1 January - 31 March 2016 (Company announcement No. 10-2016)

Interim Report

ROCE	EBITA margin	Order intake	Net working capital
9%	6.5%	DKKm 5,281	DKKm 2,410
Down from 12%	Down from 8.5%	Up from DKK 4,440m	Down from DKK 2,775m

Main conclusions

Order intake increased 19% due to receipt of a large cement order. Q1 is typically seasonally weak, which was particularly true in 2016. Thus, revenue declined 20% due to very low activity in January, which could not be compensated for by a pick-up in February and March. Divisional gross margins are generally holding up, whereas EBITA margins were negatively impacted by low operational leverage caused by the revenue shortfall. Both net working capital and net interest-bearing debt decreased in the quarter. Full-year guidance is maintained.

Guidance for 2016

Guidance for 2016

DKK	Realised 2015	Realised Q1 2016	Guidance 2016
Revenue	DKK 19.7bn	DKK 3.8bn	DKK 17-20bn[1)]
EBITA margin	8.0%	6.5%	7-9%
ROCE	10%	9%	8-10%
Effective tax rate	32%	31%	29-31%
CFFI [2)]	DKK -0.1bn	DKK -0.0bn	DKK -0.4bn

1) Based on currency exchange rates at the end of January 2016.
2) Excluding acquisitions and divestments of enterprises and activities.

Long-term financial targets

Long-term financial goals for FLSmidth subject to normalised market conditions:

Annual growth in revenue	Above market average
EBITA margin	10-13%
ROCE *)	>20%
Tax rate	32-34%
Financial gearing	(NIBD/EBITDA) <2
Equity ratio	>30%
Pay-out ratio	30-50% of the profit for the year

*) ROCE: Return on Capital Employed calculated on a before-tax basis as EBITA divided by average Capital Employed including goodwill.

Divisional long-term financial targets

	Growth (over the cycle)	EBITA%	Net working capital (as pct. of revenue)
Customer Services	5-10%	>15%	15-20%
Product Companies	5-10%	12-15%	~15%
Minerals	5-6%	3-8%	Negative
Cement	3-5%	3-8%	Negative

Financial result Q1 2016

FLSmidth

Revenue DKKm 3,758
EBITA margin 6.5%
Order intake DKKm 5,281

	Customer Services	Product Companies	Minerals	Cement
Revenue DKKm	1,568	1,078	698	562
EBITA margin	12.6%	10.1%	-5.0%	-3.7%
Order intake DKKm	1,566	1,406	443	2,082

Total service business

Customer Services
Customised cement and minerals equipment aftermarket

Cement
Operation & Maintenance

Product Companies
Products aftermarket

62% of revenue
44% of order intake
Revenue growth -9% vs. Q1 2015
Order intake growth -8% vs. Q1 2015

Total capital business

Minerals
Projects / customised equipment

Cement
Projects / customised equipment

Product Companies
Products

38% of revenue
56% of order intake
Revenue growth -33% vs. Q1 2015
Order intake growth 56% vs. Q1 2015

FLSmidth Q1 2016 in numbers

(vs. Q1 2015)

Return on Capital Employed
9%
Down from 12%

Revenue (DKKm)
3,758
Down from 4,683

EBITA (DKKm)
246
Down from 400

EBITA margin
6.5%
Down from 8.5%

CFFO (DKKm)
-60
Down from -45

Order intake (DKKm)
5,281
Up from 4,440

(vs. end 2015)

Order backlog (DKKm)
15,792
Up from 14,858

Net interest-bearing debt (DKKm)
-3,567
Down from -3,674

Net working capital (DKKm)
2,410
Down from 2,583

Group financial highlights

DKKm	Q1 2016	Q1 2015	Year 2015
INCOME STATEMENT			
Revenue	3,758	4,683	19,682
Gross profit	1,038	1,190	4,946
EBITDA	312	472	1,878
EBITA	246	400	1,582
EBIT	153	296	1,141
Earnings from financial items, net	(38)	(18)	(256)
EBT	115	278	885
Profit/(loss) for the period, continuing activities	**79**	**196**	**603**
Profit/(loss) for the period, discontinued activities	(6)	76	(178)
Profit/(loss) for the period	**73**	**272**	**425**
CASH FLOW			
Cash flow from operating activities (CFFO)	(60)	(45)	538
Acquisition of tangible assets	(19)	(39)	(139)
Cash flow from investing activities (CFFI)	(12)	760	750
Free cash flow	(72)	715	1,288
Free cash flow adjusted for acquisitions and disposals of enterprises and activities	(72)	(115)	415
Net working capital	**2,410**	**2,775**	**2,583**
Net interest-bearing debt	**(3,567)**	**(4,289)**	**(3,674)**
ORDERS			
Order intake, continuing activities	5,281	4,440	18,490
Order backlog, continuing activities	15,792	17,562	14,858
BALANCE SHEET			
Total assets	23,188	26,942	24,362
Equity	7,938	8,157	7,982
Dividend to shareholders, paid	-	439	439
FINANCIAL RATIOS			
Gross margin	27.6%	25.4%	25.1%
EBITDA margin	8.3%	10.1%	9.5%
EBITA margin	6.5%	8.5%	8.0%
EBIT margin	4.1%	6.3%	5.8%
EBT margin	3.1%	5.9%	4.5%
CFFO / Revenue	-1.6%	-1.0%	2.7%
Cash conversion	-47.1%	-38.9%	36.4%
Book-to-bill	140.5%	94.8%	93.9%
Order backlog / Revenue	84.2%	86.3%	75.5%
Return on equity	4%	13%	5%
Equity ratio	34%	30%	33%
ROCE (return on capital employed), average	9%	12%	10%
Net working capital ratio, end	12.8%	13.6%	13.1%
Financial gearing	2.1	2.0	2.0
Capital employed, average	15,587	15,564	15,162
Number of employees at 31 March, Group	**12,723**	**13,710**	**12,969**
SHARE RATIOS			
CFPS (cash flow per share), (diluted)	(1.2)	(0.9)	11.0
EPS (earnings per share), (diluted)	1.5	5.6	8.6
FLSmidth & Co. A/S´ share price	274.5	313.0	240.0
Number of shares (1,000), 31 March	51,250	51,250	51,250
Market capitalisation	14,068	16,041	12,300

The financial ratios have been computed in accordance with the guidelines of the Danish Society of Financial Analysts from 2015. Please refer to note 14 for definitions of terms.

Group

Order intake increased 19% due to receipt of a large cement order. Revenue declined 20% due to very low activity in January, which could not be compensated for by a pick-up in February and March. Divisional gross margins are generally holding up, whereas EBITA margins were negatively impacted by low operational leverage caused by the revenue shortfall. Full-year guidance is maintained.

Market trends

Overall, market activity was very slow in January but picked up steadily during the quarter.

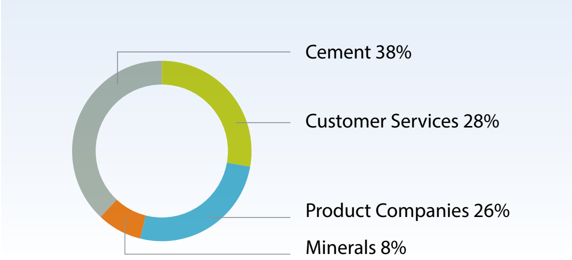
Despite the increase in some commodity prices, such as gold and iron ore, in recent months, miners remain committed to strengthening their balance sheets, in part through targeted procurement savings. Consequently, the market for mining capex deteriorated in Q1. Especially demand for project/ system sales has weakened, whereas activity related to single equipment sales is more stable. Gold and copper continue to be the most active industries. Potash has shown some activity while coal and iron ore remain weak.

The market for mining services has been impacted by the general weak sentiment in the minerals industry and showed areas of softening in the first quarter. For the majority of miners, procurement is restricted to what is absolutely necessary to sustain existing operations.

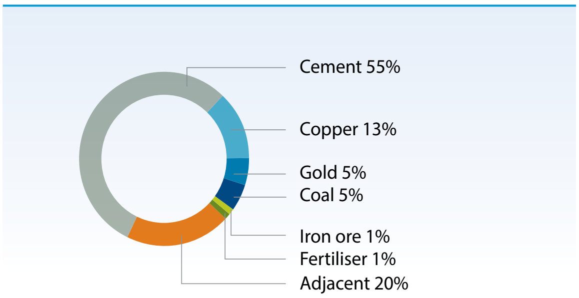
Group (continuing activities)

DKKm	Q1 2016	Q1 2015	Change (%)
Order intake (Gross)	**5,281**	**4,440**	19%
Order backlog	**15,792**	**17,562**	-10%
Revenue	**3,758**	**4,683**	-20%
Gross profit	**1,038**	**1,190**	-13%
Gross profit margin	*27.6%*	*25.4%*	
EBITDA	**312**	**472**	-34%
EBITDA margin	*8.3%*	*10.1%*	
EBITA	**246**	**400**	-39%
EBITA margin	*6.5%*	*8.5%*	
EBIT	**153**	**296**	-48%
EBIT margin	*4.1%*	*6.3%*	
Number of employees (Group)	12,723	13,710	-7%

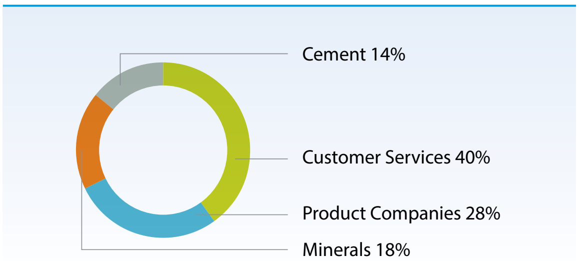
Order intake – by segment (Q1 2016)



Order intake – by industry (Q1 2016)



Revenue – by segment (Q1 2016)



What can be postponed will be postponed, and especially demand for services such as upgrade projects has slowed as a result hereof. Demand for spare parts was also slightly softer in the first quarter, whereas customers are mixed in their view on longer-term maintenance contracts. The latter segment offers good opportunities as some customers see outsourcing of maintenance as a means of cost effectiveness and productivity improvement.

