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Interim Report 2007 **FLSmidth & Co. A/S**  
1 January 2007 - 30 September 2007  
(Company Announcement No. 27-2007)



125 **FLSMIDTH**

## Interim Report

1 January 2007 - 30 September 2007



The Board of Directors and the Corporate Management of FLSmidth & Co. A/S have today reviewed and approved this interim report for the FLSmidth & Co. Group for the period stated above.

### Main conclusions

#### Developments in the first three quarters of 2007

- The order backlog has increased by 37% to DKK 24,940m since the turn of the year (end of 2006: DKK 18,264m).
- The order intake rose 18% to DKK 17,333m in the first three quarters of 2007, up from DKK 14,668m in the same period of the year before.
- The turnover rose 60% to DKK 13,488m in the first three quarters of 2007, up from DKK 8,414m in the same period of the year before.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) rose 143% to DKK 1,442m in the first three quarters of 2007, up from DKK 593m in the same period of the year before, corresponding to an EBITDA ratio of 10.7% (first three quarters of 2006: 7.0%).
- Earnings before interest and tax (EBIT) rose 173% to DKK 1,244m in the first three quarters of 2007, up from DKK 456m in the same period of the year before, corresponding to an EBIT ratio of 9.2% (first three quarters of 2006: 5.4%).
- Earnings before tax (EBT) rose 157% to DKK 1,286m in the first three quarters of 2007, up from DKK 501m in the same period of the year before.
- Cash flow from operating activities (continuing activities) amounted to DKK 979m in the first three quarters of 2007 as against DKK 652m in the same period of the year before.

#### Significant events in the third quarter of 2007

On 10 August 2007, FLSmidth & Co. acquired GL&V Process, one of the world's leading providers of separation technology for the metal and minerals industries. The total purchase price amounted to CAD 998m (DKK 5.2bn) and the activities acquired have been consolidated as from 10 August 2007. The acquisition includes all shares and voting rights.

#### Prospects for 2007

The expectations for the cement market in 2007 remain unchanged at 125-150m tonnes per year new contracted cement kiln capacity worldwide (exclusive of China).

FLSmidth & Co. upgrades its expectations for the year's turnover and earnings, cf. the below figures which in accordance with previously announced expectations are inclusive of the recognition of GL&V Process from 10 August 2007:

- Consolidated turnover approximately DKK 20.5bn (previous expectation DKK 19.5-20bn), of which GL&V Process accounts for DKK 1.2bn.
- Earnings before interest and tax, depreciation and amortisation and special non-recurring items (EBITDA) DKK 2.05-2.2bn (previous expectation DKK 1.85-2.0bn), of which GL&V Process accounts for DKK 150m.
- Earnings before interest and tax (EBIT) DKK 1.75-1.9bn (previous expectation DKK 1.55-1.7bn), of which GL&V Process accounts for DKK 0m.
- Earnings before tax (EBT) DKK 1.75-1.9bn (previous expectation DKK 1.55-1.7bn), of which GL&V Process accounts for DKK -100m.

Please address any questions to this announcement to Mr Jørgen Huno Rasmussen, Group CEO, telephone +45 36 18 18 00, from 14.00 hours. A telephone conference regarding the interim report will be held today at 15.00 hours. For further details, please visit [www.flsmidth.com](http://www.flsmidth.com).

## Group financial highlights

DKKm	Q3 2007	Q3 2006	Q1-Q3 2007	Q1-Q3 2006	Year 2006
<b>PROFIT AND LOSS ACCOUNT</b>					
Net turnover	5,220	3,207	13,488	8,414	12,311
Gross profit	1,134	618	2,897	1,733	2,602
Earnings before interest, tax, depreciation, amortisation and special non-recurring items (EBITDA)	608	238	1,442	593	966
Earnings before interest and tax (EBIT)	506	184	1,244	456	775
Earnings before tax (EBT)	486	208	1,286	501	924
<b>Profit/loss for the period, continuing activities</b>	<b>322</b>	<b>146</b>	<b>856</b>	<b>351</b>	<b>1,107</b>
Profit/loss for the period, discontinuing activities	3	11	8	12	25
<b>Profit/loss for the period</b>	<b>325</b>	<b>157</b>	<b>864</b>	<b>363</b>	<b>1,132</b>
<b>CASH FLOW</b>					
Cash flow from operating activities	494	380	979	652	1,372
Acquisition of undertakings and activities	(3,580)	(181)	(3,720)	(179)	(196)
Acquisition of tangible assets	(86)	(56)	(243)	(146)	(249)
Other investments, net	(47)	36	(33)	43	48
Cash flow from investing activities	(3,713)	(201)	(3,996)	(282)	(397)
Cash flow from operating and investing activities of continuing activities	(3,219)	179	(3,017)	370	975
Cash flow from operating and investing activities of discontinuing activities	(23)	29	83	(50)	(75)
<b>WORKING CAPITAL</b>			<b>277</b>	<b>(117)</b>	<b>(435)</b>
<b>NET INTEREST-BEARING RECEIVABLES/(DEBT)</b>			<b>(2,110)</b>	<b>2,399</b>	<b>2,847</b>
<b>ORDER INTAKE</b>	<b>7,080</b>	<b>3,388</b>	<b>17,333</b>	<b>14,667</b>	<b>18,534</b>
<b>ORDER BACKLOG</b>			<b>24,940</b>	<b>18,108</b>	<b>18,264</b>
<b>BALANCE SHEET</b>					
Long-term assets			7,826	2,024	2,355
Short-term assets			11,072	8,868	9,764
Assets held for sale			11	-	132
<b>Total assets</b>			<b>18,909</b>	<b>10,892</b>	<b>12,251</b>
Consolidated equity			3,814	2,554	3,192
Long-term liabilities			3,604	1,502	1,710
Short-term liabilities			11,491	6,836	7,344
Liabilities regarding assets held for sale			-	-	5
<b>Total equity and liabilities</b>			<b>18,909</b>	<b>10,892</b>	<b>12,251</b>
<b>FINANCIAL RATIOS</b>					
<b>Continuing activities</b>					
Adjusted net operating profit after tax (NOPAT)	794	44	1,623	310	589
Average capital employed	3,128	476	3,603	476	306
<b>Return on capital employed (ROCE), continuing activities (annualised)</b>	<b>102%</b>	<b>37%</b>	<b>60%</b>	<b>87%</b>	<b>192%</b>
Contribution ratio	21.7%	19.3%	21.5%	20.6%	21.1%
EBITDA ratio	11.6%	7.4%	10.7%	7.0%	7.8%
EBIT ratio	9.7%	5.7%	9.2%	5.4%	6.3%
EBT ratio	9.3%	6.5%	9.5%	6.0%	7.5%
Return on equity (annualised)			33%	19%	39%
Equity ratio			20%	23%	26%
<b>Number of employees at end of period, Group</b>			<b>9,009</b>	<b>6,546</b>	<b>6,862</b>
Number of employees in Denmark			1,679	1,500	1,508
<b>Share and dividend ratios, Group</b>					
CFPS (cash flow per share), DKK (diluted)	9.4	7.2	18.6	12.4	24.3
EPS (earnings per share), DKK (diluted)	6.2	3.0	16.4	7.0	21.7
EPS (earnings per share), DKK (diluted) before effect of purchase price allocation re. GL&V Process	6.7	-	17.0	-	-
FLSmidth & Co. share price, DKK			556	273	359
Number of shares end of period (000s) *			53,200	53,200	53,200
Average number of shares (000s) (diluted)	52,655	52,804	52,616	52,732	52,558
Market capitalisation, DKKm *			29,579	14,524	19,099

The financial ratios have been computed in accordance with the Guidelines issued by the Danish Society of Financial Analysts

\* Adjusted for temporary capital increase in the first half of 2006

## Management's review for the first three quarters of 2007



### Market developments in the third quarter of 2007

Global demand for new cement kiln capacity remains consistently high and shows no sign of flagging. The expectations for the cement market in 2007 remain unchanged at 125-150m tonnes per year new contracted cement kiln capacity worldwide (exclusive of China). The demand for new cement capacity in the third quarter of 2007 covered a wide geographical area. Activity in the market is currently driven by a number of different global and regional factors independent of each other. India remains the largest single market outside China, but Russia is making good progress. Africa and the Middle East continue to show surprising strength, and also in Central and South America activity is increasing.

