ANNUAL REPORT 2014

aalborgportland
CEMENTIR HOLDING

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2014

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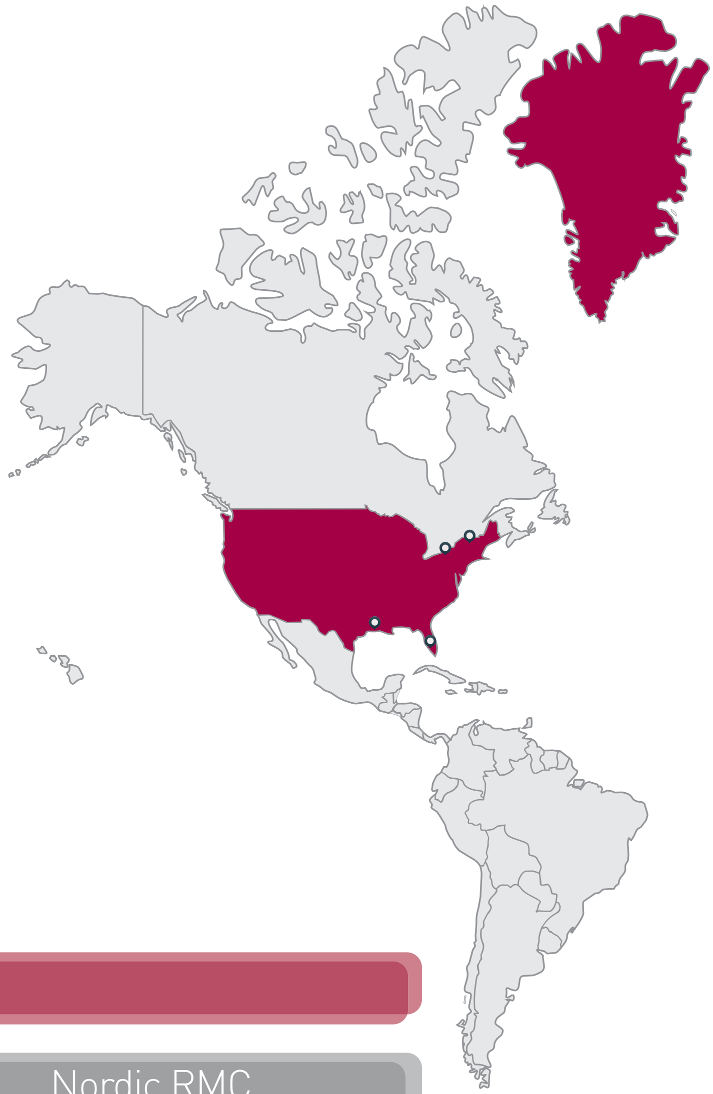


Part of the Cementir Group

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 coordinated 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.

1,302,000 tonnes
of grey cement

558,000 tonnes
of white cement

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.

2,067,000 m^3
of ready-mixed concrete

3,259,000 tonnes
of aggregates

Grey cement

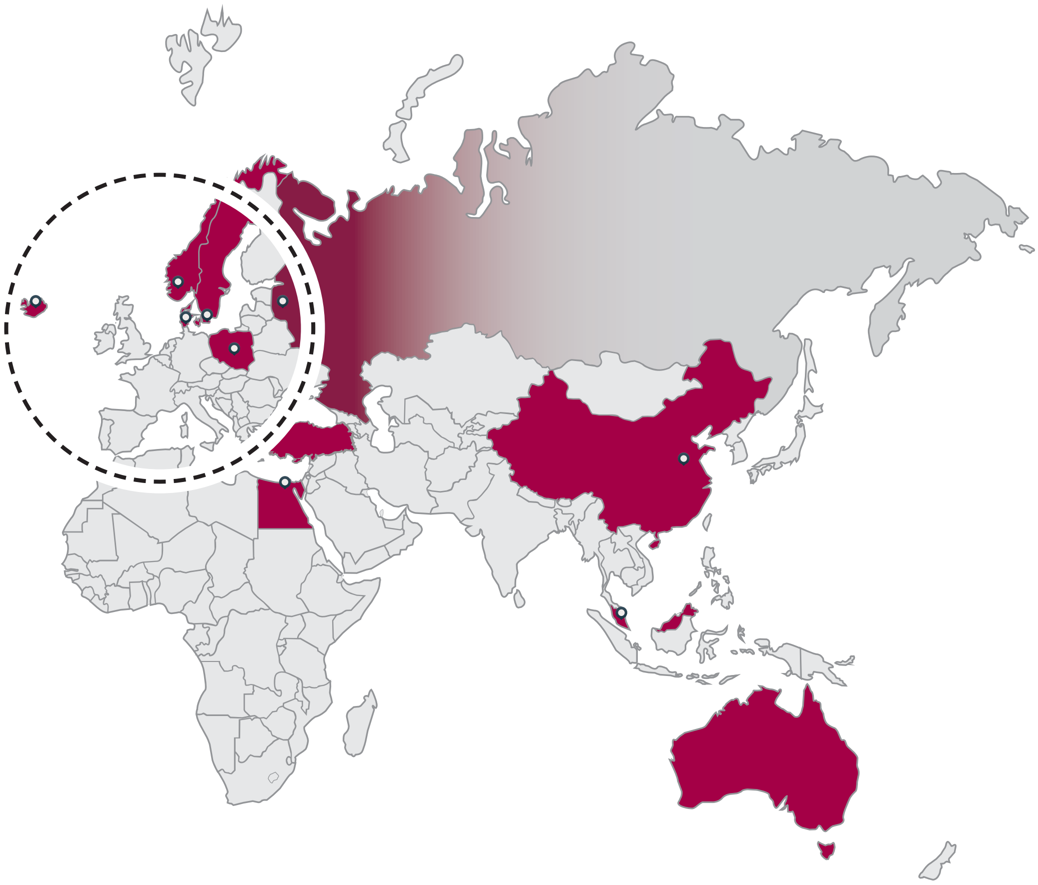
is the most important construction material for strengthening infrastructure, building homes and bridges, creating harbours and expanding airports.

White cement

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

Ready-mixed concrete

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



Overseas

Turkey

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.

1,317,000 tonnes
of white cement

Extensive activities in Turkey

Cimentas is among the largest cement groups in Turkey with production at more sites in the country.

In addition, Cimentas has 14 ready-mixed concrete plants.

Recydia AS processes and recycles waste in Turkey and UK.

1,387,000 m³
of ready-mixed concrete

4,762,000 tonnes
of grey cement

Aggregates

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

Waste

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

Financial highlights

	EURm					DKKm	
	2010	2011	2012	2013	2014	2013	2014
CONSOLIDATED INCOME STATEMENT							
Net sales	477.3	549.9	580.3	670.8	858.4	5,003	6,399
Earnings before depreciation/amortisation, impairment losses, provisions, interest and tax (EBITDA)	**72.9**	**91.0**	**111.5**	**147.4**	**192.6**	**1,099**	**1,436**
EBITDA ratio	*15.3%*	*16.6%*	*19.2%*	*22.0%*	*22.4%*	*22.0%*	*22.4%*
Earnings before interest and tax (EBIT)	**28.2**	**45.7**	**64.7**	**98.9**	**130.9**	**738**	**976**
EBIT ratio	*5.9%*	*8.3%*	*11.1%*	*14.7%*	*15.3%*	*14.7%*	*15.3%*
Earnings before tax (EBT)	**30.8**	**49.1**	**66.4**	**98.2**	**136.4**	**732**	**1,017**
Profit for the year	**25.7**	**36.3**	**55.0**	**76.2**	**109.0**	**568**	**812**
CASH FLOWS							
Cash flows from operating activities (CFFO)	66.4	85.9	104.4	139.1	129.3	1,038	964
Cash flows from investing activities (CFFI)*	-19.1	-17.9	-114.5	-210.8	-59.5	-1,573	-444
Free cash flow (FCF)	**47.3**	**68.0**	**-10.1**	**-71.7**	**69.8**	**-535**	**520**
* Hereof investments in property, plant and equipment (excl. acquisition of assets from acquisition of shares in Cimentas)	-23.6	-16.6	-31.0	-47.9	-59.5	-357	-444
BALANCE SHEET							
Total assets	696.7	690.5	778.3	1,202.8	1,281.6	8,973	9,539
Consolidated shareholders' equity	459.0	465.7	505.7	666.4	767.4	4,971	5,712
Net interest-bearing debt (NIBD)	**44.0**	**5.5**	**24.2**	**141.6**	**117.0**	**1,056**	**871**
Working capital (WC)	**52.2**	**51.2**	**52.7**	**83.4**	**97.0**	**660**	**722**
FINANCIAL RATIOS							
Including non-controlling interests' share							
Return on equity	6%	8%	11%	13%	15%	13%	15%
Equity ratio	66%	67%	65%	55%	60%	55%	60%
Return on capital employed (ROCE)*	4%	6%	10%	12%	11%	12%	11%
NIBD/EBITDA factor	0.6	0.1	0.2	1.0	0.6	1.0	0.6
Number of employees at 31 December	**1,575**	**1,509**	**1,531**	**2,650**	**2,583**	**2,650**	**2,583**
Number of employees in Denmark	764	698	690	701	690	701	690

* 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. 2013 figures are not restated, cf. page 61.

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Management's review

Management's review for 2014

Progress in sales and earnings

Large differences in growth and sales opportunities among the Group's business units around the world. In 2014, the activities in Turkey in particular contributed significantly to the Group's overall growth

The Aalborg Portland Group realised satisfactory earnings in 2014 despite the continuing challenging conditions for the cement and concrete industry in a number of markets.

In the Nordic region, the Group again had a year with weak or static growth in sales volumes. The emerging markets, on the other hand, 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, and the results of these investments contribute increasingly to the earnings of the Aalborg Portland Group and thus also the Cementir Group.

In autumn 2013, as part of a reorganisation of the Cementir Group's equity investments, Aalborg Portland acquired a 46% interest in Cimentas AS, a Turkish cement company listed on the Istanbul stock exchange. Hereafter, Aalborg Portland's shareholding was 71%. In autumn 2014, Aalborg Portland acquired a further 14% interest in Cimentas and now owns 85% of the company. The Cimentas Group is represented in the Aalborg Portland Group's consolidated financial statements for full-year 2014, while in 2013 Cimentas was only included from 1 October. This considerably impacts the comparative figures.

The Aalborg Portland Group realised total net sales of EUR 858m in 2014, against EUR 671m the previous year, corresponding to an increase by EUR 187m or 28%. EUR 208m is related to the stated inclusion of Cimentas. Excluding this impact, net sales decreased by 3%.

Operating profit before depreciation and amortisation (EBITDA) was EUR 193m, an improvement of EUR 45m or 31% from 2013 when EBITDA was EUR 147m. EUR 44m of the increase was due to Cimentas. Excluding Cimentas the increase was 1%.

The Aalborg Portland Group's EBITDA ratio increased to 22.4% from 22.0% the previous year.

Earnings before tax were EUR 136m compared with EUR 98m in 2013, an improvement of EUR 38m. Cimentas represented EUR 28m 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 positive operational cash flow, amounting to EUR 129m. This was able to fund the year's large investments of EUR 60m in improvements, energy savings and environmental projects, and furthermore, an additional 14% interest in Cimentas was acquired at EUR 50m, which totalled EUR 110m.

After investments the Group had a free cash flow, which was mainly used to reduce interest-bearing debt to EUR 117m (2013: EUR 142m), corresponding to 0.6 x EBITDA, a low level compared to the size of the company. At year-end, equity was EUR 767m, and the equity ratio was 60%. Return on equity was 15%, while return on capital employed (ROCE) increased to 13% from 12% the previous year excluding Cimentas. Including Cimentas, ROCE was 11% in 2014. A step in the right direction, but the return does not yet fully meet the Group target.

Innovation

Innovation is a cornerstone of the Aalborg Portland Group's strategy and business model, and in 2014 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.
- Preparations for construction of the planned wind turbine farm at the Aalborg cement plant with a view to predominantly using renewable energy.
- Further 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.

Reporting on society responsibility and gender equality

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 2014, 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.
As required by Danish legislation, the Aalborg Portland cement plant in Aalborg publishes a detailed annual "Environmental Report". Besides setting out policies and results achieved, the report describes the company's environmental, energy and health & safety management systems and its certifications.
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 2014" from Cementir Holding, the owner of Aalborg Portland. The report is expected to be available in April 2015 at www.cementirholding.it. Aalborg Portland has not prepared a separate policy on human rights.
In accordance with Danish regulations governing the gender composition of management in large companies, cf. Section 139(a) of the Danish Companies Act and Section 99(b) of the Financial Statements Act, the Group's policy on gender equality is being extended to recruitment and promotion, the decisive consideration being to find the best qualified people for all company positions. This focus on increasing the number of female managers provides for a balanced gender composition. Furthermore, the Group aims to have a minimum of one (16%) AGM-elected female Board member before 2018. There are currently no female members on the Board of Directors.