The market for cement capex showed a stable development at a low level with overcapacity on a global scale but with regional pockets of opportunities. Competition remains intense with few large orders available for tender.

The market for cement services was largely stable, except for weaker activity in South America.

Financial developments in Q1 2016

Growth efficiency

In Q1 2016, FLSmidth saw an increase in order intake of 19%, explained by a large order announcement in Cement. Unannounced orders for the Group were stable around DKK 3.8bn. Revenue declined 20% and was weak across the board due to very low activity in January, which was only partly offset by a pick-up in February and March.

Developments in total service activities

Total service activities in FLSmidth embrace the entire Customer Services Division, Operation & Maintenance contracts (part of the Cement Division), the whole service and aftermarket part of the Product Companies Division.

Order intake related to total service activities decreased 8% to DKK 2,341m in Q1 (Q1 2015: DKK 2,558m), equivalent to 44% of the total order intake (Q1 2015: 58%). Sequentially, order intake increased 3% vs. Q4 2015. Revenue related to total service activities decreased 9% to DKK 2,328m in Q1 (Q1 2015: DKK 2,562m), equivalent to 62% of the total revenue (Q1 2015: 55%).

Order intake and order backlog

The order intake increased 19% to DKK 5,281m (Q1 2015: DKK 4,440m). Foreign exchange translation effects had a negative impact of 2%. Organic growth was 21%, which is explained by the receipt of one large order in Cement, however counterbalanced by organic order intake decline in the other divisions, and particularly in the Minerals Division.

The level of unannounced orders was around DKK 3.8bn which is on a par with the average quarterly unannounced order intake over the past couple of years.

The organic drop in order intake in all divisions, but Cement, is a reflection of the current challenging business environment, where mining customers in particular have their eyes set on cost reductions and cash flow optimisation. Everything that is not absolutely necessary is postponed.

Order intake developments in Q1 2016

Order intake (vs. Q1 2015)	**Customer Services**	**Product Companies**	**Minerals**	**Cement**	**FLSmidth Group**
Organic growth	-11%	-8%	-46%	373%	21%
Currency	-2%	-3%	-2%	3%	-2%
Total growth	**-13%**	**-11%**	**-48%**	**376%**	**19%**

The Cement Division won an EPC contract worth more than EUR 200m from the Algerian cement producer, SARL Amouda Engineering for a 6,000 tonnes per day greenfield cement plant. The Cement Division also received a 5-year renewal of an existing O&M contract in Egypt, with a larger scope going forward.

The order intake in Minerals decreased 48% in Q1, as no large orders were received in the quarter and the orders in the order pipeline were continuously postponed.

The order backlog for the Group increased 6% in Q1 to DKK 15,792m (end of Q4 2015: DKK 14,858m) as a result of the large cement order from Algeria. The order backlog was negatively impacted by DKK 0.6bn as a result of currency developments in the quarter. 55% of the backlog is expected to be converted to revenue in the remainder of 2016, 30% in 2017, and 15% in 2018 and beyond.

Revenue

Revenue decreased 20% to DKK 3,758m in Q1 2016 (Q1 2015: DKK 4,683m). Foreign exchange translation effects had a -3% impact on revenue in Q1. Organic growth was -17%, related to lower execution and postponed deliveries in all divisions. This was particularly true in January and could not be offset by a pick-up in February and March.

Revenue developments in Q1 2016

Revenue (vs. Q1 2015)	**Customer Services**	**Product Companies**	**Minerals**	**Cement**	**FLSmidth Group**
Organic growth	-9%	-18%	-11%	-40%	-17%
Currency	-2%	-3%	-4%	-1%	-3%
Total growth	**-11%**	**-21%**	**-15%**	**-41%**	**-20%**

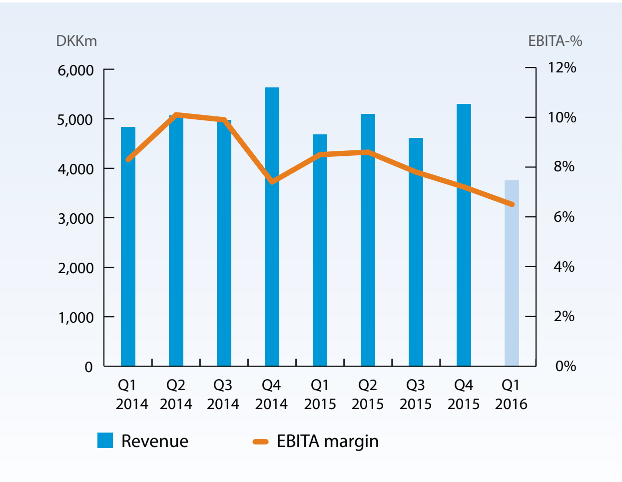
Profit efficiency

The gross margin held up relatively well in Q1 and increased to 27.6%, whereas the EBITA margin was negatively impacted by the revenue shortfall and slow start to the year, which led to temporary under-absorption and low operational leverage.

The gross profit in Q1 decreased to DKK 1,038m (Q1 2015: DKK 1,190m), corresponding to a gross margin of 27.6% (Q1 2015: 25.4%). The higher gross margin is reflecting lower one-off costs particularly in the Customer Services division, where Q1 last year was negatively impacted by the discontinuation of an O&M contract in Nigeria. Production costs in Q1 2016 mirror some under-absorption related to postponed deliveries and a slow start to the year.

Q1 2016 saw total research and development expenses of DKK 55m (Q1 2015: DKK 68m), representing 1.5% of revenue (Q1 2015: 1.5%), of which DKK 1m was capitalised (Q1 2015: DKK 21m) and the balance reported as production costs. In addition, project-financed developments are taking place in cooperation with customers.

Quarterly revenue and EBITA margin



Quarterly order intake

In accordance with international accounting standards, research costs are expensed, whereas development costs are to be capitalised if substantiated by an underlying business case. An increasing share of the total research and development expenses are related to the Customer Services and Product Companies divisions.

Sales, distribution and administrative costs and other operating items amounted to DKK 726m in Q1 2016 (Q1 2015: DKK 718m), which represents a cost percentage of 19.3% of revenue (Q1 2015: 15.3%). Although the absolute amount is on a par with last year, the cost percentage is significantly higher due to the revenue shortfall in Q1 and lower operational leverage. One-off costs were negligible in the quarter. Bad debt provisions amounted to net DKK -22m in the quarter, related to a number of smaller adjustments.

Earnings before interest, tax, depreciation and amortisation (EBITDA) decreased to DKK 312m (Q1 2015: DKK 472m), corresponding to an EBITDA margin of 8.3% (Q1 2015: 10.1%).

Depreciation of tangible assets amounted to DKK -66m (Q1 2015: DKK -72m).

Earnings before interest, tax and amortisation (EBITA) decreased to DKK 246m (Q1 2015: DKK 400m), corresponding to an EBITA margin of 6.5% (Q1 2015: 8.5%).

Amortisation of intangible assets amounted to DKK -93m (Q1 2015: DKK -104m). The effect of purchase price allocations amounted to DKK -60m (Q1 2015: DKK -71m) and other amortisations to DKK -33m (Q1 2015: DKK -33m).

Earnings before interest and tax (EBIT) amounted to DKK 153m (Q1 2015: DKK 296m), corresponding to an EBIT margin of 4.1% (Q1 2015: 6.3%).

Net financial items amounted to DKK -38m (Q1 2015: DKK -18m), of which foreign exchange and fair value adjustments amounted to DKK -18m (Q1 2015: DKK -9m). Net interest costs amounted to DKK -20m (Q3 2014: DKK -9m).

Earnings before tax (EBT) was DKK 115m (Q1 2015: DKK 278m).

Tax for the period amounted to DKK -36m (Q1 2015: DKK -82m), corresponding to an effective tax rate of 31% (Q1 2015: 29%).

Profit from continuing activities amounted to DKK 79m (Q1 2015: DKK 196m).

Profit/loss from discontinued activities amounted to DKK -6m (Q1 2015: DKK 76m) and was mainly related to the bulk material handling activities. The first quarter result in 2015 included operating income for the month of January in Cembrit as well as profit related to the divestment of Cembrit.

In connection with the interim report for the third quarter of 2015, it was announced that the Group´s activities within bulk materials handling would be put up for sale. The status is that the activities currently are being restructured and prepared for sale. A sales process will be started up during the coming months.

Profit for the period decreased to DKK 73m (Q1 2015: DKK 272m).

Capital efficiency

Capital employed and ROCE

Average Capital employed increased to DKK 15.6bn in Q1 2016 (Q4 2015: DKK 15.2bn), and 12-months trailing EBITA decreased to DKK 1,428m (Q4 2015: DKK 1,582m). As a consequence, ROCE decreased to 9% (Q4 2015: 10%).

