FFE MINERALS

Capital Markets Day

18 January 2005

A World of Resources.

A Universe of Experience.

Technology Within Your Reach.

FFE MINERALS

AGENDA

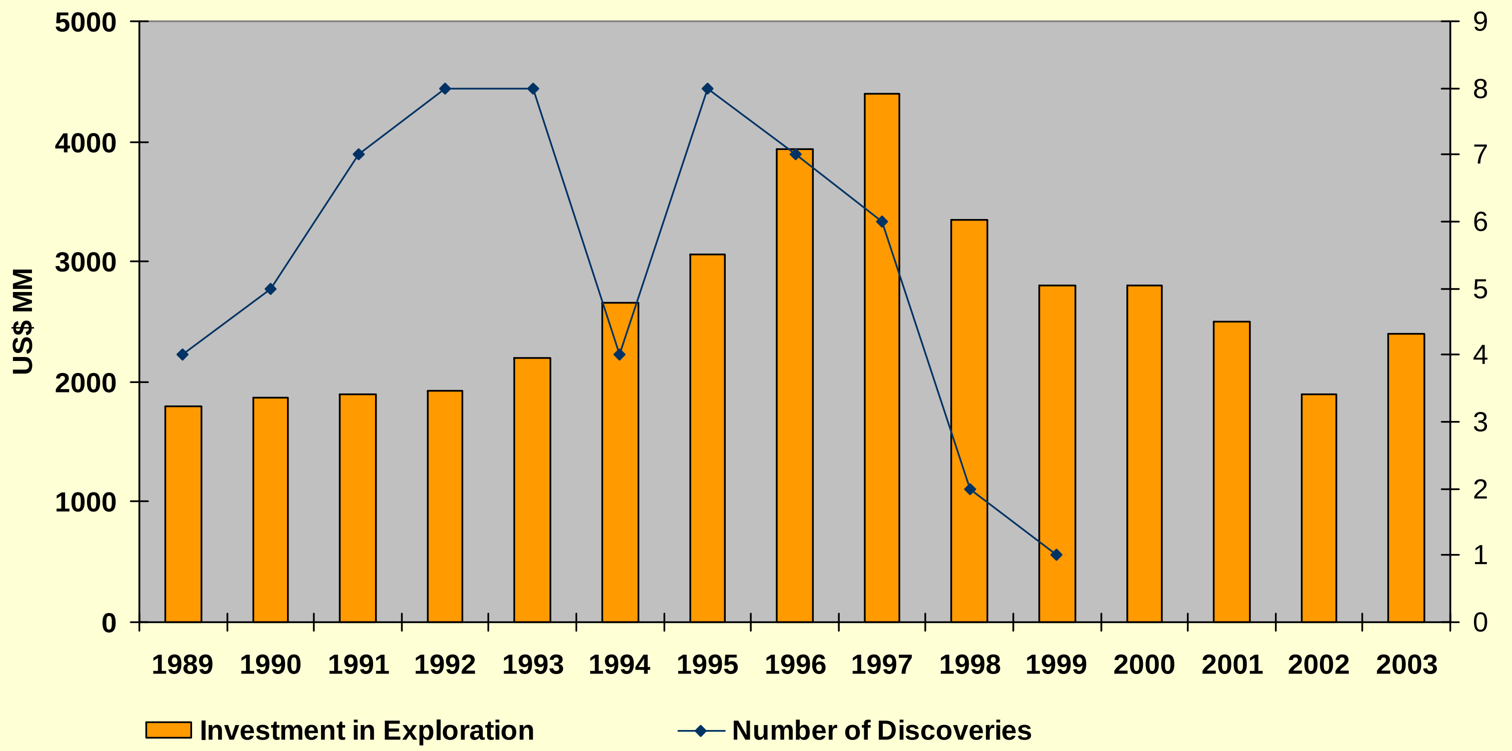
- Minerals Industry Overview
- General Company Overview
  - Organization Structure
  - Products / Technologies / Industries / Competitors
- Financial Review
  - Historical Performance
  - 2004 Market Conditions
- Growth Opportunities

23 BILLION T/YEAR OF ROCK CRUSHED

27% Sand & Gravel	22% Stone
17% Coal	7% Cement
15% Oil Based	5% Iron Ore
5% Hard Rock Mining	2% Other

Exploration Expenditures

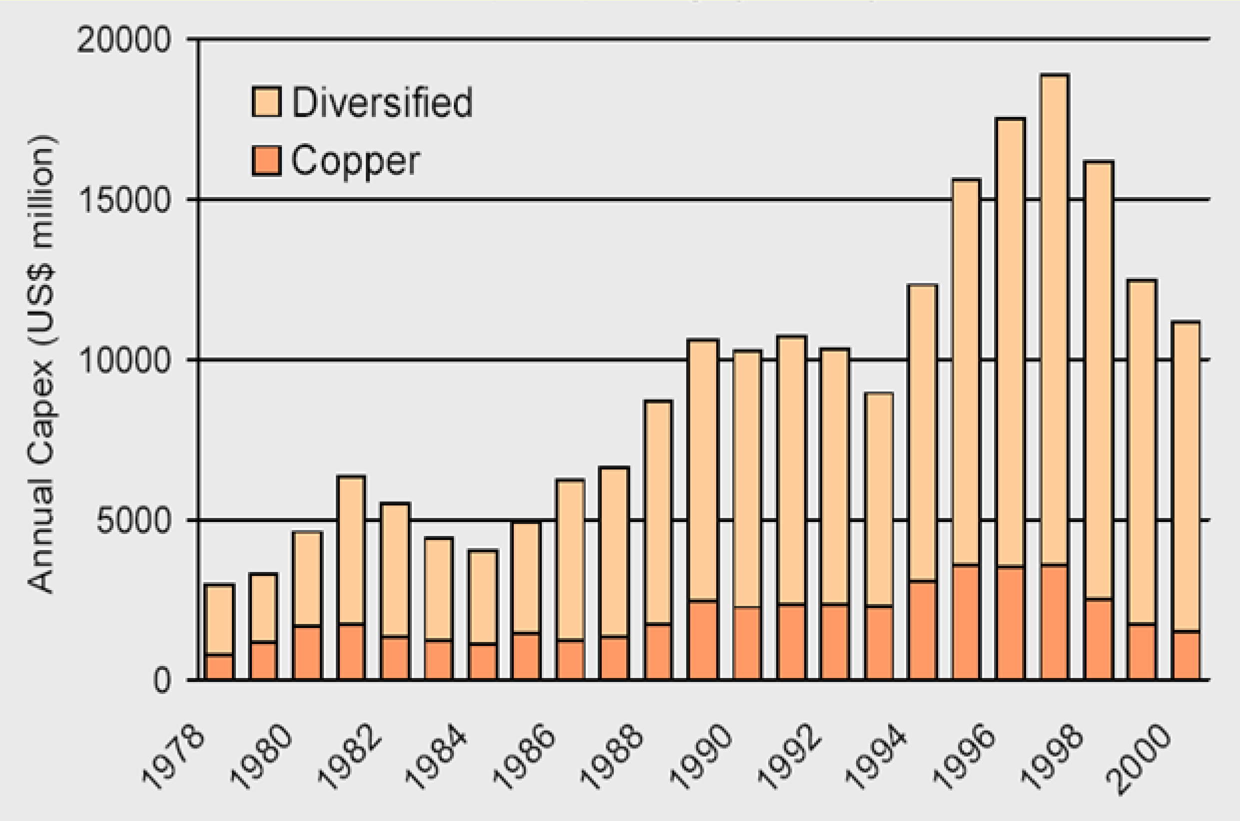
Non Ferrous Mineral Exploration – 1989-2003



