

Minutes of Annual General Meeting 2013

TRANSLATION

On 5 April 2013, at 4:00 pm, FLSmidth & Co. A/S, CVR no. 58180912, held its Annual General Meeting at Radisson Blu Falconer Hotel & Conference Center, Falkoner Allé 9, DK-2000 Frederiksberg, Denmark.

The meeting had the following agenda:

1. Management's review of the company's activities in 2012
2. Approval of the 2012 Annual Report
3. Approval of the Board of Directors fees:
 - a. Final approval of fees for 2012
 - b. Preliminary determination of fees for 2013
4. Distribution of profits or covering of losses in accordance with the approved Annual Report
5. Election of members to the Board of Directors
6. Appointment of auditor
7. Other business proposed by the Board of Directors
 - 7.1. Treasury shares
 - 7.2. Revision of the Board of Directors' authorisation to increase the company's share capital
8. Any other business

At the General Meeting, a nominal amount of DKK 251,547,220, corresponding to 24.25% of the company's total share capital after adjustment for treasury shares, was represented. The capital represented constituted 251,547,220 votes corresponding to 24.25% of the total number of votes excluding the number of votes conferred on treasury shares.

A total of 1,093 admission cards had been issued of which 570 attended the General Meeting. Shareholders with voting rights constituted 389 of the total number of attendees. A total of 237 shareholders had granted proxy to the Board of Directors, 145 had filled in the proxy form, and 33 had voted by letter.

Vagn Sørensen, Chairman of the Board of Directors, welcomed the meeting. The Chairman informed the meeting that the Board of Directors had appointed Klaus

Søgaard, attorney, as Chair of the meeting in accordance with Article 7 of the company's Articles of Association.

The Chair outlined the provisions of the act and the company's Articles of Association governing notice of annual general meetings and declared that the General Meeting had been lawfully convened and formed a quorum.

The Chair described the requirements for adoption of the proposals listed on the agenda.

The Chair informed the meeting that items 1-4 of the agenda would be considered as one item.

Re 1-4: The Management's review of the company's activities in 2012; approval of the 2012 Annual Report; approval of the Board of Directors' fees; and distribution of profits and covering of losses in accordance with the approved Annual Report

Vagn Sørensen presented the following review:

"In 2012 FLSmidth launched a new growth strategy. As part of the strategy the service activities were separated from cement and minerals and consolidated within the Customer Services division to sharpen management focus and pave the way for continued growth within this significant business segment. Besides, three project divisions were formed; a Cement division and two new divisions - Material Handling and Mineral Processing based on the former Minerals business unit.

The key element of the strategy is to develop FLSmidth into a full service provider offering complete product and service solutions to customers within six key industries: copper, gold, coal, iron ore, fertilizers and cement. Our aim is to be able to supply full service solutions comprising all significant core technologies, services and operation and maintenance within these six industries.

Over the past decades, FLSmidth has built such a unique position in cement and our aim is to attain similar strength in the other key industries. As a result of several acquisitions over the past few years, FLSmidth is today capable of providing complete flowsheets for processing of copper, gold and coal. The challenge is now to leverage this platform for growth and demonstrate to customers the value-creating potential of the One Source business model.

Since the launch of the strategy in early 2012, the strategy process has moved from development to deployment. In 2012, FLSmidth acquired a number of companies and activities that have contributed to strengthening FLSmidth's geographical and technological footprint. These include the acquisition of Ludowici in Australia as a result of which FLSmidth is now capable of providing a complete coal preparation flowsheet. Ludowici is the world's leading provider of coal centrifuges, vibrating screens and complementary wear resistant products and services to the minerals industries. The acquisition of Ludowici also significantly expands FLSmidth's presence in the Australian mining industry. Furthermore, the acquisition supports FLSmidth's

aspiration to expand its Customer Services offering as approximately 60% of Ludowici's revenue is related to service activities, spare parts and wear parts.

Other acquisitions in 2012 include Decanter Machine in the USA, a supplier of centrifuges for processing of coal and fertilizers; MIE Enterprises and Mayer Bulk, two Australian providers of mining services and German-based Teutrine, a provider of service and maintenance to cement producers in Europe and the Middle East. In 2012, FLSmidth also achieved authority approval of its first acquisition in China. Together with a minority shareholder, FLSmidth has formed a company, SEPEC, to market and sell air pollution control products to the cement industry in China.

Acquisitions will slow down in the coming period to enable focus on consolidation and integration. 2013 will thus concentrate on extraction of synergies from acquisitions, on integration of employees, products and systems and on obtaining the leverage accessible by a larger global organisation. In addition, there will be significantly greater focus on profit and capital efficiency.