Nordic & Baltic

In 2014, the Nordic & Baltic region came close to maintaining its net sales measured in local currencies. In EUR terms, net sales decreased by 4%, mainly in ready-mixed concrete activities (Unicon), but with major variances between the markets.
In Norway, building activity remained at a high level due to a large number of infrastructure projects, but sales fell due to the completion of the deliveries for a major construction project in spring 2014. At the same time,

net sales and earnings in EUR were negatively impacted due to weakening of the Norwegian krone, corresponding to 7%. Sweden realised a decrease in sales, while sales in Denmark were at the level of 2013. In spring 2014, Aalborg Portland received a partial refund of the Danish NO_x levy related to the period 1 July 2012 to 31 December 2013. This refund is equal to EUR 3.5m and affects earnings for the year positively. The Danish government's decision regarding the rate of the basic allowance is positive for the company, but 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 special Danish levies thus continue to pose a considerable disadvantage for Aalborg Portland in competition with European companies that are not subject to these levies.

Furthermore, the year was positively affected by efficiency projects in production and distribution as well as by slightly lower energy costs. Total earnings for the region were satisfactory and higher than in 2013.

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 by strengthening its results-oriented corporate culture. In 2014, 100 managers underwent training in "Continuous Improvement".

Efforts have also been concentrated on maintaining a strong market position and - supported by the business units' close customer relations - keeping constant focus on customer needs and product development. This focus is reflected in the vision: "We make it easy to build with ambition." Based on this, it is the company's mission to supply quality cement, concrete and aggregates and to provide value to customers through innovative and sustainable products and services.

The ongoing reduction in consumption of energy and natural resources has been continued.

Overseas

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

After years with considerable growth, the factory in *China*, Asia's largest production plant for white cement, realised a decrease in both sales and earnings due to lower building activities.

In 2013, the company in *Malaysia* initiated a factory expansion which in autumn 2014 almost doubled the 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 lower earnings. However, these earnings are seen as satisfactory considering the political instability in the country which has negatively impacted cement sales.

Turkey

Being one of the largest cement groups in Turkey, Cimentas has four production plants, two strategically sited in western Turkey in Izmir and Edirne, and a further two factories in the emerging markets of Kars and Elazig in the eastern part of the country. Combined capacity in 2014 was 5.4m tonnes and sales of grey cement and clinker amounted to 4.8m tonnes.

Cimentas additionally has 14 ready-mixed concrete plants, product sales in 2014 being 1.4m m^3. Moreover the company operates municipal and industrial waste management and has renewable energy sector activities in UK and Turkey.

In spite of a significant devaluation of approx. 15% in the Turkish lira, Cimentas achieved very satisfactory earnings. The progress is mainly related to increased earnings in cement activities with full capacity utilisation at three of the company's four plants. For further information reference is made to page 14.

125th anniversary celebrated

In October 2014, Aalborg Portland celebrated its 125th anniversary. The company was founded in 1889 at the manor in Rørdal, east of Aalborg, where the subsoil contained - and still holds - large deposits of chalk, which is one of the necessary components for the manufacture of cement. At the same time the location by the Limfjord was ideal for transport to and from the new plant.

Over the past 125 years much has happened and much has changed – also at Aalborg Portland, which has developed into a strong and important industry player with products which are known worldwide. As a recognised leader in both current and future-oriented manufacture of cement, the company learned early on that continuous innovation of both products and production is a prerequisite to continued healthy development. Great emphasis is therefore placed on ongoing innovation.

The 125th anniversary was celebrated with a number of special events and a reception to which customers and business associates were invited along with representatives of relevant public authorities. In recognition of the importance of the employees to the company's performance and solid position a celebration party was also held for all Aalborg Portland's employees.

Expectations to 2015

The macroeconomic outlook for 2015 shows signs of slight improvements in the world economy but with continuing major uncertainty and variances between markets. Furthermore, high volatility in the foreign exchange market is expected, which may significantly impact the Group's net sales and earnings.

In the *Nordic & Baltic* region a slight increase in building and construction activity is expected in Denmark, which remains the Group's largest single market. The market is positively affected by a small number of large commercial and infrastructure projects, while activities in other segments remain historically low. In Norway, the low oil prices contributed to a negative expectation in terms of construction activity, and the devalued Norwegian krone is also having a negative impact on the Group's net sales and earnings. However, the current low energy prices will in general have a positive effect on earnings in the region.

Competition is growing, however, in both the cement and the ready-mixed concrete markets. At the same time, Danish special taxes are weakening Aalborg Portland's competitiveness, not only in the Danish market, but particularly in a number of important export markets and in the competition for orders for the important Fehmarn project. Aalborg Portland consistently seeks to contribute constructively to the knowledge and understanding of politicians and authorities with regard to the framework conditions for manufacturing companies in Denmark, including arguing for uniform international competitive conditions. Aalborg Portland is striving to mitigate this increased competition through innovation in the entire value chain – from product development and manufacture to sales and distribution.

The *Overseas* business area as a whole is expected to show slightly improved net sales and earnings. This particularly applies to the markets and plants in Asia, including increased sales from the plant in Malaysia. However, developments in Egypt remain subject to considerable uncertainty due to the political situation, and weak or even negative growth in sales and earnings is consequently expected.

In *Turkey*, progress is expected in sales of cement and ready-mixed concrete as well as in waste management. However, there is a continued risk in the form of devaluation pressure on the Turkish lira, which may have a negative impact on the Group's earnings.

Despite continued low growth in a number of important markets, 2015 earnings for the Aalborg Portland Group as a whole are expected to be on par with or slightly above 2014.

The Aalborg Portland Group builds on strong commercial positions, continuous innovation, a sound financial base and not least dedicated and talented employees and managers. Based on this we expect a positive development for the Group.

Financial review

In 2013, as part of a reorganisation of the Cementir Group's equity investments, Aalborg Portland increased its interest in the Turkish cement company Cimentas by 46% to 71%. In 2014, a further 14% interest was acquired and hereafter the shareholding amounts to 85%. The Cimentas Group was represented in the Aalborg Portland Group's consolidated financial statements from 1 October 2013. The table below shows the effects of the acquisition on a number of financial key figures and ratios for 2014 and 2013.

	Aalborg Portland Group (excl. Cimentas)			Cimentas Group		Aalborg Portland Group (2013 incl. Cimentas)		
EURm	**2014**	**2013**	**Change**	**2014**	**2013 4th quarter**	**2014**	**2013**	**Change**
Net sales	589.4	609.4	-3%	269.0	61.4	858.4	670.8	28%
EBITDA	123.6	122.5	1%	69.0	24.9	192.6	147.4	31%
EBITDA ratio	*21.0%*	*20.1%*		*25.7%*	*40.6%*	*22.4%*	*22.0%*	
*EBITDA ratio**	*21.0%*	*20.1%*		*21.1%*	*20.2%*	*21.0%*	*20.1%*	
EBIT	86.2	80.3	7%	44.7	18.7	130.9	98.9	32%
EBT	91.0	80.9	12%	45.4	17.3	136.4	98.2	39%
EAT	69.1	63.6	9%	39.9	12.5	109.0	76.2	43%
CFFO	99.6	109.9	-9%	29.7	29.2	129.3	139.1	-7%
CFFI	-33.6	-217.8	85%	-25.9	-18.0	-59.5	-210.8	72%
Free cash flow (FCF)	66.0	-107.8		3.8	11.2	69.8	-71.7	
Non-current assets	811.1	746.8	9%	385.3	360.7	928.1	871.6	6%
Current assets	222.0	215,1	3%	140.9	120.3	353.5	331.2	7%
Total assets	1,033.1	961.9	7%	526.2	481.0	1,281.6	1,202.8	7%
Working capital	45.0	44.8	0%	52.0	38.6	97.0	83.4	16%
NIBD	119.7	139.3		-2.7	2.4	117.0	141.6	
NIBD/EBITDA factor	0.97	1.14		-0.04	0.10	0.61	0.96	
Equity	631.8	548.0	15%	403.9	348.4	767.4	666.4	15%
Return on equity	11.7%	12.1%		10.6%	n/a	15.2%	12.8%	
Equity ratio	61.2%	57.0%		76.7%	72.4%	59.9%	55.1%	
ROCE	13.2%	12.3%		9.7%	n/a	10.9%		

* Excl. non-recurring income in Cimentas of EUR 12.1m (EUR 12.5m in 2013).

Profit and loss account

Earnings development for the Aalborg Portland Group is reviewed below, including the effects of the acquisition of Cimentas, Turkey. The full-year effect of the consolidation of Cimentas is presented in the above table.

Group net sales in 2014 amounted to EUR 858.4m, an increase of 28%. The growth is primarily related to Turkey due to the consolidation of Cimentas. Excluding Cimentas, net sales decreased by 3%.

Volume sales of cement were similar to or slightly below the year before. Sales in Denmark and the neighbouring export markets were on par with 2013, but negatively influenced by the difficult market conditions in Egypt, and by a slight decrease in sales in China after several years of growth.

Volume sales of ready-mixed concrete in the Nordic region were 4% below the year before, decreases being recorded in Norway and Sweden. Sales of aggregates (granite and gravel) were at the level of 2013. Furthermore, net sales were influenced by the lower exchange rates on a number of currencies, including NOK, SEK and the Turkish lira (TRY).

Operating profit before depreciation (EBITDA ratio) increased by 0.9 percentage points from 20.1% in 2013 to 21.0% in 2014 (excl. non-recurring income in Turkey in both years). This satisfactory development was mainly due to the Group's Operational Excellence and cost optimisation programmes. Including non-recurring income, the EBITDA ratio increased from 22.0% to 22.4%.

Earnings before interest and tax (EBIT) rose by more than 32% to EUR 130.9m (2013: EUR 98.9m). Excluding Cimentas, EBIT increased by 7%, of which 4 percentage points is related to refund of NO_X levy.

Tax on profit for the year amounted to EUR 27.4m (2013: EUR 22.1m), net profit for the year being EUR 109.0m against EUR 76.2m in 2013.

Results for Cimentas Group

EURm	2014	2013	Change
Net sales	269.0	267.4	1%
EBITDA	69.0	56.1	23%
EBITDA ratio	*25.7%*	*21.0%*	
*EBITDA ratio**	*21.1%*	*16.2%*	
EBIT	44.7	32.0	40%
EBT	45.4	20.7	>100%
EAT	39.9	14.0	>100%
NIBD	-2.7	2.4	>100%

* Excl. on-recurring income in Cimentas of EUR 12.1m (EUR 12.9m in 2013).

Total net sales for Cimentas in 2014 were EUR 269.0m against EUR 267.4m in 2013. The moderate increase in net sales, amounting to 1% in EUR terms, was realised despite devaluation of the Turkish lira, which on average weakened by 15% in 2014.

EBITDA for Cimentas was EUR 69.0m against EUR 56.1m in 2013. The improvement is mainly related to increased earnings in cement activities, with full capacity utilisation at three of the company's four plants. Profit for the year includes non-recurring income of EUR 12.1m in the fourth quarter from value adjustment of investment property, the same level as in 2013.

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, including Cimentas, was EUR 129.3m for 2014 (2013: EUR 139.1m). The cash flow was positively influenced by the growth in EBITDA and negatively influenced by increased tied-up working capital, especially in Turkey.

The Group's cash flow from investment activities (CFFI) amounted to EUR 59.5m (2013: EUR 210.8m, of which EUR 164.3m is related to the acquisition of a 46% interest in Cimentas). The Group increased capital expenditure, partly on improvements to operating efficiency and partly on energy-saving and environmental projects. Furthermore, Cimentas made investments in waste management and recycling activities in Turkey and UK.

The Group's cash flow from financing activities (CFFF), amounting to EUR 84.8m, was influenced by the acquisition of a 14% interest in Cimentas amounting to EUR 49.8m.

The year's substantial investments (CFFI) were funded by cash flow from operations (CFFO). The remainder of the free cash flow (FCF) of EUR 69.8m was primarily used to fund reduction of the Group interest-bearing debt and to fund acquisition of the 14% interest in Cimentas amounting to EUR 49.8m.

