2013
ANNUAL REPORT

aalborgportland
CEMENTIR HOLDING

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CONTENTS

PROFILE

PART OF THE CEMENTIR GROUP

Aalborg Portland, Denmark, is part of the Cementir Group, an international supplier of cement and concrete. Besides Aalborg Portland, which contains the Group's Nordic, Turkish and overseas activities, the Cementir Group comprises Cementir Italia. In order to strengthen the creation of value in the individual companies certain functions are being combined and co-ordinated within the Cementir Group. Cementir Holding S.p.A. has its head office in Rome, is listed on the Italian Stock Exchange in Milan (code CEM) and is also part of the listed Caltagirone Group.

www.cementirholding.it

Nordic & Baltic

Nordic Cement

A leading cement producer in the Nordic region

Produces grey and white cement at its plants in Aalborg. The products are sold in Denmark and neighbouring countries.

Nordic RMC

Leading supplier of ready-mixed concrete in the Nordic region

Unicon is market leader in the Nordic region. Production takes place at 80 plants in Denmark, Norway and Sweden. Quarrying and sale of aggregates (mainly granite and gravel) from 15 sites in Denmark and Sweden.

Overseas

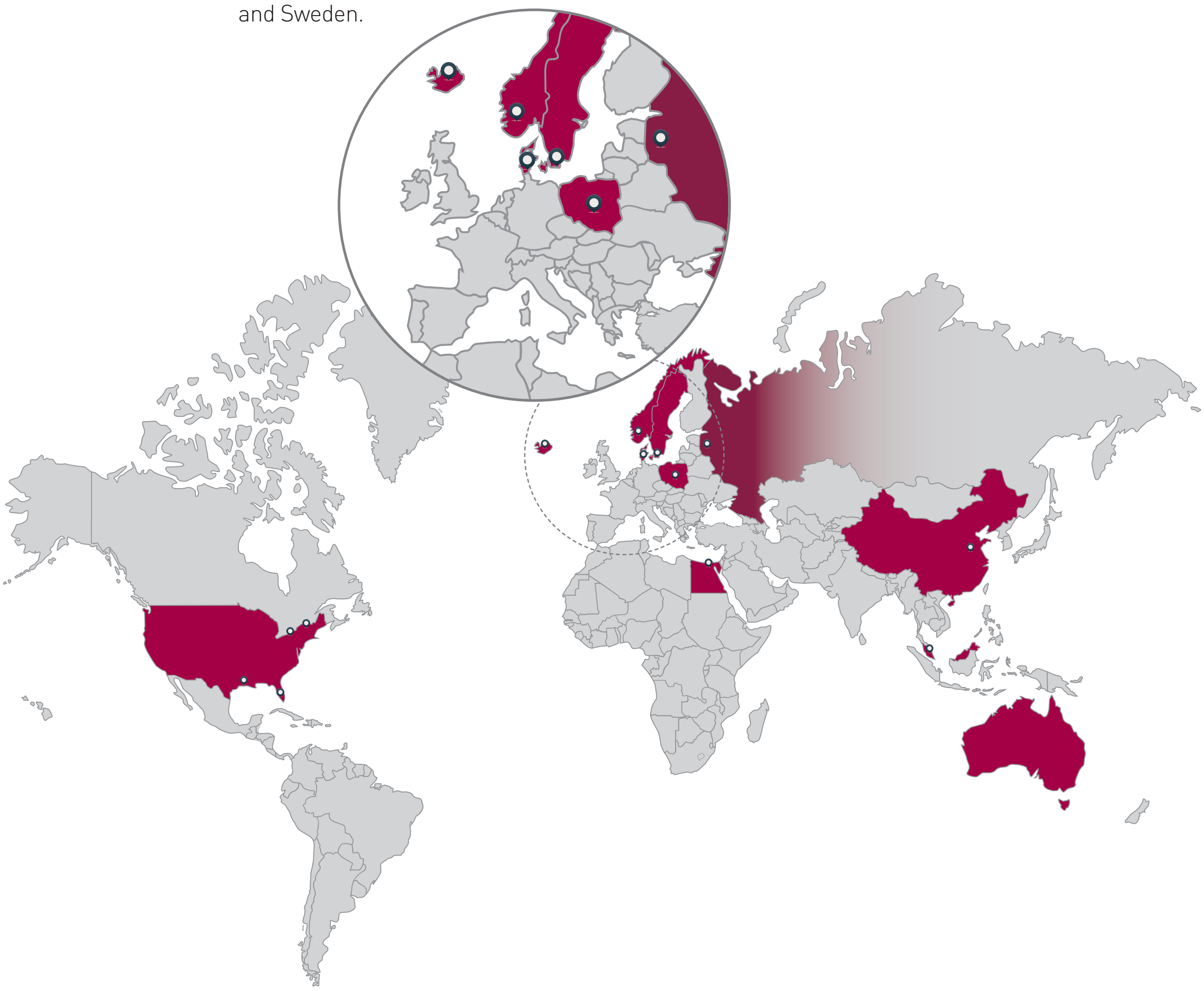
World leading producer of white cement

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

Turkey

Extensive activities in Turkey

Cimentas is among the largest cement groups with production at more sites in the country. In addition, Cimentas has 13 ready-mixed concrete plants. Recydia AS processes and recycles waste in Turkey and England.



FINANCIAL HIGHLIGHTS

	EURm					DKKm	
	2009	2010	2011	2012	2013	2012	2013
CONSOLIDATED INCOME STATEMENT							
Net sales	445.1	477.3	549.9	580.3	670.8	4,320	5,003
Earnings before depreciation/amortisation, impairment losses, provisions, interest and tax (EBITDA)	**71.4**	**72.9**	**91.0**	**111.5**	**147.4**	**830**	**1,099**
EBITDA ratio	*16.0%*	*15.3%*	*16.6%*	*19.2%*	*22.0%*	*19.2%*	*22.0%*
Earnings before interest and tax (EBIT)	**27.3**	**28.2**	**45.7**	**64.7**	**98.9**	**482**	**738**
EBIT ratio	*6.1%*	*5.9%*	*8.3%*	*11.1%*	*14.7%*	*11.1%*	*14.7%*
Earnings before tax (EBT)	**26.8**	**30.8**	**49.1**	**66.4**	**98.2**	**495**	**732**
Profit for the year	**18.2**	**25.7**	**36.3**	**55.0**	**76.2**	**410**	**568**
CASH FLOWS							
Cash flows from operating activities (CFFO)	89.0	66.4	85.9	104.4	139.1	777	1,038
Cash flows from investing activities (CFFI)*	-54.4	-19.1	-17.9	-114.5	-210.8	-854	-1,573
Free cash flow (FCF)	**34.6**	**47.3**	**68.0**	**-10.1**	**-71.7**	**-77**	**-535**
* Hereof investments in property, plant and equipment (excl. acquisition of assets from acquisition of shares in Cimentas)	-49.3	-23.6	-16.6	-31.0	-47.9	-231	-357
BALANCE SHEET							
Total assets	679.7	696.7	690.5	778.3	1,202.8	5,806	8,973
Consolidated shareholders' equity	418.0	459.0	465.7	505.7	666.4	3,773	4,97
Net interest-bearing debt (NIBD)	**86.9**	**44.0**	**5.5**	**24.2**	**141.6**	**181**	**1,056**
Working capital (WC)	**53.8**	**52.2**	**51.2**	**52.7**	**88.5**	**393**	**660**
FINANCIAL RATIOS							
Including minority interests' share							
Return on equity	4%	6%	8%	11%	13%	11%	13%
Equity ratio	61%	66%	67%	65%	55%	65%	55%
Return on capital employed (ROCE)*	3%	4%	6%	10%	12%	10%	12%
NIBD/EBITDA factor	1.2	0.6	0.1	0.2	1.0	0.2	1.0
Number of employees at 31 December	**1,649**	**1,575**	**1,509**	**1,531**	**2,650**	**1,531**	**2,650**
Number of employees in Denmark	850	764	698	690	701	690	701

* In 2013, Cimentas is not included, as Cimentas is only consolidated from 1 October 2013.

The financial ratios have been computed in accordance with the Guidelines issued by the Danish Society of Financial Analysts in 2010.
Cf. definitions in accounting policies note 33, page 60.

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MANAGEMENT'S REVIEW

MANAGEMENT REPORT FOR 2013

IMPROVED EARNINGS BASED ON STRENGTHENED MARKET POSITION

Aalborg Portland realised satisfactory earnings in 2013 despite the continuing challenging conditions for the cement and concrete industry in a number of markets.

Except in Norway, where building and construction remained buoyant, volume sales in the Nordic region remained weak or static. Innovation and development initiatives aimed at maintaining and strengthening competitiveness therefore had high priority, and continued focus was placed on operational excellence and cost efficiency in all processes with a view to ensuring a sound financial position and strength.

The emerging markets require cement to develop new infrastructure, create new industry and build for a growing population. Driven by the substantial investments made in recent years, progress continued to be made in the emerging markets of China, Malaysia and Turkey, and the results of these investments contribute increasingly to the earnings of Aalborg Portland and thus also Cementir Group.

In autumn 2013, as part of a reorganisation of the Cementir Group's equity investments, Aalborg Portland acquired a further 46% interest in Cimentas AS, a Turkish cement company listed on the Istanbul stock exchange. Together with its 25% interest acquired in 2012, Aalborg Portland now owns 71% of Cimentas.

Aalborg Portland realised total net sales of EUR 671m in 2013, against EUR 580m the previous year, corresponding to an increase by EUR 91m, of which EUR 61m is related to the stated inclusion of Cimentas.

Operating profit before depreciation and amortisation (EBITDA) was EUR 147m (2012: EUR 112m), an improvement of 32%. EUR 25m of the increase was due to Cimentas. Excluding Cimentas the increase was 10%.

Aalborg Portland's EBITDA ratio increased to 22.0% from 19.2% the previous year.

Earnings before tax were EUR 98m compared with EUR 66m in 2012. Cimentas represented EUR 17m of this amount. The progress achieved was consistent with expectations.

HEALTHY FINANCIAL POSITION

A healthy economy and strong financial base provide strength in adversity and security for our commercial and financial partners. This also provides flexibility for long-term decision-making, including decisions on major investments, and further R&D initiatives. Finally, a healthy financial position is essential to enable ongoing serious commitment to optimal environmental solutions.

Constant focus on high operating efficiency and low working capital led to a very positive operational cash flow (CFFO) amounting to EUR 139m (2012: EUR 104m). This was able to fund 66% of the year's large investments, which totalled EUR 211m. The investment in Cimentas was a significant item, but Aalborg Portland also increased its capital expenditure both on improvements in operating efficiency and on energy saving and environmental projects.

The substantial investment in Cimentas in 2013 led to an increase in interest-bearing debt, but the debt level remained satisfactory. At 31 December this amounted to EUR 142m, corresponding to 1.0 x EBITDA.

At year-end 2013, shareholders' equity was EUR 666m and the equity ratio amounted to 55%. The return on equity was 13% while the return on capital employed (ROCE) increased to 12% from 10% last year (excl. Cimentas). This is a step in the right direction but does not yet fully meet the target set.

INNOVATION

Innovation is a cornerstone of Aalborg Portland's strategy and business model, and in 2013 again led to notable results, including significant reduction in consumption of energy and natural resources.

Aalborg Portland conducts ongoing research into new cements that can be manufactured with less emission of CO_2. The Group wishes to continue and potentially strengthen these activities, but in a climate where conditions are conducive to the necessary long-term investments.

A number of projects are currently in progress, including:

- Further development of the "Cement of the Future", with reduced CO_2 emission.
- Planned construction of a wind turbine farm at the Aalborg cement plant with a view to predominantly using renewable energy.
- Investments in Denmark to increase the use of alternative fuels to 60% through replacement of fossil fuels.

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

RESPONSIBILITY

Aalborg Portland has a long tradition of social and environmental responsibility in the countries in which it operates. The Group wishes to make a strong contribution to realising society's climate goals and therefore invests significantly in continued environmental improvements.

In 2013 a number of environmental goals were again achieved through innovation and production management. By way of example, CO_2, SO_2, NO_x and other emissions were reduced further, underlining the Group's environmental stance and leadership.

Aalborg Portland also participates in resource-efficient partnerships with society and industry. Among other things, these include recycling wastes from other companies and utilising alternative fuels and raw materials.

Aalborg Portland's Statutory Report on Corporate Social Responsibility, cf. Section 99(a) of the Danish Financial Statements Act, can be found in the "Environmental Report 2013" published as a supplement to the annual report of Cementir Holding, the owner of Aalborg Portland. The report will be issued in April 2014 and subsequently made available at www.cementirholding.it. Aalborg Portland has not prepared a separate policy on human rights.

As required by Danish legislation, the Aalborg Portland cement plant in Aalborg publishes a detailed annual "Environmental Report" which is audited externally. Besides setting out policies and results achieved, the report describes the company's environmental, energy and health & safety management systems and its certifications.

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, Aalborg Portland aims to have a minimum of one AGM-elected female Board member within a four-year period. There are currently no female members on the Board of Directors. 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. This policy provides for a balanced gender composition and a forward-looking focus on increasing the number of female managers.

NORDIC & BALTIC

The Nordic & Baltic region realised growth in net sales and earnings, primarily in its ready-mixed concrete business (Unicon), but with major variances between the markets.

In Norway, building activity is at a high level due to a large number of infrastructure projects. Sweden realised moderate sales growth, while sales in Denmark were only marginally higher than in 2012. This pattern largely mirrors macroeconomic development in the three Nordic countries. Overall, earnings progress was satisfactory.

Focus was concentrated on maintaining a strong market position – based on close relationships with customers – to continuously monitoring customer needs and product development. This is expressed in the vision *"We make it easy to build with ambition"*, and the company's task is therefore to supply cement, concrete and other construction materials of high quality and to add value to customers' performance by providing innovative and sustainable products and services.

The growth in income was largely also a consequence of the emphasis placed by management on operational excellence and on cost optimisation in business processes. By way of example, these processes are continuously being approved through consistent application of Lean, Kaizen and Six Sigma philosophies.
At the same time the Group continues to develop a robust competitiveness through employee training and strengthening the results-oriented corporate culture. One way this is being achieved is by value-based management programmes in which managers develop competencies in innovation, performance and translating strategy into results.
In addition, Aalborg Portland's Shared Service Centre is contributing to ongoing optimisation of similar-type processes and tasks based on a joint IT platform and unified business system.
The ongoing reduction in consumption of energy and natural resources continued in 2013.
Finally, the extensive restructuring of Unicon's concrete business begun in 2012 has brought the company closer to the customer. The change has positively impacted earnings, and while local demand can be serviced speedily and efficiently, Unicon is also reaping the benefits by being a large nationwide company.
The basic allowance for the so-called "NO_x levy" in Denmark, which was sharply increased in 2011, now appears to have been adjusted. Aalborg Portland expects a partial repayment of the levy regarding the period 1 July 2013 to 31 December 2013. While the decision on the basic allowance is positive for Aalborg Portland, the additional costs represented by the increase in NO_x levy still remain. To this must be added a substantial burden arising from the PSO levy. These Danish levies thus continue to pose a considerable disadvantage for Aalborg Portland in competition with European companies that are not subject to these levies.
Aalborg Portland constantly seeks to make a constructive contribution to the knowledge and understanding of politicians and authorities regarding conditions for production companies in Denmark and to argue for a level international playing field.
In recent years the adjustment to a considerably lower level of activity in the construction sector has been demanding, and employees have to a large degree had to adapt to a new reality. However, a staff survey conducted in the past year clearly showed that employees are enthusiastic in their daily work, that there is widespread positive perception of the company, and that employees support the direction in which Aalborg Portland is moving.

