Atlas Copco Group

Ronnie Leten, President and CEO

Established in Stockholm, Sweden
Four focused business areas
- Compressor Technique
- Industrial Technique
- Mining and Rock Excavation Technique
- Construction Technique
Global presence in more than 170 countries
Employees: 36,638
Annual revenues: MSEK 78,314 (BEUR 8.5) (BUSD 11.4)
Operating margin: 21.7%

Listed on NASDAQ OMX Stockholm and available as ADR in the United States

Quick facts

- Established 1873 in Stockholm, Sweden
- Four focused business areas (as from July 1, 2011)
  - Compressor Technique
  - Industrial Technique
  - Mining and Rock Excavation Technique
  - Construction Technique
- Global presence in more than 170 countries
- Employees: 36,638
- Annual revenues (as of September 30, 2011): MSEK 78,314 (BEUR 8.5) (BUSD 11.4)
- Operating margin (as of September 30, 2011): 21.7%

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Symbols and Tickers

<table>
<thead>
<tr>
<th>Symbol</th>
<th>A share</th>
<th>B share</th>
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<tbody>
<tr>
<td>NASDAQ OMX</td>
<td>ATC0A</td>
<td>ATC0B</td>
</tr>
<tr>
<td>ISIN code</td>
<td>SE0000101252</td>
<td>SE0000122467</td>
</tr>
<tr>
<td>Reuters</td>
<td>ATCOa.ST</td>
<td>ATCOb.ST</td>
</tr>
<tr>
<td>Bloomberg</td>
<td>ATC0A SS</td>
<td>ATC0B SS</td>
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<tr>
<td>ADR (USA)</td>
<td>ATLCY.OTC</td>
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1 As of September 30, 2011
2 12 months ending September 30, 2011
SEK/USD 6.85 SEK/EUR 9.26 as of September 30, 2011
Atlas Copco

- A leading provider of industrial productivity solutions, with four focused business areas
- Diversified sources of revenues and earnings: Worldwide presence and customer diversification.
- Consistent strategy
- Strong and stable service business
- Asset-light business model with focus on capital efficiency
- Strong value creation track record and well positioned for the future
  - Resilience in profit and cash flow
- Fit for more!

Our business model

- Direct sales/specialist distribution
- Direct service
- Application knowledge
- Focused businesses
- Commonality in process, quality and service
- Flexible organization
- Strong corporate culture
Our business model – agile and resilient

- Variable cost structure
- "Asset-light" operations
- Stable aftermarket business

Deteriorating business climate
- Reduce variable costs
- Working capital reduction

Improving business climate
- Add variable costs
- Working capital increase
- Small incremental investments

Swedes say...

- ... there is no such thing as bad weather, only bad clothing
Diversified businesses

Orders received by customer category

<table>
<thead>
<tr>
<th>Services</th>
<th>Other</th>
<th>Construction</th>
<th>Process</th>
</tr>
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<tbody>
<tr>
<td>6%</td>
<td>7%</td>
<td>24%</td>
<td>28%</td>
</tr>
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</table>

Orders received by customer category

<table>
<thead>
<tr>
<th>Mining</th>
<th>Equipment</th>
<th>Aftermarket</th>
</tr>
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<tbody>
<tr>
<td>24%</td>
<td>59%</td>
<td>41%</td>
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<td>60%</td>
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Revenues by geographic area

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Atlas Copco Group

Revenues per business area

- Construction Technique: 17%
- Mining and Rock Excavation Technique: 36%
- Industrial Technique: 9%
- Compressor Technique: 38%

Pie chart: Revenues YTD September 2011.

Compressor Technique

- Develop Atlas Copco’s leading position in the field of compressed air and gas

Pie chart: Revenues YTD September 2011. Graph: 12 months figures pro-forma
Industrial Technique

- Develop Atlas Copco's leading position in industrial power tools, assembly systems, quality assurance products, software and services

![Pie chart: Revenues YTD September 2011, Graph: 12 months figures]

Revenues, MSEK

Operating margin, %

<table>
<thead>
<tr>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>Sep. 2011</th>
</tr>
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<tbody>
<tr>
<td>10 000</td>
<td>8 000</td>
<td>6 000</td>
<td>4 000</td>
</tr>
<tr>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
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Industrial Technique

Trends

- Growing demand
- Sustainable productivity
  - Increased environmental concern
  - Higher expectations on quality and traceability
  - Improved ergonomics for the operator
  - Extending the service offer
Industrial Technique

Priorities

- Support customers to improve quality and productivity
- Extending the offer
- More feet on the street
- Improve the resilience

1 operation – 1 person

Industrial Technique

Product development

- Advanced pneumatic drill for the aerospace industry
- Assembly system for tightening in safety-critical applications
- Standard industrial tools
**Industrial Technique**

