



FFE MINERALS – Facts & Figures

George Robles, President & CEO

FLSmidth Capital Markets Day, 26 January 2007



AGENDA

1. **FFE Minerals in brief**
2. **Business model**
3. **Business areas**
4. **Customers**
5. **Competition**
6. **Future development**
(R&D projects, Risks, Opportunities)



Mining

- Mining is a **long-term business** that requires extremely **high levels of investment**.
- It also presents significant **risks** related to uncertainties, but potentially extraordinary **rewards** for shareholders, industry stakeholders, and society.





1. FFE Minerals in brief

- FFE Minerals is a **100%-owned subsidiary of FLSmidth**
- FFE Minerals **provides** engineered comminution, materials handling and pyroprocessing solutions to the global minerals processing industry and is expanding into separation equipment.
- **Expected turnover in 2006** is above DKK 3bn (EUR 400m)
- **Expected EBIT-ratio in 2006** is above 6%
- **Book-to-bill ratio** by the end of Q3 2006 was 1.4
 - Order backlog = DKK 4.2bn (EUR 563m)
- Today, FFE Minerals **employs 1,823** people worldwide



FFE Minerals' Mission Statement

The purpose of our business is to **improve the benefits and quality of solutions for customers** who expect break-through technology, quality and services.

Our foundation is our technical expertise, integrity, accountability – individually and in teams - and the pursuit of excellence in everything we do. We will produce sufficient financial results to enable profitable growth, creating superior stakeholder value.

FFE Minerals' Vision Statement

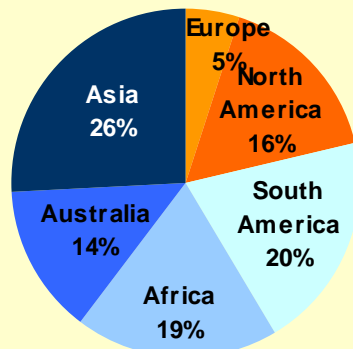
It is the vision of FFE Minerals to be the **partner of first choice** in the Minerals Processing Industry by providing technology based on world-class, engineered solutions and unique performance enhancing services.



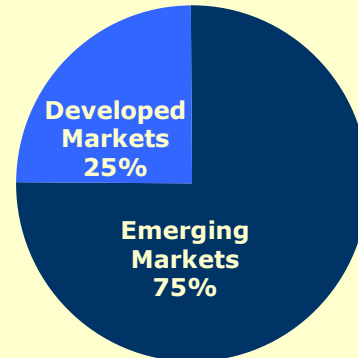
Distribution of Sales

- Approximately **2/3 of FFE Minerals' Sales** are generated in **Emerging Markets**, especially on the Southern Hemisphere, where most natural resources are located
- In 2006, Sales has mostly been related to the following metals and minerals: **Nickel, Copper, Platinum, Gold and Coal**

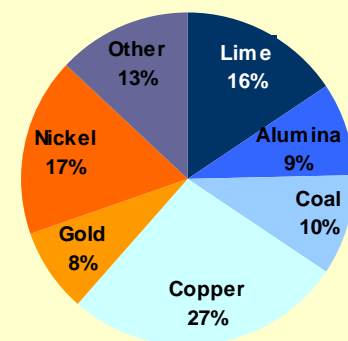
FFE Minerals Sales 2005



FFE Minerals Sales 2005



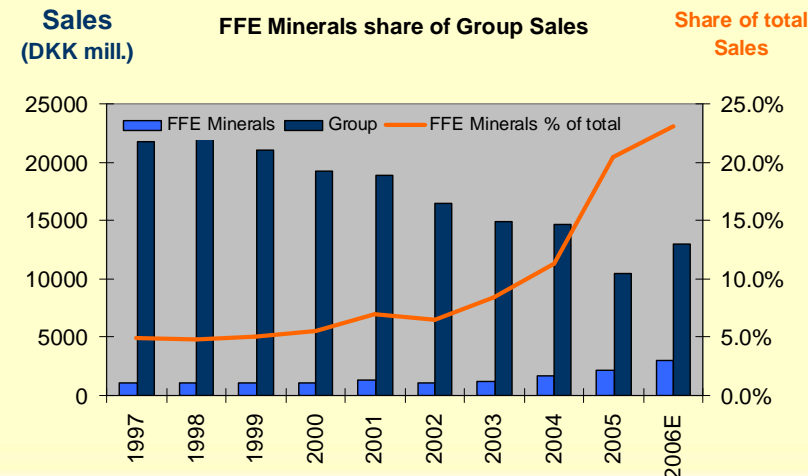
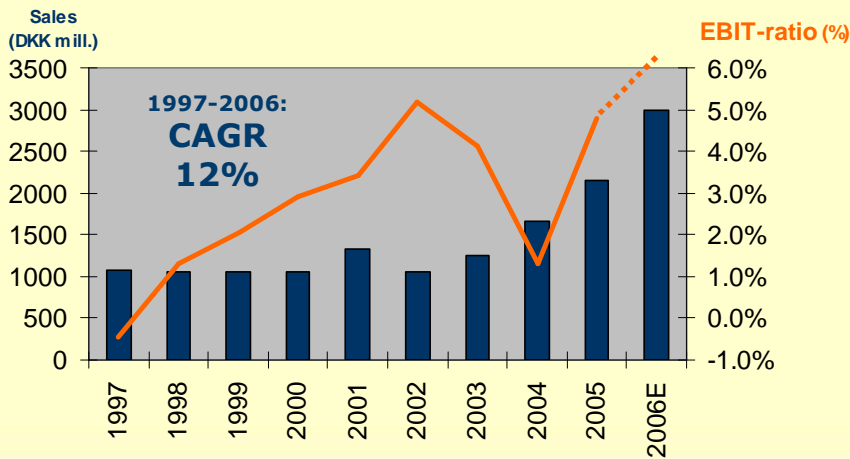
FFE Minerals Sales 2005





Historical development

- **3-fold increase in Sales** over 4 years (**CAGR 30% since 2002**)
- **EBIT-margin** has risen from below 0% to above 6% (drop in 2004 was caused by two specific projects)
- **FFE Minerals' share of FLSmidth Group Sales** has risen from 5% in 2000 to approx. 25% today

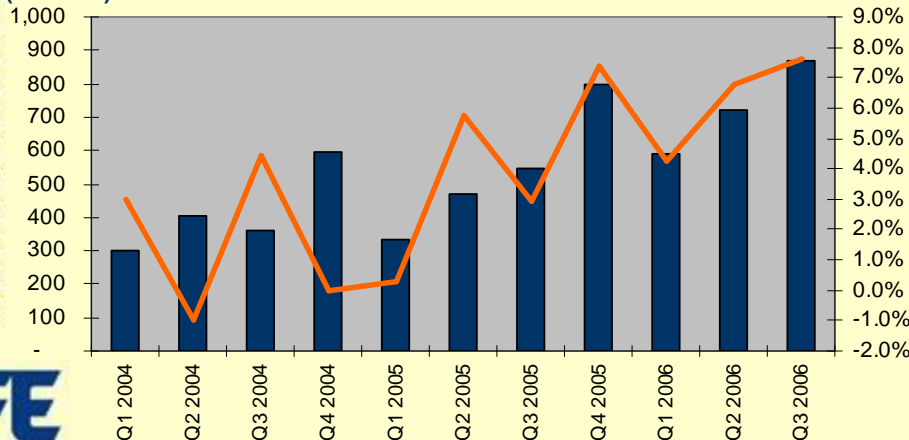




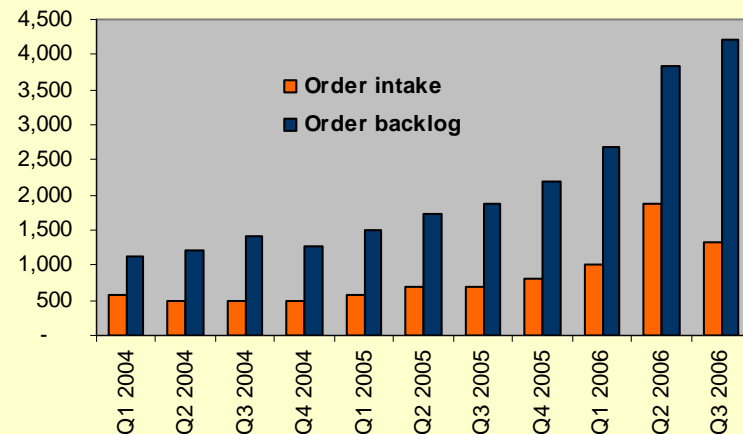
Financial developments in recent quarters

- **Sales and EBIT-ratio** have in general been increasing over the past 2-3 years
- A **seasonal pattern** of rising quarterly sales from Q1 to Q4 can be observed
- The **order backlog** has risen 4-fold since the beginning of 2004 to a record high level which bodes well for sales in both 2007 and 2008

Sales
(DKK mill.)



EBIT-ratio (%)
DKK mill.





History

- **Foundation**

- 1902 Traylor Engineering & Manufacturing Company is founded in the USA
- 1956 Fuller Company, USA acquires Traylor Engineering and Manufacturing
- 1990 FLSmidth, Denmark acquires Fuller Company and forms **FLSmidth-Fuller Engineering (FFE)**
- 1996 FFE Minerals is formed as a separate company headquartered in the USA owned by FLSmidth & Co A/S (previously FLS Industries A/S)

