



**Systems solution provider to the Health Care sector**

Capital Markets Day 2006

Ray Löfgren, President Industrial Air Division

*Atlas Copco*

1. Focused segments for growth
2. The Market
3. Products
4. The Strategy for Business Development
5. Atlas Copco's added value to the sector
6. Integration
7. Growth

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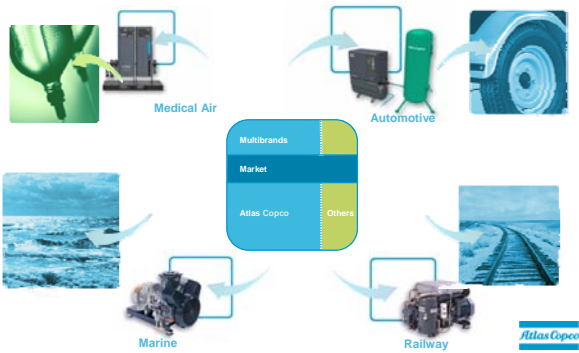
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## 1. Focused segments for growth



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## 1. Focused segments for growth

### Developing the business

- Combining compressors, Quality Air Solutions, new filtration and separation technologies and control systems into application oriented solutions for specific customer groups



Medical air skid



Railway package



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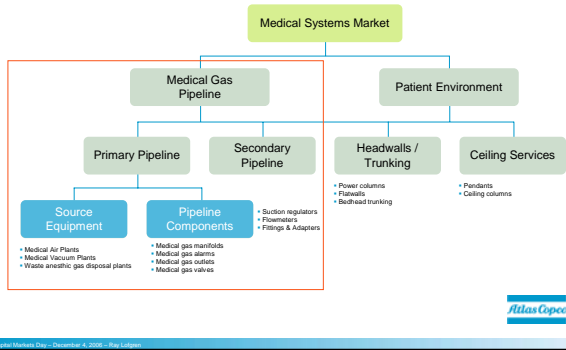
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## 2. The Market




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## 2. The Market

### What are Medical Gases?

- They are Pharmaceuticals.
  - Governed by purity standards (the Pharmacopeia)
  - Dispensed by order of a physician.
- They are a critical component within the set of life supporting medical utilities.
  - The primary medical gases are:
    - Oxygen, Nitrous Oxide, Medical Air, Nitrogen, Instrument or Surgical Air and Medical Vacuum




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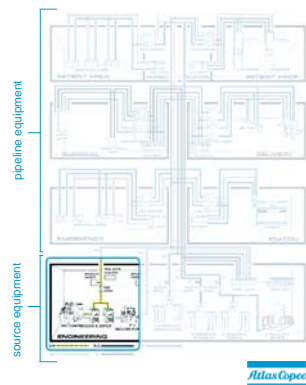
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## 2. The Market

### Medical gas piping system

- A collection of equipment, pipes and wires which distribute and monitor medical gas and vacuum reliably and safely to the clinician.




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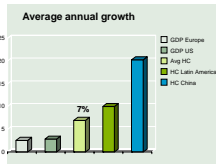
## 2. The Market

### Growth drivers of the market

- Growing above average (> 7 % annually)
- Driven by population growth, quality of life, increasing age...

Growth drivers	Europe	N.America	Asia
Population growth			++
Increasing age	+	+	
Quality of life	+	+	++
Private clinics	+		
Advances technology	+	+	
Comply legislation	+		

+ importance



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## 2. The Market

### Key success factors

Key success factors	USA	Europe	Asia
Comply w/legislation	++	+	++
Code management	++	++	++
Air and vacuum	++	+	
Cylinders		+	
After market	+	+	
Financial services		+	
Volume	+		
System management		+	

+ importance

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## 3. Products

### Source Equipment

Medical Air System  
NFPA 99 Code



SCROLL

Vacuum System



LUBRICATED  
ROTARY

Medical Air System  
HTM Code



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### 3. Products

#### Pipeline components



Manifolds:  
controlling cylinder supply



Gas outlets:  
plug in for any gas



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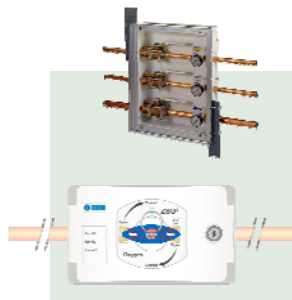
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### 3. Products

#### Pipeline components



Alarm panel  
for a hospital zone



Valve service unit,  
to isolate a zone



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### 4. The Strategy for Business Development

#### Vision

- To become the number one global "Medical Systems" solutions provider.
  - Utilize existing "medical" expertise in the U.S. and U.K. centers of excellence
  - Leverage both the global presence and manufacturing capabilities of Atlas Copco



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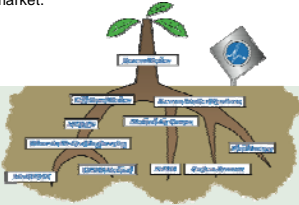
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#### 4. The Strategy for Business Development

##### Growth via Acquisition

- BeaconMedaes and Medaes are the leading suppliers in the US and UK Primary Piped Medical Gas sector in the Medical Utilities Delivery Systems market.



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#### 4. The Strategy for Business Development

##### Actions

- Leverage Atlas Copco's global presence
- Leverage the Beacon Medaes market knowledge
- Invest in new product development
- Bring the 'oil-free air solution' to the medical sector
- Focus on high growth regions
- Apply the successful Beacon Medaes sales model



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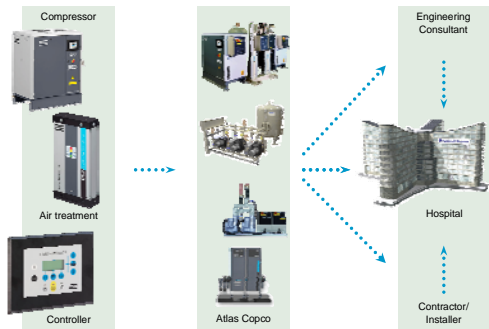
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#### 5. Atlas Copco's added value to the Business

From a fragmented supply...  
...to single source supply



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## 5. Atlas Copco's added value to the Business

### Global presence

- Well positioned for this segment



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## 5. Atlas Copco's added value to the Business

### Ability to deliver to all main norms and legislations



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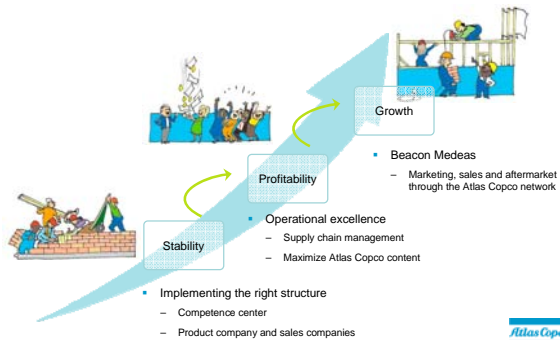
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## 6. Integration

### Laying the Foundation for profitable growth



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## 7. Growth Opportunities

### U.S. Market

- Continued market share improvement in selected geographic territories (focus on "Customer Share")
- Development of the aftermarket

### U.K. Market

- Market share improvement (focus on "Customer Share")
- Development of the aftermarket

### Focus countries

- Large upside in developing markets (China, India, Russia, Brazil, Korea, Middle East)
- Leverage existing compressor sales into medical systems solutions in Europe and other markets

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