1 January - 31 March 2015 (Company announcement No. 08-2015)

Interim Report

ROCE	EBITA margin	Free cash flow	Net profit
11%	7.7%	DKKm 715	DKKm 272
Up from 7%	Up from 6.5%	Up from DKK -624m	Up from DKK 115m

Main conclusions

Customer Services and Product Companies provide a stable and profitable base in a tough market environment. Margins expanded as a consequence of efficiency measures. EBITA margin of 9.5% adjusted for non-recurring costs. Positive free cash flow of DKK 715m owing to sale of Cembrit. Sequential increase in order intake. Market outlook and guidance for 2015 remain unchanged.

Guidance for 2015 (unchanged)

Guidance for 2015 (unchanged)

	Realised 2014	Realised Q1 2015	Guidance 2015
Revenue	DKK 21.1bn	DKK 4.8bn	DKK 19-21bn
EBITA margin	7.7%	7.7%	9-10%
ROCE	11%	11%	12-14%
Effective tax rate	30.2%	31%	31-33%
CFFI *)	DKK -0.4bn	DKK -0.1bn	DKK -0.4bn

*) excluding acquisitions and divestments of enterprises and activities

Financial result Q1 2015

FLSmidth

Revenue **DKK 4,825m**
EBITA margin adj. **9.5%**
EBITA margin **7.7%**
Order intake **DKK 4,677m**

	Customer Services	Product Companies	Minerals	Cement
Revenue	DKK 1,878m	DKK 1,375m	DKK 946m	DKK 836m
EBITA margin adj.	13.6%	14.4%	-3.9%	4.7%
EBITA margin	9.7%	14.4%	-5.5%	4.7%
Order intake	DKK 1,789m	DKK 1,580m	DKK 1,074m	DKK 431m

FLSmidth
Q1 2015 in numbers

Return on Capital employed
11%
Up from 7%

Revenue (DKKm)
4,825
Down from 4,949

EBITA (DKKm)
370
Up from 322

EBITA margin
7.7%
Up from 6.5%

CFFO (DKKm)
-45
Up from -552

Order intake (DKKm)
4,677
Down from 4,841

Order backlog (DKKm)
18,952
Down from 22,152

Net interest-bearing debt (DKKm)
4,258
Down from 5,353

Net working capital (DKKm)
2,868
Up from 2,726

Group financial highlights

DKKm	Q1 2015	Q1 2014	Year 2014
INCOME STATEMENT			
Revenue	4,825	4,949	21,129
Gross profit	1,188	1,176	5,056
Earnings before non-recurring items, depreciation, amortisation and write-downs (EBITDA)	443	388	1,931
Earnings before amortisations and write-down on intangible assets (EBITA)	370	322	1,627
Earnings before interest and tax (EBIT)	266	236	1,220
Earnings from financial items, net	(14)	(62)	(118)
Earnings before tax (EBT)	252	174	1,102
Profit/loss for the period, continuing activities	**174**	**118**	**769**
Profit/loss for the period, discontinued activities	98	(3)	44
Profit/loss for the period	**272**	**115**	**813**
CASH FLOW			
Cash flow from operating activities	(45)	(552)	1,298
Acquisition and disposal of enterprises and activities	830	-	(184)
Acquisition of tangible assets	(39)	(44)	(366)
Other investments, net	(31)	(28)	(48)
Cash flow from investing activities	760	(72)	(598)
Cash flow from operating and investing activities of continuing activities	882	(569)	742
Cash flow from operating and investing activities of discontinued activities	(167)	(55)	(42)
NET WORKING CAPITAL	**2,868**	**2,726**	**2,164**
NET INTEREST-BEARING DEBT	**4,258**	**5,353**	**4,557**
ORDER INTAKE, CONTINUING ACTIVITIES (GROSS)	**4,677**	**4,841**	**17,761**
ORDER BACKLOG, CONTINUING ACTIVITIES	**18,952**	**22,152**	**19,017**
BALANCE SHEET			
Non-current assets	12,160	12,103	11,535
Current assets	14,782	14,841	13,421
Assets held for sale	-	-	1,396
Total assets	**26,942**	**26,944**	**26,352**
Equity	8,157	7,033	7,761
Long-term liabilities	6,652	7,458	5,868
Short-term liabilities	12,133	12,453	12,240
Liabilities directly associated with assets classified as held for sale	-	-	483
Total equity and liabilities	**26,942**	**26,944**	**26,352**
DIVIDEND TO THE SHAREHOLDERS PAID	**439**	**-**	**461**
FINANCIAL MARGIN			
Continuing activities			
Gross margin	*24.6%*	*23.8%*	*23.9%*
EBITDA margin	*9.2%*	*7.8%*	*9.1%*
EBITA margin	*7.7%*	*6.5%*	*7.7%*
EBIT margin	*5.5%*	*4.8%*	*5.8%*
EBT margin	*5.2%*	*3.5%*	*5.2%*
Return on equity	14%	7%	11%
Equity ratio	30%	26%	29%
ROCE (Return on capital employed)	11%	7%	11%
Net working capital ratio (end of period)	13.7%	11.0%	10.3%
Net working capital ratio (average)	13.3%	10.3%	10.2%
Capital employed (end of period)	16,385	14,999	14,944
Capital employed (average)	15,692	15,086	15,059
NIBD/EBITDA	2.1	3.9	2.4
Number of employees end of period, Group	**13.710**	**15.045**	**14.765**
Number of employees in Denmark	1.177	1.458	1.289
Share and dividend figures, the Group			
CFPS (cash flow per share), (diluted)	(0.9)	(11.2)	26.3
EPS (earnings per share), (diluted)	5.6	2.1	16.4
FLSmidth & Co. share price	313.0	273.4	272.3
Number of shares (1,000) end of period	51,250	53,200	51,250
Marked capitalisation	16,041	14,545	13,955

The financial ratios have been computed in accordance with the guidelines of the Danish Society of Financial Analysts from 2010.

Group

Customer Services and Product Companies provide a stable and profitable base in a tough market environment. Margins expanded as a consequence of efficiency measures. EBITA margin of 9.5% adjusted for non-recurring costs. Positive free cash flow of DKK 715m owing to sale of Cembrit. Sequential increase in order intake. Market outlook and guidance for 2015 remain unchanged.

Market trends

The outlook for FLSmidth's end markets remains overall unchanged versus the end of 2014.

In its most recent World Economic Outlook, IMF projects global growth for 2015 to be on par with 2014 and refers to this as "a moderate and uneven growth".

By uneven, IMF means that growth rates are picking up in advanced economies and slowing in emerging markets and developing economies. The latter makes up roughly two-thirds of FLSmidth's business today but advanced economies may play a more essential role in FLSmidth's future business. The change in regional growth dynamics should be most pronounced for the cement industry which is impacted by local or regional demand, whereas the minerals business first and foremost depend on global demand.

One of the major world economic forces impacting regional growth dynamics, and thus the cement market, is the decline in oil price. Most experts agree that the lower oil price is good for the overall economy which in turn is good for the GDP-driven cement industry. However, the flow of funds from oil-exporting countries to oil-importing countries is creating a shift in the short-term demand for new cement capacity, causing a more muted short-term recovery in cement. However, it does not change the expectations for a higher cement order intake in 2015 compared to last year with generally brighter prospects ahead for global cement demand.

Group (continuing activities)

DKKm	Q1 2015	Q1 2014	Change (%)
Order intake	**4,677**	**4,841**	-3%
Order backlog	**18,952**	**22,152**	-14%
Revenue	**4,825**	**4,949**	-3%
Gross profit	**1,188**	**1,176**	1%
Gross profit margin	*24.6%*	*23.8%*	
EBITDA	**443**	**388**	14%
EBITDA margin	*9.2%*	*7.8%*	
EBITA	**370**	**322**	15%
EBITA margin	*7.7%*	*6.5%*	
EBIT	**266**	**236**	13%
EBIT margin	*5.5%*	*4.8%*	
Number of employees	**13,710**	**15,045**	-9%

This is underpinned by expectations for mid-single digit growth in the world's cement demand excluding China and the fact that the industry as a whole is well-capitalized and ready to invest when capacity becomes scarce.

Another dominant world economic force at present is the appreciation of the US dollar which has had an impact, especially on FLSmidth's minerals business. Also, the mining industry still faces uncertainty and lower commodity prices. The mid- to long-term fundamentals remain strong for copper with most industry experts anticipating a supply deficit to re-emerge a few years from now. The gold price has fluctuated recently with no clear trend of direction, whereas the prices of coal and iron ore remain under downward pressure. With FLSmidth's relatively low exposure to iron ore, the direct impact is confined, and the indirect exposure may be more important as many miners are largely dependent on cash flow from iron ore operations to cover dividends and future investments. That said, the price decline is partly self-imposed by some major miners who continue to expand low cost capacity in a market of oversupply and contracting Chinese steel demand. Logically, at some point this will have to trigger capacity adjustments and not surprisingly we have witnessed shutdown of some junior miner's higher cost iron ore production.

