

# Compressor Technique




Capital Markets Day 2006

Ronnie Leten, Business Area President

CONTENTS

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



Compressed Air Market – December 4, 2008 – Bentley Leifer

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### Compressor Technique




Compressed Air Market – December 4, 2008 – Bentley Leifer

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### Market Position

- World leader in compressed air products and solutions
  - Global coverage with own resources in sales and aftermarket support
  - Focus on dedicated customer segments
  - Technology and cost leadership
    - Focused R&D investments
    - High volumes and focus on core activities
- Continuous introduction of new and innovative products and services
- Growth by strong market penetration and presence
- Advanced global logistics




Compressed Air Market – December 4, 2008 – Bentley Leifer

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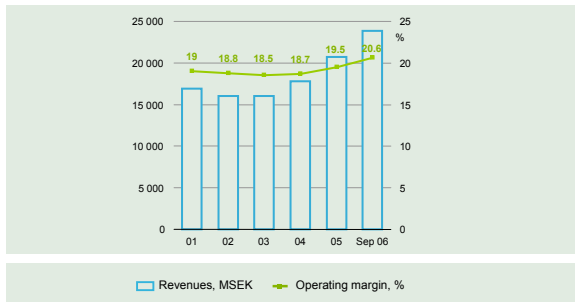
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## Sales and Operating Profit



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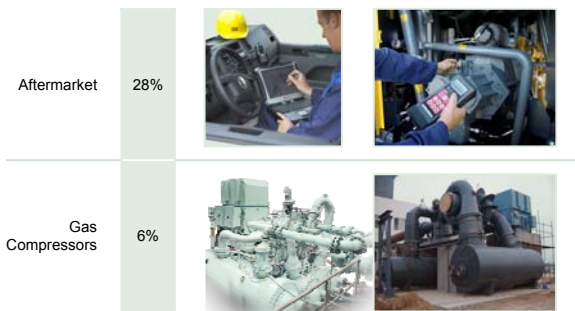
## Our Businesses

### Share of Revenues



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## Our Businesses



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### Our Businesses

Generators

7%

Specialty Rental (excl. Prime)

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### Our Vision

First in Mind—First in Choice™

by offering customers

best value

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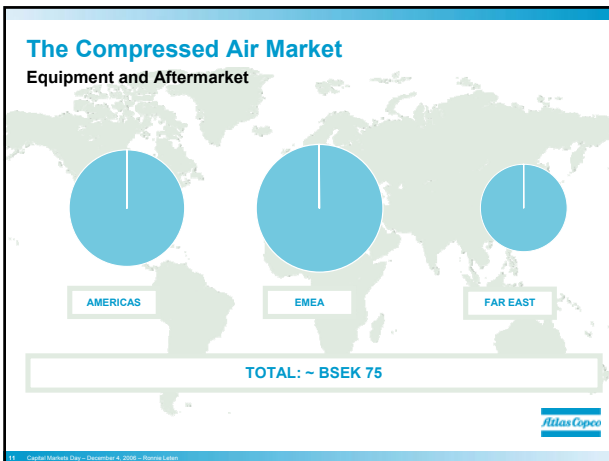
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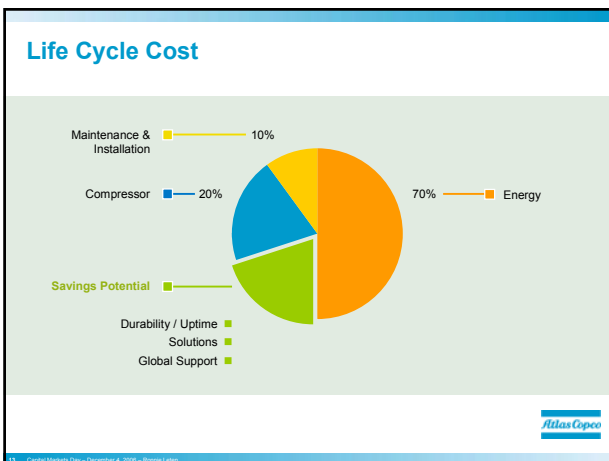
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## Market Electricity Prices

2004 versus 2006




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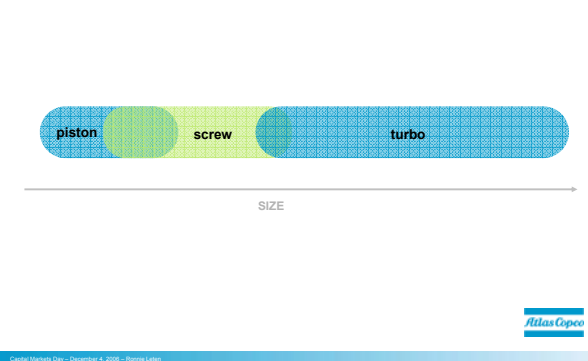
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## Technology Trends