Debt and financial resources

Despite the year's major investments the net interest-bearing debt (NIBD) has thus been reduced and kept at a low level relative to the company's size. NIBD amounted to EUR 117.0m at the end of the year, corresponding to 0.6 x EBITDA (2013: EUR 141.6m and 1.0 x EBITDA).

The financial resources currently consist of committed credit facilities of EUR 100m with a weighted life of four years and long-term mortgage loans of EUR 136m with an average life of 13.5 years. To these must be added uncommitted facilities in the parent company of EUR 50m.

Balance sheet

Non-current assets amounted to EUR 928.1m at 31 December 2014, 6% higher than at the same time the year before (EUR 871.6m). The increase was primarily due to investment in tangible assets, addition of goodwill, adjustments of fair value in investment property and change of deferred tax.

Current assets amounted to EUR 353.5m, 7% above the year before (EUR 331.2m). The increase is primarily due to increased stocks and receivables.

Shareholders' equity

Group shareholders' equity amounted to EUR 767.4m at the end of 2014 against EUR 666.4m the year before. As well as by the profit for the year, shareholders' equity was influenced by positive exchange rate adjustments of EUR 36.1m. The adjustments mainly related to the strengthening of the Turkish lira (TRY), the Egyptian pound (EGP) and the Chinese renminbi (CNY).

Equity ratio was 60% at the end of 2014 (55% at the end of 2013). Return on equity increased in 2014 to 15% from 13% the year before.

Return on capital employed

In 2014 too, intense effort was made to increase the company's capital efficiency. The Group's ability to generate a satisfactory profit via efficient operation is measured by ROCE (Return on Capital Employed).

ROCE increased to 13% from 12% in 2013 excluding Cimentas. Including Cimentas, ROCE was 11% in 2014. This is a step in the desired direction, but the return does not fully match the Group target. In 2014, 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.

Efforts will be continued in all areas to optimise the return on capital employed.

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-2014 amounted to EUR 45.0m or just 8% of net sales, against EUR 44.8m the year before. To this must be added working capital of EUR 52.0m relating to Cimentas (EUR 38.6m end-2013).

Risk Management

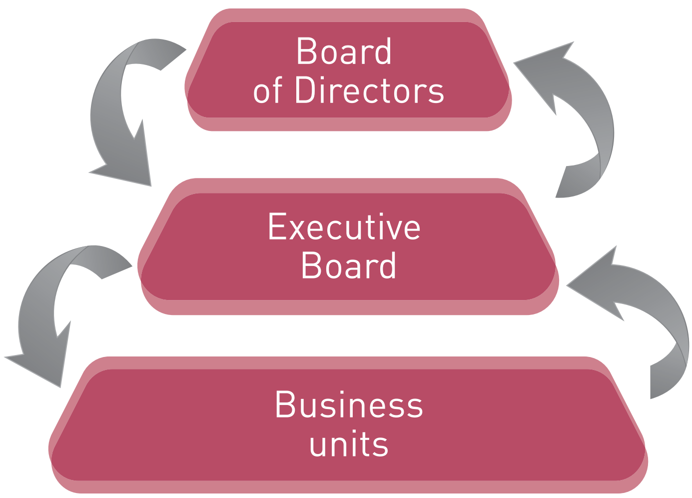
Like any other company the Aalborg Portland Group is affected by risks and uncertainties relating to its business activities and the Group works continuously on strengthening risk management. The Group employs a holistic risk management process that includes the most critical risks:
- Market conditions
- Framework conditions
- Environmental impacts
- Organisation
- Financial risks

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

Monitoring and control

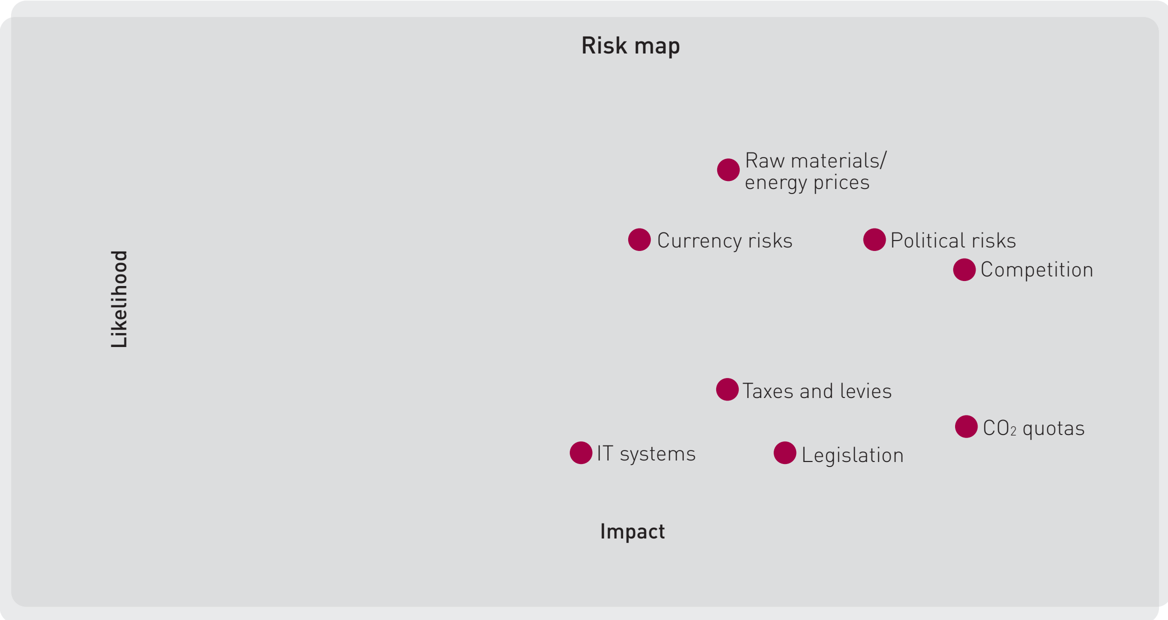
The Group's risk management is based on a standardised risk process. The assessment of the individual risk factors is based on the likelihood of the risks occurring and their potential impact on the operations and image of the business unit if they do occur.
The risk management process is embedded in the management of the business units. The business units together with the corporate and service functions are responsible for identifying, analysing and managing risks and for reporting on progress and initiating control measures. 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.
The individual risk reports received from the business units are consolidated at Group level. The combined risk report is included in Group management's monitoring and risk management processes. 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 periodically or as needed to the Board of Directors, which determines the overall policies and framework for the day-to-day management.

Risk reporting



Critical risks

Risks of particular significance to the Group's activities are illustrated below based on the likelihood of their occurring and the potential impact if they do occur.



Market conditions

Competition

Loss of major customers and projects may pose a significant risk to the achievement of the Group's objectives. The Group continuously monitors its markets and takes ongoing actions to address the competitive environment and market changes.

Raw materials and energy prices

The Group uses large quantities of energy in cement manufacture and is therefore sensitive to long-lasting price changes. 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, and the Group is working proactively on finding timely solutions for this.

Framework conditions

Legislation and other adjustments

The Group is subject to changes to regulations by the authorities and organisations in a variety of 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.

Political risks

The Group operates globally, including in emerging markets with political risks. This can have material consequences both for the production conditions and sales. The Group seeks active dialogue at all levels with politicians, authorities and interest groups to create a good basis for continued operation and to enable the activities of the Group to be adjusted.

Taxes and levies

The Group's production is subject to substantial taxation, particularly in Denmark. Tax represents a material area of risk for the Group as it impacts directly on competitiveness and sales potential. Especially when up against cement producers from neighbouring countries without high tax levels like in Denmark, it is difficult to compete on price.

CO_2 quotas

The future granting of CO_2 quotas to the Group's production units may have substantial financial impact. Ongoing focus is therefore placed by the Group on compliance with all requirements relating to the granting of CO_2 quotas. At the same time the Group carefully monitors the EU and national political issues related to CO_2 quotas in relation to the Group's expected development within the EU area.

Environmental impacts

The Group's business units and management are very conscious of their environmental role and they strive to recognise, manage and counteract relevant risks encountered. The manufacture of the Group's products consumes raw materials and energy, but the environmental and climate characteristics of these products are very favourable. It is the stated policy of the Group to contribute constructively and significantly to achieving society's climate goals, and through the development of its products and production the Group thus constantly strives to ensure a more environmentally friendly and future-proof cement production.

Organisation

Employees and management

The Group's continued success is dependent on the retention of experienced employees and managers and on the recruitment of new skilled employees and managers to the Group's business units and support functions. Accordingly, the Group emphasises that its jobs are attractive and that employees and managers have good opportunities for further development.

IT systems

IT systems are used in all parts of the Group's activities, including production, sales and finance. Operational disruption and loss of data and communications will have a negative impact on the Group. Consequently, IT security and business continuity are risk areas of high priority, especially in connection with implementation of new systems.

Financial risks

The Group's financial risks, including currency risks, which are particularly significant for the Group, are described in the notes to the financial statements.

2

Financial statements

Income statement

EUR '000	Notes	Group		Parent Company	
		2014	2013	2014	2013
Net sales	1	858,401	670,764	192,270	188,357
Cost of sales	2+3+4+9	529,634	398,182	104,264	113,467
Gross profit		**328,767**	**272,582**	**88,006**	**74,890**
Sales and distribution costs	4+9	148,582	140,453	28,645	30,870
Administrative expenses	4+5+9	69,708	48,221	12,346	12,504
Other operating income	6	21,244	15,453	642	762
Other operating costs	6	790	431	0	0
Earnings before interest and tax (EBIT)		**130,931**	**98,930**	**47,657**	**32,278**
Share of profit after tax, joint ventures	18	3,215	2,270	0	0
Financial income	7	20,408	7,793	19,039	1,423
Financial expenses	7	18,186	10,756	4,849	4,014
Earnings before tax (EBT)		**136,368**	**98,237**	**61,847**	**29,687**
Income tax	8	27,394	22,075	11,551	4,616
Profit for the year		**108,974**	**76,162**	**50,296**	**25,071**
Attributable to: Non-controlling interests		19,674	11,426		
Shareholders in Aalborg Portland A/S		89,300	64,736		
To be distributed as follows: Retained earnings				50,296	25,071

Statement of comprehensive income

EUR '000	Notes	Group		Parent Company	
		2014	2013	2014	2013
Profit for the year		**108,974**	**76,162**	**50,296**	**25,071**
Other comprehensive income					
Items that cannot be reclassified to the income statement:					
Actuarial gains/losses on defined benefit pension schemes	22	-2,790	-1,307	0	0
Tax	8	608	353	0	0
		-2,182	**-954**	**0**	**0**
Items that can be reclassified to the income statement:					
Exchange rate adjustments on translation of foreign entities		36,071	-69,417	0	0
Other comprehensive income after tax		**33,889**	**-70,371**	**0**	**0**
Total comprehensive income		**142,863**	**5,791**	**50,296**	**25,071**
Attributable to:					
Non-controlling interests		29,962	-6,196		
Shareholders in Aalborg Portland A/S		112,901	11,987		
		142,863	**5,791**		

Cash flow statement

EUR '000	Notes	Group		Parent Company	
		2014	2013	2014	2013
Cash flow from operating activities					
Earnings before interest and tax (EBIT)		130,931	98,930	47,657	32,278
Adjustment for non-cash items	10	44,516	34,771	14,406	16,937
Change in working capital etc.	11	-20,295	24,351	-1,525	8,470
Cash flow from operating activities before financial items and tax		**155,152**	**158,052**	**60,538**	**57,685**
Dividends received from joint ventures	17	2,687	1,609	0	0
Financial payments received and made	12	843	-1,352	584	-3,131
Income tax paid		-29,364	-19,187	-10,139	-10,2428
Cash flow from operating activities (CFFO)		**129,318**	**139,122**	**50,983**	**44,312**
Cash flow from investing activities					
Acquisition of intangible assets		-3,501	-1,551	-562	-1,445
Acquisition of property, plant and equipment		-59,122	-45,229	-12,044	-11,919
Disposal of intangible assets and property, plant and equipment		3,230	1,208	45	0
Acquisition of activities, equity investments and other non-current assets	29	0	-165,375	0	-189,261
Other investments		-94	0	0	0
Disposal of equity investments and other non-current assets		0	110	0	4
Dividends received from Group enterprises		0	0	13,606	546
Cash flow from investing activities (CFFI)		**-59,487**	**-210,837**	**1,045**	**-202,075**
Cash flow from operating and investing activities, total		**69,831**	**-71,715**	**52,028**	**-157,763**
Cash flow from financing activities					
Acquisition of shares from non-controlling interests	29	-49,756	0	-49,901	0
Dividends to non-controlling interests		-1.795	-1,479	0	0
Changes in financing	13	-33,222	-26,429	-2,128	8,697
Raising of mortgage loan		0	148,806	0	148,806
Cash flow from financing activities		**-84,773**	**120,898**	**-52,029**	**157,503**
Changes in cash funds		**-14,942**	**49,183**	**-1**	**-260**
Cash funds at 1 January	13	104,234	55,051	8	268
Cash funds at 31 December		**89,292**	**104,234**	**7**	**8**

