ANNUAL REPORT 2017

AalborgPortlandHolding

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INTRODUCTION

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AALBORG PORTLAND HOLDING GROUP

Part of the Cementir Group

Aalborg Portland Holding A/S is owned by the Cementir Group, an international supplier of cement and concrete. The Cementir Group's head office is placed in Rome and the Group is listed on the Italian Stock Exchange in Milan (www.cementirholding.it).

Aalborg Portland Holding A/S is the parent company of a number of cement and concrete companies in i.a. the Nordic countries, Belgium, Turkey, Egypt, Malaysia, China and USA. Additionally, the Group has activities within extraction and sale of aggregates and recycling of waste products. The Group has its head office in Aalborg, Denmark (**www.aalborgportlandholding.com**).

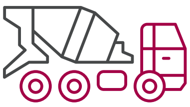
PRODUCTS

GREY CEMENT

is the most important construction material for strengthening infrastructure, building homes and bridges, creating harbours and expanding airports.

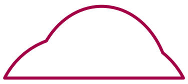
WHITE CEMENT

is for solutions ranging from aesthetics to safety - from terrazzo or bathroom tile grouts to highway safety barriers whose whiteness ensures high visibility night and day in all weathers.



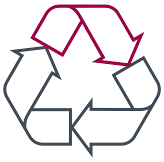
READY-MIXED CONCRETE

is delivered to site ready for casting and is the efficient solution when high-reliability, quality concrete is needed in large volumes.



AGGREGATES

- a wide range of building aggregates such as sand, gravel and granite for the construction industry. The products are mainly used for construction, asphalt and concrete purposes.



WASTE

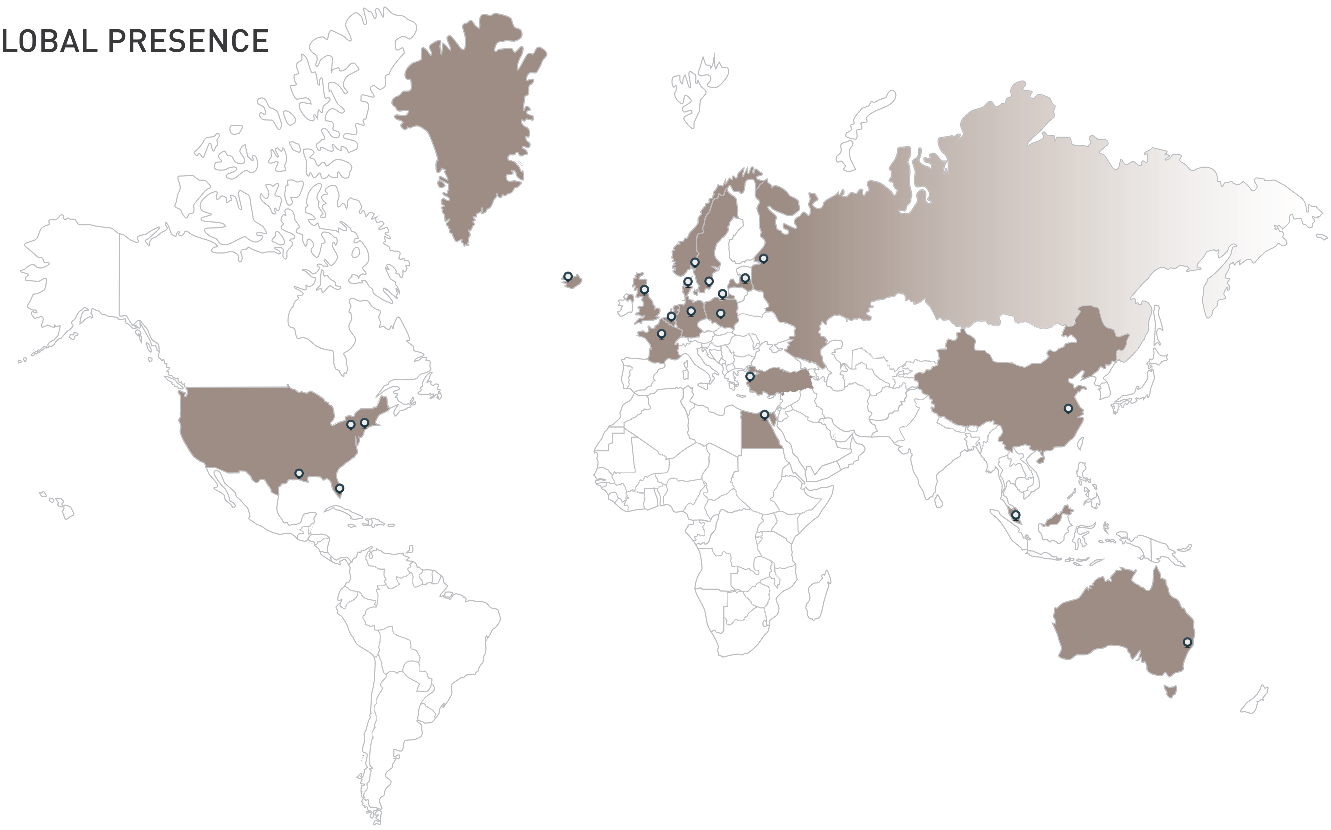
- supply and usage of alternative fuels in order to diversify and optimise the energy resources of the Group.

CEMENTIR HOLDING GROUP

Cementir Holding is an Italian multinational company specialised in the production and distribution of grey and white cement, ready-mixed concrete, aggregates and concrete products. It is also active in the management of urban and industrial waste. The company was formed in Italy in 1947 and is part of the Caltagirone Group. It has been listed on the Milan Stock Exchange since 1955 and is currently in the STAR segment.

Over the years the Cementir Group has grown through major investments and acquisitions throughout the world, becoming the global leader in the production of white cement. The Cementir Group is the only cement manufacturer in Denmark, the third-largest in Belgium and one of the biggest in Turkey. It is also the leading ready-mixed concrete manufacturer in Scandinavia. Cementir is now present in 18 countries across 5 continents. Its strategy is aimed at increasing the integration of its business activities as well as geographical diversification.

GLOBAL PRESENCE



NORDIC & BALTIC

A leading cement producer in the Nordic region
Aalborg Portland produces grey and white cement at its plant in Aalborg.
The products are sold in Denmark, USA and neighbouring countries.

Grey cement: **1,588,000 tonnes**
White cement: **739,000 tonnes**

Leading supplier of ready-mixed concrete in the Nordic region
Unicon is market leader within ready-mixed concrete in the Nordic region. Production takes place at 74 plants in Denmark, Norway and Sweden.
Quarrying and sale of aggregates (mainly granite and gravel) from 8 sites in Denmark and Sweden.

Ready-mixed concrete: **2,419,000 m^3**
Aggregates: **4,153,000 tonnes**

OVERSEAS

World-leading producer of white cement
Production at large plants in Denmark, USA, Egypt, Malaysia and China.
The white cement is sold to a number of markets worldwide.

White cement: **1,518,000 tonnes**

BELGIUM

One of the largest producers of cement, ready-mixed concrete and aggregates in Belgium
CCB is a leader in the manufacture of cement that can meet specific implementation criteria: conventional construction and masonry work, work of high aesthetic quality, structures in harsh environments and oil well drilling.

Grey cement: **1,904,000 tonnes**
Ready-mixed concrete: **966,000 m^3**
Aggregates: **5,182,000 tonnes**

TURKEY

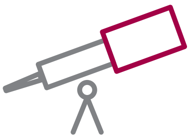
Extensive activities in Turkey
Cimentas is among the largest cement groups in Turkey with production at several sites in the country.
Cimentas also has 18 ready-mixed concrete plants.
Recydia AS processes and recycles waste in Turkey and UK.

Grey cement: **4,498,000 tonnes**
Ready-mixed concrete: **1,563,000 m^3**
Waste: **635,000 tonnes**

IDENTITY

Cementir is an International Group that:

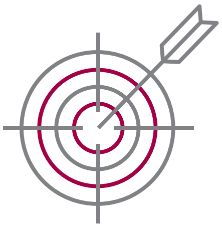
- aspires to be a product leader.
- believes that continuously seeking quality in every business process is the key to success.
- is dynamic on the market, constantly seeking new opportunities.
- gives importance to the growth of its employees, its shareholders and the communities in which it operates.
- believes in sustainable development and works to achieve it.
- believes that diversity is an element of strength and value on which to base its actions.



VISION

We want to maintain our uniqueness on the market through product segmentation and business diversification.

We want to create value, thanks to an agile organization capable of sustaining growth, respecting the environment and fostering integration with local communities.



MISSION

We develop our growth through product leadership and a continuous improvement of processes.

We work dynamically to seize the best opportunities, leveraging our know-how and our people's flexibility.

We adapt our organization to the territory where it operates, to increase its value and to ensure mutual benefit.

VALUES

Dynamism

We look beyond to anticipate and seize the best opportunities. Being dynamic and flexible is the feature that makes us unique on the market and allows us to quickly meet our customers' demands.

Quality

We engage and invest in constantly improving the quality of our products. We seek the efficiency and effectiveness of our processes.

Value of people

We build relationships with our employees and stakeholders that last over time. We believe it is our responsibility to recognize the merits and abilities of our people and anyone working with the Group.

Diversity and inclusion

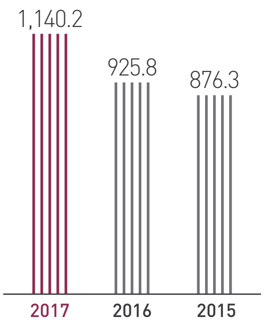
We consider diversity and inclusion a great asset. We work every day promoting diversity in all its forms and expressions.

Sustainability

We believe that there can be no success without respect for the environment. We are responsible for the communities in which we live and work. It is our responsibility to take care of our property while safeguarding the environment and natural resources.

PERFORMANCE, FINANCIAL AND EQUITY HIGHLIGHTS

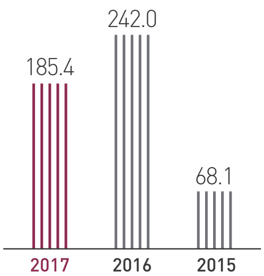
Revenue (EURm) +23.2%



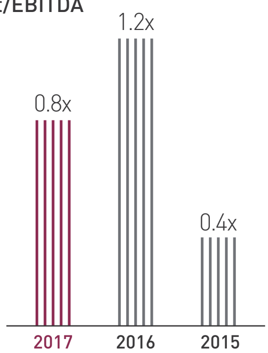
EBITDA (EURm) +6.7%

EBITDA Margin % -3.1 percentage points

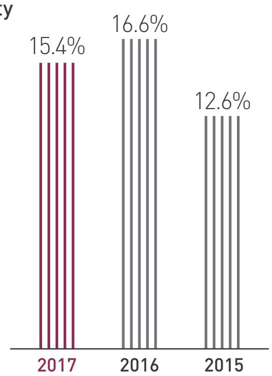
Net interest-bearing debt (EURm) 56.6m



Net interest-bearing debt/EBITDA



Return on Equity (%)



Performance highlights

[EUR '000]	2017	2016	2015	2014	2013	2012	2011	2010
Revenue	1,140,214	925,806	876,309	858,401	670,764	580,330	549,860	477,320
EBITDA	224,045	209,963	191,322	192,640	147,386	111,517	90,165	72,375
EBITDA margin %	*19.6%*	*22.7%*	*21.8%*	*22.4%*	*22.0%*	*19.2%*	*16.6%*	*15.2%*
EBIT	143,455	138,169	116,610	130,931	98,930	64,689	45,667	28,214
EBIT margin %	*12.6%*	*14.9%*	*13.3%*	*15.3%*	*14.7%*	*11.1%*	*8.3%*	*5.9%*
Financial income (expense)	-13,292	28,535	1,521	2,222	-2,963	-1,564	1,251	400
Profit before taxes	134,998	171,831	123,196	136,368	98,237	66,447	49,135	30,757
Income taxes	15,784	42,988	25,298	27,394	22,075	11,424	12,861	5,091
Profit for the year	119,214	128,843	97,898	108,975	76,162	55,023	36,274	25,666
Profit for the period margin %	*10.5%*	*13.9%*	*11.2%*	*12.7%*	*11.4%*	*9.5%*	*6.6%*	*5.4%*
Group net profit	116,854	115,319	91,767	89,300	64,736	47,795	31,348	17,998
Group net profit margin %	*10.2%*	*12.5%*	*10.5%*	*10.4%*	*9.7%*	*8.2%*	*5.7%*	*3.8%*

Financial and equity highlights

[EUR '000]	2017	2016	2015	2014	2013	2012	2011	2010
Net average capital employed (a)	1,150,826	1,218,592	940,117	988,916	931,442	532,859	547,992	572,229
Total assets	1,639,339	1,722,610	1,283,593	1,281,560	1,202,828	778,251	690,468	696,729
Total equity	783,763	769,262	780,996	767,375	666,358	505,696	465,700	459,003
Group shareholders' equity	695,275	667,398	654,177	592,381	476,245	445,758	405,969	397,753
Net interest-bearing debt	185,360	241,984	68,142	117,028	141,631	24,238	5,461	44,006

(a) Intangible assets + tangible assets + working capital
(b) Inventories, trade receivables and trade payables

Profit and equity ratios

	2017	2016	2015	2014	2013	2012	2011	2010
Return on Equity (a)	15.4%	16.6%	12.6%	15.2%	13.0%	11.3%	7.9%	5.9%
Return on average capital employed (ROCE) (b)	10.7%	9.6%	9.6%	10.9%	12.0%	9.9%	6.0%	4.1%
Equity ratio (c)	47.8%	44.7%	60.8%	59.9%	55.4%	65.0%	67.4%	65.9%
Net gearing ratio (d)	23.7%	31.5%	8.7%	15.3%	21.3%	4.8%	1.2%	9.6%
Net interest-bearing debt / EBITDA	0.8x	1.2x	0.4x	0.6x	1.0x	0.2x	0.1x	0.6x

(a) Net profit / Average equity
(b) EBIT after effective tax rate / Net average capital employed
(c) Total equity / Total assets
(d) Net interest-bearing debt / Total equity

Cash flows

[EUR '000]	2017	2016	2015	2014	2013	2012	2011	2010
Cash flows from operating activities (CFFO)	168,281	171,070	144,463	129,318	139,122	104,416	85,908	66,387
Cash flows from investing activities (CFFI)	-89,610	-334,691	-52,028	-59,487	-210,837	-114,511	-17,896	-19,078
Free cash flow (FCF)	78,671	-163,621	92,435	69,831	-71,715	-10,095	68,012	47,309

Employees

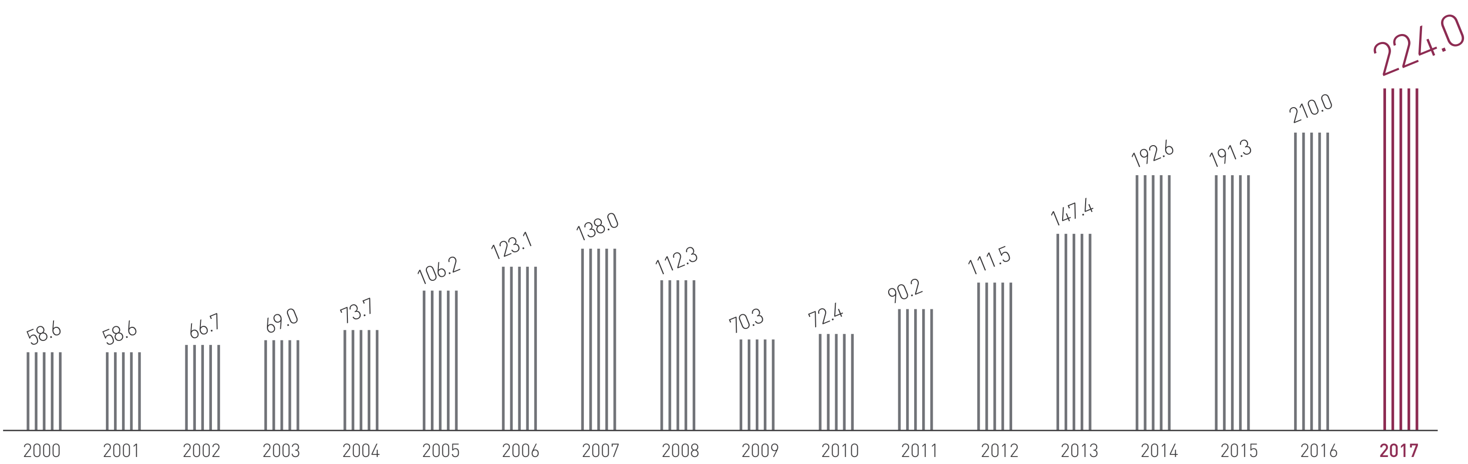
	2017	2016	2015	2014	2013	2012	2011	2010
Number of employees (at 31 Dec.)	2,939	2,918	2,580	2,583	2,650	1,531	1,509	1,575
Number of employees in Denmark	735	722	722	690	701	690	698	764

Sales volumes

[EUR '000]	2017	2016	2015	2014	2013	2012	2011	2010
Grey and white cement (tonnes)	10,282	8,263	7,654	7,939	4,384	3,227	3,336	2,975
Ready-mixed concrete (m^3)	4,948	4,253	3,663	3,454	2,539	1995	2,058	1,719
Aggregates (tonnes)	9,335	4,462	3,813	3,259	3,234	3,490	3,834	3,605

EBITDA performance

[EURm]



MANAGEMENT'S REVIEW FOR 2017

Better market conditions and increased investments improved earnings in 2017

The Group's business units around the world encountered large differences in growth and sales opportunities. Progress was recorded in the Nordic region, Belgium and China, but revenue and earnings for the year were impacted by continuing difficult conditions in Turkey.

Overall, earnings realised by the Aalborg Portland Holding Group in 2017 lived up to expectations.

In autumn 2016, Aalborg Portland Holding (APH) acquired the Belgian cement group Compagnie des Ciments Belges S.A. (CCB), and the revenue and earnings from this source contributed significantly to the consolidated income. The investment amounted to approx. EUR 300m. The CCB Group presides over a large factory in Gaurain with an annual capacity of 2.3m tonnes of grey cement, an extensive production of aggregates amounting to 5m tonnes, and 15 plants for production of ready-mixed concrete in Belgium and in France with total sales of 1m m^3.

In 2017, the CCB group contributed with revenue of EUR 234m, against EUR 39m the previous year when CCB was only consolidated from 25 October. Earnings were also satisfactory and higher than the previous year on a full-year basis.

In the Nordic region the APH Group achieved growth in volume sales in Denmark, Sweden and Norway. Sales of cement and ready-mixed concrete increased moderately in Denmark. The upward trend in the export of white cement from Aalborg to nearby markets and to USA was repeated in 2017.

Setback was reported in Malaysia and in Egypt, where revenue and earnings were predominantly impacted by devaluation of the Egyptian pound, while development in China and USA was characterised by growth. In Turkey, revenue and earnings were negatively impacted by the political uncertainty and the devaluation of the Turkish lira as well as by keen price competition in the domestic cement market.

Overall the Group realised revenue of EUR 1,140m in 2017, against EUR 926m the previous year, corresponding to an increase of EUR 214m or 23%.

Earnings before depreciation and amortisation (EBITDA) were EUR 224m, 6.7% higher than in 2016 when EBITDA of EUR 210m was positively influenced by one-off income of EUR 20m. Consolidated EBITDA ratio was 19.6%, against 22.7% the previous year.

Calculated in EUR, both revenue and EBITDA were significantly impacted by devaluation of several currencies, to the amount of EUR 85m and EUR 18m respectively in relation to the previous year.

