



Underground Rock Excavation

Lars Engström



Atlas Copco

The Atlas Copco logo consists of the company name in a blue, italicized serif font, centered between two horizontal blue bars.

Our Business

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September 21, 2004

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Our Products in Use

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Our Products in Use

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Our Products in Use



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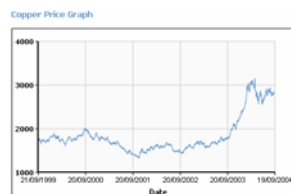


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Demand Drivers

Metal demand/prices/stock



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Demand Drivers

Infrastructure & Energy projects

- Tunnels
 - Roads, Railways and Subways
- Hydropower
- Storage
- Installations
- Sewage



Our Customers

Underground Mines



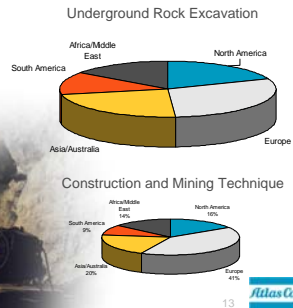
Our Customers

Underground Construction



Our Revenue Distribution

by region



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Our Competitors



▪ Tamrock



▪ Elphinstone (CAT)



▪ Furukawa



▪ Boart

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Our Vision

Underground Rock Excavation

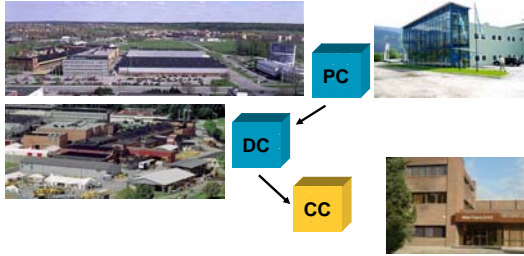
- To be First in Mind, First in Choice in the industry of underground rock excavation
- Our products and solutions have, and are perceived as having, the most value creating performance in the industry

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Our Structure



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Trends in the Market

- More productive equipment
- More intelligent products
- Customer & Supplier consolidation
- Supplier Integration forward – After Market performance contracts
- Preferred suppliers



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The intelligent drill rig

Ex. The Rocket Boomer L3C

- 1 Cabin including air condition
- 6 wheels
- 2 compressors
- 15 hydraulic pumps
- 9 hydraulic motors
- 52 hydraulic cylinders
- 33 computer CPUs
- 3 computer screens
- Approx. 2 200 m hydraulic hoses



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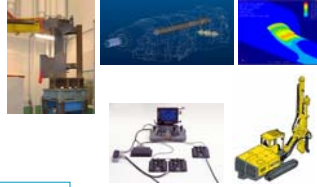
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Rock Excavation Technology Centre

- Applied research centre
- Industrial design
- Rock Drill design
- Product design
- System design



- 170 people engaged in R&D
- 4-5% of sales reinvested in R&D

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R&D Philosophy

- New products and solutions, the driving force in the organic growth
- Increased productivity
- Safety
- Extend the product offer based on modular design concept
- Develop intelligent product concept



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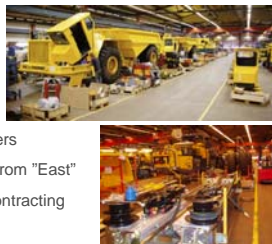
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Production/Procurement Philosophy

- Flow orientation
- Short delivery times
- Final assembly
- Limited number of suppliers
- Close co-operation with suppliers
- Labour intensive components from "East"
- Capacity peaks through sub-contracting



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Distribution Philosophy

- "Machines can never stop"
- Central Distribution Center in Örebro
- Local stocks as required
- Supply Chain Management focus



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Sales & Marketing Philosophy

- Direct sales operation
- Key customer management
- Strategic alliance approach
- Performance contracts
- Global After Market concept



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Atlas Copco Wagner





Wagner Product Development plan

- New product range – investment of 200 MSEK over five years.
- Newly developed and upgraded vehicles will form a complete product range of approx. 15 vehicles



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