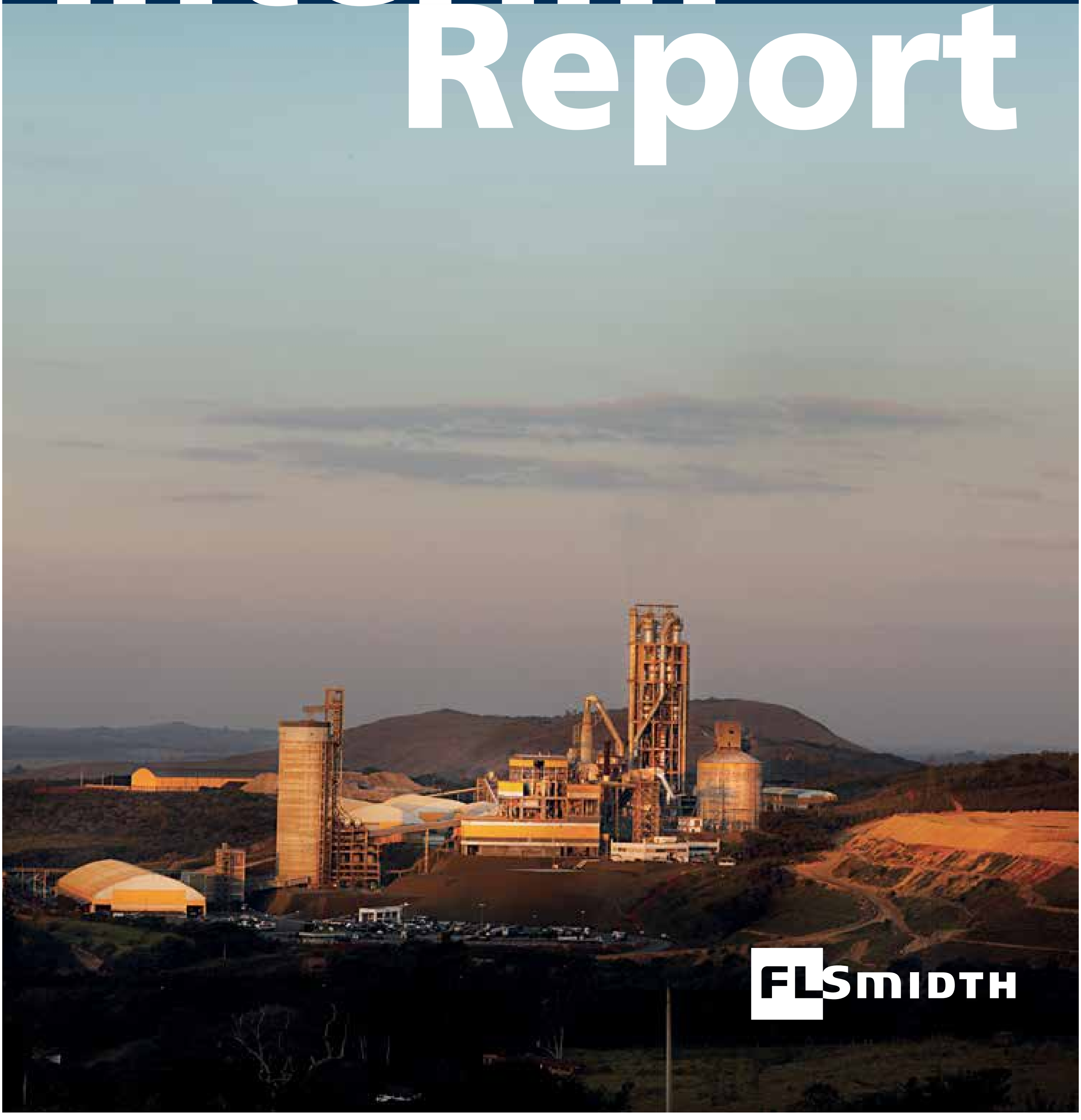
1 January - 30 June 2014 (Company announcement No. 15-2014)

Interim Report



Main conclusions Q2 2014

Financial results in Q2 2014

Guidance unchanged. Significant improvement in margins. Order intake declined due to lack of large orders, whereas unannounced orders were stable. Positive operating cashflow. Net working capital and revenue developed broadly as expected.

Order intake decreased
17% to DKK 4,643m
(Q2 2013: DKK 5,626m)

Order backlog decreased
20% to DKK 21,713m
(Q2 2013: DKK 26,983m)

Revenue decreased
19% to DKK 5,577m
(Q2 2013: DKK 6,852m)

Earnings before amortisation and impairment of intangible assets (EBITA) increased
52% to DKK 472m (Q2 2013: DKK 310m), corresponding to an EBITA margin of 8.5% (Q2 2013: 4.5%)

Earnings before interest and tax (EBIT) increased
76% to DKK 381m (Q2 2013: DKK 217m) corresponding to an EBIT margin of 6.8% (Q2 2013: 3.2%)

Profit increased
67% to DKK 237m
(Q2 2013: DKK 142m)

Cash flow from operating activities
amounted to DKK 224m
(Q2 2013: DKK -51m)

Net interest-bearing debt
amounted to DKK -5,273m
(end of 2013: DKK -4,718m)

Net working capital
amounted to DKK 2,995m
(end of 2013: DKK 2,382m)

Return on capital employed (ROCE) increased
to 8% (Q4 2013: 6%)

Financial results in Q1-Q2 2014

Order intake decreased
11% to DKK 9,484m
(Q1-Q2 2013: DKK 10,653m)

Order backlog decreased
3% to DKK 21,713m
(end of 2013: DKK 22,312m)

Revenue decreased
15% to DKK 10,874m
(Q1-Q2 2013: DKK 12,773m)

Earnings before amortisation and impairment of intangible assets (EBITA) increased
56% to DKK 799m
(Q1-Q2 2013: DKK 510m), corresponding to an EBITA margin of 7.3% (Q1-Q2 2013: 4.0%)

Earnings before interest and tax (EBIT) increased
89% to DKK 620m
(Q1-Q2 2013: DKK 328m) corresponding to an EBIT margin of 5.7% (Q1-Q2 2013: 2.6%)

Profit increased
99% to DKK 352
(Q1-Q2 2013: DKK 177m)

Cash flow from operating activities
amounted to DKK -328m
(Q1-Q2 2013: DKK -517m)

Guidance for 2014 (unchanged)

In 2014, FLSmidth & Co. A/S expects to see the following developments for the Group:

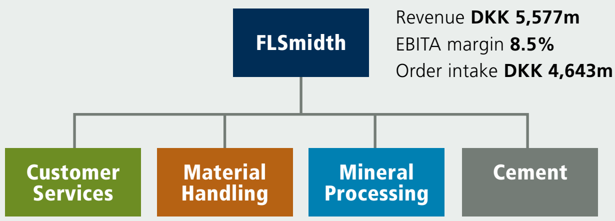
	2014 Guidance	2014 YTD Actual
Revenue	DKK 21-24bn	DKK 10.9bn
EBITA margin	7-9%	7.3%
Return on capital employed	11-13%	8%
Cash flow from investments	~DKK -0.4bn	DKK -0.2bn
Effective tax rate	33-35%	34%

Costs of DKK -72m associated with the efficiency programme in 2014 are included in the guidance.

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

	Expected Revenue	2014 YTD Actual	Expected EBITA Margin	2014 YTD Actual
Customer Services	DKK 7.5-8.5bn	3.7bn	13-15%	14.2%
Material Handling	DKK 3.5-4.5bn	2.0bn	0-2%	0.6%
Mineral Processing	DKK 5.5-6.5bn	2.8bn	6-8%	4.6%
Cement	DKK 3.5-4.5bn	2.1bn	5-7%	5.9%
Cembrit	DKK 1.4bn	0.8bn	0-2%	2.6%

Financial results Q2 2014



	Customer Services	Material Handling	Mineral Processing	Cement
Revenue	**DKK 1,954m**	**DKK 960m**	**DKK 1,355m**	**DKK 1,087m**
EBITA margin	**15.4%**	**4.1%**	**4.4%**	**5.3%**
Order intake	**DKK 1,801m**	**DKK 836m**	**DKK 1,321m**	**DKK 878m**

Market trends

Prospects for the global economy suggest that a more firm upturn is underway albeit with significant regional differences. Developing countries have by and large recovered from the financial crisis and most of the acceleration in global growth is expected to come from high-income countries. Short term, the improvement in many high-income countries alone will be insufficient to generate a substantial increase in business activity. As an example, cement plant utilisation rates are increasing across Europe as growth is recovering. However, as utilisation rates are coming from relatively low levels, a short-term pick-up is insufficient to reach the typical threshold for large capital investments.

Therefore, even if global growth in cement consumption outside of China is expected to accelerate slowly, no rapid lift in investments on a global scale should be expected, but rather slightly improved situation with good local or regional opportunities. In summary, the activity level for cement in 2014 is expected to be slightly higher or similar to 2013, and a real recovery is not expected to commence until 2015, depending on overall global economic growth and business sentiment.

As predicted, mining capex has deteriorated into 2014 and is expected to continue to do so throughout the year, and to flatten out or slightly drop in 2015, before slow growth is expected to re-emerge in 2016. Although recovery is not immediately around the corner, current market conditions give no reasons to fear an extended downturn reaching beyond that of an ordinary mining capex downturn. Firstly, most mines run at or close to full capacity, causing significant wear and tear. At a certain point, investments are necessary to avoid disproportional operational costs. Secondly, a prerequisite for mining investments to rebound is miners´ ability to generate sufficient cash flow to cover planned dividends, and most miners are well on track with their cash flow programmes.