OVERSEAS

Cement is a growth sector in a number of emerging markets. Against the background of Aalborg Portland's significant investments in these markets in recent years, the improvement in earnings may be considered satisfactory.
The factory in *China*, Asia's largest production plant for white cement, realised significant growth in both sales and earnings and full utilisation of capacity is expected to be reached in 2014. In 2013, further investments were made in the latest technology for reduction of NO_x emission.
In 2013, the company in *Malaysia* initiated a factory expansion which on expected completion in August 2014 will almost double capacity. The increased capacity will consolidate the company's position as south-east Asia's largest producer and exporter of white cement.
The plant in *Egypt*, the world's largest producer of white cement, realised satisfactory earnings despite the political instability in the country which has negatively impacted cement sales and created devaluation pressure on the Egyptian currency.
Through its white cement facilities in the Nordic and Overseas regions, Aalborg Portland is the global leading supplier of white cement.

TURKEY

As previously stated, as part of a reorganisation of the Cementir Group's equity investments, Aalborg Portland acquired a further 46% interest in Cimentas. Together with its 25% interest acquired in 2012, Aalborg Portland now owns 71% of Cimentas.

One of the largest cement groups in Turkey, Cimentas has four production plants, two strategically sited in western Turkey in Izmir and Edirne, and further two factories in the emerging markets of Kars and Elazig in the eastern part of the country. Combined capacity in 2013 was 5.4m tonnes and sales of grey cement and clinker amounted to 4.8m tonnes.

Cimentas additionally has 13 ready-mixed concrete plants, product sales in 2013 being 1.5m m^3. Moreover the company has waste handling and recycling operations in Turkey and UK.

Cimentas became a subsidiary of Aalborg Portland on 1 October 2013 and is accounted for on a line-by-line basis in the consolidated financial statements. Net sales for Cimentas for 2013 were EUR 267m against EUR 261m in 2012. The moderate sales progress of 2% in EUR terms was created in spite of a significant devaluation of the Turkish lira. EBITDA was EUR 56m against EUR 32m in 2012. A value adjustment of investment property in the 4th quarter of 2013 positively impacted the result by EUR 12.5m. Inclusion of the company's Turkish operations from 1 October 2013 influenced Aalborg Portland's 2013 net sales by EUR 61m, EBITDA by EUR 25m, and earnings before tax by EUR 17m. This includes the mentioned value adjustment in the 4th quarter.

EXPECTATIONS TO 2014

The macroeconomic outlook for 2014 shows signs of improvements in the world economy but with continuing major uncertainty and variances between markets.

In the *Nordic & Baltic* region a slight increase in building and construction activity is expected in Denmark, which remains Aalborg Portland's largest single market. However, competition is growing in both the cement and the ready-mixed concrete markets, and at the same time extraordinary Danish taxes are weakening Aalborg Portland's competitiveness, not only in the Danish market but particularly in a number of important export markets. Aalborg Portland is striving to mitigate this pressure by continuous innovation in the value chain – from product development and manufacture to sales and distribution.

The *Overseas* business area as a whole is expected to show improved net sales and earnings. This particularly applies to the markets and plants in Asia, while developments in Egypt remain subject to considerable uncertainty due to the political situation.

In *Turkey*, elections are due in 2014, and uncertainty about the country's future leadership may impact economic development. Viewed in Aalborg Portland's international perspective there is a continued risk in the form of devaluation pressure on the Turkey's lira.

Despite continued low growth in a number of important markets, 2014 earnings for Aalborg Portland are expected to be on par with or slightly above 2013. To this must be added the full-year impact of the consolidation of Cimentas.

The managers and employees of Aalborg Portland deserve to be vigorously commended for the commitment, positivity and responsibility they have shown in their daily efforts to exploit market opportunities for the company, continuously renew our products and services and create future competitive advantages on all fronts. The tasks and ambitions of our customers are the central point of focus for all our activities and for the company as a whole. Our units must be able to offer competitive prices, but we can and will also compete on other important customer parameters, particularly product excellence, consistent high quality, reliability of supply, and first-class technical support and service.

2014 and future years will undoubtedly continue to present challenges. But with the results achieved, a sound financial base, strong market positions and, in particular dedicated and talented managers and employees, the Aalborg Portland Group can continue to advance with determination and commitment.

FINANCIAL REVIEW

In 2013, as part of a reorganisation of the Cementir Group's equity investments, Aalborg Portland acquired a further 46% interest in the Turkish cement manufacturer Cimentas and now owns 71% of the company. The Cimentas Group is represented in Aalborg Portland's consolidated financial statements with effect from 1 October 2013. The table below shows the effects of the acquisition on a number of financial key figures and ratios for 2013 and the comparison with 2012.

	Aalborg Portland Group (excl. Cimentas)			Cimentas Group	Aalborg Portland Group (2013 incl. Cimentas)		
EURm	**2013**	**2012**	**Change**	**4th quarter 2013**	**2013**	**2012**	**Change**
Net sales	609.4	580.3	5%	61.4	670.8	580.3	16%
EBITDA	122.5	111.5	10%	24.9	147.4	111.5	32%
EBITDA ratio	*20.1%*	*19.2%*		*40.6%*	*22.0%*	*19.2%*	
*EBITDA ratio**	*20.1%*	*19.2%*		*20.2%*	*20.1%*	*19.2%*	
EEBIT	80.3	64.7	24%	18.7	98.9	64.7	53%
EBT	80.9	66.4	22%	17.3	98.2	66.4	48%
EAT	63.6	55.0	16%	12.5	76.2	55.0	39%
CFFO	109.9	104.4	5%	29.2	139.1	104.4	33%
CFFI	-217.8	-114.5	-90%	-18.0	-210.8	-114.5	-84%
Free cash flow (FCF)	-107.8	-10.1		11.2	-71.7	-10.1	
Non-current assets	746.8	584.3	28%	360.7	871.6	584.3	49%
Current assets	215.1	193.9	11%	120.3	331.2	193.9	71%
Total assets	961.9	778.3	24%	481.0	1,202.8	778.3	55%
Working capital	43.9	52.7	17%	44.7	88.5	52.7	68%
NIBD	139.3	24.2		2.4	141.6	24.2	
NIBD/EBITDA factor	1.14	0.22		0.10	0.96	0.22	
Equity	548.0	505.7	8%	348.4	666.4	505.7	32%
Return on equity	12.1%	11.0%		n/a	12.8%	11.0%	
Equity ratio	57.0%	65.0%		72.4%	55.1%	65.0%	
ROCE	12.3%	9.9%		n/a		9.9%	

* Excl. non-recurring income in Cimentas of approx. EUR 12.5m

PROFIT AND LOSS ACCOUNT

Earnings development for the Aalborg Portland Group is reviewed below excluding the effects of the acquisition of Cimentas. Group net sales in 2013 amounted to EUR 609.4m, an increase of 5%.

Volume sales of cement were similar to the year before. The sales were negatively influenced by the difficult market conditions in Egypt while good progress was made in China. Sales in Denmark and the neighbouring export markets were on par with 2012.

Volume sales of ready-mixed concrete were 8% above the level for the year before, increases being recorded in all the Nordic countries, with Norway leading the way. Sales of aggregates (granite and gravel) were 7% below the level for 2012. The growth in net sales was primarily due to increased sales of ready-mixed concrete in the Nordic countries.

Operating profit before depreciation (EBITDA) increased by 0.9 percentage points from 19.2% in 2012 to 20.1% in 2013. This satisfactory development was due to the Groups operational excellence and cost optimisation programmes.

Earnings before interest and tax (EBIT) rose by more than 24% to EUR 80.3m (2012: EUR 64.7m).

Tax on profit for the year amounted to EUR 17.3m (2012: EUR 11.4m), net profit for the year being EUR 63.6m against EUR 55.0m in 2012.

RESULTS FOR CIMENTAS GROUP

EURm	2013	2012	Change
Net sales	267.4	261.2	2%
EBITDA	56.1	31.8	76%
EBITDA ratio	*21.0%*	*12.2%*	
*EBITDA ratio**	*16.3%*	*12.2%*	
EBIT	32.0	11.0	
EBT	20.7	13.2	57%
EAT	14.0	9.0	56%
NIBD	2.4	32.4	

* Excl. non-recurring income in Cimentas of approx. EUR 12.5m

Total net sales for Cimentas in 2013 were EUR 267.4m against EUR 261.2m in 2012. The moderate increase in net sales, amounting to 2% in EUR terms, was created despite devaluation of the Turkish Lira which in average was weakened by 20% in 2013. EBITDA was EUR 56.1m against EUR 31.8m in 2012. Profit for the year includes non-recurring income of EUR 12.5m in the fourth quarter from value adjustment of investment property. The inclusion of the Turkish operations as from 1 October 2013 influenced the Aalborg Portland Group's net sales, EBITDA and earnings before tax for 2013 by EUR 61.4m, EUR 24.9m and EUR 17.3m, respectively.

CASH FLOWS

The Group is continuously focused on optimising both cash flows and working capital. Cash flow from operating activities (CFFO) for the Aalborg Portland Group, excluding Cimentas, was EUR 109.9m for 2013 (2012: EUR 104.4m). This cash flow was positively influenced by the increase in EBITDA and development in working capital. To this must be added the cash flow of Cimentas, amounting to EUR 29.2m. The total cash flow from operations was therefore EUR 139.1m.

The Group's cash flow from investment activities (CFFI), amounting to EUR 210.8m (2012: EUR 114.5m, of which EUR 89.3m is related to the acquisition of a 25% interest in Cimentas), was influenced by the acquisition of equity in Cimentas for EUR 164.3m, but the Group also increased capital expenditure, partly on improvements to operating efficiency and partly on energy saving and environmental projects. Furthermore, Cimentas made investments in waste handling and recycling activities in Turkey and UK.

Around 65% of the year's substantial investments were funded by cash flow from operations, the remainder being primarily funded by a long-term mortgage loan of EUR 150m, which has increased the Group's long-term capital resources.

DEBT AND FINANCIAL RESOURCES

Despite the year's major investments the net interest-bearing debt (NIBD) remained at a low level relative to the company's size and amounted to EUR 141.6m at the end of the year, corresponding to 1.0x EBITDA (2012: EUR 24.2m).

The financial resources currently consist of committed credit facilities of EUR 100m with a weighted life of five years and a long-term mortgage loan of EUR 143m with a life of 14.5 years. To these must be added uncommitted facilities in the parent company of EUR 50m.

BALANCE SHEET

Non-current assets amounted to EUR 871.6m at 31 December 2013, 49% higher than at the same time the year before (EUR 584.3m). The increase was primarily due to the investment in Cimentas referred to previously.
Current assets rose by EUR 137.3m as a result of growth in cash funds (EUR 49.2m) as well as increased receivables and stocks, and amounted to EUR 331.2m at the end of 2013 against EUR 193.9m at 31 December 2012. The increases here are also primarily due to Cimentas.

SHAREHOLDERS' EQUITY

Group shareholders' equity amounted to EUR 666.4m at the end of 2013 against EUR 505.7m the year before. As well as by the profit for the year, shareholders' equity was influenced by negative exchange rate adjustments of EUR 69.4m. The exchange rate adjustment is mainly related to the weakening of the Turkish, Egyptian and Norwegian currencies. Equity ratio was 55% at the end of 2013 (65% at the end of 2012). Return on equity increased in 2013 to 13% from 11% the year before (excluding Cimentas).

RETURN ON CAPITAL EMPLOYED

In 2013 too intense effort was made to increase the company's capital efficiency. ROCE (Return on Capital Employed) measures the Group's ability to generate a satisfactory profit via efficient operation. ROCE was particularly influenced by the following:

- Operational excellence programme
- Cost optimisation programme
- Growth generation through innovation
- Review of non-current assets
- Prioritising of sustainable investment with focus on high return
- Tight control of working capital items.

ROCE increased to 12% from 10% in 2012 excluding Cimentas. This is a significant step in the wished direction but the return does not yet quite match the target set.

WORKING CAPITAL

The Group's working capital, i.e. the capital tied up in debtors and stocks less creditors, was further reduced through focused control and reporting for each business unit in relation to agreed goals. Keeping down working capital saves on interest expenses and frees up resources for investment etc. Furthermore, as stated, low working capital contributes to an improved return on capital employed (ROCE).
Working capital (excl. Cimentas) at end-2013 amounted to EUR 43.9m or just 7.2% of net sales, against EUR 52.7m and 9.1% the year before. To this must be added working capital of EUR 44.7m relating to Cimentas.

RISK MANAGEMENT

Risk management is an integral part of the Group's business activities, and effective risk management helps reduce the uncertainty surrounding future events and thus contribute to achieving the Group's objectives. The Group employs a holistic risk management process that includes political, operational, financial, compliance & image risks.
Macroeconomic, commercial and political conditions are constantly changing and it is therefore imperative for the Aalborg Portland Group to monitor and address risks and opportunities in its market areas with a view to achieving strategic objectives.

CRITICAL RISKS

Risks of particular significance relating to the Group's activities in 2013 are illustrated on page 17 based on the likelihood and significance of risk occurrence together with the risk categories.

TAXES

The Group's production is subject to substantial taxation, particularly in the case of Nordic Cement. The level of tax represents a material area of risk for the Group as it impacts directly on competitiveness and sales potential. It is difficult for Danish-manufactured cement to compete on price in tenders for major capital projects, especially when up against cement producers from neighbouring countries without similarly high tax levels.
The Group is continuously seeking to ensure more sustainable and future-proofed cement manufacture through innovative product and production development. The environmental impact of Danish cement production today is less than that of several neighbouring countries.

POLITICAL RISKS

The Aalborg Portland Group operates globally, including in emerging markets with political risks. For the past couple of years Egypt and in part Turkey have been examples of such countries. This can have material consequences both for the production conditions and the sale of the products. The Group seeks active dialogue with local, national and international politicians, authorities and interest groups to create a good basis for continued operation also in times of great change. The Group also uses its contacts to keep abreast of legislation that may be of importance to the Group.

FINANCIAL RISKS

Regarding financial risks and management of these, reference is made to note 30.

RISKS UNDER CONTROL

With both commercial and political conditions constantly changing it is vitally important for the Group to monitor and handle risks and opportunities in the relevant markets.
The Group's risk management is based on a standardised risk process embracing identification, assessment, management, monitoring and reporting of risks. The assessment is based on the likelihood of the risk occurring and its impact on Group earnings, operations and image. The overall assessment is presented in Heat Maps, which form a part of risk reporting. The process combines a top-down and bottom-up approach and when fully implemented will cover all significant entities in the Group. The process assists the Group management by providing an overview of the key risks and the basis on which to monitor and mitigate each of the risks.
The business units together with the corporate and service functions are responsible for identifying, analysing and managing risks and for reporting on progress and control measures.
Local risk owners are appointed specifically for the most significant risks.
The individual unit managements are responsible for integration of risk assessments in all major decisions.
Group management is responsible for ensuring that the overall risk for the Group as a whole is acceptable and that risk management procedures are implemented. Group management reports on this matter to the parent company and the Board of Directors.

RISK REPORTING

RAW MATERIALS AND ENERGY PRICES

The Group uses large quantities of energy in cement manufacture and is therefore sensitive to long-lasting price increases. In order to reduce this risk the purchase of energy is partly hedged by establishing contracts for terms up to 24 months.

Access to essential raw materials is ensured through ownership of deposits, extraction licences, long-term contracts and diversity in terms of suppliers. Furthermore, the market for the raw materials and other materials considered production-critical is carefully monitored. A small number of raw materials were subject to uncertainty as regards long-term security of supply. The Group is working proactively on finding timely solutions for this.

CO_2 QUOTAS

A situation in which the Group is denied CO_2 quotas would have substantial financial impact and compel the Group to consider the scale and handling of cement production in particular.
Ongoing focus is placed by the Group on compliance with all requirements relating to the granting of CO_2 quotas. At the same time the Group is carefully monitoring the EU and national political issues related to CO_2 quotas with special focus on the development of the quota system and the reassessment of the "Carbon Leakage List" in 2014.

COMPETITION

Loss of major customers and projects may pose a great risk to the achievement of the Group's objectives. The Group's projects in its European markets increased competitive pressures as a result of the continuing very low level of building activity in a number of countries. The Group continuously monitors its markets, and takes customer related actions to address the market changes.

