



THE PREFERRED SUPPLIER FOR 125 YEARS



Interim Report 2007 **FLSmidth & Co. A/S**
1 January 2007 - 31 March 2007
(Stock Exchange Announcement No. 13-2007)



125 **FLSMIDTH**

Interim Report

1 January 2007 - 31 March 2007



The Board of Directors and the Corporate Management of FLSmidth & Co. A/S have today reviewed and approved this condensed interim report for the FLSmidth & Co. Group for the period stated above. The Interim Report is unaudited.

Main conclusions

Developments in the first quarter of 2007

- The order intake amounted to DKK 4,192m in the first quarter of 2007 (first quarter of 2006: DKK 4,534m).
- The order backlog amounted to DKK 18,854m by the end of the first quarter 2007 (end of 2006: DKK 18,264m)
- The turnover rose 63% to DKK 3,764m in the first quarter of 2007, up from DKK 2,307m in the same period of the year before.
- Earnings before interest and tax (EBIT) rose 186% to DKK 309m in the first quarter of 2007, up from DKK 108m in the same period of the year before.
- Earnings before tax (EBT) rose 177% to DKK 319m in the first quarter of 2007, up from DKK 115m in the same period of the year before.
- Cash flow from operating activities (continuing activities) amounted to DKK 223m in the first quarter of 2007 as against DKK 299m in the same period of the year before.

Prospects for 2007

The expectations for the cement market in 2007 are upgraded to around 100m tonnes per year new contracted cement kiln capacity worldwide (exclusive of China) from the previous expectation of 80-90m tonnes per year.

FLSmidth & Co. upgrades its expectations for the year's turnover and earnings as follows:

- Consolidated turnover DKK 17-19bn (previous expectation 16-18.5bn)
- Earnings before interest and tax (EBIT) DKK 1.2-1.35bn (previous expectation 1.1-1.3bn)
- Earnings before tax (EBT) DKK 1.3-1.45bn (previous expectation 1.2-1.4bn)

The acquisition of GL&V Process is not included in the above figures.

Please address any questions to this announcement to Mr Jørgen Huno Rasmussen, Group CEO, telephone +45 36 18 18 00, from 13.00 hours. A telephone conference regarding the interim report will be held today at 15.00 hours. For further details, please visit www.flsmidth.com.

Group financial highlights

DKKm	Q1 2007	Q1 2006	Year 2006
PROFIT AND LOSS ACCOUNT			
Net turnover	3,764	2,307	12,311
Gross profit	785	502	2,602
Earnings before interest, tax, depreciation, amortisation (EBITDA)	354	149	953
Earnings before interest and tax (EBIT)	309	108	775
Earnings before tax (EBT)	319	115	924
Profit/loss for the period, continuing activities	223	80	1,107
Profit/loss for the period, discontinuing activities	(5)	1	25
Profit/loss for the period	218	81	1,132
CASH FLOW			
Cash flow from operating activities	223	299	1,372
Acquisition of undertakings and activities	(32)	1	(196)
Acquisition of tangible assets	(87)	(39)	(249)
Other investments, net	17	(8)	48
Cash flow from investing activities	(110)	(46)	(397)
Cash flow from operating and investing activities of continuing activities	113	253	975
Cash flow from operating and investing activities of discontinuing activities	19	(37)	(75)
WORKING CAPITAL	(329)	(381)	(435)
NET INTEREST-BEARING RECEIVABLES/(DEBT)	2,733	2,672	2,847
ORDER INTAKE	4,192	4,534	18,534
ORDER BACKLOG	18,854	13,433	18,264
BALANCE SHEET			
Long-term assets	2,420	1,892	2,355
Short-term assets	10,119	8,155	9,764
Assets held for sale	104	-	132
Total assets	12,643	10,047	12,251
Consolidated shareholders' equity	3,430	2,713	3,192
Long-term liabilities	1,811	1,120	1,710
Short-term liabilities	7,397	6,214	7,344
Liabilities regarding assets held for sale	5	-	5
Total equity and liabilities	12,643	10,047	12,251
PROPOSED DIVIDEND TO SHAREHOLDERS			372
FINANCIAL RATIOS			
Continuing activities			
Adjusted net operating profit after tax (NOPAT)	421	77	589
Average capital employed	(474)	365	306
Return on capital employed (ROCE), continuing activities (annualised)	N/A	42%	192%
Contribution ratio	20.9%	21.8%	21.1%
EBITDA ratio	9.4%	6.5%	7.7%
EBIT ratio	8.2%	4.7%	6.3%
Return on shareholders' equity (annualised)	26%	13%	39%
Equity ratio	27%	27%	26%
Number of employees at end of period, Group	7,351	5,964	6,862
Number of employees in Denmark	1,565	1,470	1,508
Share and dividend ratios, Group			
CFPS (cash flow per share), DKK (diluted)	4.9	5.7	24.3
EPS (earnings per share), DKK (diluted)	4.2	1.6	21.7
FLSmidth & Co. share price, DKK	378	247	359
Number of shares end of period (000s)	53,200	53,200	53,200
Average number of shares (000s) (diluted)	52,518	52,724	52,558
Market capitalisation, DKKm	20,110	13,140	19,099

The financial ratios have been computed in accordance with the Guidelines issued by the Danish Society of Financial Analysts.

Management's review for the first quarter of 2007



Market developments in the first quarter of 2007

Global demand for new cement kiln capacity remains consistently high and shows no sign of flagging. The expectations for new contracted cement kiln capacity in 2007 are upgraded from 80-90m to around 100m tonnes per year worldwide (exclusive of China).