After a sharp decline in Q1’14, copper prices regained most of the loss in the second quarter. Accelerated growth in refined production points to an over-supply the next couple of years. Even so, copper fundamentals remain fairly strong. Solid demand growth, a continued shortage of scrap, and ongoing production disruptions should support prices well above miners’ cash cost of production. Keeping in mind that copper is among the commodities most correlated with economic development, the strengthening economy in high-income countries should boost consumer demand in the short- to medium term. Renewed anticipated supply constraints and a steadily growing demand will likely turn the market back into under-supply in a few years.

The gold price ended Q2 up 10% for the year, reflecting increased geopolitical risk and expected near-term support on the back of the Indian election. Thus, the World Gold Council expects a relaxation of the Indian gold import restrictions imposed in July 2013. A resumption of imports back to the pre-restriction levels would represent a doubling of current Indian gold import levels.

Thermal coal prices continued the downward trend in Q2. Broadly, analysts expect demand growth to slow in the coming years and the market to stay subdued until the current strong supply moderates. Pricing dynamics are increasingly evolving around China and India, the sources of more than one-third of global coal import. Coking coal prices, on the other hand, have shown clear signs of stability.

Iron ore prices saw another strong sequential decline in Q2. The market remains under pressure as greater seaborne supply attempts to enter an already saturated Chinese market. Inventory levels at Chinese ports are elevated in spite of strong steel demand and production.

There has been no real sign of a market recovery for potash since the Russian-Belarusian potash cartel broke up in the summer last year. Phosphate prices, on the contrary, have shown a significant increase from December last year.

The demand for cement and minerals will continue to grow, reflecting growing global wealth, a growing global population, and societal changes in the developing countries where the growing middle class is boosting demand for infrastructure and consumer goods. Thus, the longer-term outlook remains encouraging for both cement and minerals.

Group financial highlights

DKKm	Q2 2014	Q2 2013	Q1-Q2 2014	Q1-Q2 2013	Year 2013
INCOME STATEMENT					
Revenue	5,577	6,852	10,874	12,773	26,923
Gross profit	1,432	1,298	2,707	2,575	5,209
Earnings before non-recurring items, depreciation, amortisation and impairment (EBITDA)	558	406	965	694	1,304
Earnings before amortisations and impairment on intangible assets (EBITA)	472	310	799	510	977
Earnings before interest and tax (EBIT)	381	217	620	328	(339)
Earnings from financial items, net	(31)	9	(95)	(36)	(261)
Earnings before tax (EBT)	350	226	525	292	(600)
Profit/loss for the period, continuing activities	**231**	**146**	**346**	**181**	**(786)**
Profit/loss for the period, discontinued activities	6	(4)	6	(4)	2
Profit/loss for the period	**237**	**142**	**352**	**177**	**(784)**
CASH FLOW					
Cash flow from operating activities	224	(51)	(328)	(517)	(157)
Acquisition and disposal of enterprises and activities	(94)	8	(94)	55	27
Acquisition of tangible assets	(52)	(178)	(96)	(303)	(524)
Other investments, net	(11)	4	(39)	(26)	(70)
Cash flow from investing activities	(157)	(166)	(229)	(274)	(567)
Cash flow from operating and investing activities of continuing activities	67	(216)	(560)	(786)	(720)
Cash flow from operating and investing activities of discontinued activities	-	(1)	3	(5)	(4)
NET WORKING CAPITAL			**2,995**	**2,597**	**2,382**
NET INTEREST-BEARING DEBT			**5,273**	**4,642**	**4,718**
ORDER INTAKE	**4,643**	**5,626**	**9,484**	**10,653**	**20,911**
ORDER BACKLOG			**21,713**	**26,983**	**22,312**
BALANCE SHEET					
Non-current assets			12,221	12,868	12,120
Current assets			14,258	16,551	15,208
Assets held for sale			-	1,520	-
Total assets			**26,479**	**30,939**	**27,328**
Equity			7,362	8,417	6,922
Long-term liabilities			7,544	7,860	7,284
Short-term liabilities			11,573	14,208	13,122
Liabilities directly associated with assets classified as held for sale			-	454	-
Total equity and liabilities			**26,479**	**30,939**	**27,328**
DIVIDEND TO THE SHAREHOLDERS	**99**	**467**	**99**	**467**	**467**
FINANCIAL RATIOS					
Continuing activities					
Gross margin	*25.7%*	*18.9%*	*24.9%*	*20.2%*	*19.3%*
EBITDA margin	*10.0%*	*5.9%*	*8.9%*	*5.4%*	*4.8%*
EBITA margin	*8.5%*	*4.5%*	*7.3%*	*4.0%*	*3.6%*
EBIT margin	*6.8%*	*3.2%*	*5.7%*	*2.6%*	*-1.3%*
EBT margin	*6.3%*	*3.3%*	*4.8%*	*2.3%*	*-2.2%*
Return on equity			10%	4%	-10%
Equity ratio			28%	27%	25%
ROCE (Return on capital employed*)			8%	14%	6%
Net working capital ratio (end of period)			12.0%	9.3%	8.8%
Net working capital ratio (average)			11.2%	8.3%	8.1%
Capital employed (end of period)			15,940	16,573	16,013
Capital employed (average)			16,256	15,008	16,070
Financial gearing (NIBD/EBITDA)			3.3	1.9	3.6
Number of employees end of period			**14,952**	**15,877**	**15,317**
Number of employees in Denmark			1,342	1,665	1,547
Share and dividend figures, the Group					
CFPS (cash flow per share), (diluted)	4.2	(1.0)	(7.0)	(10.1)	(3.1)
EPS (earnings per share), (diluted)	4.8	2.7	7.0	3.4	(15.6)
FLSmidth & Co. share price			304.2	260.9	296.1
Number of shares (1,000) end of period			51,250	53,200	53,200
Market capitalisation			15,590	13,880	15,753

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

Group

■ Guidance unchanged. Significant improvement in margins. Order intake declined due to lack of large orders, whereas unannounced orders were stable. Positive operating cashflow. Net working capital and revenue developed broadly as expected.

Financial developments in Q2 2014

Growth efficiency

Both order intake and revenue were significantly impacted by currency developments in Q2 compared to last year when the Australian dollar and most emerging market currencies were significantly stronger against the euro. The currency impact in Q2 was -5% on both revenue and order intake.

Order intake and order backlog

Order intake is still impacted by the cyclical downturn of mining investments and very few large minerals orders are available. As a result, the only announced order in Q2 was a DKK 231m mining order in Mongolia. However, unannounced orders were stable around DKK 4.4bn (Q2 2013: DKK 4.7bn). The order intake decreased 17% to DKK 4,643m (Q2 2013: DKK 5,626m), of which currency effects accounted for -5%. Total service activities accounted for 50% of the order intake in Q2 (Q2 2013: 44%), reflecting on the one hand, an increasing demand for productivity enhancing services, and on the other hand, a lack of large orders. In addition to the Customer Services division, the total service activities consist of service business embedded in product companies residing in the three capital divisions.

Order intake developments in Q2 2014

Order intake (vs. Q2 2013)	Customer Services	Material Handling	Mineral Processing	Cement	FLSmidth Group
Organic growth	0%	-16%	-14%	-33%	-12%
Currency	-5%	-3%	-7%	-1%	-5%
Total growth	**-5%**	**-19%**	**-21%**	**-34%**	**-17%**

The order backlog ended Q2 at DKK 21,713m and thus decreased 3% compared to the start of the year (end of 2013: DKK 22,312m) and decreased 20% compared to the same period last year (end of Q2 2013: DKK 26,983m). The maturity profile of the order backlog extends six years. 40% of the current backlog is expected to be converted to revenue in 2014, 44% in 2015, and 16% in 2016 and beyond. Operation and maintenance contracts accounted for DKK 5.1bn of the order backlog at the end of Q2 (end of 2013: DKK 5.1bn), equivalent to 23% of the order backlog (end of 2013: 23%). As from November 2013, new operation and maintenance contracts are included in the order backlog with 12 months' rolling revenue only.

Group

DKKm	Q2 2014	Q2 2013	Change (%)	Q1-Q2 2014	Q1-Q2 2013	Change (%)
Order intake (excl. Cembrit)	**4,643**	**5,626**	-17%	**9,484**	**10,653**	-11%
Order backlog (excl. Cembrit)	**21,713**	**26,983**	-20%	**21,713**	**26,983**	-20%
Revenue	**5,577**	**6,852**	-19%	**10,874**	**12,773**	-15%
Gross profit	**1,432**	**1,298**	10%	**2,707**	**2,575**	5%
Gross margin	*25.7%*	*18.9%*		*24.9%*	*20.2%*	
EBITDA	**558**	**406**	37%	**965**	**694**	39%
EBITDA margin	*10.0%*	*5.9%*		*8.9%*	*5.4%*	
EBITA	**472**	**310**	52%	**799**	**510**	56%
EBITA margin	*8.5%*	*4.5%*		*7.3%*	*4.0%*	
EBIT	**381**	**217**	76%	**620**	**328**	89%
EBIT margin	*6.8%*	*3.2%*		*5.7%*	*2.6%*	
Number of employees	**14,952**	**15,877**	-6%	**14,952**	**15,877**	-6%

Revenue

Revenue decreased 19% to DKK 5,577m in Q2 (Q2 2013: DKK 6,852m), of which the currency effect accounted for -5% in Q2. Currency adjusted growth in revenue was positive in Customer Services and Material Handling, however more than offset by a significant drop in Mineral Processing and Cement following low order intake in 2013.

Revenue developments in Q2 2014

Revenue (vs. Q2 2013)	Customer Services	Material Handling	Mineral Processing	Cement	FLSmidth Group
Organic growth	3%	8%	-41%	-15%	-14%
Currency	-6%	-6%	-4%	-2%	-5%
Total growth	**-3%**	**2%**	**-45%**	**-17%**	**-19%**

Total service activities accounted for 45% of revenue in Q2 (Q2 2013: 40%).