LEGISLATION

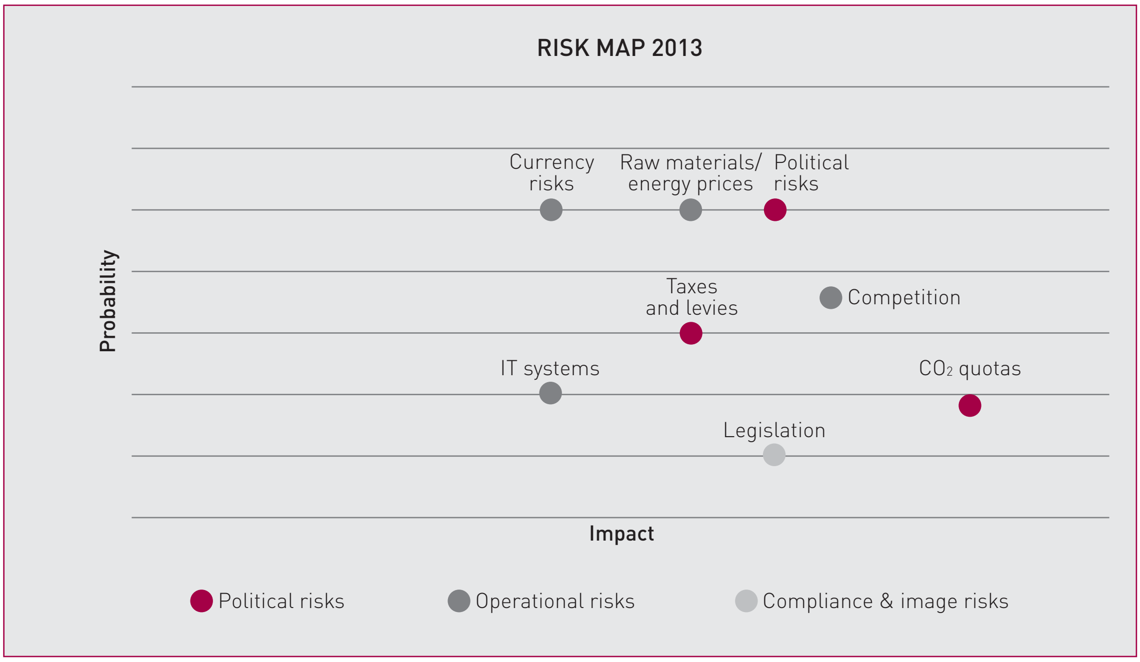
The Aalborg Portland Group is experiencing increasing regulation by authorities and organisations within many areas. Non-compliance with recommendations and regulations is often subject to substantial fines and constitutes a potential risk to overall Group earnings. The Group is committed to conforming with all aspects of competitive legislation, environmental legislation and internal rules regarding fraud. The Group trains selected personnel in compliance with current requirements on an ongoing basis.

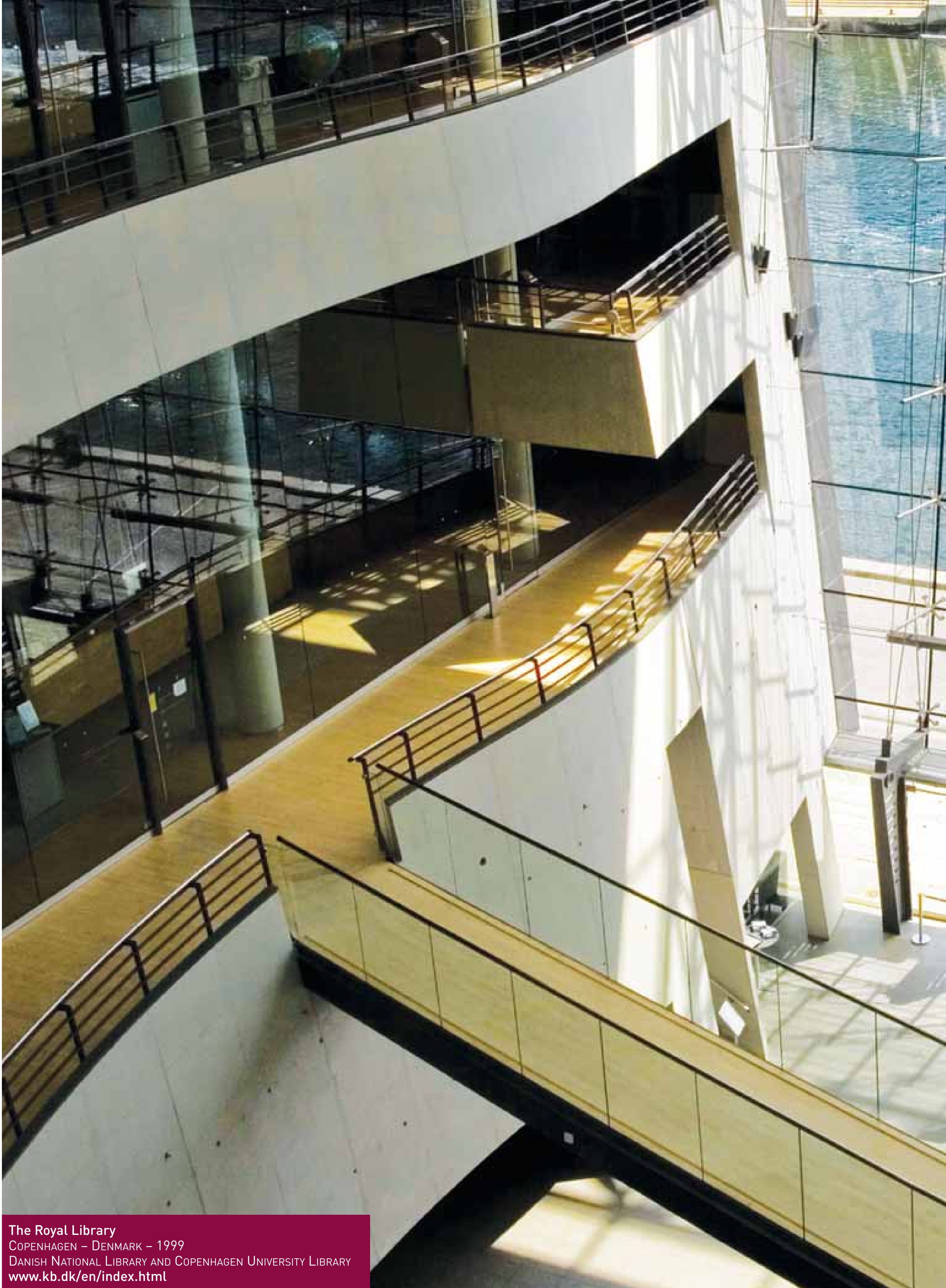
IT SYSTEMS

The Aalborg Portland Group is dependent upon IT in all parts of its operations from process control to administration and is thereby exposed to operational disruption and loss of data and communications. IT security and business continuity are risk areas of high priority.

2014

The high-risk factors in 2014 are considered to be largely unchanged from 2013. The Group carefully monitors developments in the areas affected and initiates risk-limitation measures to reduce the likelihood and potential effect of the high-risk factors.





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2.

FINANCIAL STATEMENTS

INCOME STATEMENT

EUR '000	Notes	Group		Parent Company	
		2013	2012	2013	2012
Net sales	1	670,764	580,330	188,357	184,696
Gross profit	2+3+4+9	398,182	341,864	113,467	110,676
Gross profit		**272,582**	**238,466**	**74,890**	**74,020**
Sales and distribution costs	4	140,453	135,121	30,870	30,864
Administrative expenses	4+5	48,221	39,754	12,504	11,892
Other operating income	6	15,453	1,593	762	671
Other operating costs	6	431	495	0	395
Earnings before interest and tax (EBIT)		**98,930**	**64,689**	**32,278**	**31,540**
Share of profit after tax, associates	18	2,270	3,322	0	0
Financial income	7	7,793	3,284	1,423	17,832
Financial expenses	7	10,756	4,848	4,014	2,178
Earnings before tax (EBT)		**98,237**	**66,447**	**29,687**	**47,194**
Corporation tax	8	22,075	11,424	4,616	7,606
Profit for the year		**76,162**	**55,023**	**25,071**	**39,588**
Attributable to:					
Minority interests		11,426	7,228		
Shareholders in Aalborg Portland A/S		64,736	47,795		
To be distributed as follows:					
Retained earnings				25,071	39,588

STATEMENT OF COMPREHENSIVE INCOME

EUR '000	Notes	Group		Parent Company	
		2013	2012	2013	2012
Profit for the year		**76,162**	**55,023**	**25,071**	**39,588**
Other comprehensive income					
Items that cannot be reclassified to the income statement:					
Actuarial gains/losses on defined benefit pension schemes	22	-1,307	955	0	0
Tax	8	353	-267	0	0
Equity adjustments in associate		0	1,643	0	0
		-954	**2,331**	**0**	**0**
Items that can be reclassified to the income statement:					
Exchange rate adjustments on translation of foreign entities		-69,417	-6,259	0	0
Other comprehensive income after tax		**-70,371**	**-3,928**	**0**	**0**
Total comprehensive income		**5,791**	**51,095**	**25,071**	**39,588**
Attributable to:					
Minority interests		-6,196	5,053		
Shareholders in Aalborg Portland A/S		11,987	46,042		
		5,791	**51,095**		

CASH FLOW STATEMENT

EUR ‘000	Notes	Group		Parent Company	
		2013	2012	2013	2012
Cash flow from operating activities					
Earnings before interest and tax (EBIT)		98,930	64,689	32,278	31,540
Adjustment for non-cash items	10	34,771	45,423	16,937	18,903
Change in working capital etc.	11	24,351	6,457	8,470	-801
Cash flow from operating activities before financial items and tax		**158,052**	**116,569**	**57,685**	**49,642**
Dividends received from associates	17	1,609	2,026	0	0
Financial payments received and made	12	-1,352	-1,564	-3,131	-938
Corporation taxes paid		-19,187	-12,615	-10,242	-9,288
Cash flow from operating activities (CFFO)		**139,122**	**104,416**	**44,312**	**39,416**
Cash flow from investing activities					
Acquisition of intangible assets		-1,551	-1,304	-1,445	-189
Acquisition of property, plant and equipment		-45,229	-25,434	-11,919	-13,339
Disposal of intangible assets and property, plant and equipment		1,208	1,170	0	0
Acquisition of activities, equity investments and other non-current assets	29	-165,375	-88,943	-189,261	-101,816
Disposal of equity investments and other non-current assets		110	0	4	22,610
Dividends received from Group enterprises		0	0	546	3,467
Cash flow from investing activities (CFFI)		**-210,837**	**-114,511**	**-202,075**	**-89,267**
Cash flow from operating and investing activities, total		**-71,715**	**-10,095**	**-157,763**	**-49,851**
Cash flow from financing activities					
Dividends to minority shareholders		-1,479	-3,947	0	0
Acquisition of equity investments from minority interests		0	-12,805	0	0
Disposal of equity investments to minority interests		0	12,805	0	0
Changes in financing	13	-26,430	35,004	157,503	49,424
Raising of mortgage loan		148,806	0	0	0
Cash flow from financing activities		**120,897**	**31,057**	**157,503**	**49,424**
Changes in cash funds		**49,182**	**20,962**	**-260**	**-427**
Cash funds at 1 January		55,051	34,088	268	695
Exchange rate adjustments		1	1	0	0
Cash funds at 31 December		**104,234**	**55,051**	**8**	**268**

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

BALANCE SHEET

EUR '000	Notes	Group		Parent Company	
		2013	2012	2013	2012
ASSETS					
Goodwill		161,319	56,662	2,437	2,437
Other intangible assets		37,926	25,671	5,863	5,021
Intangible assets in course of construction		786	413	373	413
Intangible assets	14	**200,031**	**82,746**	**8,673**	**7,871**
Land and buildings		192,709	133,951	36,740	38,981
Plant and machinery		343,352	243,233	87,589	79,445
Property, plant and equipment in course of construction		37,023	20,229	4,445	15,208
Property, plant and equipment	15	**573,084**	**397,413**	**128,774**	**133,634**
Investment property	16	**69,827**	**0**	**0**	**0**
Investments in associates	17+18	17,240	99,633	0	89,004
Investments in enterprises	17	0	0	426,816	149,497
Other non-current assets	17	9,126	3,037	180	252
Deferred tax assets	17+19	2,277	1,477	0	0
Other non-current assets		**28,643**	**104,147**	**426,996**	**238,753**
Total non-current assets		**871,585**	**584,306**	**564,443**	**380,258**
Inventories	20	**96,867**	**69,769**	**22,437**	**27,338**
Trade receivables	21	112,090	56,019	10,223	11,091
Amounts owed by Group enterprises		2,903	273	24,087	31,552
Amounts owed by associates		2,872	2,601	2,790	2,321
Joint taxation contribution receivable		0	0	2,208	522
Corporation tax receivable		686	1,088	444	0
Other receivables	21	7,340	5,425	4,007	2,639
Prepayments	21	4,251	3,719	381	323
Receivables		**130,142**	**69,125**	**44,140**	**48,448**
Cash funds		**104,234**	**55,051**	**8**	**268**
Total current assets		**331,243**	**193,945**	**66,585**	**76,054**
TOTAL ASSETS		**1,202,828**	**778,251**	**631,028**	**456,312**

BALANCE SHEET

EUR '000	Notes	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital		40,333	40,333	40,333	40,333
Foreign currency translation reserve		-48,008	3,885	0	0
Retained earnings		483,920	401,540	330,685	306,558
Aalborg Portland A/S's share of shareholders' equity		**476,245**	**445,758**	**371,018**	**346,891**
Minority interests' share of shareholders' equity		**190,113**	**59,938**	**0**	**0**
Total shareholders' equity		**666,358**	**505,696**	**371,018**	**346,891**
Liabilities					
Pension and similar liabilities	22	12,227	6,859	0	0
Deferred tax liabilities	19	61,013	50,728	20,323	22,307
Provisions	23	16,738	6,195	3,491	3,424
Credit institutions etc.	24+27	161,689	62,938	157,431	30,159
Other payables	26	2,124	0	0	0
Deferred income	25	8,184	8,988	0	0
Non-current liabilities		**261,975**	**135,708**	**181,245**	**55,890**
Credit institutions	24+27	85,936	17,190	23,497	9,253
Trade payables		120,282	73,078	34,287	31,959
Amounts owed to Group enterprises		4,447	1,546	12,517	3,199
Derivative financial instruments (negative fair value)		1,030	0	948	0
Joint taxation contribution payable		0	0	68	15
Corporation taxes payable		7,663	6,453	0	1,566
Provisions	23	1,982	2,162	39	512
Other payables	26	52,282	35,601	7,409	7,027
Deferred income	25	873	817	0	0
Current liabilities		**274,495**	**136,847**	**78,765**	**53,531**
Total liabilities		**536,470**	**272,555**	**260,010**	**109,421**
TOTAL EQUITY AND LIABILITIES		**1,202,828**	**778,251**	**631,028**	**456,312**

STATEMENT OF SHAREHOLDERS' EQUITY

EUR '000	Share capital	Foreign currency translation reserve	Retained earnings	Aalborg Portland's total share	Minority interests' share	Total equity
Group						
Shareholders' equity at 1 January 2013	40,333	3,885	401,540	445,758	59,938	505,696
Comprehensive income in 2013						
Profit for the year			64,736	64,736	11,426	76,162
Other comprehensive income						
Exchange rate adjustments on translation of foreign entities		-51,893		-51,893	-17,524	-69,417
Actuarial gains/losses on pension schemes			-1,181	-1,181	-126	-1,307
Tax on other comprehensive income			325	325	28	353
Total comprehensive income	**0**	**-51,893**	**63,880**	**11,987**	**-6,196**	**5,791**
Transactions with owners						
Dividend distributed					-1,673	-1,673
Additional minority share in connection with acquisition of Cimentas					138,044	138,044
Acquired goodwill on intra-group acquisition of shares in Cimentas			51,900	51,900	0	51,900
Balance on intra-group acquisition of shares in Cimentas			-33,400	-33,400	0	-33,400
	0	**0**	**18,500**	**18,500**	**136,371**	**154,871**
Shareholders' equity at 31 December 2013	**40,333**	**-48,008**	**483,920**	**476,245**	**190,113**	**666,358**

EUR '000	Share capital	Foreign currency translation reserve	Retained earnings	Aalborg Portland's total share	Minority interests' share	Total equity
Shareholders' equity at 1 January 2012	40,333	7,953	357,683	405,969	59,731	465,700
Comprehensive income in 2012						
Profit for the year			47,795	47,795	7,228	55,023
Other comprehensive income						
Exchange rate adjustments on translation of foreign entities		-4,068		-4,068	-2,191	-6,259
Equity adjustments in associate			1,643	1,643	0	1,643
Actuarial gains/losses on defined benefit pension schemes			934	934	21	955
Tax on other comprehensive income			-262	-262	-5	-267
Total comprehensive income	**0**	**-4,068**	**50,110**	**46,042**	**5,053**	**51,095**
Transactions with owners						
Dividend distributed					-4,846	-4,846
Acquisition of equity investments from minority interests			-2,358	-2,358	-10,447	-12,805
Disposal of equity investments to minority interests			2,358	2,358	10,447	12,805
Balance on intra-group acquisition of associate			-6,253	-6,253		-6,253
	0	**0**	**-6,253**	**-6,253**	**-4,846**	**-11,099**
Shareholders' equity at 31 December 2012	**40,333**	**3,885**	**401,540**	**445,758**	**59,938**	**505,696**

STATEMENT OF SHAREHOLDERS' EQUITY

EUR '000	Share capital	Retained earnings	Total
Parent Company			
Shareholders' equity at 1 January 2013	40,333	306,558	346,891
Effect of translation to presentation currency		-944	-944
Profit for the year (total comprehensive income)		25,071	25,071
Shareholders' equity at 31 December 2013	**40,333**	**330,685**	**371,018**
Shareholders' equity at 1 January 2012	40,333	268,384	308,717
Effect of translation to presentation currency		-1,414	-1,414
Profit for the year (total comprehensive income)		39,588	39,588
Shareholders' equity at 31 December 2012	**40,333**	**306,558**	**346,891**

The share capital consists of:
1 share at DKK 150m
1 share at DKK 60m
2 shares at DKK 30m each
1 share at DKK 15m
5 shares at DKK 3m each

Dividends distributed to shareholders in 2013 were EUR 0.0m (2012: EUR 0.0m).

