unicon
CEMENTIR HOLDING

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

Annual Report 2016

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

Date: 18 / 4 2017

(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 Lene Høgfeldt * Torben Jørgensen * * 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 18 April 2017.

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	2012	2013	2014	2015	2016
INCOME STATEMENT					
Revenue	2,205	2,397	2,219	2,297	2,377
Earnings before depreciation/amortisation, impairment, provisions, interest and tax (EBITDA)	**186**	**261**	**224**	**236**	**240**
EBITDA ratio	*8%*	*11%*	*10%*	*10%*	*10%*
Earnings before interest and tax (EBIT)	**50**	**133**	**113**	**136**	**144**
EBIT ratio	*2%*	*6%*	*5%*	*6%*	*6%*
Earnings before tax (EBT)	**52**	**138**	**113**	**135**	**133**
Profit for the year	**41**	**104**	**82**	**103**	**101**
CASH FLOW					
Cash flow from operating activities (CFFO)	164	255	195	164	223
Cash flow from investing activities (CFFI) *	-76	-61	-55	-40	-69
Free cash flow (FCF)	**88**	**194**	**140**	**124**	**154**
* Hereof investments in property, plant and equipment	-76	-58	-56	-60	-81
BALANCE SHEET					
Total assets	1,403	1,431	1,338	1,288	1,200
Consolidated shareholders' equity	792	826	753	733	529
Net interest-bearing debt (NIBD)	**43**	**-130**	**-147**	**-164**	**-3**
Working capital (WC)	**129**	**110**	**49**	**54**	**26**
FINANCIAL RATIOS					
Including minority interests' share					
Return on equity	5%	13%	11%	14%	16%
Equity ratio	56%	58%	56%	57%	44%
Return on capital employed (ROCE)	5%	10%	10%	12%	15%
NIBD/EBITDA factor	0.2	-0.5	-0.7	-0.7	0.0
Number of employees at 31 December	**681**	**669**	**640**	**672**	**663**

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 2016 the Unicon group achieved activities within ready-mixed concrete at a level which is 5% above 2015, but with large differences between markets. Norway and Sweden experienced large growth, whereas Denmark remained at the same level due to the phase out of Metro City Circle Line project. Furthermore, the Unicon group's revenue and earnings were influenced in DKK due to the weakening of the Norwegian and Swedish krone.

In 2016, the Unicon Group realised revenue of DKK 2,377m, 3% higher than in 2015. Operating profit (EBITDA) was DKK 240m against DKK 236m in 2015. The operating profit was in line with expectations.

The profit before tax for 2016 was DKK 133m against DKK 135m in 2015. The decrease is due to a result from an investment in a joint venture in Poland where earnings 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 12.2% in 2015 to 13.1% in 2016. The shareholder's equity at 31 December 2016 was DKK 529m, corresponding to an equity ratio of 44%.

Similar to past years, Unicon achieved a positive cash flow from operating activities at DKK 223m. After net investments of DKK 69m, the Group has a free cash flow of DKK 154m.

Denmark

In Denmark, Unicon is the market leader with 38 plants producing and supplying ready-mixed concrete to the whole country. Ready-mixed concrete is sold to both residential and business customers.

In 2016, the market for ready-mixed concrete has decreased slightly compared to the previous year, mainly due to lower activity on few, but very large, infrastructure projects. Nevertheless, infrastructure projects are still on a high level and have a positive effect on the market, and it is expected that this will continue in the years to come. Construction activity in the agricultural sector is still at a very low level, while the activity in private housing has increased in 2016.

In 2016, the company has maintained its position as market leader. Unicon has supplied ready-mixed concrete for a variety of high-profile projects during the year, including the Ringsted Railway in Zealand, Strandpromenaden Nordhavn in Copenhagen, DNU in Aarhus, DNV-Gødstrup, Kirk Capital in Vejle and many more. Additionally, Unicon is the exclusive supplier to the Metro City Circle Line as well as the forks to the Metro City Circle Line, all being long-term construction projects, which together comprise more than 500,000 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. 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, decreased by 10% compared to volumes in 2015.

Norway

Unicon AS produces ready-mixed concrete at 27 plants and 4 mobile units and supplies the central and southern parts of Norway.

In Norway, construction activity increased in 2016 due to large infrastructure projects and increased market for new houses. Unicon's revenue and earnings also increased in 2016 compared to 2015. At the same time, revenue and earnings in EUR are negatively impacted due to weakening of the Norwegian krone, corresponding to 4%.

In 2016, special focus was on growth, customer service and improved competitiveness. Two new RMC plants have been opened in 2016, one in Bergen and one at Vestby south of Oslo.

Unicon supplied concrete to a number of very high profile construction projects, e.g. the rail project Follobanen in Oslo, the new national museum in Oslo and a major infrastructure project in Bergen. In the mobile sector, Unicon has supplied to the Nyhamna Aukra project and to a road project at Kongsberg.