Source: Metals Economics Group, 2000

Mining is Capital Expenditure Intensive

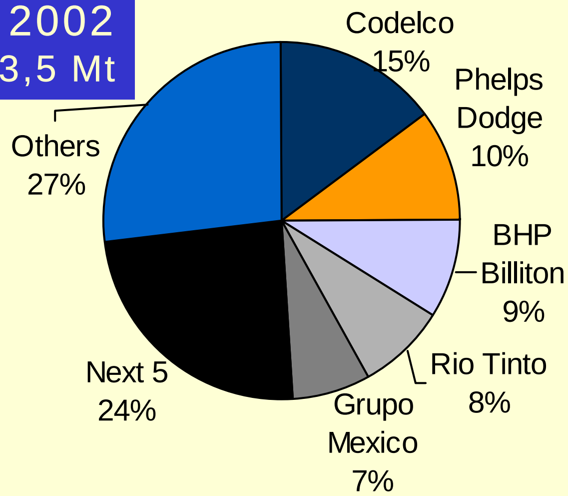
Annual Capex of the Mining Industry



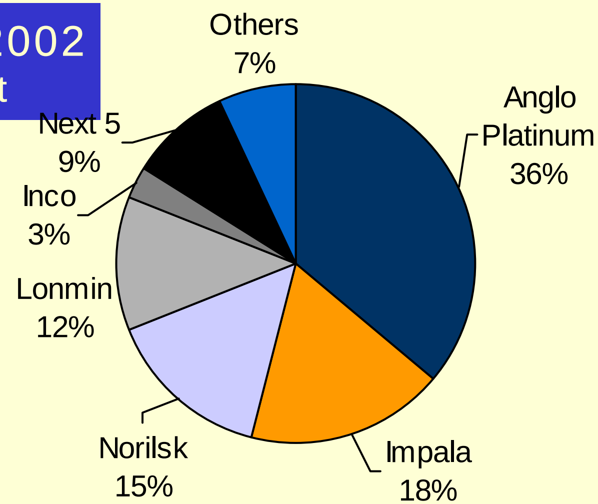
Source: CRU Copper Studies, Oct. 2001

Major Producers

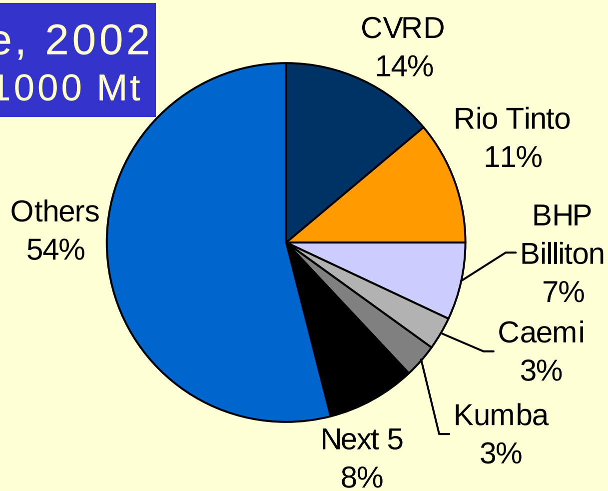
Copper, 2002
Total = 13,5 Mt



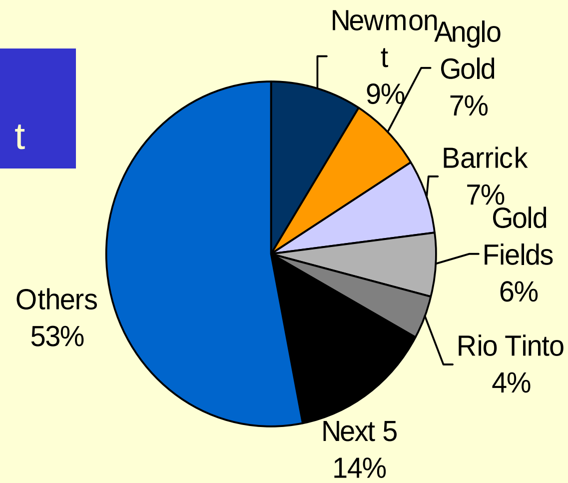
Platinum, 2002
Total = 180 t



Iron ore, 2002
Total = 1000 Mt



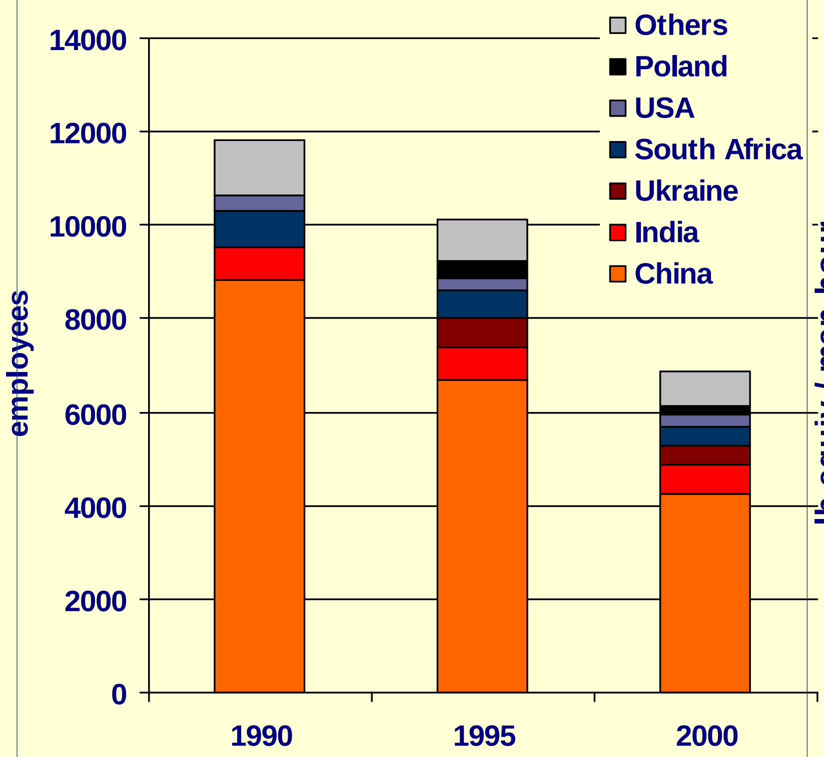
Gold, 2002
Total = 2500 t



Source: CRU; UBS Warburg

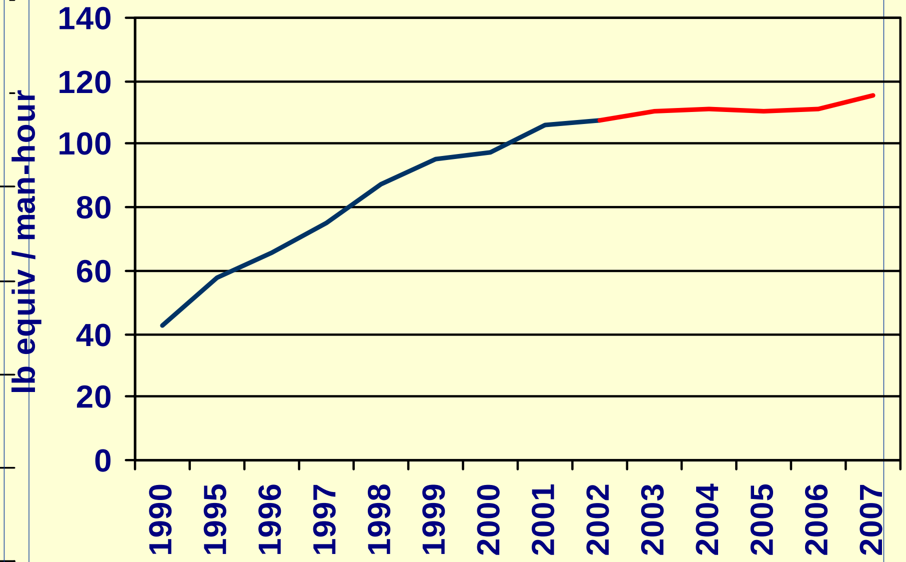
Modern Mining Methods using Large Scale Equipment have Reduced the Necessity for Labor Utilization.

Labor Utilization in the Mining Industry



* Selected countries; not including small scale mining

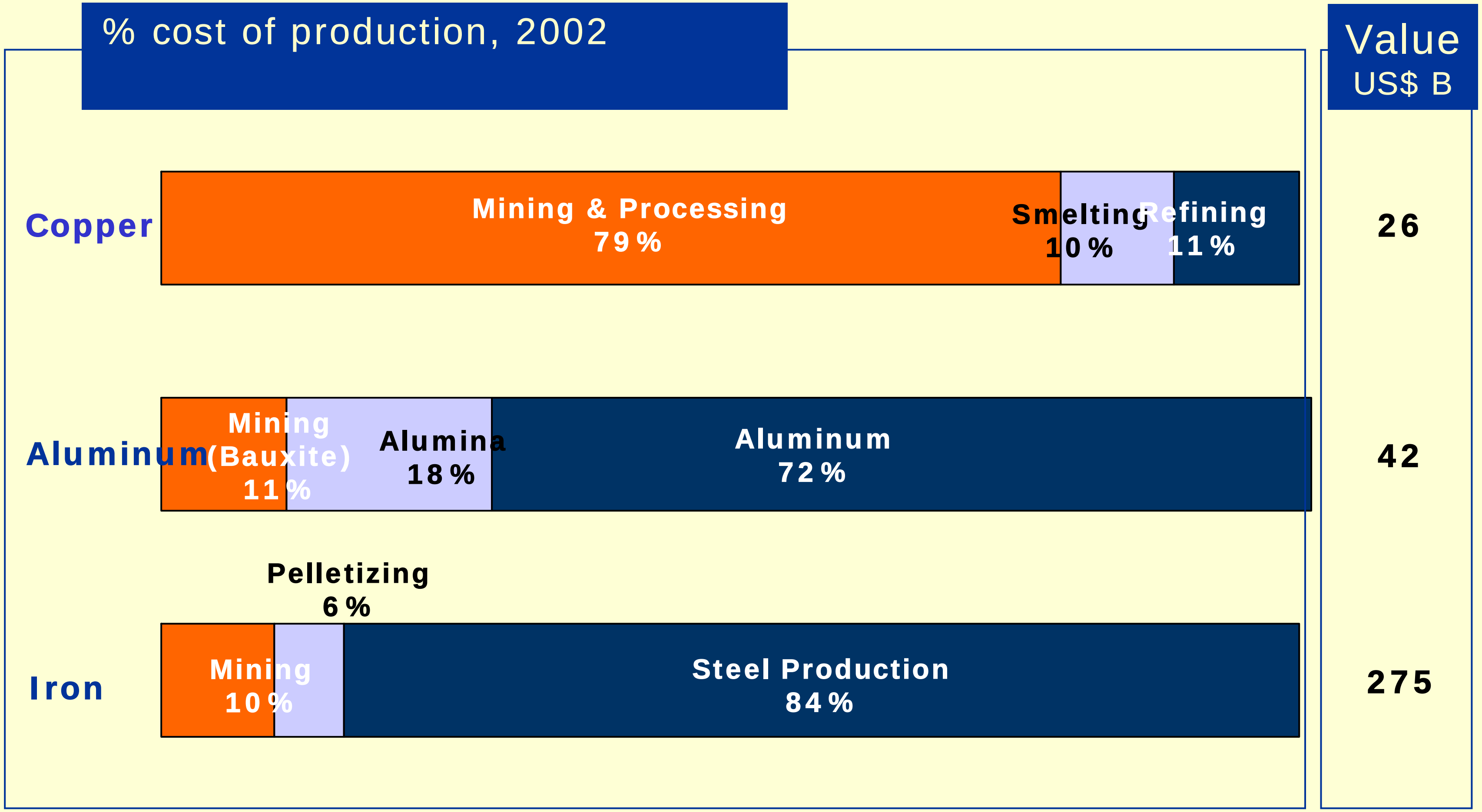
Productivity of Copper Operations



Source: International Labor Office; United Nations; US Department of Commerce; Brook Hunt 2002.