EUR '000

1. Net sales	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Sale of cement	307,336	265,570	183,647	179,826
Sale of ready-mixed concrete	307,885	275,066	0	0
Other sales*	55,543	39,694	4,710	4,870
	670,764	**580,330**	**188,357**	**184,696**

* Group: Other sales include concrete pipes, gravel, heat, waste processing, etc.
* Parent Company: Other sales mainly include sale of heat, etc.

2. Cost of sales

Group

Cost of sales amounts to EUR 398.2m (2012: EUR 341.9m). Hereof direct staff costs amount to EUR 50.6m (2012: EUR 44.1m) and use of raw materials amounts to EUR 97.0m (2012: EUR 84.6m)

Parent Company

Cost of sales amounts to EUR 113.5m (2012: EUR 110.7m). Hereof direct staff costs amount to EUR 17.0m (2012: EUR 15.3m) and use of raw materials amounts to EUR 12.3m (2012: EUR 13.3m).

3. Research and development costs	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Research and development costs charged to the income statement:				
Research and development costs paid	2,040	1,877	2,040	1,877
Development costs recognised in intangible assets	-46	-70	-46	-70
Amortisation and impairment of recognised development costs	2	2	2	2
	1,996	**1,809**	**1,996**	**1,809**

4. Staff costs	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Wages and salaries and other remuneration	84,890	78,619	25,476	24,647
Pension costs, defined benefit schemes	1,390	847	0	0
Pension costs, defined contribution schemes	5,043	4,972	1,870	1,742
Social security costs	6,492	6,051	401	473
	97,815	**90,489**	**27,747**	**26,862**

The Group and the Parent Company capitalise direct and indirect wages and salaries of own development for intangible assets and property, plant and equipment together with stocks. Capitalised salaries do not significantly deviate from year to year and therefore the above gross salaries are the approximate salaries taken to the income statement.

	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Number of employees at 31 December	2,650	1,531	326	326
Average number of full-time employees	1,794	1,531	329	326
Remuneration of the Board of Directors, the Management and other senior executive				
Salaries and remunerations	4,661	4,049	2,540	2,662
Pension contributions	120	143	77	92
	4,781	**4,192**	**2,617**	**2,754**
Hereof Board of Directors and Management	1,343	1,446	1,343	1,446

Remuneratin of senior executives regarding Cimentas are included in the Group from 1 October 2013.

Pension schemes

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

EUR '000

5. Fees to the auditors appointed by the Annual General Meeting	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Total fees to KPMG are specified as follows:				
Statutory audit	378	266	113	99
Other assurance engagements	92	111	70	104
Tax and VAT advisory services	92	62	20	26
Other services	103	143	94	141
	665	**582**	**297**	**370**
Fess to other auditors	106	247		

6. Other operating income and other operating costs	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Other operating income				
Rent income	949	762	733	671
Profit on sale of property, plant and equipment	621	671	0	0
Value adjustment, investment property	12,477	0	0	0
Other income	1,406	160	29	0
	15,453	**1,593**	**762**	**671**
Other operating costs				
Loss on sale of property, plant and equipment	29	31	0	0
Other costs	402	464	0	395
	431	**495**	**0**	**395**

7. Financial income and expenses	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Financial income				
Interest, cash funds etc.	937	763	27	26
Interest, Group enterprises	137	15	526	532
Dividends received from Group enterprises	0	0	546	4,699
Profit on sale of investments in Group enterprises	84	0	0	11,893
Exchange rate adjustments	6,635	2,506	324	682
	7,793	**3,284**	**1,423**	**17,832**
Interest on financial assets measured at amortised cost	1,074	778	553	558
Financial expenses				
Interest, credit institutions etc.	2,407	1,941	1,731	668
Interest, Group enterprises	0	71	16	71
Exchange rate adjustments	8,349	2,836	2,267	1,439
	10,756	**4,848**	**4,014**	**2,178**
Interest on financial obligations measured at amortised cost	2,407	2,012	1,747	739

EUR '000

8. Corporation tax

	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Corporation tax				
Current tax on the profit for the year/joint taxation contribution	21,624	16,856	8,292	10,013
Deferred tax adjustment	2,633	-4,935	-1,985	-1,741
Other adjustments, including previous years	-2,182	-497	-1,691	-666
	22,075	**11,424**	**4,616**	**7,606**
Taxes paid	**19,502**	**12,605**	**10,245**	**9,288**

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

	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Reconciliation of tax rate				
Tax according to Danish tax rate 25%	24,559	16,751	7,422	11,799
Difference in the tax rates applied by non-Danish enterprises relative to 25%	-493	-933	0	0
Non-taxable income and non-deductible expenses	472	1,081	9	-36
Non-taxable profit shares in associates	-586	-330	0	0
Dividends received from subsidiaries and profits from sales	0	0	-137	-4,148
Recognised tax assets (not previously recognised)	-858	-4,651	0	0
Expired tax loss regarding this and previous years	3,619	0	0	0
Effect of investment properties and acquisition of land	-1,938	0	0	0
Other, including adjustments previous years	-64	141	0	-9
Change of tax rates	-2,636	-635	-2,678	0
	22,075	**11,424**	**4,616**	**7,606**
Applicable tax rate for the year	**22%**	**17%**	**16%**	**19%**
Corporation tax recognised directly as other comprehensive income				
Actuarial gains and losses	-353	267	0	0
	-353	**267**	**0**	**0**
Total corporation tax	**21,722**	**11,691**	**4,616**	**7,606**

9. Environmental taxes

	Parent Company 2013	Parent Company 2012
The Parent Company has paid the following direct environmental taxes:		
Sulphur	267	133
NO_x	3,817	2,146
Electricity	718	1.016
Waste	460	1.470
Energy	971	597
Raw materials	568	586
Diesel and fuel oil	2	2
PSO	3,517	3,191
	10,320	**9,141**

EUR '000

10. Adjustment for non-cash items	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Amortisation and depreciation	47,595	43,823	17,429	18,365
Change in provisions	97	1,876	-484	579
Value adjustment, investment property	-12,477	0	0	0
Gains and losses on sale of property, plant and equipment, and exch. rate adjustments	-444	-276	-8	-41
	34,771	**45,423**	**16,937**	**18,903**

11. Change in working capital etc.	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Inventories	2,340	-3,064	4,915	3,103
Receivables	4,902	3,147	1,767	-481
Trade payables	13,044	-2,154	2,831	-2,007
Change in other receivables, other payables and deferred income	4,065	8,528	-1,043	-1,416
	24,351	**6,457**	**8,470**	**-801**

12. Financial payments received and made	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Financial payments received	7,793	3,284	883	1,240
Financial payments made	-10,756	-4,848	-4,014	-2,178
Adjustment for non-cash items	1,611	0	0	0
	-1,352	**-1,564**	**-3,131**	**-938**

13. Net interest-bearing debt (NIBD)	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Net interest-bearing debt, 1 January	24,238	5,461	15,131	-33,655
Addition of net interest-bearing debt in connection with acquisition of shares in Cimentas	37,700	0	0	0
Changes in interest-bearing cash funds	-49,182	-20,962	260	427
Raising of mortgage loan	148,806	0	0	0
Changes in financing	-26,430	35,004	157,503	49,424
Dividend receivable	0	0	0	-608
Exchange rate adjustments	6,499	4,735	121	-457
Net interest-bearing debt (- deposit) at 31 December	**141,631**	**24,238**	**173,015**	**15,131**

The Aalborg Portland Group operations are mainly financed via multi option facility agreements with the Group's banks. The credit facilities, which are based on flexible credit limits, are adapted currently to the Group's net loan demand. Consequently the Group is not operating with loan raising and payments on instalments on loans, but with net change of financing.

EUR '000

14. Intangible assets

Group

	Goodwill	Other intangible assets	Intangible assets in course of construction	Total
Cost at 1 January 2013	56,662	43,874	413	100,949
Exchange rate adjustments	-9,219	-725	0	-9,944
Additions from acquisition of shares in Cimentas	114,118	16,265	0	130,383
Additions	0	1,250	685	1,935
Disposals	0	-4,074	0	-4,074
Other adjustments/reclassifications	-242	958	-312	404
Cost at 31 December 2013	**161,319**	**57,548**	**786**	**219,653**
Amortisation and depreciation at 1 January 2013	0	18,203	0	18,203
Exchange rate adjustments	0	-252	0	-252
Additions from acquisition of shares in Cimentas	0	3,142	0	3,142
Reversed depreciation on disposals	0	-4,072	0	-4,072
Amortisation for the year	0	2,601	0	2,601
Amortisation and depreciation at 31 December 2013	**0**	**19,622**	**0**	**19,622**
Carrying amount at 31 December 2013	**161,319**	**37,926**	**786**	**200,031**

Cost at 1 January 2012	55,110	44,589	951	100,650
Exchange rate adjustments	1,552	-334	0	1,218
Additions	0	1,425	0	1,425
Disposals	0	-2,214	-130	-2,344
Other adjustments/reclassifications	0	408	-408	0
Cost at 31 December 2012	**56,662**	**43,874**	**413**	**100,949**
Amortisation and depreciation at 1 January 2012	0	16,725	0	16,725
Exchange rate adjustments	0	-34	0	-34
Reversed depreciation on disposals	0	-1,496	0	-1,496
Amortisation for the year	0	3,008	0	3,008
Amortisation and depreciation at 31 December 2012	**0**	**18,203**	**0**	**18,203**
Carrying amount at 31 December 2012	**56,662**	**25,671**	**413**	**82,746**

Amortisation during the year is included in the following items:	2013	2012
Cost of sales	506	436
Sales and distribution costs	620	1,228
Administrative expenses	1,475	1,344
	2,601	**3,008**

14. Intangible assets (continued)

Other intangible assets

Other intangible assets include software licenses (SAP R/3), quarry rights, CO_2 quotas, research and development projects and licences for removal of waste, trademarks and customer contract. Except goodwill, all intangible assets have definite useful life.

The carrying amount of development projects is EUR 0.0m (2012: EUR 0.0m).

Internally generated intangible assets, mainly regarding SAP implementation, amount to EUR 3.0m (2012: EUR 3.2m).

The carrying amount includes EUR 8.4m regarding Hereko customer contract. Due to some delays in operations, management estimated the recoverable amount of the cash generating unit (Hereko) as of 31 December 2013 based on its value in use, assuming that the Company would start its operations in the first quarter of 2014. The values assigned to the key assumptions represented management's assessment of future trends in waste management industry and were based on historical data from both external and internal sources.

The cash flow projections included specific estimates for five years and a growth rate until 2035, the end of the Kömürcüoda contract term. A long-term growth rate until 2035 has been determined as the lower of the nominal GDP rates for Turkey in which the cash generating unit operates. Budgeted EBITDA was based on the prices estimated using the last 5 years average recyclable prices and current market trend and the SRF prices related to the contracts signed with the customers.

Based on the impairment test performed at 31 December 2013 no reasons were found at 31 December 2013 for impairments of the Hereko customer contract.

Goodwill

Besides goodwill there are no intangible assets with indefinite useful lives. At 31 December 2013 Nordic Cement, Nordic RMC, Turkey and Overseas account for EUR 2.3m, EUR 41.5m, EUR 110.2m and EUR 7.3m of the consolidated goodwill.

In connection with acquisition of 46% of the Turkish affiliated company Cimentas additions amount to EUR 114.1m.

Aalborg Portland Group performed impairment test on the carrying amount of goodwill at 31 December 2013. Impairment tests are performed in the 4th quarter each year, based on the budgets and business plans approved by the Board of Directors. The impairment test for cash-generating units compares the recoverable amount, equivalent to the present value of expected future free cash flow, with the carrying amount of the individual cash-generating units.

Expected future free cash flow is based on budgets and business plans for the period 2014-2016 and projections for subsequent years. Key parameters include production capacity, trend in revenue, EBIT margin, future capital expenditure, and growth expectations for the years after 2016.

Budgets and business plans for the period 2014-2016 are based on concrete future business measures, assessing risks in the key parameters and incorporating these in expected future free cash flows. Projections after 2016 are based on general expectations. The value for the period after 2016 takes into account the general growth expectations for the cement and ready-mix industry.

Growth rates are not expected to exceed the average long-term real growth rate for the Group's individual geographical segments, an average of 1% for Scandinavian activities and 2-5% for other activities.

The discount rates applied in calculating the recoverable amounts are after tax, and reflect the risk-free interest plus specific risks in the individual geographic segments. The discount rates for individual segments are 4-5% for Nordic Cement and Nordic RMC (Denmark, Sweden and Norway), and 5-7% for USA, China and Malaysia. The discount rate of Egypt and Turkey is 11-12% due to the high risk-free interest caused by the political situation in the countries. The impairment tests are in addition to this based on the prospects for the future mentioned in the mangement's review, page 8.

Based on the impairment tests performed at 31 December 2013, goodwill and connected assets. The impairment tests are still indicating significantly increased values and impairment will not be required due to considerably higher discount rates. The value added of Sinai White Cement Compay is, however, reduced due to the higher discount rate.

