



Surface Drilling Equipment

Stephan Kuhn

Atlas Copco

Our Business



*Pneumatic drill rigs
1960-2004*

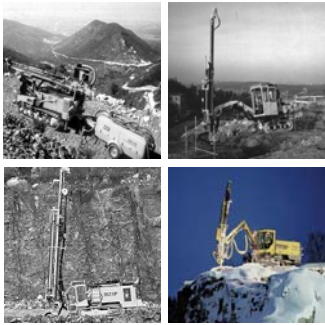
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Our Business



*Hydraulic drill rigs
1970 – 2004*

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Our Business

Drilling Methods

Down-The-Hole Tophammer COPROD®



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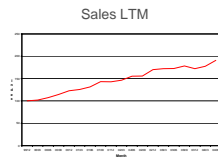
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Growth

- 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

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Growing from the Core ever since



Markets



Products & Applications



Efficiency

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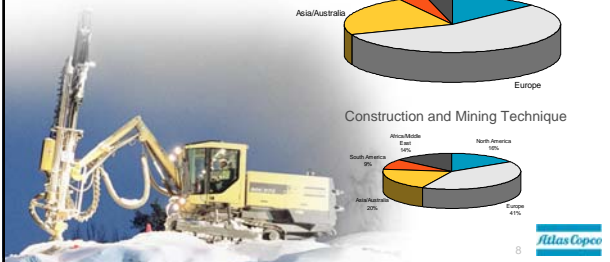
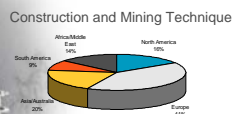
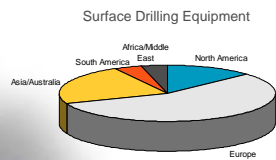
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Markets

Orders Received by Region

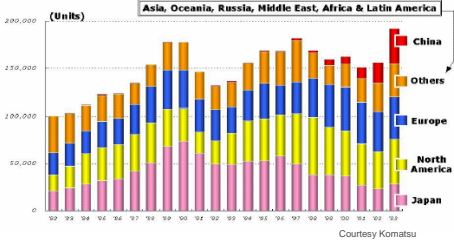
June 2004



Markets

The key world markets

Construction Equipment Demand by Region: Units



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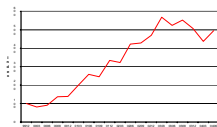


Markets

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

Sales LTM



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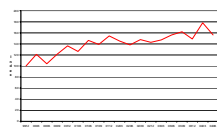


Markets

Example Spain

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

Sales LTM



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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



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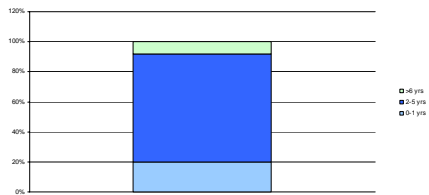
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Products and Applications

Research and Development

Surface Drilling Equipment



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Products and Applications

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
 - Exceptionnally good climbing capabilities



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Products and Applications

World ore production



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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 ...



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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



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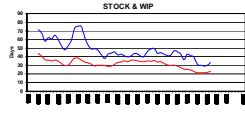
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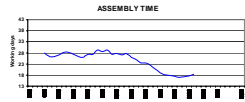


Efficiency and Asset Management

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



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



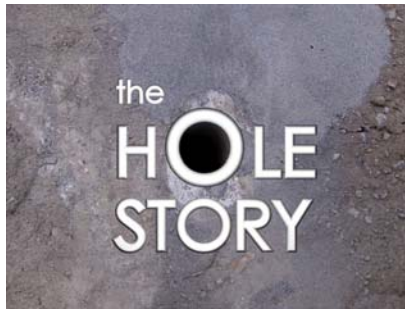
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Summary and Outlook

- 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



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