1 January - 30 September 2014 (Company announcement No. 20-2014)

Interim Report

Main conclusions Q3 2014

Financial results in Q3 2014

Strong improvements in earnings and cash flow from operations. Reduction in net working capital. Low order intake as a result of continued low level of mining investments and increased market uncertainty. Full-year revenue and margin guidance maintained.

Order intake decreased
3% to DKK 4,502m
(Q3 2013: DKK 4,642m)

Order backlog decreased
13% to DKK 21,416m
(Q3 2013: DKK 24,595m)

Revenue decreased
18% to DKK 5,526m
(Q3 2013: DKK 6,730m)

Earnings before amortisation and impairment of intangible assets (EBITA) increased
104% to DKK 499m (Q3 2013: DKK 245m), corresponding to an EBITA margin of 9.0%
(Q3 2013: 3.6%)

Earnings before interest and tax (EBIT) amounted to DKK 410m (Q3 2013: DKK -727m) corresponding to an EBIT margin of 7.4%
(Q3 2013: -10.8%)

Profit
amounted to DKK 215m
(Q3 2013: DKK -783m)

Cash flow from operating activities increased
213% to DKK 887m
(Q3 2013: DKK 283m)

Net interest-bearing debt
amounted to DKK -4,881m
(end of 2013: DKK -4,718m)

Net working capital
amounted to DKK 2,761m
(end of 2013: DKK 2,382m)

Return on capital employed (ROCE) was unchanged
at 10% (Q3 2013: 10%)

Financial results in Q1-Q3 2014

Order intake decreased
9% to DKK 13,986m
(Q1-Q3 2013: DKK 15,295m)

Order backlog decreased
4% to DKK 21,416m
(end of 2013: DKK 22,312m)

Revenue decreased
16% to DKK 16,400m
(Q1-Q3 2013: DKK 19,503m)

Earnings before amortisation and impairment of intangible assets (EBITA) increased
72% to DKK 1,298m (Q1-Q3 2013: DKK 755m), corresponding to an EBITA margin of 7.9% (Q1-Q3 2013: 3.9%)

Earnings before interest and tax (EBIT)
amounted to DKK 1,030m (Q1-Q3 2013: DKK -399m) corresponding to an EBIT margin of 6.3% (Q1-Q3 2013: -2.0%)

Profit
amounted to DKK 567m
(Q1-Q3 2013: DKK -605)

Cash flow from operating activities
amounted to DKK 559m
(Q1-Q3 2013: DKK -234m)

Guidance for 2014

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

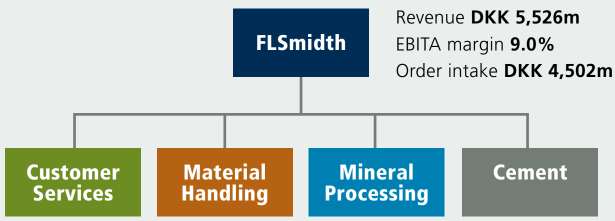
	2014 Guidance	2014 YTD Actual
Revenue	DKK 21-24bn	DKK 16.4bn
EBITA margin	7-9%	7.9%
Return on capital employed (ROCE)	11-13%	10%
Cash flow from investments (excl. acquisitions)	~DKK -0.5bn (previously ~ DKK -0.4bn)	DKK -0.2bn
Effective tax rate	33-35%	34%

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	DKK 5.8bn	13-15%	14.1%
Material Handling	DKK 3.5-4.5bn	DKK 3.0bn	0-2%	1.2%
Mineral Processing	DKK 5.5-6.5bn	DKK 4.0bn	6-8%	5.2%
Cement	DKK 3.5-4.5bn	DKK 3.0bn	5-7%	6.3%
Cembrit	~DKK 1.5bn (previously 1.4bn)	DKK 1.2bn	3-5% (previously 0-2%)	6.0%

Financial results Q3 2014



	Customer Services	Material Handling	Mineral Processing	Cement
Revenue	**DKK 2,081m**	**DKK 1,047m**	**DKK 1,180m**	**DKK 938m**
EBITA margin	**13.8%**	**2.5%**	**6.4%**	**7.1%**
Order intake	**DKK 1,880m**	**DKK 1,082m**	**DKK 809m**	**DKK 916m**

Market trends

The sentiment for global economic growth has become gloomier. The USA and developing economies (excluding China) are pulling in a positive direction whereas slowing growth in China, continued euro-area challenges and intensifying geopolitical tensions are pulling in the opposite direction. Market uncertainty has increased lately as a consequence of multiple local and geopolitical issues.

Mining capex is still expected to decline throughout the year, and to flatten out or slightly drop in 2015. Slow growth should re-emerge in 2016, however with a risk that the increased market uncertainty will prolong the bottom of the cycle somewhat. Most mines continue to run at or close to full capacity utilisation, causing significant wear and tear and a need to invest to avoid disproportional operational costs. Miners remain broadly speaking on track with their cash flow programmes as a consequence of strong focus on capex and net working capital. That said, declining commodity prices, especially bulk commodities, weigh on operational cash flows, possibly extending the period necessary for miners to generate sufficient cash to cover planned dividends and share buybacks. Thereby, also delaying the point of time by which miners obtain sufficient financial flexibility to re-invest. Adding to this, geopolitical uncertainty is causing hesitation rather than eagerness to invest among mining customers.

Cement activity remains close to the bottom of the cycle. Global cement consumption continues to rise and a slight investment upturn is still expected to commence in 2015, though geopolitical circumstances and an aggravated sentiment for global economic growth add uncertainty to the timing and speed of the recovery.

The market for services is largely stable. Both cement and mining customers maintain strict monitoring and control of operational expenditures, but at the same time they are expanding output and prioritising operational optimisation projects.

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	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Year 2013
INCOME STATEMENT					
Revenue	5,526	6,730	16,400	19,503	26,923
Gross profit	1,404	1,254	4,111	3,829	5,209
Earnings before non-recurring items, depreciation, amortisation and impairment (EBITDA)	595	324	1,560	1,018	1,304
Earnings before amortisation and impairment on intangible assets (EBITA)	499	245	1,298	755	977
Earnings before interest and tax (EBIT)	410	(727)	1,030	(399)	(339)
Earnings from financial items, net	(82)	(75)	(177)	(111)	(261)
Earnings before tax (EBT)	328	(802)	853	(510)	(600)
Profit/loss for the period, continuing activities	**215**	**(783)**	**561**	**(602)**	**(786)**
Profit/loss for the period, discontinued activities	-	-	6	(3)	2
Profit/loss for the period	**215**	**(783)**	**567**	**(605)**	**(784)**
CASH FLOW					
Cash flow from operating activities	887	283	559	(234)	(157)
Acquisition and disposal of enterprises and activities	(94)	(14)	(188)	41	27
Acquisition of tangible assets	(52)	(141)	(148)	(444)	(524)
Other investments, net	(6)	(37)	(45)	(63)	(70)
Cash flow from investing activities	(152)	(192)	(381)	(466)	(567)
Cash flow from operating and investing activities of continuing activities	735	91	175	(695)	(720)
Cash flow from operating and investing activities of discontinued activities	-	-	3	(5)	(4)
NET WORKING CAPITAL			**2,761**	**2,285**	**2,382**
NET INTEREST-BEARING DEBT			**4,881**	**4,426**	**4,718**
ORDER INTAKE	**4,502**	**4,642**	**13,986**	**15,295**	**20,911**
ORDER BACKLOG			**21,416**	**24,595**	**22,312**
BALANCE SHEET					
Non-current assets			12,352	12,441	12,120
Current assets			14,814	16,713	15,208
Total assets			**27,166**	**29,154**	**27,328**
Equity			7,644	7,299	6,922
Long-term liabilities			7,455	7,652	7,284
Short-term liabilities			12,067	14,203	13,122
Total equity and liabilities			**27,166**	**29,154**	**27,328**
DIVIDEND TO THE SHAREHOLDERS			**99**	**467**	**467**
FINANCIAL RATIOS					
Continuing activities					
Gross margin	*25.4%*	*18.6%*	*25.1%*	*19.6%*	*19.3%*
EBITDA margin	*10.8%*	*4.8%*	*9.5%*	*5.2%*	*4.8%*
EBITA margin	*9.0%*	*3.6%*	*7.9%*	*3.9%*	*3.6%*
EBIT margin	*7.4%*	*-10.8%*	*6.3%*	*-2.0%*	*-1.3%*
EBT margin	*5.9%*	*-11.9%*	*5.2%*	*-2.6%*	*-2.2%*
Return on equity			10%	-10%	-10%
Equity ratio			28%	25%	25%
ROCE (Return on capital employed*)			10%	10%	6%
Net working capital ratio (end of period)			11.6%	9.3%	8.8%
Net working capital ratio (average)			10.6%	9.4%	8.1%
Capital employed (end of period)			16,066	16,173	16,013
Capital employed (average)			16,120	16,648	16,070
Financial gearing (NIBD/EBITDA)			2.6	2.2	3.6
Number of employees end of period			**14,861**	**15,735**	**15,317**
Number of employees in Denmark			1,316	1,590	1,547
Share and dividend figures, the Group					
CFPS (cash flow per share), (diluted)	18.0	5.7	11.2	(4.6)	(3.1)
EPS (earnings per share), (diluted)	4.3	(15.7)	11.2	(12.0)	(15.6)
FLSmidth & Co. share price			282,0	297,0	296,1
Number of shares (1,000) end of period			51,250	53,200	53,200
Market capitalisation			14,453	15,800	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

