

Atlas Copco Compressor Technique



Atlas Copco Capital Markets Day, December 2, 2008

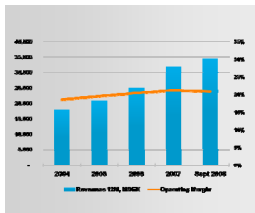
Ronnie Leten, Business Area President

Agenda

- Where we are – What we do?
- Growth drivers
- Supply Chain development
- Product development

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Revenues and operating margin



- Strong direct presence in BRIC and African countries
- Growth potential in Aftermarket sales
- High focus on energy saving products

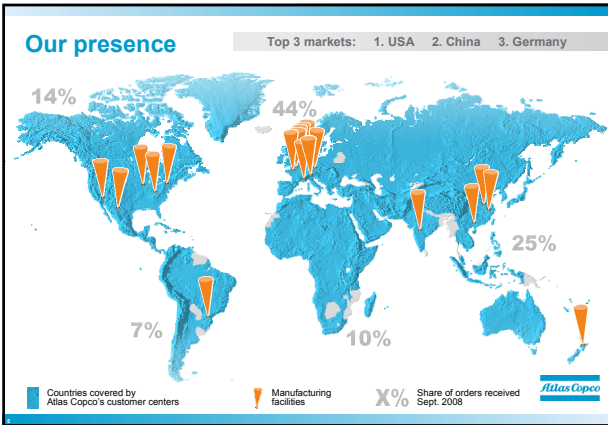
12 month values, 2006 pro forma, continuing business included in CT

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Revenue diversity



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What are the growth drivers in the Compressed Air business?

Specifically, what are they for our **Compressor Technique**?

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Growth drivers

Growth drivers

- Market penetration / share
- BRIC countries and Africa
- Global business trends
- Aftermarket

Supported by

- Supply Chain development
- Innovations

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Market penetration / share

Geographical areas with "low" market share show potential



OUR ACTIONS

- Improve present structure
- Develop market channels: more, well trained "Feet on the Street" / more distributors / multibrand
- Acquisitions

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High potential: BRIC, Africa & Middle East

- Channel development and multi brand
- Achieve high product & service penetration
- Adapt and improve product offer
- Expand Supply Chain capabilities
- Air Academy: focus on people development

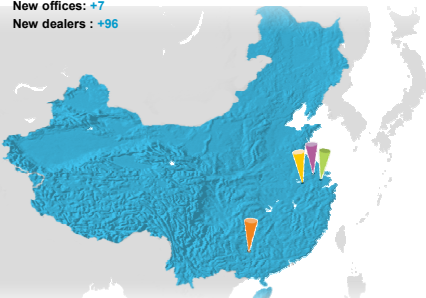


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Invest in densification

China

New offices: +7
New dealers: +96



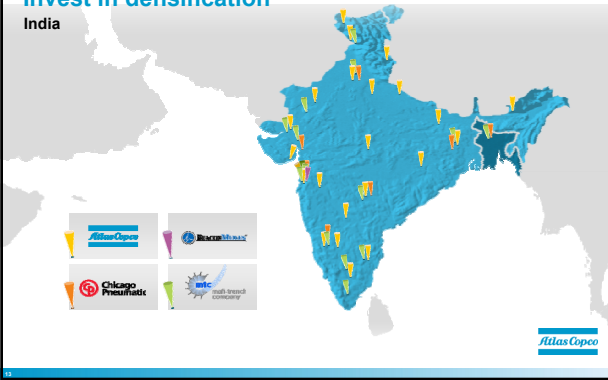
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Dedicated gas & process factory in China



