Interim Report 2008

FLSmidth & Co. A/S
1 January 2008 - 31 March 2008
(Company Announcement No. 24-2008)

FLSMIDTH

Interim Report

1 January 2008 - 31 March 2008


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 quarter of 2008

- The order backlog has increased by 13% to DKK 28,601m since the turn of the year (end of 2007: DKK 25,312m)
- The order intake rose 119% to DKK 9,054m in the first quarter of 2008, up from DKK 4,131m in the same period the year before. For the first time the order intake in Minerals exceeds that in Cement
- The turnover rose 41% to DKK 5,322m in the first quarter of 2008, up from DKK 3,764m in the same period the year before
- Earnings before special non-recurring items, depreciation and amortisation (EBITDA) rose 69% to DKK 598m in the first quarter of 2008, up from DKK 354m in the same period the year before, corresponding to an EBITDA margin of 11.2% (first quarter of 2007: 9.4%)
- Earnings before interest and tax (EBIT) rose 43% to DKK 436m in the first quarter of 2008, up from DKK 305m in the same period of the year before, corresponding to an EBIT margin of 8.2% (first quarter 2007: 8.1%)
- Earnings before interest and tax (EBIT) adjusted for the effect of purchase price allocations in respect of GL&V Process amounted to DKK 539m in the first quarter of 2008 corresponding to an EBIT margin of 10.1% (effect of purchase price allocations in the first quarter of 2008 amounted to DKK -103m)
- Earnings before tax (EBT) rose 47% to DKK 469m in the first quarter of 2008, up from DKK 319m in the same period the year before
- Cash flow from operating activities amounted to DKK 717m in the first quarter of 2008 as against DKK 242m in the same period the year before.

Prospects for 2008

The prospects for the cement market in 2008 in terms of new contracted cement kiln capacity worldwide (exclusive of China) are upgraded to 125-150m tonnes per year from previously 100-125m tonnes per year.

FLSmidth & Co. maintains its expectations for the year's turnover and financial result:

- Consolidated turnover approximately DKK 26bn
- Earnings before special non-recurring items, depreciation and amortisation (EBITDA) DKK 2.9-3.0bn
- Earnings before interest and tax (EBIT) DKK 2.4-2.5bn inclusive of the effect of purchase price allocation regarding GL&V Process at DKK -280m
- Earnings before tax (EBT) DKK 2.3-2.4bn

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.

Group financial highlights

DKKm	Q1 2008	Q1 2007	Year 2007
PROFIT AND LOSS ACCOUNT			
Net turnover	5,322	3,764	19,967
Gross profit	1,196	785	4,272
Earnings before special non-recurring items, depreciation and amortisation (EBITDA)	598	354	2,100
Earnings before interest and tax (EBIT)	436	305	1,824
Earnings before tax (EBT)	469	319	1,877
Profit/loss for the period, continuing activities	**328**	**223**	**1,293**
Profit/loss for the period, discontinuing activities	2	(5)	1
Profit/loss for the period	**330**	**218**	**1,294**
CASH FLOWS			
Cash flow from operating activities	717	242	1,493
Acquisition of undertakings and activities	-	(40)	(3,409)
Acquisition of tangible assets	(105)	(87)	(386)
Other investments, net	(17)	17	(18)
Cash flow from investing activities	(122)	(110)	(3,813)
Cash flow from operating and investing activities of continuing activities	668	113	(2,448)
Cash flow from operating and investing activities of discontinuing activities	(73)	19	128
WORKING CAPITAL	**76**	**(329)**	**614**
NET INTEREST-BEARING RECEIVABLES/(DEBT)	**(1,074)**	**2,733**	**(1,804)**
ORDER INTAKE	**9,054**	**4,131**	**24,061**
ORDER BACKLOG	**28,601**	**18,854**	**25,312**
BALANCE SHEET			
Long-term assets	7,721	2,420	7,799
Short-term assets	11,783	10,119	11,865
Assets held for sale	7	104	8
Total assets	**19,511**	**12,643**	**19,672**
Consolidated equity	4,436	3,430	4,214
Long-term liabilities	4,653	1,811	4,797
Short-term liabilities	10,422	7,397	10,661
Liabilities regarding assets held for sale	-	5	-
Total equity and liabilities	**19,511**	**12,643**	**19,672**
PROPOSED DIVIDEND TO SHAREHOLDERS			**372**
FINANCIAL RATIOS			
Continuing activities			
Contribution ratio	22.5%	20.9%	21.4%
EBITDA ratio	11.2%	9.4%	10.5%
EBIT ratio	8.2%	8.1%	9.1%
EBIT ratio before effect of purchase price allocations regarding GL&V Process, etc.	10.1%	8.1%	9.9%
EBT ratio	8.8%	8.5%	9.4%
Return on shareholders' equity (annualised)	31%	26%	35%
Equity ratio	23%	27%	21%
Number of employees at end of period, Group	**9,656**	**7,351**	**9,377**
Number of employees in Denmark	1,694	1,565	1,657
Share and dividend ratios, Group			
CFPS (Cash Flow per share), DKK (diluted)	13.6	4.9	28.4
EPS (Earnings per share), DKK (diluted)	6.3	4.2	24.6
EPS (Earnings per share), DKK (diluted) before effect of purchase price allocations regarding GL&V Process, etc.	7.6	4.2	26.4
FLSmidth & Co. share price, DKK	467.5	378	522
Number of shares end of period (000s)	53,200	53,200	53,200
Average number of shares (000s) (diluted)	52,592	52,518	52,640
Market capitalisation, DKKm	24,871	20,110	27,770

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

Management's review for the first quarter of 2008

Market trends

The demand for new cement capacity remained buoyant in the first quarter of 2008, resulting in a high and satisfactory order intake. The first few months of the year saw particularly high activity in Russia, India, Africa and Europe. Based on the level of the market so far this year the expectations for new contracted cement kiln capacity in the industry in 2008 are upgraded to 125-150m tonnes per year (previously 100-125m tonnes per year).