Potash and phosphate prices were stable during the quarter, and the first large fertiliser order in several quarters was announced.

The overall outlook for FLSmidth's minerals business is unchanged with mining capex expected to trough in 2015 and slow growth expected in 2016. Customer focus is on productivity enhancing investments, and recovery should be evident first in the product business, whereas the projects business typically picks up later in the cycle.

For both minerals and cement, the service business and the more standardised product business, which today constitute the clear majority of Group earnings, remain resilient, and reflects a continued drive to enhance productivity and maintain the current production capacity.

Sale of Cembrit

On 12 January 2015, it was announced that FLSmidth has signed an agreement with a company in the Solix Group AB to sell all shares in Cembrit Holding A/S. Cembrit is one of the leading distributors and manufacturers of fibre-cement products in Europe and has been part of the FLSmidth Group since 1927. The sale of Cembrit concludes FLSmidth's divestment of building materials companies, a process that started 10 years ago by the divestment of Aalborg Portland and Unicon. The price of the shares was agreed to DKK 1.1bn (Enterprise value on a debt free basis) and the transaction was closed on 30 January 2015. The sale of Cembrit had a DKK 108m positive impact on FLSmidth's profit from discontinued activities in Q1 2015. The settlement in Q1 amounted to DKK 912m, reflected in a positive cash flow from investments of DKK 830m and a neutralised cash position of DKK 82m. The final balance sheet adjustments will be determined and settled within 12 months after the closing date.

Financial developments in Q1 2015

Growth efficiency

FLSmidth saw both a revenue and order intake decline of 3% in Q1 2015, despite currency tailwind. The decline in revenue was related to the Minerals division as a consequence of a low order backlog at the beginning of the year, whereas the decline in order intake was first and foremost related to the Cement division, where no large orders became effective in the first quarter this year. In general, the Customer Services Division and the Product Company Division are showing good, stable developments.

Order intake and order backlog

The order intake decreased 3% to DKK 4,677m (Q1 2014: DKK 4,841m). Currency translation effects had a positive impact of 10%. Organic growth was -13%, which is primarily explained by the lack of large orders in Cement and no additional order intake from operation and maintenance contracts in Customer Services.

The level of unannounced orders was up 3% Q1 2015 compared to the year before, however also positively impacted by currency translation effects.

Order intake developments in Q1 2015

Order intake (vs. Q1 2014)	**Customer Services**	**Product Companies**	**Minerals**	**Cement**	**FLSmidth Group**
Organic growth	-21%	-5%	14%	-45%	-13%
Currency	10%	9%	11%	6%	10%
Total growth	**-11%**	**4%**	**25%**	**-39%**	**-3%**

The order intake in Cement declined as much as 39% in Q1 as a result of the lack of large order announcements in the quarter. However, one quarter is not significant in a project based business, and based on the current order tender activity, order intake in 2015 in the cement division is expected to be higher than in 2014. Short term, the low oil price has had a negative impact on the economic growth and infrastructure investments in oil exporting countries, whereas a low oil price is benefiting oil importing countries, however with a slightly longer time horizon.

The order intake in Customer Services declined 11% in Q1 2015, which is primarily related to lower order intake from O&M contracts, which, by nature, is the most volatile part of the order intake in Customer Services. Order intake related to service and spare parts in both cement and minerals was keeping up well in Q1.

The order intake in Minerals increased 25%, of which 11% was attributable to currency developments. Sequentially, the order intake increased 72%, although from a very low level in Q4 2014. One large order was announced in the quarter.

The order backlog for the Group was almost unchanged in Q1 2015 at DKK 18,952m (end of 2014: DKK 19,017m) as adjustments to the order backlog were compensated by currency translation effects. 56% of the order backlog is expected to be converted to revenue in the remainder of 2015, 32% in 2016, and 12% in 2017 and beyond.

As announced on 6 May 2015, the order backlog was reduced by DKK 671m related to the ceased collaboration on operation and maintenance contracts with Dangote cement on two cement plants in Nigeria.

With respect to the legacy order backlog in the Materials Handling business unit, eight projects are still regarded as risky (end of 2014: 9 projects). These projects accounted for DKK 205m of the order backlog at the end of Q1 2015 (end of 2014: DKK 208m).

Revenue

Revenue decreased by 3% to DKK 4,825m in Q1 2015 (Q1 2014: DKK 4,949m), as a consequence of a lower order backlog at the beginning of the year in the Minerals Division in particular.

Revenue developments in Q1 2015

Revenue (vs. Q1 2014)	**Customer Services**	**Product Companies**	**Minerals**	**Cement**	**FLSmidth Group**
Organic growth	-3%	-8%	-40%	9%	-12%
Currency	12%	9%	8%	6%	9%
Total growth	**9%**	**1%**	**-32%**	**15%**	**-3%**

Profit efficiency

Despite a small decline in top line in Q1 2015, the EBITA margin increased 1.2 percentage points to 7.7% due to a positive impact from the efficiency programmes and business right-sizing, more than off-setting the negative impacts from non-recurring costs recognised in the quarter.

The total costs of non-recurring nature encountered in Q1 2015 amounted to DKK -88m (Q1 2014: DKK -45m), of which DKK -73m was related to the discontinued operation and maintenance contract as previously mentioned. The remaining DKK -15m of the one-off costs are related to the additional efficiency and business right-sizing initiatives announced on 12 February 2015. As announced, the additional efficiency and right-sizing measures are expected to improve EBITA by DKK 200m in 2015, less one-off costs of DKK 100m. The programme is expected to result in headcount reductions of around 300 people. At the end of Q1 2015, 219 people had been given notice.

The gross profit was more or less unchanged at DKK 1,188m (Q1 2014: DKK 1,176m), corresponding to a gross margin of 24.6% (Q1 2014: 23.8%). The increasing gross margin is attributable to the efficiency programme.

Q1 2015 saw total research and development expenses of DKK 68m (Q1 2014: DKK 85m), representing 1.4% of revenue (Q1 2014: 1.7%), of which DKK 21m was capitalised (Q1 2014: DKK 28m) and the balance reported as production costs. In addition, project financed developments are taking place in cooperation with customers. In accordance with international accounting standards, research costs are expensed, whereas development costs are to be capitalised if substantiated by an underlying business case.

Sales, distribution and administrative costs and other operating income including some costs of one-off nature amounted to DKK 745m in Q1 2015, which represents a cost percentage of 15.4% of revenue (Q1 2014: 15.9%) and a 5% decrease on Q1 2014 (Q1 2014: DKK 788m).

Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) increased 14% to DKK 443m (Q1 2014: DKK 388m) corresponding to an EBITDA margin of 9.2% (Q1 2014: 7.8%).

Depreciation and impairment of tangible assets amounted to DKK -73m (Q1 2014: DKK -66m).

Earnings before amortisation and impairment of intangible assets (EBITA) increased 15% to DKK 370m (Q1 2014: DKK 322m), corresponding to an EBITA margin of 7.7% (Q1 2014: 6.5%). Adjusted for non-recurring costs, the EBITA-margin was 9.5% in Q1 (Q1 2014: 7.4%).

Amortisation and impairment of intangible assets amounted to DKK -104m (Q1 2014: DKK -86m). The effect of purchase price allocations amounted to DKK -71m (Q1 2014: DKK -76m) and other amortisations to DKK -33m (Q1 2014: DKK -10m). The increase is related to increased use of the new ERP business system.

Earnings before interest and tax (EBIT) amounted to DKK 266m (Q1 2014: DKK 236m), corresponding to an EBIT margin of 5.5% (Q1 2014: 4.8%).

Net financial items amounted to DKK -14m (Q1 2014: DKK -62m), of which foreign exchange and fair value adjustments amounted to DKK -7m (Q1 2014: DKK -51m). Net interest costs amounted to DKK -7m (Q1 2014: DKK -11m).

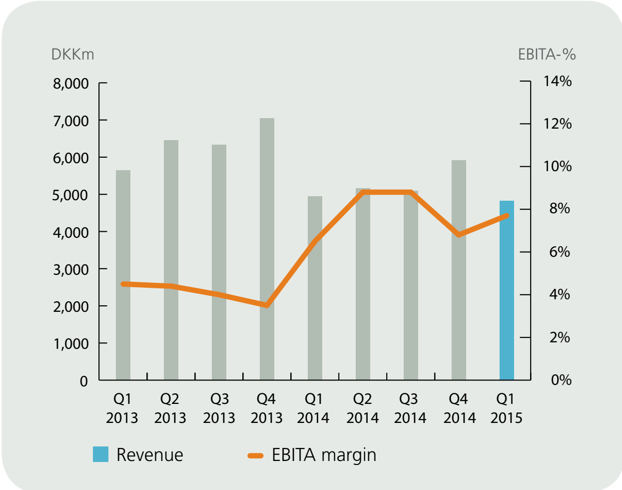
Earnings before tax (EBT) was DKK 252m (Q1 2014: DKK 174m).

