Atlas Copco Group

Established

Four focused business areas
- Compressor Technique
- Industrial Technique
- Mining and Rock Excavation Technique
- Construction Technique

Global presence
In more than 170 countries

Employees
39,921

Annual revenues
MSEK 90,075 (BEUR 10.7)

Operating margin
21.2%

Market Capitalization
MSEK 182,295

Largest shareholders
Investor (16.8% of capital)

Symbols and Tickers
<table>
<thead>
<tr>
<th></th>
<th>A share</th>
<th>B share</th>
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<tbody>
<tr>
<td>NASDAQ OMX</td>
<td>ATCO A</td>
<td>ATCO B</td>
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<tr>
<td>ISIN code</td>
<td>SE0000101032</td>
<td>SE0000122467</td>
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<tr>
<td>Reuters</td>
<td>ATCOa.ST</td>
<td>ATCOb.ST</td>
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<td>Bloomberg</td>
<td>ATCOA. SS</td>
<td>ATCOB. SS</td>
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<td>ADR (USA)</td>
<td>ATLCY. OTC</td>
<td>ATLCY. OTC</td>
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1 As of September 30, 2012
2 12 months rolling
SEK/EUR 6.43 as of September 30, 2012
Atlas Copco

- A world leading provider of industrial productivity solutions
- Diversified sources of revenues and earnings: Worldwide presence and customer diversification.
- Strong and stable global aftermarket business
- Consistent strategy
- Asset-light business model with focus on capital efficiency
- Strong value creation track record
- Resilience in profit and cash flow

Industry benchmarks

- WE SUPPORT
- Dow Jones Sustainability Indexes
- ECPI
- Sense in sustainability
- STOXX
- Sense Climate for Growth
- FTSE4Good
- GLOBAL100
Financial performance

Continuing operations, excl. divested operations in rental service and professional electric tools. 12 month figures.

10 year CAGR ~12%

ROCE September 2012 37%

Growth and operating margin

2002 to today, continuing operations

Estimated contribution from acquisitions, organic growth and currency, excl. divested operations in rental service and professional electric tools.

BSEK 20 Revenues

> 70 acquisitions

~ BSEK 20

Revenues

EBIT ~18%

EBIT ~21%

CASH ~12%

CASH ~14%

CASH ~0%

CASH ~4%

30

EBIT ~4%
Diversified businesses

Orders received by customer category and business type

- Order categories: Mining, Construction, Industrial, Other
- Equipment: 59%, Aftermarket: 41%

Orders received by geographic area

- Geographical areas: North America, Europe, South America, Asia/Australia, Africa/Middle East
- Sales distribution: North America: 29%, Europe: 29%, South America: 10%, Asia/Australia: 20%, Africa/Middle East: 10%

Our business model

- Own the relationship with the customer
- Leverage the competence of our partners
Our business model – agile and resilient

Deteriorating business climate
- Reduce variable costs
- Working capital reduction

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

Variable cost structure
“Asset-light” operations
Stable aftermarket business

Resilience
Agile operational set-up

Volume / Profits

Time

Four business areas

Compressor Technique
- Industrial compressors
- Gas and process compressors
- Air and gas treatment
- Service
  
  38%

Industrial Technique
- Industrial tools
- Assembly systems
- Service
  
  11%

Mining and Rock Excavation Technique
- Rock drilling equipment - underground and surface
- Loaders and trucks
- Mobile crushing
- Exploration drilling and ground engineering
- Rock drilling tools
- Service
  
  37%

Construction Technique
- Light construction equipment
- Road development equipment
- Portable compressors and generators
- Service
  
  14%

Revenues 12 months rolling, September 2012
Compressor Technique

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

Trends

- Continuous strong focus on energy efficiency
- Increased demand for industrial services
Compressor Technique

Priorities

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

Compressor Technique

Product development

- Equipment for waste heat recovery
- Full range of vacuum pumps
- Low pressure
- Oxygen and nitrogen generators
- Management systems/controllers

Waste heat recovery
Vacuum pump
Controller

Low pressure
Oxygen generator
Industrial Technique

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

Mining and Rock Excavation Technique

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

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

Trends

- High rate of urbanization and infrastructure development
- Enhanced environmental requirements
- Increased demand for services
Construction Technique

Priorities

- Improve profitability
- Increase operational efficiency
- Further investments in product development
- Enhance the service offering
- Densify presence

Newly created dedicated organizations

- USA
- Canada
- Mexico
- Scandinavia
- Russia
- South Africa
- Middle East
- China
- India
- Australia
- ...and more
Construction Technique
Product development

- Demolition and compaction equipment
- Road construction equipment
- Portable energy applications

The future of Atlas Copco
How to create more value
Capitalize on major trends

- Global growth
- Continued strong demand for minerals
- Investments in infrastructure
- The energy efficiency and productivity requirements from the industry

Planting new seeds for the future

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

- Assembly technologies
- Mechanical rock excavation
- Service products
- Waste heat recovery
- Quality air
- Recycling

Build new business

- Training
- Tool calibration
- Atlas Copco Service
- Generators
- Low pressure
Develop and defend core
The strategic pillars for profitable growth

Presence  Service
Innovation  Operational excellence
Organization and people

Presence in fast growing economies

Direct presence
Develop local competence
Create high brand awareness
...and grow in mature markets

Service

- Why service?
  - High growth potential
  - High profit potential
  - Stable revenue stream
  - Closer relationship to customers
    - Optimized business processes
    - Enhanced product development

![Bar chart showing equipment revenues and aftermarket revenues from 2005 to 2012.](chart.png)
Strategy for growth

Increasing penetration

- Climbing The Service Ladder
- Population Management

100%

Customer Share

1 to 1 ratio

100%

Innovation

- Reduce life cycle cost
- Increase productivity
- Safety first
- Improve reliability
- Continuous strong focus on energy efficiency
Differentiated value proposition
Example - hydraulic hammers for 10-17 ton carriers

Operational excellence
Operational excellence

Lean manufacturing

**BEFORE**

Line length

5.0 hours

**AFTER**

Reduction

Line length

3.1 hours

Ability to create lasting results

- Leadership model
- Diversity
- Competence development
Summary

- Strong global market position
- Agile and resilient organization
- 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.”