

2004



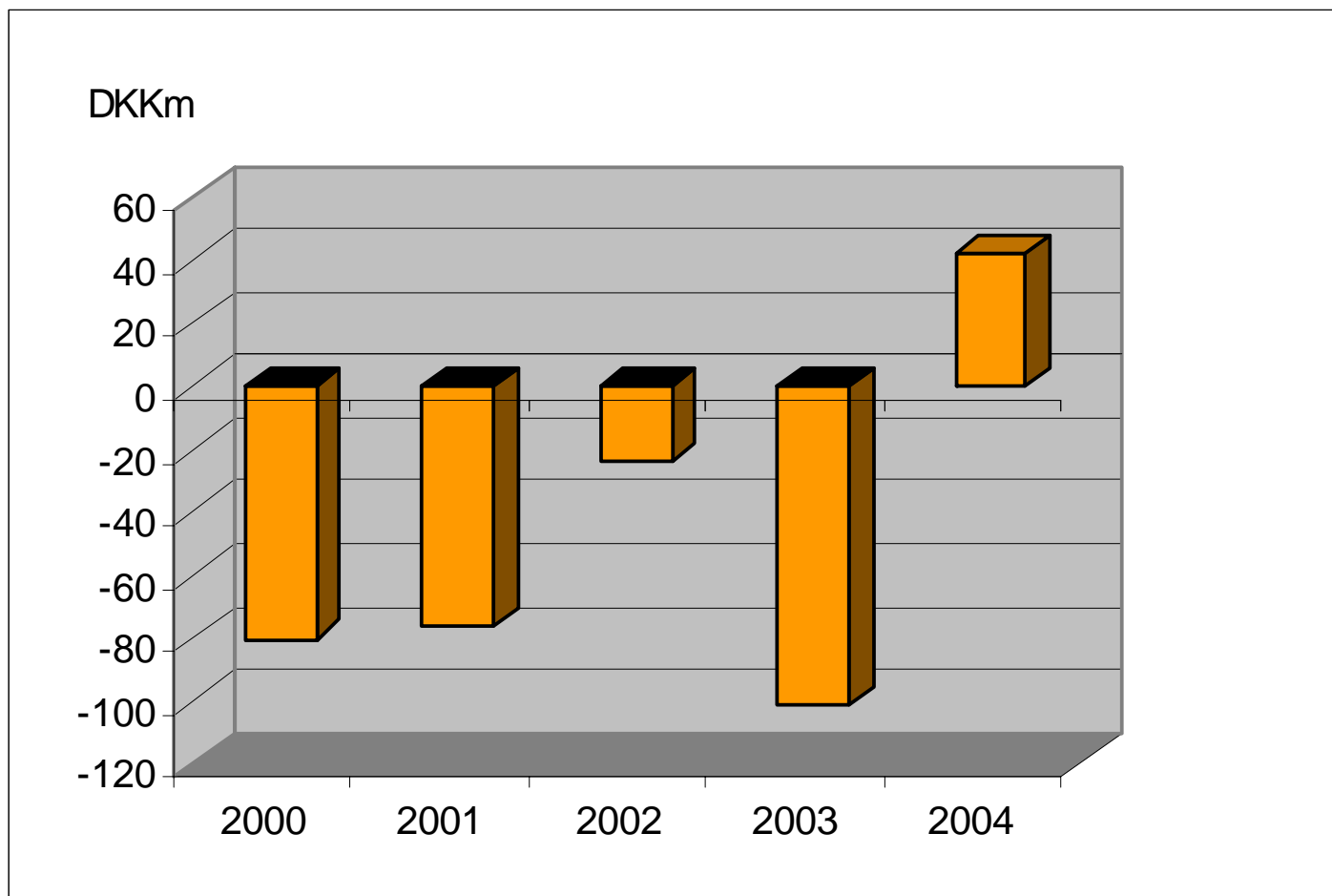
Interim report 1st Quarter 2004

FIS
INDUSTRIES

- Best Q1 result in several years
- Improved performance in all group companies
 - except in F.L.Smidth Airtech and FLS Aerospace
- Increased turnover in most group companies
- Satisfactory EBITA DKK 66m (2003; DKK -76m)
- Increased NIBD DKK 3.1bn (End 2003; DKK 2.4bn)
- Sale of FLS Aerospace to be finalised by the end of June
- Sale of Aalborg Portland and Unicon progressing as planned
- Earnings expectations for the year unchanged
- Turnover expectations for the year revised upwards
 - from *“in excess of DKK 12bn”* to *“DKK 13bn”*






1st quarter EBIT in recent years



Financial highlights 1st Quarter 2004

DKKm	Q1 2004	Q1 2003	End 2003
Net turnover	3,449	3,207	14,911
EBITDA	174	87	(101)
EBITA	66	(76)	(2,883)
EBIT	42	(101)	(2,990)
EBT	(7)	532	(2,550)
Earnings	(23)	520	(2,548)
CFFO	(250)	118	(200)
CFFI	(66)	1,042	533
Net interest-bearing debt	3,114	1,659	2,445