Air Compressors




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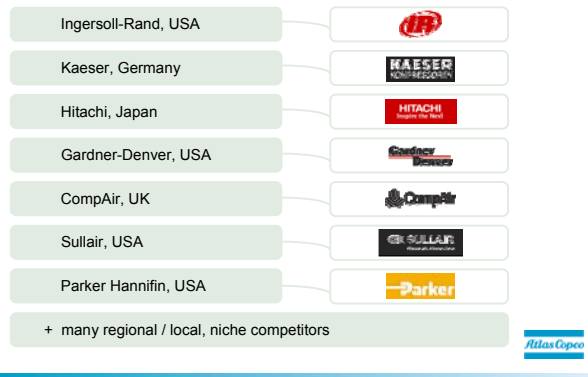
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## Competitors




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17 Compressed Air Market – December 4, 2006 – Events Label

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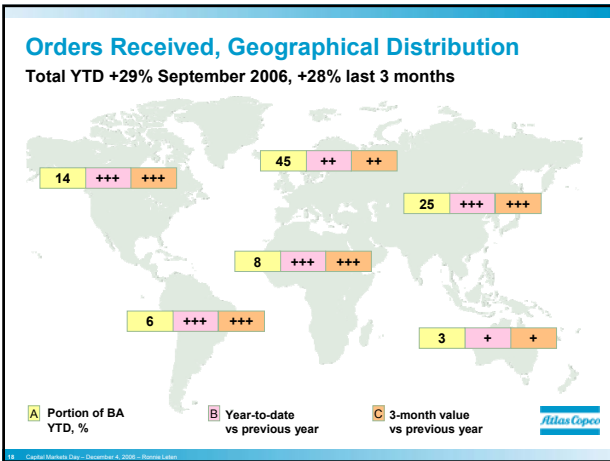
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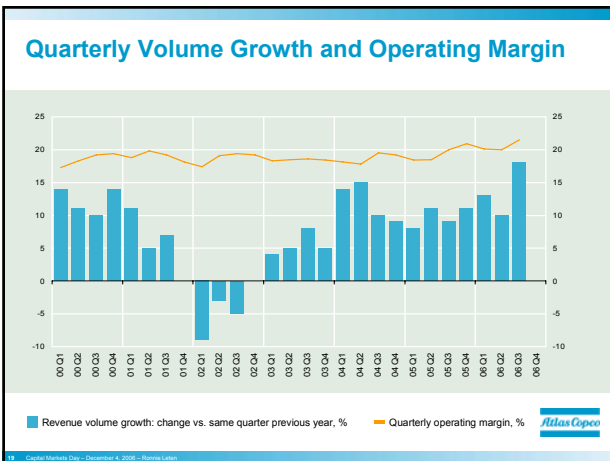
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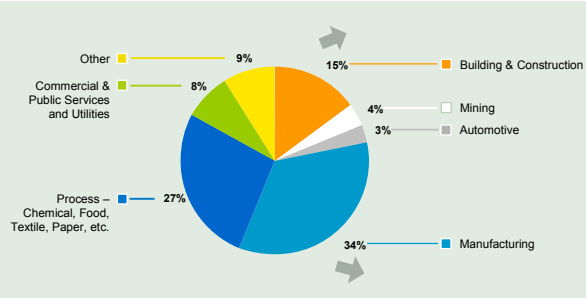
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## Orders per Customer Segment



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## Q3 Highlights

- Strong order growth in all markets and all major product segments



- Significant order growth in gas and process compressors
- Higher growth in Western Europe
- Steady positive development of aftermarket

- Operating profit up 31%, positive effect from volume and price
- New manufacturing plant for screw compressor elements in China
- New acquisition: Bolaite (China)

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## Strategy

- Capitalize on strong market presence
  - Develop new businesses
  - Aftermarket
- Focused markets
- Focused segments
- Multi-branding
- Global logistics and manufacturing strategy
- Innovative product development
- Acquisitions

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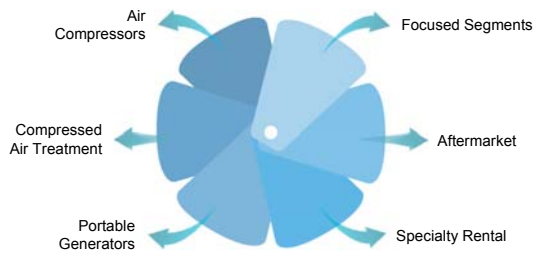
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## Our Business



