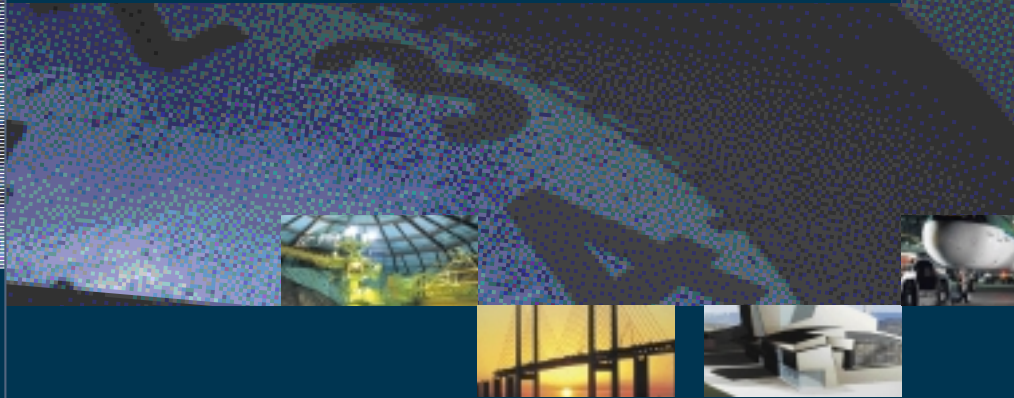


Copenhagen Stock Exchange
Nikolaj Plads 6
1067 Copenhagen K.

MESSAGE TO THE STOCK EXCHANGE NO 09-2001

1ST QUARTER REPORT
FLS INDUSTRIES A/S

1 January-31 March 2001



FLS

FLS INDUSTRIES



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Financial calendar 2001	
8 March	Annual Accounts 2000
1 May	Annual General Meeting
29 May	1st quarter
28 August	1st half year
20 Nov.	3rd quarter

Unchanged expectations for 2001

Given the present cyclical trends and order processing, FLS Industries expects an EBIT of DKK 0.7bn and a pretax profit of DKK 0.5bn, based on a turnover of DKK 21bn.

This 1st quarter report of FLS Industries A/S is an English translation of the original 1st quarter 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 cases the original Danish version shall prevail.

The financial performance in the first quarter, which traditionally is the Group's lowest earningswise, was at the level attained in the same period last year despite the lapse of the extraordinary additional sales of building materials which resulted from the storms in 1999/2000. A decline in the sale of fibre cement in Denmark, a decrease in F.L.Smith's sale of cement equipment in USA and increased losses in FLS miljø have contributed negatively to the result. FLS Aerospace has improved its performance considerably relative to 2000.

The F.L.Smith Group's total order backlog and order intake are satisfactory. Expenses are continuously adjusted.

FLS Building Materials shows progress outside Denmark, where the construction market has peaked.

As expected, FLS Aerospace's thorough rationalisation attempts ensured increased

profits in the first quarter. As in prior years, low capacity utilisation will squeeze earnings in the second and third quarters of the year.

FLS miljø's continued unsatisfactory performance is primarily due to the poor order intake in 2000. The order intake in the next few months is decisive for any further adjustment of the cost base.

EBIT in the period were DKK ÷76m (2000: DKK ÷80m) and cash flows from operating activities were DKK ÷522m (DKK ÷731m).

FLS's interest-bearing net debt at 31 March 2001 was DKK 6,080m (DKK 3,679m). Shareholders' equity totalled DKK 7,767m (DKK 9,523m). ROCE was 0%.

Questions prompted by this announcement may be directed to Peter Assam, Group Executive Officer, tel. +45 36 18 18 00 (from 3.00 pm).

The Board of Directors of FLS Industries A/S has today reviewed and adopted the report and accounts for the 1st quarter of 2001 as outlined on the following pages. The report and accounts are unaudited.

