Capital Market Day 2014



Customers Services Division

Brian Day, Group EVP



One Source



Brian M. Day, Group EVP Customer Services

- Group EVP, Customer Services Division, since Jan 2015
- FLSmidth from 2007:
 - Senior Vice President, Global Customer Services, Minerals
 - Vice President, Global Customer Services, Minerals
- GL&V-Dorr Oliver Eimco: Vice President Aftermarket (2002-2007)
- Baker Hughes Inc.: Aftermarket Manager (1991-2002)
- EIMCO Process Equipment Company: Product Engineer / Process Engineer (1980-1991)
- Bachelor of Science degree, Sales recruiting and training, Leadership and business management
- Born 1956, American

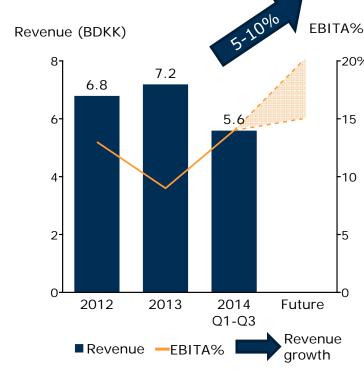




The Customer Services Division in brief

- Full array of services before, during and after delivery of new plants and equipment
- More than 100 warehouse, service and support centers Worldwide
- More than **2/3** of all employees are in direct customer contact (~6,400 employees)
- Main business:
 - ~70% Spare parts
 - ~15% Service
 - M&O ~15%





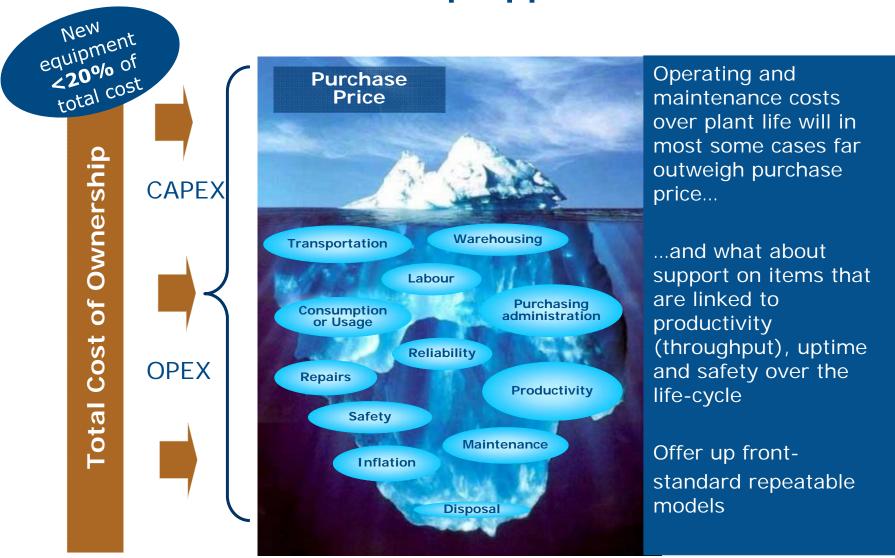






Total Cost of Ownership Approach

One Source





How we service our customers

- Maximize our customers' plant productivity and return on assets by providing parts, maintenance, rebuilds, upgrades and services
- Increase customers' return on assets by providing expertise in audits, operation and maintenance of our customers' plants (including all aspects service, parts and rebuild, regardless of the age, location and OEM of the plant)
- Deliver a superior alternative to customers' for OEM replacement parts and services for mission critical equipment used in global mining





Achieving profitable growth by maximizing our customers' productivity



Regional alignment of organisation Understanding regional needs is key..



North America **Europe** Russia & CIS Upgrades & retrofits Upgrades & retrofits Site services Canada projects Export markets M&O Parts (stock) & services Installed base support Account management Australia & Southeast Asia **Americas** Upgrades & retrofits ours and competitors' Process audits Install site services Central & South America • 0&M Service offerings Service center repairskey accounts Wear parts (e.g. mill liners) Africa & Middle East India O&M (primarily "M") Service offerings- local Back end support service units Customer clusters- Wear parts (e.g. mill liners) installed base ■ 0&M O&M (Power industry) ship unloaders) Upgrades & retrofits Americas: North, Central and South America EMEAI: Europe, Middle East, Africa and India

ASEC: Australia, South East Asia and China

Building strong customer relationships and increasing our customers' productivity

- Leverage our local direct highly trained service and parts organization
- Ability to react quickly to customer needs speed
- Account management- customised offerings
- Strategic footprint warehouse, service and support centers
- Predictive maintenance asset management; total cost of ownership modeling; training
- Leverage strong product and flow-sheet capabilities in Cement and Minerals (engineered solutions)



Service Offerings - Value Chain

Operation & Maintenance Rebuilds & **Upgrades** Full scale Maintenance **Services** program Full scale Operations · On-Site repair, program assembly **Parts** Cost per ton program Service Audits Service supervision service Remote monitoring and Troubleshooting trouble shooting Complete rebuilds / On-site repairs · Stocking of fast moving repairs / retrofits / Enhanced uptime Parts installation calibration & strategic parts Predictive maintenance Service supervision On-Site Training Stock location optimized Improved performance service programs for efficient delivery and On-site permanent set serviceability Laboratory sampling up (where applicable) services Simplified order On-Site training In and out programs handling process programs Service multiple 24/7 enguiry handling customer sites (orders & troubleshooting) Process optimization assistance Service Training **Programs**



