



ZÜBLIN A/S

Hæstvej 46D

8380 Trige

CVR no. 26 42 84 24

Annual report 2017

Adopted at the annual general meeting on *29/5* 2018

A handwritten signature in blue ink, consisting of several overlapping loops and strokes, positioned above a horizontal line.

Steen Hager Nielsen
Chairman

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Statement by Management on the annual report

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

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of the Company's operations 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 Company's operations and financial matters and of the Company's financial position.

Management recommends that the annual report should be approved at the annual general meeting.

Trige, 25 May 2018

Executive Board

Per Engso Larsen

Thomas Kofod Bentsen

Board of Directors

Jens-Henrik Stilhoff Nicolaisen
Chairman

Steen Hager Nielsen

Holger Schmid

Annette Johanna Scheckmann

Independent auditor's report

To the shareholder of ZÜBLIN A/S

Opinion

We have audited the financial statements of ZÜBLIN A/S for the financial year 1 January - 31 December 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the result of the Company's operations 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 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 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 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 Statement Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 25 May 2018

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Henrik Pungvig Jensen
state authorised public accountant
MNE-no.: mne24825

Kim R. Mortensen
state authorised public accountant
MNE-no.: mne18513

Company details

Name	ZÜBLIN A/S
Address	Hæstvej 46D, 8380 Trige
Website	www.zueblin.dk
CVR-no.	26 42 84 24
Financial year	1 January - 31 December
Incorporated	1 January 2002
Domicile	Aarhus Kommune
Board of Directors	Jens-Henrik Stilhoff Nicolaisen, Chairman Steen Hager Nielsen Holger Schmid Annette Johanna Scheckmann
Executive Board	Per Engsø Larsen Thomas Kofod Bentsen
Auditors	ERNST & YOUNG Godkendt Revisionspartnerselskab Værkmestergade 25 8000 Aarhus C

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2017	2016	2015	2014	2013
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Output volume	1.018.804	1.588.602	1.271.093	1.253.910	580.559
Revenue	764.203	1.329.497	1.099.943	1.090.704	544.200
Gross profit	218.517	181.613	211.192	142.109	68.546
Operating profit/loss	12.290	-11.345	29.300	-24.267	-11.259
Net financials	-718	98	-362	-484	-732
Profit/loss for the year	8.999	-7.916	22.404	-19.438	-9.284
Balance sheet total	480.617	454.117	733.576	440.673	231.436
Investment in property, plant and equipment	757	3.236	3.133	3.102	2.697
Share capital	1.000	1.000	1.000	1.000	1.000
Equity	84.476	75.477	83.392	60.988	20.899
Financial ratios					
Gross margin	28,6%	13,7%	19,2%	13,0%	12,6%
Operating margin	1,6%	-0,9%	2,7%	-2,2%	-2,1%
Current ratio	85,0%	95,7%	100,4%	104,2%	122,1%
Solvency ratio	17,6%	16,6%	11,4%	13,8%	9,0%
Return on equity	11,3%	-10,0%	31,0%	-47,5%	-36,3%
Average number of employees	315	306	279	232	111

For definitions, see the summary of significant accounting policies.

Management's review

ZÜBLIN A/S is a wholly-owned subsidiary of the Austrian group, STRABAG SE, which is one of Europe's largest construction companies, listed in Austria.

The consolidated financial statements may be obtained on STRABAG SE's website, www.strabag.com.

Together with STRABAG SE the Company has a huge capacity and is a professional contractor on the market and a competent partner on appropriate projects. The Company covers all areas of foundation, construction work, infrastructure and building constructions with focus on complex foundation projects, large stand alone buildings and construction projects in cooperation with its parent company or other partners.

ZÜBLIN A/S' revenue in 2017 was 42,5% lower than compared to 2016. Volume of orders at the end of 2017 amounted to approx DKK 0,5 billion.

ZÜBLIN A/S has currently two large operative divisions:

- Ground & Civil Engineering
- Building Construction

Revenue for 2017 for the two divisions:

Ground & Civil Engineering DKK 341,628 thousand (2016: DKK 532,808 thousand)

Building Construction DKK 422,575 thousand (2016: DKK 796,689 thousand)

Financial review

In 2017, the Company's revenue was DKK 764,203 thousand against DKK 1,329,497 thousand in 2016. The income statement for 2017 shows a profit of DKK 8,999 thousand against a loss of DKK 7,916 thousand in 2016, and the balance sheet at 31 December 2017 shows equity of DKK 84,476 thousand.