Strong improvements in earnings and cash flow from operations. Reduction in net working capital. Low order intake as a result of continued low level of mining investments and increased market uncertainty. Full-year revenue and margin guidance maintained.

Financial developments in Q3 2014

Growth efficiency

Unlike the first two quarters of 2014, the currency impact in Q3 on revenue and order intake was negligible as the Danish krone weakened significantly against in particular the US dollar during the quarter. However, currency developments in the quarter had a significant impact on the balance sheet.

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. However, two large announced orders were awarded in Q3. A DKK 302m order for the supply of coal handling equipment in Vietnam, and a contract for a DKK 507m greenfield cement plant in the Democratic Republic of Congo.

Unannounced orders declined to around DKK 3.7bn (Q3 2013: DKK 4.4bn), mainly explained by the lower level of orders in Mineral Processing. The order intake for the Group decreased 3% to DKK 4,502m (Q3 2013: DKK 4,642m), whilst currency had a positive effect of 1%. Total service activities accounted for 55% of the order intake in Q3 (Q3 2013: 53%), 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 Q3 2014

Order intake (vs. Q3 2013)	Customer Services	Material Handling	Mineral Processing	Cement	FLSmidth Group
Organic growth	-11%	68%	-46%	44%	-4%
Currency	0%	2%	0%	3%	1%
Total growth	**-11%**	**70%**	**-46%**	**47%**	**-3%**

The order backlog ended Q3 at DKK 21,416m and thus decreased 4% compared to the start of the year (end of 2013: DKK 22,312m) and decreased 13% compared to the same period last year (end of Q3 2013: DKK 24,595m). The maturity profile of the order backlog extends six years. 24% of the current backlog is expected to be converted into revenue in 2014, 56% in 2015, and 20% in 2016 and beyond.

Group

DKKm	Q3 2014	Q3 2013	Change (%)	Q1-Q3 2014	Q1-Q3 2013	Change (%)
Order intake (excl. Cembrit)	**4,502**	**4,642**	-3%	**13,986**	**15,295**	-9%
Order backlog (excl. Cembrit)	**21,416**	**24,595**	-13%	**21,416**	**24,595**	-13%
Revenue	**5,526**	**6,730**	-18%	**16,400**	**19,503**	-16%
Gross profit	**1,404**	**1,254**	12%	**4,111**	**3,829**	7%
Gross margin	*25.4%*	*18.6%*		*25.1%*	*19.6%*	
EBITDA	**595**	**324**	84%	**1,560**	**1,018**	53%
EBITDA margin	*10.8%*	*4.8%*		*9.5%*	*5.2%*	
EBITA	**499**	**245**	104%	**1,298**	**755**	72%
EBITA margin	*9.0%*	*3.6%*		*7.9%*	*3.9%*	
EBIT	**410**	**(727)**	n/a	**1,030**	**(399)**	n/a
EBIT margin	*7.4%*	*-10.8%*		*6.3%*	*-2.0%*	
Number of employees	**14,861**	**15,735**	-6%	**14,861**	**15,735**	-6%

Revenue

Revenue decreased 18% to DKK 5,526m in Q3 (Q3 2013: DKK 6,730m). Revenue growth was positive in Customer Services, however more than offset by a significant drop in Mineral Processing and Cement following lower order intake in 2013.

Revenue developments in Q3 2014

Revenue (vs. Q3 2013)	**Customer Services**	**Material Handling**	**Mineral Processing**	**Cement**	**FLSmidth Group**
Organic growth	21%	-2%	-50%	-32%	-18%
Currency	-1%	-1%	-1%	0%	-0%
Total growth	**20%**	**-3%**	**-51%**	**-32%**	**-18%**

Total service activities accounted for 48% of revenue in Q3 (Q3 2013: 34%).

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 are expected to amount to DKK 500m. DKK 493m has been booked in 2013-2014, and DKK 65m was booked in Q1-Q3 2014 and are included in the EBITA guidance for 2014 of 7-9%. Initiatives implemented so far are expected to have a full-year EBITA impact in 2015 of DKK 692m.

The EBITA improvements are related to the following six building blocks of the efficiency programme:

Cost optimisation	33%
Material Handling	20%
Profit boost	28%
Optimised sourcing	10%
Sales optimisation	8%
Leading technology	1%

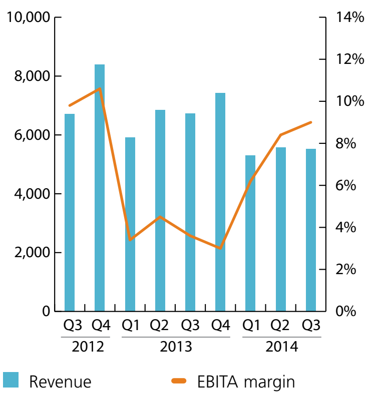
It is estimated that the efficiency programme had a DKK 135m positive impact on EBITA in Q3 2014 before one-off costs. Adjusted for one-off costs of DKK 8m, the estimated net EBITA impact was DKK 127m.

In Q3 2014, the gross profit increased 12% to DKK 1,404m (Q3 2013: DKK 1,254m), which represented an increase in the gross margin to 25.4% (Q3 2013: 18.6%). The increase in gross margin is attributable to better performance in all divisions including Cembrit. The benefits of the efficiency programme are continuously materialising and also it should be noted that earnings in Q3 2013 were adversely impacted by costs related to the efficiency programme as well as an inventory write-down of DKK 203m.

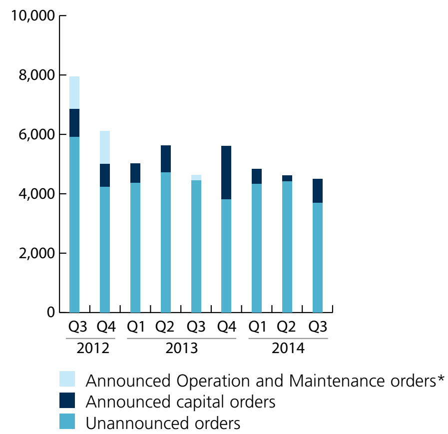
Q3 saw total research and development expenses of DKK 81m (Q3 2013: DKK 117m), representing 1.5% of revenue (Q3 2013: 1.7%), of which DKK 29m was capitalised (Q3 2013: DKK 29m) and the balance reported as production costs.

Sales, distribution and administrative costs and other operating items amounted to DKK 809m in Q3 (Q3 2013: DKK 930m), which represents a cost percentage (SG&A ratio) of 14.6% of revenue (Q3 2013: 13.8%). Sequentially, SG&A costs declined DKK 65m in Q3 (Q2 2014: DKK 874m) and the SG&A ratio declined 1.1%-points (Q2 2014: 15.7%).

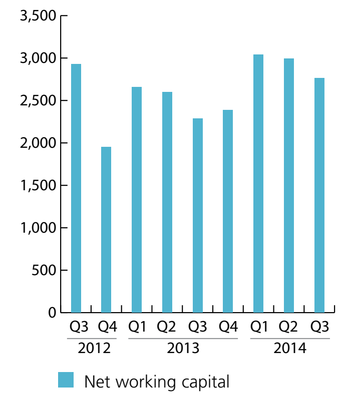
Quarterly revenue and EBITA margin



Quarterly order intake



Net working capital



**As of November 2013, operation and maintenance orders are based on 12 months' rolling revenue.*

Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) increased 84% to DKK 595m (Q3 2013: DKK 324m), corresponding to an EBITDA margin of 10.8% (Q3 2013: 4.8%).

