



Kenneth Marcia

Vice President Supply Chain Management & Process Innovation, Dresser-Rand Company

Ken was appointed VP Supply Chain Management & Process Innovation in January 2006 by Dresser-Rand Group, Inc. In this role his team is responsible for improving the global supply chain while implementing lean practices across the enterprise.

Previously Ken held Supply Chain, Manufacturing and Quality executive positions at United Technologies Corporation. While at United Technologies he served on the Board of Directors of the National Minority Supplier Development Council.

Keynote Speaker



Vincent R. Volpe Jr.

***President and Chief Executive Officer
Dresser-Rand Company***

Mr. Volpe serves as President and Chief Executive Officer and is a member of the board of directors of Dresser-Rand Company. Mr. Volpe became President of Dresser-Rand Company's Turbo Products Division. In April 1999, he assumed the role of Chief Operating Officer for Dresser-Rand Company, responsible for worldwide manufacturing, technology and supply chain management, serving in that position until September 2000. Mr. Volpe became President and Chief Executive Officer of Dresser-Rand Company in September 2000. He is proficient in five languages. Mr. Volpe earned a BS in Mechanical Engineering and a BA in German literature, both from Lehigh University.



LISTENING.
INNOVATING.
DELIVERING.

Our Journey (Together)

SEA Conference

September 11, 2008

Chicago, Illinois

Vincent R. Volpe Jr., President & CEO

DRESSER-RAND[®]

Safe Harbor Disclosure

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for certain forward-looking statements so long as such information is identified as forward-looking and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in the information.

The use of words such as “may”, “might”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “project”, “intend”, “future”, “potential” or “continue”, and other similar expressions are intended to identify forward-looking statements.

All of these forward-looking statements are based on estimates and assumptions by our management that, although we believe to be reasonable, are inherently uncertain. Forward-looking statements involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, industry, strategy or actual results to differ materially from the forward-looking statements.

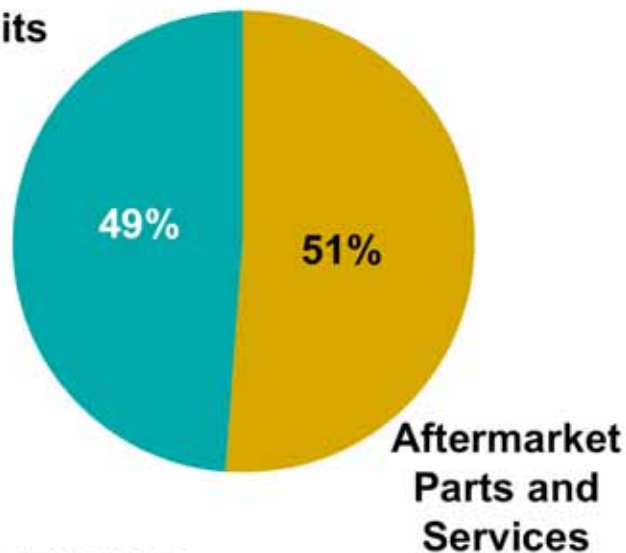
These risks and uncertainties may include those discussed in the Company’s most recent filings with the Securities and Exchange Commission, and other factors which may not be known to us. Any forward-looking statement speaks only as of its date. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Dresser-Rand is a Global Supplier of Energy Solutions to a Growing Market

