

Copenhagen Stock Exchange
Nikolaj Plads 6
DK -1067 Copenhagen K.

Announcement to the
Copenhagen Stock Exchange No. 37-2002



INTERIM REPORT FLS INDUSTRIES A/S



1 January – 30 September 2002



Restructuring for growth and profit

FLS

FLS INDUSTRIES

Main conclusions

Focus on core activities

The FLS Group has made a substantial provision for future project processing in FLS miljø, thus enabling it from now on to focus on the two core businesses of F.L.Smidth Group and FLS Building Materials in line with the overall FLS Group strategy.

Financial reporting will in future be divided into core activities and other activities. The purpose of doing so is to improve transparency in describing the fulfilment of the strategic goals.

Core activities

The core activities within the FLS Group, F.L.Smidth Group and FLS Building Materials achieved total earnings before interest and tax (EBIT) at DKK 305m, which is a DKK 89m improvement on the same period last year.

Core activity turnover amounted to DKK 7.9bn.

F.L.Smidth Group's turnover accounted for DKK 5.0bn, and the order intake totalled DKK 6.7bn.

F.L.Smidth Group and FLS Building Materials recorded a positive cash flow from operating activities amounting to DKK 536m, a DKK 817m improvement on the same period last year.

Prospects for 2002, core activities

FLS Building Materials maintains its projection of higher EBIT compared with last year (DKK 307m).

F.L.Smidth Group lowers the forecast level of EBIT to a total in the order of DKK 100m reflecting lower turnover and unsatisfactory operating losses incurred by two of its production companies.

Prospects for 2003, core activities

The markets served by the Group's core businesses are not likely to offer better conditions for a financially satisfactory result in 2003. EBIT from the core business of F.L.Smidth Group and FLS Building Materials is expected to be around DKK 0.5bn in 2003.

Other activities

The FLS Group has made a provision of DKK 350m in order to hedge the future project processing risks of FLS miljø.

FLS miljø's financial result for the first nine months of 2002 therefore amounted to DKK ...595m.

FLS Aerospace's financial result for the first nine months of 2002 amounted to DKK ...96m, which is unsatisfactory, albeit in line with its own projections for the period under review.

Prospects for 2002, other activities

FLS miljø expects the year's result to be on a par with that for the 3rd quarter.

FLS Aerospace downgrades its EBIT forecast to a slightly larger loss than last year's DKK -116m, reflecting mainly lower capacity utilisation and provisions for pensions.

FLS INDUSTRIES



Main conclusions

- continued

FLS Group as a whole

- The DKK 350m provision for losses in connection with the completion of current FLS miljø projects had a serious impact on the consolidated financial result of the FLS Group amounting to DKK -534m.
- Cash flow from operating activities (net of extraordinary dividend) amounted to DKK 940m, up nearly DKK 1.1bn on last year.
- The consolidated net interest-bearing debt amounts to DKK 3.3bn (2001: DKK 5.4bn) and is being reduced as planned.

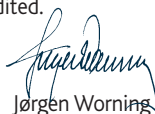
Prospects for 2002, FLS Group as a whole

- The overall forecast for the FLS Group in 2002 is an EBIT level of DKK -0.5bn to -0.6bn and earnings before tax at DKK -0.4bn to -0.5bn, including the divestments anticipated at present such as the sale of shares in FLSHH (Secil).
- The FLS Group expects its net debt to be around DKK 2.0bn, including the proceeds from divestments anticipated at present such as the sale of shares in FLSHH (Secil).

Management

- Ms Birgitte Nielsen wishes to resign from her position as Chief Financial Officer in view of the revised structure of the company. It is agreed that Ms Birgitte Nielsen will leave the Corporate Management as from 30 November 2002, whilst continuing to work for the company for a period, reporting to the Corporate Management. It is expected that a new Chief Financial Officer for FLS Industries A/S will be appointed.

The Board of Directors of FLS Industries A/S has today reviewed and adopted the report and accounts for the 3rd quarter of 2002 as outlined on the following pages. The report and accounts are unaudited.



Jørgen Worning
Chairman of the Board of Directors

Valby, 26 November 2002

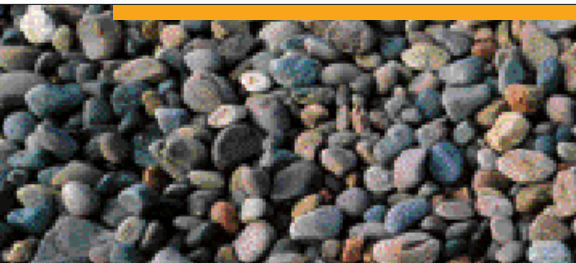


Birgitte Nielsen
Group Chief Financial Officer

Please address any questions regarding this announcement to the above,
telephone +45 36 18 18 00



DIRECTORS' REPORT



Directors' report for 3rd quarter 2002

The core activities of F.L.Smith Group and FLS Building Materials

The Group's core activities organised within F.L.Smith Group and FLS Building Materials recorded total earnings before interest and tax (EBIT) at DKK 305m, DKK 89m up on the same period last year.

F.L.Smith Group and FLS Building Materials recorded a positive cash flow at DKK 536m, a DKK 817m improvement on the same period last year. This mainly reflects an increase in prepayments and a reduction in debtors within F.L.Smith Group. F.L.Smith Group and FLS Building Materials have reduced their net debt by DKK 1.6bn since the same period last year.



MAIN SUPPLIER TO THE CEMENT INDUSTRY

F.L.Smith Group provides services, machinery, equipment and complete production lines and plants to the cement and mineral industries worldwide.

During the first nine months of 2002 F.L.Smith Group achieved a satisfactory flow of orders amounting to a total of DKK 6.7bn, despite the continuing slowdown in the world economy. Major orders accounted for DKK 3.5bn. Orders for services and spare parts amounted to DKK 1.5bn during the first nine months. The total backlog of orders rose to DKK 8.3bn, DKK 2.2bn above the level of last year. The order backlog will be processed until the end of 2005.

Notwithstanding the depressed market situation, earnings before interest and tax reached a positive result, viz. DKK 14m, which is DKK 38m better than for the same period last year. F.L.Smith, FFE Minerals, Ventomatic and Pfister received a satisfactory flow of orders, whilst FLS Automation, MAAG Gear, F.L.Smith Airtech and F.L.Smith Materials Handling recorded a lower order intake than forecast.

F.L.Smith Group increased its gross profit margin by 1.3 percentage points, due to improved project processing.

Trends in the mineral processing industry are beginning to look positive in that raw materials prices in most metals are stable or slightly on the increase compared with 2001. FFE Minerals posted gratifying earnings for the first nine months of 2002.