Revenue and profit is below expectations for 2017.

Ground & Civil Engineering

The total revenue and result for Ground & Civil Engineering in Denmark was lower than expected. Several projects were handed over in 2016/2017, and the flow of new orders has decreased in 2017.

Ground & Civil Engineering is focusing on the development of its core business, and strengthening the corporation and synergies with the parent company. It is expected that this will materialise in orders with start-up in 2018/2019.

Revenue in 2018 is expected at the same level as in 2017.

Going forward, focus will be on a combination of smaller, medium-sized and larger projects for both public and private clients.

Building Construction

In 2017, Building Construction completed Axel Towers which was handed over to the Client in June 2017. BLOX was also handed over to the Client in December 2017.

The total revenue and result for 2017 for Building Construction in Denmark was as expected.

The tender pipeline is increasing satisfactorily on projects focusing on teamconcept with early participation in the process.

The pursuit of this strategy has after year end materialised in a turnkey contract with Carlsberg Byen regarding construction of the high-rise BA02 South in Carlsberg Byen in Copenhagen.

Besides activities in large, complicated projects, Building Construction will, going forward, also focus on medium-sized projects for both public and private customers.

For further information regarding the Group's segmentation, please visit www.strabag.com.

Management's review

Recognition and measurement uncertainties

In connection with presentation of the annual report for 2017, the recognition and measurement of items in the financial statement is not subject to any uncertainty beyond what is considered usual for the sector.

Knowledge resources

The Company's most important knowledge resources are its employees and the parent company's know-how.

The Company works independently but in close cooperation with the parent company regarding project planning and design, development and adjustment of materials and execution of the Company's projects. The Company also has close contact to affiliated companies in Sweden.

Special risks

Price risks

ZÜBLIN A/S' projects involve a number of commercial and financial risks that may affect its development, operations and financial position. Commercial and financial risks are not deemed to vary significantly from other risks related to the business.

Through its business foundation and policies laid down, Management at all levels actively addresses the risks deemed to be material to the business, including price fluctuations on significant materials.

Foreign currency risks

Due to the Company's activities, profit/loss, cash flows and equity are affected by the exchange rate and interest rate development of a number of currencies. It is company policy to hedge commercial foreign currency risks. The Company does not engage in any speculative currency transactions.

Interest rate risks

As net interest bearing debt is immaterial, moderate changes in the interest rate level will not directly affect earnings. Interest positions to hedge interest rate risks are therefore not entered into.

Statutory CSR report

ZÜBLIN A/S' business strategy actively involves the environment and society and sets up targets for these areas. The Company in Denmark has not prepared its own policies for CSR, including climate and human rights, but work based on overall group guidelines and policies for the area. Reference is made to the group's report and information regarding CSR at www.strabag.com (Strategy / Strategic Approach).

Account of the gender composition of Management

The Company's goal is to have at least 25% of both genders represented as board members appointed by the general meeting. At the end of 2017 the goal has been reached with 3 men and 1 woman on the board of directors.

Züblin A/S is working to achieve and maintain gender balance in the organisation and to increase the percentage of the under-represented gender at other management levels. It is company policy to fill these positions with the best candidates and at the same time to upgrade women's leadership talent.

The percentage of women with management responsibility is 18% by the end of 2017. There are 6 women at this management level. It is the objective for the under-represented gender to reach a 25% share at other management levels no later than 31 December 2021.

The initiatives taken for this include focus on having both genders from ZÜBLIN A/S present at job fairs and presentations of ZÜBLIN A/S in university forum's and focus on the under-represented gender when recruitments are implemented. Within the STRABAG SE Group the "Potential Management" program also gives an opportunity to focus on the under-represented gender when choosing candidates.

Post balance sheet

No events have occurred after the balance sheet date which may materially affect the assessment of the Company's financial position.

Outlook

ZÜBLIN A/S' level of activity in 2018 is expected to be 20-30% lower than in 2017.

The resultat for the year 2018 is expected to be zero.