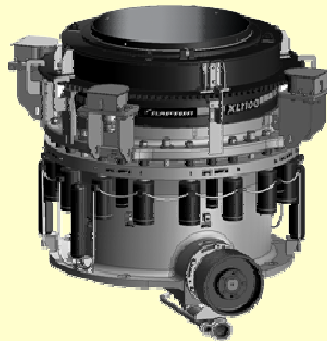




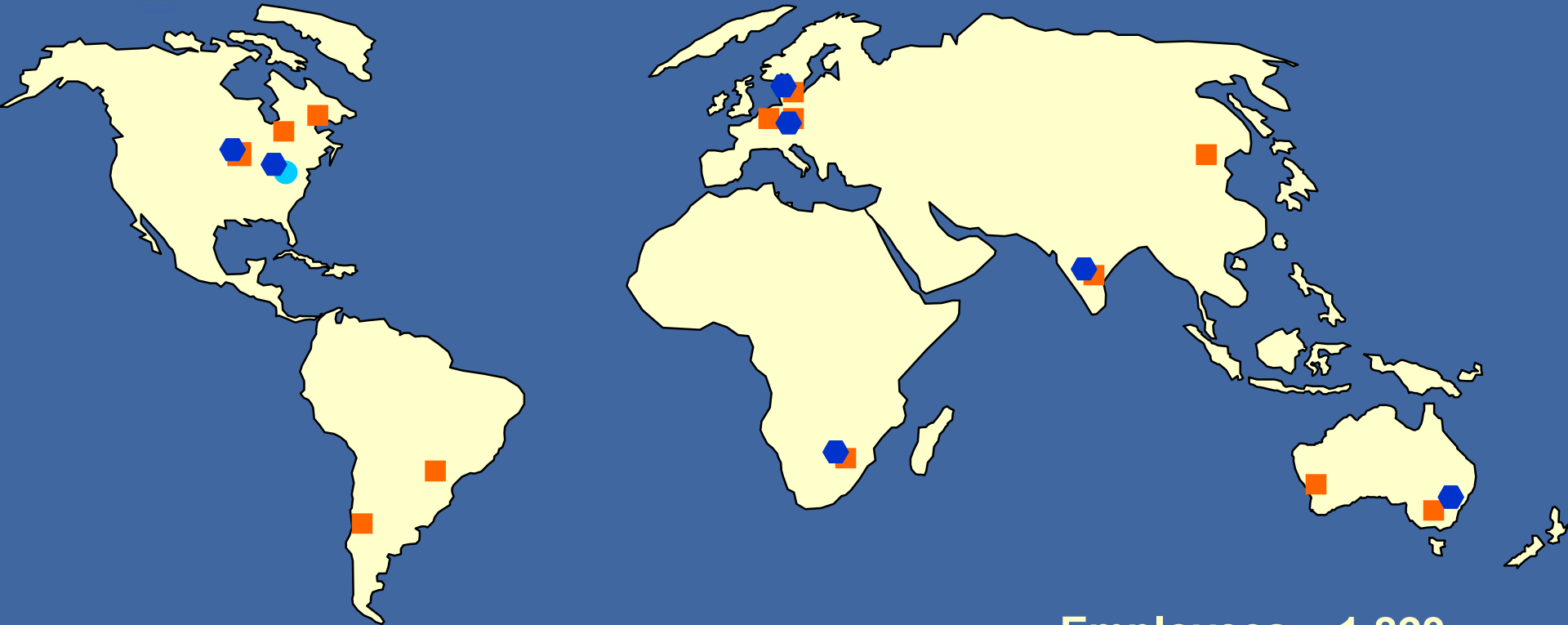
History

- **Acquisitions in recent years**

- 1993 Technequip, Canada
- 1997 Vecor, South Africa
- 1998 ABON, Australia
- 1999 Buffalo, South Africa
- 2003 Conveyor Kit, South Africa
- 2005 MVT & Möller Materials Handling transferred from FLSmidth Cement
- 2005 Excel Crusher Technology, USA
- 2006 Excel Foundry and Machine, USA
- 2006 Koch Transporttechnik, Germany



GEOGRAPHICAL PRESENCE



FFE Minerals Corporate Headquarters ●

FFE Minerals Regional Offices ■

FFE Minerals Engineering Centers ◆

Employees – 1,823

North America – 407

South America – 461

Europe – 369

Africa – 149

Asia – 354

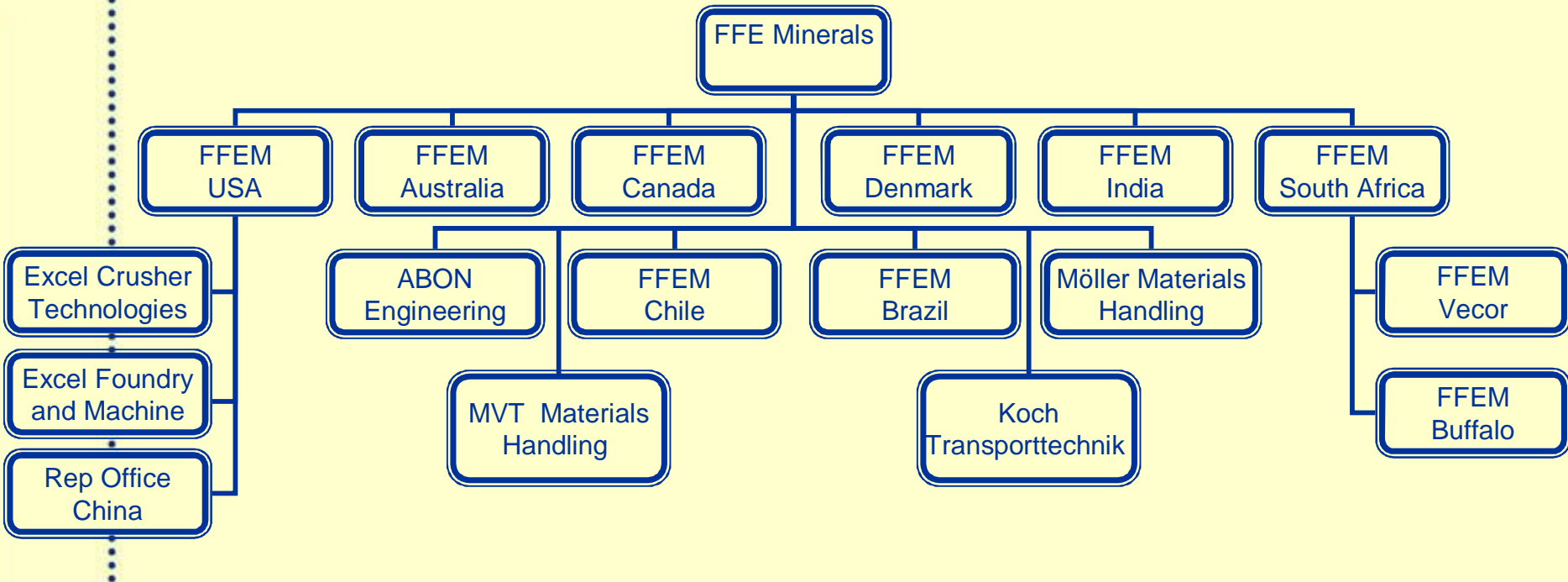
Australia - 83



FFE Minerals in brief

FFE MINERALS Corporate Structure

Employees – 1,823





FFE Minerals' Corporate Management



George Robles
President, CEO
of FFE Minerals
since 1994

- Previously with:
 - EIMCO/WEMCO (now GL&V) for 17 years
 - Cyanamid (flotation chemicals) for 2 years
 - Phelps Dodge for 5 years



John Mertz
COO of FFE Minerals
from 1 January 2007

- CFO of FFE Minerals since 1996
- CFO of FLSmidth Inc. From 1992 - 1996



Peter Debonis
CFO of FFE Minerals
from 1 January 2007

- Certified Public Accountant
- Previously with Ernst & Young



2. Business Model

- FFE Minerals is a **global company** with a **strong local presence** in selected markets
- FFE Minerals is principally a **supplier** of single machines and "plants within plants" amounting to about 5 - 10% of the costs of the entire plant, as well as a supplier of complete plants depending on the technology (Pyro) and location (India)
- Growth of the materials handling segment of our business has allowed more **systems offerings**, incorporating more FFE Minerals technology in each offering
- FFE Minerals has traditionally been strong in **Hard rock mining and coal** (in Australia, Brazil, Chile, Peru and South Africa); however, there are currently strong movements into **Alumina** (India, Russia and Africa), **oil based rock** (Canada), and the recent acquisitions of Excel Crusher Technologies and KOCH Transporttechnik opens the door to the **Aggregates, Iron ore and steel** industries



FFE Minerals Global Set-up

- FFE Minerals has **full-service offices** in Denmark, India, South Africa and the USA, offering sales, engineering and project execution services
- FFE Minerals has established **sales, project management and customer service offices** in Australia, Brazil, Canada and Chile
- FFE Minerals has a number of **Technology centers** (product companies), which are based in Australia, Germany, South Africa and the USA

FFE Minerals' Strong Points

- **Franchise**
 - That which serves as an example or pattern of excellence
- **What is FFE Mineral's franchise?**
 - Country managers – being local?
 - Allows for diversity, fresh ideas, methods
 - Out local the globals – out global the locals
- **What do we do best?**
 - Take care of our customers
 - Our global organization is at its best when it embraces the local game
 - Being global is not about being less local – its about applying the global attributes of our international company



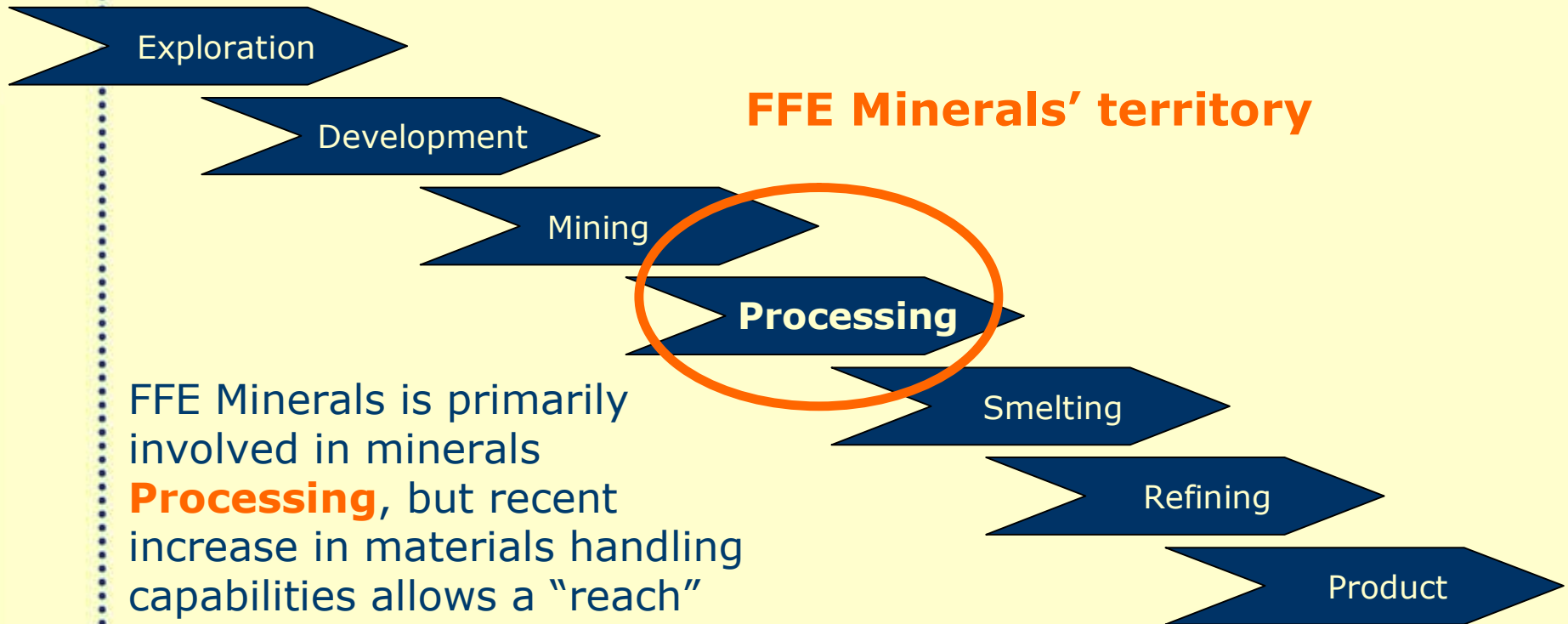
What does it take to win?

- Knowing our customers' business and drivers
- World class technical know-how
- The capability to engineer complete solutions for selected customers / technologies
- The capability to deliver a project on time

What Are the Distinctive Core Competencies that FFE Minerals Can Rely on?