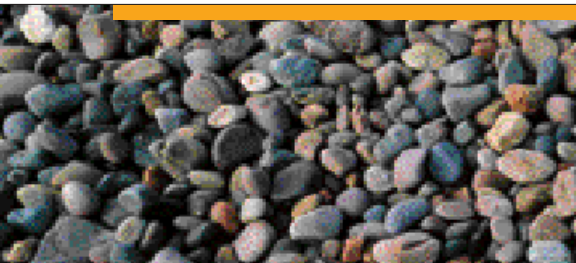
The F.L.Smith Group cash flow from operating activities amounted to DKK 209m, a DKK 870m improvement on the same period last year. The improved cash flow reflects reduced debtors and higher prepayments from customers.

The world market for new pyroprocessing capacity (13 million tonnes per year in 2001) is likely to settle at a lower level this year, 50–60 per cent of the normal market volume. The uncertainty in world economic prospects is causing F.L.Smith Group customers to be more reluctant to invest. The order intake for 2002 includes significant projects in Algeria, Libya, South Africa, China, UK and El Salvador.

The difficult business climate necessitates that F.L.Smith Group continues to focus on cost reductions and structural adjustments to the changed market conditions.

F.L.Smith Group DKKm	3rd Quarter 2001 unaudited	The year 2001	3rd Quarter 2002 unaudited
Net turnover	5,299	7,982	5,084
Gross profit	942	1,476	973
Earnings before interest and tax (EBIT)	(24)	194	14
Profit/loss for the period	(16)	152	(27)
Cash flow from operating activities	(661)	(384)	209
Cash flow from operating and investing activities	(735)	(539)	176
DKKm	Turnover Q1-Q3 2002	Order intake* Q1-Q3 2002	Order backlog* 30 Sep. 2002
Cement industry	3,754	5,095	6,294
Mineral processing	428	592	422
Other	902	1,021	1,568
Total	5,084	6,708	8,284
*sales prices			

DIRECTORS' REPORT



F.L.Smith Group lowers its profit expectations to a level below last year's EBIT at DKK 194m. The reduced prospects reflect less turnover due to subcontractor delays in a project in the UK and losses incurred by two of F.L.Smith Group's specialist product companies due to lower order intake.



Building Materials

GLOBAL PLAYER BUILDING ON CEMENT

FLS Building Materials' white cement and Densit products are marketed globally, whilst grey cement, concrete and fibre cement are manufactured and sold on a local and regional basis.

FLS Building Materials earnings before interest and tax at DKK 291m mark a DKK 51m improvement on last year's result. Earnings before tax are DKK 204m higher than last year, reflecting sale of ships and lower financial costs.

Aalborg Portland's sales on the domestic market were higher than anticipated, and its focus

on alternative fuels and lower fuel costs supported the growth in profitability during the first nine months. Implementation of the white strategy is progressing according to plan. The Egyptian plant has already gained a strong foothold on the local market and has begun to export its products. The new line in Malaysia started operation in November as planned.

Two important decisions are enabling Aalborg Portland to improve its competitive standing at home and abroad. Its position as the world's largest producer of white cement is being strengthened by investing DKK 200m in the conversion of a kiln from grey to white cement, producing some 240,000 tonnes per year. At the same time, costs are being reduced and efficiency increased, necessitating some 50 redundancies during the 4th quarter of 2002.

Having sold its paving stone activities in Denmark and Poland, Unicon Group has practically fulfilled its strategy of concentrating future business on ready-mixed concrete. The sale of its US-based ready-mixed concrete businesses in October has enabled the company to lay the foundation for establishing a strong presence in Scandinavia. The approximately DKK 50m profit from disposal of the US-based activities will be included in the financial results for the 4th quarter.

Domestic demand for new fibre cement products remains satisfactory, and Dansk Eternit has increased its market share in Denmark, leading to a DKK 25m improvement in earnings compared with last year. Dansk Eternit continues to optimise production, which enabled it to reduce the workforce in Denmark by about 80 persons in October.

Sales of Densit products to the offshore industry, notably offshore wind turbines, are growing, but the company's earnings are affected by the recession in the industrial flooring market segment.

Cash flows from operating and investing activities have benefitted from the disposals. The total cash flow has improved by DKK 608m on the same period last year.

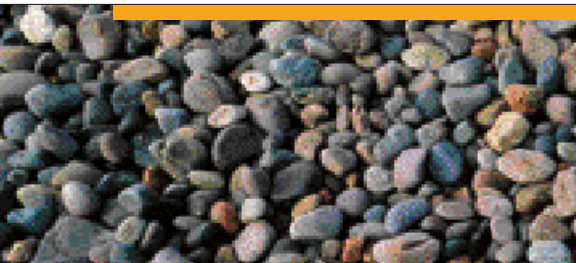
FLS Building Materials prospects of a higher EBIT result than in 2001 (DKK 307m) remain unchanged.

FLS Industries – parent company

FLS Industries' focusing strategy implies a lower level of activity in the parent company. The parent company has therefore reviewed the services it provides to the Group companies and adjusted them to match future activities. As a result, a number of Group initiatives have been reconsidered, and this has led to the loss of some 20 full-time jobs in the parent company, affecting approximately one third of the staff. The parent company's total salary and Group initiative expenses will decline by some DKK 40m in 2003 and additionally some DKK 10m in 2004.

FLS Building Materials DKKm	3rd Quarter 2001 unaudited	The year 2001	3rd Quarter* 2002 unaudited
Net turnover	4,322	4,882	3,004
Gross profit	1,825	2,059	1,231
Earnings before interest and tax (EBIT)	240	307	291
Profit for the period	99	239	368
* Exclusive of non-strategic Unicon concrete activities			

DIRECTORS' REPORT



Other activities

FLS miljø

FLS miljø has made an intensive effort to make up for delays in the loss-making West Burton desulphurisation project in the UK. The company has practically succeeded in doing so, but as already mentioned in the half-yearly report this has led to very substantial extra costs.

Project management has been considerably strengthened and the activities that remain before the project is finished have been critically reviewed. Against this background it is considered responsible to make a DKK 350m provision primarily for losses deriving from West Burton. On passing the first critical milestone, the project was less than two weeks delayed, and it is expected to be 70 per cent completed by the end of the year. The most risky part of the project is the erection of the plant, most of which is due to be finished in April 2003. Legal action versus the dismissed subcontractor who was responsible for erection is under preparation.

In FLS miljø's opinion the subcontractor has grossly breached the contract and in that way caused FLS considerable losses.

Final delivery of project is to take place in December 2003.

The restructuring of FLS miljø, including disposal and closure of activities, is progressing according to plan, and the level of costs incurred for these purposes is unchanged since the first half. The boiler business based in Tønder has been disposed of and the biomass technology is expected to be sold in December, exclusive of two active operating and maintenance contracts for straw-fired facilities.

These disposals have little effect on the profit and loss account. Transfer of the air pollution control business to F.L.Smidt Group took place with effect from 1 July 2002.

The company's estimated financial result for the whole year markedly reflects the very large provision made in the 3rd quarter and is expected to be around the level of the 3rd quarter.