Total Capital employed decreased to DKK 14.9bn at the end of Q1 2016 and consists primarily of intangible assets amounting to DKK 10.0bn which is mostly historical goodwill as well as patents and rights, and customer relations. Tangible assets amounted to DKK 2.5bn and net working capital to DKK 2.4bn at the end of Q1.

Cash flow developments and working capital

Cash flow from operating activities amounted to DKK -60m in Q1 2016 (Q1 2015: DKK -45m). The operating cash flow was negatively impacted by low operational earnings in the quarter as well as periodically high cash out related to changes in provisions of DKK -110m (Q1 2015: DKK 120m) and taxes paid of DKK -147m (Q1 2015: DKK -61m). On a positive note, the negative cash impact from change in net working capital was significantly reduced compared to last year.

Net working capital amounted to DKK 2,410m at the end of Q1 2016 (end of Q4 2015: DKK 2,583m), representing 12.8% of 12-months trailing revenue (end of Q4 2015: 13.1% of revenue). The decrease in net working capital in Q1 is primarily explained by currency developments, but also by significant changes in the composition of the net working capital. Q1 saw a reduction in inventory as well as in trade receivables and an increase in pre-payments from customers. However, the positive developments were partly offset by higher net work-in-progress assets and lower trade payables. Trade receivables declined DKK 0.7bn in the quarter and the overdue ratio decreased significantly.

The ambition is that net working capital should not exceed 10% of sales at any point in the cycle. Each of the divisions have been given specific net working capital targets, reflecting their business model.

Investing in the business

Cash flow from investing activities amounted to DKK -12m (Q1 2015: DKK 760m). Q1 2015 included a DKK 912m cash payment from the sale of Cembrit.

The cash flow from investments (excluding acquisitions and disposals of enterprises and activities) amounted to DKK -12m in Q1 (Q1 2015: DKK -70m) which was below the level of depreciation amounting to DKK -66m (Q1 2015: DKK -72m).

The free cash flow (cash flow from operating and investing activities) in Q1 amounted to DKK -72m (Q1 2015: DKK 715m).

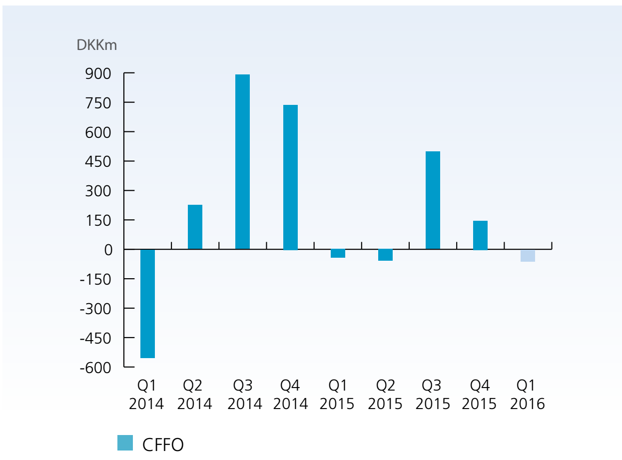
Balance sheet and capital structure

The balance sheet total amounted to DKK 23,188m at the end of Q1 2016 (end 2015: DKK 24,362m).

Equity at the end of Q1 2016 decreased to DKK 7,938m (end of 2015: DKK 7,982m), and the equity ratio increased to 34% (end of 2015: 33%), which is above the long-term target of minimum 30%.

Quarterly net working capital

Cash flow from operating activities



Net interest-bearing debt by the end of Q1 2016 amounted to DKK 3,567m (end of 2015: DKK 3,674m) and the Group's financial gearing (calculated as NIBD divided by 12-months trailing EBITDA) was 2.1 at the end of Q1 2016 (end of 2015: 2.0).

At the end of Q1 2016, the Group's capital resources consisted of committed credit facilities of DKK 8.3bn (including mortgage) with a weighted average time to maturity of 4.2 years.

Treasury shares

FLSmidth's treasury shares amounted to 2,328,740 shares at the end of Q1 2016 (end of 2015: 2,327,928 shares), representing 4.5% of the total share capital (end of 2015: 4.5%). The holding of treasury shares is used to hedge FLSmidth's long-term incentive plans.

Long term incentive plans (LTIP)

Share option plans (being phased out)

At the end of Q1 2016, there was a total of 2,945,124 unexercised share options under FLSmidth's incentive plan and their fair value was DKK 141m. The fair value is calculated by means of a Black & Scholes model based on a current share price of 275.3, a volatility of 34.66% and future annual dividend of DKK 9 per share. The effect of the plan on the income statement for Q1 2016 was DKK -9m (Q1 2015: DKK -11m).

Performance shares (replacing Share option programme)

At the end of Q1 2016, FLSmidth had granted a maximum of 179,215 performance share units to 140 key employees. Full vesting after three years will depend on achievement of stretched financial targets related to the EBITA margin and the net working capital ratio. The effect of the plan on the income statement for Q1 2016 was DKK -3m (Q1 2015: DKK 0m).

Employees

The number of employees amounted to 12,723 at the end of Q1 2016 (including discontinued activities), representing a decrease of 246 employees in the quarter equal to 2% (end 2015: 12,969). The decline is explained by continued business right-sizing and efficiency improvements.

Guidance for 2016

It is still expected that revenue will be DKK 17-20bn (2015: DKK 19.7bn) and that the EBITA margin will be 7-9% (2015: 8.0%). The return on capital employed is expected to be 8-10% (2015: 10%). The effective tax rate is expected to be 29-31% (2015: 32%) and cash flow from investments is expected to be around DKK -0.4bn excluding acquisitions and divestments (2015: DKK -0.1bn).

Events occurring after the balance sheet date

On Friday 5 April 2016 at 16.00 hours, FLSmidth & Co. A/S held its Annual General Meeting, where 53.13% of the votes were represented.

The Annual General Meeting adopted the Board of Director's review, approved the Annual Report 2015 and approved the Board of Directors' fees including the final fees for 2015, and the preliminary fee determined for 2016. The Board's proposal to pay out a dividend of DKK 4 per share was adopted. Dividend was paid out on 7 April 2016, amounting to DKK 205m in total.

The Annual General Meeting re-elected Mr Vagn Ove Sørensen, Mr Torkil Bentzen, Mr Sten Jakobsson, Mr Tom Knutzen and Ms Caroline Grégoire Sainte Marie as members of the Board of Directors. The Annual General Meeting also elected Mr Marius Jacques Kloppers and Mr Richard Robinson Smith (Rob Smith) as new members of the Board of Directors. At the subsequent initial Board meeting, Mr Vagn Sørensen was re-elected as Chairman and Mr Torkil Bentzen as Vice Chairman.

Deloitte Statsautoriseret Revisionspartnerskab was re-appointed as company auditor.

Finally, the Annual General Meeting adopted the five additional proposals submitted by the Board of Directors:

- Amendment of the Articles of Association - change from bearer shares to registered shares due to changes in legislation
- Amendment of the Articles of Association - update of the Board of Directors' authorisation to increase the company's share capital
- Amendment of the Articles of Association - authorisation for distribution of extraordinary dividends
- Approval of updated guidelines for incentive pay
- Authorisation for acquisition of treasury shares

Financial Calendar

11 August 2016 Half-year Interim Report 2016
9 November 2016 1st-3rd Quarter Interim Report 2016

Forward-looking statement

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 maintenance solutions to the global cement and minerals industries.

Market developments in Q1 2016

The market for cement-related services showed fairly stable developments in Q1 with good activity in North America and India, whereas activity in South America declined. Customers demand parts and small retrofit projects as well as preventive maintenance services. In addition, the market offers good opportunities for equipment audits to help customers improve plant productivity.

The market for mining-related services saw a weakening in Q1 across all regions and especially related to upgrade projects and related spare parts sales. Customer sentiment around longer term maintenance contracts has been mixed in recent quarters. Looking ahead, this segment offers opportunities in several regions.

Financial performance in Q1 2016

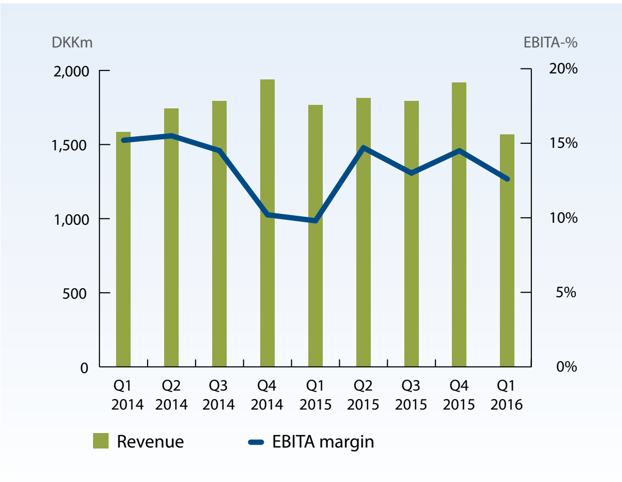
Order intake in Q1 2016 was DKK 1,566m, representing a decrease of 13% (Q1 2015: DKK 1,796m) and a sequential decrease of 5%. Adjusted for currency effects, the order intake decreased 11%. The development is mainly a result of weaker mining-related services across all geographies, whereas cement-related services were stable, except for a negative development in South America.

