



THE PREFERRED SUPPLIER FOR 125 YEARS



Interim Report 2007 **FLSmidth & Co. A/S**  
1 January 2007 - 30 June 2007  
(Company Announcement No. 20-2007)

125 **FLSMIDTH**

## Interim Report

1 January 2007 - 30 June 2007



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

### Main conclusions

#### Developments in the first half of 2007

- The order backlog has increased by 15% to DKK 21,055m since the turn of the year (end of 2006: DKK 18,264m)
- The order intake amounted to DKK 10,253m in the first half of 2007, down from DKK 11,279m in the same period of the year before
- The turnover rose 59% to DKK 8,268m in the first half of 2007, up from DKK 5,207m in the same period of the year before
- Earnings before interest and tax (EBIT) rose 175% to DKK 742m in the first half of 2007, up from DKK 270m in the same period of the year before, corresponding to an EBIT ratio of 9.0% (first half of 2006: 5.2%)
- Earnings before tax (EBT) rose 173% to DKK 800m in the first half of 2007, up from DKK 293m in the same period of the year before
- Cash flow from operating activities (continuing activities) amounted to DKK 485m in the first half of 2007 as against DKK 272m in the same period of the year before.

#### Events occurring after the balance sheet date

As announced on 10 August 2007, FLSmidth & Co. has signed a final agreement with the Board of Groupe Laperrière & Verreault Inc. (GL&V), a listed Canadian company, to take over the latter's Process division (GL&V Process), which holds a world leading position in separation technology for the metal and minerals industries. The total purchase price amounts to CAD 983m (DKK 5.0bn) and the activities transferred will be consolidated as from 10 August 2007.

#### Prospects for 2007

The expectations for the cement market in 2007 are upgraded to 125-150m tonnes per year new contracted cement kiln capacity worldwide (exclusive of China) (previous expectation 100m tonnes per year).

FLSmidth & Co. upgrades its expectations for the year's turnover and earnings, cf. the below figures which include the recognition of GL&V Process as from 10 August 2007:

- Consolidated turnover DKK 19.5-20bn (previous expectation DKK 17-19bn), of which GL&V Process accounts for DKK 1.2bn
- Earnings before interest, tax, depreciation and amortisation and special non-recurring items (EBITDA) DKK 1.85-2.0bn, of which GL&V Process accounts for DKK 150m.
- Earnings before interest and tax (EBIT) DKK 1.45-1.6bn (previous expectation DKK 1.2-1.35bn), of which GL&V Process accounts for DKK 0m
- Earnings before tax (EBT) DKK 1.45-1.6bn (previous expectation DKK 1.3-1.45bn), of which GL&V Process accounts for DKK -100m

Please address any questions regarding this announcement to Mr Jørgen Huno Rasmussen, Group CEO, telephone +45 36 18 18 00, from 14.00 hours. An investor meeting and telephone conference regarding the interim report will be held today at 15.00 hours. For further details, please visit [www.flsmidth.com](http://www.flsmidth.com).

## Group financial highlights

DKKm	Q2 2007	Q2 2006	Q1-Q2 2007	Q1-Q2 2006	Year 2006
<b>PROFIT AND LOSS ACCOUNT</b>					
Net turnover	4,504	2,900	8,268	5,207	12,311
Gross profit	978	613	1,763	1,115	2,602
Earnings before interest, tax, depreciation, amortisation and special non-recurring items (EBITDA)	480	206	834	355	966
Earnings before interest and tax (EBIT)	433	162	742	270	775
Earnings before tax (EBT)	481	178	800	293	924
<b>Profit/loss for the period, continuing activities</b>	<b>311</b>	<b>125</b>	<b>534</b>	<b>205</b>	<b>1,107</b>
Profit/loss for the period, discontinuing activities	10	-	5	1	25
<b>Profit/loss for the period</b>	<b>321</b>	<b>125</b>	<b>539</b>	<b>206</b>	<b>1,132</b>
<b>CASH FLOW</b>					
Cash flow from operating activities	262	(29)	485	272	1,372
Acquisition of undertakings and activities	(108)	1	(140)	2	(196)
Acquisition of tangible assets	(70)	(51)	(157)	(90)	(249)
Other investments, net	(3)	15	14	7	48
Cash flow from investing activities	(181)	(35)	(283)	(81)	(397)
Cash flow from operating and investing activities of continuing activities	81	(64)	202	191	975
Cash flow from operating and investing activities of discontinuing activities	89	(40)	108	(79)	(75)
<b>WORKING CAPITAL</b>			<b>(227)</b>	<b>(199)</b>	<b>(435)</b>
<b>NET INTEREST-BEARING RECEIVABLES/(DEBT)</b>			<b>2,541</b>	<b>2,353</b>	<b>2,847</b>
<b>ORDER INTAKE</b>	<b>6,122</b>	<b>6,745</b>	<b>10,253</b>	<b>11,279</b>	<b>18,534</b>
<b>ORDER BACKLOG</b>			<b>21,055</b>	<b>17,549</b>	<b>18,264</b>
<b>BALANCE SHEET</b>					
Long-term assets			2,452	1,849	2,355
Short-term assets			10,717	8,538	9,764
Assets held for sale			12	-	132
<b>Total assets</b>			<b>13,181</b>	<b>10,387</b>	<b>12,251</b>
Consolidated shareholders' equity			3,405	2,447	3,192
Long-term liabilities			1,870	1,488	1,710
Short-term liabilities			7,906	6,452	7,344
Liabilities regarding assets held for sale			-	-	5
<b>Total equity and liabilities</b>			<b>13,181</b>	<b>10,387</b>	<b>12,251</b>
<b>FINANCIAL RATIOS</b>					
<b>Continuing activities</b>					
Adjusted net operating profit after tax (NOPAT)	408	183	829	267	589
Average capital employed	412	359	475	485	306
<b>Return on capital employed (ROCE), continuing activities (annualised)</b>	<b>396%</b>	<b>204%</b>	<b>349%</b>	<b>110%</b>	<b>192%</b>
Contribution ratio	21.7%	21.1%	21.3%	21.4%	21.1%
EBITDA ratio	10.7%	7.1%	10.1%	6.8%	7.8%
EBIT ratio	9.6%	5.6%	9.0%	5.2%	6.3%
EBT ratio	10.7%	6.1%	9.7%	5.6%	7.5%
Return on shareholders' equity (annualised)			33%	16%	39%
Equity ratio			26%	24%	26%
<b>Number of employees at end of period, Group</b>			<b>7,595</b>	<b>6,141</b>	<b>6,862</b>
Number of employees in Denmark			1,625	1,459	1,508
<b>Share and dividend ratios, Group</b>					
CFPS (cash flow per share), DKK (diluted)	5.0	(0.5)	9.2	5.1	24.3
EPS (earnings per share), DKK (diluted)	5.9	2.4	10.2	4.0	21.7
FLSmidth & Co. share price, DKK			434	220	359
Number of shares end of period (000s) *			53,200	53,200	53,200
Average number of shares (000s) (diluted)	52,573	52,883	52,542	52,840	52,558
Market capitalisation, DKKm *			23,089	11,704	19,099

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

\*Adjusted for temporary capital increase in the first half of 2006



## Management's review for the first half of 2007



### Market developments in the second quarter of 2007

Global demand for new cement kiln capacity remains consistently high and shows no sign of flagging. The expectations for new contracted cement kiln capacity in 2007 are upgraded from 100m to around 125-150m tonnes per year worldwide (exclusive of China). The demand for new cement capacity in the second quarter of 2007 covered a wide geographical area. Activity in the market is currently driven by a number of global and regional factors independent of each other. India remains the largest single market outside China, but also Africa and the Middle East consistently show surprising solid growth.