Unicon received its environmental certification according to ISO 14001 in 2013, and additional 6 of Unicon's plants have been certified in 2016. The remaining plants will be certified in 2017.

Unicon is a part of byggutengrenser.no, 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.

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 and a recycling business.

In 2016, Sydsten increased its market position in terms of volumes and revenue compared to 2015. Sales during 2016 were stable and high in the RMC business, primarily due to several taken projects in the residential market, mainly in the Malmoe area, but also in Halmstad, which was all time high in terms of volume. In the aggregates business, volumes and revenue were low the first three quarters as expected and were significantly strengthened the last quarter due to higher activity in the infrastructure market.

In addition, the new research facility ESS (European Spallation Source) in Lund, to which Sydsten is a selected supplier of both aggregates and concrete, has currently a high production level, which means high volumes of concrete and aggregates for Sydsten.

During the year, Sydsten has been successful of 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.

Unidon's Statutory Report on Corporate Social Responsibility, cf. Section 99(a) of the Danish Financial Statements Act, can be found in "Sustainability Report 2016" 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.

Goals and policies for the underrepresented gender

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. Furthermore, the Group aims to have a minimum of one AGM-elected female Board member within a four-year period. In December 2016 a female was elected as member of the board and hereby the aim of having at least one female AGM-elected member before the end of 2017 has been met.

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 2016, the Unicon group contributes with DKK 149m 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 2016, which is presented according to the Danish Financial Statements' Act, are:

Earnings before tax (EBT) in the Unicon consolidated financial statements	DKK 133m
Amortisation of goodwill, not deductible, cf. IFRS	DKK 16m
Contribution (EBT) to the Aalborg Portland Holding Group	DKK 149m

The total variance between Unicon A/S's financial statements for 2016 and the contribution to Aalborg Portland Holding A/S' consolidated financial statements for 2016 amounts to DKK 16m before tax.

Prospects for 2017

Sales in 2017 are generally expected to increase slightly compared to 2016.

In Denmark, sales are expected at the same level as in 2016 due to a general increase within construction activities, however, affected by the phase-out of large infrastructure projects, including the Metro City Circle Line in Copenhagen.

In Norway, increasing building activities lead to expected higher sales, whereas sales in Sweden are expected at the same level as in 2016.

Investments in new plants including Odense have been approved which will be effective in 2017 and 2018. Early 2017, assets in a ready-mixed concrete plant, Kummerfeldts K.B.K. A/S in Ribe, were acquired. Also in the Norwegian market, the capacity has been expanded by the construction of new plant in Østfold and a capacity expansion in Bergen. 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 2017 are expected to be in line with 2016.

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 2016.

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 2016 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 2016.

Further, in our opinion, the Management's review gives a fair review of the development inn 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, 2 March 2017

Executive Board:

Piero Corpina

Henning Bæk

Board of Directors:

Søren Vinther
Chairman

Marco Maria Bianconi
Vice Chairman

Piero Corpina

Mille Tram Lux

Lene Høgfeldt *

Torben Jørgensen *

* Elected by the employees

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 2016 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 2016 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 2016 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.

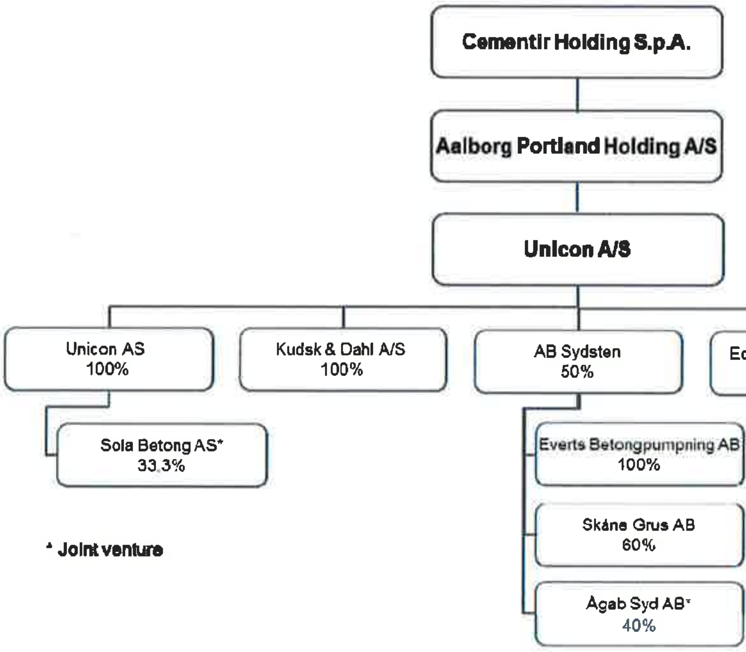
Copenhagen, 2 March 2017

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Benny Lynge Sørensen
State Authorised Public Accountant

Steffen S. Hansen
State Authorised Public Accountant

GROUP CHART



Unicon Group, 31 December 2016

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.