Revenue decreased 11% to DKK 1,568m (Q1 2015: DKK 1,768m) and declined 9% adjusted for currency effects as a result of a somewhat softer order intake in the past three quarters and the lack of new smaller cement service projects which contributed to revenue in the comparison quarter. EBITA increased 14% to DKK 197m (Q1 2015: DKK 173m) and the EBITA margin increased to 12.6% (Q1 2015: 9.8%). The increase is explained by a weak comparison quarter, as Q1 2015 was impacted by DKK -73m related to the discontinuation of a Nigerian O&M contract. On the other hand, the Customer Services Division accounts for a higher share of the total R&D expenses than last year. When adjusting for the discontinued O&M contract last year and the change in R&D expenses this year, the EBITA margin was at a similar level as last year.

Customer Services

DKKm	Q1 2016	Q1 2015	Change (%)
Order intake (Gross)	**1,566**	**1,796**	-13%
Order backlog	**2,399**	**2,783**	-14%
Revenue	**1,568**	**1,768**	-11%
Gross profit	**476**	**456**	4%
Gross profit margin	*30.4%*	*25.8%*	
EBITDA	**223**	**199**	12%
EBITDA margin	*14.2%*	*11.3%*	
EBITA	**197**	**173**	14%
EBITA margin	*12.6%*	*9.8%*	
EBIT	**161**	**135**	19%
EBIT margin	*10.3%*	*7.6%*	
Number of employees	4,634	4,995	-7%

Quarterly revenue and EBITA margin



Product Companies

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

Market developments in Q1 2016

The market for cement-related activities saw an overall stable development in Q1, whereas the market for minerals-related activities, especially mining equipment, weakened in the first quarter. Market activity was very slow at the beginning of the quarter but picked up steadily throughout the quarter, and the pipeline for the coming quarters appears solid, however with some uncertainty, especially around minerals-related orders.

Customers continue to request mainly replacements, modernisations and products related to productivity improvements, with a particular focus on longer wear life and environmental issues.

Financial performance in Q1 2016

Order intake in Q1 2016 decreased 11% to DKK 1,406m (Q1 2015: DKK 1,580m). Adjusted for currency effects, the order intake decreased 8%, mainly as a result of weak demand for mining equipment. After a slow start to the year, order intake picked up towards the end of the first quarter.

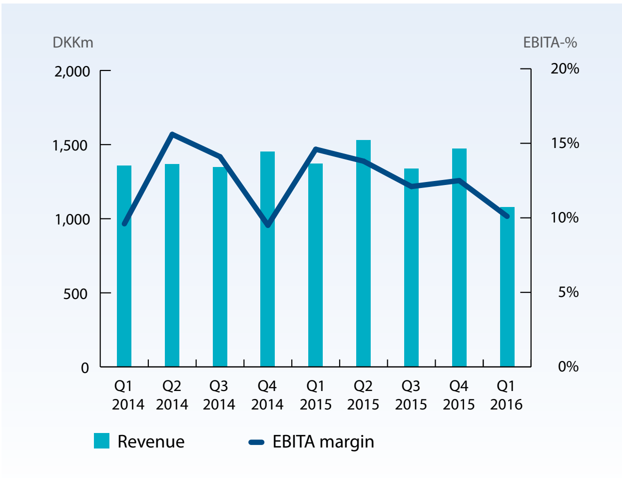
Revenue decreased 21% to DKK 1,078m (Q1 2015: DKK 1,371m), and decreased 18% adjusted for currency effects. Revenue was impacted by the low order intake in the quarter as well as a low level of booked and billed orders within the quarter as the quarter's order intake was heavily back-end loaded. Further, revenue was impacted by a customer delaying execution of a large project.

EBITA decreased 46% to DKK 109m in Q1 2016 (Q1 2015: DKK 200m) primarily due to operating leverage, which is impacting the Product Companies division more than the other divisions due to more in-house manufacturing and assembly. As a result, the EBITA margin decreased to 10.1% (Q1 2015: 14.6%).

Product Companies

DKKm	Q1 2016	Q1 2015	Change (%)
Order intake (Gross)	**1,406**	**1,580**	-11%
Order backlog	**2,823**	**3,291**	-14%
Revenue	**1,078**	**1,371**	-21%
Gross profit	**329**	**422**	-22%
Gross profit margin	*30.5%*	*30.8%*	
EBITDA	**132**	**223**	-41%
EBITDA margin	*12.2%*	*16.3%*	
EBITA	**109**	**200**	-46%
EBITA margin	*10.1%*	*14.6%*	
EBIT	**86**	**182**	-53%
EBIT margin	*7.9%*	*13.3%*	
Number of employees	3,333	3,361	-1%

Quarterly revenue and EBITA margin



Minerals

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

Market developments in Q1 2016

Despite recent months´ increase in some commodity prices such as gold and iron ore, miners remain committed to strengthening their balance sheets, in part through lower investments and targeted procurement savings. Consequently, the market for mining capex deteriorated in Q1. Especially demand for project/system sales has weakened, whereas activity related to single equipment sales enhancing customers productivity is more stable. Gold and copper continue to be the most active industries. Potash has shown some activity while coal and iron ore remain weak.

Financial performance in Q1 2016

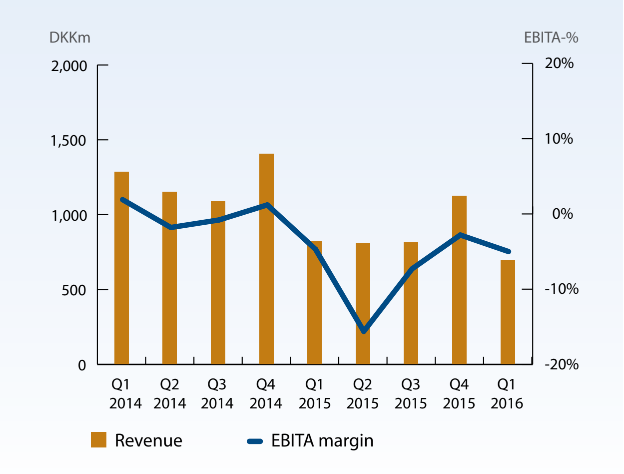
Order intake in Q1 2016 decreased 48% to DKK 443m (Q1 2015: DKK 851m). The weak order intake is a result of a weakening market across geographies and timing of bigger orders. Very limited demand for projects/systems and postponement of some orders were the key drivers for the negative development. Although the minerals market deteriorated in the first quarter, the Q1 order intake does not represent the expected run-rate for the rest of 2016.

Revenue decreased 15% to DKK 698m (Q1 2015: DKK 822m) and decreased 11% adjusted for currency due to slow progress on a number of projects, primarily as a result of customers´ focus on short-term cash flow. EBITA amounted to DKK -35m (Q1 2015: DKK -39m), and the EBITA margin was -5.0% (Q1 2015: -4.7%).The negative EBITA margin is a result of the revenue shortfall (negative leverage) and intensified pricing pressure which negates the positive effects of the extensive business right-sizing which was ongoing last year and is continuing. Due to changed business mix (more single equipment sales with higher margins and less projects sales with lower margins) the gross margin held up despite the intensified pricing pressure.

Minerals

DKKm	Q1 2016	Q1 2015	Change (%)
Order intake (Gross)	**443**	**851**	-48%
Order backlog	**4,229**	**4,746**	-11%
Revenue	**698**	**822**	-15%
Gross profit	**130**	**140**	-7%
Gross profit margin	*18.6%*	*17.0%*	
EBITDA	**(23)**	**(25)**	n/a
EBITDA margin	*-3.3%*	*-3.0%*	
EBITA	**(35)**	**(39)**	n/a
EBITA margin	*-5.0%*	*-4.7%*	
EBIT	**(62)**	**(78)**	n/a
EBIT margin	*-8.8%*	*-9.5%*	
Number of employees	1,598	2,144	-25%

Quarterly revenue and EBITA margin



Cement

The Cement Division is the market leader of premium technology, process solutions and Operation & Maintenance services to the global cement industry.

Market developments in Q1 2016

The market for new cement capacity was overall unchanged in Q1. Overcapacity persists on a global scale with few large orders available for tender. However, regional opportunities remain with the most active markets being parts of Africa, Asia, the Middle East and parts of the USA. The Indian market is still slow but optimism is slowly emerging.

Customers continue to show interest in FLSmidth's Operation & Maintenance concept, and the model proved its worth once again in Q1, which included the awarding of a five-year O&M contract in Egypt. The contract was a renewal of an existing contract – with increased scope going forward – at a cement plant, which FLSmidth has operated and maintained since 2008.

Financial performance in Q1 2016

Order intake in Q1 2016 increased 375% to DKK 2,082m (Q1 2015: DKK 438m). The strong order intake is mainly a result of the announced order for the supply of a greenfield (EPC) cement plant in Algeria with a contract value of more than EUR 200m.

The order intake also included a couple of upgrade projects in the USA to improve plant productivity. Adjusted for currency effects, the order intake increased 373% compared to Q1 2015.

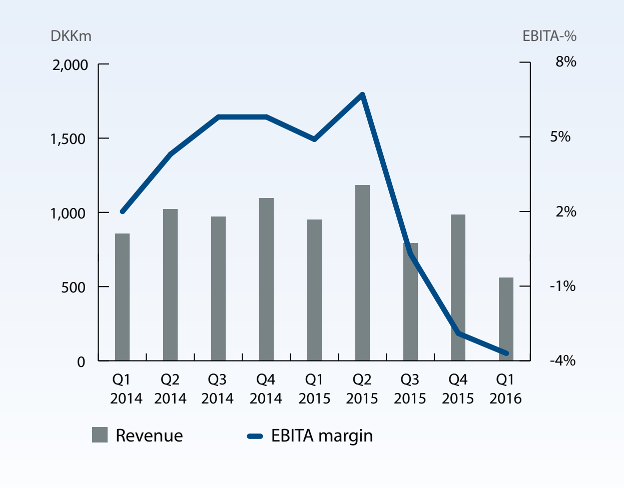
Revenue decreased 41% to DKK 562m (Q1 2015: DKK 951m). The lower revenue is mainly a timing issue but also a result of the lower backlog at the beginning of the year.