In addition to acquisitions the last couple of years have seen considerable investments in organic expansion of the Group's facilities and competencies. One example of these investments are the state-of-the-art facilities in Salt Lake City, USA that combine all mineral processing competencies under one roof - including an ore characterisation and mineral processing laboratory. This set-up gives us a unique position as One Source supplier to the minerals industry.

To enhance customer intimacy, a proactive effort is being made to create close and long-term relationships with clients. As part of the strategy of getting closer to customers, 2012 saw the inauguration of the first three of eight planned service centres - called Supercenters. The centres are being built in regions where FLSmidth has significant mining and cement operations. The centres allow for proximity to customers for timely parts delivery, rebuild and repair capabilities in addition to training and laboratory services for clients. The planned Supercenters are being built in USA, Australia, Peru, Chile, Mongolia and South Africa. The fourth Supercenter, located in Antofagasta in Chile, was inaugurated last month by the Danish Crown Prince and Princess during their official visit to Chile.

Implementation of a group strategy is a dynamic process that needs to be continuously adapted to the changing market conditions. In connection with Thomas Schulz commencing as Group CEO on 1 May 2013, FLSmidth's group strategy will undergo a review. The overall principles will remain unchanged, but there will probably - and quite naturally - be some adjustments.

After a successful restructuring process in the mid 00s, over the past six to seven years, FLSmidth has focused on growth creation and stable earnings. During that period annual growth has averaged 14% and earnings from operating activities - the so-called EBITA margin - has been between 10 and 12%. This is a remarkable achievement in a period when the world economy suffered its greatest crisis in 75 years.

In addition to cement, copper has grown to become one of FLSmidth's most important industries, which is no coincidence. This is due to the acquisition of GL&V Process in 2007, which gave FLSmidth access to the full copper processing flowsheet and enabled it to supply complete copper process plants. Gold is becoming an increasingly significant industry, with FLSmidth, via the acquisition of Canadian-based Knelson in 2011, becoming the sole provider of the entire gold processing flowsheet.

Coal offers vast potential for growth - being the world's largest single commodity - equal in size to all other commodities combined in terms of the volumes being processed and handled. The acquisitions of Ludowici and Decanter in 2012 have completed FLSmidth's coal processing product range and allow FLSmidth to leverage its position as the world's sole provider of One Source coal processing and handling solutions based on proprietary equipment.

Moreover, long-term operation and/or maintenance contracts continue to offer significant growth potential on a global scale in all six focus industries. Right now, operation and maintenance contracts are primarily being offered to customers within the cement and copper industries. 2012 marked a significant breakthrough in cement in that we were awarded a contract to operate and maintain a cement plant that was originally designed and built by a competing company.

The Group's order intake increased 15% to DKK 27,727m, primarily as a result of favourable market developments in Customer Services and Mineral Processing. The order intake in 2012 included on average a higher gross margin than the order intake in 2011, which is expected to have a beneficial impact on earnings in 2014 and 2015.

The order backlog increased 9% to DKK 29,451m and will be executed over a period of up to seven years. 56% of the order backlog is expected to be converted to revenue in 2013. Long-term operation and maintenance contracts accounted for 17% or DKK 5.1bn of the order backlog at the end of 2012.

Revenue increased 21% to DKK 24,849m, primarily as a result of Customer Services and Mineral Processing that saw revenue growth of 35% and 41%, respectively. It is estimated that the underlying organic growth amounted to 15% in 2012 - adjusted for acquisitions and currency effects.

Total service activities accounted for 37% of revenue in 2012. In addition to the Customer Services division, total service activities consist of service business embedded in product companies in the three other divisions.

Group EBITA margins have been stable around 10-12% for six consecutive years despite margins being hampered by one-off costs related to acquisitions and execution problems in Material Handling in 2012. The EBITA result increased 7% to DKK 2,502m corresponding to an EBITA margin of 10.1%. The result reflects dissimilar trends in the four divisions.

Margin developments in the Cement division were extremely favourable in 2012 due to better than expected order execution and reversal of contingencies and provisions

in connection with the finalisation of projects awarded in pre-crisis years. Consequently, the EBITA margin in the Cement division increased to 17.8%, an exceptionally high level.

The margin in the Material Handling division, on the other hand, is under severe pressure due to internal execution problems. Material Handling is the youngest and least integrated business area in FLSmidth, originating from a number of acquired product companies in Germany, South Africa and USA, combined with a minor legacy business in FLSmidth.

