

Minutes of Meeting – Annual General Meeting 2012

On 30 March 2012 at 16:00 FLSmidth & Co. A/S, CVR No. 58 18 09 12, held its Annual General Meeting. The General Meeting took place at Radisson Blu Falconer Hotel & Conference Center, Falkoner Allé 9, DK-2000 Frederiksberg

Mr Vagn Sørensen, Chairman of the Board of Directors, welcomed the attendees and informed them that pursuant to Article 7 in the Articles of Association the Board had chosen Mr Klaus Søgaard, lawyer, to chair the meeting. The Chairman mentioned that he would like to show a short film on the new Group strategy that was announced on 21 February this year before calling upon Klaus Søgaard to speak.

The chairman of the meeting emphasised that according to article 5 of the articles of association the general meeting is to be held in Greater Copenhagen and must be called not earlier than five and not later than three weeks before the general meeting via the company website and the Danish Business Authority IT system. The notice of the meeting was published on the website and via NASDAQ OMX Copenhagen A/S on 2 March 2012. Besides, the notice of the meeting was announced via the Danish Business Authority IT system on 8 March 2012. Finally, the notice of the meeting was sent by letter to registered shareholders who had requested it.

Accordingly, the chairman of the meeting concluded that the Annual General Meeting had been duly called.

The chairman of the meeting stated that a total for 1,237 persons, including 817 shareholders, had ordered admission cards. 724 of these persons were in attendance, 473 of whom were shareholders. Prior to the meeting a considerable number of shareholders - 472 - had cast their votes by postal vote or by proxy given to the Board of Directors.

The chairman of the meeting mentioned that the Annual General Meeting would be webcast from the company's website.

The chairman of the meeting then informed about the use of electronic voting by means of e-voter and added that a short film would be shown to demonstrate the system if a vote was to be taken.

The meeting then proceeded according to the agenda, and the chairman of the meeting explained that items 1 and 2 would be dealt with as one.

In all other respects the agenda complied with article 6 of the articles of association.

Management review of the company's activities in 2011

Mr Vagn Sørensen, Chairman of the Board of Directors, presented and reviewed the management review and the annual report:

The Chairman stated that it was with some humility, but also with pride, that he stood on the rostrum for the first time as Chairman of the Board of Directors to present the Management's Review on the company's activities.

Financial results for 2011

The Chairman explained that the results expected for the year 2011 had been achieved due to favourable market trends and earnings growth in Minerals as well as solid order execution in Cement.

It is particularly noteworthy that in Q4 2011 the Group posted its best quarterly operating result ever, with EBIT reaching DKK 870m for Q4 alone.

For the Minerals business 2011 was by all means a record year - in terms of order intake, revenue and earnings. The Minerals business is now larger than the Cement business, accounting for 56% of revenue in 2011.

The order intake increased 16% in 2011 to DKK 24bn. This growth primarily reflects strong market developments in Minerals, with order intake alone increasing 45% due to very strong underlying market trends across all segments and geographical regions.

Order intake in Cement, however, declined 18% due to the fact that in 2011 no operating and maintenance contracts were signed as opposed to 2010, which saw the signing of more than DKK 2.5bn worth of O&M contracts. Exclusive of Customer Services the order intake in Cement increased 17% in 2011. The order intake in Cement was also negatively affected by traditionally large cement markets in India and North Africa being at a standstill for various national reasons.

The order backlog increased 14% in 2011 to DKK 27.1bn, and it is expected that 62% of the order backlog will be transformed into revenue in 2012 and 23% in 2013. This means that transparency is high and that revenue for 2012 is to a large extent already known.

Revenue increased 9% in 2011 to DKK 22bn, which is primarily attributable to Minerals in which revenue increased 29% alone.

The gross profit amounted to DKK 5.7bn in 2011, corresponding to a gross margin of 26.1%. In Cement, the gross margin rose due to high Customer Services revenue and projects being completed with a positive result. In Minerals, on the other hand, gross margin decreased marginally compared to 2010 - primarily as a result of two loss-making projects.

Earnings before interest and tax (EBIT) grew 9% to DKK 2.2bn corresponding to an EBIT margin of 9.9%. This is the fifth year in succession that FLSmidth reports an EBIT margin between 9 and 10%, which is unusual for a cyclical business - not least considering that this has been a period of considerable cyclical fluctuation.

The stable level of margins reflects the fact that FLSmidth has adopted a robust business model based on a flexible cost structure, which is characterised by a limited amount of long-term assets and low fixed costs. This model enables ongoing adjustment of resources and costs to the prevailing level of activity.

The profit for the year increased by 12% to DKK 1.5bn corresponding to earnings per share of DKK 27.1.

