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Danish Financial Supervisory Authority
Århusgade 110
DK-2100 Copenhagen Ø

Company Announcement No. 10-2012:

**FLSmidth to Proceed with Offer of AUD 11 per share
for Australian company Ludowici**

Today, the Australian Takeovers Panel has published a Declaration and Orders which allows FLSmidth to proceed with its offer of AUD 11 per share (less any dividends determined, declared or paid by Ludowici before the transaction is completed) for Australian company Ludowici Limited (Ludowici).

As a consequence, FLSmidth and Ludowici have amended the Scheme Implementation Agreement to reflect the agreed, higher price and the deletion of the condition which related to the Takeovers Panel proceedings. The Scheme Implementation Agreement otherwise remains substantially unchanged and remains subject to a number of customary conditions including shareholder approval, court approvals and other regulatory approvals (see company announcement No. 07 - 2012).

The Board of Directors of Ludowici has unanimously resolved to recommend the proposed transaction to Ludowici's shareholders, subject to there being no superior proposal and an independent expert concluding that the scheme is in the best interests of the shareholders.

As set out in Ludowici's ASX announcement dated 16 February 2012, Ludowici Investments Pty Limited, Julian Ludowici and the other Ludowici Directors, who together control approximately 22% of the outstanding shares of Ludowici, have confirmed that, in the absence of a superior proposal, they will support the scheme and vote their shares in favour of the proposed transaction.

In its declaration and orders announced today, the Takeovers Panel has also found that FLSmidth's correction on 31 January 2012 of the Reuters article published on 23 January 2012, stating that FLSmidth reserved its right to increase its offer at AUD 7.20 per Ludowici share, should have been made earlier. As a consequence, the Takeovers Panel has ordered FLSmidth to implement a process that may result in compensation to Ludowici shareholders who may have suffered a loss by selling Ludowici shares in the period from 23 January 2012 and until 31 January 2012 in reliance on FLSmidth's statement of 23 January 2012. The Takeovers Panel has decided that the compensation per share cannot exceed AUD 2.67 and based on the amount of Ludowici shares traded between the publication of the Reuters article and FLSmidth's corrections, the maximum aggregate amount of compensation cannot

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exceed AUD 2.9 million. FLSmidth expects the actual amount of compensation payable to be lower.

The parties have 2 days to appeal the decision of the Takeovers Panel, and FLSmidth is currently considering its position.

For further information about FLSmidth, please visit www.flsmidth.com.

Yours faithfully

Pernille Friis Andersen
Corporate Communications & Investor Relations