EUR ´000

14. Intangible assets (continued)

Parent Company

	Goodwill	Other intangible assets	Intangible assets in course of construction	Total
Cost at 1 January 2013	2,437	17,118	413	19,968
Exchange rate adjustments	0	0	0	0
Additions	0	1,175	271	1,446
Disposals	0	-3,944	0	-3,944
Reclassifications	0	311	-311	0
Cost at 31 December 2013	**2,437**	**14,660**	**373**	**17,470**
Amortisation at 1 January 2013	0	12,097	0	12,097
Exchange rate adjustments	0	0	0	0
Reversed depreciation on disposals	0	-3,944	0	-3,944
Amortisation for the year	0	644	0	644
Amortisation at 31 December 2013	**0**	**8,797**	**0**	**8,797**
Carrying amount at 31 December 2013	**2,437**	**5,863**	**373**	**8,673**

Cost at 1 January 2012	2,446	16,790	613	19,849
Exchange rate adjustments	-9	-59	-2	-70
Additions	0	319	1,035	1,354
Disposals	0	0	-1,165	-1,165
Reclassifications	0	68	-68	0
Cost at 31 December 2012	**2,437**	**17,118**	**413**	**19,968**
Amortisation at 1 January 2012	0	10,827	0	10,827
Exchange rate adjustments	0	-39	0	-39
Reversed depreciation on disposals	0	0	0	0
Amortisation for the year	0	1,309	0	1,309
Amortisation at 31 December 2012	**0**	**12,097**	**0**	**12,097**
Carrying amount at 31 December 2012	**2,437**	**5,021**	**413**	**7,871**

Other intangible assets include software licenses (SAP R/3), quarry rights, CO_2 quotas and development projects. Except goodwill, all intangible assets have definite useful lives. The management has not identified factors indicating a need for carrying through impairment test of other intangible assets.

The carrying amount of development projects is EUR 0.0m (2012: EUR 0.0m).

Internally generated intangible assets, mainly regarding SAP implementation, amount to EUR 2.1m (2012: EUR 2.2m).

Regarding impairment tests reference is made to page 33.

EUR ´000

15. Property, plant and equipment Group	Land and buildings	Plant and machinery	Property, plant, and equipment in course construction	Total
Cost at 1 January 2013	269,420	717,241	20,229	1,006,890
Exchange rate adjustments	-8,239	-25,033	-396	-33,668
Additions from acquisition of shares in Cimentas	115,418	309,809	22,823	448,050
Additions	3,243	19,865	24,751	47,859
Disposals	-4,171	-21,886	-72	-26,129
Reclassifications	3,022	26,654	-30,312	-636
Cost at 31 December 2013	**378,693**	**1,026,650**	**37,023**	**1,442,366**
Depreciation and impairment at 1 January 2013	135,469	474,008	0	609,477
Exchange rate adjustments	-2,446	-12,945	0	-15,391
Additions from acquisition of shares in Cimentas	46,735	210,346	0	257,081
Reversed depreciation on disposals	-4,129	-21,306	0	-25,435
Depreciation and impairment for the year	10,355	33,150	0	43,505
Other adjustments/reclassifications	0	45	0	45
Depreciation and impairment at 31 December 2013	**185,984**	**683,298**	**0**	**869,282**
Carrying amount at 31 December 2013	**192,709**	**343,352**	**37,023**	**573,084**
Hereof assets held under a finance lease	**0**	**4,765**	**0**	**4,765**

Cost at 1 January 2012	269,090	704,949	11,008	985,047
Exchange rate adjustments	-2,503	-2,080	-27	-4,610
Additions	1,539	15,960	13,476	30,975
Disposals	-155	-4,296	-71	-4,522
Reclassifications	1,449	2,708	-4,157	0
Cost at 31 December 2012	**269,420**	**717,241**	**20,229**	**1,006,890**
Depreciation and impairment at 1 January 2012	126,966	445,214	0	572,180
Exchange rate adjustments	-550	1,346	0	796
Reversed depreciation on disposals	-18	-3,906	0	-3,924
Depreciation and impairment for the year	8,722	31,703	0	40,425
Other adjustments/reclassifications	349	-349	0	0
Depreciation and impairment at 31 December 2012	**135,469**	**474,008**	**0**	**609,477**
Carrying amount at 31 December 2012	**133,951**	**243,233**	**20,229**	**397,413**
Hereof assets held under a finance lease	**0**	**5,220**	**0**	**5,220**

EUR '000

15. Property, plant and equipment (continued)

Depreciation and impairment during the year is included in the following items:	Group 2013	Group 2012
Cost of sales	37,008	34,705
Sales and distribution costs	4,892	4,994
Administrative expenses	1,605	726
	43,505	**40,425**

Aalborg Portland Group has signed contracts regarding purchase of property, plant and equipment at a value of EUR 11.0m (2012: EUR 3.3m).

Borrowing costs capitalised during the period EUR 0.0m (2012: EUR 0.0m).

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

Parent Company	Land and buildings	Plant and machinery	Property, plant and equipment in course of construction	Total
Cost at 1 January 2013	111,224	357,423	15,208	483,855
Exchange rate adjustments	1	5	0	6
Additions	206	8,756	3,022	11,984
Disposals	-3,125	-13,284	-66	-16,475
Reclassifications	875	12,844	-13,719	0
Cost at 31 December 2013	**109,181**	**365,744**	**4,445**	**479,370**
Depreciation and impairment at 1 January 2013	72,243	277,978	0	350,221
Exchange rate adjustments	1	4	0	5
Reversed depreciation on disposals	-3,125	-13,284	0	-16,409
Depreciation and impairment for the year	3,322	13,457	0	16,779
Depreciation and impairment at 31 December 2013	**72,441**	**278,155**	**0**	**350,596**
Carrying amount at 31 December 2013	**36,740**	**87,589**	**4,445**	**128,774**

Cost at 1 January 2012	111,470	353,213	7,489	472,172
Exchange rate adjustments	-391	-1,240	-25	-1,656
Additions	106	4,303	9,001	13,410
Disposals	0	0	-71	-71
Reclassifications	39	1,147	-1,186	0
Cost at 31 December 2012	**111,224**	**357,423**	**15,208**	**483,855**
Depreciation and impairment at 1 January 2012	69,497	264,882	0	334,379
Exchange rate adjustments	-243	-929	0	-1,172
Reversed depreciation on disposals	0	0	0	0
Depreciation and impairment for the year	2,989	14,025	0	17,014
Depreciation and impairment at 31 December 2012	**72,243**	**277,978**	**0**	**350,221**
Carrying amount at 31 December 2012	**38,981**	**79,445**	**15,208**	**133,634**

EUR ‘000

15. Property, plant and equipment (continued)

Depreciation and impairment during the year is included in the following items:	Parent Company 2013	2012
Cost of sales	16,132	16,500
Sales and distribution costs	560	426
Administrative expenses	87	88
	16,779	**17,014**

The Parent Company has signed no essential contracts regarding purchase of property, plant and equipment. No changes are made in significant accounting estimates regarding property, plant and equipment.

16. Investment property

	Group 2013	2012
Fair value at 1 January	0	0
Additions from acquisition of shares in Cimentas	59,150	0
Unreaslied fair value adjustment (other operating income)	10,677	0
Fair value at 31 December	**69,827**	**0**

Investment property comprises a number of commercial properties that are not in the Group's use and owned for capital appreciation.

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

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

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

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

EUR ´000

17. Other non-current assets

Group

	Investments in associates	Other non-current assets	Deferred tax assets	Total
Cost at 1 January 2013	106,149	3,037	1,477	110,663
Exchange rate adjustments	-793	-313	0	-1,106
Additions from acquisition of actitivy	0	5,680	10,273	15,953
Additions	410	3	0	413
Disposals	0	-75	-4,039	-4,114
Disposals at transfer to subsidiaries	-89,004	0	0	-89,004
Other adjustments	0	794	0	794
Change offset in provision for deferred tax	0	0	-5,434	-5,434
Cost at 31 December 2013	**16,762**	**9,126**	**2,277**	**28,165**
Adjustments at 1 January 2013	-6,516	0	0	-6,516
Exchange rate adjustments	75	0	0	75
Disposals by transfer to subsidiaries	6,588	0	0	6,588
Profit shares	2,165	0	0	2,165
Dividends for the year	-1,609	0	0	-1,609
Equity adjustments	-225	0	0	-225
Adjustments at 31 December 2013	**478**	**0**	**0**	**478**
Carrying amount at 31 December 2013	**17,240**	**9,126**	**2,277**	**28,643**

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

Cost at 1 January 2012	17,209	3,112	339	20,660
Exchange rate adjustments	-64	-172	0	-236
Additions	89,004	184	3,410	92,598
Disposals	0	-8	0	-8
Other adjustments	0	-79	0	-79
Change offset in provision for deferred tax	0	0	-2,272	-2,272
Cost at 31 December 2012	**106,149**	**3,037**	**1,477**	**110,663**
Adjustments at 1 January 2012	-1,253	0	0	-1,253
Exchange rate adjustments	-1,897	0	0	-1,897
Disposals	0	0	0	0
Profit shares	3,270	0	0	3,270
Dividends for the year	-2,026	0	0	-2,026
Balance on intra-group acquisition	-6,253	0	0	-6,253
Equity adjustments	1,643	0	0	1,643
Adjustments at 31 December 2012	**-6,516**	**0**	**0**	**-6,516**
Carrying amount at 31 December 2012	**99,633**	**3,037**	**1,477**	**104,147**

Other non-current assets mainly relate to deposits and loans.

EUR ´000

17. Other non-current assets (continued)	Investments in associates	Investments in Group enterprises	Other non-current assets	Total
Parent Company				
Cost at 1 January 2013	89,004	150,318	252	239,574
Exchange rate adjustments	0	-937	0	-937
Additions	0	189,262	3	189,265
Disposals	0	-10	-75	-85
Transfer at acquisition of additional shares	-89,004	89,004	0	0
Cost at 31 December 2013	**0**	**427,637**	**180**	**427,817**
Write-down 1 January 2013	0	821	0	821
Write-down 31 December 2013	**0**	**821**	**0**	**821**
Carrying amount at 31 December 2013	**0**	**426,816**	**180**	**426,996**
Cost at 1 January 2012	0	149,019	287	149,306
Exchange rate adjustments	0	-762	-42	-804
Additions	89,004	12,805	7	101,816
Disposals	0	-10,744	0	-10,744
Cost at 31 December 2012	**89,004**	**150,318**	**252**	**239,574**
Write-down 1 January 2012	0	821	0	821
Write-down 31 December 2012	**0**	**821**	**0**	**821**
Carrying amount at 31 December 2012	**89,004**	**149,497**	**252**	**238,753**

Other non-current assets mainly relate to deposits and loans.

	Group	
18. Investments in associates	**2013**	**2012**
Summary of financial information from associates:		
Net sales	109,534	376,989
Profit for the year	25,147	19,025
Total assets	71,314	638,506
Total liabilities	19,825	196,206
Share of profit for the year after tax	2,270	3,322

The Group is part of a joint venture together with other investors. The joint venture has no major contingent liabilities and the Group's maximum liabilities to the joint venture do not exceed the equity value of the joint venture.

For a list of associates, reference is made to page 79.

EUR '000

19. Deferred tax assets and deferred tax liabilities

Group

Change in deferred tax in the year	2013	2012
Deferred tax at 1 January	49,251	54,373
Exchange rate adjustments	-2,069	309
Additions from acquisition of actitivy	10,949	0
Changes of tax rate, via income statement	-2,846	-622
Adjustments, previous years via income statement	-2,182	-497
Movements via income statement	5,201	-4,061
The year's movements in comprehensive income	432	-251
Deferred tax liabilities at 31 December, net	**58,736**	**49,251**
Deferred tax is presented in the balance sheet as follows:		
Deferred tax liabilities	61,013	50,728
Deferred tax assets	2,277	1,477
Deferred tax liabilities at 31 December, net	**58,736**	**49,251**

	Deferred tax assets		Deferred tax liabilities	
	2013	2012	2013	2012
Intangible assets	28	21	17,464	9,004
Property, plant and equipment	3,485	4,675	43,850	39,247
Investment property	0	0	3,085	0
Other non-current assets	0	0	844	514
Current assets	742	52	1,641	2,316
Provisions	2,610	82	3,305	3,389
Non-current and current liabilities	391	211	0	0
Tax loss carry-forwards	4,197	178	0	0
Deferred tax before set-off	**11,453**	**5,219**	**70,189**	**54,470**
Set-off within legal tax entities and jurisdictions	-9,176	-3,742	-9,176	-3,742
Deferred tax at 31 December	**2,277**	**1,477**	**61,013**	**50,728**

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

Parent Company

Deferred tax

Change in deferred tax for the year	2013	2012
Deferred tax liability at 1 January	22,307	24,129
Change of tax rate, via income statement	-2,678	0
Adjustments, previous years, via income statement	0	-81
Movements via income statement	694	-1,741
Deferred tax liabilities at 31 December	**20,323**	**22,307**
Deferred tax		
Intangible assets	1,339	1,496
Property, plant and equipment	17,096	18,263
Current assets	2,053	2,649
Non-current and current liabilities	-165	-101
Deferred tax at 31 December	**22,323**	**22,307**

EUR ´000

20. Inventories	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Raw materials and consumables	50,661	34,625	12,897	15,024
Work in progress	25,720	15,186	4,605	5,145
Finished goods	18,623	19,322	4,935	7,169
Prepayments of goods	1,863	636	0	0
Inventories at 31 December	**96,867**	**69,769**	**22,437**	**27,338**

As was the case last year, there are no significant inventories of cement and aggregates carried at net realisable value. Write-down of inventories of spare parts amounts to EUR 4.0m (2012: EUR 4.0m). Write-down recognised in the income statement is EUR 0.0m (2012: EUR 0.0m).

21. Trade receivables	Group 2013	Group 2012	Parent Company 2013	Parent Company 2012
Development in impairment losses on trade receivables:				
Impairment losses at 1 January	2,589	1,608	20	20
Exchange rate adjustments	-184	16	0	0
Additions from acquisition of shares in Cimentas	2,097	0	0	0
Impairment losses in the year	485	1,215	16	0
Realised in the year	-376	-247	-13	0
Reversed	-149	-3	-20	0
Impairment losses at 31 December	**4,462**	**2,589**	**3**	**20**

Group

All trade receivables are due within one year.
The carrying amount essentially corresponds to fair value.
Collateral has been received regarding trade receivables, in total EUR 75.1m.
Other receivables include energy taxes and VAT, etc.
Prepayments comprise prepaid rent and insurance etc.

Parent Company

All receivables are due within one year.
The carrying amount essentially corresponds to fair value.
No collateral has been received regarding trade receivables.
Other receivables include i.a. energy taxes.
Prepayments comprise prepaid rent and insurance etc.

22. Provisions for pensions and similar commitments

The pension liabilities incumbent on the Danish Group enterprises are funded through insurance plans. The pension liabilities of certain foreign Group enterprises are also funded through insurance plans. Foreign enterprises, primarily in Turkey, Sweden, Norway and Malaysia, whose pension liabilities are not - or only partially - funded through insurance plans state the unfunded liabilities on an actuarial basis at the present value at the balance sheet date. These pension liabilities are partly covered by assets in pension funds. The Group's defined benefit plans were EUR 12.2m underfunded at 31 December 2013 (2012: EUR 6.9m) for which a provision has been made as pension liabilities. The actuarial result for the year at EUR -1.3m (2012: gain EUR 1.0m) is recognised in the statement of other comprehensive income. The main part of the pension liabilities is attributable to Sweden and Norway, and therefore, the risk is assessed to be low.

