1 January - 31 March 2014 (Company announcement No. 12-2014)

Interim Report

Main conclusions Q1 2014

Financial results in Q1 2014

Revenue and earnings as expected. Guidance for 2014 unchanged. Efficiency programme on track. Order intake increased 4% adjusted for currency. Capital order intake still soft, whereas Customer Services displays double-digit organic growth. Unsatisfactory increase in net working capital expected to be reversed over the course of 2014. Main challenge is Mineral Processing due to market developments.

The order intake decreased
4% to DKK 4,841m
(Q1 2013: DKK 5,027m)

The order backlog decreased
1% to DKK 22,152m
(Q4 2013: DKK 22,312m)

Revenue decreased
11% to DKK 5,297m
(Q1 2013: DKK 5,921m)

EBITA increased
64% to DKK 327m
(Q1 2013: DKK 200m), corresponding to an EBITA margin of 6.2% (Q1 2013: 3.4%)

EBIT increased
115% to DKK 239m
(Q1 2013: DKK 111m) corresponding to an EBIT margin of 4.5% (Q1 2013: 1.9%)

Profit increased
229% to DKK 115m
(Q1 2013: DKK 35m)

Cash flow from operating activities
amounted to DKK -552m
(Q1 2013: DKK -466m)

Net working capital
amounted to DKK 3,040m
(end of Q4 2013: DKK 2,382m)

ROCE increased
to 7% (Q4 2013: 6%)

Financial results Q1 2014

FLSmidth

Revenue **DKK 5,297m**
EBITA margin **6.2%**
Order intake **DKK 4,841m**

	Customer Services	Material Handling	Mineral Processing	Cement
Revenue	DKK 1,770m	DKK 1,040m	DKK 1,416m	DKK 963m
EBITA margin	12.9%	-2.7%	4.8%	6.5%
Order intake	DKK 2,066m	DKK 1,056m	DKK 1,041m	DKK 928m

Market trends

After several years of weakness, most of the increase in global growth is now expected to come from high-income countries, while growth in many emerging market economies is slowing.

As a consequence of declining return on capital over the last decade and challenges to cover dividends in the short term, mining companies remain focused on cost and capital efficiency, resulting in a continued mining capex downturn. However, most commodity prices are still well above cash costs and investment thresholds, with the notable exception of coal. Overall, the downturn is expected to continue throughout 2014 and to flatten out or slightly drop in 2015, before returning to slow growth in 2016. The recovery is expected to start with brownfield and single equipment investments, before gradually moving into large expansions and greenfield projects. In the long term, the positive outlook for mining capex remains encouraging.

FLSmidth's mining aftermarket is holding up well. Most mines are running continuously, causing wear and tear, and generally mines need to run at close to full capacity in order for the equipment to work efficiently. As a result, productivity enhancing services are in high demand.

The high degree of technology in FLSmidth's products and services means that in general, FLSmidth has managed to limit sales price erosion.

In cement, the industry has been walking on the bottom of a cycle for a few years already. Capacity utilisation in the global cement industry remains relatively subdued around 70-75%, although with good local or regional opportunities. The struggling Indian economy is still a weigh on global growth, while the continuation of the US recovery should entail renewed opportunities in North America. Medium to long term cement fundamentals are encouraging with expectations of a continued expansion of cement consumption and a renewed need for additional capacity.

In 2014, the activity level is expected to be slightly higher or similar to 2013. A recovery is not expected until 2015, depending on overall global economic growth and business sentiment.

Productivity and efficiency improvements are increasingly requested by cement producers, and as the world's only provider of full scale operation and maintenance solutions to the global cement industry, FLSmidth helps its customers to achieve productivity targets. Also, the composition of FLSmidth's service business with a high degree of spare parts, and less wear parts and consumables business, makes it relatively resilient to pricing pressure.

The overall service business remains in relatively good shape with coal being the only notable exception. However, with no contribution from acquisitions and both the mining and cement industry in relatively low gear, single digit growth rates are more realistic in the short term.

Guidance 2014 (unchanged)

In 2014, FLSmidth & Co. A/S expects consolidated **revenue of DKK 21-24bn** (2013: DKK 26.9bn) and an **EBITA margin of 7-9%** (2013: 3.6%).

Cost associated with the efficiency programme is expected to amount to approximately DKK -70m in 2014, which is included in the guidance.

The return on capital employed is expected to be 11-13% in 2014 (2013: 6%).

The effective tax rate is expected to be 33-35% in 2014. (2013: 35% estimated underlying).

Cash flow from investments is expected to be around DKK -0.4bn (2013: DKK -0.6bn).

The four divisions are expected to see the following developments in 2014:

	Expected revenue	Expected EBITA margin
Customer Services	DKK 7.5-8.5bn (2013: 7.6bn)	13-15% (2013: 9.1%)
Material Handling	DKK 3.5-4.5bn (2013: 4.6bn)	0-2% (2013: -11.2%)
Mineral Processing	DKK 5.5-6.5bn (2013: 9.3bn)	6-8% (2013: 8.2%)
Cement	DKK 3.5-4.5bn (2013: 5.2bn)	5-7% (2013: 2.4%)
Cembrit	DKK 1.4bn (2013: 1.4bn)	0-2% (2013: -4.4%)

Group financial highlights

DKKm	Q1 2014	Q1 2013	Year 2013
INCOME STATEMENT			
Revenue	5,297	5,921	26,923
Gross profit	1,275	1,277	5,209
Earnings before non-recurring items, depreciation, amortisation and impairment (EBITDA)	407	288	1,304
Earnings before amortisations and impairment on intangible assets (EBITA)	327	200	977
Earnings before interest and tax (EBIT)	239	111	(339)
Earnings from financial items, net	(64)	(45)	(261)
Earnings before tax (EBT)	175	66	(600)
Profit/loss for the period, continuing activities	**115**	**35**	**(786)**
Profit/loss for the period, discontinued activities	-	-	2
Profit/loss for the period	**115**	**35**	**(784)**
CASH FLOW			
Cash flow from operating activities	(552)	(466)	(157)
Acquisition and disposal of enterprises and activities	-	47	27
Acquisition of tangible assets	(44)	(125)	(524)
Other investments, net	(28)	(30)	(70)
Cash flow from investing activities	(72)	(108)	(567)
Cash flow from operating and investing activities of continuing activities	(627)	(570)	(720)
Cash flow from operating and investing activities of discontinued activities	3	(4)	(4)
NET WORKING CAPITAL	**3,040**	**2,657**	**2,382**
NET INTEREST-BEARING RECEIVABLES(DEBT)	**(5,302)**	**(3,791)**	**(4,718)**
ORDER INTAKE	**4,841**	**5,027**	**20,911**
ORDER BACKLOG	**22,152**	**28,583**	**22,312**
BALANCE SHEET			
Non-current assets	12,103	13,239	12,120
Current assets	14,841	17,080	15,208
Assets held for sale	-	1,432	-
Total assets	**26,944**	**31,751**	**27,328**
Equity	7,033	9,585	6,922
Long-term liabilities	7,458	7,268	7,284
Short-term liabilities	12,453	14,455	13,122
Liabilities directly associated with assets classified as held for sale	-	443	-
Total equity and liabilities	**26,944**	**31,751**	**27,328**
DIVIDEND TO THE SHAREHOLDERS	**-**	**-**	**467**
FINANCIAL RATIOS			
Continuing activities			
Gross margin	*24.1%*	*21.6%*	*19.3%*
EBITDA margin	*7.7%*	*4.9%*	*4.8%*
EBITA margin	*6.2%*	*3.4%*	*3.6%*
EBIT margin	*4.5%*	*1.9%*	*-1.3%*
EBT margin	*3.3%*	*1.1%*	*-2.2%*
Return on equity	7%	1%	-10%
Equity ratio	26%	30%	25%
ROCE (Return on capital employed*)	7%	16%	6%
Net working capital ratio (end of period)	11.6%	9.8%	8.8%
Net working capital ratio (average)	10.8%	8.4%	8.1%
Capital employed (end of period)	15,891	17,069	16,013
Capital employed (average)	16,480	14,968	16,070
Number of employees end of period	**15,045**	**15,884**	**15,317**
Number of employees in Denmark	1,458	1,691	1,547
Share and dividend figures, the Group			
CFPS (cash flow per share), (diluted)	(11.2)	(9.0)	(3.1)
EPS (earnings per share), (diluted)	2.1	0.7	(15.6)
FLSmidth & Co. share price	273.4	352.1	296.1
Market capitalisation	14,545	18,732	15,753

The financial ratios have been computed in accordance with the guidelines of the Danish Society of Financial Analysts from 2010.
*Based on last 12 months.

Group

Revenue and earnings as expected. Guidance for 2014 unchanged. Efficiency programme on track. Order intake increased 4% adjusted for currency. Capital order intake still soft, whereas Customer Services displays double-digit organic growth. Unsatisfactory increase in net working capital expected to be reversed over the course of 2014. Main challenge is Mineral Processing due to market developments.

Financial developments in Q1 2014

Growth efficiency

Both order intake and revenue were significantly impacted by currency developments in Q1 compared to the beginning of last year when the Australian dollar and most emerging market currencies were significantly stronger against the euro. The currency impact in Q1 was -5% on revenue and -8% on order intake.