FLS Aerospace

Despite signs of recovery, the aircraft maintenance industry remains affected by the repercussions of September 11. Whilst considerable improvement was achieved in the core customer segment, the anticipated seasonal low during the summer meant less business for FLS Aerospace.

Earnings before interest and tax amounted to a DKK 96m deficit for the first nine months of the year, and the 3rd quarter result, which traditionally is a loss due to the low season, amounted to DKK -70m. This is not satisfactory although it does correspond to our expectations for the quarter under review. The cash flow from operating activities is negative at DKK -85m due to realisation of provisions compared with end of 2001 at DKK 101m.

The traditionally profitable component business is performing satisfactorily, but components are being leased for shorter periods due to customers' rising cost consciousness. The Dublin base is also performing satisfactorily. Activities in the UK are undergoing capacity adjustments, and one hangar at the Stansted base has been closed, leading to 90 redundancies. A provision has been made for this purpose, but the full effect on the financial results is not expected until next year.

FLS Aerospace has lowered its expectations for the year and now foresees a loss that is slightly lower than last year's EBIT of DKK -116m.

This is partly due to the decline in international stock markets which has forced FLS Aerospace to make a DKK 20m provision this year for future pension obligations. The forecast result includes an expenditure deriving from reassessment of the residual life of the consumables stock amounting to DKK 70m.

Other non-strategic activities

Unicon's disposal of its paving stone businesses in Denmark and Poland is included in the earnings before tax at DKK 20m.

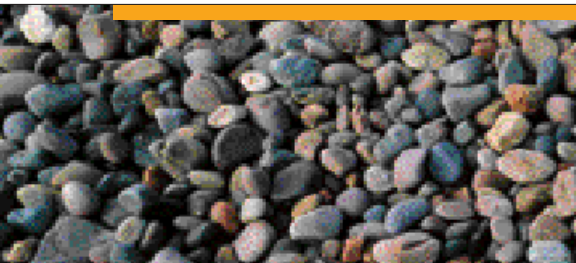
The associated company, Secil S.A., which is 22.3 per cent indirectly owned by FLS Industries A/S, is included in the earnings before tax at DKK 145m. Reference is made to the company's web site www.secil.pt. FLS has signed a conditional agreement to sell its shares in Secil to Semapa S.A. Semapa has been given until 9 December 2002 to obtain the necessary financing.

Atlas Cement Corporation, an associated undertaking, which is 27 per cent owned by FLS Industries A/S, is included in pre-tax earnings at DKK 32m.

The associated undertaking, Spæncom, which is 34 per cent owned by FLS Industries, is included in the earnings before tax at DKK -4m. Reference is made to Spæncom for further details about its activities.

Pedershaab has experienced a weak intake of orders in 2002, which has had a negative effect on EBIT amounting to DKK 17m.

DIRECTORS' REPORT



Steps have been taken to adjust capacity to the lower level of activity and a settlement regarding future ownership is likely to be reached in 2003.

Unicon Inc.'s ready-mixed concrete business has been sold effective 2 December 2002 at a total price of DKK 580m.

Dansk Træemballage has been sold to the management effective 1 October 2002. The company is included in EBIT at an amount close to zero. As announced previously the disposal has a DKK 70m negative effect on the 3rd quarter earnings before tax.

Overall activities of the FLS Group

The EBIT result of the overall activities of the FLS Group for the first nine months of 2002 is a DKK 534m loss. The result is DKK 731m below that for the same period last year. The result reflects substantial project processing costs and provisions for losses on the order backlog in FLS miljø.

As previously announced, earnings before tax (EBT) are substantially affected by the DKK 483m loss on the sale of the NKT Holding shares, and the disposals and closures that have taken place at FLS miljø had a negative effect amounting to DKK -112m. The overall result before tax is a DKK 1,160m loss. This amount does not include the approximately DKK 50m positive effect of the subsequent disposal of Unicon Inc. activities and the expected sale of shares in FLSHH (Secil) (DKK 0.7bn).

The FLS Group continues to reduce its net interest bearing debt (NIBD) which amounted to DKK 3.3bn at the end of the 3rd quarter. The reduction in net debt since the same period last year thus totals DKK 2.1bn. This figure does not include the proceeds from the sale of Unicon Inc.'s activities (DKK 0.6bn), nor the anticipated sale of Secil (DKK 1.1bn).

The selling of non-strategic assets and activities had a DKK 93m positive effect on EBIT – and a DKK 596m negative impact on EBT.

The total proceeds from divestments had a positive impact on cash flow amounting to DKK 1.1bn.

Post balance sheet events

Announcement to the Copenhagen Stock Exchange No. 32-2002, 4 October 2002

FLS Industries and Højgaard Holding sign conditional agreement to sell shares in Secil

Announcement to the Copenhagen Stock Exchange No. 33-2002, 10 October 2002

F.L.Smith to supply new production line in Wales

Announcement to the Copenhagen Stock Exchange No. 34-2002, 11 October 2002

Unicon sells ready-mix activities in the US

Announcement to the Copenhagen Stock Exchange No. 35-2002, 23 October 2002

FLS Industries sells Dansk Træemballage A/S

Announcement to the Copenhagen Stock Exchange No. 36-2002, 12 November 2002

Final date extended for sale of FLS Industries share of Secil.

Earnings forecast for 2002

FLS Building Materials maintains its forecast of an EBIT result above the level of last year (DKK 307m). F.L.Smith Group lowers the forecast level of EBIT to a total in the order of DKK 100m reflecting lower turnover and unsatisfactory operating losses incurred by two of its product companies.

FLS miljø's EBIT result is expected to be around the level of the 3rd quarter. FLS Aerospace has lowered its projections for the whole of 2002 to a slightly larger EBIT loss than that posted for the year before at DKK 116m.

The overall result is a lowering of the FLS Group EBIT prospects to around DKK -0.5bn to -0.6bn. Earnings before tax (EBT) are expected to reach the level of DKK -0.4bn to -0.5bn including the anticipated divestments as of today's date, such as the sale of shares in FLSHH (Secil).



FINANCIAL REPORT

Financial report

The interim accounts for the 3rd quarter of 2002 are presented in accordance with the Danish Company Accounts Act and related Executive Orders and the instructions issued by the Copenhagen Stock Exchange for the financial reporting of listed companies, including Danish accounting standards. The accounting policies are unchanged.

The new Danish Company Accounts Act will be applied to financial instruments for the full year 2002. With the exception of IAS 39, the interim accounts are presented in accordance with International Accounting Standards (IAS).

Profit and loss account

The **turnover** for the period under review amounted to DKK 12.5bn, which was DKK 1.3bn lower than the corresponding period last year. The decline was partly due to the divestment of activities and a lower level of activity.

The consolidated **gross profit** margin fell from 26 per cent to 20 per cent, mainly due to higher order processing costs in FLS miljø.