Cash flow developments and working capital

Cash flow from operating activities amounted to DKK 1.1bn, representing a slight decline on the year before due to increasing working capital and taxes paid.

Taxes paid amounted to a total of DKK 812m, which is markedly higher than the year before. This is due to the fact that intercompany sale of intellectual property rights to the Danish parent company triggered higher tax payments abroad.

Working capital amounted to DKK 1.6bn at the end of 2011. Working capital increased rapidly in Q4 2011 due to very high order execution activity and revenue, particularly in December. This entailed issuing a great number of invoices that were not due for payment in 2011.

In 2011, FLSmidth made considerable investments in both organic growth and acquisition of businesses and activities. Cash flow from investing activities was therefore DKK 1.6bn negative.

This amount includes DKK 733m worth of purchase and sale of tangible and intangible assets for the purpose of maintenance and expansive initiatives such as investments in a common global IT system and strategic steps to support growth in Customer Services.

There are current plans to invest in eight service supercentres, four of which, in Chile, Peru and Australia, are expected to become operational in 2012. A service supercentre includes workshop and training facilities plus a stock of critical spare parts. The overall purpose is to get closer to the customers and reduce the lead times for critical components.

Besides, investments are being made in the expansion of the production facilities in China and India to allow a higher degree of in-house manufacture of critical spare parts.

Acquisition and disposal of enterprises had a negative effect on cash flow amounting to DKK -915m. 2011 saw a total of five business acquisitions.

The enterprises acquired are ESSA, which specialises in design, manufacture and servicing of sampling equipment for the minerals industries; Darimec, a specialised gear producer based in Italy; US-based Phillips Kiln Services, which provides kiln services to the global cement and minerals industries; Knelson Group, a Canadian company that specialises in the recovery of precious metals; and finally Transweigh in India, a supplier of gravimetric feeding equipment.

For the part of 2011 they have been members of the Group, the five acquisitions together made a positive contribution to revenue to the tune of DKK 221m.

In 2012 we hope to make more acquisitions that will support our vision of being the customers' preferred full-service provider of sustainable mineral and cement technologies.

Among the companies of interest to FLSmidth and one for which it has submitted a bid is Ludowici, an Australian listed company that is the world's leading supplier of coal centrifuges, vibrating screens and complementary service activities. If the acquisition of Ludowici goes through, FLSmidth will be able to offer a complete range of coal processing products and will also be able to expand its portfolio in copper, iron ore and other markets. FLSmidth has offered 11 Australian dollars per Ludowici share, which corresponds to approximately DKK 2.3bn. The price is tantamount to approximately 13.9 x EBITDA. By comparison, we paid approximately 14.7 x EBITDA for GL&V in 2007.

Employees

The total workforce increased by 1,975 persons or 18% to an overall figure of 13,204 employees by the end of 2011. Companies acquired added a total of 813 persons, and operation and maintenance contracts led to new recruitment of 333 hourly-paid employees. Besides, Minerals has seen a general expansion of its workforce to be able to handle the growing order intake.

Regarding developments in the minerals and cement business, the Chairman reported as follows:

The market conditions for minerals equipment and services were favourable in 2011 despite great global macroeconomic uncertainty during the year. This is due to the fact that the minerals market continues to see good growth reflecting societal changes in the developing countries. The growing middle classes in the developing countries are boosting demand for infrastructure and consumer goods based on minerals and metals.

Moreover, minerals supplies are limited by several years of underinvestment in the mining industry whilst the decreasing ore quality of existing mines is putting supplies under pressure. Add to this fact that unexploited ore deposits are less accessible.

Mineral prices have generally kept at a high level despite fluctuations during the year, and capacity utilisation in existing mines remains very high. In FLSmidth's prioritised industries, 2011 saw particularly high activity in copper, gold and coal.

As previously mentioned, 2011 was by all means a record year for Minerals. The order intake totalled DKK 15.9bn and revenue amounted to DKK 12.4bn. The EBIT margin rose to 10.6%.

Demand for equipment and services in the cement industry was relatively weak in 2011 due to the hard-pressed economies in the western world, political unrest in North Africa and a temporary economic slowdown in India resulting from high growth rates that have led to rapid inflation, which in turn has caused higher interest rates and put a damper on investments. In North Africa, the Arab Spring created great uncertainty, which has temporarily curbed both the willingness to invest and the consumption of cement in this region. In the US and Europe, business has been flat due to the financial crisis and low growth.

On the other hand, a positive trend was seen in demand from particularly Russia, Central Africa and South America. The global market for new contracted cement kiln capacity exclusive of China totalled 46m tonnes per annum in 2011, with FLSmidth's market share amounting to 31%.