Order intake and order backlog

The order intake is currently impacted by the cyclical downturn of mining investments and a continued lack of large orders. Announced orders amounted to DKK 515m and included a DKK 205m cement order in Oman and a DKK 310m cement order in Indonesia. Unannounced orders were stable around DKK 4.3bn (Q1 2013: DKK 4.4bn). The order intake decreased 4% to DKK 4,841m (Q1 2013: DKK 5,027m), of which currency effects accounted for -8%. Total service activities accounted for 55% of the order intake in Q1 (Q1 2013: 51%), reflecting on the one hand, an increasing demand for productivity enhancing services, and on the other hand, lack of large orders. In addition to the Customer Services division, the total service activities consist of service business embedded in product companies residing in the three capital divisions.

Order intake growth in Q1 2014

Order intake growth (vs. Q1 2013)	Customer Services	Material Handling	Mineral Processing	Cement	FLSmidth Group
Growth (currency adjusted)	13%	-30%	-18%	226%	4%
Currency effect	-8%	-5%	-5%	-25%	-8%
Total growth	**5%**	**-35%**	**-23%**	**201%**	**-4%**

Group

DKKm	Q1 2014	Q1 2013	Change (%)
Order intake (excl. Cembrit)	**4,841**	**5,027**	-4%
Order backlog (excl. Cembrit)	**22,152**	**28,583**	-22%
Revenue	**5,297**	**5,921**	-11%
Gross profit	**1,275**	**1,277**	0%
Gross margin	*24.1%*	*21.6%*	
EBITDA	**407**	**288**	41%
EBITDA margin	*7.7%*	*4.9%*	
EBITA	**327**	**200**	64%
EBITA margin	*6.2%*	*3.4%*	
EBIT	**239**	**111**	115%
EBIT margin	*4.5%*	*1.9%*	
Number of employees	**15,045**	**15,884**	-5%

The order backlog decreased 1% in Q1 to DKK 22,152m (end of 2013: DKK 22,312m) and 22% compared to the same period last year (end Q1 2013: DKK 28,583m). The maturity profile of the order backlog extends six years. 52% of the current backlog is expected to be converted to revenue in 2014, 31% in 2015, and 17% in 2016 and beyond. Operation and maintenance contracts accounted for DKK 5.2bn of the order backlog at the end of Q1 (end of 2013: DKK 5.1bn), equivalent to 23% of the order backlog (end of 2013: 23%). As from November 2013, new operation and maintenance contracts are included in the order backlog with 12 months' rolling revenue only.

Revenue

Revenue decreased 11% to DKK 5,297m in Q1 (Q1 2013: DKK 5,921m), of which the currency effect accounted for -5% in Q1. Currency adjusted growth in revenue was positive in Customer Services and Material Handling, however more than offset by a significant drop in Mineral Processing.

Revenue growth in Q1 2014

Revenue growth (vs. Q1 2013)	Customer Services	Material Handling	Mineral Processing	Cement	FLSmidth Group
Growth (currency adjusted)	4%	6%	-24%	-2%	-6%
Currency effect	-6%	-7%	-6%	-3%	-5%
Total growth	**-2%**	**-1%**	**-30%**	**-5%**	**-11%**

Total service activities accounted for 46% of revenue in Q1 excluding Cembrit (Q1 2013: 41%).

Profit efficiency

The implementation of the efficiency programme is on track. The aim of the efficiency programme is to create sustainable efficiency improvements, irrespective of the underlying market developments. The efficiency programme is expected to result in annual EBITA improvements of around DKK 750m with full-year effect in 2015. The implementation will entail one-off restructuring costs of around DKK -500m of which DKK -428m were booked in 2013, and the remainder in 2014, which is included in the EBITA guidance for 2014 of 7-9%. Initiatives implemented so far are expected to have a full-year EBITA impact in 2015 of DKK 565m. The EBITA improvements are related to the following six building blocks of the efficiency programme:

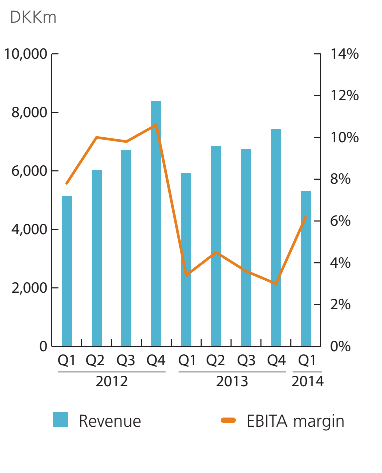
Cost optimisation	37%
Material Handling	20%
Profit boost	31%
Optimised sourcing	6%
Sales optimisation	5%
Leading technology	1%

It is estimated that the efficiency programme had a DKK 100m positive impact on EBITA in Q1 2014. However, the Q1 result also included one-off costs related to the efficiency programme of DKK -45m in total, of which DKK -40m was booked as administrative costs in the Material Handling division related to site closures.

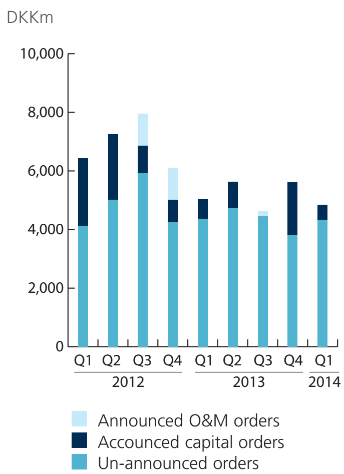
In Q1 2014, the gross profit was unchanged at DKK 1,275m compared to the same quarter last year (Q1 2013: DKK 1,277m), which represented an increase in the gross margin to 24.1% (Q1 2013: 21.6%). The increase is primarily attributable to better performance in Material Handling and Cembrit. Additionally, the benefits of the efficiency program are gradually starting to kick in.

Q1 saw total research and development expenses of DKK 88m (Q1 2013: DKK 85m), representing 1.7% of revenue (Q1 2013: 1.4%), of which DKK 28m was capitalised (Q1 2013: DKK 21m) and the balance reported as production costs.

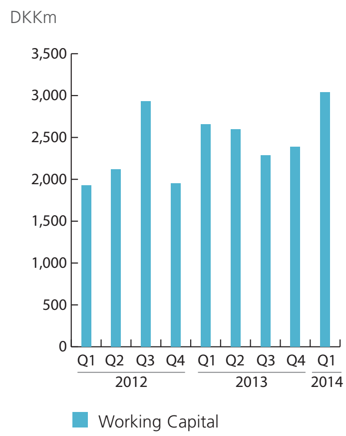
Quarterly revenue and EBITA margin



Quarterly order intake



Working capital



Sales, distribution and administrative costs and other operating items amounted to DKK 868m in Q1 (Q1 2013: DKK 989m), which represents a cost percentage (SG&A ratio) of 16.4% of revenue (Q1 2013: 16.7%). As mentioned above, administrative costs included one-off costs of DKK -40m related to the efficiency programme in connection with site closures in Material Handling.

Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) increased 41% to DKK 407m (Q1 2013: DKK 288m), corresponding to an EBITDA margin of 7.7% (Q1 2013: 4.9%).

Depreciation and impairment of tangible assets amounted to DKK 80m (Q1 2013: DKK 83m).

Earnings before amortisation and impairment of intangible assets (EBITA) increased 64% to DKK 327m (Q1 2013: DKK 200m), corresponding to an EBITA margin of 6.2% (Q1 2013: 3.4%). As mentioned above, the increase in margin is primarily a consequence of better performance in general in Material Handling and Cembrit as well as a positive contribution from the efficiency programme.

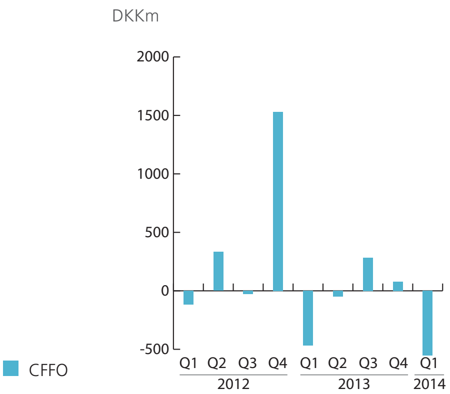
Amortisation and impairment of intangible assets amounted to DKK 88m (Q1 2013: DKK 89m), of which the effect of purchase price allocations accounted for DKK 76m (Q1 2013: DKK 81m).

Earnings before interest and tax (EBIT) increased 115% to DKK 239m (Q1 2013: DKK 111m), corresponding to an EBIT margin of 4.5% (Q1 2013: 1.9%).

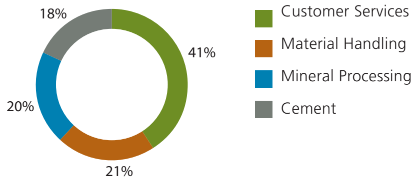
Financial items amounted to DKK -64m (Q1 2013: DKK -45m). This amount includes foreign exchange and fair value adjustments of DKK -51m (Q1 2013: DKK -29m).