*** Joint venture**

Notes		2016 DKK '000	2015 DKK '000
	Net sales	2,376,963	2,297,056
1	Cost of sales	1,471,726	1,412,308
	Gross profit	**905,237**	**884,748**
1	Sales and distribution costs	593,229	587,805
1	Administrative expenses and other costs	176,499	178,208
	Profit or loss from ordinary operating activities	**135,509**	**118,735**
2	Other operating income	8,908	17,950
2	Other operating costs	0	914
	Earnings before interest and tax (EBIT)	**144,417**	**135,771**
3	Share of profit after tax, joint ventures	-5,593	2,678
4	Financial income	5,759	4,979
4	Financial expenses	11,659	8,970
	Earnings before tax (EBT)	**132,924**	**134,458**
5	Tax on profit for the year	32,328	31,442
	Profit for the year	**100,596**	**103,016**
	Attributable to:		
	Non-controlling interests	12,935	14,847
	Shareholders in Unicon A/S	87,661	88,169

	2016 DKK '000	2015 DKK '000
Profit / loss for the period	**100,596**	**103,016**
Reversal of amortisation and depreciation	94,244	99,065
Reversal of revaluation / impairment losses	842	979
Share of net profits of equity-accounted investees	5,593	-2,678
Net financial income / expense	5,906	3,990
Gains/losses on disposals	-5,857	-11,158
Income taxes	32,328	31,443
Change in employee benefits	-2,525	1,057
Change in provisions (current and non-current)	-142	-2,529
Operating cash flows before changes in working capital	**230,985**	**223,185**
Increase / decrease Inventories	-3,777	-2,037
Increase / decrease Trade receivables	-33,004	13,175
Increase / decrease Trade payables	67,463	-20,799
Change in non-current/current Other assets/liabilities	2,436	-8,190
Change in current and deferred taxes	1,258	-4,025
Operating cash flows	**265,361**	**201,310**
Dividends collected	1,251	1,275
Interests collected	1,647	1,566
Interests paid	-2,570	-1,897
Other income collected/expenses paid	-4,301	-5,315
Income taxes paid	-38,368	-33,000
Cash flow from operating activities	**223,020**	**163,939**
Investments intangible assets	-1,641	-237
Investments property, plant and equipment and inv. Property	-81,410	-59,933
Proceeds from sale of property, plant and equipment	6,892	20,314
Change in non-current financial assets	2,516	0
Change in current financial assets	1,019	0
Other variances investment assets	3,372	0
Cash from investing activities	**-69,252**	**-39,856**
Change in non-current financial liabilities	-4,194	14,033
Change in current financial liabilities	168,903	-7,166
Dividend distributed	-312,851	-111,427
Other variances of equity	-3,936	0
Cash flow from financing activities	**-152,078**	**-104,559**
Net change in cash and cash equivalent	1,690	19,523
Cash and cash equivalent exchange rate effect	-2,460	-1
Cash and cash equivalent opening balance	81,377	61,855
Cash and cash equivalent closing	**80,607**	**81,377**

ASSETS

Notes		2016 DKK '000	2015 DKK '000
	Fixed assets		
	Goodwill	73,156	78,584
	Other intangible assets	49,030	56,254
	Intangible assets in development	475	1,341
6	**Intangible assets**	**122,661**	**136,179**
	Land and buildings	198,866	197,833
	Plant and machinery	346,312	317,800
	Other fixtures, tools and equipment	417	631
	Tangible assets in course of construction	22,180	38,249
7	**Property, plant and equipment**	**567,775**	**554,513**
3	Investments in joint ventures	34,313	41,899
8	Other fixed asset investments	0	2,516
	Fixed asset investments	**34,313**	**44,415**
	Total fixed assets	**724,749**	**735,107**
	Current assets		
	Raw materials and consumables	57,857	54,859
	Finished goods and goods for resale	30,465	29,686
9	**Inventories**	**88,322**	**84,545**
	Trade receivables	276,488	244,366
	Receivables from group enterprises	44	114,668
	Joint taxation contribution	3,754	542
	Other receivables	13,530	13,260
10	Prepayments	12,508	14,345
11	**Receivables**	**306,324**	**387,181**
	Cash funds	**80,607**	**81,378**
	Total current assets	**475,253**	**553,104**
	TOTAL ASSETS	**1,200,002**	**1,288,211**