In the continued process of integrating and optimising the organisation into a combined business unit, the organisation has lacked adequate project execution skills and the necessary knowhow to handle a sharply increasing business volume. Under the new division management, a number of initiatives have been taken to transfer project management knowhow and best practices from other divisions.

The above-mentioned issues had a negative impact on the profitability of Material Handling amounting to DKK 450m in 2012. We are convinced that the initiatives taken in 2012 to rectify the situation were suitable and appropriate, and we expect to see gradual improvement of the results in Material Handling over the next 12-18 months.

The EBITA margin in the Material Handling division fell to -3.7% in 2012 due to the above-mentioned issues. The EBITA margin in the Customer Services division decreased to 13.1% in 2012, primarily due to earnings being negatively impacted by non-recurring costs in connection with business acquisitions and strategic initiatives. The EBITA margin in the Mineral Processing division decreased to 10.5% in 2012, reflecting partly non-recurring costs and partly the execution of a higher proportion of orders accepted during the financial crisis at lower margins.

FLSmidth's overall EBIT result fell 6% in 2012 to 1,988m, representing an EBIT margin of 8.0%. The EBIT result negatively reflects a one-off impairment loss of DKK 188m related to a development project in a ground-breaking new technology, in which important milestones were met and patents taken out. The commercial tests, however, failed to show acceptable results.

Sales, distribution and administrative costs, etc. amounted to DKK 3,319m in 2012, which represents a 13.4% cost percentage of revenue and a 22% increase on 2011, equivalent to the increase in revenue.

Although most of the increase in sales, distribution and administrative costs can be explained by acquisitions, foreign exchange effects and non-recurring costs, management considers the underlying cost base to have become too high as the organisation has been preparing for growth.

As a consequence, a cost efficiency programme was initiated in the autumn of 2012, which includes a global cost freeze, increased use of shared services and integration of acquired entities and extraction of synergies.

The tax for the year amounted to DKK 653m corresponding to an effective tax rate of 34%, which is slightly higher than expected due to the geographical distribution of the Group's earnings.

The profit for the year decreased 9% to DKK 1,303m, and the earnings per share amounted to DKK 25.1, which is a 7% decrease on the year before.

While FLSmidth has been efficient in delivering both growth and profitability over the past five to six years, capital efficiency has been under pressure due to acquisitions and increasing working capital. Large investments have been made in both organic growth and business acquisitions, and capital employed has therefore increased considerably. As a consequence, the return on capital employed has fallen. Both the Board of Directors and the Executive Management are deeply focused on the current effort to increase capital efficiency to ensure a satisfactory and higher return on capital employed.

Return on capital employed, also called ROCE, is therefore now being introduced as a long-term financial target. Capital employed represents the capital investment made by FLSmidth to conduct its business. Average capital employed increased 28% in 2012 to DKK 13.4bn at the end of the year from DKK 10.4bn in 2011 as a result of acquisitions.

The return on capital employed measures the efficiency and profitability of FLSmidth's capital investments. The return on capital employed fell from 44% in 2007 to 19% in 2012 despite a stable level of profits. Capacity costs and working capital are two of the parameters inherent in the return on capital employed that are easiest to control in the short term, and 2012 saw initiatives across the Group to reduce both costs and capital employed. Average capital employed will increase in 2013 due to the full year effect of acquisitions made in 2012.

Cash flow from the Group's operating activities amounted to DKK 1,720m in 2012, ending the year on a very strong note with most of the cash flow being generated in the fourth quarter due to reduction of the working capital by means of increased prepayments and collection of receivables.

Accordingly, the Group's total working capital at the end of 2012 amounted to DKK 1,629m corresponding to 6.6% of revenue. Working capital increased considerably in both 2011 and 2012 as a result of acquisitions and a changed business mix with increasing activity in services and minerals. As such, the increase in working capital is natural and the resulting effect of FLSmidth having succeeded in delivering on its strategy. Nevertheless, it is possible to optimise the working capital, and in 2012 a plan was launched for tighter control of the working capital. The ambition is that working capital should not exceed 10% of revenue.

In 2012, FLSmidth made considerable investments in both acquisitive and organic growth. Cash flow from investing activities amounted to DKK -3,398m. As already mentioned, 2013 will see a slowdown on acquisitions to focus on integration, extraction of synergies and capital efficiency.

Equity had increased to DKK 9,419m at the end of 2012, whilst the equity ratio showed a decrease to 30% at the end of 2012. Net interest-bearing debt at the end of 2012 (excluding Cembrit) amounted to DKK 3,183m. The Group's gearing calculated as NIBD/EBITDA (excluding Cembrit) amounted to 1.2 at the end of 2012. The aim is to maintain an equity ratio of more than 30% and to have a net debt position with gearing up to 2 times EBITDA.

