



Compressor Technique

Bengt Kvarnbäck, Business Area President

Capital Markets Day, November 30, 2005



Contents

- Compressor Technique in brief
- Compressed Air Market
- Performance – Compressor Technique
- Strategy – Compressor Technique

Compressor Technique

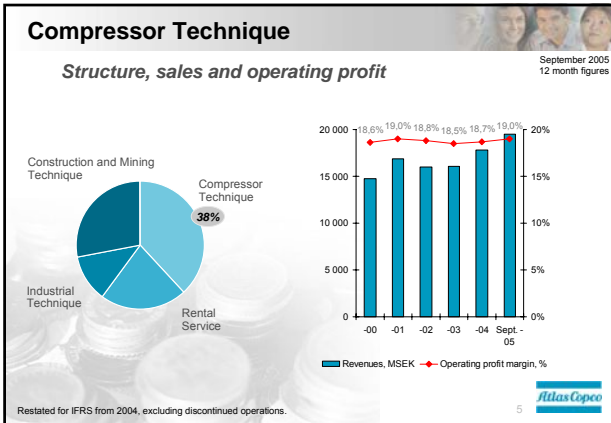


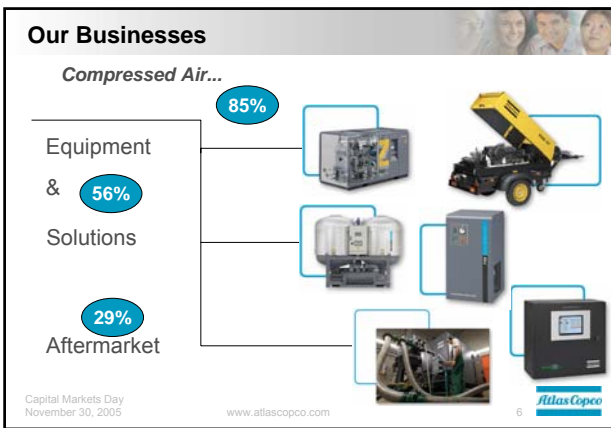
Compressor Technique

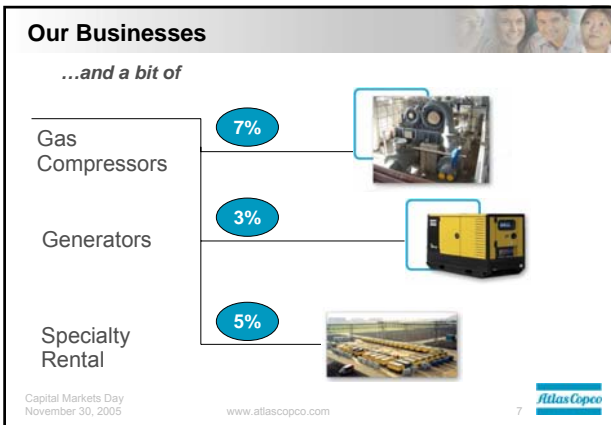
Market Position

- World leader in compressed air products and solutions
- Global coverage with own resources in sales and aftermarket support
- Technology and cost leadership
 - Focused R&D investments
 - High volumes and focus on core activities
- Advanced global logistics
- Growth by strong market penetration and presence, and by continuous introduction of new and innovative products and services, extending the offer and increasing customer value.









Our Businesses

Stationary Industrial
Oil-free
Oil-injected
Gas and Process
Specialty Rental
Portable Compressors
Portable Generators

Capital Markets Day
November 30, 2005

www.atlascopco.com

8 **Atlas Copco**

Vision

To be...
First in
Mind...
First in
Choice...

9 **Atlas Copco**

Our Vision

Through...

Interaction Commitment Innovation

Atlas Copco

Our Vision



Offering Customers

Best Value



Contents



- Compressor Technique in brief
- [Compressed Air Market](#)
- Performance – Compressor Technique
- Strategy – Compressor Technique



