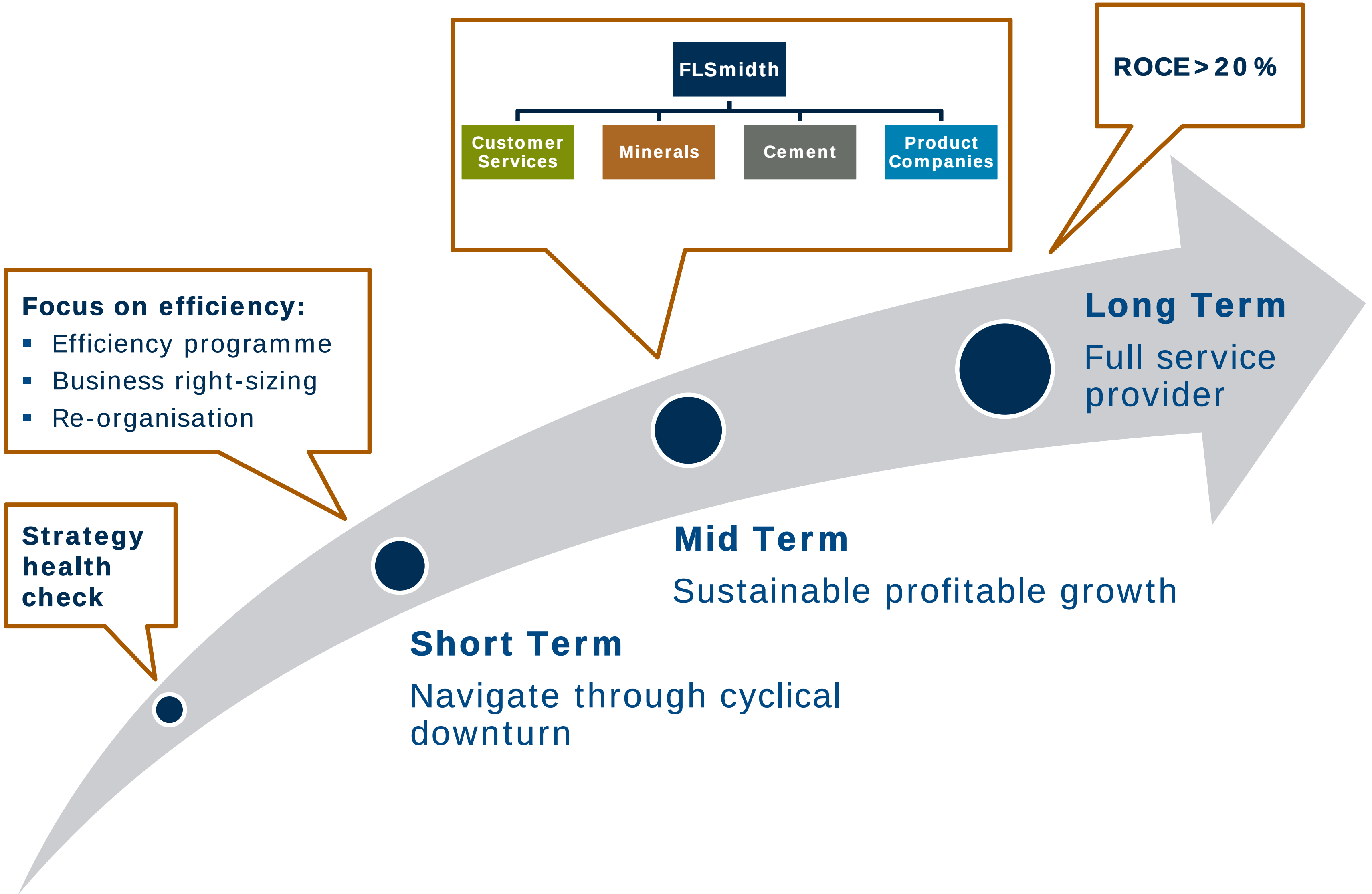
Capital Market Day 2014

Group CEO closing remarks

Thomas Schulz, Group CEO

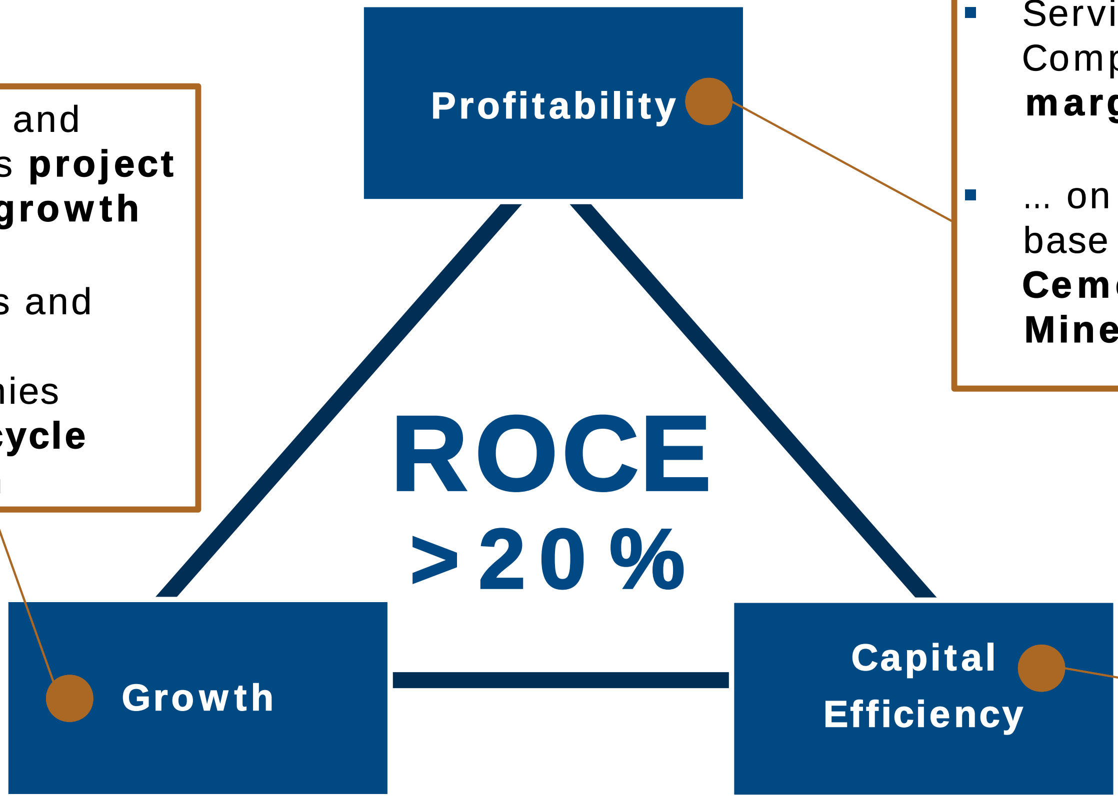
One Source

Strategic focus



Each division has a critical role to achieve a balanced ROCE over the cycle

- Cement and minerals **project phase growth**
- Services and Product Companies **cross-cycle growth**



- Services and Product Companies high **margins** …
- … on the installed base generated by **Cement and Minerals projects**

- **Attractive NWC position** from Cement and Minerals projects (<0 NWC)

FLSmidth in brief

Provider of **productivity improvements** incl. **CSR**

Leverage growth potential

14,900 employees

LTIFR 2.0

Asset light
~80%
outsourced manufacturing

Customer Services

Spare Parts **~70%**
Services **~15%**
O&M **~15%**

1/3 of employees in **India**

All divisions play important role in reaching **ROCE > 20%**

Shared resources for Cement & Minerals

132 years heritage of strong **project management** in Cement

Our DNA

Unique combination of:

Projects **40%**
Products **25%**
Services **35%**

Global foot-print

Update on the actual situation

Market trends unchanged

Mining Capex
- Close to the trough
- Flattish or slightly declining in 2015
- Slow growth expected in 2016
- Impacted by market uncertainty and declining commodity prices
- Customer focus on productivity enhancing investments

Cement Capex
- Moving out of the trough
- Increasing utilisation rates to underpin growth
- Customer focus on new capacity, productivity and environment

Customer Services
- Customer focus on optimised inventories and productivity
- Fewer bigger, but more smaller orders

2014 guidance unchanged

Group	Guidance 2014
Revenue	DKK 21-24bn
EBITA margin	7-9%
CFFI (excl. acquisitions)	~DKK -0.5bn
ROCE	11-13%

Our shareholder value proposition

- We **manage the cycle** through early execution of efficiency programme and business right-sizing
- We **prepare for the upturn** with a clear target to overperform in the next cycle
- We have a **balanced portfolio** which enables us to leverage the full **attractiveness of our industries**
  - Two strong cycle-resilient high margin businesses
  - Two globally leading project divisions with low/negative NWC
- We are exposed to industries with an **attractive long term growth** potential