2003

INTERIM REPORT 2003 FLS INDUSTRIES A/S

1 January – 30 September 2003

Announcement to the Copenhagen Stock Exchange No. 32 - 2003

Interim report
1 January – 30 September 2003

FLS Group overall
- The FLS Group's balance sheet total was greatly reduced, and the net interest-bearing debt amounted to DKK 2.2bn at the end of the 3rd quarter of 2003 (at the end of the 3rd quarter of 2002: DKK 3.3bn).

- Earnings before tax (EBT) for the first nine months of the year amounted to DKK -122m as against DKK -1,160m for the same period last year. The figure for 2003 includes additional provisions for a loss of DKK 300m in FLS miljø.

- The FLS Group's total earnings before interest and tax (EBIT) for the first nine months of the year amounted to DKK -615m as against DKK -534m for the same period last year.

- The core companies' earnings before interest and tax (EBIT) were DKK 148m in the 3rd quarter 2003 as against DKK 115m for the same period last year, corresponding to an increase of 29%.

- Cash flows from operating activities for the first nine months of the year were DKK -124m as against DKK 940m for the same period last year. Cash flows, excluding FLS miljø, were DKK 671m as against DKK 969m last year.

- The strategic plans announced on 29 August 2002 are being followed. The transition period is expected to run until around New Year 2004.

Core activities
- Earnings before interest and tax (EBIT) for FLS Building Materials amounted to DKK 262m for the first nine months of the year. Net of one-off items the EBIT result was an improvement on the same period last year. Turnover was DKK 2.8bn (DKK 3.0bn), and cash flows from operating activities were DKK 488m.

- The F.L.Smidth Group recorded an EBIT loss of DKK 111m, down DKK 125m on the same period last year. The order intake was DKK 6.6bn and is on a par with the same period last year. Cash flows from operating activities were DKK 93m in the red.

- Total EBIT for the FLS Group's core activities amounted to DKK 151m (DKK 305m by the end of the 3rd quarter 2002). The core activities recorded positive cash flows from operating activities of DKK 395m as against DKK 570m for the same period last year.

Other activities
- FLS Aerospace posted negative earnings before interest and tax of DKK -90m in the first nine months of the year, which is on a par with the same period last year (DKK -96m).

- FLS miljø is proceeding with the completion of desulphurisation projects in the UK. Increasing costs and provisions for project completion resulted in a total operating loss of DKK 627m (DKK -595m).

Prospects for the FLS Group in 2003
- The FLS Group maintains its expectations for a group turnover in excess of DKK 15bn, provided its main currencies USD and GBP remain at the current exchange rate level.

- The FLS Group now expects earnings before interest and tax (EBIT) around the level of DKK -400m to DKK -500m, as against the previous expectation of DKK -50m to DKK -100m.

- Earnings before tax (EBT) are now expected to be around DKK -600m to DKK -700 m exclusive of the effect of acquisition and disposal of undertakings as against the previously anticipated DKK -200m to DKK -250m.

Prospects for the individual activities in 2003
- The core activities of the F.L.Smidth Group and FLS Building Materials expect to see earnings before interest and tax around DKK 0.35bn - DKK 0.4bn. Prospects for the whole year are an EBIT result of about DKK 200m in the 4th quarter of 2003, as against DKK 134m for the same period last year.

- FLS Aerospace expects an EBIT result around DKK -100m, whereas FLS miljø downgrades its expectations for the EBIT result to be on a par with 2002 (DKK -659m). These activities combined with the parent company and other companies are expected to have a DKK 0.85bn adverse effect on the EBIT result. Profits earned from corporate divestments during the first nine months of 2003 amounted to DKK 650m.

The earnings forecast is still subject to uncertainty with regard to the prospects of the non-strategic activities. The Group's focusing effort includes a number of corporate divestments. The results, the sequence and the timing of these divestments may significantly influence the prospects, negatively and positively, and have not been included in the above figures.

The FLS Industries A/S Board of Directors has today reviewed and adopted the present Interim report for January to September 2003 as outlined on the following pages. The Report is unaudited and presented in accordance with the same accounting policies as the 2002 Annual Report.

Valby, 27 November 2003

Jørgen Worning	Poul Erik Tofte
Chairman of the Board	*Group Chief Financial Officer*

Please address any questions regarding this announcement to Poul Erik Tofte, telephone +45 36 18 18 00.

Financial highlights

DKKm	Q1-Q3 2002 unaudited	The year 2002	Q1-Q3 2003 unaudited
PROFIT AND LOSS ACCOUNT			
Net turnover	12,462	16,444	10,684
Gross profit	**2,407**	**3,265**	**1,767**
Contribution ratio	*19.3%*	*19.9%*	*16.5%*
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**175**	**317**	**(61)**
EBITDA ratio	*1.4%*	*1.9%*	*(0.6%)*
Earnings before interest and tax (EBIT)	**(534)**	**(647)**	**(615)**
EBIT ratio	*(4.3%)*	*(3.9%)*	*(5.8%)*
Share of pre-tax profit of associated undertakings	171	186	(40)
Profit/loss on the sale of undertakings and activities	(596)	(639)	650
Net financial income and costs	(201)	(247)	(117)
Earnings before tax (EBT)	**(1,160)**	**(1,347)**	**(122)**
EBT ratio	*(9.3%)*	*(8.2%)*	*(1.1%)*
Tax for the period	53	102	63
Profit/loss for the period	**(1,213)**	**(1,449)**	**(185)**
Minority interests' share of the profit/loss for the period	16	12	10
FLS Industries A/S' share of the profit/loss for the period	**(1,229)**	**(1,461)**	**(195)**
Dividend to shareholders	**n/a**	**0**	**n/a**
CASH FLOW			
Cash flows from operating activities	**940**	**714**	**(124)**
Acquisition and disposal of undertakings and activities	283	667	(32)
Acquisition of tangible fixed assets	(409)	(633)	(449)
Other investments/sale of financial fixed assets	819	942	1,184
Cash flows from investing activities	**693**	**976**	**703**
Cash flows from financing activities	**(1,559)**	**(1,610)**	**(577)**
Change in cash funds	**74**	**80**	**2**
NET INTEREST-BEARING DEBT/(-BALANCE)	**3,301**	**2,953**	**2,230**
BALANCE SHEET			
Fixed assets	9,552	8,732	7,410
Current assets	6,846	6,904	6,465
Total assets	**16,398**	**15,636**	**13,875**
Consolidated shareholders' equity	6,022	5,729	5,145
FLS Industries A/S' share of shareholders' equity	5,660	5,413	4,906
Provisions	1,385	1,042	894
Long-term and current liabilities	8,991	8,865	7,836
Total liabilities	**16,398**	**15,636**	**13,875**
RETURN ON CAPITAL EMPLOYED (ROCE)			
Net operating profit after tax (NOPAT)	(1,005)	(1,147)	(20)
Average capital employed	12,388	12,261	9,223
Return on capital employed (ROCE)	***(8%)***	***(9%)***	***(0%)***
FINANCIAL RATIOS			
Including minority interests' share			
Return on equity	(19%)	(23%)	(3%)
Equity ratio	37%	37%	37%
Number of employees at end of period	**12,215**	**11,354**	**10,448**
Number of employees in Denmark	3,707	3,533	3,015

Management report 3rd quarter 2003

Overall activities of the FLS Group
The consolidated turnover for the first nine months of 2003 was DKK 10,684m as against DKK 12,462m for the same period last year. The drop in turnover partly reflects the fact that 2002 included undertakings now sold at DKK 1,116m, partly the nearly DKK 400m negative impact of falling main currencies. When adjusting for this and for the reduced turnover in FLS miljø, Group turnover is slightly up on the same period last year.

The gross profit amounted to DKK 1,767m as against DKK 2,407m for the same period last year. The decline is primarily due to undertakings now sold. Gross profit dropped from 19% to 17%, primarily due to order processing in FLS miljø and F.L.Smidth Group. Overall, costs incurred during 2003 fell due to a reduction in staff, whilst investments were focused on the strategic areas.

Sales, administrative, and distribution costs dropped by DKK 465m compared to the same period last year. Undertakings now sold contributed approximately DKK 300m in the same period last year. Continued improvements of the Group's capacity adjustments implemented last year and at the beginning of 2003 had a positive impact. As a result costs have been reduced by more than one percentage point per krone turnover.