Segmentation of Processing Requirements of Copper, Aluminum and Iron

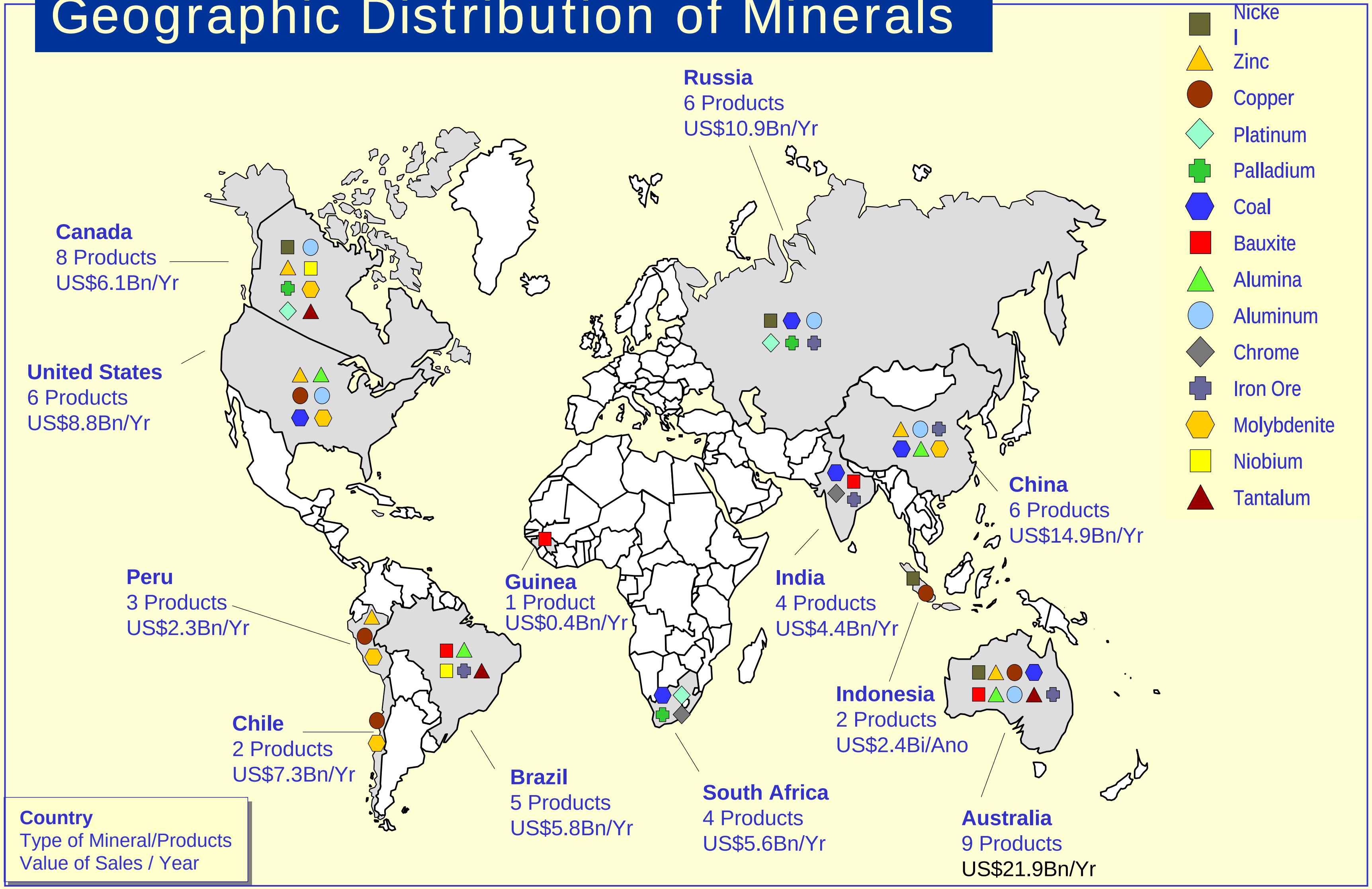
FFE Minerals is highly dependent on Copper Processing for its Minerals Technology Group compared to Al and Fe.



Source: CVRD; IISI; IBS; USGS; BNDES; IAI; Análises CVRD

Mineral Assets are Principally Distributed in 12 Countries

Geographic Distribution of Minerals



Chinese Imports Create a Demand for Minerals and Metals

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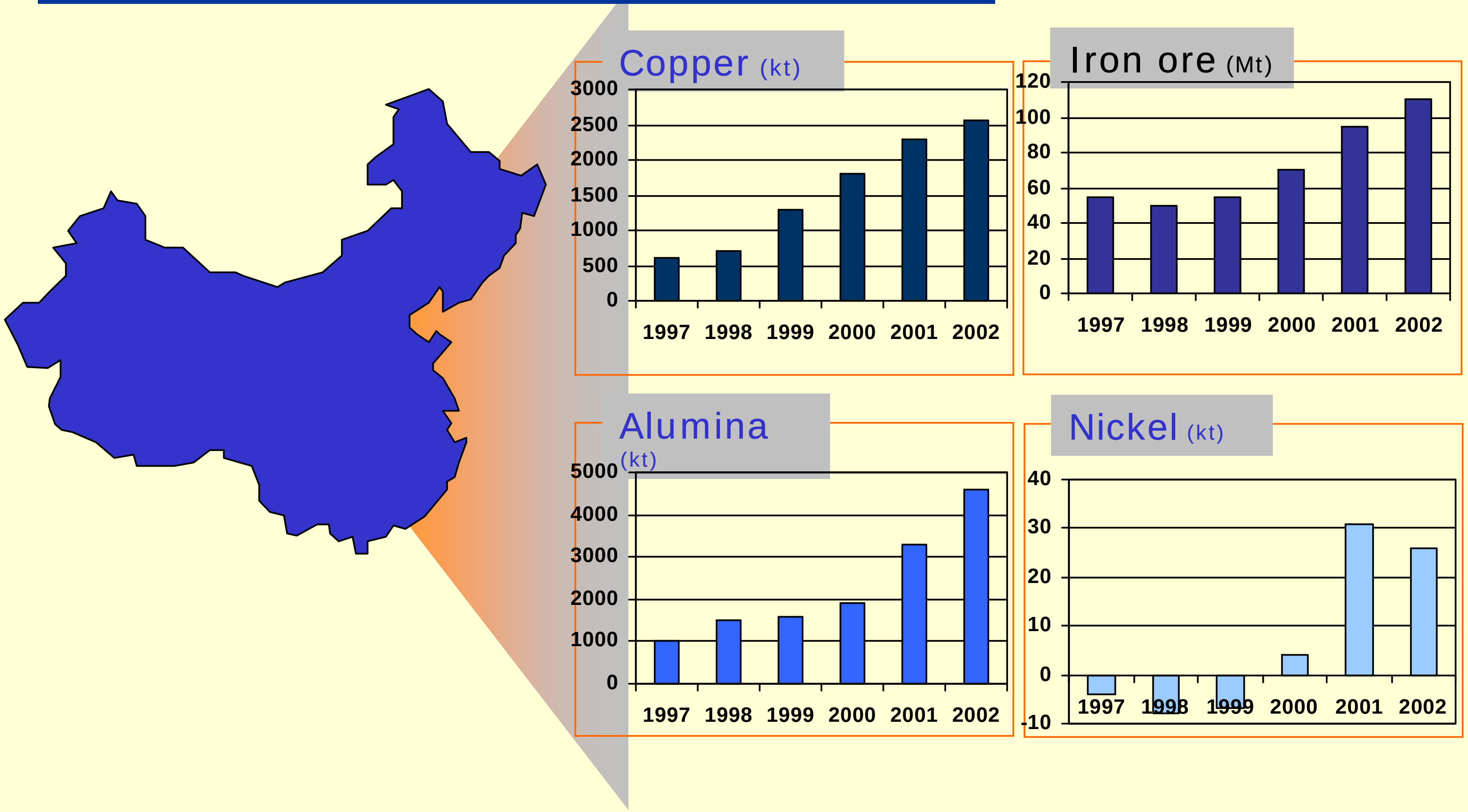
Chinese Imports of Metal Commodities



Source: Chinese Customs Statistics – UBS Warburg

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WHO IS FFE MINERALS?

- We are a relatively young company, formed in 1996, but with 100 year old roots.
- We are a subsidiary of FLS Industries A/S, Denmark.
- We are worldwide with offices located in Australia, Brazil, Canada, Chile, China, Denmark, India, Mexico, South Africa and the USA.

F - F.L. Smidth

F - Fuller

E - Engineering

MISSION

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.

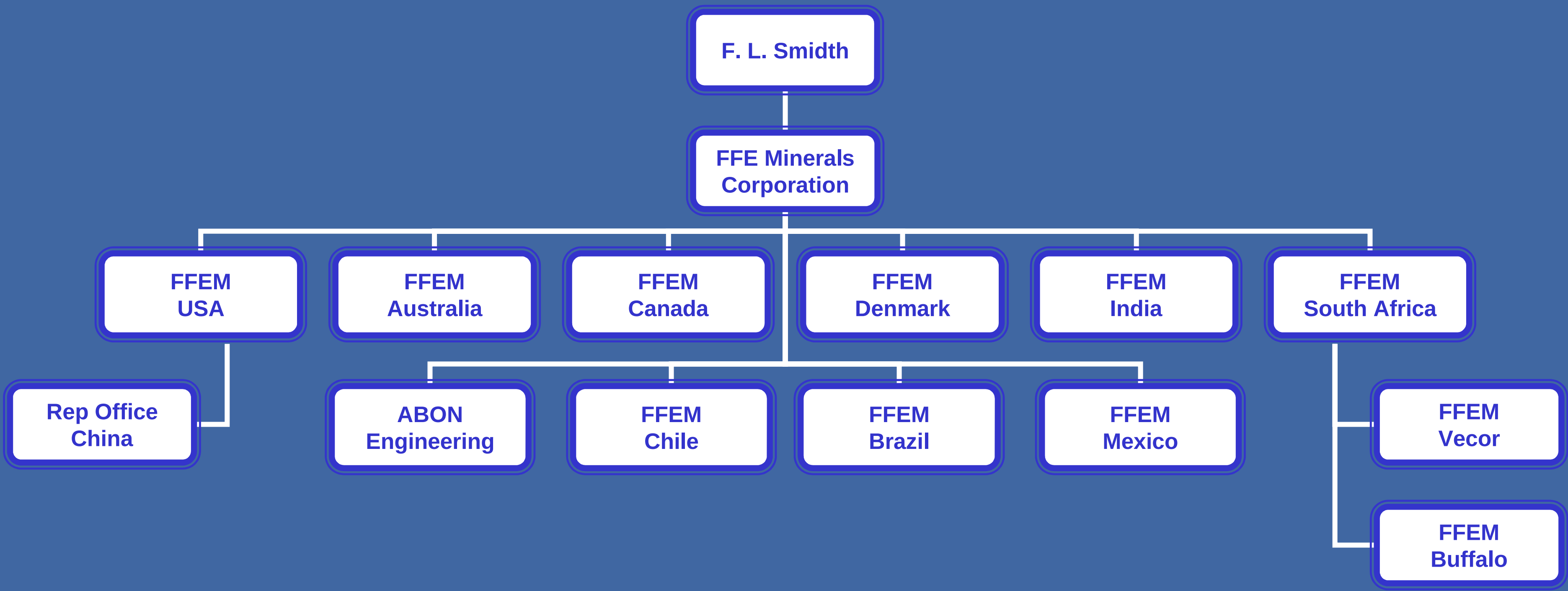
VISION

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.