EBITA amounted to DKK -21m which is significantly below last year (Q1 2015: DKK 47m). EBITA continues to be negatively impacted by a fierce competitive environment and one challenged O&M contract in an oil-exporting country. Also, EBITA in Q1 reflected low operational leverage due to a low level of revenue in the quarter. Thus, the EBITA margin decreased to -3.7% (Q1 2015: 4.9%).

Cement

DKKm	Q1 2016	Q1 2015	Change (%)
Order intake (Gross)	**2,082**	**438**	375%
Order backlog	**7,016**	**7,331**	-4%
Revenue	**562**	**951**	-41%
Gross profit	**103**	**166**	-38%
Gross profit margin	*18.3%*	*17.5%*	
EBITDA	**(17)**	**54**	-132%
EBITDA margin	*-3.1%*	*5.7%*	
EBITA	**(21)**	**47**	-145%
EBITA margin	*-3.7%*	*4.9%*	
EBIT	**(28)**	**38**	-174%
EBIT margin	*-5.0%*	*4.0%*	
Number of employees	3,005	2,979	1%

Quarterly revenue and EBITA margin



Statement by 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 2016.

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 2016 as well as of its financial performance and its cash flow for the period 1 January - 31 March 2016.

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, 18 May 2016

Group Executive Management

Thomas Schulz
Group Chief Executive Officer

Lars Vestergaard
Group Executive Vice President and CFO

Board of Directors

Vagn Ove Sørensen
Chairman

Torkil Bentzen
Vice chairman

Marius Jacques Kloppers

Sten Jakobsson

Tom Knutzen

Caroline Grégoire Sainte Marie

Richard Robinson Smith

Mette Dobel

Søren Quistgaard Larsen

Jens Peter Koch

Consolidated income statement

Notes	DKKm	Q1 2016	Q1 2015
	Revenue	3,758	4,683
	Production costs	(2,720)	(3,493)
	Gross profit	**1,038**	**1,190**
	Sales and distribution costs	(350)	(353)
	Administrative costs	(383)	(378)
	Other operating items	7	13
	EBITDA	**312**	**472**
	Special non-recurring items	-	-
	Depreciation of tangible assets	(66)	(72)
	EBITA	**246**	**400**
	Amortisation of intangible assets	(93)	(104)
	EBIT	**153**	**296**
	Financial income	548	761
	Financial costs	(586)	(779)
	EBT	**115**	**278**
	Tax for the period	(36)	(82)
	Profit/(loss) for the period, continuing activities	**79**	**196**
	Profit/(loss) for the period, discontinued activities	(6)	76
	Profit/(loss) for the period	**73**	**272**
	To be distributed as follows:		
	FLSmidth & Co, A/S' shareholders' share of profit/(loss) for the period	73	275
	Minority shareholders' share of profit/(loss) for the period	0	(3)
		73	**272**
2	Earnings per share (EPS):		
	Continuing and discontinued activities per share	1.5	5.6
	Continuing and discontinued activities, diluted, per share	1.5	5.6
	Continuing activities per share	1.6	4.1
	Continuing activities, diluted, per share	1.6	4.1

Consolidated statement of comprehensive income

DKKm	Q1 2016	Q1 2015
Notes		
Profit/(loss) for the period	73	272
Other comprehensive income for the period		
Items that will not be reclassified to profit or loss		
Actuarial gains/(losses) on defined benefit plans	-	(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	(153)	455
Foreign exchange adjustments of loans classified as equity in enterprises abroad	-	234
Foreign exchange adjustment regarding liquidation of company	-	27
Value adjustments of hedging instruments:		
Value adjustment for the period	122	(179)
Value adjustments transferred to work-in-progress	(92)	-
Value adjustments transferred to financial income and costs	-	38
Tax on items that are or may be reclassified subsequently to profit or loss	(5)	(24)
Other comprehensive income for the period after tax	**(128)**	**550**
Comprehensive income for the period	**(55)**	**822**
Comprehensive income for the period attributable to:		
FLSmidth & Co. A/S' shareholders' share of comprehensive income for the period	(55)	821
Minority shareholders' share of comprehensive income for the period	0	1
	(55)	**822**

Consolidated cash flow statement

Notes	DKKm	Q1 2016	Q1 2015
	EBITDA, continuing activities	312	472
	EBITDA, discontinued activities	(11)	(31)
	EBITDA	**301**	**441**
	Adjustment for gain/(losses) on sale of tangible and intangible assets and special non-recurring items etc.	10	10
	Adjusted EBITDA	**311**	**451**
	Change in provisions	(110)	120
	Change in net working capital	(104)	(545)
	Cash flow from operating activities before financial items and tax	**97**	**26**
	Financial items received and paid	(10)	(10)
	Taxes paid	(147)	(61)
	Cash flow from operating activities	**(60)**	**(45)**
4	Acquisition of enterprises and activities	-	-
	Acquisition of intangible assets	(9)	(33)
	Acquisition of tangible assets	(19)	(39)
	Acquisition of financial assets	-	(1)
5	Disposal of enterprises and activities	-	830
	Disposal of tangible assets	16	3
	Cash flow from investing activities	**(12)**	**760**
	Dividend paid	-	(439)
	Disposal of treasury shares	-	2
	Change in net interest-bearing debt	127	(168)
	Cash flow from financing activities	**127**	**(605)**
	Change in cash and cash equivalents	**55**	**110**
	Cash and cash equivalents at 1 January	1,157	1,021
	Foreign exchange adjustment, cash and cash equivalents	(36)	94
	Cash and cash equivalents at 31 March	**1,176**	**1,225**

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

Consolidated balance sheet

Assets

Notes	DKKm	End of Q1 2016	End of 2015
	Goodwill	4,302	4,362
	Patents and rights	1,309	1,335
	Customer relations	1,050	1,102
	Other intangible assets	45	53
	Completed development projects	252	281
	Intangible assets under development	349	345
	Intangible assets	**7,307**	**7,478**
	Land and buildings	1,660	1,723
	Plant and machinery	640	678
	Operating equipment, fixtures and fittings	153	169
	Tangible assets in course of construction	43	52
	Tangible assets	**2,496**	**2,622**
	Other securities and investments	125	125
	Deferred tax assets	1,076	1,096
	Financial assets	**1,201**	**1,221**
	Total non-current assets	**11,004**	**11,321**
	Inventories	**2,340**	**2,445**
	Trade receivables	4,197	4,884
9	Work-in-progress for third parties	2,410	2,526
	Prepayments to subcontractors	342	347
	Other receivables	1,120	1,076
	Receivables	**8,069**	**8,833**
	Cash and cash equivalents	**1,124**	**1,123**
	Assets classified as held for sale	**651**	**640**
	Total current assets	**12,184**	**13,041**
	TOTAL ASSETS	**23,188**	**24,362**

Consolidated balance sheet

Equity and liabilities

Notes	DKKm	End of Q1 2016	End of 2015
	Share capital	1,025	1,025
	Foreign exchange adjustments	(203)	(50)
	Value adjustments of hedging transactions	(76)	(106)
	Retained earnings	6,952	6,873
	Proposed dividend	205	205
	FLSmidth & Co. A/S' shareholders' share of equity	**7,903**	**7,947**
	Minority shareholders' share of equity	35	35
	Total equity	**7,938**	**7,982**
	Deferred tax liabilities	377	380
	Pension liabilities	274	278
6	Other provisions	485	509
	Bank loans and mortgage debt	4,635	4,791
	Prepayments from customers	110	120
	Other liabilities	129	150
	Long-term liabilities	**6,010**	**6,228**
	Pension liabilities	5	5
6	Other provisions	965	1,047
	Bank loans	62	87
	Prepayments from customers	1,362	1,147
9	Work-in-progress for third parties	2,278	2,453
	Trade payables	2,023	2,546
	Current tax liabilities	374	411
	Other liabilities	1,709	1,915
	Short-term liabilities	**8,778**	**9,611**
	Liabilities directly associated with assets classified as held for sale	**462**	**541**
	Total liabilities	**15,250**	**16,380**
	TOTAL EQUITY AND LIABILITIES	**23,188**	**24,362**

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 2016	**1,025**	**(50)**	**(106)**	**6,873**	**205**	**7,947**	**35**	**7,982**
Comprehensive income for the period								
Profit/(loss) for the period				73		73		73
Other comprehensive income								
Actuarial gains/losses on defined benefit plans								
Foreign exchange adjustments regarding enterprises abroad		(153)				(153)		(153)
Foreign exchange adjustments of loans classified as equity in enterprises abroad								
Foreign exchange adjustments, liquidation of company								
Value adjustments of hedging instruments:								
Value adjustments for the period			122			122		122
Value adjustments transferred to work-in-progress			(92)			(92)		(92)
Tax on other comprehensive income				(5)		(5)		(5)
Other comprehensive income total	**0**	**(153)**	**30**	**(5)**	**0**	**(128)**	**0**	**(128)**
Comprehensive income for the period	0	(153)	30	68	0	(55)	0	(55)
Share-based payment, share options				11		11		11
Equity at 31 March 2016	**1,025**	**(203)**	**(76)**	**6,952**	**205**	**7,903**	**35**	**7,938**

The period´s movements in holding of treasury shares (number of shares)	**Q1 2016**	**Q1 2015**
Treasury shares at 1 January	2,327,928 shares	2,412,491 shares
Acquisition of treasury shares	812 shares	1,021 shares
Share options settled	0 shares	(11,689) shares
Treasury shares at 31 March	**2,328,740 shares**	**2,401,823 shares**

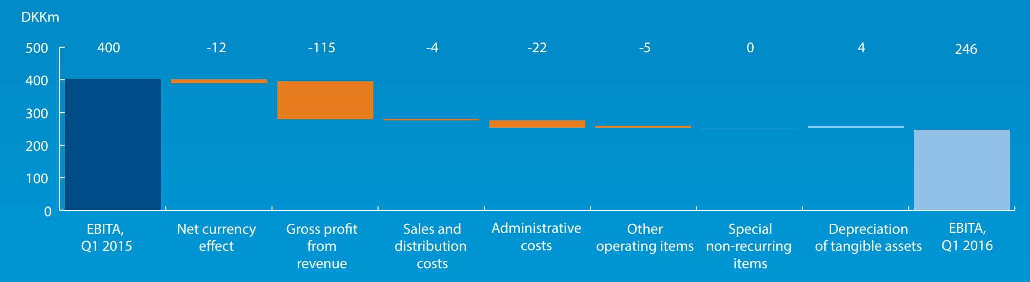
Representing 4.5% (2015: 4.7%) of the share capital.

