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Danish Financial Supervisory Authority
Århusgade 110
DK-2100 Copenhagen Ø

Company Announcement No. 16-2014:

FLSmidth optimises organisational structure

In continuation of the 2013 strategy health-check, it has been decided to change FLSmidth's organisational structure. As of 1 January 2015, FLSmidth will be organised in two project divisions, a product division and a service division.

The Material Handling and Mineral Processing divisions will be merged into a Minerals division. Cement and Customer Services will be maintained as separate divisions. A new Product Companies division will be created to foster globalisation and growth of FLSmidth's unique product brands. (For an overview of the managerial consequences, see Company Announcement No. 17-2014, 13 August 2014).

The new organisational structure increases operational efficiency as each division will have a more homogeneous business model, segmented customer approach and distinct management focus. As a consequence of the reorganisation FLSmidth will be well positioned to reap the benefits of being in cyclical industries, where demand for products, projects and services differ over time.

"This is an organisational improvement that prepares FLSmidth for the coming upturn by increasing operational efficiency, simplifying the structure, refining management focus and laying out the foundation for globalising our product companies. This gives us a strong platform for future value creation," Group CEO Thomas Schulz says.

The new organisation will consist of the four divisions:

Minerals

The Minerals division will focus on delivering systems to our key mining industries: coal, copper, gold, iron ore and fertilizer. The business covers mineral processing and material handling technologies and is a merger of the divisions currently known as Mineral Processing and Material Handling. The new Minerals division will unleash a significant potential for FLSmidth to become the strongest project and systems provider in the minerals industries.

Cement

FLSmidth has more than 130 years of experience and is the global cement industry's leading technology supplier of complete plants and production lines.

The dedicated Cement division will enable a sustained focus on complete plants and product lines, and especially the further development of Engineering, Procurement and Construction (EPC) offerings will ensure a continued strong position in the cement industry.

Customer Services

In 2012, Customer Services was separated from the project business in order to make growth of the business area a clear priority within FLSmidth and to foster a strong service culture and mindset. FLSmidth will continue to leverage the opportunities for growth and development in the service areas through a dedicated Customer Services division.

The further development of the Operations & Maintenance (O&M) business will have particularly high priority in the Customer Services division. The sale of wear parts, consumables and new service concepts to the minerals and cement industries will also be boosted in the division.

Product Companies

In order to ensure dedicated management focus and to utilise shared supply chain and back office functions, FLSmidth separate a number of product companies from the project divisions to form a stand-alone Product Companies division.

The Product Companies division enables FLSmidth to release a significant potential for globalising and growing the company's unique product brands. The new division will serve FLSmidth's six key industries; copper, coal, iron ore, gold, fertilizer and cement, the Minerals and Cement divisions as well as adjacent industries.

The Product Companies division will include the FLSmidth companies: ABON, Buffalo, Pfister, Ventomatic, Krebs, MAAG Gear, Airtech, Möller and Automation.

FLSmidth will, from 1 January 2015, externally report the financial performance of all four divisions.

Restated segment information for the last 12 quarters will be published in Q4 2014.

Please address any questions regarding this announcement to Group CEO Thomas Schulz, FLSmidth & Co. A/S at +45 36 18 18 00.

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For further information about FLSmidth, please visit www.flsmidth.com

Yours faithfully

Pernille Friis Andersen

Corporate Communications & Investor Relations