The high level of investment in the minerals industry continued in the third quarter of 2007 as a result of continued high prices on minerals due to growing demand for minerals mainly from Asia combined with insufficient investments in exploration and extraction of minerals for a number of years. These developments have resulted in yet another quarter characterised by progress in terms of order intake, order backlog, turnover and earnings in the minerals area.

With the constantly rising demand for minerals and a record-high level of investment among minerals producers, this trend is expected to continue over the next 3-5 years. As a result of the acquisition of GL&V Process, FLSmidth Minerals will in future be the sole provider in the market, who is able to offer solutions covering all processes in a typical minerals plant. This is expected to increase the Group's opportunities to benefit from the favourable market conditions.

### Developments in the order intake and order backlog

CEMENT (DKKm)	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007*	Q2 2007*	Q3 2007*
Order intake	3,440	3,528	4,858	2,054	2,209	2,920	3,813	4,741
Order backlog	8,636	10,742	13,707	13,900	13,531	14,348	15,360	16,942
MINERALS (DKKm)	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007*	Q2 2007*	Q3 2007*
Order intake	801	1,006	1,887	1,334	1,658	1,266	2,387	2,426
Order backlog	2,198	2,690	3,842	4,208	4,733	5,271	6,420	8,744
TOTAL (DKKm)	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007*	Q2 2007*	Q3 2007*
Order intake	4,241	4,534	6,745	3,388	3,867	4,131	6,122	7,080
Order backlog	10,834	13,432	17,549	18,108	18,264	18,854	21,055	24,940

\*As from and inclusive of 2007, the segment information for Cement and Minerals will be shown as gross figures, which entails that the total order intake and order backlog consist of Cement, Minerals and eliminations for internal transactions. Internal transactions have been insignificant in previous years

### Developments in the first three quarters of 2007

#### Order intake and order backlog

The total order intake amounted to DKK 17,333m in the first three quarters of 2007, up 18% on the same period of last year (first three quarters of 2006: DKK 14,667m). The market therefore remains highly active and FLSmidth's market share continues to be strong. Orders received for services and spare parts amounted to DKK 2,765m in the first three quarters of 2007, up 33% on the same period last year (first three quarters of 2006: DKK 2,085m). By the end of the third quarter 2007, the total order backlog was DKK 24,940m, a record high and a 37% increase since the turn of the year (end of 2006: DKK 18,264m).

In the period 10 August – 30 September 2007, GL&V Process has contributed DKK 533m to the order intake and DKK 1,891m to the order backlog by the end of the third quarter of 2007.

For activities in Cement and Minerals with a relatively short turnaround time, the order intake is normally reflected in the turnover after 6-18 months. For large projects, the order intake is typically reflected in the turnover over a period of 24-30 months.

## Management's review for the first three quarters of 2007

### Profit and loss account

The turnover in the first three quarters of 2007 amounted to DKK 13,488m, representing a 60% increase on the same period last year (first three quarters of 2006: DKK 8,414m). The positive trend in turnover continued within all main business segments: Cement, Minerals and Dansk Eternit Holding.

The gross profit amounted to DKK 2,897m in the first three quarters of 2007 (first three quarters of 2006: DKK 1,733m), corresponding to a contribution ratio of 21.5% (first three quarters of 2006: 20.6%).

The contribution ratio in the minerals segment rose to 20.5% in the first three quarters of 2007, up from 17.0% in the same period of the year before, and 19.3% in the cement segment, up from 19.2%. The positive development in the gross profit in the first three quarters on the same period last year can primarily be attributed to improved order processing, higher sales prices and reversal of provisions for project risks in connection with the ongoing progress and completion of projects.

During the first three quarters of 2007, investments in research and development amounted to DKK 136m (first three quarters of 2006: DKK 113m), corresponding to 1.0% of the turnover (first three quarters of 2006: 1.3%). In addition, project financed development has taken place in cooperation with customers. In the same period, the company was unable to spend all budgeted funds on research and development due to a lack of engineers with relevant experience. Investments are expected to increase during the coming periods.

Sales, distribution and administrative costs, etc. in the first three quarters of 2007 amounted to DKK 1,455m (first three quarters of 2006: DKK 1,140m) corresponding to 10.8% of the turnover (first three quarters of 2006: 13.5%), and a 28% increase on the same period last year. The significant decline in the cost rate reflects the fact that capacity costs are increasing at a slower pace than turnover due to improved use of capacity and operational gearing.

Earnings before interest and tax, depreciation and amortisation (EBITDA) amounted to DKK 1,442m in the first three quarters of 2007 (first three quarters of 2006: DKK 593m) corresponding to an EBITDA ratio of 10.7% (first three quarters of 2006: 7.0%).

Depreciation and write-downs amounted to DKK 182m in the first three quarters of 2007 (first three quarters of 2006: DKK 132m).

In the third quarter of 2007, the effect of temporary purchase price allocations regarding GL&V Process totalled DKK -43m in the form of amortisation of intangible assets and special non recurring items related to stocks and order backlog.

Earnings before interest and tax (EBIT) in the first three quarters of 2007 amounted to DKK 1,244m (first three quarters of 2006: DKK 456m), a 173% increase on the same period last year.

The first three quarters of 2007 saw an EBIT ratio of 9.2% (first three quarters of 2006: 5.4%), which can be attributed to improved turnover and earnings within all business segments and a DKK 22m profit of the sale of part of the Eternit site in Aalborg in the first quarter of 2007 (recognised in the item Other operating income and costs). Net of the effect of purchase price allocations and the sale of part of the Eternit site, the EBIT ratio was 9.4% in the first three quarters of 2007.

Net financial income amounted to DKK 42m in the first three quarters of 2007 (first three quarters of 2006: DKK 45m).

Earnings before tax (EBT) were DKK 1,286m in the first three quarters of 2007 (first three quarters of 2006: DKK 501m). Taxes for the period amounted to DKK 430m (first three quarters of 2006: DKK 150m) corresponding to an effective tax rate of 33% (first three quarters of 2006: 30%). The expected effective tax rate for 2007 is 33% and is adversely affected by the fact that the value of this year's capitalised Danish tax asset dropped by around DKK 61m due to a reduction in the Danish corporation tax from 28% to 25%. The Group's payable tax rate is, however, somewhat lower than the effective tax rate due to the tax asset.

The profit for the period deriving from the continuing activities amounted to DKK 856m (first three quarters of 2006: DKK 351m).

### Balance sheet

The balance sheet total amounted to DKK 18,909m by the end of September 2007 as against 12,251m by the end of 2006. The consolidated equity at the end of September 2007 amounted to DKK 3,814m (end of 2006: DKK 3,192m) corresponding to an equity ratio of 20% (end of 2006: 26%). In the first three quarters of 2007, the return on equity (on an annual basis) amounted to 33% (first three quarters of 2006: 19%).