- World Class Technical Know How
- Sales Experience
- Project Management Experience

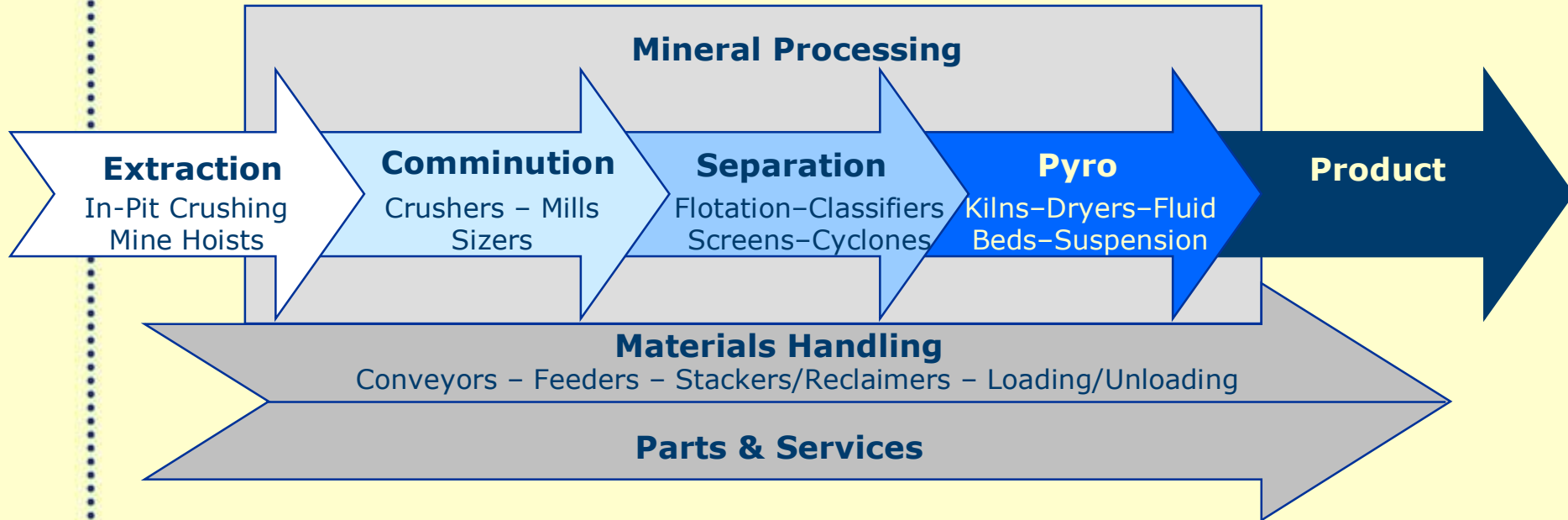
From Exploration to Product



FFE Minerals is primarily involved in minerals **Processing**, but recent increase in materials handling capabilities allows a "reach" back to **Mining**.

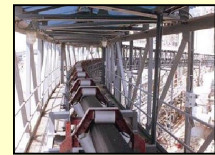


FFE Minerals – Value Chain





FFE Minerals' product lines



Mine Hoist Crushing

Milling Separation

Pyro

Stacking, Reclaiming, Storage

Transportation

- Blair Multi-Rope Hoists
- Friction Hoist knife
- Drum Hoist

- Feeder breakers
- Reclaim feeders
- Feeders
- Jaw crushers
- Gyratory crushers
- Low speed sizers

- SAG and AG mills
- Ball mills
- Rotary scrubber
- Roller mills

- Hydrocyclones
- Tech-Taylor valves
- Dry classification
- Knife gate valves
- Flotation

- Gas suspension calciners
- Rotary kilns
- Preheaters
- Fluid beds

- BCE-Bucket chain
- Excavator store
- Homogenization – mix bed technology
- Scraper Store
- Circular bridge
- Longitudinal bridge

- Pipe conveyors
- Open Through conveyors
- Roller screens
- Feeders
- Chain conveyors
- Pneumatic Transport Systems
- Roller mills



FFE Minerals' Cost Structure

- FFE Minerals is an engineering company with **limited in-house production and production facilities**. Our primary resource is our people. Capital Employed amounts to approximately 16% of sales
- Vast majority of the **production is out-sourced** to sub-suppliers in countries like China, France, Germany, Spain, Peru and the USA
- “True” **R&D** accounts for approximately 1% of sales; however, many R&D projects are carried out as paid trials in co-operation with customers in connection with specific projects, and therefore are not an expense to FFE Minerals





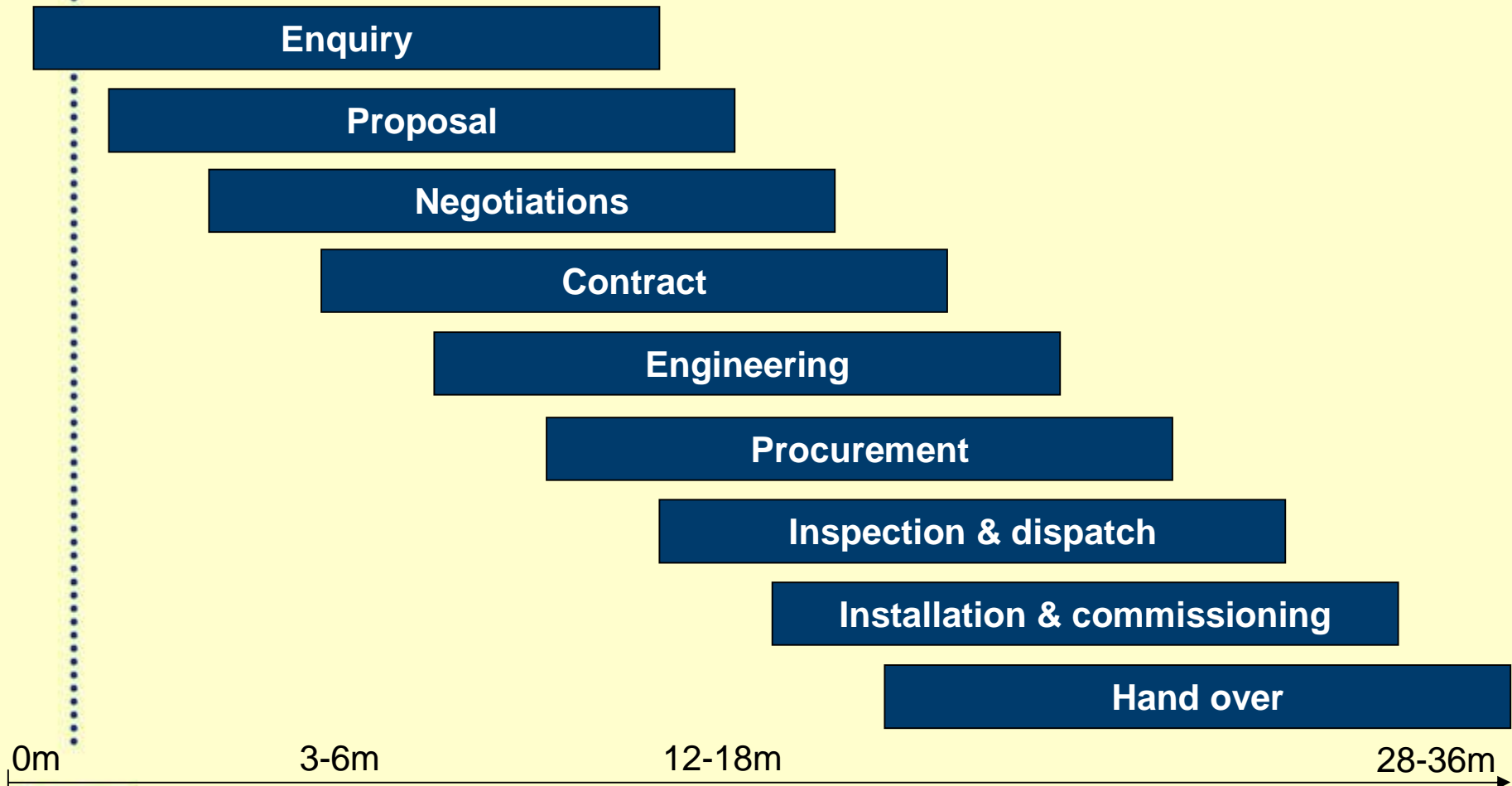
Typical projects

- Typical **order size** = USD10–50m
- Negotiation process can be months to years
- **Lead times** can generally be 8 to +24 months
- Principal **minerals** = Bauxite, Coal, Copper, Gold, Iron ore, Nickel, Platinum
- Major **geographical regions** = Africa, Australia, Brazil, Chile, India, USA
- Most major orders are for **greenfield projects** followed by brownfield and then modernisation projects
- Our typical **customers** are the major mining companies (Rio Tinto, BHP Billiton, CVRD, Anglo, Xstrata) and Engineering firms (Bechtel, Fluor, SNC Lavalin) followed by mid sized Mining Companies (Alcoa, Barrick, Goldfields, Newmont, Phelps Dodge, Vedanta) and then small companies (Ivanhoe, Zangezour Copper, Goldcorp, Grupo Mexico, MMX)



Business model

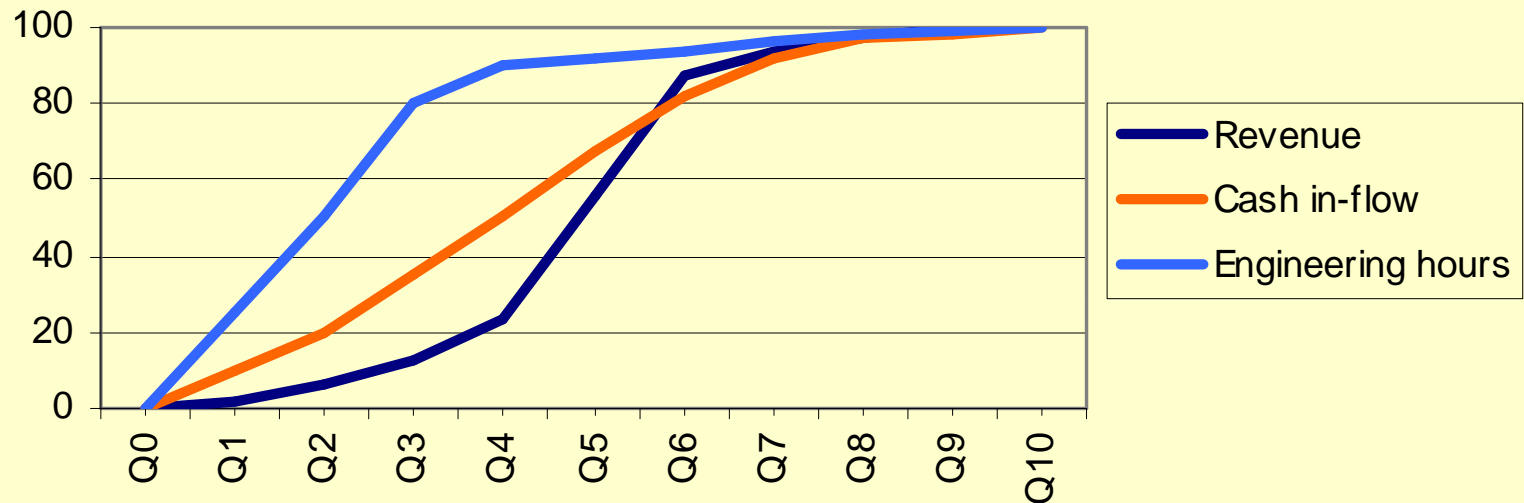
FFE Minerals - From tender to completion