EBITDA fell by DKK 782m to DKK 175m. The adverse effect on these earnings stems mainly from the DKK 749m deterioration of FLS miljø's and FLS Aerospace's financial results.

EBIT for the period under review amounts to DKK -534m (2001: DKK 197m), consisting of profits earned by F.L.Smidth Group and FLS Building Materials and losses sustained by FLS miljø and FLS Aerospace.

The accounting loss relating to the sale of businesses and activities, amounting to DKK 596m net, is primarily attributable to the sale of shares in NKT Holding, the effect of which amounted to DKK -483m.

Earnings before tax for the period under review amounted to DKK -1,160m (2001: DKK 101m), and earnings after tax amounted to DKK -1,213m (2001: DKK 25m). As mentioned earlier, the earnings were affected by the sale of shares in NKT Holding and losses in FLS miljø. The earnings were positively affected by lower financial expenses, in particular due to the debt reduction effected.

Cash flow statement

Cash flow from operating activities comprised DKK 940m, which was up DKK 125m on the same period last year. Net of dividend received from NKT Holding, the improvement amounted to DKK 1,074m. This was mainly due to significant improvements in debtor days, reduced tie-up in stocks and increase in prepayments received by F.L.Smidth Group.

Cash flow from investing activities was positive at DKK 693m and was influenced by sale of non-strategic activities, notably Højslev Teglværk, shares in NKT Holding and Unicon paving stone activities. Besides, operating investments are DKK 259m lower than for the same period last year.

Net interest-bearing debt declined by DKK 2.1bn to DKK 3.3bn compared to 30 September 2001 and by DKK 1.7bn compared to 31 December 2001.

Balance sheet

The **balance sheet total** was reduced by DKK 2.4bn in 2002, mainly due to the sale of non-strategic activities and improvements in working capital. **Consolidated shareholders' equity** including minority interests fell from DKK 7.0bn at 31 December 2001 to DKK 5.8bn, primarily due to the sale of the shares in NKT Holding and the loss incurred by FLS miljø.

Own shares

In the first nine months of the year FLS Industries A/S did not reduce nor increase its holding of own shares, which accounts for 2.5 per cent of the share capital.

Incentive scheme

FLS made no changes to the principles of the existing incentive scheme during the period under review. No new share options were issued in the period, and no existing share options were exercised. Thus, the number of options remains unchanged at 389,377, corresponding to 0.7 per cent of the share capital.

Financial calendar 2003

5 March 2003	Annual accounts 2002
7 April 2003	Annual General Meeting
23 May 2003	1st quarter accounts
29 August 2003	2nd quarter accounts
28 November 2003	3rd quarter accounts

FINANCIAL HIGHLIGHTS

DKKm	Q1-Q3 2001 unaudited	The year 2001	Q1-Q3 2002 unaudited
PROFIT AND LOSS ACCOUNT			
Net turnover	13,812	18,930	12,462
Production costs	10,266	14,260	10,055
Gross profit	3,546	4,670	2,407
<i>Gross profit margin</i>	25.7%	24.7%	19.3%
Sales, distribution, administrative costs and other operating items	2,589	3,449	2,232
Earnings before interest, tax, depreciation and amortisation (EBITDA)	957	1,221	175
<i>EBITDA ratio</i>	6.9%	6.5%	1.4%
Depreciation and write-down of tangible fixed assets	649	873	592
Amortisation and write-down of intangible fixed assets	111	153	117
Earnings before interest and tax (EBIT)	197	195	(534)
<i>EBIT ratio</i>	1.4%	1.0%	(4.3)%
Share of pre-tax profit of associated undertakings	121	161	171
Profit and loss on the sale of undertakings and activities	36	(25)	(596)
Net financial income and expenses	(253)	(343)	(201)
Earnings before tax (EBT)	101	(12)	(1,160)
<i>EBT ratio</i>	0.7%	(0.1)%	(9.3)%
Tax for the period	76	(31)	53
Profit/loss for the period	25	19	(1,213)
Minority interests' share of profit / loss for the period	27	32	16
FLS Industries A/S' share of the profit / loss for the period	(2)	(13)	(1,229)
CASH FLOWS			
Cash flows from operating activities	815	1,321	940
Acquisition and disposal of undertakings and activities	357	435	975
Acquisitions of intangible and tangible fixed assets	(707)	(1,016)	(448)
Disposals of intangible and tangible fixed assets	112	388	222
Other investments	(35)	(54)	(56)
Cash flows from investing activities	(274)	(247)	693
Cash flows from operations and investments	541	1,074	1,633
Cash flows from financing activities	(605)	(1,304)	(1,559)
Change in cash funds	(64)	(230)	74
Net interest-bearing debt	5,446	4,990	3,301
BALANCE SHEET			
Intangible fixed assets	1,260	1,237	1,179
Tangible fixed assets	7,543	7,398	6,579
Fixed asset investments	2,559	2,801	1,794
Current assets	7,831	7,392	6,846
Total assets	19,193	18,828	16,398
Consolidated shareholders' equity	6,962	6,970	5,845
FLS Industries A/S' share of shareholders' equity	6,603	6,627	5,483
Provisions	938	1,194	1,385
Long-term and current liabilities	11,293	10,664	9,168
Total liabilities	19,193	18,828	16,398
RETURN ON CAPITAL EMPLOYED (ROCE)			
Adjusted operating profit after tax (NOPAT)	331	267	(1,005)
Average capital employed	15,065	14,823	12,388
Return on capital employed (ROCE)	2.2%	1.8%	(8.1)%
FINANCIAL RATIOS			
Including minority interests' share			
<i>Return on equity</i>	2%	0%	(19)%
<i>Equity ratio</i>	36%	37%	36%
Number of employees, end of period			
Number of employees in Denmark	13,506	13,544	12,215
	4,338	4,313	3,707

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Consolidated profit and loss account

DKKm	Q1-Q3 2001 unaudited	The year 2001	Q1-Q3 2002 unaudited
Net turnover	13,812	18,930	12,462
Production costs	10,266	14,260	10,055
Gross profit	3,546	4,670	2,407
Sales and distribution costs	1,151	1,587	1,068
Administrative expenses and other expenses	1,562	2,150	1,346
Other operating income and costs	124	288	182
Earnings before interest, tax, depreciation and amortisation (EBITDA)	957	1,221	175
Depreciation and write-downs of tangible fixed assets	649	873	592
Amortisation and write-downs of intangible fixed assets	111	153	117
Earnings before interest and tax (EBIT)	197	195	(534)
Share of pre-tax profit of associated undertakings	121	161	171
Profit and loss on disposal of undertakings	36	(25)	(596)
Financial income	704	1,185	736
Financial expenses	957	1,528	937
Earnings before tax (EBT)	101	(12)	(1,160)
Tax for the period	76	(31)	53
Profit for the period	25	19	(1,213)
Minority interests' share of profit for the period	27	32	16
FLS Industries A/S' share of the profit for the period	(2)	(13)	(1,229)
Earnings per share (EPS)	0.1	(0.2)	(23.2)
EPS, adjusted for own shares, etc.	0.0	(0.3)	(23.7)

