unicon

CEMENTIR HOLDING

Islands brygge 43, 2300 Copenhagen S
CVR No 16 06 49 39

Annual Report 2017

The present Annual Report is presented and approved
at the Annual General Meeting

Date: 13 / 4 2018

(Chairman of the meeting)

CONTENTS

COMPANY DETAILS

Company

Name:	Unicon A/S Islands Brygge 43 2300 Copenhagen S
CVR No:	16 06 49 39
Registered in:	Copenhagen, Denmark
Board of Directors:	Søren Vinther, *Chairman* Marco Maria Bianconi, *Vice Chairman* Piero Corpina Mille Tram Lux Carsten Ottsen * Niels Erik Olsen * * Elected by the employees
Executive Board:	Piero Corpina, *CEO, Nordic & Baltic* Henning Bæk, *Executive Vice President, CFO*
Management:	Søren Holm Christensen, *Managing Director, Unicon, Denmark* Knut L. Tiseth, *Managing Director, Unicon, Norway* Peter Camnert, *Managing Director, Sydsten, Sweden* Søren Holm Christensen, *Managing Director, Kudsk & Dahl, Denmark*
Company auditors:	KPMG Statsautoriseret Revisionspartnerselskab

The Annual General Meeting adopted the annual report on 13 April 2018.

Part of the Aalborg Portland Holding Group

Unicon A/S, Denmark is part of the Aalborg Portland Holding Group, which is part of the Cementir Group, an international supplier of cement and concrete.

Cementir Holding S.p.A. has its head office in Rome, is listed on the Italian Stock Exchange in Milan (code CEM) and is part of the listed Caltagirone Group.

MANAGEMENT’S REVIEW

Main activity

Unicon develops, produces and distributes ready-mixed concrete in Denmark, Norway and Sweden. Unicon is one of the Nordic region's leading suppliers of ready-mixed concrete.

Group financial highlights

DKKm	2013	2014	2015	2016	2017
INCOME STATEMENT					
Revenue	2,397	2,219	2,297	2,377	2,605
Earnings before depreciation/amortisation, impair- ment, provisions, interest and tax (EBITDA)	**261**	**224**	**236**	**240**	**257**
EBITDA ratio	*11%*	*10%*	*10%*	*10%*	*10%*
Earnings before interest and tax (EBIT)	**133**	**113**	**136**	**144**	**166**
EBIT ratio	*6%*	*5%*	*6%*	*6%*	*6%*
Earnings before tax (EBT)	**138**	**113**	**135**	**133**	**157**
Profit for the year	**104**	**82**	**103**	**101**	**119**
CASH FLOW					
Cash flow from operating activities (CFFO)	255	195	164	223	300
Cash flow from investing activities (CFFI) *	-61	-55	-40	-69	-95
Free cash flow (FCF)	**194**	**140**	**124**	**154**	**205**
* Hereof investments in property, plant and equipment	-58	-56	-60	-81	-101
BALANCE SHEET					
Total assets	1,431	1,338	1,288	1,200	1,204
Consolidated shareholders' equity	826	753	733	529	560
Net interest-bearing debt (NIBD)	**-130**	**-147**	**-164**	**-3**	**-123**
Working capital (WC)	**110**	**49**	**54**	**26**	**-54**
FINANCIAL RATIOS					
Including minority interests' share					
Return on equity	13%	11%	14%	16%	22%
Equity ratio	58%	56%	57%	44%	47%
Return on capital employed (ROCE)	10%	10%	12%	15%	19%
NIBD/EBITDA factor	-0.5	-0.7	-0.7	0.0	-0.5
Number of employees at 31 December	**669**	**640**	**672**	**663**	**670**

The financial ratios have been computed in accordance with the Guidelines issued by the Danish Finance Society in 2015. Cf. definitions in accounting policies.
In accordance with the Danish Financial Statements Act Section 101 (3), the company has omitted to restate the comparative figures for 2012 and 2013.

Overall, in 2017 the Unicon Group achieved activities within ready-mixed concrete at a level which is 10% above 2016, but with large differences between markets. Norway and Sweden experienced large growth, whereas Denmark experienced a moderate growth. Furthermore, the Unicon Group’s revenue and earnings were influenced in DKK due to the weakening of the Norwegian and Swedish krone.

In 2017, the Unicon Group realised revenue of DKK 2,605m, 10% higher than in 2016. Operating profit (EBITDA) was DKK 257m against DKK 240m in 2016. The operating profit was in line with expectations.

The profit before tax for 2017 was DKK 157m against DKK 133m in 2016. The increase is due to improved results in Denmark, Norway and Sweden, whereas earnings from the joint venture in Poland have not been satisfactory due to difficult market conditions. Actions have been taken by management to improve the results.

The return on capital employed (ROCE) increased from 15% in 2016 to 19% in 2017. The shareholder's equity at 31 December 2017 was DKK 560m, corresponding to an equity ratio of 47%.

Similar to past years, the Unicon Group achieved a positive cash flow from operating activities at DKK 300m. After net investments of DKK 95m, the Group has a free cash flow of DKK 205m.

Denmark

In Denmark, Unicon is the market leader with 36 plants producing and supplying ready-mixed concrete to the whole country. Ready-mixed concrete is sold to both residential and business customers.

In 2017, the market for ready-mixed concrete increased compared to the previous year, not least as a result of higher activity in the residential sector. Also construction activity in the agricultural sector has increased, however from a low level. On the other hand public building activity and the total mass of infrastructure projects have decreased in 2017, yet activity is still on a high level and has a positive effect on the market, and it is expected that this will continue in the years to come.

In 2017, the company has strengthened its position as market leader, building a new plant in Odense and acquiring KBK Beton in Ribe. Unicon has supplied ready-mixed concrete for a variety of high-profile projects during the year, including the Carlsberg City in Copenhagen, Copenhagen Airport, Crown Princess Mary's Bridge in Frederikssund, Thomas B. Thriges Gade in Odense, Omni Terminal in Aarhus, Particle Center in Skejby Hospital, Region Hospital in Viborg, as well as a number of other hospitals, new wind farms, data centres, sport arenas, harbour projects, and many more small and larger projects. Additionally, Unicon has been the exclusive supplier to the Metro City Circle Line as well as the North extension, all being long-term construction projects in its final stages, which together comprised more than 600,000 m^3 of ready-mixed concrete.

Unicon is an active participant in the trade association Danish Concrete and contributes thereby to expose the knowledge of the many possibilities of using concrete. This effort strengthens the development of the industry into the future. Unicon is also engaged in 'Grøn Beton II' – a research and development project supported by the Innovation Foundation – and has supplied Green Concrete to a highway bridge near Holstebro. The objective of the project is to secure continuous sustainable development of cement and concrete production in Denmark.

Gravel activities, which are administered by the subsidiary Kudsk & Dahl A/S, increased by more than 25% compared to volumes in 2016, mainly due to a number of large projects in Southern Jutland.

Norway

Unicon AS produces ready-mixed concrete at 27 plants and 2 mobile units and supplies the central and southern parts of Norway.

In Norway, construction activity increased further in 2017 due to large infrastructure projects and increased market for new houses. Unicon's revenue and earnings also increased in 2017 compared to 2016.

In 2017, special focus was on growth, customer service and improved competitiveness. Construction of a new RMC plant in Larvik is well on its way to completion in Q1 2018. Unicon supplied concrete to a number of very high-profile construction projects, e.g. the railway project Follobanen in Oslo, the new national museum in Oslo, University in Ås and a major infrastructure project in Bergen. In the mobile sector, Unicon has supplied to the FV17 Aldersundet project and to a road project at Kongsberg.

Unicon received its environmental certification according to ISO 14001 in 2013. The new plants in Vestby and Larvik will be certified in 2018.

Unicon is a part of Bygg Uten Grenser, the concrete industry association for marketing and development of market opportunities based on efficient construction techniques and new and sustainable design concepts. A new initiative called BetongLØFTET aims at showing the advantages by using concrete as building material.

