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Danish Financial Supervisory Authority
Århusgade 110
DK-2100 Copenhagen Ø

Company Announcement No. 01-2015:

FLSmidth sells Cembrit for 1.1 billion DKK

Today, FLSmidth has signed an agreement with a company in the Solix Group AB, to sell all shares in Cembrit Holding A/S. Cembrit is one of the leading distributors and manufacturers of fibre-cement products in Europe.

The price of the shares has been agreed to DKK 1.1bn (Enterprise value on debt free basis).

The buyer is a consortium of investors headed by Solix Group AB. Solix' strategy is to retain and further develop Cembrit as the leading distributor and manufacturer of fibre-cement products in Europe.

Cembrit has been part of the FLSmidth Group since 1927. The sale of Cembrit concludes FLSmidth's divestment of building materials companies, a process that started 10 years ago by the divestment of Aalborg Portland and Unicon.

The Cembrit sales process was initiated in August 2012, but stalled in August 2013, as it was not possible at the time to find the right new owner of Cembrit. It was decided to postpone the sales process for a period of 3-4 years, during which a new Board of Directors, new sales initiatives and productivity improvements would be initiated, a process currently well under way. Recently however, FLSmidth was approached by the Solix Group who presented an attractive unsolicited offer leading to the agreement signed today.

"It's my firm belief that we on all parameters have reached a satisfactory agreement by divesting Cembrit to a new owner who wants to further develop and grow the business to the benefit of both employees and customers", says Bjarne Moltke Hansen, Group executive Vice President, FLSmidth.

The transaction is expected to close finally during the first quarter of 2015.

Financial consequences of the sale

The sale of Cembrit is expected to have a positive impact on FLSmidth's profit from discontinued activities in Q1 2015 subject to the closing balance.

The purchase price will be paid in three tranches. The first and second tranches will be paid in Q1 2015, and the last tranche of DKK 125m will be paid 12 months after the closing date.

According to IFRS accounting standards, Cembrit will be reclassified as discontinued activities in the Annual Report for 2014, and consequently, the 2014 group guidance for FLSmidth is adjusted to exclude Cembrit.

As a consequence of the exclusion of Cembrit, FLSmidth's group guidance for revenue in 2014 is technically adjusted to DKK 19.5-22.5bn (previously DKK 21-24bn). The EBITA margin for the Group is still expected to be 7-9% and ROCE to be 11-13%. The revenue of Cembrit in 2014 is expected to be approximately DKK 1.5bn and the EBITA-margin 3-5%.

Please direct any inquiries regarding this announcement to Mr Bjarne Moltke Hansen, Group Executive Vice President, FLSmidth, telephone +45 36 18 18 00.

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

Yours faithfully

Vagn Ove Sørensen
Chairman of the Board of Directors, FLSmidth & Co. A/S

Bjarne Moltke Hansen
Group Executive Vice President, FLSmidth & Co. A/S
(Former Chairman of the Board of Directors, Cembrit Holding A/S)