It is FLSmidth's dividend policy to pay out 30-50% of the year's profit in dividend depending on the capital structure and investment opportunities. The Board of Directors proposes a total cash distribution of DKK 1bn for 2012 consisting of a dividend of DKK 9 per share corresponding to 36% of the year's profit with a total value of DKK 479m and an extraordinary cash distribution of DKK 521m in the form of a share buy back programme under safe harbour rules.

The plans to make an extraordinary cash distribution are based on the improvements in cash flow from operating activities in Q4 2012 and expectations of a considerable free cash flow in 2013 as acquisitions will temporarily be slowed down.

The original plan was to implement the share buy back programme immediately after today's meeting. However, implementing a share buy back programme under safe harbour rules requires that at the time of implementing it the company's management does not possess inside information. It is considered that management is currently in possession of inside information related to the current sales process regarding Cembrit, which means that the programme cannot be implemented at present. The buy back programme will be implemented as soon as possible.

The number of employees at the end of 2012 was 15,900, representing a 20% increase on the year before. Adjusted for acquisitions, the number of employees increased 11%, these being primarily hourly paid workers in relation to operation and maintenance contracts, but also an increased number of employees in the global technology and project centres to handle an increasing order volume.

Current developments in the global cement and mineral industries are characterised by a downward pressure on mining companies' investments, whilst investments in the cement industry appear to have reached and probably passed their lowest point.

The mining companies have responded to economic and geopolitical uncertainty by announcing cutbacks in their investment plans. Price levels, particularly in copper and gold, remain encouraging for capex investments, whilst coal and iron ore prices are relatively low. Because of the late cyclical nature of FLSmidth's business and the Group's relatively high exposure to copper and gold, the downward pressure on investments in the mining industry has not yet significantly affected FLSmidth's order intake, but the prospect of a temporary slowdown in new mineral projects cannot be ruled out.

The medium to long term prospects remain encouraging due to continued industrialisation and urbanisation in emerging markets - not least because the mining

companies need to invest just to maintain the current level of output as the quality of available ore bodies continues to decline.

Capacity utilisation in the cement industry outside China remains relatively subdued, and overall the global cement market is affected by macroeconomic uncertainty and slow growth, but proposal activity is high in many parts of the world.

FLSmidth's growth strategy has been planned and is being implemented within a long-term perspective, but its flexible business model also allows for making the necessary adjustments in accordance with short-term fluctuations.

2012 saw a number of changes in the Group Executive Management. As a consequence of the new Group strategy and structure, the Group Executive Management was expanded from four to six members effective 1 March 2012. Accordingly, Per Mejnert Kristensen and Peter Flanagan joined the Group Executive Management as heads of the Cement and Mineral Processing divisions, respectively. Effective 10 April 2012, Ben Guren joined the FLSmidth Group as Group Executive Vice President and CFO, succeeding Poul Erik Tofte who resigned on 30 March 2012 after nine years with FLSmidth. Carsten R. Lund was appointed Executive Vice President and head of Material Handling effective 1 July 2012, succeeding Christian Jepsen who was headhunted by Alcoa, one of FLSmidth's important mining customers.

In December 2012, it was announced that Jørgen Huno Rasmussen, who has been CEO since 2003, had decided to retire around the middle of 2013, ten years after taking on the role as Group CEO of FLSmidth. Thomas Schulz will take up the position as Group CEO of FLSmidth on 1 May 2013. Thomas Schulz, 48, holds a masters and a PhD degree in mineral extraction. Thomas Schulz is German and a true cosmopolitan used to working worldwide. He was formerly a member of the Group Executive Management of Sandvik in Sweden with overall responsibility for Sandvik's Construction division. I am convinced that Thomas Schulz has the ideal profile to take FLSmidth to the next level and follow in Jørgen Huno Rasmussen's footsteps.

Despite a number of management changes over the past year it is important to bear in mind that four out of six members of the Group Executive Management have been with FLSmidth for more than ten years, which strikes the right balance between continuity and change.

As to the Board agenda in 2012, ten Board meetings have been held with the main focus being on launching the new Group strategy and structure, acquisitions, research and development, succession planning, capital efficiency and general management and legislative issues. Besides, the Board travelled with the Executive Management to Chile and Peru to visit customers, local offices and service centres.