Unicon has also in 2017 started on further improvement projects with environmental focus within areas like Greener Transportation and reduction of pollution on each RMC plant.

Sweden

AB Sydsten produces and sells ready-mixed concrete and aggregates (granite and gravel) to the southern part of Sweden. The company has 9 plants, 5 granite quarries, 2 gravel pits, trading business in precast concrete and a recycling business.

In 2017, Sydsten increased its market position in terms of volumes, revenue and earnings compared to 2016. Sales during 2017 were stable and high in all business streams, primarily due to a good residential market, higher activity in the infrastructure market and a high production level in the large project ESS (European Spallation Source) which Sydsten is a selected supplier of both concrete and aggregate.

During the year, Sydsten has been successful in both keeping and developing the business with existing customers and finding new customers in the market for both aggregates and concrete. Sydsten believes that a continuous effort with cost efficiency, safety, reducing waste and environmental impact and acting with responsibility to customers, partners and the society is a success factor to be competitive in the market.

Group exposures

Business risks
The company is sensitive to the conditions usually affecting sale of ready-mixed concrete. This exposure can be split into four main areas:

- Private new construction
- Multi-storey houses and multi-family houses
- Non-residual construction
- Public-sector construction and infrastructure

The Unicon Group's focus of business is on the Scandinavian countries. Efforts are made to achieve a proper mix of variable and fixed costs to be able to counter temporary changes in demand.

Currency exposure
The Group's products are usually not sold to other countries, for which reason its currency exposure is limited mainly to balance sheet items which for individual subsidiaries are in local currency.

Interest rate exposure
It is Group policy to have a proper mix of short-term and medium-term interest exposure. Long-term interest agreements are concluded seldom.

Cash flow risk
It is Group policy always to be able to pay its debts, and periodic cash management and reporting therefore takes place on a systematic basis to ensure this.

Credit risks
The Group's credit risk primarily relates to trade receivables from sale to customers. The Group's receivables are assessed on a current and individual basis and provisions are made currently if there is any doubt about a customer's ability to pay. Basically, sale to customers with an estimated low ability to pay is made against prepayment or a bank guarantee.

The maximum credit risk on trade receivables corresponds to the value at which they are included in the balance sheet. No individual customer poses any material risk to the Group.

Environment and energy

Environmental respect and energy consumption are focal issues for the entire Nordic RMC business area. A number of environmental projects are therefore currently under way, including one relating to the recycling of large volumes of water used in company processes.

Concrete is an environment-friendly building material pre-dominantly produced from natural resources.

Environmental impacts from Unicon's concrete production are continuously being reduced, and Unicon has established an internal Environmental Management System based on ISO 14001 that has been implemented in the Group's production plants. The system ensures ongoing improvements to environmental conditions at company plants.

Social responsibility

Unicon is part of the annual report of the Aalborg Portland Holding Group, which is part of the annual report of the Cementir Group, in which social responsibility has been described.

Unicon's Statutory Report on Corporate Social Responsibility, cf. Section 99(a) of the Danish Financial Statements Act, can be found in "Sustainability Report 2017" from Cementir Holding, the owner of Aalborg

Portland Holding. The report is available at www.cementirholding.it. Aalborg Portland Holding has not prepared a separate policy on human rights.

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 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 Unicon 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.

For 2017, the management level of Unicon A/S consists of 19 males and 2 females.

The Board of the Group's parent company has one female and three male AGM-elected members. The aim of the Board of the Group's parent company to have at least one female AGM-elected member was achieved in 2016 and is unchanged going forward.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Other issues

In Aalborg Portland Holding A/S' consolidated financial statements for 2017, the Unicon group contributes with DKK 171m before tax and minority interests. Aalborg Portland Holding A/S' consolidated financial statements are presented according to IFRS. The variances to the Group accounts of Unicon A/S for 2017, which is presented according to the Danish Financial Statements' Act, are:

Earnings before tax (EBT) in the Unicon consolidated financial statements	DKK 157m
Amortisation of goodwill, not deductible, cf. IFRS	DKK 14m
Contribution (EBT) to the Aalborg Portland Holding Group	DKK 171m

The total variance between Unicon A/S's financial statements for 2017 and the contribution to Aalborg Portland Holding A/S' consolidated financial statements for 2017 amounts to DKK 14m before tax.

Expectations to 2018

Sales in 2018 are generally expected to decrease slightly compared to 2017.

In Denmark, sales are expected to decrease slightly compared to 2017.

In Norway, increasing building activities lead to expected higher sales, whereas sales in Sweden are expected to be slightly below 2017.

Investments in a new plant in Odense is completed and the plant is operational in 2018. New investment in North Zealand is approved and will be completed in 2018-2019. Also in the Norwegian market, the capacity has been expanded by the construction of a new plant in Larvik. Together with other initiatives these investments will secure and expand our position as market leader in Denmark and Norway.

Efforts will still be focused on maintaining a strong market position and - based on the business units' close customer relations - constantly keep focus on customer needs and product development.

Overall, earnings for 2018 are expected to be in line with 2017.

Financial ratios

EBITDA ratio	Earnings before depreciation/amortisation, impairment losses, provisions, interest and tax (EBITDA) Revenue
EBIT ratio	Earnings before interest and tax (EBIT) Revenue
ROCE	NOPAT Average invested capital
NOPAT	Net Operating Profit After Tax Earnings before interest and tax (EBIT) x (1 – effective tax rate)
Capital employed	Intangible assets + tangible assets + working capital
NIBD/EBITDA factor	Net interest-bearing debt (NIBD) EBITDA
Return on equity	Profit Average shareholders' equity
Equity ratio	Shareholders' equity Total assets
Net interest-bearing debt (NIBD)	Interest-bearing liabilities less interest-bearing assets
Working capital	Inventories, receivables and debt to suppliers.

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 Unicon A/S for the financial year 1 January – 31 December 2017.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

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 the annual report for adoption at the Annual General Meeting.

Copenhagen, 7 March 2018

Executive Board:

Piero Corpina

Henning Bæk

Board of Directors:

Søren Vinther
Chairman

Marco Maria Bianconi
Vice Chairman

Piero Corpina

Mille Tram Lux

Carsten Ottsen *

Niels Erik Olsen *

* Elected by the employees

KPMG

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Unicon A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Unicon A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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 the Danish Financial Statements Act.

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 the Danish Financial Statements Act 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.

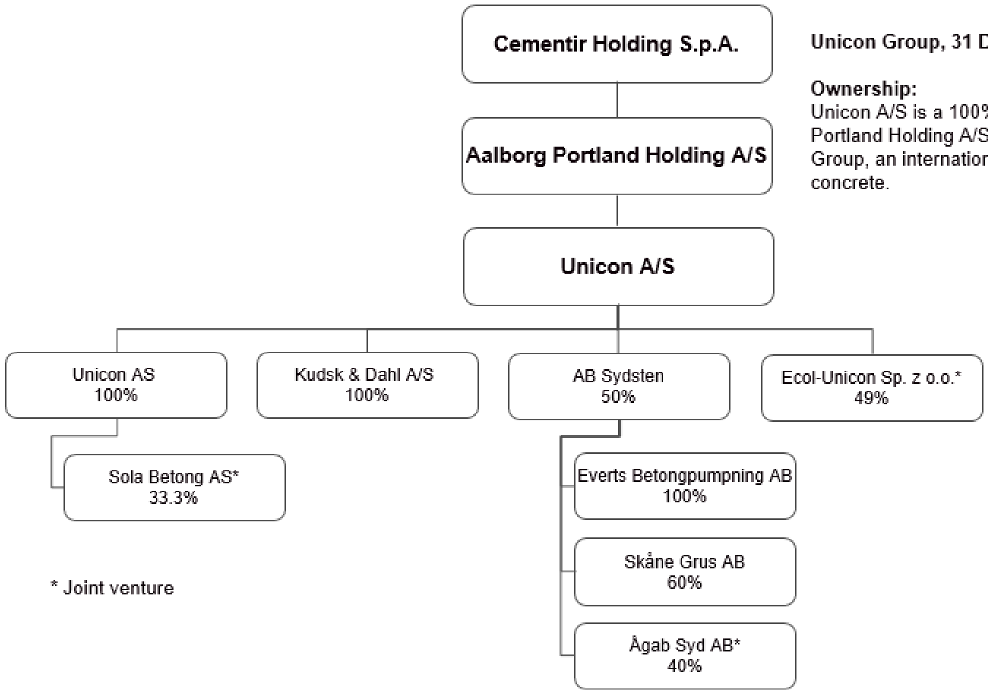
Copenhagen, 7 March 2018

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik O. Larsen
State Authorised Public Accountant
MNE-NO. 15839