Earnings before tax (EBT) increased 165% to DKK 175m (Q1 2013: DKK 66m). The tax in Q1 amounted to DKK -60m (Q1 2013: DKK -31m), corresponding to a tax rate of 34%.

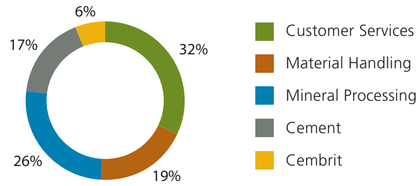
Cash flow from operating activities



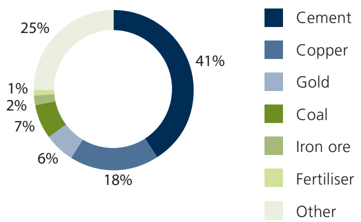
Order intake by segment (Q1 2014)



Revenue by segment (Q1 2014)



Order intake by industry (Q1 2014)



Profit for the period increased 229% to DKK 115m (Q1 2013: DKK 35m). Earnings per share (diluted) amounted to DKK 2.1 (Q1 2013: DKK 0.7).

Capital efficiency

Capital efficiency is extremely important in a cyclical downturn, and thus Management's top priority. In the short term, the focus is particularly strong on managing net working capital closely.

A group-wide net working capital programme is ongoing. To enforce that working capital is not just a finance exercise, cross-organisational workshops involving operational staff from Sales, Project Management, Procurement, Logistics, Planning etc. are being conducted for key business units to create better awareness of how working capital can be influenced and managed. The learnings from these workshops as well as from other supporting initiatives are expected to strengthen the focus and lead to a more sustainable level of working capital. The following are examples of current focus areas, of which most are related to trade receivables: optimised cash collection processes; closer follow-up on customer contracts and agreed payment milestones; general contract terms and conditions; minimised build up of project-related stock (work-in-progress assets).

Net working capital amounted to DKK 3,040m at the end of the period (end of 2013: DKK 2,382m), representing 11.6% of revenue (last 12 months) (end of 2013: 9.8%). The DKK 658m increase in net working capital in Q1 is explained by a further decrease in net prepayments of DKK 536m, as well as a decrease in trade payables of DKK 606m. On the other hand, inventory declined by DKK 154m. The large change in working capital is caused by the lower level of activity, reflected in declining prepayments from customers and trade payables. With respect to trade receivables, a coordinated and focused process is ongoing to collect payments from customers. The negative development in Q1 is expected to be reversed over the course of 2014.

Capital employed at the end of Q1 declined to DKK 15.9bn (end of Q1 2013: DKK 17.0bn), whereas the average capital employed (last 12 months) increased to DKK 16.5bn in Q1 (Q4 2013: DKK 16.1bn) due to a higher starting point in Q1 2013. Return on capital employed (last 12 months) increased to 7% in Q1 (Q4 2013: 6%), reflecting the increase in EBITA in Q1 2014.

Cash flow developments

Cash flow from operating activities amounted to DKK -552m in Q1 (Q1 2013: DKK -466m) as a consequence of the negative developments in net working capital, as well as taxes paid.

Cash flow from investing activities amounted to DKK -72m (Q1 2013: DKK -108m).

Balance sheet and capital structure

The balance sheet total amounted to DKK 26,944m at the end of the period (end of 2013: DKK 27,328m). The consolidated equity increased to DKK 7,033 in Q1 (end of 2013: DKK 6,922m), and the equity ratio increased to 26% (end of 2013: 25%). Net interest-bearing debt by the end of the period amounted to DKK 5,302m (end of 2013: DKK 4,718m).

The Group's financial gearing calculated as NIBD/EBITDA amounted to 3.7 at the end of the period (end of 2013: 3.6) heavily impacted by one-off costs recognised in 2013. At present, both the equity ratio and the financial gearing are outside the Group's long term financial targets, however not in conflict with any financial covenants.

The current capital resources consist of committed credit facilities of DKK 8.3bn (excluding mortgage) with a weighted average time to maturity of 2.6 years. Please see the Annual Report 2013, note 30 for more information.

Employees

The number of employees amounted to 15,045 by the end of Q1, which is net 2% lower than the preceding quarter (end of 2013: 15,317) as a consequence of the efficiency programme and business right sizing more than off-setting an increase in employees of 1% related to operation and maintenance contracts.

Treasury shares

FLSmidth's treasury share capital amounted to 3,737,971 shares at the end of Q1 2014 (end of 2013: 3,739,783 shares), representing 7.0% of the share capital (end of 2013: 7.0%). In connection with the Annual General Meeting on 27 March 2014, a resolution was adopted to cancel 1,950,000 treasury shares acquired through the share buyback programme in 2013, which will bring the total number of shares down to 51,250,000. As a consequence, FLSmidth's treasury share capital will be reduced to 1,787,971, representing 3.5% of the total share capital.

Incentive plan

At the end of Q1 2014, there were a total of 1,774,803 unexercised share options under the Group's incentive plan and the fair value of them was DKK 78m. The fair value is calculated by means of a Black & Scholes model based on a share price of 273.4, a volatility of 30.5% and annual dividend of DKK 9 per share. The effect of the plan on the income statement for Q1 2014 was DKK 10.5m (Q1 2013: DKK 10.0m).

Cembrit

Cembrit is a leading distributor and manufacturer of fibre-cement products in Europe and the only remaining building materials company in FLSmidth. Cembrit is reported as continuing activities but is developed as a non-core stand alone business. Cembrit delivered a positive development in revenue, which increased to DKK 348m in Q1 (Q1 2013: DKK 270m), benefitting from a mild winter in Europe. The EBITA margin increased to 1.4% (Q1 2013: -20.0%).

Financial calendar 2014

13 August 2014: Q2 Interim Report
7 November 2014: Q3 Interim Report

Events after the balance sheet date

On 1 April 2014, Mr. Lars Vestergaard took up the position as Chief Financial Officer (CFO) and member of Group Executive Management. Mr. Lars Vestergaard succeeded Mr. Ben Guren who decided to leave the company for personal reasons. Lars Vestergaard holds a Master of Science in Business Management and brings with him international experience in the role as CFO as well as in change management, IT and treasury from various management positions in Carlsberg and ISS.

In December 2005, the European Commission had ruled that FLSmidth & Co. A/S and the subsidiary company FLS Plast A/S were to be held partly liable with regards to a cartel penalty on a formerly FLSmidth-owned French company, then named Silvallac S.A (later Trioplast Wittenheim). FLSmidth has appealed the cartel decision twice, latest in March 2012 where the General Court reduced FLSmidth & Co. A/S' and the subsidiary company FLS Plast A/S' partly liability for this penalty. The liability was reduced from EUR 15.30m to EUR 14.45m. On 30 April 2014, the European Court of Justice ruled that the penalty imposed on FLSmidth & Co. A/S in March 2012 is upheld at EUR 14.45m. The Group's guidance for 2014 will not be affected by the penalty.

On 30 April 2014, FLSmidth registered the implementation of a reduction of the share capital with the Danish Business Authority and cancelled nominally DKK 39,000,000 shares. The cancellation follows the decision at the Annual General Meeting on 27 March 2014 to reduce the company's share capital from DKK 1,064,000,000 to DKK 1,025,000,000 by cancellation of treasury shares at a nominal value of DKK 39,000,000 divided into 1,950,000 shares of DKK 20 each. As a consequence, the total number of shares has been reduced from 53,200,000 to 51,250,000.

On 7 May 2014, FLSmidth received orders worth DKK 231m from the Mongolian company, Mongolian Alt (MAK) Group to supply engineering, procurement and site construction services for the Tsagaan Suvarga copper-molybdenum concentrator project.

Forward-looking statements

FLSmidth & Co. A/S' financial reports, whether in the form of annual reports or interim reports, filed with the Danish Business Authority and/or announced via the company's website and/or NASDAQ OMX Copenhagen, as well as any presentations based on such financial reports, and any other written information released, or oral statements made, to the public based on this interim report or in the future on behalf of FLSmidth & Co. A/S, may contain forward-looking statements.

Words such as 'believe', 'expect', 'may', 'will', 'plan', 'strategy', 'prospect', 'foresee', 'estimate', 'project', 'anticipate', 'can', 'intend', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance identify forward-looking statements. Examples of such forward-looking statements include, but are not limited to:

- statements of plans, objectives or goals for future operations, including those related to FLSmidth & Co. A/S´ markets, products, product research and product development
- statements containing projections of or targets for revenues, profit (or loss), capital expenditures, dividends, capital structure or other net financial items
- statements regarding future economic performance, future actions and outcome of contingencies such as legal proceedings and statements regarding the underlying assumptions or relating to such statements
- statements regarding potential merger & acquisition activities

These forward-looking statements are based on current plans, estimates and projections. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which may be outside FLSmidth & Co. A/S' influence, and which could materially affect such forward-looking statements. FLSmidth & Co. A/S cautions that a number of important factors, including those described in this report, could cause actual results to differ materially from those contemplated in any forward-looking statements.