The tax for the year amounted to DKK -78m (Q1 2014: DKK -56m), corresponding to an effective tax rate of 31%.

Profit from discontinued activities amounted to DKK 98m, mainly related to the sale of Cembrit (Q1 2014: DKK -3m).

Profit/loss for the period increased to DKK 272m (Q1 2014: DKK 115m).

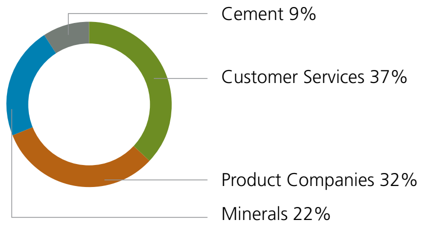
Quarterly revenue and EBITA margin



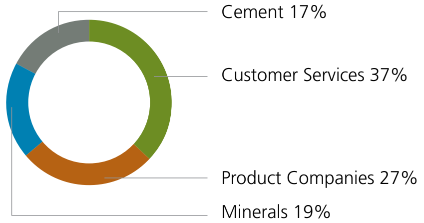
Quarterly order intake

Net working capital

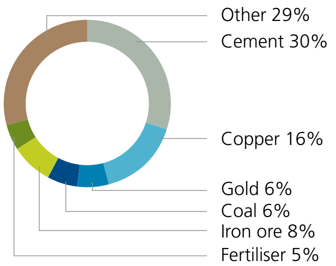
Order intake – by segment (Q1 2015)



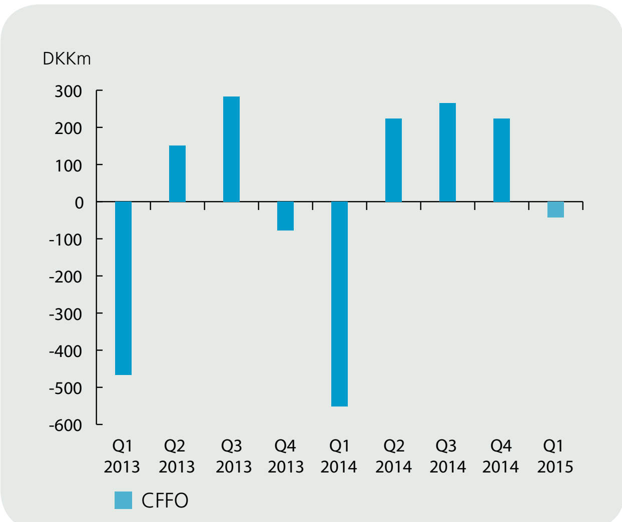
Revenue – by segment (Q1 2015)



Order intake – by industry (Q1 2015)



Cash flow from operating activities



Capital efficiency

The balance sheet was significantly impacted by currency translation effects as well as the sale of Cembrit in Q1 2015. The net interest bearing debt decreased to DKK 4,258m and the financial gearing declined to 2.1. At the same time, the equity ratio increased to 30%, which means that the capital structure is getting closer to the targeted range.

Capital employed and ROCE

Average Capital employed increased to DKK 15.7bn in Q1 2015 (end of 2014: DKK 15.1bn) due to currency translation effects, while 12 months trailing EBITA increased to DKK 1,675m (2014: DKK 1,627m). Consequently, ROCE was unchanged at 11% (2014: 11%).

Capital employed consists primarily of intangible assets amounting to DKK 10.6bn which is mostly historical goodwill as well as patents and rights, and customer relations. Tangible assets account for DKK 2.9bn and net working capital for DKK 2.9bn, which leaves limited room for significant reductions in Capital employed.

Consequently, reaching the target of more than 20% Return on Capital employed requires an increase in EBITA to around DKK 3bn through a combination of top-line growth and margin expansion.

Cash flow developments and working capital

Cash flow from operating activities amounted to DKK -45m in Q1 2015 (Q1 2014: DKK -552m). The improvement on last year is explained by higher operational earnings, a positive impact from provisions and less negative impact from change in working capital and taxes paid.

Net working capital amounted to DKK 2,868m at the end of Q1 2015 (end of 2014: DKK 2,164m), representing 13.7% of 12 months trailing revenue at the end of Q1 2015 (Q1 2014: 11.0% of revenue). The ratio is negatively impacted by an uneven currency impact. Thus, net working capital has full currency impact, while 12 months trailing revenue only partly reflects current foreign exchange rates. Adjusted for currency effects, net working capital increased by DKK 328m in Q1 2015. Historically, net working capital has proven to be seasonally weak in Q1, which was also the case this year. The currency adjusted increase is almost entirely explained by an increase in net work in progress. It is worth mentioning that both accounts receivable and accounts payable decreased by around DKK 0.5bn in

Q1 and that inventories were stable, when adjusted for currency effects. The ambition is that net working capital should not exceed 10% of sales at any point in the cycle, and in times when project business is the predominant business area, net working capital should even be low single digit or close to zero. Each of the divisions have been given specific net working capital targets, reflecting the business model of each division.

Investing in the business

Cash flow from investing activities amounted to DKK 760m (Q1 2014: DKK -72m), including divestment of Cembrit, contributing with a DKK 830m positive impact in Q1 2015.

Cash flow from investments (excluding acquisitions and divestments) amounted to DKK -70m in Q1 (Q1 2014: DKK -72m) which was below the level of depreciation, and amortisation (excluding the effect of purchase price allocations), amounting to DKK 106m in Q1 2015.

Balance sheet, capital structure and dividend

The balance sheet total amounted to DKK 26,942m at the end of Q1 2015 (end of 2014: DKK 26,352m). The increase is primarily explained by currency translation effects.

Equity at the end of Q1 2015 increased to DKK 8,157m (end of 2014: DKK 7,761m), and the equity ratio increased to 30% at the end of Q1 2015 (end of 2014: 29%), despite pay-out of dividend to shareholders in Q1 2015 of DKK 439m.

Net interest-bearing debt by the end of Q1 2015 amounted to DKK 4,258 (end of 2014: DKK 4,557m) and the Group's financial gearing (calculated as NIBD divided by 12 months trailing EBITDA) amounted to 2.1 at the end of Q1 2015 (end of 2014: 2.4). The gearing is continuously getting closer to the targeted capital structure of maximum two times EBITDA.

Net interest-bearing debt decreased by DKK 0.3bn in Q1 2015, which is reflecting free cash flow of DKK 0.7bn in Q1 2015, and dividend paid out of DKK 0.4bn.

The Group's capital resources currently consist of committed credit facilities of DKK 7.9bn (excluding mortgage) with a weighted average time to maturity of 3.9 years.

Treasury shares

FLSmidth's treasury share capital amounted to 2,401,823 shares at the end of Q1 2015 (end of 2014: 2,412,491 shares) representing 4.7% of the total share capital (end of 2014: 4.7%). The holding of treasury shares is adjusted continuously to match FLSmidth's incentive plans.

Incentive plan

At the end of Q1 2015, there were a total of 2.442.986 unexercised share options under FLSmidth's incentive plan and the fair value of them was DKK 147m. The fair value is calculated by means of a Black & Scholes model based on a current share price of DKK 313, a volatility of 27.35% and annual dividend of DKK 9 per share. The effect of the plan on the income statement for Q1 2015 was DKK 11m (Q1 2014: DKK 11m).

Employees

The number of employees amounted to 13,710 by the end of Q1 2015, representing a decrease of 7% in Q1 (end 2014: 14,765). The decline is primarily explained by the divestment of Cembrit.

Guidance for 2015 (unchanged)

In 2015, FLSmidth & Co. A/S expects a consolidated revenue of DKK 19-21bn (Q1 2015: DKK 4.8bn) and an EBITA margin of 9-10% (Q1 2015: 7.7%).

The return on capital employed is expected to be 12-14% in 2015 (Q1 2015: 11%).

The effective tax rate is expected to be 31-33% (Q1 2015: 31%) and cash-flow from investments is expected to be around DKK -0.4bn excluding acquisitions and divestments. (Q1 2015: DKK -70m).

With respect to the expected divisional performance, it is clear that 2015 will be a challenging year for the two project divisions, Minerals and Cement, considering the relatively low order backlog at the beginning of the year and the current cyclical downturn. Cement, however, is expected to see a pickup in order intake in 2015.

The Product Companies division and the Customer Services division are expected to be on a growth trajectory with a potential to expand margins.

Events occurring after the balance sheet date

As announced on 6 May 2015, FLSmidth has reached an agreement to exit O&M contracts with Dangote Cement PLC in Nigeria due to changed market conditions.