The first quarter of 2008 continued to see a high level of in-vestment activity in the mining and minerals industry. The first quarter saw a particularly high level of activity in copper and iron ore, and there is growing customer interest in complete materials handling and minerals processing packages and solutions, which confirms the relevance and market acceptance of our new "One Source One Partner" concept.

Developments in the order intake and order backlog

The total intake of orders amounted to DKK 9,054m in the first quarter of 2008, representing a 119% increase on the same period last year (first quarter 2007: DKK 4,131m). Orders received for Customer Services (services and spare parts) amounted to DKK 1,572m in the first quarter, representing an 18% in-crease on the same period last year (first quarter of 2007: DKK 1,333m).

The order backlog totalled DKK 28,601m at the end of the first quarter of 2008 (end of 2007: DKK 25,312m). For major projects the order intake is reflected in the turnover over a period of two to three years in step with the progress of the projects. For some critical components lead times may be longer. Accordingly, in today's market close cooperation with vendors and access to in-house and external production capacity are significant competi-tive parameters.

Profit and loss account and balance sheet developments

Turnover and gross profit

The turnover amounted to DKK 5,322m in the first quarter of 2008, representing a 41% increase on the same period last year (first quarter 2007: DKK 3,764m). Turnover has increased in all business segments, particularly in Minerals whose turnover rose 125% compared to the first quarter of 2007, resulting from both organic and acquisitive growth. The growth in Cement amounted to 15%.

Longer lead times in connection with the processing of orders - due to the high pressure of work among vendors, customers and within the Group - had a negative impact on the turnover for the first quarter. This has resulted in deferment of turnover. The developments in exchange rates when translating the sales of subsidiaries from various currencies into Danish kroner also had a negative impact on the turnover.

The turnover in Customer Services amounted to DKK 1,223m in the first quarter of 2008 (first quarter 2007: DKK 809m) representing a 51% increase on the same period last year. Customer Services accounted for 25% of the total turnover in Cement and Minerals in the first quarter of 2008 (first quarter 2007: 24%).

The gross profit amounted to DKK 1,196m in the first quarter (first quarter 2007: DKK 785m), which means a contribution ratio of 22.5% (first quarter 2007: 20.9%). The contribution ratio is positively impacted by a changed product mix and improved order processing in addition to higher sales prices.

Management's review for the first quarter of 2008

Capacity costs and earnings

Sales, distribution and administrative costs, etc. amounted to DKK 598m in the first quarter (first quarter 2007: DKK 431m) corresponding to 11.2% of the turnover (first quarter 2007: 11.5%) and representing a 39% increase on the year before. The first quarter saw total investments in research and development of DKK 49m (first quarter 2007: DKK 38m), representing 0.9% of the turnover (first quarter 2007: 1.0%). In addition, project financed development is taking place in cooperation with customers.

Earnings before interest and tax, depreciation and amortisation and special non-recurring items (EBITDA) amounted to DKK 598m (first quarter 2007: DKK 354m), corresponding to an EBITDA ratio of 11.2% (first quarter 2007: 9.4%).

In the first quarter, the effect of purchase price allocations regarding GL&V Process amounted to DKK -103m in the form of depreciation of tangible and amortisation of intangible assets (DKK -63m) and special non-recurring items regarding stocks, etc. (DKK -40m).

Total depreciation and write-downs amounted to DKK 122m in the first quarter (first quarter 2007: DKK 45m) including DKK 63m deriving from purchase price allocations regarding GL&V Process.

Earnings before interest and tax (EBIT) amounted to DKK 436m in 2008 (first quarter 2007: DKK 305m) which represents an EBIT ratio of 8.2% (first quarter 2007: 8.1%). Adjusted for acquisition price allocations, the EBIT result amounted to DKK 539m corresponding to an EBIT ratio of 10.1%. The improved EBIT ratio reflects positive turnover and earnings growth in both Cement and Minerals.

Net financial income amounted to DKK 33m in the first quarter (first quarter of 2007: DKK 14m).

The earnings before tax (EBT) amounted to DKK 469m (first quarter 2007: DKK 319m), which means an EBT margin of 8.8% (first quarter 2007: 8.5%). The tax for the period under review amounted to DKK 141m (first quarter 2007: DKK 96m) corresponding to an effective tax rate of 30%.

The profit of the continuing activities for the period under review amounted to DKK 328m (first quarter 2007: DKK 223m), corresponding to earnings per share of DKK 6.3 (first quarter 2007: 4.2). The earnings per share before the effect of purchase price allocations regarding GL&V Process amount to DKK 7.6.

Changes in major balance sheet items

The balance sheet total amounted to DKK 19,511m at the end of the first quarter of 2008, which is practically unchanged since the end of 2007 (end of 2007: DKK 19,672m).

The consolidated equity at the end of the first quarter of 2008 amounted to DKK 4,436m (end of 2007: DKK 4,214m) corresponding to an equity ratio of 23% (end of 2007: 21%). In the first quarter of 2008, the return on equity (on an annual basis) amounted to 31% (first quarter 2007: 26%).

Development in cash flows in 2008

Cash flow from operating activities amounted to DKK 717m in the first quarter (first quarter 2007: DKK 242m). Cash flow in the first quarter was positively impacted by large prepayments on new projects. At the end of the first quarter prepayments received from customers amounted to DKK 4.4bn (end of 2007: DKK 3.9bn).

The working capital amounted to DKK 76m at the end of the first quarter of 2008 (first quarter 2007: DKK -329m) reflecting different developments in the various business segments with the working capital generally being negative in Cement due to prepayments from customers. At the end of the first quarter the working capital consisted of: Cement: DKK -1,079m (first quarter 2007: DKK -524m), Minerals: DKK 861m (first quarter 2007: DKK -23m) and Cembrit: DKK 301m (first quarter 2007: DKK 228m). The increase in working capital in Minerals is primarily due to organic growth and the acquisition of GL&V Process which operates with a relatively higher working capital than the rest of the Minerals business.