## Management's review for the first three quarters of 2007



### Cash flow developments and working capital (continuing activities)

Cash flow from operating activities amounted to DKK 979m in the first three quarters of 2007 (first three quarters of 2006: DKK 652m.). As a consequence of the large pre-payments, the working capital has been negative during the last 1-2 years, but after the acquisition of GL&V Process it is now positive and amounted to DKK 277m by the end of September 2007 (end of 2006: DKK -435m).

Cash flow from investing activities amounted to DKK -3,996m in the first three quarters of 2007 (first three quarters of 2006: DKK -282m). Of this amount, investments in tangible assets amounted to DKK -243m (first three quarters of 2006: DKK -146m) and acquisition of companies and activities amounted to DKK -3,720m (first three quarters of 2006: DKK -179m). As a result of a general expansion of capacity at all the Group's production plants and the recently inaugurated extension of the office facilities in India (FLSmidth House), an extraordinarily high level of investments in tangible assets is expected for 2007.

Cash flow from operating and investing activities (free cash flow) totalled DKK -3,017m in the first three quarters of 2007 (first three quarters of 2006: DKK 370m). Net interest-bearing debt amounted to DKK 2,110m by the end of September 2007 (end of 2006: Net interest-bearing receivables DKK 2,847m).

### Segment information

As of and including 2007, segment information is shown as gross figures, which means that intercompany sales between the cement and minerals areas will be eliminated via "Other activities". Intercompany transactions have been insignificant in previous years.

#### Cement

The total order intake within the cement segment amounted to DKK 11,474m in the first three quarters of 2007, up 10% on the same period last year (first three quarters of 2006: DKK 10,440m). Large orders received in the third quarter of 2007 came from Russia, Syria and Colombia and several minor orders came from India and China. Orders received for services and spare parts amounted to DKK 1,541m in the first three quarters of 2007, up 19% on the same period last year (first three quarters of 2006: DKK 1,295m).

By the end of September 2007, the order backlog amounted to DKK 16,942m, up 25% since the turn of the year (end of 2006: DKK 13,531m).

In the third quarter of 2007, FLSmidth received an order from Eurocement in Russia for the supply of machinery and equipment for a new energy optimised cement production line. The new line with a capacity of 6,000 tonnes per day will replace the existing line at Eurocement's plant near Podgorensky, 600 kilometres southeast of Moscow. Signed with the largest cement producer on the Russian market, the order is strategically very important for FLSmidth. The Russian market is expected to see growing activity in the coming years as a result of high economic growth combined with a pressing need for modernisation of the production facilities. The installed capacity in Russia currently amounts to around 50m tonnes per year of which 85% is based on wet process kilns that consume around 30-50% more energy than corresponding modern dry process kilns.

The turnover in Cement in the first three quarters of 2007 amounted to DKK 8,361m, up 59% on the same period last year (first three quarters of 2006: DKK 5,246m). Turnover is now beginning to reflect the significant growth in order intake over the past years since the major projects are typically delivered within a time span of 24-30 months.

The contribution ratio achieved in Cement is higher than in the same period of last year, which can be attributed to improved order processing, higher prices and reversal of provisions for project risks in connection with the ongoing progress and completion of projects. These factors have partially offset the previously announced expectations of a negative margin effect in the second half of 2007 resulting from the change in product portfolio.

The EBIT ratio is also higher than in the same period of last year, which in addition to the above mentioned improvements in the contribution ratio mainly can be attributed to higher capacity utilisation and operational gearing. The EBIT result in the first three quarters of 2007 amounted to DKK 738m (first three quarters of 2006: DKK 250m), which is a 195% increase on the same period last year. The first three quarters of 2007 saw an EBIT ratio of 8.8% (first three quarters of 2006: 4.8%).

## Management's review for the first three quarters of 2007

In Cement, the prospects for 2007 are now a turnover of approximately DKK 12bn (previously DKK 11.5-12bn) and an EBIT ratio of around 8-9% (previously around 7-8%)

### Minerals

#### Acquisition of GL&V Process

On 10 August 2007, FLSmidth & Co. signed a final agreement with the Board of Directors of Groupe Laperrière & Verreault Inc. (GL&V), a listed Canadian group, to acquire the latter's Process Division (GL&V Process) which is among the world's leading providers of separation technology for the metal and minerals industries. The activities acquired in GL&V Process consist of the companies Dorr-Oliver Eimco and Krebs Engineers, which in future will be part of FLSmidth Minerals. Dorr-Oliver Eimco and Krebs Engineers were consolidated as from 10 August 2007.

The total purchase price amounts to CAD 998m (approx. DKK 5.2bn):

	CADm	DKKbn
Acquisition of shares	840	4.3
Net interest-bearing debt	110	0.6
Future liabilities	33	0.2
Costs of transaction	15	0.1
Total purchase price	998	5.2

The purchase of GL&V Process affects cash flow from investments by DK 3.5bn:

	DKKbn
Acquisition of shares	4.3
Cash acquired	-0.9
Costs of transaction	0.1
Effect on cash flow from investments	3.5

With the acquisition of Dorr-Oliver Eimco and Krebs Engineers, FLSmidth has taken a major step in the implementation of its global growth strategy in Minerals. The aim of the strategy is to ensure that the Group's minerals activities obtain the same size and strength as its cement activities. The acquisition therefore entails a reduction of the Group's long-term risk in relation to cyclical markets. FLSmidth Minerals is an expert in pyrotechnology, materials handling, crushing and grinding of minerals, whereas GL&V Process has specialised in the downstream separation processes. So combined, the two companies' products cover all important technologies in a typical mineral processing plant. The joint company will be the global market leader in crushers, mills, hydrocyclones, flotation, sedimentation, materials handling and calcining.

GL&V Process is recognised in the balance sheet as at 30 September 2007 with a goodwill of DKK 3.1bn, other intangible assets of DKK 1.3bn, tangible assets of DKK 0.1bn and financial assets of DKK 0.1bn. The balance sheet

items for GL&V Process are consolidated on the basis of a preliminary opening balance sheet as at 10 August 2007 and are therefore based on a preliminary valuation in the consolidated balance sheet as at 30 September 2007.

The Annual Report will include a full presentation of the preliminary opening balance sheet prepared in accordance with IFRS 3. Adjustments up to 12 months from the date of acquisition may occur in the opening balance sheet, the period for which the opening balance sheet is considered preliminary. In the period 10 August 2007- 30 September 2007 a turnover of DKK 417 and earnings before interest and tax (EBIT) of DKK 0m were posted. The results have not given rise to a change in expectations for Dorr-Oliver Eimco and Krebs Engineers, as they are developing according to plan.

The total order intake in Minerals in the first three quarters of 2007 amounted to DKK 6,079m (first three quarters of 2006: DKK 4,227m), a 44% increase compared with the same period last year, of which DKK 533m relates to GL&V Process. In the third quarter of 2007, FLSmidth Minerals has received several major orders from regional and global mining companies in South Africa, India, Chile, Columbia and Brazil.

The strong momentum in Minerals, which covers a wide geographical area, and in all business areas of FLSmidth Minerals, is expected to continue in the medium term.

Orders received for services and spare parts amounted to DKK 1,253m in the first three quarters of 2007, up 59% on the same period last year (first three quarters of 2006: DKK 790m), which, among other things, can be attributed to the acquisition of Excel Foundry & Machine in July 2006.

By the end of the first three quarters of 2007, the order backlog amounted to DKK 8,744m, up 85% since the turn of the year (end of 2006: DKK 4,733m), of which DKK 1,891 relates to GL&V Process.