Valby, 29 May 2001


Ib Christensen

Chairman of the Board of Directors


Peter Assam

Group President and CEO

KEY FIGURES

DKKm	1 qrt 2000 unaudited	The year 2000	1 qrt 2001 unaudited
PROFIT AND LOSS ACCOUNT			
Net turnover	4,295	19,205	4,195
Production costs	3,275	14,734	3,105
Gross profit	1,020	4,471	1,090
Gross profit margin	23.7%	23.3%	26.0%
Sales-, distribution-, administrative costs and other operating items	879	3,926	908
Earnings before interest, tax, depreciation and amortisation (EBITDA)	141	545	182
EBITDA ratio	3.3%	2.8%	4.3%
Depreciation	208	876	222
Amortisation	13	127	36
Earnings before interest and tax (EBIT)	(80)	(458)	(76)
EBIT ratio	-1.9%	-2.4%	-1.8%
Share of pre-tax profit of associated undertakings	1,655	1,603	35
Profit and loss on the sale of undertakings	2	60	15
Net financial income and expenses	(31)	(476)	(91)
Earnings before tax (EBT)	1,546	729	(117)
EBT ratio	36.0%	3.8%	-2.8%
Tax for the period	18	(114)	8
Profit/loss for the period	1,528	843	(125)
Minority interests' share	528	578	1
FLS Industries A/S' share of the profit for the period	1,000	265	(126)
CASH FLOWS			
Cash flows from operating activities	(731)	(26)	(522)
Acquisition and disposal of undertakings	1	(1,984)	310
Acquisitions of fixed assets	(282)	(1,110)	(191)
Disposals of fixed assets	42	160	26
Other investments	547	434	(13)
Cash flows from investing activities	308	(2,500)	132
Cash flows from operating and investing activities	(423)	(2,526)	(390)
Cash flows from financing activities	189	2,175	320
Change in cash funds	(234)	(351)	(70)
Net interest-bearing debt	3,679	5,661	6,080
BALANCE SHEET			
Intangible fixed assets	161	1,308	1,291
Tangible fixed assets	7,514	8,028	7,748
Fixed asset investments	4,520	4,253	4,026
Current assets	9,015	8,571	8,603
Total assets	21,210	22,160	21,668
Consolidated shareholders' equity	9,523	7,966	7,767
FLS Industries A/S' share of shareholders' equity	7,107	7,553	7,420
Provisions	1,413	1,436	1,109
Long-term and current liabilities	10,274	12,758	12,792
Total liabilities	21,210	22,160	21,668
Return on capital employed			
Adjusted operating profit after tax (NOPAT)	1,582	889	(28)
Average capital employed	14,389	14,459	15,620
Return on capital employed (ROCE)	11.0%	6.1%	-0.2%
FINANCIAL RATIOS			
Including minority interests' share			
Return on equity	17%	11%	-2%
Equity ratio	45%	36%	36%
Number of employees, end of period			
Number of employees, end of period	14,431	14,641	13,966
Number of employees in Denmark	5,060	4,776	4,481

DIRECTORS' REPORT

1st quarter 2001

Squeezed earnings in the first quarter as in prior years

FLS' financial results and cash flows from operating activities were lower than expected in the first three months of the year, due, among other reasons, to losses in DEH and FLS miljø and declining sales to the US cement industry. With the exception of the first quarter of 2000, where the building material activities were profitable due to the extraordinary additional sales following the winter storms in 1999/2000, FLS is usually in the red in the first three months of the year. FLS Building Materials' performance will continue to be considerably affected by seasonal fluctuations.

In the aggregate, F.L.Smith's order book and order intake were satisfactory in the first quarter of the year. The sale of service, spare parts, etc. ran into DKK 0.6bn in the period from January to March, which is above the level attained in 2000. However, the growth trends have slowed down due to a decrease in the order intake in USA. FFE Minerals continues to show progress.

FLS Building Materials' turnover and financial performance are adversely affected by declining sales of fibre cement products in Denmark, resulting from the negative mention of DEF 1994's suspension of payments. The decline in the Danish building cycle is mitigated by progress in other countries.

The restructuring of FLS Aerospace contributed to EBIT of DKK 83m in the 3-month period ended 31 March 2001, which is FLS Aerospace's peak season. The implementation of the new efficient work processes in the hangars and the coordi-

nation of resources across operations continue.

FLS miljø's order book and order intake are unsatisfactorily low. The incorporation of the Kyoto Agreement in European legislation and the plans to extensively increase the US power capacity enhance the possibilities of increased sales.

As part of the alignment of the FLS Group, RM Industrial Group was sold on 8 March for DKK 350m. At the same time, the exchange ratio of 1 APH:1.2 FLS in the merger between FLS Industries and the subsidiary Aalborg Portland Holding was published.

Post balance sheet events

In April and May, the merger of Aalborg Portland Holding and FLS Industries was adopted by the shareholders at Annual General Meetings in the two companies (Stock Exchange Announcement no. 8-2001).

FLS Industries directly owns 26% of NKT Holding (Stock Exchange Announcement no. 7-2001).

F.L.Smith wins turnkey order of well over DKK 1.0bn to Buxton Lime, UK (Stock Exchange Announcement no. 6-2001).

Expectations for 2001

Given the present cyclical trends and order processing, EBIT is expected to total approx. DKK 0.7bn, and a pretax profit of DKK 0.5bn is expected, based on a turnover of DKK 21bn.



DIRECTORS' REPORT

F.L.Smith's EBIT are expected to reach approx. DKK 0.2bn, based on a turnover of DKK 8.0bn. FLS Building Materials expects EBIT to reach the 2000 level, based on a turnover of DKK 6.0bn. FLS Aerospace's earnings are expected to be normalised at the end of 2001, as profitability continues to be squeezed in the summer months. FLS miljø expects to improve its performance, although the results continue to be highly unsatisfactory. FLS miljø's performance is very dependent on the order intake in the short run.

Financial Review

The unaudited interim accounts for the first quarter of 2001 have been presented in accordance with IAS, the Danish Company Accounts Act, relating Executive Orders and instructions on the financial reporting of listed companies, issued by the Copenhagen Stock Exchange, including Danish accounting standards. As announced in the Annual Report for 2000, IAS 39 on recognition and measurement of financial instrument became effective at 1 January 2001. IAS 39 has not been implemented, but is expected, as mentioned in the Annual Report for 2000, to be implemented before the end of 2001.