Factors that may affect future results include, but are not limited to, global as well as local political and economic conditions, including interest rate and exchange rate fluctuations, delays or faults in project execution, fluctuations in raw material prices, delays in research and/or development of new products or service concepts, interruptions of supplies and production, unexpected breach or termination of contracts, market-driven price reductions for FLSmidth & Co. A/S' products and/or services, introduction of competing products, reliance on information technology.

FLSmidth & Co. A/S' ability to successfully market current and new products, exposure to product liability and legal proceedings and investigations, changes in legislation or regulation and interpretation thereof, intellectual property protection, perceived or actual failure to adhere to ethical marketing practices, investments in and divestitures of domestic and foreign enterprises, unexpected growth in costs and expenses, failure to recruit and retain the right employees and failure to maintain a culture of compliance. Unless required by law, FLSmidth & Co. A/S is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this interim report.

Customer Services

Currency adjusted growth in order intake 13% and in revenue 4%. EBITA margin increased to 12.9%. High demand for productivity enhancing services.

Developments in Q1 2014

In general, both cement and mining customers currently have a strong focus on operational excellence and increased productivity. Services such as process support to streamline operations and generate cost saving opportunities continue to offer good growth opportunities for Customer Services.

On the mining side, market activity is on a par with the level seen in 2013. Activity is relatively strong in South America, whereas activity in Australia and South Africa remains soft. The global coal market is still challenging and no major improvements are anticipated in 2014.

Within cement, market conditions are slowly, but steadily improving in some of the major markets, most notably in North America.

The market for operation and maintenance continues to offer good opportunities for both cement and minerals markets.

Order intake for Q1 2014 was DKK 2,066m, representing an increase of 5% compared to Q1 2013 (Q1 2013: DKK 1,964m). The increase in order intake is related to operation and maintenance contracts. Adjusted for currency effects, the order intake increased 13%.

Revenue decreased by 2% in Q1 2014 to DKK 1,770m (Q1 2013: DKK 1,809m), but increased 4% adjusted for currency effects.

EBITA amounted to DKK 228m representing a 35% increase over the Q1 2013 result of DKK 169m. The EBITA margin in Q1 was 12.9% which is an increase compared to the corresponding quarter last year (Q1 2013: 9.3%), as well as a sequential increase (Q4 2013: 9.8%). The increase in margin compared to last year is primarily due to fewer one-off costs, and overall costs reductions coming from the efficiency programme.

Guidance for 2014 (unchanged)

It is expected that revenue in 2014 will be in the range of DKK 7.5-8.5bn (2013: DKK 7.6bn), and that the EBITA margin will be in the range of 13% to 15% (2013: 9.1%).

Customer Services

DKKm	Q1 2014	Q1 2013	Change (%)
Order intake	**2,066**	**1,964**	5%
Order backlog	**8,341**	**8,236**	1%
Revenue	**1,770**	**1,809**	-2%
Gross profit	**503**	**489**	3%
Gross margin	*28.4%*	*27.0%*	
EBITDA	**251**	**195**	29%
EBITDA margin	*14.2%*	*10.8%*	
EBITA	**228**	**169**	35%
EBITA margin	*12.9%*	*9.3%*	
EBIT	**197**	**144**	37%
EBIT margin	*11.1%*	*8.0%*	
Number of employees	**6,041**	**5,907**	2%

Material Handling

Developments as expected. Order intake decreased 30% currency adjusted whereas revenue increased 6%. EBITA margin improved despite one-off costs related to the efficiency programme.

Developments in Q1 2014

The market for, especially large projects continues to be adversely impacted by the cyclical downturn in mining investments. Additionally, the Material Handling division is maintaining a prudent and rigorous tender approach as a consequence of the project execution challenges experienced in previous years. Nevertheless, meaningful business opportunities prevail, as the overall market for bulk materials handling is large.

The order intake in Q1 amounted to DKK 1,056m, representing a decrease of 35% compared to same period last year (Q1 2013: DKK 1,616m) due to the absence of large orders in Q1. Adjusted for currency effect, the order intake decreased 30%.

Revenue decreased 1% to DKK 1,040 m (Q1 2013: DKK 1,055m) as a result of currency effects of -7%.

The EBITA result amounted to DKK -28m, which is an improvement over same quarter last year (Q1 2013: DKK -79m), which was heavily impacted by costs incurred in connection with project execution challenges. The EBITA margin was -2.7% (Q1 2013: -7.5%). The result included one-off administrative costs of DKK -40m related to the efficiency programme in connection with site closures. 14 projects out of a total portfolio of 190 projects in the Material Handling Business unit are still regarded as risky (end of Q4 2013: 14 projects). These projects accounted for DKK 356m or 8% of the backlog at the end of Q1 2014 (end of Q4 2013: DKK 481m or 11% of backlog).

The one-off costs of DKK 323m realised in Q2 2013 in relation to the legacy order backlog are still expected to sufficiently cover future losses related to the risky projects.

Guidance for 2014 (unchanged)

It is expected that revenue in 2014 will be in the range of DKK 3.5-4.5bn (2013: DKK 4.6bn) and that the EBITA margin will be in the range of 0-2% (2013: -11.2%).

Material Handling

DKKm	Q1 2014	Q1 2013	Change (%)
Order intake	**1,056**	**1,616**	-35%
Order backlog	**4,445**	**5,126**	-13%
Revenue	**1,040**	**1,055**	-1%
Gross profit	**187**	**125**	50%
Gross margin	*18.0%*	*11.8%*	
EBITDA	**-16**	**-65**	**n/a**
EBITDA margin	*-1.5%*	*-6.2%*	
EBITA	**-28**	**-79**	n/a
EBITA margin	*-2.7%*	*-7.5%*	
EBIT	**-48**	**-98**	n/a
EBIT margin	*-4.6%*	*-9.3%*	
Number of employees	**3,103**	**3,676**	-16%

Mineral Processing

■ Order intake declined 18% adjusted for currency due to mining capex downturn, and revenue declined 24%. EBITA margin reduced to 4.8%.

Developments in Q1 2014

In spite of pessimistic mining capex indications, proposal activity remains relatively high on a global scale, and a number of midsized opportunities are expected to become effective in 2014.
As expected, competition for the limited number of projects that are ready to go is fierce; however, efficiency programme initiatives allow for acceptable margin levels.

Activity in the gold industry remains strong with respect to brownfield upgrade projects, whereas the coal market continues to be depressed in traditional markets across North America and Australia. In copper, the mega-project opportunities of the past are still missing, but prospects are seen in the area of de-bottlenecking, plant optimisations and smaller greenfield opportunities.

Project negotiations and release timelines continue to be extended as mining companies navigate internal hurdles and external obstacles, such as permitting and funding. China remains, by far, the largest driver of demand for base metals. As such, it's industrial growth is closely watched and will determine, how quickly miners will start to invest in new capacity.

The order intake amounted to DKK 1,041m, representing a decrease of 23% compared to Q1 2013 (Q1 2013: DKK 1,345m) but an unchanged level compared to the previous quarter (Q4 2013: DKK 1,025m). The lower order intake is a result of the mining capex downturn and a negative currency impact of 5%.

Revenue decreased 30% to DKK 1,416m in Q1 2014 (Q1 2013: DKK 2,010m) as a consequence of declining order intake in 2013 and a negative currency effect of 6%.

EBITA decreased 48% to DKK 68m (Q1 2013: DKK 130m), equivalent to an EBITA margin of 4.8% (Q1 2013: 6.5%).

Guidance for 2014 (unchanged)

It is expected that revenue in 2014 will be in the range of DKK 5.5-6.5bn (2013: DKK 9.3bn) and that the EBITA margin will be in the range of 6-8% (2013: 8.2%).

Mineral Processing

DKKm	Q1 2014	Q1 2013	Change (%)
Order intake	**1,041**	**1,345**	-23%
Order backlog	**4,635**	**9,057**	-49%
Revenue	**1,416**	**2,010**	-30%
Gross profit	**295**	**432**	-32%
Gross margin	*20.8%*	*21.5%*	
EBITDA	**89**	**151**	-41%
EBITDA margin	*6.3%*	*7.5%*	
EBITA	**68**	**130**	-48%
EBITA margin	*4.8%*	*6.5%*	
EBIT	**38**	**88**	-57%
EBIT margin	*2.7%*	*4.4%*	
Number of employees	**2,654**	**2,934**	-10%

Cement

Currency adjusted order intake increased 226% due to receipt of two large orders and very low order intake in Q1 2013. EBITA margin increased to 6.5% from 3.8%.

Developments in Q1 2014

In cement, the overall market situation is largely unchanged compared to the previous quarter. Utilisation rates remain low at a global level, but cement is a regional business and proposal activity remains high in some regions, especially in the Sub-Saharan, Middle Eastern and South East Asian regions. Likewise, good opportunities exist in South America, while the request for new capacity in India is limited. In the U.S., plant utilisation is approaching 80% which is the point at which producers start to consider new capital spending projects.

The order intake increased 201% to DKK 928m (Q1 2013: DKK 308m), as two large orders were announced in Q1. It should be noted, however, that large orders are volatile per se. Adjusted for currency effects, the order intake increased 226%.