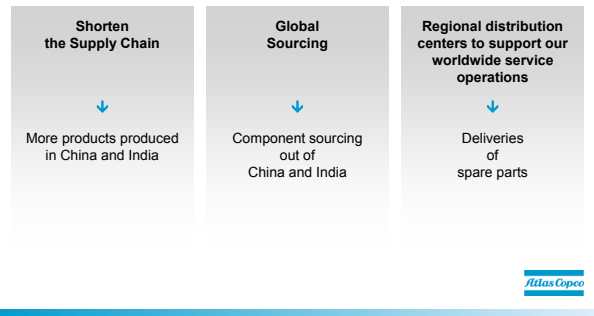
Invest in densification

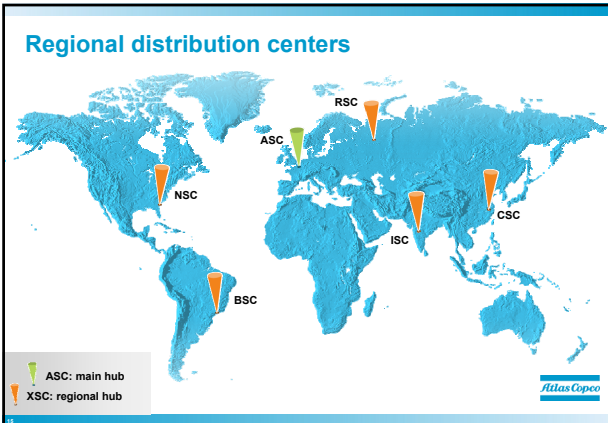
India



Supply Chain development

is on top of the agenda





What are the global trends in the market?

& how can these trends influence our growth?

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Global trends in the compressor market

TOTAL SOLUTIONS PROVIDER globalization - specialization - aftermarket	INCREASED ENVIRONMENTAL AWARENESS energy savings - reduce CO2 emission	REDUCE LIFE CYCLE COST

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Global trends in the compressor market

TOTAL SOLUTIONS PROVIDER
globalization - specialization - aftermarket



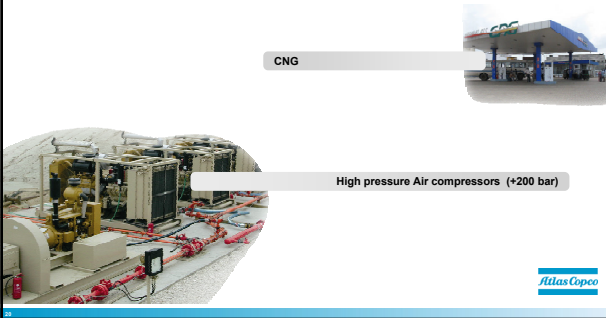
The demand of the market for a complete solution provider drives us to extend our offer.



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Since the last 2 years

We have extended our offer for high pressure applications



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The demand for higher quality of air

has supported our growth in air treatment



- Extend our product offer
- Acquisition Pneumatech
- New factory in China

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The investment in expanders

has allowed us to penetrate in new market segments such as:

- Geothermal
- CO₂ Capture and Storage (CCS)
- Pressure let down
- FPSO (floating LNG production)



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Global trends in the compressor market

INCREASED ENVIRONMENTAL AWARENESS
energy savings - reduce CO₂ emission



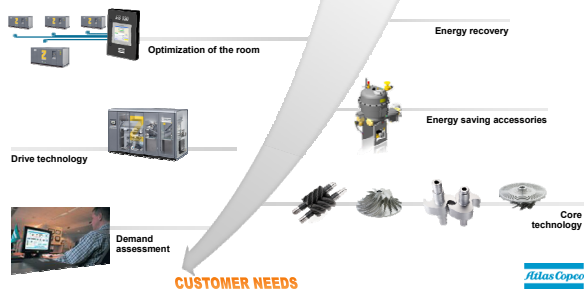
Energy Efficiency is on everybody's agenda, and offering the best compressor installation / solution requires the mastering of many technical capabilities.



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Master technical capabilities

WORLD CLASS SOLUTIONS



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Global trends in the compressor market

REDUCE LIFE CYCLE COST

energy savings - reduce CO2 emission



With higher Energy prices, Life Cycle Cost management becomes much more important.