Profit and Loss Account

Turnover in the period was DKK 4.2bn, which is at the level attained in 2000. Turnover is adversely affected by the decrease in the order intake in 2000 in FLS miljø, a decline in the sale of building materials in Denmark and lower turnover in the F.L.Smith Group. This is compensated by FLS Building Materials' turnover outside Denmark.

EBITDA were DKK 41m higher than in the same period in 2000. The improvement is primarily due to the distinctive improvement of the results of FLS Aerospace in the first quarter of the year.

Depreciation and amortisation of intangible fixed assets increased on the same period last year due to the large investments in the group companies within FLS Building Materials.

EBIT were DKK ÷76m in the period, which is at the level attained in the same period in 2000. However, the loss reflects large fluctuations in the individual companies.

Net financial income/expenses increased as a result of the Group's increased net interestbearing debt.

The pretax loss for the period came at DKK ÷117m, and the loss after tax was DKK ÷125m.

Consolidated Cash Flow Statement

Cash flows from operating activities totalled DKK ÷522m. This is essentially due to an increase in the funds tied up in working capital.

Cash flows from investing activities were DKK 132m, positively affected by the sale of RMIG.

Interestbearing debt in the period increased by DKK 0.4bn, and net interest-bearing debt totalled DKK 6.1bn at 31 March 2001.

Balance Sheet

The balance sheet total fell by DKK 0.5bn from the end of 2000; mainly as a consequence of the sale of RMIG.

Consolidated shareholders' equity represents DKK 7.8bn, which is DKK 0.2bn below shareholders' equity at yearend 2000. Shareholders' equity is affected by the reduction of minority shareholders in RMIG.

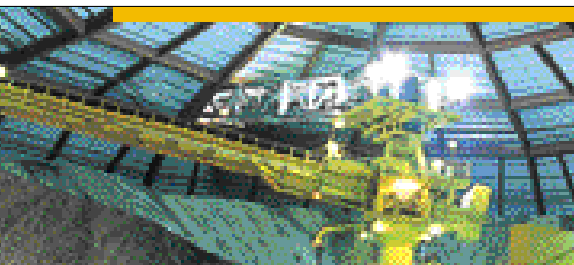
Related Party Transactions

In the period since the most recent Annual Accounts, the companies in the Group have not carried through any significant transactions with important shareholders, members of the Board of Directors or the Management or with companies outside the FLS Group, in which these parties have an interest.

Related parties:

Aktieselskabet Potagua, Kalvebod Brygge 20, DK-1560 Copenhagen V, owns 46% of the shares and holds 63% of the votes in FLS Industries A/S.

Aktieselskabet Potagua has an outstanding balance with FLS Industries A/S' finance department on normal market terms. At the balance sheet date, the balance totals DKK 111m. In addition, Aktieselskabet Potagua has an outstanding balance with a company in the FLS Industries Group, FFE Invest. The balance is DKK 22m.



F.L.SMIDTH GROUP

Leading supplier to the cement industry

The F.L.Smith group provides production facilities, equipment and services to various industries, notably the cement and mineral processing industries worldwide. The group is the world's leading supplier of cement engineering and service solutions.

DKKm	Q1 2000 (unaudited)	The year 2000	Q1 2001 (unaudited)
Turnover	1,657	7,389	1,406
Gross profit	237	1,105	219
EBIT	(58)	(272)	(87)
Loss after tax	(18)	(336)	(76)
Cash flows from operating activities	(99)	(38)	(399)
Cash flows from operating and investing activities	(101)	(107)	(446)

DKKm	Turnover Q1 2000	Order intake* Q1 2000	Order book* 31 March 2001
Cement	1,041	1,241	5,108
Mineral processing	180	352	812
Pyroprocessing	43	87	208
Chemical and petrochemical industry	14	7	9
Power generation	24	50	101
Other	104	169	357
In total	1,406	1,906	6,595
*sales prices			

In the first quarter of the year, F.L.Smith's intake of large orders and basic orders totalled DKK 1.9bn. The intake of large orders (sales value exceeding DKK 50m or a contribution margin exceeding DKK 10m) totalled DKK 0.6bn.