Steffen S. Hansen
State Authorised Public Accountant
MNE-NO. 32737

GROUP CHART



Unicon Group, 31 December 2017

Ownership:
Unicon A/S is a 100% owned subsidiary of Aalborg Portland Holding A/S, which is part of the Cementir Group, an international supplier of cement and concrete.

Notes		2017 DKK '000	2016 DKK '000
	Net sales	2,605,361	2,376,963
1	Cost of sales	1,634,379	1,471,726
	Gross profit	**970,982**	**905,237**
1	Sales and distribution costs	634,173	593,229
1	Administrative expenses and other costs	180,599	176,499
	Profit or loss from ordinary operating activities	**156,210**	**135,509**
2	Other operating income	9,441	8,908
	Earnings before interest and tax (EBIT)	**165,651**	**144,417**
3	Share of profit after tax, joint ventures	-3,420	-5,593
4	Financial income	7,378	5,759
4	Financial expenses	12,944	11,659
	Earnings before tax (EBT)	**156,665**	**132,924**
5	Tax on profit for the year	37,784	32,328
	Profit for the year	**118,881**	**100,596**
	Attributable to:		
	Non-controlling interests	13,625	12,935
	Shareholders in Unicon A/S	105,256	87,661

	2017 DKK '000	2016 DKK '000
Profit / loss for the period	**118,881**	**100,596**
Reversal of amortisation and depreciation	89,776	94,244
Reversal of revaluation / impairment losses	301	842
Share of net profits of equity-accounted investees	3,420	5,593
Net financial income / expense	5,565	5,906
Gains/losses on disposals	-5,415	-5,857
Income taxes	37,784	32,328
Change in employee benefits	-1,939	-2,525
Change in provisions (current and non-current)	-1,577	-142
Operating cash flows before changes in working capital	**246,796**	**230,985**
Increase / decrease Inventories	12,715	-3,777
Increase / decrease Trade receivables	39,345	-33,004
Increase / decrease Trade payables	27,643	67,463
Change in non-current/current other assets/liabilities	11,987	2,436
Change in current and deferred taxes	-4,556	1,258
Operating cash flows	**333,930**	**265,361**
Dividends collected	1,603	1,251
Interests collected	2,408	1,647
Interests paid	-5,159	-2,570
Other income collected/expenses paid	202	-4,301
Income taxes paid	-32,887	-38,368
Cash flow from operating activities	**300,097**	**223,020**
Investments intangible assets	-4,282	-1,641
Investments property, plant and equipment and inv. property	-101,311	-81,410
Proceeds from sale of property, plant and equipment	10,586	6,892
Change in non-current financial assets	0	2,516
Change in current financial assets	0	1,019
Other variances investment assets	0	3,372
Cash from investing activities	**-95,007**	**-69,252**
Change in non-current financial liabilities	-6,065	-4,194
Change in current financial liabilities	-104,884	168,903
Dividend distributed	-84,631	-312,851
Other variances of equity	12,753	-3,936
Cash flow from financing activities	**-182,827**	**-152,078**
Net change in cash and cash equivalent	22,263	1,690
Cash and cash equivalent exchange rate effect	-4,288	-2,460
Cash and cash equivalent opening balance	80,607	81,377
Cash and cash equivalent closing	**98,582**	**80,607**

Notes	ASSETS	2017 DKK '000	2016 DKK '000
	Fixed assets		
	Goodwill	66,921	73,156
	Other intangible assets	43,065	49,030
	Intangible assets in development	0	475
6	**Intangible assets**	**109,986**	**122,661**
	Land and buildings	186,859	198,866
	Plant and machinery	324,778	346,312
	Other fixtures, tools and equipment	2,767	417
	Tangible assets in course of construction	68,477	22,180
7	**Property, plant and equipment**	**582,881**	**567,775**
3	Investments in joint ventures	29,524	34,313
8	Other fixed asset investments	0	0
	Fixed asset investments	**29,524**	**34,313**
	Total fixed assets	**722,391**	**724,749**
	Current assets		
	Raw materials and consumables	52,676	57,857
	Finished goods and goods for resale	22,933	30,465
9	**Inventories**	**75,609**	**88,322**
	Trade receivables	236,902	276,488
	Receivables from group enterprises	43,650	44
	Joint taxation contribution	1,469	3,754
	Other receivables	15,218	13,530
10	Prepayments	10,657	12,508
11	**Receivables**	**307,896**	**306,324**
	Cash funds	**98,582**	**80,607**
	Total current assets	**482,087**	**475,253**
	TOTAL ASSETS	**1,204,478**	**1,200,002**

Notes	EQUITY AND LIABILITIES	2017 DKK '000	2016 DKK '000
	Shareholders' equity		
	Share capital	150,000	150,000
	Reserve for net revaluation according to the equity method	19,172	22,674
	Retained earnings	199,018	192,992
	Proposed dividends	100,000	75,000
	Unicon A/S' share of equity	**468,190**	**440,666**
	Non-controlling interests' share of equity	**92,079**	**88,781**
	Total consolidated shareholders' equity	**560,269**	**529,447**
	Provisions		
12	Deferred tax liabilities	21,303	26,846
13	Pensions and similar commitments	54,434	51,301
14	Other provisions	40,544	42,122
	Total provisions	**116,281**	**120,269**
	Liabilities		
	Credit institutions, etc.	12,970	19,036
15	**Non-current liabilities**	**12,970**	**19,036**
	Credit institutions, etc.	6,067	4,206
	Trade payables	325,397	298,445
	Payables to group enterprises	41,101	100,146
	Joint taxation contribution payable	19,488	17,359
	Income tax payable	12,632	11,846
16	Other payables and deferred income	110,273	99,248
	Current liabilities	**514,958**	**531,250**
	Total liabilities	**527,928**	**550,286**
	TOTAL EQUITY AND LIABILITIES	**1,204,478**	**1,200,002**

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DKK '000	Share capital	Retained earnings	Reserve for net revaluation according to the equity method	Proposed dividends for the financial year	Unicon's total share	Non-controlling interests' total share	Total equity
Shareholders' equity at 1 January 2016	**150,000**	**192,216**	**0**	**300,000**	**642,216**	**90,421**	**732,637**
Exchange rate adjustments		11,895	-1,073	0	10,822	-4,503	6,319
Other adjustments including actuarial gains/losses on defined benefit schemes		58			58	1,374	1,432
Acquisition of equity investments from non-controlling interest		-91			-91	-1,875	-1,966
Profit for the year		87,661			87,661	12,935	100,596
Reserve according to equity method		-23,747	23,747		0		0
Proposed dividends for the financial year		-75,000		75,000	0		0
Paid dividends				-300,000	-300,000	-9,571	-309,571
Shareholders' equity at 31 December 2016	**150,000**	**192,992**	**22,674**	**75,000**	**440,666**	**88,781**	**529,447**
Exchange rate adjustments		-1,402	1,521	0	119	-620	-501
Other adjustments including actuarial gains/losses on defined benefit schemes		-2,851			-2,851	-1,058	-3,909
Acquisition of equity investments from non-controlling interest		0			0	0	0
Profit for the year		105,256			105,256	13,625	118,881
Reserve according to equity method		5,023	-5,023		0	0	0
Proposed dividends for the financial year		-100,000		100,000	0	0	0
Paid dividends				-75,000	-75,000	-8,649	-83,649
Shareholders' equity at 31 December 2017	**150,000**	**199,018**	**19,172**	**100,000**	**468,190**	**92,079**	**560,269**

The consolidated share capital consists of shares of nominal DKK 1,000 or multiples of these.

