

# Construction and Mining Technique



Atlas Copco Capital Markets Day, November 20, 2007

Björn Rosengren, Business Area President




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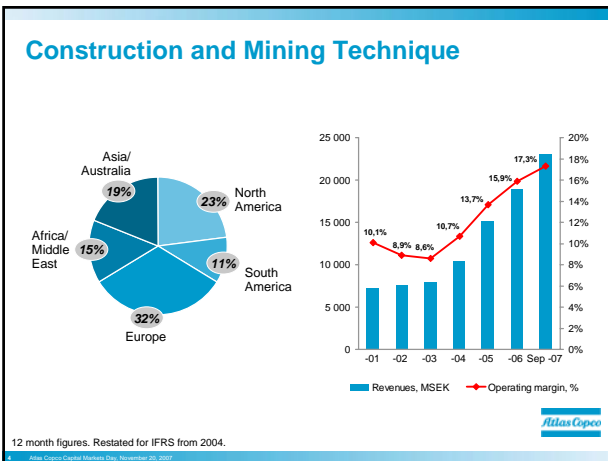
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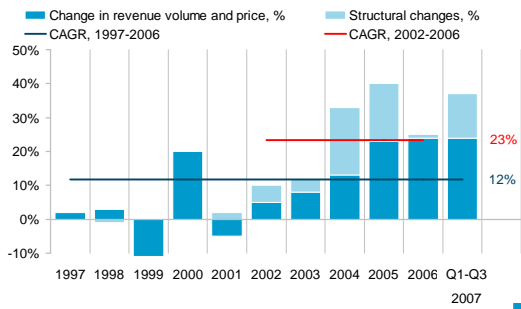
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## Construction and Mining Technique



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## Construction and Mining Technique

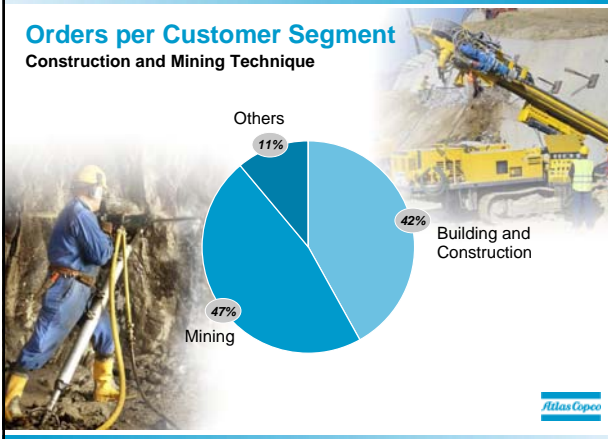
Q3 2007

MSEK	July – Sept 2007	July – Sept 2006	Change %
Orders received	6 814	5 046	+ 35%
Revenues	6 634	4 567	+ 45%
Operating profit	1 119	748	+ 50%
– as a percentage of revenues	16.9	16.4	
Return on capital employed, %	33	34	

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## Orders per Customer Segment

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### Strategic customer segments

- Underground mining
- Surface mining
- Quarries
- Tunneling
- Road development
- Hydropower plants
- Geotechnical work
- Water well
- Shallow oil and gas



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### Strategy

Organic Growth and Acquisitions



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### Strategic Areas for Growth

- New product development
- Aftermarket
- Key customer management
- Focused growth markets
- Acquisitions



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## Product Development

- New products and solutions, a driving force in the organic growth
- Trends
  - Enhanced productivity
  - Extend the offer based on modular design concept
  - Design and ergonomics
  - Intelligent product concept



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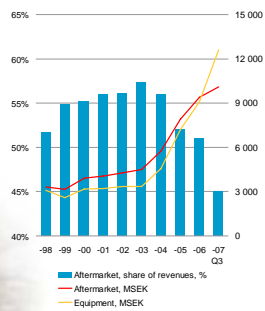
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## Aftermarket

- Global service competence
- Fleet management system
- Extend product offer on aftermarket products
- Separate organization



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## Key Customer Strategy

- Organization to support key customers
- Take more responsibility through aftermarket contracts
- Offer global contracts and support
- Build partnership relations