Earnings before interest, tax, depreciation and amortisation (EBITDA) were DKK -61m as against DKK 175m for the same period last year. Undertakings now sold (DKK 60m) and the disposal of certain assets (DKK 85m) had a positive impact on the EBITDA result for the same period last year. The remaining deviation can be attributed to increasing costs for completion of projects in FLS miljø and the F.L.Smidth Group.

Consolidated depreciation and amortisation amounted to DKK 554m as against DKK 709m for the same period last year, of which companies now sold accounted for DKK 106m.

Earnings before interest and tax (EBIT) amounted to DKK -615m as against a result of DKK -534m for the same period last year. The EBIT result of undertakings now sold amounted to DKK -45m for the same period last year.

The share of EBIT of associated undertakings, mainly consisting of Spæncom, was DKK -40m as against DKK 171m for the same period last year, which mainly derived from the now sold Secil.

The sale of undertakings and activities had a DKK 650m net positive effect on the EBT result compared to DKK -596m for the same period last year. This effect consists mainly of the accounting profit deriving from the sale of shares in Secil and the loss accruing from the disposal of some of FLS Aerospace's Danish operations. Last year's EBT result for the corresponding period suffered heavily from the sale of the shares in NKT Holding.

The Group's financial net costs have fallen to DKK 117m from DKK 201m for the same period last year. This development stems primarily from the significant reduction of the average net interest-bearing debt and the DKK 24m interest income deriving from the now settled waste tax case in Aalborg Portland.

Overall earnings before tax (EBT) were DKK -122m as against DKK -1,160m for the same period last year.

Tax for the first nine months of 2003 amounted to DKK 63m as against DKK 53m last year. Tax relates primarily to profit-making undertakings abroad.

Earnings after tax were DKK -185m as against DKK -1,213m for the same period last year.

Changes in cash flows
Cash flows from operating activities were DKK -124m compared to DKK 940m for the corresponding period last year. Cash flows suffered severely from cash outflows of DKK 795m in FLS miljø due to increased order processing costs, cash flow effect from provisions made in 2002 and changes in dates of payment. Cash flows from operating activities of other group operations were DKK 671m as against DKK 969m last year.

The sale of undertakings and activities as outlined in the Group strategy is also this year clearly reflected in the DKK 703m positive cash flow from investing activities as against DKK 693m last year. Net of divestments etc. the level of investments was DKK 511m as against DKK 447m last year, due primarily to the DKK 200m investment in a white cement line in Aalborg.

Net interest-bearing debt
An important element in the Group's focusing strategy has been to ensure a healthy financial platform to support its core activities. Since the present Board of Directors took office in March 2002 net interest-bearing debt has been reduced from DKK 4.8bn to DKK 2.2bn. In step with this development credit facilities have also been reduced. The lowering of debt is a result of divestments, but also improvements in working capital have supported the lower level of net interest-bearing debt. Over the past twelve months, the working capital has thus been reduced by more than DKK 0.3bn.

Balance sheet
The consolidated balance sheet total was DKK 13.9bn as against DKK 16.4bn for the same period last year, corresponding to a reduction of DKK 2.5bn or 15%. The balance sheet total of undertakings now sold amounted to DKK 1.9bn by the end of the 3rd quarter 2002. The equity ratio remains unchanged at 37% compared to the end of the 3rd quarter 2002.

Assets
Intangible assets amount to DKK 1.1bn (DKK 1.2bn) and are primarily related to goodwill attributable to the repurchase of 50% of Aalborg Portland and the acquisition of Unicon's Norwegian activities. Tangible fixed assets were reduced from DKK 6.6bn to DKK 5.5bn by the end of the third quarter 2003, primarily due to fixed assets of undertakings now sold which accounted for DKK 0.6bn by the end of the 3rd quarter 2002.

Financial fixed assets are down from DKK 1.8bn at the end of the 3rd quarter 2002 to DKK 0.8bn at the end of 3rd quarter 2003. The decline is primarily due to the sale of shares in Secil, whose accounting value amounted to DKK 0.7bn in the 3rd quarter of 2002.

Stocks fell from DKK 1.4bn in the 3rd quarter of 2002 to DKK 1.0bn in the 3rd quarter of 2003 as a result of increased focus on working capital, notably funds tied up in stocks and divestments.

Debtors including work-in-progress amounted to DKK 5.1bn which is unchanged compared to the same period last year, but the Group's increased activity is reflected in an increase in work-in-progress of DKK 0.6bn which is partly offset by an increase of DKK 0.3bn in prepayments from customers.

Liabilities
Provisions have been reduced from DKK 1.4bn at the end of the 3rd quarter of 2002 to DKK 0.9bn at the end of the 3rd quarter of 2003. The decline in provisions is mainly due to the fulfilment of commitments in FLS miljø.

Long-term liabilities are down from DKK 3.3bn to DKK 2.2bn, whilst current liabilities remained unchanged at DKK 5.7bn. The lowering of debt primarily reflects the divestments undertaken. Shareholders' equity now amounts to DKK 5.1bn as against DKK 6.0bn at 30 September 2002.

Review of the FLS Industries strategy plan
On 29 August 2002, FLS Industries announced a strategy, which entailed divestment or winding-up of non-core activities, reduction of interest-bearing debt and a change in the management structure during a period of transition. As previously announced, the Board of Directors expected the transition period to run until the end of 2003.

The major part of the divestments have been successfully completed, the net interest-bearing debt has been reduced to DKK 2.2bn. A new Group Management presided by CEO Jørgen Huno Rasmussen will be in place by the end of the year.

Negotiations regarding the sale of FLS Aerospace have reached their final stage. An exclusive agreement has been signed with a buyer who is currently implementing the final due diligence procedures. A final settlement on the sale is expected within one to two months. Payment for FLS Aerospace is expected to take place in cash and the sale is expected to result in a substantial accounting loss. If, contrary to expectations, the transaction does not come through, the Board of Directors will consider the future level of activity and values at the close of the financial year.

With regard to FLS miljø, costs for the completion of two plant projects have markedly exceeded estimates. FLS miljø is in the process of being wound up, i.e all activities are being sold or closed down.

In the two core businesses, F.L.Smidth Group and FLS Building Materials, markets are picking up after a couple of years characterised by a cautious attitude among the customers.

The F.L.Smidth Group has the highest order backlog ever in the company's history, and it is the world's largest supplier of complete cement plants.

The FLS Building Materials companies: Aalborg Portland, Unicon, Dansk Eternit Holding and Densit are now focused providers of building materials.

Core activities - F.L.Smidth Group and FLS Building Materials
The overall earnings before interest and tax (EBIT) from the core activities within F.L.Smidth Group and FLS Building Materials amounted to DKK 148m in the 3rd quarter of 2003 as against DKK 115m in the same quarter of 2002 and DKK 54m in the second quarter of 2003. Earnings before interest and tax (EBIT) for the first nine months were DKK 151m, down DKK 154m on the same period last year. Net of non-recurring items, the EBIT result is DKK 101m lower than the same period last year.

The performance reflects improved EBIT of DKK 24m in FLS Building Materials when adjusted for non-recurring items, and a significantly lower EBIT of DKK -125m in the F.L.Smidth Group.

The core companies achieved satisfactory cash flows from operating activities of DKK 395m. However, cash flows for the first nine months of the year were down DKK 175m on last year. The reduction is primarily due to lower earnings and use of prepayments received for project work by the F.L.Smidth Group at the beginning of the year. During the past twelve months the core companies have reduced their net interest-bearing debt from DKK 1.5bn to DKK 0.2bn.

DKKm	1st quarter 2003 unaudited	2nd quarter 2003 unaudited	3rd quarter 2003 unaudited	3rd quarter 2002 unaudited	Q1-Q3 2002 unaudited	Q1-Q3 2003 unaudited	The year 2002
Net turnover	1,578	1,969	2,119	1,734	5,084	5,666	7,217
Gross profit	245	232	309	308	973	785	1,422
EBIT	(45)	(85)	19	(17)	14	(111)	105
EBT	(43)	(82)	19	(22)	10	(106)	103
Cash flows from operating activities	354	(139)	(308)	54	209	(93)	234
Cash flows from operating and investing activities	335	(185)	(354)	42	176	(203)	127

DKKm	Turnover 3rd quarter 2003	Order intake* Q3 2003	Order intake* Q3 2002	Turnover 1st-3rd quarter 2003	Order intake* Q1-Q3, 2003	Order backlog* 30.09.2003
Cement industry	1,551	1,190	1,689	4,190	4,987	6,521
Mineral industry	328	250	116	881	961	853
Other	240	241	798	595	658	815
Total	**2,119**	**1,681**	**2,603**	**5,666**	**6,606**	**8,189**
*sales prices						

The F.L.Smidth Group
Compared with the same period last year and the 2nd quarter of 2003 the F.L.Smidth Group performed well and increased its activity during the 3rd quarter. Turnover rose 22% on the same period last year. The decline of the US dollar had a DKK 0.3bn negative effect on the turnover for the first nine months of 2003 compared with the same period last year.