**Acquisition – SCA Schucker**

- Advanced “new” assembly technology
- Fast growing segment driven by assembly trends in automotive
- Opportunity to expand in new segments
Mining and Rock Excavation Technique

- Develop Atlas Copco’s leading position in rock excavation for mining and civil engineering applications

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Graph: Revenues YTD September 2011, Graph: 12 months figures pro-forma

Construction Technique

- Develop Atlas Copco’s position in portable energy, construction and demolition tools, and road construction equipment

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Graph: Revenues YTD September 2011, Graph: 12 months figures pro-forma
Construction Technique

Trends

- Growing demand
  - Urbanization
  - Emerging markets
  - Roads and transport
- Sustainable productivity
  - Increased environmental concern
  - Improved ergonomics and safety for the operator
  - Extending the service offer

Capital expenditure estimates for nonresidential infrastructure
USD billions, real terms (2005)
Source: IHS – Sept. 2011

Construction Technique

Priorities

- Extending the offer
- More feet on the street
- Develop service
- Increase operational efficiency

Revenues pro-forma
Construction Technique
Portable Energy product strategy

- Air
  - On-site compressors
- Power
  - On-site generators
- Water
  - On-Site Pumps
- Light
  - On-Site Light
- Used Equipment and accessories

Construction Technique
Product development

- Demolition and compaction equipment
- Road construction equipment
- Portable compressors and generators
Construction Technique
Acquisition – GESAN

- Extending the offer
- Presence in more markets / segments
- Critical mass for product development

Long term and vision driven

**FIRST IN MIND - FIRST IN CHOICE**

**THREE HORIZONS**

- Develop and defend core
- Build new business
- Create options

To become and remain
Major trends

### Emerging markets

| China, India, Russia, Brazil and others | Energy efficiency / CO₂ reduction |
| Infrastructure investments | New applications |
| Demand for raw material | Innovation |

### Urbanization

<table>
<thead>
<tr>
<th>China</th>
<th>India</th>
<th>Russia</th>
<th>Brazil</th>
<th>Others</th>
</tr>
</thead>
</table>

### GDP Growth estimates

- **2011-15:** 4.0%
- **2016-20:** 4.4%
- **2021-25:** 4.7%
- **2026-30:** 4.9%
- **2031-35:** 5.0%
- **2036-40:** 5.1%
- **2041-45:** 5.8%
- **2046-50:** 7.9%
- **2051-55:** 8.8%

Source: OECD Economic Outlook No. 87

### Evolution of energy requirement for compressors

- **1980:** 88
- **1990:** 100
- **2000:** 104
- **2010:** 96
- **2020:** 92
- **2030:** 88

Major trends

### Projected average annual real growth in GDP 2010-2050

- **Vietnam:** 8.8%
- **India:** 8.1%
- **Nigeria:** 7.9%
- **China:** 5.9%
- **Indonesia:** 5.8%
- **Turkey:** 5.1%
- **South Africa:** 5.0%
- **Saudi Arabia:** 5.0%
- **Argentina:** 4.9%
- **Mexico:** 4.7%
- **Brazil:** 4.4%
- **Russia:** 4.0%

Source: PwC main scenario model projections for 2010-2050
Priorities

**Profitable growth**

- Presence in growth markets
- Developing our service business
- Continued innovation
- Operational excellence

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**Worldwide presence 2002 vs Sept. 2011**

The shift

- Share of orders received 2002 (continuing operations)
- Share of orders received 12 months until September 30, 2011

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Average exchange rates

<table>
<thead>
<tr>
<th>Currency</th>
<th>2012</th>
<th>2011</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>9.72</td>
<td>6.50</td>
<td>-33%</td>
</tr>
<tr>
<td>EUR</td>
<td>9.15</td>
<td>9.06</td>
<td>-1%</td>
</tr>
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</table>

MSEK.
Aftermarket growth

12 month revenues. Aftermarket includes consumables and rental

Aftermarket
Increasing penetration

Climbing The Service Ladder
Population Management

1 to 1 ratio

Customer Share
100%

Service divisions in all business areas
Dedicated organizations

Product development / innovations

Energy recovery unit for rotary screw compressors
Dynapac asphalt paver

Controller for electric nutrunner and screwdriver
Minetruck
Product development in Asia

- Differentiated offer fit for the local need
- To have an offer for various segments

Operational excellence

- Improving the flows
  - Information
  - Cash
  - Material/goods
Investments for sustainable profitable growth
New companies, new markets, increased capacity

Compressor manufacturing in China
Increase capacity in Fagersta, Sweden

Distributor/competence center in USA
Customer Center in Mali

Organic growth and acquisitions
Summary

- Agile and resilient
- Fit for more!

Committed to sustainable productivity.
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.”