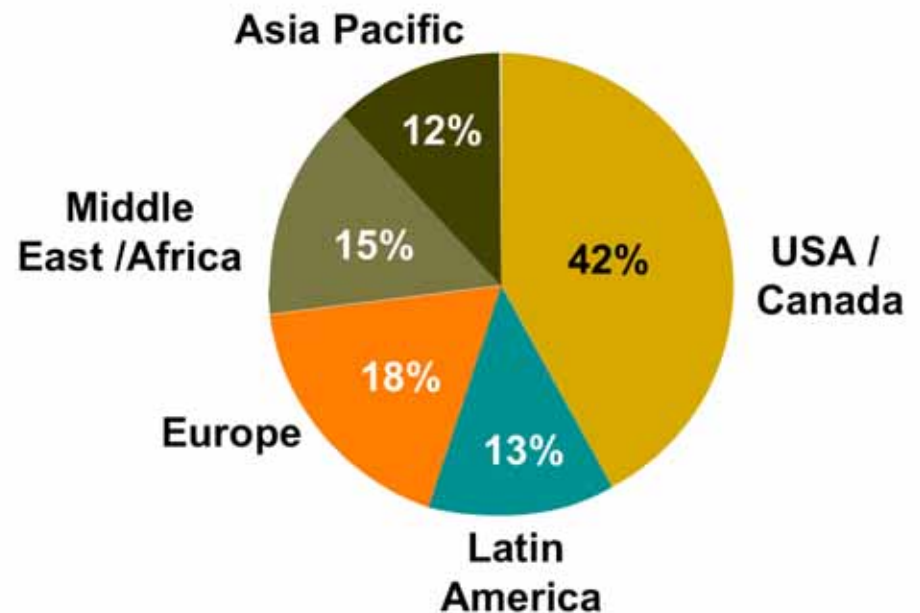
- ◆ Bookings of \$2.2B in 2007
- ◆ Leading provider of rotating equipment / largest installed base / industry leading alliances
- ◆ Customers include oil and gas infrastructure and U.S. Navy / Department of Defense