Profit efficiency

The implementation of the efficiency programme remains on track. The aim of the efficiency programme is to create sustainable efficiency improvements, irrespective of the underlying market developments. The efficiency programme is expected to result in annual EBITA improvements of around DKK 750m with full-year effect in 2015. One-off restructuring costs of DKK 500m associated with the programme were booked in 2013-2014, of which DKK 57m was booked in the first half of 2014 and included in the EBITA guidance for 2014 of 7-9%.

Initiatives implemented so far are expected to have a full-year EBITA impact in 2015 of approximately DKK 630m. The EBITA improvements are related to the following six building blocks of the efficiency programme:

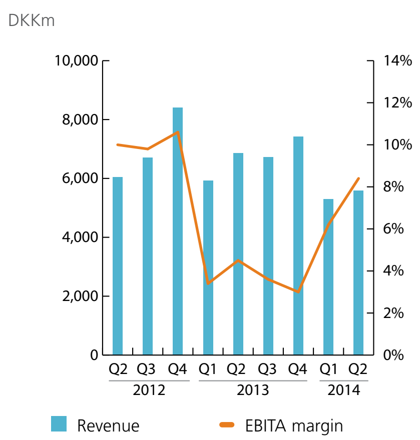
Cost optimisation	34%
Material Handling	21%
Profit boost	29%
Optimised sourcing	8%
Sales optimisation	7%
Leading technology	1%

It is estimated that the efficiency programme had a DKK 220m positive impact on EBITA in the first half of 2014. Adjusted for one-off costs of DKK 57m, the estimated net EBITA impact was around DKK 163m in the first half of 2014.

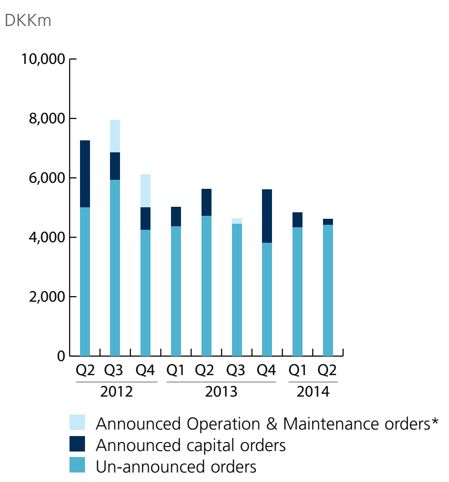
In Q2 2014, the gross profit increased 10% to DKK 1,432m (Q2 2013: DKK 1,298m), which represented an increase in the gross margin to 25.7% (Q2 2013: 18.9%). The increase is primarily attributable to better performance in Material Handling and Cembrit. Additionally, the benefits of the efficiency programme are gradually starting to kick in.

Q2 saw total research and development expenses of DKK 81m (Q2 2013: DKK 90m), representing 1.5% of revenue (Q2 2013: 1.4%), of which DKK 22m was capitalised (Q2 2013: DKK 21m) and the balance reported as production costs.

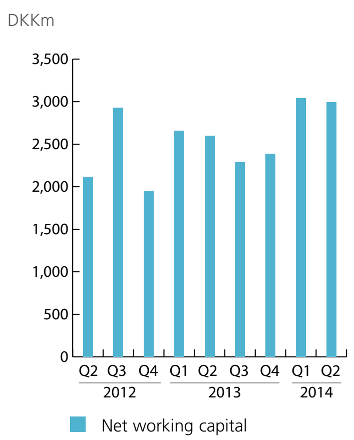
Quarterly revenue and EBITA margin



Quarterly order intake



Net working capital



**As of November 2013, O&M orders are based on 12 months trailing revenue.*

Sales, distribution and administrative costs and other operating items amounted to DKK 874m in Q2 (Q2 2013: DKK 892m), which represents a cost percentage (SG&A ratio) of 15.7% of revenue (Q2 2013: 13.0%). SG&A included one-off costs of DKK 12m related to the efficiency programme and additionally right-sizing costs, especially in Mineral Processing.

Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) increased 37% to DKK 558m (Q2 2013: DKK 406m), corresponding to an EBITDA margin of 10.0% (Q2 2013: 5.9%).

Depreciation and impairment of tangible assets amounted to DKK 80m (Q2 2013: DKK 86m).

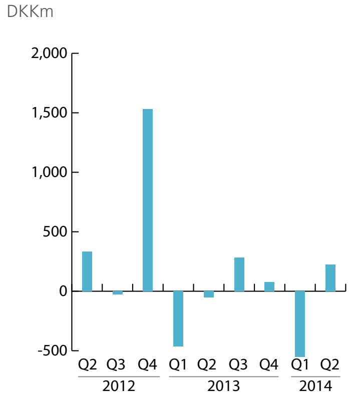
Earnings before amortisation and impairment of intangible assets (EBITA) increased 52% to DKK 470m (Q2 2013: DKK 310m), corresponding to an EBITA margin of 8.5% (Q2 2013: 4.5%). As mentioned earlier, the increase in margin is primarily a consequence of better performance in general in Material Handling and Cembrit as well as a positive contribution from the efficiency programme. In total, the EBITA result in Q2 included one-off costs of DKK 47m (Q1 2014: DKK 65m).

Amortisation and impairment of intangible assets amounted to DKK 91m (Q2 2013: DKK 93m), of which the effect of purchase price allocations accounted for DKK 76m (Q2 2013: DKK 81m).

Earnings before interest and tax (EBIT) increased 76% to DKK 381m (Q2 2013: DKK 217m), corresponding to an EBIT margin of 6.8% (Q2 2013: 3.2%).

Financial items amounted to DKK -31m (Q2 2013: DKK 9m). This amount includes foreign exchange rate and fair value adjustments of DKK 37m (Q2 2013: DKK 55m).

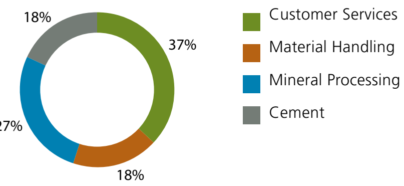
Cash flow from operating activities



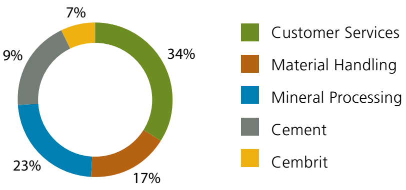
Earnings before tax (EBT) increased 55% to DKK 350m (Q2 2013: DKK 226m). The tax in Q2 amounted to DKK -119m (Q2 2013: DKK -80m), corresponding to a tax rate of 34%.

Profit for the period increased 67% to DKK 237m (Q2 2013: DKK 142m). Earnings per share (diluted) amounted to DKK 4.8 (Q2 2013: DKK 2.7).

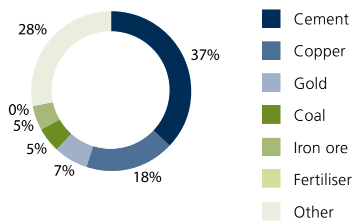
Order intake by segment (Q2 2014)



Revenue by segment (Q2 2014)



Order intake by industry (Q2 2014)



Capital efficiency

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

Net working capital declined to DKK 2,995m at the end of the period (end of Q1 2014: DKK 3,044m), representing 12.0% of revenue (last 12 months) (end of Q1 2014: 11.6%). The current high level of net working capital is caused by relatively low business activity, reflected in declining prepayments from customers and upward pressure on inventories. A lot of focus has been put into reducing overdue receivables, and consequently, long overdue receivables (>60 days overdue) were reduced by DKK 292m in the quarter, now representing 21% of total receivables (end of Q1 2014: 27%). Nevertheless, total receivables increased by DKK 117m in the quarter, as considerable progress was made on moving work-in-progress assets forward to the invoicing stage, reducing work-in-progress assets by DKK 890m in the quarter. On the negative side, inventories increased by DKK 309m and net prepayments declined by DKK 164m. It is still expected that net working capital at the end of the year will be around the same level as at the beginning of the year (end of 2013: DKK 2,382m).

Cash flow developments

Cash flow from operating activities amounted to DKK 224m in Q2 (Q2 2013: DKK -51m), and was negatively impacted by the EUR 14.45m (~DKK 108m) penalty imposed by The European Court of Justice on former subsidiary FLS Plast A/S. This cash payment in Q2 was the only notable effect related to the ruling as the liability obligation was already provided for. Cash flow from investing activities amounted to DKK -157m (Q2 2013: DKK -166m), including earn-out payment related to the acquisition of Knelson in 2011.

Balance sheet and capital structure

The balance sheet total amounted to DKK 26,479m at the end of the period (end of 2013: DKK 27,328m). The consolidated equity increased to DKK 7,362m in Q2 (end of 2013: DKK 6,922m), and the equity ratio increased to 28% (end of 2013: 25%). Net interest-bearing debt by the end of the period amounted to DKK 5,273m (end of 2013: DKK 4,718m).

The Group's financial gearing calculated as NIBD/EBITDA amounted to 3.3 at the end of the period (end of 2013: 3.6), still impacted by one-off costs recognised in the second half of 2013 (EBITDA calculated on a 12 months´ rolling basis). At present, both the equity ratio and the financial gearing are outside the Group's long-term financial targets, however not in conflict with any financial covenants and are expected to normalise.

The current capital resources consist of committed credit facilities of DKK 8.3bn (excluding mortgage) with a weighted average time to maturity of 2.4 years. Please see the Annual Report 2013, note 30 for more information.