Income statement 1 January - 31 December

Note	2017 TDKK	2016 TDKK
Revenue	764.203	1.329.497
Construction materials, consumables and services used	-555.302	-1.122.357
Net income from investments in joint ventures	51.007	25.933
Other external expenses	-41.391	-51.460
Gross profit	218.517	181.613
4 Staff costs	-203.709	-190.537
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment.	-2.518	-2.421
Profit/loss before financial income and expenses	12.290	-11.345
Financial income	27	784
Financial costs	-745	-686
Profit/loss before tax	11.572	-11.247
5 Tax on profit/loss for the year	-2.573	3.331
Net profit/loss for the year	8.999	-7.916
6 Distribution of profit/loss		

Balance sheet 31 December

Note	2017 TDKK	2016 TDKK
ASSETS		
Software	490	303
7 Intangible assets	490	303
Plant and machinery	213	340
Other fixtures and fittings, tools and equipment	5.120	6.490
Leasehold improvements	214	329
8 Tangible assets	5.547	7.159
9 Investments in joint ventures	163.116	112.109
Fixed assets investments	163.116	112.109
Non-current assets total	169.153	119.571
Raw materials and consumables	6.060	1.783
Stocks	6.060	1.783
Trade receivables	45.946	22.787
10 Contract work in progress	49.416	60.091
Receivables from group companies	3.050	8.033
Other receivables	6.560	5.142
11 Deferred tax assets	9.337	7.002
Prepayments	1.270	1.164
Receivables	115.579	104.219
Cash	189.825	228.544
Current assets total	311.464	334.546
ASSETS TOTAL	480.617	454.117

Balance sheet 31 December

Note	2017 TDKK	2016 TDKK
EQUITY AND LIABILITIES		
Share capital	1.000	1.000
Reserve for net revaluation according to equity method	83.476	74.477
12 Equity	84.476	75.477
13 Provisions	29.695	28.903
Provisions total	29.695	28.903
Trade payables	94.436	126.727
10 Contract work in progress	68.383	73.839
Payables to group companies	9.692	11.475
Payables to joint ventures	158.474	107.493
Corporation tax	4.966	1.216
Other payables	30.495	28.987
Current liabilities	366.446	349.737
EQUITY AND LIABILITIES TOTAL	480.617	454.117

- 2 Uncertainty in the recognition and measurement
- 3 Special items
- 14 Rental agreements and lease commitments
- 15 Contingent assets, liabilities and other financial obligations
- 16 Related parties and ownership
- 17 Fee to auditors appointed at the general meeting

Statement of changes in equity

	Share Capital	Reserve for net revaluation according to equity method	Retained earnings	Total
Equity beginning of year	1.000	74.477	0	75.477
Transfer to cover loss	-	-42.008	42.008	-
Net profit/loss for the year	-	51.007	-42.008	8.999
Equity end of year	1.000	83.476	-	84.476

Notes

1 Accounting policies

The annual report of ZÜBLIN A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied by the Company are consistent with those of last year.

The annual report for 2017 is presented in DKK thousands.

Omission to present a cash flow statement

ZÜBLIN A/S is recognised in the consolidated financial statements of STRABAG SE. In accordance with section 86 of the Danish Financial Statements Act, ZÜBLIN A/S has decided not to prepare any cash flow statement for the Company, as the Group's total cash flows have been consolidated into the group STRABAG SE.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from construction contracts where the purchaser has significantly influenced the construction of the asset is recognised as revenue as the production activities are carried out, implying that revenue corresponds to the market value of the contract work performed (production method). This method is used where the total income and expenses and the degree of completion of the contract can be made up reliably.

Where the income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Income from the sale of services is recognised in revenue on a straight-line basis as the services are rendered, as the services are provided in the form of an indefinite number of actions over a specified period of time.

Construction materials, consumables and services used

Expenses for construction materials, consumables and services used include both direct and indirect costs incurred to generate revenue for the year as well as expected losses on ongoing construction work.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Notes

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amount relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Intangible assets including software are measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over 3 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Tangible assets

Items of plant and machinery, other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets.

Leasehold improvements	2 - 3 years
Plant and machinery	3 - 5 years
Other fixtures and fittings, tools and equipment	3 - 5 years

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Investments in joint ventures

Investments in joint ventures are recognised and measured using the equity method.

The proportionate share of the profit or loss of the individual joint venture is recognised as operating result in the income statement.

In the balance sheet investments in joint ventures are measured at the proportionate share of the net asset value of joint ventures, calculated on the basis of the Company's accounting policies, less or plus unrealised intra-group gains or losses.