2007 Sales By Business Segment

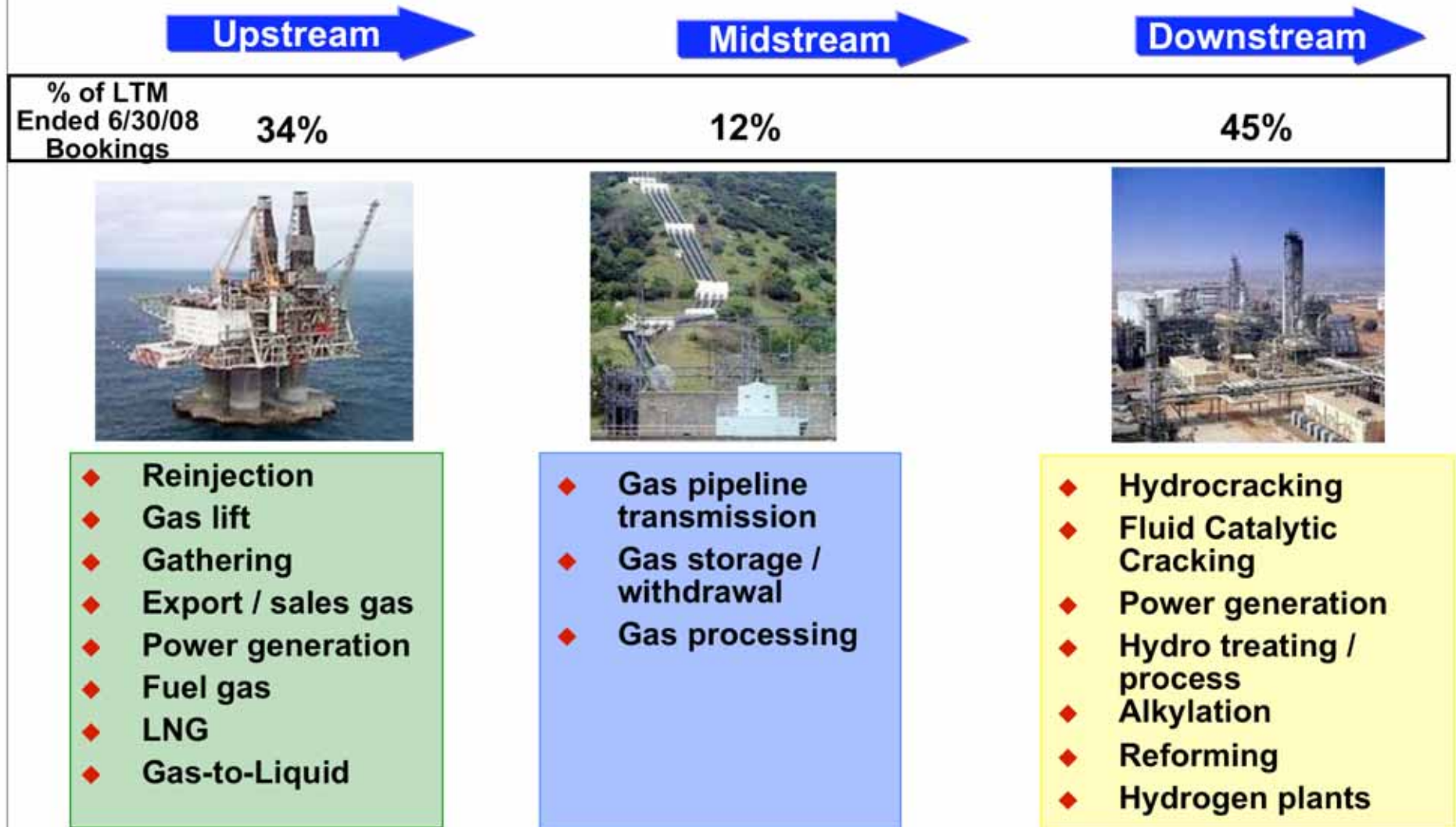
New Units



2007 Revenues By Destination



We Serve the Entire Energy Value Chain



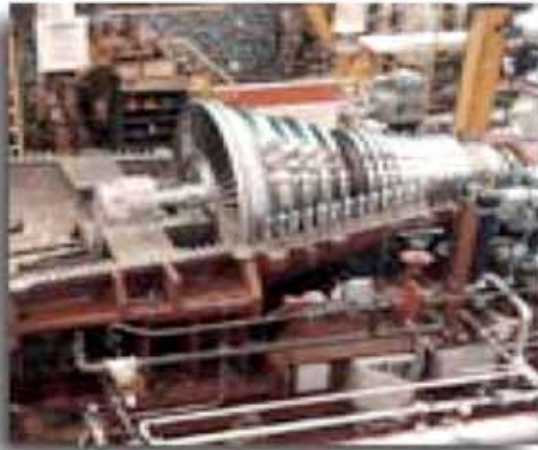
Compression is Needed at Every Stage of the Oil & Gas Production Cycle

D-R's U.S. Navy / Government Business



- ◆ Dresser-Rand has supported the U.S. Navy and other services since World War I
- ◆ Provide equipment for aircraft carriers, submarines, and surface ships
- ◆ Three dedicated service centers
 - Chesapeake, Virginia
 - Chula Vista, California
 - Mayport, Florida

Navy Product and Service Offerings

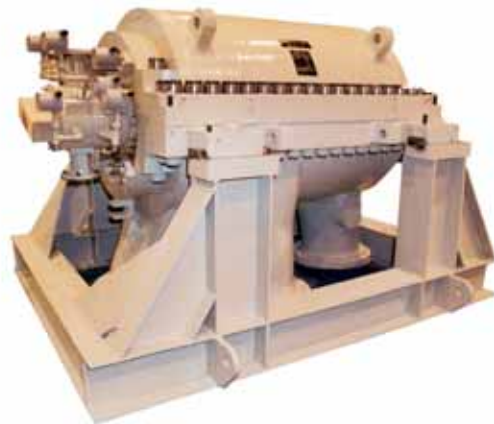


- ◆ Main Propulsion Steam Turbines
- ◆ Ships Service Turbine Generators
- ◆ Auxiliary Turbines
- ◆ HP and LP Air Compressors
- ◆ Low Pressure Blowers
- ◆ Deballast Compressors
- ◆ Main Engine Guard/Main Engine Root Valves
- ◆ Hydraulic / Pneumatic Valves

Navy Demands Performance and Looking for Lean

D-R Centrifugal Compressors

- ◆ DATUM compressors
- ◆ Used in oil & gas production, refining, LNG, and petrochemical applications to produce fuels, lubricants, plastics, fibers, fertilizer and chemicals
- ◆ Flow rates up to 500,000 acfm
- ◆ Pressure to 10,500 psia
- ◆ Power to > 120,000 hp



D-R Reciprocating Compressors

- ◆ Process & Gas Field Reciprocating Compressors
- ◆ Used in petroleum and refinery applications, chemical manufacturing and oil & gas production, CNG and LNG
- ◆ Power ranges to 38,000 HP



Single & Multi-stage Steam Turbines

- ◆ Standard and Engineered
- ◆ Used in process compressor drivers; chiller drivers; pump, fan and mill drives; power generation, naval applications