The high level of investment in the minerals industry continued in the second quarter of 2007 as a result of continued high prices on minerals and depleted commodity stocks due to growing demand for minerals in particular from Asia combined with insufficient investments in exploration and extraction of minerals for a number of years. These developments have resulted in yet another quarter characterised by significant progress in terms of order intake, order backlog, turnover and earnings in the minerals area. With the constantly rising demand for minerals and a high level of investment among minerals producers, this trend is expected to continue over the next 3-5 years. As a result of the acquisition of GL&V Process, FLSmidth Minerals will in future be the sole provider in the market able to offer complete solutions covering all processes in a typical minerals plant, which is expected to enhance the Group's opportunities to benefit from the favourable market conditions.

### Developments in order intake and order backlog

CEMENT (DKKm)	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007*	Q2 2007*
Order intake	1,850	3,440	3,528	4,858	2,054	2,209	2,920	3,813
Order backlog	7,484	8,636	10,742	13,707	13,900	13,531	14,348	15,360
MINERALS (DKKm)	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007*	Q2 2007*
Order intake	679	801	1,006	1,887	1,334	1,658	1,266	2,387
Order backlog	1,886	2,198	2,690	3,842	4,208	4,733	5,271	6,420
TOTAL (DKKm)	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007
Order intake	2,529	4,241	4,534	6,745	3,388	3,867	4,131	6,122
Order backlog	9,370	10,834	13,432	17,549	18,108	18,264	18,854	21,055

\*As from and inclusive of 2007, the segment information for Cement and Minerals will be shown as gross figures, which entails that the total order intake and order backlog consist of Cement, Minerals and eliminations for internal transactions. Internal transactions have been insignificant in previous years.

### Developments in the first half of 2007

#### Order intake and order backlog

The total order intake amounted to DKK 10,253m in the first half of 2007, which is a decrease of 9% compared to the same period of last year (first half of 2006: DKK 11,279m) when the order intake was unusually high particularly in the second quarter. The market thus remains highly active and FLSmidth's market share continues to be strong.

Orders received for services and spare parts amounted to DKK 1,744m in the first half of 2007, representing a 29% increase on the same period last year (first half of 2006: DKK 1,356m).

By the end of the first half 2007, the total order backlog was DKK 21,055m, which is a record high and corresponds to a 15% increase since the turn of the year (end of 2006: DKK 18,264m).

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

## Management's review for the first half of 2007

### Profit and loss account

The turnover in the first half of 2007 amounted to DKK 8,268m, representing a 59% increase on the same period last year (first half of 2006: DKK 5,207m). The positive trend in turnover continued within all main business segments: Cement, Minerals and Dansk Eternit Holding.

The gross profit amounted to DKK 1,763m in the first half of 2007 (first half of 2006: DKK 1,115m), which means a contribution ratio of 21.3% (first half of 2006: 21.4%). The contribution ratio in Minerals rose to 18.9% in the first half of 2007 up from 16.3% in the same period last year, whereas in Cement it fell from 20.6% to 19.8% which can be attributed to the fact that services and spare parts accounted for a relatively smaller part of turnover in 2007. In addition, the first half of 2006 was to a larger extent positively affected by the finalisation of cement orders where provisions for project risks could be reversed.

During the first half of 2007, research and development costs amounted to DKK 94m (first half of 2006: DKK 91m), or 1.1% of the turnover (first half of 2006: 1.7%). In addition, project financed development has taken place in cooperation with customers. In the first half of 2007, the company was unable to spend all budgetted funds on research and development due to a lack of engineers with relevant experience. Investments are expected to increase during the coming periods.

Sales, distribution and administrative costs, etc. in the first half of 2007 amounted to DKK 929m (first half of 2006: DKK 760m) or 11.2% of the turnover (first half of 2006: 14.6%), and a 22% increase on the same period last year. The decrease in the rate of cost reflects the fact that capacity costs are increasing at a slower pace than turnover due to improved capacity utilisation and operational gearing.

Depreciation and write-downs amounted to DKK 92m in the first half of 2007 (first half of 2006: DKK 85m).

The EBIT result in the first half of 2007 amounted to DKK 742m (first half of 2006: DKK 270m), which is a 175% increase on the same period last year. The first half of 2007 saw an EBIT ratio of 9.0% (first half of 2006: 5.2%), which can be attributed to improved turnover and earnings in Cement, Minerals and Dansk Eternit Holding, and a DKK 22m profit on the sale of part of the Dansk Eternit property in Aalborg in the first quarter of 2007 (recognised in the item Other operating income and costs).

Net financial income amounted to DKK 62m in the first half of 2007 (first half of 2006: DKK 21m).

Earnings before tax (EBT) were DKK 800m in the first half of 2007 (first half of 2006: DKK 293m).

Taxes for the period amounted to DKK 266m in the first half of 2007 (first half of 2006: DKK 88m) corresponding to an effective tax rate of 33% (first half of 2006: 30%). The increase in the expected tax rate for 2007 from 30% to 33% can be attributed to the reduction of the corporate tax rate in Denmark from 28% to 25%, which has reduced the value of the capitalised Danish tax asset by approximately DKK 61m. The Group's payable tax rate will be somewhat lower than the effective tax rate.

The profit for the period deriving from the continuing activities amounted to DKK 534m (first half of 2006: DKK 205m).

The sale of MAAG Gear's marine and turbo gear activities was finally implemented in April 2007 and the accounting effect hereof is included in the accounts under discontinuing activities.

### Balance sheet

The balance sheet total amounted to DKK 13,181m by the end of the first half of 2007 as against DKK 12,251m by the end of 2006.

The consolidated equity at the end of the first half of 2007 amounted to DKK 3,405m (end of 2006: DKK 3,192m) corresponding to an equity ratio of 26% (end of 2006: 26%). In the first half of 2007, the return on equity (on an annual basis) amounted to 33% (first half of 2006: 16%).

### Cash flow developments and working capital (continuing activities)

Cash flow from operating activities amounted to DKK 485m in the first half of 2007 (first half of 2006: DKK 272m). As a consequence of the large prepayments, the working capital at the end of the first half of 2007 was negative and amounted to DKK -227m (end of 2006: DKK -435m).



