Surface Drilling Equipment

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Growth

- Global leader for percussive surface drilling equipment.
- 12 Months rolling sales have doubled since 1999
- Market share has gone up year by year
- Including the Ingersoll-Rand branded products, market share takes a leap

Top Three Market Players:
No 1: Atlas Copco
No 2: Tamrock
No 3: Furukawa

Growing from the Core ever since

Markets Products & Applications Efficiency

Markets

Orders Received by Region

June 2004
Markets

The key world markets

Construction Equipment Demand by Region: Units

Markets

Example Greater China

- 12 months rolling sales up 5 times since 1999
- Biggest market for pneumatic rigs and expected to become the number 1 market for hydraulic rigs
- Atlas Copco dominates the market for pneumatic rigs and is market leader for hydraulic rigs
- 290 employees work for us in China. Factories near Beijing and Nanjing

Markets

Example Spain

- Steady sales growth
- Steady growth of market share
- Ongoing focus on territory management for products and after market products
Products and Applications

New products 2003/2004

- ROC D5/D7, Radio Remote control
- ROC D7, Anchoring applications
- ROC L6 High Pressure, Increased penetration rates
- ROC L8, Dewatering of mines
- ROC D3, Small construction Drill Rig
- ProCom, GPS based maintenance system

Research and Development

Surface Drilling Equipment

- 100%
- 80%
- 60%
- 40%
- 20%
- 0%

- >6 yrs
- 2-5 yrs
- 0-1 yrs

Example Slope Stabilisation

- Road and Railway Construction
  - Slope stabilisation
- ROC D7 Radio Remote Control
  - Possibility to see work point out of danger zone
  - Low center of gravity
  - High ground clearance
  - Exceptionally good climbing capabilities
### Products and Applications

**World ore production**

![World ore production map]

### Products and Applications

**Open pit mining**

- A growing market
- One ROC L 8 replaces in many cases two units old type rotary drill
- Australia, Russia, Chile …

![Open pit mining image]

### Efficiency and Asset Management

- More standardized products and less loyal aftermarket base than for example underground equipment
- Efficiency gains and asset control are important aspects of our business
- Two examples:
  - Lead time reduction
  - Reduction of assembly stock and WIP
Efficiency and Asset Management

- Assembly stocks (blue) and work in progress (red) is reduced to half.

- Assembly time for L Rigs reduced from 28 to 17 days

Surface Drilling Equipment

The Hole Story

Summary and Outlook

- Global market leader in surface drilling equipment
- Current Good demand is expected to continue into 2005
- Plans in place
  - Further grow geographically
  - Launch new products incl. Aftermarket products
  - Further increase our efficiencies
- Increased design & development resources with Atlas Copco Drilling Solutions. Truly global manufacturing base
- ... the Hole story is bound to continue