CASH FLOW STATEMENT

Cash flow statement for the FLS Group

DKKm	Q1-Q3 2001 unaudited	The year 2001	Q1-Q3 2002 unaudited
Cash flows from operating activities			
Earnings before interest, tax, depreciation and amortisation (EBITDA)	957	1,221	175
Adjustments for profits and losses on sale of fixed assets and exchange adjustment of EBITDA	(19)	(138)	(122)
Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)	938	1,083	53
Change in provisions	(190)	43	217
Change in working capital	(496)	64	107
Cash flows from operating activities before work in progress, financial items and tax	252	1,190	377
Change in cash flow from work in progress and prepayments	(182)	(536)	319
Cash flows from operating activities before financial items and tax	70	654	696
Dividends received from associated undertakings	1,085	1,100	132
Financial payments received and made	(276)	(338)	167
Corporation taxes paid	(64)	(95)	(55)
Cash flows from operating activities	815	1,321	940
Cash flows from investing activities			
Acquisition of undertakings and activities	(47)	(89)	(14)
Disposal and discontinuance of undertakings and activities	404	524	988
Acquisitions of intangible and tangible fixed assets	(707)	(1,016)	(448)
Disposal of intangible and tangible fixed assets	112	388	222
Acquisition and disposal of fixed asset investments	(35)	(54)	(56)
Cash flows from investing activities	(274)	(247)	693
Cash flows from operating activities and investments	541	1,074	1,633
Cash flows from financing activities			
Dividends	(452)	(453)	(12)
Capital increases in Group companies attributable to minority interests	11	12	10
Changes in interest-bearing debt	(164)	(863)	(1,557)
Cash flows from financing activities	(605)	(1,304)	(1,559)
Change in cash funds	(64)	(230)	74
Cash funds at 1 January	548	548	318
Cash funds at end of period	484	318	392
The cash flow statement cannot be inferred from the published financial information only.			

CONSOLIDATED BALANCE SHEET

Assets

DKKm	Q1-Q3 2001 unaudited	The year 2001	Q1-Q3 2002 unaudited
Fixed assets			
Goodwill	1,350	1,290	1,160
Negative goodwill	(189)	(185)	(175)
Patents and licenses	45	57	11
Other intangible fixed assets	54	75	183
Intangible fixed assets	1,260	1,237	1,179
Land and buildings	2,792	2,695	2,417
Plant, machinery and ships	2,653	2,600	2,213
Operating equipment, fixtures and fittings	350	348	271
Aircraft rotables	1,499	1,509	1,414
Assets in course of construction	249	246	264
Tangible fixed assets	7,543	7,398	6,579
Investments in associated undertakings	2,149	2,173	1,167
Amounts owing from associated undertakings	0	15	14
Other securities and investments	195	216	220
Other fixed asset investments	38	10	7
Prepaid pension fund contributions	70	74	75
Tax asset	107	313	311
Fixed asset investments	2,559	2,801	1,794
Total fixed assets	11,362	11,436	9,552
Current assets			
Raw materials and consumables	775	753	671
Work-in-progress	128	69	139
Finished goods and goods for resale	543	584	417
Prepayments for goods	125	99	127
Stocks	1,571	1,505	1,354
Trade debtors	3,395	3,165	2,559
Work in progress for third parties	1,075	1,135	1,330
Amounts owed by associated undertakings	52	65	23
Other debtors	867	894	835
Prepayments	367	264	311
Debtors	5,756	5,523	5,058
Own shares	0	0	0
Bonds and listed shares	20	46	42
Securities	20	46	42
Cash at bank and in hand	484	318	392
Total current assets	7,831	7,392	6,846
TOTAL ASSETS	19,193	18,828	16,398

CONSOLIDATED BALANCE SHEET

Liabilities

DKKm	Q1-Q3 2001 unaudited	The year 2001	Q1-Q3 2002 unaudited
Shareholders' equity			
Share capital	1,064	1,064	1,064
Net revaluation reserves according to the equity method	775	808	770
Other reserves	4,764	4,755	3,649
FLS Industries A/S' share of shareholders' equity before proposed dividend	6,603	6,627	5,483
Proposed dividend distribution	0	0	0
FLS Industries A/S' share of shareholders' equity	6,603	6,627	5,483
Minority interests' share of shareholders' equity before proposed dividend	359	343	362
Proposed dividend distribution	0	0	0
Minority interests' share of shareholders' equity	359	343	362
Total consolidated shareholders' equity	6,962	6,970	5,845
Provisions			
Deferred tax	101	124	129
Pensions and similar commitments	65	77	97
Warranty provisions	487	540	431
Restructuring of undertakings acquired	9	4	11
Restructuring of existing undertakings	2	4	29
Redundancy costs	0	119	44
Other provisions	274	326	644
Total provisions	938	1,194	1,385
Long-term and current liabilities			
Mortgage debt	303	288	268
Currency loans and bank debt	5,299	4,223	3,038
Long-term liabilities	5,602	4,511	3,306
Current portion of long-term debt	76	291	753
Currency loans and bank debt	714	747	362
Prepayments from customers	683	775	629
Work-in-progress	990	814	1,003
Trade creditors	1,730	1,996	1,616
Amounts owed to affiliated undertakings	11	7	0
Corporation tax payable	64	81	61
Other creditors	1,052	1,133	1,082
Deferred income	371	309	356
Current liabilities	5,691	6,153	5,862
Total long-term and current liabilities	11,293	10,664	9,168
Total long-term and current liabilities and provisions	12,231	11,858	10,553
TOTAL LIABILITIES	19,193	18,828	16,398

Notes not referred to in the above: Specification by quarter

Breakdown of the Group by core businesses in the period

Breakdown of FLS Building Materials Group by core businesses

Consolidated shareholders' equity

CONSOLIDATED PROFIT & LOSS ACCOUNT

Specification by quarter 2002

DKKm	Q1 2002 unaudited	Q2 2002 unaudited	Q3 2002 unaudited
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	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 intangible fixed assets	38	43	36
Earnings before interest and tax (EBIT)	(24)	(99)	(411)
Share of pre-tax profit of associated undertakings	32	88	51
Profit and loss on disposal of undertakings and activities	22	(595)	(23)
Financial income	249	360	127
Financial expenses	337	413	187
Earnings before tax (EBT)	(58)	(659)	(443)
Tax for the period	13	47	(7)
Profit for the period	(71)	(706)	(436)
Minority interests' share of the profit for the period	1	7	8
FLS share of the profit for the period	(72)	(713)	(444)

