

**Corporate Public Relations**

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Announcement No.

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Danish Financial Supervisory Authority  
Gl. Kongevej 74 A  
1850 Frederiksberg C

Company announcement No. 22-2007:

**FLSmidth signs innovative contract to operate and maintain cement plant**

FLSmidth has – as part of its strategy to reduce the effect of the cyclical element in sales of new cement and minerals plants - taken up long-term operation and maintenance of cement plants.

After one year's development of the concept, FLSmidth has now signed an innovative O&M-contract worth DKK 275m (EUR 37m) for the operation and maintenance of a cement plant in Egypt built by FLSmidth.

The customer, Arabian Cement Company (ACC) has entrusted FLSmidth with the day-to-day operation and maintenance of the new cement plant for five years starting from the inauguration in early 2008.

The contract entails that FLSmidth will be responsible for recruitment, instruction and further training of some 150 local staff who will be in charge of operating and maintaining the plant. Under the contract FLSmidth will also be responsible for maintaining a stock of spare parts that will guarantee maximum operational stability. The aim is also to ensure a high level of production efficiency through continuous upgrading of the production process and ongoing training of the staff.

FLSmidth is the only supplier of cement plants in the world to offer total package solutions comprising highly qualified staff and optimised utilisation and maintenance of production plants. FLSmidth has experience in operation and maintenance contracts from the Group's Minerals activities which for several years have undertaken similar contracts. It should be noted that neither in its Minerals business nor in its Cement business do the O&M contracts involve ownership in the plants for FLSmidth.

*"With the signing of this contract, FLSmidth's relationship with ACC has shown the way for a new form of ongoing partnership which we expect to have a positive influence on the future development of our business and the cement industry as a whole,"* Group CEO Jørgen Huno Rasmussen says.

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FLSmidth's ambition is to continue to refine the "Operation & Maintenance" (O&M) concept so that it becomes the preferred solution in the industry, alongside the traditional supply contracts.

The order will contribute beneficially to FLSmidth's earnings until the contract expires in early 2013.

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Please address any questions regarding this announcement to Group Chief Executive Officer Jørgen Huno Rasmussen, FLSmidth & Co. A/S at +45 3618 1800.

For further information about FLSmidth, please visit [www.flsmidth.com](http://www.flsmidth.com).

Yours faithfully

Torben Seemann Hansen  
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