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

Balance sheet

EUR '000	Notes	Group		Parent Company	
		2014	2013	2014	2013
ASSETS					
Goodwill		174,885	161,319	2,334	2,437
Other intangible assets		38,350	37,926	5,818	5,863
Intangible assets in course of construction		708	786	153	373
Intangible assets	14	**213,943**	**200,031**	**8,305**	**8,673**
Land and buildings		198,270	192,709	35,312	36,740
Plant and machinery		374,021	343,352	84,632	87,589
Property, plant and equipment in course of construction		24,500	37,023	7,568	4,4458
Property, plant and equipment	15	**596,791**	**573,084**	**127,512**	**128,774**
Investment property	16	**81,182**	**69,827**	**0**	**0**
Investments in joint ventures	17+18	20,342	17,240	0	0
Investments in subsidiaries	17	0	0	478,381	426,816
Other non-current assets	17	8,681	9,126	180	180
Deferred tax assets	17+19	7,156	2,277	0	0
Other non-current assets		**36,179**	**28,643**	**478,561**	**426,996**
Total non-current assets		**928,095**	**871,585**	**614,378**	**564,443**
Inventories	20	**112,541**	**96,867**	**29,258**	**22,437**
Trade receivables	21	117,063	112,090	11,198	10,223
Amounts owed by Group enterprises		3,915	2,903	27,720	24,087
Amounts owed by joint ventures		8,869	2,872	3,193	2,790
Derivative financial instruments (positive fair value)		1,245	0	1,169	0
Joint taxation contribution receivable		0	0	1,437	2,208
Income tax receivable		331	686	0	444
Other receivables	21	12,825	7,340	3,300	4,007
Prepayments	21	7,384	4,251	487	381
Receivables		**151,632**	**130,142**	**48,504**	**44,140**
Cash funds		**89,292**	**104,234**	**7**	**8**
Total current assets		**353,465**	**331,243**	**77,769**	**66,585**
TOTAL ASSETS		**1,281,560**	**1,202,828**	**692,147**	**631,028**

Balance sheet

EUR '000	Notes	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital		40,333	40,333	40,333	40,333
Foreign currency translation reserve		-29,083	-48,008	0	0
Retained earnings		581,131	483,920	382,487	330,685
Aalborg Portland A/S's share of shareholders' equity		**592,381**	**476,245**	**422,820**	**371,018**
Non-controlling interests' share of shareholders' equity		**174,994**	**190,113**	**0**	**0**
Total shareholders' equity		**767,375**	**666,358**	**422,820**	**371,018**
Liabilities					
Pension and similar liabilities	22	14,149	12,227	0	0
Deferred tax liabilities	19	63,927	61,013	20,362	20,323
Provisions	23	16,283	16,738	3,432	3,491
Credit institutions etc.	24+27	179,053	161,689	165,001	157,431
Other payables	26	1,611	2,124	0	0
Deferred income	25	7,362	8,184	0	0
Non-current liabilities		**282,385**	**261,975**	**188,795**	**181,245**
Credit institutions	24+27	32,192	85,936	10,058	23,497
Trade payables		131,546	120,282	39,176	34,287
Amounts owed to Group enterprises		10,048	4,447	23,321	12,517
Amounts owed to joint ventures		113	0	4	0
Derivative financial instruments (negative fair value)		268	1,030	237	948
Joint taxation contribution payable		0	0	0	68
Income tax payable		8,785	7,663	283	0
Provisions	23	1,652	1,982	120	39
Other payables	26	46,343	52,282	7,333	7,409
Deferred income	25	853	873	0	0
Current liabilities		**231,800**	**274,495**	**80,532**	**78,765**
Total liabilities		**514,185**	**536,470**	**269,327**	**260,010**
TOTAL EQUITY AND LIABILITIES		**1,281,560**	**1,202,828**	**692,147**	**631,028**

Statement of shareholders' equity

EUR '000	Share capital	Foreign currency translation reserve	Retained earnings	Aalborg Portland's total share	Non-controlling interests' share	Total equity
Group						
Shareholders' equity at 1 January 2014	40,333	-48,008	483,920	476,245	190,113	666,358
Comprehensive income in 2014						
Profit for the year			89,300	89,300	19,674	108,974
Other comprehensive income						
Exchange rate adjustments on translation of foreign entities		24,917		24,917	11,154	36,071
Actuarial gains/losses on pension schemes			-1,695	-1,695	-1,095	-2,790
Tax on other comprehensive income			379	379	229	608
Total comprehensive income	**0**	**24,917**	**87,984**	**112,901**	**29,962**	**142,863**
Transactions with owners						
Dividend distributed					-1,881	-1,881
Acquisition of equity investments from non-controlling interests		-5,992	-564	-6,556	-43,200	-49,756
Transferred goodwill on intra-group acquisition of in Cimentas			9,791		9,791	9,791
	0	**-5,992**	**9,227**	**3,235**	**-45,081**	**-41,846**
Shareholders' equity at 31 December 2014	**40,333**	**-29,083**	**581,131**	**592,381**	**174,994**	**767,375**
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 defined benefit pension schemes			-1,181	-1,81	-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 non-controlling interests in connection acquisition of Cimentas					138,044	138,044
Transferred goodwill on intra-group acquisition of 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**

Statement of shareholders' equity

EUR '000	Share capital	Retained earnings	Total
Parent Company			
Shareholders' equity at 1 January 2014	40,333	330,685	371,018
Effect of translation to presentation currency		1,506	1,506
Profit for the year (total comprehensive income)		50,296	50,296
Shareholders' equity at 31 December 2014	**40,333**	**382,487**	**422,820**
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**

The share capital in 2014 and 2013 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 2014 were EUR 0.0m (2013: EUR 0.0m).

Notes

EUR '000

1. Net sales	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Sale of cement	438,854	307,336	187,147	183,647
Sale of ready-mixed concrete	330,140	307,885	0	0
Other sales*	89,407	55,543	5,123	4,710
	858,401	**670,764**	**192,270**	**188,357**

* 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 529.6m (2013: EUR 398.2m). Hereof direct staff costs amount to EUR 62.2m (2013: EUR 50.6m) and use of raw materials amounts to EUR 116.5m (2013: EUR 97.0m).

Parent Company

Cost of sales amounts to EUR 104.3m (2013: EUR 113.5m). Hereof direct staff costs amount to EUR 16.5m (2013: EUR 17.0m) and use of raw materials amounts to EUR 12.8m (2013: EUR 12.3m).

3. Research and development costs	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Research and development costs charged to the income statement:				
Research and development costs paid	2,242	2,040	2,242	2,040
Development costs recognised in intangible assets	0	-46	0	-46
Amortisation and impairment of recognised development costs	2	2	2	2
	2,244	**1,996**	**2,244**	**1,996**

4. Staff costs	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Wages and salaries and other remuneration	101,225	84,890	24,374	25,476
Pension costs, defined benefit schemes	1,024	1,390	0	0
Pension costs, defined contribution schemes	7,463	5,043	1,871	1,870
Social security costs	6,202	6,492	413	401
	115,914	**97,815**	**26,658**	**27,747**
Number of employees at 31 December	2,584	2,650	324	326
Average number of full-time employees	2,627	1,794	325	329
Remuneration of the Board of Directors, the Management and other senior executive				
Salaries and remunerations	6,623	4,661	2,168	2,540
Pension contributions	109	120	76	77
	6,732	**4,781**	**2,244**	**2,617**
Hereof Board of Directors and Management	1,580	1,343	1,580	1,343

Remuneration of senior executives regarding Cimentas is represented in the Aalborg Portland Group's financial statement for the full year 2014, while 2013 only included the inclusion of Cimentas from 1 October 2013.

Remuneration of the Board of Directors represents EUR 117k in 2014 (2013: EUR 113k).

EUR ‘000

Pension schemes

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

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

	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Total fees to KPMG are specified as follows:				
Statutory audit	534	378	101	113
Other assurance engagements	88	92	62	70
Tax and VAT advisory services	60	92	20	20
Other services	133	103	72	94
	815	**665**	**255**	**297**
Fess to other auditors	31	106	0	0

6. Other operating income and other operating costs

	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Other operating income				
Rent income	1,173	949	627	733
Profit on sale of property, plant and equipment	2,572	621	15	0
Value adjustment, investment property	12,054	12.477	0	0
Sale of scrap, spare parts and consumables	416	0	0	0
Other income from supplier related to delay	1,397	0	0	0
Other income from cancellation of payable related to subsidiary acquisition	1,243	0	0	0
Other income	2,389	1,406	0	29
	21,244	**15,453**	**642**	**762**
Other operating costs				
Loss on sale of property, plant and equipment	0	29	0	0
Other costs	790	402	0	0
	790	**431**	**0**	**0**

7. Financial income and expenses

	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Financial income				
Interest, cash funds etc.	3,027	937	125	27
Interest, Group enterprises	216	137	626	526
Dividends received from Group enterprises	0	0	13,606	546
Profit on sale of investments in Group enterprises	0	84	0	0
Exchange rate adjustments	17,165	6,635	4,682	324
	20,408	**7,793**	**19,039**	**1,423**
Interest on financial assets measured at amortised cost	3,243	1,074	751	553
Financial expenses				
Interest, credit institutions etc.	6,059	2,407	3,135	1,731
Interest, Group enterprises	0	0	20	16
Exchange rate adjustments	12,127	8,349	1,694	2,267
	18,186	**10,756**	**4,849**	**4,014**
Interest on financial obligations measured at amortised cost	6,059	2,407	3,155	1,747

EUR ‘000

8. Income tax

	Group		Parent Company	
	2014	2013	2014	2013
Income tax				
Current tax on the profit for the year/joint taxation contribution	30,479	21,624	11,602	8,292
Deferred tax adjustment	-3,127	2,633	-7	-1,985
Other adjustments, including previous years	42	-2,182	-44	-1,691
	27,394	**22,075**	**11,551**	**4,616**
Taxes paid	**29,775**	**19,502**	**10,123**	**10,245**

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

	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Reconciliation of tax rate				
Reconciliation of tax rate				
Tax according to Danish tax rate 24.5%	33,410	24,559	15,153	7,422
Difference in the tax rates applied by non-Danish subsidiaries relative to 24.5%	-1,160	-493	0	0
Non-taxable income and non-deductible expenses	55	472	-48	9
Non-taxable profit shares in joint ventures	-125	-586	0	0
Dividends received from subsidiaries and profits from sales	0	0	-3,333	-137
Recognised tax assets (not previously recognised)	-2,969	-858	0	0
Expired tax loss regarding this and previous years	0	3,619	0	0
Effect of investment properties and acquisition of land	-1,808	-1,938	0	0
Other, including adjustments previous years	-150	-64	-221	0
Change of tax rates	141	-2,636	0	-2,678
	27,394	**22,075**	**11,551**	**4,616**
Applicable tax rate for the year	**20%**	**22%**	**19%**	**16%**
Income tax recognised directly as other comprehensive income				
Actuarial gains and losses	-608	-353	0	0
	-608	**-353**	**0**	**0**
Total income tax	**26,786**	**21,722**	**11,551**	**4,616**

9. Environmental taxes

The Parent Company has paid the following direct environmental taxes:

	Parent Company 2014	Parent Company 2013
Sulphur	316	267
NO_x*	1,812	3,817
Electricity	133	718
Waste	160	460
Energy	762	971
Raw materials	532	568
Diesel and fuel oil	2	2
PSO	4,175	3,517
	7,892	**10,320**

* In April 2014, the Parent Company received a NOx tax reimbursement regarding 2012-2013 of EUR 3.5m.

