FLSmidth

1 January – 30 September 2018
Company Announcement No. 9

WE DISCOVER POTENTIAL

INTERIM REPORT Q3 2018

ROCE	CFFO (DKKm)
10.7%	357
Up from 10.0%	Down from DKKm 414

EBITA margin	Order intake (DKKm)
8.1%	7,164
Down from 8.2%	Up from DKKm 4,193

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CONTENTS

MANAGEMENT'S REVIEW

CONSOLIDATED FINANCIAL STATEMENTS

NOTES

HOW TO NAVIGATE THE REPORT

Back to contents

Management review

Financial statement

MAIN CONCLUSIONS Q3 2018

Strongest quarterly order intake in six years. Revenue growth was insufficient to generate operating leverage and improve profitability. Revenue expected to pick-up markedly in Q4. Reduction in net working capital and net debt. Continued positive momentum in mining. Cement market unchanged. Guidance for 2018 maintained.

GROWTH
Order intake increased 71%, driven by two large cement plant orders and a higher level of base orders in both Mining and Cement. Revenue increased 6% organically, driven by Cement.

PROFIT
Operating profit increased in Q3 as a result of higher revenue. The EBITA margin, however, decreased to 8.1% from 8.2% in the same quarter last year, due to higher costs related to digitalization and efficiency improvements.

CAPITAL
ROCE increased to 10.7% as a result of higher EBITA over the past 12 months and slightly lower capital employed. Positive operating cash flow led to a reduction in the financial gearing (NIBD/EBITDA) to 1.1 in Q3, well within the long-term target.

KEY PERFORMANCE INDICATORS 2018
(part of management's short- and long-term incentive plans)

Financial	Q3 2018	Q3 2017
Order intake (DKKm)	7,164	4,193
Revenue (DKKm)	4,335	4,101
ROCE	10.7%	10.0%
Net working capital % (end)	9.9%	12.0%
EBITA margin	8.1%	8.2%

Non-financial	YTD 2018	2017
Safety (TRIFR)[1]	3.0	3.2
Quality (DIFOT)[2]	87%	88%

1) TRIFR = Total recordable injury frequency rate

2) DIFOT = Delivery in full on time

GUIDANCE FOR 2018 (UNCHANGED)

DKK	Realised Q1-Q3 2018	Guidance 2018
Revenue (DKKbn)	13,3	18-20
EBITA margin	8.1%	8-10%
ROCE	10.7%	10-12%

LONG-TERM FINANCIAL TARGETS
Long-term financial targets for FLSmidth subject to normalised market conditions:

Annual growth in revenue	Above market average
EBITA margin	10-13%
ROCE[1]	>20%
Financial gearing (NIBD/EBITDA)	<2
Equity ratio	>30%
Pay-out ratio	30-50% of the profit for the year

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

FLSMIDTH IN NUMBERS Q3 2018

FLSmidth

Order intake DKKm
7,164

Revenue DKKm
4,335

EBITA margin
8.1%

ROCE
10.7%

Mining

Order intake DKKm
3,250

Revenue DKKm
2,242

EBITA margin
13.3%

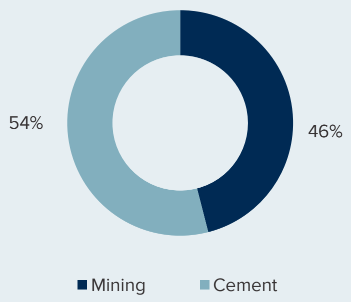
Cement

Order intake DKKm
3,858

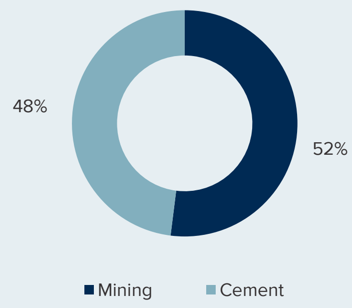
Revenue DKKm
2,038

EBITA margin
2.0%

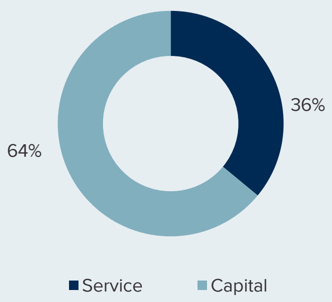
ORDER INTAKE SPLIT BETWEEN MINING AND CEMENT



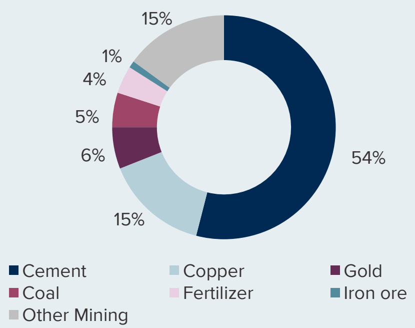
REVENUE SPLIT BETWEEN MINING AND CEMENT



ORDER INTAKE SPLIT BETWEEN SERVICE AND CAPITAL BUSINESS



ORDER INTAKE BY COMMODITY



FINANCIAL HIGHLIGHTS

DKKm	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Year 2017
INCOME STATEMENT					
Revenue	**4,335**	**4,101**	**13,300**	**13,057**	**18,000**
Gross profit	1,126	1,065	3,381	3,363	4,597
EBITDA before special non-recurring items	408	398	1,244	1,239	1,732
EBITA	350	336	1,074	1,050	1,515
EBIT	254	234	801	743	1,115
Financial items, net	(17)	(101)	(68)	(229)	(311)
EBT	237	133	733	514	796
Profit for the period, continuing activities	**171**	**95**	**506**	**365**	**417**
Loss for the period, discontinued activities	(9)	(72)	(40)	(106)	(343)
Profit for the period	**162**	**23**	**466**	**259**	**74**
ORDERS					
Order intake (gross), continuing activities	7,164	4,193	17,238	14,334	19,170
Order backlog, continuing activities			17,228	13,799	13,654
EARNING RATIOS					
Gross margin	26.0%	26.0%	25.4%	25.8%	25.5%
EBITDA margin before special non-recurring items	9.4%	9.7%	9.4%	9.5%	9.6%
EBITA margin	8.1%	8.2%	8.1%	8.0%	8.4%
EBIT margin	5.9%	5.7%	6.0%	5.7%	6.2%
EBT margin	5.5%	3.2%	5.5%	3.9%	4.4%
CASH FLOW					
Cash flow from operating activities	357	414	288	519	1,065
Acquisitions of tangible assets	(52)	(46)	(244)	(115)	(174)
Cash flow from investing activities	(109)	(69)	(234)	(169)	(113)
Free cash flow	248	345	54	350	952
Free cash flow adjusted for acquisitions and disposals of enterprises and activities	213	348	(61)	353	846

DKKm	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Year 2017
BALANCE SHEET					
Net working capital			**1,809**	**2,232**	**1,833**
Net interest-bearing debt (NIBD)			**(1,942)**	**(2,155)**	**(1,545)**
Total assets			21,652	21,996	22,364
Equity			8,048	8,211	8,038
Dividend to shareholders, paid			397	296	296
FINANCIAL RATIOS					
Cash flow from operating activities / Revenue	8.2%	10.1%	2.2%	4.0%	5.9%
Cash conversion	83.9%	148.7%	-7.6%	47.5%	75.9%
Book-to-bill	165.3%	102.2%	129.6%	109.8%	106.5%
Order backlog / Revenue			94.4%	74.3%	75.9%
Return on equity			7.7%	4.1%	0.9%
Equity ratio			37.2%	37.3%	35.9%
ROCE, average			10.7%	10.0%	10.4%
Net working capital ratio, end			9.9%	12.0%	10.2%
NIBD/EBITDA			1.1	1.2	0.9
Capital employed, average			14,387	14,720	14,533
Number of employees			**11,491**	**11,570**	**11,716**
SHARE RATIOS					
CFPS (cash flow per share), (diluted)	7.1	8.3	5.8	10.4	21.4
EPS (earnings per share), (diluted)	3.2	0.5	9.3	5.3	1.5
Share price			399.7	416.3	361.3
Number of shares (1,000), end			51,250	51,250	51,250
Market capitalisation			20,485	21,335	18,517

The financial ratios have been computed in accordance with the guidelines of the Danish Finance Society and financial definitions according to note 8.15 in the Annual Report 2017.

FINANCIAL DEVELOPMENTS

FINANCIAL DEVELOPMENTS IN Q3 2018

GROWTH

Order intake increased 71%, driven by two large cement plant orders and a higher level of base orders in both Mining and Cement. Revenue increased 6% organically, driven by Cement.

Order intake and order backlog

Order intake in Q3 increased to DKK 7,164m (Q3 2017: DKK 4,193m) and was the strongest quarterly order intake in six years, representing an organic growth of 70%. The order intake contained two large cement plant orders totalling approximately DKK 1.9bn (Q3 2017: no large orders). Even adjusting for the large orders, the order intake increased about 25% compared to Q3 last year, mainly driven by growth in both Mining and Cement capital business.

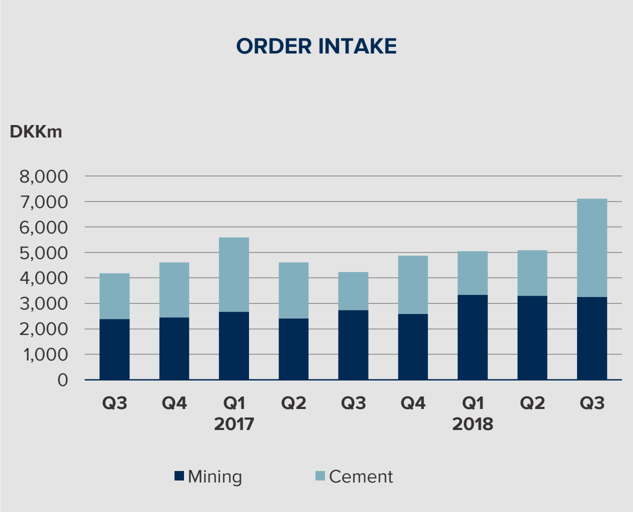
Order intake in Cement grew 161% organically compared to Q3 last year, because of growth in the capital business, whereas service order intake declined 3%.

Order intake in Mining grew 17% organically compared to Q3 last year, driven by strong growth in the capital business and a 6% increase in service order intake.

Foreign exchange translation effects had a negative impact of 3% and the acquisition of part of Sandvik Mining Systems had a 4% positive impact.

GROUP (Continuing activities)

(DKKm)	Q3 2018	Q3 2017	Change (%)	Q1-Q3 2018	Q1-Q3 2017	Change (%)
Order intake (gross)	**7,164**	**4,193**	**71%**	**17,238**	**14,334**	**20%**
- Hereof service order intake	2,569	2,501	3%	8,227	8,022	3%
Order backlog	**17,228**	**13,799**	**25%**	**17,228**	**13,799**	**25%**
Revenue	**4,335**	**4,101**	**6%**	**13,300**	**13,057**	**2%**
- Hereof service revenue	2,489	2,609	-5%	7,595	7,897	-4%
Gross profit	**1,126**	**1,065**	**6%**	**3,381**	**3,363**	**1%**
Gross profit margin	26.0%	26.0%		25.4%	25.8%	
SG&A cost	**(718)**	**(667)**	**8%**	**(2,137)**	**(2,124)**	**1%**
SG&A ratio	16.6%	16.3%		16.1%	16.3%	
SG&A ratio adjusted for one-off cost	16.6%	16.2%		16.1%	16.0%	
EBITDA before special non-recurring items	**408**	**398**	**3%**	**1,244**	**1,239**	**0%**
EBITDA margin before special non-recurring items	9.4%	9.7%		9.4%	9.5%	
EBITA	**350**	**336**	**4%**	**1,074**	**1,050**	**2%**
EBITA margin	8.1%	8.2%		8.1%	8.0%	
EBITA margin adjusted for one-off cost	8.1%	8.3%		8.1%	8.8%	
EBIT	**254**	**234**	**9%**	**801**	**743**	**8%**
EBIT margin	5.9%	5.7%		6.0%	5.7%	
Number of employees	11,377	11,439	-1%	11,377	11,439	-1%



Order intake developments in Q3 2018

Growth (vs. Q3 2017)	Mining	Cement	FLSmidth Group
Organic	17%	161%	70%
Acquisition	6%	0%	4%
Currency	-4%	-2%	-3%
Total growth	**19%**	**159%**	**71%**

Order backlog for the Group increased to DKK 17,228m (Q2 2018: DKK 14,454m). 30% Of the backlog is expected to be converted to revenue in the remainder of 2018, 48% in 2019, and 22% in 2020 and beyond.