The turnover in Minerals in the first three quarters of 2007 amounted to DKK 4,098m, up 88% on the same period last year (first three quarters of 2006: DKK 2,178m). The EBIT result amounted to DKK 378m in the first three quarters of 2007 (first three quarters of 2006: DKK 140m), corresponding to an EBIT ratio of 9.2% (first three quarters of 2006: 6.4%). Exclusive of the effect of purchase price allocations, the EBIT ratio was 10.3% in the first three quarters of 2007. The increase in turnover on the same period last year is a result of a larger order backlog at the start of the period combined with a series of acquisitions over the last 1-2 years. The growing earnings from operations reflect higher sales prices, improved order processing, more efficient use of capacity and resulting operational gearing.

## Management's review for the first three quarters of 2007



For Minerals, the prospects for 2007 are upgraded to a turnover of around DKK 7bn (previously around DKK 6.7bn) and an EBIT ratio before special non recurring items and amortisation regarding the acquisition of GL&V Process of around 10-11% (previously around 10%). GL&V Process was consolidated as from 10 August 2007 and is included in the above expectations with a turnover of around DKK 1.2bn and an EBIT ratio of 12% before the effect of purchase price allocations and restructuring costs, but DKK 0m after the effect the latter.

### Dansk Eternit Holding

In the first three quarters of 2007, Dansk Eternit Holding posted a turnover of DKK 1,071m, up 20% on the same period last year (first three quarters of 2006: DKK 889m). Activity remained high in all markets in the first three quarters of 2007 due to the mild winter and the favourable business climate in the European building and construction industry. All production plants are operating at full capacity, but are not able to cope with demand. Capacity enhancements are on the way at a number of existing production plants.

The EBIT result amounted to DKK 95m in the first three quarters of 2007 (first three quarters of 2006: DKK 74m), corresponding to an EBIT ratio of 8.9% (first three quarters of 2006: 8.3%).

The expectations for 2007 for Dansk Eternit Holding remain a turnover of approximately DKK 1.4bn and an EBIT ratio of approximately 9%.

### Other activities, etc.

In the first three quarters of 2007 Densit posted a turnover of DKK 130m (first three quarters of 2006: DKK 107m) and an EBIT result of DKK 14m (first three quarters of 2006: DKK 6m).

The first quarter of 2007 saw a DKK 22m profit from the sale of part of the Eternit site in Aalborg, which amount is recognised in EBIT under Other activities, etc.

### Events occurring after the balance sheet date

On 7 November 2007, FLSmidth & Co. announced that the company had signed a contract with LLC "Cement" for the supply of a new complete energy and environmentally optimised greenfield cement plant at St. Petersburg in Russia valued at slightly more than DKK 950m.

On 25 October 2007, FLSmidth & Co. announced that the company had agreed to sell Densit A/S to Illinois Tool Works Inc. (ITW). The sale will take place in an all share deal. The parties have agreed not to disclose the selling price. The sale of Densit will affect FLSmidth's EBIT result positively by around DKK 80m in 2007. Densit's earnings in the first ten months of 2007 will be included in the FLSmidth & Co. A/S consolidated accounts for 2007.

On 18 October FLSmidth & Co. announced that FLSmidth Minerals has been awarded a contract to provide two mobile overburden handling systems to Fortescue Metals Group's iron ore mine in the Pilbara region of Australia. The parties have agreed not to disclose the value of the contract sum. The equipment will be supplied by FLSmidth Minerals' subsidiary FLSmidth RAHCO Inc. After its acquisition of RAHCO at the beginning of 2007, FLSmidth Minerals is capable of handling larger projects than before.

On 8 October 2007, FLSmidth announced that as part of its strategy to reduce the effect of the cyclical element in sales of new cement and mineral plants, the company had taken up long-term operation and maintenance of cement plants. After one year's development of the concept, FLSmidth has signed a 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.

## Management's review for the first three quarters of 2007

### Prospects for 2007

For the whole of 2007, the company continues to expect favourable market conditions and a high level of activity. The acquisition of GL&V Process and the sale of Densit are included in the below expectations for 2007.

FLSmidth & Co. upgrades its expectations for the year's turnover and earnings as follows:

- Consolidated turnover around DKK 20.5bn (previous expectation: DKK 19.5-20bn)
- Earnings before interest and tax, depreciation and amortisation and special non-recurring items (EBITDA) amount to DKK 2.05-2.2bn (previous expectation DKK 1.85-2.0bn)
- Earnings before interest and tax (EBIT) DKK 1.75-1.9bn (previous expectation: DKK 1.55-1.7bn)
- Earnings before tax (EBT) DKK 1.75-1.9bn (previous expectation DKK 1.55-1.7bn)
- Cash flow from operating activities (CFFO) approximately DKK 1,000m (previous expectation DKK 600m)
- Cash flow from investments exclusive of acquisitions approximately DKK 450m (previous expectation approximately DKK 500m)
- In 2007, an effective tax rate of approximately 33% is expected inclusive of adjustment of tax asset, whereas the payable tax is expected to amount to approximately 20%.
- For the individual business areas, the prospects for 2007 are as follows:

Cement	Turnover approx. DKK 12bn (previously DKK 11.5-12bn)	EBIT ratio approx. 8-9% (previously 7-8%)
Minerals	Turnover approx. DKK 7bn (previously approx. DKK 6.7bn)	EBIT ratio 10-11% (before non-recurring items and amortisation regarding GL&V Process) (previously approx. 10%)
DEH	Turnover approx. DKK 1.4bn	EBIT ratio approx. 9%

- The prospects of Cement for 2007 are based on an unchanged market share and a total global market for new cement kiln capacity of 125-150m tonnes per year (exclusive of China).

GL&V Process was consolidated as from 10 August and is included in the above expectations for 2007 as follows:

- Consolidated turnover DKK 1.2bn (FLSmidth Minerals)
- EBIT ratio (before effect of purchase price allocations, etc.) approx. 12%
- Amortisation of intangible assets DKK -30m.
- Special items regarding stocks and order backlog DKK -90m.
- Cost of restructuring DKK -20m.
- Expected EBIT impact DKK 0m (FLSmidth Minerals)
- Financial items DKK -100m (Group level)
- Expected EBT impact DKK -100m (Group level)

Purchase price allocations have been temporarily calculated.

For the whole of 2007 the following proforma accounting figures for GL&V Process are expected:

- Consolidated turnover approximately DKK 3bn
- EBIT ratio (before effect of purchase price allocations, etc.) approx. 12%

Following the acquisition of GL&V Process, annual synergies within a time frame of 2-3 years are expected to be around DKK 200m at EBIT level. They consist partly of cost synergies of around DKK 20m, and partly of expected additional sales of around DKK 1.0bn with an EBIT result of around DKK 180m.

In connection with the release of the annual report for 2006 it was announced that the Group expected an EBIT ratio of 7-8% in 2007 and 2008 depending on the breakdown of turnover into products and business areas. These expectations were based on the market prospects at that time. Since then both the cement and the minerals markets have grown and GL&V has been acquired. The expectations for the EBIT ratio in 2008 will be reconsidered in connection with the release of the Annual Report for 2007.

### Incentive plan

As at 30 September 2007, there were a total of 528,702 unexercised options under other share option plans, and the fair value of them was DKK 153m. The fair value is calculated by means of a Black-Scholes model based on a current share price of 556, a volatility of 29.32% and a risk free interest rate of 4.5%. The effect of the plan on the profit and loss account amounted to DKK 7m in the first three quarters of 2007 (first three quarters of 2006: DKK 14m).