EQUITY AND LIABILITIES

Notes		2016 DKK '000	2015 DKK '000
	Shareholders' equity		
	Share capital	150,000	150,000
	Reserve for net revaluation according to the equity method	22,674	0
	Retained earnings	192,992	192,216
	Proposed dividends	75,000	300,000
	Unicon A/S' share of equity	**440,666**	**642,216**
	Non-controlling interests' share of equity	**88,781**	**90,421**
	Total consolidated shareholders' equity	**529,447**	**732,637**
	Provisions		
12	Deferred tax liabilities	26,846	28,800
13	Pensions and similar commitments	51,301	55,594
14	Other provisions	42,122	41,686
	Total provisions	**120,269**	**126,080**
	Liabilities		
	Credit institutions, etc.	19,036	23,230
15	**Non-current liabilities**	**19,036**	**23,230**
	Credit institutions, etc.	4,206	4,125
	Trade payables	298,445	252,670
	Payables to group enterprises	100,146	27,618
	Joint taxation contribution payable	17,359	10,599
	Income tax payable	11,846	17,788
16	Other payables and deferred income	99,248	93,464
	Current liabilities	**531,250**	**406,264**
	Total liabilities	**550,286**	**429,494**
	TOTAL EQUITY AND LIABILITIES	**1,200,002**	**1,288,211**

17 Charges
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23 Accounting policies

1 Staff costs	2016 DKK '000	2015 DKK '000
Wages and salaries	315,069	317,457
Pension contributions	39,162	22,596
Social security contributions	17,840	33,053
	372,071	**373,106**

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

Average number of full-time employees	662	661

Remuneration to the board of directors amounted to DKK 0.1m in 2016 and 2015. In 2016 and 2015, 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 2016 and 2015.

2 Other operating income and other operating costs

Other operating income		
Rental income	837	1,303
Profit from sale of fixed assets	5,857	11,223
Other income	2,214	5,424
	8,908	**17,950**
Other operating costs		
Loss on sale of assets	0	63
Other costs	0	851
	0	**914**

3 Investments in joint ventures	Investments in joint ventures	Investments in joint ventures
Cost at 1 January	49,898	50,808
Exchange rate and other adjustments	331	-910
Disposals	-38,590	0
Cost at 31 December	**11,639**	**49,898**
Adjustments at 1 January	-7,999	-10,227
Exchange rate adjustments	-1,073	507
Reversed impairment on disposals	38,590	0
Profit shares	-5,593	2,616
Dividend for the year	-1,251	-1,275
Other adjustments	0	380
Adjustments at 31 December	**22,674**	**-7,999**
Carrying amount at 31 December	**34,313**	**41,899**

	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	44,609	49	-8,705	21,860
- Sola Betong AS, Norway	14,859	33	1,499	4,953
- ÅGAB Syd AB, Sweden	19,139	40	1,613	7,656
			-5,593	**34,469**

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		
Interest and other financial income	1,470	1,423
Interest income from group enterprises	176	143
Realised exchange rate gains	4,086	3,283
Unrealised exchange rate gains	27	130
	5,759	**4,979**
Financial expenses		
Interest and other financial expenses	2,434	2,637
Interest expenses to group enterprises	2,338	1,021
Realised exchange losses	6,178	5,285
Unrealised exchange losses	709	27
	11,659	**8,970**

		2016 DKK '000	2015 DKK '000
5	**Tax on profit for the year**		
	Current tax on the profit/loss for the year	35,762	35,372
	Adjustment deferred tax	-3,016	-4,258
	Other adjustments, including previous years	-418	328
		32,328	**31,442**

6	**Intangible assets**	Goodwill	Goodwill
	Cost at 1 January	344,752	358,929
	Exchange rate adjustments	12,508	-14,177
	Cost at 31 December	**357,260**	**344,752**
	Amortisation at 1 January	266,168	251,954
	Exchange rate adjustments	1,811	-2,182
	Amortisation for the year	16,125	16,396
	Amortisation at 31 December	**284,104**	**266,168**
	Carrying amount at 31 December	**73,156**	**78,584**

Performed impairment tests at Group level have supported carrying values.

	Other intangible assets	Other intangible assets
Cost at 1 January	110,680	108,670
Exchange rate and other adjustments	-369	164
Additions	1,167	237
Transfer	1,341	1,609
Cost at 31 December	**112,819**	**110,680**
Depreciation at 1 January	54,426	44,784
Exchange rate and other adjustments	-367	202
Depreciation for the year	9,730	9,440
Depreciation at 31 December	**63,789**	**54,426**
Carrying amount at 31 December	**49,030**	**56,254**

	Intangible assets in development	Intangible assets in development
Cost at 1 January	1,341	2,950
Additions	475	0
Transfer	-1,341	-1,609
Cost at 31 December	**475**	**1,341**
Carrying amount at 31 December	**475**	**1,341**