Revenue

Revenue increased 6% to DKK 4,335m in Q3 2018 (Q3 2017: DKK 4,101m). Foreign exchange translation effects had a 2% negative impact and acquisitions a 2% positive impact on revenue. Organic growth was 6%, attributable to Cement.

Revenue developments in Q3 2018

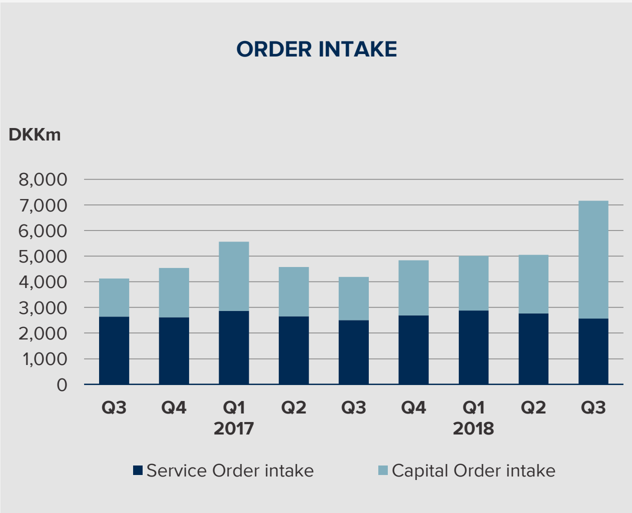
Growth (vs. Q3 2017)	Mining	Cement	FLSmidth Group
Organic	-3%	11%	6%
Acquisition	3%	0%	2%
Currency	-3%	0%	-2%
Total growth	**-3%**	**11%**	**6%**

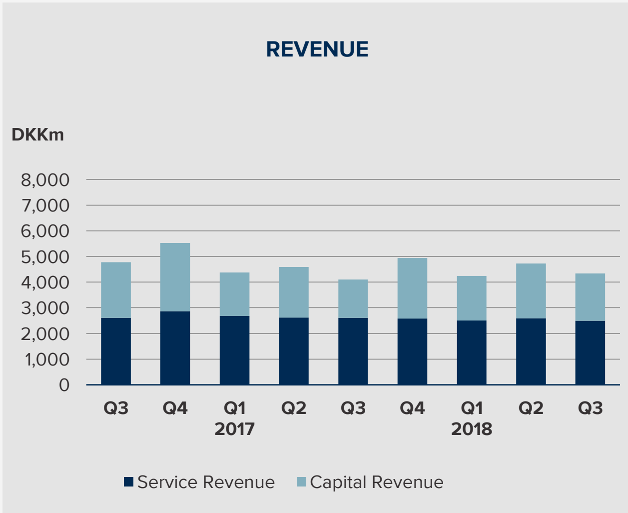
Despite a considerably stronger Mining order intake in 2018 compared to Q1-Q3 last year, Mining revenue fell slightly in Q3 2018 due to the time lag between order intake and revenue. Mining revenue is expected to pick-up markedly in the fourth quarter. Cement revenue is expected to pick-up in Q4 as well due to timing of projects.

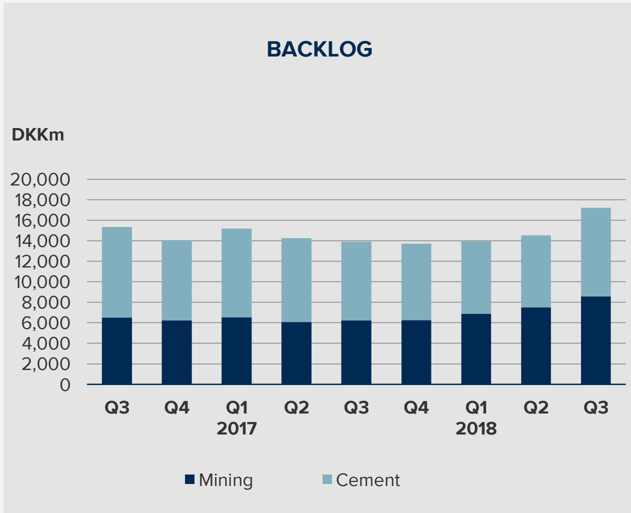
Service developments

Service order intake increased 3% to DKK 2,569m in Q3 (Q3 2017: DKK 2,501m), equivalent to 36% of the total order intake (Q3 2017: 60%). Two large cement plant orders, combined with a strong increase in Mining equipment orders, explained the lower share of service relative to capital business in Q3.

Service revenue decreased 5% to DKK 2,489m in Q3 (Q3 2017: DKK 2,609m), equivalent to 57% of the total revenue (Q3 2017: 64%). The decline was due to lower Mining service revenue, explained by timing of upgrade project milestones.







PROFIT

Operating profit increased in Q3 as a result of higher revenue. However, the EBITA margin decreased to 8.1% from 8.2% in the same quarter last year, due to higher costs related to digitalization and efficiency improvements.

Gross profit increased 6% to DKK 1,126m (Q3 2017: DKK 1,065m), entirely related to the increase in revenue. The corresponding gross margin was 26.0% (Q3 2017: 26.0%). Whilst the Group gross margin was unchanged compared to last year, it represented an improvement of 2.6%-points in Mining and 1.3%-points in Cement. Although the gross margin improved in both segments, the effect was neutral at Group level due to a higher share of, lower margin, Cement revenue and a lower share of, higher margin, Mining revenue than Q3 last year.

Q3 2018 saw total research and development costs of DKK 88m (Q3 2017: DKK 56m), representing 2.0% of revenue (Q3 2017: 1.4%), of which DKK 58m was capitalised (Q3 2017: DKK 15m) and the balance expensed as production costs. The increase in R&D costs related to several projects, of which one of the larger projects concerned comminution technology to address the increasingly harder and more complex mine ore bodies. In addition, project-financed developments are taking place in cooperation with customers.

Sales, general and administrative costs and other operating items declined sequentially to DKK 718m in Q3, but increased compared to the same quarter last year (Q3 2017: DKK 667m). The increase on Q3 last year was explained mainly by costs related to digitalization and efficiency improvements. The cost percentage was 16.6% of revenue (Q3 2017: 16.3%).

EBITA increased 4% to DKK 350m (Q3 2017: DKK 336m) due to the increase in revenue, whilst the EBITA margin decreased to 8.1% (Q3 2017: 8.2%) as a result of the higher cost base, as explained above.

Amortisation of intangible assets amounted to DKK -96m (Q3 2017: DKK -102m). The effect of purchase price allocations amounted to DKK -40m (Q3 2017: DKK -55m) and other amortisation to DKK -56m (Q3 2017: DKK -47m). Earnings before interest and tax (EBIT) increased 9% to DKK 254m (Q3 2017: 234m).

Net financial items amounted to DKK -17m (Q3 2017: DKK -101m), of which foreign exchange and fair value adjustments amounted to DKK -21m (Q3 2017: DKK -75m) and net interest amounted to DKK 4m (Q3 2017: DKK -26m).

Tax for the period amounted to DKK -66m (Q3 2017: DKK -38m), corresponding to an effective tax rate of 28% (Q3 2017: 29%). The USA passed a new tax legislation effective 1 January 2018. The full impact is still being analysed, but it is expected that the overall consequences for the Group's effective tax rate and tax payments in 2018 will be negative based on the current business model due to the new Base Erosion Anti-Abuse Tax (BEAT).

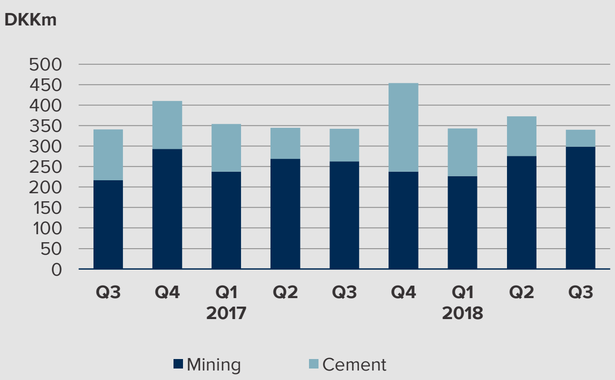
Profit from continuing activities increased to DKK 171m (Q3 2017: DKK 95m), mainly due to lower financial expenses.

Loss from discontinued activities amounted to DKK -9m (Q3 2017: DKK -72m). Discontinued activities are predominantly related to the bulk material handling activities that were announced for sale in connection with the third quarter interim report in 2015. The sales process is still ongoing and we are in final negotiations with a potential acquirer. Signing is expected in the near-term.

Profit for the period increased to DKK 162m (Q3 2017: DKK 23m), equivalent to DKK 3.2 per share (diluted) (Q3 2017: DKK 0.5).

REVENUE AND EBITA MARGIN

EBITA



CAPITAL

Capital employed and ROCE

ROCE increased to 10.7% as a result of higher EBITA over the past 12 months and slightly lower capital employed. Positive operating cash flow led to a reduction in the financial gearing (NIBD/EBITDA) to 1.1 in Q3, well within the long-term target.

Average capital employed decreased to DKK 14.4bn in Q3 2018 (Q3 2017: DKK 14.7bn), and 12-months trailing EBITA increased to DKK 1,539m (Q3 2017: DKK 1,476m). As a consequence, ROCE increased to 10.7% (Q3 2017: 10.0%).

Capital employed at the end of Q3 2018 amounted to DKK 14.2bn and consists primarily of intangible assets amounting to DKK 10.1bn, which is mostly historical goodwill as well as patents and rights, and customer relations. Tangible assets amounted to DKK 2.3bn and net working capital to DKK 1.8bn.

Cash flow and working capital

Cash flow from operating activities decreased to DKK 357m in Q3 2018 (Q3 2017: DKK 414m). Change in net working capital had a DKK 27m positive impact in Q3 2018 (Q3 2017: DKK 166m positive impact). Change in provisions had a DKK 48m negative impact in Q3 2018 (Q3 2017: DKK 30m positive impact). Cash flow from operating activities in discontinued business amounted to DKK -162m of which the majority related to change in net working capital.

Net working capital decreased to DKK 1,809m at the end of Q3 2018 (end of Q2 2018: DKK 2,003m). The corresponding net working capital ratio decreased to 9.9% of 12-months trailing revenue (end of Q2 2018: 11.1% of revenue). The decrease in net working capital from Q2 to Q3 was explained by a reduction in net work-in-progress and increased net prepayments from customers, partly offset by lower trade payables and higher inventory to support sales of products and parts.

Cash flow from investing activities increased to DKK -109m in Q3 2018 (Q3 2017: DKK -69m), due to higher capitalised research and development costs than Q3 last year.

Free cash flow (cash flow from operating and investing activities) in Q3 amounted to DKK 248m (Q3 2017: DKK 345m).

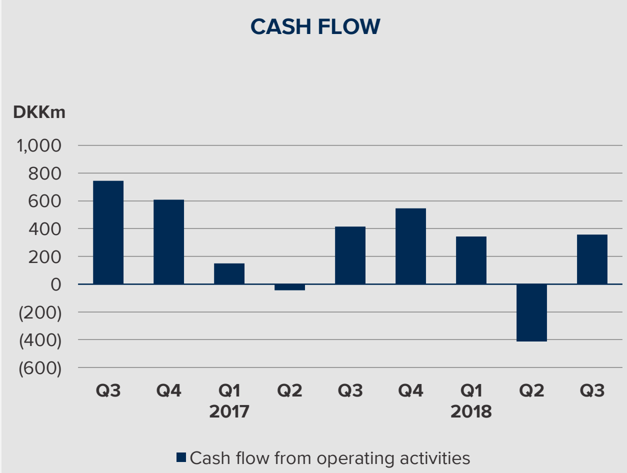
Balance sheet and capital structure

Total assets amounted to DKK 21,652m at the end of Q3 2018, largely unchanged from the previous quarter (end of Q2 2018: DKK 21,614m).