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## Develop New Businesses

Low pressure



Airnet



Nitrogen



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## The Driving Principles for Profitable Growth in the Aftermarket

INCREASE THE 1 / 1 RATIO



ENERGY SERVICES



COMPETITIVE PARTS AND SERVICES



CLIMBING THE CUSTOMER LADDER



DRIVING EFFICIENCY OF OPERATIONS

People

Presence

Process

Products

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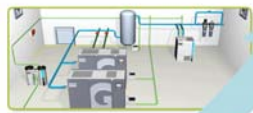
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## Climbing the Customer Value Ladder



Spare parts

Ad-hoc maintenance

Maintenance agreements

Monitoring

Air Network services

fix it

keep fit

optimize

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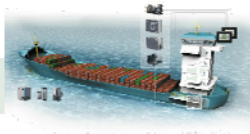
## Focused Segments

Trains



CNG

Marine



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## Focused Segments

Medical Air



LNG



Quality Air Solutions



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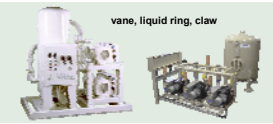
## Medical Air, BeaconMedaes

compressors, air treatment



MEDICAL AIR PLANT  
BREATHING AIR / SURGICAL AIR

vane, liquid ring, claw



VACUUM PLANT  
TISSUE / BODY FLUIDS / ANAESTHETIC GAS

manifolds

valves

alarms & data systems

outlets



PIPE LINE COMPONENTS

head walls trunking

PATIENT  
ENVIRONMENT  
PRODUCTS

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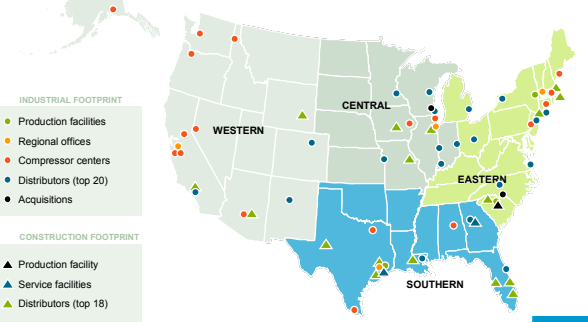
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## Focused Markets: USA

ALASKA



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## Focused Market: China

- Plants
  - Atlas Copco
  - Liutech
  - Pneumatech
  - Bolaite
- Sales / service outlets
  - Atlas Copco
  - Liutech
  - Pneumatech
  - Bolaite
- Service Center (logistics)
- New investments (Bolaite factory)
- Global sourcing



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## Liutech New Factory Inaugurated May 19, 2006



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## Wuxitech Inauguration on Sep 28, 2006



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## Focused Market: India

- Strong growth
- Global sourcing
- New sales and service outlets
- Engineering hub
- Concentrating production in Pune
- Started production of CNG



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## Focused Market: India

- ▲ Pune - PC, CC & GE CIA
- Regional offices
- Area offices
- Resident - sales & aftermarket
- Resident - aftermarket only
- ▲ Nasik - PC



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## Focused Market: India



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## Multi-branding



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## Manufacturing and Service Centers

- Global manufacturing strategy
- Global design platform strategy
- Global sourcing
- Regional Manufacturing Plants
- Regional Logistics Centers



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## Product Development

- Understanding customer applications
- Focus on energy efficiency
- Oil-free Air solutions
- Extending the offer



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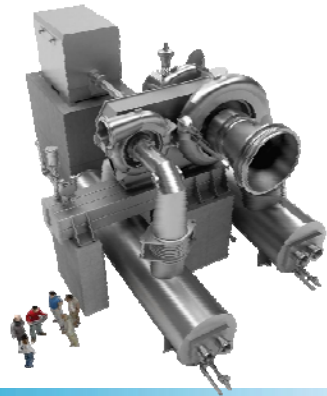
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## Large Air Compressor / Range extension

- Markets
  - Air Separation
  - PTA (Purified Terephthalic Acid)



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reddot design award  
winner 2006



where **design, innovation** and **functionality** meet

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## Efficiency in Processes

- SAP
- Manufacturing platform rationalization in Europe
- Global sourcing
- Regional Logistics Centers in India, China, USA and Brazil



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## Conclusions

- Continuous growth
- Strong product development portfolio
- Focus on customer application
- Expansion in key growth areas
- Integration new acquisitions
- Investment in core component manufacturing
- Material price levels
- Currency developments



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**We are committed to your  
superior productivity through  
interaction and innovation.**



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