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Company Announcement No. 07-2016:

Long-term incentive programme 2016 and structural change to Executive Management

As preannounced in the Annual Report on 11 February 2016, the Board of Directors for FLSmidth & Co. A/S has today allocated performance shares to the Executive Management and key staff (140 persons in total).

The maximum number of performance shares allocated is 177,790, of which 34,142 pertain to Executive Management. The vesting period is three years, and vesting will depend on fulfilment of stretched financial targets. The applicable financial targets are EBITA margin and net working capital ratio, calculated as three-year-averages.

The cost of the programme is DKK 44 mill. in case of full vesting, based on the average closing share price from 12-18 February 2016 (the first five trading days after publication of the Annual Report).

The primary purpose of the programme is to retain key staff and to align the interests of shareholders and participants by rewarding performance in accordance with the long-term strategy and financial targets.

In order to simplify and to align the management structure, the officially registered Executive Management of FLSmidth will in future consist of the CEO and the CFO only. In practice, the Group Executive Management Team will stay unchanged and consist of the present eight Group Executive Vice Presidents, including the CEO and the CFO.

For further information, please visit www.flsmidth.com or contact:

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