As to remuneration of the Board and Management, there are no changes in the Group's guidelines for incentive pay, and I can confirm that 2012 saw no deviations from the general guidelines. The total remuneration of the Executive Management comprises gross pay consisting of a fixed salary including pension, usual benefits such as car and telephone plus a cash bonus that may constitute up to 40% of the gross

pay and share options at a value not exceeding 25% of the gross pay at the time of being granted. The purpose of the variable salary components is to ensure value creation and compliance with the company's short- and long-term goals. The total remuneration of the Group Executive Management amounted to DKK 40m in 2012 as against DKK 25m in 2011, primarily due to the fact that the Group Executive Management was expanded from four to six persons plus severance pay. The remuneration of the Group CEO amounted to DKK 10m in 2012 as against DKK 9m in 2011.

The prospects for 2013 are unchanged since the announcements made on 12 February this year. The guidance for consolidated revenue remains at DKK 27-30bn and for EBIT margin at 8-10%. It should be noted that the first quarter is normally the year's weakest in terms of both revenue and earnings. With the current downward pressure on the mining companies' investments the market situation is being closely monitored with a view to being able to take corrective action should this become necessary.

In 2013, Board and Management's focus will predominantly be on consolidation and integration and on realising expected synergies related to acquisitions and delivering on the strategy. Efforts will be intensified to improve the Group's profit and capital efficiency, and as mentioned return on capital employed (ROCE) has been introduced as an important key performance indicator. The aim is a return on capital employed in excess of 20%, which is expected to be achieved in 2015.

FLSmidth has a sustainable business model and is strongly placed in global growth industries. In addition, it has a strong brand and competent managers and employees. I am therefore firmly convinced that FLSmidth is well placed to make the most of its considerable growth potential over the coming years.

I would like to mention that this is the last time the annual general meeting is being held in Danish. FLSmidth is a global company with a global ownership, and also the Board and Management are becoming increasingly international. As from 2014, therefore, the annual general meeting will be held in English. Finally, I wish to thank the Executive Management and the Board of Directors for their strong cooperation and acknowledge the great efforts made by the Group's 15,900 employees at home and abroad in 2012. Thank you."

The Chair then opened the debate concerning items 1-4 of the agenda.

Claus Wiinblad of ATP (the supplementary pension scheme) thanked the Chairman for his review and underlined that 2012 had been a challenging year in certain areas. Claus Wiinblad mentioned that Material Handling had been a disappointment but that it now seemed that the management had tackled the problems. Claus Wiinblad then noted that there are significant uncertainties as to the scope of the mining companies' future investment programmes, and therefore a 9 % growth in orders should be regarded as satisfactory. Furthermore, Claus Wiinblad mentioned that the company during the past year has carried out a number of acquisitions which has strengthened the strategic platform, however, it has also brought about an increased pressure on

yields on invested capital. Claus Wiinblad mentioned that therefore it seemed particularly sensible to introduce ROCE as a long-term financial goal and a new area of focus, and that it made sense to focus primarily on integration and consolidation in order to realise the potential in the acquisitions made. Claus Wiinblad then underlined that 10 years ago, the company was a cement business with a smaller mineral business, and that there has been a strong growth in the mineral activities since then. He also emphasized that the service division has seen a sharp growth. Claus Wiinblad described the development as a fantastic transformation process and an important expansion. He mentioned that the shareholders have received quite impressive yields of more than 500% accumulated since the beginning of 2004. Claus Wiinblad proceeded to thanking Jørgen Huno Rasmussen for his fantastic performance, including impressive yields, a good cooperation and an always constructive dialogue. Claus Wiinblad wished Jørgen Huno Rasmussen the best of luck in the years to come. He then wished the employees and the new management luck in the continued operations of the company.

Martin Jørgensen of the Association of Danish Shareholders thanked the Chairman for his review and complimented the management on a good and informative annual report. Martin Jørgensen extended his congratulations to the management for the increase in turnover of 21% in 2012 as compared to 2011 and the record high turnover in the 4th quarter. Martin Jørgensen then mentioned that unfortunately the result did not fully reflect the positive development in turnover. Martin Jørgensen asked the Board of Directors if they could elaborate in further detail on the challenges concerning Material Handling. Martin Jørgensen then mentioned that the management's expected zero EBITA-margin in Material Handling did not appear particularly ambitious, and that the targeted margin should be around 8% corresponding to earnings of DKK 4-500 million. Martin Jørgensen then inquired when such earnings could be expected. Martin Jørgensen underlined that the historical EBITA-margin development for the other three divisions had been sensible. Martin Jørgensen then asked whether the company has a fully transparent and worldwide ERP/business system. Furthermore, Martin Jørgensen inquired whether the company's approx. 10% Danish employee are at such level that can be expected in the future, or whether further information could be provided on the future development in this area. In this connection, he emphasized that the proportionate share of Danish employees becomes smaller and smaller every year. Martin Jørgensen then thanked Jørgen Huno Rasmussen for his efforts during the past 10 years. Finally, he welcomed Thomas Schulz.