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 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 annual report.

Customer Services

The Customer Services Division provides a full suite of parts, services, and operation and maintenance solutions to the global cement and minerals industries.

Market developments

Market conditions for Customer Services are largely unchanged, however with a slight improvement in cement, whereas minerals customers remain cautious, especially on larger purchases. The improvement in cement is strongest in North America, Middle East, South East Asia and parts of North Africa. In minerals, activity is still strongest in parts of Latin America, whereas the Australian market remains subdued.

Minerals customers continue to have a strong focus on cash preservation and demand is for process support to streamline operations, increase productivity and generate cost savings. Cement customers' focus on cash and cost savings is still evident but they are now focusing more on increasing production and minimizing down time as production is sold out in many areas.

Financial developments

The results are impacted by the agreement to discontinue the collaboration with Dangote Cement on the operation and maintenance contracts in Nigeria, as announced on 6 May 2015. As a consequence, the order backlog was reduced by DKK 671m and the EBITA result impacted by one-off costs of DKK -73m related to the demobilisation.

Order intake in Q1 2015 was DKK 1,789m, representing a decrease of 11% compared to Q1 2014 (Q1 2014: DKK 2,016m). The decrease is primarily explained by lower order intake related to operation and maintenance contracts, which, by nature, is the most volatile part in Customer Services. Actually, order intake related to service and spare parts in both cement and minerals was holding up well in Q1. Revenue increased 9% to DKK 1,878m (Q1 2014: DKK 1,725m), but declined by 3% adjusted for currency effects. The EBITA result declined to DKK 182m (Q1 2014: DKK 236m) explained by DKK 73m non-recurring costs as mentioned above. The EBITA margin was 9.7%, or 13.6% adjusted for non-recurring costs, which is on a par with last year (Q1 2014: 13.7%).

FACTS

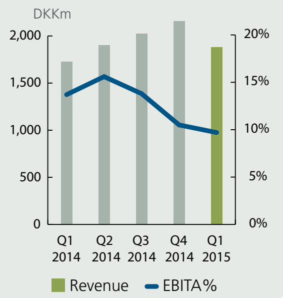
Long term financial targets:

5-10% annual revenue growth (over the cycle)

EBITA margin > 15%

NWC 15-20%

Financials



Customer Services

DKKm	Q1 2015	Q1 2014	Change (%)
Order intake	**1,789**	**2,016**	-11%
Order backlog	**6,042**	**7,990**	-24%
Revenue	**1,878**	**1,725**	9%
Gross profit	**484**	**504**	-4%
Gross profit margin	*25.8%*	*29.2%*	
EBITDA	**209**	**259**	-19%
EBITDA margin	*11.1%*	*15.0%*	
EBITA	**182**	**236**	-23%
EBITA margin	*9.7%*	*13.7%*	
EBIT	**143**	**206**	-31%
EBIT margin	*7.6%*	*11.9%*	
Number of employees	**6,662**	**5,955**	12%

Product Companies

The Products Companies Division hosts a diverse portfolio of relatively standardised market leading product brands, applied in cement, minerals and adjacent industries.

Market developments in Q1 2015

Although the product companies are predominantly exposed to replacement demand as well as parts and services, they are not completely immune to changes in demand for new equipment and capex investments by the cement and minerals industries. As such, both order intake and revenue will fluctuate from quarter to quarter, although with significantly less amplitude than the project business.

Financial developments

Order intake in Q1 2015 increased to DKK 1,580m, which is the highest level since Q3 2012, representing an increase of 4% compared to Q1 2014 (Q1 2014: DKK 1,516m).

Adjusted for currency effects, however, the order intake decreased 5%. Revenue increased 1% to DKK 1,375m (Q1 2014: DKK 1,356m), but decreased 8% adjusted for currency effects.

The EBITA result amounted to DKK 198m in Q1, representing a 55% increase over last year (Q1 2014: DKK128m). As a result, the EBITA margin in Q1 increased to 14.4% which is significantly higher than the corresponding quarter last year (Q1 2014: 9.5%), and the previous quarter (Q4 2014: 9.2%). The margin improvement is explained by lower indirect production and administration costs, which is attributable to the efficiency programme.

FACTS

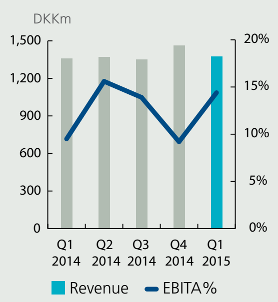
Long term financial targets:

5-10% annual revenue growth (over the cycle)

EBITA margin 12-15%

NWC ~15%

Financials



Product Companies

DKKm	Q1 2015	Q1 2014	Change (%)
Order intake	**1,580**	**1,516**	4%
Order backlog	**3,074**	**3,174**	-3%
Revenue	**1,375**	**1,356**	1%
Gross profit	**419**	**387**	8%
Gross profit margin	*30.5%*	*28.5%*	
EBITDA	**220**	**150**	47%
EBITDA margin	*16.0%*	*11.0%*	
EBITA	**198**	**128**	55%
EBITA margin	*14.4%*	*9.5%*	
EBIT	**180**	**109**	65%
EBIT margin	*13.1%*	*8.0%*	
Number of employees	**3,370**	**3,600**	-6%

Minerals

The Minerals Division is a leading provider of mineral processing and material handling technology and solutions to the global minerals industries.

Market developments in Q1 2015

The overall outlook for FLSmidth's minerals business is unchanged with mining capex expected to trough in 2015 and slow growth expected in 2016. Customer focus is on productivity enhancing investments, and recovery should be evident first in the product business, whereas the projects business typically picks up later in the cycle.

The mining industry still faces uncertainty and declining commodity prices. However, the mid- to long-term fundamentals remain strong for copper with most industry experts anticipating a supply deficit to re-emerge a few years from now. The gold price has fluctuated recently with no clear trend of direction, whereas the prices of coal and iron ore remain under downward pressure. With FLSmidth's relatively low exposure to iron ore, the direct impact is confined, and the indirect exposure is maybe more important as many miners are largely dependent on cash flow from iron ore operations to cover dividends and future investments. Potash and phosphate prices were stable during the quarter which included the announcement of the first large fertilizer order in several quarters.

Financial developments

Order intake in Q1 2015 increased 25% to DKK 1,074m (Q1 2014: DKK 858m), attributable to the announced order of DKK 230m from Morocco in Q1. Adjusted for currency effects, the order intake increased 14%. On the other hand, revenue decreased 32%, as expected, to DKK 946m (Q1 2014: DKK 1,387m) due to the lower order backlog at the beginning of the year. EBITA amounted to DKK -52m which is almost unchanged from last year (Q1 2014: DKK -51m), corresponding to an EBITA margin of -5.5% (Q1 2014: -3.7%). The negative margin is explained by the ongoing restructuring and efficiency measures, reflected in a cost structure that is still not right-sized and optimised, which is expected to be the case by the end of 2015.

FACTS

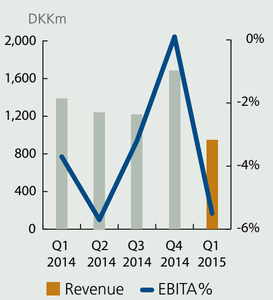
Long term financial targets:

5-6% annual revenue growth (over the cycle)

EBITA margin 3-8% (over a cycle)

Negative NWC

Financials



Minerals

DKKm	Q1 2015	Q1 2014	Change (%)
Order intake	**1,074**	**858**	25%
Order backlog	**6,123**	**6,765**	-9%
Revenue	**946**	**1,387**	-32%
Gross profit	**143**	**170**	-16%
Gross profit margin	*15.0%*	*12.3%*	
EBITDA	**(37)**	**(36)**	**n/a**
EBITDA margin	*-4.0%*	*-2.6%*	
EBITA	**(52)**	**(51)**	**n/a**
EBITA margin	*-5.5%*	*-3.7%*	
EBIT	**(91)**	**(83)**	**n/a**
EBIT margin	*-9.6%*	*-6.0%*	
Number of employees	**2,344**	**2,994**	-22%

Cement

The Cement Division is the market leader of premium technology and process solutions to the global cement industry.

Market developments in Q1 2015

One major global economic force, the oil price, is currently impacting regional growth dynamics, and thus the local cement markets. While a lower oil price is good for the overall economy and the GDP-driven cement industry, the recent flow of funds from oil-exporting countries to oil-importing countries is creating a shift in the short-term demand for new cement capacity. This, combined with geopolitical tensions, is causing a more muted short-term recovery, but does not change the expectations for a higher cement order intake in 2015 compared to last year with generally brighter prospects ahead for global cement demand. This is underpinned by expectations for mid-single digit growth in the world's cement demand excluding China and the fact that the industry as a whole is well-capitalised and ready to invest when capacity becomes scarce. At present, the regions with most activity are North America, selected parts of Latin America, the Middle East and several parts of Africa and South East Asia. India shows signs of recovery but due to large overcapacity in the cement industry no significant pickup is expected this year.