Consolidated equity

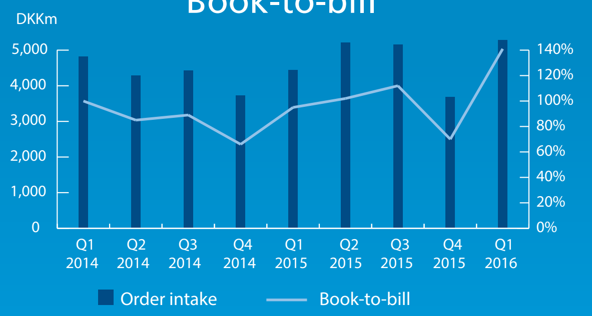
DKKm	Share capital	Foreign exchange adjustments	Value adjustments of hedging transactions	Retained earnings	Proposed dividend	FLSmidth & Co. A/S' shareholders' share of equity	Minority shareholders' share of equity	Total
Equity at 1 January 2015	**1,025**	**(332)**	**(63)**	**6,629**	**461**	**7,720**	**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 cost			38			38		38
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
Equity at 31 March 2015	**1,025**	**380**	**(204)**	**6,914**	**0**	**8,115**	**42**	**8,157**

At a glance

EBITA bridge

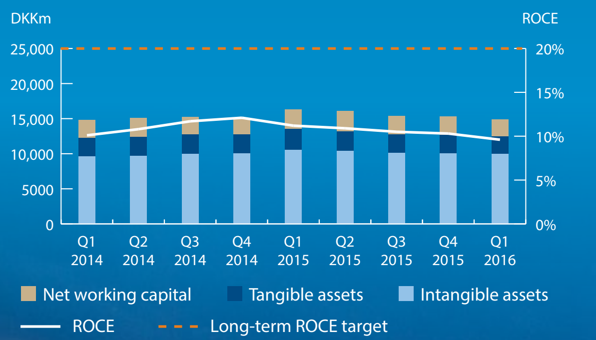


Book-to-bill

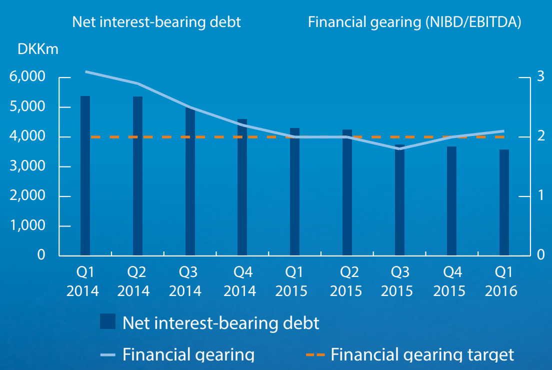


Free cash flow

Capital employed and ROCE
(end of year)



Net interest-bearing debt



List of notes and notes to the interim report

1. Income statement classified by function

It is Group policy to prepare the income statement based on an adapted classification of the cost by function in order to show the earnings before special non-recurring items, depreciations, amortisations and write-downs (EBITDA). Depreciation, amortisation, and write-downs of tangible assets are therefore separated from the individual functions and presented in separate lines.

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

DKKm	Q1 2016	Q1 2015
Revenue	3,758	4,683
Production costs, including depreciation and amortisation	(2,776)	(3,542)
Gross profit	**982**	**1,141**
Sales and distribution costs, including depreciation and amortisation	(357)	(353)
Administrative costs, including depreciation and amortisation	(479)	(505)
Other operating items	7	13
Special non-recurring items	-	-
EBIT	**153**	**296**
Depreciation and amortisation consists of:		
Amortisation of intangible assets	(93)	(104)
Depreciation of tangible assets	(66)	(72)
	(159)	**(176)**
Depreciation and amortisation are divided into:		
Production costs	(56)	(49)
Sales and distribution costs	(7)	-
Administrative costs	(96)	(127)
	(159)	**(176)**

2. Earnings per share

DKKm	Q1 2016	Q1 2015
Earnings		
FLSmidth & Co. A/S´ shareholders' share of profit/(loss) for the period	73	275
FLSmidth & Co. A/S´ profit/(loss) from discontinued activities	(6)	76
Average number of shares		
Number of shares issued	51,250	51,250
Adjustment for treasury shares	(2,344)	(2,407)
Potential increase of shares in circulation, share options in-the-money	-	103
	48,906	**48,946**
Earnings per share		
Continuing and discontinued activities per share	1.5	5.6
Continuing and discontinued activities, diluted, per share	1.5	5.6
Continuing activities per share	1.6	4.1
Continuing activities, diluted, per share	1.6	4.1

Non-diluted earnings per share in respect of discontinued activities amount to DKK -0.1 (2015: DKK 1.5) and diluted earnings per share in respect of discontinued activities amount to DKK -0.1 (2015: DKK 1.5).

3. Breakdown of the Group by segments for 2016

	Q1 2016							
DKKm	**Customer Services**	**Product Companies**	**Minerals**	**Cement**	**Other companies etc.[1]**	**Continuing activities**	**Discon-tinued activities [2]**	**FLSmidth Group**
INCOME STATEMENT								
External revenue	1,552	951	693	562	-	3,758	163	3,921
Internal revenue	16	127	5	-	(148)	-	-	-
Revenue	**1,568**	**1,078**	**698**	**562**	**(148)**	**3,758**	**163**	**3,921**
Production costs	(1,092)	(749)	(568)	(459)	148	(2,720)	(162)	(2,882)
Gross profit	**476**	**329**	**130**	**103**	**-**	**1,038**	**1**	**1,039**
Sales, distr. and admin. costs and other operating items	(253)	(197)	(153)	(120)	(3)	(726)	(12)	(738)
EBITDA	**223**	**132**	**(23)**	**(17)**	**(3)**	**312**	**(11)**	**301**
Special non-recurring items	-	-	-	-	-	-	-	-
Depreciation of tangible assets	(26)	(23)	(12)	(4)	(1)	(66)	-	(66)
EBITA	**197**	**109**	**(35)**	**(21)**	**(4)**	**246**	**(11)**	**235**
Amortisation of intangible assets	(36)	(23)	(27)	(7)	-	(93)	-	(93)
EBIT	**161**	**86**	**(62)**	**(28)**	**(4)**	**153**	**(11)**	**142**
ORDER INTAKE (GROSS)	**1,566**	**1,406**	**443**	**2,082**	**(216)**	**5,281**	**27**	**5,308**
ORDER BACKLOG	**2,399**	**2,823**	**4,229**	**7,016**	**(675)**	**15,792**	**779**	**16,571**
FINANCIAL RATIOS								
Gross margin	*30.4%*	*30.5%*	*18.6%*	*18.3%*	*N/A*	*27.6%*	*N/A*	*26.5%*
EBITDA margin	*14.2%*	*12.2%*	*-3.3%*	*-3.1%*	*N/A*	*8.3%*	*N/A*	*7.7%*
EBITA margin	*12.6%*	*10.1%*	*-5.0%*	*-3.7%*	*N/A*	*6.5%*	*N/A*	*6.0%*
EBIT margin	*10.3%*	*7.9%*	*-8.8%*	*-5.0%*	*N/A*	*4.1%*	*N/A*	*3.6%*
Number of employees at 31 March	**4,634**	**3,333**	**1,598**	**3,005**	**-**	**12,570**	**153**	**12,723**

Reconciliation of the profit/(loss) for the period before tax		
Segment earnings before tax of reportable segments	153	(11)
Financial income	548	2
Financial costs	(586)	0
EBT	**115**	**(9)**

[1] Other companies etc. consist of companies with no activity, real estate companies, eliminations and the parent company.
[2] Discontinued activities mainly consist of bulk material handling.