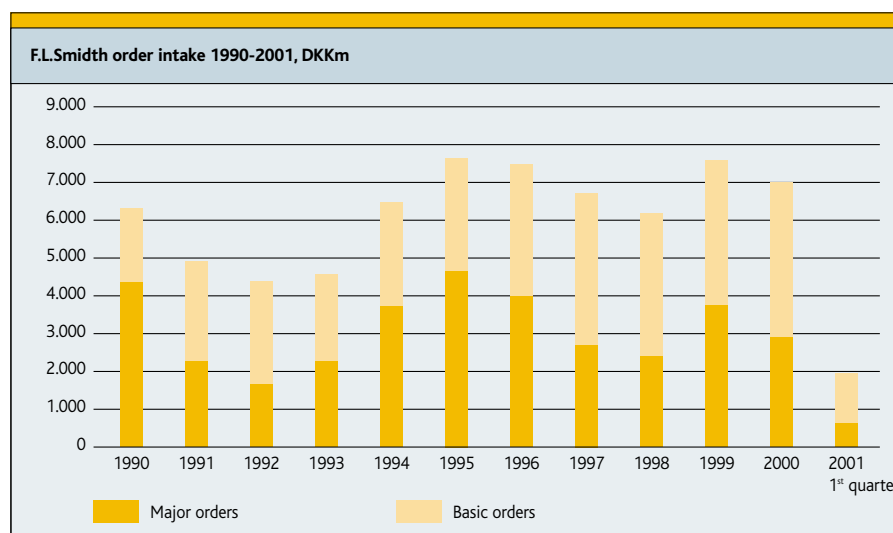
The order intake in the aftermarket was well over DKK 0.6bn in the first three months of 2001, despite recession in USA. Thus, the positive trends in 2000, where the annual sale of spare parts, service, etc. reached DKK 2.0bn, were maintained.

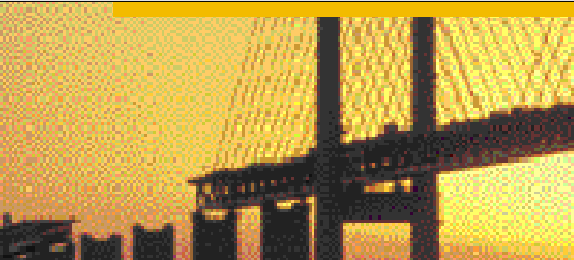
Well over 10% of the order book at the end of March represented turnkey projects, where contract work typically accounts for half the order sum. The processing of the volume of orders in Egypt, DKK 1.1bn, proceeds as planned.

F.L.Smith's performance is hampered by, among other factors, the slowdown in the US market and additional project processing expenses. The new global cement organisation

with key account managers who are to optimise customer servicing enhances the possibilities of efficiently utilising resources crosswise of the three design and engineering centres in USA, Denmark and India, respectively.

Cash flows from operating activities totalled DKK ÷0.4bn and ROCE was ÷1%. F.L.Smith's cash flow and financial performance typically show large fluctuations over the year due to the dependency on prepayments on large orders.





FLS BUILDING MATERIALS

FLS
Building Materials
www.flsbuildingmaterials.com

Active worldwide *building on cement*

FLS Building Materials' products are based on cement. The production and sale of white cement and densit products is global, and the regional activities within the areas of grey cement, concrete and fibre cement are expanded.

FLS Building Materials' total EBIT fell below expectations in the first quarter of 2001 – primarily because sales of fibre cement products in Denmark are affected by the negative mention of DEF 1994's suspension of payments in January. Compared to the same period in 2000, where the company reported a profit instead of, as usual, a loss in the first months of the year, the results in 2001 are also affected by the decline in public investments in Denmark and the lapse of the excess sales following the heavy storms in the winter of 1999/2000. Sales of white and grey cement lived up to expectations, and so did Unicon's aggregate sales.

Investments in the period totalled DKK 108m and ROCE was 0%.

Aalborg Portland and Aalborg Portland White

www.aalborg-portland.dk

Aalborg Portland's sale of grey cement to the Danish market fell slightly below the level for 2000, as construction activities in Denmark have now peaked after many years of booming. Rising exports of grey cement make up for the downturn in Denmark. Sales of white and grey cement totalled DKK 130 and DKK 250m, respectively, in the first quarter of 2001.

The modernisation and expansion of the Malaysian production line for white cement proceeds as planned and is expected to be complete by

DKKm	Q1 2000 unaudited	The year 2000	Q1 2001 unaudited
Turnover	1,118	5,621	1,265
Gross profit	471	2,377	485
EBIT	50	429	(43)
Profit/loss after tax	1,627	1,638	(65)
Cash flows from operating activities	(18)	673	(71)
Cash flows from operating and investing activities	424	(1,313)	(179)

mid-2002. The facility in Sinai, Egypt, is expected to start full production at the end of August. The international production reduces the distance to the customers and ensures Aalborg Portland access to the strategically important raw materials. Attempts are therefore made to strengthen the production in Denmark, Malaysia and Egypt by ensuring capacity elsewhere, including Eastern Europe.

Aalborg Portland and F.L.Smidt and FLS miljø have embarked on an experiment where motorcar tyres are used as fuel. The purpose of the experiment is to reduce the energy costs related to the production of cement. Aalborg Portland has entered into an agreement with DAKA on the sale of up to 50,000 tonnes annually of bone meal to be used as fuel in the facility in Aalborg.

The companies' investments in the period totalled DKK 40m. Aalborg Portland's ROCE reached ÷1%.

Unicon Group

www.unicon.dk

Unicon Group's Scandinavian activities are influenced by the continued high level of building activity, particularly in Sweden. Turnover in Scandinavia in the period, DKK 0.3bn, showed an EBIT-profit.