Earnings before interest and tax (EBIT) amounted to EUR 143m. This was 3.8% higher than in 2016 when EBIT was EUR 138m after the one-off income of EUR 20m referred to above. EBIT was negatively influenced by write-down of assets in Cimentas, Turkey, of EUR 5.6m, against EUR 7.4m the previous year.

Earnings before tax were EUR 135m compared with EUR 172m in 2016, which was positively influenced by an accounting foreign exchange gain of EUR 32m due to devaluation of the Egyptian pound.

A strong balance sheet and sound cash flow from operations

A healthy economy and strong financial base provide opportunities for long-term value-adding investments. Constant focus on high operating efficiency and working capital management led to a positive operational cash flow (CFFO) of EUR 168m. The cash flow funded the year's investments of EUR 80m in improvements, energy savings and environmental projects, along with investments in further-strengthening the Group's position in the white cement market.

The Group had a free cash flow of EUR 79m. At year-end 2017, the net interest-bearing debt was EUR 185m, against EUR 242m the year before, which at 0.8 x EBITDA is low compared with the company's earnings. At year-end 2017, equity was EUR 784m and the equity ratio was 48%, against 45% the previous year. Return on equity was 15%, while return on capital employed (ROCE) was 10.7%, against 9.6% in 2016.

Ongoing innovation

Innovation is a cornerstone of the Group's strategy and business model, and in 2017 it again led to notable results, including significant reduction in consumption of energy and natural resources.

Ongoing research is conducted into new cements which emit less CO_2 in manufacture. The Group wishes to continue and potentially strengthen these activities, but this is only possible in a climate where conditions are conducive to the necessary long-term investments.

The Group is engaged on a number of projects, including:

- Further development of the cement of the future, with reduced CO_2 emission.
- Preparation for construction of the planned wind farm at the Aalborg cement plant, Denmark, with view to predominantly using renewable energy.
- Further investments in Denmark with view to replacing 60% of fossil fuel usage with alternative fuels.

Danish cement technology leads the world due to productive cooperation between research and manufacture. To maintain this leadership position, it is imperative that cement continues to be made in Denmark so that technology development and active production can take place side by side and in dialogue with customers.

Nordic & Baltic

The Nordic & Baltic region realised an increase in revenue of 9%. This growth embraced all the Nordic countries. In Denmark, there was a moderate rise in cement sales to the domestic market, while exports of white cement increased significantly. In Norway, building activity is characterised by an upward trend due to a large number of infrastructure projects.

During the year there was investment in a new storage terminal in south-west France, expanding the footprint in one of Europe's largest markets for white cement. Expansion investments were also undertaken in the Benelux countries, strengthening the Group's European market leadership in white cement.

In the ready-mixed concrete segment, investment is in progress to strengthen our market position in the Nordic region. A new concrete plant – the largest in Denmark – has been built in Odense and was commissioned at the start of 2018. During the year, also in Denmark, KBK Beton was acquired in Ribe. In Norway, a new concrete plant in Larvik was opened early in 2018.

Special levies applied in Denmark that are a substantial burden in competition with other European companies not subject to these levies. The Danish government's decision to phase out the PSO levy over a period of five years from 2017 to 2021 therefore has very significant importance for the competitiveness of Danish production companies, including the manufacture of cement in Aalborg. In 2017, Aalborg Portland was granted a reduction in this levy, thereby bringing conditions more closely into line with those applying to similar production companies elsewhere in Europe. A removal of these levies will encourage long-term investments in new production and promote employment in Denmark.

The CO_2 quota allocation after 2020, which is currently being negotiated in the EU, remains a significant element of uncertainty. As Aalborg Portland has considerable export activities outside EU it is imperative that this is taken into consideration, and in such a way that production and jobs can remain in Denmark. Securing a fair quota allocation and abolishing the NOx levy will create a platform for further investments in Danish production, and thereby safeguard and increase the number of Danish jobs.

In spring, Aalborg Portland's largest production line for grey cement underwent a massive makeover. The investment of EUR 10.7m has resulted in more stable, more efficient and above all more sustainable cement production. The investment is a part of the Group's ambition to source 60% of energy consumption from alternative fuels and thereby reduce the consumption of fossil fuels.

Overall, earnings for the Nordic & Baltic region were satisfactory, with a moderate increase on 2016 as a result of improved sales conditions in main markets. However, earnings were impacted by significantly rising energy costs. The Group has therefore maintained its focus on operational excellence and optimisation of costs in its business processes. Through consistent and structured processes, improvements in performance thus continue to be created throughout the organisation.

At the same time the Group continues to develop a robust competitiveness through employee training and strengthening the results-oriented corporate culture. Efforts have also been concentrated on maintaining a strong market position, and on keeping constant focus on customer needs and product development by leveraging the close customer relationships of our business units.

Belgium

Compagnie des Ciments Belges S.A. (CCB), situated in south-west Belgium, became part of the Aalborg Portland Holding Group from 25 October 2016, and 2017 was therefore CCB's first full year in the Group. The company presides over a large cement factory in Gaurain with an annual capacity of 2.3m tonnes. This is the largest cement plant in France and Benelux with substantial raw material reserves sufficient for 80 years' production. CCB has a significant share of the Belgian market and considerable exports to both France and the Netherlands.

CCB has also extensive production of aggregates amounting to 4.8m tonnes, mainly gravel and stone, supplied from two sites with substantial raw material reserves. Furthermore, CCB is one of the largest ready-mixed concrete manufacturers in Belgium with 10 plants, has five plants in northern France acquired in 2017, and has total sales of almost 1m m^3.

The Belgian group realised revenue of EUR 234m, a solid increase of 12% on 2016 (on full-year basis). Earnings also showed an upward trend and were of a satisfactory level.

The year was dominated by intensive focus on integrating CCB with the APH Group's matrix organisation and IT platform. This process is expected to be completed in spring 2018 when CCB will be transferred to the Group's SAP platform. Another focus area has been the establishment of a subsidiary in France to safeguard and administer the substantial export of cement and aggregates to the French market. To this must be added the mentioned acquisition of plants for production of ready-mixed concrete.

Effort has further been concentrated on maintaining a strong market position, based on high product quality, and constant focus on customer needs and product development. Finally, CCB's competitiveness has been strengthened through focus on operational excellence and an organisational adjustment at the end of the year.

Focus on health and safety, safety training and involvement across the organisation has reduced the number of accidents significantly over the last five years, from 27 to nine. The Gaurain factory is certified to ISO 14001, and due to targeted efforts 40% of cement production is now based on alternative fuels. The goal is a further reduction in the use of fossil fuels.

The acquisition of CCB has strengthened the APH Group's position in Western Europe and diversified its physical presence. Close coordination with the other European activities is expected gradually to generate extensive synergy in sales, production and also logistics.

Overseas

Through its production facilities in the Nordic and Overseas regions the Aalborg Portland Holding Group is the global leading supplier of white cement.

The plant in *China*, the largest white cement factory in Asia, recorded growth in both sales and earnings.

In *Malaysia*, the increased capacity has strengthened the company's position as the largest producer and exporter of white cement in south-east Asia and Australia. After several years of substantial growth, the company experienced a setback in earnings, primarily due to higher energy prices and a weakening of the local currency of around 6%.

The plant in *Egypt* is the world's largest white cement production unit. The Group invested EUR 7.5m in additional 9.28% shares in Sinai White Portland Cement Co., increasing the shareholdings to 66.4%. The weak upward trend in sales and lower earnings (EBITDA) are deemed satisfactory considering the political instability in the country. In November 2016 the Egyptian central bank decided to let the currency float. This has resulted in a substantial devaluation in 2017, the EGP falling against EUR by an average of approx. 45% compared with 2016. As energy imports are settled in USD, the company's variable costs in EGP have increased significantly, impacting negatively on earnings. However, this has been partially offset by increased export receipts in USD.

In North America, the Group has further strengthened its position by increasing its stake in Lehigh White Cement Company ("LWCC") from 24.5% to 63.25%. The transaction was announced on 14 February 2018 and is expected to be closed before the end of March, after which LWCC will be consolidated as a subsidiary in the Group's financial statements. With production in Pennsylvania and Texas, imports from the owners, and distribution throughout North America, LWCC is a market leader in white cement with annual sales of 600,000 tonnes. In 2017, revenue amounted to USD 149m and earnings (EBITDA) USD 26m. The payment for the additional stake comprises USD 107m on a cash and debt-free basis.

Turkey

Cimentas, one of the largest cement groups in western Turkey, has production at two strategically sited cement plants in Izmir and Edirne, and at a further two factories in Kars and Elazig in the east of the country. Combined capacity was 5.4m tonnes, and in 2017 sales of grey cement and clinker amounted to 4.5m tonnes, an increase of more than 5% on 2016. However, sales of ready-mixed concrete fell significantly. Revenue increased in local currency, but was negatively influenced by continued political uncertainty and heightened competition resulting from development of new cement production capacity.

Due to a weak development in sales prices amid inflation, and a weaker currency, EUR revenue and earnings were both down on 2016. The Turkish lira (TRY) devalued by 19% against 2016.

Besides cement production, Cimentas has 18 concrete plants, and volume sales in 2017 amounted to 1.6m m^3 compared with 1.9m m^3 in 2016. The company also has municipal and industrial waste management operations as well as renewable energy activities in UK and Turkey. These activities must be seen in context with the steadily increased use of alternative fuels in the production of cement.

Social responsibility

The Aalborg Portland Holding Group has a long tradition of socially and environmentally responsible behaviour in the countries in which it operates. The Group is committed to making significant contribution to realising society's climate goals and therefore invests substantial amounts in continued environmental improvements.

Cement production in Aalborg takes place in symbiosis with city and society. For example, heat from production provides district heating for 29,000 households in Aalborg. And more than 630,000 tonnes of alternative raw materials and fuels from industry and society - an increase of 5% on 2016 - were utilised in cement production in resource-efficient partnerships.

The Group's cement plant in Aalborg (Aalborg Portland A/S) publishes a detailed annual environmental report. Besides presenting policies and results achieved, the report describes the company's environmental, energy and health & safety management systems and its certifications.

The APH Group's Statutory Report on Corporate Social Responsibility, cf. Section 99(a) of the Danish Financial Statements Act, can be found in "Sustainability Report 2017" published by the Group's owner, Cementir Holding. The report is available at www.cementirholding.it.

In accordance with Danish regulations governing the gender composition of management in large companies, cf. Section 139(a) of the Danish Companies Act and Section 99(b) of the Danish Financial Statements Act, the Group's policy on gender equality is being extended to recruitment and promotion, the decisive consideration being to find the best qualified people for all company positions. Focus is placed on increasing the number of female managers to provide for a balanced gender composition.

Increasing the female representatives in the management level remains a priority for Aalborg Portland Holding A/S and during 2018 we will continue working to attract female candidates and strengthen our recruitment strategies to ensure that we have female candidates, applying for management positions. As the number of employees in the Group's parent company is below 50, there are no aim/policies described for female representative on management level.

The Board of the Group's parent company has one female and six male AGM-elected members. The aim is to have two female members before the end of 2021.

Expectations to 2018

The global economy is showing signs of improvement, but still with substantial uncertainty and variances between markets. In addition, high volatility is expected in the foreign exchange market, which may significantly influence the Group's revenue, earnings and equity. Continued rising energy prices and freight rates will also impact earnings in 2018.

In the *Nordic & Baltic* region, moderate growth in building and construction activity is expected in Denmark, which continues to be the Group's largest single market. The building segment is positively influenced by a small number of large commercial projects and public infrastructure projects, while activity in other segments remains low. In Norway and Sweden, increased activity is expected based on strong economies. Exports of white cement are expected to continue at a high and rising level. Cement production in Aalborg has been strengthened by the large investments, which will increase capacity, operating reliability and the use of alternative fuels. This is important in relation both to environmental impact and rising prices of fossil fuels.

In *Belgium*, CCB's integration in and adjustment to the APH Group's matrix organisation and IT platform are planned for completion in spring 2018, after which CCB is expected to reach full effectiveness. In addition, the organisational adjustment at the end of the year and continued focus on organisational excellence will strengthen the competitiveness and the earnings.

The *Overseas* region area is expected to show considerable progress in sales, revenue and earnings in 2018 as a result of the acquisition of the increased stake in Lehigh White Cement Company, North America with expected effect from approx. 1 April. The activities of the Overseas region in other geographical areas are expected to show overall sales on a par with 2017, but with lower revenue and earnings, primarily as a result of an anticipated weakening of the local currencies in Egypt, China and Malaysia along with rising energy prices.

In *Turkey*, the difficult market conditions are expected to continue, but with modest revenue growth in both cement and ready-mixed concrete and improved earnings from waste management. However, there is a continued risk that Group earnings may be impacted by a possible devaluation of the Turkish lira.

Despite continued low growth in a number of important markets the APH Group expects earnings (EBITDA) in 2018 to be on a par with or slightly higher than in 2017. To this must be added the effect of the increased stake in Lehigh White Cement Company.

FINANCIAL REVIEW

Profit and loss

Group revenue in 2017 amounted to EUR 1,140.2m (2016: EUR 925.8m), a rise of 23%. The rise was primarily related to Nordic & Baltic sales, which increased by 9%, whereas revenue decreased by 3% in Overseas and by 9% in Turkey. Revenue in EUR fell by 85m against 2016 due to lower exchange rates on a number of currencies, including TRY, EGP, MYR, CNY and USD. Revenue was positively influenced by the CCB group, which contributed EUR 233.6m in 2017 against EUR 38.7m in 2016 when CCB was consolidated from 25 October.

Volume sales of cement amounted to 10.3m tonnes, 24% above 2016. This included 2.3m tonnes of white cement, a rise of 4% that embraced moderate growth in Denmark, Malaysia and Egypt, while China was on a par with the previous year. Sales of grey cement amounted to 8.0m tonnes, up 31% on the previous year. Cement sales in Denmark were 4% above 2016, sales in Turkey increased by 5%, and CCB in Belgium contributed with 1.9m tonnes.

Volume sales of ready-mixed concrete were 4.9m m^3, 16% higher than the previous year. Sales increased in Denmark, Norway and Sweden, while decreasing in Turkey by 17%. Sales of aggregates (granite and gravel) amounted to 9.3m tonnes, against 4.5m tonnes the previous year. The increase was mainly due to CCB's consolidation on a full-year basis.

Earnings before depreciation and amortisation (EBITDA) increased by EUR 14.0m or 7% to EUR 224.0m (EUR 210.0m). Earnings in Turkey and Overseas were lower, whereas Nordic & Baltic reported earnings on a par with the previous year. To this must be added the full-year consolidation of CCB. EBITDA for 2017 further includes one-off income of EUR 10.1m, against EUR 20.0m in 2016.

Operating ratio (EBITDA ratio) decreased by 3.1 percentage points from 22.7% in 2016 to 19.6% in 2017. This fall mainly related to the lower earnings in Turkey and Overseas.

As stated under revenue, EBITDA was also impacted by the development in foreign exchange rates compared with 2016, being reduced by EUR 18m.

Earnings before interest and tax (EBIT) increased by EUR 5.3m or 4% to EUR 143.5m (EUR 138.2m). The improvement mainly related to the same factors as described above (EBITDA). Furthermore, EBIT was negatively impacted by a write-down of assets in Cimentas, Turkey, of EUR 5.6m (EUR 7.4m in 2016).

Financial items amounted to a net expense of EUR 13.2m compared with an income EUR 28.5m the previous year when an accounting foreign exchange gain of EUR 32.3m was recognised due to the devaluation of the Egyptian pound.

Earnings before tax were hereafter EUR 135.0m compared with EUR 171.8m in 2016, a decrease of EUR 36.8m.

Tax on profit for the year amounted to EUR 15.8m (EUR 43.0m). The tax was influenced by a positive accounting adjustment of deferred tax as a result of reduction of the tax rates in Belgium, USA and Norway, partly offset by a higher rate in Turkey. Overall the adjustment amounted to EUR 20.7m.

Profit for the year amounted to EUR 119.2m, against EUR 128.8m in 2016.

Cash flows

The Group is continuously focused on optimising both cash flows and working capital.

Cash flow from operating activities (CFFO) was EUR 168.3m for 2017 (EUR 171.1m), a decrease of EUR 2.8m or 2%.

The Group's capital expenditure on property, plant and equipment amounted to EUR 79.9m and related to improvements to operating efficiency, energy-saving and environmental projects, and further strengthening of the Group's position in the white cement market.

The free cash flow after investments (FCF) of EUR 78.7m was primarily used to reduce the Group's interest-bearing debt.

Debt and financial resources

Net interest-bearing debt (NIBD) amounted to EUR 185.4m at 31 December 2017, corresponding to 0.8 x EBITDA, against EUR 242.0m and 1.2 x EBITDA the previous year.

Financial resources at end-2017 consisted partly of a loan of EUR 177.8m from the Group's parent company, Cementir Holding, and partly of long-term mortgage loans of EUR 96.2m.

The Group's liquidity reserve consists of non-tied-up cash and undrawn credit facilities signed by Cementir Holding. In addition to this, the Aalborg Portland Holding Group has a separate uncommitted credit facility.

Balance sheet

Non-current assets amounted to EUR 1,121.8m at 31 December 2017. This was 6% lower than at end-2016 (EUR 1,188.1m). Intangible assets decreased by EUR 17.0m and investments in plant decreased by EUR 28.2m.

Current assets amounted to EUR 517.5m, which was 3% below the previous year (EUR 534.5m). The decrease primarily related to lower receivables. Cash funds increased by EUR 1.5m.

Shareholders' equity

The Group's shareholders' equity amounted to EUR 783.8m at the end of 2017, against EUR 769.3m the previous year. The amount was influenced by the positive profit for the year and significantly impacted by negative exchange rate adjustments of EUR 91.3m in foreign entities. These adjustments mainly related to weakening of the Turkish lira (TRY) and the Egyptian pound (EGP) amounting to EUR 67.6m and EUR 8.2m, respectively.

Equity ratio was 48% at the end of 2017 (45% at end-2016). Return on equity decreased in 2017 to 15% from 17% the previous year.

Working capital

The Group's working capital, i.e. the capital tied up in debtors and inventories less creditors, was further reduced through focused control and reporting for each business unit in relation to agreed goals. Keeping down working capital saves on interest expenses and frees up resources for investment etc. Furthermore, a low level of working capital contributes to an improved return on capital employed (ROCE).

Working capital at end-2017 amounted to EUR 73.4m, against EUR 83.2m the previous year, a decrease of EUR 9.8m.

Return on capital employed (ROCE)

In 2017, as in previous years, intensive efforts were made to increase capital efficiency across the Group.

The Group's ability to generate a satisfactory profit is measured by its return on capital employed (ROCE). ROCE was 10.7% in 2017, against 9.6% in 2016. ROCE was positively influenced by increased earnings in Nordic & Baltic and Overseas and negatively influenced by lower earnings in Turkey and by the acquisition of CCB.

RISK MANAGEMENT

Like any other company, the Aalborg Portland Holding Group is affected by risks and uncertainties relating to its business activities and continuously focuses on strengthening risk management. The Group employs a holistic risk management process in which the most critical risks are:

- Market conditions
- Framework conditions
- Environmental impacts
- The organisation
- Financial risks.

The Group continuously monitors and addresses both risks and opportunities in its market areas with a view to achieving strategic objectives.