EUR '000	2013	2012
Present value of defined benefit schemes	16,020	10,822
Market value of the assets comprised by the schemes	-3,793	-3,963
Net liability recognised in the balance sheet	**12,227**	**6,859**
Present value of defined benefit schemes at 1 January	10,822	11,094
Additions from acquisition of shares in Cimentas	5,361	0
Exchange rate adjustment	-1,285	524
Actuarial gains/losses recognised in other comprehensive income	1,134	-1,294
Costs	814	566
Net interest	488	392
Other adjustments	28	30
Payments	-1,342	-490
Present value of defined benefit schemes at 31 December	**16,020**	**10,822**
Market value of the assets comprised by the schemes at 1 January	3,963	3,478
Exchange rate adjustment	-512	197
Payments	381	468
Net interest	134	159
Other adjustments	0	0
Actuarial gains/losses recognised in other comprehensive income	-173	-339
Market value of the assets comprised by the schemes at 31 December	**3,793**	**3,963**
Stated as liabilities (provision for pension)	**12,227**	**6,859**
Amounts taken to the income statement		
Pension costs are included in:		
Cost of sales	3,402	2,817
Sales and distribution costs	1,648	1,801
Administrative expenses	1,383	1,201
	6,433	**5,819**

The actuarial change of the year is mainly due to changes in the discounting rate. The assets of the pension scheme are attributable to Norway and are mainly placed in listed securities. All assets comprised by the schemes are managed and controlled by pension providers in collective pool schemes. In 2013, the Group expects payment of EUR 1.5m to the defined benefit schemes. The most significant actuarial assumptions at the balance sheet date are as follows:

Average discounting rate applied	3-5%	3%
Expected return on tied-up assets	4%	4-5%

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

EUR ´000

22. Provisions for pensions and similar commitments (continued)

Amounts relating to the current year and the 4 previous years for the Groups pension commitments are as follows:

Five-year overview	2013	2012	2011	2010	2009
Actuarially determined pension commitments	-16,020	-10,822	-11,094	-10,303	-9,379
Fair value of plan assets	3,793	3,963	3,478	3,077	2,640
Surplus/deficit in the plan	**-12,227**	**-6,859**	**-7,616**	**-7,226**	**-6,739**

	2013	2012
In the statement of consolidated shareholders' equity the following accumulated actuarial gains/losses are recognised	-4,451	-891

23. Provisions

Group	2013	2012
Provisions at 1 January	8,357	6,573
Exchange rate adjustment	-284	90
Additions from acquisition of shares in Cimentas	8,763	0
Additions in the year	3,596	1,893
Disposals/application in the year	-1,659	-199
Reversal	-53	0
Provisions at 31 December	**18,720**	**8,357**
Recognised in the balance sheet as follows:		
Stated as non-current liabilities	16,738	6,195
Stated as current liabilities	1,982	2,162
	18,720	**8,357**
Maturities for other provisions are expected to be:		
Falling due within one year	1,982	2,162
Falling due between one and five years	2,766	218
Falling due after more than five years	13,972	5,977
	18,720	**8,357**

Provisions mainly include re-establishment of chalk, gravel and clay pits at EUR 10.9m (2012: EUR 3.8m), demolition liabilities for buildings and terminal on rented land at EUR 5.5m (2012: EUR 2.4m), warranties and claims at EUR 0.3m (2012: 0.4m) as well as other provisions at EUR 2.1m (2012: EUR 1.7m).

Additions in the year besides Cimentas mainly include reassessment of demolition liabilities, re-establishment of chalk, gravel and clay pits and other provisions.

Disposals/application and reversals in the year mainly include application of liabilities regarding re-establishment and other provisions.

Movements last year included additions and consumption of liabilities regarding re-establishment of chalk, gravel and clay pits and other liabilities regarding warranties and claims.

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

Costs for re-establishment of chalk, gravel and clay pits are mainly paid when finishing an excavation or when moving out from leases. No considerable costs are expected in 2014.

EUR '000

23. Provisions (continued)

Parent Company	2013	2012
Provisions at 1 January	3,936	3,369
Exchange rate adjustment	0	-12
Additions during the year	79	579
Disposals/application in the year	-456	0
Reversal	-29	0
Provisions at 31 December	**3,530**	**3,936**
Recognised in the balance sheet as follows:		
Stated as non-current liabilities	3,491	3,424
Stated as current liabilities	39	512
	3,530	**3,936**
Maturities for provisions are expected to be:		
Falling due within one year	39	512
Falling due between one and five years	737	0
Falling due after more than five years	2,754	3,424
	3,530	**3,936**

Provisions including demolition liabilities for buildings and terminal on rented land amount to EUR 2.2m (2012: EUR 2.2m), re-establishment of chalk and clay pits amounts to EUR 1.3m (2012: EUR 1.2m) and other provisions (EUR 0.0m) (2012: 0.5m).

Movements in the year include additions of liabilities regarding re-establishment of chalk and clay pits, and other provisions.

Movements last year included additions of liabilities regarding re-establishment of chalk and clay pits, and other provisions.

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

Costs for re-establishment of chalk and clay pits are mainly paid when finishing an excavation or when moving out from a lease. No considerable costs are expected in 2014.

EUR ´000

24. Credit institutions and other borrowings	Year of maturity	Fixed/ variable	Carrying amount 2013	Carrying amount 2012
Group				
Mortgage loan	2028	Variable	143,180	0
Bank borrowings and credits	2014-2018	Variable	69,639	74,893
Bank borrowings and credits	2014	Fixed	29,792	0
Finance leases	2015-2020	Variable	4,745	5,129
Finance leases	2015-2016	Fixed	269	106
			247,625	**80,128**

Fair value of mortgage loan amounts to EUR 145.6m. Other fair values do not significantly deviate from the carrying amount.

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

31 December 2013:	Non-current borrowings (> 1 year)	Current borrowings (0-1 year)	Total	Maturity > 5 years
Mortgage loan	134,043	9,137	143,180	96,689
Bank borrowings and credits	23,388	76,043	99,431	0
Finance leases	4,258	756	5,014	1,739
	161,689	**85,936**	**247,625**	**98,428**
Specification of contractual cash flows incl. interest:				
Mortgage loan	150,195	11,483	161,678	104,874
Bank borrowings and credits	24,044	77,571	101,615	0
Finance leases	4,334	766	5,100	1,768
	178,573	**89,820**	**268,393**	**106,642**
31 December 2012:				
Bank borrowings and credits	58,250	16,643	74,893	0
Finance leases	4,688	547	5,235	2,480
	62,938	**17,190**	**80,128**	**2,480**
Specification of contractual cash flows incl. interest:				
Bank borrowings and credits	59,200	17,547	76,747	0
Finance leases	4,765	557	5,322	2,521
	63,965	**18,104**	**82,069**	**2,521**

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

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

According to the leases there are no contingent rentals.

The carrying amount of finance leases is presented in Note 15.

EUR '000

24. Credit institutions and other borrowings (continued)

Parent Company

	Year of maturity	Fixed/ variable	Carrying amount 2013	Carrying amount 2012
Bank borrowings and credits in the Parent Company at 31 December:				
Mortgage loan	2028	Variable	143,180	0
Bank borrowings and credits	2014-2018	Variable	37,748	39,412
			180,928	**39,412**

Fair value of mortgage loan amounts to EUR 145.6m. Other fair values do not significantly deviate from the carrying amount.
The fair value corresponds to the nominal outstanding debt.

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

31 December 2013:	Non-current borrowings (> 1 year)	Current borrowings (0-1 year)	Total	Maturity > 5 years
Mortgage loan	134,043	9,137	143,180	96,689
Bank borrowings and credits	23,388	14,360	37,748	0
	157,431	**23,497**	**180,928**	**96,689**
Specification of contractual cash flows incl. interest:				
Mortgage loan	150,195	11,483	161,678	104,874
Bank borrowings and credits	23,972	14,727	38,699	0
	174,167	**26,210**	**200,377**	**104,874**
31 December 2012:				
Bank borrowings and credits	30,159	9,253	39,412	0
	30,159	**9,253**	**39,412**	**0**
Specification of contractual cash flows incl. interest:				
Bank borrowings and credits	30,659	9,744	40,403	0
	30,659	**9,744**	**40,403**	**0**

The maturity analysis is based on all undiscounted cash flows including estimated payment of interest.
Payment of interest is estimated and based on the present market conditions.
Other financial liabilities are due within 1 year.

25. Deferred income

Group

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

Expected recognition of deferred income:	2013	2012
Falling due within one year	873	817
Falling due between one and five years	3,292	3,268
Falling due after more than five years	4,892	5,720
	9,057	**9,805**

EUR ´000

26. Other payables

Non-current payables for the Group fall due between one and five years, and comprise payables regarding extension for additional landfill purchase in the waste business and payables from acquisition of equity investment in associate. Group/Parent Company: Other current payables include holiday pay liabilities, taxes and public indirect taxes, interest payable and dividends payable to minority interests.

27. Charges and securities

	2013		2012	
Group	Carrying amount of mortgaged assets	Debt regarding mortgaged assets	Carrying amount of mortgaged assets	Debt regarding mortgaged assets
Property, plant and machinery	111,250	143,393	2,526	222
	111,250	**143,393**	**2,526**	**222**
Parent Company				
Property, plant and machinery	**108,978**	**143,180**	**0**	**0**

28. Contingent assets, contingent liabilities and contractual obligations

Group

Contingent assets

In December 2013, EU responded positively to the application from Denmark concerning an adjustment of the tax basic allowance in the NO_x tax calculation as from 1 July 2012. The Parent Company is now awaiting a consolidated act, guidelines and a model for calculation of the basic allowance from the authorities which is expected in spring 2014 with an appurtenant refund. The Parent Company has expensed EUR 3.5m for the period 1 July 2012 to 31 December 2013. In addition to this, the Parent Company has a contingent asset regarding receipt of alternative fuels of up to EUR 2.7m for the period until 2018. The asset is subject to the Parent Company being able to use the alternative fuels.

Contingent liabilities

The Group is involved in a few disputes. No significant liabilities are considered to be incumbent on the Group in that respect, and the outcome of the disputes is not expected to have significant impact on the Group's financial position beyond what has been recognised in the balance sheet.

Contractual obligations

At 31 December 2013, the Group has contractual obligations, including acquisition of raw materials etc. of EUR 64.3m (2012: EUR 25.0m).
The Group is not obligated to pay further amounts to the Danish Carbon Fund (2012: EUR 0.8m).
Regarding contractual obligations related to acquisition of non-current assets reference is made to note 15.

Guarantees	**2013**	**2012**
Performance guarantees	3.274	2.843
Other guarantees, etc.	15.915	5.704
	19.189	**8.547**

Other guarantees relate i.a. to guarantees given to suppliers of goods and services.

EUR '000

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

Operating leases	2013	2012
Aggregate future lease payments under non-cancellable operating leases:		
Falling due within one year	10,886	14,872
Falling due between one and five years	19,328	17,001
Falling due after more than five years	3,040	3,150
	33,254	**35,023**
Operating lease expenses recognised in the income statement	**17,479**	**15,872**

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

Parent Company

Contingent assets

In December 2013, EU responded positively to the application from Denmark concerning an adjustment of the tax basic allowance in the NO_x tax calculation as from 1 July 2012. The Parent Company is now awaiting a consolidated act, guidelines and a model for calculation of the basic allowance from the authorities which is expected in spring 2014 with an appurtenant refund. The Parent Company has expensed EUR 3.5m for the period 1 July 2012 to 31 December 2013. In addition to this, the Parent Company has a contingent asset regarding receipt of alternative fuels of up to EUR 2.7m for the period until 2018. The asset is subject to the Parent Company being able to use the alternative fuels.

Contingent liabilities

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

In 2013, contractual liabilities, including acquisition of raw materials etc., are EUR 22.2m (2012: EUR 12.7m).

The Parent Company is not obligated to pay further EUR 0.0m to the Danish Carbon Fund (2012: EUR 0.8m).

The Parent Company is taxed jointly with other Danish companies in the Aalborg Portland Group. As an administrative company, the Parent Company is jointly and unlimited liable with the other companies in the joint taxation of Danish taxes at source and corporate taxes within the joint taxation group. Payable corporate taxes in the joint taxation group amounted to EUR 0.0m at 31 December 2013. Any subsequent corrections of the taxable income subject to joint taxation could cause a higher liability of the Parent Company.

Guarantees	2013	2012
Other guarantees, etc.	134	132
	134	**132**
Operating leases		
Aggregate future lease payments under non-cancellable operating leases:		
Falling due within one year	6,780	9,880
Falling due between one and five years	11,132	8,562
Falling due after more than five years	1,635	482
	19,547	**18,924**
Operating lease expenses recognised in the income statement	**9,077**	**8,020**

Operating leases are primarily related to ships, silos/terminals and operating equipment. These leases contain no special purchase rights, etc. The Parent Company has no financial leasing liabilities.

EUR ´000

29. Related party transactions

Group

Related parties with significant influence in the Aalborg Portland Group:

- Cementir España S.L., Calle Zurbaràn, 28, Madrid, C.I.F. B-84155191, Spain
- Cementir Holding S.p.A., Corso di Francia, 200, 00191 Rome, Italy
- Caltagirone S.p.A., Via Barberini, 28, 00187 Rome, Italy

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

Furthermore, related parties include related parties and associates, cf. page 79.

Transactions with Cementir Holding S.p.A.:	2013	2012
- Intra-group management and administration agreements	9,327	6,246
- Trade receivables	16	273
- Trade payables	4,447	1,546
- Acquisition of shares in Cimentas	164,294	89,290
Transactions with associates:		
- Net sales	7,746	7,120
- Financial receivables	2,750	0
- Trade receivables	3,009	2,601
- Financial items, net	136	15
Transactions with other related parties:		
- Net sales	307	795
- Financial items, net	0	-71

Remunerations to the Board of Directors and the Management are presented in Note 4.

No losses on loans to or receivables from related parties were recognised, nor provisions made for such in 2013 or 2012.

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

The investments include EUR 164.3m (cash purchase consideration) regarding acquisition of additional 46% of the shares in Cimentas, and hereby Aalborg Portland obtains significant influence.

The pre-acquisition balance sheet of the Cimentas at 1 October 2013 can be summarised as follows:

Non-current assets	367,881
Current assets	129,300
Liabilities*	152,577
Equity	341,228

*This amount includes interest-bearing debt of EUR 37.7m, cf. note 13

EUR '000

29. Related party transactions (continued)

Parent Company

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

- Cementir España S.L., Calle Zurbaràn, 28, Madrid, C.I.F. B-84155191, Spain
- Cementir Holding S.p.A., Corso di Francia, 200, 00191 Rome, Italy
- Caltagirone S.p.A., Via Barberini, 28, 00187 Rome, Italy

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

Furthermore, related parties comprise enterprises in which the above-mentioned persons have significant interests. Additionally, related parties include related and associates, cf. page 79, where the Parent Company has significant influence or exercises control.

Transactions with Cementir Holding S.p.A.:	2013	2012
- Intra-group management and administration agreements	7,958	6,246
- Payables	2,206	1,518
- Acquisition of shares in Cimentas	0	89,290
Transactions with other related parties:		
- Sale of cement and micro silica	51,985	48,464
- Intercompany management, administration agreements and shared service	11,396	10,062
- Financial items, net	510	461
- Trade and financial receivable	21,648	23,477
- Trade and financial payables	2,354	1,851
- Capital increases in enterprises	278,266	0

Remunerations to the Board of Directors and the Management are presented in Note 4.

No losses on loans to or receivables from related parties were recognised, nor provisions made for such in 2013 or 2012.

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

30. Financial risks and financial instruments

Risk management policy

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

Market risks	Liquidity risks	Credit risks
Risks that the fair value of or future cash flows from a financial instrument will fluctuate due to changes in market prices.	Risks that the Group will encounter difficulties in meeting obligations associated with financial liabilities.	Risks that a counterparty of a financial instrument is unable to fulfil its obligations and thereby inflict a loss to the Group.

The Group's Finance & Treasury is in charge of the overall risk management in accordance with the principles adopted by the Board of Directors.

The Group policy is not to engage in any active speculation in financial risks. The Group's financial management is thereby solely directed towards the management and reduction of financial risks arising directly from the Group's commercial operations, investments and financing.

The Group does not hedge the currency risk between EUR/DKK due to the Danish fixed-exchange-rate policy aimed at the EUR.

In connection with the acquisition of operations in Cimentas in 2013, the Group's financial risks are expanded to include the risk exposure that relates to the Turkish and British activities. Risk management is adapted to the new activities.

Neither in 2013 nor in 2012 the Group has defaulted or breached any loan agreements (covenants).

Market risks

Currency risks	Interest rate risks	Raw material price risks
Arise due to purchase and sale transactions as well as financial assets and liabilities in currencies other than the functional currency of the individual Group business.	Refer to the influence of changes in market interest rates on future cash flow relating to the Group's interest-bearing assets and liabilities and the fair value of these.	Refer to the influence of changes in raw material prices, which are not related to currency risks or interest rate risks.

Currency risks

Hedging is assessed and taken out in close co-operation with the Italian parent company.

For the hedging of currency risks, the Group analyses realised and expected cash flows broken down by currencies.