The demand for new cement capacity in the first quarter of 2007 covered a wide geographical area. Activity in the market is currently driven by a number of global and regional factors independent of each other. India is still the largest single market outside China.

The boom in investment in the minerals industry continued in the first quarter of 2007 as a result of high raw material prices and depleted commodity stocks. This is due to a sustained high level of demand for minerals, especially in Asia, combined with insufficient investments in exploration for and extraction of minerals over a number of years, resulting in yet another quarter characterised by progress in terms of order backlog, turnover and earnings. With the constantly rising demand for minerals and a high level of investment among minerals producers, this trend is expected to continue over the next 3-5 years.

Developments in the first quarter of 2007

Order intake and order backlog

The total order intake amounted to DKK 4,192m in the first quarter of 2007, which is a decrease of 8% compared to the same period of last year (first quarter of 2006: DKK 4,534m), but an increase of 8% compared to the previous quarter.

Orders received for services and spare parts amounted to DKK 958m in the first quarter of 2007, representing a 42% increase on the same period last year (first quarter of 2006: DKK 676m).

By the end of the first quarter 2007, the total order backlog was DKK 18,854m, which is a record high and corresponds to a 3% increase since the turn of the year (end of 2006: DKK 18,264m).

In the product companies and in the Cement and Minerals operations with a relatively short turnaround time, the present order intake is typically reflected in the turnover after 6 – 18 months. In major projects, the order intake manifests itself continuously in the turnover within a time frame of 24 – 30 months.

Profit and loss account

The turnover in the first quarter of 2007 amounted to DKK 3,764m, representing a 63% increase on the same period last year (first quarter 2006: DKK 2,307m). The positive trend in turnover continued within all core business segments: Cement, Minerals and Dansk Eternit Holding.

Developments in order intake and order backlog

CEMENT (DKKm)	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007
Order intake	2,524	1,850	3,440	3,528	4,858	2,054	2,209	3,077
Order backlog	7,247	7,484	8,636	10,742	13,707	13,900	13,531	14,348

MINERALS (DKKm)	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007
Order intake	684	679	801	1,006	1,887	1,334	1,658	1,266
Order backlog	1,732	1,886	2,198	2,690	3,842	4,208	4,733	5,271

Management's review for the first quarter of 2007

The gross profit amounted to DKK 785m in the first quarter of 2007 (first quarter 2006: DKK 502m), which means a contribution ratio of 20.9% (first quarter 2006: 21.8%). The decrease in contribution ratio compared to the same period last year is primarily due to the fact that the first quarter of 2006 was positively affected by the finalisation of a number of cement orders where provisions for project risks could be reversed.

During the first quarter of 2007, research and development costs amounted to DKK 38m (first quarter of 2006: DKK 38m), or 1.0% of the turnover (first quarter of 2006: 1.7%). In addition, project-financed development activities have taken place in cooperation with customers.

Sales, distribution and administrative costs, etc. in the first quarter of 2007 amounted to DKK 431m (first quarter of 2006: DKK 353m) or 11.5% of the turnover (first quarter of 2006: 15.3%), representing a 22% increase on the same period last year. The decrease in the rate of cost reflects the fact that capacity costs are increasing at a slower pace than turnover due to improved use of capacity.

Depreciation and write-downs amounted to DKK 45m in the first quarter of 2007 (first quarter of 2006: DKK 41m).

The EBIT result in the first quarter of 2007 amounted to DKK 309m (first quarter of 2006: DKK 108m), which is a 186% increase on the same period last year. The first quarter of 2007 saw an EBIT ratio of 8.2% (first quarter of 2006: 4.7%), which can be attributed to improved earnings in Cement, Minerals and Dansk Eternit Holding, and a DKK 22m profit from the sale of part of the Eternit site in Aalborg (included under the item Other operating income and cost).

Net financial income amounted to DKK 14m in the first quarter of 2007 (first quarter of 2006: DKK 7m).

Earnings before tax (EBT) were DKK 319m in the first quarter of 2007 (first quarter of 2006: DKK 115m).

Taxes for the period amounted to DKK 96m in the first quarter of 2007 (first quarter of 2006: DKK 35m) corresponding to an interest-bearing tax rate of 30% for 2007 (first quarter of 2006: 30%). The payable tax rate, however, will be somewhat lower.

The profit for the period deriving from the continuing activities amounted to DKK 223m (first quarter of 2006: DKK 80m).

Balance sheet

The balance sheet total amounted to DKK 12,643m by the end of the first quarter of 2007, as against DKK 12,251m by the end of 2006. The balance sheet total reflects the continuous high level of activity of the Group and consolidation of KOCH Transporttechnik as from 1 January 2007.

The consolidated shareholders' equity at the end of the first quarter of 2007 amounted to DKK 3,430m (end of 2006: DKK 3,192m) corresponding to an equity ratio of 27% (end of 2006: 26%). In the first quarter of 2006, the return on equity (on an annual basis) amounted to 26% (first quarter 2006: 13%).

Cash flow developments and working capital (continuing activities)

Cash flow from investing activities amounted to DKK 223m in the first quarter of 2007 (first quarter of 2006: DKK 299m). As a consequence of the large prepayments, the working capital at the end of the first quarter of 2007 was negative and amounted to DKK -329m (end of 2006: DKK -435m). Cash flow from investing activities for the first quarter of 2007 amounted to DKK -110m (first quarter 2006: DKK -46m). Of this amount, investments in tangible assets amounted to DKK -87m (first quarter 2006: DKK -39m) and acquisition of companies and activities amounted to DKK -40m (first quarter 2006: DKK 1m).

