

Complete outsourcing solutions



One Source

Operation and Maintenance services for cement plants

Maximise your ROI by out Operations & Maintenance







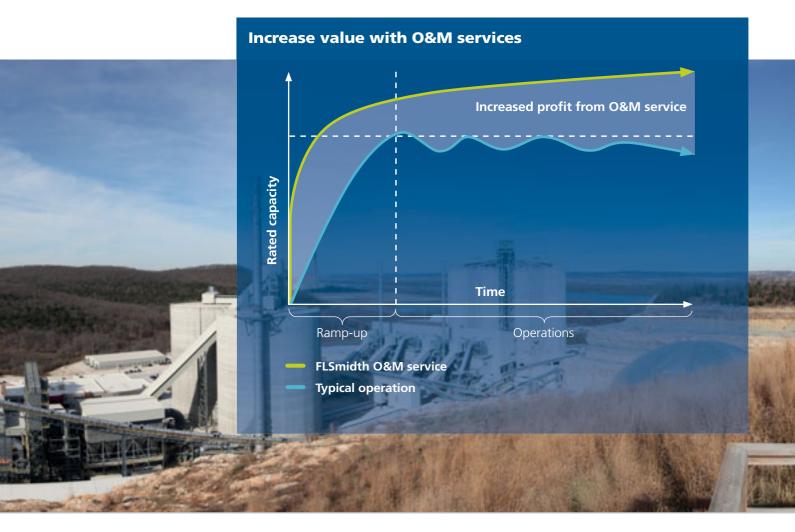
Maximise ROI

Efficient operation and upkeep of a cement plant is no small responsibility. Yet, as every owner knows, it's one of many needed to ensure plant success. Outsourcing these tasks allows greater focus on other aspects of your business. Leveraging FLSmidth's expertise maximises your returns – short and long term.

We offer the industry's most comprehensive portfolio of support services, all designed to optimise your operations. For investors looking to profit from cement, but not used to the massive technical and operational challenges a plant presents, FLSmidth's Operation & Maintenance (O&M) service is the ideal solution. Even experienced cement producers can gain a competitive advantage by outsourcing some or all O&M duties to FLSmidth.

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Many plants do not run at full capacity, but with O&M services from FLSmidth, production is boosted, thereby increasing *your* profits.



We take the risks - You get the benefits

The basic principle of O&M is that you contract us to operate and maintain your plant. In doing so, we guarantee your output levels for an agreed price per tonne. Our fee is performance based. All you have to do is account for certain basic provisions and let us take responsibility for plant performance. In this way, you can convert your variable costs to fixed costs per tonne. You will only be charged according to our performance. Our performance guarantees will enable you to make educated decisions and plan ahead, particularly with regard to related aspects of the business.

Total peace of mind

FLSmidth's comprehensive DBO (Design Build Operate) approach lets us support our partners throughout the process of establishing a new cement plant and beyond. Best-practice routines ensure projects are carried out on time

and within budget, with a clear allocation of responsibility and risk. Why not continue to benefit from our expertise through FLSmidth's operation and maintenance services?

Since FLSmidth's founding in 1882, we have gathered an unsurpassed understanding of cement processes and machinery. And as the company that designed, built and commissioned your plant, nobody understands your specific operations better than we do. Handing O&M over to FLSmidth also gives you access to our global support network. This means you get an unrivalled level of service and priority access to FLSmidth's original spare parts and know-how.

Ultimately an O&M contract from FLSmidth gives you total peace of mind that your interests are being taken care of by a competent and reliable partner.

Sharing responsibility for effective outsourcing



- Sales
- Ready mix
- Distribution
- New Projects
- Construction materials



Division of Responsibility

In order to work effectively with outsourcing, it is important to clearly define expectations and responsibilities up front. We take no financial stake or holdings in the plants we operate. Our contribution and scope of responsibility includes the efficient running and professional upkeep of a plant. By limiting our role to operation and maintenance, we also ensure there is no conflict of interest between our customers and ourselves.

Plant owners retain control of fundamental supply issues relating to, for example, power, water, fuel and raw materials. In addition, all capital investments in machinery and property are the responsibility of the plant owner. However, we help in defining specifications and making recommendations where and when necessary. We also take full responsibility

Below a model of how we share responsibility to ensure the profitable running and professional upkeep of your plant.