The F.L.Smidth Group posted earnings before tax (EBT) at DKK 19m as against a DKK 22m loss for the 3rd quarter of 2002 and a DKK 82m loss for the 2nd quarter of 2003. These results reflect higher activity compared to last year and lower sales and administrative costs for each krone worth of turnover due to the ongoing improvement of capacity.

Earnings before tax (EBT) for the first nine months of the year amounted to a DKK 106m loss as against a DKK 10m profit for the same period of last year. As previously announced the loss for the first nine months of 2003 is caused by delays on a large project in the UK and difficult conditions locally in other countries.
In terms of order intake and earnings, FFE Minerals, Ventomatic and Pfister performed better than expected, and the overall results of F.L.Smidth Airtech were as anticipated, whilst MAAG Gear and F.L.Smidth Materials Handling fell short of expectations due to higher order processing costs.

The backlog of orders as at 30 September 2003 continues to be at a high level and provides a strong basis for further efficiency improvement and higher earnings. During the first nine months of 2003, the F.L.Smidth Group received orders totalling DKK 6.6bn, this being on a par with the same period of 2002 despite the declining US dollar rate.

The F.L.Smidth Group continues to make progress in China as has been the case over the past three years, and the Group is experiencing booming demand in Iran. the F.L.Smidth has served the Iranian cement industry for over 70 years and this year has seen the signing of four major contracts. The total value of orders received by the F.L.Smidth Group in each of these two countries this year alone exceeds EUR 100m.

As business cycles improve in a number of countries, demand for cement plants is increasing. On a worldwide scale the market for new kiln capacity (exclusive of China) is expected to maintain a growth rate in excess of 50%, reaching a level of more than 20 million tonnes per year. During the first nine months of 2003, the F.L.Smidth Group's estimated market share is more than 50%. The improved business cycles are also benefiting the markets served by FFE Minerals.

Adjusted for the effect of exchange rates, the aftermarket for services and spare parts generated a higher volume of business than in the same period of last year. Overall order intake is on a par with last year.

Due to higher order processing costs in two of the Group's product companies the F.L.Smidth Group has had to lower its earnings forecast to a modest EBT profit, down from its previous projection of earnings before tax close to last year's DKK 103m.

DKKm core activities	1st quarter 2003 unaudited	2nd quarter 2003 unaudited	3rd quarter 2003 unaudited	3rd quarter 2002 unaudited	Q1-Q3 2002 unaudited	Q1-Q3 2003 unaudited	The year 2002
Net turnover	722	1,024	1,022	1,095	3,004	2,768	3,925
Gross profit	280	459	464	478	1,231	1,203	1,603
EBIT	(6)	139	129	132	291	262	334
EBT	(22)	108	115	98	234	201	259
Cash flows from operating activities	(39)	184	343	235	361	488	500
Cash flows from operating and investing activities	(159)	61	248	253	272	150	461

Building Materials

In the third quarter, FLS Building Materials posted total earnings before interest and tax (EBIT) adjusted for one-off items at DKK 129m as against DKK 132m for the same period last year and DKK 139m for the 2nd quarter of 2003. EBIT for the year to date amounts to DKK 262m compared to DKK 291m for the same period last year. Adjusted for non-recurring items, EBIT for the year to date is DKK 24m better than for the same period last year.

Earnings before tax (EBT) were DKK 201m compared to DKK 234m in 2002. Including divested activities, FLS Building Materials posted an EBT result of DKK 915m, up from last year's DKK 368m primarily due to the sale of Secil.

Cash flows from operating activities improved by DKK 127m on the same period last year, and rising cash flows from investing activities (adjusted for the sale of ships in 2002) compared to the 3rd quarter of 2002 primarily reflect Aalborg Portland's investment in a white cement production line.

Despite lower turnover and keener price competition **Aalborg Portland** achieved results on a par with expectations, having compensated for the decline in sales through cost savings, rationalisation and one-off earnings.

The home market is affected by the recession in particularly industrial and commercial construction. After a weak start at the beginning of the year exports of white cement recovered in the 2nd and 3rd quarters. The plant in Egypt has established itself strongly in the local market area, and the plant in Malaysia continues to grow its sales in order to fully utilise production capacity. The challenging market conditions on a global scale necessitate unrelenting focus on rationalisation and optimisation of production costs including the use of alternative fuel at the plant in Aalborg.

Aalborg Portland thus continues to improve its results, while focusing on white cement as demonstrated by the recent investment in a new white cement kiln in Aalborg.

Unicon is facing intensified competition in the ready-mix market, particularly in Denmark and Norway. However, the company is managing to maintain a satisfactory level of turnover and earnings on a par with expectations despite the competitive market situation characterised by declining local demand. Unicon continues to develop its centralised distribution centres to enhance customer service and efficiency. The integration of the new distribution centres is progressing satisfactorily.

Unicon's focus on ready-mix concrete and efficient production and distribution will be reflected in improved results for 2003.

As previously announced, in October Unicon signed an agreement with the City of Roskilde to sell the approximately 250,000 square metre property at Køgevej in Roskilde at a total price of DKK 58m, effective 31 December 2003. This site was previously used by Unicon to produce concrete pipes, paving stones and concrete elements. The sale is not included in Unicon's earnings for the 3rd quarter. This sale all but completes Unicon's divestment plans.

In October **Dansk Eternit Holding** announced its plans for relocating the production at Aalborg to one of the plants in the Czech Republic during 2004, since it has proved impossible to maintain profitable manufacturing operations in Denmark.

The demand for fibre cement products rose during the 3rd quarter compared with the previous quarter which was affected by the general decline in agricultural and industrial construction in Denmark. Dansk Eternit has improved its market share in Denmark, but competition and low volume are taking their toll on turnover. DEH therefore achieved a somewhat lower turnover than anticipated, and this is expected to be the case for the whole year as well. Dansk Eternit has trimmed its labour force considerably in 2003 to align the organisation with the current market conditions.

These adjustments are having a negative effect on Dansk Eternit Holding's earnings this year, but in the longer term the substantial cost cuts to the tune of DKK 30m in 2004 and an additional DKK 30m in 2005 will significantly enhance the competitive strength of the fibre cement business.

FLS Building Materials maintains its projections for earnings before interest and tax (EBIT) around the same level as in 2002 based on a turnover slightly below DKK 4.0bn.

FLS Industries A/S – Parent company
The earnings before interest and tax (EBIT) of the parent company, FLS Industries A/S, amounted to a DKK 17m loss compared to a DKK 93m loss for the same period last year. A DKK 33m profit on the sale of properties will have a positive impact on the year's earnings. Earnings before tax (EBT) exclusive of divestments were a DKK 31m loss, which marks a DKK 75m improvement on the same period last year. The year's total costs are still expected to be half of those reported for the year before.

Results of other activities

FLS miljø
Lengthy delays due to a major breakdown at the construction site of equipment in one of the four absorber units supplied by a consortium partner have hit FLS miljø's largest ongoing project at West Burton, and this is affecting the planned costs of completing the plant. Due to the breakdown and the continued high general manning level the total projected completion costs have risen by DKK 200m. Two of the four absorbers are now desulphurising flue gas on a trial basis, and the remaining two flue gas desulphurisation units are expected to be in operation by the end of the year. By that time final commissioning tasks and testing of the plant will still remain before it can be handed over to the client. The latter is expected to take place in April 2004.

At the other and last project, a desulphurisation plant in Eggborough, work at the construction site has progressed at a slower pace than planned, one of the reasons being problems with the customer's existing plant. Manning at the site has been boosted to complete the first two milestones set by the customer. These efforts have been successful but will add extra costs for completion of the project at an estimated level of DKK 70m. The third and final milestone is the end of the 3rd quarter 2004 when the project is to be handed over. The degree of completion by the end of the 3rd quarter 2003 was slightly above 80%, and handing-over is expected to take place in September 2004.