Both order intake, revenue and earnings showed a downward trend in 2011. The order intake totalled DKK 8.2bn and revenue amounted to DKK 8.4bn. The EBIT margin fell in step with declining revenue, but ended at the satisfactory level of 10.0%.

Due to the fact that lead times extend up to two years or even longer during the global financial crisis, it is only now that the low order intake in 2009 is beginning to be reflected in revenue.

Cembrit is the Group's only remaining building materials producer and is today Europe's largest dedicated provider of fibre cement products. Cembrit increased both revenue and earnings in 2011 despite market trends ranging from stagnation to slight decline. Cembrit posted revenue of DKK 1.5bn for 2011 and an EBIT margin of 4%.

Capital structure and dividend

FLSmidth traditionally holds a conservative approach to capital structure with the overall aim of keeping debt, gearing and financial risk relatively low.

This is due partly to the fact that the Group implements large projects on behalf of its customers, which requires a sound balance sheet and adequate solvency, partly to the fact that the Group receives considerable prepayments from customers that are included in the consolidated cash flow, but do not in real terms belong to the Group - as yet.

FLSmidth will continue in the future to adopt a conservative approach to capital structure, but the financial strength and stability, which the Group has shown during the financial crisis, gives greater freedom of action.

The future aim is to maintain an equity ratio in excess of 30% and to achieve a net debt position with gearing up to twice EBITDA.

The anticipated net debt at the end of 2011 was DKK 98m, which means that gearing was practically nil.

Management wishes to maintain capital resources to finance future expansion and to strengthen the Group's commercial position through acquisition and organic growth. The capital resources currently consist of committed credit facilities in the form of a DKK 5bn club deal with a weighted time to maturity of 4.3 years, and mortgage financing and other long-term committed facilities amounting to additional DKK 1.2bn.

It is FLSmidth's policy to pay out 30-50% of the year's profit in dividend depending on the capital structure and investment opportunities.

The Chairman mentioned that the Board of Directors proposes at the Annual General Meeting that a dividend of DKK 9 per share corresponding to 33% of the year's profit be distributed for 2011.

New Group strategy

In connection with the presentation of the 2011 annual report, FLSmidth launched a new Group strategy that reflects ongoing evolution and a natural continuation of the development, which the Group has undergone over the last decade.

FLSmidth has developed from a diversified conglomerate into a specialised and focused business group supported by two equally strong business segments: Cement and Minerals.

It is expected that future growth will primarily take place in Minerals, and the new Group strategy is therefore designed to exploit this growth potential.

Focused full-service provider

It is FLSmidth's new strategy to differentiate itself as a focused full-service provider to six selected industries within cement and minerals.

Basically, we shall focus on six industries: coal, iron ore, fertilizer minerals, copper, gold and cement. We have selected these particular industries on the basis of a thorough analysis of our existing core competencies and market position combined with the growth and market potential of these industries.

Within these six industries we shall provide full-service solutions that include all core technologies. We will be capable of supplying fully furnished complete solutions including service, operation and maintenance.

Sale of products and machinery will no longer be regarded as the end, but rather the means by which we provide full-service solutions to our customers.

As we work towards our goal, we are focusing on three different strategic themes: customer intimacy, product leadership and operational excellence. Our particular focus is on customer intimacy, but there needs to be a balance and interconnection between all three themes.

We will align our solutions with our customers' needs and continue to extend our scope, flowsheet and geographical footprint to achieve annual growth rates above the market average.

Moreover, it is our objective to deliver an EBITA margin between 10 and 13%.

New Group structure

To implement the strategy we have chosen to change the Group structure and shall in future have four primary divisions. "Customer Services" is to be separated from Cement and Minerals as an independent division. Besides, Minerals is being split into two divisions: Bulk Materials that supplies equipment for handling materials in large quantities such as coal and iron ore; and Non-Ferrous that comprises process equipment for the extraction of non-ferrous minerals such as copper, gold or other base and precious metals.

Management is convinced that by splitting up into four divisions each with its own customer segment and market dynamics it will be possible to provide full management attention and exploit the growth potential in each of the divisions.

Composition of the Management

As a consequence of the new Group structure, as from 1 March the Group Executive Management has been enlarged to comprise six persons. The Board of Directors has deliberately chosen to extend the Group Executive Management to release leadership potential in the Group and create ownership and focus in the Group Executive Management in accordance with the new Group structure and strategy.

Jørgen Huno Rasmussen continues as Group Chief Executive Officer.

Poul Erik Tofte has been Group Chief Financial Officer of FLSmidth for more than nine years - but as announced in early January - Poul Erik has decided to resign to pursue a board career, and he shall therefore retire from his position today, having carefully followed through on the Annual Report and the Annual General Meeting. On behalf of the Board, the Chairman thanked Mr Poul Erik Tofte for his great efforts and wished him all the best in his future career.