7 Property, plant and equipment

	2016 DKK '000	2015 DKK '000
	Land and buildings	Land and buildings
Cost at 1 January	524,838	529,054
Exchange rate and other adjustments	631	-2,598
Additions	9,696	5,493
Disposals	-242	-9,919
Transfer	4,760	2,808
Cost at 31 December	**539,683**	**524,838**
Depreciation and impairment losses at 1 January	327,005	317,492
Exchange rate and other adjustments	157	-1,030
Reversed depreciation on disposals	-242	-5,150
Depreciation for the year	13,897	15,693
Depreciation and impairment losses at 31 December	**340,817**	**327,005**
Carrying amount at 31 December	**198,866**	**197,833**

	Plant and machinery	Plant and machinery
Cost at 1 January	1,234,590	1,242,386
Exchange rate and other adjustments	4,350	-13,509
Additions	50,192	30,541
Disposals	-30,722	-38,137
Transfer	34,076	13,309
Cost at 31 December	**1,292,486**	**1,234,590**
Depreciation and impairment losses at 1 January	916,790	905,767
Exchange rate and other adjustments	4,965	-11,618
Reversed depreciation on disposals	-29,687	-33,672
Depreciation for the year	54,261	56,313
Transfer	-155	0
Depreciation and impairment losses at 31 December	**946,174**	**916,790**
Carrying amount at 31 December	**346,312**	**317,800**
Hereof assets held under a finance lease	**22,800**	**26,902**

7 Property, plant and equipment, continued

	2016 DKK '000	2015 DKK '000
	Other fixtures, tools and equipment	Other fixtures, tools and equipment
Cost at 1 January	102,159	102,865
Exchange rate and other adjustments	261	-316
Disposals	0	-390
Cost at 31 December	**102,420**	**102,159**
Depreciation at 1 January	101,528	101,732
Exchange rate and other adjustments	244	-272
Reversed depreciation on disposals	0	-390
Depreciation for the year	231	458
Depreciation at 31 December	**102,003**	**101,528**
Carrying amount at 31 December	**417**	**631**

	2016 DKK '000	2015 DKK '000
	Tangible assets in course of construction	Tangible assets in course of construction
Cost at 1 January	38,249	31,305
Exchange rate and other adjustments	822	-1,028
Additions	22,099	24,088
Transfer	-38,990	-16,116
Cost at 31 December	**22,180**	**38,249**
Carrying amount at 31 December	**22,180**	**38,249**

Depreciation in the income statement is stated at the average rate of exchange and cannot therefore be directly reconciled with note on property, plant and equipment stated above.

		2016 DKK '000	2015 DKK '000
8	**Other fixed asset investments**		
	Cost at 1 January	2,516	2,717
	Exchange rate and other adjustments	-80	-201
	Disposals	-2,436	0
	Cost at 31 December	**0**	**2,516**
	Carrying amount at 31 December	**0**	**2,516**

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 positive market value of financial instruments, prepaid expenses concerning rent and insurance premiums etc.

11 Receivables

Receivables with maturity after one year amount to DKK 0.0m (2015: DKK 1.2m).

12 Deferred tax liabilities

	Deferred tax assets		Deferred tax liabilities	
	2016 DKK '000	2015 DKK '000	2016 DKK '000	2015 DKK '000
Deferred tax liabilities				
Intangible assets	0	0	-30,786	6,187
Property, plant and equipment	0	0	37,020	1,306
Other non-current assets	0	0	336	0
Current assets	0	1,028	436	318
Long-term receivables	0	-1,028	0	0
Provisions	0	0	19,840	20,989
Deferred tax liabilities at 31 December	**0**	**0**	**26,846**	**28,800**

	Deferred tax liabilities DKK '000
The year's changes in deferred tax assets/liabilities	
Deferred tax assets/liabilities at 1 January 2016	28,800
Movements through the income statement	-1,285
Hereof effect of change in tax rates	-1,394
Exchange rate movements	725
Net deferred tax assets/liabilities at 31 December 2016	**26,846**

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 51m (2015: DKK 56m) considering the assets related to the schemes.

	2016 DKK '000	2015 DKK '000
Present value of benefit-based schemes	78,512	80,902
Market value of the assets comprised by the schemes	-27,210	-25,308
	51,302	**55,594**
Present value of benefit-based schemes at 1 January	80,862	82,932
Exchange rate adjustment	-726	-586
Actuarial gains/losses	-2,409	-949
Costs	2,880	3,199
Interest on commitment	2,105	2,114
Reduction regarding change of scheme	-1,595	-3,136
Payments	-2,606	-2,672
Present value of benefit-based schemes at 31 December	**78,511**	**80,902**
Market value of the assets comprised by the schemes at 1 January	25,308	27,893
Exchange rate adjustment	1,338	-1,562
Actuarial gains/losses	-716	-2,008
Payments	1,894	1,893
Reduction regarding change of scheme	-1,152	-1,558
Interest on assets	538	650
Market value of the assets comprised by the schemes at 31 December	**27,210**	**25,308**
Stated as liability (Pension provisions)	**51,301**	**55,594**
Taken to the income statement		
Costs (incl. actuarial adjustments)	2,880	3,199
Income (incl. actuarial adjustments)	0	0
Interest, net	1,567	1,464
Total amount taken to the income statement	**4,447**	**4,663**