Revenue decreased 5% to DKK 963m in Q1 2014 (Q1 2013: DKK 1,016m). Adjusted for currency effects, revenue decreased 2%.

EBITA increased 62% to DKK 63m (Q1 2013: DKK 39m), equivalent to an EBITA margin of 6.5% (Q1 2013: 3.8%).

Guidance for 2014 (unchanged)

It is expected that revenue in 2014 will be in the range of DKK 3.5-4.5bn (2013: DKK 5.2bn) and that the EBITA margin will be in the range of 5-7% (2013: 2.4%).

Cement

DKKm	Q1 2014	Q1 2013	Change (%)
Order intake	**928**	**308**	201%
Order backlog	**5,348**	**6,808**	-21%
Revenue	**963**	**1,016**	-5%
Gross Profit	**192**	**201**	-4%
Gross margin	*19.9%*	*19.8%*	
EBITDA	**72**	**48**	50%
EBITDA margin	*7.5%*	*4.7%*	
EBITA	**63**	**39**	62%
EBITA margin	*6.5%*	*3.8%*	
EBIT	**57**	**37**	54%
EBIT margin	*5.9%*	*3.6%*	
Number of employees	**2,183**	**2,292**	-5%

Statement by the Board and Management

The Board of Directors and Executive Management have today considered and approved the interim report of FLSmidth & Co. A/S for the period 1 January – 31 March 2014.

The interim report is prepared in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU and Danish disclosure requirements for interim reports of listed companies. The interim report has not been audited or reviewed by the Group's independent auditors.

In our opinion, the interim report gives a true and fair view of the Group's financial position at 31 March 2014 as well as of its financial performance and its cash flow for the period 1 January - 31 March 2014.

We believe that the management commentary contains a fair review of the development of the Group's business and financial affairs, the result for the period and the financial position of the Group, together with a description of the principal risks and uncertainties that the Group faces.

Copenhagen, 14 May 2014

Group Executive Management:

Thomas Schulz
Group Chief Executive Officer

Lars Vestergaard
Group Executive Vice President and CFO

Peter Flanagan
Group Executive Vice President

Bjarne Moltke Hansen
Group Executive Vice President

Virve Elisabeth Meesak
Group Executive Vice President

Per Mejnert Kristensen
Group Executive Vice President

Carsten R. Lund
Group Executive Vice President

Eric Thomas Poupier
Group Executive Vice President

Board of Directors:

Vagn Ove Sørensen
Chairman

Torkil Bentzen
Vice Chairman

Mette Dobel

Caroline Grégoire Sainte Marie

Martin Ivert

Sten Jakobsson

Tom Knutzen

Jens Peter Koch

Søren Quistgaard Larsen

Consolidated income statement

Notes	DKKm	Q1 2014	Q1 2013
	Revenue	5,297	5,921
	Production costs	(4,022)	(4,644)
	Gross profit	**1,275**	**1,277**
	Sales and distribution costs	(399)	(460)
	Administrative costs	(478)	(553)
	Other operating income	19	31
	Other operating costs	(10)	(7)
	Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**407**	**288**
	Special non-recurring items	-	(5)
	Depreciation and impairment of tangible assets	(80)	(83)
	Earnings before amortisations and impairment of intangible assets (EBITA)	**327**	**200**
	Amortisation and impairment of intangible assets	(88)	(89)
	Earnings before interest and tax (EBIT)	**239**	**111**
	Financial income	280	415
	Financial costs	(344)	(460)
	Earnings before tax (EBT)	**175**	**66**
	Tax for the period	(60)	(31)
	Profit/loss for the period, continuing activities	**115**	**35**
	Profit/loss for the period, discontinued activities	-	-
	Profit/loss for the period	**115**	**35**
	To be distributed as follows:		
	FLSmidth & Co. A/S shareholders' share of profit/loss for the period	105	38
	Minority shareholders' share of profit/loss for the period	10	(3)
		115	**35**
2	Earnings per share:		
	Continuing and discontinued activities	2.1	0.7
	Continuing and discontinued activities, diluted	2.1	0.7
	Continuing activities	2.1	0.7
	Continuing activities, diluted	2.1	0.7
1	Income statement classified by function		

Consolidated statement of comprehensive income

DKKm	Q1 2014	Q1 2013
Notes		
Profit/loss for the period	115	35
Other comprehensive income for the period:		
Items that will not be re-classified to profit or loss:		
Actuarial gains(losses) on defined benefit plans	(1)	0
Tax hereof	0	0
Items that are or may be re-classified subsequently to profit or loss:		
Foreign exchange adjustment regarding enterprises abroad	96	101
Foreign exchange adjustment of loans classified as equity in enterprises abroad	(22)	79
Foreign exchange adjustment regarding liquidation of company		
Value adjustments of hedging instruments:		
Value adjustments for the period	2	(48)
Value adjustments transferred to financial income and costs	-	5
Value adjustments transferred to other operating items	(1)	-
Tax on other comprehensive income	10	(19)
Other comprehensive income for the period after tax	**84**	**118**
Other comprehensive income for the period	**199**	**153**
Comprehensive income for the period attributable to:		
FLSmidth & Co. A/S shareholders' share of comprehensive income for the period	188	158
Minority shareholders' share of comprehensive income for the period	11	(5)
	199	**153**

Consolidated cash flow statement

DKKm	Q1 2014	Q1 2013
Notes		
Earnings before special non-recurring items, depreciation, amortisation, impairment (EBITDA), continuing activities	407	288
Earnings before special non-recurring items, depreciation, amortisation, impairment (EBITDA), discontinued activities	0	(5)
Earnings before special non-recurring items, depreciation, amortisation and imparment (EBITDA)	**407**	**283**
Adjustment for profits/losses on sale of tangible and intangible assets and foreign exchange adjustments and special non-recurring items etc.	14	6
Adjusted earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**421**	**289**
Change in provisions	(94)	(2)
Change in working capital	(672)	(683)
Cash flow from operating activities before financial items and tax	**(345)**	**(396)**
Financial payments received and paid	(36)	60
Taxes paid	(171)	(130)
Cash flow from operating activities	**(552)**	**(466)**
Acquisition of enterprises and activities	-	(45)
Acquisition of intangible assets	(42)	(37)
Acquisition of tangible assets	(44)	(125)
Acquisition of financial assets	(4)	(1)
Disposal of enterprises and activities	-	92
Disposal of tangible assets	17	8
Disposal of financial assets	1	
Cash flow from investing activities	**(72)**	**(108)**
Acquisition of treasury shares		(1)
Disposal of treasury shares	1	4
Change in other interest-bearing net receivables/(debt)	510	615
Cash flow from financing activities	**511**	**618**
Change in cash and cash equivalents	**(113)**	**44**
Cash and cash equivalents at 1 January	1,077	1,638
Foreign exchange adjustment, cash and cash equivalents	(1)	7
Cash and cash equivalents at 31 March	963	1,689

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

Consolidated balance sheet

Assets

Notes	DKKm	End of Q1 2014	End of 2013
	Goodwill	4,097	4,094
	Patents and rights	1,573	1,606
	Customer relations	1,226	1,254
	Other intangible assets	113	125
	Completed development projects	102	115
	Intangible assets under development	583	542
	Intangible assets	**7,694**	**7,736**
	Land and buildings	1,742	1,737
	Plant and machinery	964	972
	Operating equipment, fixtures and fittings	210	235
	Tangible assets in course of construction	231	231
	Tangible assets	**3,147**	**3,175**
	Investments in associates	9	9
	Other securities and investments	59	59
	Pension assets	10	10
	Deferred tax assets	1,184	1,131
	Financial assets	**1,262**	**1,209**
	Total non-current assets	**12,103**	**12,120**
	Inventories	**2,421**	**2,575**
	Trade receivables	5,052	5,099
8	Work-in-progress for third parties	4,357	4,491
	Prepayments to subcontractors	326	414
	Other receivables	1,629	1,511
	Prepaid expenses and accrued income	83	34
	Receivables	**11,447**	**11,549**
	Bonds and listed shares	**10**	**7**
	Cash and cash equivalents	**963**	**1,077**
	Total current assets	**14,841**	**15,208**
	TOTAL ASSETS	**26,944**	**27,328**

Consolidated balance sheet

Equity and liabilities

Notes	DKKm	End of Q1 2014	End of 2013
	Share capital	1,064	1,064
	Foreign exchange adjustments	(660)	(733)
	Value adjustments of hedging transactions	(22)	(23)
	Retained earnings	6,606	6,474
	Proposed dividend	0	106
	FLSmidth & Co. A/S shareholders' share of equity	**6,988**	**6,888**
	Minority shareholders' share of equity	45	34
	Total equity	**7,033**	**6,922**
	Deferred tax liabilities	509	541
	Pension liabilities	159	159
6	Other provisions	715	688
	Mortgage debt	352	352
	Bank loans	5,221	5,023
	Finance lease	3	4
	Prepayments from customers	317	327
	Other liabilities	182	190
	Long-term liabilities	**7,458**	**7,284**
	Pension liabilities	11	11
6	Other provisions	1,322	1,421
	Bank loans	470	178
	Finance lease	7	6
	Prepayments from customers	2,018	2,632
8	Work-in-progress for third parties	3,175	3,138
	Trade payables	2,677	3,283
	Current tax liabilities	563	523
	Other liabilities	2,170	1,890
	Deferred revenue	40	40
	Short-term liabilities	**12,453**	**13,122**
	Total liabilities	**19,911**	**20,406**
	TOTAL EQUITY AND LIABILITIES	**26,944**	**27,328**