Equity at the end of Q3 2018 increased to DKK 8,048m (end of Q2 2018: DKK 7,933m), and the equity ratio was 37.2% (end of Q2 2018: 36.7%), well above the long-term target of minimum 30%.

Net interest-bearing debt (NIBD) by the end of Q3 2018 decreased to DKK 1,942m (end of Q2 2018: DKK 2,135m). As a result, the Group's financial gearing was 1.1 (end of Q2 2018: 1.2), well below the NIBD long term target of maximum two times EBITDA.

At the end of Q3 2018, the Group's capital resources consisted of committed credit facilities of DKK 7.3bn (including mortgage) with a weighted average time to maturity of 3.3 years.

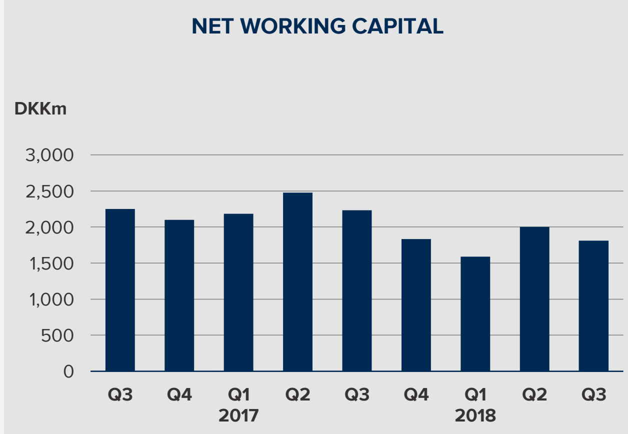


TREASURY SHARES

FLSmidth's treasury shares amounted to 1,403,275 shares at the end of Q3 2018 (end of Q2 2018: 1,452,490 shares), representing 2.7% of the total share capital (end of Q2 2018: 2.8%). Treasury shares are used to hedge FLSmidth's long-term incentive plans.

EMPLOYEES

The number of employees amounted to 11,491 at the end of Q3 2018 (end of Q2 2018: 11,781), including discontinued activities, employing 114 people. The reduction related primarily to operation & maintenance in Cement and completed maintenance work in Mining.



LONG TERM INCENTIVE PLANS (LTIP)

Share option plans (being phased out)

At the end of Q3 2018, there was a total of 1,060,394 unexercised share options under FLSmidth's incentive plan and their fair value was DKK 149m. The fair value is calculated by means of a Black & Scholes model based on a current share price of DKK 399.7, a volatility of 28.9% and a future annual dividend of DKK 8 per share. The effect of the plan on the income statement for Q3 2018 was DKK -4m (Q3 2017: DKK -5m).

Performance shares (replacing share option programme)

At the end of Q3 2018, FLSmidth had granted a maximum of 405,600 performance share units (Q3 2017: 302,813) to 279 key employees. Full vesting after three years will depend on achievement of stretched financial targets related to the EBITA margin and the net working capital ratio. The effect of the plan on the income statement for Q3 2018 was DKK -5m (Q3 2017: DKK -6m).

GUIDANCE FOR 2018 (UNCHANGED)

Based on the results delivered in the first three quarters of 2018 and the expected developments in the remainder of 2018, it is expected that revenue will be DKK 18-20bn and that the EBITA margin will be 8-10%. The return on capital employed is expected to be 10-12%. Revenue is expected to pick-up significantly in the fourth quarter, driven by both mining and cement, and accompanied by operating leverage and higher margins.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

None.

FINANCIAL CALENDAR 2019

31 Jan. 2019	Annual Report 2018
27 Mar. 2019	Annual General Meeting
2 May 2019	1st Quarter Interim Report 2019
7 Aug. 2019	Half-year Interim Report 2019
29 Oct. 2019	1st-3rd Quarter Interim Report 2019

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 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 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 report.

FINANCIAL DEVELOPMENTS IN Q1-Q3 2018

GROWTH

Order intake and revenue

Order intake increased 20% in Q1-Q3 2018, to DKK 17,238m (Q1-Q3 2017: DKK 14,334m) and increased 23% organically. Revenue increased 2% to DKK 13,300m (Q1-Q3 2017: DKK 13,057m) and increased 5% organically.

Order intake developments in Q1-Q3 2018

Growth (vs. Q1-Q3 2017)	Mining	Cement	FLSmidth Group
Organic	30%	15%	23%
Acquisition	5%	0%	3%
Currency	-8%	-4%	-6%
Total growth	**27%**	**11%**	**20%**

Order intake was particularly strong in Mining in the first three quarters of 2018, supported by higher capital expenditures in the mining industry. Despite a continued challenging cement market, Cement saw double digit growth in Q1-Q3, following the awarding of two large cement plant contracts in the third quarter.

Revenue developments in Q1-Q3 2018

Growth (vs. Q1-Q3 2017)	Mining	Cement	FLSmidth Group
Organic	8%	0%	5%
Acquisition	3%	0%	2%
Currency	-6%	-3%	-5%
Total growth	**5%**	**-3%**	**2%**

Mining revenue increased 8% organically in Q1-Q3 2018, which is well below the growth in Mining orders and explained by the time lag between orders and revenue, especially in the capital business. Cement revenue was unchanged organically compared to the first three quarters of last year.

PROFIT

Gross profit increased 1% to DKK 3,381m (Q1-Q3 2017: DKK 3,363m due to higher revenue. The gross margin declined to 25.4% (Q1-Q3 2017: 25.8%) due to higher R&D costs and a higher share of capital versus service business than last year.

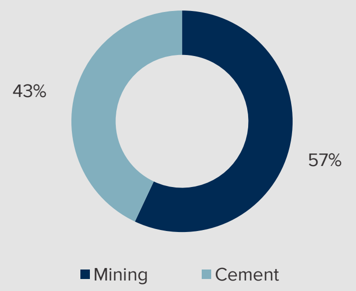
EBITA increased 2% to DKK 1,074m (Q1-Q3 2017: DKK 1,050m), mainly as a consequence of the increase in revenue. The EBITA margin was 8.1% (Q1-Q3 2017: 8.0%).

Due to lower amortisation and financial costs, EBT increased to DKK 733m (Q1-Q3 2017: DKK 514m), and the net profit from continuing activities increased to DKK 506m (Q1-Q3 2017: DKK 365m).

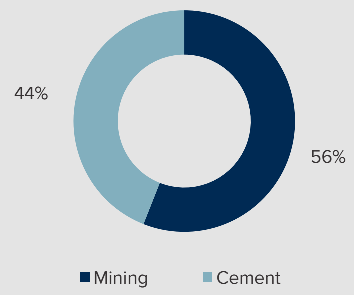
CAPITAL

Cash flow from operating activities declined to DKK 288m (Q1-Q3 2017: DKK 519m) primarily as a consequence of a negative contribution from changes in provisions of which more than DKK 200m related to settlement of a legacy project in discontinued activities in the second quarter.

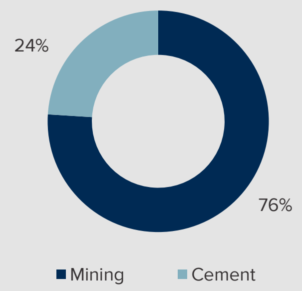
ORDER INTAKE SPLIT BETWEEN MINING AND CEMENT (YTD)



REVENUE SPLIT BETWEEN MINING AND CEMENT (YTD)



EBITA SPLIT BETWEEN MINING AND CEMENT (YTD)



MINING

MARKET DEVELOPMENTS

The market for mining capital expenditures showed continued good momentum in the third quarter, despite ongoing trade war uncertainty which has impacted commodity prices. After a copper price decline of more than 15% in June-July, the speculative activity against copper subsided in Q3, and the copper price has stabilised around 6,000 USD/mt and ended the quarter close to 6,200 USD/mt, well above the cash cost of most copper producers.

ICSG has estimated a world refined copper deficit of 150,000 tonnes in the first seven months of 2018, and the International Wrought Copper Council is expecting a copper supply deficit in 2018 based on solid Chinese demand growth of about 4% this year.

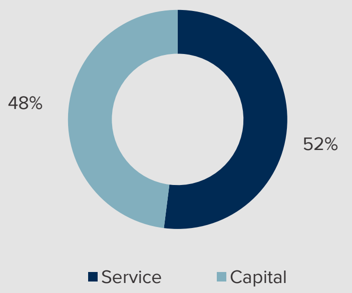
Demand for minerals processing equipment and brownfield projects remained solid across regions and commodities in the third quarter. Mining activity in the Americas and Asia remained healthy, with copper and gold as the driving force, but good activity within other commodities too, including coal, nickel and zinc. Australia saw increased inquiry activity within iron ore, coal and battery related commodities. Subcontinental India showed good activity within iron ore, coal, zinc and alumina in particular. Activity is slowly picking up in Sub-Saharan Africa and the Middle East, mostly related to copper, gold and coal. Across regions, customers are showing increasing interest in new technology to increase productivity and drive down costs.

Greenfield activity is still limited, although the pipeline contains a few opportunities for larger mining projects. Timing is uncertain due to lengthy processes related to environmental approvals, internal Board approvals and, in some cases, financing.

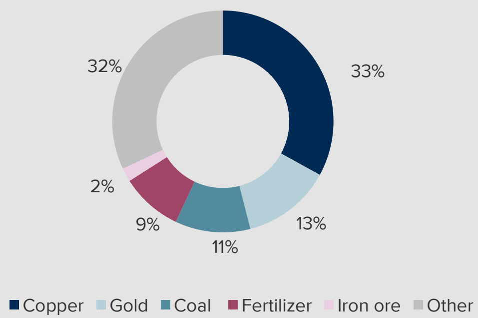
While the miners have shown increasing interest in improving productivity and increasing capacity, they remain cautious on new investments and focused on minimising production costs. With the latter representing both an opportunity and a constraint, the mining aftermarket was largely unchanged in the quarter. Growing mine production, especially in copper, is creating a larger installed base to service, but at the same time miners are pursuing ways to operate equipment more efficiently.

Pricing for both equipment and services was unchanged in the quarter.

MINING ORDER INTAKE SPLIT BETWEEN SERVICE AND CAPITAL BUSINESS (Q3)



MINING ORDER INTAKE BY COMMODITY (Q3)



COPPER PRICE USD/MT, LME

FINANCIAL PERFORMANCE IN Q3 2018

Order intake in Q3 2018 increased 19% to DKK 3,250m (Q3 2017: DKK 2,737m) and 17% when adjusted for currency and acquisitions, compared to the same quarter last year. The increase was driven predominantly by higher demand for projects and equipment, but also a 6% growth in service orders.

Revenue decreased 3% to DKK 2,242m in Q3 2018 (Q3 2017: DKK 2,310m), explained by lower service revenue, partly offset by higher revenue from the capital business. Currency effects had a 3% negative impact and acquisitions a 3% positive impact on revenue in the quarter.

Gross profit, before allocation of shared cost increased 6% to DKK 711m (Q3 2017: DKK 672m), and the corresponding gross margin increased to 31.7% (Q3 2017: 29.1%) due to good execution and business mix (more products, less projects).

EBITA increased 14% to DKK 299m (Q3 2017: DKK 263m), and the EBITA margin increased to 13.3%, (Q3 2017: 11.4%), reflecting the higher gross margin.

FINANCIAL PERFORMANCE IN Q1-Q3 2018

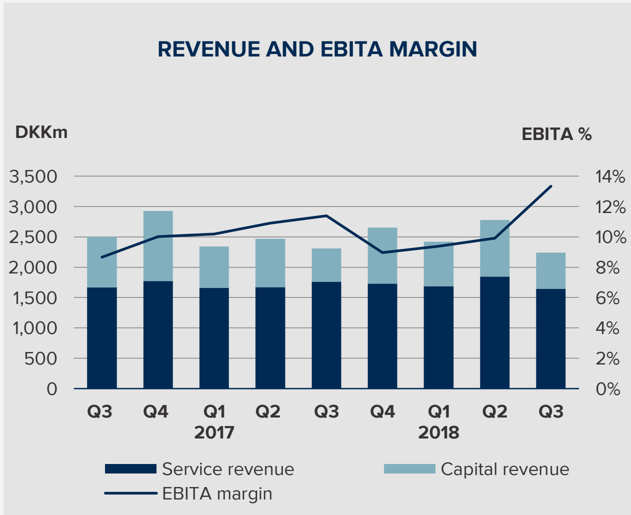
Order intake in Q1-Q3 2018 increased 27% to DKK 9,886m (Q1-Q3 2017: DKK 7,814m), explained by greater demand for equipment and brownfield projects and a 9% increase in service orders.