Monitoring and control

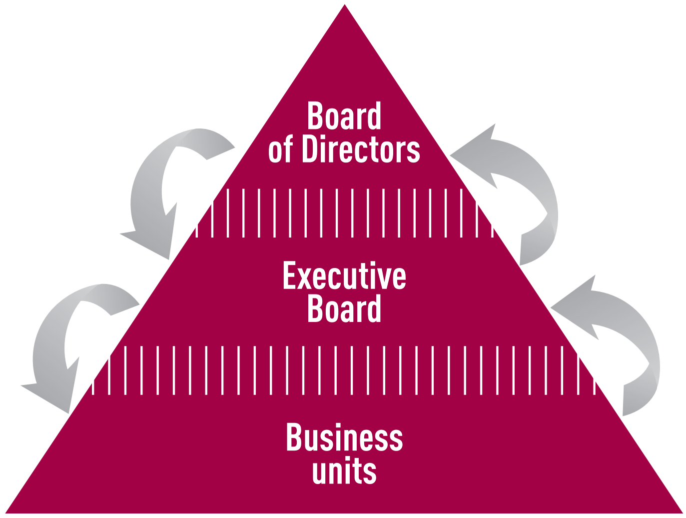
The Group's risk management is based on a standardised risk process. The assessment of the individual risk factors is based on the likelihood of the risks occurring and their potential impact on earnings, operations and reputation in this event.

The risk management process is anchored in the leadership of each of the business units. The business units together with the corporate and service functions are responsible for identifying, analysing and dealing with risks and for reporting on progress and initiating control measures. Risk owners are appointed specifically for the most significant risks. The leadership teams in the individual units are responsible for including risk assessments in all major decisions.

The individual risk reports received from the business units are consolidated at Group level. The consolidated risk report is included in the Group management's monitoring and control processes. The Group management is responsible for ensuring that the collective risk to the Group as a whole is of an acceptable level and that risk management procedures are implemented.

The Group management reports periodically or as

Risk Reporting



needed to the Board of Directors, which determines the overall policies and framework for the day-to-day control process.

Market conditions

Competition

Loss of major customers and projects may pose a material risk in relation to the achievement of the Group's objectives. The Group continuously monitors its markets and takes ongoing actions to adapt and respond to the competitive conditions and market changes.

Raw materials and energy prices

The Group utilises large quantities of energy in cement manufacture and is therefore sensitive to price changes, particularly of long duration. In order to mitigate this risk the procurement of energy is partly hedged by establishing contracts for terms up to 24 months.

Access to essential raw materials is ensured through ownership of deposits, extraction licences, long-term contracts and diversity in terms of suppliers. Furthermore, the markets for production-critical raw materials are carefully monitored. A small number of raw materials are subject to particular uncertainty as regards long-term security of supply, and the Group works proactively to find appropriate solutions to this issue.

Framework conditions

Legislation and other regulations

The Group is continuously exposed to regulatory changes by authorities and organisations in a variety of areas. Non-compliance with recommendations and regulations is often subject to substantial fines, and thus constitutes a potential risk to overall Group earnings. The Group works continuously and purposefully to conform with all aspects of legislation and other regulations relating to competition, environment and fraud. The Group trains relevant personnel on an ongoing basis in compliance with current requirements.

Political risks

The Group operates globally, including in emerging and growth markets with special political risks. This may have material consequences both for production conditions and sales. The Group actively pursues dialogue at all levels with politicians, authorities and interest groups to create a good basis for continued working and to enable the Group's operations to be adjusted when appropriate.

Taxes and levies

The Group's production is substantially subject to direct and indirect taxation, particularly in Denmark. Taxes and levies represent a material area of risk for the Group as they impact directly on competitiveness and therefore on sales potential. It is especially difficult to compete on price with cement producers from neighbouring countries that do not have high tax and levy levels as in Denmark.

CO_2 quotas

The future allocation of CO_2 quotas to the Group's production units can have substantial financial impact. Ongoing focus is therefore placed by the Group on compliance with all requirements relating to CO_2 quota allocation. The Group also closely monitors EU and national political issues concerning CO_2 quotas, particularly with regard to the Group's expected development in the EU area.

Environmental impacts

The Group's business units and leadership are very conscious of the company's environmental role and they recognise, manage and counter relevant risks in this regard. Raw materials and energy are consumed in the manufacture of Group products, but the environmental and climate properties of these products are extremely beneficial, and the Group has a declared aim of contributing constructively and significantly to achieving society's climate goals. Through its product development and production, the Group therefore constantly endeavours to ensure more environment-friendly and sustainable cement manufacture.

The organisation

Employees and management

The Group's continued success is dependent on being able to retain experienced employees and managers and to recruit new, talented employees and managers to the business units and support functions. Accordingly, the Group places importance on providing attractive workplaces with good opportunities for personal development.

IT systems

IT systems are used in all areas of the Group's operations, including production, sales and finance. Operational disruptions and loss of data and communications would impact the Group negatively. Consequently, IT security and business continuity are accorded high priority, especially in connection with implementation of new systems.

Financial risks

Financial risks, including currency risks, which are of material significance for the Group, are described in the notes to the financial statements.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Income statement

EUR '000

	Notes	2017	2016
Revenue	1	1,140,214	925,806
Cost of sales	2+3+4	706,722	573,361
Gross profit		**433,492**	**352,445**
Sales and distribution costs	4	215,303	148,884
Administrative expenses	4+5	91,289	80,036
Other operating income	6	21,040	23,886
Other operating costs	6	4,485	9,242
Earnings before interest and tax (EBIT)		**143,455**	**138,169**
Share of profit after tax, joint ventures	14	4,785	5,127
Financial income	7	8,607	49,397
Financial expenses	7	21,849	20,862
Earnings before tax (EBT)		**134,998**	**171,831**
Income tax	8	15,784	42,988
Profit for the year		**119,214**	**128,843**
Attributable to: Non-controlling interests		2,360	13,524
Shareholders in Aalborg Portland Holding A/S		116,854	115,319

Statement of comprehensive income

EUR '000

	Notes	2017	2016
Profit for the year		**119,214**	**128,843**
Other comprehensive income			
Items that cannot be reclassified to the income statement:			
Actuarial gains/losses on defined benefit pension schemes	18	-3,139	1,015
Tax	8	-1,565	-245
		-4,704	**770**
Items that can be reclassified to the income statement:			
Exchange rate adjustments on translation of foreign entities		-91,270	-144,556
Other comprehensive income after tax		**-95,974**	**-143,786**
Total comprehensive income		**23,240**	**-14,943**
Attributable to: Non-controlling interests		-5,224	-28,185
Shareholders in Aalborg Portland Holding A/S		28,464	13,242
		23,240	**-14,943**

Cash flow statement

EUR ‘000

	Notes	2017	2016
Profit/loss for the period		**119,214**	**128,843**
Reversal of amortisation and depreciation		71,046	60,951
Reversal of bargain purchase price		0	-15,078
Reversal of revaluation/impairment losses		-5,358	7,537
Share of net profits of equity-accounted investees		-4,784	-5,126
Net financial income/expense		13,248	-28,535
Gains/losses on disposals		-752	-2,060
Income taxes		15,784	42,988
Change in employee benefits		-3,079	-876
Change in provisions (current and non-current)		1,596	2,306
Operating cash flows before changes in working capital		**206,915**	**190,950**
Increase/decrease in inventories		-10,224	-5,042
Increase/decrease in trade receivables		-1,542	-6,100
Increase/decrease in trade payables		12,333	32,823
Change in non-current/current other assets/liabilities		1,363	-3,809
Change in current and deferred taxes		5,038	-6,529
Operating cash flows		**213,883**	**202,293**
Dividends collected		3,060	6,359
Interests collected		2,846	2,626
Interests paid		-8,812	-3,936
Other income collected/expenses paid		-3,954	-5,067
Income taxes paid		-38,742	-31,205
Cash flow from operating activities		**168,281**	**171,070**
Investments in intangible assets		-16,319	-789
Investments in property, plant and equipment and investment property		-65,178	-59,502
Investments in equity investments and other non-current securities		-9,735	-279,547
Proceeds from sale of intangible assets		0	53
Proceeds from sale of property, plant and equipment		1,596	1,687
Change in non-current financial assets		0	494
Change in current financial assets		26	2,913
Cash flow from investing activities		**-89,610**	**-334,691**
Change in non-current financial liabilities	21	-65,903	267,488
Change in current financial liabilities	21	10,879	-18,843
Dividend distributed		-1,236	-1,279
Other changes in equity	13	-7,453	0
Cash flow from financing activities		**-63,713**	**247,366**
Cash and cash equivalent exchange rate effect		-13,445	-2,391
Net change in cash and cash equivalent		14,958	83,745
Cash and cash equivalent opening balance		208,289	126,935
Cash and cash equivalent closing balance		**209,802**	**208,289**

Balance sheet

EUR '000

	Notes	2017	2016
ASSETS			
Goodwill		129,814	151,117
Other intangible assets		122,350	117,609
Intangible assets in development		256	678
Intangible assets	**9**	**252,420**	**269,404**
Land and buildings		354,469	377,321
Plant and machinery		357,191	386,105
Property, plant and equipment in development		47,412	32,874
Property, plant and equipment	**11**	**759,072**	**796,300**
Investment properties	**12**	**65,969**	**69,698**
Investments in joint ventures	13+14	22,470	22,893
Other non-current assets	13	8,718	11,507
Deferred tax assets	13+15	13,175	18,345
Other non-current assets		**44,363**	**52,745**
Total non-current assets		**1,121,824**	**1,188,147**
Inventories	**16**	**126,727**	**122,067**
Trade receivables	17	156,181	169,597
Amounts owed by Group enterprises		199	0
Amounts owed by joint ventures		3,063	7,164
Derivative financial instruments (positive fair value)		129	0
Income tax receivable		2,773	2,901
Other receivables	17	13,494	14,805
Prepayments	17	5,147	9,640
Receivables		**180,986**	**204,107**
Cash and cash equivalents		**209,802**	**208,289**
Total current assets		**517,515**	**534,463**
TOTAL ASSETS		**1,639,339**	**1,722,610**

Balance sheet

EUR '000

	Notes	2017	2016
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		40,333	40,333
Foreign currency translation reserve		-260,041	-176,131
Retained earnings		914,983	803,196
Aalborg Portland Holding A/S's share of shareholders' equity		**695,275**	**667,398**
Non-controlling interests' share of shareholders' equity		**88,488**	**101,864**
Total shareholders' equity		**783,763**	**769,262**
Liabilities			
Pension and similar liabilities	18	32,830	33,621
Deferred tax liabilities	15	121,086	147,444
Provisions	19	29,201	29,150
Credit institutions etc.	20+21+24	191,488	108,679
Amounts owed to Group enterprises	20+21	177,808	327,003
Other payables	23	0	1,718
Deferred income	21	4,906	5,785
Non-current liabilities		**557,319**	**653,400**
Credit institutions	20+21+24	25,998	15,320
Trade payables		199,438	200,575
Amounts owed to Group enterprises		14,427	10,677
Amounts owed to joint ventures		4	1,201
Derivative financial instruments (negative fair value)		0	137
Income tax payable		12,331	15,492
Provisions	19	2,869	3,484
Other payables	23	41,919	52,085
Deferred income	22	1,271	977
Current liabilities		**298,257**	**299,948**
Total liabilities		**855,576**	**953,348**
TOTAL EQUITY AND LIABILITIES		**1,639,339**	**1,722,610**

Statement of shareholders' equity

EUR '000	Share capital	Foreign currency translation reserve	Retained earnings	Aalborg Portland Holding's total share	Non-controlling interests' share	Total equity
Shareholders' equity at 1 January 2017	40,333	-176,131	803,196	667,398	101,864	769,262
Comprehensive income in 2017						
Profit for the year			116,838	116,838	2,376	119,214
Other comprehensive income						
Exchange rate adjustments on translation of foreign entities		-83,910		-83,910	-7,360	-91,270
Actuarial gains/losses on defined benefit pension schemes			-2,869	-2,869	-270	-3,139
Tax on other comprehensive income			-1,595	-1,595	30	-1,565
Total comprehensive income	**0**	**-83,910**	**112,374**	**28,464**	**-5,224**	**23,240**
Transactions with owners						
Dividend distributed					-1,236	-1,236
Acquisition of equity investments from non-controlling interests			-587	-587	-6,916	-7,503
	0	**0**	**-587**	**-587**	**-8,152**	**-8,739**
Shareholders' equity at 31 December 2017	**40,333**	**-260,041**	**914,983**	**695,275**	**88,488**	**783,763**

Statement of shareholders' equity

EUR '000	Share capital	Foreign currency translation reserve	Retained earnings	Aalborg Portland Holding's total share	Non-controlling interests' share	Total equity
Shareholders' equity at 1 January 2016	40,333	-73,409	687,253	654,177	126,819	780,996
Comprehensive income in 2016						
Profit for the year			115,319	115,319	13,524	128,843
Other comprehensive income						
Exchange rate adjustments on translation of foreign entities		-102,722		-102,722	-41,834	-144,556
Actuarial gains/losses on defined benefit pension schemes			853	853	162	1,015
Tax on other comprehensive income			-208	-208	-37	-245
Total comprehensive income	**0**	**-102,722**	**115,964**	**13,242**	**-28,185**	**-14,943**
Transactions with owners						
Dividend distributed			-9	-9	-1,387	-1,396
Reversal of dividend in subsidiary					4,869	4,869
Acquisition of equity investments from non-controlling interests			-12	-12	-252	-264
	0	**0**	**-21**	**-21**	**3,230**	**3,209**
Shareholders' equity at 31 December 2016	**40,333**	**-176,131**	**803,196**	**667,398**	**101,864**	**769,262**

The share capital in 2017 and 2016 consists of:

1 share at DKK 150m

1 share at DKK 60m

2 shares at DKK 30m each

1 share at DKK 15m

5 shares at DKK 3m each

Dividends distributed to shareholders in 2017 were EUR 0.0m (2016: EUR 0.0m).
All shares are fully issued and paid up, One share of DKK 1,000 holds one vote.

NOTES

EUR ‘000

1. Revenue

	2017	2016
Sale of cement	565,759	471,048
Sale of ready-mixed concrete	445,247	371,693
Other sales *	129,208	83,065
	1,140,214	**925,806**

* Other sales include concrete pipes, gravel, heat, waste processing, etc.

2. Cost of sales

Cost of sales amounts to EUR 706.7m (2016: EUR 573.4m). Hereof direct staff costs amount to EUR 86.3m (2016: EUR 67.4m) and use of raw materials amounts to EUR 183.9m (2016: EUR 124.3m).

3. Research and development costs

	2017	2016
Research and development costs charged to the income statement:		
Research and development costs paid	2,501	2,680
Amortisation of capitalised development costs	0	2
	2,501	**2,682**

4. Staff costs

	2017	2016
Wages and salaries and other remuneration	129,375	108,843
Pension costs, defined benefit schemes	665	872
Pension costs, defined contribution schemes	13,295	7,591
Social security costs	14,246	8,200
	157,581	**125,506**
Number of employees at 31 December	2,939	2,918
Average number of full-time employees	2,907	2,991

Hereof 110 employees at 31 December and 110 average full-time employees are included in the pro rata consolidated company.

Remuneration of the Board of Directors, the Management and other senior executives

	2017	2016
Salaries and remunerations	6,734	7,005
Pension contributions	260	101
	6,994	**7,106**
Hereof Board of Directors and Management	659	542

Remuneration of the Board of Directors represents EUR 75k in 2017 (2016: EUR 75k).

EUR '000

5. Fees to the auditors appointed by the Annual General Meeting

	2017	2016
Total fees to KPMG are specified as follows:		
Statutory audit	809	624
Other assurance engagements	7	23
Tax and VAT advisory services	239	87
Other services	40	95
	1,095	**829**
Fees to other auditors	121	48

6. Other operating income and other operating costs

	2017	2016
Other operating income		
Rent income	1,125	1,090
Profit on sale of property, plant and equipment	849	1,150
Value adjustment, investment properties	10,081	0
Sale of scrap, spare parts and consumables	428	195
Bargain purchase price	0	15,078
Gain from sale of investment property	0	938
Other income	8,557	5,435
	21,040	**23,886**
Other operating costs		
Loss on sale of property, plant and equipment	99	28
Impairment	3,468	7,422
Other costs	918	1,792
	4,485	**9,242**

7. Financial income and expenses

	2017	2016
Financial income		
Interest, cash funds etc.	2,844	2,388
Interest, Group enterprises	16	26
Exchange rate adjustments	5,747	46,983
	8,607	**49,397**
Interest on financial assets measured at amortised cost	2,860	2,414
Financial expenses		
Interest, credit institutions etc.	4,257	2,688
Interest, Group enterprises	4,752	1,227
Exchange rate adjustments	10,151	15,213
Other financial costs	2,689	1,734
	21,849	**20,862**
Interest on financial obligations measured at amortised cost	9,009	3,915

EUR ‘000

8. Income tax

Income tax	2017	2016
Current tax on the profit for the year/joint taxation contribution	34,596	35,695
Deferred tax adjustment	-19,293	8,285
Other adjustments, including previous years	481	-992
	15,784	**42,988**
Taxes paid	**38,742**	**31,205**

According to legislation, the Parent Company is the administrative company of the compulsory Danish joint taxation.

Reconciliation of tax rate	2017	2016
Tax according to Danish tax rate 22.0%	29,700	37,803
Difference in the tax rates applied by non-Danish subsidiaries relative to 22.0%	3,466	2,210
Non-taxable income and non-deductible expenses	821	-2,863
Non-taxable profit shares in joint ventures	99	-48
Recognised tax assets (not previously recognised)	20	0
Expired tax loss regarding this and previous years	3,617	4,863
Effect of investment properties and acquisition of land	-1,512	0
Other, including adjustments previous years	157	1,210
Change of tax rates	-20,584	-187
	15,784	**42,988**
Applicable tax rate for the year	**12%**	**25%**
Income tax recognised directly as other comprehensive income	**1,565**	**245**
Total income tax	**17,349**	**43,233**

The change in tax rates in 2017 is mainly related to Belgium and USA.

Payments to authorities

In accordance with Danish regulations governing payments to authorities in large companies, cf. Section 99(c) of the Danish Financial Statements Act, the Aalborg Portland Holding Group has made the following payments to athorities in 2017:

EURm	Quarry*	Taxes**	Royalty	Licenses	Total
Aalborg Portland A/S, Denmark	335	16,096			16,431
Unicon A/S, Denmark	105	2,090			2,195
Kudsk og Dahl A/S, Denmark	287	78			365
AB Sydsten, Sweden	199	701			900
Cimentas AS, Turkey	718	3,882	568		5,168
Compagnie des Ciments Belges S.A., Belgium	6	12,001	2,628		14,635
Aalborg Portland Malaysia Sdn. Bhd., Malaysia		580	200		780
Aalborg Portland (Anqing) Co. Ltd., China	317	2,863			3,180
	1,967	**38,291**	**3,396**	**0**	**43,654**

* Includes payments in relation to use of minarals in the production and other related fees.
** Taxes include direct and indirect taxes on the Company’s income, manufacturing or profit apart from direct and indirect taxes on consumption.

Taxes include payments during 2017, however, it included over/under payments from previous years.
The table above does not cover the full tax payment of the Aalborg Portland Holding Group, as this is purely provided in accordance with Section 99(c) of the Danish Financial Statements Act covering the cement production companies which is in scope in the specific reporting.