Employees

The number of employees amounted to 14,952 by the end of Q2, which is net 1% lower than the preceding quarter (end of Q1 2014: 15,045). Thus, the efficiency programme and business right sizing have more than offset an increase of more than 450 blue-collar staff on operation and maintenance contracts since the beginning of the year.

Treasury shares

FLSmidth's treasury share capital amounted to 1,780,396 shares at the end of Q2 2014 (end of 2013: 3,739,783 shares), representing 3.5% of the share capital (end of 2013: 7.0%). The drop is explained by the announced cancellation of 1,950,000 treasury shares acquired through the share buyback programme in 2013, bringing the total number of shares down to 51,250,000.

Incentive plan

At the end of Q2 2014, there were a total of 1,757,603 unexercised share options under the Group's incentive plan and the fair value of them was DKK 96m. The fair value is calculated by means of a Black & Scholes model based on a share price of 304.2, a volatility of 29.36% and annual dividend of DKK 9 per share. The effect of the plan on the income statement for Q2 2014 was DKK 10.5m (Q2 2013: DKK 10.0m).

New share option plan (Plan 2014)

The Board of Directors has today decided to grant new share options to the Executive Management and key staff (99 persons) representing a Black and Scholes value of DKK 33m, impacting this year's result by DKK 4m. The exercise price will be calculated as the average closing price for the next five trading days (14 August 2014 to 20 August 2014) plus a hurdle rate of 10%, and the exercise period will be 2017 to 2020. It is expected that between 550,000 and 650,000 share options will be issued, depending on the exercise price and the fair value. FLSmidth expects to purchase between 420,000 and 520,000 shares in the market to cover the share option plan.

Cembrit

Cembrit is a leading distributor and manufacturer of fibre-cement products in Europe and the only remaining building materials company in FLSmidth. Cembrit is reported as continuing activities but is developed as a non-core stand-alone business. As announced last year, a significant improvement programme is on-going for Cembrit, including optimisation of production facilities, product portfolio and cost structure. The programme is on track.

Cembrit delivered a positive development in revenue, which increased to DKK 410m in Q2 (Q2 2013: DKK 396m), benefitting from a mild winter in Europe. The EBITA margin decreased to 3.7% (Q2 2013: 5.8%).

Financial calendar 2014

7 November 2014: Q3 Interim Report

Events after the balance sheet date

On 11 July 2014, FLSmidth announced the receipt of a DKK 302m material handling order from the Vietnamese National Oil and Gas Group Petrovietnam for the supply of coal handling equipment for a power plant located in the Thai Binh province, 170 km southeast of Hanoi, Vietnam.

Forward-looking statements

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

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

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

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

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

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

Customer Services

Stable order intake adjusted for currency. Solid earnings.

Developments in Q2 2014

The market for Customer Services was largely unchanged in Q2.

Cement services continue to see a pick-up in some regions, most notably the US, whereas mining service activity stays fairly flat, still facing some regions of soft activity. As in any downturn, pricing pressure is present, but there has been no incremental increase in the quarter.

The market for operation and maintenance continues to offer good opportunities for both cement and minerals. This is particularly true for coal, as squeezed earnings force miners to look for alternative ways to improve productivity.

Productivity enhancing services remain customers' number one focus area and FLSmidth is well-positioned to support customers in this matter.

Order intake for Q2 2014 was DKK 1,801m, representing a decrease of 5% compared to Q2 2013 (Q2 2013: DKK 1,900m). Adjusted for currency effects, order intake was unchanged. Revenue decreased by 3% in Q2 2014 to DKK 1,954m (Q2 2013: DKK 2,020m), but increased 3% adjusted for currency effects.

EBITA amounted to DKK 300m, representing a 1% increase over the Q2 2013 result of DKK 298m. The EBITA margin in Q2 was 15.4% which is both an increase compared to the corresponding quarter last year (Q2 2013: 14.8%) and the previous quarter (Q1 2014: 12.9%). The increase in margin compared to last year is primarily due to fewer one-off costs, and overall cost reductions coming from the efficiency programme.

Guidance for 2014 (unchanged)

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

Customer Services

DKKm	Q2 2014	Q2 2013	Change (%)	Q1-Q2 2014	Q1-Q2 2013	Change (%)
Order intake	**1,801**	**1,900**	-5%	**3,867**	**3,864**	0%
Order backlog	**8,169**	**7,979**	2%	**8,169**	**7,979**	2%
Revenue	**1,954**	**2,020**	-3%	**3,724**	**3,829**	-3%
Gross profit	**600**	**569**	5%	**1,103**	**1,058**	4%
Gross margin	*30.7%*	*28.2%*		*29.6%*	*27.6%*	
EBITDA	**323**	**320**	1%	**574**	**515**	11%
EBITDA margin	*16.5%*	*15.8%*		*15.4%*	*13.4%*	
EBITA	**300**	**298**	1%	**528**	**467**	13%
EBITA margin	*15.4%*	*14.8%*		*14.2%*	*12.2%*	
EBIT	**268**	**277**	-3%	**465**	**421**	10%
EBIT margin	*13.7%*	*13.7%*		*12.5%*	*11.0%*	
Number of employees	**6,382**	**5,859**	9%	**6,382**	**5,859**	9%

Material Handling

Significant improvement in earnings. Declining order intake due to lack of large orders.

Developments in Q1 2014

As for Mineral Processing, the market for Material Handling is impacted by the mining investment downturn and further, the commodities typically associated with this business face the weakest prices and outlook. Still, the overall market is substantial and reaches beyond minerals – encompassing industries such as cement, energy and construction, altogether offering significant opportunities.

Order intake for this division has been 'sub-scale' for some time, as focus has been on finalising a number of legacy projects. As such, Material Handling has a potential to increase volume despite challenging end markets.

Order intake in Q2 amounted to DKK 836m, representing a decrease of 19% compared to the same period last year (Q2 2013: DKK 1,028m) due to the absence of large orders in Q2. Adjusted for currency effects, the order intake decreased 16%. Revenue increased 2% to DKK 960m (Q2 2013: DKK 944m). Currency impact on revenue was -6%.

EBITA amounted to DKK 39m, which is a significant improvement over the same quarter last year (Q2 2013: DKK -369m), that was impacted by one-off costs of DKK 323m pertaining to a reassessment and risk analysis of the order backlog in Material Handling. The one-off costs realised in Q2 last year are still expected to sufficiently cover completion of the risky projects. The EBITA margin was 4.1% (Q2 2013: -39.1%).

12 projects out of a total portfolio of 201 projects in the Material Handling business unit are still regarded as risky (end of Q1 2014: 14 projects). These projects accounted for DKK 284m or 7% of the backlog at the end of Q2 2014 (end of Q1 2014: DKK 356m or 8% of backlog).

Guidance for 2014 (unchanged)

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

Material Handling

DKKm	Q2 2014	Q2 2013	Change (%)	Q1-Q2 2014	Q1-Q2 2013	Change (%)
Order intake	**836**	**1,028**	-19%	**1,892**	**2,644**	-28%
Order backlog	**4,334**	**4,976**	-13%	**4,334**	**4,976**	-13%
Revenue	**960**	**944**	2%	**2,000**	**1,999**	0%
Gross profit	**228**	**-169**	n/a	**415**	**-44**	n/a
Gross margin	*23.8%*	*-17.9%*		*20.8%*	*-2.2%*	
EBITDA	**57**	**-356**	n/a	**41**	**-421**	n/a
EBITDA margin	*5.9%*	*-37.7%*		*2.1%*	*-21.1%*	
EBITA	**39**	**-369**	n/a	**11**	**-448**	n/a
EBITA margin	*4.1%*	*-39.1%*		*0.6%*	*-22.4%*	
EBIT	**20**	**-387**	n/a	**-28**	**-485**	n/a
EBIT margin	*2.1%*	*-41.0%*		*-1.4%*	*-24.3%*	
Number of employees	**2,974**	**3,585**	-17%	**2,974**	**3,585**	-17%

Mineral Processing

■ Organisational adjustments to adapt to new market reality. Q2 earnings impacted by right-sizing. First announced order in five quarters. Market for mining capex is approaching bottom.

Developments in Q2 2014

FLSmidth continuously monitors the current market situation and adjusts its organisation to the present business environment, which in Q2 entailed a consolidation of the Mineral Processing Division, including the reduction of more than 300 positions across the Division. This right-sizing was executed to align costs with current and expected revenue, while at the same time securing a streamlined and customer-focused organisation prepared for the upturn.

While mining capex is close to market bottom, some large projects could become effective this year, keeping overall order activity on a par with last year, despite the lower run-rate for unannounced orders in 2014.

Proposal levels and customer activity from mainly junior and mid-sized mining companies is reasonably high, but not all projects may actually reach the purchase order stage, primarily due to lack of financing.

After a five-quarter drought in announced orders in Mineral Processing, the Division secured the only announced order for the Group in the second quarter – a DKK 231m order from Mongolian MAK. A bright spot in an otherwise sluggish market. Order intake in Q2 2014 amounted to DKK 1,321m, representing a decrease of 21% compared to the same quarter last year (Q2 2013: DKK 1,679m) but an increase of 27% compared to the previous quarter (Q1 2014: DKK 1,041m). The lower order intake is a result of the mining capex downturn and a negative currency impact of 7%.

Revenue decreased 45% to DKK 1,355m in Q2 2014 (Q2 2013: DKK 2,477m) as a consequence of declining order intake in 2013 and a negative currency effect of 4%.

EBITA decreased 77% to DKK 59m (Q2 2013: DKK 259m), equivalent to an EBITA margin of 4.4% (Q2 2013: 10.5%).