As a result, the earnings before interest and tax (EBIT) of FLS miljø amounted to a DKK 627m loss as against a DKK 595m loss for the same period the year before.

Some years ago, FLS miljø and a number of financial and industrial investors established the company Supertræ with the purpose of building and operating a wood proofing plant based on new technology developed by FLS miljø. After several years of unsatisfactory commercial results, the shareholders decided in October to let the company go into liquidation. Accordingly, FLS miljø has written down its participating interest and financial debt, this generating a loss of DKK 24m in EBT terms. FLS miljø has a 25% stake in the company.

FLS miljø's cash flows from operating activities were DKK 795m in the red, mainly due to higher payments to subsuppliers, higher labour costs for manning up the construction site and delayed payments by customers.

FLS miljø lowers its projections for the year's earnings to an EBIT result on a par with 2002 (DKK -659m), but the completion of the two remaining plant projects still entails some risks. These figures do not include claims against the owners at the West Burton and Eggborough projects.

In order to strengthen FLS miljø's capital base it was decided to make a DKK 300m capital injection. The shareholders' equity now amounts to DKK 83m.

FLS Aerospace
FLS Aerospace posted earnings before interest and tax (EBIT) at minus DKK 90m compared to minus DKK 96m for the same period the year before. Earnings before tax (EBT) were DKK 215m in the red as against a loss of DKK 157m for the same period the year before. The loss on sale of activities in Copenhagen, as announced previously this year, will have a DKK 50m negative impact on this year's financial result.

Cash flows from operating activities amount to DKK 19m, DKK 104m better than for the same period last year. Cash flows from operating activities for the whole of 2002 were positive and the same is expected for 2003. FLS Aerospace has an order backlog of DKK 8.5bn, which is DKK 0.3bn lower than for the same period last year, this being solely due to the lower US dollar rate.

FLS Aerospace anticipates a slight loss in earnings before interest and tax (EBIT) for the 4th quarter and an overall loss in earnings before interest and tax for the whole year at some DKK 100m.

Negotiations regarding the sale of FLS Aerospace have reached their final stage. An exclusive agreement has been signed with a buyer who is currently implementing the final due diligence procedures. A final settlement on the sale is expected within one to two months. Payment for FLS Aerospace is expected to take place in cash and the sale is expected to result in a substantial accounting loss. If, contrary to expectations, the transaction does not come through, the Board of Directors will consider the future level of activity and values at the close of the financial year.

Other non-strategic activities
Spæncom, an associated undertaking which is 34%-owned by FLS Industries, is included in the earnings before tax as a DKK 29m loss. Reference is made to Spæncom for further details regarding its activities.

Pedershaab started off the year with a weak backlog of orders. Combined with a slow influx of new business in 2003, this had a negative impact on earnings, the EBIT result thus being a loss of DKK 18m. On 11 November, FLS Industries announced that the major part of the activities of Pedershaab had been sold to an American company. The sale resulted in an accounting loss of DKK 55m which is not included in the above-mentioned financial result.

Prospects for FLS Group for the year 2003

The FLS Group expects a consolidated turnover slightly in excess of DKK 15bn provided the exchange rates of the Group's main currencies, USD and GBP, remain at their present level.

The FLS Group lowers its earnings (EBIT) forecast from the previously projected loss of DKK 50m – DKK 100m to a DKK 400m – DKK 500m loss.

Earnings before tax (EBT) net of the effect of acquisition and disposal of undertakings are lowered from the previously projected level of DKK 200m to DKK 250m in the red to a DKK 600m – DKK 700m loss.

Prospects for core activities for the year 2003

The prospects for the core activities of F.L.Smidth Group and FLS Building Materials regarding earnings before interest and tax (EBIT) are at the level of DKK 0.35bn - 0.4bn.

Prospects for other activities for the year 2003

FLS Aerospace expects a DKK 100m loss in EBIT terms, whilst the forecast for FLS miljø is reduced to an EBIT loss around the same level as in 2002 (DKK -659m). These activities plus the parent company and other companies are expected to have a DKK 0.85bn negative impact on the overall EBIT result.

The earnings forecast is still subject to uncertainty with regard to the prospects of the non-strategic activities. The Group's focusing effort includes a number of corporate divestments. The results, the sequence and the timing of these divestments may significantly influence the prospects, negatively and positively, and have not been included in the above figures.

Own shares

During the first nine months of 2003, FLS Industries has not changed its holding of own shares. The holding accounts for 2.5% of the share capital.

Other matters

The Company and the Chairman of the Board of Directors have entered an agreement to ripen the Company for sale against an annual remuneration of DKK 2.1bn in addition to the ordinary annual Chairman's fee of currently DKK 500,000. The agreement to submit the Chairman's remuneration for approval at the Annual General Meeting covers a five year period which expires at the Annual General Meeting in 2007. If Mr Jørgen Worning is not re-elected to the Board of Directors and is not appointed Chairman in the period until the Annual General Meeting in the spring of 2007, it will be proposed at the General Meeting that the Company shall grant a compensation corresponding to the foreseen total remuneration for the period until the said Meeting. As at the Annual General Meeting in April 2004 this compensation will thus amount to DKK 7.8m. This entitlement, however, shall not apply in case Mr Jørgen Worning decides himself to retire as Chairman or as a member of the Board of Directors.

The remuneration shall each year be submitted to the Company in general meeting for approval. In its capacity of main shareholder, Potagua A/S has undertaken to vote for Mr Jørgen Worning and his remuneration in accordance with the agreement signed. We refer to the Stock Exchange Message No. 18 issued by Potagua A/S on 2 September 2003.

Incentive plan

On presenting the half-yearly report, the FLS Group announced that a new incentive plan had been adopted. Under the new plan a total of 480,000 share options have been allocated to the Management and managerial staff. Combined with the previous plan a total of 869,377 options have been allocated, representing 1.6% of the share capital. The Black-Scholes value of the new plan is DKK 12m and that of the old plan is DKK 4m based on a 41% volatility.

Post-balance sheet events

Message to the Copenhagen Stock Exchange
No. 24/2003. 1 October 2003
Unicon strengthens its position as Norway's leading concrete supplier

Message to the Copenhagen Stock Exchange
No. 25/2003. 1 October 2003
Dansk Eternit Holding will move the Danish production of corrugated roofing sheets to the Czech Republic

Message to the Copenhagen Stock Exchange
No. 26/2003. 1 October 2003
FLS Industries – share option calculation

Message to the Copenhagen Stock Exchange
No. 27/2003. 3 October 2003
Sale of shares postponed until current restructuring of FLS Industries A/S is completed

Message to the Copenhagen Stock Exchange
No. 28/2003. 30 October 2003
Unicon sells property in Roskilde

Message to the Copenhagen Stock Exchange
No. 29/2003. 6 November 2003
F.L.Smidth to modernise and expand Iranian cement plant

Message to the Copenhagen Stock Exchange
No. 30/2003. 11 November 2003
FLS Industries sells Pedershaab

Message to the Copenhagen Stock Exchange
No. 31/2003. 13 November 2003
F.L.Smidth wins large contract in Syria

Consolidated profit and loss account

DKKm	Q1-Q3 2002 unaudited	The year 2002	Q1-Q3 2003 unaudited
Net turnover	12,462	16,444	10,684
Production costs	10,055	13,179	8,917
Gross profit	**2,407**	**3,265**	**1,767**
Sales and distribution costs	1,068	1,460	834
Administrative and other costs	1,346	1,719	1,115
Other operating income and costs	182	231	121
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**175**	**317**	**(61)**
Depreciation and write-down of tangible fixed assets	592	804	442
Amortisation and write-down of intangible fixed assets	117	160	112
Earnings before interest and tax (EBIT)	**(534)**	**(647)**	**(615)**
Share of earnings before tax of associated undertakings	171	186	(40)
Profit and loss on disposal of undertakings and activities	(596)	(639)	650
Financial income	736	1,103	1,064
Financial costs	937	1,350	1,181
Earnings before tax (EBT)	**(1,160)**	**(1,347)**	**(122)**
Tax for the period	53	102	63
Profit/loss for the period	**(1,213)**	**(1,449)**	**(185)**
Minority interests' share of the profit/loss for the period	16	12	10
FLS Industries A/S' share of the profit/loss for the period	**(1,229)**	**(1,461)**	**(195)**
Earnings per share (EPS)	(23.1)	(27.5)	(3.7)
Earnings per share (EPS), adjusted for own shares, etc.	(23.7)	(28.2)	(3.8)