The new management with regard to the American activities is in the process of enhancing the efficiency of the business, which showed a minor EBIT-loss and a turnover of almost DKK 0.3bn, in the first quarter. The turnaround proceeds according to plans that are to restore profitability in USA in the course of 2001 and 2002.

Plans are to transfer Unicon's experience with regard to satellitemanaged logistics within the field of readymix concrete in Denmark to the other markets under the One Company project, which is to

harmonise working processes across markets. Sales of readymix concrete totalled almost DKK 500m in the quarter.

As part of its efforts to enhance efficiency and as part of its geographical focus, Unicon has sold three unprofitable concrete production facilities in USA in May.

Investments in the period totalled DKK 34m, and ROCE was ÷1%.

Dansk Eternit Holding

www.deh.dk

DEH's turnover and earnings are influenced by decreasing demand in Denmark following DEF 1994's suspension of payments. Relative to the first quarter of 2000, sales also fell as a result of the lapse of the excess sales following the winter storms in 1999/2000. Total turnover dropped by well over DKK 80m, necessitating a current adjustment of costs in the first months of the year. Danish turnover accounted for 33% of sales in the first quarter of 2001.

Investments in the period totalled DKK 8m, and DEH's ROCE was ÷3%.

Densit

www.densit.dk

Densit's turnover and earnings reflect a higher level of activity within the security and wear area than in 2000. The offshore market is still being cultivated intensively after the first orders for sea windmills and drilling platforms have been placed. Densit has invested in a British partner in order, through participation in the contracting out of densit products, to get closer to the endcustomers.

ROCE in the period was 0%.

FLS MILJØ



Environmental solutions

for power solutions and process industry

FLS miljø supplies biomass equipment and high-technology boilers for power stations and air filters and desulphurisation solutions for the energy sector and the manufacturing industry.

DKKm	Q1 2000 unaudited	The year 2000	Q1 2001 unaudited
Turnover	381	1.533	306
Gross profit	47	179	28
EBIT	(35)	(193)	(44)
Loss after tax	(39)	(207)	(47)
Cash flows from operating activities	(180)	(228)	34
Cash flows from operating and investing activities	(183)	(260)	29
DKKm	Turnover Q1 2000	Order intake* Q1 2000	Order book* 31 March 2001
Power stations, biomass	23	3	483
Power stations, fossil fuel	116	26	973
Waste incineration	3	4	6
Industrial	151	163	565
Operation and maintenance	13	15	6
In total	306	211	2,033

The order intake, primarily in the area of air filters, continues to be very unsatisfactory. A number of large orders for biomass equipment and conventional power stations will be determined in the next few months. If the order intake is not improved considerably over the summer, the cost base will be further adjusted.

For a long time, the liberalisation of the European energy market has damped down investments, which now seem to be on the increase. Progress is also noticeable in USA, where the energy production has not kept sufficient pace with economic growth.

FLS miljø's new management, represented by Preben Tolstrup, continues its focus and investigates the possibilities of co-operation with foreign partners in order to ensure a profitable exploitation of FLS miljø's technological platform.

Since 1 January 2001, FLS miljø has been in charge of the operation of Europe's largest biomass facility in the UK. The experience gained so far is positive. The construction and subsequent operation of biomass facilities is one of FLS miljø's core activities.

The unsatisfactory order backlog and realised poor order intake are the main causes of the loss of DKK ÷44m in the first quarter of the year. ROCE was ÷8% in the period.



FLS AEROSPACE

High efficient solutions for the airline industry

FLS Aerospace is a provider of high-efficiency aircraft maintenance and technical operation solutions. Leasing and repair of aircraft components form an integral part of the business.

The total contract portfolio at 31 March 2001 is DKK 7.5bn. The positive trend in the customer portfolio continued in the first quarter of 2001, where EBIT improved by more than DKK 100m to DKK 83m. The summer months – the second and third quarters of the year – are going to squeeze earnings also in 2001 as a result of low capacity utilisation.

The implementation of new working processes in the hangars under the Formula One project proceeds according to plans. The IT integration of the units in Dublin, Manchester Stansted and Copenhagen, which is going to enhance the utilisation of resources across units, is expected to be complete by the end of the year.

The efforts made to enhance the efficiency of working processes and the quality of the products contribute to an improvement of cash

flows from operating activities, which were DKK ÷67m in the period January-March 2001, against DKK ÷237m in the same period last year.

The profitable Component Management division's ROCE was 4% on capital employed of (DKK 1,672m), and EBIT totalled DKK 60m.

Investments in the period totalled DKK 32m and ROCE was 2%.

DKKm	Q1 2000 unaudited	The year 2000	Q1 2001 unaudited
Turnover	859	3,282	873
Gross profit	135	301	222
EBIT	(35)	(375)	83
Profit/loss after tax	(68)	(560)	46
Cash flows from operating activities	(237)	(423)	(67)
Cash flows from operating and investing activities	(385)	(764)	(98)

FLS PORTFOLIO

The companies in FLS Portfolio reported total EBIT of DKK 6m and a total turnover of DKK 379m. RM Industrial Group, which was sold in March, had a turnover of DKK 242m and EBIT of DKK 6m.