The Board has appointed Ben Guren new Group CFO, and he will take up the position on 10 April. Ben Guren is Norwegian and 51 years old. He is a state-authorized public accountant and brings with him great professional and practical experience from previous CFO positions and from the accounting profession.

Bjarne Moltke Hansen will be responsible for the Customer Services Division and will continue to be based in Chennai, India.

Peter Flanagan has been appointed head of the Non-Ferrous Division and member of the Group Executive Management. Peter Flanagan is American, 46 years old and based in Salt Lake City, USA. Peter Flanagan is among the few who have experienced being acquired by FLSmidth twice. The first time was in 1990 when we acquired our largest cement competitor, Fuller Company in the US, and the second time was when we acquired GL&V Process in 2007.

Per Mejnert Kristensen has been appointed head of the Cement Division. Per Mejnert is 44 years old and has been with the FLSmidth Group since 1992. Among other assignments, Per Mejnert Kristensen has been posted to Thailand and China and was most recently in charge of the largest cement projects division.

It was planned that Christian Jepsen would take on the job as head of the Bulk Materials division. However, Christian announced a couple of weeks ago that he had received an offer he could not refuse from Alcoa, one of our major minerals customers. Christian has been with the FLSmidth Group for 22 years, and over the last seven years he has spearheaded the successful expansion of the Minerals business. We deeply regret Christian's decision, but are pleased that he will remain on board for another couple of months and in that way help to launch the new Group structure.

Carsten R. Lund will be appointed new Group Executive Vice President in FLSmidth & Co. A/S and member of the Group Executive Management when Christian Jepsen resigns in July 2012. Carsten Lund will become head of the new Bulk Materials division and will therefore relocate from the head office in Denmark to the global technology centre for material handling in Wadgassen, Germany. Carsten Lund is 49 years old and has held various managerial positions in the FLSmidth Group over the past 24 years. Most recently Carsten has been Program Director in charge of implementing a comprehensive IT-based business system for the entire FLSmidth Group. Prior to that he held overall managerial responsibility for FLSmidth's air pollution control business (APC).

Board agenda for 2011

The Board agenda for 2011 shows that six Board meetings were held whose main focus was on Group strategy, product strategy, business acquisitions, management evaluation and general governance and compliance matters.

Diversity

In its updated recommendations of August 2011 the Committee for Corporate Governance focused on greater diversity in Danish Boards of Directors.

The Board of Directors of FLSmidth continuously evaluates the diversity of the Board and the Executive Management as well as among managers and employees, and in connection with recommendations and

appointments it deliberately takes diversity into account in the overall evaluation of the profiles and qualifications of potential candidates.

One aspect of diversity is the gender distribution in the Board, the Executive Management and at other managerial levels.

By end December 2011, women accounted for 16% of the total workforce in the FLSmidth Group, whilst only 8% of all managers were female. The aim is that the number of female managers should in the long term to a higher degree reflect the proportion of women among all employees. The Board has defined a short-term goal of the number of female managers accounting for at least 10% in 2014 and that when filling vacant managerial positions in future a female candidate must be among those in the final run-up.

Remuneration of the Executive Management

The total remuneration of the Executive Management consists of the following components:

- a gross salary consisting of a fixed salary including pension
- customary benefits such as car, telephone and newspaper
- cash bonus amounting up to 40% of the gross salary as against previously 30%, to be consistent with market conditions
- and share options whose value at the time of allocation shall not exceed 25% of the gross salary

The purpose of the variable salary components is to ensure value creation and compliance with the company's short- and long-term goals.

Total remuneration of the Group Executive Management amounted to DKK 25m in 2011 as against DKK 23m in 2010. This includes remuneration of the Group CEO at DKK 9m, which is unchanged compared to 2010.

Outlook for 2012

The prospects for 2012 are unchanged since the announcements made on 21 February this year. The guidance for consolidated revenue remains at DKK 24-26bn and for EBIT margin at 9-10%.

Order intake and revenue are expected to remain stable and increase in all divisions, but operating margin is expected to decline in Cement and Non-Ferrous, which in the previous years have benefitted from the favourable terms and successful execution of orders received before the onset of the global financial crisis.

FLSmidth has a solid financial base, a sustainable business model, competent employees and a strong market position in global growth industries.

The Chairman therefore firmly convinced that FLSmidth is well placed to make the most of its considerable growth potential over the coming years.

The Chairman then expressed special thanks to the two Board members who were not running for reelection. Jesper Ovesen is unfortunately unable to attend this meeting, but he deserves great thanks for his dedicated efforts during the past seven years. Jens Stephensen has been deeply involved and committed to the FLSmidth Group for a generation - both through his ties with the families behind FLSmidth and through his many years of service as Vice Chairman of the Board and as interim CEO of FLS miljø.