EUR '000

10. Adjustment for non-cash items	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Amortisation, depreciation and impairment	60,959	47,595	14,385	17,429
Change in provisions	-2,306	97	14	-484
Value adjustment, fair value	-12,054	-12,477	0	0
Gains and losses on sale of property, plant and equipment, and exch. rate adjustments	-2,083	-444	7	-8
	44,516	**34,771**	**14,406**	**16,937**

11. Change in working capital etc.	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Inventories	-15,732	2,340	-6,820	4,915
Receivables	-6,242	4,902	-3,637	1,767
Trade payables	17,273	13,044	8,408	2,831
Change in other receivables, other payables and deferred income	-15,594	4,065	524	-1,043
	-20,295	**24,351**	**-1,525**	**8,470**

12. Financial payments received and made	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Financial payments received	12,723	7,793	5,433	883
Financial payments made	-9,635	-10,756	-4,849	-4,014
Adjustment for non-cash items	-2,245	1,611	0	0
	843	**-1,352**	**584**	**-3,131**

13. Net interest-bearing debt (NIBD)	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Net interest-bearing debt, 1 January	141,631	24,238	173,015	15,131
Addition of net interest-bearing debt in connection with acquisition of shares in Cimentas	0	37,700	0	0
Changes in interest-bearing cash funds	14,942	-49,182	1	260
Raising of mortgage loan	0	148,806	0	148,806
Changes in financing	-33,222	-26,429	-2,128	8,697
Exchange rate adjustments	-6,337	6,498	284	121
Net interest-bearing debt (- deposit) at 31 December	**117,014**	**141,631**	**171,172**	**173,015**

In the exchange rate adjustment, the effect of cash funds opening balance sheet is included by EUR 4.0m (2013: EUR -4.9m).

EUR '000

14. Intangible assets

Group

	Goodwill	Other intangible assets	Intangible assets in development	Total
Cost at 1 January 2014	161,319	57,548	786	219,653
Exchange rate adjustments	3,775	1,886	2	5,663
Additions from acquisition of shares in Cimentas	9,791	0	0	9,791
Additions	0	2,237	769	3,006
Disposals	0	-41	0	-41
Change inconsolidation method	0	-207	0	-207
Other adjustments/reclassifications	0	1,884	-849	1,035
Cost at 31 December 2014	**174,885**	**63,307**	**708**	**238,900**
Amortisation and depreciation at 1 January 2014	0	19,622	0	19,622
Exchange rate adjustments	0	330	0	330
Reversed depreciation on disposals	0	-11	0	-11
Change in consolidation method	0	-207	0	-207
Amortisation for the year	0	3,892	0	3,892
Impairment	0	1,331	0	1,331
Amortisation and depreciation at 31 December 2014	**0**	**24,957**	**0**	**24,957**
Carrying amount at 31 December 2014	**174,885**	**38,350**	**708**	**213,943**
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**

Amortisation during the year is included in the following items:	2014	2013
Cost of sales	1,465	506
Sales and distribution costs	21	620
Administrative expenses	2,406	1,475
	3,892	**2,601**

Other intangible assets

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

The carrying amount of development projects is EUR 0.1m (2013: EUR 0.2m).

Internally generated intangible assets, mainly regarding SAP implementation, amount to EUR 2.5m (2013: EUR 3.0m).

14. Intangible assets (continued)

Other intangible assets include a waste management agreement signed in 2011 (for a term of 25 years) with the municipal company of Istanbul (Turkey), with an original consideration of TRY 12.1m (equal to EUR 5.2m at the acquisition date).
At 31 December 2014, the recoverable amount of the CGU (Hereko) was estimated on the basis of its value in use due to delays in capital expenditure which postponed full operation of the facilities and did not enable the achievement of the earnings targets.
Key assumptions were based on assessments by management concerning future projections for the sector of reference and a historic analysis of internal and external factors of information. Future cash flows were considered until 2035, when the waste management agreement will expire.
Key assumptions used to estimate the recoverable amount of the CGU were:
- WACC of 12.7%
- Growth rate of 5%
- EBITDA margin between 24% and 40.9%, in line with company forecasts starting from 2015 and onwards.

Impairment testing at 31 December 2014 found a recoverable amount for the CGU of EUR 55.7m, compared to a carrying amount of EUR 57m. Accordingly, an impairment loss of EUR 1.3m was recognised in administrative costs.

Goodwill

Besides goodwill there are no intangible assets with indefinite useful lives. At 31 December 2014 Nordic Cement, Nordic RMC, Turkey and Overseas account for EUR 2.3m, EUR 39.3m, EUR 125.2m and EUR 8.0m of the consolidated goodwill. In connection with acquisition of further 14% of the shares in the Turkish company Cimentas additions amount to EUR 9.8m.
Aalborg Portland Group performed impairment test on the carrying amount of goodwill at 31 December 2014 based on value in use. 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 2015-2017 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 2017.
Budgets and business plans for the period 2015-2017 are based on concrete future business measures, assessing risks in the key parameters and incorporating these in expected future free cash flows. Projections after 2017 are based on general expectations. The value for the period after 2017 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 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 5-6% (6-7% before tax) for Nordic Cement and Nordic RMC (Denmark, Sweden and Norway), and 6-8% (7-9% before tax) for USA, UK, China and Malaysia. The discount rate of Egypt and Turkey is 11-13% (12-13% before tax) due to the high risk-free interest caused by the political situation in the countries.
The key assumptions from the impairment tests of goodwill are as follows:

	Average increase of net sales 2015 to terminal period	Average EBITDA ratio 2015 to terminal period
Nordic Cement & Nordic RMC	2-3%	10%
USA, UK, China and Malaysia	3-5%	6-25%
Egypt and Turkey	9-25%	22-25%

The impairment tests are in addition to this based on the prospects for the future mentioned in the mangement's review, page 10.
Based on the impairment tests performed at 31 December 2014, 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.

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14. Intangible assets (continued)

Parent Company

	Goodwill	Other intangible assets	Intangible assets in course of construction	Total
Cost at 1 January 2014	2,437	14,660	373	17,470
Exchange rate adjustments	-103	33	1	-69
Additions	0	415	147	562
Disposals	0	-41	0	-41
Reclassifications	0	368	-368	0
Cost at 31 December 2014	**2,334**	**15,435**	**153**	**17,922**
Amortisation at 1 January 2014	0	8,797	0	8,797
Exchange rate adjustments	0	20	0	20
Reversed depreciation on disposals	0	-11	0	-11
Amortisation for the year	0	811	0	811
Amortisation at 31 December 2014	**0**	**9,617**	**0**	**9,617**
Carrying amount at 31 December 2014	**2,334**	**5,818**	**153**	**8,305**

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**

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 (2013: EUR 0.0m).

Internally generated intangible assets, mainly regarding SAP implementation, amount to EUR 1.9m (2013: EUR 2.1m).

Regarding impairment tests for 2014 and 2013 reference is made to the previous page.

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15. Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Property, plant, and equipment in course of construction	Total
Cost at 1 January 2014	378,693	1,026,650	37,023	1,442,366
Exchange rate adjustments	12,450	25,253	1,325	39,028
Additions	1,891	17,209	41,554	60,654
Disposals	-1,625	-6,824	-75	-8,524
Change in consolidation method	-282	-269	0	-551
Reclassifications	7,794	46,498	-55,327	-1,035
Cost at 31 December 2014	**398,921**	**1,108,517**	**24,500**	**1,531,938**
Depreciation and impairment at 1 January 2014	185,984	683,298	0	869,282
Exchange rate adjustments	4,014	11,850	0	15,864
Reversed depreciation on disposals	-103	-6,584	0	-6,687
Change in consolidation method	-11	-127	0	-138
Depreciation for the year	10,679	46,147	0	56,826
Other adjustments/reclassifications	88	-88	0	0
Depreciation and impairment at 31 December 2014	**200,651**	**734,496**	**0**	**935,147**
Carrying amount at 31 December 2014	**198,270**	**374,021**	**24,500**	**596,791**
Hereof assets held under a finance lease		**4,193**		**4,193**

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 acquisitions 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**

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15. Property, plant and equipment (continued)

Depreciation and impairment during the year is included in the following items:	Group 2014	Group 2013
Cost of sales	48,580	37,008
Sales and distribution costs	4,417	4,892
Administrative expenses	4,099	1,605
	56,826	**43,505**

Aalborg Portland Group has signed contracts regarding purchase of property, plant and equipment at a value of EUR 2.4m (2013: EUR 11.0m).

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 2014	109,181	365,744	4,445	479,370
Exchange rate adjustments	246	821	10	1,077
Additions	40	6,593	5,479	12,112
Disposals	0	-333	-68	-401
Reclassifications	729	1,569	-2,298	0
Cost at 31 December 2014	**110,196**	**374,394**	**7,568**	**492,158**
Depreciation and impairment at 1 January 2014	72,441	278,155	0	350,596
Exchange rate adjustments	163	624	0	787
Reversed depreciation on disposals	0	-333	0	-333
Depreciation for the year	2,280	11,316	0	13,596
Depreciation and impairment at 31 December 2014	**74,884**	**289,762**	**0**	**364,646**
Carrying amount at 31 December 2014	**35,312**	**84,632**	**7,568**	**127,512**

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**

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15. Property, plant and equipment (continued)

Depreciation and impairment during the year is included in the following items:	Parent Company 2014	2013
Cost of sales	13,304	16,132
Sales and distribution costs	0	560
Administrative expenses	292	87
	13,596	**16,779**

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 2014	2013
Fair value at 1 January	69,827	0
Exchange rate adjustments	3,372	0
Additions from acquisition of shares in Cimentas	0	59,150
Disposals	-4,071	0
Unreaslied fair value adjustment (other operating income)	12,054	10,677
Fair value at 31 December	**81,182**	**69,827**

Investment properties mainly comprise a number of commercial lands that is not in the Group's use and owned for capital appreciation. No rental income is generated from lands.
The fair value of investment properties was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.
The fair value measurement for investment property has been categorised as a Level 2 fair value based on valuation techniques includes 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.

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17. Other non-current assets

Group	Investments in joint ventures	Other non-current assets	Deferred tax assets	Total
Cost at 1 January 2014	16,762	9,126	2,277	28,165
Exchange rate adjustments	1,174	509	0	1,683
Change in consolidation method	5	0	0	5
Additions	0	1,760	4,161	5,921
Disposals	0	-2,714	0	-2,714
Change offset in provision for deferred tax	0	0	718	718
Cost at 31 December 2014	**17,941**	**8,681**	**7,156**	**33,778**
Adjustments at 1 January 2014	478	0	0	478
Exchange rate adjustments	311	0	0	311
Change in consolidation method	810	0	0	810
Profit shares	3,473	0	0	3,473
Dividends for the year	-2,687	0	0	-2,687
Equity adjustments	16	0	0	16
Adjustments at 31 December 2014	**2,401**	**0**	**0**	**2,401**
Carrying amount at 31 December 2014	**20,342**	**8,681**	**7,156**	**36,179**

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

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 activity	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 deposits.

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17. Other non-current assets (continued)

Parent Company	Investments in joint ventures	Investments in Group enterprises	Other non-current assets	Total
Cost at 1 January 2014	0	427,637	180	427,817
Exchange rate adjustments	0	1,664	0	1,664
Additions	0	49,901	0	49,901
Cost at 31 December 2014	**0**	**479,202**	**180**	**479,382**
Write-down 1 January 2014	0	821	0	821
Write-down 31 December 2014	**0**	**821**	**0**	**821**
Carrying amount at 31 December 2014	**0**	**478,381**	**180**	**478,561**
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**

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

Investments in subsidiaries with significant non-controlling interests	Aalborg Portland Malaysia Group		Sydsten Group	
	2014	2013	2014	2013
Net sales	**28,764**	**29,416**	**44,201**	**54,352**
Profit for the period				
- attributable to owners of the parent	2,235	2,569	1,572	1,575
- attributable to non-controlling interests	958	1,101	1,768	1,770
	3,193	**3,670**	**3,340**	**3,345**
Assets				
Non-current assets	38,604	26,773	22,370	23,137
Current asets	15,454	18,645	21,229	20,593
	54,058	**45,418**	**43,599**	**43,730**
Liabilities				
Non-current liabilities	4,024	3,262	11,640	11,631
Current liabilities	6,361	4,249	10,567	8,635
	10,385	**7,511**	**22,207**	**20,266**
Net assets				
- attributable to owners of the parents	30,571	26,535	10,071	11,047
- attributable to non-controlling interests	13,102	11,372	11,321	12,417
	43,673	**37,907**	**21,392**	**23,464**
Cash flow from operations	-5,552	2,666	-507	3,509
Dividends paid to non-controlling interests	0	0	1,637	1,479

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17. Other non-current assets (continued)

Investments in subsidiaries with significant non-controlling interests	Sinai White Portland Cement Co. S.A.E 2014	Sinai White Portland Cement Co. S.A.E 2013	Cimentas Group 2014	Cimentas Group 2013
Net sales	**48,150**	**53,508**	**268,999**	**267,401**
Profit for the period				
- attributable to owners of the parent	4,106	5,163	38,007	13,248
- attributable to non-controlling interests	3,079	3,872	1,892	777
	7,185	**9,035**	**39,899**	**14,025**
Assets				
Non-current assets	78,072	73,991	389,789	360,698
Current asets	54,852	40,801	140,910	120,345
	132,924	**114,792**	**530,699**	**481,043**
Liabilities				
Non-current liabilities	11,804	10,563	37,351	37,079
Current liabilities	23,186	22,515	89,460	95,564
	34,990	**33,078**	**126,811**	**132,643**
Net assets				
- attributable to owners of the parents	55,959	46,691	325,599	275,064
- attributable to non-controlling interests	41,975	35,023	78,289	73,336
	97,934	**81,714**	**403,888**	**348,400**
Cash flow from operations	12,095	6,210	35,915	56,755
Dividends paid to non-controlling interests	0	0	138	0

18. Investments in joint ventures

	Group 2014	Group 2013
Summary of financial information from joint ventures:		
Net sales	137,875	109,534
Profit for the year	52,638	25,147
Total assets	83,427	71,314
Total liabilities	20,920	19,825
Share of profit for the year after tax	3,215	2,270

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

For a list of joint ventures, reference is made to page 81.