EUR '000

9. Intangible assets

	Goodwill	Other intangible assets	Intangible assets in development	Total
Cost at 1 January 2017	151,117	154,644	678	306,439
Exchange rate adjustments	-21,303	-3,325	-2	-24,630
Additions	0	16,098	221	16,319
Other adjustments/reclassifications	0	800	-641	159
Cost at 31 December 2017	**129,814**	**168,217**	**256**	**298,287**
Amortisation and impairment at 1 January 2017	0	37,035	0	37,035
Exchange rate adjustments	0	-2,340	0	-2,340
Amortisation for the year	0	10,947	0	10,947
Other adjustments/reclassifications	0	225	0	225
Amortisation and impairment at 31 December 2017	**0**	**45,867**	**0**	**45,867**
Carrying amount at 31 December 2017	**129,814**	**122,350**	**256**	**252,420**
Cost at 1 January 2016	169,514	64,146	676	234,336
Exchange rate adjustments	-18,397	-3,615	0	-22,012
Additions from acquisition of shares in CCB	0	93,416	0	93,416
Additions	0	323	467	790
Disposals	0	-91	0	-91
Other adjustments/reclassifications	0	465	-465	0
Cost at 31 December 2016	**151,117**	**154,644**	**678**	**306,439**
Amortisation and impairment at 1 January 2016	0	34,856	0	34,856
Exchange rate adjustments	0	-1,714	0	-1,714
Reversed amortisation on disposals	0	-38	0	-38
Amortisation for the year	0	3,931	0	3,931
Amortisation and impairment at 31 December 2016	**0**	**37,035**	**0**	**37,035**
Carrying amount at 31 December 2016	**151,117**	**117,609**	**678**	**269,404**

Amortisation during the year is included in the following items:	2017	2016
Cost of sales	5,839	430
Sales and distribution costs	1,655	17
Administrative expenses	3,453	3,484
	10,947	**3,931**

Intangible assets

Other intangible assets include software licenses (SAP R/3), quarry rights, CO_2 quotas, development projects and licenses for removal of waste, trademarks and customer lists. All items under other intangible assets have definite useful lives.

Goodwill is not amortised.

Internally generated intangible assets, mainly regarding SAP implementation, amount to EUR 1.7m (2016: EUR 2.1m).

Other intangible assets include a waste management agreement signed in 2011 (for a term of 25 years) with the municipal company of Istanbul (Turkey), with an original consideration of TRY 12.1m (equal to EUR 5.2m at the acquisition date).

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9. Intangible assets (continued)

Goodwill

At 31 December 2017 (31 December 2016), Nordic & Baltic, Turkey and Overseas account for EUR 38.3m (2016: EUR 41.5m), EUR 85.6m (2016: EUR 104.3m) and EUR 5.0m (2016: EUR 5.3m) of the consolidated goodwill.

Aalborg Portland Holding Group performed impairment test on the carrying amount of goodwill at 31 December 2017 based on value in use as in previous years. Impairment tests are performed in the 4th quarter each year, based on the budgets and business plans approved by the Board of Directors.

The impairment test for cash-generating units compares the recoverable amount, equivalent to the present value of expected future free cash flow, with the carrying amount of the individual cash-generating units.

Expected future free cash flow is based on budgets and business plans for the period 2018-2020 and projections for subsequent years. Key parameters include production capacity (based on current capacity), trend in revenue, EBIT margin and growth expectations for the years after 2020.

Budgets and business plans for the period 2018-2020 are based on concrete future business measures, assessing risks in the key parameters and incorporating these in expected future free cash flows. Projections after 2019 are based on general expectations. The value for the period after 2020 takes into account the general growth expectations for the cement and readymix industry.

Growth rates are not expected to exceed the average long-term growth rate for the Group's individual geographical segments.

The discount rates applied in calculating the recoverable amounts are after tax, and reflect the risk-free interest plus specific risks in the individual geographic segments. The discount rate of Egypt and Turkey is 7-14% due to the high risk-free interest caused by the political situation in the countries.

The key assumptions from the impairment tests of goodwill are as follows:

2017	Discount rates after tax	Terminal growth rates	Average increase of revenue 2018 to terminal period	Average EBITDA ratio 2018 to terminal period
Nordc & Baltic	4-5%	1%	1-2%	1-3%
USA, UK, China and Malaysia	6-8%	2-3%	2-6%	0%-6%
Egypt and Turkey	7-14%	2-6%	-2%-83%	3-39%

2016	Discount rates after tax	Terminal growth rates	Average increase of revenue 2017 to terminal period	Average EBITDA ratio 2017 to terminal period
Nordc & Baltic	4-5%	1%	1-4%	2-14%
USA, UK, China and Malaysia	6-9%	2-3%	3-5%	-2%-4%
Egypt and Turkey	12-14%	2-4%	9-12%	21-28%

The average increases in revenue and average EBITDA ratio, as stated above, are generally in line with the realised increase in revenue and average EBITDA ratio in 2017.

The impairment tests are in addition to this based on the prospects for the future mentioned in the mangement's review, page 12, which includes comments on the development in 2017.

Discount rates before tax are slightly higher than discount rates after tax.

Based on the impairment tests performed at 31 December 2017, management has concluded that there is no impairment of goodwill. The impairment tests still show a significant headroom and no reasonably possible changes in key assumptions will lead to impairment.

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10. Acquisition of enterprises

Acquisition of Compagnie des Ciments Belges

On 25 October 2016, the Group finalised the acquisition of 100% of the share capital of Compagnie des Ciments Belges SA (CCB) from Ciments Français SAS, a subsidiary of HeidelbergCement. The CCB Group is one of the main producers of construction materials in Belgium and is active in the cement, ready-mixed concrete and aggregates sector. On the acquisition date, the organisational chart of the CCB Group included, apart from the Parent, Compagnie des Ciments Belges SA, the following companies:

- De Paepe Beton NV (100%)
- Trabel Transports S.A. (100%)
- Trabel Affretement S.A. (100%)
- Compagnie des Ciments Belges France S.A. (CCBF) (100%)
- Société des Carrières du Tournaisis S.C.T. S.A. (65%)
- Recybel SA (25.5%)
- Mixers at your Service NV (18%)

In order to meet the commitments arising from the aforementioned acquisition, on 21 October 2016, Cementir Holding SpA took out a bridge loan of EUR 330m granted by a bank syndicate. This liquidity was used to finance Aalborg Portland Holding A/S in order to complete the acquisition transaction. The transaction is classified as a business combination and has been treated in accordance with IFRS 3. At the reporting date, the calculation of the fair value of the assets acquired and the liabilities assumed had been completed. The consideration paid for the acquisition of control of the CCB Group - which has been paid in full - amounted to EUR 347.6m, while the fair value of net assets at the date of acquisition of control was EUR 304.4m.

The following table shows the fair values of the net assets acquired at the acquisition date:

	Provisional amounts at 31.10.2016	Adjustments	Fair value at 31.10.2016
Intangible assets with a finite useful life	39,147	54,269	93,416
Property, plant and equipment	331,208	(27,658)	303,550
Equity investments	281	-	281
Non-current financial assets	200	-	200
Deferred tax assets	20	7,596	7,616
Inventories	26,225	-	26,225
Trade receivables	48,616	-	48,616
Current tax assets	2,260	-	2,260
Other current assets	13,566	(8,477)	5,089
Employee benefits	(22,073)	-	(22,073)
Other non-current provisions	(1,732)	(10,650)	(12,382)
Deferred tax liabilities	(78,647)	(7,978)	(86,625)
Trade payables	(39,202)	-	(39,202)
Current tax liabilities	(9,973)	-	(9,973)
Other current liabilities	(8,044)	(4,594)	(12,638)
Net assets acquired	**301,852**	**2,508**	**304,360**
Consideration net of available cash	**286,774**		**289,282**
Effect of bargain purchase gain (Bargain purchase gain) (note 6)	**15,078**		**15,078**

EUR ‘000

10. Acquisition of enterprises (continued)

The fair value recognition of the assets acquired and liabilities assumed in the acquisition entailed the following accounting effects:

- **Intangible assets with a finite useful life**: i) allocation of the fair value to French and Belgian markets customer relationship by approx. EUR 49m against EUR 34.3m preliminarily recognised at the acquisition date, and based on the customer turnover rate, a remaining useful life has been considered at 15 and 20 years respectively, ii) allocation of the fair value of Milieu extraction rights relating to the non-owned quarry by EUR 44m, recognised at the acquisition date in the tangible assets, iii) other minor adjustments have reduced the value of intangible assets by EUR 4.6m.
- **Property, plant and equipment**: i) allocation of the fair value on land and buildings by approx. EUR 35.2m, ii) reduction in the original value of quarries by a total of EUR 51.6m, iii) other minor adjustments have reduced the value of tangible assets by EUR 11.1m.

In addition, a liability related to quarry rehabilitation costs was recorded at EUR 10.5m. Lastly, deferred tax related to net assets in the PPA was recognised at approx. EUR -0.4m.

The definitive calculation of the fair value of the net assets acquired, carried out with the assistance of external experts, confirmed the EUR 15,078k recognised as income (Bargain purchase) in the consolidated financial statements at 31 December 2016 and classified under the item “Other operating revenue”.

During 2017, the CCB Group generated revenue of EUR 233.6m and a profit of EUR 35.5m. The Directors believe that, had the acquisition taken place on 1 January 2016, Cementir Group's consolidated revenue and profit would have been higher by around EUR 225m and EUR 10m, respectively.

In 2017, Compagnie des Ciments Belges France S.A. (CCBF), indirectly 100% owned by Cementir Holding SpA, completed the acquisition of five ready-mixed concrete plants in northern France for EUR 2.7m.

11. Property, plant and equipment

	Land and buildings	Plant and machinery	Property, plant, and equipment in development	Total
Cost at 1 January 2017	578,124	1,135,998	33,089	1,747,211
Exchange rate adjustments	-25,166	-74,726	-718	-100,610
Additions	2,130	16,004	47,159	65,293
Disposals	-48	-15,656	0	-15,704
Reclassifications	2,133	29,985	-31,943	175
Cost at 31 December 2017	**557,173**	**1,091,605**	**47,587**	**1,696,365**
Depreciation and impairment at 1 January 2017	200,803	749,893	215	950,911
Exchange rate adjustments	-10,734	-52,409	-40	-63,183
Reversed depreciation on disposals	0	-14,210	0	-14,210
Depreciation for the year	12,687	47,414	0	60,101
Impairment	0	3,468	0	3,468
Other adjustments/reclassifications	-52	258	0	206
Depreciation and impairment at 31 December 2017	**202,704**	**734,414**	**175**	**937,293**
Carrying amount at 31 December 2017	**354,469**	**357,191**	**47,412**	**759,072**
Hereof assets held under a finance lease	**0**	**2,512**	**0**	**2,512**

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11. Property, plant and equipment (continued)

	Land and buildings	Plant and machinery	Property, plant, and equipment in development	Total
Cost at 1 January 2016	390,789	1,116,034	25,505	1,532,328
Exchange rate adjustments	-36,272	-96,320	-3,275	-135,867
Additions from acquisition of shares in CCB	215,772	82,880	4,899	303,551
Additions	4,893	19,249	35,737	59,879
Disposals	-2,827	-9,499	-354	-12,680
Reclassifications	5,769	23,654	-29,423	0
Cost at 31 December 2016	**578,124**	**1,135,998**	**33,089**	**1,747,211**
Depreciation and impairment at 1 January 2016	207,463	754,948	0	962,411
Exchange rate adjustments	-12,857	-50,888	-23	-63,768
Reversed depreciation on disposals	-2,836	-9,322	0	-12,158
Depreciation for the year	9,508	47,496	0	57,004
Impairment	0	7,422	0	7,422
Other adjustments/reclassifications	-475	237	238	0
Depreciation and impairment at 31 December 2016	**200,803**	**749,893**	**215**	**950,911**
Carrying amount at 31 December 2016	**377,321**	**386,105**	**32,874**	**796,300**
Hereof assets held under a finance lease	**401**	**3,067**	**0**	**3,468**

Depreciation during the year is included in the following items:

	2017	2016
Cost of sales	55,434	52,596
Sales and distribution costs	2,865	3,456
Administrative expenses	1,802	952
	60,101	**57,004**

Aalborg Portland Holding Group has signed contracts regarding purchase of property, plant and equipment at a value of EUR 2.9m (2016: EUR 4.0m).

No changes are made in significant accounting estimates regarding property, plant and equipment.

Impairment is included in other operating costs. Regarding the impairment test performed at 31 December 2017, reference is made to note 9.

At 31 December 2017, the recoverable amount of the CGU (Hereko) was estimated on the basis of its value in use due to delays in capital expenditure which postponed full operation of the facilities and did not enable the achievement of the earnings targets.

Key assumptions were based on assessments by management concerning future projections for the sector of reference and a historic analysis of internal and external factors of information. Future cash flows were considered until 2035, when the waste management agreement will expire.

Key assumptions used to estimate the recoverable amount of the CGU were:

- WACC of 14.1%
- Growth rate of 5.5%
- EBITDA margin between 40% and 45%, in line with company forecasts starting from 2018 and onwards.

Impairment testing at 31 December 2017 found a recoverable amount for the CGU of EUR 21.1m, compared to a carrying amount of EUR 24.5m. Accordingly, an impairment loss of the tangible assets of EUR 3.4m was recognised in other operating costs.

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12. Investment properties

	2017	2016
Fair value at 1 January	69,698	87,020
Exchange rate adjustments	-13,810	-11,928
Disposals	0	-5,394
Unrealised fair value adjustment (other operating income)	10,081	0
Fair value at 31 December	**65,969**	**69,698**

Investment properties mainly comprise a number of commercial lands in Turkey that is not in the Group's use and owned for capital appreciation. No rental income is generated from lands.

The fair value of investment properties was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for investment property has been categorised as a Level 2 fair value based on valuation techniques includes unobservable inputs.

The fair value of investment property is market value approach in which representative samples are selected in the neighbourhoods of the specified property, which provide recent sales transactions.

Then the average price of the samples is compared with the relevant investment property. Finally, a measuring of the fair value of the investment property is performed, based on location and other factors.

13. Other non-current assets

	Investments in joint ventures	Other non-current assets	Deferred tax assets	Total
Cost at 1 January 2017	15,215	11,507	18,345	45,067
Exchange rate adjustments	-1,716	-1,846	-1,684	-5,246
Additions	0	1,769	1,946	3,715
Disposals	0	-2,712	-5,864	-8,576
Change offset in provision for deferred tax	0	0	432	432
Cost at 31 December 2017	**13,499**	**8,718**	**13,175**	**35,392**
Adjustments at 1 January 2017	7,678	0	0	7,678
Exchange rate adjustments	-432	0	0	-432
Profit shares	4,785	0	0	4,785
Dividends for the year	-3,060	0	0	-3,060
Adjustments at 31 December 2017	**8,971**	**0**	**0**	**8,971**
Carrying amount at 31 December 2017	**22,470**	**8,718**	**13,175**	**44,363**

Other non-current assets mainly relate to VAT receivable and deposits.

Cost at 1 January 2016	19,080	11,584	10,677	41,341
Exchange rate adjustments	1,212	-3,268	-1,637	-3,693
Additions	0	3,876	3,206	7,082
Additions from acquisition of shares in CCB	106	376	7,616	8,098
Disposals	-5,183	-1,061	-3,227	-9,471
Change offset in provision for deferred tax	0	0	1,710	1,710
Cost at 31 December 2016	**15,215**	**11,507**	**18,345**	**45,067**
Adjustments at 1 January 2016	4,350	0	0	4,350
Exchange rate adjustments	-623	0	0	-623
Profit shares	5,127	0	0	5,127
Dividends for the year	-6,359	0	0	-6,359
Reversal	5,183	0	0	5,183
Adjustments at 31 December 2016	**7,678**	**0**	**0**	**7,678**
Carrying amount at 31 December 2016	**22,893**	**11,507**	**18,345**	**52,745**

Other non-current assets mainly relate to VAT receivable and deposits.

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13. Other non-current assets (continued)

Investments in subsidiaries with significant non-controlling interests

	Aalborg Portland Malaysia Group		Sydsten Group	
	2017	2016	2017	2016
Revenue	**38,966**	**39,269**	**69,451**	**58,344**
Profit for the period				
- attributable to owners of the parent	2,375	4,611	1,673	1,737
- attributable to non-controlling interests	1,018	1,976	1,832	1,738
	3,393	**6,587**	**3,505**	**3,475**
Other comprehensive income (expense)	-1,272	-558	-808	-941
Total comprehensive income (expense)	**2,121**	**6,029**	**2,697**	**2,534**
Assets				
Non-current assets	27,291	28,324	20,842	22,185
Current asets	31,206	26,625	28,074	26,674
	58,497	**54,949**	**48,916**	**48,859**
Liabilities				
Non-current liabilities	1,183	716	11,409	11,260
Current liabilities	7,355	6,368	13,777	14,196
	8,538	**7,084**	**25,186**	**25,456**
Net assets				
- attributable to owners of the parents	34,971	33,506	11,286	11,133
- attributable to non-controlling interests	14,988	14,359	12,444	12,270
	49,959	**47,865**	**23,730**	**23,403**
Cash flow from operation	4,806	10,467	6,583	5,122
Dividends paid to non-controlling interests	0	0	1,162	1,287

EUR ‘000

13. Other non-current assets (continued)

	Sinai White Portland Cement Co. S.A.E	
	2017	**2016**
Revenue	**36,443**	**45,249**
Profit for the period		
- attributable to owners of the parent	3,714	19,682
- attributable to non-controlling interests	2,578	14,763
	6,292	**34,445**
Other comprehensive income (expense)	-8,344	-80,434
Total comprehensive income (expense)	**-2,052**	**-45,989**
Assets		
Non-current assets	35,513	38,426
Current asets	57,246	59,484
	92,759	**97,910**
Liabilities		
Non-current liabilities	8,710	10,280
Current liabilities	9,486	10,957
	18,196	**21,237**
Net assets		
- attributable to owners of the parents	49,525	43,811
- attributable to non-controlling interests	25,038	32,862
	74,563	**76,673**
Cash flow from operation	10,352	-1,734
Dividends paid to non-controlling interests	0	0

In 2017, the Group invested EUR 7.5m (2016: EUR 0.0m) (cash purchase consideration) regarding acquisition of additional 9.28% (2016: 0%) of shares in Sinai White Portland Cement Co. S.A.E.

14. Investments in joint ventures

Summary of financial information from joint ventures:

	2017	**2016**
Revenue	168,205	167,020
Profit for the year	19,838	23,237
Total assets	102,380	101,389
Total liabilities	31,815	30,316
Share of profit for the year after tax	4,785	5,127

The joint ventures have no major contingent liabilities and the Group's maximum liabilities to the joint ventures do not exceed the equity value of the joint venture.

For a list of joint ventures, reference is made to page 91.

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14. Investments in joint ventures (continued)

Significant joint ventures

The Group owns 24.5% of the voting rights in Lehigh White Cement Company and the two other owners have 24.5% and 51% of the voting rights. The shareholder agreement states that certain decisions regarding the activity must be decided in unanimity. As the owners only have the right to a proportionate share of the net assets in the entity, Lehigh White Cement Company is treated as a joint venture. The entity is recognised according to the equity method.