		2017 DKK '000	2016 DKK '000
1	**Staff costs**		
	Wages and salaries	336,645	315,069
	Pension contributions	38,332	39,162
	Social security contributions	23,580	17,840
		398,557	**372,071**

The amounts comprise: Cost of sales, Sales and distribution costs, as well as Administrative expenses and other costs.

	2017	2016
Average number of full-time employees	673	662

Remuneration to the board of directors amounted to DKK 0.1m in 2017 and 2016. In 2017 and 2016, remuneration to the management is paid via management fee to Aalborg Portland Holding A/S. It is not possible to specify the remuneration to the management. Thus no salaries are paid to the management by Unicon A/S in 2017 and 2016.

2 Other operating income and other operating costs

Other operating income	2017	2016
Rental income	831	837
Profit from sale of fixed assets	5,415	5,857
Other income	3,195	2,214
	9,441	**8,908**

3 Investments in joint ventures

	Investments in joint ventures	Investments in joint ventures
Cost at 1 January	11,639	49,898
Exchange rate and other adjustments	-1,287	331
Disposals	0	-38,590
Cost at 31 December	**10,352**	**11,639**
Adjustments at 1 January	22,674	-7,999
Exchange rate adjustments	1,521	-1,073
Reversed impairment on disposals	0	38,590
Profit shares	-3,420	-5,593
Dividend for the year	-1,603	-1,251
Other adjustments	0	0
Adjustments at 31 December	**19,172**	**22,674**
Carrying amount at 31 December	**29,524**	**34,313**

	Shareholders' equity DKK '000	Ownership interest %	Unicon's share of profit after tax DKK '000	Unicon's share of shareholders' equity DKK '000
- Ecol-Unicon Sp. z o.o., Poland	41,967	49	-2,499	20,565
- Sola Betong AS, Norway	12,361	33	808	3,875
- ÅGAB Syd AB, Sweden	14,256	40	-1,729	5,703
			-3,420	**30,143**

The proportion of voting rights does not differ from the ownership interest held.

Share of profits after tax in joint ventures in the income statement is stated at average exchange rate and is therefore not the same as stated in the note above.

4 Financial income and expenses

Financial income	2017	2016
Interest and other financial income	2,259	1,470
Interest income from group enterprises	149	176
Realised exchange rate gains	4,810	4,086
Unrealised exchange rate gains	160	27
	7,378	**5,759**

Financial expenses	2017	2016
Interest and other financial expenses	3,266	2,434
Interest expenses to group enterprises	3,578	2,338
Realised exchange losses	2,924	6,178
Unrealised exchange losses	3,176	709
	12,944	**11,659**

		2017 DKK '000	2016 DKK '000
5	**Tax on profit for the year**		
	Current tax on the profit/loss for the year	40,241	35,762
	Adjustment deferred tax	-1,225	-3,016
	Other adjustments, including previous years	-1,232	-418
		37,784	**32,328**

6	**Intangible assets**	Goodwill	Goodwill
	Cost at 1 January	357,260	344,752
	Exchange rate adjustments	-19,340	12,508
	Cost at 31 December	**337,920**	**357,260**
	Amortisation at 1 January	284,104	266,168
	Exchange rate adjustments	-27,690	1,811
	Amortisation for the year	14,585	16,125
	Amortisation at 31 December	**270,999**	**284,104**
	Carrying amount at 31 December	**66,921**	**73,156**

Performed impairment tests at Group level have supported carrying values.

	Other intangible assets	Other intangible assets
Cost at 1 January	112,819	110,680
Exchange rate and other adjustments	-440	-369
Additions	4,282	1,167
Transfer	466	1,341
Cost at 31 December	**117,127**	**112,819**
Depreciation at 1 January	63,789	54,426
Exchange rate and other adjustments	-407	-367
Depreciation for the year	10,680	9,730
Depreciation at 31 December	**74,062**	**63,789**
Carrying amount at 31 December	**43,065**	**49,030**

	Intangible assets in development	Intangible assets in development
Cost at 1 January	475	1,341
Additions	0	475
Transfer	-475	-1,341
Cost at 31 December	**0**	**475**
Carrying amount at 31 December	**0**	**475**

7 Property, plant and equipment

	2017 DKK '000	2016 DKK '000
	Land and buildings	Land and buildings
Cost at 1 January	539,683	524,838
Exchange rate and other adjustments	-9,719	631
Additions	6,492	9,696
Disposals	-140	-242
Transfer	123	4,760
Cost at 31 December	**536,439**	**539,683**
Depreciation and impairment losses at 1 January	340,817	327,005
Exchange rate and other adjustments	-4,900	157
Reversed depreciation on disposals	0	-242
Depreciation for the year	13,663	13,897
Depreciation and impairment losses at 31 December	**349,580**	**340,817**
Carrying amount at 31 December	**186,859**	**198,866**

	2017 DKK '000	2016 DKK '000
	Plant and machinery	Plant and machinery
Cost at 1 January	1,292,486	1,234,590
Exchange rate and other adjustments	-42,028	4,350
Additions	37,713	50,192
Disposals	-95,386	-30,722
Transfer	7,000	34,076
Cost at 31 December	**1,199,785**	**1,292,486**
Depreciation and impairment losses at 1 January	946,174	916,790
Exchange rate and other adjustments	-31,420	4,965
Reversed depreciation on disposals	-90,355	-29,687
Depreciation for the year	50,608	54,261
Transfer	0	-155
Depreciation and impairment losses at 31 December	**875,007**	**946,174**
Carrying amount at 31 December	**324,778**	**346,312**
Hereof assets held under a finance lease	**18,699**	**22,800**

7 Property, plant and equipment, continued

	2017 DKK '000	2016 DKK '000
	Other fixtures, tools and equipment	Other fixtures, tools and equipment
Cost at 1 January	102,420	102,159
Exchange rate and other adjustments	-391	261
Additions	2,606	0
Disposals	-3,040	0
Cost at 31 December	**101,595**	**102,420**
Depreciation at 1 January	102,003	101,528
Exchange rate and other adjustments	-374	244
Reversed depreciation on disposals	-3,040	0
Depreciation for the year	239	231
Depreciation at 31 December	**98,828**	**102,003**
Carrying amount at 31 December	**2,767**	**417**

	Tangible assets in course of construction	Tangible assets in course of construction
Cost at 1 January	22,180	38,249
Exchange rate and other adjustments	-1,090	822
Additions	54,500	22,099
Transfer	-7,113	-38,990
Cost at 31 December	**68,477**	**22,180**
Carrying amount at 31 December	**68,477**	**22,180**

8	Other fixed asset investments	2017 DKK '000	2016 DKK '000
	Cost at 1 January	0	2,516
	Exchange rate and other adjustments	0	-80
	Disposals	0	-2,436
	Cost at 31 December	**0**	**0**
	Carrying amount at 31 December	**0**	**0**

9 Inventories

Cost of goods sold is included in cost of sales.

No material impairment has been made during the year and no material inventories are measured at a net realisable value under the actual cost price.

10 Prepayments

Prepayments comprise prepaid expenses concerning rent and insurance premiums etc.

11 Receivables

Receivables with maturity after one year amount to DKK 0.0m (2016: DKK 0.0m).