Finally, the Chairman thanked the Executive Management and the Board of Directors for their strong cooperation and acknowledged the great efforts made by the Group's 13,000 employees at home and abroad in 2011.

Klaus Søgaard announced that so far four persons had asked permission to speak to comment the first two items on the agenda. These were Claus Østergaard, chairman of the Staff Association, Claus Wiinblad of ATP (national pension fund), Per Juul of Dansk Aktionærforening (association of Danish shareholders) and Jesper Langmack of PFA (pension insurance company). They were given the floor.

Claus Østergaard of the Staff Association introduced himself as the new chairman of FLSmidth's Danish employee union, who had been elected less than three weeks earlier when Jens Palle Andersen, after eight years in office, had decided to let others take over the helm. Claus Østergaard explained that the Staff Association represents all FLSmidth employees who receive their salary in Denmark and noted that the fact that all groups of employees are represented by the same association creates a strong position in addressing the challenges facing Danish employees in an increasingly global business group.

Claus Østergaard emphasised the positive aspect of FLSmidth always having considered the Association's activities as part of the active members' working hours. He added that Management's openness and willingness to listen and discuss issues that concern the individual employees is essential for the company. Claus Østergaard noted that he was committed to and confident of this relationship being retained.

Claus Østergaard then went on to comment on the staff reductions over the past year and pointed out a new trend in dismissals, which he characterised as "the business has developed - but you have failed to develop accordingly". Claus Østergaard asked the Board whether the company had made the persons affected aware of the fact they needed to develop and whether it had enabled them to do so.

Claus Østergaard explained that one of his aims as chairman of the Staff Association was to make a significant impact on FLSmidth in terms of retaining and attracting employees with the necessary competencies, for example by actively launching initiatives and talks, which, having matured, could be useful in addressing issues together with Management in areas that both parties consider challenging.

Claus Østergaard took the opportunity to commend the comprehensive and serious preparation of the new strategy by the Board and the Executive Management and emphasised their efforts to communicate the strategy. Claus Østergaard finally expressed thanks on behalf of the Staff Association to Board Vice Chairman Jens S. Stephensen for his many years of service and noted that his retirement means that the descendants of the original founders have now relinquished their last seat on the Board.

Claus Østergaard then wished the Board a successful continuation of the general meeting and, on behalf of the employees, expressed hopes for continued growth and success for FLSmidth.

Claus Wiinblad of ATP initially thanked the Chairman for his review and congratulated the company on its fine results. Claus Wiinblad especially mentioned Minerals, which had produced good results and boosted its order intake. Claus Wiinblad then positively commented the new corporate structure and the new ambitious financial targets. He also noted that the company has successfully weathered the financial crisis. Claus Wiinblad stated that the company has achieved a strong platform based, inter alia, on successful acquisitions, notably GL&V, and also expressed the hope that the possible future acquisition of Ludowici might contribute to strengthening the company's strategic basis, even though some of the communicative interference in connection with the transaction might have been dispensed with.

The new structure was also commented and was viewed positively as a means of showing more clearly where value creation in the business takes place. Claus Wiinblad closed his speech by pointing at the potential for a very attractive return on shareholders' investments provided the company in the coming years leverages its strong position and fulfils its financial targets. Claus Wiinblad wished the Board, Management and employees all the best in their future efforts.

Per Juul of Dansk Aktionærforening initially congratulated the company on its results for 2011, which were better than 2010 and then went on to comment the company's new strategy and the new Group structure. Referring to the new structure, Per Juul particularly emphasised the positive aspects of Service being separated to form an independent unit, reflecting the fact that FLSmidth is increasingly regarding itself as a service provider and that Service tends to generate a high contribution margin.

Per Juul then questioned whether the Board might be too early in celebrating the size of bonus payments, referring to the annual report and the new guidelines for incentive pay proposed in the agenda of the general meeting whereby the maximum bonus was to be changed from 30% to 40% of the employee's annual salary.

Per Juul commented on the possible acquisition of Ludowici and mentioned that the price per share before bidding for the company was considerably below the price now being offered for the company. Per Juul asked the Board whether future annual reports will clearly show the company's contribution to the bottom line, provided the acquisition goes through.

Speaking on behalf of PFA Jesper Langmack of PFA kapitalforvaltning commended the fine results for 2011. He noted that since Jørgen Huno Rasmussen joined the company as CEO in 2004, it had undergone a successful turnaround and that dedicated efforts have been made to set the company on the right track, focusing on the cement and, increasingly, on the mining industry. The company has generated a high return on investment compared to the market thanks to high focus on shareholder value. He then mentioned the new structure, which will add greater transparency to value creation in the company. Jesper Langmack finally added that he believes in continued prosperity in the company and thanked Management for the fine results.