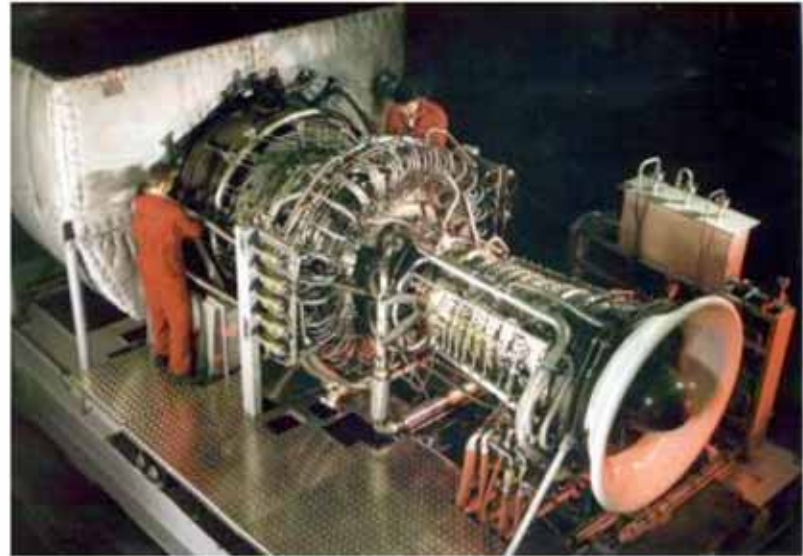
Sugar Mill



DRESSER-RAND

D-R Gas Turbines

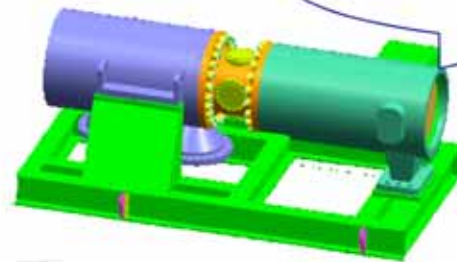
- ◆ D-R builds world class Gas Turbine packages for Oil & Gas mechanical drive and power generation applications
- ◆ Large gas turbine range from 22-MW to 55-MW
- ◆ *VECTRA* family of D-R proprietary, high speed power turbines for LM2500 gas generators



Portfolio of Technologies for emerging applications – The Integrated Compression System (ICS)