### Accounting policies

The Interim Report for the first three quarters of 2007 has been presented in accordance with IAS 34 and additional Danish information requirements regarding interim reporting of listed companies. No auditing nor review of the Interim Report has taken place. The accounting policies are unchanged from those adopted in the 2006 Annual Report. Reference is made to page 46 in the 2006 Annual Report for further details. Financial reporting standards and interpretations, that have been decided but are not yet in force, have not been adopted in this Interim Report. None of these standards and interpretations are likely to have any significant impact on the Group's presentation of accounts.

## Management's review for the first three quarters of 2007

### Estimates by Board and Management

The measurement of a few recognised assets and liabilities, as well as contingent assets and liabilities, derives from estimates by the Board and Management which are based on historical experience and relevant assumptions. Reference is made to page 46 in the 2006 Annual Report for further details regarding the items for which estimates by Board and Management are primarily applicable when presenting the consolidated accounts.

### Capital structure

It is the general objective of FLSmidth & Co. to ensure a capital structure where the financial net debt must be 1-3 times EBITDA. Financial net debt is defined as NIBD adjusted for outstanding guarantees.

As at 30 September 2007, the financial net debt was DKK 7,999m (end of 2006: DKK 1,776m), corresponding to 4.0 times EBITDA for the last 12 months (including GL&V Process proforma) (end of 2006: 1.9), which means that, temporarily, the objective for financial gearing has not been fulfilled due to the acquisition of GL&V Process.

### Own shares

FLSmidth & Co.'s holding of own shares at 30 September 2007 totalled 836,225 representing 1.6% of the share capital (31 December 2006: 1,062,092).

### Financial calendar 2008

28 February 2008: Annual Report 2007  
17 April 2008: Annual General Meeting  
22 May 2008: Interim report for 1st quarter 2008  
21 August 2008: Interim report for the 1st half of 2008  
20 November 2008: Interim report for the first three quarters of 2008



## **Statement by the Board and Management on the Interim Report**

The Board of Directors and the Management have reviewed and adopted the FLSmidth & Co. Group Interim Report for 1 January 2007 to 30 September 2007. The Interim Report, which is unaudited, is presented in conformity with the International Accounting Standards (IAS 34), as approved by EU, and additional Danish disclosure requirements for interim reports of companies listed on the Stock Exchange.

We consider the accounting policies appropriate in order to give a true and fair view of the Group's assets and liabilities and financial standing as at 30 September 2007 and of the financial results of the Group's activities and cash flows in the period from 1 January 2007 to 30 September 2007.

Copenhagen, 27 November 2007

### **Corporate Management**

Jørgen Huno Rasmussen <i>Group CEO</i>	Poul Erik Tofte <i>Group Executive Vice President (CFO)</i>	Bjarne Moltke Hansen <i>Group Executive Vice President</i>	Christian Jepsen <i>Group Executive Vice President</i>
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### **Board of Directors**

Jørgen Worning <i>Chairman</i>	Jens S. Stephensen <i>Vice Chairman</i>	Jens Palle Andersen	Torkil Bentzen
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Frank Lund	Jesper Ovesen	Johannes Poulsen	Bo Steffensen
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Søren Vinther

## Consolidated profit and loss account

DKKm	Q3 2007	Q3 2006	Q1-Q3 2007	Q1-Q3 2006
Notes				
Net turnover	5,220	3,207	13,488	8,414
Production costs	4,086	2,589	10,591	6,681
<b>Gross profit</b>	<b>1,134</b>	<b>618</b>	<b>2,897</b>	<b>1,733</b>
Sales and distribution costs	264	180	700	529
Administrative costs	279	222	840	670
Other operating income and costs	17	22	85	59
<b>Earnings before interest, tax, depreciation, amortisation and special non-recurring items (EBITDA)</b>	<b>608</b>	<b>238</b>	<b>1,442</b>	<b>593</b>
Special non-recurring items	12	7	16	5
Depreciation and write-downs of tangible assets	43	36	111	98
Amortisation and write-downs of intangible assets	47	11	71	34
<b>Earnings before interest and tax (EBIT)</b>	<b>506</b>	<b>184</b>	<b>1,244</b>	<b>456</b>
Financial income	438	46	792	320
Financial costs	458	22	750	275
<b>Earnings before tax (EBT)</b>	<b>486</b>	<b>208</b>	<b>1,286</b>	<b>501</b>
Tax for the period	164	62	430	150
<b>Profit/loss for the period, continuing activities</b>	<b>322</b>	<b>146</b>	<b>856</b>	<b>351</b>
Profit/loss for the period, discontinuing activities	3	11	8	12
<b>Profit/loss for the period</b>	<b>325</b>	<b>157</b>	<b>864</b>	<b>363</b>
To be distributed as follows:				
Minority shareholders' share of profit/loss for the period	-	-	-	(5)
FLSmidth & Co. A/S shareholders' share of profit/loss for the period	325	157	864	368
	<b>325</b>	<b>157</b>	<b>864</b>	<b>363</b>
2 Earnings per share (EPS)				
Continuing and discontinuing activities	6.2	3.0	16.5	7.0
Continuing and discontinuing activities, diluted	6.2	3.0	16.4	7.0
Continuing activities	6.1	2.8	16.4	6.8
Continuing activities, diluted	6.1	2.8	16.3	6.8

## Consolidated cash flow statement

DKKm	Q1-Q3 2007	Q1-Q3 2006
Notes		
<b>Cash flow from operating activities</b>		
Earnings before interest, tax, depreciation, amortisation and special non-recurring items (EBITDA)	1,442	585
Adjustment for profits/losses on sale of fixed assets and exchange rate adjustments, etc.	(86)	(19)
<b>Adjusted earnings before interest, tax, depreciation, amortisation and special non-recurring items (EBITDA)</b>	<b>1,356</b>	<b>566</b>
Change in provisions	94	56
Change in working capital	(283)	110
<b>Cash flow from operating activities before financial items and tax</b>	<b>1,167</b>	<b>732</b>
Financial payments received and made	21	30
Corporation taxes paid	(209)	(110)
<b>Cash flow from operating activities</b>	<b>979</b>	<b>652</b>
<b>Cash flow from investing activities</b>		
Acquisition and disposal of undertakings and activities	(3,720)	(179)
Acquisition of intangible assets	(50)	(19)
Acquisition of tangible assets	(243)	(146)
Acquisition of financial assets	(10)	51
Disposal of intangible and tangible assets	27	(14)
Disposal of financial assets		25
<b>Cash flow from investing activities</b>	<b>(3,996)</b>	<b>(282)</b>
<b>Cash flow from operating and investing activities, continuing activities</b>	<b>(3,017)</b>	<b>370</b>
<b>Cash flow from operating and investing activities, discontinuing activities</b>	<b>83</b>	<b>(50)</b>
<b>Cash flow from operating and investing activities, total</b>	<b>(2,934)</b>	<b>320</b>
<b>Cash flow from financing activities</b>		
Dividend	(366)	(368)
Capital increase	-	6,161
Acquisition of own shares	(12)	(6,238)
Disposal of own shares	28	51
Changes in other net interest-bearing receivables	1,482	(119)
<b>Cash flow from financing activities</b>	<b>1,132</b>	<b>(513)</b>
<b>Changes in cash funds</b>	<b>(1,802)</b>	<b>(193)</b>
Cash funds at 1 January	2,766	2,568
Cash funds at 30 September	964	2,375

The cash flow statement cannot be derived from the published financial information only.