Consolidated cash flow statement

DKKm	Q1-Q3 2002 unaudited	The year 2002	Q1-Q3 2003 unaudited
Cash flows from operating activities			
Earnings before interest, tax, depreciation and amortisation (EBITDA)	175	317	(61)
Adjustment for profits and losses on sale of fixed assets and exchange adjustment of EBITDA	(122)	(149)	(55)
Adjusted earnings before financial items, tax, depreciation and amortisation (EBITDA)	**53**	**168**	**(116)**
Change in provisions, etc.	217	(110)	(104)
Change in working capital	107	240	123
Cash flows from operating activities before work-in-progress, financial items and tax	**377**	**298**	**(97)**
Change in cash flows from work-in-progress and prepayments	319	332	(207)
Cash flows from operating activities before financial items and tax	**696**	**630**	**(304)**
Dividend received from associated undertakings	132	144	37
Financial payments received and made	167	9	222
Corporation taxes paid	(55)	(69)	(79)
Cash flows from operating activities	**940**	**714**	**(124)**
Cash flows from investing activities			
Acquisition of undertakings and activities	(14)	(39)	(95)
Disposal and discontinuance of undertakings and activities	297	706	63
Acquisition of intangible fixed assets	(38)	(68)	(62)
Acquisition of tangible fixed assets	(409)	(633)	(449)
Disposal of intangible and tangible fixed assets	222	313	100
Acquisition and disposal of financial fixed assets	635	697	1,146
Cash flows from investing activities	**693**	**976**	**703**
Cash flows from operating and investing activities	**1,633**	**1,690**	**579**
Cash flows from financing activities			
Dividends	(12)	(14)	(7)
Capital increases in Group companies attributable to minority interests	10	10	5
Changes in net interest-bearing debt	(1,557)	(1,606)	(575)
Cash flows from financing activities	**(1,559)**	**(1,610)**	**(577)**
Change in cash funds	**74**	**80**	**2**
Cash funds at 1 January	318	318	398
Cash funds end of period	392	398	400

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

Assets

DKKm	Q1-Q3 2002 unaudited	The year 2002	Q1-Q3 2003 unaudited
Fixed assets			
Goodwill	1,160	1,136	1,073
Negative goodwill	(175)	(172)	(162)
Patents and licences	11	13	10
Other intangible fixed assets	183	180	191
Intangible fixed assets	**1,179**	**1,157**	**1,112**
Land and buildings	2,417	2,242	2,029
Plant and machinery	2,213	1,964	1,683
Operating equipment, fixtures and fittings	271	271	231
Aircraft components	1,414	1,395	1,282
Tangible assets in course of construction	264	62	291
Tangible fixed assets	**6,579**	**5,934**	**5,516**
Investments in associated undertakings	1,167	1,144	304
Amounts owed by associated undertakings	14	0	0
Other securities and investments	220	151	148
Other financial fixed assets	7	16	16
Prepaid pension fund contributions	75	69	60
Deferred tax assets	311	261	254
Financial fixed assets	**1,794**	**1,641**	**782**
Total fixed assets	**9,552**	**8,732**	**7,410**
Current assets			
Raw materials and consumables	671	539	487
Work-in-progress	139	124	107
Finished goods and goods for resale	417	431	354
Prepayments for goods	127	128	12
Stocks	**1,354**	**1,222**	**960**
Trade debtors	2,559	2,661	2,227
Work-in-progress for third parties	1,330	1,453	1,896
Amounts owed by associated undertakings	23	56	3
Other debtors	835	825	608
Prepayments	311	249	337
Debtors	**5,058**	**5,244**	**5,071**
Own shares	0	0	0
Bonds and listed shares	42	40	34
Securities	**42**	**40**	**34**
Cash funds	**392**	**398**	**400**
Total current assets	**6,846**	**6,904**	**6,465**
TOTAL ASSETS	**16,398**	**15,636**	**13,875**

Liabilities

DKKm	Q1-Q3 2002 unaudited	The year 2002	Q1-Q3 2003 unaudited
Shareholders' equity			
Share capital	1,064	1,064	1,064
Reserve based on the equity method	770	835	59
Other undistributable reserves	836	756	755
Other reserves	2,990	2,758	3,028
FLS Industries A/S' share of shareholders' equity before proposed dividend	**5,660**	**5,413**	**4,906**
Proposed dividend	0	0	0
FLS Industries A/S' share of shareholders' equity	**5,660**	**5,413**	**4,906**
Minority interests' share of shareholders' equity before proposed dividend	362	316	239
Proposed dividend	0	0	0
Minority interests' share of shareholders' equity	**362**	**316**	**239**
Total consolidated shareholders' equity	**6,022**	**5,729**	**5,145**
Provisions			
Deferred tax liabilities	129	105	103
Pension and similar commitments	97	94	102
Warranties	431	393	325
Redundancy costs	44	8	4
Other provisions	684	442	360
Total provisions	**1,385**	**1,042**	**894**
Long-term and current liabilities			
Mortgage debt	268	236	364
Currency loans, leasing debt, bank debt, etc.	2,525	2,183	1,667
Prepayments from customers	513	228	119
Long-term liabilities	**3,306**	**2,647**	**2,150**
Current portion of long-term liabilities	753	562	203
Currency loans and bank debt	362	529	428
Prepayments from customers	629	831	1,325
Work-in-progress for third parties	1,003	1,222	1,049
Trade creditors	1,616	1,966	1,595
Amounts owed to associated undertakings	0	1	76
Corporation tax payable	61	66	51
Other creditors	905	790	641
Deferred income	356	251	318
Current liabilities	**5,685**	**6,218**	**5,686**
Total long-term and current liabilities	**8,991**	**8,865**	**7,836**
Total long-term and current liabilities and provisions	**10,376**	**9,907**	**8,730**
TOTAL LIABILITIES	**16,398**	**15,636**	**13,875**

Notes not referred to in the accounts: Breakdown of the Group by key undertakings
Breakdown of FLS Building Materials
Specification of shareholders' equity
Specification by quarter