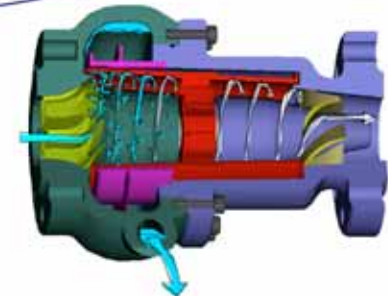


DATUM

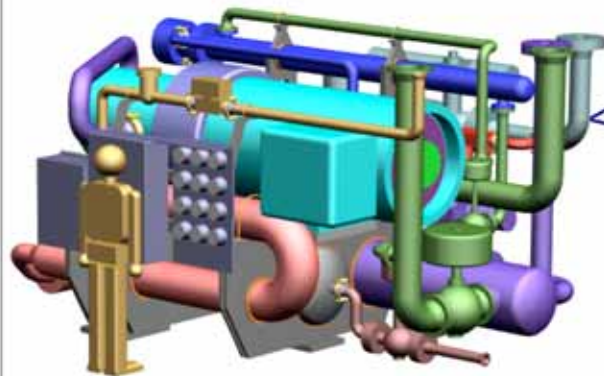


DATUM C MULTI-STAGE

U.S. Pipeline Installation
Deliver 2Q08

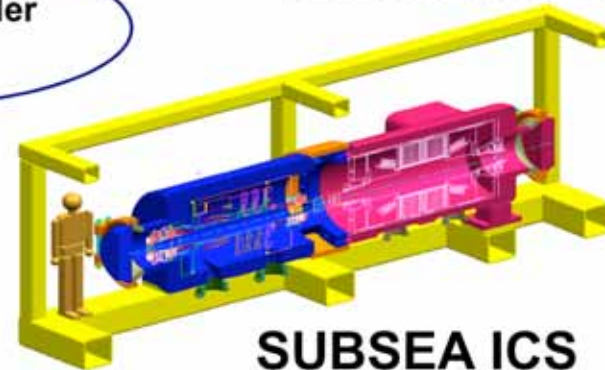


**SEPARATOR
TECHNOLOGIES**



TOPSIDE ICS

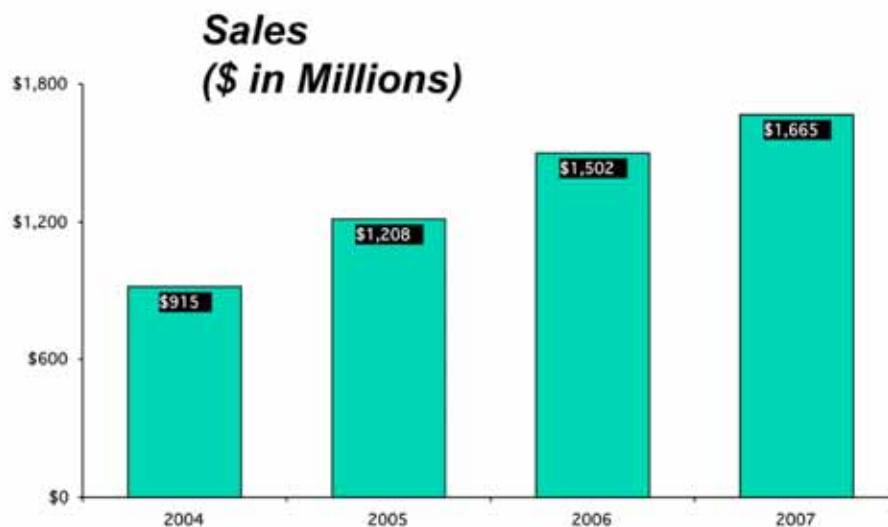
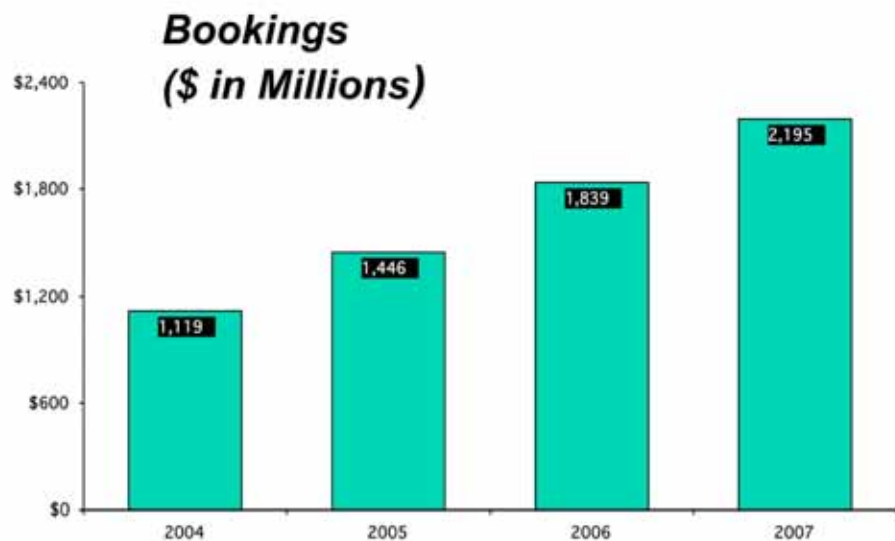
Petrobras 1stOrder
Deliver 4Q08