Revenue in the first three quarters increased 5% to DKK 7,440m (Q1-Q3 2017: DKK 7,116m), considerably below the order intake in 2018 because of the time lag between orders and revenue, particularly in the capital business which has driven the recent increase in Mining orders.

EBITA increased 4% to DKK 802m (Q1-Q3 2017: DKK 769m) as a result of the higher revenue. The EBITA margin of 10.8% was in line with last year.

MINING

(DKKm)	Q3 2018	Q3 2017	Change (%)	Q1-Q3 2018	Q1-Q3 2017	Change (%)
Order intake (gross)	**3,250**	**2,737**	**19%**	**9,886**	**7,814**	**27%**
- Hereof service order intake	1,702	1,609	6%	5,734	5,260	9%
- Hereof capital order intake	1,548	1,128	37%	4,152	2,554	63%
Order backlog	**8,579**	**6,230**	**38%**	**8,579**	**6,230**	**38%**
Revenue	**2,242**	**2,310**	**-3%**	**7,440**	**7,116**	**5%**
- Hereof service revenue	1,644	1,761	-7%	5,177	5,092	2%
- Hereof capital revenue	598	549	9%	2,263	2,024	12%
Gross profit before allocation of shared cost	**711**	**672**	**6%**	**2,103**	**2,056**	**2%**
Gross profit margin before allocation of shared cost	31.7%	29.1%		28.3%	28.9%	
EBITA before allocation of shared cost	**456**	**463**	**-2%**	**1,383**	**1,374**	**1%**
EBITA margin before allocation of shared cost	20.3%	20.0%		18.6%	19.3%	
EBITA	**299**	**263**	**14%**	**802**	**769**	**4%**
EBITA margin	13.3%	11.4%		10.8%	10.8%	
EBIT	**228**	**198**	**15%**	**614**	**573**	**7%**
EBIT margin	10.2%	8.6%		8.3%	8.1%	
Number of employees	5,716	5,206	10%	5,716	5,206	10%



CEMENT

MARKET DEVELOPMENTS

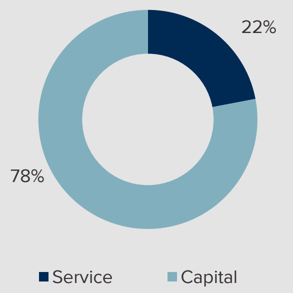
Regardless of a very strong order intake in the third quarter, the market for new cement capacity was unchanged and remains subdued on a global scale. The awarding of two large cement plant orders, however, underlines FLSmidth's position as the clear leading supplier in the premium market. It also demonstrates, once again, the local nature of the cement market, where good regional opportunites can arise in a globally subdued market.

The cement pipeline is still charactarised by a limited number of large potential projects and a healthy level of small to mid-sized opportunities within upgrades, retrofits, single equipment and grinding plants. The cement market as a whole remains very competitive with stable pricing at a low level.

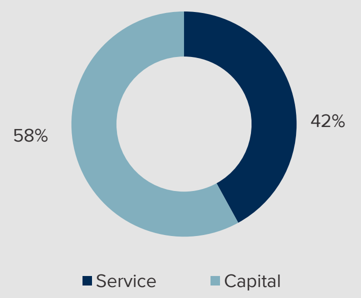
Cement activity in Subcontinental India picked up in the first half of 2018 and remained at this level in Q3. Despite a strong US economy and a pent-up need to maintain infrastructure, North America shows no signs of adding significant new capacity, but interest in smaller upgrades, retrofits and single equipment persists. In South America and Asia customers are mostly focused on plant optimisations to reduce operating costs and, in some cases, adding smaller grinding or clinker production plants.

The cement aftermarket was overall stable in the third quarter but characterised by significant regional differences. Low plant utilisation in most regions means few new plants are coming online and limited opportunities for first time spares. On the other hand, customers are increasingly looking for retrofits and rebuilds to reduce costs and environmental impact of existing plants. In both India and China cement companies are increasingly requesting plant improvements to ensure compliance with stricter environmental regulation. In Europe, customers show increased interest in alternative fuel systems to substitute fossil fuel.

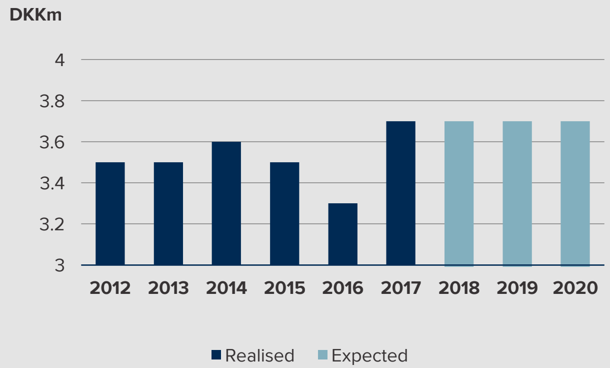
CEMENT ORDER INTAKE SPLIT BETWEEN SERVICE AND CAPITAL BUSINESS (Q3)



CEMENT REVENUE SPLIT BETWEEN SERVICE AND CAPITAL BUSINESS (Q3)



WORLD GDP, IMF



FINANCIAL PERFORMANCE IN Q3 2018

Order intake in Q3 2018 increased 159% to DKK 3,858m (Q3 2017: DKK 1,489m). Order intake in Q3 included two large cement plant orders, together worth around DK 1.9bn (Q3 2017: no large cement orders). Even adjusted for the two large orders, the order intake increased substantially compared to the same quarter last year, driven by an increase in capital orders.

Revenue increased 11% to DKK 2,038m in Q3 2018 (Q3 2017: DKK 1,843m), explained by higher revenue from the capital business. Currency had no revenue impact in the quarter.

Gross profit, before allocation of shared cost increased 18% to DKK 432m (Q3 2017: DKK 367m), and the corresponding gross margin increased to 21.2% (Q3 2017: 19.9%) due to good execution and business mix (more products, less projects).

EBITA decreased 48% to DKK 41m (Q3 2017: DKK 79m), and the corresponding EBITA margin fell to 2.0%, (Q3 2017: 4.3%).

The decrease in EBITA was mainly explained by digitalisation and efficiency improvement costs, and a very low cost base in the comparison quarter.

The short-term outlook for large cement projects remains stable, subdued, and pricing pressure is ongoing. Consequently, action has been taken to improve efficiency and profitability in Cement, and notice has been given to more than 100 people, globally, during the second half of 2018. The expected EBITA improvement in 2019 is approximately DKK 80m (everything else being equal). FLSmidth will continue to invest in white spots, digitalization and standardisation.

FINANCIAL PERFORMANCE IN Q1-Q3 2018

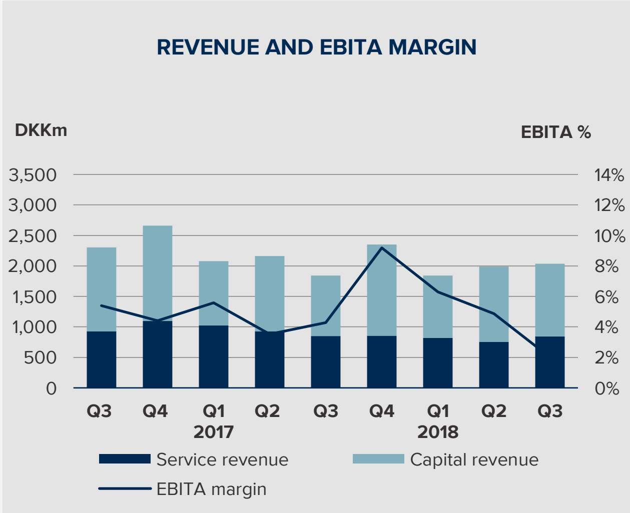
Order intake in Q1-Q3 2018 increased 11% to DKK 7,357m (Q1-Q3 2017: DKK 6,612m), explained by the strong order intake in the third quarter.

Revenue in the first three quarters of 2018 declined 3% to DKK 5,869m (Q1-Q3 2017: DKK 6,077m) but was unchanged compared to last year when adjusted for currency.

EBITA decreased 6% to DKK 254m (Q1-Q3 2017: DKK 271m) as a result of the lower revenue, and the corresponding EBITA margin was 4.3% (Q1-Q3 2017: 4.5%).

CEMENT

(DKKm)	Q3 2018	Q3 2017	Change (%)	Q1-Q3 2018	Q1-Q3 2017	Change (%)
Order intake (gross)	**3,858**	**1,489**	**159%**	**7,357**	**6,612**	**11%**
- Hereof service order intake	867	891	-3%	2,493	2,756	-10%
- Hereof capital order intake	2,991	598	400%	4,864	3,856	26%
Order backlog	**8,653**	**7,697**	**12%**	**8,653**	**7,697**	**12%**
Revenue	**2,038**	**1,843**	**11%**	**5,869**	**6,077**	**-3%**
- Hereof service revenue	846	848	0%	2,418	2,798	-14%
- Hereof capital revenue	1,192	995	20%	3,451	3,279	5%
Gross profit before allocation of shared cost	**432**	**367**	**18%**	**1,321**	**1,314**	**1%**
Gross profit margin before allocation of shared cost	21.2%	19.9%		22.5%	21.6%	
EBITA before allocation of shared cost	**150**	**250**	**-40%**	**749**	**796**	**-6%**
EBITA margin before allocation of shared cost	7.4%	13.6%		12.8%	13.1%	
EBITA	**41**	**79**	**-48%**	**254**	**271**	**-6%**
EBITA margin	2.0%	4.3%		4.3%	4.5%	
EBIT	**16**	**42**	**-62%**	**169**	**160**	**6%**
EBIT margin	0.8%	2.3%		2.9%	2.6%	
Number of employees	5,661	6,233	-9%	5,661	6,233	-9%