## Management's review for the first half of 2007



Cash flow from investing activities amounted to DKK -283m in the first half of 2007 (first half of 2006: DKK -81m). Of this amount, investments in tangible assets amounted to DKK -157m (first half of 2006: DKK -90m) and acquisition of companies and activities amounted to DKK -140m (first half of 2006: DKK 2m). As a result of a general expansion of capacity at all the Group's production plants and the extension of the recently inaugurated office facilities in India (FLSmidth House) an extraordinarily high level of investments in tangible assets is expected for 2007.

Cash flow from operating and investing activities (free cash flows) totalled DKK 202m in the first half of 2007 (first half of 2006: DKK 191m).

Net interest-bearing receivables amounted to DKK 2,541m at the end of the first half of 2007 (end of 2006: DKK 2,847m).

### Segment information

As of and including 2007 segment information will be shown as gross figures, which means that internal sale between the cement and minerals areas will be eliminated via "Other activities". Internal transactions have been insignificant in previous years.

#### Cement

The total order intake amounted to DKK 6,733m in the first half of 2007, which is a decrease of 20% compared to the same period of last year (first half of 2006: DKK 8,386m) when the order intake was unusually high due to several major orders in the second quarter. Orders received in the second quarter of 2007 mainly came from Asia, Africa, Europe and the Middle East. Orders received for services and spare parts amounted to DKK 980m in the first half of 2007, representing a 9% increase on the same period last year (first half of 2006: DKK 896m).

At the end of the first half of 2007, the order backlog amounted to DKK 15,360m, corresponding to an increase of 14% since the turn of the year (end of 2006: DKK 13,531m).

The turnover in the first half of 2007 amounted to DKK 5,369m, representing a 63% increase on the same period last

year (first half of 2006: DKK 3,287m). Turnover is now beginning to reflect the significant growth in order intake over the past years as the major projects are typically delivered within a time span of 24-30 months.

The contribution ratio achieved in cement is lower than in the same period of last year, which can be attributed to the fact that turnover related to services and spare parts accounts for a relatively lower share compared to last year. In addition, the first half of 2006 was to a larger extent positively affected by the finalisation of a number of cement orders where provisions for project risks could be reversed.

The EBIT ratio is higher than in the same period of last year, mainly as a result of higher capacity utilisation and operational gearing. The EBIT result in the first half of 2007 amounted to DKK 467m (first half of 2006: DKK 177m), which is a 164% increase on the same period last year. The first half of 2007 saw an EBIT ratio of 8.7% (first half of 2006: 5.4%). The expected ratio for 2007 as a whole is expected to be lower than the ratio achieved in the first half because the turnover deriving from turnkey projects will be higher during the remaining part of the year.

In Cement, the prospects for 2007 are now a turnover of DKK 11.5-12bn (previously DKK 10.5-12bn) and an EBIT ratio of around 7-8% (previously around 6%).

#### Minerals

The orders received in the first half of 2007 were DKK 3,653m (first half of 2006: DKK 2,893m), which represents a 26% increase compared to the same period last year. In the second quarter of 2007, FLSmidth Minerals received a large order for two ferronickel plants in Brazil and a number of large orders for crushers and mills in Australia, South Africa, Mexico, Chile and India. The strong momentum in Minerals covers a wide geographical area and all business areas of FLSmidth Minerals.

Orders received for services and spare parts amounted to DKK 785m in the first half of 2007, representing a 71% increase on the same period last year (first half of 2006: DKK 460m) which among other things can be attributed to the acquisition of Excel Foundry & Machine in July 2006.



## Management's review for the first half of 2007

At the end of the first half of 2007, the order backlog amounted to DKK 6.420m, corresponding to an increase of 36% since the turn of the year (end of 2006: DKK 4,733m).

The Minerals turnover in the first half of 2007 amounted to DKK 2,223m, representing a 70% increase on the same period last year (first half of 2006: DKK 1,310m). The EBIT result amounted to DKK 208m in the first half of 2007 (first half of 2006: DKK 74m), corresponding to an EBIT ratio of 9.4% (first half of 2006: 5.6%). The increase in turnover and earnings compared to the same period of last year is a consequence of increasing order backlog at the start of the period, combined with acquisitions, higher contribution ratio and relatively lower capacity costs.

In Minerals, the prospects for 2007 are upgraded to a turnover of approximately DKK 6.7bn (previously 5-5.5bn) and an EBIT ratio before special non recurring items and amortisation regarding the acquisition of GL&V Process of around 10% (previously approximately 9%). GL&V Process is consolidated as of 10 August 2007 and is included in the above expectations with a turnover of approximately DKK 1.2bn and an EBIT ratio of 12% before the effect of purchase price allocations and restructuring costs. The expected overall EBIT impact from GL&V Process in 2007 is DKK 0m.

FLSmidth Minerals remains focussed on processing the increasing order backlog and integrating the companies acquired.

### Dansk Eternit Holding

In the first half of 2007, Dansk Eternit Holding posted a turnover of DKK 704m, representing a 28% increase on the same period last year (first half of 2006: DKK 548m). The level of activity remained high in all markets during the first half of 2007 due to the mild winter and the favourable business climate in the European building and construction industry. Although all production plants are operating at full capacity, they are not able to cope with the demand. As a result, investments are being made in capacity enhancements at a number of existing production plants.

The EBIT result amounted to DKK 53m in the first half of 2007 (first half of 2006: DKK 42m), corresponding to an EBIT ratio of 7.5% (first half of 2006: 7.7%).

The expectations for 2007 for Dansk Eternit Holding remain a turnover of approximately DKK 1.4bn and an EBIT ratio of approximately 9%.

### Other activities

In the first half of 2007, Densit posted a turnover of DKK 82m (first half of 2006: DKK 65m) and an EBIT result of DKK 7m (first half of 2006: DKK 0m).

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

## Events occurring after the balance sheet date

### Acquisition of GL&V Process

On 10 August 2007, FLSmidth & Co. announced that it had signed a final agreement with the Board of Directors of Groupe Laperrière & Verreault Inc. (GL&V), a listed Canadian group, to acquire the latter's Process Division (GL&V Process) which is among the world's leading providers of separation technology for the metal and minerals industries. The activities acquired in GL&V Process consist of the companies Dorr-Oliver Eimco and Krebs Engineers, which in future will be part of FLSmidth Minerals. The total purchase price amounts to approximately CAD 983m (approximately DKK 5.0bn). Dorr-Oliver Eimco and Krebs Engineers will be consolidated as from 10 August 2007.

With the acquisition of Dorr-Oliver Eimco and Krebs Engineers, FLSmidth has taken a major step towards achieving its global growth strategy objectives in Minerals. The aim of the strategy is to ensure that the Group's minerals activities to obtain the same size and strength as the cement activities. The acquisition will thus reduce the Group's long term risk in relation to cyclical markets.