Cash flow from operating and investing activities totalled DKK 113m in the first quarter of 2007 (first quarter of 2006: DKK 253m).

Net interest-bearing receivables amounted to DKK 2,733m at the end of the first quarter of 2007 (end of 2006: DKK 2,847m).



Management's review for the first quarter of 2007



Segment information

Cement

The order intake in Cement amounted to DKK 3,077m in the first quarter of 2007, which is a decrease of 13% compared to the same period of last year (first quarter of 2006: DKK 3,528m), but an increase of 39% compared to the previous quarter. The orders received in the first quarter came primarily from Europe and Asia. Orders received for services and spare parts amounted to DKK 580m in the first quarter of 2007, representing a 31% increase on the same period last year (first quarter of 2006: DKK 444m) and a 16% increase on the previous quarter.

At the end of the first quarter of 2007, the order backlog amounted to DKK 14,348m, corresponding to an increase of 6% since the turn of the year (end of 2006: DKK 13,531m).

The turnover in the first quarter amounted to DKK 2,540m, representing a 74% increase on the same period last year (first quarter 2006: DKK 1,459m). The turnover is now beginning to reflect the marked growth in order intake over the past year. Major projects are typically delivered within a time span of 24-30 months.

The EBIT result in the first quarter of 2007 amounted to DKK 190m (first quarter of 2006: DKK 85m), which is a 124% increase on the same period last year. The first quarter of 2007 saw an EBIT margin of 7.5% (first quarter of 2006: 5.8%). Despite the lower contribution ratio, the EBIT margin is higher than in the same period of last year, mainly as a result of better order processing of new plants and higher capacity utilisation. The expected ratio for 2007 as a whole is expected to be lower than the ratio achieved in the first quarter because the turnover deriving from turnkey projects will be higher during the remaining part of the year.

In Cement, the prospects for 2007 are now a turnover of DKK 10.5bn-12bn (previously DKK 10-12bn) and an EBIT ratio of 6%.

Minerals

In connection with the offer to acquire GL&V Process which was submitted on 20 April 2007, it was announced that FLSmidth & Co. will in future market its Minerals activities under the name of FLSmidth Minerals.

As communicated on 20 December 2006, FLSmidth Minerals has acquired KOCH Transporttechnik which is among the world's leading suppliers of conveying systems for a number of industries and is the world leader in pipe conveyors. KOCH Transporttechnik has been consolidated with effect from 1 January 2007.

As announced on 30 March 2007, FLSmidth Minerals has also acquired the materials handling activities of RAHCO International, Inc., a US-based world market leader in mobile transport solutions. RAHCO will be consolidated as from 1 April 2007.

The orders received in the first quarter of 2007 were DKK 1,266m (first quarter of 2006: DKK 1,006m), which represents a 26% increase compared to the same period last year. Among the orders received by FLSmidth Minerals in the first quarter were major contracts for bauxite grinding mills and kiln systems for pyroprocessing of limestone. The strong momentum in Minerals covers a wide geographical area and all business areas of FLSmidth Minerals.

With FLSmidth Minerals expanding its material handling activities, the average scope of projects contracted is growing to comprise package solutions consisting of single machine units linked by materials handling machinery.

Orders received for services and spare parts amounted to DKK 410m in the first quarter, representing a 77% increase on the same period last year (first quarter of 2006: DKK 232m) and a 46% increase on the previous quarter.

Management's review for the first quarter of 2007

At the end of the first quarter of 2007, the order backlog amounted to DKK 5,271m, corresponding to an increase of 11% since the turn of the year (end of 2006: DKK 4,733m).

The Minerals turnover in the first quarter amounted to DKK 936m, representing a 59% increase on the same period last year (first quarter 2006: DKK 590m). The EBIT result amounted to DKK 76m in the first quarter of 2007 (first quarter of 2006: DKK 25m), corresponding to an EBIT ratio of 8.1% (first quarter of 2006: 4.2%). The higher turnover and earnings are attributable to the higher order backlog at the beginning of the period combined with higher contribution margin and relatively lower capacity costs.

In Minerals, the prospects for 2007 remain a turnover of DKK 5-5.5bn and an EBIT ratio of approximately 9%.

Strategically, FLSmidth Minerals remains focussed on processing the increasing order backlog and integrating the enterprises acquired: KOCH Transporttechnik, RAHCO and Excel Foundry & Machine and Excel Crusher Technology.

Dansk Eternit Holding

In the first quarter of 2007, Dansk Eternit Holding posted a turnover of DKK 338m, representing a 43% increase on the same period last year (first quarter 2006: DKK 236m).

The level of activity remained high in all markets during the first quarter due to the mild winter and the favourable business climate in the European building and construction industry. All production plants are operating at full capacity, but are not able to cope with the demand. In April, a new production line was opened in Finland.

The EBIT result amounted to DKK 25m in the first quarter of 2007 (first quarter of 2006: DKK 11m), corresponding to an EBIT ratio of 7.4% (first quarter of 2006: 4.7%).

Due to the positive developments in Dansk Eternit Holding during the first quarter, the expectations for 2007 have been upgraded to a turnover of approximately DKK 1.4bn (previously approximately DKK 1.3bn) and an EBIT ratio of approximately 9% (previously approximately 8%).