The Chairman thanked Claus Wiinblad and Martin Jørgensen for their contributions. The Chairman mentioned that he would like to reply to one of Martin Jørgensen's questions and then let Jørgen Huno Rasmussen answer the other questions. In relation to employees, the Chairman underlined that the company had been formed as a Danish engineering business, and that it would remain a Danish engineering business. However, it is not possible to make any predictions as to future numbers of employees in Denmark. Within this context, the Chairman made reference to the fact that the growth takes place outside of Denmark, and that this growth has contributed to maintaining Danish jobs.

Jørgen Huno Rasmussen thanked Claus Wiinblad and Martin Jørgensen for their compliments. He then stressed that the company also values the cooperation with a loyal shareholder as ATP. As regards the question of Material Handling, Jørgen Huno Rasmussen said that the problems had not become visible until 2012, however, the roots of the problems go further back in time. He mentioned that the delay in detecting the problems, among other things, was due to the fact that Material Handling had been a part of the overall mineral business including mineral processes and service. Jørgen Huno Rasmussen underlined that in the spring of 2012, the new strategy and the associated new structures had been introduced, and in this connection Material Handling was separated from the mineral business. Jørgen Huno Rasmussen emphasized that action was taken immediately and a new management appointed in the 2nd quarter of 2012 when the problems became visible. As regards the solutions in Material Handling, reference was made to e.g. the Chairman's review. Jørgen Huno Rasmussen underlined that evidently it was the ambition to reach a high one-digit percentage, however, it was not possible at the present point in time to make any predictions of whether this goal would be reached. He stressed that of course the company has ERP-systems, however, there has been no joint global system due to the company's growth, including through organic growth and acquisitions. However, efforts are being made to introduce a joint uniform system for all activities globally which will generate full transparency. Furthermore, Jørgen Huno Rasmussen mentioned that a leading standardised system has been chosen, and that the objective is a uniform and global system. The new system is called "Helios" which means the all-seeing. He concluded by saying that this would result in standardised procedures within many areas, which in turn would contribute towards reducing the risk of errors and costs.

Michael Bek of PFA Pension congratulated the management on the 2012 result and mentioned that PFA had been a shareholder in the company for a number of years, and that PFA thereby has witnessed the company's transformation within the past 10 years. Michael Bek mentioned that the service division is a business area that is experiencing a strong growth, and an area on which the company has placed particular focus. PFA supports this strategy as it will contribute to the company cyclically becoming smaller from a shareholder point of view. Michael Bek mentioned that the service division also in 2012 had delivered strong results. Material Handling posed greater problems with several projects involving large challenges. However, PFA had a firm belief that the company based on its huge experience within project management would get things under control in the near future. Michael Bek underlined that PFA supports the introduction of ROCE with a target above 20%. Michael Bek then thanked Jørgen Huno Rasmussen for his efforts and added that also PFA had highly appreciated the dialogue. Lastly, he welcomed Thomas Schulz.

Claus Østergaard, chairman of the Staff Association initially underlined that the management's openness and willingness to listen and discuss problems put forward by the association is a great strength to the company, however, it is also necessary for the association to tend to the interests of the employees. He added that otherwise the Staff Association could not function as an internal employee organisation. Claus Østergaard then referred to the annual report according to which it may be necessary

to recruit new employees and at the same time dismiss others in order to adapt the organisation and the employee qualifications to the constantly changing needs. Claus Østergaard mentioned that the association recognizes these needs, however, the association is currently seeking to ensure that the management transfers employees from areas where the need for their qualifications is decreasing to areas where a larger need is predictable. He then complimented the management for their handling of the dismissal of employees. Claus Østergaard explained that a number of staff associations exists in Denmark that all contribute towards strengthening networking and teambuilding. He urged the management to support these activities in order to profit fully from the company's investments although it is difficult directly to demonstrate the positive effects of these activities in the accounts. Claus Østergaard made reference to the annual report according to which it is the company's ambition to arrange for 90% of all standard engineering work in connection with orders to be performed out of India. He mentioned the cultural differences between Denmark and India in this regard and expressed a hope that the evaluation of whether this objective is ideal will be closely monitored and he referred to the company's project risks in this connection. Finally, he thanked Jørgen Huno Rasmussen for his efforts as group CEO and expressed his best wishes for the future. Claus Østergaard added that he was certain that the company was safe in the hands of Thomas Schulz, and that the staff association hoped that the open and honest management style would continue.