Guidance for 2014 (unchanged)

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

Mineral Processing

DKKm	Q2 2014	Q2 2013	Change (%)	Q1-Q2 2014	Q1-Q2 2013	Change (%)
Order intake	**1,321**	**1,679**	-21%	**2,362**	**3,024**	-22%
Order backlog	**4,685**	**7,891**	-41%	**4,685**	**7,891**	-41%
Revenue	**1,355**	**2,477**	-45%	**2,771**	**4,487**	-38%
Gross profit	**311**	**544**	-43%	**606**	**976**	-38%
Gross margin	*23.0%*	*22.0%*		*21.9%*	*21.8%*	
EBITDA	**81**	**292**	-72%	**170**	**443**	-62%
EBITDA margin	*6.0%*	*11.8%*		*6.1%*	*9.9%*	
EBITA	**59**	**259**	-77%	**127**	**389**	-67%
EBITA margin	*4.4%*	*10.5%*		*4.6%*	*8.7%*	
EBIT	**28**	**212**	-87%	**66**	**300**	-78%
EBIT margin	*2.1%*	*8.6%*		*2.4%*	*6.7%*	
Number of employees	**2,419**	**3,021**	-20%	**2,419**	**3,021**	-20%

Cement

Revenue and earnings declined as expected. No large announced orders. Highest level of unannounced orders in 3 years.

Developments in Q2 2014

Market conditions for Cement are largely unchanged and the prevailing themes remain; an improving US market, a more muted development in developing countries and sustained intense competition.

Whilst the tensions in Ukraine temporarily have stripped potential brownfield activity in Russia off the agenda, the recent Indian election allow for a faster recovery in the world's second largest cement producing country as it is widely believed that the new Government will boost economic growth by restarting stalled investment projects and by undertaking long-term policy reforms to nurture both corporate and consumer confidence.

The cement market remains subdued at a global level but good regional opportunities prevail especially in Africa, South East Asia, The Middle East, and South America.

In the absence of large announced orders, the order intake decreased 34% in Q2 to DKK 878m (Q2 2013: DKK 1,335m), since two large orders were booked in Q2 last year. It should be noted, however, that intake of large orders is volatile per se. Adjusted for currency effects, the order intake decreased 33%.

Revenue decreased 17% to DKK 1,087m in Q2 2014 (Q2 2013: DKK 1,304m). Adjusted for currency effects, revenue decreased 15%.

EBITA decreased 36% to DKK 58m (Q2 2013: DKK 91m), equivalent to an EBITA margin of 5.3% (Q2 2013: 7.0%).

Guidance for 2014 (unchanged)

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

Cement

DKKm	Q2 2014	Q2 2013	Change (%)	Q1-Q2 2014	Q1-Q2 2013	Change (%)
Order intake	**878**	**1,335**	-34%	**1,806**	**1,643**	10%
Order backlog	**5,146**	**6,847**	-25%	**5,146**	**6,847**	-25%
Revenue	**1,087**	**1,304**	-17%	**2,050**	**2,320**	-12%
Gross Profit	**182**	**237**	-23%	**374**	**438**	-15%
Gross margin	*16.7%*	*18.2%*		*18.2%*	*18.9%*	
EBITDA	**66**	**101**	-35%	**138**	**149**	-7%
EBITDA margin	*6.1%*	*7.7%*		*6.7%*	*6.4%*	
EBITA	**58**	**91**	-36%	**121**	**130**	-7%
EBITA margin	*5.3%*	*7.0%*		*5.9%*	*5.6%*	
EBIT	**52**	**85**	-39%	**109**	**122**	-11%
EBIT margin	*4.8%*	*6.5%*		*5.3%*	*5.3%*	
Number of employees	**2,104**	**2,335**	-10%	**2,104**	**2,335**	-10%

Statement by the Board and Management

The Board of Directors and Executive Management have today considered and approved the interim report of FLSmidth & Co. A/S for the period 1 January - 30 June 2014.

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

In our opinion, the interim report gives a true and fair view of the Group's financial position at 30 June 2014 as well as of its financial performance and its cash flow for the period 1 January - 30 June 2014.

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

Copenhagen, 13 August 2014

Group Executive Management:

Thomas Schulz
Group Chief Executive Officer

Lars Vestergaard
Group Executive Vice President and CFO

Peter Flanagan
Group Executive Vice President

Bjarne Moltke Hansen
Group Executive Vice President

Virve Elisabeth Meesak
Group Executive Vice President

Per Mejnert Kristensen
Group Executive Vice President

Carsten R. Lund
Group Executive Vice President

Eric Thomas Poupier
Group Executive Vice President

Board of Directors:

Vagn Ove Sørensen
Chairman

Torkil Bentzen
Vice Chairman

Mette Dobel

Caroline Grégoire Sainte Marie

Martin Ivert

Sten Jakobsson

Tom Knutzen

Jens Peter Koch

Søren Quistgaard Larsen

Consolidated income statement

Notes	DKKm	Q2 2014	Q2 2013	Q1-Q2 2014	Q1-Q2 2013
	Revenue	5,577	6,852	10,874	12,773
	Production costs	(4,145)	(5,554)	(8,167)	(10,198)
	Gross profit	**1,432**	**1,298**	**2,707**	**2,575**
	Sales and distribution costs	(410)	(466)	(809)	(926)
	Administrative costs	(478)	(481)	(956)	(1,034)
	Other operating income	39	55	58	86
	Other operating costs	(25)	0	(35)	(7)
	Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**558**	**406**	**965**	**694**
	Special non-recurring items	(6)	(10)	(6)	(15)
	Depreciation and impairment of tangible assets	(80)	(86)	(160)	(169)
	Earnings before amortisations and impairment of intangible assets (EBITA)	**472**	**310**	**799**	**510**
	Amortisation and impairment of intangible assets	(91)	(93)	(179)	(182)
	Earnings before interest and tax (EBIT)	**381**	**217**	**620**	**328**
	Financial income	121	414	401	829
	Financial costs	(152)	(405)	(496)	(865)
	Earnings before tax (EBT)	**350**	**226**	**525**	**292**
	Tax for the period	(119)	(80)	(179)	(111)
	Profit/loss for the period, continuing activities	**231**	**146**	**346**	**181**
	Profit/loss for the period, discontinued activities	6	(4)	6	(4)
	Profit/loss for the period	**237**	**142**	**352**	**177**
	To be distributed as follows:				
	FLSmidth & Co. A/S shareholders' share of profit/loss for the period	238	139	343	177
	Minority shareholders' share of profit/loss for the period	(1)	3	9	-
		237	**142**	**352**	**177**
2	Earnings per share:				
	Continuing and discontinued activities	4.8	2.7	7.0	3.4
	Continuing and discontinued activities, diluted	4.8	2.7	7.0	3.4
	Continuing activities	4.7	2.8	6.9	3.5
	Continuing activities, diluted	4.7	2.8	6.9	3.5
1	Income statement classified by function				

Consolidated statement of comprehensive income

DKKm	Q2 2014	Q2 2013	Q1-Q2 2014	Q1-Q2 2013
Notes				
Profit/loss for the period	**237**	**142**	**352**	**177**
Other comprehensive income for the period:				
Items that will not be re-classified to profit or loss:				
Actuarial gains(losses) on defined benefit plans	0		(1)	
Tax hereof	0		0	
Items that are or may be re-classified subsequently to profit or loss:				
Foreign exchange adjustment regarding enterprises abroad	98	(365)	194	(264)
Foreign exchange adjustment of loans classified as equity in enterprises abroad	10	(170)	(12)	(91)
Value adjustments of hedging instruments:				
Value adjustments for the period	(16)	60	(14)	12
Value adjustments transferred to revenue		-		-
Value adjustments transferred to production costs		1		1
Value adjustments transferred to financial income and cost		10		15
Value adjustments transferred to other operating items	(1)		(2)	
Tax on other comprehensive income	(7)	42	3	23
Other comprehensive income for the period after tax	**84**	**(422)**	**168**	**(304)**
Other comprehensive income for the period	**321**	**(280)**	**520**	**(127)**
Comprehensive income for the period attributable to:				
FLSmidth & Co. A/S shareholders' share of comprehensive income for the period	322	(279)	510	(121)
Minority shareholders' share of comprehensive income for the period	(1)	(1)	10	(6)
	321	**(280)**	**520**	**(127)**

Consolidated cash flow statement

Notes	DKKm	Q2 2014	Q2 2013	Q1-Q2 2014	Q1-Q2 2013
	Earnings before special non-recurring items, depreciation, amortisation, impairment (EBITDA), continuing activities	558	406	965	694
	Earnings before special non-recurring items, depreciation, amortisation, impairment (EBITDA), discontinued activities	6	3	6	(2)
	Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**564**	**409**	**971**	**692**
	Adjustment for profits/losses on sale of tangible and intangible assets and foreign exchange adjustments and special non-recurring items, etc.	2	(2)	16	4
	Adjusted earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**566**	**407**	**987**	**696**
	Change in provisions	(238)	20	(332)	18
	Change in working capital	98	(13)	(574)	(696)
	Cash flow from operating activities before financial items and tax	**426**	**414**	**81**	**18**
	Financial net payments	(57)	(217)	(93)	(157)
	Taxes paid	(145)	(248)	(316)	(378)
	Cash flow from operating activities	**224**	**(51)**	**(328)**	**(517)**
4	Acquisition of enterprises and activities	(100)	6	(100)	(39)
	Acquisition of intangible assets	(25)	(63)	(67)	(100)
	Acquisition of tangible assets	(52)	(178)	(96)	(303)
	Acquisition of financial assets	3	-	(1)	(1)
	Disposal of enterprises and activities	6	2	6	94
	Disposal of intangible assets	-	4	-	4
	Disposal of tangible assets	6	44	23	52
	Disposal of financial assets	5	19	6	19
	Cash flow from investing activities	**(157)**	**(166)**	**(229)**	**(274)**
	Dividend	(99)	(467)	(99)	(467)
	Acquisition of treasury shares	(1)	(434)	(1)	(435)
	Disposal of treasury shares	2	3	3	7
	Change in other interest-bearing net receivables/(debt)	60	1,153	570	1,768
	Cash flow from financing activities	**(38)**	**255**	**473**	**873**
	Change in cash and cash equivalents	**29**	**38**	**(84)**	**82**
	Cash and cash equivalents beginning of period	963	1,689	1,077	1,639
	Foreign exchange rate adjustment, cash and cash equivalents	8	(100)	7	(94)
	Cash and cash equivalents at 30 June	1,000	1,627	1,000	1,627