Cash flow from investing activities for the first quarter amounted to DKK -122m (first quarter 2007: DKK -110m) most of which derives from the acquisition of fixed assets

Cash flow from operating and investing activities totalled DKK 595m in the first quarter or 2008, including 668m from continuing activities and DKK -73m from discontinuing activities

Management's review for the first quarter of 2008

(first quarter 2007: DKK 132m including 113m from continuing activities and DKK 19m from discontinuing activities). Net interest-bearing debt (continuing activities) amounted to DKK 1,074m at the end of the first quarter of 2008 (end of 2007: DKK 1,804m).

Segment information

Cement

The order intake in Cement amounted to DKK 4,502m in the first quarter of 2008, up 54% on the same period last year (first quarter 2007: DKK 2,920m). In the first quarter of 2008 major orders were received in Russia, Poland, Egypt and Brazil and a number of minor orders were obtained in India. The order intake in Customer Services amounted to DKK 951m in the first quarter of 2008, which is 5% lower than in the same period last year (first quarter 2007: DKK 1,000m). Adjusted for exhange rate variations this represents a minor increase.

At the end of the first quarter of 2008, the order backlog amounted to DKK 18,527m, corresponding to an increase of 7% since the turn of the year (end of 2007: DKK 17,265m).

The Cement turnover in the first quarter of 2008 amounted to DKK 2,921m, representing a 15% increase on the same period last year (first quarter 2007: DKK 2,540m). The turnover in Customer Services amounted to DKK 679m in the first quarter of 2008, representing a 25% increase on the same period last year (first quarter 2007: DKK 544m).

The contribution margin achieved in Cement is higher than that for the same period last year, which is due to a changed product mix, improved order processing and generally higher sales prices.

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 are mainly attributable to higher capacity utilisation and operational gearing. The EBIT result in the first quarter of 2008 amounted to DKK 275m (first quarter of 2007: DKK 190m), which is a 45% increase on the same period last year. The first quarter of 2008 saw an EBIT ratio of 9.4% (first quarter of 2007: 7.5%).

2008 is still expected to see a turnover of approximately DKK 13.5bn and an EBIT ratio of approximately 9-10% in Cement.

Minerals

The total order intake in Minerals amounted to DKK 4,643m in the first quarter of 2008 (first quarter 2007: DKK 1,266m) representing a 267% increase on the same period last year, reflecting partly the acquisition of GL&V Process and RAHCO. In the first quarter of 2008, FLSmidth Minerals received a number of major orders in Australia, Chile and Peru, notably in the copper and iron ore industries. The strong momentum in Minerals, which covers a wide geographical area, and in all the business areas of FLSmidth Minerals, is expected to continue in the medium term. FLSmidth Minerals' new "One Source - One Partner" concept has been well received by the industry, which is emphasised by the signing of several ground-breaking contracts during the first quarter.

The turnover in Customer Services amounted to DKK 630m in the first quarter of 2008, representing a 54% increase on the same period last year (first quarter 2007: DKK 410m).

At the end of the first quarter of 2008, the order backlog amounted to DKK 10,857m, corresponding to an increase of 24% since the turn of the year (end of 2007: DKK 8,777m).

The Minerals turnover in the first quarter of 2008 amounted to DKK 2,105m, representing a 125% increase on the same period last year (first quarter 2007: DKK 936m). The higher turnover compared to the same period last year is a result of the increased order backlog at the beginning of the period and the acquisition of RAHCO and GL&V Process in 2007. The turnover in Customer Services amounted to DKK 552m in the first quarter of 2008, representing a 100% increase on the same period last year (first quarter 2007: DKK 276m).

The EBIT result amounted to DKK 133m in the first quarter of 2008 (first quarter 2007: DKK 76m), corresponding to an EBIT ratio of 6.3% (first quarter 2007: 8.1%). Exclusive of the effect of purchase price allocations, the EBIT result was DKK 236m and the EBIT ratio 11.2% in the first quarter of 2008. The growing earnings from operations reflect improved order processing, higher sales prices, more efficient use of capacity and resulting operational gearing.

Due primarily to the developments in exchange rates and secondarily to the deferment of turnover, the expectations regarding turnover in Minerals are adjusted to approximately DKK 11bn from previously around DKK 11.5bn. At the same time the EBIT ratio before special non-recurring and amortisation items regarding GL&V Process are upgraded to approximately 12% from previously around 11-12%.

Cembrit

In the first quarter of 2008, Cembrit achieved a turnover of DKK 334m which is on a par with the same period last year (first quarter of 2007: DKK 338m.). The level of activity was high in the first quarter of 2008 due to the continuing favourable climate for building and construction, particularly in Eastern Europe. Capacity enhancements are under way at a number of existing production plants.

The EBIT result amounted to DKK 12m in the first quarter of 2008 (first quarter 2007: DKK 25m), corresponding to an EBIT ratio of 3.6% (first quarter 2007: 7.4%).

In April, Cembrit established a joint venture with a local partner in Belgium and acquired EWLH's share of the joint venture in Eastern Europe.

For 2008 Cembrit continues to expect a turnover of approximately DKK 1.5bn and an EBIT ratio of approximately 9%.