12 Deferred tax liabilities	Deferred tax assets		Deferred tax liabilities	
	2017 DKK '000	2016 DKK '000	2017 DKK '000	2016 DKK '000
Deferred tax liabilities				
Intangible assets	0	0	-34,317	-30,786
Property, plant and equipment	0	0	36,893	37,020
Other non-current assets	0	0	377	336
Current assets	0	0	620	436
Long-term receivables	0	0	0	0
Provisions	0	0	17,730	19,840
Deferred tax liabilities at 31 December	**0**	**0**	**21,303**	**26,846**

	Deferred tax liabilities DKK '000
The year's changes in deferred tax assets/liabilities	
Deferred tax assets/liabilities at 1 January 2017	26,846
Movements through the income statement	191
Hereof effect of change in tax rates	-1,416
Defined benefit plan	-1,162
Exchange rate movements	-3,156
Net deferred tax assets/liabilities at 31 December 2017	**21,303**

The group's basis for deferred tax reflects the differences between the carrying amount and the tax value of the group's assets and liabilities.

The group's aggregate net deferred tax stated above is broken down by assets and liabilities. Where a legal entity or jurisdiction has both tax assets and liabilities, these have been set off.

The group's valued tax assets are essentially not subject to time limits.

13 Pensions and similar commitments

The pension commitments incumbent on the Danish enterprises are funded through insurance schemes. The pension commitments of certain foreign enterprises are also funded through insurance schemes. Foreign enterprises whose pension commitments are not - or only partly - funded through insurance schemes (benefit-based) state the uncovered pension commitments at the actuarial present value at the balance sheet date. These pension schemes are backed by pension funds. Moreover, the Unicon Group has made provisions of DKK 54m (2016: DKK 51m) considering the assets related to the schemes.

	2017 DKK '000	2016 DKK '000
Present value of benefit-based schemes	80,586	78,511
Market value of the assets comprised by the schemes	-26,152	-27,210
	54,434	**51,301**
Present value of benefit-based schemes at 1 January	78,511	80,862
Exchange rate adjustment	-3,632	-726
Actuarial gains/losses	3,556	-2,409
Costs	3,148	2,880
Interest on commitment	1,653	2,105
Reduction regarding change of scheme	0	-1,595
Payments	-2,650	-2,606
Present value of benefit-based schemes at 31 December	**80,586**	**78,511**
Market value of the assets comprised by the schemes at 1 January	27,210	25,308
Exchange rate adjustment	-2,049	1,338
Actuarial gains/losses	-1,340	-716
Payments	1,904	1,894
Reduction regarding change of scheme	0	-1,152
Interest on assets	427	538
Market value of the assets comprised by the schemes at 31 December	**26,152**	**27,210**
Stated as liability (Pension provisions)	**54,434**	**51,301**
Taken to the income statement		
Costs (incl. actuarial adjustments)	3,148	2,880
Income (incl. actuarial adjustments)	0	0
Interest, net	1,226	1,567
Total amount taken to the income statement	**4,374**	**4,447**

All assets comprised by the schemes are managed and controlled by pension providers in collective pool schemes.

The assumptions on which the actuarial computations are based at the balance sheet date are as follows, on average:

Average discounting rate applied	2-3%	2-3%
Future pay increase rate	2-3%	2-3%
Expected pension increase rate	2-3%	2-3%

14 Other provisions

	2017 DKK '000	2016 DKK '000
Other provisions at 1 January	42,121	41,686
Exchange rate adjustments and other adjustments	-1,783	387
Additions for the year	887	2,543
Disposals/applications for the year	-681	-2,494
Other provisions at 31 December	**40,544**	**42,122**

The provisions are mainly attributable to re-establishment costs in connection with the Group's gravel and stone activities and demolition liabilities for buildings etc. Additions for the year are mainly attributable to reassessment hereof.

15 Non-current liabilities

	2017 DKK '000	2016 DKK '000
Non-current liabilities falling due later than within 5 years after the end of the financial year:		
Credit institutions	0	0
	0	**0**

16 Other payables and deferred income

Other payables and deferred income include due holiday pay, taxes, public duties and interest payable.

17 Charges

	2017		2016	
	Carrying amount of assets charged DKK '000	Assets charged DKK '000	Carrying amount of assets charged DKK '000	Assets charged DKK '000
Other fixtures, tools and equipments	18,004	0	18,526	0
Real estate	642	1,436	660	1,479
	18,646	**1,436**	**19,186**	**1,479**

18 Contingent liabilities

	2017 DKK '000	2016 DKK '000
Guarantees	18,177	21,433
	18,177	21,433
Minimum lease commitments on operating leases:		
Maturity within one year	36,943	37,451
Maturity between one and five years	78,459	57,151
Maturity after more than five years	30,865	17,344
	146,267	111,946
Other commitments	25,878	26,629
	190,322	**160,008**

Unicon A/S and Kudsk & Dahl A/S are taxed jointly with other Danish companies in the Aalborg Portland Holding Group. As 100% owned subsidiaries, the companies are jointly and unlimited liable with the other companies in the joint taxation of Danish corporate taxes within the joint taxation group. Payable corporate taxes in the joint taxation group amounted to DKK 19.5m at 31 December 2017. Any subsequent corrections of the taxable income subject to joint taxation could cause a higher liability of the companies.

19 Fee to auditors appointed at the Annual General Meeting

	2017 DKK '000	2016 DKK '000
Total fee to auditors appointed at the Annual General Meeting to be specified as follows:		
Statutory audit	1,072	1,049
Other assurance engagements	0	78
Tax and VAT advisory services	35	0
Other services	38	91
	1,145	**1,218**

20 Related party transactions

Related parties with significant influence:
Aalborg Portland Holding A/S, Rørdalsvej 44, 9100 Aalborg, owns 100% of the shares in Unicon 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 Unicon 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.

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

21 Financial risks and instruments

The Company has no financial instruments at 31 December 2017.

22 Post-balance sheet events

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

23 Accounting policies

General

The Annual Report 2017 of Unicon A/S is prepared in accordance with the Danish Financial Statements Act for large companies in reporting class C.

The annual report 2017 is presented in thousand Danish kroner.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year.

Recognition and measurement in general

The financial statements have been prepared under the historical cost convention.

Income is recognised in the income statement as it is earned, including recognised value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, costs incurred to achieve year earnings are recognised in the income statement, including depreciation, impairment losses and provisions as well as reversals due to changes in accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will accrue to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the liability value can be reliably measured.

On initial recognition assets and liabilities are measured at cost. Subsequent measurement of assets and liabilities are made as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost, which includes a constant effective interest rate over the term. Amortised cost is calculated as original cost less depreciation and allowance / deduction of accumulated depreciation of the difference between cost and the nominal amount. Hereby exchange rate gains and losses are allocated according to the life of the asset or liability.

Recognition and measurement take into account predictable losses and risks, which appear before the annual report is presented, and which confirm or deny the conditions that existed at the balance sheet date.

DKK is used as functional currency. All other currencies are considered foreign currency.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Unicon A/S, and all enterprises in which the Parent Company exercises a controlling influence of their financial and operating policies. Control is obtained when the company directly or indirectly holds more than 50% of the voting rights in the enterprise or which it, in some other way, controls.

Enterprises, in which the Parent Company exercises significant influence, but not a controlling influence, are considered as joint ventures. Significant influence is generally achieved by direct or indirect ownership or control of more than 20% and less than 50% of the voting rights.

Joint arrangements are activities or enterprises, in which the Group through cooperation agreements with one or more parties have joint control, where major decisions require unanimity. Joint arrangements are classified as joint ventures or joint operations. Joint operations are where participants have direct rights of assets and direct liability for obligations, whereas, joint ventures are activities where participants alone have rights over the net assets.