Other activities

In the first quarter of 2007, Densit posted a turnover of DKK 37m (first quarter of 2006: DKK 24m) and an EBIT result of DKK 3m (first quarter of 2006: DKK -3m).

The first quarter of 2007 saw a DKK 22m profit from the sale of part of the Eternit site in Aalborg.

Prospects for 2007

Sustained favourable business cycles and a continued high level of activity are expected for 2007. The acquisition of GL&V Process is not included in the projections for 2007 stated below.

- FLSmidth & Co. upgrades its expectations for the year's turnover and earnings as follows:

Consolidated turnover	DKK 17-19bn	(previously DKK 16-18.5bn)
Earnings before interest and tax (EBIT)	DKK 1.2-1.35bn	(previously DKK 1.1-1.3bn)
Earnings before tax (EBT)	DKK 1.3-1.45bn	(previously DKK 1.2-1.4bn)

- Cash flow from operating activities is expected to reach approximately DKK 600m in 2007, and investments (exclusive of acquisitions) at some DKK 450m are expected to reach an extraordinary high due to the general expansion of capacity.
- 2007 is expected to see an effective tax rate in the range of 30%.
- For the individual business areas, the prospects for 2007 are as follows:

Cement	Turnover DKK 10.5-12bn	EBIT ratio approx. 6%
Minerals	Turnover DKK 5-5.5bn	EBIT ratio approx. 9%
DEH	Turnover approx. DKK 1.4bn	EBIT ratio approx. 9%

- The prospects of Cement for 2007 are based on an unchanged market share and a total market for new cement kiln capacity of approximately 100m tonnes per year (exclusive of China) (previously expected to be 80-90 million tonnes per year). These prospects are based on a changed product mix, with services and spare parts likely to account for a relatively smaller portion of the turnover and the share of turnkey contracts likely to rise. Both changes will reduce the average EBIT ratio.

Management's review for the first quarter of 2007



Incentive plan

Plan (2006)

As at 31 March 2007, there was a total of 206,000 unexercised options under this plan, and the fair value of them was DKK 38m (end of 2006: DKK 35m). The fair value is calculated by means of a Black-Scholes model based on a current share price of 378, and a volatility of 33.14%.

The effect of the plan on the profit and loss account amounted to DKK 2m in the first quarter of 2006 (first quarter of 2006: DKK 0m). The plan is categorised as an equity-settled share-based payment arrangement.

Plan (2003-2005)

As at 31 March 2007, there was a total of 260,000 unexercised options under this plan, and the fair value of them was DKK 71m (end of 2006: DKK 101m). The fair value is calculated by means of a Black-Scholes model based on a current share price of 378, a volatility of 33.14% and a normal annual dividend of DKK 3 per share corresponding to DKK 160m. The effect of the plan on the profit and loss account amounted to DKK 1m in the first quarter of 2007 (first quarter of 2006: DKK 2m). The plan is categorised as an equity-settled share-based payment arrangement.

Plan (1998-1999)

As at 31 March 2007, there was a total of 37,284 unexercised options under this plan, and the fair value of them was DKK 9m (end of 2006: DKK 9m). The fair value is calculated by means of a Black-Scholes model based on a current share price of 378, and a volatility of 33.14%. The plan is categorised as a cash-based payment arrangement.

Accounting policies

The Interim Report for the first quarter of 2007 has been presented in accordance with IAS 34 and additional Danish information requirements regarding interim reporting of listed companies. The accounting policies are unchanged from those adopted in the 2006 Annual Report. Reference is made to page 46 in the 2006 Annual Report for further details.

Financial reporting standards and interpretations that have been decided but are not yet in force, have not been adopted in this Interim Report. None of these standards and interpretations are likely to have any significant impact on the Group's presentation of accounts.

Estimates by Board and Management

The measurement of a few recognised assets and liabilities, as well as contingent assets and liabilities, derives from estimates by the Board and Management which are based on historical experience and relevant assumptions. Reference is made to page 46 in the 2006 Annual Report for further details regarding the items for which estimates by Board and Management are primarily applicable when presenting the consolidated accounts.

Events occurring after the balance sheet date

Acquisition of GL&V Process

On 20 April 2007, FLSmidth & Co. announced that it had signed a conditional agreement with the Board of Directors of Groupe Laperrière & Verreault Inc. (GL&V), a listed Canadian group, to acquire the latter's Process Division (GL&V Process) which is among the world's leading providers of separation technology for the metal and minerals industries. The agreement is subject to several conditions, including the approval of at least 75% of GL&V's shareholders on a per class basis and the attainment of governmental approvals. GL&V's Board of Directors unanimously recommends to its shareholders that FLSmidth acquires the Division for DKK 4.8bn (CAD 983m) in cash on a net debt-free basis.

Management's review for the first quarter of 2007

Sale of MAAG Gear's marine and turbo gears

The sale of MAAG Gear's marine and turbo gear activities to the German gear producer Renk AG was finalised in April 2007. The accounting effect hereof will be included in the second quarter 2007 report under the heading of discontinuing activities. MAAG Gear AG and Renk AG have agreed not to disclose the sales price.

General Meeting

On 20 April 2007, FLSmidth & Co. held its Annual General Meeting at Radisson SAS Falconer Center, Frederiksberg.

The General Meeting adopted the proposal by the Board of Directors to grant the Company authorisation until the next Annual General Meeting to acquire own shares up to a total nominal value of 10% of the Company's share capital pursuant to Section 48 of the Danish Public Companies Act. The consideration for the shares acquired must not deviate more than 10% from the official price quoted on the Copenhagen Stock Exchange at the time of acquisition.