## Assets

DKKm	End of Q3 2007	End of 2006
Notes		
Goodwill	3,367	131
Other intangible assets	2,239	178
<b>Intangible assets</b>	<b>5,606</b>	<b>309</b>
Land and buildings	731	605
Plant and machinery	454	395
Operating equipment, fixtures and fittings	184	114
Tangible assets in course of construction	65	105
<b>Tangible assets</b>	<b>1,434</b>	<b>1,219</b>
Investments in associated undertakings	6	7
Other securities and investments	67	47
Other financial assets	7	9
Pension assets	18	2
Deferred tax assets	688	762
<b>Financial assets</b>	<b>786</b>	<b>827</b>
<b>Total long-term assets</b>	<b>7,826</b>	<b>2,355</b>
<b>Stocks</b>	<b>1,291</b>	<b>832</b>
Trade debtors	4,135	3,087
Work-in-progress for third parties	3,692	2,338
Amounts owed by associated undertakings	-	3
Other debtors	614	338
Prepayments	127	34
<b>Debtors</b>	<b>8,568</b>	<b>5,800</b>
Bonds and listed shares	249	366
<b>Securities</b>	<b>249</b>	<b>366</b>
<b>Cash funds</b>	<b>964</b>	<b>2,766</b>
<b>Total short-term assets</b>	<b>11,072</b>	<b>9,764</b>
<b>Assets held for sale</b>	<b>11</b>	<b>132</b>
<b>TOTAL ASSETS</b>	<b>18,909</b>	<b>12,251</b>

## Equity and liabilities

DKKm	End of Q3 2007	End of 2006
Notes		
Share capital	1,064	1,064
Exchange rate adjustments regarding translation of investments	(114)	(85)
Exchange rate adjustments regarding hedging transactions	119	(2)
Retained earnings	2,736	1,839
Proposed dividend	-	372
<b>FLSmidth &amp; Co. A/S shareholders' share of equity</b>	<b>3,805</b>	<b>3,188</b>
<b>Minority interests' share of equity</b>	<b>9</b>	<b>4</b>
<b>Total equity</b>	<b>3,814</b>	<b>3,192</b>
Deferred tax liabilities	636	28
Pension liabilities	266	97
Other provisions	1,237	808
Mortgage debt	177	149
Currency loans, lease commitments and bank loans	12	12
Prepayments from customers	1,276	616
<b>Long-term liabilities</b>	<b>3,604</b>	<b>1,710</b>
Mortgage debt	31	50
Currency loans, lease commitments and bank loans	2,874	82
Prepayments from customers	2,486	2,194
Work-in-progress for third parties	2,183	1,586
Trade creditors	2,235	1,859
Corporation tax payable	223	129
Other liabilities	927	676
Other provisions	459	656
Deferred income	73	112
<b>Short-term liabilities</b>	<b>11,491</b>	<b>7,344</b>
<b>Total liabilities</b>	<b>15,095</b>	<b>9,054</b>
<b>Liabilities regarding assets held for sale</b>	<b>-</b>	<b>5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,909</b>	<b>12,251</b>

## Consolidated equity

DKKm	Share capital	Exchange rate adjustments re translation of investments	Exchange rate adjustments re hedging transactions	Retained earnings etc.	Proposed dividend	FLSmidth & Co. A/S shareholders' share	Minority shareholders' share	Total
<b>Equity at 1 January 2006</b>	<b>1,064</b>	<b>(122)</b>	<b>117</b>	<b>1,213</b>	<b>372</b>	<b>2,644</b>	<b>4</b>	<b>2,648</b>
Total income for the period	-	(74)	15	351	-	<b>292</b>	(5)	<b>287</b>
Capital increase due to exchange of shares	477			5,684		<b>6,161</b>		<b>6,161</b>
Dividend paid					(368)	<b>(368)</b>		<b>(368)</b>
Dividend, own shares				4	(4)	-		-
Share-based payment, share options				5		<b>5</b>		<b>5</b>
Disposal of own shares				51		<b>51</b>		<b>51</b>
Acquisition of own shares				(6,238)		<b>(6,238)</b>		<b>(6,238)</b>
Additions and disposals of minority interests						-	<b>8</b>	<b>8</b>
Transfer between reserves		127	(127)			-		-
<b>Equity at 30 September 2006</b>	<b>1,541</b>	<b>(69)</b>	<b>5</b>	<b>1,070</b>	<b>-</b>	<b>2,547</b>	<b>7</b>	<b>2,554</b>
<b>Equity at 1 January 2007</b>	<b>1,064</b>	<b>(85)</b>	<b>(2)</b>	<b>1,839</b>	<b>372</b>	<b>3,188</b>	<b>4</b>	<b>3,192</b>
Total income for the period	-	(29)	121	866	-	<b>958</b>	-	<b>958</b>
Dividend paid					(366)	<b>(366)</b>		<b>(366)</b>
Dividend, own shares				6	(6)	-		-
Share-based payment, share options				9		<b>9</b>		<b>9</b>
Disposal of own shares				28		<b>28</b>		<b>28</b>
Acquisition of own shares				(12)		<b>(12)</b>		<b>(12)</b>
Additions and disposals of minority interests						-	<b>5</b>	<b>5</b>
<b>Equity at 30 September 2007</b>	<b>1,064</b>	<b>(114)</b>	<b>119</b>	<b>2,736</b>	<b>-</b>	<b>3,805</b>	<b>9</b>	<b>3,814</b>

## Share capital movements:

	No. of shares	Own shares:	No. of shares
Share capital at 1 Jan. 2007 (acc. to 2006 Annual Report)	53,200,000	Own shares at 1 January 2007 (acc. to 2006 Annual Report)	1,062,092
Share capital at 30 September 2007	53,200,000	Acquisitions	26,272
The nominal value of each share is DKK 20 and each share constitutes one vote.		Share options exercised	(247,729)
		Employee shares in connection with the 125th anniversary - set aside in the Annual Report for 2006	(107,900) 103,490 (4,410)
		Own shares at 30 September 2007	836,225
		Corresponding to 1.58% of the share capital.	

DKKm	Share capital	Exchange rate adjustments re translation of investments	Exchange rate adjustments re hedging transactions	Retained earnings etc.	Proposed dividend	FLSmidth & Co. A/S shareholders' share	Minority shareholders' share	Total
<b>Total income for the period is specified as follows:</b>								
Exchange rate adjustments regarding translation of investments		(74)				<b>(74)</b>		<b>(74)</b>
Transferred to profit and loss account re hedging of future transactions			15			<b>15</b>		<b>15</b>
Recognised actuarial gains and losses on benefit-based pension plans				(15)		<b>(15)</b>		<b>(15)</b>
Other equity adjustments				(2)		<b>(2)</b>		<b>(2)</b>
<b>Recognised directly in the equity</b>	<b>-</b>	<b>(74)</b>	<b>15</b>	<b>(17)</b>	<b>-</b>	<b>(76)</b>	<b>-</b>	<b>(76)</b>
Profit/loss for the period				368		<b>368</b>	(5)	<b>363</b>
<b>Total income for the period 30 September 2006</b>	<b>-</b>	<b>(74)</b>	<b>15</b>	<b>351</b>	<b>-</b>	<b>292</b>	<b>(5)</b>	<b>287</b>
Exchange rate adjustments regarding translation of investments		(29)				<b>(29)</b>		<b>(29)</b>
Transferred to profit and loss account re hedging of future transactions			121			<b>121</b>		<b>121</b>
Recognised actuarial gains and losses on benefit-based pension plans						-		-
Other equity adjustments				2		<b>2</b>		<b>2</b>
<b>Recognised directly in the equity</b>	<b>-</b>	<b>(29)</b>	<b>121</b>	<b>2</b>	<b>-</b>	<b>94</b>		<b>94</b>
Profit/loss for the period				864		<b>864</b>		<b>864</b>
<b>Total income for the period 30 September 2007</b>	<b>-</b>	<b>(29)</b>	<b>121</b>	<b>866</b>	<b>-</b>	<b>958</b>	<b>-</b>	<b>958</b>