Prospects for 2008

- Sustained favourable business cycles and a continued high level of activity are expected for 2008.
- For 2008, FLSmidth & Co. maintains its expectation of a consolidated turnover of approx. DKK 26bn, earnings before special non-recurring items, depreciation, amortisation (EBITDA) of DKK 2.9-3.0bn, earnings before interest and tax (EBIT) of DKK 2.4-2.5bn and earnings before tax (EBT) of DKK 2.3-2.4bn.
- The effect of acquisition price allocations regarding GL&V Process in 2008 amounts to some DKK -280m, which is included in the expectations mentioned above.
- FLSmidth & Co. maintains its expectation of an EBIT result before the effect of acquisition price allocations regarding GL&V Process of DKK 2.7-2.8bn in 2008
- Cash flow from operating activities (continuing activities) is expected to be around DKK 1.5bn in 2008 (upgraded from previously DKK 1.2bn).
- Cash flow from investing activities (exclusive of acquisitions) is expected to be around DKK 700m. This amount includes the expansion of production capacity in Cembrit at approximately DKK 175m.
- The effective tax percentage for 2008 is expected to be in the range of 30%. The tax percentage payable, however, is expected to be slightly lower.
- For the individual business areas, the prospects for 2008 are as follows:

Cement	Turnover	approx. DKK 13.5bn	EBIT ratio approx. 9-10%
Minerals	Turnover (previously	approx. DKK 11.0bn approx. DKK 11.5bn)	EBIT ratio approx. 12%* (previously approx. 11-12%)
Cembrit	Turnover	approx. DKK 1.5bn	EBIT ratio approx. 9%

** (exclusive of the effect of purchase price allocations at approx. DKK -280m)*

- The prospects for 2008 in Cement assume an unchanged market share and a total global market for new cement kiln capacity of approximately 125-150m tonnes per year (previously 100-125 mty) (exclusive of China), which is tantamount to an unchanged, very high level of demand.
- Risks in connection with the earnings for 2008 are primarily related to the execution of the considerable backlog of orders. In connection with the execution of orders particularly delays in supplies from vendors may cause FLSmidth & Co. extra costs.

Long-term growth and earnings prospects

- 2009 is expected to see a continuation of the favourable business cycles and high level of activity, and the turnover is expected to rise compared to 2008 in all business segments. The effect of acquisition price allocations regarding GL&V Process in 2009 and onwards is expected to be around DKK -100m per year in the form of amortisation of intangible assets.
- In the longer term, earnings from Minerals and Customer Services will account for relatively larger shares of the Group's total earnings, which will cushion the effect of any cyclical market fluctuations in Cement. Against this background, the Group expects its EBIT ratio to be 10-12% in periods of high activity and slightly below that level in periods of low activity. In the longer term, investments exclusive of acquisitions are expected to total some DKK 400m per year.

Incentive plan

As at 31 March 2008, there were a total of 508,041 unexercised share options, and the fair value of them was DKK 139m. The fair value is calculated by means of a Black-Scholes model based on a current share price of 467.5, a volatility of 37.16% and a risk free interest rate of 4.10%. The effect of the plan on the profit and loss account amounted to DKK 2m in the first quarter of 2008 (first quarter of 2007: DKK 3m).

Accounting policies

The Interim Report for the first quarter of 2008 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 2007 Annual Report. Reference is made to page 54 in the 2007 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 a significant impact on the Group's presentation of accounts.

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 2007 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. At the end of the first quarter of 2008 the financial net debt was DKK 7,715m (end of 2007: 7,988m) corresponding to 3.3 times EBITDA for the last 12 months (end of 2007: 3.8), 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 31 March 2008 totalled 826,880 representing 1.6% of the share capital (31 December 2007: 844,486) .

Financial calendar 2008

21 August 2008:	Interim report for the 1st half of 2008
20 November 2008:	Interim report for the first three quarters 2008

Events occurring after the balance sheet date

Annual General Meeting 17 April 2008

On 17 April 2008, FLSmidth & Co. held its Annual General Meeting at Radisson SAS Falconer Center, Frederiksberg.

The General Meeting elected Martin Ivert as new member of the Board of Directors instead of Johannes Poulsen who did not stand for reelection.

The General Meeting adopted the following proposals by the Board of Directors:

- Authorisation until the next Annual General Meeting to let the company acquire own shares up to a total nominal value of 10% of the Company's share capital pursuant to Section 48 of the Danish Public Companies Act. The consideration for the shares acquired must not deviate more than 10% from the official price quoted on the Copenhagen Stock Exchange at the time of acquisition.
- Overall guidelines for incentive pay to the Management of FLSmidth & Co. A/S. The guidelines are accessible on the Company website www.flsmidth.com.
- Amendment and modernisation of the company's articles of association including the proposal that the company's shares will in future have the denomination DKK 1 or multiples thereof and that each DKK 1 share entitles the holder to one vote. These changes became effective on 30 April 2008.
- A dividend of DKK 7 per share for the 2007 financial year corresponding to DKK 372m. The amount was paid out on 24 April 2008.

New orders

FLSmidth Minerals has signed a five-year contract worth DKK 215m (USD 45m) with Minera Peñasquito for the integral maintenance services of their 130,000 tonnes per day greenfield lead zinc sulphide concentrator plant located in the state of Zacatecas, Mexico. The contract also entails that FLSmidth will be responsible for commissioning, start-up and expansion of the mineral processing complex.

FLSmidth has signed a contract worth approximately DKK 410m (some EUR 55m) for a 5,000 tonnes per day cement plant. The greenfield plant will be supplied to Wadi El Nile Cement Company and situated close to the city of Beni Seuf some 120 kilometres south of Cairo, Egypt.

FLSmidth acquires world leading pressure filter technology

FLSmidth has acquired the automatic pressure filter business of U.S. based Pneumapress Inc., a global leader in fully automatic pressure filtration and drying technology. The transaction is valued at approximately USD 18m (approx. DKK 87m), subject to certain conditions being met. Effective date of the acquisition is 15 May 2008. Pneumapress' sales are expected to surpass USD 25m in 2008 and will have a positive effect on the FLSmidth Group's earnings in 2008.

Statement by the Board and Management on the Interim Report

We have today reviewed and adopted the Interim Report of FLSmidth & Co. A/S for the period 1 January to 31 March 2008.

