

Atlas Copco Group




Atlas Copco Capital Markets Day, December 1, 2010
 Hans Ola Meyer, CFO

Sustainable Productivity 

Income statement

January – September


MSEK	Jan-Sep 2010		Jan-Sep 2009	
Orders received	55 804		43 175	
Revenues	50 474		47 820	
Cost of goods sold	-31 475		-32 038	
Gross profit	18 999	37.6%	15 782	33.0%
Marketing expenses	-5 076	-10.1%	-5 182	-10.8%
Administration expenses	-2 965	-5.9%	-2 882	-6.0%
Research and development costs	-1 094	-2.2%	-1 037	-2.2%
Other income and expense from operations	44		-41	
Operating profit	9 908	19.6%	6 640	13.9%
Net financial items	-333	-0.7%	-693	-1.4%
Profit before tax	9 575	19.0%	5 947	12.4%
Income tax expenses	-2 547		-1 371	
Profit for the period	7 028	13.9%	4 576	9.6%
- attributable to equity holders of the parent	7 015		4 554	
- attributable to minority interest	13		22	
Basic earnings per share, SEK	5.77		3.75	

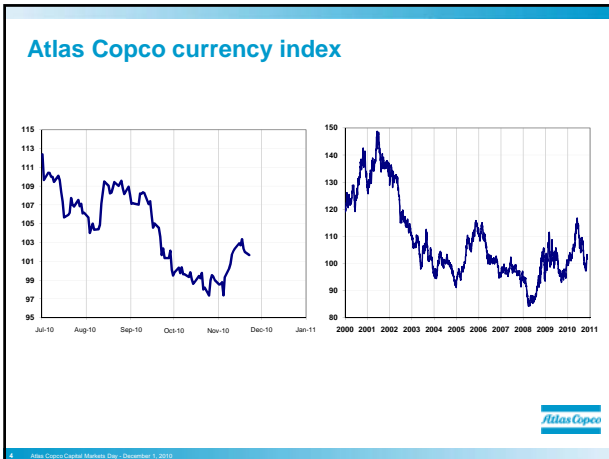


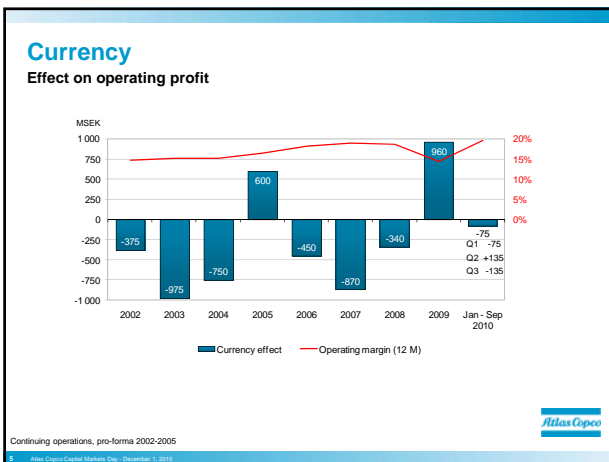
Profit bridge

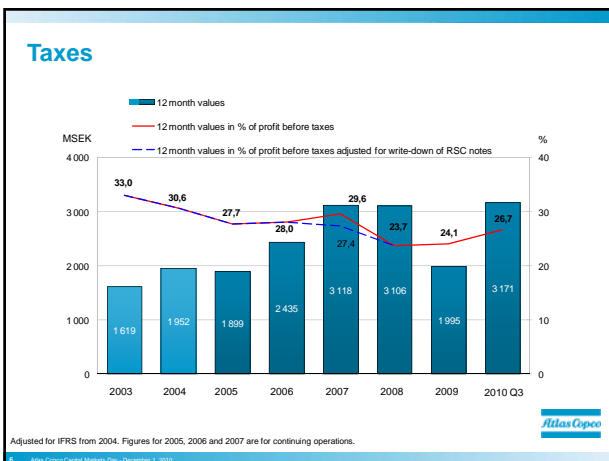
January – September

MSEK	Jan-Sep 2010	Organic Growth Price/Volume	Currency	One-time Items Acq./Div.	Jan-Sep 2009
Atlas Copco Group					
Revenues	50 474	3 642	-1 750	762	47 820
EBIT	9 908	2 884	-75	459	6 640
%	19.6%	79%	-	-	13.9%









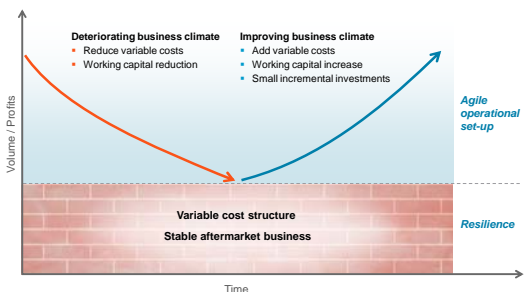
One Group ~ 400 operational entities

The Group	Local companies
One Group	~400 operational entities with full responsibility for P&L and working capital
Benefits of a large Group	Agility of a small organization
Global presence Economies of scale Standardized products and processes Efficient production and logistics	Local presence Aftermarket performance Application knowledge Focused product development
Operational excellence	Innovation



Atlas Copco

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

Volume / Profits

Time

Variable cost structure
Stable aftermarket business

Agile operational set-up

Resilience

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The planning process – a short background

- In 1997, the traditional budget process was buried
 - Time and cost-consuming
 - Base assumptions "never right"
 - A year is too short, long-term budget is never right
- We wanted a continuous planning and follow-up based on "best practice" ambitions
 - Focus on activities instead of numbers
 - Increase transparency
 - Read trends instead of single numbers

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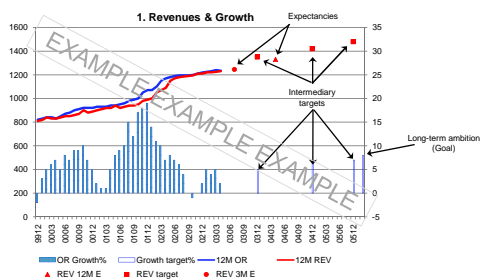
The planning process

- 3-year horizon
- A formal strategic management process where goals and targets are set, activity plans and actions are described, evaluated and analyzed financially
- Translates the strategy into actions
- Forces a continuous planning and follow-up and also presents a greater flexibility
- Focus is on managing the business instead of calculation exercises



The planning process

Scorecards – a graphical presentation of the planning process



Committed to sustainable productivity.