Significant joint ventures

The Group owns 24.5% of the voting rights in Lehigh White Cement Company and the two other owners have 24.5% and 51% of the voting rights. The shareholder agreement states that all relevant decisions regarding the activity must be decided in unanimity. This means that all owners have joint controlling influence.

As the owners only have the right to a proportionate share of the net assets in the entity, Lehigh White Cement Company is treated as a joint venture. The entity is recognised according to the equity method.

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18. Investments in joint ventures (continued)

	Lehigh White Cement Company	
Financial information on significant joint venture	**2014**	**2013**
The figures are 100% numbers of the joint venture		
Net sales	98,853	78,989
Profit for the period	12,073	8,908
Assets		
Non-current assets	26,672	23,388
Current asets	36,216	29,413
	62,888	**52,801**
Liabilities		
Non-current liabilities	2,554	4,171
Current liabilities	9,989	7,375
	12,543	**11,546**
Net assets	**50,345**	**41,255**
Cash and bank balances	1	1
Depreciations	1,865	1,695
Financial income	8	6
Financial expenses	26	18
Income tax	58	54
% investment	24.5%	24.5%
Equity attributable to owners of the parent	12,335	10,107
Dividends paid to non-controlling interests	2,260	1,088
Reconciliation of summarised financial information		
Group share of equity in significant joint ventures	12,335	10,007
Goodwill regarding significant joint ventures	2,024	1,783
Booked value of non-significant joint ventures	5,983	5,450
Group book value of joint ventures at 31 December 2014	20,342	17,240
Financial information on the Group's individual non-significant joint ventures		
Profit for the period	499	436
Comprehensive income	-111	-348
Total comprehensive income	388	88
Bank value of investments in non-significant joint ventures at 31 December 2014	**5,983**	**5,450**

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19. Deferred tax assets and deferred tax liabilities

Group	2014	2013
Change in deferred tax in the year		
Deferred tax at 1 January	58,736	49,251
Exchange rate adjustments	2,152	-2,069
Additions from acquisition of actitivy	0	10,949
Changes of tax rate, via income statement	121	-2,846
Adjustments, previous years via income statement	42	-2,182
Change in consolidation method	-66	0
Movements via income statement	-3,606	5,201
The year's movements in comprehensive income	-608	432
Deferred tax liabilities at 31 December, net	**56,771**	**58,736**
Deferred tax is presented in the balance sheet as follows:		
Deferred tax liabilities	63,927	61,013
Deferred tax assets	7,156	2,277
Deferred tax liabilities at 31 December, net	**56,771**	**58,736**

	Deferred tax assets		Deferred tax liabilities	
	2014	2013	2014	2013
Intangible assets	40	28	20,846	17,464
Property, plant and equipment	4,586	3,485	41,965	43,850
Investment property	0	0	3,594	3,085
Other non-current assets	0	0	1,310	844
Current assets	1,264	742	2,043	1,641
Provisions	3,203	2,610	2,388	3,305
Non-current and current liabilities	229	391	239	0
Tax loss carry-forwards	6,292	4,197	0	0
Deferred tax before set-off	**15,614**	**11,453**	**72,385**	**70,189**
Set-off within legal tax entities and jurisdictions	-8,458	-9,176	-8,458	-9,176
Deferred tax at 31 December	**7,156**	**2,277**	**63,927**	**61,013**

Tax loss carry-forwards mainly 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. Further, a merger in 2014 of Turkish entities has improved the opportunities of utilising tax loss carry-forwards.

Parent Company	2014	2013
Change in deferred tax for the year		
Deferred tax liability at 1 January	20,323	22,307
Change of tax rate, via income statement	46	-2,678
Adjustments, previous years, via income statement	0	0
Movements via income statement	-7	694
Deferred tax liabilities at 31 December	**20,362**	**20,323**
Deferred tax		
Intangible assets	1,334	1,339
Property, plant and equipment	17,065	17,096
Current assets	2,427	2,053
Non-current and current liabilities	-464	-165
Deferred tax at 31 December	**20,362**	**20,323**

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20. Inventories

	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Raw materials and consumables	60,854	50,661	18,295	12,897
Work in progress	28,925	25,720	3,562	4,605
Finished goods	21,348	18,623	7,401	4,935
Prepayments of goods	1,414	1,863	0	0
Inventories at 31 December	**112,541**	**96,867**	**29,258**	**22,437**

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 3.8m (2013: EUR 4.0m). Write-down recognised in the income statement is EUR 0.0m (2013: EUR 0.0m).

21. Trade receivables

	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Development in impairment losses on trade receivables:				
Impairment losses at 1 January	4,462	2,589	3	20
Exchange rate adjustments	55	-184	0	0
Additions from acquisition of shares in Cimentas	0	2,097	0	0
Impairment losses in the year	240	485	9	16
Realised in the year	-1,046	-376	0	-13
Reversed	-186	-149	0	-20
Impairment losses at 31 December	**3,525**	**4,462**	**12**	**3**

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 40.6m (2013: 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.

EUR '000

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 subsidiaries are also funded through insurance plans. Foreign subsidiaries, 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 14.1m underfunded at 31December 2014 (2013: EUR 12.2m) for which a provision has been made as pension liabilities. The actuarial result for the year at EUR -2.8m (2013: gain EUR -1.3m) is recognised in the statement of other comprehensive income.

EUR '000	2014	2013
Present value of defined benefit schemes	17,896	16,020
Market value of the assets comprised by the schemes	-3,747	-3,793
Net liability recognised in the balance sheet	**14,149**	**12,227**
Present value of defined benefit schemes at 1 January	16,020	10,822
Additions from acquisition of shares in Cimentas	0	5,361
Exchange rate adjustment	-303	-1,285
Actuarial gains/losses recognised in other comprehensive income	2,374	1,134
Costs	989	814
Net interest	605	488
Other adjustments	10	28
Payments	-1,799	-1,342
Present value of defined benefit schemes at 31 December	**17,896**	**16,020**
Market value of the assets comprised by the schemes at 1 January	3,793	3,963
Exchange rate adjustment	-258	-512
Payments	446	381
Net interest	149	134
Other adjustments	0	0
Actuarial gains/losses recognised in other comprehensive income	-383	-173
Market value of the assets comprised by the schemes at 31 December	**3,747**	**3,793**
Stated as liabilities (provision for pension)	**14,149**	**12,227**
Amounts taken to the income statement		
Pension costs are included in:		
Cost of sales	4,453	3,402
Sales and distribution costs	1,726	1,648
Administrative expenses	2,308	1,383
	8,487	**6,433**

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 invested in listed securities.
All assets comprised by the schemes are managed by pension providers in collective pool schemes.
In 2015, the Group expects payment of EUR 2.2m to the defined benefit schemes.
The most significant actuarial assumptions at the balance sheet date are as follows:

	2014	2013
Average discounting rate applied	3-4%	3-5%
Expected return on tied-up assets	4%	4%

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

EUR ´000

22. Provisions for pensions and similar commitments (continued)

	2014	2013
In the statement of consolidated shareholders' equity the following accumulated actuarial gains/losses are recognised	-6,633	-4,451

23. Provisions

Group	2014	2013
Provisions at 1 January	18,720	8,357
Exchange rate adjustment	215	-284
Additions from acquisition of shares in Cimentas	0	8,763
Additions in the year	658	3,596
Used in the year	-1,605	-1,659
Reversal	-53	-53
Provisions at 31 December	**17,935**	**18,720**
Recognised in the balance sheet as follows:		
Stated as non-current liabilities	16,283	16,738
Stated as current liabilities	1,652	1,982
	17,935	**18,720**
Maturities for other provisions are expected to be:		
Falling due within one year	1,652	1,982
Falling due between one and five years	3,121	2,766
Falling due after more than five years	13,162	13,972
	17,935	**18,720**

Provisions mainly include re-establishment of chalk, gravel and clay pits at EUR 10.0m (2013: EUR 10.9m), demolition liabilities for buildings and terminal on rented land at EUR 5.3m (2013: EUR 5.5m), warranties and claims at EUR 0.5m (2013: 0.3m) as well as other provisions at EUR 2.1m (2013: EUR 2.0m).
Additions in the year include liabilities regarding warranties and claims, re-establishment of chalk, gravel and clay pits, demolition liabilities and other provisions.
Used in the year mainly include application of liabilities regarding re-establishment and other provisions.
Adjustments last year included additions in the year, besides Cimentas, reassessment of demolition liabilities, re-establishment of chalk, gravel and clay pits and other provisions.
Provisions for liabilities due after more than five years include liabilities regarding re-establishment of chalk, gravel and clay pits and demolition liabilities for buildings and terminals with no decision made regarding closure.
Costs for re-establishment of chalk, gravel and clay pits are mainly paid when finishing an excavation or when moving out from leases. No considerable payments are expected in 2015.

EUR '000

23. Provisions (continued)

Parent Company	2014	2013
Provisions at 1 January	3,530	3,936
Exchange rate adjustment	8	0
Additions during the year	17	79
Disposals/application in the year	-3	-456
Reversal	0	-29
Provisions at 31 December	**3,552**	**3,530**
Recognised in the balance sheet as follows:		
Stated as non-current liabilities	3,432	3,491
Stated as current liabilities	120	39
	3,552	**3,530**
Maturities for provisions are expected to be:		
Falling due within one year	120	39
Falling due between one and five years	605	737
Falling due after more than five years	2,827	2,754
	3,552	**3,530**

Provisions including demolition liabilities for buildings and terminal on rented land amount to EUR 2.2m (2013: EUR 2.2m), re-establishment of chalk and clay pits amounts to EUR 1.2m (2013: EUR 1.3m) and other provisions amount to EUR 0.2m (2013: EUR 0.0m).
Movements in the year include adjustment 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 2015.

EUR ´000

24. Credit institutions and other borrowings

Group	Year of maturity	Fixed/ variable	Carrying amount 2014	Carrying amount 2013
Mortgage loan	2028	Variable	134,369	143,180
Bank borrowings and credits	2015-2018	Variable	57,000	69,639
Bank borrowings and credits	2015	Fixed	15,086	29,792
Finance leases	2015-2020	Variable	4,250	4,745
Finance leases	2015-2016	Fixed	540	269
			211,245	**247,625**

Fair value of mortgage loan amounts to EUR 136.2m (2013: 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:

	Non-current borrowings (> 1 year)	Current borrowings (0-1 year)	Total	Maturity > 5 years
31 December 2014:				
Mortgage loan	125,131	9,238	134,369	87,381
Bank borrowings and credits	49,946	22,140	72,086	0
Finance leases	3,976	814	4,790	0
	179,053	**32,192**	**211,245**	**87,381**
Specification of contractual cash flows incl. interest:				
Mortgage loan	138,787	11,434	150,221	93,771
Bank borrowings and credits	64,714	9,706	74,420	0
Finance leases	3,731	1,125	4,856	0
	207,232	**22,265**	**229,497**	**93,771**
31 December 2013:				
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**

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)	Year of maturity	Fixed/ variable	Carrying amount 2014	Carrying amount 2013
Parent Company				
Bank borrowings and credits in the Parent Company at 31 December:				
Mortgage loan	2028	Variable	134,369	143,180
Bank borrowings and credits	2015-2018	Variable	40,690	37,748
			175,059	**180,928**

Fair value of mortgage loan amounts to EUR 136.2m (2013: 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 2014:	Non-current borrowings (> 1 year)	Current borrowings (0-1 year)	Total	Maturity > 5 years
Mortgage loan	125,131	9,238	134,369	87,381
Bank borrowings and credits	39,870	820	40,690	0
	165,001	**10,058**	**175,059**	**87,381**
Specification of contractual cash flows incl. interest:				
Mortgage loan	138,787	11,434	150,221	93,771
Bank borrowings and credits	40,475	1,089	41,564	0
	179,262	**12,523**	**191,785**	**93,771**
31 December 2013:				
Mortgage loan	134,043	9,137	143,180	96,689
Bank borrowings and credits	23,388	14,360	37,784	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**

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:	2014	2013
Falling due within one year	853	873
Falling due between one and five years	3,272	3,292
Falling due after more than five years	4,090	4,892
	8,215	**9,057**

EUR ´000

26. Other payables

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

27. Charges and securities

	2014		2013	
Group	Carrying amount of mortgaged assets	Debt regarding mortgaged assets	Carrying amount of mortgaged assets	Debt regarding mortgaged assets
Property, plant and machinery	107,186	134,369	111,250	143,393
	107,186	**134,369**	**111,250**	**143,393**
Parent Company				
Property, plant and machinery	**104,561**	**134,369**	**108,978**	**143,180**

28. Contingent liabilities, contractual obligations and contingent assets

Group

Contingent liabilities

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

Contractual obligations

At 31 December 2014, the Group has contractual obligations, including acquisition of raw materials etc. of EUR 68.2m (2013: EUR 64.3m).
Regarding contractual obligations related to acquisition of non-current assets reference is made to note 15.