Financial highlights 1st Quarter 2004

1st Quarter (DKKm)	EBITA	
	2003	2004 
F.L.Smith	-13	10
FFE Minerals	8	9
F.L.Smith Airtech	-14	 -20
F.L.Smith Automation	-15	3
F.L.Smith Materials Handling	-8	-8
MAAG Gear	-2	4
Pfister	-1	10
Ventomatic	4	6
Dansk Eternit Holding	-24	4
Densit	-6	-4
Aalborg Portland	57	71
Unicon	-13	12
FLS Aerospace	22	 -18
FLS miljø	-57	-3
Others (Parent company, real estate companies, eliminations)	-15	-10
Total	-76	66

Financial highlights 1st Quarter 2004

EBIT result	DKK	m
F.L.Smidth	7	} 10 (excl. eliminations)
FFE Minerals	8	
F.L.Smidth Airtech	(20)	
F.L.Smidth Automation	3	
F.L.Smidth MH	(8)	
MAAG Gear	4	
Pfister	10	
Ventomatic	6	
Aalborg Portland	69	} 76 (excl..eliminations)
Unicon	9	
Dansk Eternit Holding	2	
Densit	(4)	
FLS Aerospace	(18)	
FLS miljø	(3)	
Others (eliminations etc.)	(23)	
FLS Industries	42	

Change in EBIT excl. non-recurring items

DKKm 1st quarter	2003	DKKm 1st quarter	2004
Reported EBIT	-101	Reported EBIT	42
Non-recurring items		Non-recurring items	
Aalborg Portland - waste tax case	32	Aalborg Portland - provision adjustment	18
FLS Aerospace - depreciations in 2003 (none in 2004)	-45	Aalborg Portland - Sinai tax issue	16
		Unicon - sale of property	15
EBIT excl. non-recurring items	-88	EBIT excl. non-recurring items	-7

A line connects the 2003 EBIT excl. non-recurring items value (-88) to the 2004 EBIT excl. non-recurring items value (-7). A circle at the bottom of this line contains the value +81, representing the total change.

On-going Business Q1 2004

DKKm	Q1 2004
Revenue	3,449
Sold/closed activities	666
Aalborg & Uicon	669
On-going Business	2,114
EBIT	42
Sold/closed activities	-21
Aalborg & Uicon	78
On-going Business	-15

Cement

- Increasing demand for contracts on a turnkey basis
- Difficult to freeze rising steel prices
 - ➔ Adjustment factor included in future proposals
- Kiln capacity growth in recent years has not even been enough to cover need for modernisation and replacement (approx. 1% p.a.). Furthermore, cement consumption is rising 2-3% p.a.
 - ➔ Need for new cement kiln capacity in the longer term

Minerals

- Positive trend continues
- The Indian market particularly interesting right now



- Satisfactory flow of orders
- Introduction of a new and more selective sales policy
- Creation of a new turnkey department



DKKm

Net turnover

Earnings before interest, tax and amortisation (EBITA)

Earnings before interest and tax (EBIT)

Q1 2004

1,193

10

7

Q1 2003

947

(13)

(17)

- Satisfactory intake of orders and earnings in all markets served
- Substantial order intake from India
- High activity within gold and copper, as well as lime and alumina extractive industries.



DKKm

Net turnover

Earnings before interest, tax and amortisation (EBITA)

Earnings before interest and tax (EBIT)

Q1 2004

299

9

8

Q1 2003

216

8

7

- EBIT adjusted for non-recurring items; DKK 37m
- Improvement in EBIT from ordinary activities DKK 12m compared to Q1 2003
- Especially global sales of white cement is growing
- Sales of grey cement to home market benefited from the mild winter, rising economic growth and low level of interest

DKKm

Net turnover

Earnings before interest, tax and amortisation (EBITA)

Earnings before interest and tax (EBIT)

Q1 2004

Q1 2003

387

293

71

57

69

55



- Q1 result favourably influenced by DKK 15m from sale of property
- Signs of growing optimism and economic recovery
- Acquisition of minority interests (46%) in Unicon AS, Norway

DKKm

Net turnover

Earnings before interest, tax and amortisation (EBITA)

Earnings before interest and tax (EBIT)

Q1 2004

Q1 2003

282

283

12

(13)

9

(17)



- West Burton is in test operation and is being optimized. Is expected to be handed over to the customer in 3rd quarter 2004
- Eggborough is in test operation and is expected to be handed over to the customer in 3rd quarter 2004.
- Elean – The operation and service contract is being transferred to the owner with effect from June 2004.

DKKm

Net turnover

Earnings before interest, tax and amortisation (EBITA)

Earnings before interest and tax (EBIT)

Q1 2004

Q1 2003

88

198

(3)

(57)

(3)

(57)

- The sale of FLS Aerospace to SR Technics expected to be finalized by the end of June 2004.
- Earnings prospects for 2004 take the timing and effect of the above transaction into account.

DKKm

Net turnover

Earnings before interest, tax and amortisation (EBITA)

Earnings before interest and tax (EBIT)

Q1 2004

Q1 2003

578

659

(18)

22

(18)

22

Revised guidance for 2004

- Turnover DKK 13bn (*previously "above DKK 12bn"*)
- EBITA DKK 400-500m
- EBIT DKK 300-400m
- EBT DKK 250-350m