FLSmidth Minerals is an expert in pyrotechnology, materials handling, crushing and grinding of minerals, whereas GL&V Process has specialised in the subsequent separation processes. The two companies' products will thus cover all important technologies in a typical mineral processing plant, and the joint company will be the global market leader within crushers, mills, hydrocyclones, flotation, sedimentation, materials handling and calcination.

### Management

FLSmidth Minerals overall future organisational structure and the upper two managerial levels of the new organisation have been decided to ensure that the integration process will be immediately initiated and implemented in parallel with the successful execution of the companies' record high order backlog.

Christian Jepsen has been appointed President & CEO and George Robles Executive Vice President & Deputy CEO of the new FLSmidth Minerals.

Christian Jepsen, 48, has been in charge of FLSmidth's North and South American Cement engineering activities since 2000 and FLSmidth Group Executive Vice President since 2005.

Since FLSmidth's minerals activities were organised in a separate company in 1994, George Robles, 57, has spearheaded the very successful development of the company as President and CEO of FLSmidth Minerals US.

Continuity is also maintained for the two companies acquired, as the companies' two current Presidents will continue in FLSmidth Minerals' Management.

In the cement activities Christian Jepsen will be supported in responsibilities through the appointment of a Chief Operating Officer (COO) for the Americas.

## Management's review for the first half of 2007



### Prospects for 2007

For the whole of 2007, the company continues to expect favourable market conditions and a high level of activity. The acquisition of GL&V Process is included in the below expectations for 2007.

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

- Consolidated turnover DKK 19.5-20bn (previous expectation: DKK 17-19bn)
- Earnings before interest, tax, depreciation and amortisation and special non-recurring items (EBITDA) DKK 1.85-2.0bn
- Earnings before interest and tax (EBIT) DKK 1.45-1.6bn (previous expectation: DKK 1.2-1.35bn)
- Earnings before tax (EBT) DKK 1.45-1.6bn (previous expectation DKK 1.3-1.45bn)
- Cash flow from operating activities (CFFO) approximately DKK 600m (unchanged)
- Cash flow from investments exclusive of acquisitions approximately DKK 500m (previously approximately DKK 450m)
- In 2007, an effective tax rate of approximately 33% is expected (previously approximately 30%) inclusive of adjustment of tax asset, whereas the payable tax is expected to amount to approximately 20%.
- For the individual business areas, the prospects for 2007 are as follows:

Cement	Turnover DKK 11.5-12bn	EBIT ratio approx. 7-8% (previously approx. 6%)
Minerals	Turnover approx. DKK 6.7bn	EBIT ratio approx. 10% (before non-recurring items and amortisations related to GL&V Process) (previously approx. 9%)
DEH	Turnover approx. DKK 1.4bn	EBIT ratio approx. 9%

- The prospects of the Cement business for 2007 are based on an unchanged market share and a total global market for new cement kiln capacity of 125-150m tonnes per year (exclusive of China) (previously 100m tonnes per year). These prospects are based on a changed product mix, with services and spare parts likely to account for a relatively smaller portion of the turnover and the share of turnkey contracts likely to rise. Both changes will reduce the average EBIT ratio in the second half of 2007.

GL&V Process is consolidated as from 10 August and is included in the above expectations for 2007 as follows:

- **Consolidated turnover DKK 1.2bn** (FLSmidth Minerals)
- EBIT ratio (before effect of purchase price allocations, etc.) approx. 12%
- Amortisation of intangible assets DKK -30m.
- Special items regarding stocks and order backlog DKK -90m
- Cost of restructuring DKK -20m.
- **Expected EBIT impact DKK 0m** (FLSmidth Minerals)
- Financial items DKK -100m (Group level)
- **Expected EBT impact DKK -100m** (Group level)

Purchase price allocations have been preliminarily calculated.

For the whole of 2007, the following proforma accounting figures for GL&V Process are expected:

- Consolidated turnover approximately DKK 3bn
- EBIT ratio (before the effect of purchase price allocations) approx. 12%

Following the acquisition of GL&V Process, annual synergies within a time frame of 2-3 years are expected to be around DKK 200m at EBIT level. They consist partly of cost synergies of around DKK 20m, and partly of expected additional sales of around DKK 1.0bn with an EBIT result of around DKK 180m.

In connection with the publication of the Annual Report for 2006 it was announced that the Group expected an EBIT ratio of 7-8% in 2007 and 2008 depending on the breakdown of turnover into products and business areas. These expectations were based on the market prospects at that time. Since then, both the cement and the minerals markets have grown and GL&V has been acquired. The expectations for the EBIT ratio in 2008 will be reconsidered at the latest in connection with the publication of the Annual Report for 2007.



## Management's review for the first half of 2007

### Incentive plan

#### New share option plan (Plan 2007)

The Board of Directors has today decided to allocate 145,500 share options of which the management shall receive approximately 24,800 whilst the remaining part will be allocated to managerial staff (46 persons). The exercise price is 455 and the exercise period will be 2010-2013. Based on a volatility of 26.15% for the previous year and an interest rate of 4.65% the Black-Scholes value amounts to DKK 20m and will affect the year's result by DKK 3m.

#### Other share option plans

As at 30 June 2007, there were a total of 394,731 un-exercised options under other share option plans, and the fair value of them was DKK 104m. The fair value is calculated by means of a Black-Scholes model based on a current share price of 434, and a volatility of 26.55%. The effect of the plan on the profit and loss account amounted to DKK 4m in the first half of 2007 (first half of 2006: DKK 2m).

### Accounting policies

The Interim Report for the first half of 2007 has been presented in accordance with IAS 34 and additional Danish information requirements regarding interim reporting of listed companies. No auditing nor review of the Interim report has taken place. The accounting policies are unchanged from those adopted in the 2006 Annual Report. Reference is made to page 46 in the 2006 Annual Report for further details. Financial reporting standards and interpretations that have been decided but are not yet in force, have not been adopted in this Interim Report. None of these standards and interpretations are likely to have any significant impact on the Group's presentation of accounts.

### Estimates by Board and Management

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

### Capital structure

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

As at 30 June 2007 the financial net debt was DKK 3,059m (End of 2006: 1,776m) corresponding to 2.0 times EBITDA for the last 12 months (end of 2006: 1.9).

### Own shares

FLSmidth & Co.'s holding of own shares at 30 June 2007 totalled 833,355 representing 1.6% of the share capital (31 December 2006: 1,062,092).

### Financial calendar 2007

27 November 2007: Interim report for 1st - 3rd quarter 2007



## Statement by the Board and Management on the Interim Report

The Board of Directors and the Management have reviewed and adopted the FLSmidt & Co. Group Interim Report for 1 January 2007 to 30 June 2007. The Interim Report is presented in conformity with the International Financial Reporting Standards, which are approved by EU, and additional Danish disclosure requirements for interim reports of companies listed on the Stock Exchange.

We consider the accounting policies appropriate in order to give a true and fair view of the Group's assets and liabilities and financial standing as at 30 June 2007 and of the financial results of the Group's activities and cash flows in the period from 1 January 2007 to 30 June 2007.