Guarantees	2014	2013
Performance guarantees	3,209	3,274
Other guarantees, etc.	16,793	15,915
	20,002	**19,189**

Other guarantees relate i.a. to guarantees given to suppliers of goods and services, mainly in Turkey. B1653

Operating leases	2014	2013
Aggregate future lease payments under non-cancellable operating leases:		
Falling due within one year	10,294	10,886
Falling due between one and five years	14,344	19,328
Falling due after more than five years	1,844	3,040
	26,482	**33,254**
Operating lease expenses recognised in the income statement	**15,062**	**17,479**

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

EUR ´000

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

Contingent assets

2013: In December 2013, EU responded positively to the application from Denmark concerning an adjustment of the tax basic allowance in the NOx 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.

Parent Company

Contingent liabilities

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

In 2014, contractual liabilities, including acquisition of raw materials etc., are EUR 28.8m (2013: EUR 22.2m).

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 income taxes within the joint taxation group. Payable income taxes in the joint taxation group amounted to EUR 0.3m at 31 December 2014. Any subsequent corrections of the taxable income subject to joint taxation could cause a higher liability of the Parent Company.

Guarantees	2014	2013
Other guarantees, etc.	192	134
	192	**134**
Operating leases		
Aggregate future lease payments under non-cancellable operating leases:		
Falling due within one year	5,949	6,780
Falling due between one and five years	5,552	11,132
Falling due after more than five years	1,485	1,635
	12,986	**19,547**
Operating lease expenses recognised in the income statement	**6,583**	**9,077**

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.

Contingent assets

2013: In December 2013, EU responded positively to the application from Denmark concerning an adjustment of the tax basic allowance in the NOx 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.

EUR '000

29. Related party transactions

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 joint ventures, cf. page 81.

Transactions with Cementir Holding S.p.A.:	2014	2013
- Intra-group management and administration agreements	15,504	9,327
- Trade receivables	322	16
- Trade payables	4	0
- Trade payables	10,048	4,447
- Acquisition of shares in Cimentas	49,756	164,294
Transactions with joint ventures:		
- Net sales	11,545	7,746
- Financial receivables	3,376	2,750
- Trade receivables	3,537	3,009
- Financial items, net	218	136
Transactions with other related parties:		
- Net sales	315	307
- Financial items, net	0	0
- Trade receivables	5,549	0
- Financial payables	108	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 2014 or 2013.
All transactions were made on terms equivalent to arm's length principles.
The investments include EUR 49.8m (2013: EUR 164.3m) (cash purchase consideration) regarding acquisition of the shares in Cimentas.
The pre-acquisition balance sheet of Cimentas at 1 October 2013 (when Aalborg Portland obtained significant influence) 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 joint ventures, cf. page 81, where the Parent Company has significant influence or exercises control.

Transactions with Cementir Holding S.p.A.:	2014	2013
- Intra-group management and administration agreements	9,521	7,958
- Payables	5,517	2,206
Transactions with other related parties:		
- Sale of cement and micro silica	54,467	51,985
- Intercompany management, administration agreements and shared service	12,733	11,396
- Financial items, net	606	510
- Trade and financial receivable	29,182	21,648
- Trade and financial payables	5,871	2,354
- Capital increases in enterprises	49,901	278,266

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 2014 or 2013.

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.
Neither in 2014 nor in 2013 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.

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 10.4m (NOK amounts to EUR 4.1m and TRY amounts to EUR 6.3m (2013: EUR 8.4m (NOK amounts to EUR 4.0m, TRY amounts to EUR 2.8m and USD amounts to 1.6m)). 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, NOK and PLN. A 10% drop in these currencies (apart from EUR) would, viewed separately, increase EBITDA by EUR 2.4m (NOK amounts to EUR 1.4m, GBP amounts to EUR 1.2m, PLN amounts to EUR 1.0m and USD amounts to EUR -1.2m) (2013: EUR 0.6m (GBP amounts to EUR 1.1m, PLN EUR 0.7m and USD amounts to EUR -1.2m)).

Risks relating to net financing

The Group's most important currency risks arising from receivables and payables in foreign currencies at 31 December 2014 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 1.0m (2013: EUR 0.4m). An increase of currencies would have had a similar positive effect on equity.

The parent company's most important net positions at 31 December 2014 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 2014, the parent company's equity would have been affected negatively by an exchange rate adjustment of EUR 1.8m (2013: 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 consolidation.

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

With regard to investments in foreign enterprises, Group equity at 31 December 2014 would have been reduced by EUR 69.1m (2013: EUR 60.3m), 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 2014.

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:

2014

EURm	NOK	AUD	GBP	USD	Total
Market value - forward contracts	0.2	0.0	0.0	1.0	1.2
Notional principal amount - forward contracts*	-4.1	-4.2	-0.1	9.5	1.1

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

2013

EURm	AUD	GBD	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

The forward contracts fall due from January 2015 - December 2016.

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

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

2014

EURm	NOK	GBP	USD	Total
Market value - forward contracts	0.2	0.0	0.0	1.2
Notional principal amount - forward contracts*	-4.1	-0.1	9.5	5.3

The forward contracts fall due in January 2015.

2013

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

The forward contracts fall due from January - December 2014.

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

Interest rate risk

Owing to the Group's investment and financing activities the Group has exposure to interest rate changes in both Denmark and abroad. The primary interest-rate exposure is related to fluctuations in CIBOR, LIBOR and EURIBOR. The Group's preferred financing is floating rate loans. The Group's net interest-bearing debt (NIBD) at 31 December 2014 came in at EUR 117.0m, 100% thereof financed by floating rate loans. NIBD at 31 December 2013 represented EUR 141.6m (accounting for 98% floating rate loans and 2% by fixed rate loans).

With regard to the Group's floating rate loans and cash equivalents, an annual 1% increase in the interest level in proportion to the actual interest rates would, other things being equal, have had an adverse hypothetical impact on the profit before tax of EUR 1.3m (2013: EUR 0.8m) and on equity of EUR 1.0m (2013: EUR 0.6m). A declining interest level would have had a corresponding positive impact on result and equity.

The impact of an interest rate change in 2014 to the parent company would have had an adverse hypothetical impact on the profit before tax of EUR 1.7m (2013: 0.9m) and on equity of EUR 1.3m (2013: 0.7m).

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 2014 came in at EUR 171.0m (2013: EUR 173.0m), financed via 100% floating rate loans.

30. Financial risks and financial instruments (continued)

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 material part of the price risk on the Group's and parent company's fuel oil is hedged through swap agreements.

Open Group swap contracts at 31 December, net:

EURm	2014
Market value - swap contracts	-0.2

The swap contracts fall due from January 2015 to December 2015

The Group had no important swap contracts at 31 December 2013

Open Parent Company swap contracts at 31 December, net:

EURm	2014
Market value - swap contracts	-0.2

The swap contracts fall due from January 2015 to December 2015

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 121m (2013: EUR 125m). 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.
The credit rating of trade receivables is analysed on the basis of the business area of the Group:

EURm	2014	2013
Nordic Cement	13.0	12.0
Nordic RMC	34.7	38.3
Overseas	10.6	8.1
Turkey	54.6	49.3
England	3.5	4.3
	116.4	**112.0**

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 40.6m at 31 December 2014 (2013: EUR 75.1m).
Trade receivables at 31 December 2014 include receivables of EUR 13.0m (2013: EUR 25.1m), which, based on an individual assessment, have been written down to EUR 11.7m (2013: EUR 20.6m). 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	2014	2013	2014	2013
Payment:				
Up to 30 days	9.3	12.2	0.6	0.4
Between 30 and 90 days	2.0	4.4	0.4	0.2
More than 90 days	0.5	2.1	0.0	0.0
	11.8	**18.7**	**1.0**	**0.6**

The receivables written down are included at their net amounts in the above-mentioned table.
The parent company's trade receivables at 31 December 2014 and 31 December 2013 include no write-downs.

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30. Financial risks and financial instruments (continued)

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 0.6 at 31 December 2014 (31 December 2013: 1.0).

Specification of financial assets and obligations

Group	Carrying value 2014	Fair value 2014	Carrying value 2013	Fair value 2013
Financial assets measured at fair value in the income statement	0	0	0	0
Financial assets used as hedging instruments, level 2	1,213	1,213	0	0
Loans and receivables	240,526	240,526	228,348	228,348
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	237	237	1,030	1,030
Financial obligations measured at amortised cost	409,007	411,474	435,815	441,219

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	1,169	1,169	0	0
Loans and receivables	144,757	144,757	41,495	41,495
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	237	237	948	948
Financial obligations measured at amortised cost	329,569	332,036	235,140	240,544

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 2013.

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 in the financial markets in 2013 and 2014 has resulted in considerable changes compared to previous years in respect of some uncertainty in a number of key assumptions within i.a. credit risk, interest level, sales volumes, volatility, etc.

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

The following items of the Aalborg Portland 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.

Consolidated financial statements

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

Contingent assets and contingent liabilities

Assessment of contingent assets and contingent liabilities are largely based on estimates. Because of the uncertainty of assumptions concerning future events contingent assets and contingent liabilities are not recognised. Description of contingent assets and contingent liabilities 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 2014 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 Business Authority 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 English text.

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 745.49 (2013: 745.79) has been used at the translation of items in the income statement and a year-end rate of EUR 100 = DKK 744.36 (2013: 746.03) has been used for the balance sheet items.

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

On 9 March 2015, the Board of Directors and the Management approved the annual report for 2014 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 14 April 2015.

Changes in accounting policies

The Aalborg Portland Group has implemented the following standards (IAS and IFRS) and interpretations (IFRIC) effective from 1 January 2014:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 Separate Financial Statements (2011)
- IAS 28 Investments in Associates and Joint Ventures (2011)
- Investment entities (Amendments to IFRS 10, IFRS 12 og IAS 27)
- Offsetting Financial Assets and Financial Liabilities (Amendments to AIS 32)
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

Besides the implementation of IFRS 11, the implementation of amended standards in the consolidated financial statements for 2014 has not affected recognition and measurement.

Comparative figures for 2013 have not been restated. The financial highlights for 2010-2013 have not been restated.

Joint arrangements

As a result of the implementation of IFRS 11, the Group has changed its accounting policies in relation to its investments in joint arrangements. IFRS 11 divides joint arrangements into two types, which are decisive to the accounting treatment (joint operations and joint ventures). The Group has made this classification at 1 January 2014. As a result of IFRS 11 all investments which have previously been classified as investments in associates, are now classified as joint ventures. One joint venture was pro rata consolidated in 2013, which is now recognised by the equity method.

Joint operations are activities where the parties have rights to a proportionate share of the individual assets and liabilities relating to the arrangement, whereas joints ventures are activities where the parties only have rights to a proportionate share of the net assets of the arrangement.

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33. Accounting policies (continued)

There has been no restatement of comparative figures, as the amounts are insignificant.