The consolidated financial statements are based on the financial statements of the Parent Company and the individual enterprises which are prepared in accordance with the Unicon Group accounting policies. All items of a uniform nature are combined. Intra-group income, costs and intra-group financial statements, shareholdings and dividends are eliminated. Furthermore, unrealised gains and losses on transactions between the consolidated companies are eliminated. Unrealised gains on transactions with joint ventures are eliminated in relation to the Group's ownership in the enterprise.

Non-cotrolling interests
Subsidiaries' items are recognised in the consolidated financial statement by 100%. Non-controlling interests' share of equity is stated separately.

Business combinations
Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions and disposals.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life, but not exceeding 20 years. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill. Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise.

Any negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets. Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in depreciation already made.

The booked value method is applied to transfers between Group companies (common controlled transactions), according to which assets and liabilities are transferred at their carrying amount plus Group goodwill and negative goodwill, which is restated 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.

Foreign currency translation
Transactions in foreign currencies are translated at the exchange rate of the date of transaction. Any foreign exchange variances between the rates at the transaction date and the payment date are stated in the income statement as financial items.

Monetary 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-monetary assets and liabilities in foreign currencies are stated at the rate of exchange at the date of transaction.

Income statements of foreign subsidiaries and joint ventures that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

On full or partial disposal of a foreign operation 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 recognised directly in equity relating to that foreign operation is recognised in the income statement when the gain or loss on disposal is recognised.

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).

Income statement

The annual report is classified by function.

Revenue
Revenue is recognised in the income statement on delivery and passing of the risk to the buyer, when a binding sales agreement has been entered into, 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 and levies charged on account of third party. All kinds of discounts are recognised in Revenue. For competitive reasons segment information is not stated.

Cost of sales
Cost of sales comprises of raw materials, consumables, direct labour costs and indirect production costs such as maintenance, depreciation and operation of production plant as well as 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, depreciation as well as other indirect costs.

Administrative expenses
Administrative costs comprise the costs of the year for management and administration of the company, including costs for administrative staff and management, offices, office expenses and depreciation.

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, etc.

Other operating income and costs also comprise profit on disposal of individual assets, land and buildings which are not related to a total disposal of an activity.

Profit/loss from investments in subsidiaries
The proportionate share of the profit/loss after tax of subsidiaries is recognised in the income statement and the financial statements of the Parent Company and after elimination of the proportionate share of intra-group unrealised profits/losses, and deduction of impairment and depreciation of group goodwill.

Profit/loss from investments in joint ventures
The proportionate share of the profit/loss after tax of joint ventures is recognised in the consolidated income statement and after elimination of the proportionate share of intra-group unrealised profits/losses, and deduction of impairment and depreciation of group goodwill.

Profit/loss on disposal of enterprises and operations
Profit/loss on disposal of enterprises and operations are presented separately in the income statement. Costs related to the disposal are recognised in the statement of profit/loss.

Financial items
Interest income and expenses comprise interest, exchange rate gains and losses on securities, debt and transactions in foreign currency and depreciation 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 changes in shareholders' equity is restated on equity.

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.

Deferred tax is calculated based on the applicable tax rates for the individual financial years. 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 other fixed 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.

Tax assets are presented under other fixed assets as a separate item.

Unicon A/S is jointly taxed with the parent company Aalborg Portland Holding A/S and all Danish enterprises. The current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their 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 and depreciation.

Goodwill is amortised over its estimated useful life, which is determined on the basis of management experience in the individual business areas.

- Goodwill. The amortisation period is up to 20 years.

Development projects, patents and other intangible assets
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 and 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.

Intangible assets are measured at cost less accumulated amortisation and impairment.

Cost comprises wages and salaries, depreciation and other costs attributable to the Group's development activities.

Specifically developed software applications with a high degree of company-specific adjustments are considered to have an economic life of up to 15 years.

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 depreciation period is:

- Development costs, up to 5 years.
- Software applications, up to 15 years.
- Licences and other rights, up to 20 years.

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

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.

Financing costs on loans to finance manufacture of property, plant and equipment are included in the cost price if related to the manufacturing period. All other financing costs are recognised in the income statement.

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, 20 - 40 years
- Plant and machinery, 5 - 25 years
- Other fixtures, tools and equipment, 3 - 10 years
- Leasehold improvements, up to 5 years.

Newly acquired assets and assets of own construction are depreciated from the time they are available for 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.

Impairment of assets
Goodwill and intangible assets with an indefinite useful life are subject to an annual impairment test. The first test is carried out before the end of the acquisition year.

The carrying amount of goodwill is impairment tested at least once a year together with the other non-current assets in the cash-generating unit to which the goodwill is allocated, and an impairment to the recoverable amount is made in the income statement if the carrying amount is higher. The recoverable amount is calculated as the higher of selling price less expected disposal costs and the value in use. The value in use is computed as the present value of the expected future cash flows from the entity of activity (cash-generating unit) to which the goodwill is allocated.

The carrying amount of non-current assets, except for goodwill, intangible assets with an indefinite useful life, deferred tax assets and financial assets, is reviewed each year to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. The recoverable amount is the higher value of the asset's selling price less expected disposal costs and its value in use.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit.

Impairment of Intangible assets and Property, plant and equipment is charged to the same items as the related depreciation.

Investments in joint ventures
Investments in joint ventures are measured according to the equity method.

Investments in joint ventures 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.

The total net revaluation of investments in joint ventures is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in joint ventures.

Joint ventures with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

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 the lower of amortised cost and net realisable value, which corresponds to nominal value less net of impairment losses after individual assessment.

Prepaid expenses
Prepaid expenses are measured at amortised cost.

Equity

Dividends
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.

Interim dividends are recognised as debt at the time of decision.

Net revaluation reserve according to the equity method
Net revaluation reserve according to the equity method comprises net revaluation of equity investments in associates in proportion to cost.

Dividends that are expected to be received before the balance sheet date are not tied to the reserve.

Reserves may be eliminated in connection with loss, realisation of equity investments or changes in accounting estimates.

Reserves cannot be recognised at a negative amount.

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 to be paid under defined benefit schemes. The present value is calculated on the basis of assumptions for future developments in wage/salary level, interest rates, inflation 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.

Differences between the expected growth in pension assets and liabilities and the realised values are classified as actuarial gains or losses. Such gains and losses are recognised in the balance sheet with an offsetting entry on equity.

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.

Similarly, other long-term employee benefits are recognised based on an actuarial calculation. However, actuarial gains and losses are recognised in the income statement immediately. Other long-term employee benefits include jubilee benefits.

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 measuring provisions, deemed costs are discounted. 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.

Provisions relating to obligations relate to guarantee work, severance costs, re-establishment of gravel pits, demolition liabilities for buildings and silos on rented land, etc.

Provisions are measured as the best estimate of the expenses required to settle the obligation at the balance sheet date.

On measurement of provisions, the costs required to settle the liability are discounted if the effect is material to the measurement of the liability. A pre-tax discount factor is used that reflects the current market interest rate level plus risks specific to the liability. Changes in present values during the year are recognised as financial expenses.

To the extent that at the end of the year further minor supplies etc. for completion of an order are outstanding, accounting provisions are made. Outstanding supplies, for which price and volumes have been agreed upon, are recognised as liabilities. The rest of the reserved amount is allocated to provisions. The provision covers the expected cost of its own completion, subsequent warranty supplies and unsettled claims from customers or sub-suppliers.

Financial liabilities
Amounts owed to credit institutions are recognised when raising the loan at the proceeds received less transaction costs. 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.

Other payables consist of holiday pay obligations, supplementary holiday pay, taxes and levies and interest payable. Other payables are recognised at amortised cost prices, usually corresponding to the nominal value.

Leases
Lease commitments are classified as finance or operating leases.

Leases where the company has all substantial risks and opportunities linked to the ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the asset and the present value of the lease payments, calculated by using the lease interest rate or an approximation hereof as the discount rate. Assets under finance leases are depreciated and written down according to the same policies as the company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the financial charge is charged to the income statement.