Depreciation and impairment of tangible assets amounted to DKK 82m (Q3 2013: DKK 81m).

Earnings before amortisation and impairment of intangible assets (EBITA) increased 104% to DKK 499m (Q3 2013: DKK 245m), corresponding to an EBITA margin of 9.0% (Q3 2013: 3.6%).

The increase in the EBITA margin is primarily a consequence of better performance in all divisions but Mineral Processing and a positive contribution from the efficiency programme. In total, the EBITA result in Q3 included one-off costs of DKK 18m (Q3 2013: DKK 370m).

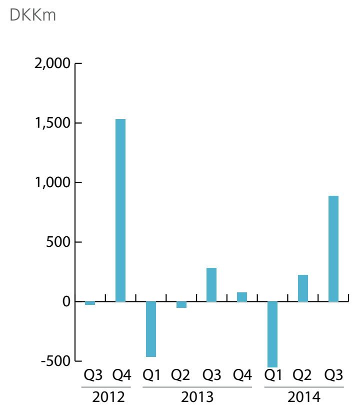
Amortisation and impairment of intangible assets amounted to DKK 89m (Q3 2013: DKK 972m), of which the effect of purchase price allocations accounted for DKK 76m (Q3 2013: DKK 81m). Q3 2013 included an impairment loss of DK 880m in connection with the acquisition of Ludowici assets.

Earnings before interest and tax (EBIT) amounted to DKK 410m (Q3 2013: DKK -727m), corresponding to an EBIT margin of 7.4% (Q3 2013: -10.8%).

Financial items amounted to DKK -82m (Q3 2013: DKK -75m).

Earnings before tax (EBT) amounted to DKK 328m (Q3 2013: DKK -802m).

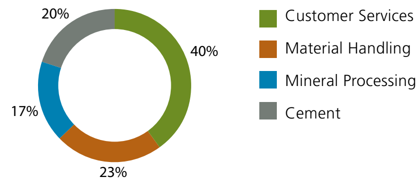
Cash flow from operating activities



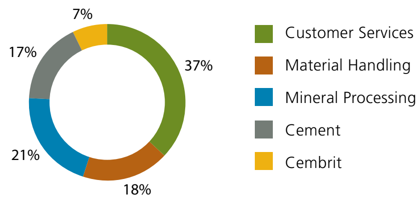
The tax in Q3 amounted to DKK -113m (Q3 2013: DKK 19m), corresponding to a tax rate of 34%.
Profit for the period increased to DKK 215m (Q3 2013: DKK -783m).

Earnings per share (diluted) amounted to DKK 4.3 (Q3 2013: DKK -15.7).

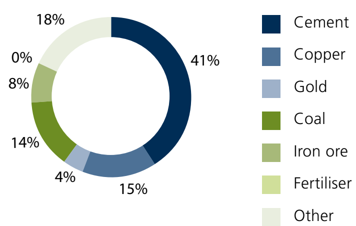
Order intake by segment (Q3 2014)



Revenue by segment (Q3 2014)



Order intake by industry (Q3 2014)



Capital efficiency

Capital efficiency is very important in a cyclical downturn, and thus one of management's top priorities. In the short term, the focus is particularly strong on managing net working capital. Net working capital declined to DKK 2,761m at the end of the period (end of Q2 2014: DKK 2,995m), representing 11.6% of revenue (last 12 months) (end of Q2 2014: 12.0%). Currency developments triggered an increase of DKK 226m in net working capital in Q3. The current relatively high level of net working capital is partly caused by low business activity, reflected in declining prepayments from customers and upward pressure on inventories. Thus, inventories increased by DKK 200m in Q3 of which DKK 131m is explained by currency developments, and net prepayments declined by DKK 85m. It is expected that net working capital at the end of the year will be around the same level as at the beginning of the year in local currencies (end of 2013: DKK 2,382m).

Cash flow developments

Cash flow from operating activities increased 213% to DKK 887m in Q3 (Q3 2013: DKK 283m) as a consequence of a solid EBITDA result, improved net working capital and financial payments of DKK 75m in the quarter.

Cash flow from investing activities amounted to DKK -152m (Q3 2013: DKK -192m) of which DKK 94m concerned a deferred payment related to the acquisition of the Australian company M.I.E Enterprises Pty Ltd. in 2012.

Balance sheet and capital structure

The balance sheet total amounted to DKK 27,166m at the end of the period (end of 2013: DKK 27,328m).

The consolidated equity increased to DKK 7,644m in Q3 (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 4,881m (end of 2013: DKK 4,718m), which means that the net interest bearing debt was reduced by DKK 260m in the third quarter. The net debt was negatively impacted by the acquisition of treasury shares of DKK 144m.

The Group's financial gearing calculated as NIBD/EBITDA amounted to 2.6 at the end of the quarter (end of 2013: 3.6), however still impacted by one-off costs recognised in the fourth quarter of 2013 as EBITDA is calculated on a 12 months´ rolling basis. At present, the financial gearing is outside the Group's long-term financial targets, however not in conflict with any financial covenants and it is expected to normalise over the coming quarters.

The current capital resources consist of committed credit facilities of DKK 8.3bn (excluding mortgage) with a weighted average time to maturity of 2.2 years. Please see the Annual Report 2013, note 30 for more information.

Employees

The number of employees amounted to 14,861 by the end of Q3, which is net 1% lower than the preceding quarter (end of Q2 2014: 14,952). The reduction primarily pertains to Mineral Processing, whereas the number of employees in Customer Services increased due to recruitment of staff on operation and maintenance contracts.

Treasury shares

FLSmidth's treasury share capital increased by 440,087 to 2,220,483 shares at the end of Q3 2014 (end of Q2 2014: 1,780,396 shares), representing 4.3% of the share capital (end of Q2 2014: 3.5%). The shares acquired in Q3 relate to the new share option plan as explained below.

Incentive plan

At the end of Q3 2014, there were a total of 2,218,511 unexercised share options under the Group's incentive plan and the fair value of them was DKK 92m. The fair value is calculated by means of a Black & Scholes model based on a share price of 292, a volatility of 27.59% and annual dividend of DKK 9 per share. The effect of the plan on the income statement for Q3 2014 was DKK 10.5m (Q3 2013: DKK 10.0m).

As announced in the half-yearly report and in a company announcement on 22 August 2014, the Board of Directors of FLSmidth & Co. A/S has granted new share options to the Executive Management and key staff (99 persons). The share options total 593,785 of which the Executive Management will receive 116,102 options. The exercise period is 2017-2020 and the exercise price is DKK 325.2, calculated as the average closing price for the first five trading days following the announcement of the half-yearly report 2014 plus a hurdle rate of 10%.

Group guidance

The Group guidance for revenue, EBITA-margin and ROCE in 2014 is unchanged. Cash flow from investing activities (excluding acquisitions) is expected to amount to DKK -0.5bn in 2014 (previously DKK -0.4bn). This is a consequence of a decision to invest in developing the production capacity in Cembrit as the turnaround is happening faster than anticipated. For more information, please see page 3.

Cembrit upgrades full-year guidance

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 well on track. Cembrit delivered a positive development in revenue, which increased to DKK 424m in Q3 (Q3 2013: DKK 401m) and the EBITA margin increased substantially to 12.1% (Q3 2013: -1.7%). The positive margin development is explained by tight cost focus and increased operational leverage. The revenue guidance for the full-year has been upgraded to DKK 1.5bn (previously DKK 1.4bn) and the EBITA margin guidance to 3-5% (previously 0-2%).

Financial calendar 2014-2015

11 December 2014: Capital Markets Day
12 February 2015: Annual Report 2014
26 March 2015: Annual General Meeting
8 May: Interim Report 1st quarter 2015
25 August. Interim Report 1st half 2015
12 November: Interim Report 1st-3rd quarter 2015

Events after the balance sheet date

None

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

Significant revenue growth and margin improvement.

Developments in Q3 2014

The market for Customer Services was largely unchanged in Q3, however with signs of slightly improved regional cement activity, especially in the U.S. market. Demand is strongest for spare parts but also small retrofit projects to help customers lower cost of production and minimize down time. In minerals, inquiries are stable but still affected by miners' strict costs control. Activity remains soft in some regions. The most active region for minerals is South America. Overall, miners' agenda is unchanged as they strive to maximise output, minimise cost of operation, lower inventories, ensure sustainable operations, and last but not least, preserve cash. In general, both order sizes and delivery times have decreased as large packages are now typically replaced by smaller orders with shorter delivery times.

