



# Surface Drilling Equipment

Stephan Kuhn

*Atlas Copco*

**Our Business**



*Pneumatic drill rigs  
1960-2004*

Capital Markets Day  
September 21, 2004

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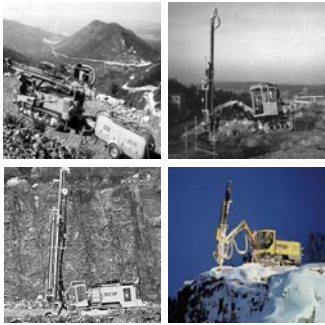
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**Our Business**



*Hydraulic drill rigs  
1970 – 2004*

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**Our Business**

*Drilling Methods*

Down-The-Hole Tophammer COPROD®



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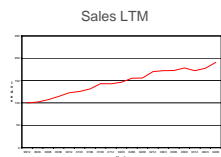
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## Growth

- 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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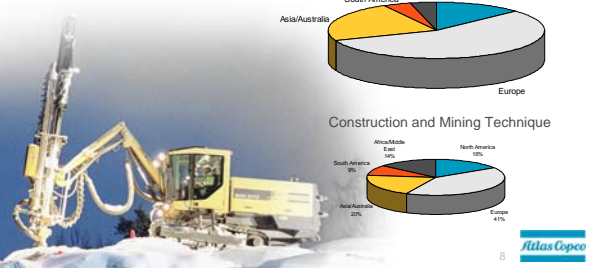
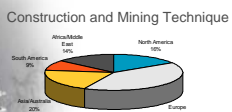
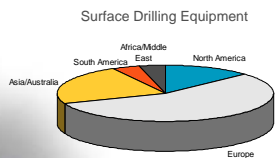
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## Markets

### Orders Received by Region

June 2004




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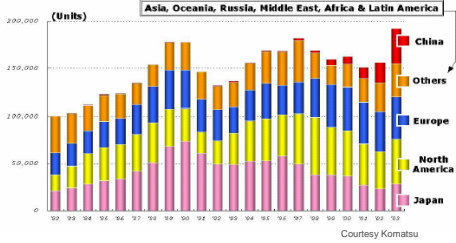
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## Markets

### The key world markets

Construction Equipment Demand by Region: Units



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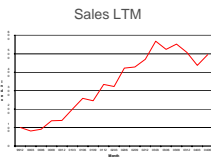
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## Markets

### 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



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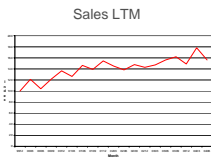
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## Markets

### Example Spain

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



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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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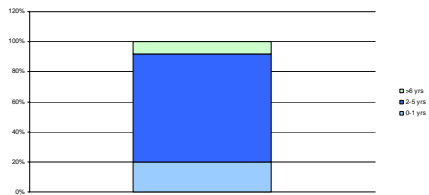
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## Products and Applications

### 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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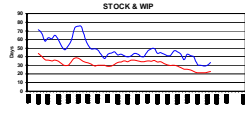
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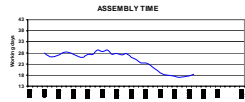
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## Efficiency and Asset Management

- 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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## Surface Drilling Equipment



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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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