

28 February 2012

**AMENDED SCHEME IMPLEMENTATION AGREEMENT SIGNED FOR FLSMIDTH TO ACQUIRE
ALL LUDOWICI SHARES FOR \$11.00 CASH PER SHARE**

Outcome of Takeovers Panel Proceedings

On 13 February 2012, an application was made to the Takeovers Panel by The Weir Group PLC seeking orders to the effect that FLSmidth & Co. A/S (**FLSmidth**) cannot acquire Ludowici at a price higher than its initial offer of \$7.20 cash per share. The Takeovers Panel has today made a declaration of unacceptable circumstances and final orders in relation to the matter, that allow FLSmidth to acquire Ludowici shares at a price higher than \$7.20 cash per share and requires FLSmidth to implement a process that may result in compensation to certain shareholders who sold their Ludowici shares on ASX between 23 January 2012 and 31 January 2012. Further information can be found on www.ludowici.com.au.

Amended Scheme Implementation Agreement

Ludowici and FLSmidth have today amended the terms of the Scheme Implementation Agreement (**SIA**) dated 16 February 2012 to reflect that FLSmidth has agreed to acquire all Ludowici's shares for \$11.00 cash per share (less any dividend or distribution declared or paid by Ludowici before the transaction is completed) by way of Scheme of Arrangement and to remove the condition precedent in relation to the outcome of the Takeovers Panel proceedings. The SIA is still subject to a number of customary conditions including shareholder approval, court approvals and other regulatory approvals (including approval of the Foreign Investment Review Board).

Ludowici Board Recommendation and shareholder support

The Ludowici Directors have unanimously resolved to recommend the proposed transaction, subject to there being no superior offer and the independent expert concluding that the Scheme is in the best interests of shareholders.

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

Next Steps and Timing

The Scheme requires Ludowici shareholders' approval. A Scheme booklet containing information relating to the Scheme, the reasons for the Directors' unanimous recommendation, an independent expert report and the details of the shareholder meeting is expected to be sent to Ludowici shareholders in April 2012.

The shareholder meeting to approve the Scheme is expected to be held in May 2012. Subject to the shareholder approval and the court, Ludowici currently expects the transaction to be completed during June 2012.



Phil Arnall
Chairman
Ludowici Limited