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## Focused Growth Markets



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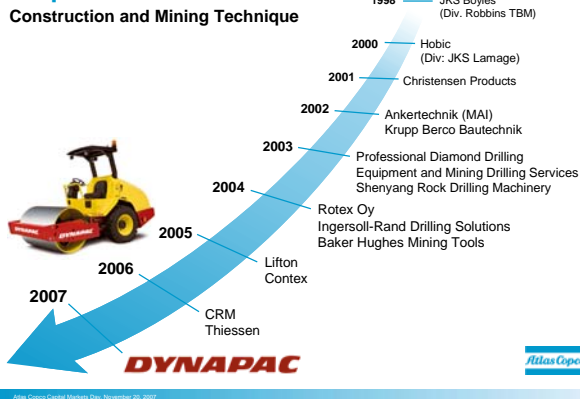
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## Acquisitions / Divestments



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## A good fit

Acquisitions – Dynapac



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## CMT in Construction



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## Construction Customers

- Quarries, aggregate and limestone
- Contractors for:
  - Road construction
  - Foundation preparation and ground consolidation
  - Hydro power plants
  - Tunneling
  - Oil and gas Storage
- Demolition
- Water well
- Shallow oil and gas



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## Infrastructure projects

### Roads and Railways

**The total network of roads/railways and metros in the world will 2050 will be tripled of today**

**Estimation until 2012**

- **New roads:** +30% whereof 50% in Asia and 25% in EU
- **Maintenance:** EU and North America 65%

**Maintenance after 2012 (est.)**

- New EU countries and Asia due to quality will be next issue for maintenance and extension

**Atlas Copco's equipment represents 10% in the projects**

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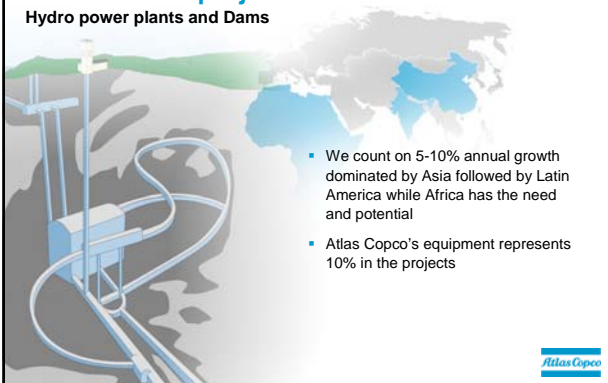
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### Infrastructure projects

#### Hydro power plants and Dams



- We count on 5-10% annual growth dominated by Asia followed by Latin America while Africa has the need and potential
- Atlas Copco's equipment represents 10% in the projects

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### Infrastructure projects

#### Cement consumption 2006 as an indicator of construction activities



Top 20 countries:	2101 Mt
Others:	656 Mt
<b>Total:</b>	<b>2557 Mt</b>

= Requires 4 100 Mt Limestone  
Anticipated Growth: ~ 7%/year

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### CMT Footprint in Emerging Markets

#### China



**Present Investments:**

- Zhangjiakou** – new assembly hall
- Shenyang** – new factory
- Nanjing** – new factory
- Wuxi** – new factory
- Beijing** – extended factory

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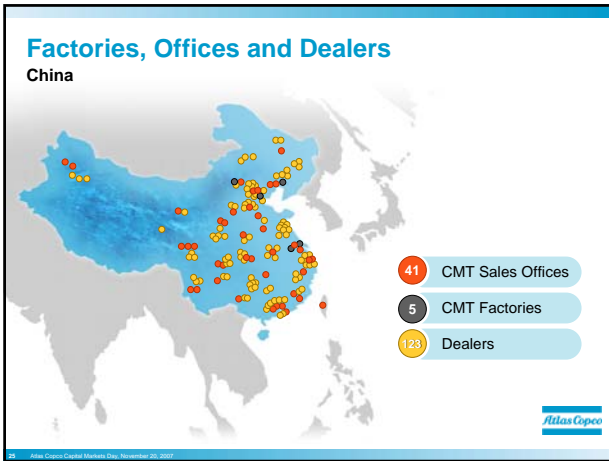
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### CMT Footprint in Emerging Markets

**Russia**



- >40% average annual growth since the millennium
- Market leader
- Strong presence

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### Sales & Dealer Network

**Russia**



- Present rep offices
- Present Hub offices
- New BO to be opened
- New Hub offices

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### USA world's largest construction market

**Position in the Unites States**



- Market leader
- Strong distribution network
- Revenues 2007 > 5x revenues 2003

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## CMT USA Distribution footprint



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## Conclusion

- Mining demand is very strong, no signs of slow down
- Construction market expected to continue to grow, especially in emerging markets
- Atlas Copco CMT is well positioned for the future



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

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