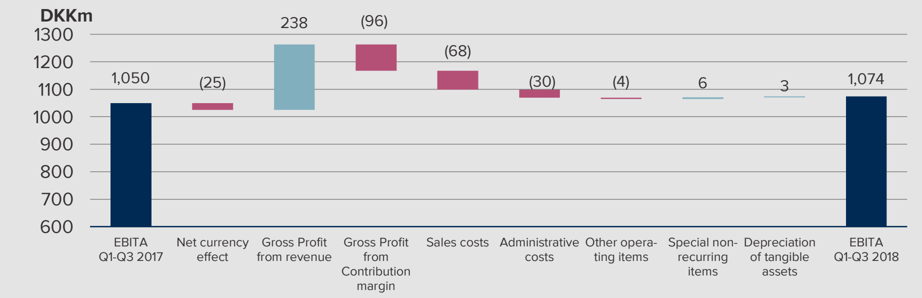
QUARTERLY KEY FIGURES

DKKm	2016				2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
INCOME STATEMENT											
Revenue	3,758	4,135	4,774	5,525	4,371	4,585	4,101	4,943	4,235	4,730	4,335
- Hereof service revenue	2,328	2,445	2,601	2,870	2,675	2,613	2,609	2,583	2,507	2,599	2,489
Gross profit	**1,038**	**1,078**	**1,164**	**1,301**	**1,134**	**1,164**	**1,065**	**1,234**	**1,074**	**1,181**	**1,126**
SG&A costs and other operating items	(726)	(738)	(743)	(786)	(698)	(759)	(667)	(741)	(678)	(741)	(718)
EBITDA before special non-recurring items	**312**	**340**	**421**	**515**	**436**	**405**	**398**	**493**	**396**	**440**	**408**
Special non-recurring items	0	0	(9)	(21)	0	0	(4)	55	3	0	0
Depreciations and write-downs of tangible assets	(66)	(67)	(68)	(68)	(64)	(63)	(58)	(83)	(56)	(59)	(58)
EBITA	**246**	**273**	**344**	**426**	**372**	**342**	**336**	**465**	**343**	**381**	**350**
Amortisations of intangible assets	(93)	(96)	(101)	(118)	(100)	(105)	(102)	(93)	(95)	(82)	(96)
EBIT	**153**	**177**	**243**	**308**	**272**	**237**	**234**	**372**	**248**	**299**	**254**
Financial income/costs, net	(38)	(32)	14	2	(34)	(94)	(101)	(82)	(35)	(16)	(17)
EBT	**115**	**145**	**257**	**310**	**238**	**143**	**133**	**282**	**213**	**283**	**237**
Tax for the period	(36)	(45)	(70)	(86)	(60)	(51)	(38)	(230)	(66)	(95)	(66)
Profit on continuing activities for the period	**79**	**100**	**187**	**224**	**178**	**92**	**95**	**52**	**147**	**188**	**171**
Loss on discontinued activities for the period	(6)	(3)	(17)	(42)	(17)	(17)	(72)	(237)	(11)	(20)	(9)
Profit/loss for the period	**73**	**97**	**170**	**182**	**161**	**75**	**23**	**(185)**	**136**	**168**	**162**
Effect of purchase price allocation	(60)	(60)	(60)	(60)	(55)	(55)	(55)	(55)	(40)	(40)	(40)
Gross margin	*27.6%*	*26.1%*	*24.4%*	*23.5%*	*25.9%*	*25.4%*	*26.0%*	*25.0%*	*25.4%*	*25.0%*	*26.0%*
EBITDA margin before special non-recurring items	*8.3%*	*8.2%*	*8.8%*	*9.3%*	*10.0%*	*8.8%*	*9.7%*	*10.0%*	*9.4%*	*9.3%*	*9.4%*
EBITA margin	*6.5%*	*6.6%*	*7.2%*	*7.7%*	*8.5%*	*7.5%*	*8.2%*	*9.4%*	*8.1%*	*8.1%*	*8.1%*
EBIT margin	*4.1%*	*4.3%*	*5.1%*	*5.6%*	*6.2%*	*5.2%*	*5.7%*	*7.5%*	*5.9%*	*6.3%*	*5.9%*
Cash flow											
Cash flow from operating activities	(60)	155	744	608	149	(44)	414	546	343	(412)	357
Cash flow from investing activities	(12)	(95)	(43)	(44)	(35)	(65)	(69)	56	(42)	(83)	(109)
Order intake, continuing activities (gross)	5,281	4,345	4,133	4,544	5,561	4,580	4,193	4,836	5,018	5,056	7,164
- Hereof service order intake	2,341	2,432	2,647	2,616	2,868	2,653	2,501	2,693	2,885	2,773	2,569
Order backlog, continuing activities	15,792	15,914	15,174	13,887	14,998	14,115	13,799	13,654	13,874	14,454	17,228

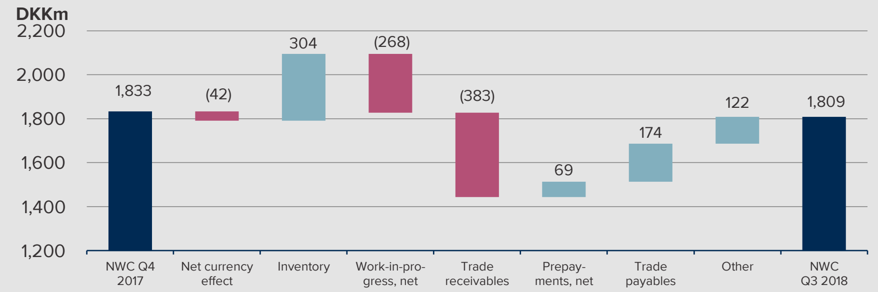
DKKm	2016				2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
SEGMENT REPORTING											
Mining											
Revenue	2,237	2,270	2,506	2,926	2,338	2,468	2,310	2,653	2,418	2,780	2,242
- Hereof service revenue	1,456	1,495	1,665	1,772	1,659	1,672	1,761	1,729	1,689	1,844	1,644
Gross profit before allocation of shared costs	633	628	651	777	666	717	672	695	653	739	711
EBITA before allocation of shared costs	408	381	416	531	442	469	463	488	434	493	456
EBITA	189	169	217	293	238	269	263	238	227	276	299
EBIT	127	106	151	220	174	202	198	175	165	221	228
Gross margin before allocation of shared costs	*28.3%*	*27.7%*	*26.0%*	*26.6%*	*28.5%*	*29.1%*	*29.1%*	*26.2%*	*27.0%*	*26.6%*	*31.7%*
EBITA margin before allocation of shared costs	*18.2%*	*16.8%*	*16.6%*	*18.1%*	*18.9%*	*19.0%*	*20.0%*	*18.4%*	*18.0%*	*17.8%*	*20.3%*
EBITA margin	*8.4%*	*7.4%*	*8.7%*	*10.0%*	*10.2%*	*10.9%*	*11.4%*	*9.0%*	*9.4%*	*9.9%*	*13.3%*
EBIT margin	*5.7%*	*4.7%*	*6.0%*	*7.5%*	*7.4%*	*8.2%*	*8.6%*	*6.6%*	*6.8%*	*7.9%*	*10.2%*
Order intake (gross)	2,107	2,673	2,390	2,451	2,670	2,407	2,737	2,589	3,339	3,297	3,250
- Hereof service order intake	1,544	1,684	1,643	1,637	1,863	1,788	1,609	1,714	2,084	1,948	1,702
Order backlog	6,528	6,782	6,528	6,233	6,529	6,064	6,230	6,261	6,900	7,526	8,579
Cement											
Revenue	1,547	1,916	2,302	2,662	2,076	2,159	1,843	2,352	1,841	1,990	2,038
- Hereof service revenue	868	955	929	1,097	1,022	928	848	853	818	754	846
Gross profit before allocation of shared costs	414	459	510	544	464	484	367	573	433	456	432
EBITA before allocation of shared costs	257	285	313	301	297	249	250	427	304	295	150
EBITA	61	99	124	117	116	76	79	216	116	97	41
EBIT	29	66	90	72	81	37	42	186	82	71	16
Gross margin before allocation of shared costs	*26.8%*	*24.0%*	*22.2%*	*20.4%*	*22.4%*	*22.4%*	*19.9%*	*24.4%*	*23.5%*	*22.9%*	*21.2%*
EBITA margin before allocation of shared costs	*16.6%*	*14.9%*	*13.6%*	*11.3%*	*14.3%*	*11.5%*	*13.6%*	*18.2%*	*16.5%*	*14.8%*	*7.4%*
EBITA margin	*3.9%*	*5.2%*	*5.4%*	*4.4%*	*5.6%*	*3.5%*	*4.3%*	*9.2%*	*6.3%*	*4.9%*	*2.0%*
EBIT margin	*1.9%*	*3.4%*	*3.9%*	*2.7%*	*3.9%*	*1.7%*	*2.3%*	*7.9%*	*4.5%*	*3.6%*	*0.8%*
Order intake (gross)	3,238	1,752	1,792	2,158	2,918	2,205	1,489	2,277	1,707	1,792	3,858
- Hereof service order intake	795	750	989	979	1,008	857	891	979	801	825	867
Order backlog	9,395	9,300	8,823	7,850	8,650	8,197	7,697	7,473	7,057	7,003	8,653

RETURN ON CAPITAL EMPLOYED

EBITA – BRIDGE
Development from Q1-Q3 2017 to Q1-Q3 2018



NET WORKING CAPITAL – BRIDGE
Development from end 2017 to Q3 2018



ROCE BREAKDOWN
Q3 2018 (Q3 2017)

ROCE
10.7% (10.0%)

RETURN (EBITA)[1)]
1,539 (1,476)

CAPITAL EMPLOYED[3)]
14,387 (14,720)

REVENUE[1)]
18,243 (18,582)

GROSS MARGIN[1)]
25.3% (25.1%)

COST[1+2)]
-3,076 (-3,188)

NWC[3)]
2,021 (2,241)

TANGIBLE ASSETS[3)]
2,281 (2,398)

INTANGIBLE ASSETS[3+4)]
10,085 (10,080)

1) Last 12 months trailing
2) Cost consist of SG&A, depreciations and special non-recurring items
3) Average values
4) Measured at cost value

STATEMENT BY MANAGEMENT

The Board of Directors and Executive Management have today considered and approved the interim report of FLSmidth & Co. A/S for the period 1 January - 30 September 2018.

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 2018 as well as of its financial performance and its cash flow for the period 1 January - 30 September 2018.

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.

Valby, 7 November 2018

EXECUTIVE MANAGEMENT

Thomas Schulz
Group CEO

Lars Vestergaard
Group Executive Vice President and CFO

BOARD OF DIRECTORS

Vagn Sørensen
Chairman

Tom Knutzen
Vice Chairman

Marius Jacques Kloppers

Caroline Grégoire Sainte Marie

Richard Robinson Smith

Anne Louise Eberhard

Mette Dobel

Søren Dickow Quistgaard

Claus Østergaard

INCOME STATEMENT

Notes	DKKm	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017
1, 2	Revenue	4,335	4,101	13,300	13,057
	Production costs	(3,209)	(3,036)	(9,919)	(9,694)
	Gross profit	**1,126**	**1,065**	**3,381**	**3,363**
	Sales costs	(354)	(348)	(1,096)	(1,083)
	Administrative costs	(369)	(317)	(1,067)	(1,074)
	Other operating items	5	(2)	26	33
	EBITDA before special non-recurring items	**408**	**398**	**1,244**	**1,239**
	Special non-recurring items	0	(4)	3	(4)
	Depreciations and write-downs of tangible assets	(58)	(58)	(173)	(185)
	EBITA	**350**	**336**	**1,074**	**1,050**
	Amortisations of intangible assets	(96)	(102)	(273)	(307)
	EBIT	**254**	**234**	**801**	**743**
	Financial income	235	224	686	911
	Financial costs	(252)	(325)	(754)	(1,140)
	EBT	**237**	**133**	**733**	**514**
	Tax for the period	(66)	(38)	(227)	(149)
	Profit for the period, continuing activities	**171**	**95**	**506**	**365**
	Loss for the period, discontinued activities	(9)	(72)	(40)	(106)
	Profit for the period	**162**	**23**	**466**	**259**
	To be distributed as follows:				
	FLSmidth & Co. A/S shareholders' share of profit for the period	160	26	463	262
	Minority shareholders' share of profit for the period	2	(3)	3	(3)
		162	**23**	**466**	**259**
7	Earnings per share (EPS):				
	Continuing and discontinued activities per share	3.2	0.5	9.3	5.3
	Continuing and discontinued activities per share, diluted	3.2	0.5	9.3	5.3
	Continuing activities per share	3.4	2.0	10.1	7.5
	Continuing activities per share, diluted	3.4	2.0	10.1	7.4

STATEMENT OF COMPREHENSIVE INCOME

Notes	DKKm	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017
	Profit for the period	**162**	**23**	**466**	**259**
	Other comprehensive income for the period				
	Items that will not be reclassified to profit or loss:				
	Actuarial gains/(losses) on defined benefit plans	0	(2)	(1)	(1)
	Tax hereof	0	0	0	0
	Items that are or may be reclassified subsequently to profit or loss:				
	Foreign exchange adjustments regarding enterprises abroad	(42)	(128)	(147)	(387)
	Value adjustments of hedging instruments:				
	- Value adjustments for the period	(13)	(4)	(22)	79
	- Value adjustments transferred to financial income and costs	0	(1)	0	0
	Tax hereof	(5)	(1)	14	(11)
	Other comprehensive income for the period after tax	**(60)**	**(136)**	**(156)**	**(320)**
	Comprehensive income for the period	**102**	**(113)**	**310**	**(61)**
	Comprehensive income for the year attributable to:				
	FLSmidth & Co. A/S shareholders' share of comprehensive income for the period	102	(112)	308	(55)
	Minority shareholders' share of comprehensive income for the period	0	(1)	2	(6)
		102	**(113)**	**310**	**(61)**