## List of notes and notes to the appendices of the Interim Report

1. Profit and loss account classified by function
2. Earnings per share (EPS)
3. Contingent assets and liabilities
4. Breakdown of the Group by segments, continuing activities
5. Quarterly financial highlights of the Group and financial ratios by segment

### 1. Profit and loss account classified by function

It is Group policy to draw up the profit and loss account based on an adapted classification of the costs by function in order to show the 'Earnings before interest, tax, depreciation and amortisation (EBITDA). Depreciation and write-downs on tangible assets and amortisation and write-downs on intangible assets are thus separated from the relevant functions and presented on separate lines. The profit and loss account classified by function with distribution of depreciation, amortisation and write-downs appears from the following:

DKKm	Q3 2007	Q3 2006	Q1-Q3 2007	Q1-Q3 2006
Net turnover	5,220	3,207	13,488	8,414
Production costs	4,139	2,614	10,686	6,746
<b>Gross profit</b>	<b>1,081</b>	<b>593</b>	<b>2,802</b>	<b>1,668</b>
Sales and distribution costs	266	181	704	532
Administrative costs	314	243	923	734
Other operating income and costs	17	22	85	59
Special non-recurring items	12	7	16	5
<b>Earnings before interest and tax (EBIT)</b>	<b>506</b>	<b>184</b>	<b>1,244</b>	<b>456</b>
Financial income	438	46	792	320
Financial costs	458	22	750	275
<b>Earnings before tax (EBT)</b>	<b>486</b>	<b>208</b>	<b>1,286</b>	<b>501</b>
Tax for the period	164	62	430	150
<b>Profit/loss for the period, continuing activities</b>	<b>322</b>	<b>146</b>	<b>856</b>	<b>351</b>
Profit/loss for the period, discontinuing activities	3	11	8	12
<b>Profit/loss for the period</b>	<b>325</b>	<b>157</b>	<b>864</b>	<b>363</b>

### 2. Earnings per share (EPS)

DKKm	Q3 2007	Q3 2006	Q1-Q3 2007	Q1-Q3 2006
<b>Earnings</b>				
FLSmidth & Co. A/S shareholders' share of profit/loss for the period	325	157	864	368
FLSmidth & Co. Group profit/loss from discontinuing activities	3	11	8	12
<b>Number of shares, average</b>				
Number of shares issued	53,200,000	77,056,185	53,200,000	65,126,524
Adjustment for own shares	(834,790)	(24,483,908)	(880,493)	(12,780,303)
Potential increase of shares in circulation, in-the-money options (element of gain)	289,546	231,413	296,334	385,504
	52,654,756	52,803,690	52,615,841	52,731,725
<b>Earnings per share</b>				
• Continuing and discontinuing activities per share, DKK	6.2	3.0	16.5	7.0
• Continuing and discontinuing activities, diluted, per share, DKK	6.2	3.0	16.4	7.0
• Continuing activities per share, DKK	6.1	2.8	16.4	6.8
• Continuing activities, diluted, per share, DKK	6.1	2.8	16.3	6.8

Non-diluted earnings per share from discontinuing activities amount to DKK 0.1.

### 3. Contingent assets and liabilities

Contingent liabilities at 30 September 2007 amount to DKK 6.2bn (end of 2006 DKK 4.7bn), including performance and payment guarantees amounting to DKK 5.9bn (end of 2006 DKK 4.6bn). Reference is made to note 28 in the 2006 Annual Report for a general description of the nature of the Group's contingent liabilities.

#### 4. Breakdown of the Group by segments, continuing activities

DKKm	Q1-Q3 2007					Q1-Q3 2006				
	Cement	Minerals	Dansk Eternit Holding	Other activities etc. <sup>1</sup>	Continuing activities total	Cement	Minerals	Dansk Eternit Holding	Other activities etc. <sup>1</sup>	Continuing activities total
<b>PROFIT AND LOSS ACCOUNT</b>										
<b>Net turnover</b>	<b>8,361</b>	<b>4,098</b>	<b>1,071</b>	<b>(42)</b>	<b>13,488</b>	<b>5,246</b>	<b>2,178</b>	<b>889</b>	<b>101</b>	<b>8,414</b>
Production costs	6,749	3,256	701	(115)	10,591	4,241	1,807	581	52	6,681
<b>Gross profit</b>	<b>1,612</b>	<b>842</b>	<b>370</b>	<b>73</b>	<b>2,897</b>	<b>1,005</b>	<b>371</b>	<b>308</b>	<b>49</b>	<b>1,733</b>
Sales, distr., admin. and other operating items	796	394	238	27	1,455	678	214	198	50	1,140
<b>Earnings before interest, tax, depr., amort. and special non-recurring items (EBITDA)</b>	<b>816</b>	<b>448</b>	<b>132</b>	<b>46</b>	<b>1,442</b>	<b>327</b>	<b>157</b>	<b>110</b>	<b>(1)</b>	<b>593</b>
Special non-recurring items	-	9	-	7	16	6	-	-	(1)	5
Depreciation and write-downs of tangible assets	46	24	36	5	111	43	13	35	7	98
Amortisation and write-downs of intangible assets	32	37	1	1	71	28	4	1	1	34
<b>Earnings before interest and tax (EBIT)</b>	<b>738</b>	<b>378</b>	<b>95</b>	<b>33</b>	<b>1,244</b>	<b>250</b>	<b>140</b>	<b>74</b>	<b>(8)</b>	<b>456</b>
Net financial income and costs	31	89	(6)	(72)	42	61	2	(9)	(9)	45
<b>Earnings before tax (EBT)</b>	<b>769</b>	<b>467</b>	<b>89</b>	<b>(39)</b>	<b>1,286</b>	<b>311</b>	<b>142</b>	<b>65</b>	<b>(17)</b>	<b>501</b>
Tax for the period	254	168	16	(8)	430	93	43	20	(6)	150
<b>Profit/loss for the period</b>	<b>515</b>	<b>299</b>	<b>73</b>	<b>(31)</b>	<b>856</b>	<b>218</b>	<b>99</b>	<b>45</b>	<b>(11)</b>	<b>351</b>
<b>ORDER INTAKE</b>	<b>11,474</b>	<b>6,079</b>	<b>-</b>	<b>(220)</b>	<b>17,333</b>	<b>10,441</b>	<b>4,227</b>	<b>-</b>	<b>-</b>	<b>14,668</b>
<b>ORDER BACKLOG</b>	<b>16,942</b>	<b>8,744</b>	<b>-</b>	<b>(746)</b>	<b>24,940</b>	<b>13,900</b>	<b>4,208</b>	<b>-</b>	<b>-</b>	<b>18,108</b>
<b>CASH FLOW</b>										
<b>Cash flow from operating activities</b>	<b>853</b>	<b>178</b>	<b>64</b>	<b>(116)</b>	<b>979</b>	<b>235</b>	<b>358</b>	<b>38</b>	<b>21</b>	<b>652</b>
Acquisition and disposal of undertakings and activities	-	(3,720)	-	-	(3,720)	-	(181)	-	2	(179)
Acquisition of tangible assets	(133)	(46)	(58)	(7)	(244)	(83)	(18)	(37)	(8)	(146)
Other investment, net	(34)	(4)	-	6	(32)	33	8	2	-	43
<b>Cash flow from investing activities</b>	<b>(167)</b>	<b>(3,770)</b>	<b>(58)</b>	<b>(1)</b>	<b>(3,996)</b>	<b>(50)</b>	<b>(191)</b>	<b>(35)</b>	<b>(6)</b>	<b>(282)</b>
<b>Cash flow from operating and investing activities</b>	<b>686</b>	<b>(3,592)</b>	<b>6</b>	<b>(117)</b>	<b>(3,017)</b>	<b>185</b>	<b>167</b>	<b>3</b>	<b>15</b>	<b>370</b>
<b>WORKING CAPITAL</b>	<b>(776)</b>	<b>740</b>	<b>238</b>	<b>75</b>	<b>277</b>	<b>(378)</b>	<b>67</b>	<b>240</b>	<b>(46)</b>	<b>(117)</b>
<b>NET INTEREST-BEARING RECEIVABLES/(DEBT)</b>	<b>1,354</b>	<b>(1,924)</b>	<b>(68)</b>	<b>(1,472)</b>	<b>(2,110)</b>	<b>2,454</b>	<b>246</b>	<b>10</b>	<b>(311)</b>	<b>2,399</b>
<b>BALANCE SHEET</b>										
Intangible assets	153	5,341	51	61	5,606	137	123	31	4	295
Tangible assets	564	309	394	167	1,434	516	184	346	194	1,240
Financial assets	1,247	120	40	(621)	786	371	45	69	4	489
Short-term assets	8,551	6,289	840	(4,608)	11,072	7,269	1,699	752	(852)	8,868
Assets held for sale	11	-	-	-	11	-	-	-	-	-
<b>Total assets</b>	<b>10,526</b>	<b>12,059</b>	<b>1,325</b>	<b>(5,001)</b>	<b>18,909</b>	<b>8,293</b>	<b>2,051</b>	<b>1,198</b>	<b>(650)</b>	<b>10,892</b>
Consolidated equity	2,311	2,920	235	(1,652)	3,814	2,053	526	263	(288)	2,554
Liabilities	8,215	9,139	1,090	(3,349)	15,095	6,240	1,525	935	(362)	8,338
Liabilities regarding assets held for sale	-	-	-	-	-	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>10,526</b>	<b>12,059</b>	<b>1,325</b>	<b>(5,001)</b>	<b>18,909</b>	<b>8,293</b>	<b>2,051</b>	<b>1,198</b>	<b>(650)</b>	<b>10,892</b>
<b>FINANCIAL RATIOS</b>										
Contribution ratio	19.3%	20.5%	34.5%	N/A	21.5%	19.2%	17.0%	34.6%	N/A	20.6%
EBITDA ratio	9.8%	10.9%	12.3%	N/A	10.7%	6.2%	7.2%	12.4%	N/A	7.0%
EBIT ratio	8.8%	9.2%	8.9%	N/A	9.2%	4.8%	6.4%	8.3%	N/A	5.4%
EBT ratio	9.2%	11.4%	8.3%	N/A	9.5%	5.9%	6.5%	7.3%	N/A	6.0%
<b>RETURN ON CAPITAL EMPLOYED (ROCE) <sup>2</sup></b>										
Adjusted net operating profit after tax (NOPAT)	676	377	98	472	1,623	113	110	52	35	310
Average capital employed	155	3,057	303	88	3,603	(41)	298	242	(23)	476
<b>Return on capital employed (ROCE) (annualised)</b>	<b>582%</b>	<b>16%</b>	<b>43%</b>	<b>N/A</b>	<b>60%</b>	<b>N/A</b>	<b>49%</b>	<b>29%</b>	<b>N/A</b>	<b>87%</b>
<b>Number of employees at end of period</b>	<b>4,771</b>	<b>3,100</b>	<b>1,059</b>	<b>79</b>	<b>9,009</b>	<b>4,114</b>	<b>1,475</b>	<b>886</b>	<b>71</b>	<b>6,546</b>