The General Meeting also adopted the Board's proposal to pay out dividend for the 2006 financial year at DKK 7 per share, corresponding to a total amount of DKK 372m. The amount was paid out on 26 April 2007.

Capital structure

It is the general objective of FLSmidth & Co. to ensure a capital structure where the financial net debt must be 1-3 times EBITDA. Financial net debt is defined as NIBD adjusted for outstanding guarantees.

At 31 March 2007 the financial net debt amounted to DKK 2,355m corresponding to 2.2 times EBITDA (for the last twelve months).

Own shares

FLSmidth & Co.'s holding of own shares at 31 March 2007 totalled 924,761 representing 1.7% of the share capital (31 December 2006: 1,062,092).

In connection with the publication of the half-yearly report for 2006, FLSmidth & Co. launched a buy-back programme of own shares up to DKK 800m during the coming quarters within the limits of the existing authorisation of the Board of Directors to buy back own shares up to 10% of the share capital. In the first quarter of 2007, FLSmidth & Co. has not purchased additional shares under the buy-back programme due to the ongoing tentative inquiries and subsequent bid for GL&V Process. The buy-back programme has therefore been put on hold for the time being.

Financial calendar 2007

22 August 2007: Interim Report for 1st half 2007
27 November 2007: Interim Report for 1st-3rd quarter 2007



Statement by the Board and Management on the Interim Report

The Board of Directors and the Management have today reviewed and adopted the FLSmidth & Co. Group Interim Report for 1 January 2007 to 31 March 2007. The Interim Report is presented in conformity with the International Financial Reporting Standards, which are approved by EU, and additional Danish disclosure requirements for interim reports of companies listed on the Stock Exchange. The Interim Report is unaudited.

We consider the accounting policies appropriate in order to give a true and fair view of the Group's assets and liabilities and financial standing as at 31 March 2007 and of the financial results of the Group's activities and cash flows in the period from 1 January 2007 to 31 March 2007.

Copenhagen, 30 May 2007

Corporate Management

Jørgen Huno Rasmussen <i>Group CEO</i>	Poul Erik Tofte <i>Group Executive Vice President (CFO)</i>	Bjarne Moltke Hansen <i>Group Executive Vice President</i>	Christian Jepsen <i>Group Executive Vice President</i>
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Board of Directors

Jørgen Worning <i>Chairman</i>	Jens S. Stephensen <i>Vice Chairman</i>	Jens Palle Andersen	Torkil Bentzen
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Frank Lund	Jesper Ovesen	Johannes Poulsen	Bo Steffensen
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Søren Vinther

Consolidated profit and loss account

DKKm	Q1 2007	Q1 2006
Notes		
Net turnover	3,764	2,307
Production costs	2,979	1,805
Gross profit	785	502
Sales and distribution costs	211	168
Administrative costs	267	200
Other operating income and costs	47	15
Special items	-	-
Earnings before interest, tax, depreciation and amortisation (EBITDA)	354	149
Depreciation and write-downs of tangible assets	35	32
Amortisation and write-downs of intangible assets	10	9
Earnings before interest and tax (EBIT)	309	108
Profit/loss on disposal of undertakings and activities	(4)	-
Financial income	203	163
Financial costs	189	156
Earnings before tax (EBT)	319	115
Tax for the period	96	35
Profit/loss for the period, continuing activities	223	80
Profit/loss for the period, discontinuing activities	(5)	1
Profit/loss for the period	218	81
To be distributed as follows:		
Minority shareholders' share of profit/loss for the period	-	(2)
FLSmidth & Co. A/S shareholders' share of profit/loss for the period	218	83
	218	81
2 Earnings per share (EPS)		
Continuing and discontinuing activities	4.2	1.6
Continuing and discontinuing activities, diluted	4.2	1.6
Continuing activities	4.3	1.6
Continuing activities, diluted	4.3	1.6

Consolidated cash flow statement

DKKm	Q1 2007	Q1 2006
Notes		
Cash flow from operating activities		
Earnings before interest, tax, depreciation and amortisation (EBITDA)	354	150
Adjustment for profits/losses on sale of fixed assets and exchange rate adjustments, etc.	(12)	2
Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)	342	152
Change in provisions	41	40
Change in working capital	(148)	150
Cash flow from operating activities before financial items and tax	235	342
Financial payments received and made	29	(8)
Corporation taxes paid	(41)	(35)
Cash flow from operating activities	223	299
Cash flow from investing activities		
Acquisition of undertakings and activities	(40)	1
Acquisition of intangible assets	(18)	(4)
Acquisition of tangible assets	(87)	(39)
Acquisition of financial assets	(2)	(6)
Disposal of intangible and tangible assets	37	2
Disposal of financial assets		
Cash flow from investing activities	(110)	(46)
Cash flow from operating and investing activities, continuing activities	113	253
Cash flow from operating and investing activities, discontinuing activities	19	(37)
Cash flow from operating and investing activities, total	132	216
Cash flow from financing activities		
Dividend		
Minority shareholders' capital increase in Group companies		1
Capital increase		
Acquisition of own shares	(3)	-
Disposal of own shares	16	13
Changes in other net interest-bearing receivables	80	88
Cash flow from financing activities	93	102
Changes in cash funds	225	318
Cash funds at 1 January	2,766	2,568
Cash funds at 31 March	2,991	2,886