Copenhagen, 22 August 2007

## Corporate Management

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

## Board of Directors

Jørgen Worning <i>Chairman</i>	Jens S. Stephensen <i>Vice Chairman</i>	Jens Palle Andersen	Torkil Bentzen
-----------------------------------	--	---------------------	----------------

Frank Lund	Jesper Ovesen	Johannes Poulsen	Bo Steffensen
------------	---------------	------------------	---------------

Søren Vinther

## Consolidated profit and loss account

DKKm	Q2 2007	Q2 2006	Q1-Q2 2007	Q1-Q2 2006
Notes				
Net turnover	4,504	2,900	8,268	5,207
Production costs	3,526	2,287	6,505	4,092
<b>Gross profit</b>	<b>978</b>	<b>613</b>	<b>1,763</b>	<b>1,115</b>
Sales and distribution costs	225	181	436	349
Administrative costs	294	248	561	448
Other operating income and costs	21	22	68	37
<b>Earnings before interest, tax, depreciation, amortisation and special non-recurring items (EBITDA)</b>	<b>480</b>	<b>206</b>	<b>834</b>	<b>355</b>
Special non-recurring items	-	-	-	-
Depreciation and write-downs of tangible assets	33	30	68	62
Amortisation and write-downs of intangible assets	14	14	24	23
<b>Earnings before interest and tax (EBIT)</b>	<b>433</b>	<b>162</b>	<b>742</b>	<b>270</b>
Profit/loss on disposal of undertakings and activities	-	1	(4)	2
Financial income	151	112	354	274
Financial costs	103	97	292	253
<b>Earnings before tax (EBT)</b>	<b>481</b>	<b>178</b>	<b>800</b>	<b>293</b>
Tax for the period	170	53	266	88
<b>Profit/loss for the period, continuing activities</b>	<b>311</b>	<b>125</b>	<b>534</b>	<b>205</b>
Profit/loss for the period, discontinuing activities	10	-	5	1
<b>Profit/loss for the period</b>	<b>321</b>	<b>125</b>	<b>539</b>	<b>206</b>
To be distributed as follows:				
Minority shareholders' share of profit/loss for the period	-	(3)	-	(5)
FLSmidth & Co. A/S shareholders' share of profit/loss for the period	321	128	539	211
	<b>321</b>	<b>125</b>	<b>539</b>	<b>206</b>
2 Earnings per share (EPS)				
Continuing and discontinuing activities	6.1	2.4	10.3	4.0
Continuing and discontinuing activities, diluted	6.1	2.4	10.3	4.0
Continuing activities	5.9	2.4	10.2	4.0
Continuing activities, diluted	5.9	2.4	10.2	4.0



## Consolidated cash flow statement

DKKm	Q1-Q2 2007	Q1-Q2 2006
Notes		
<b>Cash flow from operating activities</b>		
Earnings before interest, tax, depreciation, amortisation and special non-recurring items (EBITDA)	834	361
Adjustment for profits/losses on sale of fixed assets and exchange rate adjustments, etc.	(27)	(10)
<b>Adjusted earnings before interest, tax, depreciation, amortisation and special non-recurring items (EBITDA)</b>	<b>807</b>	<b>351</b>
Change in provisions	32	43
Change in working capital	(284)	(49)
<b>Cash flow from operating activities before financial items and tax</b>	<b>555</b>	<b>345</b>
Financial payments received and made	46	11
Corporation taxes paid	(116)	(84)
<b>Cash flow from operating activities</b>	<b>485</b>	<b>272</b>
<b>Cash flow from investing activities</b>		
Acquisition of undertakings and activities	(140)	2
Acquisition of intangible assets	(34)	(16)
Acquisition of tangible assets	(157)	(90)
Acquisition of financial assets	(10)	(6)
Disposal of intangible and tangible assets	58	23
Disposal of financial assets	-	6
<b>Cash flow from investing activities</b>	<b>(283)</b>	<b>(81)</b>
<b>Cash flow from operating and investing activities, continuing activities</b>	<b>202</b>	<b>191</b>
<b>Cash flow from operating and investing activities, discontinuing activities</b>	<b>108</b>	<b>(79)</b>
<b>Cash flow from operating and investing activities, total</b>	<b>310</b>	<b>112</b>
<b>Cash flow from financing activities</b>		
Dividend	(366)	(368)
Capital increase	-	6,161
Acquisition of own shares	(5)	(6,182)
Disposal of own shares	23	44
Changes in other net interest-bearing receivables	89	70
<b>Cash flow from financing activities</b>	<b>(259)</b>	<b>(275)</b>
<b>Changes in cash funds</b>	<b>51</b>	<b>(163)</b>
Cash funds at 1 January	2,766	2,568
Cash funds at 30 June	2,817	2,405

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

## Assets

DKKm	End of Q2 2007	End of 2006
Notes		
Goodwill	192	131
Other intangible assets	224	178
<b>Intangible assets</b>	<b>416</b>	<b>309</b>
Land and buildings	660	605
Plant and machinery	406	395
Operating equipment, fixtures and fittings	159	114
Tangible assets in course of construction	84	105
<b>Tangible assets</b>	<b>1,309</b>	<b>1,219</b>
Investments in associated undertakings	6	7
Other securities and investments	56	47
Other financial assets	8	9
Pension assets	2	2
Deferred tax assets	655	762
<b>Financial assets</b>	<b>727</b>	<b>827</b>
<b>Total long-term assets</b>	<b>2,452</b>	<b>2,355</b>
<b>Stocks</b>	<b>912</b>	<b>832</b>
Trade debtors	3,185	3,087
Work-in-progress for third parties	2,943	2,338
Amounts owed by associated undertakings	-	3
Other debtors	506	338
Prepayments	82	34
<b>Debtors</b>	<b>6,716</b>	<b>5,800</b>
Bonds and listed shares	272	366
<b>Securities</b>	<b>272</b>	<b>366</b>
<b>Cash funds</b>	<b>2,817</b>	<b>2,766</b>
<b>Total current assets</b>	<b>10,717</b>	<b>9,764</b>
<b>Assets held for sale</b>	<b>12</b>	<b>132</b>
<b>TOTAL ASSETS</b>	<b>13,181</b>	<b>12,251</b>