Order intake for Q3 2014 was DKK 1,880m, representing a decrease of 11% compared to Q3 2013 (Q3 2013: DKK 2,109m). The decrease was related to Operation and Maintenance projects with all other activities reporting an increase of 10% over 2013 levels. Currency had no impact on order intake in the quarter.

Revenue increased by 20% in Q3 2014 to DKK 2,081m (Q3 2013: DKK 1,736m), and increased 21% adjusted for currency effects. The ramp up of Operation and Maintenance contracts in Nigeria is progressing slower than anticipated.

EBITA amounted to DKK 288m, representing a substantial increase over the Q3 2013 result of DKK 29m which was impacted by write-down of inventories and costs related to the efficiency programme. The EBITA margin in Q3 was 13.8% which is a significant increase compared to the corresponding quarter last year (Q3 2013: 1.7%).

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	Q3 2014	Q3 2013	Change (%)	Q1-Q3 2014	Q1-Q3 2013	Change (%)
Order intake	**1,880**	**2,109**	-11%	**5,747**	**5,973**	-4%
Order backlog	**7,977**	**8,325**	-4%	**7,977**	**8,325**	-4%
Revenue	**2,081**	**1,736**	20%	**5,805**	**5,565**	4%
Gross profit	**567**	**316**	79%	**1,670**	**1,374**	22%
Gross margin	*27.3%*	*18.2%*		*28.8%*	*24.7%*	
EBITDA	**316**	**53**	496%	**890**	**568**	57%
EBITDA margin	*15.2%*	*3.1%*		*15.3%*	*10.2%*	
EBITA	**288**	**29**	893%	**816**	**496**	65%
EBITA margin	*13.8%*	*1.7%*		*14.1%*	*8.9%*	
EBIT	**256**	**(531)**	n/a	**721**	**(110)**	n/a
EBIT margin	*12.3%*	*-30.6%*		*12.4%*	*-2.0%*	
Number of employees	**6,513**	**5,916**	10%	**6,513**	**5,916**	10%

Material Handling

Improved earnings and order intake.

Developments in Q3 2014

The market for material handling remains soft and sentiment in the industry has dropped over the year along with the mining capex downturn. In particular inquiries for larger greenfield projects are fewer, whereas demand for plant optimisation and brownfield expansion is more stable. In total, the pipeline of potential projects has become somewhat weaker, though opportunities exist, especially within the coal industry. The most active markets are the Middle East, Sub-Saharan Africa, and to some extent India, whereas activity is slow in South America and South Africa.

Cost optimisation remains our customers´ number one priority and operational optimisation is critical for many miners as power, water and declining ore grades continue to increase costs. However, many small and mid-tier miners are restricted on liquidity as a consequence of the drop in bulk commodity prices, making new projects progress more slowly.

Order intake in Q3 increased 70% to DKK 1,082m (Q3 2013: DKK 638m), mainly due to the DKK 302m coal order received in Vietnam. Adjusted for currency effects, the order intake increased 69%.

Revenue decreased 3% to DKK 1,047m (Q3 2013: DKK 1,081m). Currency impact on revenue was -1%.

EBITA amounted to DKK 26m, which is a significant improvement over the same quarter last year (Q3 2013: DKK -34m). The one-off costs realised in Q2 last year are still expected to sufficiently cover the completion of the risky projects. The EBITA margin was 2.5% (Q3 2013: -3.1%). 12 projects out of a total portfolio of 181 projects in the Material Handling business unit are still regarded as risky (end of Q2 2014: 12 projects). These projects accounted for DKK 251m or 6% of the backlog at the end of Q3 2014 (end of Q2 2014: DKK 284m or 7% 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	Q3 2014	Q3 2013	Change (%)	Q1-Q3 2014	Q1-Q3 2013	Change (%)
Order intake	**1,082**	**638**	70%	**2,974**	**3,282**	-9%
Order backlog	**4,501**	**4,465**	1%	**4,501**	**4,465**	1%
Revenue	**1,047**	**1,081**	-3%	**3,047**	**3,080**	-1%
Gross profit	**186**	**163**	14%	**601**	**119**	405%
Gross margin	*17.9%*	*15.1%*		*19.7%*	*3.9%*	
EBITDA	**47**	**(19)**	n/a	**88**	**(440)**	n/a
EBITDA margin	*4.5%*	*-1.8%*		*2.9%*	*-14.3%*	
EBITA	**26**	**(34)**	n/a	**37**	**(482)**	n/a
EBITA margin	*2.5%*	*-3.1%*		*1.2%*	*-15.6%*	
EBIT	**6**	**(46)**	n/a	**(22)**	**(531)**	n/a
EBIT margin	*0.6%*	*-4.3%*		*-0.7%*	*-17.2%*	
Number of employees	**2,928**	**3,413**	-14%	**2,928**	**3,413**	-14%

Mineral Processing

Weak order intake and revenue. Margins holding up.

Developments in Q3 2014

The continued weakness in mining investments was reflected in the third quarter order intake for the division. Order intake in Q3 2014 amounted to DKK 809m, representing a decrease of 46% compared to the same quarter last year (Q3 2013: DKK 1,510m) and a sequential decrease of 39% (Q2 2014: DKK 1,321m). There was no currency impact in the quarter.

On a positive note, Q3 saw a slight improvement in inquiries for single equipment orders, especially within copper. Other than that, sentiment remains sluggish, and the market competitive with few large orders available. Mining customers maintain strong focus on costs and cash flow, investing mostly in plant upgrades and retrofits to enhance productivity. In spite of declining commodity prices, price levels are arguably high enough to justify some new projects but even viable projects move slowly. Mining majors are faced with internal capital constraints, reserving cash for dividend and buy-back programmes. Mid-tier and junior miners remain challenged by a difficult external funding environment. In other cases, projects are held back due to lack of environmental permitting.

Revenue decreased 51% to DKK 1,180m in Q3 2014 (Q3 2013: DKK 2,393m) as a consequence of declining order intake in 2013 and 2014, and a negative currency effect of 1%.

EBITA decreased 64% to DKK 77m (Q3 2013: DKK 215m), equivalent to an EBITA margin of 6.4% (Q3 2013: 9.0%).

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	Q3 2014	Q3 2013	Change (%)	Q1-Q3 2014	Q1-Q3 2013	Change (%)
Order intake	**809**	**1,510**	-46%	**3,171**	**4,534**	-30%
Order backlog	**4,319**	**6,749**	-36%	**4,319**	**6,749**	-36%
Revenue	**1,180**	**2,393**	-51%	**3,951**	**6,880**	-43%
Gross profit	**343**	**510**	-33%	**949**	**1,486**	-36%
Gross margin	*29.0%*	*21.3%*		*24.0%*	*21.6%*	
EBITDA	**99**	**233**	-58%	**269**	**676**	-60%
EBITDA margin	*8.3%*	*9.7%*		*6.8%*	*9.8%*	
EBITA	**77**	**215**	-64%	**204**	**604**	-66%
EBITA margin	*6.4%*	*9.0%*		*5.2%*	*8.8%*	
EBIT	**46**	**(177)**	n/a	**112**	**123**	-9%
EBIT margin	*3.8%*	*-7.4%*		*2.8%*	*1.8%*	
Number of employees	**2,257**	**2,994**	-25%	**2,257**	**2,994**	-25%

Cement

Significant increase in order intake and earnings.

Developments in Q3 2014

The global market for cement projects remains subdued, however with continued good local and regional opportunities. In line with previous quarters, the most active markets are Africa, The Middle East, parts of South East Asia, and parts of South America. Activity in Russia is restricted by the conflict with Ukraine. The United States still faces surplus capacity but utilisation rates are on the rise and approaching equilibrium, which is leading to business opportunities. Optimism in India is evident following the change in government; however, planned reforms need to reach the implementation stage in order for additional business opportunities to materialise.

The order intake increased 47% in Q3 to DKK 916m (Q3 2013: DKK 624m) as a result of a DKK 507m order for a greenfield cement plant in the Democratic Republic of Congo. It should be noted, however, that intake of large orders is volatile per se. Adjusted for currency effects, the order intake increased 44%.

Revenue decreased 32% as expected to DKK 938m in Q3 2014 (Q3 2013: DKK 1,385m). There was no currency impact in the quarter.