Raw materials		
		•
Operations (incl. responsibility for production output)	•	
Plant maintenance	•	
Technical management	•	
Employees (recruitment, payroll and management)	•	
Training and development of local staff	•	
Office, warehouse and canteen facilities		•
Office equipment (incl. computer hardware and software)	530 1	
Office furniture		
Personnel safety equipment	•	
Consumables & operational spare parts (on-going consumption)		
Utilities (power, fuel and water)		
Security (guards, equipment, fencing, etc.)		
Plant, property, liability and equipment insurance		•
First-aid equipment	7 7 1 1	

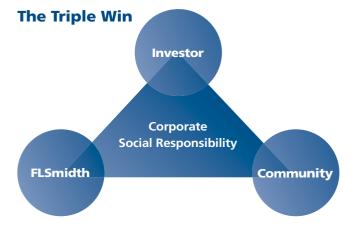
for spares and consumables. For further details, please see table above: "An example of the division of responsibility".

CSR-The Triple Win

Our Corporate Social Responsibility (CSR) policy focuses on cooperation with company stakeholders and maintaining high standards of business ethics, human resources and protecting the environment.

We strive to make a positive contribution to local communities through cooperation with universities and technical schools to raise local skill levels. Where skill levels are already at international standards, we offer job opportunities for local talent at our O&M sites. The employees benefit from our principle of providing ongoing learning and internal advancement opportunities. New jobs and educational

opportunities contribute to the general development of the local society. We believe that this CSR profile enables us to create value for all our stakeholders.



We invest in your plant



- Rapid start-up
- Maximised output
- High-quality cement
- Increased plant value
- Global resource base
- High energy efficiency
- Extended plant lifetime
- Higher intellectual capital
- Fastest return on investment

Investment

Despite not being the plant owner, we do nevertheless make significant investments in developing your plant. For example, hiring talented managers, establishing best-practice policies and updating essential technology all have long-term benefits for your organisation. These fundamentals long outlive the length of any O&M contract, and you will continue to profit from working with FLSmidth long after we have left your plant.

A strong principle

FLSmidth is committed not only to operating your plant as efficiently as possible, but to maintaining it in premium condition. Our maintenance concept is simple: solve problems before they happen.

The key to this preventative approach is to take a long-term view. That is why we never try to push output beyond responsible limits for short-term gain. We perform regular scheduled checks on vital equipment, ensure staff are well trained to spot and remedy potential problems early on. All this reduces costly unscheduled stoppages to an absolute minimum.

Better off

In fact, when you sign an O&M contract with FLSmidth, you can be sure of getting your plant back in optimal condition. We use our proprietary "autopilot" control and optimisation system to fine-tune processes. We incorporate a Computerised Maintenance Management System (CMMS) into all the plants we operate. This not only raises uptime, but helps us diagnose problems accurately and find solutions quickly. Finally, our advanced process simulators provide state-of-theart staff training and raise skill levels.

We are constantly looking to improve processes and technology. From simple improvements based on experience and insight to more radical upgrades we keep your plant in perfect working order. Our aim is to maximise your assets for the long term by optimising all operations and maintenance.

Three possible models: DBO, DUO or DDO

As well as the Design Build Operate (DBO) concept, we offer two other models:

An O&M contract with FLSmidth includes flexible managing solutions to suit your needs.

Flexible collaboration solutions We take care of filling Management positions at the Plant **O&M Plant** We implement our Management **Computerised Management-**Maintenance System (CMMS) In addition to the above, all **Key Personnel** for the different functional areas **0&M** are outsourced **Technical** We provide a complete, steady Management supply of consumables and original spare parts In addition to the above, we deliver the Complete Staff for running the entire plant **O&M Total Outsourcing** We take responsibility for training local technicians and engineers

We would like to introduce the Design Upgrade Operate (DUO) model. If you own an older plant, and you would like to produce at a higher production level, we come in, design a tailor-made upgrade for your existing plant and operate & maintain your plant.

Another possibility now available is the Due Diligence Operate (DDO) model. If you have an older plant, and want to maximise its performance, we come in audit your plant, and then operate & maintain it.

An O&M contract with FLSmidth is the perfect outsourcing option for quality-conscious plant owners. All around, whether in financial terms, operational efficiency or plant condition, you are better off with FLSmidth – your One Source for everything it takes to design, build and operate profitable plants.





One Source

Operation & Maintenance

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