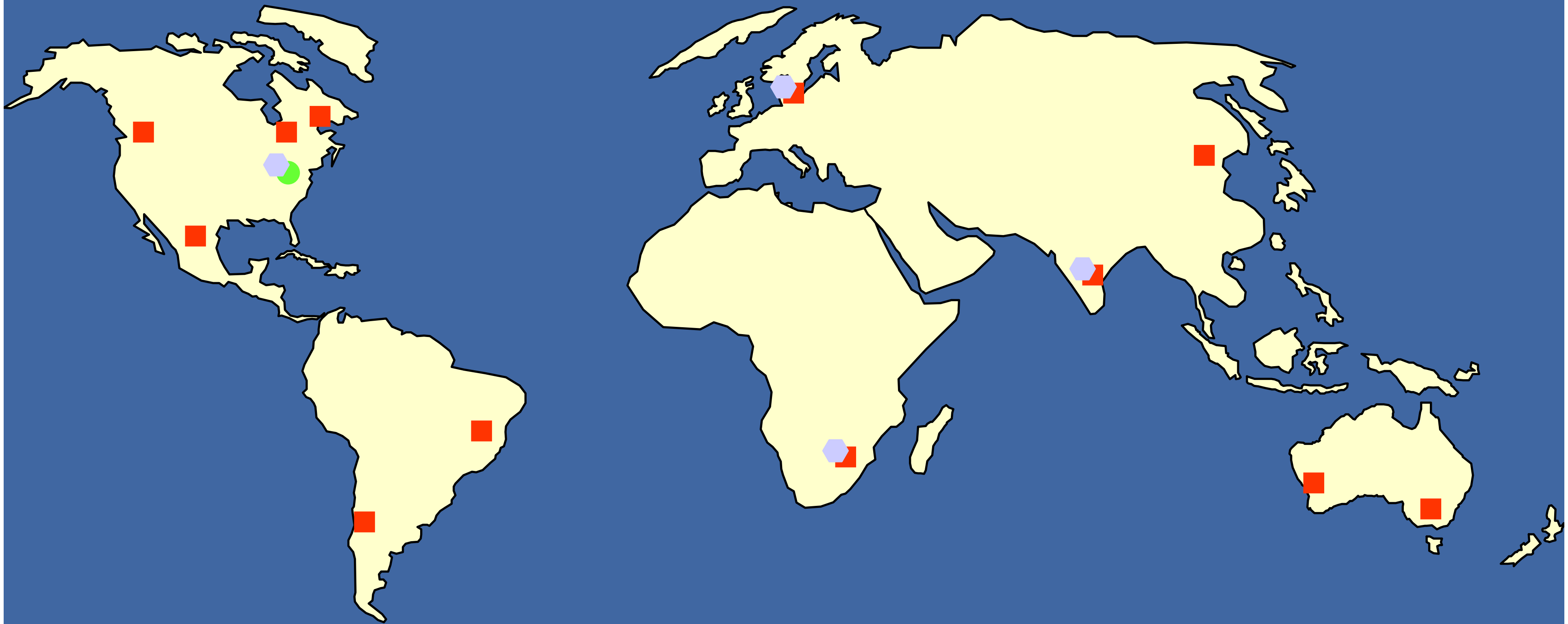
FFE MINERALS ORGANIZATION
2004

Turnover - $ 280 M

Employees – 1050



GEOGRAPHIC OFFICE SUPPORT



FFE Minerals Corporate Headquarters

FFE Minerals Subsidiary Offices

FFE Minerals Engineering Offices

Employees – 1050

FFE MINERALS

- Significant growth opportunities exist within the minerals industries. The market is HUGE!
- Relationship with FLSmidth can be further leveraged to give FFE Minerals a technical advantage over competitors in certain industries.
- FFE Minerals has been a consistent, profitable and improving performer within the FLSmidth Group since 1997.
- Growth in Minerals is strategic for FLSmidth.

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 poor financial results for the Group

• Sandvik

- Among top two competitors in Aggregates, little overlap in Metallic Minerals
- Products in Material Handling and Crushing
- Strong after market focus (35–40%) of sales
- Aggressive acquisition based growth strategy focussing on after market businesses

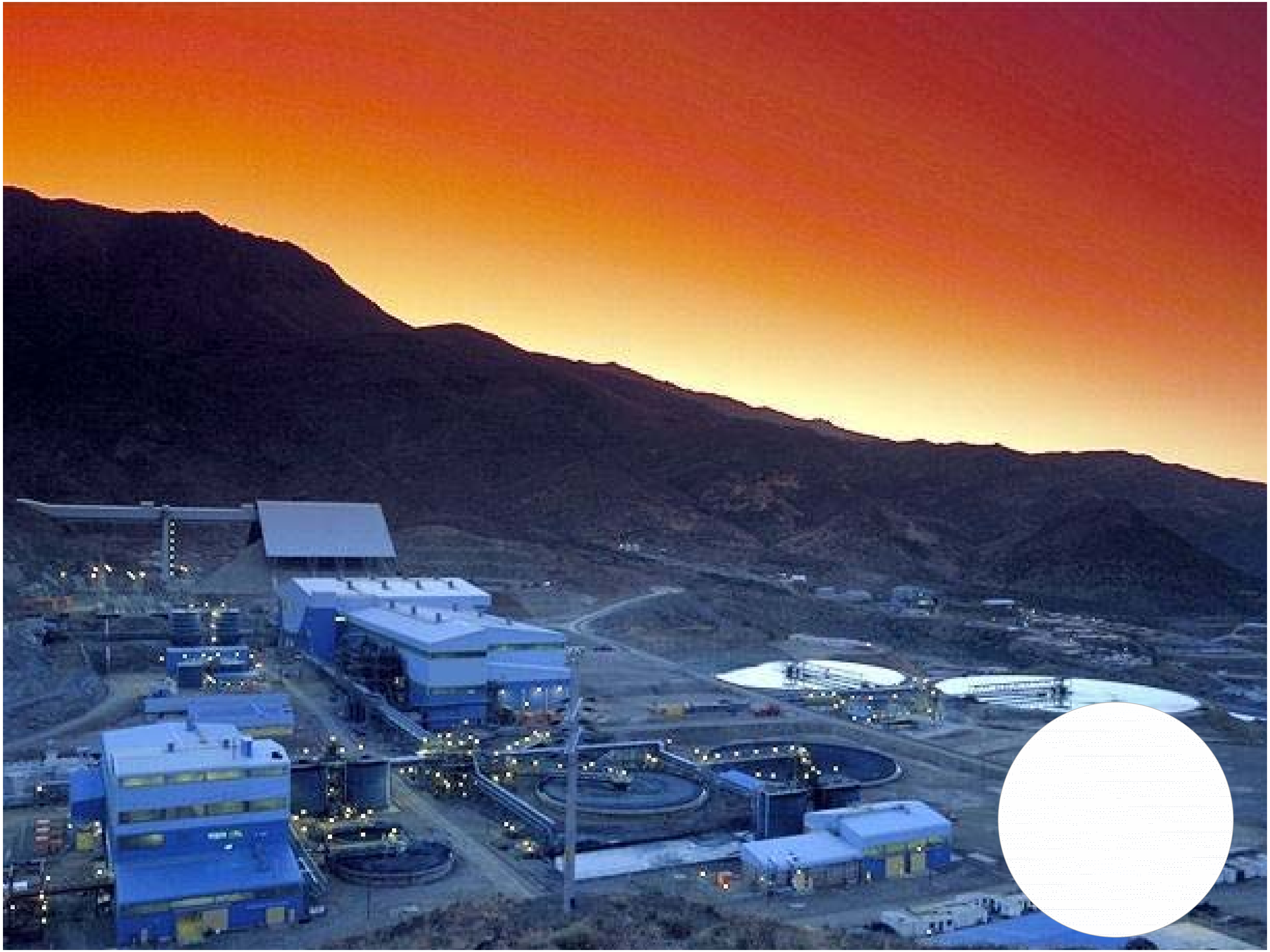
• Outokumpu

- Top player in Metallic Separation and Pyroprocessing
- High focus on Metallic Processing plants
- Acquisition based growth into new market segments (Lurgi Metallurgie, Nordberg grinding mills,Supaflow water treatment)

• GL&V

- Strong player in Metallic Separation and Dewatering
- High focus on Aftermarket Parts
- Acquisition based growth focused on Consolidation (Dorr Oliver, Eimco)

A World of Resources.



A Universe of Experience.

FFE MINERALS

FFE MINERALS

FOUR MAIN OPERATING GROUPS:

- MINERALS TECHNOLOGY GROUP
- PYRO TECHNOLOGY GROUP
- MATERIALS HANDLING GROUP
- SERVICE TECHNOLOGY GROUP

COLD AND HOT HAVE VERY DIFFERENT CHARACTERISTICS, AND THE LARGE, ATTRACTIVE PARTS&SERVICE MARKET IS MORE CLOSELY LINKED TO COLD THAN TO HOT

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USD millions

- **Cold**

Market potential: 2,500–3000

- More standardized product range
- Process knowledge an advantage
- Parts intensive
- Large variation in order size and frequency
- Equipment warranty required
- Quoted/sold as separate components
- Dominated by Metso, FFEM and Outokumpu

- **Hot**

Market ptential: ~1000

- High degree of engineering input/laboratory testing
- High degree of process knowledge a "must"
- Parts consumption lower
- Large, higher margin orders with less frequency
- Process performance, environmental compliance and equipment warranty needed
- Turn-key often required
- Niches controlled by smaller players

- **Stronger link**

- **Weaker link**

- **Parts&Service**

Market potential: 7,000-10,000

- Parts regularly replaced
- On-site maintenance conducted in-house (potentially outsourced)
- End-user direct business
- Low degree of eng. input
- Smaller orders/higher margins
- Responsiveness is key
- Retrofit at long intervals
- Strong competition from independent service providers (e.g. for plant audits)

MINERALS TECHNOLOGY GROUP

Provides crushing, grinding, hoisting and separation equipment for the minerals industry.

FFE MINERALS

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.