Investments in joint ventures with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the Company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised.

Notes

Net revaluations of investments in joint ventures are taken to the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds the cost.

Stocks

Stocks are measured using the weighted average method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Impairment of fixed assets

Intangible assets, property, plant and equipment are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there are indications of impairment. The assets are written down to the higher of the value in use net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable is impaired, which is measured on an individual basis.

Contract work in progress

Contract work in progress is measured at the market value of the work performed. The market value is measured based on the percentage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The percentage of completion is determined as the share of the costs incurred relative to the expected total costs for the individual work in progress.

Where the market value of work in progress cannot be reliably determined, the market value is measured at the lower of costs incurred and net realisable value.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds payments on account. Net liabilities comprise the sum of work in progress where payments on account exceeds the selling price.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Cash

Cash comprise bank deposits.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, reconstructions, etc. Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation concerned is expected to be settled far into the future.

Warranties comprise obligations to repair any defects within the warranty period of one to five years. Provisions for warranties are measured at net realisable value and recognised based on past experience.

If it is likely that total costs will exceed total income from contract work in progress, a provision is made for the total loss anticipated on the contract.

Notes

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Financial liabilities

Financial liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received concerning income in subsequent financial years.

Segment information

Reference is made to the Management's review, page 6, where segment information is disclosed.

Financial Highlights

Definitions of financial ratios.

Gross margin	$\frac{\text{Gross Profit} \times 100}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets total} \times 100}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit/loss for the year} \times 100}{\text{Average equity}}$
Output volume	Revenue including the proportional revenue of joint ventures.

Notes

2 Uncertainty in the recognition and measurement

The measurement of the net asset value of certain assets and liabilities requires an estimate of the effect of future events on these assets and liabilities on the balance sheet date.

The applied estimates are based on conditions considered reasonable by Management; however, these estimates will inherently be uncertain and unpredictable. The conditions might be incomplete or inaccurate, or unexpected events or circumstances might occur. Furthermore, the Company is subject to risks and uncertainties that could lead to the actual results deviating from these estimates.

Estimates which are important to the presentation of the annual report relate mainly to measurement of the market value of contract work in progress, which among other things are assessed on the basis of anticipated remaining costs and income. Furthermore, it depends on the outcome of disputes concerning claims for additional payment, etc., which is determined among other things by the stage of negotiations with the counterpart as well as by an assessment of the probability of the outcome.

3 Special items

There are no special items for the current year. Special items for 2016 comprise warranty provision DKK 26,175 thousand related to unexpected costs on a project finalized in an earlier year.

	2017	2016
	TDKK	TDKK
4 Staff costs		
Wages and salaries	186.560	174.242
Pensions	13.894	13.338
Other social security costs	1.045	902
Other staff costs	2.210	2.055
	203.709	190.537
Remuneration to members of current and former management in the financial year:		
Executive Board	2.890	5.671
Board of Directors	0	0
	2.890	5.671
Average number of employees	315	306
5 Tax on profit/loss for the year		
Current tax for the year	5.456	1.213
Deferred tax for the year	-2.335	-3.660
Adjustment of tax concerning previous years	-548	-884
	2.573	-3.331
Paid company tax	622	2.115

Notes

	2017	2016
	TDKK	TDKK
6 Distribution of profit		
Reserve for net revaluation according to equity method	51.007	25.933
Retained earnings	-42.008	-33.849
	<u>8.999</u>	<u>-7.916</u>

7 Intangible assets

	Software
Cost at 1 January	649
Additions for the year	475
Cost at 31 December	<u>1.124</u>
Impairment losses and amortisation at 1 January	346
Amortisation for the year	288
Impairment losses and amortisation at 31 December	<u>634</u>
Carrying amount at 31 December	<u><u>490</u></u>

8 Tangible assets

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January	1.181	14.757	648
Additions for the year	0	621	136
Disposals for the year	0	-967	0
Cost at 31 December	<u>1.181</u>	<u>14.411</u>	<u>784</u>
Impairment losses and depreciation at 1 January	841	8.266	319
Depreciation for the year	127	1.852	251
Disposals for the year	0	-827	0
Impairment losses and depreciation at 31 December	<u>968</u>	<u>9.291</u>	<u>570</u>
Carrying amount at 31 December	<u><u>213</u></u>	<u><u>5.120</u></u>	<u><u>214</u></u>