## Equity and liabilities

DKKm	End of Q2 2007	End of 2006
Notes		
Share capital	1,064	1,064
Exchange rate adjustments regarding translation of investments	(80)	(85)
Exchange rate adjustments regarding hedging transactions	4	(2)
Retained earnings	2,408	1,839
Proposed dividend	-	372
<b>FLSmidth &amp; Co. A/S shareholders' share of shareholders' equity</b>	<b>3,396</b>	<b>3,188</b>
<b>Minority interests' share of shareholders' equity</b>	<b>9</b>	<b>4</b>
<b>Total shareholders' equity</b>	<b>3,405</b>	<b>3,192</b>
Deferred tax liabilities	38	28
Pension liabilities	88	97
Other provisions	908	808
Mortgage debt	183	149
Currency loans, lease commitments and bank loans	13	12
Prepayments from customers	640	616
<b>Long-term liabilities</b>	<b>1,870</b>	<b>1,710</b>
Mortgage debt	31	50
Currency loans, lease commitments and bank loans	51	82
Prepayments from customers	2,631	2,194
Work-in-progress for third parties	1,835	1,586
Trade creditors	1,700	1,859
Corporation tax payable	126	129
Other liabilities	907	676
Other provisions	571	656
Deferred income	54	112
<b>Short-term liabilities</b>	<b>7,906</b>	<b>7,344</b>
<b>Total liabilities</b>	<b>9,776</b>	<b>9,054</b>
<b>Liabilities regarding assets held for sale</b>	<b>-</b>	<b>5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,181</b>	<b>12,251</b>



## Consolidated equity

DKKm	Share capital	Exchange rate adjustments re translation of investments	Exchange rate adjustments re hedging transactions	Retained earnings etc.	Proposed dividend	FLSmidth & Co. A/S shareholders' share	Minority shareholders' share	Total
<b>Equity at 1 January 2006</b>	<b>1,064</b>	<b>(122)</b>	<b>117</b>	<b>1,213</b>	<b>372</b>	<b>2,644</b>	<b>4</b>	<b>2,648</b>
Total income for the period	-	(78)	29	195	-	<b>146</b>	(5)	<b>141</b>
Capital increase due to exchange of shares	477			5,684		<b>6,161</b>		<b>6,161</b>
Dividend paid					(368)	<b>(368)</b>		<b>(368)</b>
Dividend, own shares				4	(4)	-		-
Share-based payment, share options				3		<b>3</b>		<b>3</b>
Disposal of own shares				44		<b>44</b>		<b>44</b>
Acquisition of own shares				(6,182)		<b>(6,182)</b>		<b>(6,182)</b>
Additions and disposals of minority interests						-	-	-
Transfer between reserves		127	(127)			-		-
<b>Equity at 30 June 2006</b>	<b>1,541</b>	<b>(73)</b>	<b>19</b>	<b>961</b>	<b>-</b>	<b>2,448</b>	<b>(1)</b>	<b>2,447</b>
<b>Equity at 1 January 2007</b>	<b>1,064</b>	<b>(85)</b>	<b>(2)</b>	<b>1,839</b>	<b>372</b>	<b>3,188</b>	<b>4</b>	<b>3,192</b>
Total income for the period	-	5	6	536	-	<b>547</b>	-	<b>547</b>
Dividend paid					(366)	<b>(366)</b>		<b>(366)</b>
Dividend, own shares				6	(6)	-		-
Share-based payment, share options				4		<b>4</b>		<b>4</b>
Disposal of own shares				28		<b>28</b>		<b>28</b>
Acquisition of own shares				(5)		<b>(5)</b>		<b>(5)</b>
Additions and disposals of minority interests						-	5	<b>5</b>
<b>Equity at 30 June 2007</b>	<b>1,064</b>	<b>(80)</b>	<b>4</b>	<b>2,408</b>	<b>-</b>	<b>3,396</b>	<b>9</b>	<b>3,405</b>

## Share capital movements:

No. of shares

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

Share capital at 30 June 2007 53,200,000

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

## Own shares:

No. of shares

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

Acquisitions 11,873

Share options exercised (236,200)

Employee shares in connection with the 125th anniversary (107,900)

- set aside in the Annual Report for 2006 103,490 (4,410)

Own shares at 30 June 2007 833,355

Corresponding to 1.58% of the share capital.

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

DKKm	Share capital	Exchange rate adjustments re translation of investments	Exchange rate adjustments re hedging transactions	Retained earnings etc.	Proposed dividend	FLSmidth & Co. A/S shareholders' share	Minority shareholders' share	Total
<b>Total income for the period is specified as follows:</b>								
Exchange rate adjustments regarding translation of investments		(78)				<b>(78)</b>		<b>(78)</b>
Transferred to profit and loss account re hedging of future transactions			29			<b>29</b>		<b>29</b>
Recognised actuarial gains and losses on benefit-based pension plans				(15)		<b>(15)</b>		<b>(15)</b>
Other equity adjustments				(1)		<b>(1)</b>		<b>(1)</b>
<b>Recognised directly in the equity</b>	<b>-</b>	<b>(78)</b>	<b>29</b>	<b>(16)</b>	<b>-</b>	<b>(65)</b>		<b>(65)</b>
Profit/loss for the period				211		<b>211</b>	(5)	<b>206</b>
<b>Total income for the period 30 June 2006</b>	<b>-</b>	<b>(78)</b>	<b>29</b>	<b>195</b>	<b>-</b>	<b>146</b>	<b>(5)</b>	<b>141</b>
Exchange rate adjustments regarding translation of investments		5				<b>5</b>		<b>5</b>
Transferred to profit and loss account re hedging of future transactions			6			<b>6</b>		<b>6</b>
Recognised actuarial gains and losses on benefit-based pension plans				-		-		-
Other equity adjustments				(3)		<b>(3)</b>		<b>(3)</b>
<b>Recognised directly in the equity</b>	<b>-</b>	<b>5</b>	<b>6</b>	<b>(3)</b>	<b>-</b>	<b>8</b>		<b>8</b>
Profit/loss for the period				539		<b>539</b>		<b>539</b>
<b>Total income for the period 30 June 2007</b>	<b>-</b>	<b>5</b>	<b>6</b>	<b>536</b>	<b>-</b>	<b>547</b>	<b>-</b>	<b>547</b>

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

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

### 1. Profit and loss account classified by function

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

DKKm	Q2 2007	Q2 2006	Q1-Q2 2007	Q1-Q2 2006
Net turnover	4,504	2,900	8,268	5,207
Production costs	3,546	2,311	6,547	4,132
<b>Gross profit</b>	<b>958</b>	<b>589</b>	<b>1,721</b>	<b>1,075</b>
Sales and distribution costs	226	182	438	351
Administrative costs	320	267	609	491
Other operating income and costs	21	22	68	37
<b>Earnings before interest and tax (EBIT)</b>	<b>433</b>	<b>162</b>	<b>742</b>	<b>270</b>
Profit/loss on disposal of undertakings and activities	-	1	(4)	2
Financial income	151	112	354	274
Financial costs	103	97	292	253
<b>Earnings before tax (EBT)</b>	<b>481</b>	<b>178</b>	<b>800</b>	<b>293</b>
Tax for the period	170	53	266	88
<b>Profit/loss for the period, continuing activities</b>	<b>311</b>	<b>125</b>	<b>534</b>	<b>205</b>
Profit/loss for the period, discontinuing activities	10	-	5	1
<b>Profit/loss for the period</b>	<b>321</b>	<b>125</b>	<b>539</b>	<b>206</b>