Financial information on significant joint venture	Lehigh White Cement Company	
	2017	2016
The figures are 100% numbers of the joint venture		
Revenue	131,943	132,151
Profit for the period	20,490	24,962
Assets		
Non-current assets	28,393	31,352
Current assets	50,230	48,440
	78,623	**79,792**
Liabilities		
Non-current liabilities	2,055	3,230
Current liabilities	12,012	12,879
	14,067	**16,109**
Net assets	**64,556**	**63,683**
% investment	24.5%	24.5%
Equity attributable to owners of the parent	15,816	15,602
Dividends paid to non-controlling interests	3,060	6,516
Reconcilation of summarised financial information		
Group share of equity in significant joint ventures	15,816	15,602
Goodwill regarding significant joint ventures	2,098	2,069
Booked value of non-significant joint ventures	4,556	5,222
Group book value of joint ventures at 31 December	**22,470**	**22,893**
Financial information on the Group's individual non-significant joint ventures		
Profit for the period	-531	-782
Comprehensive income	25	52
Total comprehensive income	-506	-730
Book value of investments in non-significant joint ventures at 31 December	**4,556**	**5,222**

EUR '000

15. Deferred tax assets and deferred tax liabilities

Change in deferred tax in the year	2017	2016
Deferred tax at 1 January	129,099	50,830
Exchange rate adjustments	-3,462	-10,450
Changes of tax rate, via income statement	-20,677	-187
Adjustments, previous years via income statement	-620	1,071
Additions from acquisition of shares in CCB	0	79,009
Movements via income statement	2,004	8,581
The year's movements in comprehensive income	1,567	245
Deferred tax liabilities at 31 December, net	**107,911**	**129,099**
Deferred tax is presented in the balance sheet as follows:		
Deferred tax liabilities	121,086	147,444
Deferred tax assets	13,175	18,345
Deferred tax liabilities at 31 December, net	**107,911**	**129,099**

	Deferred tax assets		Deferred tax liabilities	
	2017	2016	2017	2016
Intangible assets	99	4,871	19,730	26,784
Property, plant and equipment	420	3,102	93,906	118,664
Investment properties	0	0	6,194	3,140
Other non-current assets	589	571	619	1,669
Current assets	111	378	6,776	7,226
Provisions	4,428	3,830	-3,087	-5,837
Non-current and current liabilities	1,216	1,163	-103	-940
Tax loss carry-forwards	7,099	4,785	-2,162	-2,907
Deferred tax before set-off	**13,962**	**18,700**	**121,873**	**147,799**
Set-off within legal tax entities and jurisdictions	-787	-355	-787	-355
Deferred tax at 31 December	**13,175**	**18,345**	**121,086**	**147,444**

Tax loss carry-forwards mainly relate to Cimentas Group and CCB Group. As a result of expected future earnings there is a reasonable probability that the losses will be realised in a foreseeable future.

EUR '000

16. Inventories

	2017	2016
Raw materials and consumables	78,167	70,882
Work in progress	22,570	23,884
Finished goods	25,344	26,221
Prepayments of goods	646	1,080
Inventories at 31 December	**126,727**	**122,067**

As was the case last year, there are no significant inventories of cement and aggregates carried at net realisable value.

Write-down of inventories of spare parts amounts to EUR 6.1m (2016: EUR 6.1m). Write-down recognised in the income statement is EUR 0.3m (2016: EUR 0.2m).

17. Trade receivables, other receivables and prepayments

Development in provisions for impairment on trade receivables:

	2017	2016
Provision for impairment losses at 1 January	6,398	4,060
Exchange rate adjustments	-510	-432
Provision for impairment in the year	2,514	300
Additions from acquisition of shares in CCB	0	2,780
Realised in the year	-2,248	-307
Reversed	-202	-3
Provision for impairment at 31 December	**5,952**	**6,398**

All trade receivables are due within one year.

The carrying amount essentially corresponds to fair value.

Collateral has been received regarding trade receivables, in total EUR 36.0m (2016: EUR 42.2m).

Other receivables include energy taxes and VAT, etc.

Prepayments comprise prepaid rent and insurance etc.

EUR ‘000

18. Provisions for pensions and similar commitments

The pension liabilities incumbent on the Danish Group enterprises are funded through insurance plans. The pension liabilities of certain foreign subsidiaries are also funded through insurance plans. Foreign subsidiaries, primarily in Turkey, Sweden, Norway, Malaysia and Belgium, whose pension liabilities are not - or only partially - funded through insurance plans state the unfunded liabilities on an actuarial basis at the present value at the balance sheet date.
These pension liabilities are partly covered by assets in pension funds. The Group's defined benefit plans were EUR 32.8m underfunded at 31 December 2017 (2016: EUR 33.6m) for which a provision has been made as pension liabilities.
The actuarial result for the year at EUR 3.1m (2016: EUR -1.2m) is recognised in the statement of other comprehensive income.

	2017	2016
Present value of defined benefit schemes	59,356	58,765
Market value of the assets comprised by the schemes	26,526	25,144
Net liability recognised in the balance sheet	**32,830**	**33,621**
Present value of defined benefit schemes at 1 January	58,765	17,657
Exchange rate adjustment	-1,430	-983
Actuarial gains/losses recognised in other comprehensive income	3,617	-1,018
Additions from acquisition of shares in CCB	0	43,222
Costs	601	1,260
Net interest	980	581
Curtailment	0	-212
Payments	-3,177	-1,742
Present value of defined benefit schemes at 31 December	**59,356**	**58,765**
Market value of the assets comprised by the schemes at 1 January	25,144	3,391
Exchange rate adjustment	-83	193
Payments	617	261
Additions from acquisition of shares in CCB	0	21,204
Net interest	375	74
Curtailment	0	-155
Actuarial gains/losses recognised in other comprehensive income	473	176
Market value of the assets comprised by the schemes at 31 December	**26,526**	**25,144**
Stated as liabilities (provision for pension)	**32,830**	**33,621**
Amounts taken to the income statement		
Pension costs are included in:		
Cost of sales	5,160	4,529
Sales and distribution costs	2,317	2,070
Administrative expenses	6,483	1,675
	13,960	**8,274**

The actuarial change of the year is mainly due to changes in experience adjustments.
The main part of the provision for pension and similar commitments falls due after 5 years.
The assets of the pension scheme are attributable to Belgium and Norway. In Norway the assets are mainly invested in listed securities.
All assets comprised by the schemes are managed by pension providers in collective pool schemes.
In 2018, the Group expects payment of EUR 4.3m to the defined benefit schemes.

EUR '000

18. Provisions for pensions and similar commitments (continued)

The most significant actuarial assumptions at the balance sheet date are as follows:	2017	2016
Average discounting rate applied	3%	3%
Expected return on tied-up assets	2%	3%

Compared to the consolidated financial statements a probable change of the actuarial assumptions is not deemed to cause significant effect on the liabilities, and therefore a sensitivity analysis has not been prepared.

In the statement of consolidated shareholders' equity the following accumulated actuarial gains/losses are recognised	-9,930	-6,569

19. Provisions

	2017	2016
Provisions at 1 January	32,634	18,944
Exchange rate adjustment	-1,502	-1,661
Additions in the year	4,408	5,670
Additions from acquisition of shares in CCB	0	12,382
Used in the year	-3,116	-2,657
Reversal	-354	-44
Provisions at 31 December	**32,070**	**32,634**
Recognised in the balance sheet as follows:		
Stated as non-current liabilities	29,201	29,150
Stated as current liabilities	2,869	3,484
	32,070	**32,634**
Maturities for other provisions are expected to be:		
Falling due within one year	2,869	3,608
Falling due between one and five years	4,167	5,106
Falling due after more than five years	25,034	23,920
	32,070	**32,634**

Provisions mainly include re-establishment of chalk, gravel and clay pits at EUR 20.5m (2016: EUR 9.9m), demolition liabilities for buildings and terminal on rented land at EUR 4.8m (2016: EUR 5.2m), warranties and claims at EUR 0.3m (2016: EUR 0.3m) as well as other provisions at EUR 6.6m (2016: EUR 6.7m).

Additions in the year include liabilities regarding warranties and claims, re-establishment of chalk, gravel and clay pits, demolition liabilities and other provisions.

Used in the year mainly relates to re-establishment and demolition liabilities.

Provisions for liabilities due after more than five years include liabilities regarding re-establishment of chalk, gravel and clay pits and demolition liabilities for buildings and terminals with no decision made regarding closure.

Costs for re-establishment of chalk, gravel and clay pits are mainly paid when finishing an excavation or when moving out from leases. No considerable payments are expected in 2018.

EUR '000

20. Credit institutions and other borrowings

	Year of maturity	Fixed/ variable	Carrying amount 2017	Carrying amount 2016
Mortgage loan	2028	Variable	105,776	115,569
Bank borrowings and credits	2018	Variable	4,600	5,220
Term loan	2021	Variable	104,500	0
Finance leases	2018-2020	Variable	2,557	3,113
Finance leases	2018	Fixed	53	97
Loan related party	2021	Fixed	177,808	327,003
			395,294	**451,002**

Fair value of mortgage loan amounts to EUR 106.4m (2016: EUR 116.5m). Other fair values do not significantly deviate from the carrying amount.

The Group's debt to credit institutions and lease obligations have been recognised and fall due as follows:

	Non-current borrowings (> 1 year)	Current borrowings (0-1 year)	Total	Maturity > 5 years
31 December 2017:				
Mortgage loan	96,221	9,555	105,776	57,070
Bank borrowings and credits	0	4,600	4,600	0
Finance leases	1,767	843	2,610	0
Financial payable Group enterprises	177,808	0	177,808	0
Term loan	93,500	11,000	104,500	0
	369,296	**25,998**	**395,294**	**57,070**
Specification of contractual cash flows incl. interest:				
Mortgage loan	105,742	10,907	116,649	61,491
Bank borrowings and credits	0	4,717	4,717	0
Finance leases	1,763	877	2,640	0
Financial payable Group enterprises	190,032	4,445	194,477	0
Term loan	97,169	12,993	110,162	0
	394,706	**33,939**	**428,645**	**61,491**
31 December 2016:				
Mortgage loan	106,061	9,508	115,569	67,417
Bank borrowings and credits	0	5,220	5,220	0
Finance leases	2,618	592	3,210	0
Financial payable Group enterprises	327,003	0	327,003	0
	435,682	**15,320**	**451,002**	**67,417**
Specification of contractual cash flows incl. interest:				
Mortgage loan	117,987	11,599	129,586	70,912
Bank borrowings and credits	0	6,377	6,377	0
Finance leases	2,583	668	3,251	0
Financial payable Group enterprises	331,197	6,540	337,737	0
	451,767	**25,184**	**476,951**	**70,912**

The maturity analysis is based on all undiscounted cash flows including estimated payment of interest.

Payment of interest is estimated and based on the present market conditions.

Maturity of derivatives is disclosed in note 27.

According to the leases there are no contingent rentals.

The carrying amount of finance leases is presented in note 11.

EUR ‘000

21. Change in liabilities from financing

	Non-current credit institutions	Current credit institutions	Finance leases	Total
Liabilities from financing at 1 January 2017	433,065	14,727	3,210	451,002
Proceeds from loans and borrowings	110,000	0	0	110,000
Repayment of borrowings	-148,996	-15,391	0	-164,387
Reclassification	-26,063	26,063	0	0
Payment of finance leases	0	0	-592	-592
Total changes from financing cash flows	**-65,059**	**10,672**	**-592**	**-54,979**
Exchange rate effect	-477	-245	-7	-729
Liabilities from financing at 31 December 2017	**367,529**	**25,154**	**2,611**	**395,294**

22. Deferred income

Deferred income relates to income from business agreement etc., which is expected to be recognised as follows:

	2017	2016
Expected recognition of deferred income:		
Within one year	1,271	977
Between one and five years	3,270	3,328
After more than five years	1,636	2,457
	6,177	**6,762**

23. Other payables

Non-current other payables for the Group fall due between one and five years, and comprise payables from acquisition of equity investment in joint venture.
Other current payables include holiday pay liabilities, taxes and public indirect taxes, interest payable and dividends payable to non-controlling interests.

24. Charges and securities

	2017		2016	
	Carrying amount of mortgaged assets	Debt regarding mortgaged assets	Carrying amount of mortgaged assets	Debt regarding mortgaged assets
Property, plant and equipment	106,653	105,776	108,576	115,569
	106,653	**105,776**	**108,576**	**115,569**

25. Contingent liabilities, contractual obligations and contingent assets

Contingent liabilities

The Group is involved in a few disputes, lawsuits etc. of various scopes, including a few tax disputes in some countries. No significant liabilities are considered to be incumbent on the Group in that respect, and the outcome of the disputes is not expected to have significant impact on the Group’s financial position beyond what has been recognised in the balance sheet.

EUR '000

25. Contingent liabilities, contractual obligations and contingent assets (continued)

Contractual obligations

At 31 December 2017, the Group has contractual obligations, including acquisition of raw materials etc. of EUR 116.6m (2016: EUR 64.0m).

Regarding contractual obligations related to acquisition of non-current assets reference is made to note 11.

Guarantees	2017	2016
Performance guarantees	3,050	14,944
Other guarantees, etc.	14,617	16,795
	17,667	**31,739**

Other guarantees relate i.a. to guarantees given to suppliers of goods and services, mainly in Turkey.

Operating leases

Aggregate future lease payments under non-cancellable operating leases:		
Falling due within one year	21,383	15,324
Falling due between one and five years	58,383	22,551
Falling due after more than five years	23,111	9,038
	102,877	**46,913**
Operating lease expenses recognised in the income statement	**21,015**	**17,609**

Operating leases are primarily related to operating equipment, ships and IT equipment. These leases contain no special purchase rights, etc.

26. Related party transactions

Related parties with significant influence in the Aalborg Portland Holding Group:

- Cementir España S.L., Calle General Yagüe, Num. 13, 28020 Madrid, Spain
- Cementir Holding S.p.A., Corso di Francia, 200, 00191 Rome, Italy
- Caltagirone S.p.A., Via Barberini, 28, 00187 Rome, Italy

Related parties with significant influence in the Aalborg Portland Holding Group comprise the enterprises' Board of Directors and Management together with family related to these persons. Furthermore, related parties comprise enterprises in which the above-mentioned persons have significant interests.

Furthermore, related parties include joint ventures, cf. page 91.

Transactions with Cementir Holding S.p.A.:	2017	2016
- Intra-group management and administration agreements and royalties	23,875	17,806
- Financial items, net	-4,752	-1,227
- Financial payables	177,808	327,025
- Trade payables	12,009	10,578

EUR ‘000

26. Related party transactions (continued)

Transactions with joint ventures:	2017	2016
- Revenue	20,361	18,570
- Financial items, net	16	22
- Trade receivables	3,063	3,471
- Trade payables	4	146

Transactions with other related parties (companies in the parent Italian Group):		
- Revenue	208	0
- Cost of sales	17,812	10
- Trade receivables	199	0
- Trade payables	2,418	10

Remunerations to the Board of Directors and the Management are presented in note 4.
No losses on loans to or receivables from related parties were recognised, nor provisions made for such in 2017 or 2016.
All transactions were made on terms equivalent to arm’s length principles.

27. Financial risks and financial instruments

Risk management policy

As a result of its international operations, investments and financing, the Group is exposed to a number of financial risks, including market risk, liquidity and credit risks.

Market risks
Risks that the fair value of or future cash flows from a financial instrument will fluctuate due to changes in market prices.

Liquidity risks
Risks that the Group will encounter difficulties in meeting obligations associated with financial liabilities.

Credit risks
Risks that a counterparty of a financial instrument is unable to fulfil its obligations and thereby inflict a loss to the Group.

The Group’s Finance & Treasury is in charge of the overall risk management in accordance with the principles adopted by the Board of Directors. The Group policy is not to engage in any active speculation in financial risks. The Group’s financial management is thereby solely directed towards the management and reduction of financial risks arising directly from the Group’s commercial operations, investments and financing.
The Group does not hedge the currency risk between EUR/DKK due to the Danish fixed-exchange-rate policy aimed at the EUR. Neither in 2017 nor in 2016 the Group has defaulted or breached any loan agreements (covenants).

Market risks

Currency risks
Arise due to purchase and sale transactions as well as financial assets and liabilities in currencies other than the functional currency of the individual Group business.

Interest rate risks
Refer to the influence of changes in market interest rates on future cash flow relating to the Group’s interest-bearing assets and liabilities and the fair value of these.

Raw material price risks
Refer to the influence of changes in raw material prices, which are not related to currency risks or interest rate risks.

27. Financial risks and financial instruments (continued)

Currency risks

Hedging is assessed and taken out in close co-operation with the Italian parent company.
For the hedging of currency risks, the Group analyses realised and expected cash flows broken down by currencies.

Risks relating to purchases and sales

The ready-mixed concrete activities of the Group are less exposed to changes in exchange rates, as the main part of both income and costs are settled in local currency. The Overseas cement activities of the Group enjoy a high degree of exports, and the settlement thereof is made in various sales currencies, and therefore, these units are affected by changes in exchange rates. The Turkish cement operations are mainly based on transactions in local currency. Revenue from the Group's Nordic & Baltic activities and the purchases by this segment are denominated in several currencies. Accordingly, these activities are also exposed to changes in exchange rates.
The Group's currency risks are primarily hedged by the settlement of income and costs in the same currency and by use of derivative financial instruments. Investments in Group enterprises are not hedged.
The Group's most predominant currency exposure regarding the operating results arises from sales and purchases in EGP, AUD, TRY, PLN and NOK. A 10% drop in these exchange rates compared to EUR/DKK would, viewed separately, reduce EBITDA by EUR 11.4m (EGP amounts to EUR 1.8m, AUD amounts to EUR 1.4m, TRY amounts to EUR 3.2m, PLN amounts to EUR 1.4m and NOK amounts to EUR 3.5m) (2016: EUR 12.2m (MYR amounted to EUR -1.3m, AUD amounted to EUR 1.8m, TRY amounted to EUR 5.8m, NOK amounted to EUR 3.7m and USD amounted to EUR 2.2m). The sensitivity surrounding Group equity is not materially different from the impact on the operating results for the year.

Risks relating to net financing

The Group's most important currency risks arising from receivables and payables in foreign currencies at 31 December 2017 relate to the following currencies: EUR, USD, GBP, TRY, NOK and SEK. If these currencies (apart from EUR) had been 10% down at 31 December, Group equity would be affected by a negative exchange rate adjustment of EUR 2.9m (2016: EUR 1.6m). An increase of currencies would have had a similar positive effect on equity.

Translation risks relating to net investments in subsidiaries

The Group income statement and equity are affected by changes in the exchange rates as the closing results of the foreign Group enterprises are translated into Danish kroner at the consolidation.
Hedging of currency risk is not performed for net assets (equity) in foreign subsidiaries. Gains and losses relating to net assets in foreign subsidiaries are accounted directly in equity.
With regard to investments in foreign enterprises, Group equity at 31 December 2017 would have been reduced by EUR 59.7m (2016: EUR 67.0m), if the NOK, SEK, USD, CNY, MYR, EGP and TRY exchange rates had been 10% down on the actual exchange rates. Other currency risks arising from investments in foreign entities are immaterial.

Assumptions of sensitivity analysis

The sensitivities are stated on the assumption of unchanged sales and price levels and interest levels, and on the assumption of recognised assets and liabilities at 31 December 2017.

Forward contracts regarding future transactions

The Group does not comply with the conditions for taking out hedge accounting of future cash flows from the sale of goods. In terms of the hedging of future investments, the Group assesses in each case whether these comply with the conditions for hedge accounting.

EUR '000

27. Financial risks and financial instruments (continued)

Open Group forward contracts at 31 December, net:

2017

EURm	AUD	GBP	Total
Market value - forward contracts	0.0	-0.1	**0.1**
Notional principal amount - forward contracts*	0.0	-8.2	**-8.2**

The forward contracts fall due from March 2018 - December 2018.

2016

EURm	AUD	GBD	Total
Market value - forward contracts	0.0	-0.1	**-0.1**
Notional principal amount - forward contracts*	-0.6	-9.9	**-10.5**

The forward contracts fall due from January 2017 - December 2017.

* For forward exchange contracts, positive notional values are purchases of the relevant currency, negative notional values are sales.

Interest rate risk

Owing to the Group's investment and financing activities the Group has exposure to interest rate changes in both Denmark and abroad. The primary interest-rate exposure is related to fluctuations in CIBOR, LIBOR and EURIBOR. The Group has floating and fixed loans. The Group's loans at 31 December 2017 came in at EUR 388.1m, 54% thereof financed by floating rate loans. At 31 December 2016 loans were EUR 442.6m (accounting for 26% floating rate loans and 74% fixed rate loans).