Risks relating to purchases and sales

The ready-mix activities of the Group are less exposed to changes in exchange rates, as the main part of both income and costs are settled in local currency. The Overseas cement activities of the Group enjoy a high degree of exports, and the settlement thereof is made in various sales currencies, and therefore, these units are affected by changes in exchange rates. The Turkish cement operations are mainly based on transactions in local currency. Revenue from the Group's Nordic Cement activities and the purchases by this segment are denominated in several currencies. Accordingly, these activities are also exposed to changes in exchange rates.

30. Financial risks and financial instruments (continued)

The Group's currency risks are primarily hedged by the settlement of income and costs in the same currency and by use of derivative financial instruments. Investments in Group enterprises are not hedged.

The Group's most predominant currency exposure regarding the operating results arises from sales and purchases in EUR, USD, TRY and NOK. A 10% drop in these exchange rates (apart from EUR) would, viewed separately, reduce EBITDA by EUR 8.4m (2012: EUR 5.3m). The sensitivity surrounding Group equity is not materially different from the impact on the operating results for the year.

The parent company's most predominant currency exposure regarding the operating results arises from sales and purchases in EUR, USD, GBP and PLN. A 10% drop in these currencies (apart from EUR) would, viewed separately, increase EBITDA by EUR 0.6m (2012: EUR 0.2m).

Risks relating to net financing

The Group's most important currency risks arising from receivables and payables in foreign currencies at 31 December 2013 relate to the following currencies: EUR, USD, GBP, TRY, NOK and SEK. If these currencies (apart from EUR) had been 10% down at 31 December, Group equity would be affected by a negative exchange rate adjustment of EUR 0.4m (2012: EUR 0.0m). An increase of currencies would have had a similar positive effect on equity.

The parent company's most important net positions at 31 December 2013 relate to a financial USD and GBP loan to a Group enterprise and dividend receivable in EGP from a Group enterprise. If the USD, GBP and EGP had been 10% down at 31 December 2013, the parent company's equity would have been affected negatively by an exchange rate adjustment of EUR 1.7m (2012: EUR 1.7m). Rising exchange rates would have had a similar positive impact on equity.

Translation risks relating to net investments in subsidiaries

The Group income statement and equity are affected by changes in the exchange rates as the closing results of the foreign Group enterprises are translated into Danish kroner at the presentation of the financial statements.

Hedging of currency risk is not performed for net assets (equity) in foreign subsidiaries. Gains and losses relating to net assets in foreign subsidiaries are accounted directly in equity.

With regard to investments in foreign enterprises, Group equity at 31 December 2013 would have been reduced by EUR 60.3m (2012: EUR 25.4m), if the NOK, SEK, USD, CNY, MYR, EGP and TRY exchange rates had been 10% down on the actual exchange rates. Other currency risks arising from investments in foreign entities are immaterial.

Assumptions of sensitivity analysis

The sensitivities are stated on the assumption of unchanged sales and price levels and interest levels, and on the assumption of recognised assets and liabilities at 31 December 2013.

Forward contracts regarding future transactions

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

30. Financial risks and financial instruments (continued)

Open Group forward contracts at 31 December, net:

2013

EURm	AUD	GBP	USD	Total
Market value - forward contracts	-0.1	-0.5	-0.5	-1.0
Notional principal amount - forward contracts*	-16.2	-8.2	3.9	-20.5

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

The forward contracts fall due from January 2014 - December 2016.

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

2013

EURm	GBD	USD	Total
Market value - forward contracts	-0.5	-0.5	-1.0
Notional principal amount - forward contracts*	-8.2	3.9	-4.3

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

The forward contracts fall due from January - December 2014.
The Group or the parent company had no important open forward contracts at 31 December 2012.

Interest rate risk

Owing to the Group's investment and financing activities the Group has exposure to interest rate changes in both Denmark and abroad. The primary interest-rate exposure is related to fluctuations in CIBOR, LIBOR and EURIBOR.
The Group's preferred financing is floating rate loans. The Group's net interest-bearing debt (NIBD) at 31 December 2013 came in at EUR 141.6m, 98% thereof financed by floating rate loans and 2% by fixed rate loans. NIBD at 31 December 2012 represented EUR 24.2m (accounting for 100% floating rate loans).
With regard to the Group's floating rate loans and cash equivalents, an annual 1% increase in the interest level in proportion to the actual interest rates would, other things being equal, have had an adverse hypothetical impact on the profit before tax of EUR 0.8m (2012: EUR 0.1m) and on equity of EUR 0.6m (2012: EUR 0.1m). A declining interest level would have had a corresponding positive impact on result and equity.
The impact of an interest rate change in 2013 to the parent company would have had an adverse hypothetical impact on the profit before tax of EUR 0.9m (2012: 0.1m) and on equity of EUR 0.7m (2012: 0.1m).
The Group's cash is placed on demand or time deposits with a maturity of up to 3 months.
The sensitivities stated are based on average financial assets and liabilities for the year.
The parent company's interest-bearing debt (NIBD) at 31 December 2013 came in at EUR 173.0m (2012: EUR 15.1m), financed via 100% floating rate loans.

Raw material price risks

The Group uses a number of raw materials in the manufacture of the Group's products, which expose the Group to a price risk, i.a. especially different fuels and electricity. The Group enters into annual fixed price contracts for some raw materials. A minor part of the price risk on the Group's and parent company's fuel oil is hedged through swap agreements. The market value hereof at 31 December 2013 is immaterial.

30. Financial risks and financial instruments (continued)

Liquidity risks

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

The Aalborg Portland Group is included in the Cementir Group's overall management of financial risks.

Until 2018, the parent company has guaranteed bank facilities amounting to EUR 100m. The loan agreement includes certain covenants linked to the EBITDA compared to the actual interest-bearing debt and net financial expenses.

The Group's liquidity reserve consists of non-tied-up cash and undrawn credit facilities. The credit facilities consist of both committed and uncommitted facilities. At the balance sheet date, the Group had at its disposal undrawn loan facilities of EUR 125m (2012: EUR 124m). The Management is of the opinion that the Group has sufficient liquidity at its disposal to carry through planned investments and operating activities and to take the proper action in case of unforeseen liquidity shortfalls.

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

Regarding maturities of the Group debt, reference is made to Note 24.

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

Credit risks

The Group's credit risks arise primarily from receivables related to customers, other receivables and cash.

As a consequence of the Group's credit risk policy, credit rating of all major customers and other trading partners is performed before contract formation and hereafter continuously. An efficient credit control is important to the Group in the present market. Management of the credit risk is based on internal credit limits, which are based on the customer's and the counterparties' creditworthiness, based on both internal and external credit ratings as well as the Group's experience with the counterparty. If no satisfactory guarantee is obtained when credit rating the customer/counterparty, payment in advance or separate guarantee for the sale, e.g. a bank guarantee, will be required.

The parent company takes out credit insurances on a large part of export customers.

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

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

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

EURm	2013	2012
Nordic Cement	12.0	12.3
Nordic RMC	38.3	34.5
Overseas	8.1	9.2
Turkey	49.3	0.0
England	4.3	0.0
	112.0	**56.0**

30. Financial risks and financial instruments (continued)

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

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

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

In Turkey, there are both dealers and end-users (contractors and other customers) within both the ready-mixed concrete and cement business. All customers are generally required to provide security for deliveries unless the management has assessed that there are no significant risks associated with selling to that customer. The waste business sales are only to large customers. Received collaterals amount to EUR 75.1m at 31 December 2013.

Group trade receivables at 31 December 2013 include receivables of EUR 25.1m (2012: EUR 6.0m), which, based on an individual assessment, have been written down to EUR 20.6m (2012: EUR 3.4m). The write-downs were generally motivated by the customers' bankruptcy or anticipated bankruptcy. When calculating individual write-downs the collaterals received have been taken into account.

Receivables overdue at 31 December are specified as follows:

	Group		Parent Company	
EURm	**2013**	**2012**	**2013**	**2012**
Payment:				
Up to 30 days	12.2	9.8	0.4	0.9
Between 30 and 90 days	4.4	1.7	0.2	0.5
More than 90 days	2.1	0.6	0.0	0.0
	18.7	**12.1**	**0.6**	**1.4**

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

The parent company's trade receivables at 31 December 2013 and 31 December 2012 include no write-downs.

Management of capital structure

Group capital management is assessed and adjusted in close co-operation with the Italian parent company. The Aalborg Portland Group is included in the Cementir Group's overall capital management.

It is the Group's policy that the capital structure and financial gearing of the Group shall at all times reflect the Group's activities and risk profile, afford sufficient financial latitude to ensure the Group's creditworthiness, and provide flexibility and room for investments or acquisitions based on the Group strategy.

The distribution of dividends takes place considering the appropriate level of equity and sufficient availability of loan capital to facilitate the Group's ongoing expansion.

The Group financial gearing between net interest-bearing debt and EBITDA is 1.0 at 31 December 2013 (31 December 2012: 0.2).

30. Financial risks and financial instruments (continued)

EUR '000

Specification of financial assets and obligations

Group	Carrying value 2013	Fair value 2013	Carrying value 2012	Fair value 2012
Financial assets measured at fair value in the income statement	0	0	0	0
Financial assets used as hedging instruments, level 2	0	0	0	0
Loans and receivables	228,348	228,348	124,177	124,177
Financial assets available for sale	0	0	0	0
Financial obligations measured at fair value in the income statement	0	0	0	0
Financial obligations used as hedging instruments, level 2	1,030	1,030	0	0
Financial obligations measured at amortised cost	435,815	441,219	200,160	200,160

Specification of financial assets and obligations

Parent Company

Financial assets measured at fair value in the income statement	0	0	0	0
Financial assets used as hedging instruments, level 2	0	0	0	0
Loans and receivables	41,495	41,495	48,716	48,716
Financial assets available for sale	0	0	0	0
Financial obligations measured at fair value in the income statement	0	0	0	0
Financial obligations used as hedging instruments, level 2	948	948	0	0
Financial obligations measured at amortised cost	235,140	240,544	81,597	81,597

Methods and assumptions on determination of fair values

In general, fair value corresponds to the carrying value, except for mortgage loans.

Financial instruments related to sale and procurement of goods etc. with a short credit period are measured at fair value corresponding to the carrying value.

Derivative financial instruments are computed on generally accepted valuation methods based on relevant exchange rates.

The methods used are unchanged compared to 2012.

31. Post-balance sheet events

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

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

Group

The accounting polices require that when calculating the carrying value of certain assets and liabilities estimates are made of how future events influence the value of recognised assets and liabilities at the balance sheet date. Estimates that have a material influence on the amounts recognised in the annual report.

The estimates applied are based on assumptions deemed reasonable by the Management, but, given the nature of things, are uncertain. Thus, the Group is exposed to risks and uncertainties that may result in variances between actual and estimated results.

The development in the world economy and the financial markets in 2012 and 2013 has resulted in considerable changes compared to previous years in respect ofsome uncertainty in a number of key assumptions within i.a. credit risk, interest level, sales volumes, volatility, etc.

The Management deems that the accounting policies do not include critical aspects.

The following items of the Aalborg Portland Group are subject to major accounting estimates and judgements:

Goodwill

The annual impairment test of goodwill involves an estimate over how the part of the Group to which the goodwill is allocated (cash-generating units) may generate sufficient, positive, future net cash flows in order to support the value of goodwill and other net assets in the cash-generating unit. The Group's thorough budgeting and estimating support the assessments and minimise the risk. The degree of uncertainty is reflected in the chosen discount rate. The impairment test has been further described in note 14.

Non-current assets

Non-current assets are measured at cost less accumulated depreciation and impairment. Depreciation is provided on a straight-line basis over the expected useful lives of the assets considering the residual value of the assets. The anticipated useful life and residual value are determined on the basis of past experience and the anticipated future use of the asset in question. The anticipated future use and scrap values may prove impossible to realise, prompting a need for write-down or a loss on the disposal of the assets. The depreciation periods are stated in the section "Accounting policies" in Note 33, and non-current assets are stated in Notes 14 and 15.

Investment property

The fair value measurement of investment property is based on estimates. Reference is made to note 16 for a further description hereof.

Contingent assets

Assessment of contingent assets is largely based on estimates. Because of the uncertainty of assumptions concerning future events contingent assets are not recognised. Description of contingent assets is given in note 28.

Parent company

The parent company's critical accounting policies and significant accounting estimates are in accordance with those described for the Group.

33. Accounting policies

The Annual Report 2013 of the Aalborg Portland Group is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports in the executive order on the application of IFRS issued by the Danish Commerce and Companies Agency with reference to the Danish Financial Statements Act for reporting class C Large.

The Aalborg Portland Group's official statutory annual report is prepared in EUR with Danish text.

This annual report has been translated from Danish into English and all amounts have been translated into EUR as presentation currency in accordance with IAS 21 for the sake of the company's international activities. An average rate of EUR 100 = DKK 745.79 (2012: 744.38) has been used at the translation of items in the income statement and a year-end rate of EUR 100 = DKK 746.03 (2012: 746.04) has been used for the balance sheet items.

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

On 5 March 2014, the Board of Directors and the Management approved the annual report for 2013 for the Aalborg Portland Group. The annual report is submitted to the shareholders of Aalborg Portland A/S for approval at the Annual General Meeting on 15 April 2014.

Changes in accounting policies

The Aalborg Portland Group has implemented the standards and interpretations effective for 2013. Moreover, amendments to IAS 36 from May 2013 are early adopted. None of these standards and interpretations has significantly affected recognition and measurement in 2013 and is not expected to significantly affect the Aalborg Portland Group.

Besides additional information the implementation of IAS 19 (amended 2011) has not affected recognition and measurement of pension schemes.

Change in the accounting policy for inventories

In order to supply more appropriate information on the effects of the Group transactions in the statement of financial position, in the income statement and in the cash flows, starting from the financial year 2013 the Group adopted the Weighted Average Cost method instead of the FIFO principle as for the previous Annual Reports. Consequently the Group restated retroactively the amounts affected by the change. Due to the insignificant accounting effects the Group did not proceed to restate, in the consolidated financial statements, the comparative data as of 31 December 2012.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Aalborg Portland A/S, and all enterprises in which the parent company exercises a controlling influence over 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 associates. Significant influence is generally achieved by direct or indirect ownership or control of more than 20% and less than 50% of the voting rights.

A joint venture is a jointly managed enterprise and none of the participants exercises control.

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 Aalborg Portland Group accounting policies, all items of a uniform nature being combined at consolidation, while intra-group income, costs, intra-group financial statements, shareholdings and dividends are eliminated. Unrealised gains and losses on transactions between consolidated companies are also eliminated.

33. Accounting policies (continued)

Unrealised gains on transactions with associates and joint ventures are eliminated in relation to the Group's ownership in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains to the extent that impairment has not taken place.
Subsidiaries' items are recognised in the consolidated financial statement by 100%. Minority interests' share of the year's profit in subsidiaries, which are not 100% owned, is stated separately. Minority interests' share of equity is stated separately in the balance sheet.

Business combinations

Enterprises acquired are recognised in the consolidated financial statements from the date of acquisition which is the date at which Aalborg Portland actually gains control of the enterprise acquired. The comparative figures are not restated for acquisitions.
For business combinations any remaining positive balance (goodwill) is recognised as goodwill under intangible assets between on the one side the consideration, the value of the minority interests of the enterprise acquired and the fair value of possible previously acquired equity investments and on the other side the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is not amortised but impairment tested annually as a minimum. The first impairment test is performed before the end of the acquisition year. Upon acquisition, goodwill is allocated to the cash-generating units which subsequently form the basis for the impairment test. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a different functional currency from the presentation currency of the Aalborg Portland Group's financial statements are treated as assets and liabilities belonging to the foreign entity and translated into the foreign entity's functional currency at the exchange rate ruling at the transaction date.
The consideration transferred by a business consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. Costs attributable to business combinations are recognised directly in profit or loss as administrative expenses when incurred.
The book value method is applied to transfers between Group companies (common controlled transactions), according to which assets and liabilities are transferred at their carrying amount at the date where control is obtained. The difference between the carrying value of net assets acquired and consideration is recognised directly in equity.
When enterprises are sold, the difference between the selling price and the net assets plus cumulative translation differences and unamortised goodwill is recognised in the income statement as a separate item in finance income and finance costs.