CONSOLIDATED PROFIT & LOSS ACCOUNT

Specification by quarter 2001

DKKm	Q1 2001 unaudited	Q2 2001 unaudited	Q3 2001 unaudited
Net turnover	4,195	4,819	4,798
Production costs	3,105	3,622	3,539
Gross profit	1,090	1,197	1,259
Sales and distribution costs	394	386	371
Administrative and other costs	553	515	494
Other operating income	39	38	47
Earnings before interest, tax, depreciation and amortisation (EBITDA)	182	334	441
Depreciation and write-down of tangible fixed assets	222	215	212
Amortisation and write-down of intangible fixed assets	36	37	38
Earnings before interest and tax (EBIT)	(76)	82	191
Share of pre-tax profit of associated undertakings	35	45	41
Profit and loss on disposal of undertakings and activities	15	(4)	25
Financial income	372	273	59
Financial expenses	463	341	153
Earnings before tax (EBT)	(117)	55	163
Tax for the period	8	73	(5)
Profit for the period	(125)	(18)	168
Minority interests' share of the profit for the period	1	13	13
FLS share of the profit for the period	(126)	(31)	155

CORE BUSINESSES

Breakdown of the Group by core businesses 3rd Quarter 2002

DKKm	F. L. Smidth Group	FLS Building Materials	Other companies ²	Core activities	FLS Aero-space Holding	FLS miljø ³	Other non-strategic activities ¹	FLS Group
Net turnover	5,084	3,004	(140)	7,948	2,076	1,138	1,300	12,462
Production costs	4,111	1,773	(105)	5,779	1,784	1,620	872	10,055
Gross profit	973	1,231	(35)	2,169	292	(482)	428	2,407
<i>Gross margin</i>	19.1%	41.0%	N/A	27.3%	14.1%	(42.4)%	33.0%	19.3%
Sales, distribution, administrative costs and other operating items	852	652	58	1,562	222	96	352	2,232
Earnings before interest, tax, depreciation and amortisation (EBITDA)	121	579	(93)	607	70	(578)	76	175
<i>EBITDA ratio</i>	2.4%	19.3%	N/A	7.6%	3.4%	(50.8)%	5.8%	1.4%
Depreciation and write-downs of tangible fixed assets	82	225	16	323	152	14	103	592
Amortisation and write-downs of intangible fixed assets	25	63	0	88	14	3	12	117
Earnings before interest and tax (EBIT)	14	291	(109)	196	(96)	(595)	(39)	(534)
<i>EBIT ratio</i>	0.3%	9.7%	N/A	2.5%	(4.6)%	(52.3)%	(3.0)%	(4.3)%
Share of pre-tax profit of associated undertakings	0	184	(7)	177	0	(6)	0	171
Profit and loss on disposal of undertakings	(2)	29	(520)	(493)	0	(112)	9	(596)
Net financial income and expenses	(2)	(98)	(0)	(100)	(61)	(7)	(33)	(201)
Earnings before tax (EBT)	10	406	(636)	(220)	(157)	(720)	(63)	(1,160)
<i>EBT ratio</i>	0.2%	13.5%	N/A	(2.8)%	(7.5)%	(63.3)%	(4.9)%	(9.3)%
Tax for the period	37	38	5	80	(6)	1	(22)	53
Profit / loss for the period	(27)	368	(641)	(300)	(151)	(721)	(41)	(1,213)
Minority interests' share	6	6	1	13	1	5	2	16
FLS Industries A/S' share of profit / loss for the period	(33)	362	(642)	(313)	(152)	(721)	(43)	(1,229)
CASH FLOWS								
Cash flows from operating activities	209	327	357	893	(85)	(29)	161	940
Acquisition and disposal of undertakings	53	136	618	807	0	(60)	228	975
Additions of fixed assets	(89)	(210)	(5)	(304)	(87)	(13)	(44)	(448)
Disposals of fixed assets	7	119	63	189	20	2	11	222
Other investments	(4)	(38)	(4)	(46)	0	(2)	(8)	(56)
Cash flows from investing activities	(33)	7	672	646	(67)	(73)	187	693
Cash flows from operations and investments	176	334	1,029	1,539	(152)	(102)	348	1,633
Cash flows from financing activities	(251)	(265)	(1,143)	(1,659)	163	285	(348)	(1,559)
Change in cash funds	(75)	69	(114)	(120)	11	183	0	74
NET INTEREST-BEARING DEBT/ (BALANCES)	(246)	1,688	248	1,690	1,465	(342)	488	3,301
BALANCE SHEET								
Intangible fixed assets	131	1,122	0	1,253	(110)	22	14	1,179
Tangible fixed assets	741	2,672	223	3,636	2,307	19	617	6,579
Fixed asset investments	254	1,273	194	1,721	20	6	47	1,794
Current assets	4,518	1,839	(1,862)	4,495	1,287	622	442	6,846
Total assets	5,644	6,906	(1,445)	11,105	3,504	669	1,120	16,398
Consolidated shareholders' equity	1,125	3,643	(16)	4,752	1,047	(283)	329	5,845
FLS share of shareholders' equity	1,112	3,377	(45)	4,444	1,042	(283)	280	5,483
Provisions	514	186	(5)	695	175	481	34	1,385
Long-term and current liabilities	4,005	3,077	(1,424)	5,658	2,282	471	757	9,168
Total liabilities	5,644	6,906	(1,445)	11,105	3,504	669	1,120	16,398
RETURN ON CAPITAL EMPLOYED								
Net operating profit after tax (NOPAT)	51	491	(715)	(172)	(115)	(698)	(20)	(1,005)
Average capital employed	2,979	5,711	(313)	8,377	2,904	(185)	1,292	12,388
Return on capital employed (ROCE)	1.7%	8.6%	N/A	(2.1%)	(3.9%)	N/A	(1.5%)	(8.1)%
Number of employees at end of period	4,473	2,914	163	7,550	3,238	297	1,130	12,215

1) Non-strategic activities consist of companies within the FLS Group that have been discontinued or will be discontinued in the longer term.

2) Other companies, etc. consist of companies without activities and other undertakings owned by the parent company plus the parent company and eliminations. As from 2001, however, elimination of inter-company profits within FLS Building Materials are placed within this segment.

3) A proportionate share of the Air Pollution Control activities that were transferred to F.L.Smith at 1 July 2002 is included for the first half of 2002.