Klaus Søgaard gave the floor to the Chairman, Mr Vagn Sørensen, to answer the four first speakers:

As to Per Juul's question regarding bonus, Vagn Sørensen mentioned that the change proposed in the agenda is an adjustment to general market practice, which is necessary to ensure a competitive level of remuneration compared to company peers and other similar enterprises.

Regarding the offer for Ludowici, Jørgen Huno Rasmussen mentioned that certain legal formalities still do not allow going into further detail regarding the planned acquisition, but he did point out, though, that the Group is very interested in acquiring Ludowici as this will represent a strategic leap forward and

compared it with the acquisition of GL&V in 2007, which gave the Group a strong platform in the copper industry. The acquisition of Ludowici will give FLSmidth a similarly strong position in coal, and he mentioned that the multiple which the bid represents is lower than the multiple paid by FLSmidth for GL&V, this being one of the best transactions ever made.

Jørgen Huno Rasmussen explained that Ludowici's contribution to earnings will not be directly transparent from the financial statements, provided the acquisition is implemented as planned, but that the enterprise is a very good match for FLSmidth's business and that Ludowici is strongly positioned in Australia, which is a very important mining country. Synergies will emerge in many parts of the business and will therefore also be reflected in the financial statements. Jørgen Huno Rasmussen concluded that further details regarding the transaction will be given and that Management is just now very optimistic about the prospect of acquiring Ludowici.

Klaus Søgaard asked whether there were further questions or comments regarding the first two items on the agenda.

Mr Kjeld Beyer then made a speech in which he congratulated the Board and Management on the very satisfactory results. Kjeld Beyer mentioned that he had contacted a number of companies in order to obtain further details regarding their financial statements and that FLSmidth was the company that had provided the best response. Kjeld Beyer commented the share options granted to employees and asked about the price of these shares. Kjeld Beyer was generally in favour of higher transparency in this regard. He offered positive comments on the company's website and wished the Board and Management well in their future work.

Ms Nicole Andersen of Best Women, a shareholder interest group, explained that the organisation's objective is a higher proportion of women on company boards and she mentioned that it has bought shares in a number of C20 companies. Nicole Andersen congratulated the Board, the Management and the employees on the financial results for 2011. Nicole Andersen stated that there are not enough women on Danish boards, despite the nomination of Caroline Grégoire Sainte Marie for Board membership. Nicole Andersen doubted that a global company can only find one suitable woman candidate and pointed out that this was not a fight for women's rights, but a matter of good corporate governance. The speaker encouraged Management to make a dedicated effort to increase the number of women on the Board and positively referred to the company's objective of raising the proportion of female managers in FLSmidth from 8% in 2011 to 10% in 2014. The speaker also asked whether FLSmidth has any plans for setting a target for higher female representation as part of its corporate governance effort. Nicole Andersen thanked the chairman of the meeting and promised to be present at next year's annual general meeting.

In reply to Kjeld Beyer's question regarding share options, Poul Erik Tofte mentioned that there is no information available regarding the average exercise price for the persons involved, nor is there any tradition of releasing such information.

Vagn Sørensen answered Nicole Andersen's speech and mentioned that the aim is to achieve higher diversity, which includes more women on the Board. He added that since one woman is being nominated for Board membership and there is already one woman on the Board there may soon be two female Board members. Vagn Sørensen stated that FLSmidth will focus its efforts on widening the scope of recruitment and increasing the number of female managers in the short and medium term. This will eventually lead to a higher proportion of women on the Board.

Klaus Søgaard then asked whether any other shareholders wished to comment the first two items on the agenda.

This prompted a speech by Ms Ida Holst, which commented the discussion of greater female representation on the Board. She emphasised that the question is not about women, but about competencies. A number of comments were then made regarding the number of Board seats and other executive positions one person can hold within the given limitations of time. Ida Holst specifically mentioned that the Board Chairman, Mr Vagn Sørensen, is both CEO and holds more than 10 Board posts. Ms Holst noted that it should not be possible to hold more than five Board posts whilst at the same time being CEO of another company.

Vagn Sørensen commented Ms Holst's speech and corrected her mistaken assumption of his holding a CEO post in addition to this Board membership positions.

Gorm Bjerring Sørensen made a short comment regarding female Board members and stated that he shared Ms Ida Holst's views.

As there were no further comments, the chairman of the meeting stated that the general meeting had adopted the review.

Approval of the 2011 Annual Report

The Board Chairman, Mr Vagn Sørensen, reviewed the main points of the annual report, see above. There were no further comments or questions regarding the annual report. The chairman of the meeting then concluded that the annual report had been adopted.