Service Centers – strategically located





Health & Safety

Safety Training

Sustained Focus on Safety Culture

Plant Availability

Strategic Stock

Rebuild and Repair

Small-scale Lab

Mechanical Audits

Increased Knowledge

Equipment/Process Training

Building Local Skill Level

Customized Training Corporate Social Responsibility

Training/Education to Support Local Communities

Eco-Friendly Buildings



FLSmidth Intelligent Collaboration Environment Room (ICE) - Valby

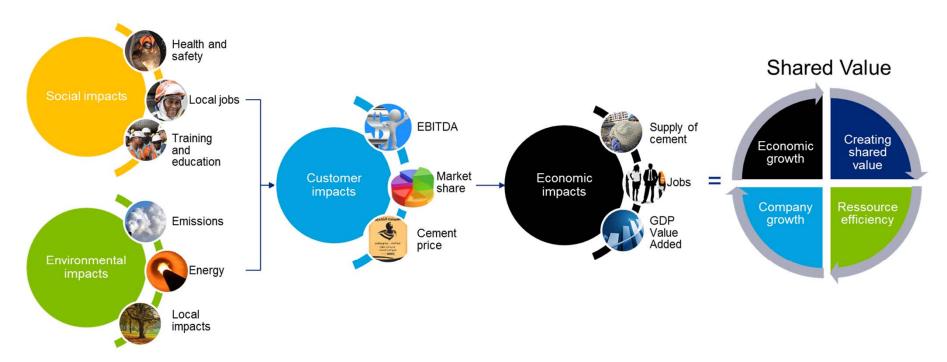




Sustainable value creation Virtuous circle: CSR as a driver for O&M productivity

Case study in Eqypt:

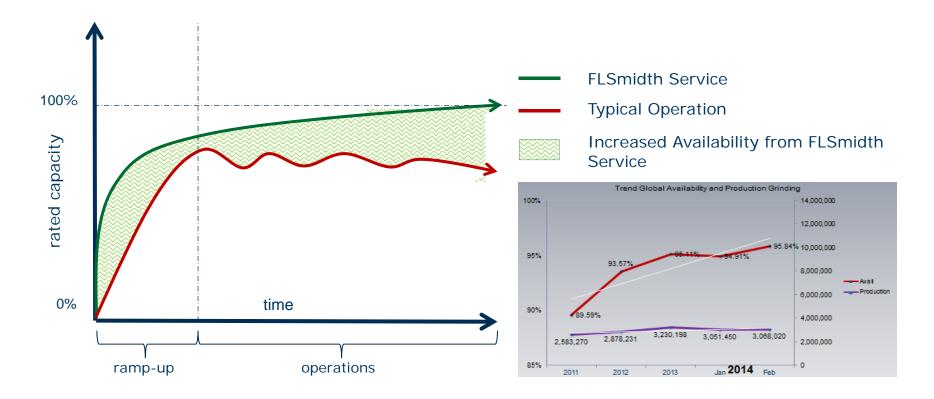
Significant social-economic impact through O&M business model





Plant availability and Asset management

Maximise client's **return on investment** by achieving rapid ramp-up from commissioning and guaranteeing high plant availability and high levels of production throughout the life of the project.

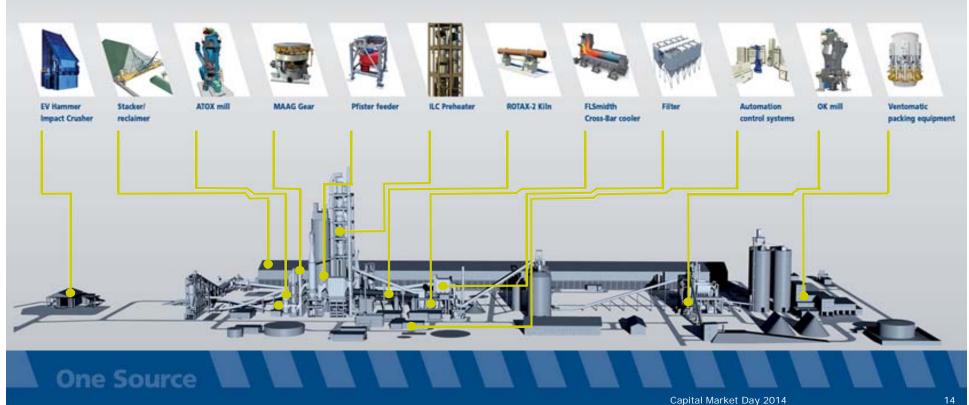




Product and Flow Sheet Intelligence

- **Asset management**
- Maintenance planning
- Parts and resource forecasting
- Plant lifecycle predictability

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The Customer Services Division: Key takeaways

- Resilient and growing business area
- Focused regional approach with local direct support
 - Leverage efforts to service both industries
- Particular growth areas:
 - Develop Operation & Maintenance to become industry standard
 - Move into wear parts to close customer relationship gap