EBITA increased 76% to DKK 67m (Q3 2013: DKK 38m), equivalent to an EBITA margin of 7.1% (Q3 2013: 2.7%).

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	Q3 2014	Q3 2013	Change (%)	Q1-Q3 2014	Q1-Q3 2013	Change (%)
Order intake	**916**	**624**	47%	**2,722**	**2,267**	20%
Order backlog	**5,234**	**5,706**	-8%	**5,234**	**5,706**	-8%
Revenue	**938**	**1,385**	-32%	**2,988**	**3,705**	-19%
Gross Profit	**179**	**161**	11%	**553**	**599**	-8%
Gross margin	*19.1%*	*11.6%*		*18.5%*	*16.2%*	
EBITDA	**76**	**47**	62%	**214**	**196**	9%
EBITDA margin	*8.1%*	*3.4%*		*7.2%*	*5.3%*	
EBITA	**67**	**38**	76%	**188**	**168**	12%
EBITA margin	*7.1%*	*2.7%*		*6.3%*	*4.5%*	
EBIT	**61**	**31**	97%	**170**	**153**	11%
EBIT margin	*6.6%*	*2.2%*		*5.7%*	*4.1%*	
Number of employees	**2,083**	**2,331**	-11%	**2,083**	**2,331**	-11%

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 September 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 September 2014 as well as of its financial performance and its cash flow for the period 1 January - 30 September 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, 7 November 2014

Group Executive Management:

Thomas Schulz
Group Chief Executive Officer

Lars Vestergaard
Group Executive Vice President and CFO

Bjarne Moltke Hansen
Group Executive Vice President

Per Mejnert Kristensen
Group Executive Vice President

Carsten R. Lund
Group Executive Vice President

Virve Elisabeth Meesak
Group Executive Vice President

Eric Thomas Poupier
Group Executive Vice President

Manfred Schaffer
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	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013
	Revenue	5,526	6,730	16,400	19,503
	Production costs	(4,122)	(5,476)	(12,289)	(15,674)
	Gross profit	**1,404**	**1,254**	**4,111**	**3,829**
	Sales and distribution costs	(433)	(437)	(1,242)	(1,363)
	Administrative costs	(421)	(528)	(1,377)	(1,562)
	Other operating income	45	60	103	145
	Other operating costs	-	(25)	(35)	(31)
	Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**595**	**324**	**1,560**	**1,018**
	Special non-recurring items	(14)	2	(20)	(13)
	Depreciation and impairment of tangible assets	(82)	(81)	(242)	(250)
	Earnings before amortisations and impairment of intangible assets (EBITA)	**499**	**245**	**1,298**	**755**
	Amortisation and impairment of intangible assets	(89)	(972)	(268)	(1,154)
	Earnings before interest and tax (EBIT)	**410**	**(727)**	**1,030**	**(399)**
	Financial income	303	170	704	999
	Financial costs	(385)	(245)	(881)	(1,110)
	Earnings before tax (EBT)	**328**	**(802)**	**853**	**(510)**
	Tax for the period	(113)	19	(292)	(92)
	Profit/loss for the period, continuing activities	**215**	**(783)**	**561**	**(602)**
	Profit/loss for the period, discontinued activities	-	-	6	(3)
	Profit/loss for the period	**215**	**(783)**	**567**	**(605)**
	To be distributed as follows:				
	FLSmidth & Co. A/S shareholders' share of profit/loss for the period	213	(785)	556	(607)
	Minority shareholders' share of profit/loss for the period	2	2	11	2
		215	**(783)**	**567**	**(605)**
2	Earnings per share:				
	Continuing and discontinued activities	4.3	(15.7)	11.2	(12.0)
	Continuing and discontinued activities, diluted	4.3	(15.7)	11.2	(12.0)
	Continuing activities	4.3	(15.7)	11.1	(11.9)
	Continuing activities, diluted	4.3	(15.7)	11.1	(11.9)
1	Income statement classified by function				

Consolidated statement of comprehensive income

DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013
Notes				
Profit/loss for the period	**215**	**(783)**	**567**	**(605)**
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)	(1)	(1)
Tax hereof	0		0	
Items that are or may be re-classified subsequently to profit or loss:				
Foreign exchange adjustment regarding enterprises abroad	169	(82)	363	(346)
Foreign exchange adjustment of loans classified as equity in enterprises abroad	108	(61)	96	(152)
Value adjustments of hedging instruments:				
Value adjustments for the period	(93)	(2)	(107)	10
Value adjustments transferred to production costs		2		3
Value adjustments transferred to financial income and cost		(15)		-
Value adjustments transferred to other operating items	9	(5)	7	(5)
Tax on other comprehensive income	-	16	3	39
Other comprehensive income for the period after tax	**193**	**(148)**	**361**	**(452)**
Other comprehensive income for the period	**408**	**(931)**	**928**	**(1,057)**
Comprehensive income for the period attributable to:				
FLSmidth & Co, A/S shareholders' share of comprehensive income for the period	406	(930)	916	(1,052)
Minority shareholders' share of comprehensive income for the period	2	(1)	12	(5)
	408	**(931)**	**928**	**(1,057)**

Consolidated cash flow statement

DKKm		Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013
Notes					
	Earnings before special non-recurring items, depreciation, amortisation, impairment (EBITDA), continuing activities	595	324	1,560	1,018
	Earnings before special non-recurring items, depreciation, amortisation, impairment (EBITDA), discontinued activities	1	(2)	7	(1)
	Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**596**	**322**	**1,567**	**1,017**
	Adjustment for profits/losses on sale of tangible and intangible assets and foreign exchange adjustments and special non-recurring items, etc.	(8)	20	8	21
	Adjusted earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**588**	**342**	**1,575**	**1,038**
	Change in provisions	(8)	122	(340)	140
	Change in working capital	267	152	(307)	(544)
	Cash flow from operating activities before financial items and tax	**847**	**616**	**928**	**634**
	Financial net payments	75	(204)	(18)	(361)
	Taxes paid	(35)	(129)	(351)	(507)
	Cash flow from operating activities	**887**	**283**	**559**	**(234)**
4	Acquisition of enterprises and activities	(94)	(7)	(194)	(46)
	Acquisition of intangible assets	(38)	(58)	(105)	(158)
	Acquisition of tangible assets	(52)	(141)	(148)	(444)
	Acquisition of financial assets	-	(2)	(1)	(3)
	Disposal of enterprises and activities	-	(7)	6	87
	Disposal of intangible assets	10	-	10	4
	Disposal of tangible assets	21	23	44	75
	Disposal of financial assets	1	-	7	19
	Cash flow from investing activities	**(152)**	**(192)**	**(381)**	**(466)**
	Dividend	-	(3)	(99)	(470)
	Acquisition of treasury shares	(144)	(196)	(145)	(631)
	Disposal of treasury shares	7	-	10	7
	Change in other interest-bearing net receivables/(debt)	(587)	(147)	(17)	1,621
	Cash flow from financing activities	**(724)**	**(346)**	**(251)**	**527**
	Change in cash and cash equivalents	**11**	**(255)**	**(73)**	**(173)**
	Cash and cash equivalents beginning of period	963	1,627	1,077	1,639
	Foreign exchange rate adjustment, cash and cash equivalents	74	(38)	44	(132)
	Cash and cash equivalents at 30 September	1,048	1,334	1,048	1,334

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

Consolidated balance sheet

Assets

Notes	DKKm	End of Q3 2014	End of 2013
	Goodwill	4,288	4,094
	Patents and rights	1,520	1,606
	Customer relations	1,228	1,254
	Other intangible assets	103	125
	Completed development projects	84	115
	Intangible assets under development	632	542
	Intangible assets	**7,855**	**7,736**
	Land and buildings	1,800	1,737
	Plant and machinery	936	972
	Operating equipment, fixtures and fittings	205	235
	Tangible assets in course of construction	262	231
	Tangible assets	**3,203**	**3,175**
	Investments in associates	9	9
	Other securities and investments	58	59
	Pension assets	15	10
	Deferred tax assets	1,212	1,131
	Financial assets	**1,294**	**1,209**
	Total non-current assets	**12,352**	**12,120**
	Inventories	**2,930**	**2,575**
	Trade receivables	5,164	5,099
8	Work-in-progress for third parties	3,779	4,491
	Prepayments to subcontractors	284	414
	Other receivables	1,515	1,511
	Prepaid expenses and accrued income	93	34
	Receivables	**10,835**	**11,549**
	Bonds and listed shares	**1**	**7**
	Cash and cash equivalents	**1,048**	**1,077**
	Total current assets	**14,814**	**15,208**
	TOTAL ASSETS	**27,166**	**27,328**