Notes

	2017 TDKK	2016 TDKK
9 Investments in joint ventures		
Cost at 1 January	0	0
Additions for the year	0	0
Cost at 31 December	0	0
Revaluations at 1 January	112.109	86.176
Net profit/loss for the year	51.007	25.933
Revaluations at 31 December	163.116	112.109
Carrying amount at 31 December	163.116	112.109

Investments in joint ventures are specified as follows:

Name	Place of registered office	Ownership/Votes
Nordhavnsvej Konsortiet I/S	Copenhagen	50%
MetNord JV I/S	Copenhagen	60%/50%
Züblin - MTH JV Navitas	Aarhus	50%
MT Højgaard - Züblin JV	Gladsaxe	50%

10 Contract work in progress

Work in progress, selling price	1.265.822	2.610.508
Work in progress, payments received on account	-1.284.789	-2.624.256
	-18.967	-13.748

Recognised in the balance sheet as follows:

Contract work in progress under assets	49.416	60.091
Contract work in progress under liabilities	-68.383	-73.839
	-18.967	-13.748

Notes

	2017	2016
	TDKK	TDKK
11 Deferred tax assets		
Deferred tax at 1 January	7.002	3.342
Provision in the year	2.335	3.660
Deferred tax assets at 31 December	9.337	7.002
Provison for deferred tax on:		
Non-current assets	7.517	6.428
Other provisions	1.820	574
	9.337	7.002

12 Equity

The share capital comprise 1,000 shares of a nominal value of DKK 1,000. No shares carry any special rights. There have been no changes in the share capital during the last 5 years.

13 Provisions

Provisions comprise provision for warranty commitment, totalling DKK 21,422 thousand (2016: DKK 27,430 thousand), provisions for losses on construction contracts in progress totalling DKK 7,999 thousand (2016: DKK 1,473 thousand). Other provisions totalling DKK 274 thousand. Provisions are expected to mature with DKK 13,285 thousand within 1 year and DKK 16,410 thousand within 1-5 years.

14 Rental agreements and lease commitments

Rental and lease commitments

Within 1 year	3.426	3.895
Between 1 and 5 years	3.951	5.607
	7.377	9.502

In addition, the Company also have rental and lease commitments of machinery and equipment related to contract work in progress.

Notes

15 Contingent assets, liabilities and other financial obligations

The Company is jointly taxed with the other Danish enterprises in the STRABAG Group. As administrative company, the Company has joint and several unlimited liability together with the other enterprises for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation unit. The jointly taxed enterprises' total known net liability for corporation taxes and withholding taxes on dividends, interest and royalties amounted to DKK 5,291 thousand at 31 December 2017. Any subsequent corrections to the joint taxation income or withholding taxes, etc. may entail the Company's liability will increase.

The Company is part of various legal and arbitration cases, which is not expected to adversely affect the Company's financial position.

For contract works the Company has provided collateral by bank guarantees totalling DKK 550 million (2016: DKK 581 million). The Company participates in joint ventures with joint and several liability, where collateral is also provided by bank guarantees totalling DKK 416 million (2016: DKK 423 million). Current liabilities in joint ventures amounted to DKK 214 million at 31 December 2017 (2016: DKK 187 million).

16 Related parties and ownership

Züblins A/S' related parties comprise the following:

Controlling interest

Züblin Spezialtiefbau GmbH, Albstadtweg 1, D-70567 Stuttgart, Germany

Transactions

Transactions with related parties comprise transactions with companies within the STRABAG SE group including joint ventures in Denmark.

Work and services performed DKK 103,774 thousand (2016: DKK 150,010 thousand)

Work and services received DKK 49,093 thousand (2016: DKK 134,987 thousand)

Receivables as at 31 December 2017 DKK 3,050 thousand (2016: DKK 8,033 thousand)

Liabilities as at 31 December 2017 DKK 168,166 thousand (2016: 118,968 thousand)

Remuneration/fees to members of the Executive Board and the Board of Directors are reflected in note 4.

Consolidated financial statements

The Company is included in the group annual report of STRABAG SE, Austria.

The group annual report of STRABAG SE, Austria, may be obtained at the following address: www.strabag.com.

17 Fee to auditors appointed at the general meeting

ZÜBLIN A/S is recognised in the consolidated financial statements of STRABAG SE in which information about fee to auditors is provided for the group.