Consolidated equity

DKKm	Share capital	Foreign exchange adjustments	Value adjustments of hedging transactions	Retained earnings	Proposed dividend	FLSmidth & Co. A/S' shareholders' share	Minority sharehol-ders´ share of equity	Total
Equity at 1 January 2014	**1,064**	**(733)**	**(23)**	**6,474**	**106**	**6,888**	**34**	**6,922**
Comprehensive income for the period								
Profit/loss for the period				105		105	10	115
Other comprehensive income								
Actuarial gain/losses on defined benefit plans				(1)		(1)		(1)
Foreign exchange adjustments regarding enterprises abroad		95				95	1	96
Foreign exchange adjustments of loans classified as equity in enterprises abroad		(22)				(22)		(22)
Value adjustments of hedging instruments:								
Value adjustments for the period			1			1		1
Value adjustments transferred to revenue								
Value adjustments transferred to production cost								
Value adjustments transferred to financial income and costs								
Value adjustments transferred to balance sheet items								
Tax on other comprehensive income				10		10		10
Other comprehensive income total	**0**	**73**	**1**	**9**	**0**	**83**	**1**	**84**
Comprehensive income for the period	**0**	**73**	**1**	**114**	**0**	**188**	**11**	**199**
Share-based payment, share options				11		11		11
Disposal of treasury shares								
Dividend-transferred to other liabilities				7	(106)	(99)		(99)
Acquisition of treasury shares								
Equity at 31 March 2014	**1,064**	**(660)**	**(22)**	**6,606**	**0**	**6,988**	**45**	**7,033**

The period's movements in holding of treasury shares (number of shares):	**2014**	**2013**
Treasury shares at 1 January	3,739,783 shares	1,359,884 shares
Acquisition of treasury shares	988 shares	16 shares
Share options settled	(2,800) shares	(15,400) shares
Treasury shares at 31 March	3,737,971 shares	1,344,500 shares

Representing 7.0% (2013: 2.5%) of the share capital

Consolidated equity

DKKm	Share capital	Foreign exchange adjustments	Value adjustments of hedging transactions	Retained earnings	Proposed dividend	FLSmidth & Co. A/S' shareholders' share	Minority sharehol-ders´ share of equity	Total
Equity at 1 January 2013	**1,064**	**(8)**	**4**	**7,831**	**479**	**9,370**	**49**	**9,419**
Comprehensive income for the period								
Profit/loss for the period				38		38	(3)	35
Other comprehensive income								
Foreign exchange adjustments regarding enterprises abroad		103				103	(2)	101
Foreign exchange adjustments of loans classified as equity in enterprises abroad		79				79		79
Foreign exchange adjustments, liquidation of company								
Value adjustments of hedging instruments:								
Value adjustments for the period			(48)			(48)		(48)
Value adjustments transferred to production cost								
Value adjustments transferred to financial income and cost			5			5		5
Value adjustments transferred to other operating items								
Tax on other comprehensive income				(19)		(19)		(19)
Other comprehensive income total	**0**	**182**	**(43)**	**(19)**	**0**	**120**	**(2)**	**118**
Comprehensive income for the period	**0**	**182**	**(43)**	**19**	**0**	**158**	**(5)**	**153**
Share-based payment, share options				10		10		10
Disposal of treasury shares				3		3		3
Acquisition of treasury shares								
Acquisition minority interests								
Equity at 31 March 2013	**1,064**	**174**	**(39)**	**7,863**	**479**	**9,541**	**44**	**9,585**

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List of notes and notes to the interim report

1. Income statement classified by function
2. Earnings per share (EPS)
3. Breakdown of the Group by segments
4. Acquisition of enterprises and activities
5. Development in contingent liabilities
6. Other provisions
7. Fair value hierarchy of financial instruments
8. Work-in-progress for third parties
9. Quarterly key figures
10. Accounting policies and Management estimates and assessment

1. Income statement classified by function

The Group prepares the income statement based on an adapted classification of the costs by function in order to show the earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA). Depreciation, amortisation and impairment of tangible and intangible assets are therefore separated from the individual functions and presented on separate lines.

The income statement classified by function including allocation of depreciation, amortisation and write-downs appears from the following:

DKKm	Q1 2014	Q1 2013
Revenue	5,297	5.921
Production costs	(4,091)	(4,708)
Gross profit	**1,206**	**1,213**
Sales and distribution costs including depreciation, amortisation and impairment	(406)	(464)
Administrative costs including depreciation, amortisation and impairment	(570)	(657)
Other operating income and costs	9	24
Special non-recurring items	-	(5)
Earnings before interest and tax (EBIT)	**239**	**111**
Depreciation, amortisation and impairment consists of:		
Impairment of intangible assets	0	0
Amortisation of intangible assets	88	89
Depreciation of tangible assets	80	83
	168	**172**
Depreciation, amortisation are divided into:		
Production costs	69	64
Sales and distribution assets	7	4
Administrative costs	92	104
	168	**172**

2. Earnings per share (EPS)

DKKm	Q1 2014	Q1 2013
Earnings		
FLSmidth & Co. A/S shareholders' share of profit/loss for the period	105	38
FLSmidth & Co. Group profit/loss from discontinued activities for the period	-	-
Number of shares, average		
Number of shares issued	53,200,000	53,200,000
Adjustment for treasury shares	(3,738,877)	(1,352,192)
Potential increase of shares in circulation, options in-the-money	8,496	208,454
	49,469,619	**52,056,262**
Earnings per share		
• Continuing and discontinued activities per share DKK	2.1	0.7
• Continuing and discontinued activities, diluted, per share DKK	2.1	0.7
• Continuing activities, per share DKK	2.1	0.7
• Continuing activities, diluted, per share DKK	2.1	0.7

Non-diluted earnings per share regarding discontinued activities amount to DKK 0 (2013 DKK 0).

3. Breakdown of the Group by segments for 2014

DKKm	Customer Services	Material Handling	Mineral Processing	Cement	Cembrit	Other companies etc[1]	Continuing activities	Discontinued activities	FLSmidth Group
					Q1 2014				
INCOME STATEMENT									
External revenue	1,738	909	1,343	959	348	-	5,297	2	**5,299**
Internal revenue	32	131	73	4	-	(240)	-	-	-
Revenue	**1,770**	**1,040**	**1,416**	**963**	**348**	**(240)**	**5,297**	**2**	**5,299**
Production costs	(1,267)	(853)	(1,121)	(771)	(249)	239	(4,022)	(2)	(4,024)
Gross profit	**503**	**187**	**295**	**192**	**99**	**(1)**	**1,275**	**0**	**1,275**
Sales. distr. and admin. costs and other operating items	(252)	(203)	(206)	(120)	(80)	(7)	(868)	-	(868)
Earnings before special non-recurring items. depreciation. amortisation and impairment (EBITDA)	**251**	**(16)**	**89**	**72**	**19**	**(8)**	**407**	**-**	**407**
Special non-recurring items	-	-	-	-	-	-	-	**-**	-
Depreciation and impairment of tangible assets	(23)	(12)	(21)	(9)	(14)	(1)	(80)	**-**	(80)
Earnings before amortisation and impairment of intangible assets (EBITA)	**228**	**(28)**	**68**	**63**	**5**	**(9)**	**327**	**-**	**327**
Amortisation and write-downs of intangible assets	(31)	(20)	(30)	(6)	(1)	-	(88)	**-**	(88)
Earnings before interest and tax (EBIT)	**197**	**(48)**	**38**	**57**	**4**	**(9)**	**239**	**-**	**239**
ORDER INTAKE (GROSS)	**2,066**	**1,056**	**1,041**	**928**	**-**	**(250)**	**4,841**	**-**	**4,841**
ORDER BACKLOG	**8,341**	**4,445**	**4,635**	**5,348**	**-**	**(617)**	**22,152**	**-**	**22,152**
FINANCIAL RATIOS									
Gross margin	*28.4%*	*18.0%*	*20.8%*	*19.9%*	*28.4%*	*N/A*	*24.1%*	*N/A*	*24.1%*
EBITDA margin	*14.2%*	*-1.5%*	*6.3%*	*7.5%*	*5.5%*	*N/A*	*7.7%*	*N/A*	*7.7%*
EBITA margin	*12.9%*	*-2.7%*	*4.8%*	*6.5%*	*1.4%*	*N/A*	*6.2%*	*N/A*	*6.2%*
EBIT margin	*11.1%*	*-4.6%*	*2.7%*	*5.9%*	*1.1%*	*N/A*	*4.5%*	*N/A*	*4.5%*
Number of employees at 31 March	6,041	3,103	2,654	2,183	1,059	5	15,045	-	15,045