With regard to the Group's floating rate loans and cash equivalents, an annual 1% increase in the interest level in proportion to the actual interest rates would, other things being equal, have had an adverse hypothetical impact on the profit before tax of EUR 1.6m (2016: EUR 1.2m) and on equity of EUR 1.3m (2016: EUR 0.9m). A declining interest level would have had a corresponding positive impact on result and equity.

The Group's cash is placed on demand or time deposits with a maturity of up to 3 months.

The sensitivities stated are based on average financial assets and liabilities for the year.

Raw material price risks

The Group uses a number of raw materials in the manufacture of the Group's products, which expose the Group to a price risk, i.a. especially different fuels and electricity. The Group enters into annual fixed price contracts for some raw materials.

Liquidity risks

According to the Group borrowing policy, the Group will ensure the highest possible flexibility by maintaining a capital structure with a strong equity financing. At Group level, there are on-going assessments and management of liquidity risk by maintaining adequate cash reserves/loan facilities based on follow-up on and forecast of cash flow compared with the maturity/repayment profiles related to the Group's financial instruments.

The Aalborg Portland Holding Group is included in the Cementir Group's overall management of financial risks. The Group's liquidity reserve consists of non-tied-up cash and undrawn credit facilities signed by Cementir Holding. In addition to this, the Aalborg Portland Holding Group has a separate uncommitted credit facility. The Management is of the opinion that the Group has sufficient liquidity at its disposal to carry through planned investments and operating activities and to take the proper action in case of unforeseen liquidity shortfalls.

Regarding maturities of the Group debt, reference is made to note 20.

Based on the Group's expectations for the future operation and the Group's present cash funds, no other significant liquidity risks have been identified.

27. Financial risks and financial instruments (continued)

Credit risks

The Group's credit risks arise primarily from receivables related to customers, other receivables and cash. As a consequence of the Group's credit risk policy, credit rating of all major customers and other trading partners is performed before contract formation and hereafter continuously. An efficient credit control is important to the Group in the present market.

Management of the credit risks is based on internal credit limits, which are based on the customer's and the counterparties' creditworthiness, based on both internal and external credit ratings as well as the Group's experience with the counterparty. If no satisfactory guarantee is obtained when credit rating the customer/counterparty, payment in advance or separate guarantee for the sale, e.g. a bank guarantee, will be required.

Due to the market situation, the Nordic companies of the Group have in recent years increased the resources used on follow-up on customers, which contributes to early warnings of possible risks. As part of the Group's risk management, the credit exposure of customers and counterparties is monitored daily, weekly or monthly based on individual assessments. Historically the Group has had relatively small losses due to customers' or counterparties' inability to pay.

The credit risk limit of financial assets corresponds to the values recognised on the balance sheet.

No individual customer or co-operator poses any material risk to the Group.

The credit rating of trade receivables is analysed on the basis of the business areas off the Group:

EURm	2017	2016
Aalborg Portland	21.3	16.5
Unicon	31.8	37.9
Overseas	10.0	9.4
Turkey	61.6	56.4
England	2.8	2.9
Belgium	33.0	46.5
	160.5	**169.6**

Receivables from Aalborg Portland activities are attributable to Danish customers and export customers characterised as medium-sized and major customers. The Group is familiar with the Danish customers, who have not been granted long credit lines. Experience shows that export customers pose a low credit risk.

Regarding the Unicon activities the Group's customers primarily consist of contractors, builders and others, customers posing a higher credit risk.

Overseas activities are attributable to minor local customers and medium-sized to major customers on a global scale. Credits are granted in accordance with usual, local trading terms. Credit rating is applied to some types of customers, but experience shows that customers in Overseas pose a low credit risk.

In Turkey, there are both dealers and end-users (contractors and other customers) within both the ready-mixed concrete, cement and waste business. All customers are generally required to provide security for deliveries unless the management has assessed that there are no significant risks associated with selling to that customer. The waste business sales are only to large customers. Received collaterals amount to EUR 36.0m at 31 December 2017 (2016: EUR 42.2m).

Trade receivables at 31 December 2017 include receivables of EUR 6.2m (2016: EUR 6.7m), which, based on an individual assessment, have been written down to EUR 0.1m (2016: EUR 0.3m). The write-downs were generally motivated by the customers' bankruptcy or anticipated bankruptcy. When calculating individual write-downs the collaterals received have been taken into account.

EUR '000

27. Financial risks and financial instruments (continued)

Receivables overdue at 31 December are specified as follows:

EURm	2017	2016
Payment:		
Up to 30 days	21.3	17.3
Between 30 and 90 days	15.2	8.0
More than 90 days	10.4	8.5
	46.9	**33.8**

The receivables written down are included at their net amounts in the above-mentioned table.

Management of capital structure

Group capital management is assessed and adjusted in close co-operation with the Italian parent company. The Aalborg Portland Holding Group is included in the Cementir Group's overall capital management.
It is the Group's policy that the capital structure and financial gearing of the Group shall at all times reflect the Group's activities and risk profile, afford sufficient financial latitude to ensure the Group's creditworthiness, and provide flexibility and room for investments or acquisitions based on the Group strategy.
The distribution of dividends takes place considering the appropriate level of equity and sufficient availability of loan capital to facilitate the Group's ongoing expansion.
The Group financial gearing between net interest-bearing debt and EBITDA is 0.8 at 31 December 2017 (31 December 2016: 1.2).

Specification of financial assets and obligations EUR'000	Carrying value 2017	Fair value 2017	Carrying value 2016	Fair value 2016
Financial assets measured at fair value in the income statement	0	0	0	0
Financial assets used as hedging instruments, level 2	129	129	0	0
Loans and receivables	387,887	387,887	417,971	417,971
Financial assets available for sale	0	0	0	0
Financial obligations measured at fair value in the income statement	0	0	0	0
Financial obligations used as hedging instruments, level 2	0	0	137	137
Financial obligations measured at amortised cost	648,715	649,361	708,396	709,340

Methods and assumptions on determination of fair values

In general, fair value corresponds to the carrying value, except for mortgage loans.
Financial instruments related to sale and procurement of goods etc. with a short credit period are measured at fair value corresponding to the carrying value.
Derivative financial instruments are computed on generally accepted valuation methods based on relevant exchange rates.
The methods used are unchanged compared to 2016.

28. Post-balance sheet events

On 14 February 2018, the Aalborg Portland Holding Group through its American subsidiary Aalborg Cement Company Inc. signed an agreement with Lehigh Cement Company LLC, a subsidiary of HeidelbergCement AG, to acquire an additional 38.75% stake in Lehigh White Cement Company ("LWCC"), the leading supplier and distributor of white Portland cement in the U.S., for a cash consideration of USD 106.6m, on a cash and debt-free basis.
After this transaction, the Aalborg Portland Holding Group will hold a stake of 63.25% in LWCC. The investment will be financed with cash and available credit lines.
The closing of the transaction, subject to customary conditions, is expected by the end of March 2018. Antitrust clearance has already been obtained.
LWCC operates two white cement plants located in Waco (Texas) and York (Pennsylvania) with a total capacity of around 255,000 tonnes per year as well as a distribution network throughout the U.S. which is also used to distribute white cement imported from its partners in all North America.
In 2017, LWCC reached gross sales of USD 149m and EBITDA of USD 26m (preliminary figures not yet approved by LWCC's Board of Directors) and employs 140 people.
The value of the equity-accounted investments already held will be re-measured at the Fair Value on the transaction date and in accordance with the IFRS 3. The values of LWCC as of 31 December 2017 are illustrated in the note 14.
There are no further significant events to report.

29. Critical accounting policies as well as accounting estimates and judgements

Group

The accounting polices require that when calculating the carrying value of certain assets and liabilities estimates are made of how future events influence the value of recognised assets and liabilities at the balance sheet date. Estimates that have a material influence on the amounts recognised in the annual report.
The estimates applied are based on assumptions deemed reasonable by the Management, but, given the nature of things, are uncertain. Thus, the Group is exposed to risks and uncertainties that may result in variances between actual and estimated results.
The development in the world economy and in the financial markets in 2016 and 2017 has resulted in considerable changes compared to previous years in respect of some uncertainty in a number of key assumptions within i.a. credit risk, interest level, sales volumes, volatility, etc.
The Management deems that the accounting policies do not include critical aspects.
The following items of the Aalborg Portland Holding Group are subject to major accounting estimates and judgements:

Goodwill

The annual impairment test of goodwill involves an estimate over how the part of the Group to which the goodwill is allocated (cash-generating units) may generate sufficient, positive, future net cash flows in order to support the value of goodwill and other net assets in the cash-generating unit. The Group's thorough budgeting and estimating support the assessments and minimise the risk. The degree of uncertainty is reflected in the chosen discount rate. The impairment test has been further described in note 9.

Non-current assets

Non-current assets are measured at cost less accumulated depreciation and impairment. Depreciation is provided on a straight-line basis over the expected useful lives of the assets considering the residual value of the assets. The anticipated useful life and residual value are determined on the basis of past experience and the anticipated future use of the asset in question. The anticipated future use and scrap values may prove impossible to realise, prompting a need for write-down or a loss on the disposal of the assets. The depreciation periods are stated in the section "Accounting policies" in note 30, and non-current assets are stated in notes 9 and 11.

29. Critical accounting policies as well as accounting estimates and judgements (continued)

Investment properties

The fair value measurement of investment property is based on estimates. Reference is made to note 12 for a further description hereof.

Business combinations

At the date of preparation of these consolidated financial statements the Purchase Price Allocation at the fair value of acquired assets, liabilities and contingent liabilities has been completed. The best available input in determining fair value of all assets and liabilities have been used, which include use of expert in the valuation process (reference is made to note 10).

Consolidated financial statements

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Based on the absolute size of ownership and the distribution of shareholdings, including votes and relationships, the Group management considers the Group's ownership to be sufficient to exercise a controlling influence on the basis that the Group holds 50% of the shares and have casting vote.

Provisions and contingent liabilities

Assessment of provisions and contingent liabilities are largely based on estimates and judgements. Description of provisions and contingent liabilities is given in notes 19 and 25.

30. Accounting policies

The Annual Report 2017 of the Aalborg Portland Holding Group is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements.

The Aalborg Portland Holding Group's official statutory annual report is presented in EUR.

The accounting policies set out below have been used consistently in respect of the financial year. For standards implemented prospectively, comparative information is not restated.

On 7 March 2018, the Board of Directors and the Management approved the annual report for 2017 for the Aalborg Portland Holding Group. The annual report is submitted to the shareholders of Aalborg Portland Holding A/S for approval at the Annual General Meeting on 13 April 2018.

Changes in accounting policies

The Aalborg Portland Holding Group has implemented the financial reporting standards and IFRICs which came into force for the 2017 financial year. The new standards and IFRICs did not affect recognition and measurement of assets and liabilities in the 2017 financial year.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Aalborg Portland Holding A/S, and subsidiaries, in which Aalborg Portland Holding A/S exercises a controlling influence. The Group exercises a controlling influence in an enterprise, if the Group is exposed to or has the right to variable returns from its involvement with the enterprise, and has the ability to affect those returns through its power over the enterprise. Enterprises, in which the Group directly or indirectly holds more than 20% and less than 50% of the voting rights and another entity has controlling influence, are considered as associates. However, this is based on an assessment of the ability of exercising influence. When assessing whether the Group exercises a controlling or significant influence, it is to be considered whether potential voting rights exercisable at the balance sheet date are real and have substance as well as de facto control.

30. Accounting policies (continued)

If the enterprises meet the criteria for joint control, they are considered as investments in joint arrangements. Joint arrangements are activities or enterprises, in which the Group exercises joint control through cooperation agreements with one or more parties. Joint control implies that decisions about the relevant activities require unanimous consent of the parties with joint control.

Joint arrangements are classified as joint ventures or joint operations. Joints operations are activities where participants are entitled to a proportionate share of the individual assets and liabilities in the arrangement, while joint ventures are activities where participants alone have the right to a proportionate share of net assets in the arrangement.

In joint operations, assets, liabilities, income and expenses as well as cash flows are included pro rata line by line in the consolidated financial statements in accordance with the rights and obligations.

Business combinations

Enterprises acquired are recognised in the consolidated financial statements from the date of acquisition which is the date at which Aalborg Portland Holding actually gains control of the enterprise acquired. The comparative figures are not restated for acquisitions.

For business combinations any remaining positive balance (goodwill) is recognised as goodwill under intangible assets between on the one side the consideration, the value of the non-controlling interests of the enterprise acquired and the fair value of possible previously acquired equity investments and on the other side the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is not amortised but impairment tested annually as a minimum. The first impairment test is performed before the end of the acquisition year. Upon acquisition, goodwill is allocated to the cash-generating units which subsequently form the basis for the impairment test. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a different functional currency from the presentation currency of the Aalborg Portland Holding Group's financial statements are treated as assets and liabilities belonging to the foreign entity and translated into the foreign entity's functional currency at the exchange rate ruling at the transaction date.

If any bargain purchase gain is recognised, the assets and liabilities undertake a review to ensure they are complete and the measurement appropriately reflects consideration of all available information. Bargain purchase gain is recognised as other operating income in income statement.

The consideration transferred by a business consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. Costs attributable to business combinations are recognised directly in profit or loss as administrative expenses when incurred.

The book value method is applied to transfers between Group companies (common controlled transactions), according to which assets and liabilities are transferred at their carrying amount at the date where control is obtained. The difference between the carrying value of net assets acquired and consideration is recognised directly in equity.

When enterprises are sold, the difference between the selling price and the net assets plus cumulative translation differences and unamortised goodwill is recognised in the income statement as a separate item in finance income and finance costs.

Non-controlling interests

On initial recognition, non-controlling interests are measured at fair value or at the proportionate share of the fair value of the acquired business's identifiable assets, liabilities and contingent liabilities. In the first scenario, goodwill in relation to the non-controlling interests' ownership share in the acquired enterprise is thus recognised, while, in the latter scenario, goodwill in relation to non-controlling interests is not recognised. Measurement of non-controlling interests is chosen transaction by transaction and stated in the notes in connection with the description of acquired enterprises.

30. Accounting policies (continued)

The effect of transactions with non-controlling interests is taken directly to shareholders' equity. Therefore, no gains or losses are stated in the income statement, and there is no change of the carrying amount of net assets (including goodwill).

Foreign currency translation

For each of the reporting enterprises in the Group, a functional currency is determined. Transactions denominated in other currencies than the functional currency are considered transactions denominated in foreign currencies.

Transactions in foreign currencies are on initial recognition translated at the functional currency at the exchange rate of the date of transaction.

Financial assets and liabilities in foreign currencies are translated at the exchange rates at the balance sheet date. Any foreign exchange variances between the rates at the transaction date and the payment date or the balance sheet date, respectively, are stated in the income statement as financial items.

Non-financial assets and liabilities in foreign currencies are stated at the rate of exchange at the date of transaction. On recognition in the consolidated financial statements of foreign enterprises and associates as well as foreign joint ventures with a functional currency different from the Group's presentation currency, the income statements are translated at the average exchange rates and the balance sheet items are translated at the exchange rates at the balance sheet date. The calculation differences arising from the translation of the income statements of companies abroad at average exchange rates and of their balance sheet items at the rate of exchange on the balance sheet date are taken directly to other comprehensive income.

On full or partial disposal of wholly-owned foreign operations resulting in a loss of control or on repayment of balances which constitute part of the net investment in the foreign operation, the share of the cumulative amount of the exchange differences that is recognised in other comprehensive income relating hereto is reclassified from other comprehensive income to profit for the year together with gain or loss on disposal.

On the disposal of partially owned foreign subsidiaries resulting in a loss of control, the share of the translation reserve in other comprehensive income attributable to non-controlling interests is not transferred to profit or loss.

An average exchange rate is used if it does not significantly deviate from the exchange rate ruling at the transaction date. The assets and liabilities of a foreign company acquired are translated at the exchange rate at the date of transaction (acquisition date).

Derivative financial instruments

Derivative financial instruments are recognised at the date a derivative contract is entered into and measured in the statement of financial position at fair value. Positive and negative fair values of derivative financial instruments are included as separate line items in the statement of financial position, and set-off of positive and negative values is only made when the Company has the right and the intention to settle several financial instruments net.

The rules for hedge accounting are not applied, and value adjustments of derivative financial instruments are therefore recognised as finance income and finance costs.

Income statement

Revenue

Revenue is recognised in the income statement on delivery and passing of the risk to the buyer and when the income can be measured reliably and is expected to be received.

Revenue is measured at fair value of the consideration agreed excl. VAT charged on account of third party. All kinds of discounts are recognised in revenue.

30. Accounting policies (continued)

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year and development costs which do not meet the criteria for capitalisation. This includes raw materials, consumables, CO_2 quotas, direct labour costs and indirect production costs such as maintenance and operation of production plant as well as production plant depreciation, administration and plant management.

Sales and distribution costs

Sales and distribution costs comprise direct distribution and marketing costs, salaries for the sales and marketing functions as well as other indirect costs, including depreciation and amortisation.

Administrative expenses

Administrative expenses comprise the costs of administrative staff and management and other indirect expenses, as well as depreciation and amortisation.

Other operating income and costs

Other operating income and costs comprise items of a secondary nature in relation to the activities of the Group, including certain grants, rentals, fees, fair value adjustments of investment property, bargain purchase gain, etc. Gains and losses from the disposal of property, plant and equipment which cannot be considered part of the disposal of a complete activity are included in other operating income and costs.

Profit/loss from investments in joint ventures

The proportionate share of the profit/loss after tax in joint ventures is recognised in the consolidated income statement after elimination of the proportionate share of intra-group profits/losses.

Financial items

Interest income and expenses comprise interest, exchange rate gains and losses regarding transactions denominated in foreign currencies and write-down on securities, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. realised and unrealised gains and losses on derivative financial instruments that are not qualified as hedge accounting are also included.

Tax

Tax for the year comprises current tax and changes in deferred tax. Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the applicable tax rates for the financial year and any adjustment of tax for previous years. Tax related to other comprehensive income is recognised in other comprehensive income. Deferred tax is recognised and measured according to the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to goodwill not deductible for tax purposes.

Measurement of deferred tax is based on the tax rules and tax rates applicable in the respective countries at the balance sheet date, which is expected to be valid, when the deferred tax will be reversed as current tax. The effect of changes in the tax rates is stated in the income statement unless it relates to items previously entered directly in Shareholders' equity. Deferred tax assets, including the value of tax loss carry-forwards, are recognised under Financial assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Aalborg Portland Holding A/S is covered by the Danish rules on compulsory joint taxation of the Group's Danish companies.

30. Accounting policies (continued)

Enterprises are included in the joint taxation from the date of consolidation into the consolidated financial statements and up to the date when they exit the consolidation.
Aalborg Portland Holding A/S is the administrative company for the joint taxation and consequently settles all income tax payments with the tax authorities.
The current Danish income tax is allocated by payment of joint taxation contributions between the jointly taxed companies in proportion to their taxable income. Companies with tax losses receive joint tax contributions from companies who have used this loss to reduce their own taxable income.

Balance sheet

Intangible assets

Goodwill

On initial recognition, goodwill is recognised in the balance sheet at cost as described under "Business combinations". Subsequently goodwill is measured at cost less accumulated impairment. Goodwill is not amortised.
The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date. Determination of cash-generating units follows the management structure and internal financial control.

Development projects

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities in the Company is demonstrated, and where the Company intends to complete, market or use the individual project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or the net selling price can cover production costs, selling and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred. Development projects are measured at cost less accumulated amortisation and impairment. Cost comprises wages and salaries, amortisation and other costs attributable to the Group's development activities. Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life from the date when the asset is available for use. The amortisation period is up to 5 years.