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

Assets

DKKm	End of Q1 2007	End of 2006
Notes		
Goodwill	136	131
Other intangible assets	189	178
Intangible assets	325	309
Land and buildings	613	605
Plant and machinery	380	395
Operating equipment, fixtures and fittings	122	114
Tangible assets in course of construction	156	105
Tangible assets	1,271	1,219
Investments in associated undertakings	6	7
Other securities and investments	47	47
Other financial assets	7	9
Pension assets	2	2
Deferred tax assets	762	762
Financial assets	824	827
Total long-term assets	2,420	2,355
Stocks	750	832
Trade debtors	3,117	3,087
Work-in-progress for third parties	2,504	2,338
Amounts owed by associated undertakings	-	3
Other debtors	370	338
Prepayments	103	34
Debtors	6,094	5,800
Bonds and listed shares	284	366
Securities	284	366
Cash funds	2,991	2,766
Total current assets	10,119	9,764
Assets held for sale	104	132
TOTAL ASSETS	12,643	12,251

Equity and liabilities

DKKm	End of Q1 2007	End of 2006
Notes		
Share capital	1,064	1,064
Exchange rate adjustments regarding translation of investments	(90)	(85)
Exchange rate adjustments regarding hedging transactions	7	(2)
Retained earnings	2,069	1,839
Proposed dividend	372	372
FLSmidth & Co. A/S shareholders' share of shareholders' equity	3,422	3,188
Minority interests' share of shareholders' equity	8	4
Total shareholders' equity	3,430	3,192
Deferred tax liabilities	28	28
Pension liabilities	101	97
Other provisions	812	808
Mortgage debt	189	149
Currency loans, lease commitments and bank loans	12	12
Prepayments from customers	669	616
Long-term liabilities	1,811	1,710
Mortgage debt	34	50
Currency loans, lease commitments and bank loans	88	82
Prepayments from customers	2,289	2,194
Work-in-progress for third parties	1,491	1,586
Trade creditors	1,867	1,859
Corporation tax payable	173	129
Other liabilities	707	676
Other provisions	692	656
Deferred income	56	112
Short-term liabilities	7,397	7,344
Total liabilities	9,208	9,054
Liabilities regarding assets held for sale	5	5
TOTAL EQUITY AND LIABILITIES	12,643	12,251

Consolidated shareholders' equity

DKKm	Share capital	Exchange rate adjustments re translation of investments	Exchange rate adjustments re hedging transactions	Retained earnings etc.	Proposed dividend	FLSmidth & Co. A/S shareholders' share	Minority shareholders' share	Total
Shareholders' equity at 1 January 2006	1,064	(122)	117	1,213	372	2,644	4	2,648
Total income for the period		(19)	4	66		51	(2)	49
Share-based payment, share options				2		2		2
Disposal of own shares				14		14		14
Acquisition of own shares				(1)		(1)		(1)
Additions and disposals of minority interests						-	1	1
Transfer between reserves		127	(127)			-		-
Shareholders' equity at 31 March 2006	1,064	(14)	(6)	1,294	372	2,710	3	2,713
Shareholders' equity at 1 January 2007	1,064	(85)	(2)	1,839	372	3,188	4	3,192
Total income for the period		(5)	9	214		218	(1)	217
Share-based payment, share options				2		2		2
Disposal of own shares				16		16		16
Acquisition of own shares				(2)		(2)		(2)
Additions and disposals of minority interests						-	5	5
Shareholders' equity at 31 March 2007	1,064	(90)	7	2,069	372	3,422	8	3,430

Share capital movements: No. of shares

Share capital at 1 Jan. 2007 (acc. to 2006 Annual Report) 53,200,000

Share capital at 31 March 2007 53,200,000

The nominal value of each share is DKK 20 and each share constitutes one vote.

Own shares: No. of shares

Own shares at 1 January 2007 (acc. to 2006 Annual Report) 1,062,092

Share options exercised (144,799)

Acquisitions 7,468

Own shares at 31 March 2007 924,761

Corresponding to 1.74% of the share capital.

Reference is made to the Management's review on page 9 regarding application of own shares.

DKKm	Share capital	Exchange rate adjustment re translation of investments	Exchange rate adjustments re hedging transactions	Retained earnings etc.	Proposed dividend	FLSmidth & Co. A/S shareholders' share	Minority shareholders' share	Total
Total income for the period is specified as follows:								
Exchange rate adjustments regarding translation of investments		(19)				(19)		(19)
Transferred to the profit and loss account re hedging of future transactions			4			4		4
Recognised actuarial gains and losses on benefit-based pension plans				(15)		(15)		(15)
Other shareholders' equity adjustments				(2)		(2)		(2)
Recognised directly in the shareholders' equity	-	(19)	4	(17)	-	(32)		(32)
Profit/loss for the period				83		83	(2)	81
Total income for the period 1st quarter 2006	-	(19)	4	66	-	51	(2)	49
Exchange rate adjustments regarding translation of investments		(5)				(5)		(5)
Transferred to the profit and loss account regarding hedging of future transactions			9			9		9
Other shareholders' equity movements				(4)		(4)	(1)	(5)
Recognised directly in the shareholders' equity	-	(5)	9	(4)	-	-	(1)	(1)
Profit/loss for the period				218		218		218
Total income for the period 1st quarter 2007	-	(5)	9	214	-	218	(1)	217