Financial developments

Order intake in Q1 2015 decreased 39% to DKK 431m (Q1 2014: DKK 702m) due to the lack of announced orders in Q1. Adjusted for currency effects, the order intake decreased 45%. However, one quarter is not significant in a project based business, and based on the current order tender activity, it is still the expectation that order intake in 2015 will be higher than in 2014.

In contrast, revenue increased 15% to DKK 836m (Q1 2014: DKK 726m), of which currency effects accounted for 6%. EBITA amounted to DKK 39m which is 105% higher than last year (Q1 2014: DKK 19m), corresponding to an EBITA margin of 4.7% (Q1 2014: 2.5%). The positive margin development is explained by a higher contribution margin and efficiency improvements.

FACTS

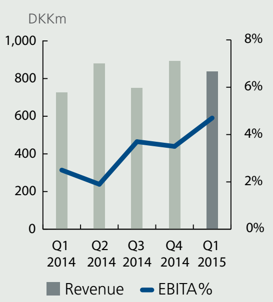
Long term financial targets:

3-5% annual revenue growth (over the cycle)

EBITA margin 3-8% (over the cycle)

Negative NWC

Financials



Cement

DKKm	Q1 2015	Q1 2014	Change (%)
Order intake	**431**	**702**	-39%
Order backlog	**4,398**	**4,957**	-11%
Revenue	**836**	**726**	15%
Gross profit	**142**	**118**	20%
Gross profit margin	*17.0%*	*16.2%*	
EBITDA	**45**	**23**	96%
EBITDA margin	*5.4%*	*3.2%*	
EBITA	**39**	**19**	105%
EBITA margin	*4.7%*	*2.5%*	
EBIT	**31**	**14**	121%
EBIT margin	*3.6%*	*1.9%*	
Number of employees	**1,332**	**1,432**	-7%

Statement by Management **on the annual report**

The Board of Directors and the Executive Board have today considered and approved the interim report for the period 1 January - 31 March 2015.

The consolidated financial statements are presented in accordance with International Financial Reporting Standards as adopted by the EU. The parent financial statements are presented in accordance with the Danish Financial Statements Act. Further, the interim report is prepared in accordance with Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 March 2015 as well as of the results of their operations and cash flows for the period 1 January - 31 March 2015.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

Copenhagen, 8 May 2015

Group Executive Management

Thomas Schulz
Group Chief Executive Officer

Lars Vestergaard
Group Executive Vice President and CFO

Bjarne Moltke Hansen
Group Executive Vice President

Virve Elisabeth Meesak
Group Executive Vice President

Brian M. Day
Group Executive Vice President

Manfred Schaffer
Group Executive Vice President

Per Mejnert Kristensen
Group Executive Vice President

Eric Thomas Poupier
Group Executive Vice President

Board of Directors

Vagn Ove Sørensen
Chairman

Torkil Bentzen
Vice chairman

Martin Ivert

Sten Jakobsson

Tom Knutzen

Caroline Grégoire Sainte Marie

Mette Dobel

Søren Quistgaard Larsen

Jens Peter Koch

Consolidated income statement

Notes	DKKm	Q1 2015	Q1 2014
	Revenue	4,825	4,949
	Production costs	(3,637)	(3,773)
	Gross profit	**1,188**	**1,176**
	Sales and distribution costs	(364)	(347)
	Administrative costs	(393)	(449)
	Other operating income	15	18
	Other operating costs	(3)	(10)
	Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**443**	**388**
	Special non-recurring items	-	-
	Depreciation and impairment of tangible assets	(73)	(66)
	Earnings before amortisation and impairment of intangible assets (EBITA)	**370**	**322**
	Amortisation and impairment of intangible assets	(104)	(86)
	Earnings before interest and tax (EBIT)	**266**	**236**
	Financial income	770	277
	Financial costs	(784)	(339)
	Earnings before tax (EBT)	**252**	**174**
	Tax for the period	(78)	(56)
	Profit/(loss) for the period, continuing activities	**174**	**118**
	Profit/(loss) for the period, discontinued activities	98	(3)
	Profit/(loss) for the period	**272**	**115**
	To be distributed as follows:		
	FLSmidth & Co. A/S´ shareholders' share of profit/loss for the period	275	105
	Minority shareholders' share of profit/loss for the period	(3)	10
		272	**115**
2	Earnings per share (EPS):		
	Continuing and discontinued activities per share	5.6	2.1
	Continuing and discontinued activities, diluted, per share	5.6	2.1
	Continuing activities per share	3.6	2.2
	Continuing activities, diluted, per share	3.6	2.2
1	Income statement classified by function		

Consolidated statement of comprehensive income

DKKm	Q1 2015	Q1 2014
Notes		
Profit/(loss) for the period	272	115
Other comprehensive income for the period		
Items that will not be reclassified to profit or loss		
Actuarial gains/(losses) on defined benefit plans	(1)	(1)
Tax on items that will not be reclassified to profit or loss	-	-
Items that are or may be reclassified subsequently to profit or loss		
Foreign exchange adjustments regarding enterprises abroad	455	96
Foreign exchange adjustments of loans classified as equity in enterprises abroad	234	(22)
Foreign exchange adjustments regarding liquidation of company	27	-
Value adjustments of hedging instruments:		
Value adjustments for the period	(179)	2
Value adjustments transferred to financial income and costs	38	-
Value adjustments transferred to other operating items	-	(1)
Tax on items that are or may be reclassified subsequently to profit or loss	(24)	10
Other comprehensive income for the period after tax	**550**	**84**
Comprehensive income for the period	**822**	**199**
Comprehensive income for the period attributable to:		
FLSmidth & Co. A/S´ shareholders’ share of comprehensive income for the period	821	188
Minority shareholders’ share of comprehensive income for the period	1	11
	822	**199**

Consolidated cash flow statement

Notes	DKKm	Q1 2015	Q1 2014
	Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA), continuing activities	443	388
	Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA), discontinued activities	(2)	19
	Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**441**	**407**
	Adjustment for profits/losses on sale of tangible and intangible assets and special non-recurring items etc.	10	14
	Adjusted earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**451**	**421**
	Change in provisions	120	(94)
	Change in net working capital	(545)	(672)
	Cash flow from operating activities before financial items and tax	**26**	**(345)**
	Financial items received and paid	(10)	(36)
	Taxes paid	(61)	(171)
	Cash flow from operating activities	**(45)**	**(552)**
	Acquisitions of intangible assets	(33)	(42)
	Acquisitions of tangible assets	(39)	(44)
	Acquisitions of financial assets	(1)	(4)
5	Disposal of enterprises and activities	830	-
	Disposal of tangible assets	3	17
	Disposal of financial assets	-	1
	Cash flow from investing activities	**760**	**(72)**
	Dividend	(439)	-
	Disposal of treasury shares	2	1
	Change in net interest-bearing debt	(168)	510
	Cash flow from financing activities	**(605)**	**511**
	Change in cash and cash equivalents	**110**	**(113)**
	Beginning of period	1,021	1,077
	Foreign exchange adjustment, cash and cash equivalents*	94	(1)
	Cash and cash equivalents at 30 March	1,225	963

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

*Foreign exchange adjustment, cash and cash equivalents in Q1 2015 primarily consists of positive changes in the exchange rate of INR (DKK 32m), USD (DKK 23m) and CNY (DKK 15m) in relation to Danish kroner.

Consolidated balance sheet

Assets

Notes	DKKm	End of Q1 2015	End of 2014
	Goodwill	4,540	4,275
	Patents and rights	1,474	1,490
	Customer relations	1,279	1,207
	Other intangible assets	91	109
	Completed development projects	325	336
	Intangible assets under development	359	336
	Intangible assets	**8,068**	**7,753**
	Land and buildings	1,878	1,707
	Plant and machinery	763	693
	Operating equipment, fixtures and fittings	215	191
	Tangible assets in course of construction	77	111
	Tangible assets	**2,933**	**2,702**
	Investments in associates	8	8
	Other securities and investments	92	90
	Pension assets	3	3
	Deferred tax assets	1,056	979
	Financial assets	**1,159**	**1,080**
	Total non-current assets	**12,160**	**11,535**
	Inventories	**2,936**	**2,628**
	Trade receivables	4,971	5,026
8	Work-in-progress for third parties	3,570	3,289
	Prepayments to subcontractors	447	279
	Other receivables	1,596	1,216
	Prepaid expenses and accrued income	37	20
	Receivables	**10,621**	**9,830**
	Cash and cash equivalents	**1,225**	**963**
	Assets classified as held for sale	**-**	**1,396**
	Total current assets	**14,782**	**14,817**
	TOTAL ASSETS	**26,942**	**26,352**