All other leases are classified as operating leases. Payments made under operating leases are recognised in the income statement over the lease period.

Cash flow statement

The cash flow statement for the Group 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.

The cash flow statement is based on earnings before depreciation, impairment, provisions, interest and tax (EBITDA).

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.
- All other non-interest-bearing receivables and debt items are regarded as working capital.

Cash flows from operating activities are stated as the year’s profit 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 property, plant and equipment.

To the extent that enterprises or joint ventures buy-back treasury shares, this is regarded as disposal of securities and is thus included as a reduction of cash flows from investing activities, and not as the dividends as cash flows from operating activities.

Cash flows from financing activities comprise payments to and contributions from owners as well as the raising and repayment of loans.

Notes		2017 DKK '000	2016 DKK '000
	Net sales	1,034,159	1,004,432
1	Cost of sales	635,405	624,610
	Gross profit	**398,754**	**379,822**
1	Sales and distribution costs	249,593	244,140
1	Administrative expenses and other costs	80,222	77,475
	Profit or loss from ordinary operating activities	**68,939**	**58,207**
2	Other operating income	2,935	3,174
	Earnings before interest and tax (EBIT)	**71,874**	**61,381**
3	Share of profit after tax, enterprises	55,941	52,397
4	Share of profit after tax, joint ventures	-2,499	-8,705
5	Financial income	3,825	3,089
5	Financial expenses	5,989	6,451
	Earnings before tax (EBT)	**123,152**	**101,711**
6	Tax on profit for the year	17,896	14,050
	Profit for the year	**105,256**	**87,661**
	Proposed distribution of profit		
7	Transfer to next year	7,755	21,366
	Net revaluation according to the equity method	-2,499	-8,705
	Proposed dividends for the financial year	100,000	75,000
		105,256	87,661

Notes	ASSETS	2017 DKK '000	2016 DKK '000
	Fixed assets		
	Goodwill	53,257	58,629
	Other intangible assets	41,759	47,457
	Intangible assets in development	0	0
8	**Intangible assets**	**95,016**	**106,086**
	Land and buildings	101,721	104,380
	Plant and machinery	108,418	112,260
	Fixtures, tools and equipment	2,589	108
	Tangible assets in course of construction	50,194	18,029
9	**Property, plant and equipment**	**262,922**	**234,777**
3	Investments in subsidiaries	207,501	213,420
4	Investments in joint ventures	20,565	21,860
	Fixed asset investments	**228,066**	**235,280**
	Total fixed assets	**586,004**	**576,143**
	Current assets		
	Raw materials and consumables	21,901	21,138
10	**Inventories**	**21,901**	**21,138**
	Trade receivables	81,968	92,578
	Receivables from group enterprises	8,172	35,968
	Other receivables	295	111
	Prepayments	0	232
11	**Receivables**	**90,435**	**128,889**
	Cash funds	**70**	**75**
	Total current assets	**112,406**	**150,102**
	TOTAL ASSETS	**698,410**	**726,245**

Notes	EQUITY AND LIABILITIES	2017 DKK '000	2016 DKK '000
	Shareholders' equity		
	Share capital	150,000	150,000
	Reserve for net revaluation according to the equity method	19,537	20,832
	Retained earnings	198,653	194,834
	Proposed dividends for the financial year	100,000	75,000
	Total shareholders' equity	**468,190**	**440,666**
	Provisions		
12	Deferred tax liabilities	4,078	3,455
13	Other provisions	6,501	6,963
	Total provisions	**10,579**	**10,418**
	Liabilities		
	Credit institutions, etc.	12,970	19,036
14	**Non-current liabilities**	**12,970**	**19,036**
	Credit institutions, etc.	6,065	4,202
	Trade payables	115,803	95,875
	Payables to group enterprises	24,325	101,629
	Joint taxation contribution payable	18,507	16,782
15	Other payables and deferred income	41,971	37,637
	Current liabilities	**206,671**	**256,125**
	Total liabilities	**219,641**	**275,161**
	TOTAL EQUITY AND LIABILITIES	**698,410**	**726,245**

16 Contingent liabilities
17 Fee to the auditors appointed by the Annual General Meeting
18 Related party transactions
19 Financial risks and instruments
20 Post-balance sheet events
21 Accounting policies

DKK '000	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividends for the financial year	**Total**
Shareholders' equity 1 January 2016	**150,000**	**0**	**192,216**	**300,000**	**642,216**
Exchange rate adjustments		-1,059	11,848		10,789
Reserve according to equity method		21,891	-21,891		0
Profit for the year			87,661		87,661
Movement for the year at the equity	**0**	**20,832**	**77,618**	**0**	**98,450**
Dividend paid				-300,000	-300,000
Proposed dividends for the financial year			-75,000	75,000	0
Shareholders' equity at 31 December 2016	**150,000**	**20,832**	**194,834**	**75,000**	**440,666**
Exchange rate adjustments		1,204	-3,936		-2,732
Reserve according to equity method		-2,499	2,499		0
Profit/loss for the year			105,256		105,256
Movement for the year at the equity	**0**	**-1,295**	**103,819**	**0**	**102,524**
Dividend paid				-75,000	-75,000
Proposed dividends for the financial year			-100,000	100,000	0
Shareholders' equity at 31 December 2017	**150,000**	**19,537**	**198,653**	**100,000**	**468,190**

The consolidated share capital consists of shares of nominal DKK 1,000 or multiples of these.

		2017 DKK '000	2016 DKK '000
1	**Staff costs**		
	Wages and salaries	196,744	188,736
	Pension contributions	17,430	17,103
	Social security contributions	4,414	4,538
		218,588	**210,377**
	Average number of full-time employees	376	374

Remuneration to the board of directors amounted to DKK 0.1m in 2017 and 2016. In 2017 and 2016, remuneration to the management is paid via management fee to Aalborg Portland Holding A/S. It is not possible to specify the remuneration to the management. Thus no salaries are paid to the management by Unicon A/S in 2017 and 2016.

2	**Other operating income**		
	Rental income	550	544
	Profit from sale of fixed assets	2,223	2,630
	Other Income	162	0
		2,935	**3,174**

		Investments in subsidiaries	Investments in subsidiaries
3	**Investments in subsidiaries**		
	Cost at 1 January	253,912	244,517
	Exchange rate and other adjustments	-20,974	9,395
	Cost at 31 December	**232,938**	**253,912**
	Adjustments at 1 January	-40,492	-12,253
	Exchange rate adjustments	14,078	-920
	Other adjustments	0	0
	Profit after tax	55,941	52,397
	Dividend received	-54,964	-79,716
	Adjustments at 31 December	**-25,437**	**-40,492**
	Carrying amount at 31 December	**207,501**	**213,420**

Investments in subsidiaries

	Shareholders' equity DKK '000	Ownership interest %	Unicon's share of profit before tax DKK '000	Unicon's share of profit after tax DKK '000	Unicon's share of shareholders' equity DKK '000
- Unicon AS, Norway	102,432	100	59,130	45,881	102,432
- AB Sydsten, Sweden	176,666	50	16,021	12,447	82,601
- Kudsk & Dahl A/S, Denmark	22,468	100	3,432	2,680	22,468
Amortisation, goodwill			-5,068	-5,068	
			73,515	**55,940**	**207,501**

4 Investments in joint ventures

	2017 DKK '000 Investments in joint ventures	2016 DKK '000 Investments in joint ventures
Cost at 1 January	1,028	39,618
Disposals	0	-38,590
Cost at 31 December	**1,028**	**1,028**
Value adjustments at 1 January	20,832	-7,994
Exchange rate adjustments	1,204	-1,059
Reversed impairment on disposals	0	38,590
Profit shares	-2,499	-8,705
Adjustments at 31 December	**19,537**	**20,832**
Carrying amount at 31 December	**20,565**	**21,860**

	Shareholders' equity DKK '000	Ownership interest %	Unicon's share of profit before tax DKK '000	Unicon's share of profit after tax DKK '000	Unicon's share of shareholders' equity DKK '000
- Ecol-Unicon Sp. z o.o., Poland	41,967	49	-4,541	-2,499	20,565
			-4,541	**-2,499**	**20,565**

The voting rights does not differ from the ownership interest held.