DKKm	Q1 2014
Reconciliation of the profit/loss for the period before tax. continuing activities	
Segment earnings before tax of reportable segments	239
Financial income	280
Financial costs	(344)
Earnings for the period before tax (EBT) of continuing activities	**175**

[1] *Other companies etc. consist of companies with no activities, real estate companies. eliminations and the parent company.*

3. Breakdown of the Group by segments for 2013

	Q1 2013								
DKKm	**Customer Services**	**Material Handling**	**Mineral Processing**	**Cement**	**Cembrit**	**Other companies etc[1]**	**Continuing activities**	**Discontinued activities**	**FLSmidth Group**
INCOME STATEMENT									
External revenue	1,791	862	1,987	1,011	270	-	5,921	-	5,921
Internal revenue	18	193	23	5	-	(239)	-	-	-
Revenue	**1,809**	**1,055**	**2,010**	**1,016**	**270**	**(239)**	**5,921**	**-**	**5,921**
Production costs	(1,320)	(930)	(1,578)	(815)	(229)	228	(4,644)	(1)	(4,645)
Gross profit	**489**	**125**	**432**	**201**	**41**	**(11)**	**1,277**	**(1)**	**1,276**
Sales, distr. and admin. costs and other operating items	(294)	(190)	(281)	(153)	(80)	9	(989)	(4)	(993)
Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**195**	**(65)**	**151**	**48**	**(39)**	**(2)**	**288**	**(5)**	**283**
Special non-recurring items	(4)	-	(1)	-	-	-	(5)	**-**	(5)
Depreciation and impairment of tangible assets	(22)	(14)	(20)	(9)	(15)	(3)	(83)	**-**	(83)
Earnings before amortisation and write-downs of intangible assets (EBITA)	**169**	**(79)**	**130**	**39**	**(54)**	**(5)**	**200**	**(5)**	**195**
Amortisation and write-downs of intangible assets	(25)	(19)	(42)	(2)	(1)	-	(89)	**-**	(89)
Earnings before interest and tax (EBIT)	**144**	**(98)**	**88**	**37**	**(55)**	**(5)**	**111**	**(5)**	**106**
ORDER INTAKE (GROSS)	**1,964**	**1,616**	**1,345**	**308**	**-**	**(206)**	**5,027**		**5,027**
ORDER BACKLOG	**8,236**	**5,126**	**9,057**	**6,808**	**-**	**(644)**	**28,583**	**-**	**28,583**
FINANCIAL RATIOS									
Gross margin	*27.0%*	*11.8%*	*21.5%*	*19.8%*	*15.2%*	*N/A*	*21.6%*	*N/A*	*21.6%*
EBITDA margin	*10.8%*	*-6.2%*	*7.5%*	*4.7%*	*-14.4%*	*N/A*	*4.9%*	*N/A*	*4.8%*
EBITA margin	*9.3%*	*-7.5%*	*6.5%*	*3.8%*	*-20.0%*	*N/A*	*3.4%*	*N/A*	*3.3%*
EBIT margin	*8.0%*	*-9.3%*	*4.4%*	*3.6%*	*-20.4%*	*N/A*	*1.9%*	*N/A*	*1.8%*
Number of employees at 31 March	5,907	3,676	2,934	2,292	1,073	2	15,884	-	15,884

DKKm	**Q1 2013**
Reconciliation of the profit/loss for the period before tax, continuing activities	
Segment earnings before tax of reportable segments	111
Financial income	415
Financial costs	(460)
Earnings for the period before tax (EBT) of continuing activities	**66**

[1] *Other companies etc. consist of companies with no activities, real estate companies, eliminations and the parent company.*

4. Acquisition of enterprises and activities

There have been no acquisitions of enterprises and activities in Q1 2014 or Q1 2013. However, adjustments in Q1 2013 to fair value regarding acquisitions made in 2012 have been necessary based on final purchase price allocation reports.

DKKm	Q1 2014			Q1 2013		
	Carrying amount before adjustment	Adjustments at fair value	Fair value adjusted opening balance sheet	Carrying amount before adjustment	Adjustments at fair value	Fair value adjusted opening balance sheet
Patents and rights	-	-	-	-	150	150
Other intangible assets	-	-	-	-	(150)	(150)
Net assets	**0**	**0**	**0**	**0**	**0**	**0**
Goodwill			0			0
Cost			**0**			**0**
Cash and cash equivalents acquired			-			(1)
Contingent consideration (earn out)			-			46
Net cash effect, acquisitions			**0**			**45**
Other specifications regarding transactions:						
Direct acquisition costs			0			0

5. Development in contingent liabilities

Contingent liabilities at 31 March 2014 amount to 6.1bn (31 December 2013 6.7bn), which include performance bonds and payment guarantees at DKK 5.7bn (31 December 2013 6.2bn).

6. Other provisions

DKKm	Q1 2014	Q1 2013	Q4 2013
Provisions at 1 January	2,109	1,638	1,638
Exchange rate and other adjustments	9	20	175
Acquisition of Group enterprises	-	-	(80)
Provisions for the period	133	207	1,408
Used during the period	(158)	(125)	(759)
Reversals during the period	(56)	(25)	(313)
Discounting of provisions		-	2
Reclassification to/from other liabilities	0	(13)	38
Provisions at 31 March	**2,037**	**1,702**	**2,109**
The maturity of provisions is specified as follows:			
Short-term liabilities	1,322	1,142	1,421
Long-term liabilities	715	560	688
	2,037	**1,702**	**2,109**

7. Fair value hierarchy of financial instruments

DKKm	Q1 2014			
	Quoted prices Level 1	Quoted prices Level 2	Quoted prices Level 3	Total
Financial assets				
Financial assets for sale:				
Other securities and investments	15	44		59
Financial assets measured at fair value via the income statement:				
Bonds and listed shares	10			10
Derivatives financial instruments used to hedge the fair value of recognised assets and liabilities		101		101
Total financial assets	**25**	**145**	**0**	**170**
Financial liabilities				
Financial liabilities measured at fair value via the income statement:				
Derivatives financial instruments used to hedge the fair value of recognised assets and liabilities		230		230
Contingent consideration in a business combination			100	100
Total financial liabilities	**0**	**230**	**100**	**330**

DKKm	Q1 2013			
	Quoted prices Level 1	Quoted prices Level 2	Quoted prices Level 3	Total
Financial assets				
Financial assets for sale:				
Other securities and investments	21	39		60
Financial assets measured at fair value via the income statement:				
Bonds and listed shares	27			27
Derivatives financial instruments used to hedge the fair value of recognised assets and liabilities		115		115
Total financial assets	**48**	**154**		**202**
Financial liabilities				
Financial liabilities measured at fair value via the income statement:				
Derivatives financial instruments used to hedge the fair value of recognised assets and liabilities		179		179
Contingent consideration in a business combination			114	114
Total financial liabilities	**0**	**179**	**114**	**293**

There have been no significant transfers between level 1 and 2 in 2013 and 2014

The only financial liability which is subsequently measured at fair value in accordance with level 3 is contingent consideration in a business combination in connection with the acquisition of Knelson. No profit/loss from the contingent consideration has been recognised in the statement.

8. Work-in-progress for third parties

DKKm	Q1 2014	Q1 2013	Q4 2013
Total cost incurred	34,806	38,054	34,565
Profit recognised as income, net	5,506	7,112	5,647
Work-in-progress for third parties	40,312	45,166	40,212
Invoicing on account to customers	(39,130)	(44,357)	(38,859)
Net work-in-progress for third parties	**1,182**	**809**	**1,353**
Of which work-in-progress for third parties is stated under assets	4,357	5,795	4,491
and under liabilities	(3,175)	(4,986)	(3,138)
	1,182	**809**	**1,353**