Consolidated balance sheet

Equity and liabilities

Notes	DKKm	End of Q1 2015	End of 2014
	Share capital	1,025	1,025
	Foreign exchange adjustments	380	(332)
	Value adjustments of hedging transactions	(204)	(63)
	Retained earnings	6,914	6,629
	Proposed dividend	-	461
	FLSmidth & Co. A/S' shareholders' share of equity	**8,115**	**7,720**
	Minority shareholders' share of equity	42	41
	Total equity	**8,157**	**7,761**
	Deferred tax liabilities	581	552
	Pension liabilities	280	263
6	Other provisions	631	551
	Mortgage debt	352	352
	Bank loans	4,338	3,777
	Finance lease	-	3
	Prepayments from customers	293	229
	Other liabilities	177	141
	Long-term liabilities	**6,652**	**5,868**
	Pension liabilities	6	6
6	Other provisions	1,168	1,047
	Bank loans	996	1,401
	Finance lease	3	3
	Prepayments from customers	1,742	1,602
8	Work-in-progress for third parties	3,122	3,223
	Trade payables	2,469	2,736
	Current tax liabilities	437	261
	Other liabilities	2,149	1,928
	Deferred revenue	41	33
	Short-term liabilities	**12,133**	**12,240**
	Liabilities directly associated with assets classified as held for sale	**-**	**483**
	Total liabilities	**18,785**	**18,591**
	TOTAL EQUITY AND LIABILITIES	**26,942**	**26,352**

Consolidated equity

DKKm	Share capital	Foreign exchange adjustments	Value adjustments of hedging transactions	Retained earnings	Proposed dividend	FLSmidth & Co. A/S' shareholders' share of equity	Minority shareholders' share of equity	Total
Equity at 1 January 2015	**1,025**	**(332)**	**(63)**	**6,629**	**461**	**7,720**	**41**	**7,761**
Comprehensive income for the period								
Profit/(loss) for the period				275		275	(3)	272
Other comprehensive income								
Actuarial gains/losses on defined benefit plans				(1)		(1)		(1)
Foreign exchange adjustments regarding enterprises abroad		451				451	4	455
Foreign exchange adjustments of loans classified as equity in enterprises abroad		234				234		234
Foreign exchange adjustments, liquidation of company		27				27		27
Value adjustments of hedging instruments:								
Value adjustments for the period			(179)			(179)		(179)
Value adjustments transferred to financial income and costs			38			38		38
Value adjustments transferred to other operating items						0		0
Tax on other comprehensive income				(24)		(24)		(24)
Other comprehensive income total	**0**	**712**	**(141)**	**(25)**	**0**	**546**	**4**	**550**
Comprehensive income for the period	**0**	**712**	**(141)**	**250**	**0**	**821**	**1**	**822**
Dividend distributed				22	(461)	(439)		(439)
Share-based payment, share options				11		11		11
Disposal treasury shares				2		2		2
Acquisition treasury shares						0		0
Equity at 31 March 2015	**1,025**	**380**	**(204)**	**6,914**	**0**	**8,115**	**42**	**8,157**

The period´s movements in holding of treasury shares (number of shares)	Q1 2015	Q1 2014
Treasury shares at 1 January	2,412,491 shares	3,739,783 shares
Acquisition of treasury shares	1,021 shares	988 shares
Share options settled	(11,689) shares	(2,800) shares
Treasury shares at 31 March	2,401,823 shares	3,737,971 shares

Representing 4.7% in Q1 2015 (Q1 2014: 7.0%) 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 of equity	Minority shareholders' 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 gains/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			2			2		2
Value adjustments transferred to financial income and costs						0		0
Value adjustments transferred to other operating items			(1)			(1)		(1)
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						0		0
Dividend transferred to other liabilities				7	(106)	(99)		(99)
Acquisition of treasury shares						0		0
Equity at 31 March 2014	**1,064**	**(660)**	**(22)**	**6,606**	**0**	**6,988**	**45**	**7,033**

List of notes and notes to the interim report

1. Income statement classified by function

The Group presents the income statement based on a 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 2015	Q1 2014
Revenue	4,825	4,949
Production costs, including depreciation, amortisation and impairment	(3,686)	(3,829)
Gross profit	**1,139**	**1,120**
Sales and distribution costs, including depreciation, amortisation and impairment	(364)	(352)
Administrative costs, including depreciation, amortisation and impairment	(521)	(540)
Other operating income and costs	12	8
Special non-recurring items	-	-
Earnings before interest and tax (EBIT)	**266**	**236**
Depreciation, amortisation and impairment consist of:		
Impairment of intangible assets	-	-
Amortisation of intangible assets	104	86
Depreciation of tangible assets	73	66
	177	**152**
Depreciation, amortisation and impairment are divided into:		
Production costs	49	56
Sales and distribution costs	-	5
Administrative costs	128	91
	177	**152**

2. Earnings per share

DKKm	Q1 2015	Q1 2014
Earnings		
FLSmidth & Co. A/S´ shareholders' share of profit/(loss) for the year	275	105
FLSmidth & Co. A/S profit/loss from discontinued activities	98	(3)
Number of shares, average		
Number of shares issued	51,250,000	53,200,000
Adjustment for treasury shares	(2,407,157)	(3,738,877)
Potential increase of shares in circulation, share options in-the-money	102,922	8,496
Average number of shares	48,945,765	49,469,619
Earnings per share		
Continuing and discontinued activities per share	5.6	2.1
Continuing and discontinued activities, diluted, per share	5.6	2.1
Continuing activities per share	3.6	2.2
Continuing activities, diluted, per share	3.6	2.2

Non-diluted earnings per share in respect of discontinued activities amount to DKK 2.0 (Q1 2014: DKK -0.1) and diluted earnings per share in respect of discontinued activities amount to DKK 2.0 (Q1 2014: DKK -0.1)

3. Breakdown of the Group by segments for 2015

DKKm	Customer Services	Product Companies	Minerals	Cement	Other companies etc.[1]	Continuing activities	Discon-tinued activities	FLSmidth Group
	Q1 2015							
INCOME STATEMENT								
External revenue	1,867	1,182	940	836	-	4,825	99	4,924
Internal revenue	11	193	6	-	(210)	-	-	-
Revenue	**1,878**	**1,375**	**946**	**836**	**(210)**	**4,825**	**99**	**4,924**
Production costs	(1,394)	(956)	(803)	(694)	210	(3,637)	(78)	(3,715)
Gross profit	**484**	**419**	**143**	**142**	**-**	**1,188**	**21**	**1,209**
Sales, distr. and admin. costs and other operating items	(275)	(199)	(180)	(97)	6	(745)	(23)	(768)
Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**209**	**220**	**(37)**	**45**	**6**	**443**	**(2)**	**441**
Special non-recurring items	-	-	-	-	-	-	107	107
Depreciation and impairment of tangible assets	(27)	(22)	(15)	(6)	(3)	(73)	(4)	(77)
Earnings before amortisation and impairment of intangible assets (EBITA)	**182**	**198**	**(52)**	**39**	**3**	**370**	**101**	**471**
Amortisation and impairment of intangible assets	(39)	(18)	(39)	(8)	-	(104)	-	(104)
Earnings before interest and tax (EBIT)	**143**	**180**	**(91)**	**31**	**3**	**266**	**101**	**367**
ORDER INTAKE (GROSS)	**1,789**	**1,580**	**1,074**	**431**	**(197)**	**4,677**	**-**	**4,677**
ORDER BACKLOG	**6,042**	**3,074**	**6,123**	**4,398**	**(685)**	**18,952**	**-**	**18,952**
FINANCIAL RATIOS								
Gross margin	*25.8%*	*30.5%*	*15.0%*	*17.0%*	*N/A*	*24.6%*	*N/A*	*24.6%*
EBITDA margin	*11.1%*	*16.0%*	*-4.0%*	*5.4%*	*N/A*	*9.2%*	*N/A*	*9.0%*
EBITA margin	*9.7%*	*14.4%*	*-5.5%*	*4.7%*	*N/A*	*7.7%*	*N/A*	*9.6%*
EBIT margin	*7.6%*	*13.1%*	*-9.6%*	*3.6%*	*N/A*	*5.5%*	*N/A*	*7.5%*
Number of employees at 31 March	**6,662**	**3,370**	**2,344**	**1,332**	**0**	**13,708**	**2**	**13,710**

DKKm	Q1 2015
Reconciliation of the profit/(loss) for the period before tax, continuing activities	
Segment earnings before tax of reportable segments	266
Financial income	770
Financial costs	(784)
Earnings before tax (EBT), continuing activities	**252**