FLS Portfolio's assets totalled DKK 505m at the end of March 2001, including a number of properties in Denmark and elsewhere.

OTHER BUSINESSES

The associated company Secil SA, of which FLS Industries A/S indirectly holds 22.3%, performed satisfactorily. Reference is made to the company's homepage www.secil.pt.

As both of the associated companies NKT Holding (FLS' interest is 26%) and Spæncom (34%) are listed, reference is made to their most recent announcements of financial results on www.nkt.com and www.spaencom.com.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Consolidated profit and loss account

DKKm	1 qrt 2000 (unaudited)	The year 2000	1 qrt 2001 (unaudited)
Net turnover	4,295	19,205	4,195
Production costs	3,275	14,734	3,105
Gross profit	1,020	4,471	1,090
Sales and distribution costs	339	1,647	394
Administrative expenses and other expenses	565	2,411	553
Other operating income	25	132	39
Earnings before interest, tax, depreciation and amortisation (EBITDA)	141	545	182
Depreciation and write-downs of tangible fixed assets	208	876	222
Amortisation and write-downs of intangible fixed assets	13	127	36
Earnings before interest and tax (EBIT)	(80)	(458)	(76)
Share of pre-tax profit of associated undertakings	1,655	1,603	35
Profit and loss on disposal of undertakings	2	60	15
Financial income	450	1,446	372
Financial expenses	481	1,922	463
Earnings before tax (EBT)	1,546	729	(117)
Tax for the period	18	(114)	8
Profit for the period	1,528	843	(125)
Minority interests' share	528	578	1
FLS Industries A/S' share of the profit for the period	1,000	265	(126)
Earnings per share (EPS)	21,5	5,7	(2,4)
EPS, adjusted for own shares, etc.	21,9	5,8	(2,4)

CASH FLOW STATEMENT

Cash flow statement for the FLS Group

DKKm	1 qrt 2000 (unaudited)	The year 2000	1 qrt 2001 (unaudited)
Cash flows from operating activities			
Earnings before interest, tax, depreciation and amortisation (EBITDA)	139	545	182
Adjustments for profits and losses on purchase and sale of fixed assets	(30)	(48)	(11)
Adjusted EBITDA	109	497	171
Change in provisions	91	116	(25)
Change in working capital	(965)	(68)	(657)
Change in cash flow from work in progress, assets	(39)	(134)	1
Change in cash flow from work in progress, prepayments	149	(204)	94
Cash flows from operating activities before interest	(655)	207	(416)
Dividends received from associated undertakings	0	277	3
Financial payments and disbursements	(31)	(340)	(101)
Corporation taxes paid	(45)	(170)	(8)
Cash flows from operating activities	(731)	(26)	(522)
Cash flows from investing activities			
Acquisition of undertakings and activities	1	(1,984)	(10)
Disposal and discontinuance of undertakings and activities	0	0	320
Additions of fixed assets	(282)	(1,110)	(191)
Disposals of fixed assets	42	160	26
Acquisition and disposal of fixed asset investments	(13)	(83)	(32)
Reduction of share capital of associated undertakings	590	590	0
Bonds and listed shares	(30)	15	19
Acquisition of own shares	0	(88)	0
Cash flows from investing activities	308	(2,500)	132
Cash flows from operating and investing activities	(423)	(2,526)	(390)
Cash flows from financing activities			
Dividends	(103)	(500)	0
Capital increases in Group companies attributable to minority interests	0	149	1
Interest-bearing debt	292	2,526	319
Cash flows from financing activities	189	2,175	320
Change in cash funds	(234)	(351)	(70)
Cash funds at 1 January	899	899	548
Cash funds at end of period	665	548	478
The cash flow statement cannot be inferred from the published financial information only.			

CONSOLIDATED BALANCE SHEET

Assets

DKKm	1 qrt 2000 unaudited	Opening balance 01.01.2001	1 qrt 2001 unaudited
Fixed assets			
Goodwill	344	1,428	1,405
Negative goodwill	(209)	(198)	(195)
Patents and licenses	2	47	48
Other intangible fixed assets	24	31	33
Intangible fixed assets	161	1,308	1,291
Land and buildings	2,966	3,069	2,925
Plant, machinery and ships	2,342	2,815	2,627
Operating equipment, fixtures and fittings	862	367	325
Aircraft rotables	1,000	1,526	1,525
Assets in course of construction	344	251	346
Tangible fixed assets	7,514	8,028	7,748
Investments in associated undertakings	3,982	3,608	3,636
Other securities and investments	323	160	160
Other fixed asset investments	9	22	21
Amount owing, pension fund contribution	65	69	73
Tax asset	141	394	136
Fixed asset investments	4,520	4,253	4,026
Total fixed assets	12,195	13,589	13,065
Current assets			
Work-in-progress for third parties	1,332	1,227	1,226
Raw materials and consumables	790	879	810
Work-in-progress	134	96	180
Finished goods and goods for resale	574	604	603
Prepayments for goods	164	183	193
Stocks	2,994	2,989	3,012
Trade debtors	3,781	3,605	3,763
Amounts owed by associated undertakings	27	33	38
Other debtors	969	774	982
Prepayments	412	519	246
Debtors	5,189	4,931	5,029
Own shares	0	0	0
Bonds and listed shares	167	103	84
Securities	167	103	84
Cash at bank and in hand	665	548	478
Total current assets	9,015	8,571	8,603
TOTAL ASSETS	21,210	22,160	21,668