Typical project profile

Cumulative Revenue, Cash in-flow and Engineering hours spent



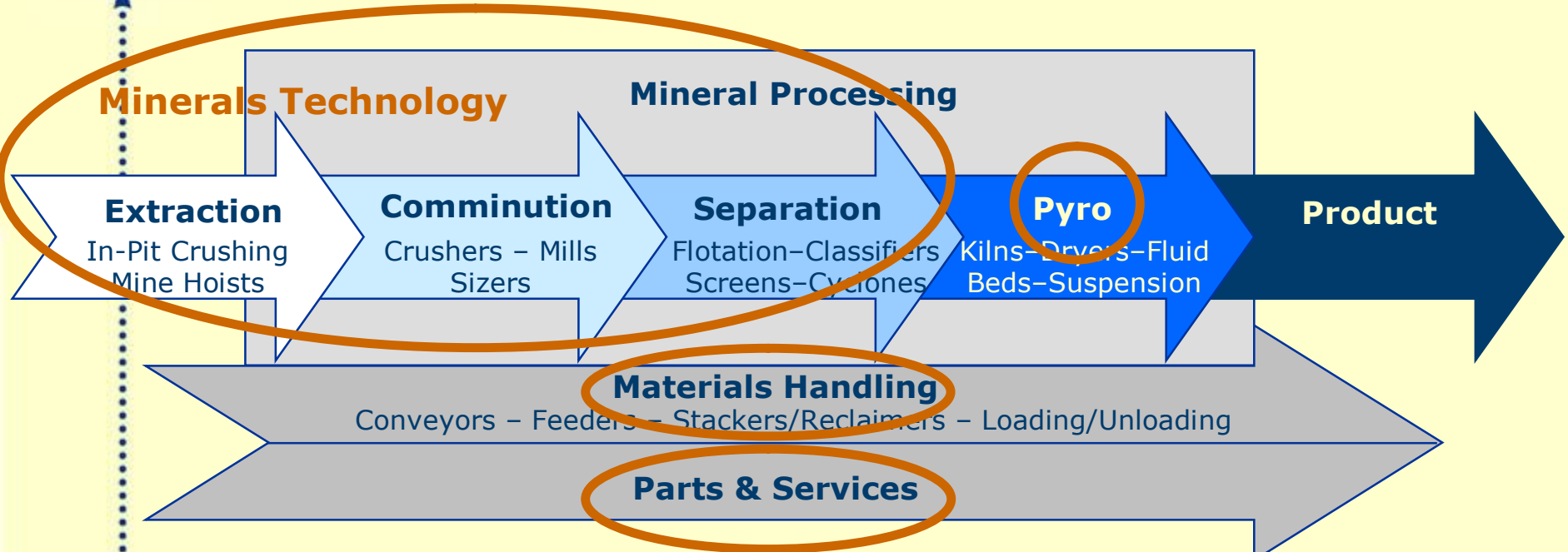
Bulk of revenue and income recognised in Q4-Q6

Bulk of engineering hours spent in Q1-Q3

Positive net cash-flow throughout project due to progress payments on most projects



FFE Minerals – Value Chain 4 Business Areas

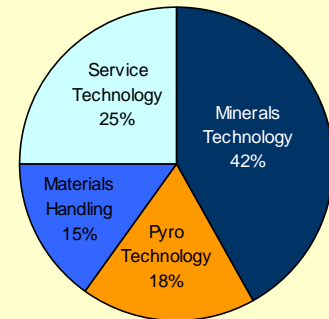




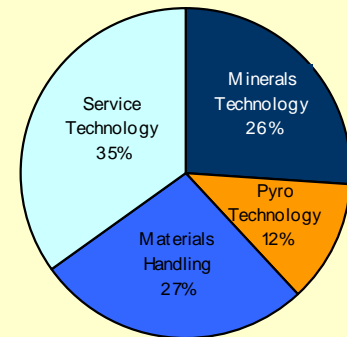
3. Business Areas

- **Minerals Technology Group**
Provides hoisting, crushing, grinding and separation equipment for the minerals industry
- **Pyro Technology Group**
Provides process expertise, equipment and systems to the metallurgical and minerals industries
- **Materials Handling Group**
Provides technology for the mechanical and pneumatic handling of minerals. The Materials Handling Group will service industries already served by FFE Minerals and FLSmidth proprietary technologies
- **Service Technology Group**
Provides maintenance, process, training, analytical, construction, breakdown, troubleshooting and replacement part support for the entire lifecycle of FFE Minerals equipment

Distribution of Order intake 2006



Distribution of Employees 2006





Minerals Technology Group

We provide processes and systems which include primary crushing plants, milling systems, and wet or dry classification systems for all minerals, including iron, gold, copper, nickel, lead, zinc and coal.

Crushing

- Primary gyratory and jaw crushers
- Cone crushers
- Impact crushers and hammer mills
- Mineral sizers
- Feeder breakers

Grinding

- Autogenous and semi-autogenous mills
- Ball mills
- Rod mills
- Pebble mills
- Roller mills
- Micromills for coal

Separation Technology

- Rotary scrubbers
- High efficiency O-Sepa® dry classifiers
- Hydro tech wet cyclones
- Flotation cells
- Technequip valves

Mine Hoists

- FFEM-Vecor wirewinders





Crushing and Grinding

The mining process for most hard rocks (i.e. copper, gold, platinum,..)

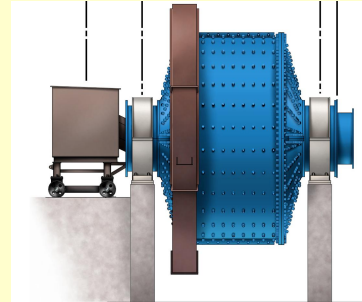
1.2-1.5 Meters



CRUSHER

~200 mm

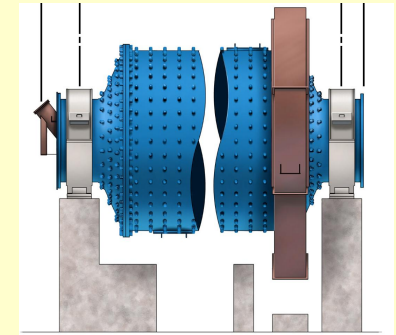
~200 mm



SAG MILL

6-10 mm

6-10mm



BALL MILL

0.075mm



Minerals Technology Group

Hoisting, crushing, grinding and separation equipment for the minerals industry

Market potential:
USD ~3 – 5 bn

- FFE Minerals expertise is supported by more than 1,700 installed crushers, feeder-breakers and sizers worldwide
- **Market Characteristics**
 - Standardized product range, however, process knowledge is an advantage
 - Parts intensive due to abrasive environment
 - Equipment continues to get bigger and bigger to reduce operating costs
 - For large mining projects, experience and brand name are critical
- **Customers**
 - Small, medium and major mining companies
- **Project profiles**
 - Large variation in order size and frequency, however the typical order size is USD 5-50m
 - Delivery times are between 12-30 months at present
- **Competitors**
 - A fragmented industry, although dominated by Metso Minerals, Outokumpu Technology, GL&V and FFE Minerals



Materials Handling Group

We provide processes and systems which transport a variety of materials, and in some cases reduce the size of the materials, through integration of FLS / FFEM materials handling and comminution technologies.

Crushing Systems

- Feeder / breakers
- Feeder / sizers
- Feeder / crushers

Mechanical Handling

- KOCH Transporttechnik pipe conveyors
- Traditional open through conveyors
- ABON roller screens
- Stackers / reclaimers
- ABON and Buffalo flight bar feeders
- Apron feeders
- Chain Conveyors

Pneumatic Handling

- Turbuflow conveying systems
- Airlifts
- Alumina handling
- Alumina direct pot feeding
- Fly ash handling
- Storage silos





Materials Handling Group

**Market
potential:
~USD 3–5 bn**

- **Market Characteristics**
 - Upfront engineering and creative solutions are a must
- **Customers**
 - Large, mid-sized and small Mining Companies
- **Project profile**
 - Order size is USD 5-40m, and delivery times are 10–18months
 - R&D facilities are in Germany
- **Competitors**
 - Metso Minerals
 - Sandvik
 - Krupp Fodertechnik
 - Takraf
 - FAM





Pyro Technology Group

We provide total pyrometallurgical solutions from R&D through to erection and commissioning for alumina and bauxite, lime, pulp and paper and the metalliferous industries.

Calcination

- Fluid beds
- Rotary kilns
- Gas suspension
- Vertical shaft

Drying/Preheating/Cooling

- Rotary
- Flash
- Fluid beds
- Stone preheaters
- Grate
- SF cross bar
- Compax

Specialist Equipment

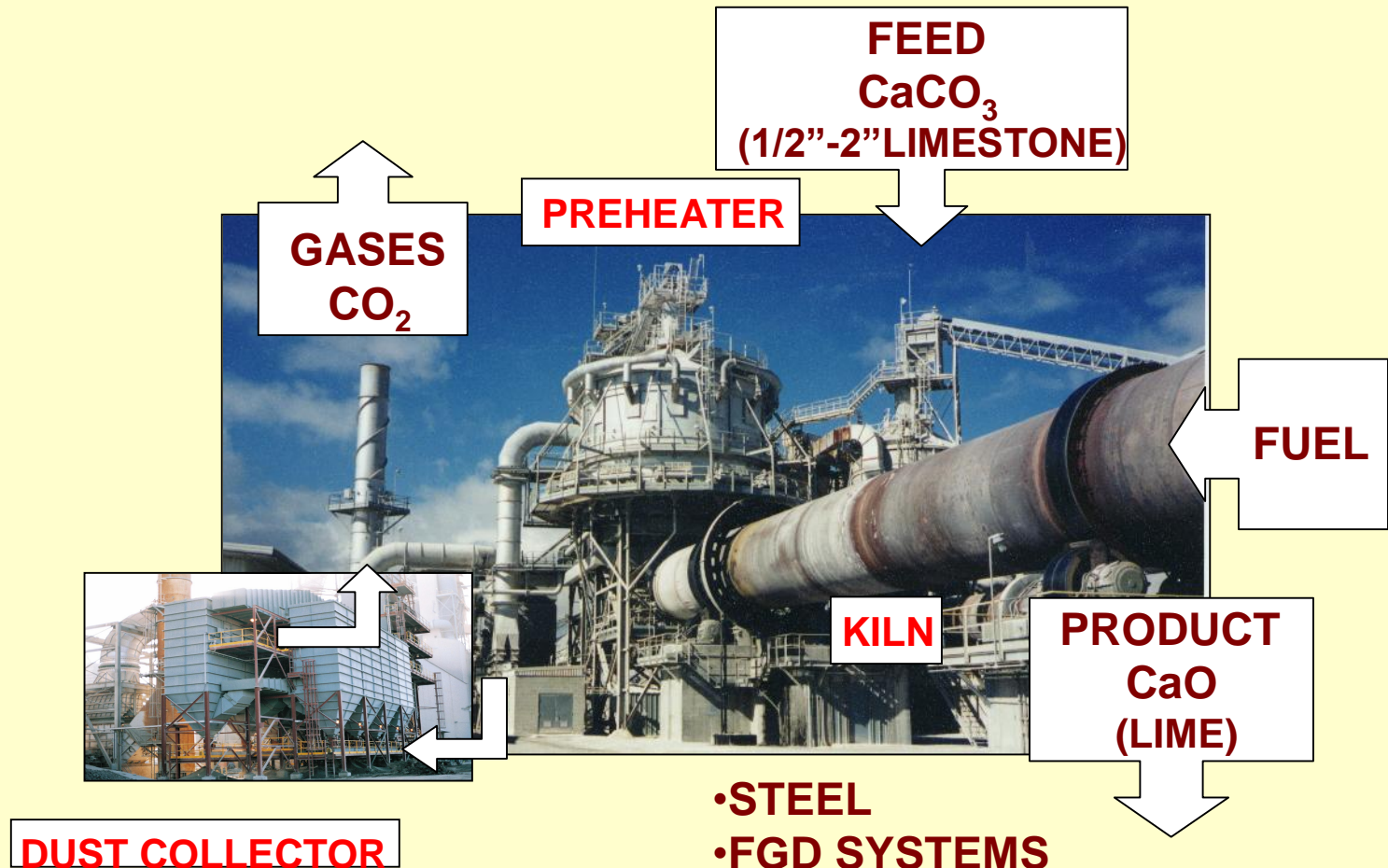
- Slakers/hydrators
- Pierce Smith convertors
- Hydrate coolers
- Ladles
- Combustion systems





Thermal processing of minerals

(i.e. FERRO NICKEL, ALUMINA, PHOSPHATES, LWA, LIMESTONE, SODA ASH)



Pyro Technology Group



Process expertise, equipment and systems to the metallurgical and minerals industries

**Market potential:
~USD 2bn**

- **Core Technology**
 - Rotary kiln, fluidized bed and gas suspension technology
 - Available for a wide range of **applications** including: Copper and related sulfide concentrates, fine iron ores, phosphate rock and concentrates, lightweight aggregates, petroleum coke, ferronickel and ferrovanadium ores, lime, alumina and related minerals
- **Market Characteristics**
 - High degree of engineering input/laboratory testing
 - Parts consumption low
 - High degree of process knowledge a “must”
 - Large, higher margin orders with less frequency
 - Process performance, environmental compliance and equipment warranty needed
 - Turn-key often required
- **Customers**
 - CVRD INCO, ALCOA, Lime producers in the Americas, Regional companies
- **Project profile**
 - Typical Order size USD 10-50m
 - Current delivery times 18-24 months
- **Competitors**
 - Niches controlled by Outokumpu Technology, FFE Minerals, Polysius and smaller players



Service Technology Group

We provide total service, maintenance, asset management and operational services to the minerals and metalliferous industries.