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Reduce life cycle cost

10%

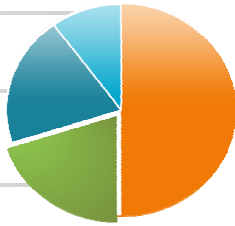
Maintenance & installation

20%

Compressor

70%

Energy



SAVINGS POTENTIAL

- Durability / uptime
- Solutions
- Global support

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Energy saving products will lead market trends!

MD



VSD



Petpack



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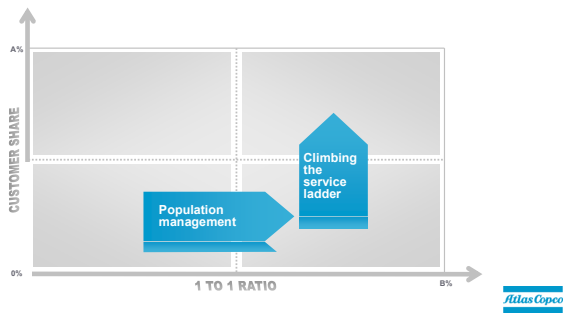
Aftermarket

New service products, coupled with a higher market penetration, support the aftermarket growth



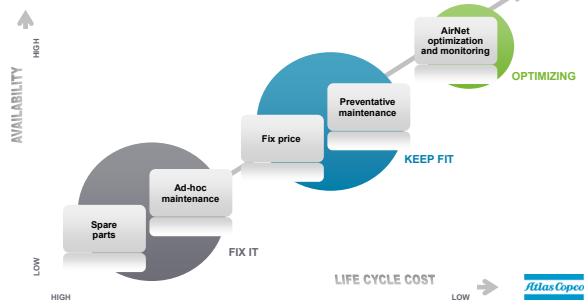
Growth in aftermarket

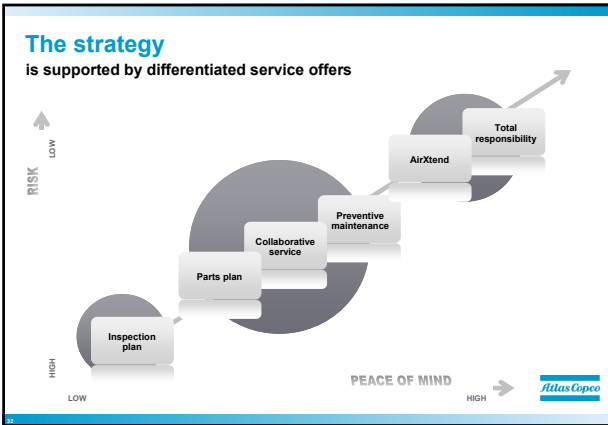
is driven by 2 dimensions

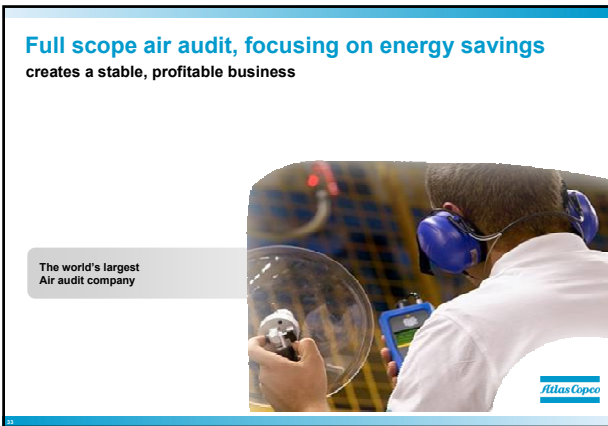


The strategy

climbing the service ladder supported by a complete aftermarket offer







- ### Summary outlook
- React to the present, but plan for the long term.
 - Slow down in demand for small industrial compressors in Western Europe
 - Cost reduction program in progress
 - High focus on capital tied-up reduction
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We are committed to your superior productivity through interaction and innovation.

