-active, effective

New product areas
- E.g. air treatment
- Low pressure
- Service: knowledge to complement products

Applications & products

- Railway
- Marine
- High pressure CNG
- Low pressure
- Gas purification
- Medical
Satisfying Customer Needs in Growing Markets

- Developing markets seeking ways to limit the environmental impact of their activities
- We have the technology to achieve their goals
- Fit for purpose products providing cost effective solutions to reduce carbon footprints

Future Growth

- Markets
Future Growth

- Brands
Brands

Future Growth

- Aftermarket

Growth in Aftermarket

Driven by 2 dimensions
The Strategy
Climbing the service ladder supported by a complete aftermarket offer

- Fix price
- Preventive maintenance
- AirNet optimization and monitoring

Climbing the service ladder supported by a complete aftermarket offer

- Fix price
- Preventive maintenance
- AirNet optimization and monitoring

- Spare parts
- Ad-hoc maintenance
- AirNet optimization and monitoring

- Aftermarket Product

- ES 130
- MAM
  - Energy savings in the compressor room
  - Customer satisfaction
  - Reducing administration costs
  - Operational efficiency

- Aftermarket Product

- Energy savings in the compressor room
- Customer satisfaction
- Reducing administration costs
- Operational efficiency
Customers Trust our Capability

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

Atlas Copco