The interim report is presented in accordance with IAS 34, presentation of interim reports, as approved by the EU, and additional Danish disclosure requirements for interim reports submitted by listed companies. The Interim Report is unaudited.

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 31 March 2008 and of the financial results of the Group's activities and cash flows in the period from 1 January to 31 March 2008.

In our opinion the Management's review gives a true and fair view of the developments of the Group's activities and financial situation, the results for the period under review and the Group's financial position as a whole and a true and fair description of the major risks and uncertainties facing the Group.

Copenhagen, 22 May 2008

Corporate Management	Jørgen Huno Rasmussen *Group CEO*	Poul Erik Tofte *Group Executive Vice President (CFO)*	Bjarne Moltke Hansen *Group Executive Vice President*	Christian Jepsen *Group Executive Vice President*
Board of Directors	Jørgen Worning *Chairman*	Jens S. Stephensen *Vice Chairman*	Jens Palle Andersen	Torkil Bentzen
	Martin Ivert	Frank Lund	Jesper Ovesen	Bo Steffensen
	Søren Vinther			

Consolidated profit and loss account

DKKm		Q1 2008	Q1 2007
Notes			
	Net turnover	5,322	3,764
	Production costs	4,126	2,979
	Gross profit	**1,196**	**785**
	Sales and distribution costs	286	211
	Administrative costs	330	267
	Other operating income and costs	18	47
	Earnings before special non-recurring items, depreciation and amortisation (EBITDA)	**598**	**354**
	Special non-recurring items	40	4
	Depreciation and write-down of tangible assets	45	35
	Amortisation and write-down of intangible assets	77	10
	Earnings before interest and tax (EBIT)	**436**	**305**
	Financial income	317	203
	Financial costs	284	189
	Earnings before tax (EBT)	**469**	**319**
	Tax for the period, continuing activities	141	96
	Profit/loss for the period, continuing activities	**328**	**223**
	Profit/loss for the period, discontinuing activities	2	(5)
	Profit/loss for the period	**330**	**218**
	To be distributed as follows:		
	Minority shareholders' share of profit/loss for the period	-	-
	FLSmidth & Co. A/S shareholders' share of profit/loss for the period	330	218
		330	**218**
2	Earnings per share (EPS)		
	Continuing and discontinuing activities	6.3	4.2
	Continuing and discontinuing activities, diluted	6.3	4.2
	Continuing and discontinuing activities, diluted, before effect of purchase price allocations regarding GL&V Process etc.	7.6	4.2
	Continuing activities	6.3	4.3
	Continuing activities, diluted	6.3	4.3

Consolidated cash flow statement

DKKm	Q1 2008	Q1 2007
Notes		
Cash flow from operating activities		
Earnings before special non-recurring items, depreciation and amortisation (EBITDA), continuing activities	598	354
Earnings before special non-recurring items, depreciation and amortisation (EBITDA), discontinuing activities	(3)	(8)
Adjustment for profits/losses on sale of tangible assets and exchange rate adjustments, etc.	(13)	(15)
Adjusted earnings before special non-recurring items, depreciation and amortisation (EBITDA)	**582**	**331**
Change in provisions	(18)	36
Change in working capital	407	(116)
Cash flow from operating activities before financial items and tax	**971**	**251**
Financial payments received and made	(120)	32
Corporation taxes paid	(134)	(41)
Cash flow from operating activities	**717**	**242**
Cash flow from investing activities		
Acquisition and disposal of undertakings and activities	-	(40)
Acquisition of intangible assets	(16)	(18)
Acquisition of tangible assets	(105)	(87)
Acquisition of financial assets	(2)	(2)
Disposal of intangible and tangible assets	1	37
Cash flow from investing activities	**(122)**	**(110)**
Cash flow from financing activities		
Acquisition of own shares	(1)	(3)
Disposal of own shares	6	16
Changes in other net interest-bearing receivables	(335)	119
Cash flow from financing activities	**(330)**	**132**
Changes in cash funds	**265**	**264**
Cash funds at 1 January	957	2,766
Exchange rate adjustment, cash funds 1 January	(75)	(39)
Cash funds at 31 March	1,147	2,991

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

Consolidated balance sheet

Assets

DKKm	End of Q1 2008	End of 2007
Notes		
Completed development projects	26	26
Patents and rights acquired	1,070	1,091
Goodwill	3,161	3,191
Customer relations	893	914
Other intangible assets	178	203
Intangible assets	**5,328**	**5,425**
Land and buildings	753	760
Plant and machinery	500	477
Operating equipment, fixtures and fittings	195	200
Tangible assets in course of construction	131	109
Tangible assets	**1,579**	**1,546**
Investments in associated undertakings	3	4
Other securities and investments	60	58
Other financial assets	7	8
Pension assets	6	6
Deferred tax assets	738	752
Financial assets	**814**	**828**
Total long-term assets	**7,721**	**7,799**
Stocks	**1,392**	**1,463**
Trade debtors	4,286	4,939
Work-in-progress for third parties	3,520	3,072
Other debtors	1,063	1,070
Prepayments	140	120
Debtors	**9,009**	**9,201**
Securities	**235**	**244**
Cash funds	**1,147**	**957**
Assets held for sale	**7**	**8**
Total current assets	**11,790**	**11,873**
TOTAL ASSETS	**19,511**	**19,672**