STRONG PRODUCT RANGE

Crushing

- Primary gyratory and jaw crushers
- Impact crushers and hammer mills
- Low-speed sizers

Grinding

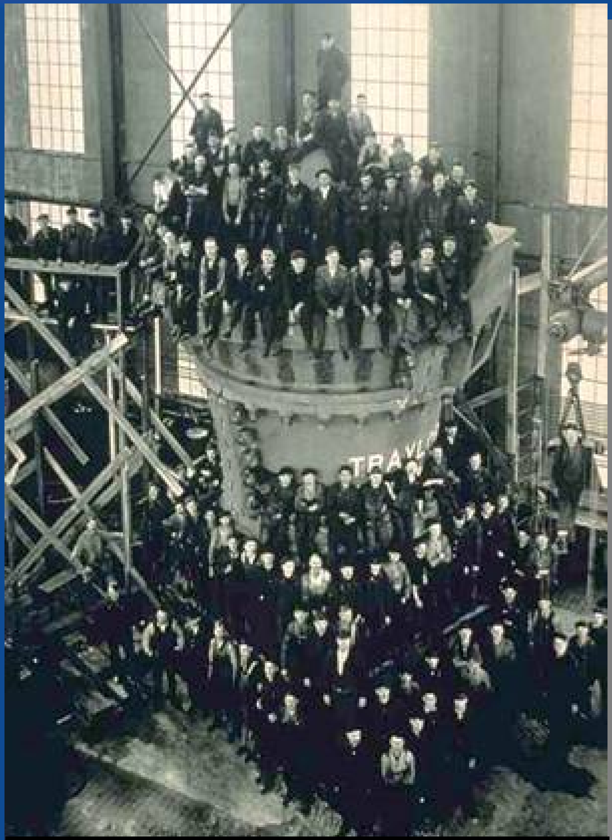
- Autogenous and semi-autogenous mills
- Ball mills
- Rod mills
- Rotary scrubbers
- Pebble mills
- Roller mills

Separation Technology

- Flotation cells
- Hydrocyclones
- Tecgnequip valves
- High efficiency O-Sepa® dry classifiers

Mine Hoists

- FFEM-Vecor wirewinders



We are not new to the industry

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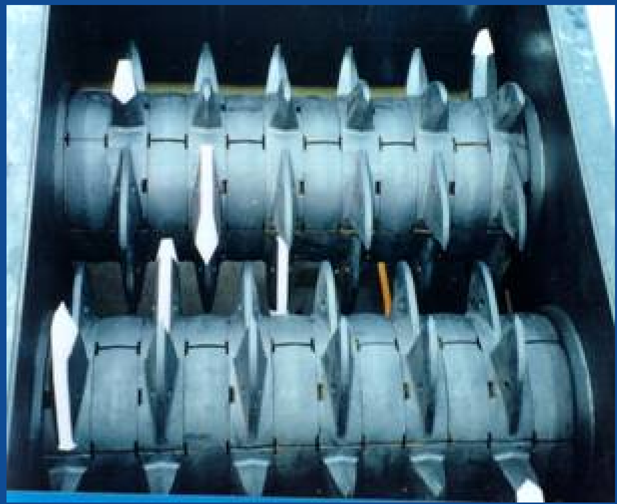
MINERALS PROCESSING PRODUCTS



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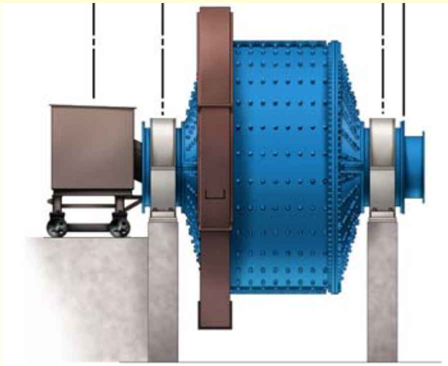
THE MINING PROCESS FOR MOST HARD ROCKS (I.E., COPPER, GOLD, PLATINUM,...)

1.2-1.5 M

CRUSHER

~200 mm

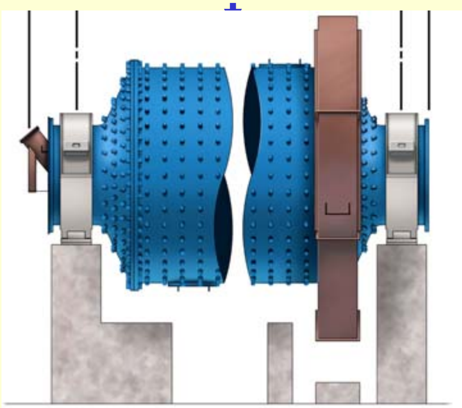
~200 mm



SAG MILL

6-10 mm

6-10mm



BALL MILL

0.075mm

TOTAL CRUSHING EXPERIENCE

• PRIMARY GYRATORY CRUSHERS	391
• PRIMARY DOUBLE TOGGLE JAWS	520
• PRIMARY SINGLE TOGGLE JAWS	15
• SECONDARY GYRATORY CRUSHERS	145
• TERTIARY CRUSHERS	310
TOTAL CRUSHERS	1,381

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Primary Gyratory Crushers

- Manufacturer of Gyratory Crushers Since 1904

ABON Sizer

TOTAL MILLING EXPERIENCE

• TRUNNION SUPPORTED BALL & ROD MILLS	2,260
• SHELL SUPPORTED BALL MILLS	123
• TRUNNION SUPPORTED SAG MILLS	121
• SHELL SUPPORTED SAG MILLS	21
• SHELL SUPPORTED SCRUBBERS	15
TOTAL MILLS	2,540

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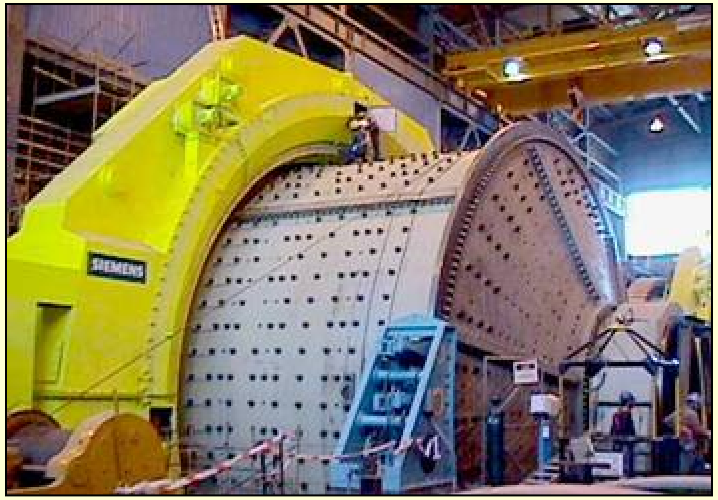
SAG & BALL MILLS



- THESE MILLS RANGE IN SIZE FROM 10’ DIAMETER TO 38’ DIAMETER

- THE PURPOSE OF THE MILLS IS TO FURTHER GRIND THE ROCK TO .075mm

SAG/BALL MILL SHELLS

BALL MILL SHELLS BEING TRANSPORTED TO THE ANTAMINA JOBSITE IN PERU

Minerals Technology Group

Large Project Experience

ANTAMINA, PERU (Copper/Zinc)

1 x 38’ x 21’ SAG Mill @ 27,000 HP

3 x 24’ x 36’ Ball Mill @ 15,000 HP

26’ Hydrocyclones

1 x 60” x 89” Primary Gyratory

ESCONDIDA, CHILE (Copper)

1 x 38’ x 22.5’ SAG Mill @ 26,600 HP

3 x 25’ x 40’ Ball Mill @ 18,000 HP

1 x 60” x 110” Primary Gyatory

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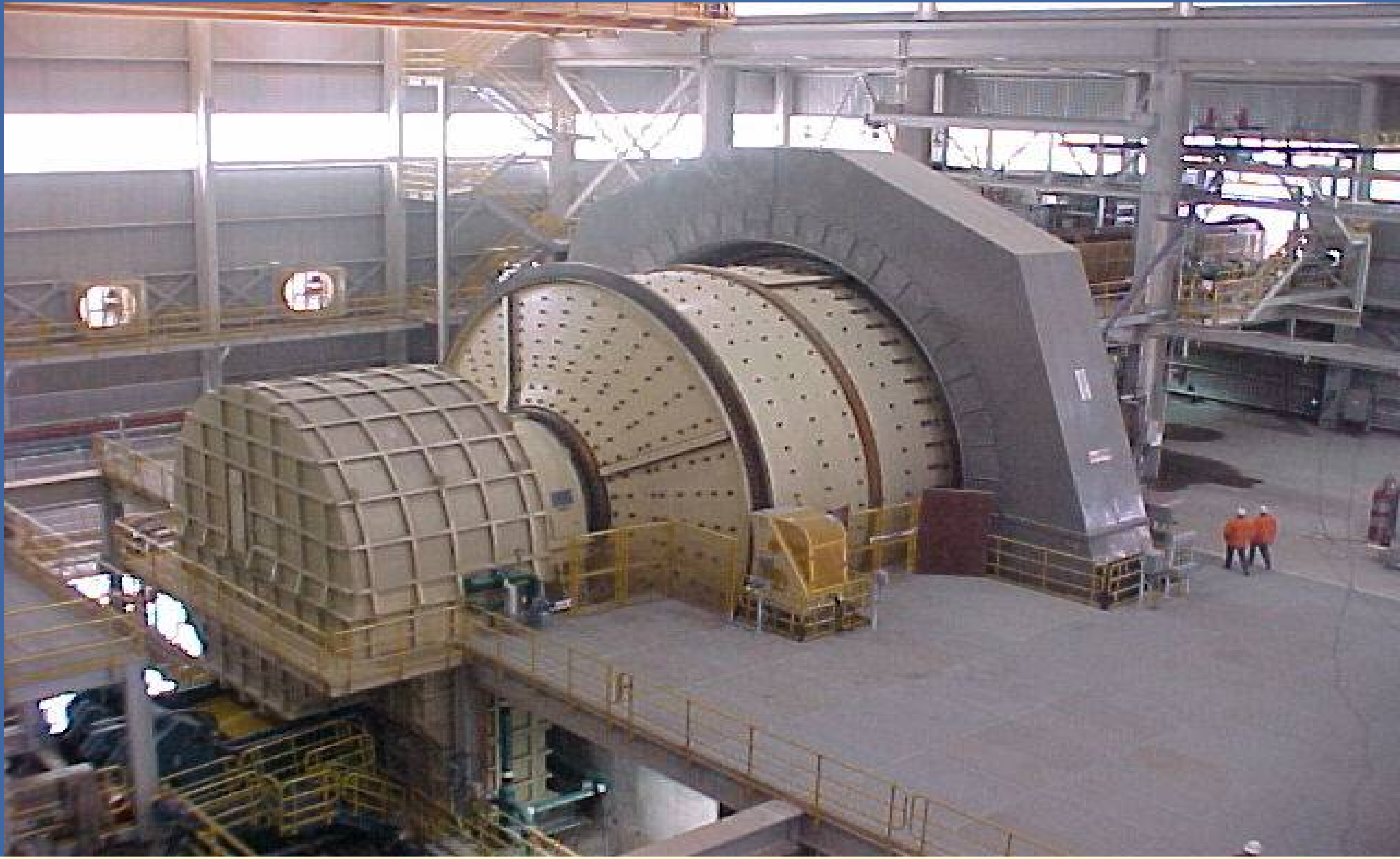
Escondida Phase IV 38' SAG Mill, Chile



FFE MINERALS - TECHNEQUIP

FFE MINERALS

PYRO TECHNOLOGY GROUP

Provides process expertise, equipment and systems to the metallurgical and minerals industries.

FFE MINERALS

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.