List of notes and notes to the appendices of the Interim Report

1. Profit and loss account classified by function
2. Earnings per share (EPS)
3. Contingent assets and liabilities
4. Breakdown of the Group by segments, continuing activities
5. Quarterly financial highlights of the Group and financial ratios by segment

1. Profit and loss account classified by function

It is Group policy to draw up the profit and loss account based on an adapted classification of the costs by function in order to show the 'Earnings before interest, tax, depreciation and amortisation (EBITDA)'. Depreciation and write-downs on tangible assets and amortisation and write-downs on intangible assets are thus separated from the relevant functions and presented on separate lines. The profit and loss account classified by function with distribution of depreciation, amortisation and write-downs appears from the following:

DKKm	Q1 2007	Q1 2006
Net turnover	3,764	2,307
Production costs	3,001	1,826
Gross profit	763	481
Sales and distribution costs	212	169
Administrative costs	289	219
Other operating income and costs	47	15
Special non-recurring items	-	-
Earnings before interest and tax (EBIT)	309	108
Profit/loss on disposal of undertakings and activities	(4)	-
Financial income	203	163
Financial costs	189	156
Earnings before tax (EBT)	319	115
Tax for the period	96	35
Profit/loss for the period, continuing activities	223	80
Profit/loss for the period, discontinuing activities	(5)	1
Profit/loss for the period	218	81

2. Earnings per share (EPS)

DKKm	Q1 2007	Q1 2006
Earnings		
FLSmidth & Co. A/S shareholders' share of profit/loss for the period	218	83
FLSmidth & Co. Group profit/loss from discontinuing activities	(5)	1
Number of shares, average		
Number of shares issued	53,200,000	53,200,000
Adjustment of own shares	(993,427)	(972,219)
Potential increase of shares in circulation, in-the-money options (element of gain)	311,452	495,979
	52,518,025	52,723,760
Earnings per share		
• Continuing and discontinuing activities per share, DKK	4.2	1.6
• Continuing and discontinuing activities, diluted, per share, DKK	4.2	1.6
• Continuing activities per share, DKK	4.3	1.6
• Continuing activities, diluted, per share, DKK	4.3	1.6

Non-diluted earnings per share from discontinuing activities amount to DKK (0,1).

3. Contingent assets and liabilities

Contingent liabilities at 31 March 2007 amount to DKK 5.2bn (end of 2006 DKK 4.7bn), including performance and payment guarantees amounting to DKK 5.1bn (end of 2006 DKK 4.6bn). Reference is made to note 28 in the 2006 Annual Report for a general description of the nature of the Group's contingent liabilities.

4. Breakdown of the Group by segments, continuing activities

DKKm	Q1 2007					Q1 2006				
	Cement	Minerals	Dansk Eternit Holding	Other companies etc. ¹	Continuing activities total	Cement	Minerals	Dansk Eternit Holding	Other companies etc. ¹	Continuing activities total
PROFIT AND LOSS ACCOUNT										
Net turnover	2,540	936	338	(50)	3,764	1,459	590	236	22	2,307
Production costs	2,067	759	222	(69)	2,979	1,147	492	153	13	1,805
Gross profit	473	177	116	19	785	312	98	83	9	502
Sales, distr., admin. and other operating items and special items	259	93	79	0	431	205	68	60	20	353
Earnings before interest, tax, depr. and amort. (EBITDA)	214	84	37	19	354	107	30	23	(11)	149
Depreciation and write-downs of tangible assets	15	7	12	1	35	14	4	12	2	32
Amortisation and write-downs of intangible assets	9	1	0	0	10	8	1	0	0	9
Earnings before interest and tax (EBIT)	190	76	25	18	309	85	25	11	(13)	108
Profit/loss on disposal of undertakings and activities	0	0	0	(4)	(4)	1	0	0	(1)	0
Net financial income and costs	12	5	(1)	(2)	14	9	2	(2)	(2)	7
Earnings before tax (EBT)	202	81	24	12	319	95	27	9	(16)	115
Tax for the period	59	31	7	(1)	96	40	10	5	(20)	35
Profit/loss for the period	143	50	17	13	223	55	17	4	4	80
ORDER INTAKE	3,077	1,266	0	(151)	4,192	3,528	1,006	0	0	4,534
ORDER BACKLOG	14,348	5,271	0	(765)	18,854	10,742	2,690	0	0	13,432
CASH FLOW										
Cash flow from operating activities	167	38	4	14	223	321	57	(58)	(21)	299
Acquisition and disposal of undertakings and activities	0	(40)	0	0	(40)	1	0	0	0	1
Acquisition of tangible assets	(52)	(13)	(20)	(2)	(87)	(22)	(6)	(9)	(2)	(39)
Other investment, net	(7)	0	0	24	17	(6)	1	0	(3)	(8)
Cash flow from investing activities	(59)	(53)	(20)	22	(110)	(27)	(5)	(9)	(5)	(46)
Cash flow from operating and investing activities	108	(15)	(16)	36	113	294	52	(67)	(26)	253
WORKING CAPITAL	(524)	(23)	228	(10)	(329)	(822)	198	251	(8)	(381)
NET INTEREST-BEARING RECEIVABLES/(DEBT)	2,746	458	3	(474)	2,733	2,594	217	(57)	(82)	2,672
BALANCE SHEET										
Intangible assets	151	119	51	4	325	143	51	32	4	230
Tangible assets	520	207	375	169	1,271	521	114	340	198	1,173
Financial assets	473	44	39	268	824	351	46	69	23	489
Short-term assets	8,122	2,190	732	(925)	10,119	6,262	1,556	659	(322)	8,155
Assets held for sale	104	0	0	0	104	0	0	0	0	0
Total assets	9,370	2,560	1,197	(484)	12,643	7,277	1,767	1,100	(97)	10,047
Consolidated shareholders' equity	2,553	545	262	70	3,430	1,960	455	220	78	2,713
Liabilities exclusive of equity	6,812	2,015	935	(554)	9,208	5,317	1,312	880	(175)	7,334
Liabilities regarding assets held for sale	5	0	0	0	5	0	0	0	0	0
Total equity and liabilities	9,370	2,560	1,197	(484)	12,643	7,277	1,767	1,100	(97)	10,047
FINANCIAL RATIOS										
Contribution ratio	18.6%	18.9%	34.3%	N/A	20.9%	21.4%	16.6%	35.2%	N/A	21.8%
EBITDA ratio	8.4%	9.0%	10.9%	N/A	9.4%	7.3%	5.1%	9.7%	N/A	6.5%
EBIT ratio	7.5%	8.1%	7.4%	N/A	8.2%	5.8%	4.2%	4.7%	N/A	4.7%
RETURN ON CAPITAL EMPLOYED (ROCE) ²										
Adjusted net operating profit after tax (NOPAT)	226	61	24	110	421	57	19	7	(6)	77
Average capital employed	(631)	72	81	4	(474)	(135)	287	248	(35)	365
Return on capital employed (ROCE) (annualised)	N/A	339%	119%	N/A	N/A	N/A	26%	11%	N/A	42%
Number of employees at end of period	4,390	1,903	979	79	7,351	3,824	1,198	881	61	5,964