Compressed Air Market

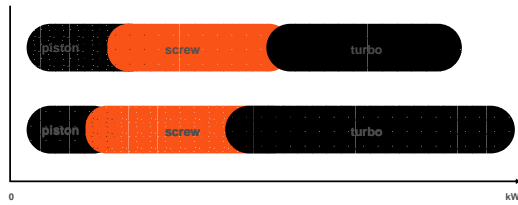


Total: BSEK 65 – 70



Technology trends

Air compressors



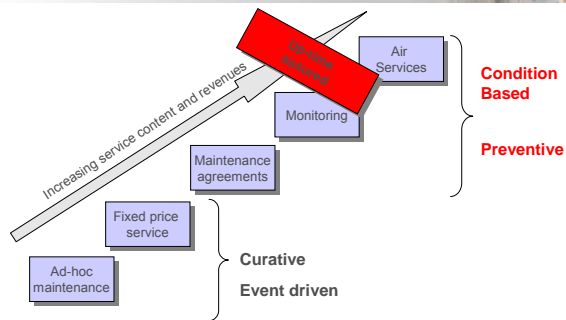
Capital Markets Day
November 30, 2005

www.atlascopco.com

14



The Aftermarket



Capital Markets Day
November 30, 2005

www.atlascopco.com

15



Energy Savers

- Compressor elements, motors, drives
- Dryers
- Packaging
- Heat recovery
- Machine selection and control
- Network control, network configuration and quality
- Machine and network maintenance



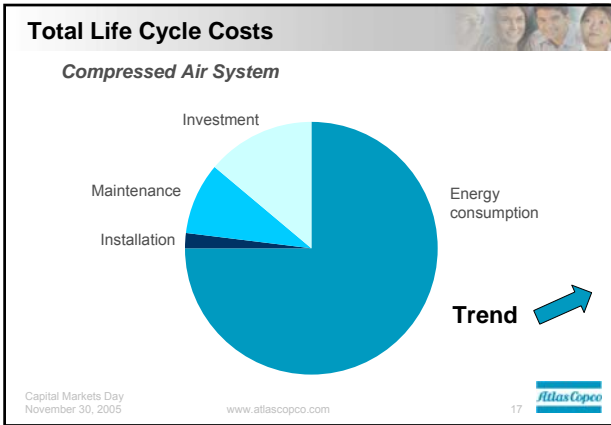
Increasing importance

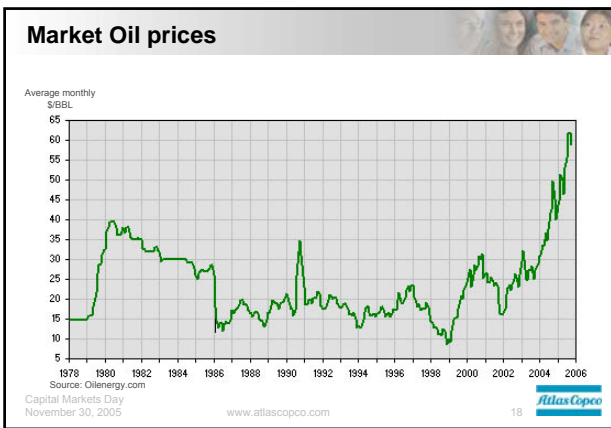
Capital Markets Day
November 30, 2005

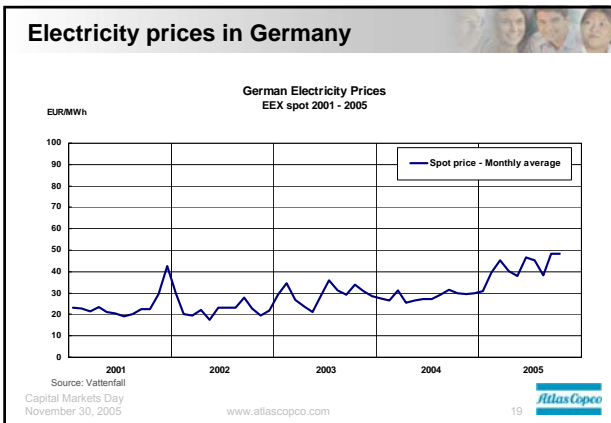
www.atlascopco.com

16



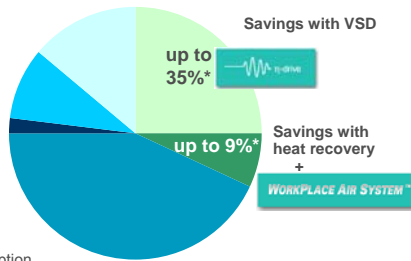






Potential Energy Savings

Compressed Air System



* % of energy consumption

Capital Markets Day
November 30, 2005

www.atlascopco.com

20



Compressed Air Market

Competitors

- Ingersoll-Rand, USA
- Kaeser, Germany
- Hitachi, Japan
- Gardner-Denver, USA
- CompAir, UK (Germany)
- Sullair, USA
- + many Regional / Local / Niche competitors