5 Financial income and expenses

	2017 DKK '000	2016 DKK '000
Financial income:		
Interest and other financial income	325	133
Interest income, Group enterprises	111	129
Realised exchange rate gains	3,348	2,827
Unrealised exchange rate gains	41	0
	3,825	**3,089**
Financial expenses:		
Interest and other financial expenses	508	476
Interest expenses, Group enterprises	2,277	1,206
Realised exchange rate losses	26	4,131
Unrealised exchange rate losses	3,178	638
	5,989	**6,451**

6 Tax on profit for the year

	2017 DKK '000	2016 DKK '000
Current tax on the profit/loss for the year	18,507	16,782
Adjustment of deferred tax	623	-1,968
Adjustment previous years	-1,234	-764
	17,896	**14,050**

		2017 DKK '000	2016 DKK '000
7	**Proposed distribution of profit**		
	Transfer to next year	7,755	21,366
	Net revaluation according to the equity method	-2,499	-8,705
	Proposed dividends for the financial year	100,000	75,000
		105,256	**87,661**

8	**Intangible assets**	Goodwill	Goodwill
	Cost at 1 January	181,438	178,067
	Exchange rate and other adjustments	-5,056	3,371
	Cost at 31 December	**176,382**	**181,438**
	Amortisation at 1 January	122,809	114,022
	Exchange rate	-8,015	0
	Amortisation for the year	8,331	8,787
	Amortisation at 31 December	**123,125**	**122,809**
	Carrying amount at 31 December	**53,257**	**58,629**

Performed impairment tests at Group level have supported carrying values.

	Other intangible assets	Other intangible assets
Cost at 1 January	100,830	99,489
Additions	4,127	0
Transfer	0	1,341
Cost at 31 December	**104,957**	**100,830**
Depreciation at 1 January	53,373	44,208
Depreciation for the year	9,825	9,165
Depreciation at 31 December	**63,198**	**53,373**
Carrying amount at 31 December	**41,759**	**47,457**

	Intangible assets in development	Intangible assets in development
Cost at 1 January	0	1,341
Transfer	0	-1,341
Cost at 31 December	**0**	**0**
Carrying amount at 31 December	**0**	**0**

		2017 DKK '000	2016 DKK '000
9	**Property, plant and equipment**	Land and buildings	Land and buildings
	Cost at 1 January	352,244	348,875
	Additions	3,695	2,711
	Disposals	0	-242
	Transfer	0	900
	Cost at 31 December	**355,939**	**352,244**
	Depreciation and impairment losses at 1 January	247,864	241,525
	Reversed depreciation on disposals	0	-242
	Depreciation for the year	6,354	6,581
	Depreciation and impairment losses at 31 December	**254,218**	**247,864**
	Carrying amount at 31 December	**101,721**	**104,380**
		Plant and machinery	Plant and machinery
	Cost at 1 January	417,730	416,099
	Additions	11,800	11,833
	Disposals	-25,130	-23,834
	Transfer	3,061	13,632
	Cost at 31 December	**407,461**	**417,730**
	Depreciation and impairment losses at 1 January	305,470	305,694
	Reversed depreciation on disposals	-24,959	-23,747
	Depreciation for the year	18,532	23,523
	Depreciation and impairment losses at 31 December	**299,043**	**305,470**
	Carrying amount at 31 December	**108,418**	**112,260**
	Hereof assets held under a finance lease	**18,699**	**22,800**
		Other fixtures, tools and equipment	Other fixtures, tools and equipment
	Cost at 1 January	97,223	97,223
	Additions	2,606	0
	Disposals	-3,040	0
	Cost at 31 December	**96,789**	**97,223**
	Depreciation at 1 January	97,115	96,998
	Reversed depreciations on disposals	-3,040	0
	Depreciation for the year	125	117
	Depreciation at 31 December	**94,200**	**97,115**
	Carrying amount at 31 December	**2,589**	**108**
		Tangible assets in course of construction	Tangible assets in course of construction
	Cost at 1 January	18,029	14,531
	Additions	35,226	18,029
	Transfer	-3,061	-14,531
	Cost at 31 December	**50,194**	**18,029**
	Carrying amount at 31 December	**50,194**	**18,029**

10 Inventories

Cost of goods sold is included in cost of sales.

No material impairment has been made during the year and no material inventories are measured at a net realisable value under the actual cost price.

11 Receivables

Receivables with maturity after one year amount to DKK 0.0m (2016: DKK 0.0m).

12 Deferred tax liabilities

	2017 DKK '000	2016 DKK '000
Deferred tax liabilities		
Intangible assets	4,221	6,253
Property, plant and equipment	1,038	-2,540
Current assets	102	111
Provisions	-1,283	-369
Deferred tax liabilities at 31 December	**4,078**	**3,455**

	Deferred tax liabilities DKK '000
The year's changes in deferred tax liabilities	
Deferred tax liabilities at 1 January 2017	3,455
Movements through the income statement	623
Deferred tax liabilities at 31 December 2017	**4,078**

The Parent Company's basis for deferred tax reflects the differences between the carrying amount and the tax value of the Parent Company's assets and liabilities.

The Parent Company's valued tax assets are essentially not subject to time limits.

13 Other provisions

	2017 DKK '000	2016 DKK '000
Other provisions at 1 January	6,963	6,899
Additions	0	430
Disposals/application in the year	-462	-366
Other provisions at 31 December	**6,501**	**6,963**

The provisions are mainly related to guarantee work and demolition liabilities for buildings etc.

14 Non-current liabilities

Non-current liabilities falling due later than within 5 years after the end of the financial year:

Credit institutions	0	0
	0	**0**

15 Other payables and deferred income

Other payables and deferred income include due holiday pay, taxes, public duties and interest payable.

16 Contingent liabilities

	2017 DKK '000	2016 DKK '000
Guarantees	**515**	**515**
Minimum lease commitments on operating leases:		
Maturity within one year	15,199	16,230
Maturity between one and five years	44,103	33,684
Maturity after more than five years	19,166	14,179
	78,468	**64,093**
	78,983	**64,608**

Unicon A/S is taxed jointly with other Danish companies in the Aalborg Portland Holding Group. As a 100% owned subsidiary, the company is jointly and unlimited liable with the other companies in the joint taxation of Danish corporate taxes within the joint taxation group. Payable corporate taxes in the joint taxation group amounted to DKK 19.5m at 31 December 2017. Any subsequent corrections of the taxable income subject to joint taxation could cause a higher liability of the company.

17 Fee to the auditors appointed at the Annual General Meeting

Total fee to auditors appointed at the Annual General Meeting to be specified as follows:

Statutory audit	444	437
Tax and VAT advisory services	0	0
Other services	4	0
	448	**437**

18 Related party transactions

Related parties with significant influence:
Aalborg Portland Holding A/S, Rørdalsvej 44, 9100 Aalborg, owns 100% of the shares in Unicon 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

Unicon A/S' related parties comprise group companies, joint ventures as well as their board and management and other managing employees as well as the related members of their families.

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

Transaction with other related parties:
Enterprises in the Cementir Group.

Unicon A/S is included in the consolidated financial statements of Aalborg Portland Holding A/S.

19 Financial risks and instruments

The Company has no financial instruments at 31 December 2017.

20 Post-balance sheet events

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

21 Accounting policies

Parent Company

The Parent Company’s financial statements are prepared in accordance with the Danish Financial Statements Act for large companies in reporting class C.

Compared to the accounting policies applied in the consolidated financial statement (see Note 23 to the consolidated financial statements) the Parent Company’s accounting policies only deviate in the following items:

Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries 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.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.