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

3. Breakdown of the Group by segments for 2014

DKKm	Customer Services	Product Companies	Minerals	Cement	Other companies etc.[1]	Continuing activities	Discon-tinued activities	FLSmidth Group
	Q1 2014							
INCOME STATEMENT								
External revenue	1,694	1,154	1,375	726	-	4,949	350	5,299
Internal revenue	31	202	12	-	(245)	-	-	-
Revenue	**1,725**	**1,356**	**1,387**	**726**	**(245)**	**4,949**	**350**	**5,299**
Production costs	(1,221)	(969)	(1,217)	(608)	242	(3,773)	(251)	(4,024)
Gross profit	**504**	**387**	**170**	**118**	**(3)**	**1,176**	**99**	**1,275**
Sales, distr. and admin. costs and other operating items	(245)	(237)	(206)	(95)	(5)	(788)	(80)	(868)
Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**259**	**150**	**(36)**	**23**	**(8)**	**388**	**19**	**407**
Special non-recurring items	-	-	-	-	-	-	-	-
Depreciation and impairment of tangible assets	(23)	(22)	(15)	(4)	(2)	(66)	(14)	(80)
Earnings before amortisation and impairment of intangible assets (EBITA)	**236**	**128**	**(51)**	**19**	**(10)**	**322**	**5**	**327**
Amortisation and impairment of intangible assets	(30)	(19)	(32)	(5)	-	(86)	(2)	(88)
Earnings before interest and tax (EBIT)	**206**	**109**	**(83)**	**14**	**(10)**	**236**	**3**	**239**
ORDER INTAKE (GROSS)	**2,016**	**1,516**	**858**	**702**	**(251)**	**4,841**	**-**	**4,841**
ORDER BACKLOG	**7,990**	**3,174**	**6,765**	**4,957**	**(734)**	**22,152**	**-**	**22,152**
FINANCIAL RATIOS								
Gross margin	*29.2%*	*28.5%*	*12.3%*	*16.2%*	*N/A*	*23.8%*	*N/A*	*24.1%*
EBITDA margin	*15.0%*	*11.0%*	*-2.6%*	*3.2%*	*N/A*	*7.8%*	*N/A*	*7.7%*
EBITA margin	*13.7%*	*9.5%*	*-3.7%*	*2.5%*	*N/A*	*6.5%*	*N/A*	*6.2%*
EBIT margin	*11.9%*	*8.0%*	*-6.0%*	*1.9%*	*N/A*	*4.8%*	*N/A*	*4.5%*
Number of employees at 31 March	**5,955**	**3,600**	**2,994**	**1,432**	**5**	**13,986**	**1,059**	**15,045**

DKKm	Q1 2014
Reconciliation of the profit/(loss) for the period before tax, continuing activities	
Segment earnings before tax of reportable segments	236
Financial income	277
Financial costs	(339)
Earnings before tax (EBT), continuing activities	**174**

[1] Other companies etc. consist of companies with no activity, 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 2015 or Q1 2014.

5. Disposal of enterprises and activities

Accounting policy

On disposal of enterprises and activities the difference between the selling price and the carrying amount of the net assets at the date of disposal including remaining goodwill less expected costs of disposals is recognised in the income statement among special non-recurring items. If the final consideration is dependent on future events (contingent consideration), it is stated at fair value at the time of sale, and classified as financial assets and adjusted directly in the income statement.

Enterprises and activities sold are included in the consolidated financial statements until the date of disposal.

DKKm	Q1 2015	Q1 2014	End of 2014
Intangible assets	57	-	-
Tangible assets	610	-	13
Inventories	283	-	5
Work-in-progress for third parties	-	-	12
Other assets	352	-	28
Cash and cash equivalents	82	-	4
Liabilities	(1,035)	-	(34)
Carrying amount of net assets disposed	**349**	**-**	**28**
Net interest bearing debt	455	-	-
Enterprise value	**804**	**-**	**28**
Selling price	1,037	-	20
Enterprise value	(804)	-	(28)
Transaction costs	(125)	-	-
Profit/loss on disposal of enterprises and activities	**108**	**-**	**(8)**
Cash received	912	-	20
Deferred payment	125	-	-
Total selling price	**1,037**	**-**	**20**
Deferred payment	(125)	-	-
Cash and cash equivalents disposed of, see above	(82)	-	(4)
Net cash effect	**830**	**-**	**16**

As announced on 12 January 2015, FLSmidth has signed an agreement with a company in the Solix Group AB to sell all shares in Cembrit Holding A/S.

The price of the shares has end of January been adjusted to DKK 1,037m, as a consequence of purchase price adjustments. The sale of Cembrit was closed on 30 January 2015.

The final balance sheet adjustment will be determined and settled within 12 months of the closing date.

6. Other provisions

DKKm	Q1 2015	Q1 2014	End of 2014
Provisions at 1 January	1,598	2,109	2,109
Transfer to assets held for sale	-	-	(196)
Exchange rate and other adjustments	88	9	67
Disposal of Group enterprises	-	-	(9)
Provision for the year	283	133	783
Used during the period	(137)	(158)	(686)
Reversals	(32)	(56)	(438)
Discounting of provisions	-	-	1
Reclassification to/from other liabilities	(1)	-	(33)
Provisions at 31 March	**1,799**	**2,037**	**1,598**
The maturity of provisions is specified as follows:			
Short-term liabilities	1,168	1,322	1,047
Long-term liabilities	631	715	551
	1,799	**2,037**	**1,598**

7. Fair value hierarchy of financial instruments

The table below shows the classification of financial instruments that are measured at fair value, specified in accordance with the fair value hierarchy:
- Quoted prices in an active market for the same type of instrument (level 1)
- Quoted prices in an active market for similar assets or liabilities or other valuation methods, where all significant inputs are based on observable market data (level 2)
- Valuation methods where any significant inputs are not based on observable market data (level 3)

DKKm	**Q1 2015**			
	Quoted prices Level 1	**Observable input Level 2**	**Non-observable input Level 3**	**Total**
Financial assets				
Financial assets available for sale:				
Other securities and investments	67	25		92
Financial assets measured at fair value through the income statement:				
Bonds and listed shares	1			1
Derivative financial instruments used to hedge the fair value of recognised assets and liabilities and future cash flow		172		172
Total financial assets	**68**	**197**	**0**	**265**
Financial liabilities				
Financial liabilities measured at fair value through the income statement:				
Derivative financial instruments used to hedge the fair value of recognised assets and liabilities and future cash flow		434		434
Contingent consideration in a business combination			0	0
Total financial liabilities	**0**	**434**	**0**	**434**

DKKm	**Q1 2014**			
	Quoted prices Level 1	**Observable input Level 2**	**Non-observable input Level 3**	**Total**
Financial assets				
Financial assets available for sale:				
Other securities and investments	35	24		59
Financial assets measured at fair value through the income statement:				
Bonds and listed shares	10			10
Derivative financial instruments used to hedge the fair value of recognised assets and liabilities and future cash flow		101		101
Total financial assets	**45**	**125**	**0**	**170**
Financial liabilities				
Financial liabilities measured at fair value through the income statement:				
Derivative financial instruments used to hedge the fair value of recognised assets and liabilities and future cash flow		230		230
Contingent consideration in a business combination			100	100
Total financial liabilities	**0**	**230**	**100**	**330**

There have been no significant transfers between level 1 and level 2 in 2015.

8. Work-in-progress for third parties

DKKm	Q1 2015	Q1 2014	End of 2014
Total costs incurred	44,090	34,806	40,683
Profit recognised as income, net	7,870	5,506	7,483
Work-in-progress for third parties	51,960	40,312	48,166
Invoicing on account to customers	(51,512)	(39,130)	(48,100)
Net work-in-progress for third parties	**448**	**1,182**	**66**
of which work-in-progress for third parties is stated under assets	3,570	4,357	3,289
and under liabilities	(3,122)	(3,175)	(3,223)
	448	**1,182**	**66**

9. Development in contingent liabilities

Contingent liabilities at 31 March 2015 amount to DKK 6.0bn (31 March 2014: DKK 6.1bn), which include performance bonds and payment guarantees at DKK 5.5bn (31 March 2014: DKK 5.7bn). See note 37 in the 2014 Annual Report for a general description of the nature of the Group's contingent liabilities.