1) Other companies, etc. consist of Densit, companies with no activities, real estate companies, eliminations and the parent company.

2) ROCE is annualised. Average capital employed in Cement is negative due to the negative working capital, see above.

5. Quarterly financial highlights of the Group and financial ratios by segment

DKKm	2005			2006				2007
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
PROFIT AND LOSS ACCOUNT								
Net turnover	2,411	2,546	3,147	2,307	2,900	3,207	3,897	3,764
Gross profit	503	483	525	502	613	618	869	785
Earnings before interest, tax, depreciation and amortisation (EBITDA)	175	141	169	149	206	231	367	354
Earnings before interest and tax (EBIT)	137	99	126	108	162	184	321	309
Earnings before tax (EBT)	197	131	123	115	178	208	423	319
Tax for the period	21	26	(76)	35	53	62	(333)	96
Profit/loss for the period, continuing activities	176	105	199	80	125	146	756	223
Profit/loss for the period, discontinuing activities	(14)	(13)	(21)	1	0	11	13	(5)
Profit/loss for the period	162	92	178	81	125	157	769	218
<i>Contribution ratio</i>	20.9%	19.0%	16.7%	21.8%	21.1%	19.3%	22.3%	20.9%
<i>EBITDA ratio</i>	7.3%	5.5%	5.4%	6.5%	7.1%	7.2%	9.4%	9.4%
<i>EBIT ratio</i>	5.7%	3.9%	4.0%	4.7%	5.6%	5.7%	8.2%	8.2%
CASH FLOW								
Cash flow from operating activities	491	150	958	299	(31)	387	717	223
Cash flow from investing activities	(32)	13	131	(46)	(35)	(201)	(115)	(110)
SEGMENT INFORMATION								
Cement								
Net turnover	1,600	1,654	2,045	1,459	1,828	1,959	2,437	2,540
EBITDA	109	67	58	107	119	94	214	214
EBIT	86	44	33	85	92	72	188	190
<i>Contribution ratio</i>	18.9%	17.9%	13.5%	21.4%	20.0%	16.7%	21.0%	18.6%
<i>EBITDA ratio</i>	6.8%	4.1%	2.8%	7.3%	6.5%	4.8%	8.8%	8.4%
<i>EBIT ratio</i>	5.4%	2.7%	1.6%	5.8%	5.0%	3.7%	7.7%	7.5%
Minerals								
Net turnover	468	544	798	590	720	868	1,098	936
EBITDA	31	19	63	30	52	75	127	84
EBIT	27	16	59	25	49	66	118	76
<i>Contribution ratio</i>	17.1%	13.6%	16.8%	16.6%	16.0%	18.0%	21.3%	18.9%
<i>EBITDA ratio</i>	6.6%	3.5%	7.9%	5.1%	7.2%	8.6%	11.6%	9.0%
<i>EBIT ratio</i>	5.8%	2.9%	7.4%	4.2%	6.8%	7.6%	10.7%	8.1%
Dansk Eternit Holding								
Net turnover	314	319	262	236	312	341	327	338
EBITDA	36	23	21	23	43	44	18	37
EBIT	26	13	9	11	31	32	7	25
<i>Contribution ratio</i>	33.8%	29.8%	34.4%	35.2%	36.0%	33.0%	31.8%	34.3%
<i>EBITDA ratio</i>	11.5%	7.2%	8.0%	9.7%	13.8%	12.9%	5.5%	10.9%
<i>EBIT ratio</i>	8.3%	4.1%	3.4%	4.7%	9.9%	9.4%	2.1%	7.4%

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The Interim Report by FLSmidth & Co. A/S is an English translation of the original Report in Danish which was adopted by the Board of Directors of FLSmidth & Co. A/S. Whereas all possible care has been taken to ensure a true and faithful translation into English, differences between the English and Danish versions may exist in which case the original Danish version shall prevail.