CASH FLOW STATEMENT

	DKKm	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017
	EBITDA before special non-recurring items, continuing activities	408	398	1,244	1,239
	EBITDA before special non-recurring items, discontinued activities	(4)	(94)	(60)	(124)
	EBITDA	**404**	**304**	**1,184**	**1,115**
	Adjustment for gain/(losses) on sale of tangible and intangible assets and special non-recurring items etc.	11	9	27	13
	Adjusted EBITDA	**415**	**313**	**1,211**	**1,128**
	Change in provisions	(48)	30	(436)	(54)
	Change in net working capital	27	166	(248)	(315)
	Cash flow from operating activities before financial items and tax	**394**	**509**	**527**	**759**
	Financial items received and paid	18	(21)	(8)	(23)
	Taxes paid	(55)	(74)	(231)	(217)
	Cash flow from operating activities	**357**	**414**	**288**	**519**
9	Acquisitions of activities	35	0	105	0
	Acquisitions of intangible assets	(92)	(27)	(151)	(95)
	Acquisitions of tangible assets	(52)	(46)	(244)	(115)
	Acquisitions of financial assets	0	0	(19)	0
10	Disposal of enterprises	0	(3)	10	(3)
	Disposal of tangible assets	0	7	18	44
	Disposal of financial assets	0	0	47	0
	Cash flow from investing activities	**(109)**	**(69)**	**(234)**	**(169)**
	Dividend	(11)	1	(421)	(297)
	Addition of minority shares	0	0	0	5
	Acquisition of treasury shares	0	0	(42)	(161)
	Exercise of share options	15	62	124	235
	Change in net interest-bearing debt	(220)	(414)	95	(335)
	Cash flow from financing activities	**(216)**	**(351)**	**(244)**	**(553)**
	Change in cash and cash equivalents	**32**	**(6)**	**(190)**	**(203)**
	Cash and cash equivalents at beginning of period	1,146	1,265	1,425	1,513
	Foreign exchange adjustment, cash and cash equivalents	(43)	(47)	(100)	(98)
	Cash and cash equivalents at 30 September	**1,135**	**1,212**	**1,135**	**1,212**
	Cash and cash equivalents included in assets held for sale	9	53	9	53
	Cash and cash equivalents	1,126	1,159	1,126	1,159
	Cash and cash equivalents at 30 September	**1,135**	**1,212**	**1,135**	**1,212**

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

BALANCE SHEET

Notes	DKKm	30/09/2018	31/12/2017	30/09/2017
	ASSETS			
	Goodwill	4,235	4,218	4,250
	Patents and rights	1,050	1,121	1,130
	Customer relations	716	806	842
	Other intangible assets	40	53	48
	Completed development projects	239	266	270
	Intangible assets under development	254	169	232
	Intangible assets	**6,534**	**6,633**	**6,772**
	Land and buildings	1,625	1,597	1,633
	Plant and machinery	465	487	499
	Operating equipment, fixtures and fittings	114	100	101
	Tangible assets in course of construction	76	64	49
	Tangible assets	**2,280**	**2,248**	**2,282**
	Other securities and investments	42	79	116
	Deferred tax assets	1,101	1,094	1,108
	Financial assets	**1,143**	**1,173**	**1,224**
	Total non-current assets	**9,957**	**10,054**	**10,278**
	Inventories	**2,621**	**2,332**	**2,426**
	Trade receivables	3,869	4,324	3,805
4	Work-in-progress for third parties	2,074	2,297	2,309
	Prepayments to subcontractors	230	196	239
	Tax receivables	608	492	719
	Other receivables	762	864	607
	Receivables	**7,543**	**8,173**	**7,679**
	Cash and cash equivalents	**1,126**	**1,382**	**1,159**
	Assets classified as held for sale	**405**	**423**	**454**
	Total current assets	**11,695**	**12,310**	**11,718**
	Total assets	**21,652**	**22,364**	**21,996**

Notes	DKKm	30/09/2018	31/12/2017	30/09/2017
	EQUITY AND LIABILITIES			
	Share capital	1,025	1,025	1,025
	Foreign exchange adjustments	(468)	(322)	(272)
	Value adjustments of hedging transactions	(55)	(33)	(33)
	Retained earnings	7,530	6,920	7,456
	Proposed dividend	0	410	0
	FLSmidth & Co. A/S shareholders' share of equity	**8,032**	**8,000**	**8,176**
	Minority shareholders' share of equity	16	38	35
	Total equity	**8,048**	**8,038**	**8,211**
	Deferred tax liabilities	370	371	410
	Pension liabilities	273	271	284
5	Provisions	286	306	334
	Bank loans and mortgage debt	1,819	1,830	3,084
	Prepayments from customers	213	215	225
	Other liabilities	37	90	69
	Total non-current liabilities	**2,998**	**3,083**	**4,406**
	Pension liabilities	6	9	9
5	Provisions	702	1,124	900
	Bank loans and mortgage debt	1,247	1,120	235
	Prepayments from customers	1,509	1,571	1,349
4	Work-in-progress for third parties	1,808	1,730	1,777
	Trade payables	2,695	2,916	2,437
	Current tax liabilities	624	520	409
	Other liabilities	1,577	1,623	1,511
	Total current liabilities	**10,168**	**10,613**	**8,627**
	Liabilities directly associated with assets classified as held for sale	**438**	**630**	**752**
	Total liabilities	**13,604**	**14,326**	**13,785**
	Total equity and liabilities	**21,652**	**22,364**	**21,996**

EQUITY

DKKm	Share capital	Foreign exchange adjustments	Value adjustment of hedging transactions	Retained earnings	Proposed dividend	FLSmidth & Co A/S shareholders' share	Minority interests' share	Total
Equity at 1 January 2018	**1,025**	**(322)**	**(33)**	**6,920**	**410**	**8,000**	**38**	**8,038**
Changes in accounting policies, IFRS 15				9		9		9
Tax on changes in accounting policies, IFRS 15				(1)		(1)		(1)
Equity at 1 January 2018 (restated)	**1,025**	**(322)**	**(33)**	**6,928**	**410**	**8,008**	**38**	**8,046**
Comprehensive income for the period								
Profit for the period				463		463	3	466
Other comprehensive income								
Foreign exchange adjustment regarding enterprises abroad		(146)				(146)	(1)	(147)
Actuarial gains/(losses) on defined benefit plans				(1)		(1)		(1)
Value adjustments of hedging instruments:								
- Value adjustments for the period			(22)			(22)		(22)
Tax on other comprehensive income				14		14		14
Other comprehensive income total	**0**	**(146)**	**(22)**	**13**	**0**	**(155)**	**(1)**	**(156)**
Comprehensive income for the period	**0**	**(146)**	**(22)**	**476**	**0**	**308**	**2**	**310**
Dividend distributed				13	(410)	(397)	(24)	(421)
Share-based payment				31		31		31
Disposal of treasury shares				124		124		124
Exercise of share options				(42)		(42)		(42)
Equity at 30 September 2018	**1,025**	**(468)**	**(55)**	**7,530**	**0**	**8,032**	**16**	**8,048**

EQUITY - continued

DKKm	Share capital	Foreign exchange adjustments	Value adjustment of hedging transactions	Retained earnings	Proposed dividend	FLSmidth & Co A/S shareholders' share	Minority interests' share	Total
Equity at 1 January 2017	**1,025**	**112**	**(112)**	**7,089**	**307**	**8,421**	**41**	**8,462**
Comprehensive income for the period								
Profit for the period				262		262	(3)	259
Other comprehensive income								
Foreign exchange adjustment regarding enterprises abroad		(384)				(384)	(3)	(387)
Actuarial gains/losses on defined benefit plans				(1)		(1)		(1)
Value adjustments of hedging instruments:								
- Value adjustments for the period			79			79		79
- Value adjustments transferred to financial income and costs						0		0
Tax on other comprehensive income				(11)		(11)		(11)
Other comprehensive income total	**0**	**(384)**	**79**	**(12)**	**0**	**(317)**	**(3)**	**(320)**
Comprehensive income for the period	**0**	**(384)**	**79**	**250**	**0**	**(55)**	**(6)**	**(61)**
Dividend distributed				11	(307)	(296)	(2)	(298)
Share-based payment				32		32		32
Acquisition of treasury shares				(162)		(162)		(162)
Exercise of share options				236		236		236
Addition of minority interests						0	5	5
Disposal of minority interests						0	(3)	(3)
Equity at 30 September 2017	**1,025**	**(272)**	**(33)**	**7,456**	**0**	**8,176**	**35**	**8,211**

1. SEGMENT INFORMATION FOR Q1-Q3 2018

DKKm	Mining	Cement	Shared costs[1)]	Other companies etc.[2)]	Continuing activities	Discontinued activities[3)]	FLSmidth Group
External revenue	7,432	5,868	-	-	13,300	288	13,588
Internal revenue	8	1	-	(9)	0		0
Revenue	**7,440**	**5,869**	**-**	**(9)**	**13,300**	**288**	**13,588**
Production costs	(5,337)	(4,548)	(43)	9	(9,919)	(311)	(10,230)
Gross profit	**2,103**	**1,321**	**(43)**	**0**	**3,381**	**(23)**	**3,358**
SG&A costs	(650)	(524)	(966)	3	(2,137)	(37)	(2,174)
EBITDA before special non-recurring items	**1,453**	**797**	**(1,009)**	**3**	**1,244**	**(60)**	**1,184**
Special non-recurring items	(6)	0	-	9	3	12	15
Depreciations and write-downs of tangible assets	(64)	(48)	(60)	(1)	(173)	-	(173)
EBITA before allocation of shared costs	**1,383**	**749**	**(1,069)**	**11**	**1,074**	**(48)**	**1,026**
Allocation of shared costs	(581)	(495)	1,069	7	0	-	0
EBITA	**802**	**254**	**-**	**18**	**1,074**	**(48)**	**1,026**
Amortisations of intangible assets	(188)	(85)	-	-	(273)	(1)	(274)
EBIT	**614**	**169**	**-**	**18**	**801**	**(49)**	**752**
Order intake (gross)	9,886	7,357		(5)	17,238	26	17,264
Order backlog	8,579	8,653		(4)	17,228	452	17,680
Gross margin	*28.3%*	*22.5%*		*N/A*	*25.4%*	*N/A*	*24.7%*
EBITDA margin before special non-recurring items	*19.5%*	*13.6%*		*N/A*	*9.4%*	*N/A*	*8.7%*
EBITA margin before allocation of shared costs	*18.6%*	*12.8%*		*N/A*	*-*	*N/A*	*-*
EBITA margin	*10.8%*	*4.3%*		*N/A*	*8.1%*	*N/A*	*7.6%*
EBIT margin	*8.3%*	*2.9%*		*N/A*	*6.0%*	*N/A*	*5.5%*
Number of employees	**5,716**	**5,661**			**11,377**	**114**	**11,491**

Reconciliation of profit/(loss) for the period	Continuing activities	Discontinued activities
EBIT	801	(49)
Financial income	686	1
Financial costs	(754)	(9)
EBT	**733**	**(57)**

1) Shared costs consists of costs that are managed on country or Group level and subsequently allocated to the divisions
2) Other companies etc. consist of companies with no activity, real estate companies, eliminations and the parent company.
3) Discontinued activity mainly consist of bulk material handling.