CORE BUSINESSES

Breakdown of the Group by core businesses 3rd Quarter 2001

DKKm	F. L. Smidth Group	FLS Building Materials	Other companies ¹	Total	FLS Aero-space Holding	FLS miljø	Core activities	Non-strategic activities ²	FLS Group
Net turnover	5,299	4,322	(152)	9,469	2,478	1,180	13,127	685	13,812
Production costs	4,357	2,497	(134)	6,720	1,937	1,073	9,730	536	10,266
Gross profit	942	1,825	(18)	2,749	541	107	3,397	149	3,546
<i>Gross margin</i>	17.8%	42.2%	N/A	29.0%	21.8%	9.1%	25.9%	21.7%	25.7%
Sales, distribution, administrative costs and other operating items	848	1,165	67	2,080	226	181	2,487	102	2,589
Earnings before interest, tax, depreciation and amortisation (EBITDA)	94	660	(85)	669	315	(74)	910	47	957
<i>EBITDA ratio</i>	1.8%	15.3%	N/A	7.1%	12.7%	(6.3%)	6.9%	6.8%	6.9%
Depreciation and write-downs of tangible fixed assets	89	344	14	447	151	20	618	31	649
Amortisation and write-downs of intangible fixed assets	29	76	(2)	103	0	5	108	3	111
Earnings before interest and tax (EBIT)	(24)	240	(97)	119	164	(99)	184	13	197
<i>EBIT ratio</i>	(0.4%)	5.5%	N/A	1.3%	6.6%	(8.4%)	1.4%	1.9%	1.4%
Share of pre-tax profit of associated undertakings	0	140	(19)	121	0	0	121	0	121
Profit and loss on disposal of undertakings	6	6	19	31	5	0	36	0	36
Net financial income and expenses	28	(184)	45	(111)	(127)	0	(238)	(15)	(253)
Earnings before tax (EBT)	10	202	(52)	160	42	(99)	103	(2)	101
<i>EBT ratio</i>	0.2%	4.7%	N/A	1.7%	1.7%	(8.4%)	0.8%	(0.3%)	0.7%
Tax for the period	26	103	(49)	80	(4)	(1)	75	1	76
Profit / loss for the period	(16)	99	(3)	80	46	(98)	28	(3)	25
Minority interests' share	9	17	0	26	1	0	27	0	27
FLS Industries A/S' share of profit / loss for the period	(25)	82	(3)	54	45	(98)	1	(3)	(2)
CASH FLOWS									
Cash flows from operating activities	(661)	380	967	686	1	150	826	(11)	815
Acquisition and disposal of undertakings	(5)	73	275	343	3	11	357	0	357
Additions of fixed assets	(79)	(388)	(7)	(474)	(182)	(29)	(685)	(22)	(707)
Disposals of fixed assets	11	46	1	58	29	2	89	23	112
Other investments	(1)	(36)	3	(34)	0	0	(34)	(1)	(35)
Cash flows from investing activities	(74)	(305)	271	(108)	(150)	(16)	(274)	0	(274)
Cash flows from operations and investments	(735)	75	1,228	568	(149)	134	552	(11)	541
Cash flows from financing activities	601	1	(1,173)	(571)	87	(125)	(609)	4	(605)
Change in cash funds	(134)	76	55	(3)	(62)	9	(57)	(7)	(64)
NET INTEREST-BEARING DEBT/ (BALANCES)	160	2,885	(301)	2,744	2,314	99	5,156	290	5,446
BALANCE SHEET									
Intangible fixed assets	142	1,227	2	1,371	(189)	59	1,241	19	1,260
Tangible fixed assets	822	3,612	334	4,768	2,518	55	7,341	202	7,543
Fixed asset investments	217	1,269	1,029	2,515	20	17	2,552	7	2,559
Current assets	4,583	2,127	(1,220)	5,490	1,420	650	7,560	271	7,831
Total assets	5,764	8,235	145	14,144	3,769	781	18,694	499	19,193
Consolidated shareholders' equity	996	3,621	1,840	6,457	414	1	6,872	90	6,962
FLS share of shareholders' equity	957	3,307	1,840	6,104	408	1	6,513	90	6,603
Provisions	510	200	27	737	166	32	935	3	938
Long-term and current liabilities	4,258	4,414	(1,722)	6,950	3,189	748	11	406	11,293
Total liabilities	5,764	8,235	145	14,144	3,769	781	19	499	19,193
RETURN ON CAPITAL EMPLOYED									
Net operating profit after tax (NOPAT)	91	252	(48)	295	108	(84)	319	11	331
Average capital employed	2,979	7,011	1,079	11,069	3,118	494	14,680	385	15,065
Return on capital employed (ROCE)	3.1%	3.6%	(4.5%)	2.7%	3.5%	(17.1%)	2.2%	2.9%	2.2%
Number of employees at end of period	4,177	3,964	174	8,315	3,629	864	12,808	698	13,506

1) Other companies, etc. consist of companies without activities and other undertakings owned by the parent company plus the parent company and eliminations. As from 2001, however, elimination of inter-company profits within FLS Building Materials are placed within this segment

2) Non-strategic activities consist of companies within the FLS Group that have been discontinued or will be discontinued in the longer term. No adjustments have been made for activities disposed of during 2001 or transferred to non-strategic activities.

CORE BUSINESSES

Breakdown of FLS Building Materials Group by core businesses 3rd Quarter 2002

DKKm	Aalborg Portland	Unicon Group	Dansk Eternit Holding	Densit	Other com- panies etc. ¹	Core aktivities	Non-strate- gic activities ²	FLS Building Materials
Net turnover	1,216	1,030	787	86	(115)	3,004	930	3,934
Gross profit	561	425	199	38	8	1,231	379	1,610
<i>Contribution margin</i>	46.2%	41.3%	25.3%	44.7%	(7.0%)	41.0%	40.7%	40.9%
Sales, administrative, distribution costs and other oper. items	152	298	154	42	6	652	302	954
Earnings bef. interest, tax, depr./amort. (EBITDA)	409	127	45	(4)	2	579	77	656
Depreciation and write-downs of tangible fixed assets	103	70	57	2	(7)	225	90	315
Amortisation and write-downs of intangible fixed assets	8	12	8	0	35	63	8	71
Earnings before interest and tax (EBIT)	298	45	(20)	(6)	(26)	291	(21)	270
<i>EBIT ratio</i>	24.5%	4.4%	(2.6%)	(6.7%)	N/A	9.7%	(2.2%)	6.9%
Share of pre-tax profit of associated undertakings	10	2	0	0	172	184	1	185
Profit and loss on disposal of undertakings and activities	0	(2)	31	0	0	29	9	38
Net financial income and expenses	(15)	(47)	(28)	(2)	(6)	(98)	(27)	(125)
Earnings before tax (EBT)	293	(2)	(17)	(8)	140	406	(38)	368
Tax for the period	97	8	2	0	(69)	38	(20)	18
Profit/loss for the period	196	(10)	(19)	(8)	209	368	(18)	350
CASH FLOWS								
Cash flows from operating activities	169	(14)	13	(5)	164	327	156	483
Cash flows from operating and investing activities	47	(30)	140	(8)	185	334	349	683
NET INTEREST-BEARING DEBT/ (BALANCES)	109	725	590	14	250	1,688	389	2,076
BALANCE SHEET								
Fixed assets	1,728	831	668	26	1,814	5,067	615	5,682
Current assets	859	460	491	32	(3)	1,839	275	2,114
Total assets	2,587	1,291	1,159	58	1,811	6,906	890	7,796
Consolidated shareholders' equity	1,580	158	221	30	1,654	3,643	284	3,927
Provisions	9	70	107	0	0	186	29	215
Long-term and current liabilities	998	1,063	831	28	157	3,077	577	3,654
Total liabilities	2,587	1,291	1,159	58	1,811	6,906	890	7,796
Net operating profit after tax (NOPAT)	206	37	5	(8)	251	491	(4)	487
Average capital employed	1,689	971	918	46	2,087	5,711	1,053	6,764
Return on capital employed (ROCE)	12.2%	3.8%	0.6%	(16.6%)	12.0%	8.6%	(0.4%)	7.2%
Number of employees at 30 September 2002	866	767	1,204	77	0	2,914	789	3,703

1) Other companies, etc. consist of companies with no activities and other undertakings owned by the parent company as well as the parent company and eliminations.