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[2]	FLSmidth Group
				Q1 2015				
INCOME STATEMENT								
External revenue	1,732	1,181	819	951	-	4,683	241	4,924
Internal revenue	36	190	3	-	(229)	-	-	-
Revenue	**1,768**	**1,371**	**822**	**951**	**(229)**	**4,683**	**241**	**4,924**
Production costs	(1,312)	(949)	(682)	(785)	235	(3,493)	(222)	(3,715)
Gross profit	**456**	**422**	**140**	**166**	**6**	**1,190**	**19**	**1,209**
Sales, distr. and admin. costs and other operating items	(257)	(199)	(165)	(112)	15	(718)	(50)	(768)
EBITDA	**199**	**223**	**(25)**	**54**	**21**	**472**	**(31)**	**441**
Special non-recurring items	-	-	-	-	-	-	107	107
Depreciation of tangible assets	(26)	(23)	(14)	(7)	(2)	(72)	(5)	(77)
EBITA	**173**	**200**	**(39)**	**47**	**19**	**400**	**71**	**471**
Amortisation of intangible assets	(38)	(18)	(39)	(9)	-	(104)	-	(104)
EBIT	**135**	**182**	**(78)**	**38**	**19**	**296**	**71**	**367**
ORDER INTAKE (GROSS)	**1,796**	**1,580**	**851**	**438**	**(225)**	**4,440**	**237**	**4,677**
ORDER BACKLOG	**2,783**	**3,291**	**4,746**	**7,331**	**(589)**	**17,562**	**1,390**	**18,952**
FINANCIAL RATIOS								
Gross margin	*25.8%*	*30.8%*	*17.0%*	*17.5%*	*N/A*	*25.4%*	*N/A*	*24.6%*
EBITDA margin	*11.3%*	*16.3%*	*-3.0%*	*5.7%*	*N/A*	*10.1%*	*N/A*	*9.0%*
EBITA margin	*9.8%*	*14.6%*	*-4.7%*	*4.9%*	*N/A*	*8.5%*	*N/A*	*9.6%*
EBIT margin	*7.6%*	*13.3%*	*-9.5%*	*4.0%*	*N/A*	*6.3%*	*N/A*	*7.5%*
Number of employees at 31 March	**4,995**	**3,361**	**2,144**	**2,979**	**-**	**13,479**	**231**	**13,710**

Reconciliation of the profit/(loss) for the period before tax	Continuing activities	Discontinued activities
Segment earnings before tax of reportable segments	296	71
Financial income	761	22
Financial costs	(779)	(21)
EBT	**278**	**72**

[1] Other companies etc. consist of companies with no activity, real estate companies, eliminations and the parent company.
[2] Discontinued activities mainly consist of Cembrit and bulk material handling.

In Q3 2015, it was decided to ring-fence and restructure the bulk material handling activities with a view to divest the activities. Consequently, the impacted activities have been reclassified as discontinued activities. Cembrit was sold as of 30 January 2015. Therefore, Cembrit activities are reported as discontinued. Comparative figures are adjusted accordingly.

Notes to the interim report

4. Acquisition of enterprises and activities

There have been no acquisitions of enterprises and activities in Q1 2016 or Q1 2015.

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 activities prior to the sale were classified as discontinued activities, the difference is recognised as profit/(loss) for the period, discontinued activities.

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 2016	Q1 2015	End of 2015
Intangible assets	-	57	66
Tangible assets	-	610	640
Inventories	-	283	290
Trade receivables	-	-	184
Other assets	-	352	167
Cash and cash equivalents	-	82	82
Liabilities	-	(1,035)	(1,035)
Carrying amount of net assets disposed	**-**	**349**	**394**
Net interest-bearing debt	-	455	455
Enterprise value	**-**	**804**	**849**
Selling price	-	1,037	1,078
Enterprise value	-	(804)	(849)
Transaction costs	-	(125)	(115)
Profit/loss on disposal of enterprises and activities	**-**	**108**	**114**
Cash received	-	912	999
Deferred payment	-	125	71
Total selling price	**-**	**1,037**	**1,070**
Transaction costs	-	(125)	(115)
Cash and cash equivalents disposed of, see above	-	(82)	(82)
Net cash effect	**-**	**830**	**873**

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

6. Other provisions

DKKm	Q1 2016	Q1 2015	End of 2015
Provisions at 1 January	1,556	1,598	1,598
Transfer to assets held for sale	-	-	(77)
Exchange rate and other adjustments	(28)	88	35
Disposal of Group enterprises	-	-	9
Provision for the period	95	283	886
Used during the period	(55)	(137)	(413)
Reversals	(84)	(32)	(477)
Discounting of provisions	-	-	1
Reclassification to/from other liabilities	(34)	(1)	(6)
Provisions at 31 March	**1,450**	**1,799**	**1,556**
The maturity of provisions is specified as follows:			
Short-term liabilities	965	1,168	1,047
Long-term liabilities	485	631	509
	1,450	**1,799**	**1,556**

7. ROCE

DKKm	Q1 2016	Q1 2015 [1]	End of 2015 [1]
Intangible assets, cost	9,985	10,580	10,087
Tangible assets, carrying amount	2,496	2,928	2,622
Net working capital	2,410	2,775	2,583
Total capital employed	14,891	16,283	15,292
Total capital employed, average	15,587	15,564	15,162
EBITA, 12 months	1,428	1,824	1,582
ROCE	10%	11%	10%
ROCE, average	9%	12%	10%

[1] Capital employed, 2015 figures are adjusted for capital employed related to Cembrit and bulk material handling.

8. Fair value hierarchy of financial instruments

The carrying amount of financial instruments for each category is specified in the table below:

DKKm	Q1 2016	Q1 2015	End of 2015
Financial assets available for sale	116	92	116
Financial assets measured at fair value through the income statement	108	172	128
Financial liabilities measured at fair value through the income statement	164	434	274

The fair value of financial assets and liabilities measured at fair value through the Income Statement is measured at 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).

Of financial assets available for sale, DKK 92m (Q1 2015: DKK 67m) are measured at quoted prices in an active market for the same type of instruments (level 1). The remaining financial assets available for sale are measured using valuation methods, where all significant inputs are based on observable market data (level 2).

There have been no significant transfers between level 1 and level 2 in 2016 or 2015.

The carrying amount is equal to the fair value except for the financial liabilities measured at amortised cost.

9. Work-in-progress for third parties

DKKm	Q1 2016	Q1 2015	End of 2015
Costs incurred	36,817	44,090	38,056
Profit recognised as income, net	6,235	7,870	6,441
Work-in-progress for third parties	43,052	51,960	44,497
Invoicing on account to customers	(42,920)	(51,512)	(44,424)
	132	**448**	**73**
Of which work-in-progress for third parties is stated under assets	2,410	3,570	2,526
and under liabilities	(2,278)	(3,122)	(2,453)
	132	**448**	**73**

Work-in-progress for third parties consists of all open projects per end of the period.

10. Development in contingent liabilities

Contingent liabilities at 31 March 2016 amount to 4.7bn (31 March 2015: DKK 6.0bn), which include performance bonds and payment guarantees at DKK 4.3bn (31 March 2015: DKK 5.5bn). See note 22 in the 2015 Annual Report for a general description of the nature of the Group's contingent liabilities.