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

Consolidated balance sheet

Assets

Notes	DKKm	End of Q2 2014	End of 2013
	Goodwill	4,144	4,094
	Patents and rights	1,543	1,606
	Customer relations	1,207	1,254
	Other intangible assets	112	125
	Completed development projects	93	115
	Intangible assets under development	598	542
	Intangible assets	**7,697**	**7,736**
	Land and buildings	1,743	1,737
	Plant and machinery	953	972
	Operating equipment, fixtures and fittings	199	235
	Tangible assets in course of construction	244	231
	Tangible assets	**3,139**	**3,175**
	Investments in associates	9	9
	Other securities and investments	59	59
	Pension assets	14	10
	Deferred tax assets	1,303	1,131
	Financial assets	**1,385**	**1,209**
	Total non-current assets	**12,221**	**12,120**
	Inventories	**2,730**	**2,575**
	Trade receivables	5,169	5,099
8	Work-in-progress for third parties	3,467	4,491
	Prepayments to subcontractors	291	414
	Other receivables	1,514	1,511
	Prepaid expenses and accrued income	86	34
	Receivables	**10,527**	**11,549**
	Bonds and listed shares	**1**	**7**
	Cash and cash equivalents	**1,000**	**1,077**
	Total current assets	**14,258**	**15,208**
	TOTAL ASSETS	**26,479**	**27,328**

Consolidated balance sheet

Equity and liabilities

Notes	DKKm	End of Q2 2014	End of 2013
	Share capital	1,025	1,064
	Foreign exchange adjustments	(552)	(733)
	Value adjustments of hedging transactions	(39)	(23)
	Retained earnings	6,888	6,474
	Proposed dividend	-	106
	FLSmidth & Co. A/S shareholders' share of equity	**7,322**	**6,888**
	Minority shareholders' share of equity	40	34
	Total equity	**7,362**	**6,922**
	Deferred tax liabilities	528	541
	Pension liabilities	151	159
6	Other provisions	696	688
	Mortgage debt	352	352
	Bank loans	5,330	5,023
	Finance lease	1	4
	Prepayments from customers	314	327
	Other liabilities	172	190
	Long-term liabilities	**7,544**	**7,284**
	Pension liabilities	11	11
6	Other provisions	1,133	1,421
	Bank loans	431	178
	Finance lease	2	6
	Prepayments from customers	1,822	2,632
8	Work-in-progress for third parties	3,207	3,138
	Trade payables	2,599	3,283
	Current tax liabilities	568	523
	Other liabilities	1,763	1,890
	Deferred revenue	37	40
	Short-term liabilities	**11,573**	**13,122**
	Total liabilities	**19,117**	**20,406**
	TOTAL EQUITY AND LIABILITIES	**26,479**	**27,328**

Consolidated equity

DKKm	Share capital	Foreign exchange adjustments	Value adjustments of hedging transactions	Retained earnings	Proposed dividend	FLSmidth & Co. A/S' shareholders' share	Minority sharehold-ers´ share of equity	Total
Equity at 1 January 2014	**1,064**	**(733)**	**(23)**	**6,474**	**106**	**6,888**	**34**	**6,922**
Comprehensive income for the period								
Profit/loss for the period				343		343	9	352
Other comprehensive income								
Actuarial gain/losses on defined benefit plans				(1)		(1)		(1)
Foreign exchange adjustments regarding enterprises abroad		193				193	1	194
Foreign exchange adjustments of loans classified as equity in enterprises abroad		(12)				(12)		(12)
Value adjustments of hedging instruments:								
Value adjustments for the period			(14)			(14)		(14)
Value adjustments transferred to revenue						0		0
Value adjustments transferred to production cost						0		0
Value adjustments transferred to financial income and costs						0		0
Value adjustments transferred to other operating items			(2)			(2)		(2)
Tax on other comprehensive income				3		3		3
Other comprehensive income total	**0**	**181**	**(16)**	**2**	**0**	**167**	**1**	**168**
Comprehensive income for the period	**0**	**181**	**(16)**	**345**	**0**	**510**	**10**	**520**
Dividend distributed					(99)	(99)		(99)
Dividend treasury share				7	(7)	0		0
Share-based payment, share options				21		21		21
Disposal of treasury shares				3		3		3
Acquisition of treasury shares				(1)		(1)		(1)
Cancellation of shares	(39)			39				
Disposal of minority interests						0	(4)	(4)
Equity at 30 June 2014	**1,025**	**(552)**	**(39)**	**6,888**	**0**	**7,322**	**40**	**7,362**

The period's movements in holding of treasury shares (number of shares):	**2014**	**2013**
Treasury shares at 1 January	3,739,783 shares	1,359,884 shares
Cancellation of shares	(1,950,000) shares	0 shares
Acquisition of treasury shares	4,613 shares	1,615,041 shares
Share options settled	(14,000) shares	(30,425) shares
Treasury shares at 30 June	1,780,396 shares	2,944,500 shares

Representing 3.5% (2013: 5.5%) of the share capital

Consolidated equity

DKKm	Share capital	Foreign exchange adjustments	Value adjustments of hedging transactions	Retained earnings	Proposed dividend	FLSmidth & Co. A/S' shareholders' share	Minority shareholders´ share of equity	Total
Equity at 1 January 2013	**1,064**	**(8)**	**4**	**7,831**	**479**	**9,370**	**49**	**9,419**
Comprehensive income for the period								
Profit/loss for the period				177		177	0	177
Other comprehensive income								
Acturial gains/(losses) on defined benefit plans						0		
Foreign exchange adjustments regarding enterprises abroad		(258)				(258)	(6)	(264)
Foreign exchange adjustments of loans classified as equity in enterprises abroad		(91)				(91)		(91)
Foreign exchange adjustments, liquidation of company								
Value adjustments of hedging instruments:								
Value adjustments for the period			12			12		12
Value adjustments transferred to production cost			1			1		1
Value adjustments transferred to financial income and cost			15			15		15
Value adjustments transferred to other operating items								
Tax on other comprehensive income				23		23		23
Other comprehensive income total	**0**	**(349)**	**28**	**23**	**0**	**(298)**	**(6)**	**(304)**
Comprehensive income for the period	**0**	**(349)**	**28**	**200**	**0**	**(121)**	**(6)**	**(127)**
Dividend distributed					(467)	(467)		(467)
Dividend treasury share				12	(12)			0
Share-based payment, share options				20		20		20
Proposed dividend								0
Disposal of treasury shares				7		7		7
Acquisition of treasury shares				(435)		(435)		(435)
Acquisition of minority interests						0		0
Disposal of minority interests						0		0
Equity at 30 June 2013	**1,064**	**(357)**	**32**	**7,635**	**0**	**8,374**	**43**	**8,417**

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List of notes and notes to the interim report

1. Income statement classified by function

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

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

DKKm	Q2 2014	Q2 2013	Q1-Q2 2014	Q1-Q2 2013
Revenue	5,577	6,852	10,874	12,773
Production costs	(4,208)	(5,633)	(8,299)	(10,341)
Gross profit	**1,369**	**1,219**	**2,575**	**2,432**
Sales and distribution costs including depreciation, amortisation and impairment	(420)	(471)	(826)	(935)
Administrative costs including depreciation, amortisation and impairment	(576)	(576)	(1,146)	(1,233)
Other operating income and costs	14	55	23	79
Special non-recurring items	(6)	(10)	(6)	(15)
Earnings before interest and tax (EBIT)	**381**	**217**	**620**	**328**
Depreciation, amortisation and impairment consists of:				
Impairment of intangible assets	-	-	-	-
Amortisation of intangible assets	91	93	179	182
Depreciation of tangible assets	80	86	160	169
	171	**179**	**339**	**351**
Depreciation, amortisation are divided into:				
Production costs	63	79	132	143
Sales and distribution assets	10	5	17	9
Administrative costs	98	95	190	199
	171	**179**	**339**	**351**

2. Earnings per share (EPS)

DKKm	Q2 2014	Q2 2013	Q1-Q2 2014	Q1-Q2 2013
Earnings				
FLSmidth & Co. A/S shareholders' share of profit/loss for the period	238	139	343	177
FLSmidth & Co. Group profit/loss from discontinued activities for the period	6	(4)	6	(4)
Number of shares, average				
Number of shares issued	52,225,000	53,200,000	52,225,000	53,200,000
Adjustment for treasury shares	(2,759,184)	(2,144,500)	(3,086,050)	(1,882,961)
Potential increase of shares in circulation, options in-the-money	63,074	4,115	34,780	112,970
	49,528,890	**51,059,615**	**49,173,730**	**51,430,009**
Earnings per share				
• Continuing and discontinued activities per share DKK	4.8	2.7	7.0	3.4
• Continuing and discontinued activities, diluted, per share DKK	4.8	2.7	7.0	3.4
• Continuing activities, per share DKK	4.7	2.8	6.9	3.5
• Continuing activities, diluted, per share DKK	4.7	2.8	6.9	3.5