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

	2016 DKK '000	2015 DKK '000
Other provisions at 1 January	41,686	44,214
Exchange rate adjustments and other adjustments	387	-852
Additions for the year	2,543	606
Disposals/applications for the year	-2,494	-2,282
Other provisions at 31 December	**42,122**	**41,686**

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

	2016 DKK '000	2015 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

	2016		2015	
	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	18,526	0	19,332	0
Real estate	660	1,479	689	1,543
	19,186	1,479	20,021	1,543

18 Contingent liabilities

	2016 DKK '000	2015 DKK '000
Guarantees	21,433	18,973
	21,433	18,973
Minimum lease commitments on operating leases:		
Maturity within one year	37,451	35,160
Maturity between one and five years	57,151	77,117
Maturity after more than five years	17,344	13,795
	111,946	126,072
Other commitments	26,629	29,523
	160,008	174,568

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 21.0m at 31 December 2016. 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

	2016 DKK '000	2015 DKK '000
Total fee to auditors appointed at the Annual General Meeting to be specified as follows:		
Statutory audit	1,049	1,063
Other assurance engagements	78	33
Tax and VAT advisory services	0	73
Other services	91	229
	1,218	1,398

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.

	2016	2015
Transactions with Aalborg Portland Holding A/S:		
- Intra-group management and administration agreements and royalties	59,428	60,645
- Final items, net	-2,161	-878
- Financial receivables	0	114,616
- Trade payables	79,261	16,331
Transactions with other related parties:		
- Intercompany management, administration agreements and shared service	24,530	21,408
- Cost of sales	322,095	311,865
- Trade receivables	44	52
- Trade payables	20,885	11,288

Remunerations to the Board of Directors and the Management are presented in note 1.
No losses on loans to or receivables from related parties were recognised, nor provisions made for such in 2016 or 2015.
All transactions were made on terms equivalent to arm's length principles.

21 Financial risks and instruments

The Company has no financial instruments at 31 December 2016.

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 2016 of Unicon A/S is prepared in accordance with the Danish Financial Statements Act for large companies in reporting class C.

The annual report 2016 is presented in thousand Danish kroner.

Changed accounting policies
As from 1 January 2016, the Group has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.
- Going forward, intangible assets will be amortised over the useful life. Previously, the maximum period of amortisation was 20 years.
- The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Apart from the above, 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		2016 DKK '000	2015 DKK '000
	Net sales	1,004,432	996,703
1	Cost of sales	624,610	625,530
	Gross profit	**379,822**	**371,173**
1	Sales and distribution costs	244,140	250,865
1	Administrative expenses and other costs	77,475	74,772
	Profit or loss from ordinary operating activities	**58,207**	**45,536**
2	Other operating income	3,174	4,341
	Earnings before interest and tax (EBIT)	**61,381**	**49,877**
3	Share of profit after tax, enterprises	52,397	50,437
4	Share of profit after tax, joint ventures	-8,705	2,026
5	Financial income	3,089	2,006
5	Financial expenses	6,451	2,336
	Earnings before tax (EBT)	**101,711**	**102,010**
6	Tax on profit for the year	14,050	13,841
	Profit for the year	**87,661**	**88,169**
	Proposed distribution of profit		
7	Transfer to next year	12,661	-211,831
	Net revaluation according to the equity method	0	0
	Proposed dividends for the financial year	75,000	300,000
		87,661	**88,169**

Notes	ASSETS	2016 DKK '000	2015 DKK '000
	Fixed assets		
	Goodwill	58,629	64,045
	Other intangible assets	47,457	55,281
	Intangible assets in development	0	1,341
8	**Intangible assets**	**106,086**	**120,667**
	Land and buildings	104,380	107,350
	Plant and machinery	112,260	110,405
	Fixtures, tools and equipment	108	225
	Tangible assets in course of construction	18,029	14,531
9	**Property, plant and equipment**	**234,777**	**232,511**
3	Investments in subsidiaries	213,420	232,264
4	Investments in joint ventures	21,860	31,624
	Fixed asset investments	**235,280**	**263,888**
	Total fixed assets	**576,143**	**617,066**
	Current assets		
	Raw materials and consumables	21,138	23,268
10	**Inventories**	**21,138**	**23,268**
	Trade receivables	92,578	98,106
	Receivables from group enterprises	35,968	98,064
	Other receivables	111	309
	Prepayments	232	2,844
11	**Receivables**	**128,889**	**199,323**
	Cash funds	**75**	**55**
	Total current assets	**150,102**	**222,646**
	TOTAL ASSETS	**726,245**	**839,712**