Consolidated balance sheet

Equity and liabilities

DKKm	End of Q1 2008	End of 2007
Notes		
Share capital	1,064	1,064
Exchange rate adjustments regarding translation of investments	(176)	(24)
Exchange rate adjustments regarding hedging transactions	13	14
Retained earnings	3,153	2,778
Proposed dividend	372	372
FLSmidth & Co. A/S shareholders' share of shareholders' equity	**4,426**	**4,204**
Minority interests' share of shareholders' equity	**10**	**10**
Total equity	**4,436**	**4,214**
Deferred tax liabilities	652	688
Pension liabilities	124	126
Other provisions	1,086	1,077
Mortgage debt	377	386
Bank loans	1,527	1,829
Financial lease commitment	10	10
Prepayments from customers	877	681
Long-term liabilities	**4,653**	**4,797**
Mortgage debt	5	7
Bank loans	328	481
Financial lease commitment	3	3
Prepayments from customers	3,540	3,178
Work-in-progress for third parties	2,324	2,206
Trade creditors	2,132	2,464
Corporation tax payable	266	299
Other liabilities	1,095	1,288
Other provisions	663	699
Deferred income	66	36
Current liabilities	**10,422**	**10,661**
Liabilities regarding assets held for sale	**-**	**-**
Total liabilities	**15,075**	**15,458**
TOTAL EQUITY AND LIABILITIES	**19,511**	**19,672**

Consolidated shareholders' equity

DKKm	Share capital	Exchange rate adjustments re translation of investments	Exchange rate adjustments re hedging transactions	Retained earnings	Proposed dividend	FLSmidth & Co. A/S shareholders' share	Minority interests' share	Total
Shareholders' equity at 1 January 2007	**1,064**	**(85)**	**(2)**	**1,839**	**372**	**3,188**	**4**	**3,192**
Total income for the period	-	(5)	9	214	-	218	(1)	217
Share-based payments, share options				2		2		2
Disposal of own shares				16		16		16
Acquisition of own shares				(2)		(2)		(2)
Additions and disposals of minority interests						-	5	5
Shareholders' equity at 31 March 2007	**1,064**	**(90)**	**7**	**2,069**	**372**	**3,422**	**8**	**3,430**
Shareholders' equity at 1 January 2008	**1,064**	**(24)**	**14**	**2,778**	**372**	**4,204**	**10**	**4,214**
Total income for the period	-	(152)	(1)	368	-	215	-	215
Share-based payments, share options				2		2		2
Disposal of own shares				7		7		7
Acquisition of own shares				(2)		(2)		(2)
Additions and disposals of minority interests								-
Shareholders' equity at 31 March 2008	**1,064**	**(176)**	**13**	**3,153**	**372**	**4,426**	**10**	**4,436**

Share capital movements:	No. of shares
Share capital at 1 January 2008	53,200,000
Share capital at 31 March 2008	53,200,000

The nominal value of each share is DKK 20 and each share entitles the holder to 20 votes

Own shares:	No. of shares
Own shares at 1 January 2008 (acc. to 2007 Annual Report)	844,486
Share options exercised	(20,661)
Acquisitions	3,055
Own shares at 31 March 2007	826,880

Corresponding to 1.6% of the share capital.

Reference is made to the Management's review on page 7 regarding application of own shares.

DKKm	Share capital	Exchange rate adjustments re translation of investments	Exchange rate adjustments re hedging transactions	Retained earnings	Proposed dividend	FLSmidth & Co. A/S shareholders' share	Minority interests' share	Total
Total income for the period is specified as follows:								
Exchange rate adjustments regarding translation of investments		(5)				(5)		(5)
Transferred to the profit and loss account regarding hedging of future transactions			9			9		9
Other shareholders' equity adjustments				(4)		(4)	(1)	(5)
Recognised directly in the shareholders' equity	**-**	**(5)**	**9**	**(4)**	**-**	**-**	**(1)**	**(5)**
Profit/loss for the period				218		218		218
Total income for the period 2007	-	**(5)**	**9**	**214**	**-**	**218**	**(1)**	**217**
Exchange rate adjustments regarding translation of investments		(152)				(152)		(152)
Transferred to the profit and loss account regarding hedging of future transactions			(1)			(1)		(1)
Tax on shareholders' equity movements, net				33		33		33
Other shareholders' equity adjustments				5		5		5
Recognised directly in the shareholders' equity	**-**	**(152)**	**(1)**	**38**	**-**	**(115)**	**-**	**(115)**
Profit/loss for the period				330		330		330
Total income for the period 2008	**-**	**(152)**	**(1)**	**368**	**-**	**215**	**-**	**215**

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 special non-recurring items, depreciation and amortisation (EBITDA)'. Depreciation and write-downs on tangible assets and amortisation and write-downs on intangible assets are therefore separated from the relevant functions and presented on separate lines.

The profit and loss account classified by function with allocation of depreciation, amortisation and write-downs appears from the following:

DKKm	Q1 2008	Q1 2007
Net turnover	5,322	3,764
Production costs	4,214	3,001
Gross profit	**1,108**	**763**
Sales and distribution costs	289	212
Administrative costs	361	289
Other operating income and costs	18	47
Special non-recurring items	40	4
Earnings before interest and tax (EBIT)	**436**	**305**
Financial income	317	203
Financial costs	284	189
Earnings before tax (EBIT)	**469**	**319**
Tax for the period	141	96
Profit/loss for the period, continuing activities	**328**	**223**
Profit/loss for the period, discontinuing activities	2	(5)
Profit/loss for the period	**330**	**218**

2. Earnings per share (EPS)

DKKm	Q1 2008	Q1 2007
Earnings		
FLSmidth & Co. A/S shareholders' share of profit/loss for the period	330	218
FLSmidth & Co. Group profit/loss from discontinuing activities	2	(5)
Number of shares, average		
Number of shares issued	53,200,000	53,200,000
Adjustment for own shares	(835,683)	(993,427)
Potential increase of shares in circulation, in-the-money options (element of gain)	227,452	311,452
	52,591,769	**52,518,025**
Earnings per share		
• Continuing and discontinuing activities per share, DKK	6.3	4.2
• Continuing and discontinuing activities, diluted, per share, DKK	6.3	4.2
• Continuing and discontinuing activities, diluted before effect of purchase price allocations regarding GL&V Process, etc., per share DKK	7.6	4.2
• Continuing activities per share, DKK	6.3	4.3
• Continuing activities, diluted, per share, DKK	6.3	4.3

Non-diluted earnings per share from discontinuing activities amount to DKK 0.0. The effect of purchase price allocations regarding GL&V Process, etc. before tax amounts to DKK 103m in the first quarter of 2008. The amount after tax is DKK 72m and the effect on EPS per share is therefore DKK 1.3.