Consolidated balance sheet

Equity and liabilities

Notes	DKKm	End of Q3 2014	End of 2013
	Share capital	1,025	1,064
	Foreign exchange adjustments	(275)	(733)
	Value adjustments of hedging transactions	(123)	(23)
	Retained earnings	6,975	6,474
	Proposed dividend	-	106
	FLSmidth & Co. A/S shareholders' share of equity	**7,602**	**6,888**
	Minority shareholders' share of equity	42	34
	Total equity	**7,644**	**6,922**
	Deferred tax liabilities	678	541
	Pension liabilities	152	159
6	Other provisions	679	688
	Mortgage debt	352	352
	Bank loans	5,184	5,023
	Finance lease	3	4
	Prepayments from customers	272	327
	Other liabilities	135	190
	Long-term liabilities	**7,455**	**7,284**
	Pension liabilities	9	11
6	Other provisions	1,095	1,421
	Bank loans	361	178
	Finance lease	5	6
	Prepayments from customers	1,772	2,632
8	Work-in-progress for third parties	3,813	3,138
	Trade payables	2,478	3,283
	Current tax liabilities	369	523
	Other liabilities	2,127	1,890
	Deferred revenue	38	40
	Short-term liabilities	**12,067**	**13,122**
	Total liabilities	**19,522**	**20,406**
	TOTAL EQUITY AND LIABILITIES	**27,166**	**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				556		556	11	567
Other comprehensive income								
Foreign exchange adjustments regarding enterprises abroad		362				362	1	363
Foreign exchange adjustments of loans classified as equity in enterprises abroad		96				96		96
Value adjustments of hedging instruments:								
Value adjustments for the period			(107)			(107)		(107)
Value adjustments transferred to other operating items			7			7		7
Actuarial gains/(losses) on defined benefit plans				(1)		(1)		(1)
Tax on other comprehensive income				3		3		3
Other comprehensive income total	**0**	**458**	**(100)**	**2**	**0**	**360**	**1**	**361**
Comprehensive income for the period	**0**	**458**	**(100)**	**558**	**0**	**916**	**12**	**928**
Dividend distributed					(99)	(99)		(99)
Dividend treasury share				7	(7)	0		0
Share-based payment, share options				32		32		32
Disposal of treasury shares				10		10		10
Acquisition of treasury shares				(145)		(145)		(145)
Cancellation of shares	(39)			39		0		0
Disposal minority interests						0	(4)	(4)
Equity at 30 September 2014	**1,025**	**(275)**	**(123)**	**6,975**	**0**	**7,602**	**42**	**7,644**

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	472,477 shares	2,286,151 shares
Share options settled	(41,777) shares	(30,425) shares
Treasury shares at 30 September	2,220,483 shares	3,615,610 shares

Representing 4.3% (2013: 6.8%) 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' sharehol-ders' share	Minority sharehol-ders´ share of equity	Total
Equity at 1 January 2013	**1,064**	**(8)**	**4**	**7,831**	**479**	**9,370**	**49**	**9,419**
Comprehensive income for the period								
Profit/loss for the period				(607)		(607)	2	(605)
Other comprehensive income								
Actuarial gains/(losses) on defined benefit plans				(1)		(1)		(1)
Foreign exchange adjustments regarding enterprises abroad		(339)				(339)	(7)	(346)
Foreign exchange adjustments of loans classified as equity in enterprises abroad		(152)				(152)		(152)
Value adjustments of hedging instruments:								
Value adjustments for the period			10			10		10
Value adjustments transferred to production cost			3			3		3
Value adjustments transferred to balance sheet items			(5)			(5)		(5)
Value adjustments transferred to financial income and cost							0	0
Tax on other comprehensive income				39		39		39
Other comprehensive income total	**0**	**(491)**	**8**	**38**	**0**	**(445)**	**(7)**	**(452)**
Comprehensive income for the period	**0**	**(491)**	**8**	**(569)**	**0**	**(1,052)**	**(5)**	**(1,057)**
Dividend distributed					(467)	(467)	(3)	(470)
Dividend treasury share				12	(12)	0		0
Share-based payment, share options				30		30		30
Proposed dividend								0
Disposal of treasury shares				7		7		7
Acquisition of treasury shares				(631)		(631)		(631)
Acquisition of minority interests						0	1	1
Equity at 30 September 2013	**1,064**	**(499)**	**12**	**6,680**	**0**	**7,257**	**42**	**7,299**

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List of notes and notes to the interim report

1. Income statement classified by function
2. Earnings per share (EPS)
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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	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013
Revenue	5,526	6,730	16,400	19,503
Production costs	(4,186)	(5,745)	(12,485)	(16,086)
Gross profit	**1,340**	**985**	**3,915**	**3,417**
Sales and distribution costs including depreciation, amortisation and impairment	(448)	(437)	(1,274)	(1,372)
Administrative costs including depreciation, amortisation and impairment	(513)	(1,312)	(1,659)	(2,545)
Other operating income and costs	45	35	68	114
Special non-recurring items	(14)	2	(20)	(13)
Earnings before interest and tax (EBIT)	**410**	**(727)**	**1,030**	**(399)**
Depreciation, amortisation and impairment consists of:				
Impairment of intangible assets	-	877	-	881
Amortisation of intangible assets	89	95	268	273
Depreciation of tangible assets	82	81	242	250
	171	**1,053**	**510**	**1,404**
Depreciation, amortisation are divided into:				
Production costs	64	269	196	412
Sales and distribution assets	15	-	32	9
Administrative costs	92	784	282	983
	171	**1,053**	**510**	**1,404**

2. Earnings per share (EPS)

DKKm	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013
Earnings				
FLSmidth & Co. A/S shareholders' share of profit/loss for the period	213	(785)	556	(607)
FLSmidth & Co. Group profit/loss from discontinued activities for the period	-	-	6	(3)
Number of shares, average				
Number of shares issued	51,250,000	53,200,000	52,225,000	53,200,000
Adjustment for treasury shares	(2,000,440)	(3,280,055)	(2,579,617)	(2,634,870)
Potential increase of shares in circulation, options in-the-money	84,367	-	85,863	131,300
	49,333,927	**49,919,945**	**49,731,246**	**50,696,430**
Earnings per share				
• Continuing and discontinued activities per share DKK	4.3	(15.7)	11.2	(12.0)
• Continuing and discontinued activities, diluted, per share DKK	4.3	(15.7)	11.2	(12.0)
• Continuing activities, per share DKK	4.3	(15.7)	11.1	(11.9)
• Continuing activities, diluted, per share DKK	4.3	(15.7)	11.1	(11.9)

Non-diluted earnings per share regarding discontinued activities amount to DKK 0.1 (2013 DKK 0.0).