Products

- Original OEM spares
- Product review and improvement
- Life cycle analysis
- Repair
- Retrofits

Engineering Services

- Equipment audits
- Process audits
- Testing
- Erection supervision
- Training

Operations and Maintenance

- Mill management
- Plant maintenance
- Asset management
- Plant operations





Service Technology Group

**Market
potential:
USD ~15-20bn**

- **Market Characteristics**
 - Smaller orders / higher margins
 - Parts regularly replaced
 - On-site maintenance conducted in-house (potentially outsourced)
 - Low degree of engineering input
 - Retrofit at long intervals
- **Customers**
 - End-user direct business
- **Project profile**
 - Order size can be from the thousands to USD 6-10m for retrofits and modernizations
 - Delivery times can be weeks to several months
- **Competitors**
 - Strong competition from independent service providers (e.g. for plant audits)
 - Niche manufacturers
 - Regional suppliers



FFE Minerals' Competitive position

- **Major** player in **Extraction** (in-pit crushing and mine hoists)
- **Major** player in **Comminution** (crushers, mills and sizers)
- **Minor** player in **Separation** (flotation, cyclones)
- **Major** player in **Pyro Technology** (kilns, dryers, suspension)
- **Major** player in some **Materials Handling** segments
- **Growing** player in **Parts & Services**





4. Customers

- The global mining industry can be divided into three categories with a tendency of medium-sized companies to disappear as a consequence of the ongoing industry consolidation

	Junior mining companies	Medium-sized mining companies	Large global mining companies
Examples	Ivanhoe, Zangezour Copper, Goldcorp, Grupo Mexico, MMX	ALCOA, Vedanta, Phelps Dodge, Freeport, Barrick, Newmont	BHP Billiton, Rio Tinto, Xstrata, CVRD INCO, Anglo American
Line of business	Focusing on finding and developing new deposits	Typically single-commodity miners	Multinational diversified miners, many of which are listed in London
Type of investments	Greenfield exploration	Greenfield and Brownfield projects, upgrades and retrofits	Typically brownfield exploration, often partner with Juniors on Greenfield projects



Industries served

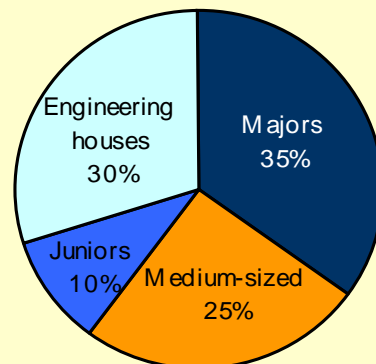
- **Metallic Mining and Minerals**
 - Companies involved in the **mining, processing** and **production of metallic minerals** (e.g. copper, gold, platinum, silver, bauxite, nickel, iron, lead, ferroalloys)
 - **Metals processing** companies (e.g. steel, aluminum)
 - Companies involved in the mining and production of **diamonds** and other **precious stones**
 - Companies involved in the distribution of metals and alloys
- **Industrial Minerals**
 - Companies engaged in the quarrying of **limestone** and the production of **lime** and **lime based industrial products**
 - Companies involved in the production of **soda ash, phosphates, pet coke** and **lightweight aggregates**, etc.
- **Coal**
- **Pulp & Paper**
- **Energy**



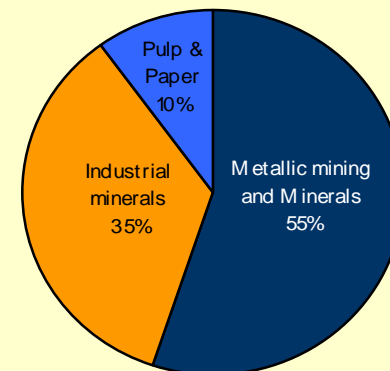
Customer Base

- **Historically**, FFE Minerals has primarily targeted the medium-sized mining companies, such as Phelps Dodge, Barrick, Freeport, Vedanta, Codelco....
- In **recent years**, focus has shifted towards the major mining companies in line with the consolidation of the industry
- Our **typical customers today** are the major mining companies and Engineering firms (Bechtel, Fluor, SNC Lavalin) followed by mid sized mining companies and then small companies

**Distribution of sales
based on type of customer**



**Distribution of sales
based on industries served**





5. Competitors / Peers

- Minerals Processing is a fragmented industry with different competitors in different segments, however some of the larger players are:
 - **Metso Minerals**, Finland
 - **Outokumpu Technology**, Finland
 - **Sandvik**, Sweden
 - **Andritz**, Austria
- These companies publish relevant financial data and constitute the defined **peer group** of FFE Minerals



Competitors

KEY COMPETITORS FOCUS ON PARTS & SERVICE AND INDUSTRY CONSOLIDATION, BUT HAVE DIFFERENT SEGMENT FOCUS

- **Key trends**
- **Competitors are consolidating the industry**
- **All main players increasingly focus on the after market**

• Metso

- Largest competitor in Metallic Minerals and Aggregates with large focus on Aggregates
- Present in all product segments
- Strong after market focus (+40% of sales)
- Acquisition growth strategy slow due to consolidation of Kvaerner Pulping

• Sandvik

- Among top two competitors in crushing and Materials Handling
- Strong after market focus (35–40%) of sales
- Aggressive acquisition based growth strategy focussing on after market wear materials businesses

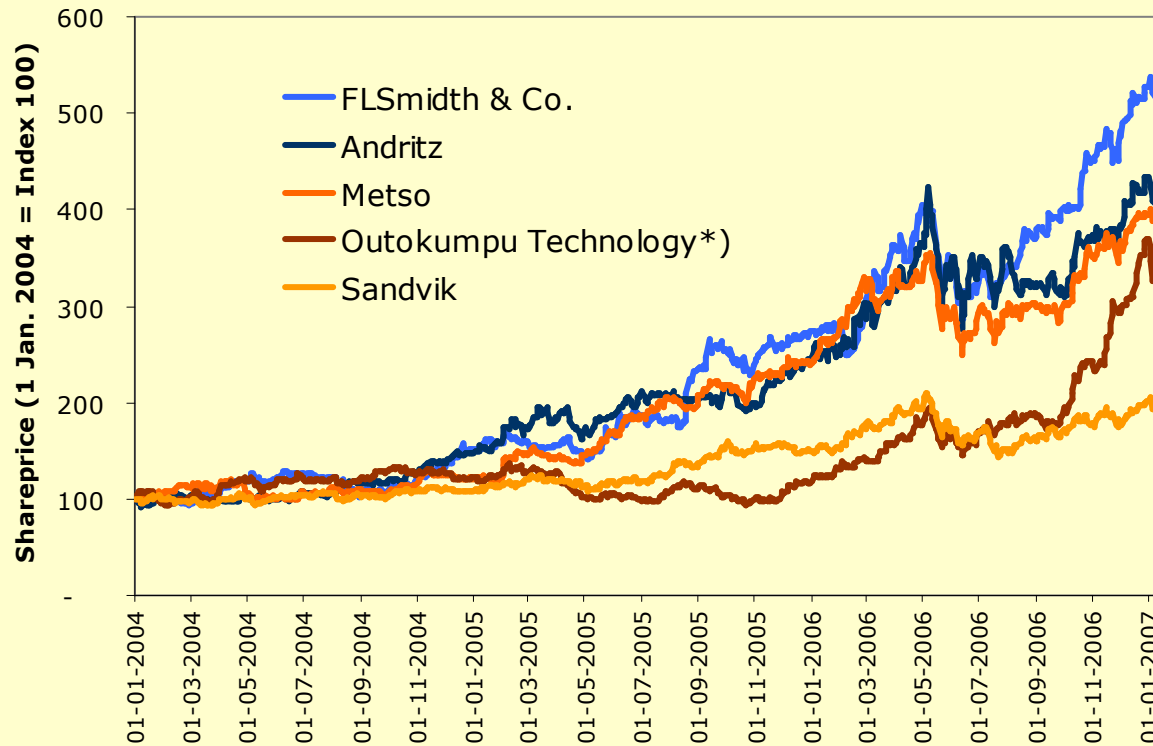
• Outokumpu

- Strong player in Metallic Separation and Pyroprocessing
- High focus on Metallic Processing plants
- Little acquisition activity due to recent IPO