### 2. Earnings per share (EPS)

DKKm	Q2 2007	Q2 2006	Q1-Q2 2007	Q1-Q2 2006
<b>Earnings</b>				
FLSmidth & Co. A/S shareholders' share of profit/loss for the period	321	128	539	211
FLSmidth & Co. Group profit/loss from discontinuing activities	10	-	5	1
<b>Number of shares, average</b>				
Number of shares issued	53,200,000	65,129,661	53,200,000	65,129,661
Adjustment for own shares	(879,058)	(12,675,824)	(947,724)	(12,703,168)
Potential increase of shares in circulation, in-the-money options (element of gain)	252,475	429,502	289,954	413,094
	52,573,417	52,883,339	52,542,230	52,839,587
<b>Earnings per share</b>				
• Continuing and discontinuing activities per share, DKK	6.1	2.4	10.3	4.0
• Continuing and discontinuing activities, diluted, per share, DKK	6.1	2.4	10.3	4.0
• Continuing activities per share, DKK	5.9	2.4	10.2	4.0
• Continuing activities, diluted, per share, DKK	5.9	2.4	10.2	4.0

Non-diluted earnings per share from discontinuing activities amount to DKK 0.1.

### 3. Contingent assets and liabilities

Contingent liabilities at 30 June 2007 amount to DKK 5.5bn (end of 2006 DKK 4.7bn), including performance and payment guarantees amounting to DKK 5.4bn (end of 2006 DKK 4.6bn). Reference is made to note 28 in the 2006 Annual Report for a general description of the nature of the Group's contingent liabilities.

#### 4. Breakdown of the Group by segments, continuing activities

DKKmn	Q1-Q2 2007					Q1-Q2 2006				
	Cement	Minerals	Dansk Eternit Holding	Other companies etc. <sup>1</sup>	Continuing activities total	Cement	Minerals	Dansk Eternit Holding	Other companies etc. <sup>1</sup>	Continuing activities total
<b>PROFIT AND LOSS ACCOUNT</b>										
<b>Net turnover</b>	<b>5,369</b>	<b>2,223</b>	<b>704</b>	<b>(28)</b>	<b>8,268</b>	<b>3,287</b>	<b>1,310</b>	<b>548</b>	<b>62</b>	<b>5,207</b>
Production costs	4,304	1,802	468	(69)	6,505	2,610	1,097	352	33	4,092
<b>Gross profit</b>	<b>1,065</b>	<b>421</b>	<b>236</b>	<b>41</b>	<b>1,763</b>	<b>677</b>	<b>213</b>	<b>196</b>	<b>29</b>	<b>1,115</b>
Sales, distr., admin. and other operating items	552	195	158	24	929	451	131	130	48	760
<b>Earnings before interest, tax, depr., amort. and special non-recurring items (EBITDA)</b>	<b>513</b>	<b>226</b>	<b>78</b>	<b>17</b>	<b>834</b>	<b>226</b>	<b>82</b>	<b>66</b>	<b>(19)</b>	<b>355</b>
Special non-recurring items	0	0	0	0	0	0	0	0	0	0
Depreciation and write-downs of tangible assets	28	14	24	2	68	28	7	23	4	62
Amortisation and write-downs of intangible assets	18	4	1	1	24	21	1	1	0	23
<b>Earnings before interest and tax (EBIT)</b>	<b>467</b>	<b>208</b>	<b>53</b>	<b>14</b>	<b>742</b>	<b>177</b>	<b>74</b>	<b>42</b>	<b>(23)</b>	<b>270</b>
Profit/loss on disposal of undertakings and activities	0	0	0	(4)	(4)	1	0	0	1	2
Net financial income and costs	40	14	(3)	11	62	28	5	(6)	(6)	21
<b>Earnings before tax (EBT)</b>	<b>507</b>	<b>222</b>	<b>50</b>	<b>21</b>	<b>800</b>	<b>206</b>	<b>79</b>	<b>36</b>	<b>(28)</b>	<b>293</b>
Tax for the period	170	70	13	13	266	111	23	12	(58)	88
<b>Profit/loss for the period</b>	<b>337</b>	<b>152</b>	<b>37</b>	<b>8</b>	<b>534</b>	<b>95</b>	<b>56</b>	<b>24</b>	<b>30</b>	<b>205</b>
<b>ORDER INTAKE</b>	<b>6,733</b>	<b>3,653</b>	<b>0</b>	<b>(133)</b>	<b>10,253</b>	<b>8,386</b>	<b>2,893</b>	<b>0</b>	<b>0</b>	<b>11,279</b>
<b>ORDER BACKLOG</b>	<b>15,360</b>	<b>6,420</b>	<b>0</b>	<b>(725)</b>	<b>21,055</b>	<b>13,707</b>	<b>3,842</b>	<b>0</b>	<b>0</b>	<b>17,549</b>
<b>CASH FLOW</b>										
<b>Cash flow from operating activities</b>	<b>479</b>	<b>2</b>	<b>36</b>	<b>(32)</b>	<b>485</b>	<b>314</b>	<b>61</b>	<b>(23)</b>	<b>(80)</b>	<b>272</b>
Acquisition and disposal of undertakings and activities	0	(140)	0	0	(140)	0	0	0	2	2
Acquisition of tangible assets	(83)	(29)	(41)	(4)	(157)	(54)	(10)	(21)	(5)	(90)
Other investment, net	(20)	(9)	0	43	14	5	1	1	0	7
<b>Cash flow from investing activities</b>	<b>(103)</b>	<b>(178)</b>	<b>(41)</b>	<b>39</b>	<b>(283)</b>	<b>(49)</b>	<b>(9)</b>	<b>(20)</b>	<b>(3)</b>	<b>(81)</b>
<b>Cash flow from operating and investing activities</b>	<b>376</b>	<b>(176)</b>	<b>(5)</b>	<b>7</b>	<b>202</b>	<b>265</b>	<b>52</b>	<b>(43)</b>	<b>(83)</b>	<b>191</b>
<b>WORKING CAPITAL</b>	<b>(771)</b>	<b>276</b>	<b>233</b>	<b>35</b>	<b>(227)</b>	<b>(623)</b>	<b>200</b>	<b>258</b>	<b>(34)</b>	<b>(199)</b>
<b>NET INTEREST-BEARING RECEIVABLES/(DEBT)</b>	<b>2,694</b>	<b>107</b>	<b>(89)</b>	<b>(171)</b>	<b>2,541</b>	<b>2,520</b>	<b>192</b>	<b>(37)</b>	<b>(322)</b>	<b>2,353</b>
<b>BALANCE SHEET</b>										
Intangible assets	149	212	51	4	416	142	47	32	4	225
Tangible assets	543	218	380	168	1,309	515	111	340	208	1,174
Financial assets	596	60	39	32	727	331	44	71	4	450
Short-term assets	8,175	2,604	769	(831)	10,717	7,021	1,609	716	(808)	8,538
Assets held for sale	12	0	0	0	12	0	0	0	0	0
<b>Total assets</b>	<b>9,475</b>	<b>3,094</b>	<b>1,239</b>	<b>(627)</b>	<b>13,181</b>	<b>8,009</b>	<b>1,811</b>	<b>1,159</b>	<b>(592)</b>	<b>10,387</b>
Consolidated shareholders' equity	2,414	655	190	146	3,405	2,015	476	239	(283)	2,447
Liabilities	7,061	2,439	1,049	(773)	9,776	5,994	1,335	920	(309)	7,940
Liabilities regarding assets held for sale	0	0	0	0	0	0	0	0	0	0
<b>Total equity and liabilities</b>	<b>9,475</b>	<b>3,094</b>	<b>1,239</b>	<b>(627)</b>	<b>13,181</b>	<b>8,009</b>	<b>1,811</b>	<b>1,159</b>	<b>(592)</b>	<b>10,387</b>
<b>FINANCIAL RATIOS</b>										
Contribution ratio	19.8%	18.9%	33.5%	N/A	21.3%	20.6%	16.3%	35.8%	N/A	21.4%
EBITDA ratio	9.6%	10.2%	11.1%	N/A	10.1%	6.9%	6.3%	12.0%	N/A	6.8%
EBIT ratio	8.7%	9.4%	7.5%	N/A	9.0%	5.4%	5.6%	7.7%	N/A	5.2%
<b>RETURN ON CAPITAL EMPLOYED (ROCE) <sup>2</sup></b>										
Adjusted net operating profit after tax (NOPAT)	432	172	57	168	829	122	58	30	57	267
Average capital employed	(208)	390	286	7	475	(78)	306	245	12	485
<b>Return on capital employed (ROCE) (annualised)</b>	<b>N/A</b>	<b>88%</b>	<b>40%</b>	<b>N/A</b>	<b>349%</b>	<b>N/A</b>	<b>38%</b>	<b>24%</b>	<b>N/A</b>	<b>110%</b>
<b>Number of employees at end of period</b>	<b>4,483</b>	<b>2,064</b>	<b>967</b>	<b>81</b>	<b>7,595</b>	<b>3,941</b>	<b>1,254</b>	<b>879</b>	<b>67</b>	<b>6,141</b>