3. Breakdown of the Group by segments for 2014

	Q1-Q3 2014								
DKKm	**Customer Services**	**Material Handling**	**Mineral Processing**	**Cement**	**Cembrit**	**Other companies etc[1)]**	**Continuing activities**	**Discontinued activities**	**FLSmidth Group**
INCOME STATEMENT									
External revenue	5,720	2,645	3,881	2,972	1,182	-	16,400	6	16,406
Internal revenue	85	402	70	16	-	(573)	-	-	-
Revenue	**5,805**	**3,047**	**3,951**	**2,988**	**1,182**	**(573)**	**16,400**	**6**	**16,406**
Production costs	(4,135)	(2,446)	(3,002)	(2,435)	(844)	573	(12,289)	-	(12,289)
Gross profit	**1,670**	**601**	**949**	**553**	**338**	**-**	**4,111**	**6**	**4,117**
Sales. distr. and admin. costs and other operating items	(780)	(513)	(680)	(339)	(224)	(15)	(2,551)	1	(2,550)
Earnings before special non-recurring items, depreciation. amortisation and impairment (EBITDA)	**890**	**88**	**269**	**214**	**114**	**(15)**	**1,560**	**7**	**1,567**
Special non-recurring items	(5)	(15)	-	-	-	-	(20)	**-**	(20)
Depreciation and impairment of tangible assets	(69)	(36)	(65)	(26)	(43)	(3)	(242)	**-**	(242)
Earnings before amortisation and impairment of intangible assets (EBITA)	**816**	**37**	**204**	**188**	**71**	**(18)**	**1,298**	**7**	**1,305**
Amortisation and write-downs of intangible assets	(95)	(59)	(92)	(18)	(4)	-	(268)	-	(268)
Earnings before interest and tax (EBIT)	**721**	**(22)**	**112**	**170**	**67**	**(18)**	**1,030**	**7**	**1,037**
ORDER INTAKE (GROSS)	**5,747**	**2,974**	**3,171**	**2,722**	**-**	**(628)**	**13,986**	**-**	**13,986**
ORDER BACKLOG	**7,977**	**4,501**	**4,319**	**5,234**	**-**	**(615)**	**21,416**	**-**	**21,416**
FINANCIAL RATIOS									
Gross margin	*28.8%*	*19.7%*	*24.0%*	*18.5%*	*28.6%*	*N/A*	*25.1%*	*N/A*	*25.1%*
EBITDA margin	*15.3%*	*2.9%*	*6.8%*	*7.2%*	*9.7%*	*N/A*	*9.5%*	*N/A*	*9.6%*
EBITA margin	*14.1%*	*1.2%*	*5.2%*	*6.3%*	*6.0%*	*N/A*	*7.9%*	*N/A*	*8.0%*
EBIT margin	*12.4%*	*-0.7%*	*2.8%*	*5.7%*	*5.7%*	*N/A*	*6.3%*	*N/A*	*6.3%*
Number of employees at 30 September	6,513	2,928	2,257	2,083	1,072	6	14,859	2	14,861

DKKm	**Q3 2014**
Reconciliation of the profit/loss for the period before tax, continuing activities	
Segment earnings before tax of reportable segments	1,030
Financial income	704
Financial costs	(881)
Earnings for the period before tax (EBT) of continuing activities	853

[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-Q3 2013				
INCOME STATEMENT									
External revenue	5,503	2,509	6,730	3,694	1,067	-	19,503	1	19,504
Internal revenue	62	571	150	11	-	(794)	-	-	-
Revenue	**5,565**	**3,080**	**6,880**	**3,705**	**1,067**	**(794)**	**19,503**	**1**	**19,504**
Production costs	(4,191)	(2,961)	(5,394)	(3,106)	(800)	778	(15,674)	(2)	(15,676)
Gross profit	**1,374**	**119**	**1,486**	**599**	**267**	**(16)**	**3,829**	**(1)**	**3,828**
Sales, distr. and admin, costs and other operating items	(806)	(559)	(810)	(403)	(260)	27	(2,811)	-	(2,811)
Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	**568**	**(440)**	**676**	**196**	**7**	**11**	**1,018**	**(1)**	**1,017**
Special non-recurring items	(10)	-	(3)	-	-	-	(13)	-	(13)
Depreciation and impairment of tangible assets	(62)	(42)	(69)	(28)	(45)	(4)	(250)	-	(250)
Earnings before amortisation and write-downs of intangible assets (EBITA)	**496**	**(482)**	**604**	**168**	**(38)**	**7**	**755**	**(1)**	**754**
Amortisation and write-downs of intangible assets	(606)	(49)	(481)	(15)	(3)	-	(1,154)	-	(1,154)
Earnings before interest and tax (EBIT)	**(110)**	**(531)**	**123**	**153**	**(41)**	**7**	**(399)**	**(1)**	**(400)**
ORDER INTAKE (GROSS)	**5,973**	**3,282**	**4,534**	**2,267**	**N/A**	**(761)**	**15,295**	**-**	**15,295**
ORDER BACKLOG	**8,325**	**4,465**	**6,749**	**5,706**	**N/A**	**(650)**	**24,595**	**-**	**24,595**
FINANCIAL RATIOS									
Gross margin	*24.7%*	*3.9%*	*21.6%*	*16.2%*	*25.0%*	*N/A*	*19.6%*	*N/A*	*19.6%*
EBITDA margin	*10.2%*	*-14.3%*	*9.8%*	*5.3%*	*0.7%*	*N/A*	*5.2%*	*N/A*	*5.2%*
EBITA margin	*8.9%*	*-15.6%*	*8.8%*	*4.5%*	*-3.6%*	*N/A*	*3.9%*	*N/A*	*3.9%*
EBIT margin	*-2.0%*	*-17.2%*	*1.8%*	*4.1%*	*-3.8%*	*N/A*	*-2.0%*	*N/A*	*-2.1%*
Number of employees at 30 September	5,916	3,413	2,994	2,331	1,077	4	15,735	-	15,735

DKKm	Q3 2013
Reconciliation of the profit/loss for the period before tax, continuing activities	
Segment earnings before tax of reportable segments	(399)
Financial income	999
Financial costs	(1,110)
Earnings for the period before tax (EBT) of continuing activities	**(510)**

[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-Q3 2014 or Q1-Q3 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-Q3 2014			Q1-Q3 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			-		209	209
Customer relations			-		(31)	(31)
Other intangible assets			-		(158)	(158)
Tangible assets			-		6	6
Financial assets including deferred tax			-		-	-
Inventories			-		6	6
Receivables			-		(66)	(66)
Work-in-progress for third parties			-		-	-
Cash and cash equivalents			-		-	-
Provisions including deferred tax			-		(129)	(129)
Loans			-		(1)	(1)
Other liabilities			-		44	44
Net assets	**-**	**-**	**-**	**-**	(120)	(120)
Goodwill						112
Cost						**(8)**
Cash and cash equivalents acquired					-	(1)
Contingent consideration (earn out)			194			55
Net cash effect, acquisitions			**194**			**46**
Other specifications regarding transactions:						
Direct acquisition costs						-

5. Development in contingent liabilities

Contingent liabilities at 30 September 2014 amount to 6.3bn (31 December 2013 6.7bn), which include performance bonds and payment guarantees at DKK 5.9bn (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	Q3 2014	Q3 2013	Q4 2013
Provisions at 1 January	2,109	1,638	1,638
Transfer from assets held for sale	-	175	175
Exchange rate and other adjustments	49	(54)	(80)
Provisions for the period	389	708	1,408
Used during the period	(537)	(364)	(759)
Reversals during the period	(184)	(75)	(313)
Discounting of provisions	-	-	2
Reclassification to/from other liabilities	(52)	(35)	38
Provisions at 30 September	**1,774**	**1,993**	**2,109**
The maturity of provisions is specified as follows:			
Short-term liabilities	1,095	1,288	1,421
Long-term liabilities	679	705	688
	1,774	**1,993**	**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-Q3 2014			
	Quoted prices Level 1	Quoted prices Level 2	Quoted prices Level 3	Total
Financial assets				
Financial assets for sale:				
Other securities and investments	14	44		58
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		346		346
Total financial assets	**15**	**390**	**0**	**405**
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		599		599
Contingent consideration in a business combination				
Total financial liabilities		**599**		**599**

DKKm	Q1-Q3 2013			
	Quoted prices Level 1	Quoted prices Level 2	Quoted prices Level 3	Total
Financial assets				
Financial assets for sale:				
Other securities and investments	30	18		48
Financial assets measured at fair value via the income statement:				
Bonds and listed shares	7			7
Derivative financial instruments used to hedge the fair value of recognised assets and liabilities		172		172
Total financial assets	**37**	**190**	**0**	**227**
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		98		98
Contingent consideration in a business combination			107	107
Total financial liabilities	**0**	**98**	**107**	**205**

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	Q3 2014	Q3 2013	Q4 2013
Total cost incurred	36,920	39,157	34,565
Profit recognised as income, net	5,551	6,941	5,647
Work-in-progress for third parties	42,471	46,098	40,212
Invoicing on account to customers	(42,505)	(45,436)	(38,859)
Net work-in-progress for third parties	**(34)**	**662**	**1,353**
Of which work-in-progress for third parties is stated under assets	3,779	5,176	4,491
and under liabilities	(3,813)	(4,514)	(3,138)
	(34)	**662**	**1,353**