Notes	EQUITY AND LIABILITIES	2016 DKK '000	2015 DKK '000
	Shareholders' equity		
	Share capital	150,000	150,000
	Reserve for net revaluation according to the equity method	20,832	0
	Retained earnings	194,834	192,216
	Proposed dividends for the financial year	75,000	300,000
	Total shareholders' equity	**440,666**	**642,216**
	Provisions		
12	Deferred tax liabilities	3,455	5,423
13	Other provisions	6,963	6,899
	Total provisions	**10,418**	**12,322**
	Liabilities		
	Credit institutions, etc.	19,036	23,230
14	**Non-current liabilities**	**19,036**	**23,230**
	Credit institutions, etc.	4,202	4,125
	Trade payables	95,875	89,577
	Payables to group enterprises	101,629	12,594
	Joint taxation contribution payable	16,782	15,218
15	Other payables and deferred income	37,637	40,430
	Current liabilities	**256,125**	**161,944**
	Total liabilities	**275,161**	**185,174**
	TOTAL EQUITY AND LIABILITIES	**726,245**	**839,712**

16 Contingent liabilities
17 Fee to the auditors appointed by the Annual General Meeting
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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 2015	**150,000**	**0**	**418,789**	**100,000**	**668,789**
Exchange rate adjustments			-15,051		-15,051
Other adjustments including actuarial gains/losses from defined benefit schemes			309		309
Profit for the year			88,169		88,169
Movement for the year at the equity	**0**	**0**	**73,427**	**0**	**73,427**
Dividend paid				-100,000	-100,000
Proposed dividends for the financial year			-300,000	300,000	0
Shareholders' equity at 31 December 2015	**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/loss 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**

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

		2016 DKK '000	2015 DKK '000
1	**Staff costs**		
	Wages and salaries	188,736	188,049
	Pension contributions	17,103	16,612
	Social security contributions	4,538	4,160
		210,377	**208,821**
	Average number of full-time employees	374	368

Remuneration to the board of directors amounted to DKK 0.1m in 2016 and 2015. In 2016 and 2015, 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 2016 and 2015.

2	**Other operating income**		
	Rental income	544	420
	Profit from sale of fixed assets	2,630	3,921
		3,174	**4,341**

3	**Investments in subsidiaries**	Investments in subsidiaries	Investments in subsidiaries
	Cost at 1 January	244,517	256,797
	Exchange rate and other adjustments	9,395	-12,280
	Cost at 31 December	**253,912**	**244,517**
	Adjustments at 1 January	-12,253	-5,863
	Exchange rate adjustments	-920	-2,395
	Other adjustments	0	309
	Profit after tax	52,397	50,437
	Dividend received	-79,716	-54,741
	Adjustments at 31 December	**-40,492**	**-12,253**
	Carrying amount at 31 December	**213,420**	**232,264**

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	111,741	100	57,115	44,007	111,741
- AB Sydsten, Sweden	163,782	50	16,263	12,935	81,891
- Kudsk & Dahl A/S, Denmark	19,788	100	1,721	1,347	19,788
Amortisation, goodwill			-5,892	-5,892	
			69,207	**52,397**	**213,420**

		2016 DKK '000	2015 DKK '000
4	**Investments in joint ventures**	Investments in joint ventures	Investments in joint ventures
	Cost at 1 January	39,618	39,618
	Disposals	-38,590	
	Cost at 31 December	**1,028**	**39,618**
	Value adjustments at 1 January	-7,994	-9,124
	Exchange rate adjustments	-1,059	379
	Reversed impairment on disposals	38,590	0
	Profit shares	-8,705	2,026
	Dividend for the year	0	-1,275
	Other adjustments	0	0
	Adjustments at 31 December	**20,832**	**-7,994**
	Carrying amount at 31 December	**21,860**	**31,624**

	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	44,609	49	-10,747	-8,705	21,860
			-10,747	**-8,705**	**21,860**

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

		2016 DKK '000	2015 DKK '000
5	**Financial income and expenses**		
	Financial income:		
	Interest and other financial income	133	169
	Interest income, Group enterprises	129	61
	Realised exchange rate gains	2,827	1,725
	Unrealised exchange rate gains	0	51
		3,089	**2,006**
	Financial expenses:		
	Interest and other financial expenses	476	667
	Interest expenses, Group enterprises	1,206	118
	Realised exchange rate losses	4,131	1,551
	Unrealised exchange rate losses	638	0
		6,451	**2,336**
6	**Tax on profit for the year**		
	Current tax on the profit/loss for the year	16,782	15,219
	Adjustment of deferred tax	-1,968	-1,378
	Adjustment previous years	-764	0
		14,050	**13,841**