STRONG PRODUCT RANGE

Calcination

- Fluid beds
- Rotary kilns
- Gas suspension

Drying/Preheating/Cooling

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

Specialist Equipment

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

Alcoa Liquor burning kiln

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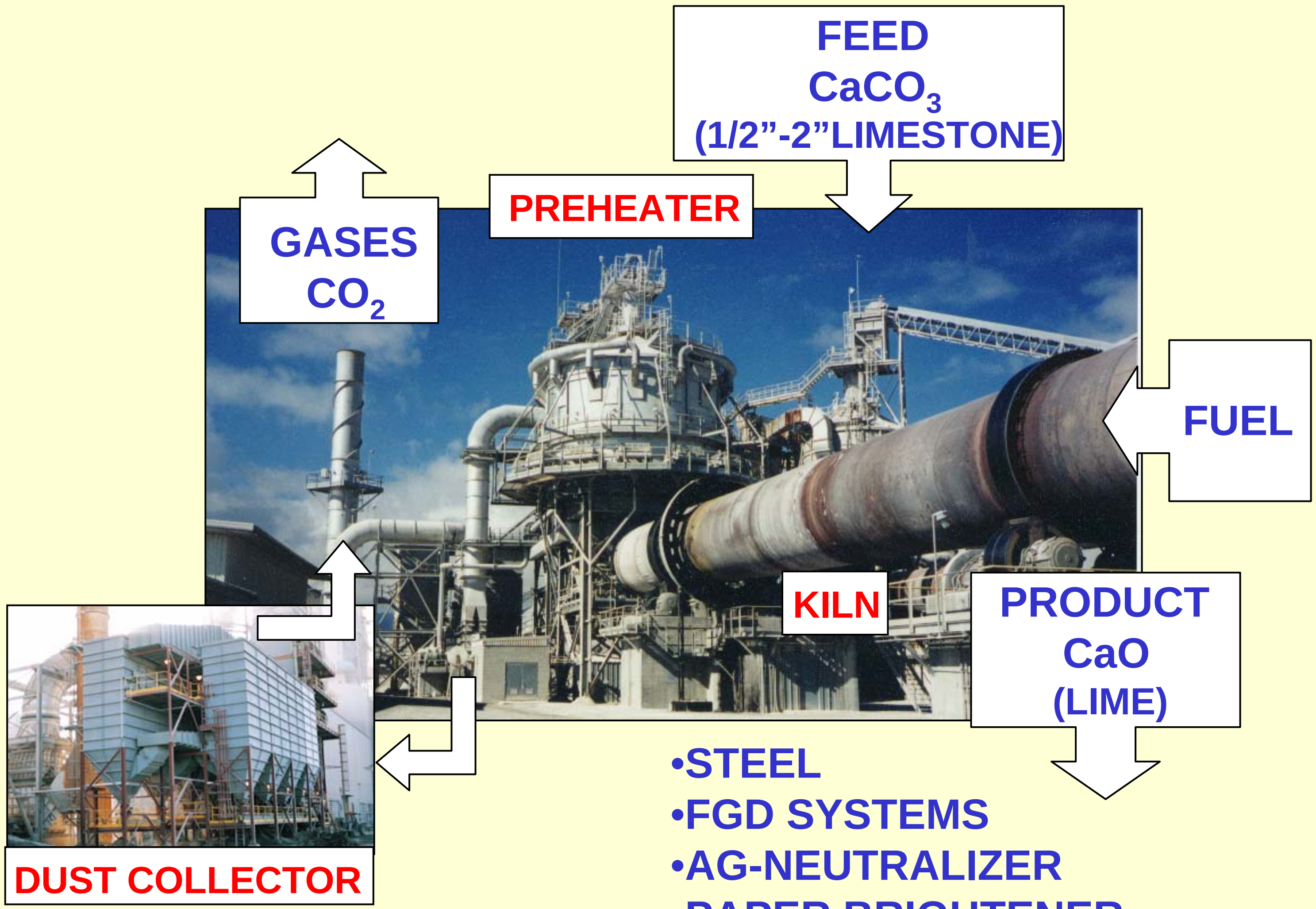
THERMAL PROCESSING OF MINERALS

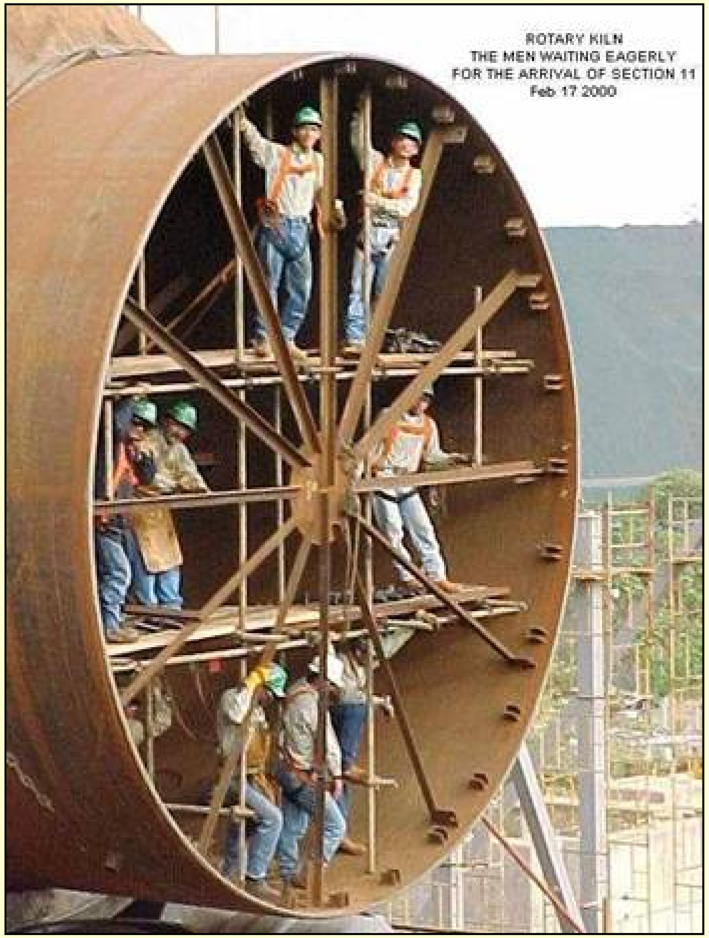
(PHOSPHATES, SODA ASH, FERRO NICKEL, LIGHTWEIGHT AGGREGATE, LIMESTONE)



- STEEL
- FGD SYSTEMS
- AG-NEUTRALIZER
- PAPER BRIGHTENER

KILNS

RANGE IN SIZE FROM 4 - 6 m DIAMETER AND 33 TO 130 m LONG!



MATERIALS HANDLING GROUP

Provides technology for the mechanical and pneumatic handling of minerals. The Materials Handling Group will service industries already served by FFEM's proprietary technologies.

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.

STRONG PRODUCT RANGE

Crushing Systems

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

Mechanical Handling

- ConveyorKIT pipe conveyors
- Traditional belt conveyors
- ABON roller screens
- Stackers / reclaimers
- ABON and Buffalo flight bar feeders
- Apron feeders

Pneumatic Handling

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

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Materials Handling – Stackers, Reclaimers, Spreaders

- FLS Group Experience

1161 Machines sold as of the end of 2004

MVT Materials Handling GmbH

FFE Minerals

FLS Materials Handling A/S

K&E Industries GmbH

Materials Handling – Apron Feeders

- Manufacturer of Apron Feeders since 1940
- 148 Conventional Units Sold as of December 2003
- Completed product development of a tractor component type Apron Feeder in 2003

- 5 Tractor Units Sold in 2004

Materials Handling – Overland Pipe Conveyors

FFE Minerals is currently supplying the world's longest pipe conveyor at 5 km long.

SERVICE TECHNOLOGY GROUP

Provides maintenance, process, training, analytical, construction, breakdown, troubleshooting and replacement part support for the entire lifecycle of our equipment.

FFE MINERALS

Service Technology Group

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

STRONG PRODUCT RANGE

Products

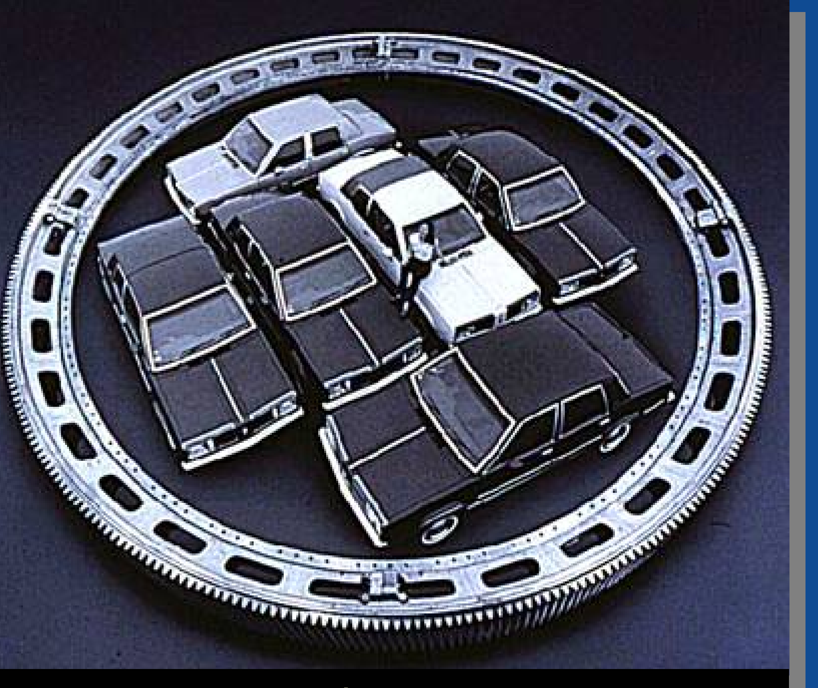
- Original OEM spares
- Product review and improvement
- Life cycle analysis
- Repair
- Retrofits

Engineering Services

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

Operations and Maintenance

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



Ring gear

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Technology Within Your Reach.