Other intangible assets

Other intangible assets, including intangible assets acquired in business combinations, are measured at cost less accumulated amortisation and impairment losses.
Amortisation is made on a straight-line basis over the lower of the useful life and the contract period.
The expected useful lives are:

- Software applications, up to 10 years.
- Customer lists up to 25 years.
- Patents, licences and other intangible assets, up to 20 years.
- Leasehold improvements, up to 5 years.

CO_2 quotas

On initial recognition, granted and acquired CO_2 quotas are measured at cost.
The basis for amortisation of CO_2 quotas is stated as cost less scrap value. The scrap value depends on whether the company expects to utilise the quotas or sell them. Amortisation is based on a portfolio view on a straight-line basis. If the actual emission exceeds the granted and acquired CO_2 quotas, a liability corresponding to the fair value of the CO_2 quotas, which the company has to settle, is recognised.

30. Accounting policies (continued)

On disposal of CO_2 quotas the difference between carrying amount and the selling price of excess CO_2 quotas is recognised in the income statement at the date of disposal.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment.

The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries as well as borrowing costs from specific or general lending directly relating to the construction of the individual asset.

Deemed costs for dismantling and disposal of the asset and re-establishment are added to cost if the deemed costs are recognised as a provision. The cost of total assets is split into separate components, which are depreciated separately if the useful lives of the individual components differ.

The cost of finance leases is measured at the lower value of the asset's fair value or at the present value of the future minimum lease payment. When calculating the present value, the internal interest rate of the lease or the Group's alternative borrowing rate is used as discount rate.

Subsequent costs, e.g. in connection with replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the Group. The carrying amount of the replaced components are derecognised in the balance sheet and recognised as an expense in the income statement. All costs incurred for ordinary repairs and maintenance are recognised in the income statement as incurred.

Depreciation is charged on a straight-line basis during the estimated useful life of the asset concerned until it reaches the estimated scrap value.

Estimated useful lives are as follows:

- Buildings and improvements of land, 5-50 years
- Main machinery, 25 years
- Other plant and machinery, 3-20 years.

Newly acquired assets and assets of own construction are depreciated from the time they come into use. Land is not depreciated, unless it is used for raw material extraction after individual assessment.

The basis of depreciation is calculated on the basis of the scrap value less impairment losses. The scrap value is determined at the acquisition date and reassessed annually. If the scrap value exceeds the carrying amount, depreciation is discontinued.

When changing the depreciation period or the scrap value, the effect on the depreciation is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, sales and distribution costs and administrative expenses to the extent that depreciation is not included in the cost of self-constructed assets.

Investment properties

Properties are classified as investment properties when they are held for the purpose of obtaining rental income and/or capital gains. On initial recognition, investment properties are measured at cost, comprising purchase price and costs directly attributable to the acquisition.

Subsequently, investment properties are measured at fair value. Changes in the fair value are recognised in profit or loss as value adjustment of investment properties under other operating income/costs in the financial year in which the change arises.

Realised gains and losses on the disposal of investment properties are determined as the difference between the carrying amount and the sales price and are also recognised under other operating income/costs.

If investment properties are reclassified to own property, fair value at this date is considered new cost price.

30. Accounting policies (continued)

Investments in joint ventures

Investments in jointly managed enterprises (joint ventures) are measured according to the equity method, and the investments are recognised in the balance sheet as the proportionate share of the equity value of the entities stated in accordance with the Group's accounting policies, adding or deducting the proportionate share of unrealised intra-group profits and losses, and adding carrying amount of goodwill.
Joint ventures with negative equity value are measured at 0. If the Group has a legal or constructive obligation to cover a deficit in the joint ventures, the remaining amount is recognised under liabilities.

Other non-current assets

Other non-current assets mainly relate to deposits and loans which are measured at amortised cost. Amortisation for the year is stated in the income statement.

Impairment of non-current assets

Goodwill is subject to annual impairment tests, initially before the end of the acquisition year.
The carrying amount of goodwill is tested together with the other non-current assets of the cash-generating unit or group of cash-generating units to which goodwill is allocated. The assets of the cash-generating units are written down to the recoverable amount in profit or loss if the carrying amount is higher. The recoverable amount of a cash-generating unit is generally determined as the present value of the expected future net cash flows from the entity or activity (cash-generating unit) to which goodwill is allocated.
However, impairment losses on goodwill are recognised as other operating costs in the income statement.
The carrying amount of other non-current assets, except for goodwill, investment properties and financial assets measured at fair value, is tested annually for indications of impairment. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.
An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit, respectively, exceeds the recoverable amount of the asset or the cash-generating unit.
Amortisation and depreciation of intangible assets and property, plant and equipment are recognised in the same item as the related amortisation and depreciation. However, impairment losses on goodwill are recognised in a separate line item in the income statement.

Inventories

Raw materials and consumables are measured at cost. Cost is computed according to the weighted average cost method.
The cost of goods for resale and raw materials and consumables comprises purchase price plus delivery costs.
The cost of work in progress and finished goods comprise direct production costs with addition of indirect production costs. Indirect production costs include operating costs, maintenance and depreciation of production plant and plant management.
If the net realisable value is lower than cost, write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses when there is an objective indication of an impairment loss. In such cases, write-down is made individually for each specific receivable.
Write-down is stated as the difference between the carrying amount and the present value of the expected cash flow, including the net realisable value of any received collaterals. The effective interest rate used at the time of initial recognition is used as the discount rate for the individual receivable or portfolio.

30. Accounting policies (continued)

Equity

Dividends are recognised as debt at the time of approval at the annual general meeting (time of declaration). Dividends which are proposed for distribution are therefore stated separately in the shareholders' equity.
Reserves relating to foreign exchange adjustments in the consolidated financial statements comprise currency translation differences arising from the translation of the financial statements of foreign entities from their functional currencies to the presentation currency of the Aalborg Portland Holding Group (EUR) and foreign exchange adjustments of assets and liabilities considered to be part of the Group's net investment in foreign operations.
On full or partial realisation of net investments, exchange differences are recognised in the income statement.

Pensions, defined contribution schemes

In contribution pension schemes the employer is obliged to pay a specific contribution (e.g. a fixed sum or a fixed percentage of the pay). In a contribution scheme the risk in respect of future developments in interest rate, inflation, mortality and invalidity is not borne by the Group.
Payments by the Group into defined contribution schemes are stated in the income statement for the period to which they apply and any outstanding payments are stated in the balance sheet as Other payables.

Pensions, defined benefit schemes

In benefit pension schemes the employer is obliged to pay a specific benefit (e.g. a retirement pension as a fixed sum or a fixed percentage of final pay). In a benefit scheme the Group bears the risk with regard to future development in interest rate, inflation, mortality and invalidity. An annual actuarial valuation is carried out to determine the present value of the future benefits which the employees have obtained under defined benefit schemes. The present value is calculated on the basis of assumptions for future developments in wage/salary level, interest rates, inflation, pension age and mortality. The present value is calculated only for benefits to which the employees have already earned the right during their employment with the Group. The actuarial present value less the fair value of any plan assets is recognised in the balance sheet under retirement benefit obligations.
The pension costs of the year are recognised in income statement based on actuarial estimates at the beginning of the year. Differences between the calculated growth in pension assets and liabilities and the realised values stated at the end of the year are classified as actuarial gains or losses and are recognised in other comprehensive income.
If a pension plan constitutes a net asset, the asset is only recognised if it represents future refunds from the plan or will lead to reduced future payments to the plan. Long-term employee benefits are recognised based on an actuarial calculation. All actuarial gains and losses are recognised in the income statement immediately. Other long-term employee benefits include i.a. anniversary bonuses.

Provisions

Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.
When the Group has a legal obligation to dismantle or remove an asset or restore the site on which the asset is located, a provision is recognised corresponding to the present value of expected future costs. The present value of costs is recognised in the income statement for the tangible assets concerned and is amortised together with these assets over the useful lives or according to the production method. Provisions are measured as the best estimate of the expenses required to settle the obligation at the balance sheet date.

Financial liabilities

Amounts owed to credit institutions are recognised when raising the loan at fair value less transaction costs.

30. Accounting policies (continued)

Subsequent measurement is made at amortised cost so that the difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.
The capitalised remaining lease liability of finance leases is also recognised in financial liabilities, measured at amortised cost.
Other financial liabilities are measured at amortised cost.

Leases
Lease commitments are classified as finance or operating leases.
A lease is classified as a finance lease if it transfers substantially all risks and rewards incident to ownership. All other leases are classified as operating leases.
The accounting for finance leases and the related liabilities are described in the paragraphs concerning tangible assets and financial liabilities, respectively.
Lease payments regarding operating leasing are expensed on a straight-line basis over the lease term.

Deferred income
Deferred income is measured at cost.

Cash flow statement

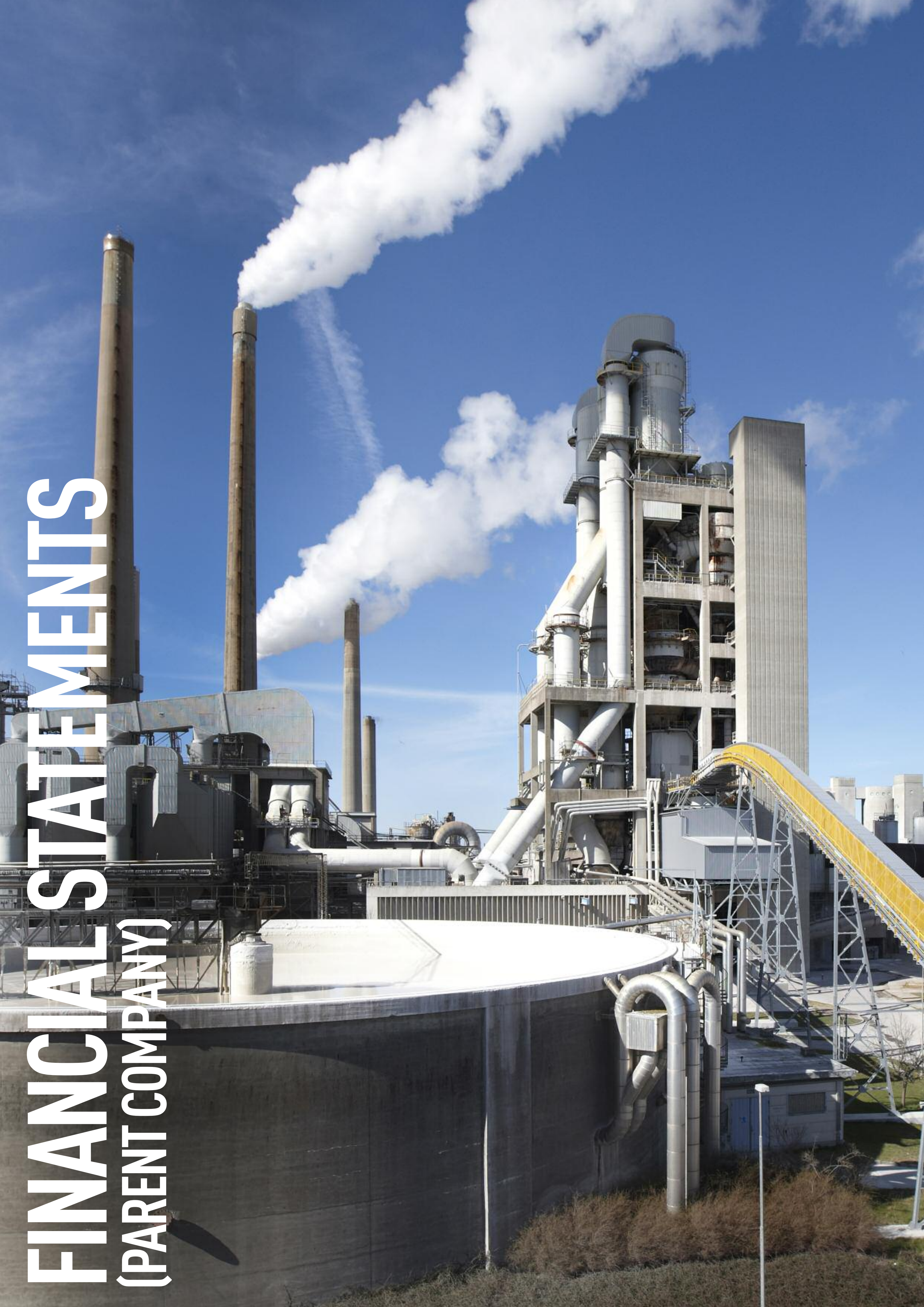
The cash flow statement is presented according to the indirect method and shows the composition of the cash flow divided into operating, investing and financing activities, respectively, and the cash funds at the beginning and end of the year. In the statement of working capital/loans a distinction is made between interest-bearing and non-interest-bearing items plus cash funds. Cash funds consist of cash in hand and bank deposits.
Loans represent total interest-bearing debt items less interest-bearing receivables. Formation of finance leases are considered as non-cash transactions.
All other non-interest-bearing receivables and debt items are regarded as working capital.
Cash flows from operating activities are stated as Profit for the year (EAT) adjusted for non-cash operating items, changes in working capital, financial items and paid tax.
Cash flows from investing activities comprise payments made in connection with the acquisition and disposal of enterprises and activities and the acquisition and disposal of non-current assets.
Cash flows from financing activities comprise payments to and contributions from owners as well as the raising and repayment of loans.

Segment reporting

The Aalborg Portland Holding Group is not a listed company and therefore no segment reporting is made according to IFRS 8.

Forthcoming requirements

A number of new financial reporting standards, which are not compulsory for the Group in 2017, have been released. The adopted, non-effective standards and interpretations are implemented as they become mandatory for the Group. The implementation of IFRS 9 and IFRS 15 will apply from 1 January 2018 and will not affect recognition and measurement.
IFRS 16 will apply from 1 January 2019. The new standard eliminates the difference in the financial and operating lease accounting. The Group is currently assessing the impact from IFRS 16. The Group has several operating leases on trucks and land. In addition, the Group also has a few contracts on vessels.



FINANCIAL STATEMENTS
(PARENT COMPANY)

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Income statement

EUR '000

	Notes	2017	2016
Revenue	1	34,871	53,250
Gross profit		**34,871**	**53,250**
Sales and distribution costs	2	6,233	4,717
Administrative expenses	2+3	19,280	13,868
Earnings before interest and tax (EBIT)		**9,358**	**34,665**
Financial income	4	1,407	1,123
Financial expenses	4	6,516	3,482
Earnings before tax (EBT)		**4,249**	**32,306**
Income tax	5	-1,252	229
Profit for the year		**5,501**	**32,077**
Result of transferred activity to Group company		0	0
Profit for the year		**5,501**	**32,077**
To be distributed as follows:			
Retained earnings		5,501	32,077

Statement of comprehensive income

EUR '000

	2017	2016
Profit for the year	5,501	32,077
Total comprehensive income	**5,501**	**32,077**

Cash flow statement

EUR '000

	2017	2016
Profit/loss for the period	**5,501**	**32,077**
Reversal of amortisation and depreciation	28	28
Net financial income / expense	-4,974	-32,479
Income taxes	-1,252	229
Operating cash flows before changes in working capital	**-697**	**-145**
Increase/decrease in trade receivables	-1,015	-3,123
Increase/decrease in trade payables	2,153	160
Change in non-current/current other assets/liabilities	-959	1,866
Change in current and deferred taxes	19	-294
Operating cash flows	**-499**	**-1,536**
Dividends collected	10,082	40,295
Interests collected	1,194	699
Interests paid	-5,037	-1,754
Other income collected/expenses paid	-780	-1,691
Income taxes paid	2,569	-1,017
Cash flow from operating activities	**7,529**	**34,996**
Investments in intangible assets	-6	-17
Investment in equity investments and other non-current securities	-17,244	-338,221
Change in non-current financial assets	-186	11,500
Cash flow from investing activities	**-17,436**	**-326,738**
Change in non-current financial liabilities	804	277,236
Change in current financial liabilities	20,629	38,024
Increase/paying-off shareholders' equity	-57	153
Other variances of equity	-453	-1,698
Cash flow from financing activities	**20,923**	**313,715**
Cash and cash equivalent exchange rate effect	187	14
Net change in cash and cash equivalent	11,016	21,973
Cash and cash equivalent opening balance	26,974	4,987
Cash and cash equivalent closing balance	**38,177**	**26,974**

Balance sheet

EUR '000

	Notes	2017	2016
ASSETS			
Other intangible assets		71	92
Intangible assets	6	**71**	**92**
Investments in subsidiaries	7	769,908	761,516
Deferred tax assets	7+8	224	0
Other non-current assets		**770,132**	**761,516**
Total non-current assets		**770,203**	**761,608**
Amounts owed by Group enterprises		5,520	154,855
Derivative financial instruments (positive fair value)		51	0
Joint taxation contribution receivable		15,363	17,785
Other receivables	9	2,025	1,639
Prepayments	9	100	10
Receivables		**23,059**	**174,289**
Cash and cash equivalents		**38,177**	**26,973**
Total current assets		**61,236**	**201,262**
TOTAL ASSETS		**831,439**	**962,870**

Balance sheet

EUR '000

	Notes	2017	2016
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		40,333	40,333
Retained earnings		446,554	442,017
Total shareholders' equity		**486,887**	**482,350**
Liabilities			
Deferred tax liabilities	8	0	666
Amounts owed to Group enterprises		177,808	327,003
Non-current liabilities	**10**	**177,808**	**327,669**
Trade payables		377	181
Amounts owed to Group enterprises		162,769	140,179
Income tax payable		2,624	2,819
Other payables	11	974	9,672
Current liabilities		**166,744**	**152,851**
Total liabilities		**344,552**	**480,520**
TOTAL EQUITY AND LIABILITIES		**831,439**	**962,870**

Statement of shareholders' equity

EUR '000	Share capital	Retained earnings	Total
Shareholders' equity at 1 January 2017	40,333	442,017	482,350
Effect of translation to presentation currency		-964	-964
Profit for the year (total comprehensive income)		5,501	5,501
Shareholders' equity at 31 December 2017	**40,333**	**446,554**	**486,887**
Shareholders' equity at 1 January 2016	40,333	411,664	451,997
Effect of translation to presentation currency		-1,724	-1,724
Profit for the year (total comprehensive income)		32,077	32,077
Shareholders' equity at 31 December 2016	**40,333**	**442,017**	**482,350**

The share capital in 2017 and 2016 consists of:

1 share at DKK 150m

1 share at DKK 60m

2 shares at DKK 30m each

1 share at DKK 15m

5 shares at DKK 3m each

Dividends distributed to shareholders in 2017 were EUR 0.0m (2016: EUR 0.0m).

NOTES

EUR ´000

1. Revenue

	2017	2016
Dividend received	10,083	34,837
Consultancy services provided to subsidiaries and royalties on the subsidiaries' use of the trademarks	24,788	18,413
	34,871	**53,250**

2. Staff costs

	2017	2016
Wages and salaries and other remuneration	1,234	1,128
Pension costs, defined contribution schemes	90	79
	1,324	**1,207**
Number of employees at 31 December	9	7
Average number of full-time employees	9	7
Excluding wages and salaries related to transfer of activity to Group company		
Remuneration of the Board of Directors, the Management and other senior executive		
Salaries and remunerations	632	515
Pension contributions	27	27
	659	**542**
Hereof Board of Directors and Management	659	542

Remuneration of the Board of Directors represents EUR 75k in 2017 (2016: EUR 75k).

Pension schemes

Pension schemes in Aalborg Portland Holding A/S are defined contribution schemes, which do not entail any obligations beyond payment of contributions.