3. Contingent assets and liabilities

Contingent liabilities at 31 March 2008 amount to DKK 6.9bn (end of 2007 DKK 6.7bn), including performance and payment guarantees amounting to DKK 6.6bn (end of 2007 DKK 6.4bn). Reference is made to note 30 in the 2007 Annual Report for a general description of the nature of the Group's contingent liabilities.

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

4. Breakdown of the Group by segments, continuing activities

DKKm	Q1 2008					Q1 2007				
	Cement	Minerals	Cembrit Holding	Other companies etc. [1]	Continuing activities total	Cement	Minerals	Cembrit Holding	Other companies etc. [1]	Continuing activities total
PROFIT AND LOSS ACCOUNT										
Net turnover	**2,921**	**2,105**	**334**	**(38)**	**5,322**	**2,540**	**936**	**338**	**(50)**	**3,764**
Production costs	2,337	1,625	223	(59)	4,126	2,067	759	222	(69)	2,979
Gross profit	**584**	**480**	**111**	**21**	**1,196**	**473**	**177**	**116**	**19**	**785**
Sales-, distr.- and admin. costs and other operating items	280	230	84	4	598	259	93	79	-	431
Earnings before special non-recurring items, depr. and amort. (EBITDA)	**304**	**250**	**27**	**17**	**598**	**214**	**84**	**37**	**19**	**354**
Special non-recurring items	-	40	-	-	40	-	-	-	4	4
Depreciation and write-downs of tangible assets	17	12	15	1	45	15	7	12	1	35
Amortisation and write-downs of intangible assets	12	65	-	-	77	9	1	-	-	10
Earnings before interest and tax (EBIT)	**275**	**133**	**12**	**16**	**436**	**190**	**76**	**25**	**14**	**305**
Earnings before interest and tax (EBIT) before effect of purchase price allocations regarding GL&V Process, etc.	*275*	*236*	*12*	*16*	*539*	*190*	*76*	*25*	*14*	*305*
Net financial income and costs	18	50	3	(38)	33	12	5	(1)	(2)	14
Earnings before tax (EBT)	**293**	**183**	**15**	**(22)**	**469**	**202**	**81**	**24**	**12**	**319**
Tax for the period	75	58	8	0	141	59	31	7	(1)	96
Profit/loss for the period	**218**	**125**	**7**	**(22)**	**328**	**143**	**50**	**17**	**13**	**223**
Order intake	**4,502**	**4,643**	**-**	**(91)**	**9,054**	**2,920**	**1,266**	**-**	**(55)**	**4,131**
Order backlog	**18,527**	**10,857**	**-**	**(783)**	**28,601**	**14,348**	**5,271**	**-**	**(765)**	**18,854**
CASH FLOW										
Cash flow from operating activities	**692**	**190**	**(55)**	**(37)**	**790**	**167**	**38**	**4**	**14**	**223**
Acquisition and disposal of undertakings and activities	-	-	-	-	-	-	(40)	-	-	(40)
Acquisition of tangible assets	(44)	(20)	(40)	-	(104)	(52)	(13)	(20)	(2)	(87)
Other investments, net	(268)	250	-	-	(18)	(7)	-	-	24	17
Cash flow from investing activities	**(312)**	**230**	**(40)**	**-**	**(122)**	**(59)**	**(53)**	**(20)**	**22**	**(110)**
Cash flow from operating and investing activities	**380**	**420**	**(95)**	**(37)**	**668**	**108**	**(15)**	**(16)**	**36**	**113**
Cash flow from financing activities	**(90)**	**84**	**48**	**(372)**	**(330)**	**(121)**	**20**	**(6)**	**239**	**132**
WORKING CAPITAL	**(1,079)**	**861**	**301**	**(7)**	**76**	**(524)**	**(23)**	**228**	**(10)**	**(329)**
NET INTEREST-BEARING RECEIVABLES/(DEBT)	**3,340**	**237**	**(211)**	**(4,440)**	**(1,074)**	**2,746**	**458**	**3**	**(474)**	**2,733**
BALANCE SHEET										
Intangible assets	378	4,888	52	10	5,328	151	119	51	4	325
Tangible assets	604	307	517	151	1,579	520	207	375	169	1,271
Financial assets	457	126	46	185	814	473	44	39	268	824
Current assets	10,171	7,293	846	(6,527)	11,783	8,122	2,190	732	(925)	10,119
Assets held for sale	7	-	-	-	7	104	-	-	-	104
Total assets	**11,617**	**12,614**	**1,461**	**(6,181)**	**19,511**	**9,370**	**2,560**	**1,197**	**(484)**	**12,643**
Consolidated shareholders' equity	2,640	5,447	288	(3,939)	4,436	2,553	545	262	70	3,430
Liabilities	8,977	7,167	1,173	(2,242)	15,075	6,812	2,015	935	(554)	9,208
Liabilities regarding assets held for sale	-	-	-	-	-	5	-	-	-	5
Total equity and liabilities	**11,617**	**12,614**	**1,461**	**(6,181)**	**19,511**	**9,370**	**2,560**	**1,197**	**(484)**	**12,643**
FINANCIAL RATIOS										
Contribution ratio	20.0%	22.8%	33.2%	N/A	22.5%	18.6%	18.9%	34.3%	N/A	20.9%
EBITDA ratio	10.4%	11.9%	8.1%	N/A	11.2%	8.4%	9.0%	10.9%	N/A	9.4%
EBIT ratio	9.4%	6.3%	3.6%	N/A	8.2%	7.5%	8.1%	7.4%	N/A	8.1%
EBIT ratio before effect of purchase price allocations regarding GL&V Process, etc.	9.4%	11.2%	3.6%	N/A	10.1%	7.5%	8.1%	7.4%	N/A	8.1%
EBT ratio	10.0%	8.7%	4.5%	N/A	8.8%	8.0%	8.7%	7.1%	N/A	8.5%
Number of employees at end of period	**5,147**	**3,408**	**1,098**	**3**	**9,656**	**4,390**	**1,903**	**979**	**79**	**7,351**

[1] Other companies etc. consist of companies with no activities, real estate companies, eliminations and the parent company. The comparative figures for the first quarter of 2007 include the activities in Densit.

