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Danish Financial Supervisory Authority  
Århusgade 110  
DK-2100 Copenhagen Ø

Company Announcement No. 35-2013:

**Arbitration award received**

An ICC (International Chamber of Commerce) arbitration has been concluded in a case between MT Højgaard A/S and FLSmidth A/S dating back to 2004.

Much to the surprise of FLSmidth and contrary to expectations the ICC arbitration award renders FLSmidth liable to pay a significant higher compensation than expected and reserved for.

The arbitration award states that FLSmidth A/S must compensate MT Højgaard A/S for some of the costs resulting from the delays at the English cement plant Buxton in 2004.

According to the arbitration award FLSmidth A/S is to pay partial compensation and interest plus part of the costs of the proceedings to MT Højgaard A/S.

The impact on FLSmidth & Co. A/S' financial statements amounts to a net effect of approx. DKK -160m on EBITA and DKK -120m on profit after tax, which will be booked in Q4 2013, and a net cash effect which amounts to approx. DKK -170m.

The Group's guidance for 2013 will be affected by the award. Consequently, the EBITA margin for 2013 is expected to be 3.5-4.5% (previous guidance 4-5%).

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Please address any questions regarding this announcement to Group Executive Vice President and CFO Ben Guren, FLSmidth & Co. A/S at +45 36 18 18 00.

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

Yours faithfully

Pernille Friis Andersen  
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