Kjeld Beyer initially congratulated the management with the good results. He then criticised the management for having decided that all future general meetings are to be conducted in English, and he urged the management to reconsider this decision. He also requested that the annual accounts and company announcements still be prepared in Danish. Kjeld Beyer expressed a hope that the light meal to be served after the general meeting would be just as good as last year, as this is indicative of the management's future expectations.

Ulf Gregers Andersen paid a little tribute to the company.

Steffen Rojahn criticised the management for cutting back on the light meal served and then noted that the company has lost a large share of its market value, although it has done so well for many years. Finally, he emphasized that he agreed with Kjeld Beyer that future general meetings should not be conducted in English.

Nicole Andersson of Best Women noted that there are few women members on the Danish boards of directors and that this is also the case for FLSmidth. Nicole Andersson referred to the composition of members in FLSmidth's Board of Directors and executive management and stated that the lack of diversity was a hindrance to development. Nicole Andersson then referred to the progress made within diversity in other companies and emphasized the politicians' and the EU's willingness to improve this situation. She made in this connection reference to the new Danish rules governing target figures and policies for the gender composition of the management that entered into force on 1 April 2013. Nicole Andersson encouraged the management to take a targeted and ambitious approach to these issues, and she inquired the management about FLSmidth's contemplated target figures for 2013.

The Chairman thanked Michael Bek and Claus Østergaard for their encouraging contributions and a good cooperation.

The Chairman then thanked Kjeld Beyer for his contribution and underlined that the company very much is a global company that generates more than 99% of its turnover outside of Denmark, and that it has a number of foreign members in its executive management and Board of Directors. The Chairman also stressed that tradition is a good thing, however, it is necessary to adapt to development, and that this is the reason why the company has decided to change the language in which general meetings are conducted. Finally, the Chairman mentioned that the company would look into the possibilities of arranging for interpretation.

The Chairman thanked Ulf Gregers for his poetic tribute.

The Chairman then thanked Steffen Rojahn and mentioned that the company is looking into long-term creation of value. The Chairman added that fluctuations will always occur in a company with a certain degree of cyclical form. Moreover, the Chairman noted that the company is not doing worse than its competitors.

The Chairman then thanked Nicole Andersson for her comments and noted that the management sees it as a priority to promote their efforts to have more women in the management, however, the company also wished to set up realistic goals. The Chairman mentioned that in 2011, the company had 7.2% women in its management, and that this figure had gone up to 9.2% in 2012, based on a calculation of the 200 highest ranking managers in the company. The Chairman informed the meeting that the target figure set for 2016 was 15%. The Chairman then mentioned that currently there is one woman on the Board of Directors, corresponding to 16.66%, and that the target set for 2016 is 25%.

Kjeld Beyer criticised the management again for deciding to conduct future general meetings in English, and he also criticised the management for cutting back on the light meal served after the general meeting. Furthermore, he criticised the Association of Danish Shareholders for failing to work harder to ensure that general meetings in general are conducted in Danish. As a final point, Kjeld Beyer commented on Nicole Andersson's remarks and mentioned that it would be refreshing with more women on the Board of Directors, however, evidently the best suited candidates should be elected.

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The Chair concluded that no other shareholders wished to speak in relation to items 1-4 of the agenda.

The Chair then ascertained with the consent of the General Meeting:

- that the General Meeting adopted the Management's review;
- that the General Meeting approved the 2012 Annual Report presented;

- that the General Meeting approved the Board of Directors' fees, including (1) the final fees for 2012, and (2) the preliminary fee determined for 2013; and
- that the General Meeting approved the Board of Directors' proposal concerning the distribution of profits according to the approved 2012 Annual Report, including the payment of dividend in the amount of DKK 9 per share corresponding to a total dividend amount of DKK 479 million for 2012 or 36% of the 2012 profits.

Ad. 5. Election of members to the Board of Directors.

The Chair informed the meeting that all members of the Board of Directors elected by the general meeting are up for election every year, and that the board members elected by the general meeting count not less than five and not more than eight members in accordance with Article 11 of the Articles of Association.

The Chair informed the meeting that the Board of Directors had proposed that Vagn Ove Sørensen, Torkil Bentzen, Martin Ivert, Sten Jakobsson, Tom Knutzen and Caroline Grégoire Sainte Marie be re-elected.