Approval of the Board of Directors' fees for:

A. 2011

B. 2012

The chairman of the meeting explained that the Board recommended that in compliance with good corporate governance the approval of Board of Directors fees should in future take place for the current year instead of being approved the following year with the annual report. This means that in 2012 remuneration for both 2011 and 2012 is to be approved.

Re A

The Board recommended that DKK 5m be paid out in remuneration of the Board for 2011. Reference was made to page 126, note 43 in the annual report.

There were no questions or comments. The chairman of the meeting then concluded that the proposal had been adopted.

Re B

The Board of Directors proposed unchanged fees for 2012, and the total remuneration of the Board members for 2012 is therefore expected to amount to DKK 5.3m.

There were no questions or comments. The chairman of the meeting then concluded that the proposal had been adopted.

Distribution of profits in accordance with the approved Annual Report

The chairman of the meeting explained that the Board of Directors moved that a dividend of DKK 9 per share be paid out to the shareholders for the 2011 financial year, equal to a total amount of dividend of DKK 479m for 2010 or 33% of the profit for the year.

There were no questions or comments. The chairman of the meeting then concluded that the proposal had been adopted.

Election of members to the Board of Directors

The chairman of the meeting mentioned that the current rules for election of Board members are stated in article 11 of the articles of association. It appears from this article that the Board shall consist of at least five and not more than eight members elected by the general meeting for one year at a time. It was stated that two members of the Board, Mr Jens S. Stephensen and Mr Jesper Ovesen, will retire.

The Board moved that Mr Vagn Sørensen, Mr Torkil Bentzen, Mr Martin Ivert and Mr Sten Jakobsson be reelected.

The Board moved that Mr Tom Knutzen and Ms Caroline Grégoire Sainte Marie be elected new members of the Board. The Board Chairman explained the reasons for the nomination. He explained the nomination of Mr Tom Knutzen by referring to his extensive financial competencies that will be needed after Jesper Ovesen has left the Board. Ms Caroline Grégoire Sainte Marie has wide experience from the cement industry and her profile therefore excellently matches the Board after Jens S. Stephensen's retirement.

Mr Kjeld Turman made a comment regarding Tom Knutzen's handling of the sale of Danisco and asked for a poll to be taken regarding the election of Board members, whilst noting that he well realised that it would not be possible to muster a majority against Tom Knutzen.

Kjeld Beyer agreed with Kjeld Turman and expressed lack of confidence in Tom Knutzen, asking him to withdraw his candidacy.

There were no further questions or comments. An electronic poll was taken by means of the e-voter system, preceded by a short introduction film.

The results of the poll were that Vagn Sørensen received 207,415,480 votes, Torkil Bentzen 207,452,140 votes, Martin Ivert 207,342,560 votes, Sten Jakobsson 207,428,360 votes, Tom Knutzen 205,461,640 votes and Caroline Grégoire Sainte Marie 207,424,720 votes, and all candidates were therefore elected to the Board of Directors.

Appointment of auditor

The chairman of the meeting explained that pursuant to article 16 of the articles of association the Board moved that Deloitte Statsautoriseret Revisionspartnerselskab be reappointed.

There were no other proposals, after which the chairman of the meeting concluded that Deloitte had been appointed the company's auditor.

Other business proposed by the Board of Directors

The chairman of the meeting explained that the Board of Directors this year had submitted five proposals for approval at the general meeting.

Treasury shares

The chairman of the meeting explained that the Board of Directors proposed that it be authorised, until the next Annual General Meeting, to let the Company acquire treasury shares up to a total nominal value of 10 per cent of the Company's share capital pursuant to Section 12 of the Danish Public Companies Act. The consideration for the shares acquired shall deviate not more than 10 per cent from the official price quoted on NASDAQ OMX Copenhagen A/S at the time of acquisition.

Kjeld Beyer asked whether the treasury shares entitle the company to vote. The chairman of the meeting answered that the law does not allow the company to vote on the basis of treasury shares.

There were no further questions or comments. The chairman of the meeting then concluded that the proposal had been adopted.

Authorisation to increase share capital

The chairman of the meeting explained that the Board of Directors moved that the Annual General Meeting authorise the Board to increase the share capital by DKK 100,000,000 nominal value during the period until and including 1 March 2017. The authorisation shall be included in the Articles of Association as a new Article 4a with the following wording:

"Subarticle 1. The Board of Directors is authorised to increase the share capital by issuing new shares in one or more tranches at a total nominal value of DKK 100,000,000 with pre-emption rights for the company's existing shareholders subject, however, to subarticle 3. The authorisation shall apply to the period until and including 1 March 2017.