9. Quarterly key figures

DKKm	2012		2013				2014		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
INCOME STATEMENT									
Revenue	6,708	8,395	5,921	6,852	6,730	7,420	5,297	5,577	5,526
Gross profit	1,742	1,975	1,277	1,298	1,254	1,380	1,275	1,432	1,404
Earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA)	757	971	288	406	324	286	407	558	595
Earnings before amortisation and impairment of intangible assets (EBITA)	659	893	200	310	245	222	327	472	499
Earnings before interest and tax (EBIT)	561	797	111	217	(727)	60	239	381	410
Earnings before tax (EBT)	529	760	66	226	(802)	(90)	175	350	328
Tax for the period	(162)	(283)	(31)	(80)	19	(94)	(60)	(119)	(113)
Profit/loss on continuing activities	367	477	35	146	(783)	(184)	115	231	215
Profit/loss on discontinued activities	10	(15)	-	(3)	-	5	-	6	-
Profit/loss for the period	377	462	35	143	(783)	(179)	115	237	215
Effect of purchase price allocations	(88)	(88)	(81)	(81)	(81)	(79)	(76)	(76)	(76)
Gross margin	*26.0%*	*23.5%*	*21.6%*	*18.9%*	*18.6%*	*18.6%*	24.1%	25.7%	25.4%
EBITDA margin	*11.3%*	*11.6%*	*4.9%*	*5.9%*	*4.8%*	*3.9%*	*7.7%*	10.0%	10.8%
EBITA margin	*9.8%*	*10.6%*	*3.4%*	*4.5%*	*3.6%*	*3.0%*	*6.2%*	8.5%	9.0%
EBIT margin	*8.4%*	*9.5%*	*1.9%*	*3.2%*	*-10.8%*	*0.8%*	*4.5%*	6.8%	7.4%
CASH FLOW									
Cash flow from operating activities	(28)	1,532	(466)	(51)	283	77	(552)	224	887
Cash flow from investing activities	(2,421)	(382)	(108)	(166)	(192)	(101)	(72)	(157)	(152)
Order intake	7,956	6,104	5,027	5,626	4,642	5,616	4,841	4,643	4,502
Order backlog	31,766	29,451	28,583	26,983	24,595	22,312	22,152	21,713	21,416
SEGMENT REPORTING									
Customer Service									
Revenue	1,968	2,129	1,809	2,020	1,736	2,000	1,770	1,954	2,081
Gross profit	557	614	489	569	316	480	503	600	567
EBITDA	258	317	195	320	53	200	251	323	316
EBITA	226	293	169	298	29	195	228	300	288
EBIT	199	259	144	277	(531)	151	197	268	256
Effect of purchase price allocations	(18)	(40)	(25)	(21)	(28)	(27)	(29)	(29)	(29)
Gross margin	*28.3%*	*28.8%*	*27.0%*	*28.2%*	*18.2%*	*24.0%*	*28.4%*	30.7%	27.3%
EBITDA margin	*13.1%*	*14.9%*	*10.8%*	*15.8%*	*3.1%*	*10.0%*	*14.2%*	16.5%	15.2%
EBITA margin	*11.5%*	*13.8%*	*9.3%*	*14.8%*	*1.7%*	*9.8%*	*12.9%*	15.4%	13.8%
EBIT margin	*10.1%*	*12.2%*	*8.0%*	*13.7%*	*-30.6%*	*7.6%*	*11.1%*	13.7%	12.3%
Order intake	3,345	2,442	1,964	1,900	2,109	2,032	2,066	1,801	1,880
Order backlog	7,909	8,159	8,236	7,979	8,325	8,046	8,341	8,169	7,977
Material Handling									
Revenue	1,340	1,326	1,055	944	1,081	1,472	1,040	960	1,047
Gross profit	183	29	125	(169)	163	216	187	228	186
EBITDA	(29)	(167)	(65)	(356)	(19)	(15)	(16)	57	47
EBITA	(42)	(177)	(79)	(369)	(34)	(29)	(28)	39	26
EBIT	(60)	(203)	(98)	(387)	(46)	(67)	(48)	20	6
Effect of purchase price allocations	(10)	(10)	(12)	(12)	(12)	(12)	(16)	(16)	(16)
Gross margin	*13.7%*	*2.2%*	*11.8%*	*-17.9%*	*15.1%*	*14.7%*	*18.0%*	23.8%	17.9%
EBITDA margin	*-2.2%*	*-12.6%*	*-6.2%*	*-37.7%*	*-1.8%*	*-1.0%*	*-1.5%*	5.9%	4.5%
EBITA margin	*-3.1%*	*-13.3%*	*-7.5%*	*-39.1%*	*-3.1%*	*-2.0%*	*-2.7%*	4.1%	2.5%
EBIT margin	*-4.5%*	*-15.3%*	*-9.3%*	*-41.0%*	*-4.3%*	*-4.6%*	*-4.6%*	2.1%	0.6%
Order intake	1,675	675	1,616	1,028	638	1,655	1,056	836	1,082
Order backlog	5,514	4,773	5,126	4,976	4,465	4,465	4,445	4,334	4,501

9. Quarterly key figures

DKKm	2012		2013				2014		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Mineral Processing									
Revenue	2,375	3,358	2,010	2,477	2,393	2,376	1,416	1,355	1,180
Gross profit	558	829	432	544	510	513	295	311	343
EBITDA	240	483	151	292	233	174	89	81	99
EBITA	215	457	130	259	215	153	68	59	77
EBIT	164	426	88	212	(177)	88	38	28	46
Effect of purchase price allocations	(57)	(35)	(42)	(46)	(39)	(38)	(29)	(29)	(29)
Gross margin	*23.5%*	*24.7%*	*21.5%*	*22.0%*	*21.3%*	*21.6%*	*20.8%*	*23.0%*	*29.0%*
EBITDA margin	*10.1%*	*14.4%*	*7.5%*	*11.8%*	*9.7%*	*7.3%*	*6.3%*	*6.0%*	*8.3%*
EBITA margin	*9.1%*	*13.6%*	*6.5%*	*10.5%*	*9.0%*	*6.4%*	*4.8%*	*4.4%*	*6.4%*
EBIT margin	*6.9%*	*12.7%*	*4.4%*	*8.6%*	*-7.4%*	*3.7%*	*2.7%*	*2.1%*	*3.8%*
Order intake (gross)	2,598	2,467	1,345	1,679	1,510	1,025	1,041	1,321	809
Order backlog	10,529	9,589	9,057	7,891	6,749	4,993	4,635	4,685	4,319
Cement									
Revenue	905	1,498	1,016	1,304	1,385	1,496	963	1,087	938
Gross profit	330	409	201	237	161	102	192	182	179
EBITDA	214	317	48	101	47	(35)	72	66	76
EBITA	208	307	39	91	38	(44)	63	58	67
EBIT	206	304	37	85	31	(58)	57	52	61
Effect of purchase price allocations	(3)	(3)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Gross margin	*36.5%*	*27.3%*	*19.8%*	*18.2%*	*11.6%*	*6.8%*	*19.9%*	*16.7%*	*19.1%*
EBITDA margin	*23.6%*	*21.2%*	*4.7%*	*7.7%*	*3.4%*	*-2.3%*	*7.5%*	*6.1%*	*8.1%*
EBITA margin	*23.0%*	*20.5%*	*3.8%*	*7.0%*	*2.7%*	*-2.9%*	*6.5%*	*5.3%*	*7.1%*
EBIT margin	*22.8%*	*20.3%*	*3.6%*	*6.5%*	*2.2%*	*-3.9%*	*5.9%*	*4.8%*	*6.6%*
Order intake (gross)	667	615	308	1,335	624	1,150	928	878	916
Order backlog	8,579	7,585	6,808	6,847	5,706	5,389	5,348	5,146	5,234
Cembrit									
Revenue	392	344	270	396	401	374	348	410	424
Gross profit	124	92	41	117	109	91	99	110	129
EBITDA	44	5	(39)	38	8	(10)	19	30	65
EBITA	27	3	(54)	23	(7)	(26)	5	15	51
EBIT	27	2	(55)	22	(8)	(27)	4	14	49
Gross margin	*31.6%*	*26.7%*	*15.2%*	*29.6%*	*27.1%*	*24.3%*	*28.4%*	*26.8%*	*30.4%*
EBITDA margin	*11.2%*	*1.5%*	*-14.4%*	*9.6%*	*2.0%*	*-2.7%*	*5.5%*	*7.3%*	*15.4%*
EBITA margin	*6.9%*	*0.9%*	*-20.0%*	*5.8%*	*-1.7%*	*-7.0%*	*1.4%*	*3.7%*	*12.1%*
EBIT margin	*6.9%*	*0.6%*	*-20.4%*	*5.6%*	*-2.0%*	*-7.2%*	*1.1%*	*3.4%*	*11.8%*

10. Accounting policies and Management estimates and assessments

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

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

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

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

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