The Chair concluded – with the consent of the general meeting – that Vagn Ove Sørensen, Torkil Bentzen, Martin Ivert, Sten Jakobsson, Tom Knutzen and Caroline Grégoire Sainte Marie had been re-elected as members to the Board of Directors.

Ad. 6. Appointment of auditor

The Chair informed the meeting that according to Article 16 of the Articles of Association, the Board of Directors had proposed that Deloitte Statsautoriseret Revisionspartnerselskab be re-elected as company auditor.

The Chair concluded with the acceptance of the General Meeting that the proposal had been adopted with the required majority.

Ad. 7. Other business proposed by the Board of Directors

The Chair informed the meeting that this year the Board of Directors had submitted two proposals for the approval of the General Meeting.

Re 7.1 - Treasury shares

The Chair informed the meeting that the Board of Directors had submitted a proposal to the effect that it be authorised until the next Annual General Meeting to let the company acquire treasury shares equivalent to a total of 10% of the company's share capital, provided that the company's total holding of treasury shares at no point exceeds 10% of the company's share capital. The consideration must not deviate by more than 10% from the official price quoted on NASDAQ OMX Copenhagen A/S at the time of acquisition.

No further questions or comments were made. The Chair concluded with the acceptance of the General Meeting that the proposal had been adopted with the required majority.

Re 7.2 – Revision of the Board of Directors' authorisation to increase the company's share capital

The Chair informed the meeting that the Board of Directors had submitted a proposal to the effect that the existing authorisation granted in Article 4a of the Articles of Association to increase the company's share capital is extended by one year so that it is applicable until and including 1 April 2018, and that a few linguistic changes to the wording of the authorisation are made.

The Chair mentioned that the full wording of the revised Article 4a of the Articles of Association was included in the Notice of the Annual General Meeting. The full wording of Article 4a of the Articles of Association is inserted below:

"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 up to DKK 100,000,000 and with pre-emption rights for the company's existing shareholders, subject, however, to paragraph 3. The new shares shall be paid in cash. The authorisation shall apply for the period until and including 1 April 2018.

Further, 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 up to DKK 100,000,000 and without pre-emption rights for the company's existing shareholders, subject, however, to paragraph 3, provided that the increase takes place at market value. The new shares may be paid in cash or by contribution of assets other than cash. The authorisation shall apply for the period until and including 1 April 2018.

The authorisations of the Board of Directors pursuant to paragraphs 1 and 2 apply to a total issue of new shares at an aggregate nominal value not exceeding DKK 100,000,000.

In the case of a share capital increase pursuant to paragraphs 1 and 2, the new shares shall be issued to bearer but may be entered into 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. The Board of Directors shall decide the terms and conditions for increases of the share capital that are implemented in accordance with the authorisations in paragraphs 1 and 2."

The Chair mentioned that at least two thirds of both the votes cast and of the voting share capital represented at the General Meeting are required in order to pass the resolution.

No questions or comments were made. The Chair concluded with the acceptance of the General Meeting that the proposal had been adopted with the required majority.

Re 8. Any other business

Since no shareholder wished to take the floor, the Chair declared that there was no further business to be transacted and gave the floor to the Chairman.

The Chairman then took the floor and thanked Jørgen Huno Rasmussen for his commitment during the past 10 years. The Chairman divided the development that Jørgen Huno Rasmussen had contributed to achieving into four phases. The 1st phase was a turnaround phase with divestment of non-core activities, optimization and focus on the cement business. The 2nd phase was positioning and creation of the "One Source" strategy. The 3rd phase consisted in the acquisition of GL&V in 2007 that contributed to creating the presumptions for the "One Source" strategy. In the 4th phase, a strategy that takes advantage of the future huge growth potential created was established and this was done by way of a new organisation and directing focus on six industries. The Chairman added that he was not sure whether Jørgen Huno Rasmussen had planned the four phases already in 2003 but looking back it looked really good. The Chairman also mentioned that Jørgen Huno Rasmussen's leadership had been good and popular and that he had been a visionary and visible leader. Jørgen Huno Rasmussen's leadership had also been characterized by closeness to the customers, common sense, diligence and a good mood. The Chairman finally said that a new era in the company's history would commence in three weeks when Thomas Schulz takes over the position as group CEO.

Jørgen Huno Rasmussen thanked Claus Wiinblad, Michael Bek, Claus Østergaard and the Chairman for the nice words said and he congratulated Thomas Schulz on his appointment and FLSmidth with the decision.

The Chairman proceeded to declare the General Meeting closed.

The general meeting closed at 5:35 pm.