Subarticle 2. The Board of Directors is authorised to increase the share capital by issuing new shares in one or more tranches at a total nominal value of DKK 100,000,000 without pre-emption rights for the company's existing shareholders subject, however, to subarticle 3. The increase may take place without pre-emption rights for the company's existing shareholders provided the said increase takes place at market price or as consideration for the company's acquisition of an existing enterprise or certain capital assets at a value commensurate with the value of the shares issued. The authorisation shall apply to the period until and including 1 March 2017.

Subarticle 3. The authorisation of the Board pursuant to subarticles 1 and 2 applies to a total issue of new shares at an aggregate nominal value not exceeding DKK 100,000,000. The increase of the share capital may take place by payment in cash or by other method.

Subarticle 4. In the case of share capital increase pursuant to Article 4a, subarticles 1 and 2, the new shares shall be issued to bearer but may be entered in the company's register of shareholders. The shares shall be negotiable and shall in all other respects bear the same rights as the existing shares, for example in terms of redeemability and restrictions on negotiability. The new shares shall entitle the holder to dividend from the time decided by the Board of Directors, however, not later than as from the financial year following the increase of capital. The Board of Directors shall decide the terms and conditions for the increase of share capital that is issued and implemented in accordance with the authorisation given in Article 4a, subarticles 1 and 2."

There were no questions or comments. The chairman of the meeting then concluded that the proposal had been adopted.

Consequential amendment

The chairman of the meeting explained that the Board of Directors moved that Article 5, subarticle 3, 1 of the articles of association be amended so that "Danish Commerce and Companies Agency" is changed to "Danish Business Authority" due to the integration effective 1 January 2012 of the Danish Commerce and Companies Agency, the Danish Enterprise and Construction Authority and parts of the former National IT and Telecom Agency into a new authority named the Danish Business Authority. Hence the wording of Article 5, subarticle 3, 1. shall be as follows:

"General Meetings shall be called via the Company website, www.flsmidth.com, and the IT system of the Danish Business Authority."

There were no questions or comments. The chairman of the meeting then concluded that the proposal had been adopted.

Languages

The chairman of the meeting explained that the Board of Directors moved that Article 5, subarticle 7 of the articles of association be amended so that pursuant to Section 100, subsection 3 of the Danish Companies Act future general meetings may be held in Danish or English according to the Board's decision and that pursuant to Section 100, subsection 7 of the Danish Companies Act documents prepared for the purpose of the general meeting either in connection with or after the general meeting may be prepared in Danish or English according to the Board's decision. Hence the wording of Article 5, subarticle 7 shall be as follows:

"Unless otherwise decided by the general meeting pursuant to Section 100, subsections 2 - 8 of the Danish Companies Act, the general meetings of the company shall be conducted in Danish or English as decided by the Board of Directors. Documents prepared for the purpose of the general meeting to be used in connection with or after the general meeting shall be prepared in Danish or English as decided by the Board."

Kjeld Beyer noted in connection with the proposal that it is important to protect the Danish language.

Vagn Sørensen replied that it is merely a question of reserving the option of holding general meetings in English and that no specific plans exist for holding general meetings in English.

There were no further questions or comments. The chairman of the meeting then concluded that the proposal had been adopted.

Guidelines for incentive pay

The chairman explained that the Board of Directors moved that these guidelines be updated to ensure a remuneration level in conformity with the market, so that the cash bonus may be up to 40% of the gross salary of the person concerned for the year in question. The maximum limit on the cash bonus has until now been 30%. The changed guidelines for incentive pay appear from the following:

In paragraph 4 of the guidelines "30%" shall be changed to "40%". Accordingly, members of the Executive Management will be able to receive a cash bonus of up to 40% of their gross salary. In addition, certain parts of the text will be edited to reflect, inter alia, the coming into force of the Danish Companies Act, the change of name of the Danish Commerce and Companies Agency and the date of adoption at the general meeting. The updated guidelines for incentive pay appear from the attached appendix to the notice of the meeting and from the company website www.FLSmidth.com/agm.

There were no questions or comments. The chairman of the meeting then concluded that the proposal had been adopted.

Any other business

There were no questions or comments under this item.

There was no other business to be transacted.

Finally, Torkil Bentzen held a speech in which he thanked Jens S. Stephensen on behalf of the Board for his contribution to FLSmidth over a great number of years, which included ten years as Vice Chairman of the Board.

Jens S. Stephensen expressed his thanks for the kind words, and the Board Chairman, Mr Vagn Sørensen, thanked the general meeting for their attendance and thanked the chairman of the meeting for his competent management of proceedings.

The general meeting was closed.

Chairman of the meeting:

Klaus Søgaard