Capital Markets Day
November 30, 2005

www.atlascopco.com

21



Contents

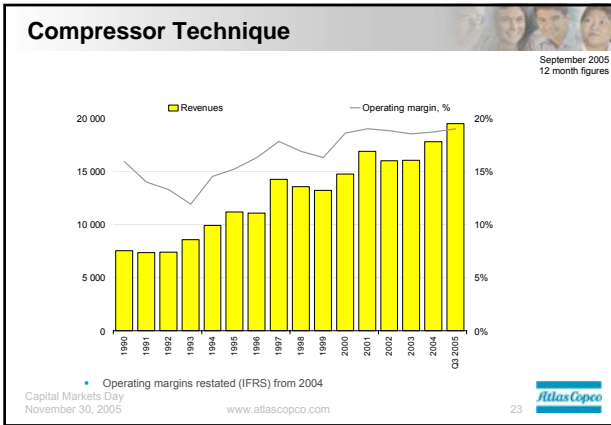
- Compressor Technique in brief
- Compressed Air Market
- Performance – Compressor Technique
- Strategy – Compressor Technique

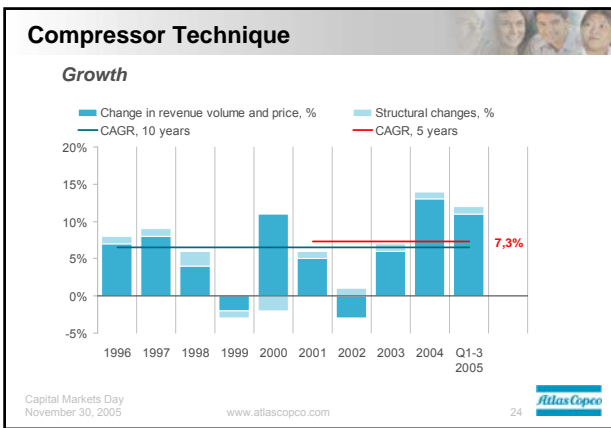
Capital Markets Day
November 30, 2005

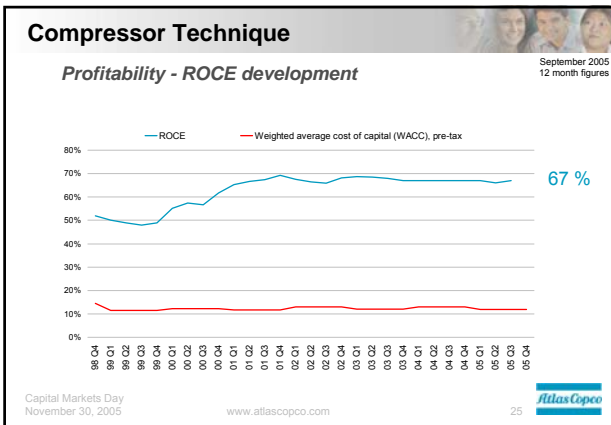
www.atlascopco.com

22

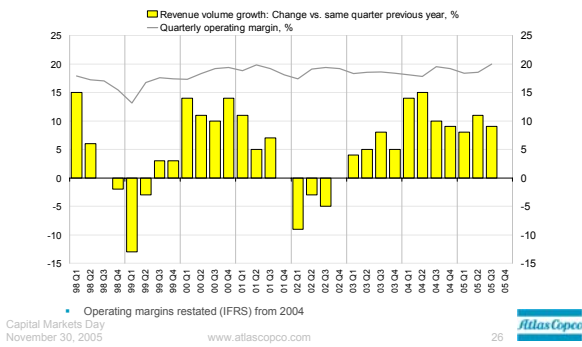








Compressor Technique



Compressor Technique

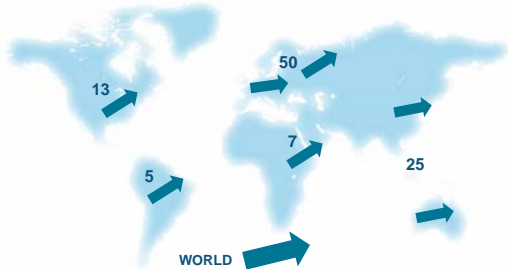
Q3 2005

- Strong order intake in all regions and for all types of compressors and its aftermarket
 - Best development in North America, Eastern Europe and Asia
- Acquisitions within focused areas
 - Intermech – Compressed Natural Gas (CNG)
 - Creemers – Compressed Air automotive (Q4)
 - Pneumatech – Compressed Air Treatment (Q4)
 - Ketting – Marine compressor Solution (Q4)
- Divestment of stationary generator business (Q4)
- Record revenues and operating profit
 - Operating profit more than 1 billion SEK and highest operating margin ever



Compressor Technique

Geographical distribution of orders received, %



Contents

- Compressor Technique in brief
- Compressed Air Market
- Performance – Compressor Technique
- Strategy – Compressor Technique