1) Other companies, etc. consist of Densit, companies with no activities, real estate companies, eliminations and the parent company.

2) ROCE is annualised. Average capital employed in Cement is negative due to the negative working capital, see above.

## 5. Quarterly financial highlights of the Group and main figures and financial ratios by segment

DKKm	2005	2006				2007		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>PROFIT AND LOSS ACCOUNT</b>								
Net turnover	3,147	2,307	2,900	3,207	3,897	3,764	4,504	5,220
Gross profit	525	502	613	618	869	785	978	1,134
Earnings before interest, tax, depreciation, amortisation and special non-recurring items (EBITDA)	169	149	206	238	373	354	480	608
Earnings before interest and tax (EBIT)	126	108	162	184	321	305	433	506
Earnings before tax (EBT)	123	115	178	208	423	319	481	486
Tax for the period	(76)	35	53	62	(333)	96	170	164
<b>Profit/loss for the period, continuing activities</b>	<b>199</b>	<b>80</b>	<b>125</b>	<b>146</b>	<b>756</b>	<b>223</b>	<b>311</b>	<b>322</b>
Profit/loss for the period, discontinuing activities	(21)	1	0	11	13	(5)	10	3
<b>Profit/loss for the period</b>	<b>178</b>	<b>81</b>	<b>125</b>	<b>157</b>	<b>769</b>	<b>218</b>	<b>321</b>	<b>325</b>
<i>Contribution ratio</i>	16.7%	21.8%	21.1%	19.3%	22.3%	20.9%	21.7%	21.7%
<i>EBITDA ratio</i>	5.4%	6.5%	7.1%	7.4%	9.6%	9.4%	10.7%	11.6%
<i>EBIT ratio</i>	4.0%	4.7%	5.6%	5.7%	8.1%	8.1%	9.6%	9.7%
<b>CASH FLOW</b>								
Cash flow from operating activities	958	299	(29)	387	717	223	262	494
Cash flow from investing activities	131	(46)	(35)	(201)	(115)	(102)	(181)	(3,713)
<b>SEGMENT INFORMATION</b>								
<b>Cement</b>								
Net turnover	2,045	1,459	1,828	1,959	2,437	2,540	2,829	2,992
EBITDA	58	107	119	94	214	214	299	303
EBIT	33	85	92	72	188	190	277	271
<i>Contribution ratio</i>	13.5%	21.4%	20.0%	16.7%	21.0%	18.6%	20.9%	18.3%
<i>EBITDA ratio</i>	2.8%	7.3%	6.5%	4.8%	8.8%	8.4%	10.6%	10.1%
<i>EBIT ratio</i>	1.6%	5.8%	5.0%	3.7%	7.7%	7.5%	9.8%	9.1%
<b>Minerals</b>								
Net turnover	798	590	720	868	1,098	936	1,287	1,875
EBITDA	63	30	52	83	133	84	142	222
EBIT	59	25	49	66	118	76	132	170
<i>Contribution ratio</i>	16.8%	16.6%	16.0%	18.0%	21.3%	18.9%	19.0%	22.5%
<i>EBITDA ratio</i>	7.9%	5.1%	7.2%	9.6%	12.1%	9.0%	11.0%	11.8%
<i>EBIT ratio</i>	7.4%	4.2%	6.8%	7.6%	10.7%	8.1%	10.3%	9.1%
<b>Dansk Eternit Holding</b>								
Net turnover	262	236	312	341	327	338	366	367
EBITDA	21	23	43	44	18	37	41	54
EBIT	9	11	31	32	7	25	28	42
<i>Contribution ratio</i>	34.4%	35.2%	36.0%	33.0%	31.8%	34.3%	32.8%	36.5%
<i>EBITDA ratio</i>	8.0%	9.7%	13.8%	12.9%	5.5%	10.9%	11,2%	14.7%
<i>EBIT ratio</i>	3.4%	4.7%	9.9%	9.4%	2.1%	7.4%	7,7%	11.4%

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