3. Fees to the auditors appointed by the Annual General Meeting

	2017	2016
Total fees to KPMG are specified as follows:		
Statutory audit	39	37
Other assurance engagements	1	4
Tax and VAT advisory services	76	24
Other services	13	42
	129	**107**
Fees to other auditors	0	0

EUR ‘000

4. Financial income and expenses

Financial income	2017	2016
Interest, cash funds etc,	102	77
Interest, Group enterprises	1,146	630
Profit on sale of investments in subsidiaries	0	0
Exchange rate adjustments	159	416
	1,407	**1,123**
Interest on financial assets measured at amortised cost	1,146	630
Financial expenses		
Interest, credit institutions etc.	1,124	797
Interest, Group enterprises	4,806	1,289
Exchange rate adjustments	586	1,396
	6,516	**3,482**
Interest on financial obligations measured at amortised cost	5,698	1,617

5. Income tax

Income tax	2017	2016
Current tax on the profit for the year/joint taxation contribution	-540	-714
Deferred tax adjustment	-162	673
Other adjustments, including previous years	-550	270
	-1,252	**229**
Taxes paid	**2,569**	**-1,017**

According to legislation, the Parent Company is the administrative company of the compulsory Danish joint taxation.

Reconciliation of tax rate

	2017	2016
Tax according to Danish tax rate 22,0% (2016: 22,0%)	935	7,107
Dividends received from subsidiaries and profits from sales	-2,221	-7,664
Other, including adjustments previous years	34	786
	-1,252	**229**
Applicable tax rate for the year	**-30%**	**1%**
Income tax recognised directly as other comprehensive income	**0**	**0**
Total income tax	**-1,252**	**229**

EUR ´000

6. Intangible assets

	Other intangible assets
Cost at 1 January 2017	165
Additions	6
Cost at 31 December 2017	**171**
Amortisation at 1 January 2017	73
Amortisation for the year	27
Amortisation at 31 December 2017	**100**
Carrying amount at 31 December 2017	**71**
Cost at 1 January 2016	148
Exchange rate adjustments	1
Additions	16
Cost at 31 December 2016	**165**
Amortisation at 1 January 2016	45
Amortisation for the year	28
Amortisation at 31 December 2016	**73**
Carrying amount at 31 December 2016	**92**

Other intangible assets include patens.

7. Other non-current assets

	Investments in subsidiaries	Deferred tax assets	Total
Cost at 1 January 2017	761,516	0	761,516
Exchange rate adjustments	-1,362	0	-1,362
Additions	9,754	246	10,000
Disposals	0	-22	-22
Cost at 31 December 2017	**769,908**	**224**	**770,132**
Carrying amount at 31 December 2017	**769,908**	**224**	**770,132**
Cost at 1 January 2016	566,688	7	566,695
Exchange rate adjustments	-192	0	-192
Additions	344,802	23	344,825
Disposals	-149,782	-30	-149,812
Cost at 31 December 2016	**761,516**	**0**	**761,516**
Carrying amount at 31 December 2016	**761,516**	**0**	**761,516**

Impairment test has been performed in relation to goodwill which supports the carrying amounts on the investments.

EUR '000

8. Deferred tax assets and deferred tax liabilities

	2017	2016
Change in deferred tax for the year		
Deferred tax liability at 1 January	666	-7
Exchange rate adjustment	-2	0
Prior year adjustment	-726	0
Movements via income statement	-162	673
Deferred tax assets (-) / liabilities (+) at 31 December	**-224**	**666**
Deferred tax		
Intangible assets	-3	0
Current assets	22	2
Non-current and current liabilities	-243	664
Deferred tax at 31 December	**-224**	**666**

9. Other receivables and prepayments

Other receivables include VAT and other amounts.
Prepayments comprise insurance.

EUR '000

10. Credit institutions and other borrowings

Bank borrowings and credits in the Parent Company at 31 December:

	Year of maturity	Fixed/ variable	Carrying amount 2017	Carrying amount 2016
Financial payable Group enterprises	2018-2021	Fixed	177,808	327,003
			177,808	**327,003**

Fair values do not significantly deviate from the carrying amount.
The fair value corresponds to the nominal outstanding debt.

The Parent Company's debt to credit institutions has been recognised and falls due as follows:

	Non-current borrowings (> 1 year)	Current borrowings (0-1 year)	Total	Maturity > 5 years
31 December 2017:				
Financial payable Group enterprises	177,808	0	177,808	0
	177,808	**0**	**177,808**	**0**
Specification of contractual cash flows incl. interest:				
Financial payable Group enterprises	190,032	4,445	194,477	0
	190,032	**4,445**	**194,477**	**0**
31 December 2016:				
Financial payable Group enterprises	327,003	0	327,003	0
	327,003	**0**	**327,003**	**0**
Specification of contractual cash flows incl. interest:				
Financial payable Group enterprises	331,197	6,540	337,737	0
	331,197	**6,540**	**337,737**	**0**

The maturity analysis is based on all undiscounted cash flows including estimated payment of interest. Payment of interest is estimated and based on the present market conditions.

Other financial liabilities are due within 1 year.

11. Other payables

Other current payables include holiday pay liabilities, taxes and public indirect taxes.

EUR '000

12. Contingent liabilities, contractual obligations and contingent assets

Contingent liabilities

The Parent Company is involved in a few disputes, lawsuits, etc. of various scopes, including a few tax disputes in some countries. No significant liabilities are considered to be incumbent on the Parent Company in that respect, and the outcome of the disputes is not expected to have significant impact on the Parent Company's financial position beyond what has been recognised in the balance sheet.

In 2017, contractual liabilities are EUR 0.0m (2016: EUR 0.0m).

The Parent Company is taxed jointly with other Danish companies in the Aalborg Portland Holding Group. As an administrative company, the Parent Company is jointly and unlimited liable with the other companies in the joint taxation of Danish taxes at source and income taxes within the joint taxation group. Payable income taxes in the joint taxation group amounted to EUR 2.8m at 31 December 2017 (2016: EUR 2.8m). Any subsequent corrections of the taxable income subject to joint taxation could cause a higher liability of the Parent Company.

Operating leases	**2017**	**2016**
Aggregate future lease payments under non-cancellable operating leases:		
Falling due within one year	277	16
Falling due between one and five years	25	23
Falling due after more than five years	0	0
	302	**39**
Operating lease expenses recognised in the income statement	**216**	**16**

Operating leases are primarily related to car. These leases contain no special purchase rights, etc.

The Parent Company has no financial leasing liabilities.

EUR ‘000

13. Related party transactions

Related parties with significant influence in Aalborg Portland Holding A/S:

- Cementir España S.L., Calle General Yagüe, Num. 13, 28020 Madrid, Spain
- Cementir Holding S.p.A., Corso di Francia, 200, 00191 Rome, Italy
- Caltagirone S.p.A., Via Barberini, 28, 00187 Rome, Italy

Related parties within Aalborg Portland Holding A/S comprise the enterprises' Board of Directors and Management together with family related to these persons.

Furthermore, related parties comprise enterprises in which the above-mentioned persons have significant interests.

Additionally, related parties include subsidiaries, cf. page 91, where the Parent Company has significant influence or exercises control.

Transactions with Cementir Holding S.p.A.:	2017	2016
- Intra-group management and administration agreements and royalties	17,987	11,523
- Financial items, net	-4,752	-1,227
- Payables	4,509	2,549
- Non-current financing	177,808	327,003
Transactions with other related parties:		
- Sale of cement and micro silica	0	0
- Intercompany management, administration agreements and shared service	19,532	13,144
- Financial items, net	1,091	567
- Trade and financial receivable	5,520	4,855
- Other receivables	0	150,000
- Trade and financial payables	137,630	0
- Capital increases in enterprises	340,577	137,630

Remunerations to the Board of Directors and the Management are presented in note 2.

No losses on loans to or receivables from related parties were recognised, nor provisions made for such in 2017 or 2016.

All transactions were made on terms equivalent to arm's length principles.

EUR '000

14. Financial risks and financial instruments

The Parent Company's most predominant currency exposure regarding the operating results arises from NOK. A 10% drop in NOK would, viewed separately, increase EBITDA by EUR 0.1m (2016: NOK amounted to EUR 0.1m).

Currency risks

Risks relating to net financing

The Parent Company's most important net positions at 31 December 2016 relate to cash positions in USD and NOK. If the USD and NOK had been 10% down at 31 December 2017, the Parent Company's equity would have been affected negatively by an exchange rate adjustment of EUR 0.2m (2016: EUR 0.5m). Rising exchange rates would have had a similar positive impact on equity.

Forward contracts regarding future transactions

The Group does not comply with the conditions for taking out hedge accounting of future cash flows from the sale of goods. In terms of the hedging of future investments, the Group assesses in each case whether these comply with the conditions for hedge accounting.

Open Parent Company forward contracts at 31 December are specified as follows:

2017

EURm	GBP	Total
Market value - forward contracts	0.1	**0.1**
Notional principal amount - forward contracts *	-2.3	**-2.3**

The forward contracts fall due in December 2018.

2016

EURm	GBP	Total
Market value - forward contracts	0.0	**0.0**
Notional principal amount - forward contracts *	-2.3	**-2.3**

* For forward exchange contracts, positive notional values are purchases of the relevant currency, negative notional values are sales.

Interest rate risk

The Parent Company is included in the cash pool for the Group.

The Parent Company has no open swap contracts at 31 December.

Liquidity risks

Aalborg Portland Holding A/S has access to funding through the Cementir Holding facility which includes certain covenants.

The Parent Company acts as account holder of the Group's cash pool scheme and as bank in proportion to other intra-group loans. The purpose of the cash pool scheme is to optimise cash management and the use of liquidity in the participating companies.

Credit risks

Receivables from the Parent Company's activities are attributable to Danish and foreign Group companies. The Parent Company is familiar with customers, who have not been granted long credit lines.

EUR ´000

14. Financial risks and financial instruments (continued)

Receivables overdue at 31 December are specified as follows:

EURm	2017	2016
Payment:		
Up to 30 days	0.0	0.0
Between 30 and 90 days	0.0	12.1
More than 90 days	0.0	0.0
	0.0	**12.1**

The receivables written down are included at their net amounts in the above-mentioned table.
The Parent Company's trade receivables at 31 December 2017 and 31 December 2016 include no write-downs.
Regarding management of capital structure, reference is made to note 26 in the consolidated financial statements.

Specification of financial assets and obligations	**2017**		**2016**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets measured at fair value in the income statement	0	0	0	0
Financial assets used as hedging instruments, level 2	0	0	0	0
Loans and receivables	45,722	45,722	201,262	201,262
Financial assets available for sale	0	0	0	0
Financial obligations measured at fair value in the income statement	0	0	0	0
Financial obligations used as hedging instruments, level 2	0	0	0	0
Financial obligations measured at amortised cost	340,954	340,954	469,813	469,813

Methods and assumptions on determination of fair values

In general, fair value corresponds to the carrying value, except for mortgage loans.
Financial instruments related to sale and procurement of goods etc. with a short credit period are measured at fair value corresponding to the carrying value.
Derivative financial instruments are computed on generally accepted valuation methods based on relevant exchange rates.
The methods used are unchanged compared to 2016.

15. Post-balance sheet events

There have been no post-balance sheet events material to this Annual Report which have not been recognised or mentioned.

16. Critical accounting policies as well as accounting estimates and judgements

Investments in subsidiaries are tested for impairment based on performed impairment tests of goodwill as described in note 9 in the consolidated financial statements.

EUR ‘000

17. Accounting policies

Parent Company

The Parent Company’s financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports.
Compared to the accounting policies applied in the consolidated financial statements (see Note 29 to the consolidated financial statements), the Parent Company’s accounting policies only deviate in the following items:

Revenues

Dividends received from investments in subsidiaries and joint ventures are recognised as revenue in the Parent Company’s income statement in the financial year in which the dividends are declared. To the extent that the distributed dividend exceeds the total comprehensive income of enterprises for the period when the decision to pay interim dividend is made, impairment test is carried out.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. In case of indication of impairment, impairment test is carried out as described in the accounting policies of the Group. If the carrying value exceeds the recoverable amount, write-down is made to this lower value.
On disposal of investments in subsidiaries, the difference between the sales price and the carrying amount (cost of the shares based on a weighted average) is recognised in the income statement at the date of disposal.


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STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Board of Directors and the Executive Board have today discussed and approved the annual report of Aalborg Portland Holding A/S for the financial year 1 January – 31 December 2017.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 7 March 2018

Executive Board

Francesco Caltagirone Jr
CEO

Henning Bæk
Executive Vice President, CFO

Board of Directors

Søren Vinther
Chairman

Francesco Caltagirone Jr

Marco Maria Bianconi

Alessandro Caltagirone
Vice Chairman

Francesco Gaetano Caltagirone

Massimo Angelo Sala

Azzura Caltagirone

Independent auditor's report

To the shareholders of Aalborg Portland Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Aalborg Portland Holding A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity, cash flow statements and notes, including accounting policies, for the Group as well as for the Parent Company. The consolidated financial statements and parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2017 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations,or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 7 March 2018

KPMG
Statsautoriseret Revisionspartnerselskab
CVR No 25 57 81 98

Henrik O. Larsen	Steffen S. Hansen
State Authorised Public Accountant	*State Authorised Public Accountant*
MNE-NO. 15839	MNE-NO. 32737

THE GROUP

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THE GROUP

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Management

Board of Directors

Søren Vinther, *Chairman*
Alessandro Caltagirone, *Vice Chairman*
Azzura Caltagirone
Francesco Caltagirone Jr.
Francesco Gaetano Caltagirone
Marco Maria Bianconi
Massimo Angelo Sala

Executive Board

Francesco Caltagirone Jr., *CEO*
Henning Bæk, *Executive Vice President, CFO*

Nordic & Baltic

Piero Corpina, *CEO*

Aalborg Portland

Piero Corpina, *CEO*
Michael Lundgaard Thomsen, *Managing Director*
Henning Bæk, *Executive Vice President, CFO*

Unicon

Piero Corpina, *CEO*
Henning Bæk, *Executive Vice President, CFO*

Belgium

Eddy Fostier, *General Manager*

Turkey

Taner Aykaç, *CEO*

Overseas

Alessandro Civera, *Managing Director, Egypt*
Alex Narcise, *Managing Director, USA*
Fabrizio Piero Carraro, *Managing Director, Malaysia*
Ho Gib Ren, *Managing Director, China*

Companies in the Group			Nominal share capital (in 000)	Direct holding **	Minorities
Aalborg Portland Holding A/S	Denmark	DKK	300,000	-	
Aalborg Portland					
Aalborg Portland A/S	Denmark	DKK	100,000	100.0%	
Aalborg Portland Íslandi ehf.	Iceland	ISK	303,000	100.0%	
Aalborg Portland Polska Sp. z o.o.	Poland	PLN	100	100.0%	
Aalborg Portland OOO	Russia	RUB	14,700	100.0%	
Aalborg Portland France S.A.S.	France	EUR	10	100.0%	
Aalborg Portland Belgium S.A.	Belgium	EUR	500	100.0%	
Unicon					
Unicon A/S	Denmark	DKK	150,000	100.0%	
Unicon AS	Norway	NOK	13,289	100.0%	
Sola Betong AS*	Norway	NOK	9,000	33.3%	
AB Sydsten	Sweden	SEK	15,000	50.0%	50.0%
ÅGAB Syd AB*	Sweden	SEK	500	40.0%	
Everts Betongpump & Entreprenad AB	Sweden	SEK	100	100.0%	
Skåne Grus AB	Sweden	SEK	1,000	60.0%	40.0%
Ecol-Unicon Sp. z o.o.*	Poland	PLN	1,000	49.0%	
Kudsk & Dahl A/S	Denmark	DKK	10,000	100.0%	
Belgium					
Compagnie des Ciments Belges CCB SA/NV	Belgium	EUR	179,344	100.0%	
De Paepe Béton N.V.	Belgium	EUR	500	100.0%	
Trabel Transports S.A.	Belgium	EUR	750	100.0%	
Trabel Affrètement S.A.	Belgium	EUR	62	100.0%	
Société des Carrières du Tournaisis S.C.T. S.A. ***	Belgium	EUR	12,297	65.0%	35.0%
Recybel S.A.	Belgium	EUR	99	25.5%	
Mixers at your Service NV	Belgium	EUR	976	18.0%	
Compagnie des Ciments Belges France S.A. (CCBF)	France	EUR	34,363	100.0%	
Overseas					
Sinai White Portland Cement Co. S.A.E.	Egypt	EGP	350,000	66.4%	33.6%
Aalborg Portland Malaysia Sdn. Bhd.	Malaysia	MYR	95,400	70.0%	30.0%
Aalborg Resources Sdn. Bhd.	Malaysia	MYR	2,544	100.0%	
Aalborg Portland (Australia) Pty. Ltd.	Australia	AUD	1	100.0%	
Aalborg Portland (Anqing) Co. Ltd.	China	CNY	265,200	100.0%	
Aalborg Portland U.S. Inc.	USA	USD	1	100.0%	
Aalborg Cement Company Inc.	USA	USD	1	100.0%	
Gaetano Cacciatore, LLC	USA	USD	N/A	100.0%	
Lehigh White Cement Company *	USA	USD	N/A	24.5%	
Vianini Pipe, Inc.	USA	USD	4,483	99.9%	0.1%
Turkey					
Aalborg Portland España S.L.U.	Spain	EUR	3	100.0%	
Cimentas AS	Turkey	TRY	87,112	97.8%	2.2%
Cimbeton AS	Turkey	TRY	1,770	50.3%	49.7%
Ilion Cimento Ltd	Turkey	TRY	300	100.0%	
Destek AS	Turkey	TRY	50	100.0%	
Kars Cimento AS	Turkey	TRY	3,000	58.4%	41.6%
Recydia AS	Turkey	TRY	551,544	87.8%	
Sureko AS	Turkey	TRY	43,444	100.0%	
Environmental Power International (UK R&D) Limited ("EPI")*	England	GBP	-	50.0%	
NWM Holdings Ltd	England	GBP	5,000	100.0%	
Neales Waste Management Ltd	England	GBP	100	100.0%	
Quercia Ltd.	England	GBP	5,000	100.0%	
Recydia AS	Turkey	TRY	551,544	12.2%	

* Joint ventures. Others are Group enterprises.
** Ownershare is stated as direct holding of the superjacent enterprise.
*** Pro rata consolidated.

The Company

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E-mail: cement@aalborgportland.com
Internet: www.aalborgportlandholding.com
CVR No 14 24 44 41

Owners

Aalborg Portland Holding A/S is 75% owned by Cementir España S.L., Spain and 25% owned by Globo Cem S.L., Spain.

Aalborg Portland Holding A/S is included in the Group financial statements for Cementir Holding S.p.A., Italy and Caltagirone S.p.A., Italy.

Annual General Meeting

13 April 2018 at Islands Brygge 43, Copenhagen.

Addresses

Aalborg Portland Holding Group

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Executive Board:
Francesco Caltagirone Jr, *CEO*
Henning Bæk, *Executive Vice President, CFO*

Aalborg Portland

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Alexey Tomashevskiy, *Managing Director*

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Tel. +45 70 10 05 90
Søren Vinther, *Chairman of the Board of Directors*
Executive Board:
Piero Corpina, *CEO, Nordic & Baltic*
Henning Bæk, *Executive Vice President, CFO*

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Søren Holm Christensen, *Managing Director*

Unicon AS (Norway)
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Postal address:
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Knut L. Tiseth, *Managing Director*

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Peter Camnert, *Managing Director*

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Wojciech Falkowski, *Managing Director*

Kudsk & Dahl A/S
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Søren Holm Christensen, *Managing Director*

Belgium

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7530 Gaurain-Ramecroix
Belgium
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Taner Aykaç, *CEO*
Eddy Fostier, *General Manager*

Turkey

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Egemenlik Mahallesi Eski Kemalpaşa
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Taner Aykaç, *CEO*

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