Strategy

- Offer customers best value
- Capitalize on strong market presence
 - Core business and stretch from the Core
 - Build new businesses
 - Aftermarket
 - Acquisitions
 - Focused markets – Focused Solutions
- Multibrand concept
- Global product management and manufacturing strategy

Stretching the Core



Building New Business



Capital Markets Day
November 30, 2005

www.atlascopco.com

32



Building New Business



Capital Markets Day
November 30, 2005

www.atlascopco.com

33



New Products

Equipment



Capital Markets Day
November 30, 2005

www.atlascopco.com

34



New Products

Equipment

New integrated dryer
 New unloader for fixed speed
 Standard EWD
 High efficiency gearbox
 New oil filter
 New aftercooler with integrated WSD
 New Elektronikon functions
 New drive for VSD units
 New air/oil separator

www.atlascopco.com 35 **Atlas Copco**

New Products

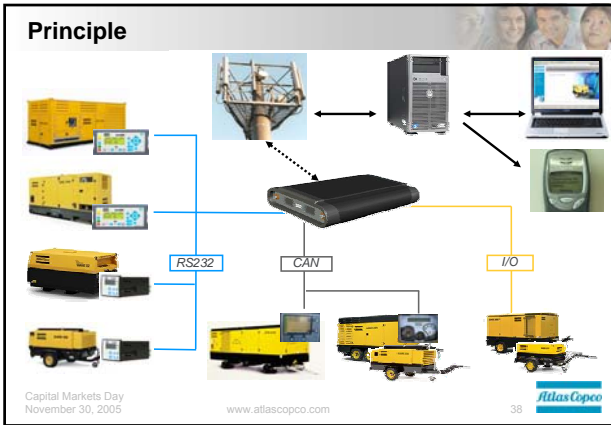
Equipment

XRHS 8008

Capital Markets Day
November 30, 2005

www.atlascopco.com 36 **Atlas Copco**

COSMOS







Focused Markets

China

- New Sales/Service outlets
- Acquisition (Pneumatech)
- Service Center (Logistics)
- Plant investments
 - Element production, Wuxi
 - New plant, Liutech



Capital Markets Day
November 30, 2005

www.atlascopco.com

41



Focused Markets

India

- Strong growth
- Supported by investments and improved structure
- Global sourcing



Capital Markets Day
November 30, 2005

www.atlascopco.com

42



Multibrand

- Differentiated offer / position
 - Customer choice
- Separate channels
- Better territory coverage
 - Market share
 - Customer share
- Business coordinated
- Synergies



Capital Markets Day
November 30, 2005

www.atlascopco.com

Compressor Technique

Global manufacturing strategy

Components
 Products
 Research
 Development

Capital Markets Day
November 30, 2005

www.atlascopco.com

44 **Atlas Copco**

Sourcing and Assembly

Focus: **China** and **India**

Quality and logistics
are **key**

Capital Markets Day
November 30, 2005

www.atlascopco.com

45 **Atlas Copco**

Sourcing and Assembly

Principles

Specification

Quality

Supplier qualification

Build process and tools

Uniformity

Capital Markets Day
November 30, 2005

www.atlascopco.com

46 **Atlas Copco**

Sourcing and Assembly

- Same product everywhere, wherever it is built
 - Full and comparable cost transparency
- Systematic evaluation of total product cost

Capital Markets Day
November 30, 2005

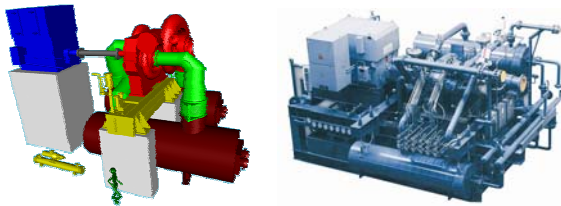
www.atlascopco.com

47



The Gas and Process Division

No. 1 in Integrally Geared Turbo Compressors



Capital Markets Day
November 30, 2005

www.atlascopco.com

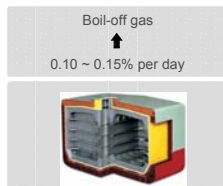
48



The Gas and Process Division

LNG – Boil-off gas compressors

- Maintain the pressure in the cargo tanks
- Supply the BOG to propulsion or reliquefaction system



Capital Markets Day
November 30, 2005

www.atlascopco.com

49



Summary



- Strong business trend and performance
- Increasing penetration and share
- Stretching the Core
- Energy efficiency – increasing in importance
- Aftermarket growth
- More focused Solutions business

Capital Markets Day
November 30, 2005

www.atlascopco.com

50