CONSOLIDATED BALANCE SHEET

Liabilities

DKKm	1 qrt 2000 unaudited	Opening balance 01.01.2001	1 qrt 2001 unaudited
Shareholders' equity			
Share capital	930	1,064	1,064
Net revaluation reserves according to the equity method	1,765	2,227	2,242
Other reserves	4,412	3,340	4,114
FLS Industries A/S' share of shareholders' equity before proposed dividend	7,107	6,631	7,420
Proposed dividend distribution	0	922	0
FLS Industries A/S' share of shareholders' equity	7,107	7,553	7,420
Minority interests' share of shareholders' equity before proposed dividend	2,416	408	347
Proposed dividend distribution	0	5	0
Minority interests' share of shareholders' equity	2,416	413	347
Total consolidated shareholders' equity	9,523	7,966	7,767
Provisions			
Deferred tax	532	405	115
Pensions and similar commitments	72	72	72
Warranty provisions	460	537	515
Restructuring of undertakings acquired	0	13	12
Restructuring of existing undertakings	0	7	5
Other provisions	349	402	390
Total provisions	1,413	1,436	1,109
Long-term and current liabilities			
Mortgage debt	364	273	338
Currency loans and bank debt	3,221	4,907	4,565
Long-term liabilities	3,585	5,180	4,903
Current portion of long-term debt	217	735	1,633
Currency loans and bank debt	79	810	105
Prepayments from customers	1,587	1,084	1,211
Work-in-progress	733	1,027	1,143
Trade creditors	2,241	2,211	2,012
Bills of exchange	5	5	0
Amounts owed to affiliated undertakings	137	108	133
Amounts owed to associated undertakings	4	1	1
Corporation tax payable	36	69	52
Other creditors	1,221	1,284	1,280
Deferred income	429	244	319
Current liabilities	6,689	7,578	7,889
Total long-term and current liabilities	10,274	12,758	12,792
Total long-term and current liabilities and provisions	11,687	14,194	13,901
TOTAL LIABILITIES	21,210	22,160	21,668

Notes not referred to in the above: Breakdown of the Group by core businesses in the period
Equity specification

KERNEVIRKSOMHEDER

Breakdown of the Group by core businesses in the period

DKKm	F.L.Smith Group	FLS Building Materials	FLS Aerospace	FLS miljø	FLS Portfolio ¹	Other companies etc. ²	FLS Group
Net turnover	1,406	1,265	873	306	379	(34)	4,195
Production costs	1,187	781	650	278	203	6	3,105
Gross profit	219	484	223	28	176	(40)	1,090
Contribution margin	15.6%	38.3%	25.5%	9.2%	46.4%		26.0%
Sales-, distribution-, administrative costs and other operating items	267	378	91	63	150	(41)	908
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(48)	106	132	(35)	26	1	182
EBITDA ratio	-3.4%	8.4%	15.1%	-11.4%	6.9%		4.3%
Depreciation	29	119	49	7	19	(1)	222
Amortisation	10	30	0	2	1	(7)	36
Earnings before interest and tax (EBIT)	(87)	(43)	83	(44)	6	9	(76)
EBIT ratio	-6.2%	-3.4%	9.5%	-14.4%	1.6%		-1.8%
Share of pre-tax profit of associated undertakings	0	40	0	0	0	(5)	35
Profit and loss on disposal of undertakings	0	0	0	0	0	15	15
Net financial income and expenses	14	(58)	(37)	(3)	(7)	0	(91)
Earnings before tax (EBT)	(73)	(61)	46	(47)	(1)	19	(117)
EBT ratio	-5.2%	-4.8%	5.3%	-15.4%	-0.3%		-2.8%
Tax for the period	3	4	0	0	1	0	8
FLS Industries A/S' share of the profit for the period	(76)	(65)	46	(47)	(2)	19	(125)
Minority interests' share	2	(1)	0	0	0	0	1
FLS Industries A/S' share	(78)	(64)	46	(47)	(2)	19	(126)
CASH FLOWS							
Cash flows from operating activities	(399)	(71)	(67)	34	7	(26)	(522)
Acquisition and disposal of undertakings	17	(10)	0	0	0	303	310
Additions of fixed assets	(65)	(122)	(32)	(5)	(6)	39	(191)
Disposals of fixed assets	1	24	0	0	0	1	26
Other investments	0	0	0	0	(1)	(12)	(13)
Cash flows from investing activities	(47)	(108)	(32)	(5)	(7)	331	132
Cash flows from operations and investments	(446)	(179)	(99)	29	0	305	(390)
Cash flows from financing activities	360	(15)	74	(12)	(11)	(76)	320
Change in cash funds	(86)	(194)	(25)	17	(11)	229	(70)
Interest-bearing net debt/balances	(154)	3,125	2,289	205	277	338	6,080
BALANCE SHEET							
Intangible fixed assets	151	1,823	(195)	42	19	(549)	1,291
Tangible fixed assets	865	3,805	2,521	68	227	262	7,748
Fixed asset investments	211	2,279	20	17	6	1,493	4,026
Current assets	4,868	1,857	1,776	675	253	(826)	8,603
Total assets	6,095	9,764	4,122	802	505	380	21,668
Consolidated shareholders' equity	981	5,193	414	52	92	1,035	7,767
FLS Industries A/S' share	937	4,894	410	52	92	1,035	7,420
Provisions	541	257	278	29	3	1	1,109
Long-term and current liabilities	4,573	4,314	3,430	721	410	(656)	12,792
Total liabilities	6,095	9,764	4,122	802	505	380	21,668
Return on capital employed							
NOPAT	(38)	(13)	71	(41)	6	(13)	(28)
Average capital employed	3,039	7,760	3,158	495	670	498	15,620
ROCE	-1%	0%	2%	-8%	1%	-3%	0%
Number of employees at end of period	4,017	4,531	3,670	913	670	165	13,966