CVRD-BRAZIL GYRATORY CRUSHER

ORAPA-BOTSWANA
13’ DIAMETER SCRUBBERS

QUEENSLAND ALUMINA LTD
Australia

FFE MINERALS

QUEENSLAND ALUMINA LTD
Australia

POTLATCH PAPER- USA
KILN AND PREHEATER

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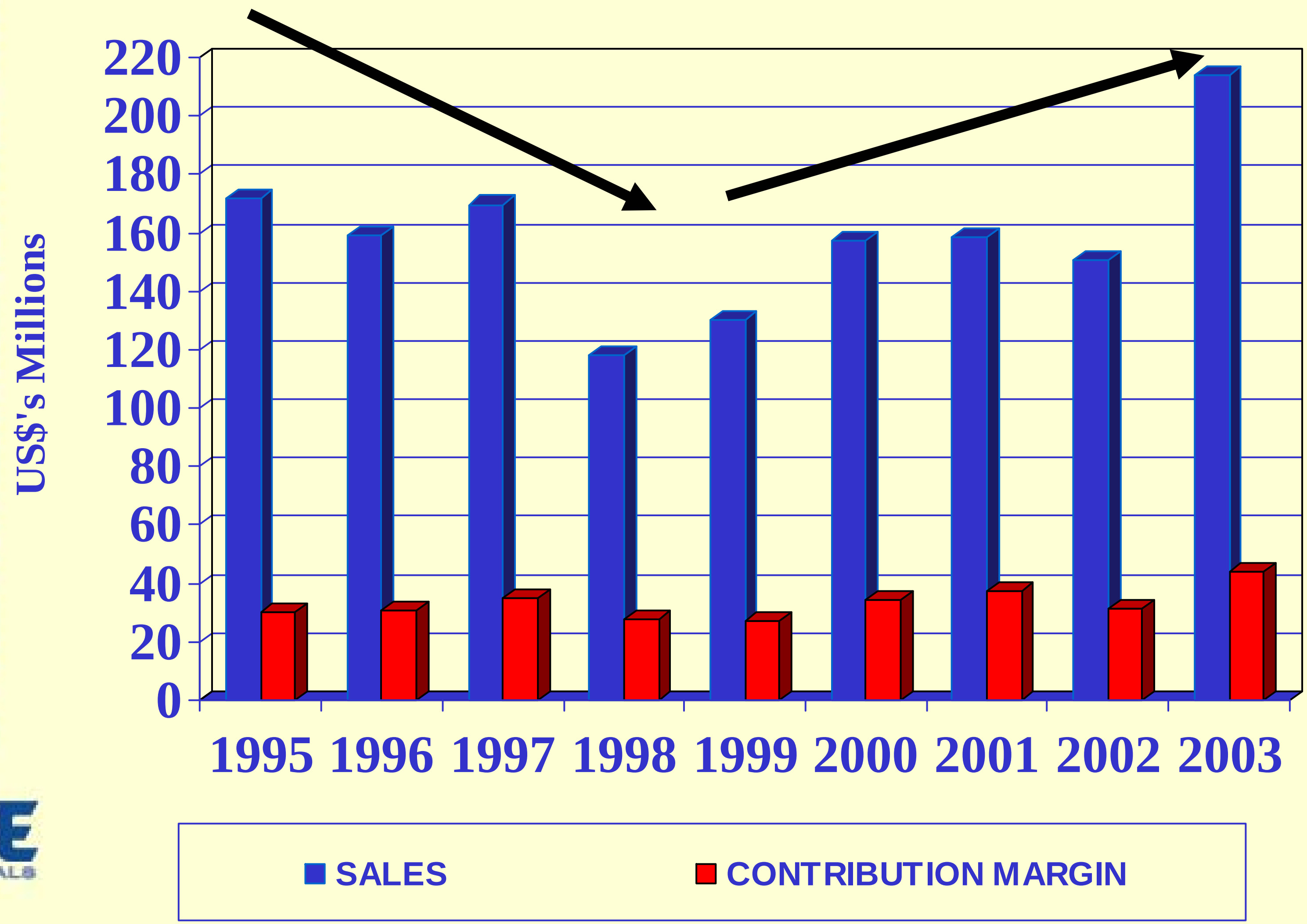
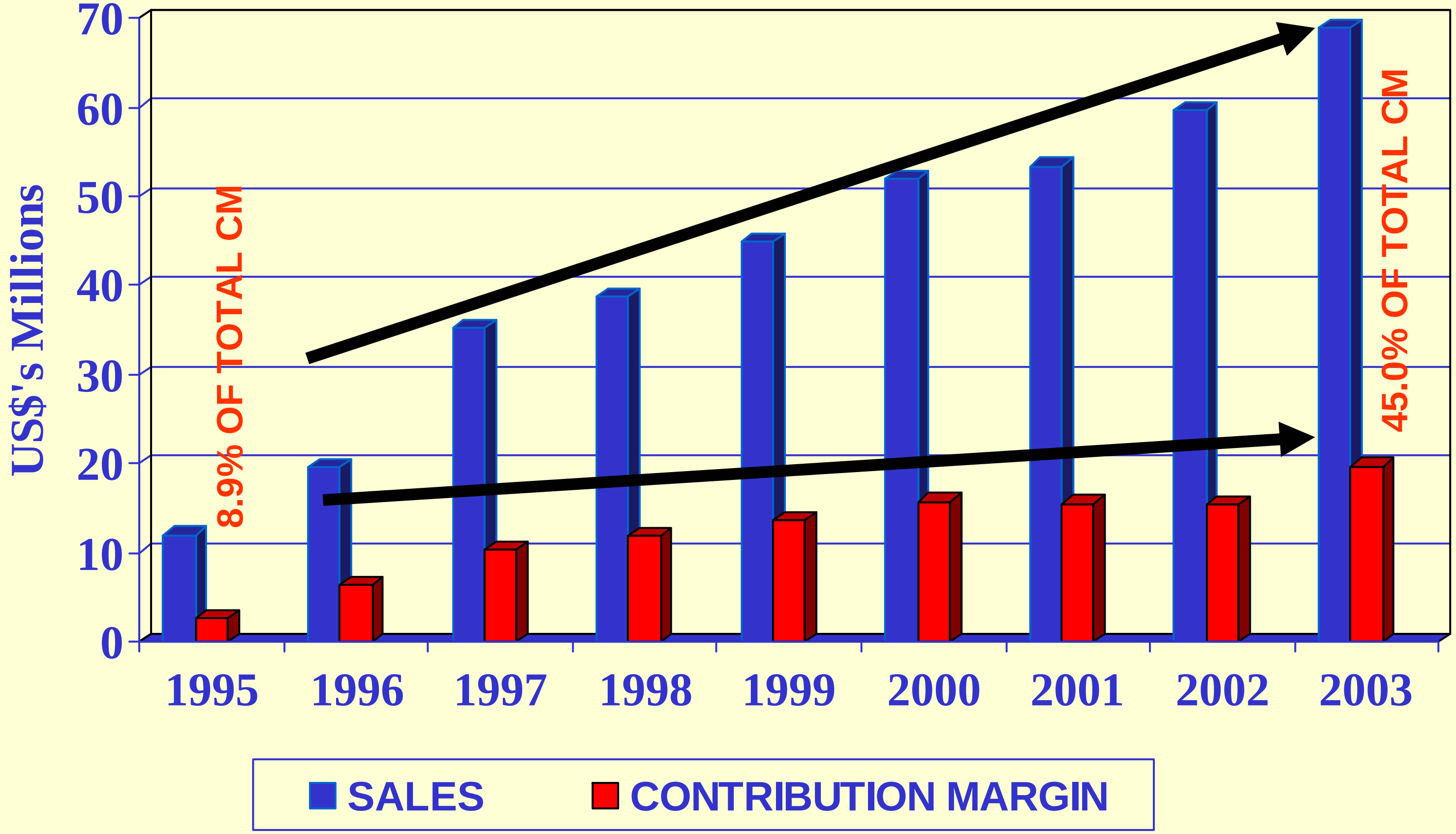
FFE MINERALS
FINANCIAL HIGHLIGHTS

		ACT	ACT	ACT	ACT	ACT
(US$'s 000)		1999	2000	2001	2002	2003
ORDER INTAKE:						
	SALES	130.4	157.5	158.3	150.5	213.9
	CM	27.2	34.3	37.2	31.5	43.8
P&L HIGHLIGHTS:						
	REVENUE	152.5	131.2	158.7	135.1	191.4
	EBIT	3.2	3.9	5.4	7.0	7.9
	EBT	4.3	4.8	6.5	7.6	8.2
	NET PROFIT	2.5	3.7	4.5	5.3	5.6
EVA		1.3	2.3	2.5	4.1	4.6
ROCE		12.3%	15.8%	16.6%	21.4%	20.7%
EMPLOYEES		582	624	674	685	744

HISTORICAL ORDER INTAKE ANALYSIS

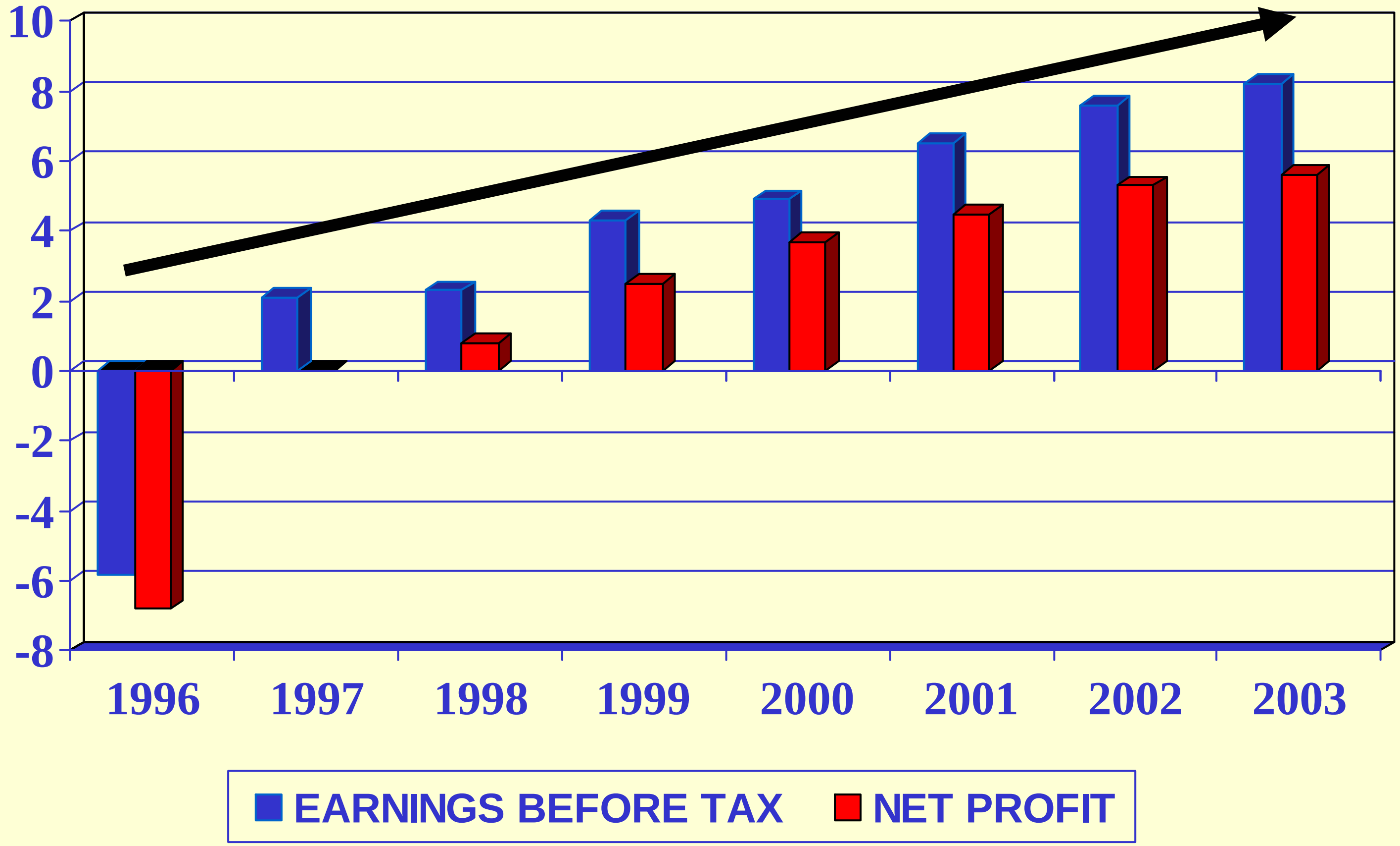


SERVICE TECHNOLOGY ORDER INTAKE



FFE MINERALS CORPORATION FINANCIAL HIGHLIGHTS 1996-2003

(US$ MILLIONS)