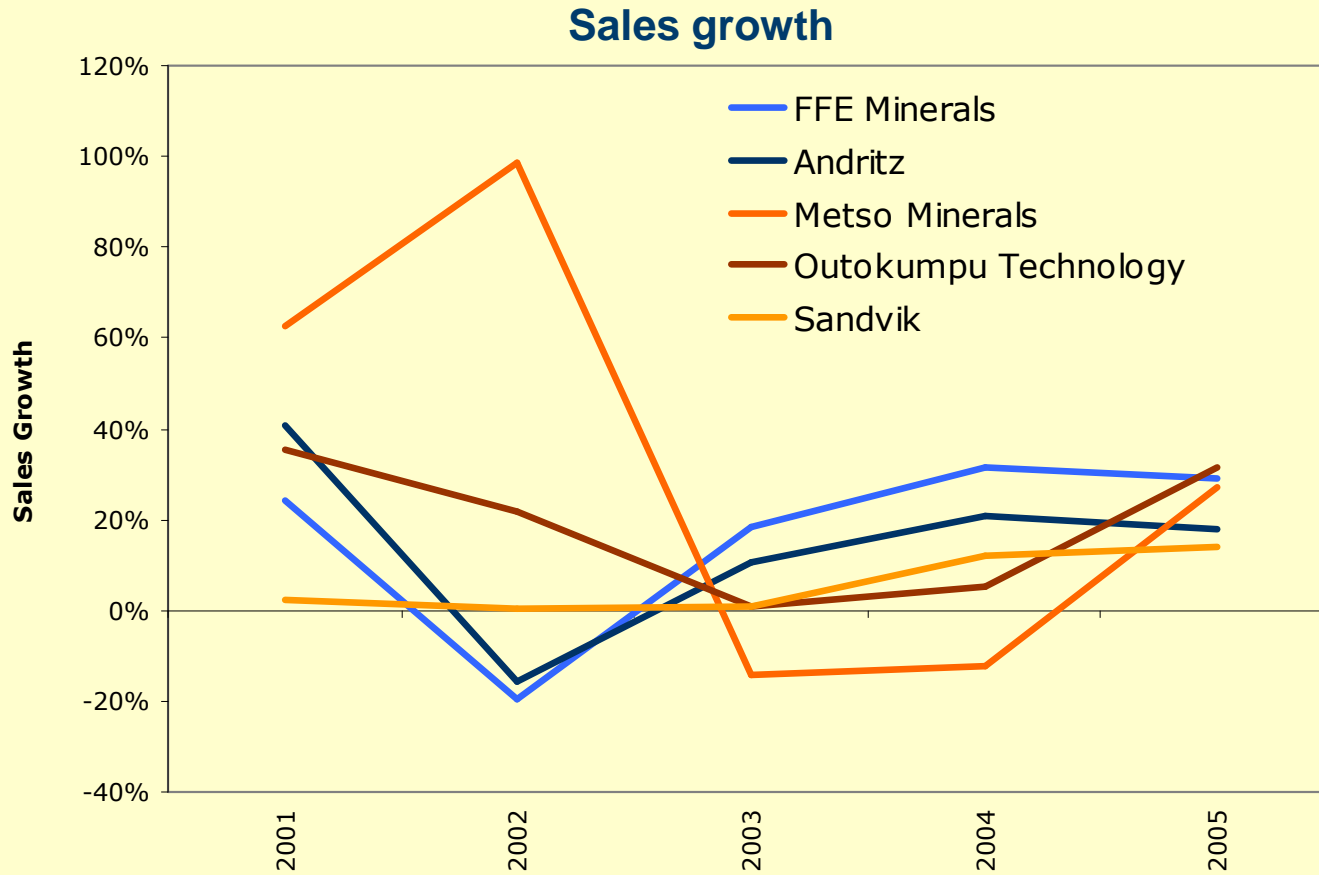
Peer Group Analysis

Share price performance



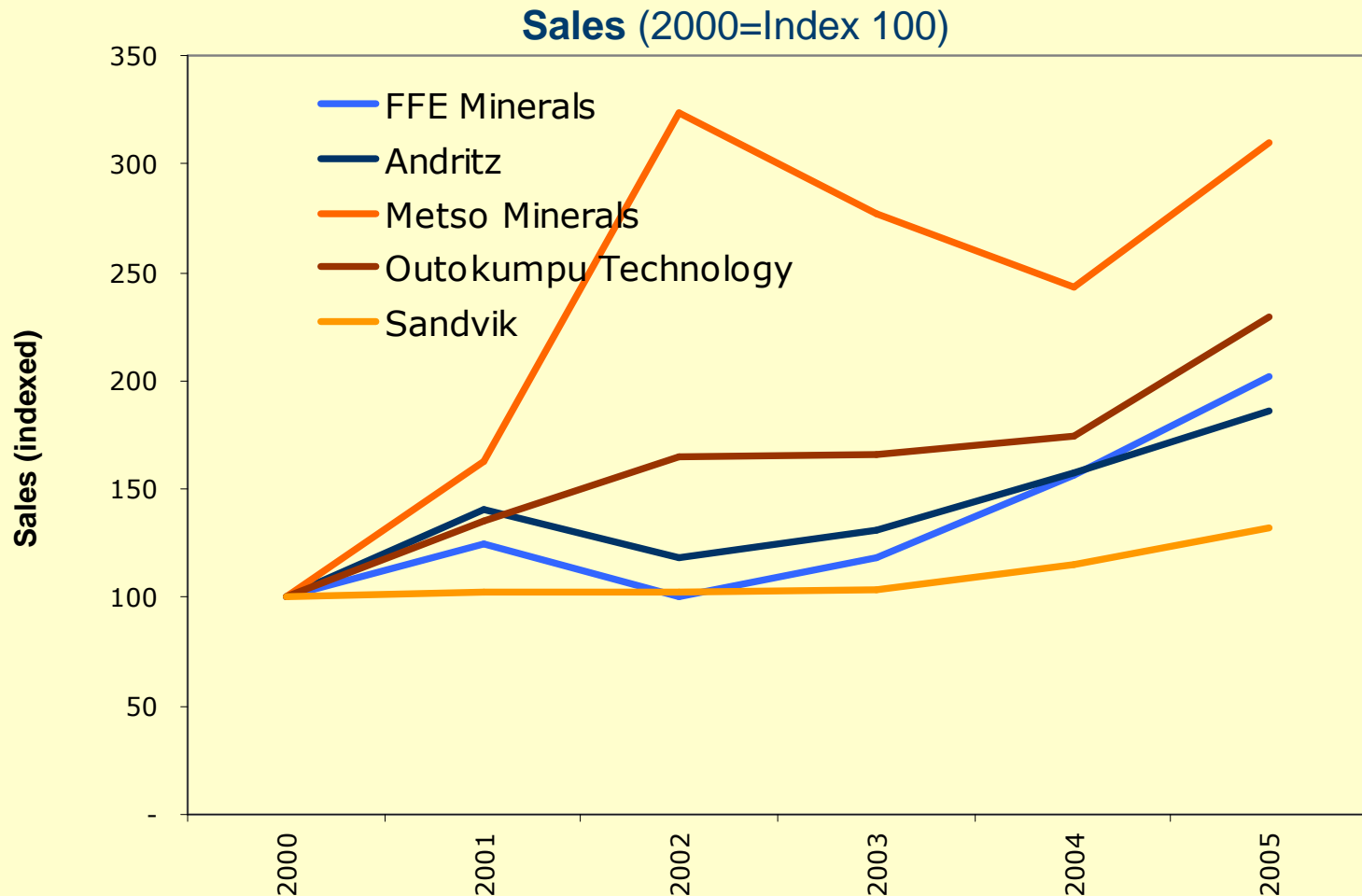


Peer Group Analysis



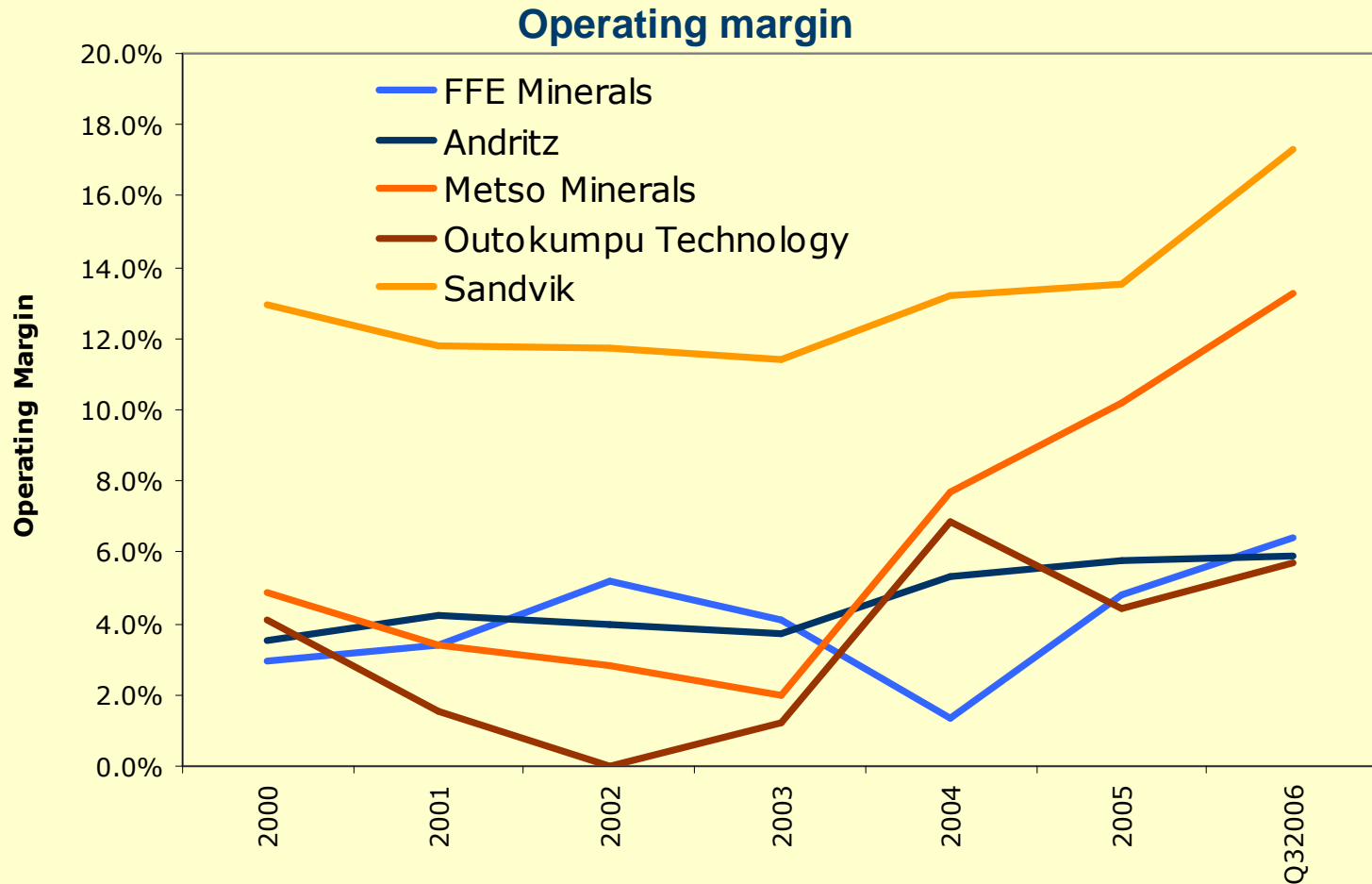


Peer Group Analysis



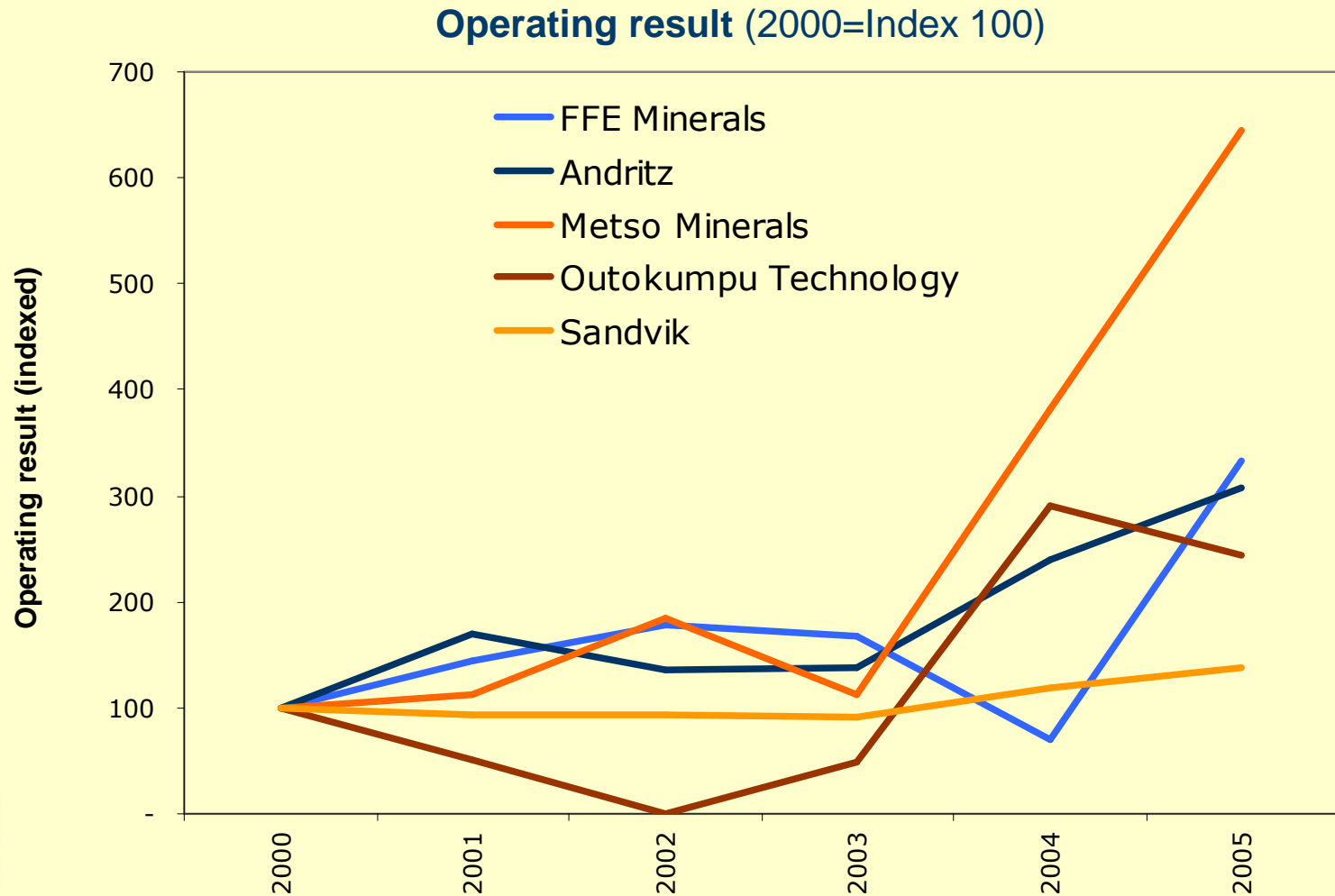


Peer Group Analysis





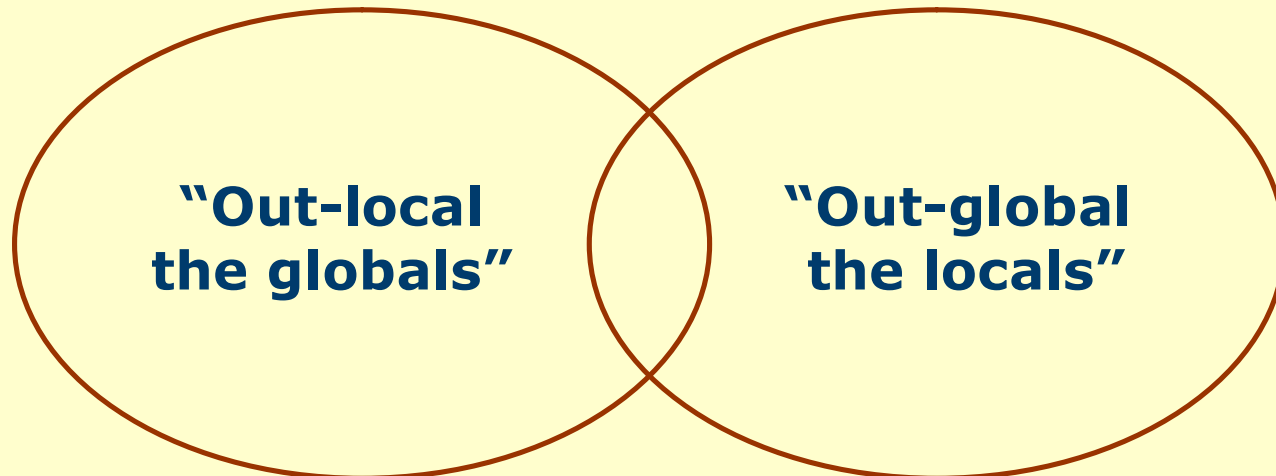
Peer Group Analysis





FFE Minerals' competitive advantages

- Strong position in selected market segments and geographical regions
- Heritage brand names
- Experienced staff passionately dedicated to the expanding Minerals Industry
- Strong local presence in key markets which is core to its business model
- Technological edge for large-scale equipment/systems
- A diverse group of managers who constantly bring in new ideas





6. Future development of FFE Minerals

- **FFE Minerals' Growth Strategy**
 - FFE Minerals has stuck to its core technologies and/or markets
 - New technology has been within core markets
 - FFE Minerals has pursued expansion and not transformation
 - Expanding value added service offerings
 - Niche manufacturing of spare parts
- **Future expansion possibilities**
 - Continued Acquisition and development of bolt-on technology
 - Expansion into new geographical markets
 - Bring local solutions global
 - Leverage on global setup locally
 - Follow known customers into systems opportunities



R&D projects (1)

- **Cone Crusher Development**
 - Developed XL300, XL400 and XL1100 cone crushers