1) FLS Portfolio consists of companies that in the longer term will leave the FLS Group.

2) Other companies, etc. consist of companies without activities, other undertakings owned by the parent company, and eliminations.

FLS BUILDING MATERIALS

Breakdown of the FLS Building Materials Group by core businesses

DKKm	FLS Building Materials	Aalborg Portland	Unicon Group	Dansk Eternit Holding	Densit
Net turnover	1,265	374	678	215	27
Production costs	781	207	413	174	13
Gross profit	484	167	265	41	14
Contribution margin	38.3%	44.7%	39.1%	19.1%	51.9%
Sales-, distr., adm. costs and other operating items	377	109	204	46	14
Earnings before interest, tax, depr. and amor. (EBITDA)	107	58	61	(5)	0
EBITDA ratio	8.5%	15.5%	9.0%	-2.3%	0.0%
Depreciation	120	33	66	20	0
Amortisation	30	1	14	4	0
Earnings before interest and tax (EBIT)	(43)	24	(19)	(29)	0
EBIT ratio	-3.4%	6.4%	-2.8%	-13.5%	0.0%
Share of pre-tax profit of associated undertakings	40	6	(1)	1	0
Profit and loss on disposal of undertakings	0	0	0	0	0
Net financial income and expenses	(58)	(3)	(37)	(12)	0
Earnings before tax (EBT)	(61)	27	(57)	(40)	0
EBT ratio	-4.8%	7.2%	-8.4%	-18.6%	0.0%
Tax for the period	4	9	(14)	(1)	0
FLS Industries A/S' share of the profit for the period	(65)	18	(43)	(39)	0
Minority interests' share	(1)	0	(2)	1	0
FLS Industries A/S' share	(64)	18	(41)	(40)	0
CASH FLOWS					
Cash flows from operating activities	(71)	19	33	(96)	0
Cash flows from investing activities	(108)	(40)	(34)	(8)	0
Cash flows from operations and investments	(179)	(21)	(1)	(104)	0
Cash flows from financing activities	(15)	(52)	(36)	90	0
Change in cash funds	(194)	(73)	(37)	(14)	0
Interest-bearing net debt/balances	3,125	196	2,001	679	(4)
BALANCE SHEET					
Fixed assets	7,907	1,397	2,656	782	16
Current assets	1,857	415	854	473	42
Total assets	9,764	1,812	3,510	1,255	58
Consolidated shareholders' equity	5,193	1,228	849	308	38
Provisions	257	15	113	108	1
Long-term and current liabilities	4,314	569	2,548	839	19
Total liabilities	9,764	1,812	3,510	1,255	58
Return on capital employed					
NOPAT	(13)	21	(19)	(27)	0
Average capital employed	7,760	1,380	3,058	1,028	36
ROCE	0%	2%	-1%	-3%	0%
Number of employees at end of period	4,531	705	2,338	1,256	85

CONSOLIDATED SHAREHOLDERS' EQUITY

Consolidated shareholders' equity

DKKm	Share capital	Reserve acc. to the equity method	Other undistributable reserves	Other reserves	FLS total share	Total minority interests' share	Total
Opening balance, 01.01.2001	1,064	2,227	847	3,415	7,553	413	7,966
Exchange adjustments				30	30	3	33
Hedging				(22)	(22)	0	(22)
Profit for the period		15	(2)	(139)	(126)	1	(125)
Dividend distributed				0	0	1	1
Other adjustments in shareholders' equity				(15)	(15)	(1)	(16)
Total movement of the period	0	15	(2)	(146)	(133)	4	(129)
Additions and disposals of minority interests					0	(70)	(70)
Shareholders' equity, 31.03.2001	1,064	2,242	845	3,269	7,420	347	7,767
<p>FLS Industries A/S has not acquired additional own shares during 2001.</p> <p>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</p> <p>Additional shares has not been issued in 2001.</p>							



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