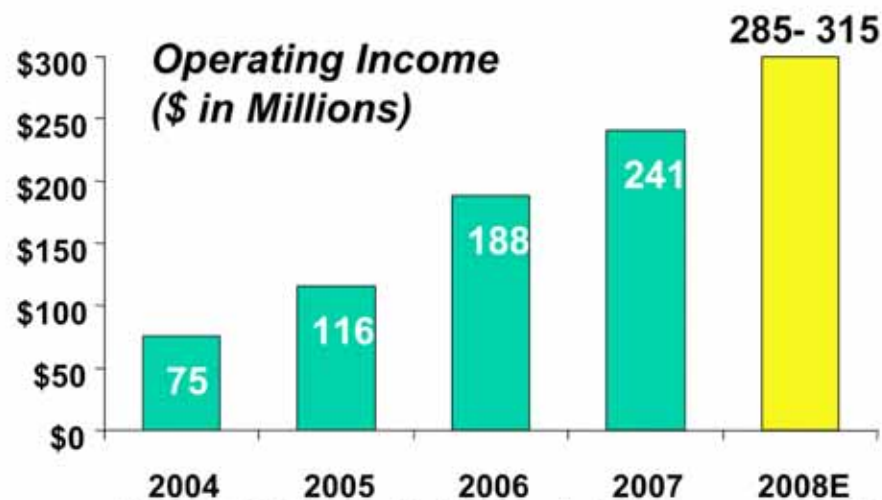
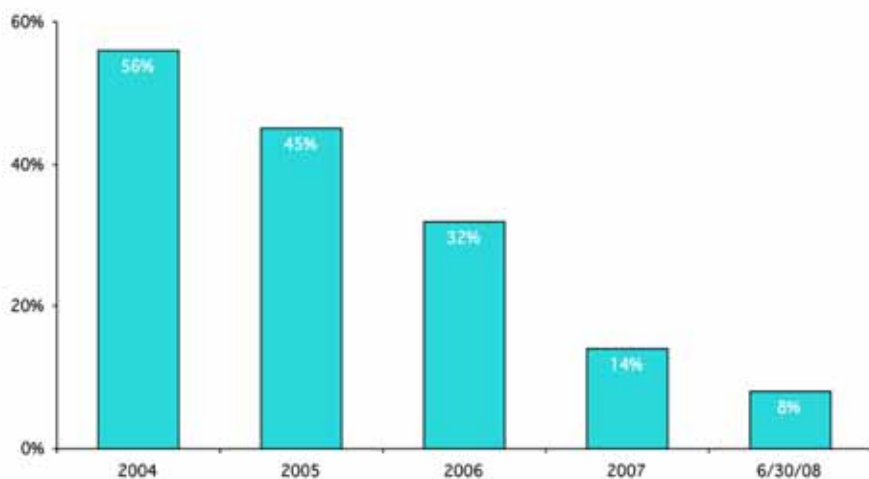
SUBSEA ICS

Separator / Compressor Differentiates DRC as “Only” One In-Class

Strong Markets & Operational Excellence Have Led to Solid Financial Growth



Net Debt / Capitalization



Note: 2006 & 2007 Operating Income adjusted for unusual items of \$12 and \$44 (GAAP Operating Income: 2006 = \$176; 2007 = \$197)

D-R's Lean Opportunity (Challenges)

- ◆ Mixed Model, Low Volume Production
- ◆ Highly Engineered Products
- ◆ Capacity Constraints and Record Backlog
- ◆ Lead Times Extending (internally & externally)
- ◆ Cost, Quality and Delivery Challenges
- ◆ Bottlenecks in Key Operations
- ◆ Planning Challenges

Lean is Playing an Important Role in our Success

Lean at Work - 6S

Before



After



Chesapeake Service Center

Lean at Work - Value Stream Mapping



**Turbocompressor
Assembly & Test
Olean, NY**

| | <u>Cycle Time</u> | <u>Assembly Hours</u> | <u>Productivity</u> |
|-----------|-------------------|-----------------------|---------------------|
| Baseline: | 45 Days | 201 Hours | 1.1 Units/Week |
| Goal: | 32 Days | 140 Hours | 1.25 Units/Week |
| Current: | 13 Days | 131 Hours | 1.6 Units/Week |

Dramatic Improvement

Lean Is Not Just Manufacturing



Transportation & Logistics

Key Opportunities

- ◆ Carrier Selection Process Improvement
- ◆ Inbound/Outbound Logistics Balancing
- ◆ Mode Optimization (Ground vs. Expedite)
- ◆ Freight Chargeback Process Improvement

Savings

>\$.700M
>\$.500M
>\$.100M
>\$.900M

Waste Elimination through Rapid Root Cause Analysis,
Value Stream Mapping, and 6S