1. SEGMENT INFORMATION FOR Q1-Q3 2017

DKKm	Mining	Cement	Shared costs[1]	Other companies etc.[2]	Continuing activities	Discontinued activities[3]	FLSmidth Group
External revenue	7,084	5,973	-	-	13,057	646	13,703
Internal revenue	32	104	-	(136)	0	-	0
Revenue	**7,116**	**6,077**	**-**	**(136)**	**13,057**	**646**	**13,703**
Production costs	(5,060)	(4,763)	(21)	150	(9,694)	(723)	(10,417)
Gross profit	**2,056**	**1,314**	**(21)**	**14**	**3,363**	**(77)**	**3,286**
SG&A costs	(594)	(480)	(1,053)	3	(2,124)	(47)	(2,171)
EBITDA before special non-recurring items	**1,462**	**834**	**(1,074)**	**17**	**1,239**	**(124)**	**1,115**
Special non-recurring items	(1)	(2)	-	(1)	(4)	-	(4)
Depreciations and write-downs of tangible assets	(87)	(36)	(60)	(2)	(185)		(185)
EBITA before allocation of shared costs	**1,374**	**796**	**(1,134)**	**14**	**1,050**	**(124)**	**926**
Allocation of shared costs	(605)	(525)	1,134	(4)	0	-	0
EBITA	**769**	**271**	**-**	**10**	**1,050**	**(124)**	**926**
Amortisations of intangible assets	(196)	(111)	-		(307)	-	(307)
EBIT	**573**	**160**	**-**	**10**	**743**	**(124)**	**619**
Order intake (gross)	7,814	6,612		(92)	14,334	70	14,404
Order backlog	6,230	7,697		(128)	13,799	914	14,713
Gross margin	*28.9%*	*21.6%*		*N/A*	*25.8%*	*N/A*	*24.0%*
EBITDA margin before special non-recurring items	*20.5%*	*13.7%*		*N/A*	*9.5%*	*N/A*	*8.1%*
EBITA margin before allocation of shared costs	*19.3%*	*13.1%*		*N/A*	*-*	*N/A*	*-*
EBITA margin	*10.8%*	*4.5%*		*N/A*	*8.0%*	*N/A*	*6.8%*
EBIT margin	*8.1%*	*2.6%*		*N/A*	*5.7%*	*N/A*	*4.5%*
Number of employees	**5,206**	**6,233**			**11,439**	**131**	**11,570**
Reconciliation of profit/(loss) for the period							
EBIT					743	(124)	
Financial income					911	1	
Financial costs					(1,140)	(24)	
EBT					**514**	**(147)**	

1) Shared costs consists of costs that are managed on country or Group level and subsequently allocated to the divisions
2) Other companies etc. consist of companies with no activity, real estate companies, eliminations and the parent company.
3) Discontinued activity mainly consist of bulk material handling.

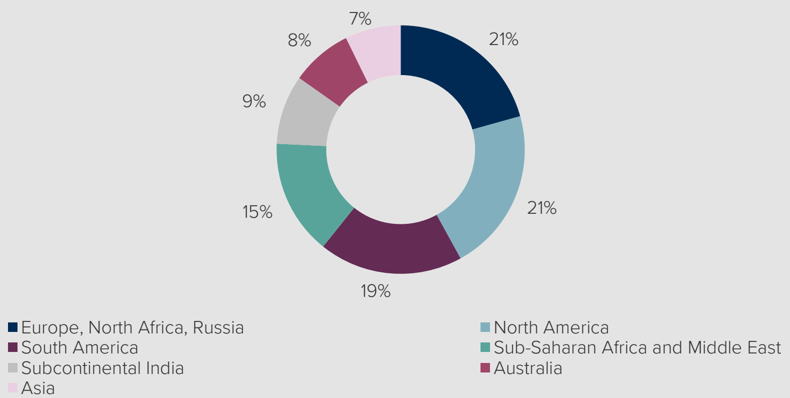
2. REVENUE

			Q3 2018			Q1-Q3 2018
DKKm	**Mining**	**Cement**	**Group**	**Mining**	**Cement**	**Group**
Service business	1,644	845	2,489	5,177	2,418	7,595
Capital business	605	1,241	1,846	2,255	3,450	5,705
Total external revenue	**2,249**	**2,086**	**4,335**	**7,432**	**5,868**	**13,300**

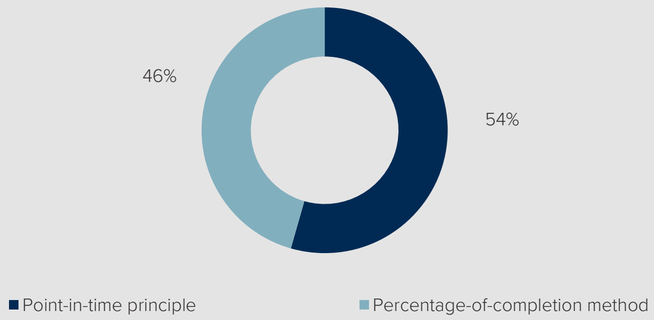
			Q3 2017			Q1-Q3 2017
DKKm	**Mining**	**Cement**	**Group**	**Mining**	**Cement**	**Group**
Service business	1,761	848	2,609	5,092	2,503	7,595
Capital business	539	953	1,492	1,992	3,470	5,462
Total external revenue	**2,300**	**1,801**	**4,101**	**7,084**	**5,973**	**13,057**

The geographical breakdown of revenue is based on the location of the activity or the location where the equipment is delivered. Revenue is shown for continued business.

REVENUE SPLIT ON REGIONS (YTD)



REVENUE SPLIT ON REVENUE RECOGNITION PRINCIPLE (YTD)



3. INCOME STATEMENT CLASSIFIED BY FUNCTION

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

The income statement classified by function includes allocation of depreciation, amortisation and write-downs appearing as follows:

DKKm	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017
Revenue	4,335	4,101	13,300	13,057
Production costs, including depreciations and amortisations	(3,274)	(3,107)	(10,095)	(9,905)
Gross profit	**1,061**	**994**	**3,205**	**3,152**
Sales- and distribution costs, including depreciations and amortisations	(375)	(357)	(1,160)	(1,128)
Administrative costs, including depreciations and amortisations	(437)	(397)	(1,273)	(1,310)
Special non-recurring items	0	(4)	3	(4)
Other operating items	5	(2)	26	33
EBIT	**254**	**234**	**801**	**743**
Depreciation, amortisation and impairment consist of:				
Amortisations of intangible assets	(96)	(102)	(273)	(307)
Depreciations and write-downs of tangible assets	(58)	(58)	(173)	(185)
	(154)	**(160)**	**(446)**	**(492)**
Depreciation, amortisation and impairment are divided into:				
Production costs	(65)	(71)	(176)	(211)
Sales costs	(21)	(9)	(64)	(45)
Administrative costs	(68)	(80)	(206)	(236)
	(154)	**(160)**	**(446)**	**(492)**

4. WORK-IN-PROGRESS FOR THIRD PARTIES

DKKm	30/09/2018	31/12/2017	30/09/2017
Total costs incurred	19,469	24,787	30,968
Profit recognised as income, net	2,729	3,341	4,277
Work-in-progress for third parties	**22,198**	**28,128**	**35,245**
Invoicing on account to customers	(21,932)	(27,561)	(34,713)
Net work-in-progress for third parties	**266**	**567**	**532**
Of which is recognised as work-in-progress for third parties:			
Under assets	2,074	2,297	2,309
Under liabilities	(1,808)	(1,730)	(1,777)
Net work-in-progress for third parties	**266**	**567**	**532**

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

5. PROVISIONS

DKKm	30/09/2018	31/12/2017	30/09/2017
Provisions at 1 January	1,430	1,450	1,450
Foreign exchange adjustments	(3)	(84)	(62)
Acquisition of Group enterprises	0	102	0
Disposal of Group enterprises	(2)	0	0
Additions	319	934	384
Used	(468)	(393)	(289)
Reversals	(234)	(463)	(254)
Reclassification to/from other liabilities	(54)	(116)	5
Provisions at 30 September	**988**	**1,430**	**1,234**
The maturity of provisions is specified as follows:			
Current liabilities	702	1,124	900
Non-current liabilities	286	306	334
	988	**1,430**	**1,234**

6. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

DKKm	30/09/2018	31/12/2017	30/09/2017
Financial assets available for sale	42	79	108
Receivables measured at amortised cost including cash and cash equivalents	7,579	8,576	7,634
Financial assets measured at fair value through the income statement	25	173	52
Financial liabilities measured at amortised cost	7,177	7,377	7,188
Financial liabilities measured at fair value through the income statement	65	68	54

The fair value of financial assets and financial liabilities measured at amortised cost is approximately equal to the carrying amount.

Financial assets and liabilities measured at fair value are measured at quoted prices in an active market for similar assets or liabilities or other valuation methods, where all significant inputs are based on observable market data (level 2). Of financial assets available for sale, DKK 9m (30 September 2017: DKK 87m) are measured at quoted prices in an active market for the same type of instruments (level 1). The remaining financial assets available for sale are measured using valuation methods where all significant inputs are based on observable market data (level 2) or valuation methods where any significant inputs are not based on observable market data (level 3).

There have been no significant transfers between the levels in Q3 2018 and Q3 2017.

7. EARNINGS PER SHARE (EPS)

DKKm	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017
Earnings				
FLSmidth & Co. A/S shareholders' share of profit for the period	160	26	463	262
FLSmidth & Co. A/S Group loss from discontinued activities	(9)	(72)	(40)	(106)
Number of shares, average (1,000):				
Number of shares issued	51,250	51,250	51,250	51,250
Adjustment for treasury shares	(1,426)	(1,982)	(1,612)	(2,128)
Share options in-the-money	360	548	360	548
Average number of shares	**50,184**	**49,816**	**49,998**	**49,670**
Earnings per share				
Continuing and discontinued activities per share	3.2	0.5	9.3	5.3
Continuing and discontinued activities per share, diluted	3.2	0.5	9.3	5.3
Continuing activities per share	3.4	2.0	10.1	7.5
Continuing activities per share, diluted	3.4	2.0	10.1	7.4

Non-diluted earnings per share in respect of discontinued activities amount to DKK -0.8 (2017: DKK -2.2) and diluted earnings per share in respect of discontinued activities amount to DKK -0.8 (2017: DKK -2.1).

8. CONTINGENT LIABILITIES

Contingent liabilities at 30 September 2018 amounted to DKK 5.5bn (30 September 2017 DKK 5.1bn), which include performance bonds, payment guarantees and bid bonds at DKK 4.6bn (30 September 2017 DKK 4.7bn). See note 8.3 in the Annual Report 2017 for a general description of the nature of the Group's contingent liabilities.

9. ACQUISITION OF ACTIVITIES

In July 2017, FLSmidth reached an agreement to acquire a part of Sandvik Mining Systems. The acquisition closed on 1 November except for the transfer of assets in South Africa. This remaining part of the deal received final governmental approval and the deal was closed on 1 March 2018.

The assets and liabilities are measured using the information available at the date for issuing the interim report. The purchase price allocation has not been finalised. If information becomes available this could affect the calculated values.

Name of activity acquired	Primary activity	Date of acquisition/ consolidated from	Ownership interest	Voting share
Part of Sandvik Mining Systems	Mining	1 March	Asset deal	Asset deal

DKKm	Opening balance
Other liabilities	(7)
Carrying amount of net assets acquired	**(7)**
Negative goodwill	(3)
Transaction price	**(10)**
Cash and cash equivalents acquired	0
Deferred payment, receivable	0
Net cash effect	**(10)**

The acquisition of activities from this part of the Sandvik Mining Systems result in negative goodwill of DKK 3m. This relates to expected redundancy costs and operating losses for which a provision cannot be recognised in the acquisition balance sheet. The negative goodwill is recognised in the Group's consolidated income statement as special non-recurring items.

The 31 December 2017 deferred payment regarding Sandvik Mining Systems acquisition amounted to SEK 158m (equivalent to DKK 121m) of which SEK 133m (equivalent to DKK 95m) has been received in Q1-Q3 2018.

10. DISPOSAL OF ENTERPRISES

In June 2018, FLSmidth reached an agreement to sell non-core business in Switzerland.

DKKm	Q1-Q3 2018
Inventories	1
Trade receivables	1
Cash and cash equivalents	2
Provisions	(2)
Other liabilities	(2)
Carrying amount of net assets disposed	**0**
Selling price	12
Profit on disposal of enterprises	**12**
Cash received	12
Cash and cash equivalents disposed of, see above	(2)
Net cash effect	**10**

11. SIGNIFICANT ACCOUNTING ESTIMATES

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. For further details, reference is made to The Annual Report 2017, chapter 1, 'Significant accounting estimates and assessments by Management', page 72 and to specific notes.

12. EVENTS AFTER THE BALANCE SHEET DATE

Management is not aware of any subsequent matters that could be of material importance to the Group's financial position.

13. ACCOUNTING POLICIES

The condensed interim report of the Group for the first three quarters of 2018 is presented in accordance with IAS 34, Interim Financial Reporting, as approved by the EU and additional Danish disclosure requirements regarding interim reporting by listed companies.