 - Achieved sales of all models in less than 1 year
 - XL600 and XL 900 are development projects for 2007
- **TS Gyrotory Crusher Development**
 - Top service design for easy maintenance
 - Driven by reduction of downtime and safety considerations
 - Multiple units sold





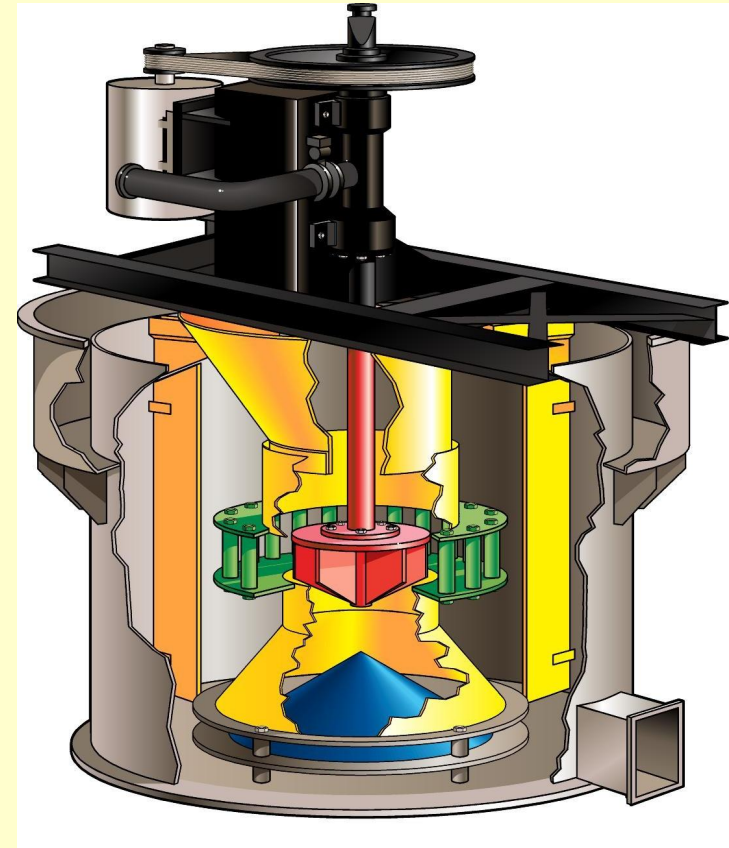
R&D projects (2)

- **Flotation Cell Development**
 - Developed, tested and commercialized flotation line from 10m³ – 160m³
 - Installed in copper, molybdenum and platinum applications
- **MCP Development**
 - Multiple cassette preheater for lime production
 - Sold and operating
- **Tar Sands Calciner**
 - Co-development of a calciner to improve the productivity of oil from Tar Sands Industry





FFE MINERALS FLOTATION CELLS

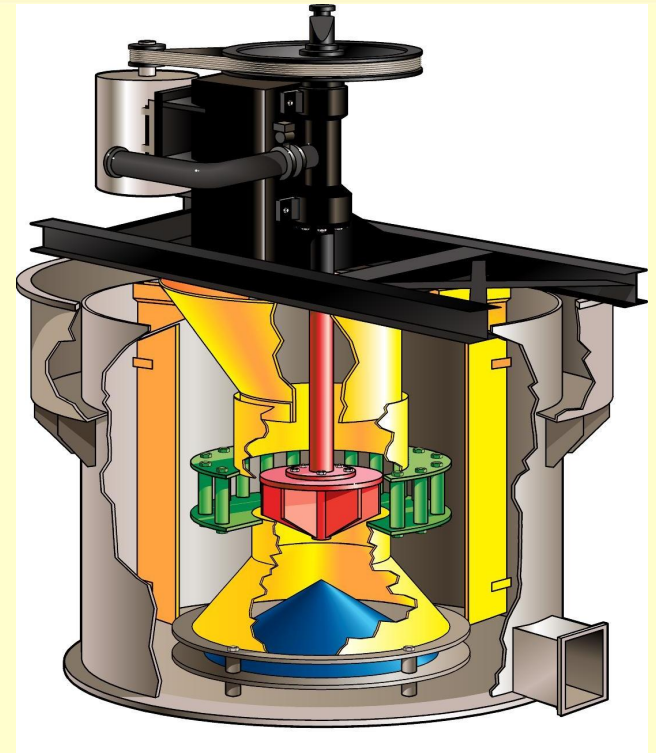


A GROWING BUSINESS OPPORTUNITY



Development Time Line

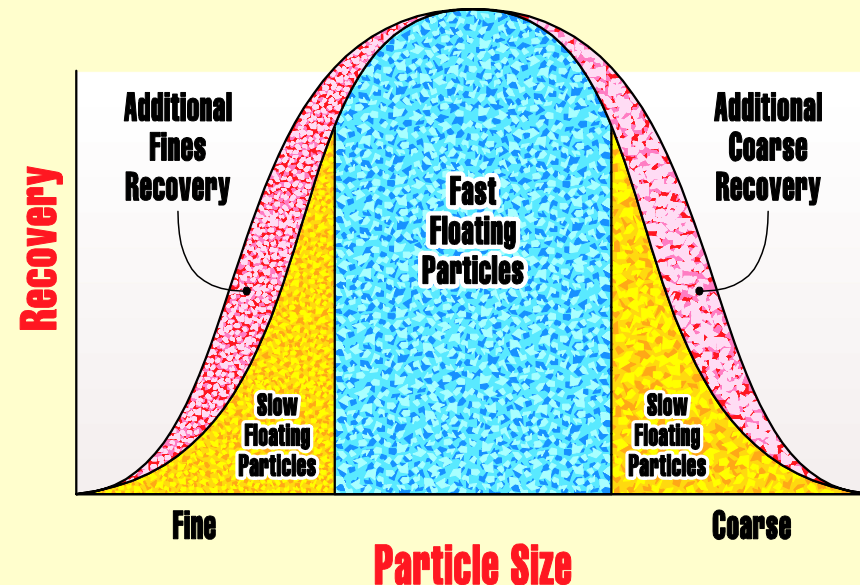
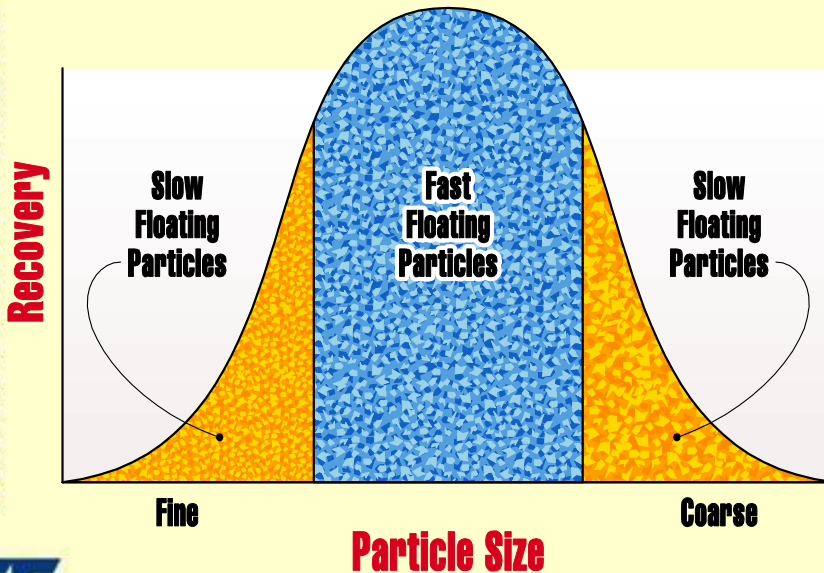
- **1997** Began Effort
- **1998** Developed Unique Cell Design
 - Forced Air
 - Conical Draft Tube with Velocity Cone
 - Mid Rotor Position
 - Pure Radial Flow Rotor
 - Closed Rod-Cage Stator Assembly
 - Full Tank Baffles
- **2002 - Present** Three 10m³ Cells Evaluated at Anglo Platinum
- **2004 - Present** Mechanism Retrofit of Large Flotation Cells, Chile
- **2004** First Sales of Flotation Equipment
- **2006** Year of commercial consolidation
- **2007** Establish a Commercial Platform to Assure Future Growth