Lean Applies to the Entire Business

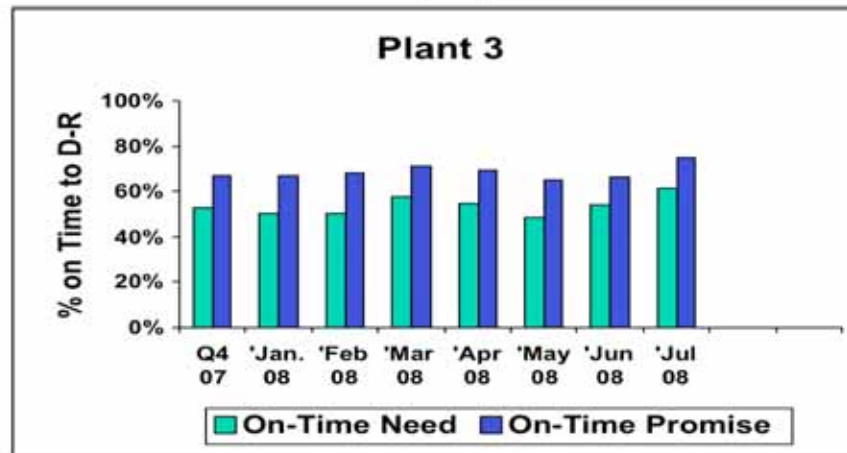
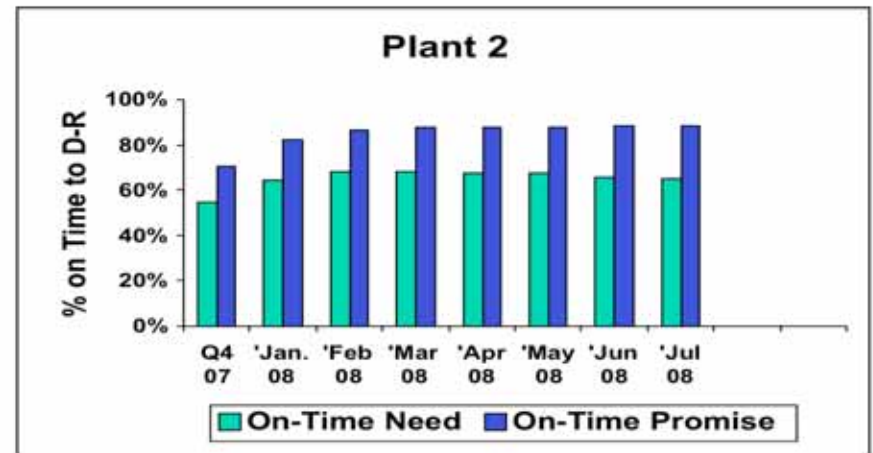
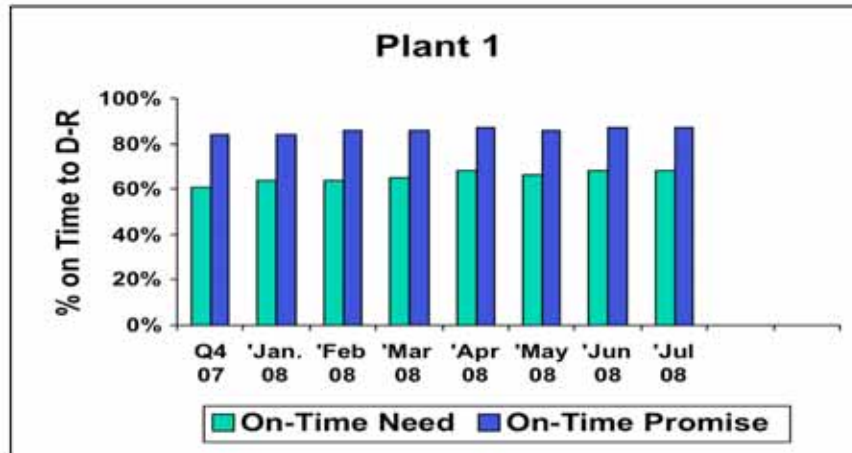
Lean At Work – Selected Operating Metrics

| | 2005 | 2007 | Change |
|-------------------|----------|----------|-----------|
| Sales | \$1.2B | \$1.7B | +42% |
| Operating Income | \$116MM | \$241MM | +108% |
| Avg. Cycle time * | 46 weeks | 41 weeks | -5 weeks |
| # Factories | 10 | 10 | No change |
| Outsourced hours | 240K | 800K | +233% |

*Heavy engineered compressors

Liberating Capacity Using Lean
Strategic Supply Chain has Increased Throughput/Margin

Operating Challenge: Supplier Delivery Performance at 3 Major Facilities



Total Value Proposition Includes On-time Delivery - More Work is Required

The Way Forward: D-R Suppliers and SEA



- ◆ D-R SEA Members
 - Over 40 suppliers
- ◆ January SEA Conference
 - 35 D-R Suppliers Attended
- ◆ D-R commitment