Breakdown of the Group by core businesses Q1-Q3 2003

DKKm	F.L.Smidth Group	FLS Building Materials	Other companies etc.[1]	Core activities	FLS miljø	FLS Aerospace	Other non-strategic activities[2]	FLS Group
PROFIT AND LOSS ACCOUNT								
Net turnover	**5,666**	**2,768**	**(93)**	**8,341**	**364**	**1,863**	**116**	**10,684**
Production costs	4,881	1,565	(78)	6,368	969	1,480	100	8,917
Gross profit	**785**	**1,203**	**(15)**	**1,973**	**(605)**	**383**	**16**	**1,767**
Contribution ratio	*13.9%*	*43.5%*	*n/a*	*23.7%*	*(166.2%)*	*20.6%*	*13.8%*	*16.5%*
Sales, admin., distribution and other operating costs	795	658	2	1,455	17	327	29	1,828
Earnings before interest, tax, depr./amort. (EBITDA)	**(10)**	**545**	**(17)**	**518**	**(622)**	**56**	**(13)**	**(61)**
EBITDA ratio	*(0.2%)*	*19.7%*	*n/a*	*6.2%*	*(170.9%)*	*3.0%*	*(11.2%)*	*(0.6%)*
Depreciation	74	217	9	300	5	130	7	442
Amortisation	27	66	1	94	0	16	2	112
Earnings before interest and tax (EBIT)	**(111)**	**262**	**(27)**	**124**	**(627)**	**(90)**	**(22)**	**(615)**
EBIT ratio	*(2.0%)*	*9.5%*	*n/a*	*1.5%*	*(172.3%)*	*(4.8%)*	*(19.0%)*	*(5.8%)*
Share of earnings before tax of associated undertakings	0	(30)	0	(30)	(10)	0	0	(40)
Profit and loss on disposal of undertakings and activities	0	0	(1)	(1)	0	(66)	717	650
Net financial income and costs	5	(31)	(15)	(41)	(14)	(59)	(3)	(117)
Earnings before tax (EBT)	**(106)**	**201**	**(43)**	**52**	**(651)**	**(215)**	**692**	**(122)**
EBT ratio	*(1.9%)*	*7.3%*	*n/a*	*0.6%*	*(178.8%)*	*(11.5%)*	*596.6%*	*(1.1%)*
Tax for the period	49	42	(27)	64	0	(1)	0	63
Profit and loss for the period	**(155)**	**159**	**(16)**	**(12)**	**(651)**	**(214)**	**692**	**(185)**
Minority interests' share of profit/loss for the period	0	9	0	9	0	1	0	10
FLS Industries A/S' share of profit/loss for the period	**(155)**	**150**	**(16)**	**(21)**	**(651)**	**(215)**	692	**(195)**
CASH FLOWS								
Cash flows from operating activities	**(93)**	**488**	**268**	**663**	**(795)**	**19**	**(11)**	(124)
Acquisition and disposal of undertakings and activities	0	(92)	9	(83)	0	(16)	67	(32)
Acquisition of tangible fixed assets	(106)	(251)	(1)	(358)	(1)	(89)	(1)	(449)
Other investments/sale of financial fixed assets	(4)	5	32	33	0	4	1,147	1,184
Cash flows from investing activities	**(110)**	**(338)**	**40**	**(408)**	**(1)**	**(101)**	**1,213**	**703**
Cash flows from operating and investing activities	**(203)**	**150**	**308**	**255**	**(796)**	**(82)**	**1,202**	**579**
Cash flows from financing activities	**(13)**	**311**	**(165)**	**133**	**402**	**93**	**(1,205)**	**(577)**
Change in cash funds	**(216)**	**461**	**143**	**388**	**(394)**	**11**	**(3)**	**2**
NET INTEREST-BEARING DEBT/(-BALANCE)	**(412)**	**578**	**620**	**786**	**10**	**1,327**	**107**	**2,230**
BALANCE SHEET								
Intangible fixed assets	139	1,058	0	1,197	0	(92)	7	1,112
Tangible fixed assets	680	2,600	155	3,435	10	2,030	41	5,516
Financial fixed assets	232	333	212	777	0	0	5	782
Current assets	4,823	2,319	(2,185)	4,957	270	1,134	104	6,465
Total assets	**5,874**	**6,310**	**(1,818)**	**10,366**	**280**	**3,072**	**157**	**13,875**
Consolidated shareholders' equity	1,285	3,611	(229)	4,667	(217)	704	(9)	5,145
FLS Industries A/S' share of shareholders' equity	1,285	3,379	(230)	4,434	(217)	698	(9)	4,906
Provisions	419	194	(3)	610	185	98	1	894
Long-term and current liabilities	4,170	2,505	(1,586)	5,089	312	2,270	165	7,836
Total liabilities	**5,874**	**6,310**	**(1,818)**	**10,366**	**280**	**3,072**	**157**	**13,875**
RETURN ON CAPITAL EMPLOYED (ROCE)								
Net operating profit after tax (NOPAT)	(65)	261	(127)	69	(650)	(133)	694	(20)
Average capital employed	3,257	4,827	(1,357)	6,727	(191)	2,560	127	9,223
Return on capital employed (ROCE)	**(2%)**	**5%**	**n/a**	**1%**	**n/a**	**(5%)**	**546%**	**(0%)**
Number of employees end of period	**4,319**	**2,617**	**93**	**7,029**	**165**	**3,026**	**228**	**10,448**

1) Other companies, etc. consist of companies with no activities, real estate companies, eliminations and the parent company.
2) Other non-strategic activities consist of companies that have ceased or will eventually cease to be members of the FLS Group.

Breakdown of the Group by core businesses Q1-Q3 2002

DKKm	F.L.Smidth Group	FLS Building Materials	Other companies etc.[1]	Core activities	FLS miljø	FLS Aerospace	Other non-strategic activities[2]	FLS Group
PROFIT AND LOSS ACCOUNT								
Net turnover	**5,084**	**3,004**	**(140)**	**7,948**	**1,138**	**2,076**	**1,300**	**12,462**
Production costs	4,111	1,773	(134)	5,750	1,620	1,784	901	10,055
Gross profit	**973**	**1,231**	**(6)**	**2,198**	**(482)**	**292**	**399**	**2,407**
Contribution ratio	*19.1%*	*41.0%*	*n/a*	*27.7%*	*(42.4%)*	*14.1%*	*30.7%*	*19.3%*
Sales, admin., distribution and other operating costs	852	652	58	1,562	96	222	352	2,232
Earnings before interest, tax, depr./amort. (EBITDA)	**121**	**579**	**(64)**	**636**	**(578)**	**70**	**47**	**175**
EBITDA ratio	*2.4%*	*19.3%*	*n/a*	*8.0%*	*(50.8%)*	*3.4%*	*3.6%*	*1.4%*
Depreciation	82	225	16	323	14	152	103	592
Amortisation	25	63	0	88	3	14	12	117
Earnings before interest and tax (EBIT)	**14**	**291**	**(80)**	**225**	**(595)**	**(96)**	**(68)**	**(534)**
EBIT ratio	*0.3%*	*9.7%*	*n/a*	*2.8%*	*(52.3%)*	*(4.6%)*	*(5.2%)*	*(4.3%)*
Share of earnings before tax of associated undertakings	0	38	(1)	37	(6)	0	140	171
Profit and loss on disposal of undertakings and activities	(2)	3	4	5	(112)	0	(489)	(596)
Net financial income and costs	(2)	(98)	0	(100)	(7)	(61)	(33)	(201)
Earnings before tax (EBT)	**10**	**234**	**(77)**	**167**	**(720)**	**(157)**	**(450)**	**(1,160)**
EBT ratio	*0.2%*	*7.8%*	*n/a*	*2.1%*	*(63.3%)*	*(7.6%)*	*(34.6%)*	*(9.3%)*
Tax for the period	37	22	(21)	38	1	(6)	20	53
Profit and loss for the period	**(27)**	**212**	**(56)**	**129**	**(721)**	**(151)**	**(470)**	**(1,213)**
Minority interests' share of profit/loss for the period	6	7	0	13	0	1	2	16
FLS Industries A/S' share of profit/loss for the period	**(33)**	**205**	**(56)**	**116**	**(721)**	**(152)**	**(472)**	**(1,229)**
CASH FLOWS								
Cash flows from operating activities	**209**	**361**	**396**	**966**	**(29)**	**(85)**	**88**	**940**
Acquisition and disposal of undertakings and activities	14	48	(86)	(24)	(60)	0	367	283
Acquisition of tangible fixed assets	(82)	(207)	(6)	(295)	(3)	(70)	(41)	(409)
Other investments/sale of financial fixed assets	(4)	70	61	127	(10)	3	699	819
Cash flows from investing activities	**(72)**	**(89)**	**(31)**	**(192)**	**(73)**	**(67)**	**1,025**	**693**
Cash flows from operating and investing activities	**137**	**272**	**365**	**774**	**(102)**	**(152)**	**1,113**	**1,633**
Cash flows from financing activities	**(212)**	**(203)**	**(479)**	**(894)**	**285**	**163**	**(1,113)**	**(1,559)**
Change in cash funds	**(75)**	**69**	**(114)**	**(120)**	**183**	**11**	**0**	**74**
NET INTEREST-BEARING DEBT/(-BALANCE)	**(246)**	**1,696**	**248**	**1,698**	**(342)**	**1,465**	**480**	**3,301**
BALANCE SHEET								
Intangible fixed assets	131	1,122	0	1,253	22	(110)	14	1,179
Tangible fixed assets	741	2,672	223	3,636	19	2,307	617	6,579
Financial fixed assets	254	523	194	971	6	20	797	1,794
Current assets	4,518	1,836	(1,861)	4,493	622	1,287	444	6,846
Total assets	**5,644**	**6,153**	**(1,444)**	**10,353**	**669**	**3,504**	**1,872**	**16,398**
Consolidated shareholders' equity	1,302	2,884	(16)	4,170	(283)	1,047	1,088	6,022
FLS Industries A/S' share of shareholders' equity	1,289	2,618	(45)	3,862	(283)	1,042	1,039	5,660
Provisions	514	186	(4)	696	481	175	33	1,385
Long-term and current liabilities	3,828	3,083	(1,424)	5,487	471	2,282	751	8,991
Total liabilities	**5,644**	**6,153**	**(1,444)**	**10,353**	**669**	**3,504**	**1,872**	**16,398**
RETURN ON CAPITAL EMPLOYED (ROCE)								
Net operating profit after tax (NOPAT)	51	335	(223)	163	(698)	(115)	(355)	(1,005)
Average capital employed	2,979	5,033	(314)	7,698	(185)	2,904	1,971	12,388
Return on capital employed (ROCE)	**2%**	**7%**	**n/a**	**2%**	**n/a**	**(4%)**	**(18%)**	**(8%)**
Number of employees end of period	**4,473**	**2,914**	**163**	**7,550**	**297**	**3,238**	**1,130**	**12,215**

1) Other companies, etc. consist of companies with no activities, real estate companies, eliminations and the parent company.
2) Other non-strategic activities consist of companies that have ceased or will eventually cease to be members of the FLS Group.