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

3. Breakdown of the Group by segments for 2014

DKKm	Customer Services	Material Handling	Mineral Processing	Cement	Cembrit	Other compa-nies etc[1]	Continuing activities	Discon-tinued activities	FLSmidth Group
	Q1-Q2 2014								
INCOME STATEMENT									
External revenue	**3,668**	**1,737**	**2,674**	**2,037**	**758**	**-**	**10,874**	**2**	**10,876**
Internal revenue	56	263	97	13	-	(429)	-	-	**-**
Revenue	**3,724**	**2,000**	**2,771**	**2,050**	**758**	**(429)**	**10,874**	**2**	**10,876**
Production costs	(2,621)	(1,585)	(2,165)	(1,676)	(549)	429	(8,167)	3	(8,164)
Gross profit	**1,103**	**415**	**606**	**374**	**209**	**-**	**2,707**	**5**	**2,712**
Sales. distr. and admin. costs and other operating items	(529)	(374)	(436)	(236)	(160)	(7)	(1,742)	1	(1,741)
Earnings before special non-recurring items, depreciation. amortisation and impairment (EBITDA)	**574**	**41**	**170**	**138**	**49**	**(7)**	**965**	**6**	**971**
Special non-recurring items	-	(6)	-	-	-	-	(6)	**-**	(6)
Depreciation and impairment of tangible assets	(46)	(24)	(43)	(17)	(29)	(1)	(160)	**-**	(160)
Earnings before amortisation and impairment of intangible assets (EBITA)	**528**	**11**	**127**	**121**	**20**	**(10)**	**799**	**6**	**805**
Amortisation and write-downs of intangible assets	(63)	(39)	(61)	(12)	(2)	(2)	(179)	-	(179)
Earnings before interest and tax (EBIT)	**465**	**(28)**	**66**	**109**	**18**	**(10)**	**620**	**6**	**626**
ORDER INTAKE (GROSS)	**3,867**	**1,892**	**2,362**	**1,806**	**-**	**(443)**	**9,484**	**-**	**9.484**
ORDER BACKLOG	**8,169**	**4,334**	**4,685**	**5,146**	**-**	**(621)**	**21,713**	**-**	**21,713**
FINANCIAL RATIOS									
Gross margin	*29.6%*	*20.8%*	*21.9%*	*18.2%*	*27.6%*	*N/A*	*24.9%*	*N/A*	*24.9%*
EBITDA margin	*15.4%*	*2.1%*	*6.1%*	*6.7%*	*6.5%*	*N/A*	*8.9%*	*N/A*	*8.9%*
EBITA margin	*14.2%*	*0.6%*	*4.6%*	*5.9%*	*2.6%*	*N/A*	*7.3%*	*N/A*	*7.4%*
EBIT margin	12.5%	-1.4%	2.4%	5.3%	2.4%	N/A	5.7%	N/A	5.8%
Number of employees at 30 June	6,382	2,974	2,419	2,104	1,068	5	14,952	-	14,952

DKKm	Q2 2014
Reconciliation of the profit/loss for the period before tax, continuing activities	
Segment earnings before tax of reportable segments	620
Financial income	401
Financial costs	(496)
Earnings for the period before tax (EBT) of continuing activities	**525**

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

3. Breakdown of the Group by segments for 2013

DKKm	**Customer Services**	**Material Handling**	**Mineral Processing**	**Cement**	**Cembrit**	**Other compa-nies etc[1]**	**Continuing activities**	**Discon-tinued activities**	**FLSmidth Group**
					Q1-Q2 2013				
INCOME STATEMENT									
External revenue	3,785	1,629	4,381	2,312	666	-	12,773	1	12,774
Internal revenue	44	370	106	8	-	(528)		-	-
Revenue	**3,829**	**1,999**	**4,487**	**2,320**	**666**	**(528)**	**12,773**	**1**	**12,774**
Production costs	(2,771)	(2,043)	(3,511)	(1,882)	(508)	517	(10,198)	(1)	(10,199)
Gross profit	**1,058**	**(44)**	**976**	**438**	**158**	**(11)**	**2,575**	**-**	**2,575**
Sales, distr. and admin, costs and other operating items	(543)	(377)	(533)	(289)	(159)	20	(1,881)	(2)	(1,883)
Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**515**	**(421)**	**443**	**149**	**(1)**	**9**	**694**	**(2)**	**692**
Special non-recurring items	(7)	-	(8)	-	-	-	(15)	**-**	(15)
Depreciation and impairment of tangible assets	(41)	(27)	(46)	(19)	(30)	(6)	(169)	**-**	(169)
Earnings before amortisation and write-downs of intangible assets (EBITA)	**467**	**(448)**	**389**	**130**	**(31)**	**3**	**510**	**(2)**	**508**
Amortisation and write-downs of intangible assets	(46)	(37)	(89)	(8)	(2)	-	(182)	**-**	(182)
Earnings before interest and tax (EBIT)	**421**	**(485)**	**300**	**122**	**(33)**	**3**	**328**	**(2)**	**326**
ORDER INTAKE (GROSS)	**3,864**	**2,644**	**3,024**	**1,643**	**-**	**(522)**	**10,653**		**10,653**
ORDER BACKLOG	**7,979**	**4,976**	**7,891**	**6,847**	**-**	**(710)**	**26,983**	**-**	**26,983**
FINANCIAL RATIOS									
Gross margin	*27.6%*	*-2.2%*	*21.8%*	*18.9%*	*23.7%*	*N/A*	*20.2%*	*N/A*	*20.2%*
EBITDA margin	*13.4%*	*-21.1%*	*9.9%*	*6.4%*	*-0.2%*	*N/A*	*5.4%*	*N/A*	*5.4%*
EBITA margin	*12.2%*	*-22.4%*	*8.7%*	*5.6%*	*-4.7%*	*N/A*	*4.0%*	*N/A*	*4.0%*
EBIT margin	*11.0%*	*-24.3%*	*6.7%*	*5.3%*	*-5.0%*	*N/A*	*2.6%*	*N/A*	*2.6%*
Number of employees at 30 June	5,859	3,585	3,021	2,335	1,075	2	15,877	-	15,877

DKKm	**Q2 2013**
Reconciliation of the profit/loss for the period before tax, continuing activities	
Segment earnings before tax of reportable segments	328
Financial income	829
Financial costs	(865)
Earnings for the period before tax (EBT) of continuing activities	**292**

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

4. Acquisition of enterprises and activities

There have been no acquisitions of enterprises and activities in Q1-Q2 2014 or Q1-Q2 2013. However, adjustments to fair value regarding acquisitions made in 2012 have been necessary in 2013 based on final purchase price allocation reports.

DKKm	Q1-Q2 2014			Q1-Q2 2013		
	Carrying amount before adjustment	Adjustments at fair value	Fair value adjusted opening balance sheet	Carrying amount before adjustment	Adjustments at fair value	Fair value adjusted opening balance sheet
Patents and rights					150	150
Other intangible assets					(150)	(150)
Net assets					0	0
Goodwill						0
Cost						
Cash and cash equivalents acquired						(1)
Contingent consideration (earn out)			100			40
Net cash effect, acquisitions			**100**			**39**
Other specifications regarding transactions:						
Direct acquisition costs			0			0

5. Development in contingent liabilities

Contingent liabilities at 30 June 2014 amount to 6.0bn (31 December 2013 6.7bn), which include performance bonds and payment guarantees at DKK 5.6bn (31 December 2013 6.2bn). See note 41 in the 2013 Annual Report for a general description of the nature of the Group's contingent liabilities.

6. Other provisions

DKKm	Q2 2014	Q2 2013	Q4 2013
Provisions at 1 January	2,109	1,638	1,638
Transfer from assets held for sale	-	-	175
Exchange rate and other adjustments	20	(30)	(80)
Acquisition of Group enterprises	-	-	-
Provisions for the period	299	414	1,408
Used during the period	(469)	(201)	(759)
Reversals during the period	(128)	(72)	(313)
Discounting of provisions	-	-	2
Reclassification to/from other liabilities	(2)	(4)	38
Provisions at 30 June	**1,829**	**1,745**	**2,109**
The maturity of provisions is specified as follows:			
Short-term liabilities	1,133	1,162	1,421
Long-term liabilities	696	583	688
	1,829	**1,745**	**2,109**

7. Fair value hierarchy of financial instruments

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

DKKm	Q1-Q2 2014			
	Quoted prices Level 1	**Quoted prices Level 2**	**Quoted prices Level 3**	**Total**
Financial assets				
Financial assets for sale:				
Other securities and investments	15	44		59
Financial assets measured at fair value via the income statement:				
Bonds and listed shares	1			1
Derivative financial instruments used to hedge the fair value of recognised assets and liabilities		89		89
Total financial assets	**16**	**133**	**0**	**149**
Financial liabilities				
Financial liabilities measured at fair value via the income statement:				
Derivative financial instruments used to hedge the fair value of recognised assets and liabilities		173		173
Contingent consideration in a business combination			0	0
Total financial liabilities	**0**	**173**	**0**	**173**

DKKm	Q1-Q2 2013			
	Quoted prices Level 1	**Quoted prices Level 2**	**Quoted prices Level 3**	**Total**
Financial assets				
Financial assets for sale:				
Other securities and investments	25	23		48
Financial assets measured at fair value via the income statement:				
Bonds and listed shares	9			9
Derivative financial instruments used to hedge the fair value of recognised assets and liabilities		226		226
Total financial assets	**34**	**249**		**283**
Financial liabilities				
Financial liabilities measured at fair value via the income statement:				
Derivative financial instruments used to hedge the fair value of recognised assets and liabilities		193		193
Contingent consideration in a business combination			109	109
Total financial liabilities	**0**	**193**	**109**	**302**