Apart from the below mentioned changes, the accounting policies are unchanged from those applied in the 2017 Annual Report. Reference is made to note 8.13, Accounting policies, note 8.14, Implementation of standards and interpretations and to specific notes in the 2017 Annual Report for further details.

CHANGES IN ACCOUNTING POLICIES

As of 30 September 2018, the FLSmidth Group has implemented all new or amended accounting standards and interpretations as adopted by the EU and applicable for the 2018 financial year, including the following accounting standards, which is the most relevant for FLSmidth:

- IFRS 15, Revenue from Contracts with Customers, including amendments and clarifications (issued 2014, 2015 and 2016, respectively)
- IFRS 9, Financial Instruments (issued 2014)

Effect from implementing IFRS 15, Revenue from Contracts with Customers
IFRS 15 has replaced IAS 11, Construction Contracts and IAS 18, Revenue and associated interpretations.

The Group has implemented IFRS 15 using the modified retrospective application, with the cumulative effect of initially applying the standard adjusted to the opening balance of retained earnings 2018. Consequently, 2017 comparative figures are reported according to IAS 11/IAS 18 and has not been restated to reflect the numbers accordingly to IFRS 15.

The most relevant changes compared to current accounting policy are:

- The previous "risk and rewards" framework is replaced by a control framework. This means that revenue from a sales transaction is recognised when (at a point in time) or as (over time) control of a good or service is transferred to a customer.
- Introducing a "performance obligation" as a key term, including more detailed guidance in how to define a performance obligation and how to measure and recognize revenue from a performance obligation.
- Introducing a more detailed guidance in general on measurement and recognition of revenue related items.

13. ACCOUNTING POLICIES - CONTINUED

The changes have had an effect on the following areas:

- The Operation and Maintenance contracts within the Cement Division will continue to recognise revenue over time, as the contract obligations towards the customers will be fulfilled over the course of the contract. The measure towards completion for the Operation and Maintenance contracts has changed from a produced output basis to a cost-to-cost basis.
- On the areas where new and more detailed guidance has been implemented this does not have a significant impact upon transition, but may be relevant on future sales contracts.

The transition effect 1 January 2018 booked to opening retained earnings is DKK 9m. The tax effect hereof is DKK -1m.

Had the Group applied the previous accounting policy for revenue according to IAS 11/IAS 18 in the tree quarters of 2018 the profit for the period would have been DKK 465m, a decrease of DKK 1m compared to the actual numbers for the first three quarters of 2018. The following line items would have been impacted and would have been presented as follows:

DKKm	Q3 2018	Q1-Q3 2018
Revenue	4,329	13,299
Tax for the period	(65)	(227)
Work-in-progress for third parties	(33)	2,073
Deferred tax liabilities	2	370

Effect from implementing IFRS 9, Financial Instruments
IFRS 9 has replaced IAS 39, Financial Instruments; Recognition and Measurement.

The most relevant changes compared to current accounting policy are:

- A new model for classification and measurement of financial assets, which is linked to the business model of the Group.
- A new impairment model based on expected losses rather than on incurred losses.
- The hedge accounting requirements are more closely aligned with how the business undertakes risk management activities when hedging financial and non-financial risk exposures.

The Group has implemented IFRS 9 according to the transition provisions. There was no transition effect upon implementation 1 January 2018.

NEW STANDARDS NOT YET ADOPTED
Effective from 1 January 2019, the FLSmidth Group will implement IFRS 16, Leases.

IFRS 16 will replace IAS 17, Leases. IFRS 16 will require the majority of leasing contracts to be recognised as lease assets with a related lease liability. Consequently, this will have an impact on the income statement where the lease cost will be treated as depreciations and interest expenses, rather than as operating expenses.

The effects on the consolidated financial statements are being analysed, and the final effects will be based on the lease portfolio at the end of the year. The preliminary conclusion is that IFRS 16 will have limited impact to the consolidated financial statements and we expect a balance sheet increase within the range of 1-3%. Although the impacts are not expected to be significant to recognition, measurement or disclosures, the implementation requires significant preparation to processes, systems and governance.

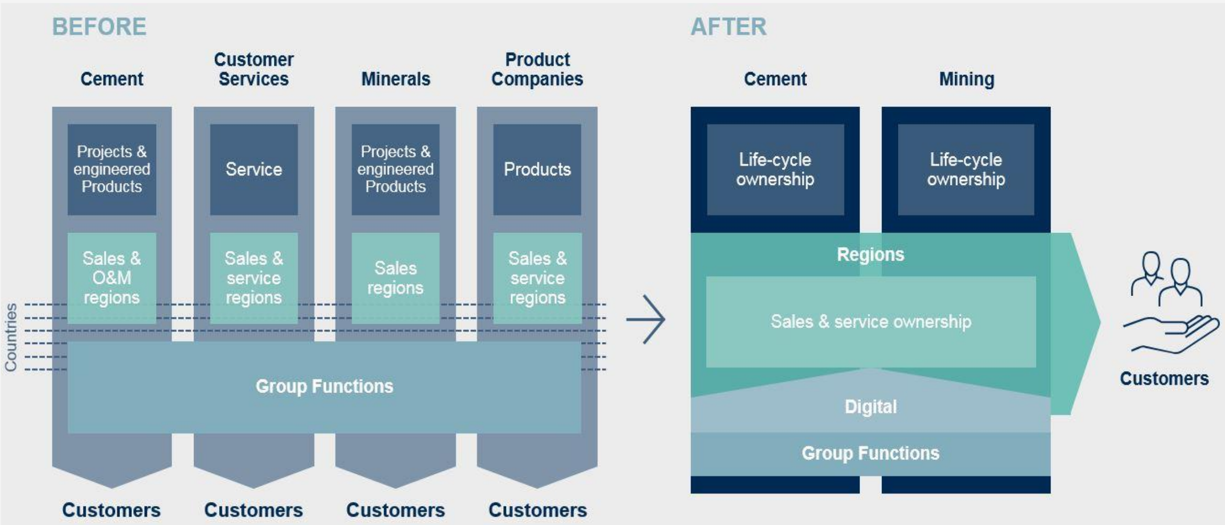
The Group expects to implement IFRS 16 using a simplified application, with a lease asset value equal to the lease liability value upon transition. Consequently, 2018 comparative figures will be reported according to IAS 17 and will not be restated to reflect the numbers accordingly to IFRS 16. Furthermore the Group expects to apply the exemptions related to exclusion of low value assets and lease contracts with a contract term of 12 months or less.

NEW STRUCTURE EFFECTIVE 1 JULY 2018

EFFECTIVE FROM 1 JULY 2018
FLSmidth's organisation consists of two industries - Cement and Mining – supported by a regional setup to strengthen customer focus and life-cycle solutions - combined with a new central digital organisation. The new organisational structure has proven its worth, so far, and has resulted in positive feedback from both customers and employees.

FLSmidth will transition from four divisions into two industries, Cement and Mining, and from a country setup into an agile regional structure. Customer relations will be decentralised in seven regions, while technology ownership for the full life-cycle offering will be anchored in the two industries. This will create a productivity-driven organisation with a strong, unified digital approach and fewer touchpoints. At the same time, it will strengthen FLSmidth's local presence, customer-orientation, and life-cycle offering in order to capture growth.

In short:
- The two industries; Cement and Mining will develop and drive the life-cycle offering and product portfolio.
- Mining and Cement will be supported by seven regions: North America; South America; Europe, Russia & North Africa; Sub-Saharan Africa & Middle East; Asia; Subcontinental India; and Australia. The regions will drive customer relations, sales and service for both industries.
- A central digital organisation will drive a unified approach to digitalization.
- Group functions will provide shared services to the entire organisation, including engineering, procurement, IT, HR, legal, communication and finance.



Changes to Group Executive Management and to the financial reporting
As of 1 July 2018, Group Executive Management consists of Thomas Schulz*) (Group CEO), Lars Vestergaard*) (Group CFO), Jan Kjaersgaard (Cement President), Manfred Schaffer (Mining President) and Mikael Lindholm (Chief Digital Officer).

The financial reporting will be aligned with the organisational structure as from the Q3 2018 Interim Report. The new reporting segments will be Cement and Mining. The restated financial figures, adjusted for discontinued activities, are presented on the following pages.

*) Registered with the Danish Business Authority

ANNUAL FIGURES RESTATED

DKKm	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
SEGMENT REPORTING														
Group														
Revenue	9,851	9,355	10,845	18,037	23,341	21,482	17,837	19,598	24,283	25,027	20,499	19,682	18,192	18,000
EBITA	217	328	737	1,867	2,585	2,494	1,894	2,399	2,703	1,379	1,823	1,582	1,289	1,515
EBIT	197	292	694	1,706	2,363	2,270	1,714	2,174	2,189	67	1,416	1,141	881	1,115
EBITA margin	*2.2%*	*3.5%*	*6.8%*	*10.4%*	*11.1%*	*11.6%*	*10.6%*	*12.2%*	*11.1%*	*5.5%*	*8.9%*	*8.0%*	*7.1%*	*8.4%*
EBIT margin	*2.0%*	*3.1%*	*6.4%*	*9.5%*	*10.1%*	*10.6%*	*9.6%*	*11.1%*	*9.0%*	*0.3%*	*6.9%*	*5.8%*	*4.8%*	*6.2%*
Order intake (gross)	7,749	13,289	18,284	23,550	29,622	12,654	19,487	23,927	27,702	19,794	17,267	18,490	18,303	19,170
Order backlog	6,506	10,834	18,014	24,801	29,906	20,244	22,456	26,977	29,343	20,813	17,726	14,858	13,887	13,654
Mining														
Revenue	1,660	2,145	3,026	5,919	9,916	8,628	8,621	11,432	15,830	15,355	11,604	10,917	9,939	9,769
EBITA	23	106	264	651	1,134	999	971	1,544	1,540	1,258	1,117	979	868	1,008
EBIT	21	103	258	559	939	782	738	1,365	1,211	(66)	817	697	604	749
EBITA margin	*1.4%*	*4.9%*	*8.7%*	*11.0%*	*11.4%*	*11.6%*	*11.3%*	*13.5%*	*9.7%*	*8.2%*	*9.6%*	*9.0%*	*8.7%*	*10.3%*
EBIT margin	*1.3%*	*4.8%*	*8.5%*	*9.4%*	*9.5%*	*9.1%*	*8.6%*	*11.9%*	*7.7%*	*-0.4%*	*7.0%*	*6.4%*	*6.1%*	*7.7%*
Order intake (gross)	1,986	2,752	5,635	8,032	14,176	5,626	9,689	15,129	17,372	11,743	9,490	11,136	9,621	10,403
Order backlog	1,326	2,198	4,483	8,266	12,052	7,762	8,500	12,254	13,904	8,535	7,073	6,871	6,233	6,261
Cement														
Revenue	8,104	7,089	7,683	12,210	13,708	13,059	9,372	8,367	8,977	10,052	9,086	8,965	8,427	8,430
EBITA	159	182	473	1,157	1,548	1,672	1,126	894	1,132	129	715	570	401	487
EBIT	143	151	437	1,084	1,521	1,548	1,017	837	948	143	609	412	257	346
EBITA margin	*2.0%*	*2.6%*	*6.2%*	*9.5%*	*11.3%*	*12.8%*	*12.0%*	*10.7%*	*12.6%*	*1.3%*	*7.9%*	*6.4%*	*4.8%*	*5.8%*
EBIT margin	*1.8%*	*2.1%*	*5.7%*	*8.9%*	*11.1%*	*11.9%*	*10.9%*	*10.0%*	*10.6%*	*1.4%*	*6.7%*	*4.6%*	*3.0%*	*4.1%*
Order intake (gross)	5,763	10,537	12,649	15,789	15,721	7,163	10,036	8,248	10,533	8,263	7,922	7,553	8,940	8,889
Order backlog	4,644	8,636	13,531	17,265	18,565	12,568	14,146	13,838	14,986	12,424	10,772	8,085	7,850	7,473

The restated annual figures for Group, Mining and Cement is excluding the Bulk Material Handling activities announced for sale and Cembrit (sold January 2015).

Interim Report
1 January – 30 September

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