		2016 DKK '000	2015 DKK '000
7	**Proposed distribution of profit**		
	Transfer to next year	12,661	-211,831
	Net revaluation according to the equity method	0	0
	Proposed dividends for the financial year	75,000	300,000
		87,661	**88,169**

8	**Intangible assets**	Goodwill	Goodwill
	Cost at 1 January	178,067	181,849
	Exchange rate and other adjustments	3,371	-3,782
	Cost at 31 December	**181,438**	**178,067**
	Amortisation at 1 January	114,022	105,451
	Amortisation for the year	8,787	8,571
	Amortisation at 31 December	**122,809**	**114,022**
	Carrying amount at 31 December	**58,629**	**64,045**

Performed impairment tests at Group level have supported carrying values.

	Other intangible assets	Other intangible assets
Cost at 1 January	99,489	97,643
Additions	0	237
Transfer	1,341	1,609
Cost at 31 December	**100,830**	**99,489**
Depreciation at 1 January	44,208	35,333
Depreciation for the year	9,165	8,875
Depreciation at 31 December	**53,373**	**44,208**
Carrying amount at 31 December	**47,457**	**55,281**

	Intangible assets in development	Intangible assets in development
Cost at 1 January	1,341	2,950
Transfer	-1,341	-1,609
Cost at 31 December	**0**	**1,341**
Carrying amount at 31 December	**0**	**1,341**

	2016 DKK '000	2015 DKK '000
9 Property, plant and equipment	Land and buildings	Land and buildings
Cost at 1 January	348,875	348,154
Additions	2,711	721
Disposals	-242	0
Transfer	900	0
Cost at 31 December	**352,244**	**348,875**
Depreciation and impairment losses at 1 January	241,525	233,803
Reversed depreciation on disposals	-242	0
Depreciation for the year	6,581	7,722
Depreciation and impairment losses at 31 December	**247,864**	**241,525**
Carrying amount at 31 December	**104,380**	**107,350**
	Plant and machinery	Plant and machinery
Cost at 1 January	416,099	415,311
Additions	11,833	10,483
Disposals	-23,834	-21,134
Transfer	13,632	11,439
Cost at 31 December	**417,730**	**416,099**
Depreciation and impairment losses at 1 January	305,694	301,441
Reversed depreciation on disposals	-23,747	-21,095
Depreciation for the year	23,523	25,348
Depreciation and impairment losses at 31 December	**305,470**	**305,694**
Carrying amount at 31 December	**112,260**	**110,405**
Hereof assets held under a finance lease	**22,800**	**26,902**
	Other fixtures, tools and equipment	Other fixtures, tools and equipment
Cost at 1 January	97,223	97,223
Cost at 31 December	**97,223**	**97,223**
Depreciation at 1 January	96,998	96,881
Depreciation for the year	117	117
Depreciation at 31 December	**97,115**	**96,998**
Carrying amount at 31 December	**108**	**225**
	Tangible assets in course of construction	Tangible assets in course of construction
Cost at 1 January	14,531	12,938
Additions	18,029	13,032
Transfer	-14,531	-11,439
Cost at 31 December	**18,029**	**14,531**
Carrying amount at 31 December	**18,029**	**14,531**

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 (2015: DKK 0.0m).

12 Deferred tax liabilities

	2016 DKK '000	2015 DKK '000
Deferred tax liabilities		
Intangible assets	6,253	8,269
Property, plant and equipment	-2,540	-2,571
Current assets	111	94
Provisions	-369	-369
Deferred tax liabilities at 31 December	**3,455**	**5,423**

	Deferred tax liabilities DKK '000
The year's changes in deferred tax liabilities	
Deferred tax liabilities at 1 January 2016	5,423
Movements through the income statement	-1,968
Deferred tax liabilities at 31 December 2016	**3,455**

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

Other provisions at 1 January	6,899	6,702
Additions	430	197
Disposals/application in the year	-366	0
Other provisions at 31 December	**6,963**	**6,899**

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

	2016 DKK '000	2015 DKK '000
Guarantees	**515**	**375**
Minimum lease commitments on operating leases:		
Maturity within one year	16,230	11,447
Maturity between one and five years	33,684	21,632
Maturity after more than five years	14,179	3,176
	64,093	**36,255**
	64,608	**36,630**

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 21.0m at 31 December 2016. 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:

	2016	2015
Statutory audit	437	430
Other services	0	12
	437	**442**

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.

Transactions with related parties are mainly purchase of goods. In addition to this the transactions comprise management and administration agreements as well as financial receivables and liabilities.

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 2016.

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.