2) Non-strategic activities consist of FLS Building Materials companies, which have been discontinued or will be discontinued in the longer term.

CORE BUSINESSES

Breakdown of FLS Building Materials Group by core businesses 3rd Quarter 2001

DKKm	Aalborg Portland	Unicon Group	Dansk Eternit Holding	Densit	Other companies etc. ²	Core aktiviteter	Non-strategic activities ³	FLS Building Materials
Net turnover	1,212	2,358	725	103	(76)	4,322	0	4,322
Gross profit	634	966	162	50	13	1,825	0	1,825
<i>Contribution margin</i>	52.3%	41.0%	22.4%	48.5%	(17.1%)	42.2%	N/A	42.2%
Sales, administrative, distribution costs and other oper. items	294	677	139	40	15	1,165	0	1,165
Earnings bef. interest, tax, depr./amort. (EBITDA)	340	289	23	10	(2)	660	0	660
Depreciation and write-downs of tangible fixed assets	98	202	58	2	(16)	344	0	344
Amortisation and write-downs of intangible fixed assets	2	41	10	0	23	76	0	76
Earnings before interest and tax (EBIT)	240	46	(45)	8	(9)	240	0	240
<i>EBIT ratio</i>	19.8%	2.0%	(6.2%)	8.0%	11.8%	5.5%	N/A	5.5%
Share of pre-tax profit of associated undertakings	18	2	7	(1)	114	140	0	140
Profit and loss on disposal of undertakings and activities	0	(47)	0	0	53	6	0	6
Net financial income and expenses	(8)	(120)	(37)	0	(19)	(184)	0	(184)
Earnings before tax (EBT)	250	(119)	(75)	7	139	202	0	202
Tax for the period	77	(24)	11	2	37	103	0	103
Profit for the period	173	(95)	(86)	5	102	99	0	99
CASH FLOWS								
Cash flows from operating activities	290	126	(80)	5	39	380	0	380
Cash flows from operating and investing activities	210	28	(118)	(6)	(39)	75	0	75
NET INTEREST-BEARING DEBT/ (BALANCES)	(34)	1,919	691	4	305	2,885	0	2,885
BALANCE SHEET								
Fixed assets	1,363	2,478	768	24	1,475	6,108	0	6,108
Current assets	624	915	461	43	84	2,127	0	2,127
Total assets	1,987	3,393	1,229	67	1,559	8,235	0	8,235
Consolidated shareholders' equity	1,375	776	260	41	1,169	3,621	0	3,621
Provisions	11	86	106	0	(3)	200	0	200
Long-term and current liabilities	601	2,531	863	26	393	4,414	0	4,414
Total liabilities	1,987	3,393	1,229	67	1,559	8,235	0	8,235
Net operating profit after tax (NOPAT)	177	(14)	(50)	6	133	252	0	252
Average capital employed	1,338	3,011	1,013	41	1,608	7,011	0	7,011
Return on capital employed (ROCE)	13.2%	(0.5%)	(4.9%)	13.3%	8.3%	3.6%	N/A	3.6%
Number of employees at 30 September 2002	839	1,882	1,159	82	2	3,964	0	3,964

1) As at 1 January 2002, Aalborg Portland and Aalborg Portland White are included as a group. The comparative figures for 2001 are adjusted accordingly.

2) Other companies, etc. consist of companies with no activities and other undertakings owned by the parent company as well as the parent company and eliminations.

3) Non-strategic activities consist of companies within FLS Building Materials that have been discontinued or will be discontinued in the longer term. No adjustment has been made for activities disposed of in 2001 or transferred to non-strategic activities.

CONSOLIDATED SHAREHOLDERS' EQUITY

Consolidated shareholder's equity 3rd Quarter 2002

DKKm	Share capital	Reserve acc. to the equity method	Other undistributable reserves	Other reserves	FLS' total share	Total minority interests' share	Total
Opening balance, 1 January 2002	1,064	808	830	3,925	6,627	343	6,970
Exchange adjustments		(7)		(170)	(177)	6	(171)
Hedging of exchange rate adjustments				158	158	0	158
Profit for the period		35	(16)	(1,248)	(1,229)	16	(1,213)
Adjustments concerning the sale of NKT Holding A/S *)		109			109	0	109
Other adjustments in shareholders' equity		10		(15)	(5)	(2)	(7)
Total profit for the period	0	147	(16)	(1,275)	(1,144)	20	(1,124)
Dividend proposed					0		0
Dividend distributed		0		0	0	(12)	(12)
Transfer between reserves		(185)	22	163	0	0	0
Additions and disposals of minority interests					0	11	11
Shareholders' equity, 30 Sep. 2002 before dividend	1,064	770	836	2,813	5,483	362	5,845
Proposed dividend					0	0	0
Shareholders' equity, 30 Sep. 2002	1,064	770	836	2,813	5,483	362	5,845

FLS Industries A/S has not acquired own shares during the period. FLS Industries A/S owns 1,303,774 own B shares with a nominal value of DKK 26.1m, or 2.5% of the share capital. Own shares are used to cover the company's option obligations

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 were issued during the period under review.

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

Consolidated shareholder's equity 3rd Quarter 2001

DKKm	Share capital	Reserve acc. to the equity method	Other undistributable reserves	Other reserves	FLS' total share	Total minority interests' share	Total
Opening balance, 1 January 2001	1,064	2,227	847	3,415	7,553	413	7,966
Exchange adjustments		(4)		(22)	(26)	(6)	(32)
Hedging of exchange rate adjustments				6	6		6
Profit for the period		(1,014)	(7)	1,019	(2)	27	25
Value adjustment							
Other adjustments in shareholders' equity		(1)		(49)	(50)	(10)	(60)
Total profit for the period	0	(1,019)	(7)	954	(72)	11	(61)
Dividend proposed					0		0
Dividend distributed		(433)		(445)	(878)	(7)	(885)
Transfer between reserves		0	(3)	3	0	0	0
Additions and disposals of minority interests					0	(58)	(58)
Shareholders' equity, 30 Sep. 2001 before dividend	1,064	775	837	3,927	6,603	359	6,962
Proposed dividend					0		0
Shareholders' equity, 30 Sep. 2001	1,064	775	837	3,927	6,603	359	6,962



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