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FINANCIAL REVIEW

- Business Conditions
- Goals
- Order Intake
- Profitability
  - Net Sales
  - Contribution Margin
  - EBITA / EBIT / EBT
- Order Execution

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BUSINESS CONDITIONS

- Metals Prices are Strong and Expected to Remain So
  - Copper Prices – Highest Avg. Price in 15 Years
  - Gold Price – Up 50% Since Jan 2002
  - Platinum Price – Up 70% Since Jan 2002
  - Nickel Price – Highest in 16 Years
  - "Mega-Project" Activity Picking Up

- US$ Devaluation Harming Producer Profits
  - Particularly the Case for South African Platinum and Gold Producers

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BUSINESS CONDITIONS

- Indian Economy / Market Very Active
- Pulp & Paper Market Mixed
  - Far East / Europe – OK
  - Brazil Wave is Ended
- Alumina Market to be Active for Next Two Years
  - China, India, West Africa, Brazil

ORDER INTAKE – 2004

- Very Strong Performance In 2004
  - All Business Areas (MTG, PTG, MHG, STG) Are Out-Performing Internal Targets and Historical Averages
- Market Conditions / Indicators Positive
- India Market is Booming
  - Well Positioned on Several Major Orders
- But….

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- But….
  - Steel Prices are High
  - Energy Costs are High / Volatile
  - ZAR / USD Rate is High
  - Possible Copper Royalty in Chile and Peru
- Above Factors Have Delayed Projects
- In Spite of the Delays We Are Bullish for 2005 Order Intake
- Delayed Projects From 2004 Give Us Reason for Optimism for 2005 / 2006

ORDER EXECUTION - 2004

- What Have We Learned?
  - There is No Substitute For Experience
  - Experience in Cement Is Good, But Is Not Enough
  - Quality of FFEM Technical Personnel is Being Upgraded
    - Balance Cost Control w/ Risk Management
  - Enlist the Assistance of Outside Experts When Available
- All Mechanical and Process “Fixes” Have Been Incorporated on New Projects
  - ISO 9001-2000 System Works
    - Document Non-Conformance
    - Correct the Problem
    - Implement Preventative Action

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HOW WILL FFEM GROW?

- Continue the focus on growth in parts & services
- Integrate newly "acquired" technology to expand FFEM product offerings (i.e. materials handling)
- Continue to seek growth through alliances with suitable and strategically aligned partners
- Internal Developments – R&D
- Acquisitions

2005 GOALS

- Grow Business While Maintaining Control
  - Markets are Very Active in Most Segments
  - Take Advantage of Active Markets
  - But, Understand and Acknowledge our Limitations

- Continue to Improve Profitability as % of Sales
  - Increase Sales at ABON, Buffalo and Technequip on a Worldwide Basis
  - Surpass STG Bookings and Profitability
  - Continued Success in PTG (Close Projects)
  - Improve CM’s in MTG

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2005 GOALS

- Integrate New Technologies into FFE Minerals
  - FLS Material Handling
  - Möller Materials Handling
  - ConveyorKIT Pipe Conveyor
- Expand from Equipment Supplier to System Supplier / Solution Provider
  - Requires Investment in Technical Resources
- Carefully Expand the Service Contracts

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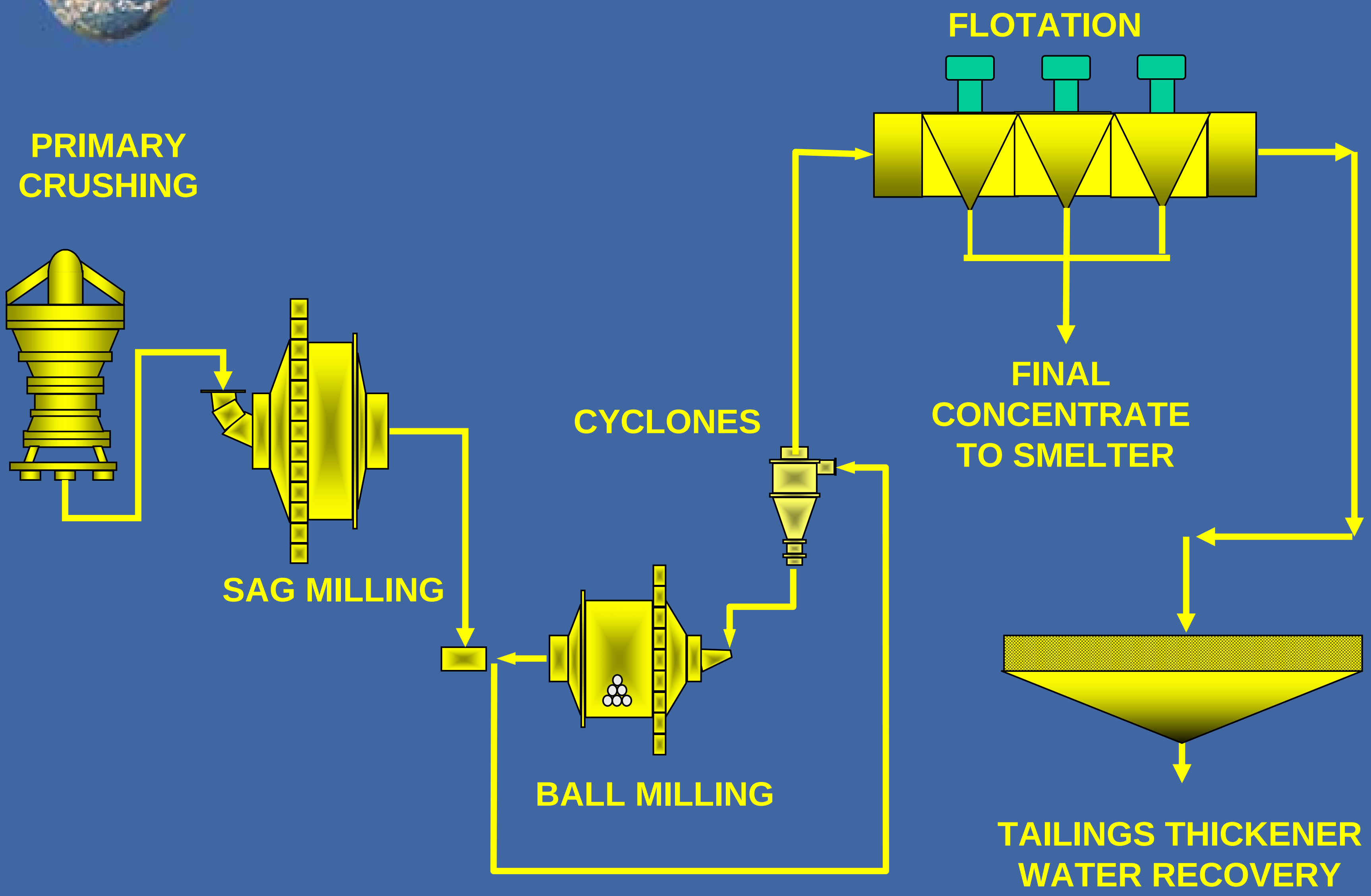
CURRENT R&D PROJECT
FLOTATION DEVELOPMENT

- Follows Crushing and Milling in Mining Circuit
  - Completes FFEM Concentrator Plant Offering
- Same Customers / Same Sales Process
- This Is Where The Value Is Added
  - Very Process Oriented
  - Better Recovery / Lower Energy Consumption
- Prototype Units Currently in Operation
  - South Africa – Platinum
  - Chile – Copper
- First Purchase Orders Received in Late 2004

TYPICAL SULPHIDE ORE TREATMENT CIRCUIT



CONCENTRATOR LOOKING EAST

LOOKING NORTH AT GRINDING AREA

Cu AND Zn FLOTATION AREAS

CONCENTRATOR BUILDING OVERVIEW


19 10 2004


FFE
MINERALS
13 12 2004


19 10 2004


19 10 2004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MINERALS
C/407
13 12 2004

ACQUISITION PROSPECTS IMMEDIATE

- Small to medium-sized regional companies
  - Specialized “bolt-on” technology
  - Parts & service intensive
  - Leverage worldwide FFEM Group

Previous Acquisitions

1993	1997	1998	1999	2003
Technequip	FFEM-Vecor	ABON	FFEM-Buffalo	ConveyorKit
Canada	South Africa	Australia	South Africa	South Africa

ACQUISITION PROSPECTS FUTURE

- Downstream Equipment Supplier (flotation/thickening)
- Expansion of Pyro Capabilities
- Expansion Further into Aggregates Equipment?

SUMMARY

1995-2004 Achievements / Improvements

- Established Global Presence / Grew Market Share
  - Chile
  - Australia
  - India
  - South Africa
  - Brazil
- Acquired Technology
  - Hydrocyclones
  - Minerals Sizers
  - Feeder Breakers
  - Pipe Conveyors
- Standardized FFEM Procedures Globally
- Globalized a Direct Sales & Service Presence into Three Divisions, Now Expanding to Four

FFE Minerals Building Blocks

- Growing Annual Revenue
  - Heritage Brand Names & Trademarks
  - Global Reach & Opportunity
  - Current Strong Market Segments

- Product & Process Expertise
  - Strong Product / Application Resources & Data
  - Balance of Legacy & New Technology
  - Building Specific Process Expertise

- Organization
  - Global Capabilities / Mining Specific
  - Growing with Volume
  - Committed, Knowledgeable & Capable – “Can Do Spirit”

Summary

- Minerals markets are currently strong, led by the growth of the developing countries

- FFE Minerals Positioning:
  - Heritage brand names, niche products in crushing and milling
  - Developed consistently profitable Pyro-metallurgical business
  - Have grown the high margin/low risk Parts & Service business into a strong profit earner
  - Expanding into downstream processing with the new flotation products
  - Expanding into Material Handling with the expertise and technology of FLSmidth
  - Have multiple platforms to accelerate growth

THANK YOU

QUESTIONS?