Notes to the interim report

11. Quarterly key figures

DKKm	2014				2015				2016
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
INCOME STATEMENT									
Revenue	4,833	5,063	4,976	5,627	4,683	5,093	4,609	5,297	3,758
Gross profit	**1,226**	**1,348**	**1,286**	**1,265**	**1,190**	**1,327**	**1,174**	**1,255**	**1,038**
Sales, distr. and admin. costs and other operating items	(761)	(765)	(721)	(772)	(718)	(815)	(743)	(792)	(726)
EBITDA	**465**	**583**	**565**	**493**	**472**	**512**	**431**	**463**	**312**
Special non-recurring items	0	(6)	(4)	2	0	2	(1)	(6)	0
Depreciation of tangible assets	(66)	(65)	(68)	(76)	(72)	(74)	(72)	(73)	(66)
EBITA	**399**	**512**	**493**	**419**	**400**	**440**	**358**	**384**	**246**
Amortisation of intangible assets	(87)	(88)	(87)	(145)	(104)	(119)	(113)	(105)	(93)
EBIT	**312**	**424**	**406**	**274**	**296**	**321**	**245**	**279**	**153**
Financial income/costs, net	(56)	(56)	(92)	67	(18)	30	(93)	(175)	(38)
EBT	**256**	**368**	**314**	**341**	**278**	**351**	**152**	**104**	**115**
Tax for the period	(67)	(95)	(81)	(155)	(82)	(113)	(47)	(40)	(36)
Profit/(loss) on continuing activities for the period	**189**	**273**	**233**	**186**	**196**	**238**	**105**	**64**	**79**
Profit/loss on discontinued activities for the period	(74)	(36)	(18)	60	76	(24)	(189)	(41)	(6)
Profit/(loss) for the period	**115**	**237**	**215**	**246**	**272**	**214**	**(84)**	**23**	**73**
Effect of purchase price allocations	(76)	(76)	(76)	(76)	(71)	(71)	(71)	(71)	(60)
Gross margin	*25.4%*	*26.6%*	*25.9%*	*22.5%*	*25.4%*	*26.1%*	*25.5%*	*23.7%*	*27.6%*
EBITDA margin	*9.6%*	*11.5%*	*11.4%*	*8.8%*	*10.1%*	*10.1%*	*9.4%*	*8.7%*	*8.3%*
EBITA margin	*8.3%*	*10.1%*	*9.9%*	*7.4%*	*8.5%*	*8.6%*	*7.8%*	*7.2%*	*6.5%*
EBIT margin	*6.5%*	*8.4%*	*8.2%*	*4.9%*	*6.3%*	*6.3%*	*5.3%*	*5.3%*	*4.1%*
CASH FLOW									
Cash flow from operating activities	(552)	224	887	739	(45)	(61)	496	148	(60)
Cash flow from investing activities	(72)	(157)	(152)	(217)	760	(44)	14	20	(12)
Order intake, continuing activities	4,824	4,286	4,423	3,734	4,440	5,208	5,151	3,691	5,281
Order backlog, continuing activities	20,818	20,113	19,874	17,726	17,562	16,952	16,666	14,858	15,792
SEGMENT REPORTING									
Customer Services									
Revenue	1,586	1,744	1,793	1,938	1,768	1,813	1,793	1,920	1,568
Gross profit	485	548	512	437	456	564	522	567	476
EBITDA	264	291	283	222	199	292	260	305	223
EBITA	241	270	260	197	173	266	233	279	197
EBIT	211	237	229	150	135	223	192	240	161
Gross margin	*30.6%*	*31.4%*	*28.6%*	*22.5%*	*25.8%*	*31.1%*	*29.1%*	29.6%	30.4%
EBITDA margin	*16.6%*	*16.7%*	*15.8%*	*11.5%*	*11.3%*	*16.1%*	*14.5%*	*15.9%*	*14.2%*
EBITA margin	*15.2%*	*15.5%*	*14.5%*	*10.2%*	*9.8%*	*14.7%*	*13.0%*	*14.5%*	*12.6%*
EBIT margin	*13.3%*	*13.6%*	*12.8%*	*7.7%*	*7.6%*	*12.3%*	10.7%	*12.5%*	*10.3%*
Order intake	1,943	1,613	1,711	1,580	1,796	1,733	1,526	1,655	1,566
Order backlog	4,168	4,009	4,187	3,575	2,783	3,003	2,725	2,469	2,399
Product Companies									
Revenue	1,356	1,369	1,347	1,451	1,371	1,531	1,336	1,473	1,078
Gross profit	386	412	389	378	422	438	386	406	329
EBITDA	151	243	220	160	223	235	186	205	132
EBITA	130	214	190	138	200	211	161	184	109
EBIT	110	197	170	119	182	198	143	166	86
Gross margin	*28.5%*	*30.1%*	*28.8%*	*26.1%*	*30.8%*	*28.6%*	*28.9%*	*27.5%*	*30.5%*
EBITDA margin	*11.1%*	*17.8%*	*16.4%*	*11.0%*	*16.3%*	*15.3%*	*13.9%*	*13.9%*	*12.2%*
EBITA margin	*9.6%*	*15.6%*	*14.1%*	*9.5%*	*14.6%*	*13.8%*	*12.0%*	*12.5%*	*10.1%*
EBIT margin	*8.1%*	*14.4%*	*12.7%*	*8.2%*	*13.3%*	*12.9%*	*10.7%*	*11.3%*	*7.9%*
Order intake	1,516	1,326	1,156	1,194	1,580	1,431	1,479	1,252	1,406
Order backlog	3,133	3,067	2,962	2,667	3,291	2,887	2,864	2,536	2,823

11. Quarterly key figures

DKKm	2014				2015				2016
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Minerals									
Revenue	1,286	1,152	1,088	1,407	822	812	816	1,126	698
Gross profit	222	236	232	228	140	130	135	179	130
EBITDA	39	(6)	4	35	(25)	(112)	(46)	(10)	(23)
EBITA	24	(21)	(9)	17	(39)	(127)	(60)	(32)	(35)
EBIT	(8)	(55)	(40)	-50	(78)	(174)	(102)	(70)	(62)
Gross margin	*17.3%*	*20.5%*	*21.3%*	*16.2%*	*17.0%*	*16.0%*	*16.6%*	*15.9%*	*18.6%*
EBITDA margin	*3.0%*	*-0.5%*	*0.4%*	*2.5%*	*-3.0%*	*-13.8%*	*-5.6%*	*-0.9%*	*-3.3%*
EBITA margin	*1.9%*	*-1.8%*	*-0.7%*	*1.2%*	*-4.7%*	*-15.6%*	*-7.4%*	*-2.8%*	*-5.0%*
EBIT margin	*-0.6%*	*-4.8%*	*-3.7%*	*-3.6%*	*-9.5%*	*-21.4%*	*-12.5%*	*-6.3%*	*-8.8%*
Order intake	834	742	962	604	851	1,057	1,574	630	443
Order backlog	5,422	5,108	5,120	4,298	4,746	4,806	5,138	4,614	4,229
Cement									
Revenue	858	1,023	972	1,098	951	1,183	792	985	562
Gross profit	133	152	154	221	166	192	119	124	103
EBITDA	22	49	61	71	54	85	8	(15)	(17)
EBITA	17	44	56	64	47	79	2	(29)	(21)
EBIT	12	40	51	52	38	63	(10)	(39)	(28)
Gross margin	*15.5%*	*14.9%*	*15.9%*	*20.1%*	*17.5%*	*16.2%*	*15.1%*	*12.5%*	*18.3%*
EBITDA margin	*2.6%*	*4.8%*	*6.3%*	*6.5%*	*5.7%*	*7.2%*	*1.0%*	*-1.6%*	*-3.1%*
EBITA margin	*2.0%*	*4.3%*	*5.8%*	*5.8%*	*4.9%*	*6.7%*	*0.3%*	*-3.0%*	*-3.7%*
EBIT margin	*1.4%*	*3.9%*	*5.3%*	*4.7%*	*4.0%*	*5.3%*	*-1.3%*	*-3.9%*	*-5.0%*
Order intake	769	817	810	547	438	1,289	680	396	2,082
Order backlog	8,768	8,596	8,274	7,768	7,331	6,883	6,529	5,852	7,016

Calculations of margins are based on non-rounded figures.

Bulk material handling and Cembrit are classified as discontinued activities.

12. 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, Significant accounting estimates and assessments by Management, page 143 and to specific notes in the 2015 Annual Report for further details.

13. Accounting policy

The interim report of the Group for the first quarter 2016 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.

Apart from the below mentioned changes, the accounting policies are unchanged from those adopted in the 2015 Annual Report. Reference is made to note 49, Accounting policy, in page 143 and to specific notes in the 2015 Annual Report for further details.

In 2015, it was decided to ring-fence and sell the bulk material handling activities, why this activity is separated from the business and transferred into a stand-alone unit. As a consequence hereof, bulk material handling is reported as discontinued activity from Q3 2015. Profit and loss comparative figures for 2015 have been adjusted accordingly.

The assets and related liabilities of the discontinued activity, bulk material handling, are presented in the separate lines "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" in the balance sheet.

14. Terminology for the Interim Report

EBITDA
Earnings before special non-recurring items, interest, tax, depreciation and amortisation.

EBITA
Ordinary earnings of operations before special non-recurring items, interest, tax and amortisation.

EBIT
Earnings before interest and tax.

EBT
Earnings before tax.

CFFO
Cash flow from operating activities.

CFFI
Cash flow from financing activities.

Free cash flow
CFFO + CFFI.

Free cash flow adjusted for acquisition and disposals of enterprises
CFFO + CFFI ± acquisition and disposals of enterprises.

Net working capital
Cash up directly related to the daily operation: Inventories + Trade receivables + work-in-progress for third parties, net + prepayments, net + financial instruments, net + other receivables – other liabilities – trade payables.

Net interest-bearing debt
Interest-bearing debt less interest-bearing assets and bank balances.

Order intake
Orders are included as order intake when an order becomes effective, meaning when the contract becomes binding for both parties dependent on the specific conditions of the contract.

Order backlog
The value of future contracts end of period. On O&M contracts, the order backlog includes the next 12 months´ expected revenue.

Gross margin
Gross profit as a percentage of revenue.

EBITDA margin
EBITDA as a percentage of revenue.

EBITA margin
EBITA as a percentage of revenue.

EBIT margin
EBIT as a percentage of revenue.

EBT margin
EBT as a percentage of revenue.

Cash conversion
Free cash flow adjusted for acquisitions and disposals as a percentage of EBIT.

Book-to-bill
Order intake as a percentage of revenue.

Order backlog / Revenue
Order backlog as a percentage of last 12 months´ revenue.

Return on equity
Profit/(loss) for the period as a percentage of equity (average).

Equity ratio
Equity as a percentage of total asset.

ROCE (return on capital employed)
EBITA as a percentage of capital employed.

Net working capital ratio
Net working capital as a percentage of last 12 months´ revenue.

Financial gearing
Net interest-bearing debt (NIBD) as a percentage of EBITDA.

Capital employed, end of period
Intangible assets (cost) + Tangible assets (carrying amount) + Working capital.

Capital employed, average
(Capital employed, end of period + capital employed end of period last year)/2.

CFPS (cash flow per share), (diluted)
CFFO as a percentage of average number of shares (diluted).

EPS (earning per share)
Net profit/(loss) divided by the average number of shares outstanding.

EPS (earnings per share), (diluted)
Net profit/(loss) divided by the average number of shares outstanding, including the dilutive effect of share options "in the money".

Net asset value per share
Net asset value as a percentage of total number of shares outstanding.

Number of shares outstanding
The total number of shares, excluding the holding of treasury shares.

Pay-out ratio
The total dividends for the year as a percentage of profit/(loss) excluding minority.

Market capitalisation
The share price multiplied by the number of shares outstanding end of period.

Effective tax rate
Income taxes as a percentage of profit/(loss) before income taxes.

Other comprehensive income
All items recognised in equity other that those related to transactions with owners of the company.

Capital expenditure (CAPEX)
Investment in tangible assets.

Operational expenditure (OPEX)
External costs, personal cost and other income and costs.

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