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

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



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

DKKm	2005		2006				2007	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>PROFIT AND LOSS ACCOUNT</b>								
Net turnover	2,546	3,147	2,307	2,900	3,207	3,897	3,764	4,504
Gross profit	483	525	502	613	618	869	785	978
Earnings before interest, tax, depreciation, amortisation and special non-recurring items (EBITDA)	141	169	149	206	238	373	354	480
Earnings before interest and tax (EBIT)	99	126	108	162	184	321	309	433
Earnings before tax (EBT)	131	123	115	178	208	423	319	481
Tax for the period	26	(76)	35	53	62	(333)	96	170
<b>Profit/loss for the period, continuing activities</b>	<b>105</b>	<b>199</b>	<b>80</b>	<b>125</b>	<b>146</b>	<b>756</b>	<b>223</b>	<b>311</b>
Profit/loss for the period, discontinuing activities	(13)	(21)	1	0	11	13	(5)	10
<b>Profit/loss for the period</b>	<b>92</b>	<b>178</b>	<b>81</b>	<b>125</b>	<b>157</b>	<b>769</b>	<b>218</b>	<b>321</b>
<i>Contribution ratio</i>	19.0%	16.7%	21.8%	21.1%	19.3%	22.3%	20.9%	21.7%
<i>EBITDA ratio</i>	5.5%	5.4%	6.5%	7.1%	7.4%	9.6%	9.4%	10.7%
<i>EBIT ratio</i>	3.9%	4.0%	4.7%	5.6%	5.7%	8.2%	8.2%	9.6%
<b>CASH FLOW</b>								
Cash flow from operating activities	150	958	299	(29)	387	717	223	262
Cash flow from investing activities	13	131	(46)	(35)	(201)	(115)	(102)	(181)
<b>SEGMENT INFORMATION</b>								
<b>Cement</b>								
Net turnover	1,654	2,045	1,459	1,828	1,959	2,437	2,540	2,829
EBITDA	67	58	107	119	94	214	214	299
EBIT	44	33	85	92	72	188	190	277
<i>Contribution ratio</i>	17.9%	13.5%	21.4%	20.0%	16.7%	21.0%	18.6%	20.9%
<i>EBITDA ratio</i>	4.1%	2.8%	7.3%	6.5%	4.8%	8.8%	8.4%	10.6%
<i>EBIT ratio</i>	2.7%	1.6%	5.8%	5.0%	3.7%	7.7%	7.5%	9.8%
<b>Minerals</b>								
Net turnover	544	798	590	720	868	1,098	936	1,287
EBITDA	19	63	30	52	83	133	84	142
EBIT	16	59	25	49	66	118	76	132
<i>Contribution ratio</i>	13.6%	16.8%	16.6%	16.0%	18.0%	21.3%	18.9%	19.0%
<i>EBITDA ratio</i>	3.5%	7.9%	5.1%	7.2%	9.6%	12.1%	9.0%	11.0%
<i>EBIT ratio</i>	2.9%	7.4%	4.2%	6.8%	7.6%	10.7%	8.1%	10.3%
<b>Dansk Eternit Holding</b>								
Net turnover	319	262	236	312	341	327	338	366
EBITDA	23	21	23	43	44	18	37	41
EBIT	13	9	11	31	32	7	25	28
<i>Contribution ratio</i>	29.8%	34.4%	35.2%	36.0%	33.0%	31.8%	34.3%	32.8%
<i>EBITDA ratio</i>	7.2%	8.0%	9.7%	13.8%	12.9%	5.5%	10.9%	11.2%
<i>EBIT ratio</i>	4.1%	3.4%	4.7%	9.9%	9.4%	2.1%	7.4%	7.7%

**FLSmidth & Co. A/S**

Vigerslev Allé 77  
DK-2500 Valby  
Denmark  
Tel: +45 36 18 18 00  
Fax: +45 36 44 11 46  
[corp@flsmidth.com](mailto:corp@flsmidth.com)  
[www.flsmidth.com](http://www.flsmidth.com)  
CVR No. 58180912

**FLSmidth Cement**

Vigerslev Allé 77  
DK-2500 Valby  
Denmark  
Tel: +45 36 18 10 00  
Fax: +45 36 30 18 20  
[info@flsmidth.com](mailto:info@flsmidth.com)  
[www.flsmidth.com](http://www.flsmidth.com)

**FLSmidth Minerals**

3235 Schoenersville Road  
Bethlehem, PA18017-2103  
USA  
Tel: +1 610 264 6900  
Fax: +1 610 264 6996  
[www.flsmidthminerals.com](http://www.flsmidthminerals.com)

**Dansk Eternit Holding**

Sohngårdsholmsvej 2  
9000 Aalborg  
Denmark  
Tel: +45 99 37 22 22  
Fax: +45 99 37 23 22  
[info@deh.dk](mailto:info@deh.dk)  
[www.deh.dk](http://www.deh.dk)

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