Quarterly key figures (restated and unaudited)

DKKm	2013				2014				2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
INCOME STATEMENT									
Revenue	5,651	6,456	6,329	7,046	4,949	5,167	5,102	5,911	4,825
Gross profit	1,236	1,181	1,145	1,290	1,176	1,322	1,276	1,282	1,188
Sales, distr. and admin. costs and other operating items	(909)	(813)	(829)	(993)	(788)	(792)	(746)	(799)	(745)
Earnings before special non-recurring items, depreciation, amortisations and write downs (EBITDA)	327	368	316	297	388	530	530	483	443
Special non-recurring items	(5)	(10)	1	20	0	(6)	(14)	(6)	0
Depreciation and impairment of tangible assets	(68)	(71)	(66)	(67)	(66)	(67)	(68)	(77)	(73)
Earnings before amortisations and impairment of intangible assets (EBITA)	254	287	251	250	322	457	448	400	370
Amortisation and impairment of intangible assets	(88)	(92)	(971)	(161)	(86)	(89)	(87)	(145)	(104)
Earnings before interests and tax (EBIT)	166	195	(720)	89	236	368	361	255	266
Financial income/costs, net	(38)	14	(81)	(151)	(62)	(31)	(84)	59	(14)
Earnings before tax (EBT)	128	209	(801)	(62)	174	337	277	314	252
Tax for the period	(43)	(78)	-	(81)	(56)	(117)	(101)	(59)	(78)
Profit/loss on continuing activities for the period	**85**	**131**	**(801)**	**(143)**	**118**	**220**	**176**	**255**	**174**
Profit/loss on discontinued activities for the period	(50)	12	18	(36)	(3)	17	39	(9)	98
Profit/loss for the period	**35**	**143**	**(783)**	**(179)**	**115**	**237**	**215**	**246**	**272**
Effect of purchase price allocations	(81)	(81)	(81)	(79)	(76)	(76)	(76)	(76)	(71)
Gross margin	*21.9%*	*18.3%*	*18.1%*	*18.3%*	*23.8%*	*25.6%*	*25.0%*	*21.7%*	*24.6%*
EBITDA margin	*5.8%*	*5.7%*	*5.0%*	*4.2%*	*7.8%*	*10.3%*	*10.4%*	*8.2%*	*9.2%*
EBITA margin	*4.5%*	*4.4%*	*4.0%*	*3.5%*	*6.5%*	*8.8%*	*8.8%*	*6.8%*	*7.7%*
EBIT margin	*2.9%*	*3.0%*	*-11.4%*	*1.3%*	*4.8%*	*7.1%*	*7.1%*	*4.3%*	*5.5%*
CASH FLOW									
Cash flow from operating activities	(466)	(51)	283	77	(552)	224	887	739	(45)
Cash flow from investing activities	(108)	(166)	(192)	(101)	(72)	(157)	(152)	(217)	760
Order intake, continuing activities	5,027	5,626	4,642	5,616	4,841	4,643	4,502	3,775	4,677
Order backlog, continuing activities	28,583	26,983	24,595	22,312	22,152	21,713	21,416	19,017	18,952
SEGMENT REPORTING									
Customer Services									
Revenue	1,744	1,893	1,654	1,910	1,725	1,899	2,024	2,156	1,878
Gross profit	478	547	309	466	504	588	557	488	484
EBITDA	192	307	49	194	259	318	307	257	209
EBITA	167	284	25	188	236	296	279	227	182
EBIT	142	263	(535)	145	206	263	247	180	143
Effect of purchase price allocations	(13)	(12)	(19)	(12)	(16)	(16)	(16)	(16)	(22)
Gross margin	*27.4%*	*28.9%*	*18.7%*	*24.4%*	*29.2%*	*31.0%*	*27.5%*	*22.6%*	*25.8%*
EBITDA margin	*11.0%*	*16.2%*	*3.0%*	*10.1%*	*15.0%*	*16.7%*	*15.2%*	*11.9%*	*11.1%*
EBITA margin	*9.6%*	*15.0%*	*1.5%*	*9.8%*	*13.7%*	*15.6%*	*13.8%*	*10.5%*	*9.7%*
EBIT margin	*8.1%*	*13.9%*	*-32.3%*	*7.6%*	*11.9%*	*13.8%*	*12.2%*	*8.3%*	7.6%
Order intake	1,873	1,866	2,083	2,016	2,016	1,773	1,832	1,618	1,789
Order backlog	7,645	7,486	7,897	7,699	7,990	7,850	7,667	6,881	6,042
Product Companies									
Revenue	1,284	1,567	1,498	1,608	1,356	1,370	1,349	1,463	1,375
Gross profit	382	447	365	401	387	412	388	378	419
EBITDA	139	226	161	174	150	241	218	158	220
EBITA	117	205	137	151	128	214	188	134	198
EBIT	98	185	117	129	109	195	169	116	180
Effect of purchase price allocations	(43)	(46)	(32)	(38)	(29)	(29)	(29)	(26)	(18)
Gross margin	29.8%	*28.5%*	*24.4%*	*24.9%*	28.5%	*30.1%*	*28.7%*	*25.8%*	*30.5%*
EBITDA margin	10.8%	*14.5%*	*10.8%*	*10.8%*	11.0%	*17.6%*	*16.2%*	*10.8%*	*16.0%*
EBITA margin	9.1%	*13.1%*	*9.2%*	*9.4%*	9.5%	*15.6%*	*13.9%*	*9.2%*	*14.4%*
EBIT margin	7.6%	*11.8%*	*7.8%*	*8.0%*	8.0%	*14.2%*	*12.5%*	*7.9%*	*13.1%*
Order intake	1,454	1,542	1,224	1,191	1,516	1,344	1,163	1,178	1,580
Order backlog	3,861	3,712	3,400	2,981	3,174	3,124	3,026	2,705	3,074

Quarterly key figures (restated and unaudited)

DKKm	2013				2014				2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Minerals									
Revenue	2,096	2,210	2,286	2,594	1,387	1,242	1,217	1,683	946
Gross profit	265	32	379	425	170	206	220	241	143
EBITDA	(14)	(226)	93	42	(36)	(54)	(22)	24	(37)
EBITA	(30)	(254)	79	27	(51)	(71)	(39)	2	(52)
EBIT	(73)	(301)	(306)	(56)	(83)	(103)	(72)	(65)	(91)
Effect of purchase price allocations	(43)	(46)	(32)	(38)	(29)	(29)	(29)	(26)	(29)
Gross margin	*12.6%*	*1.4%*	*16.6%*	*16.4%*	*12.3%*	*16.6%*	*18.1%*	*14.3%*	*15.0%*
EBITDA margin	*-0.6%*	*-10.2%*	*4.1%*	*1.6%*	*-2.6%*	*-4.3%*	*-1.8%*	*1.4%*	*-4.0%*
EBITA margin	*-1.4%*	*-11.5%*	*3.5%*	*1.0%*	*-3.7%*	*-5.7%*	*-3.2%*	*0.1%*	*-5.5%*
EBIT margin	*-3.5%*	*-13.6%*	*-13.4%*	*-2.2%*	*-6.0%*	*-8.3%*	*-5.9%*	*-3.9%*	*-9.6%*
Order intake	1,790	1,463	1,195	1,783	858	1,077	1,024	626	1,074
Order backlog	11,324	10,078	8,698	7,349	6,765	6,707	6,650	5,570	6,123
Cement									
Revenue	820	1,098	1,207	1,272	726	880	750	894	836
Gross profit	121	155	97	18	118	114	111	176	142
EBITDA	11	49	12	(86)	23	22	33	37	45
EBITA	6	44	6	(91)	19	17	28	31	39
EBIT	6	39	1	(103)	14	12	24	19	31
Effect of purchase price allocations	-	(2)	(2)	(2)	(2)	(2)	(2)	(5)	(2)
Gross margin	*14.8%*	*14.1%*	*8.0%*	*1.4%*	*16.2%*	*13.0%*	*14.8%*	*19.7%*	*17.0%*
EBITDA margin	*1.4%*	*4.4%*	*1.0%*	*-6.7%*	*3.2%*	*2.4%*	*4.4%*	*4.1%*	*5.4%*
EBITA margin	*0.7%*	*4.0%*	*0.5%*	*-7.1%*	*2.5%*	*1.9%*	*3.8%*	*3.5%*	*4.7%*
EBIT margin	*0.7%*	*3.5%*	*0.1%*	*-8.1%*	*1.9%*	*1.4%*	*3.2%*	*2.1%*	*3.6%*
Order intake	135	1,087	410	954	702	677	704	547	431
Order backlog	6,413	6,437	5,275	4,990	4,957	4,771	4,820	4,546	4,398

Calculation of margins are based on non-rounded figures.

Accounting policies and Management estimates and assessments

The interim report of the Group for the first quarter of 2015 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 2014 Annual Report. Reference is made to note 49, Accounting policy, in page 128 and to specific notes in the 2014 Annual Report for further details.

Effective 1 January 2015, the Group has implemented the changes to standard IAS 19. The changes does not have any material impact on the financial reporting.

As a consequence of Cembrit being sold 30 January 2015, Cembrit is reported as discontinued activity. Profit and loss comparative figures for 2014 have been adjusted accordingly.

As announced on 13 August 2014, FLSmidth has implemented a new structure 1 January 2015. The Material Handling and Mineral Processing divisions are merged into a Minerals division. Cement and Customer Services are maintained as separate divisions. A new Product Companies division is created. As a consequence of the new structure, the comparative figures for 2014 have been restated accordingly.

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 48, page 128 and to specific notes in the 2014 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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