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

DKKm	2006			2007				2008
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
PROFIT AND LOSS ACCOUNT								
Net turnover	2,900	3,207	3,897	3,764	4,504	5,220	6,479	5,322
Gross profit	613	618	869	785	978	1,134	1,375	1,196
Earnings before non-recurring items, depreciation, amortisation (EBITDA)	206	238	373	354	480	608	658	598
Earnings before interest and tax (EBIT)	162	184	321	305	433	506	580	436
Earnings before interest and tax (EBIT) before effect of purchase price allocations regarding GL&V Process, etc.	*162*	*184*	*321*	*305*	*433*	*549*	*680*	*539*
Earnings before tax (EBT)	178	208	423	319	481	486	591	469
Tax for the period	53	62	(333)	96	170	164	154	141
Profit/loss for the period, continuing activities	**125**	**146**	**756**	**223**	**311**	**322**	**437**	**328**
Profit/loss for the period, discontinuing activities	0	11	13	(5)	10	3	(7)	2
Profit/loss for the period	**125**	**157**	**769**	**218**	**321**	**325**	**430**	**330**
Contribution ratio	21.1%	19.3%	22.3%	20.9%	21.7%	21.7%	21.2%	22.5%
EBITDA ratio	7.1%	7.4%	9.6%	9.4%	10.7%	11.6%	10.2%	11.2%
EBIT ratio	5.6%	5.7%	8.2%	8.1%	9.6%	9.7%	9.0%	8.2%
EBIT ratio before effect of purchase price allocations regarding GL&V Process, etc.	5.6%	5.7%	8.2%	8.1%	9.6%	10.5%	10.5%	10.1%
CASH FLOW, continuing activities								
Cash flow from operating activities	(30)	387	717	223	262	494	471	790
Cash flow from investing activities	(36)	(201)	(115)	(110)	(181)	(3,713)	98	(122)
Order intake	6,745	3,388	3,867	4,131	6,122	7,080	6,728	9,054
Order backlog	17,549	18,108	18,264	18,854	21,055	24,940	25,312	28,601
SEGMENT INFORMATION								
Cement								
Net turnover	1,828	1,959	2,437	2,540	2,829	2,992	3,849	2,921
EBITDA	119	94	214	214	299	303	399	304
EBIT	92	72	188	190	277	271	346	275
Contribution ratio	20.0%	16.7%	21.0%	18.6%	20.9%	18.3%	19.0%	20.0%
EBITDA ratio	6.5%	4.8%	8.8%	8.4%	10.6%	10.1%	10.4%	10.4%
EBIT ratio	5.0%	3.7%	7.7%	7.5%	9.8%	9.1%	9.0%	9.4%
Order intake	4,858	2,054	2,209	2,920	3,813	4,741	4,315	4,502
Order backlog	13,707	13,900	13,531	14,348	15,360	16,942	17,265	18,527
Minerals								
Net turnover	720	868	1,098	936	1,287	1,875	2,332	2,105
EBITDA	52	82	133	84	142	222	299	250
EBIT	49	66	118	76	132	170	175	133
EBIT before effect of purchase price allocations regarding GL&V Process, etc.	49	66	118	76	132	213	275	236
Contribution ratio	16.0%	18.0%	21.3%	18.9%	19.0%	22.5%	22.9%	22.8%
EBITDA ratio	7.2%	9.4%	12.1%	9.0%	11.0%	11.8%	12.8%	11.9%
EBIT ratio	6.8%	7.6%	10.7%	8.1%	10.3%	9.1%	7.5%	6.3%
EBIT margin before effect of purchase price allocations regarding GL&V Process, etc.	6.8%	7.6%	10.7%	8.1%	10.3%	11.4%	11.8%	11.2%
Order intake	1,887	1,334	1,658	1,266	2,387	2,426	2,464	4,643
Order backlog	3,842	4,208	4,733	5,271	6,420	8,744	8,777	10,857
Cembrit								
Net turnover	312	341	327	338	366	367	348	334
EBITDA	43	44	18	37	41	54	5	27
EBIT	31	32	7	25	28	42	29	12
Contribution ratio	36.0%	33.0%	31.8%	34.3%	32.8%	36.5%	29.9%	33.2%
EBITDA ratio	13.8%	12.9%	5.5%	10.9%	11.2%	14.7%	1.4%	8.1%
EBIT ratio	9.9%	9.4%	2.1%	7.4%	7.7%	11.4%	8.3%	3.6%

FLSmidth & Co. A/S
Vigerslev Allé 77
DK-2500 Valby
Denmark
Tel: +45 36 18 18 00
Fax: +45 36 44 11 46
corppr@flsmidth.com
www.flsmidth.com
CVR No. 58180912

FLSmidth Cement
Vigerslev Allé 77
DK-2500 Valby
Denmark
Tel: +45 36 18 10 00
Fax: +45 36 30 18 20
info@flsmidth.com
www.flsmidth.com

FLSmidth Minerals
3235 Schoenersville Road
Bethlehem, PA18017-2103
USA
Tel: +1 610 264 6900
Fax: +1 610 264 6996
www.flsmidthminerals.com

Cembrit
Sohngårdsholmsvej 2
DK-9000 Aalborg
Denmark
Tel: +45 99 37 22 22
Fax:+45 99 37 23 22
info@cembrit.dk
www.cembrit.dk