Development Objectives

- Superior Operational Availability
- Superior Metallurgical Performance





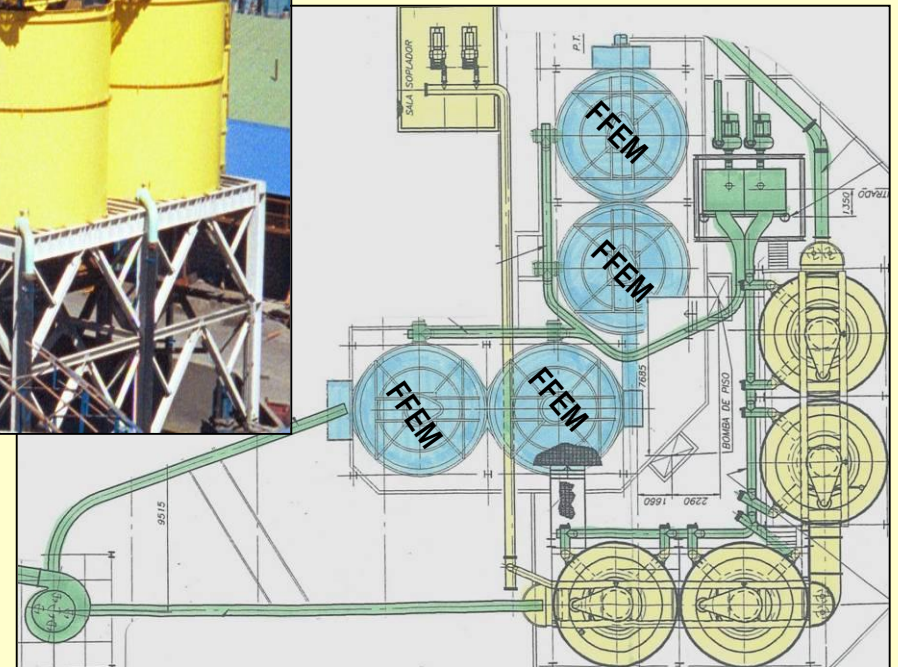
10 m³ FFEM Cells in Platinum





Future development

Copper Mine Competitive Test with 4 x 130 m³





Copper-Moly Rougher Flotation





Minera Valle Central



View of the 16 x 160 m³ FFEM Cells Installation



Future development



**FFE Minerals
130 m³ Cells
in Platinum,
South Africa**



Summary of Operating Installations

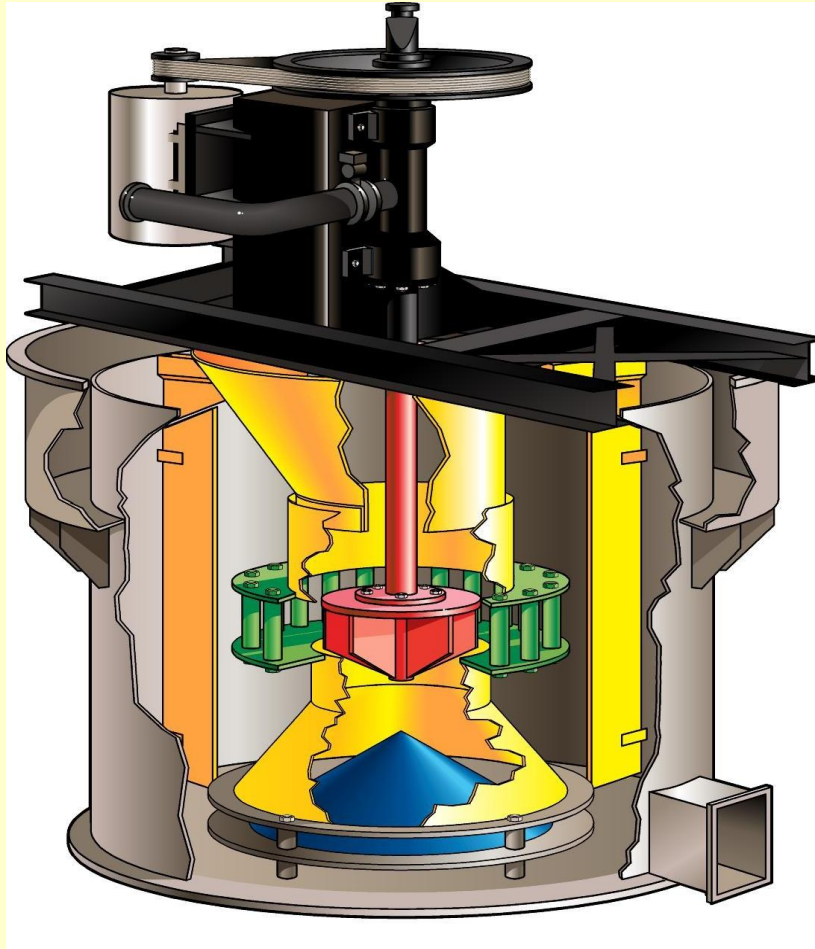
- (5) 1.5 m³—Minera Valle Central (Moly Plant)
- (5) 5 m³—Minera Valle Central (Moly Plant)
- (2) 5 m³—Konkola Mines
- (3) 10 m³—Anglo Platinum
- (6) 10 m³—Minera Valle Central (Moly Plant)
- (3) 10 m³—Konkola Mines
- (4) 30 m³—Konkola Mines
- (12) 100 m³—Konkola Mines
- (4) 130 m³—CODELCO El Teniente
- (5) 130 m³—Anglo Platinum
- (16) 160 m³—Minera Valle Central

— Start Up in June 2007



Future development

200 m³ Cell development new machine to respond to needs of the market



The New FFE Minerals Giant

- 6.8 mt Diameter
- 6.1 mt Tall
- 250 hp Motor
- 300 tons weight loaded
- 170 hp consumed in operation.
- The lowest in the market place



Financial outlook

- **2006-Guidance:**
 - Net Sales: DKK > 3bn
 - EBIT-ratio: > 6%
 - Record order intake
- **Future Volume and Sales potential**
 - Continued CAPEX Investment by mining companies to catch up with demand
 - A growing global middle-class in emerging markets led by a growing middle-class (metals consumers)
 - Acquisitions
- **Future Margin potential**
 - Operational leverage
 - Continued sellers market
 - Niche manufacturing of spare parts
 - LEAN Project





Risks

- **Order Intake > Order Processing Capacity**

- Internal resources stretched
- Engineering completed “JIT”
- Potential for errors / omissions

- **3rd party suppliers overloaded**

- Quality issues
- Lead times extended
- Missing deliveries / liquidated damage





Risks – Human Resources

- **Red Flags**
 - Attracting talent / Retaining talent
 - Salary pressures
 - Lack of training due to time pressures
- **Corrective Actions**
 - Proactive HR program
 - Formalized training programs
 - Must be viewed as best place to have a career





Risks – Supply Chain Management

- **Red Flags**
 - Long lead times / Underperforming suppliers
 - Too few suppliers for critical components
 - Too many regional suppliers for non-critical components
- **Corrective Actions**
 - Aggressive supplier search / development
 - Partnering arrangements
 - Proactive global procurement dire including all FLS Group companie





Opportunities

- **General Market Conditions Are Excellent**
 - Metals prices ↑↑↑↑↑
 - China / India demand still high
 - Customer investment activity high
 - “Ride the Wave”
- **Certain Markets Still Untapped**
 - Geographic - CIS countries (former Soviet)
 - Industries – US Coal / Oil Sands / Aggregates
 - Technologies – Cone Crusher / Flotation / Materials Handling





Opportunities

- **Parts and Service Business**
 - Increasing at 13% (CAGR) for last 7 years
 - Plants are very busy, therefore parts utilization is high
 - New capital equipment today → Spare parts tomorrow
 - Excel Foundry & Machine adds a new dimension
 - Certain Markets Still Untapped
- **Exploit the synergies that exist within the FLSmidth Group**
 - FFE Minerals is not the only beneficiary of the boom in Minerals activity..
 - FLSmidth Airtech, FLSmidth Automation, Pfister, Maag Gear, Ventomatic all expect to extend further into the very active minerals market



Takeaways from Today

- **Interesting Growth opportunities**
 - Huge order backlog
 - Integration and development of recent acquisitions
 - Sale of systems rather than single machines
 - Future acquisitions
- **Positive Margin Outlook**
 - Time of Delivery more important than price
 - Human constraints could extend the current cycle much longer than normal
- **Excellent market conditions**
 - To be addressed later today...





ASPIRATIONAL VALUE (1)

- To be the leading solutions supplier to the Minerals Processing Industry
- We will do this by meeting our obligations to our customers offering the best technical solutions for the individual application based on over 125 years experience
- Meeting Customers' expectations today remains our key objective and will result in sustained growth into the future offering our stakeholders security and personal satisfaction



ASPIRATIONAL VALUE (2)

- The overriding principal to achieve this will be to offer the **experience, knowledge, and flexibility** of our people presenting **superior technical solutions** resulting in quicker or more efficient commissioning of new plants or equipment
- As we **grow through acquisitions** we will fill in the gaps and eventually be in a position to **offer all of the key technologies** needed within our industry's demands
- The successful **business model** – OUT LOCAL THE GLOBALS, OUT GLOBAL THE LOCALS – that has been established over the years will be further strengthened with the acquisition of key technologies in key markets. Regions where we have been weak will be strengthened and new, exciting markets (such as Tar Sands) will be entered



Synergistic Growth

- Profitable growth
 - Earnings stability
- and...**
- Greater price realization
 - Increased parts sales
 - Improved asset utilization
 - Stronger customer relations
 - Lower costs
 - More stable earnings





THANK YOU

FFE
MINERALS