Breakdown of FLS Building Materials Q1-Q3 2003

DKKm	Aalborg Portland	Dansk Eternit Holding	Unicon	Densit	Other[1]	Core activities	Non-strategic activities[2]	FLS Building Materials
PROFIT AND LOSS ACCOUNT								
Net turnover	**1,120**	**678**	**971**	**87**	**(88)**	**2,768**	**0**	**2,768**
Production costs	563	490	556	44	(88)	1,565	0	1,565
Gross profit	**557**	**188**	**415**	**43**	**0**	**1,203**	**0**	**1,203**
Contribution ratio	*49.7%*	*27.7%*	*42.7%*	*49.4%*	*n/a*	*43.5%*	*n/a*	*43.5%*
Sales, admin., distribution and other operating costs	159	162	293	38	6	658	0	658
Earnings before interest, tax, depr./amort. (EBITDA)	**398**	**26**	**122**	**5**	**(6)**	**545**	**0**	**545**
Depreciation	110	45	65	2	(5)	217	0	217
Amortisation	11	8	12	0	35	66	0	66
Earnings before interest and tax (EBIT)	**277**	**(27)**	**45**	**3**	**(36)**	**262**	**0**	**262**
Share of earnings before tax of associated undertakings	(1)	0	0	(1)	(28)	(30)	0	(30)
Profit/loss on disposal of undertakings and activities	0	0	0	0	0	0	714	714
Net financial income and costs	3	(18)	(24)	(1)	9	(31)	0	(31)
Earnings before tax (EBT)	**279**	**(45)**	**21**	**1**	**(55)**	**201**	**714**	**915**
Tax for the period	96	4	9	0	(67)	42	0	42
Profit and loss for the period	**183**	**(49)**	**12**	**1**	**12**	**159**	**714**	**873**
CASH FLOWS								
Cash flows from operating activities	**268**	**6**	**73**	**6**	**135**	**488**	**0**	**488**
Cash flows from investing activities	**(252)**	**(42)**	**(38)**	**(3)**	**(3)**	**(338)**	**1,221**	**883**
Cash flows from operating and investing activities	**16**	**(36)**	**35**	**3**	**132**	**150**	**1,221**	**1,371**
Cash flows from financing activities	**(105)**	**43**	**(115)**	**(4)**	**492**	**311**	**(1,221)**	**(910)**
Change in cash funds	**(89)**	**7**	**(80)**	**(1)**	**624**	**461**	**0**	**461**
NET INTEREST-BEARING DEBT/(-BALANCE)	**57**	**607**	**451**	**12**	**(549)**	**578**	**0**	**578**
BALANCE SHEET								
Fixed assets	1,716	566	788	25	896	3,991	0	3,991
Current assets	905	408	353	41	612	2,319	0	2,319
Total assets	**2,621**	**974**	**1,141**	**66**	**1,508**	**6,310**	**0**	**6,310**
Consolidated shareholders' equity	1,630	112	353	35	1,481	3,611	0	3,611
Provisions	27	87	80	0	0	194	0	194
Long-term and current liabilities	964	775	708	31	27	2,505	0	2,505
Total liabilities	**2,621**	**974**	**1,141**	**66**	**1,508**	**6,310**	**0**	**6,310**
RETURN ON CAPITAL EMPLOYED (ROCE)								
Net operating profit after tax (NOPAT)	203	(28)	43	2	41	261	714	975
Average capital employed	1,722	799	943	50	1,313	4,827	0	4,827
Return on capital employed (ROCE)	**11.8%**	**(3.5%)**	**4.6%**	**4.0%**	**3.1%**	**5.4%**	**n/a**	**20.2%**
Number of employees end of period	**843**	**945**	**723**	**70**	**36**	**2,617**	**0**	**2,617**

1) Other consists of the parent company and eliminations.
2) Non-strategic activities consist of companies, etc. that have ceased or will eventually cease to be members of FLS Building Materials.

Breakdown of FLS Building Materials Q1-Q3 2002

DKKm	Aalborg Portland	Dansk Eternit Holding	Unicon	Densit	Other[1]	Core activities	Non-strategic activities[2]	FLS Building Materials
PROFIT AND LOSS ACCOUNT								
Net turnover	**1,216**	**787**	**1,030**	**86**	**(115)**	**3,004**	**930**	**3,934**
Production costs	655	588	605	48	(123)	1,773	551	2,324
Gross profit	**561**	**199**	**425**	**38**	**8**	**1,231**	**379**	**1,610**
Contribution ratio	*46.1%*	*25.3%*	*41.3%*	*44.2%*	*n/a*	*41.0%*	*40.8%*	*40.9%*
Sales, admin., distribution and other operating costs	152	154	298	42	6	652	302	954
Earnings before interest, tax, depr./amort. (EBITDA)	**409**	**45**	**127**	**(4)**	**2**	**579**	**77**	**656**
Depreciation	103	57	70	2	(7)	225	90	315
Amortisation	8	8	12	0	35	63	8	71
Earnings before interest and tax (EBIT)	**298**	**(20)**	**45**	**(6)**	**(26)**	**291**	**(21)**	**270**
Share of earnings before tax of associated undertakings	10	0	1	0	27	38	147	185
Profit/loss on disposal of undertakings and activities	0	3	0	0	0	3	35	38
Net financial income and costs	(15)	(28)	(47)	(2)	(6)	(98)	(27)	(125)
Earnings before tax (EBT)	**293**	**(45)**	**(1)**	**(8)**	**(5)**	**234**	**134**	**368**
Tax for the period	97	2	7	0	(84)	22	(4)	18
Profit and loss for the period	**196**	**(47)**	**(8)**	**(8)**	**79**	**212**	**138**	**350**
CASH FLOWS								
Cash flows from operating activities	**169**	**13**	**59**	**(5)**	**125**	**361**	**122**	**483**
Cash flows from investing activities	**(122)**	**37**	**(22)**	**(3)**	**21**	**(89)**	**289**	**200**
Cash flows from operating and investing activities	**47**	**50**	**37**	**(8)**	**146**	**272**	**411**	**683**
Cash flows from financing activities	**36**	**(47)**	**(36)**	**2**	**(158)**	**(203)**	**(411)**	**(614)**
Change in cash funds	**83**	**3**	**1**	**(6)**	**(12)**	**69**	**0**	**69**
NET INTEREST-BEARING DEBT/(-BALANCE)	**109**	**590**	**733**	**14**	**250**	**1,696**	**380**	**2,076**
BALANCE SHEET								
Fixed assets	1,728	668	833	26	1,062	4,317	1,365	5,682
Current assets	859	491	514	32	(60)	1,836	278	2,114
Total assets	**2,587**	**1,159**	**1,347**	**58**	**1,002**	**6,153**	**1,643**	**7,796**
Consolidated shareholders' equity	1,580	221	151	30	902	2,884	1,043	3,927
Provisions	9	107	70	0	0	186	29	215
Long-term and current liabilities	998	831	1,126	28	100	3,083	571	3,654
Total liabilities	**2,587**	**1,159**	**1,347**	**58**	**1,002**	**6,153**	**1,643**	**7,796**
RETURN ON CAPITAL EMPLOYED (ROCE)								
Net operating profit after tax (NOPAT)	206	(23)	39	(8)	121	335	152	487
Average capital employed	1,689	918	994	46	1,386	5,033	1,731	6,764
Return on capital employed (ROCE)	**12.2%**	**(2.5%)**	**3.9%**	**(17.4%)**	**n/a**	**6.7%**	**8.8%**	**7.2%**
Number of employees end of period	**866**	**1,204**	**767**	**77**	**0**	**2,914**	**789**	**3,703**

1) Other consists of the parent company and eliminations.
2) Non-strategic activities consist of companies, etc. that have ceased or will eventually cease to be members of FLS Building Materials.
Comparative figures are adjusted in connection with the disposal of Unicon's ready-mix concrete activities in the US.

