

FOR IMMEDIATE RELEASE

**FLSMIDTH ANNOUNCES NEW EQUITY STRUCTURE TO EMPOWER IT AS PROCUREMENT  
PARTNER OF CHOICE FOR TOTAL SOLUTIONS FOR THE MINING INDUSTRY**

FLSmidth is building on its 100 years of successful business in the African region with the announcement of a new equity structure. The structure will result in a Broad Based Black Economic Empowerment (BBBEE) ownership status for its South African operations, in accordance with the requirements for multinational suppliers to the mining industry as stipulated in the South African Mining Charter.

The new structure positions the company as procurement partner of choice for the mining industry, with the capability to offer total solutions, including maintenance and operational requirements. Going forward, Phetogo Bontle Community Equity will hold 25.1% shares in FLSmidth South Africa and the broad based 'Phetogo Trust' will have a 100% stake in Phetogo Bontle Community Equity. The trust will fund various Corporate Social Investment initiatives and support the integration of minority groups into the economy.

"FLSmidth as a Danish company remains committed to social development wherever it operates. The new structure reflects that FLSmidth is also a responsible corporate citizen in South Africa, and we trust that this will further improve our relationship with all of our customers and suppliers," says Peter Lohrmann, Managing Director: South Africa.

FLSmidth took the first step towards empowerment status back in 2010, when establishing FLSmidth Roymec, which delivers an impressive portfolio of engineering and material handling projects to international customers.

"With the change in the landscape in South Africa there is a fundamental need for us to empower all of our businesses here – not just part of it. By doing so, we give our customers access to the sort of empowerment measures they require in their own procurement, as well as signalling our commitment as a major multinational in responding to the changing dynamics of the country," says Alistair Calver, General Manager.

Today the company has the primary business objective of being the 'One Source' provider of products, services and expertise to its customers. "From the pit to the rail load out or port, we can supply an entire coal processing plant with our own equipment, compared to traditional suppliers focusing on individual pieces of equipment," Calver adds.

This 'One Source' strategy is a differentiator in the marketplace for the company, which offers customised solutions and the ability to design and supply complete minerals processing and materials handling solutions in the coal, gold, copper and base metals (including platinum), fertiliser and cement sectors. "We have the expertise to oversee and execute all phases of a project, from a feasibility study, to partnering with engineering and construction, to operations and maintenance and spares supply," explains Lohrmann. Calver adds. "When customers purchase a complete solution from FLSmidth, we are there for the long haul, especially in the mining industry where you are looking at a typical 20 to 30 year lifecycle for Greenfield projects."

"As the mining industry continues to develop and transform, we want to be well-positioned to be able to grow when the next commodity super cycle kicks in and take our place as a full systems supplier of choice to our customers. Putting this empowered entity in place is an absolute essential in terms of maintaining our commitment to our customers locally and in the region," Lohrmann concludes.

#### About FLSmidth

FLSmidth is a leading supplier of equipment and services to the global cement and minerals industries. FLSmidth supplies everything from single machinery to complete cement plants and minerals processing facilities including services before, during and after the construction.

FLSmidth has been represented in South Africa since 1906. Today FLSmidth supports some of the biggest mining projects in South Africa and employs approximately 1000 people across the complete business in South Africa, including three manufacturing centres. FLSmidth recently built the Delmas Supercenter, the first on the continent and only the seventh globally, transforming it into a comprehensive aftermarket service and repair hub. The revenue generated from this region remains significant in a global context, and the company has made substantial investments in its South African operations in preparation for anticipated and continued growth in the region.

EQUITY STRUCTURE PIC 01: Peter Lohrmann, Managing Director, FLSmidth South Africa with Gladys Mokalleng, Lerato Mokgethi and Rajen Govender, trustees from FLSmidth's Phetogo Trust.

EQUITY STRUCTURE PIC 02: Dorr-Oliver flotation cells from FLSmidth, which strives to be a long term partner with all of its clients.

EQUITY STRUCTURE PIC 03: A Ludowici vibrating screen with Meshcape panels. FLSmidth has access to a range of technology and products to position itself as a 'one source' providing of total mining solutions.

EQUITY STRUCTURE PIC 04: Krebs Technquip knife gate and a Krebs millMAX™. FLSmidth can customise complete mining solutions for its customers.

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