Notes to the interim report

9. Quarterly key figures

DKKm	2012				2013				2014
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
INCOME STATEMENT									
Revenue	5,145	6,036	6,708	8,395	5,921	6,852	6,730	7,420	5,297
Gross profit	1,309	1,500	1,742	1,975	1,277	1,298	1,254	1,380	1,275
Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	469	670	757	971	288	406	324	286	407
Earnings before amortisation and impairment of intangible assets (EBITA)	402	605	659	893	200	310	245	222	327
Earnings before interest and tax (EBIT)	334	349	561	797	111	217	(727)	60	239
Earnings before tax (EBT)	346	326	529	760	66	226	(802)	(90)	175
Tax for the period	(105)	(103)	(162)	(283)	(31)	(80)	19	(94)	(60)
Profit/loss on continuing activities	241	223	367	477	35	146	(783)	(184)	**115**
Profit/loss on discontinued activities	-	-	10	(15)	-	(3)	-	5	-
Profit/loss for the period	241	223	377	462	35	143	(783)	(179)	**115**
Effect of purchase price allocation	(58)	(58)	(88)	(88)	(81)	(81)	(81)	(79)	(76)
Gross margin	25.4%	24.9%	26.0%	23.5%	21.6%	18.9%	18.6%	18.6%	*24.1%*
EBITDA margin	*9.1%*	*11.1%*	*11.3%*	*11.6%*	*4.9%*	*5.9%*	*4.8%*	3.9%	*7.7%*
EBITA margin	*7.8%*	*10.0%*	*9.8%*	*10.6%*	*3.4%*	*4.5%*	*3.6%*	3.0%	*6.2%*
EBIT margin	*6.5%*	*5.8%*	*8.4%*	*9.5%*	*1.9%*	*3.2%*	*-10.8%*	0.8%	*4.5%*
CASH FLOW									
Cash flow from operating activities	(117)	333	(28)	1,532	(466)	(51)	283	77	(552)
Cash flow from investing activities	(209)	(386)	(2,421)	(382)	(108)	(166)	(192)	(101)	(72)
Order intake	6,421	7,246	7,956	6,104	5,027	5,626	4,642	5,616	4,841
Order backlog	28,736	30,803	31,766	29,451	28,583	26,983	24,595	22,312	22,152
SEGMENT REPORTING									
Customer Service									
Revenue	1,368	1,608	1,968	2,129	1,809	2,020	1,736	2,000	1,770
Gross profit	393	433	557	614	489	569	316	480	503
EBITDA	193	244	258	317	195	320	53	200	251
EBITA	180	231	226	293	169	298	29	195	228
EBIT	174	155	199	259	144	277	(531)	151	197
Effect of purchase price allocations	(4)	(15)	(18)	(40)	(25)	(21)	(28)	(27)	(29)
Gross margin	*28.7%*	*26.9%*	*28.3%*	*28.8%*	*27.0%*	*28.2%*	*18.2%*	*24.0%*	28.4%
EBITDA margin	*14.1%*	*15.2%*	*13.1%*	*14.9%*	*10.8%*	*15.8%*	*3.1%*	*10.0%*	14.2%
EBITA margin	*13.2%*	*14.4%*	*11.5%*	*13.8%*	*9.3%*	*14.8%*	*1.7%*	*9.8%*	12.9%
EBIT margin	12.7%	9.6%	10.1%	12.2%	8.0%	13.7%	-30.6%	7.6%	11.1%
Order intake	1,846	1,569	3,345	2,442	1,964	1,900	2,109	2,032	2,066
Order backlog	6,679	6,708	7,909	8,159	8,236	7,979	8,325	8,046	8,341
Material Handling									
Revenue	1,060	1,271	1,340	1,326	1,055	944	1,081	1,472	1,040
Gross profit	193	199	183	29	125	(169)	163	216	187
EBITDA	28	28	(29)	(167)	(65)	(356)	(19)	(15)	(16)
EBITA	16	17	(42)	(177)	(79)	(369)	(34)	(29)	(28)
EBIT	4	12	(60)	(203)	(98)	(387)	(46)	(67)	(48)
Effect of purchase price allocations	*(11)*	*(10)*	*(10)*	*(10)*	*(12)*	*(12)*	*(12)*	(12)	(16)
Gross margin	*18.2%*	*15.7%*	*13.7%*	*2.2%*	*11.8%*	*-17.9%*	*15.1%*	*14.7%*	18.0%
EBITDA margin	2.6%	*2.2%*	*-2.2%*	-12.6%	-6.2%	*-37.7%*	*-1.8%*	*-1.0%*	-1.5%
EBITA margin	1.5%	1.3%	-3.1%	-13.3%	-7.5%	-39.1%	-3.1%	-2.0%	-2.7%
EBIT margin	0.4%	0.9%	-4.5%	-15.3%	-9.3%	-41.0%	-4.3%	-4.6%	-4.6%
Order intake	943	1,272	1,675	675	1,616	1,028	638	1,655	1,056
Order backlog	5,023	5,230	5,514	4,773	5,126	4,976	4,465	4,465	4,445

9. Quarterly key figures

DKKm	2012				2013				2014
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Mineral Processing									
Revenue	1,722	2,057	2,375	3,358	2,010	2,477	2,393	2,376	1,416
Gross profit	376	433	558	829	432	544	510	513	295
EBITDA	147	209	240	483	151	292	233	174	89
EBITA	135	193	215	457	130	259	215	153	68
EBIT	94	89	164	426	88	212	(177)	88	38
Effect of purchase price allocations	(41)	(30)	(57)	(35)	(42)	(46)	(39)	(38)	(29)
Gross margin	*21.8%*	*21.1%*	*23.5%*	*24.7%*	*21.5%*	*22.0%*	*21.3%*	*21.6%*	20.8%
EBITDA margin	*8.5%*	*10.2%*	*10.1%*	*14.4%*	*7.5%*	*11.8%*	*9.7%*	7.3%	6.3%
EBITA margin	*7.8%*	*9.4%*	*9.1%*	*13.6%*	*6.5%*	*10.5%*	*9.0%*	6.4%	4.8%
EBIT margin	*5.5%*	*4.3%*	*6.9%*	*12.7%*	*4.4%*	*8.6%*	*-7.4%*	3.7%	2.7%
Order intake (gross)	2,445	2,808	2,598	2,467	1,345	1,679	1,510	1,025	1,041
Order backlog	9,482	10,362	10,529	9,589	9,057	7,891	6,749	4,993	4,635
Cement									
Revenue	859	952	905	1,498	1,016	1,304	1,385	1,496	963
Gross profit	230	300	330	409	201	237	161	102	192
EBITDA	102	155	214	317	48	101	47	(35)	72
EBITA	93	144	208	307	39	91	38	(44)	63
EBIT	85	74	206	304	37	85	31	(58)	57
Effect of purchase price allocations	(2)	(3)	(3)	(3)	(2)	(2)	(2)	(2)	(2)
Gross margin	*26.8%*	*31.5%*	*36.5%*	*27.3%*	*19.8%*	*18.2%*	*11.6%*	6.8%	19,9%
EBITDA margin	*11.9%*	*16.3%*	*23.6%*	*21.2%*	*4.7%*	*7.7%*	*3.4%*	-2.3%	7.5%
EBITA margin	*10.8%*	*15.1%*	*23.0%*	*20.5%*	*3.8%*	*7.0%*	*2.7%*	-2.9%	6.5%
EBIT margin	*9.9%*	*7.8%*	*22.8%*	*20.3%*	*3.6%*	*6.5%*	*2.2%*	-3.9%	5.9%
Order intake (gross)	1,415	1,902	667	615	308	1,335	624	1,150	928
Order backlog	8,208	9,240	8,579	7,585	6,808	6,847	5,706	5,389	5,348
Cembrit									
Revenue	316	383	392	344	270	395	402	374	348
Gross profit	108	124	124	92	41	117	109	91	99
EBITDA	13	46	44	5	(39)	38	8	(10)	19
EBITA	(6)	33	27	3	(54)	23	(7)	(26)	5
EBIT	(7)	32	27	2	(55)	22	(8)	(27)	4
Gross margin	*34.2%*	*32.4%*	*31.6%*	*26.7%*	*15.2%*	*29.6%*	*27.1%*	24.3%	28.4%
EBITDA margin	*4.1%*	*12.0%*	*11.2%*	*1.5%*	*-14.4%*	*9.6%*	*2.0%*	-2.7%	5.5%
EBITA margin	*-1.9%*	*8.6%*	*6.9%*	*0.9%*	*-20.0%*	*5.8%*	*-1.7%*	-7.0%	1.4%
EBIT margin	*-2.2%*	*8.4%*	*6.9%*	*0.6%*	*-20.4%*	*5.6%*	*-2.0%*	-7.2%	1.1%

Notes to the interim report

10. Accounting policies and Management estimates and assessments

Accounting policies
The interim report of the Group for the first quarter of 2014 is presented in accordance with IAS 34, Presentation of financial statements, as approved by the EU and additional Danish disclosure requirements regarding interim reporting by listed companies as fixed by NASDAQ OMX Copenhagen (”OMX”).

Apart from the below mentioned changes, the accounting policies are unchanged from those adopted in the 2013 Annual Report. Reference is made to note 48, Accounting policy, in page 141 and to specific notes in the 2013 Annual Report for further details.

Effective 1 January 2014, the Group has implemented the two new standards IFRS 10 and IFRS 11.

The new standard IFRS 10, Consolidated Financial Statements, replaces parts of IAS 27, Consolidated and Separate Financial Statements. According to IFRS 10 only one basis for consolidation exists, control. Further IFRS 10 includes a new definition of control.

IFRS 11, Joint Arrangements, replaces IAS 31 Interests in Joint Ventures. Under IFRS 11 Joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligation of the parties to the arrangements. IFRS 11 requires joint ventures to be accounted for using the equity method, where jointly controlled entities according to IAS 31, could be pursuing the method or proportional consolidation.

The above two standards do not have material impact on the financial reporting.

Management estimates and assessments
When preparing the interim report in accordance with the Group's accounting policies, it is necessary that Management makes estimates and lays down assumptions that affect the recognised assets and liabilities, including the disclosures made regarding contingent assets and liabilities.

Management bases its estimates on historical experience and other assumptions considered relevant at the time in question. These estimates and assumptions form the basis of the recognised carrying amounts of assets and liabilities and the derived effects on the income statement. The actual results may deviate over time. Reference is made to note 1, page 96 in the 2013 Annual Report for further information about the items primarily affected by Management estimates and assessments in connection with the presentation of the consolidated financial statements.

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