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

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

8. Work-in-progress for third parties

DKKm	Q2 2014	Q2 2013	Q4 2013
Total cost incurred	35,394	37,780	34,565
Profit recognised as income, net	5,586	6,946	5,647
Work-in-progress for third parties	40,980	44,726	40,212
Invoicing on account to customers	(40,720)	(44,481)	(38,859)
Net work-in-progress for third parties	**260**	**245**	**1,353**
Of which work-in-progress for third parties is stated under assets	3,467	4,868	4,491
and under liabilities	(3,207)	(4,623)	(3,138)
	260	**245**	**1,353**

9. Quarterly key figures

DKKm	2012			2013				2014	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
INCOME STATEMENT									
Revenue	6,036	6,708	8,395	5,921	6,852	6,730	7,420	5,297	5,577
Gross profit	1,500	1,742	1,975	1,277	1,298	1,254	1,380	1,275	1,432
Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	670	757	971	288	406	324	286	407	558
Earnings before amortisation and impairment of intangible assets (EBITA)	605	659	893	200	310	245	222	327	472
Earnings before interest and tax (EBIT)	349	561	797	111	217	(727)	60	239	381
Earnings before tax (EBT)	326	529	760	66	226	(802)	(90)	175	350
Tax for the period	(103)	(162)	(283)	(31)	(80)	19	(94)	(60)	(119)
Profit/loss on continuing activities	223	367	477	35	146	(783)	(184)	115	231
Profit/loss on discontinued activities	-	10	(15)	-	(4)	1	5	-	6
Profit/loss for the period	223	377	462	35	142	(782)	(179)	115	237
Effect of purchase price allocations	(58)	(88)	(88)	(81)	(81)	(81)	(79)	(76)	(76)
Gross margin	*24.9%*	*26.0%*	*23.5%*	*21.6%*	*18.9%*	*18.6%*	*18.6%*	24.1%	25.7%
EBITDA margin	*11.1%*	*11.3%*	*11.6%*	*4.9%*	*5.9%*	*4.8%*	*3.9%*	*7.7%*	10.0%
EBITA margin	*10.0%*	*9.8%*	*10.6%*	*3.4%*	*4.5%*	*3.6%*	*3.0%*	*6.2%*	8.5%
EBIT margin	*5.8%*	*8.4%*	*9.5%*	*1.9%*	*3.2%*	*-10.8%*	*0.8%*	*4.5%*	6.8%
CASH FLOW									
Cash flow from operating activities	333	(28)	1,532	(466)	(51)	283	77	(552)	224
Cash flow from investing activities	(386)	(2,421)	(382)	(108)	(166)	(192)	(101)	(72)	(157)
Order intake	7,246	7,956	6,104	5,027	5,626	4,642	5,616	4,841	4,643
Order backlog	30,803	31,766	29,451	28,583	26,983	24,595	22,312	22,152	21,713
SEGMENT REPORTING									
Customer Service									
Revenue	1,608	1,968	2,129	1,809	2,020	1,736	2,000	1,770	1,954
Gross profit	433	557	614	489	569	316	480	503	600
EBITDA	244	258	317	195	320	53	200	251	323
EBITA	231	226	293	169	298	29	195	228	300
EBIT	155	199	259	144	277	(531)	151	197	268
Effect of purchase price allocations	(15)	(18)	(40)	(25)	(21)	(28)	(27)	(29)	(29)
Gross margin	*26.9%*	*28.3%*	*28.8%*	*27.0%*	*28.2%*	*18.2%*	*24.0%*	*28.4%*	30.7%
EBITDA margin	*15.2%*	*13.1%*	*14.9%*	*10.8%*	*15.8%*	*3.1%*	*10.0%*	*14.2%*	16.5%
EBITA margin	*14.4%*	*11.5%*	*13.8%*	*9.3%*	*14.8%*	*1.7%*	*9.8%*	*12.9%*	15.4%
EBIT margin	*9.6%*	*10.1%*	*12.2%*	*8.0%*	*13.7%*	*-30.6%*	*7.6%*	*11.1%*	13.7%
Order intake	1,569	3,345	2,442	1,964	1,900	2,109	2,032	2,066	1,801
Order backlog	6,708	7,909	8,159	8,236	7,979	8,325	8,046	8,341	8,169
Material Handling									
Revenue	1,271	1,340	1,326	1,055	944	1,081	1,472	1,040	960
Gross profit	199	183	29	125	(169)	163	216	187	228
EBITDA	28	(29)	(167)	(65)	(356)	(19)	(15)	(16)	57
EBITA	17	(42)	(177)	(79)	(369)	(34)	(29)	(28)	39
EBIT	12	(60)	(203)	(98)	(387)	(46)	(67)	(48)	20
Effect of purchase price allocations	(10)	(10)	(10)	(12)	(12)	(12)	(12)	(16)	(16)
Gross margin	*15.7%*	*13.7%*	*2.2%*	*11.8%*	*-17.9%*	*15.1%*	*14.7%*	*18.0%*	23.8%
EBITDA margin	*2.2%*	*-2.2%*	*-12.6%*	*-6.2%*	*-37.7%*	*-1.8%*	*-1.0%*	*-1.5%*	5.9%
EBITA margin	*1.3%*	*-3.1%*	*-13.3%*	*-7.5%*	*-39.1%*	*-3.1%*	*-2.0%*	*-2.7%*	4.1%
EBIT margin	*0.9%*	*-4.5%*	*-15.3%*	*-9.3%*	*-41.0%*	*-4.3%*	*-4.6%*	*-4.6%*	2.1%
Order intake	1,272	1,675	675	1,616	1,028	638	1,655	1,056	836
Order backlog	5,230	5,514	4,773	5,126	4,976	4,465	4,465	4,445	4,334

9. Quarterly key figures

DKKm	2012			2013				2014	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Mineral Processing									
Revenue	2,057	2,375	3,358	2,010	2,477	2,393	2,376	1,416	1,355
Gross profit	433	558	829	432	544	510	513	295	311
EBITDA	209	240	483	151	292	233	174	89	81
EBITA	193	215	457	130	259	215	153	68	59
EBIT	89	164	426	88	212	(177)	88	38	28
Effect of purchase price allocations	(30)	(57)	(35)	(42)	(46)	(39)	(38)	(29)	(29)
Gross margin	*21.1%*	*23.5%*	*24.7%*	*21.5%*	*22.0%*	*21.3%*	*21.6%*	*20.8%*	*23.0%*
EBITDA margin	*10.2%*	*10.1%*	*14.4%*	*7.5%*	*11.8%*	*9.7%*	*7.3%*	*6.3%*	*6.0%*
EBITA margin	*9.4%*	*9.1%*	*13.6%*	*6.5%*	*10.5%*	*9.0%*	*6.4%*	*4.8%*	*4.4%*
EBIT margin	*4.3%*	*6.9%*	*12.7%*	*4.4%*	*8.6%*	*-7.4%*	*3.7%*	*2.7%*	*2.1%*
Order intake (gross)	2,808	2,598	2,467	1,345	1,679	1,510	1,025	1,041	1,321
Order backlog	10,362	10,529	9,589	9,057	7,891	6,749	4,993	4,635	4,685
Cement									
Revenue	952	905	1,498	1,016	1,304	1,385	1,496	963	1,087
Gross profit	300	330	409	201	237	161	102	192	182
EBITDA	155	214	317	48	101	47	(35)	72	66
EBITA	144	208	307	39	91	38	(44)	63	58
EBIT	74	206	304	37	85	31	(58)	57	52
Effect of purchase price allocations	(3)	(3)	(3)	(2)	(2)	(2)	(2)	(2)	(2)
Gross margin	*31.5%*	*36.5%*	*27.3%*	*19.8%*	*18.2%*	*11.6%*	*6.8%*	*19.9%*	*16.7%*
EBITDA margin	*16.3%*	*23.6%*	*21.2%*	*4.7%*	*7.7%*	*3.4%*	*-2.3%*	*7.5%*	*6.1%*
EBITA margin	*15.1%*	*23.0%*	*20.5%*	*3.8%*	*7.0%*	*2.7%*	*-2.9%*	*6.5%*	*5.3%*
EBIT margin	*7.8%*	*22.8%*	*20.3%*	*3.6%*	*6.5%*	*2.2%*	*-3.9%*	*5.9%*	*4.8%*
Order intake (gross)	1,902	667	615	308	1,335	624	1,150	928	878
Order backlog	9,240	8,579	7,585	6,808	6,847	5,706	5,389	5,348	5,146
Cembrit									
Revenue	383	392	344	270	396	401	374	348	410
Gross profit	124	124	92	41	117	109	91	99	110
EBITDA	46	44	5	(39)	38	8	(10)	19	30
EBITA	33	27	3	(54)	23	(7)	(26)	5	15
EBIT	32	27	2	(55)	22	(8)	(27)	4	14
Gross margin	*32.4%*	*31.6%*	*26.7%*	*15.2%*	*29.6%*	*27.1%*	*24.3%*	*28.4%*	*26.8%*
EBITDA margin	*12.0%*	*11.2%*	*1.5%*	*-14.4%*	*9.6%*	*2.0%*	*-2.7%*	*5.5%*	*7.3%*
EBITA margin	*8.6%*	*6.9%*	*0.9%*	*-20.0%*	*5.8%*	*-1.7%*	*-7.0%*	*1.4%*	*3.7%*
EBIT margin	*8.4%*	*6.9%*	*0.6%*	*-20.4%*	*5.6%*	*-2.0%*	*-7.2%*	*1.1%*	*3.4%*

10. Accounting policies and Management estimates and assessments

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

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

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

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

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

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

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

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

FLSmidth & Co. A/S
Vigerslev Allé 77
DK-2500 Valby
Denmark
Tel.: +45 36 18 18 00
Fax: +45 36 44 11 46
corppr@flsmidth.com
www.flsmidth.com
CVR No. 58180912