Consolidated shareholders' equity Q1-Q3 2003

DKKm	Share capital	Reserve based on equity method	Other undis-tributable reserves	Other reserves	Total FLS share	Minority interests' share	Total
Shareholders' equity at 1 January 2003	1,064	835	756	2,758	**5,413**	316	**5,729**
Exchange adjustments		(5)		(139)	**(144)**	(18)	**(162)**
Foreign exchange hedging of net investments				142	**142**		**142**
Value adjustment of hedging instruments				52	**52**		**52**
Profit/loss for the period		(20)		(175)	**(195)**	10	**(185)**
Value adjustments					**0**		**0**
Adjustments for sale of FLSHH *)		(358)			**(358)**		**(358)**
Other adjustments in shareholders' equity				(4)	**(4)**	0	**(4)**
Total income for the period	**0**	**(383)**	**0**	**(124)**	**(507)**	**(8)**	**(515)**
Proposed dividend					**0**		**0**
Dividend distributed					**0**	(7)	**(7)**
Additions and disposals of minority interests					**0**	(62)	**(62)**
Transfer between reserves		(393)	(1)	394	**0**		**0**
Shareholders' equity at 30 September 2003 before proposed dividend	**1,064**	**59**	**755**	**3,028**	**4,906**	**239**	**5,145**
Proposed dividend				0	**0**	0	**0**
Shareholders' equity at 30 September 2003	**1,064**	**59**	**755**	**3,028**	**4,906**	**239**	**5,145**

No own shares were acquired during the period under review. FLS Industries A/S holds 1,303,774 own B shares with a nominal value of DKK 26.1m representing 2.5% of the share capital.

The holding of own shares is used to cover the company's option commitments.

The share capital consists of shares in the following denominations:
A shares: 7,200,000 shares of DKK 20 each
B shares: 46,000,000 shares of DKK 20 each
No additional shares have been issued in the period under review.

*) The adjustment mainly consists of reversal of value adjustments and exchange adjustments in FLSHH SGPS Lda. (Secil).

Consolidated shareholders' equity Q1-Q3 2002

DKKm	Share capital	Reserve based on equity method	Other undis-tributable reserves	Other reserves	Total FLS share	Minority interests' share	Total
Shareholders' equity at 1 January 2002	**1,064**	**808**	**830**	**3,925**	**6,627**	**343**	**6,970**
Exchange adjustments		(7)		(170)	**(177)**	6	**(171)**
Foreign exchange hedging of net investments				158	**158**		**158**
Value adjustment of hedging instruments				177	**177**		**177**
Profit/loss for the period		35	(16)	(1,248)	**(1,229)**	16	**(1,213)**
Value adjustments					**0**		**0**
Adjustments for sale of NKT **)		109			**109**		**109**
Other adjustments in shareholders' equity		10		(15)	**(5)**	(2)	**(7)**
Total income for the period	**0**	**147**	**(16)**	**(1,098)**	**(967)**	**20**	**(947)**
Proposed dividend					**0**		**0**
Dividend distributed		0		0	**0**	(12)	**(12)**
Additions and disposals of minority interests					**0**	11	**11**
Transfer between reserves		(185)	22	163	**0**		**0**
Shareholders' equity at 30 September 2002 before proposed dividend	**1,064**	**770**	**836**	**2,990**	**5,660**	**362**	**6,022**
Proposed dividend					**0**		**0**
Shareholders' equity at 30 September 2002	**1,064**	**770**	**836**	**2,990**	**5,660**	**362**	**6,022**

**) The adjustment mainly consists of reversal of write-down of shares and exchange adjustments, etc. in NKT Holding A/S.

Specification by quarter (unaudited)

DKKm	1st quarter 2003 unaudited	2nd quarter 2003 unaudited	3rd quarter 2003 unaudited
PROFIT AND LOSS ACCOUNT			
Net turnover	3,207	3,848	3,629
Production costs	2,536	3,307	3,074
Gross profit	**671**	**541**	**555**
Sales and distribution costs	264	290	280
Administrative and other costs	366	381	368
Other operating income and costs	46	70	5
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**87**	**(60)**	**(88)**
Depreciation and write-down of intangible fixed assets	151	156	135
Amortisation and write-down of intangible fixed assets	37	36	39
Earnings before interest and tax (EBIT)	**(101)**	**(252)**	**(262)**
Share of earnings before tax of associated undertakings	(22)	(13)	(5)
Profit and loss on disposal of undertakings and activities	673	(25)	2
Financial income	454	336	274
Financial costs	472	376	333
Earnings before tax (EBT)	**532**	**(330)**	**(324)**
Tax for the period	12	19	32
Profit/loss for the period	**520**	**(349)**	**(356)**
Minority interests' share of the profit for the period	(2)	4	8
FLS Industries A/S share of the profit/loss for the period	**522**	**(353)**	**(364)**

DKKm	1st quarter 2002 unaudited	2nd quarter 2002 unaudited	3rd quarter 2002 unaudited
PROFIT AND LOSS ACCOUNT			
Net turnover	3,828	4,609	4,025
Production costs	2,976	3,662	3,417
Gross profit	**852**	**947**	**608**
Sales and distribution costs	338	382	348
Administrative and other costs	418	462	466
Other operating income and costs	128	38	16
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**224**	**141**	**(190)**
Depreciation and write-down of tangible fixed assets	210	197	185
Amortisation and write-down of tangible fixed assets	38	43	36
Earnings before interest and tax (EBIT)	**(24)**	**(99)**	**(411)**
Share of earnings before tax of associated undertakings	32	88	51
Profit and loss on disposal of undertakings and activities	22	(595)	(23)
Financial income	249	360	127
Financial costs	337	413	187
Earnings before tax (EBT)	**(58)**	**(659)**	**(443)**
Tax for the period	13	47	(7)
Profit/loss for the period	**(71)**	**(706)**	**(436)**
Minority interests' share of the Profit/loss	1	7	8
FLS Industries A/S share of the profit/loss for the period	**(72)**	**(713)**	**(444)**

This Interim Report by FLS Industries A/S is an English translation of the original Report in Danish which was adopted by the Board of Directors of FLS Industries A/S. Whereas all possible care has been taken to ensure a true and faithful translation into English, differences between the English and Danish versions may exist in which case the original Danish version shall prevail.

FLS Industries A/S
Vigerslev Allé 77
2500 Valby
Denmark
Tel: +45 36 18 18 00
Fax: +45 36 30 44 41
corppr@flsindustries.com
www.flsindustries.com
CVR No. 58180912

F.L.Smidth A/S
Vigerslev Allé 77
2500 Valby
Denmark
Tel: +45 36 18 10 00
Fax: +45 36 30 18 20
info@flsmidth.com
www.flsmidth.com

FLS Building Materials
Vigerslev Allé 77
2500 Valby
Denmark
Tel: +45 36 18 28 00
Fax: +45 36 44 11 46
info@flsbuildingmaterials.com
www.flsbuildingmaterials.dk

FLS miljø a/s
Ramsingsvej 30
2500 Valby
Denmark
Tel: +45 36 18 11 00
Fax: +45 36 17 45 99
info@flsmiljo.com
www.flsmiljo.com

FLS Aerospace
Hangar 6. MD 109
Dublin Airport
Dublin
Ireland
Tel: +353 1 886 6456
Fax: +353 1 886 8492
marketing@flsaerospace.com
www.flsaerospace.com

Aalborg Portland A/S
Rørdalsvej 44
9100 Aalborg
Denmark
Tel: +45 98 16 77 77
Fax: +45 98 10 11 86
finance@aalborg-portland.dk
www. aalborg-portland.dk

Unicon A/S
Køgevej 172
4000 Roskilde
Denmark
Tel: +45 46 34 60 00
Fax: +45 46 34 60 99
info@unicon.dk
www.unicon.dk

Dansk Eternit Holding A/S
Hasserisvej 139
9000 Aalborg
Denmark
Tel: +45 96 35 58 00
Fax: +45 96 35 58 01
info@deh.dk
www.deh.dk

Densit A/S
Rørdalsvej 44
9100 Aalborg
Denmark
Tel: +45 98 16 70 11
Fax: +45 99 33 77 88
info@densit.dk
www.densit.com