

FOR IMMEDIATE RELEASE

FLSmidth Maintenance Contract Achieves Early Gains At Jwaneng

In the six months since implementing a maintenance contract at Debswana's Jwaneng diamond mine in Botswana, FLSmidth has reduced unplanned outages by more than 5%. Jwaneng is a longstanding FLSmidth customer and has purchased an array of materials handling equipment from the company.

"We've deployed a significant number of technicians on site to support and maintain the equipment we've supplied to Jwaneng, only six of whom are expats," Buks Roodt, director responsible for customer services at FLSmidth, says. "The scope of the maintenance contract includes mechanical maintenance of 102 conveyors including all chutes and belt magnets, as well as maintenance management, spares and maintenance planning using the customer's SAP system, standby and breakdown support and cleaning services.

"Having designed and manufactured this equipment puts us in an ideal position to add real value to the mine's operation and maintenance. Every additional percent of plant availability means direct revenue to the customer and we've demonstrated that the new maintenance contract is already benefitting the Jwaneng mine. We're very proud of these early gains and are committed to sustaining them.

"This achievement underpins our role as a 'one source' company, whose support and service extends to the complete lifecycle of a project — this is what differentiates FLSmidth from many other companies in the mineral processing field."

Roodt adds that a great deal of value is added to the customer's operation through focused OEM services. In addition to its *Operation and Maintenance* offering, the company's *Parts Availability Guarantee* programme includes stocking of fast moving and strategic parts, stock location optimisation, simplified order processing, 24/7 ordering and troubleshooting, as well as service and training programmes.

FLSmidth's *Service Visits* programme covers service audits, troubleshooting, on-site repairs, parts installation, service supervision and on-site training, while its *Rebuild, Upgrade and Replacement* programme includes complete rebuilds, repairs, retrofits and calibration, laboratory sampling services, and assistance with process optimisation.

"FLSmidth is a premium supplier, but the benefits of total lifecycle support far surpass the initial investment," Roodt continues. "Based on the lifetime cost concept, less than 15% of the lifetime cost of owning and operating a piece of process equipment is the capital cost. The balance is all operating costs so there are many factors that should be taken into account when a company looks at purchasing equipment.

"The project environment in this market is structured in a way that customers who are executing project models to construct new plants generally don't incentivise optimised lifetime costs. Instead they incentivise lowest capital expenditure at project stage, which ultimately leads to procuring lower quality equipment at higher operating costs.

"We therefore encourage customers to conduct independent assessments of the total lifetime cost of ownership. In execution models where capital expenditure is minimised, as soon as the project elements have been constructed and commissioned the plant designers leave the site, leaving it up to the owner and a group of suppliers to navigate the operational issues for the life of the mine.

"What we're saying is that ideally, FLSmidth would like to help design the plant because we can offer customers a bundle of processing equipment across the system, which gives us critical mass on sites anywhere in the world. This makes it easy for us to dedicate services to support the operation in the long term. However, even if a customer buys only one piece of equipment from us we'll also support this equipment for the life of the mine. Ultimately we're here to provide our customers with service from conceptualisation of a project and throughout the life of the mine."

Mozambique

As part of this service, FLSmidth has established various regional service centres, the latest of which has just been set up in Tete, Mozambique, employing skilled and competent technical service staff.

The decision to set up an office in this region is part of a strategic plan to service the company's growing installed base across all the major coal projects in the area.

Further customer support will come out of FLSmidth's brand new Supercenter in Delmas, Mpumalanga. This is the first FLSmidth Supercenter on the African continent and the seventh of its kind worldwide. Essentially an extensive aftermarket hub, the new facility houses a concentrated stockholding and is poised to become the South African construction base service and repair facility for all FLSmidth activities.

TOTAL LIFE CYCLE SUPPORT PIC 01 : Jwaneng is a longstanding FLSmidth customer and has purchased an array of materials handling equipment from the company

TOTAL LIFE CYCLE SUPPORT PIC 02 : FLSmidth has deployed a significant number of technicians on site at Jwaneng to support and maintain the equipment the company has supplied.

TOTAL LIFE CYCLE SUPPORT PIC 03 : A great deal of value is added to FLSmidth's customers' operations through focused OEM services.

TOTAL LIFE CYCLE SUPPORT PIC 04 : FLSmidth's Service Visits programme covers service audits, troubleshooting, on-site repairs, parts installation, service supervision and on-site training.

ENDS ... SEPTEMBER 2013

FROM : CORALYNNE & ASSOCIATES
TEL : +27 011 422 1949
EMAIL : communicate@coralynne.co.za
WEBSITE: www.coralynne.co.za

FOR : TERENCE OSBORN
FLSMIDTH (PTY) LTD
TEL: +27 010 210 4820
E-MAIL: marinda.kerr@flsmidth.com
WEBSITE: www.flsmidth.com