We Need Our Suppliers to Participate in SEA

It's starting to work: D-R Suppliers Are Connecting with SEA



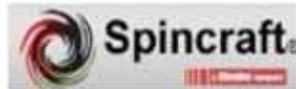
CLARK TECHNOLOGY SYSTEMS



BNB Manufacturing Company



Marmon/Keystone



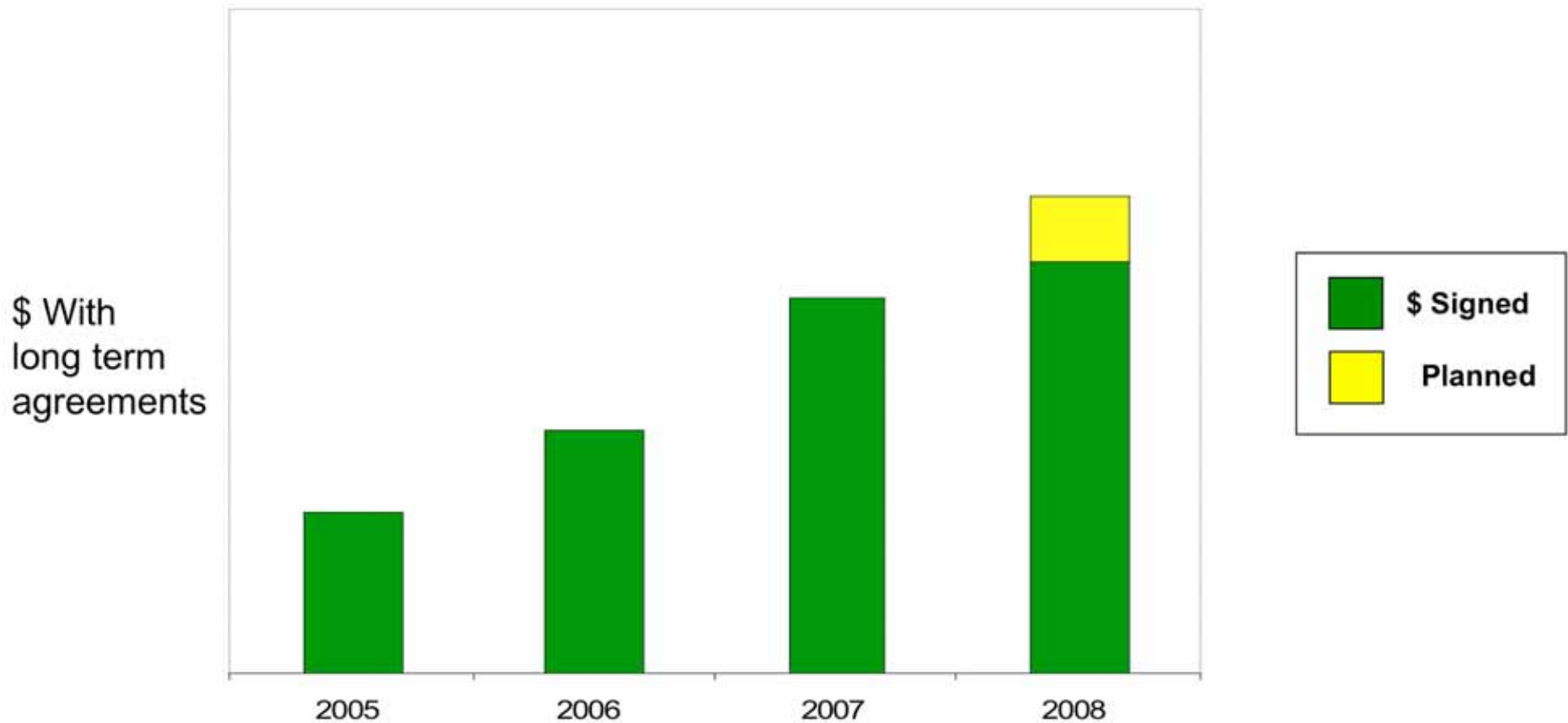
WESTBORO MACHINE CO.



Superior Technical Resources

DRESSER-RAND.

The Prize: Extending Supplier Partnerships



Our Suppliers Implementing Lean
Are Winning More Business & Helping Us Succeed