Minority interests

On initial recognition, minority interests are measured at fair value or at the proportionate share of the fair value of the acquired business's identifiable assets, liabilities and contingent liabilities. In the first scenario, goodwill in relation to the minority interests' ownership share in the acquired enterprise is thus recognised, while, in the latter scenario, goodwill in relation to minority interests is not recognised. Measurement of minority interests is chosen transaction by transaction and stated in the notes in connection with the description of acquired enterprises.
The effect of transactions with minority interests is taken directly to shareholders' equity. Therefore, no gains or losses are stated in the income statement, and there is no change of the carrying amount of net assets (including goodwill).

33. Accounting policies (continued)

Foreign currency translation

For each of the reporting enterprises in the Group, a functional currency is determined. Transactions denominated in other currencies than the functional currency are considered transactions denominated in foreign currencies. Transactions in foreign currencies are on initial recognition translated at the functional currency at the exchange rate of the date of transaction.

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

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

On recognition in the consolidated financial statements of foreign enterprises and associates as well as foreign joint ventures with a functional currency different from the one of Aalborg Portland A/S, the income statements are translated at the average exchange rates and the balance sheet items are translated at the exchange rates at the balance sheet date. The calculation differences arising from the translation of the income statements of companies abroad at average exchange rates and of their balance sheet items at the rate of exchange on the balance sheet date are taken directly to other comprehensive income.

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

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

An average exchange rate is used if it does not significantly deviate from the exchange rate ruling at the transaction date.

The assets and liabilities of a foreign company acquired are translated at the exchange rate at the date of transaction (acquisition date).

Derivative financial instruments

Derivative financial instruments are recognised at the date a derivative contract is entered into and measured in the statement of financial position at fair value. Positive and negative fair values of derivative financial instruments are included as separate line items in the statement of financial position, and set-off of positive and negative values is only made when the Company has the right and the intention to settle several financial instruments net. The rules for hedge accounting are not applied, and value adjustments of derivative financial instruments are therefore recognised as finance income and finance costs.

INCOME STATEMENT

Net sales

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

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

Cost of sales

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

33. Accounting policies (continued)

Sales and distribution costs

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

Administrative expenses

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

Other operating income and costs

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

Profit/loss from investments in associates and joint ventures

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

Financial items

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

Tax

Tax for the year comprises current tax and changes in deferred tax.
Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the applicable tax rates for the financial year and any adjustment of tax for previous years.
Tax related to other comprehensive income is recognised in other comprehensive income.
Deferred tax is recognised and measured according to the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to goodwill not deductible for tax purposes.
Measurement of deferred tax is based on the tax rules and tax rates applicable in the respective countries at the balance sheet date, which is expected to be valid, when the deferred tax will be reversed as current tax. The effect of changes in the tax rates is stated in the income statement unless it relates to items previously entered directly in Shareholders' equity.
Deferred tax assets, including the value of tax loss carry-forwards, are recognised under Financial assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.
Aalborg Portland A/S is covered by the Danish rules on compulsory joint taxation of the Group's Danish companies. Enterprises are included in the joint taxation from the date of consolidation into the consolidated financial statements and up to the date when they exit the consolidation.
Aalborg Portland A/S is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.
The current Danish corporation tax is allocated by payment of joint taxation contributions between the jointly taxed companies in proportion to their taxable income. Companies with tax losses receive joint tax contributions from companies who have used this loss to reduce their own taxable income.

BALANCE SHEET

Intangible assets

Goodwill

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

Development projects

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

Other intangible assets

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

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

CO_2 quotas

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

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment.
The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries as well as borrowing costs from specific or general lending directly relating to the construction of the individual asset.

33. Accounting policies (continued)

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

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

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

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

Estimated useful lives are as follows:

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

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

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

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

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

Investment properties

Properties are classified as investment properties when they are held for the purpose of obtaining rental income and/or capital gains. On initial recognition, investment properties are measured at cost, comprising purchase price and costs directly attributable to the acquisition. Subsequently, investment properties are measured at fair value. Changes in the fair value are recognised in profit or loss as value adjustment of investment properties under other operating income/costs in the financial year in which the change arises.

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

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

Investments in associates and joint ventures

Investments in associates and jointly managed enterprises (joint ventures) are measured according to the equity method, and the investments are recognised in the balance sheet as the proportionate share of the equity value of the entities stated in accordance with the Group's accounting policies, adding or deducting the proportionate share of unrealised intra-group profits and losses, and adding carrying amount of goodwill.

Associates and joint ventures with negative equity value are measured at 0. If the Group has a legal or constructive obligation to cover a deficit in the associate or joint ventures, the remaining amount is recognised under liabilities.

33. Accounting policies (continued)

Other non-current assets

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

Impairment of non-current assets

Goodwill is subject to annual impairment tests, initially before the end of the acquisition year.

The carrying amount of goodwill is tested together with the other non-current assets of the cash-generating unit or group of cash-generating units to which goodwill is allocated. The assets of the cash-generating units are written down to the recoverable amount in profit or loss if the carrying amount is higher. The recoverable amount of a CGU is generally determined as the present value of the expected future net cash flows from the entity or activity (cash-generating unit) to which goodwill is allocated. However, impairment losses on goodwill are recognised as other operating costs in the income statement.

The carrying amount of other non-current assets, except for goodwill, investment properties and financial assets measured at fair value, is tested annually for indications of impairment. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

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

Amortisation and depreciation of intangible assets and property, plant and equipment are recognised in the same item as the related amortisation and depreciation. However, impairment losses on goodwill are recognised in a separate line item in the income statement.

Inventories

Raw materials and consumables are measured at cost. Cost is computed according to the weighted average cost method.

The cost of goods for resale and raw materials and consumables comprises purchase price plus delivery costs.

The cost of work in progress and finished goods comprise direct production costs with addition of indirect production costs. Indirect production costs include operating costs, maintenance and depreciation of production plant and plant management.

If the net realisable value is lower than cost, write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses when there is an objective indication of an impairment loss. In such cases, write-down is made individually for each specific receivable.

Write-down is stated as the difference between the carrying amount and the present value of the expected cash flow, including the net realisable value of any received collaterals. The effective interest rate used at the time of initial recognition is used as the discount rate for the individual receivable or portfolio.

Equity

Dividends are recognised as debt at the time of approval at the annual general meeting (time of declaration). Dividends which are proposed for distribution are therefore stated separately in the shareholders' equity.

Reserves relating to foreign exchange adjustments in the consolidated financial statements comprise currency translation differences arising from the translation of the financial statements of foreign entities from their functional currencies to the presentation currency of the Aalborg Portland Group (EUR) and foreign exchange

33. Accounting policies (continued)

adjustments of assets and liabilities considered to be part of the Group's net investment in foreign operations. On full or partial realisation of net investments, exchange differences are recognised in the income statement.

Pensions, defined contribution schemes

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

Pensions, defined benefit schemes

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

Provisions

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

Financial liabilities

Amounts owed to credit institutions are recognised when raising the loan at fair value less transaction costs. Subsequent measurement is made at amortised cost so that the difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.
The capitalised remaining lease liability of finance leases is also recognised in financial liabilities, measured at amortised cost.
Other financial liabilities are measured at amortised cost.

33. Accounting policies (continued)

Leases

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

Deferred income

Deferred income is measured at cost.

CASH FLOW STATEMENT

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

SEGMENT REPORTING

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

NEW AND CHANGED STANDARDS

A number of new financial reporting standards, which are not compulsory for the Group in 2013, have been released. Except for the early implementation of the amendments to IAS 36, the adopted, non-effective standards and interpretations are implemented as they become mandatory for the Group. None of the new standards or interpretations is expected to have any significant impact on the financial reporting for the Group.

33. Accounting policies (continued)

FINANCIAL RATIOS

EBITDA ratio	Earnings before depreciation/amortisation, impairment losses, provisions, interest and tax (EBITDA) / Net sales
EBIT ratio	Earnings before interest and tax (EBIT) / Net sales
ROCE	NOPAT / Average capital employed
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
Equity ratio	Shareholders' equity / Total assets
Return on equity	Profit / Average shareholders' equity
Net interest-bearing debt (NIBD)	Interest-bearing liabilities less interest-bearing assets
Working capital	Inventories, receivables and trade payables

PARENT COMPANY

The parent company's financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports.
Compared to the accounting policies applied in the consolidated financial statement (see Note 33 to the consolidated financial statements) the parent company's accounting policies only deviate in the following items:

Financial items
Dividends received from investments in enterprises and associates are recognised as income in the parent company's income statement in the financial year in which the dividends are declared. To the extent that the distributed dividend exceeds the total comprehensive income of enterprises for the period when the decision to pay interim dividend is made, impairment test is carried out.

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

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SIGNATURES

MANAGEMENT SIGNATURES

The Board of Directors and the Executive Board have today discussed and approved the annual report of Aalborg Portland A/S for the financial year 2013.
The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports.
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 financial position at 31 December 2013 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2013.
In our opinion, the Management's review includes a true and fair description of the development in the Group's and the parent company's operations and financial conditions, the results for the year, cash flows and the financial position as well as a description of material risks and uncertainties faced by the Group and the parent company.
We recommend that the annual report be approved at the Annual General Meeting.

Aalborg, 5 March 2014

BOARD OF DIRECTORS

Søren Vinther
Chairman
Francesco Caltagirone
Vice Chairman
Francesco Gaetano Caltagirone

Marco Maria Bianconi

Riccardo Nicolini

Paolo Zugaro

Harry Egon Andersen

Morten Børglum

Ernst Aage Jensen

EXECUTIVE BOARD

Paolo Zugaro
CEO, Nordic & Baltic
Henning Bæk
Executive Vice President, CFO

INDEPENDENT AUDITORS' REPORT

To the shareholders of Aalborg Portland A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Aalborg Portland A/S for the financial year 1 January – 31 December 2013. The consolidated financial statements and the parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements in Danish Financial Statements Act.

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

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements in 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.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

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 financial position at 31 December 2013 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2013 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements in Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Aalborg, 5 March 2014

KPMG
Statsautoriseret Revisionspartnerselskab

Hans B. Vistisen
State Authorised Public Accountant

Steffen S. Hansen
State Authorised Public Accountant

The Great Belt Bridge
Zealand – Funen, Denmark – 1998
http://www.storebaelt.dk/english/about

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THE GROUP

MANAGEMENT

BOARD OF DIRECTORS

Søren Vinther, *Chairman*
Francesco Caltagirone, *Vice Chairman*
Francesco Gaetano Caltagirone
Marco Maria Bianconi
Riccardo Nicolini
Paolo Zugaro
Harry Egon Andersen*
Morten Børglum*
Ernst Aage Jensen*

* Elected by the employees

EXECUTIVE BOARD

Paolo Zugaro, *CEO, Nordic & Baltic*
Henning Bæk, *Executive Vice President, CFO*

EXECUTIVE MANAGEMENT TEAM

Paolo Zugaro, *CEO, Nordic & Baltic*
Henning Bæk, *Executive Vice President, CFO*
Michael Lundgaard Thomsen, *Managing Director, Nordic Cement*
Jesper Knudsen, *Managing Director, Nordic RMC, Denmark*
Stein Tosterud, *Managing Director, Nordic RMC, Norway*
Kaj Grönvall, *Managing Director, Nordic RMC, Sweden*
Kennet Arvedsen, *Managing Director, Aggregates, Denmark*
Rasmus Bing, *Director, HR, Organization & Internal Communication*

NORDIC & BALTIC

Paolo Zugaro, *CEO*

NORDIC CEMENT

Michael Lundgaard Thomsen, *Managing Director*

NORDIC RMC

Jesper Knudsen, *Managing Director, Denmark*
Stein Tosterud, *Managing Director, Norway*
Kaj Grönvall, *Managing Director, Sweden*

TURKEY

Taner Aykaç, *Managing Director, Cement and RMC, Turkey*
Francesco Malara, *Managing Director, Waste, Turkey*

OVERSEAS

Paolo Bossi, *Managing Director, Egypt*
Alex Narcise, *Managing Director, USA*
Erik Petersen, *Managing Director, Malaysia*
Ho Gib Ren, *Managing Director, China*

COMPANIES IN THE GROUP

Aalborg Portland			Nominal share capital (in 000)	Direct holding ***
Aalborg Portland A/S	Denmark	DKK	300,000	-
Nordic Cement				
Aalborg Portland*	Denmark			
Aalborg Portland Íslandi ehf.	Iceland	ISK	303,000	100.0%
Aalborg Portland Polska Sp. z o.o.	Poland	PLN	100	100.0%
Aalborg Portland OOO	Russia	RUB	14,700	100.0%
Recydia AS	Turkey	TRY	182,500	37.0%
Nordic RMC				
Unicon A/S	Denmark	DKK	150,000	100.0%
Unicon AS	Norway	NOK	13,289	100.0%
Sola Betong AS**	Norway	NOK	9,000	33.3%
AB Sydsten	Sweden	SEK	15,000	50.0%
ÅGAB Syd AB	Sweden	SEK	500	40.0%
Everts Betongpump & Entreprenad AB	Sweden	SEK	100	73.5%
Skåne Grus AB	Sweden	SEK	1,000	60.0%
Secil Unicon SGPS. Lda.**	Portugal	EUR	4,988	50.0%
Secil Prebetão SA**	Portugal	EUR	3,455	79.6%
Ecol-Unicon Sp. z o.o.**	Poland	PLN	1,000	49.0%
Kudsk & Dahl A/S	Denmark	DKK	10,000	100.0%
Turkey				
Spring Rain Investments S.L.U.	Spain	EUR	3	100.0%
Cimentas AS**	Turkey	TRY	87,112	71.0%
Cimbeton AS	Turkey	TRY	1,770	50.3%
Ilion Cimento Ltd	Turkey	TRY	300	100.0%
Destek AS	Turkey	TRY	50	100.0%
Kars Cimento AS	Turkey	TRY	3,000	58.4%
Bakircay AS	Turkey	TRY	420	100.0%
Elazig Cimento Ltd	Turkey	TRY	46,000	93.8%
Recydia AS	Turkey	TRY	182,500	63.0%
Hereko Istanbul 1 AS	Turkey	TRY	98,000	100.0%
NWM Holdings Ltd	England	GBP	-	100.0%
Sureko AS	Turkey	TRY	43,444	94.2%
Environmental Power International (UK R&D) Limited ("EPI")	England	GBP	-	50.0%
Overseas				
Sinai White Portland Cement Co. S.A.E.	Egypt	EGP	350,000	57.1%
Aalborg Portland Malaysia Sdn. Bhd.	Malaysia	MYR	95,400	70.0%
Aalborg Resources Sdn. Bhd.	Malaysia	MYR	2,544	100.0%
Aalborg Portland (Australia) Pty. Ltd.	Australia	AUD	1	100.0%
Aalborg Portland (Anqing) Co. Ltd.	China	CNY	265,200	100.0%
Aalborg White Italia s.r.l. (in liquidation)	Italy	EUR	10	82.0%
Aalborg Portland U.S. Inc.	USA	USD	1	100.0%
Aalborg Cement Company Inc.	USA	USD	1	100.0%
Gaetano Cacciatore, LLC	USA	USD	N/A	100.0%
Lehigh White Cement Company**	USA	USD	N/A	24.5%
Vianini Pipe, Inc.	USA	USD	4,483	99.9%
Aalborg Portland International S.R.L. (liquidated)	Italy	EUR	10	100.0%

* The business area Nordic Cement is an integrated part of Aalborg Portland A/S.
** Associates. Others are Group enterprises.
*** Ownershare is stated as direct holding of the superjacent enterprise.

The Company

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Owners

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

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

Annual General Meeting

15 April 2014 at
Islands Brygge 43, Copenhagen.

Hyatt Park Tower
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Luxury hotel in Downtown Chicago

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aalborgportland
CEMENTIR HOLDING

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