	2013 Published	Change	2013 Represented
Property, plant and equipment	573,084	-433	572,651
Investments in joint ventures	17,240	858	18,098
Other non-current assets	28,643	858	29,501
Total non-current assets	**871,585**	**425**	**872,010**
Inventories	96,867	-60	96,807
Receivables	130,142	-410	129,732
Cash funds	104,234	-371	103,863
Total current assets	**331,243**	**-841**	**330,402**
Total assets	**1,202,828**	**-416**	**1,202,412**
Total shareholders' equity	**666,358**	**0**	**666,358**
Non-current liabilities	**261,975**	**-76**	**261,899**
Current liabilities	**274,495**	**-340**	**274,155**
Total liabilities	**536,470**	**-416**	**536,054**
Total equity and liabilities	**1,202,828**	**-416**	**1,202,412**
Net sales	670,764	-2,039	668,725
Earnings before interest and tax (EBIT)	98,930	-136	98,794
Earnings before tax (EBT)	98,237	-31	98,206
Earnings after tax (EAT)	76,162	0	76,162

Consolidated financial statements

The consolidated financial statements comprise the parent company, Aalborg Portland A/S, and subsidiaries, in which Aalborg Portland A/S exercises a controlling influence.

The Group exercises a controlling influence in an enterprise, if the Group is exposed to or has the right to variable returns from its involvement with the enterprise, and has the ability to affect those returns through its power over the enterprise.

Enterprises, in which the Group directly or indirectly holds more than 20% and less than 50% of the voting rights and another entity has controlling influence, are considered as associates. However, this is based on an assessment of the ability of exercising influence.

When assessing whether the Group exercises a controlling or significant influence, it is to be considered whether potential voting rights exercisable at the balance sheet date are real and have substance as well as de facto control.

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

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

33. Accounting policies (continued)

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 non-controlling interests of the enterprise acquired and the fair value of possible previously acquired equity investments and on the other side the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is not amortised but impairment tested annually as a minimum. The first impairment test is performed before the end of the acquisition year. Upon acquisition, goodwill is allocated to the cash-generating units which subsequently form the basis for the impairment test. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a different functional currency from the presentation currency of the Aalborg Portland 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.

Non-controlling interests

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

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

Foreign currency translation

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

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

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

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

33. Accounting policies (continued)

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

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

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

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

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

Derivative financial instruments

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

Income statement

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.

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.

33. Accounting policies (continued)

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 joint ventures

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

Financial items

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

Tax

Tax for the year comprises current tax and changes in deferred tax.

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the applicable tax rates for the financial year and any adjustment of tax for previous years.

Tax related to other comprehensive income is recognised in other comprehensive income.

Deferred tax is recognised and measured according to the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to goodwill not deductible for tax purposes.

Measurement of deferred tax is based on the tax rules and tax rates applicable in the respective countries at the balance sheet date, which is expected to be valid, when the deferred tax will be reversed as current tax. The effect of changes in the tax rates is stated in the income statement unless it relates to items previously entered directly in Shareholders' equity.

Deferred tax assets, including the value of tax loss carry-forwards, are recognised under Financial assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Aalborg Portland 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 income tax payments with the tax authorities.

The current Danish income tax is allocated by payment of joint taxation contributions between the jointly taxed companies in proportion to their taxable income. Companies with tax losses receive joint tax contributions from companies who have used this loss to reduce their own taxable income.

33. Accounting policies (continued)

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 joint ventures

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

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

Other non-current assets

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

33. Accounting policies (continued)

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 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.

33. Accounting policies (continued)

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 2014, have been released. 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.

Financial ratios

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

Parent company

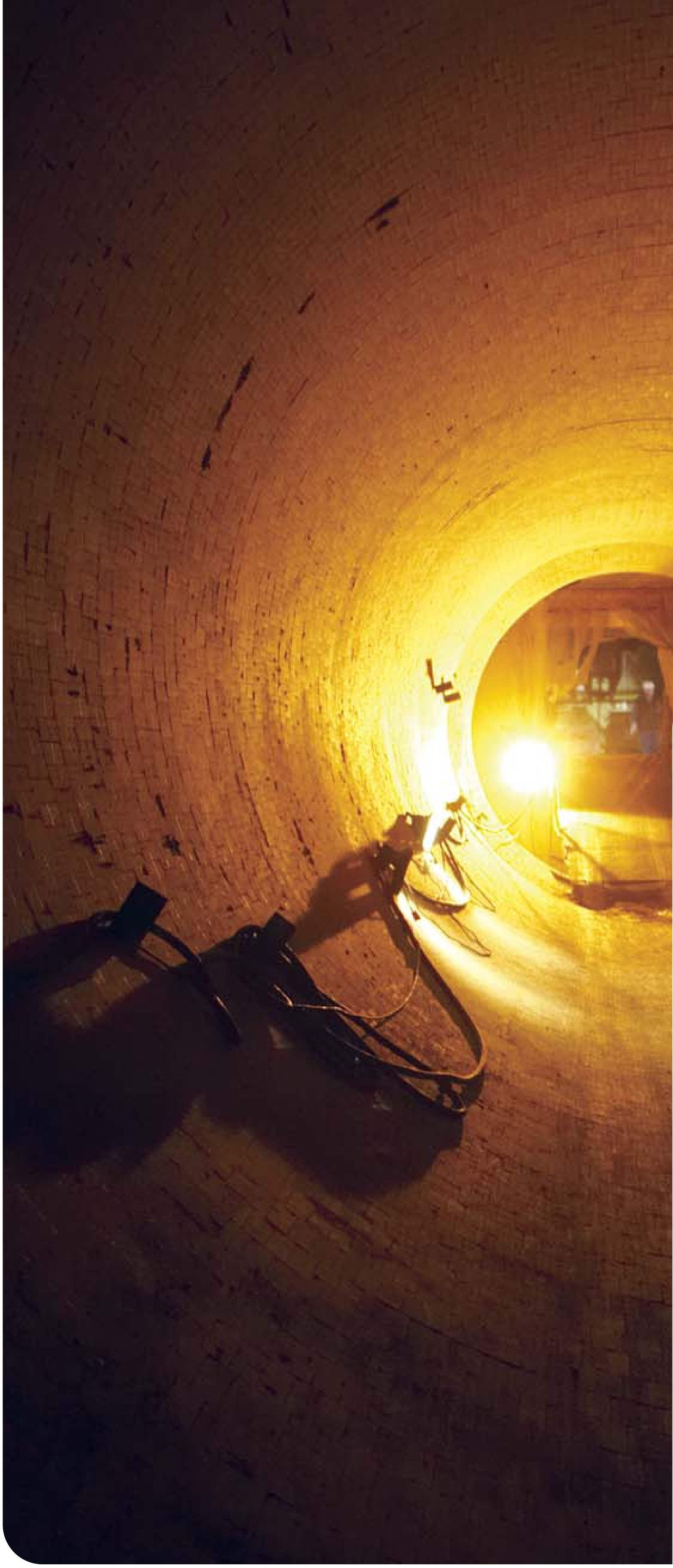
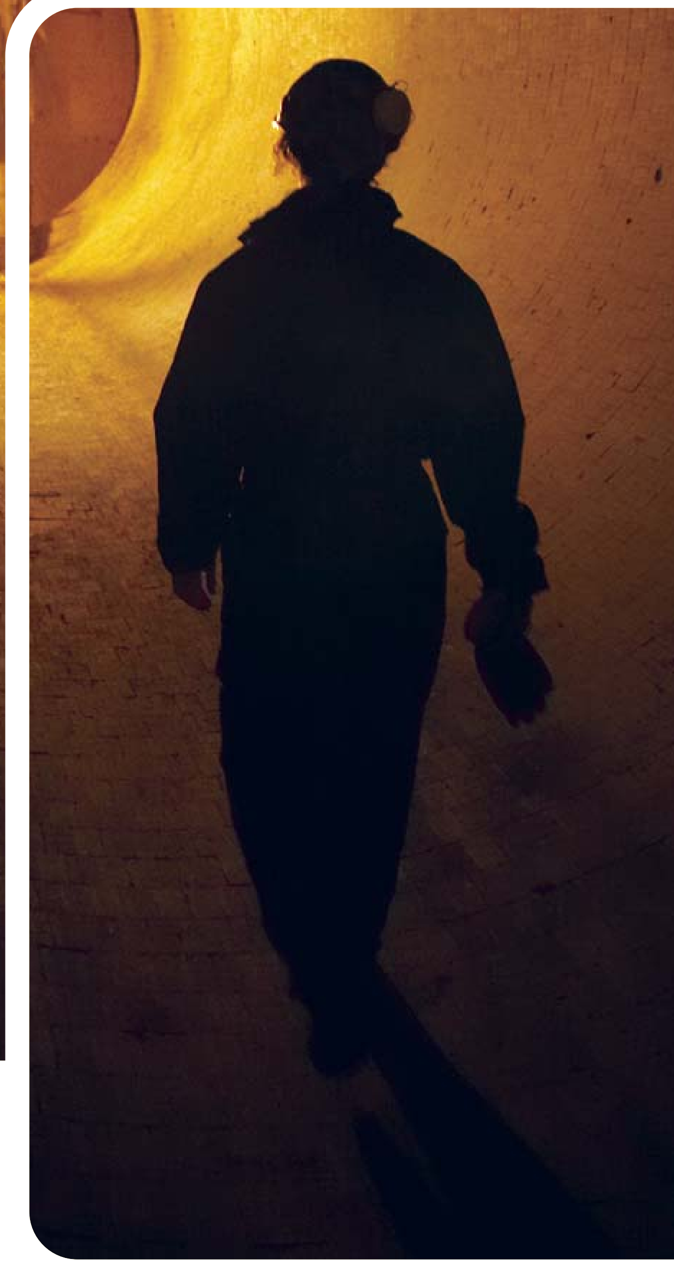
The parent company's financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports.
Compared to the accounting policies applied in the consolidated financial statement (see Note 33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

Investments in enterprises and joint ventures 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 2014.
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 2014 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 2014.
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, 9 March 2015

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 2014. 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 2014 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 2014 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, 9 March 2015

KPMG

Statsautoriseret Revisionspartnerselskab

Benny Lynge Sørensen
State Authorised
Public Accountant

Steffen S. Hansen
State Authorised
Public Accountant

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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*
Knut L. Tiseth, *Managing Director, Nordic RMC, Norway*
Peter Camnert, *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*
Knut L. Tiseth, *Managing Director, Norway*
Peter Camnert, *Managing Director, Sweden*

Turkey

Taner Aykaç, *CEO of Cimentas*
Francesco Malara, *Managing Director, Waste & Renewable Energy*

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			Nominal share capital (in 000)	Direct holding ***	Minorities
Aalborg Portland					
Aalborg Portland A/S	Denmark	DKK	300,000	-	
Nordic Cement					
Aalborg Portland*					
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	12.2%	
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%	50.0%
ÅGAB Syd AB	Sweden	SEK	500	40.0%	
Everts Betongpump & Entreprenad AB	Sweden	SEK	100	73.5%	26.5%
Skåne Grus AB	Sweden	SEK	1,000	60.0%	40.0%
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					
Aalborg Portland España S.L.U.	Spain	EUR	3	100.0%	
Cimentas AS**	Turkey	TRY	87,112	85.0%	15.0%
Cimbeton AS	Turkey	TRY	1,770	50.3%	49.7%
Ilion Cimento Ltd	Turkey	TRY	300	100.0%	
Destek AS	Turkey	TRY	50	100.0%	
Kars Cimento AS	Turkey	TRY	3,000	58.4%	41.6%
Recydia AS	Turkey	TRY	551,544	87.8%	
NWM Holdings Ltd	England	GBP	-	100.0%	
Sureko AS	Turkey	TRY	43,444	99.7%	0.3%
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%	42.9%
Aalborg Portland Malaysia Sdn. Bhd.	Malaysia	MYR	95,400	70.0%	30.0%
Aalborg Resources Sdn. Bhd.	Malaysia	MYR	2,544	100.0%	
Aalborg Portland (Australia) Pty. Ltd.	Australia	AUD	1	100.0%	
Aalborg Portland (Anqing) Co. Ltd.	China	CNY	265,200	100.0%	
Aalborg White Italia s.r.l. (in liquidation)	Italy	EUR	10	82.0%	18.0%
Aalborg Portland U.S. Inc.	USA	USD	1	100.0%	
Aalborg Cement Company Inc.	USA	USD	1	100.0%	
Gaetano Cacciatore, LLC	USA	USD	N/A	100.0%	
Lehigh White Cement Company**	USA	USD	N/A	24.5%	
Vianini Pipe, Inc.	USA	USD	4,483	99.9%	0.1%

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

The Company

Aalborg Portland A/S
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CVR No. 14 24 44 41

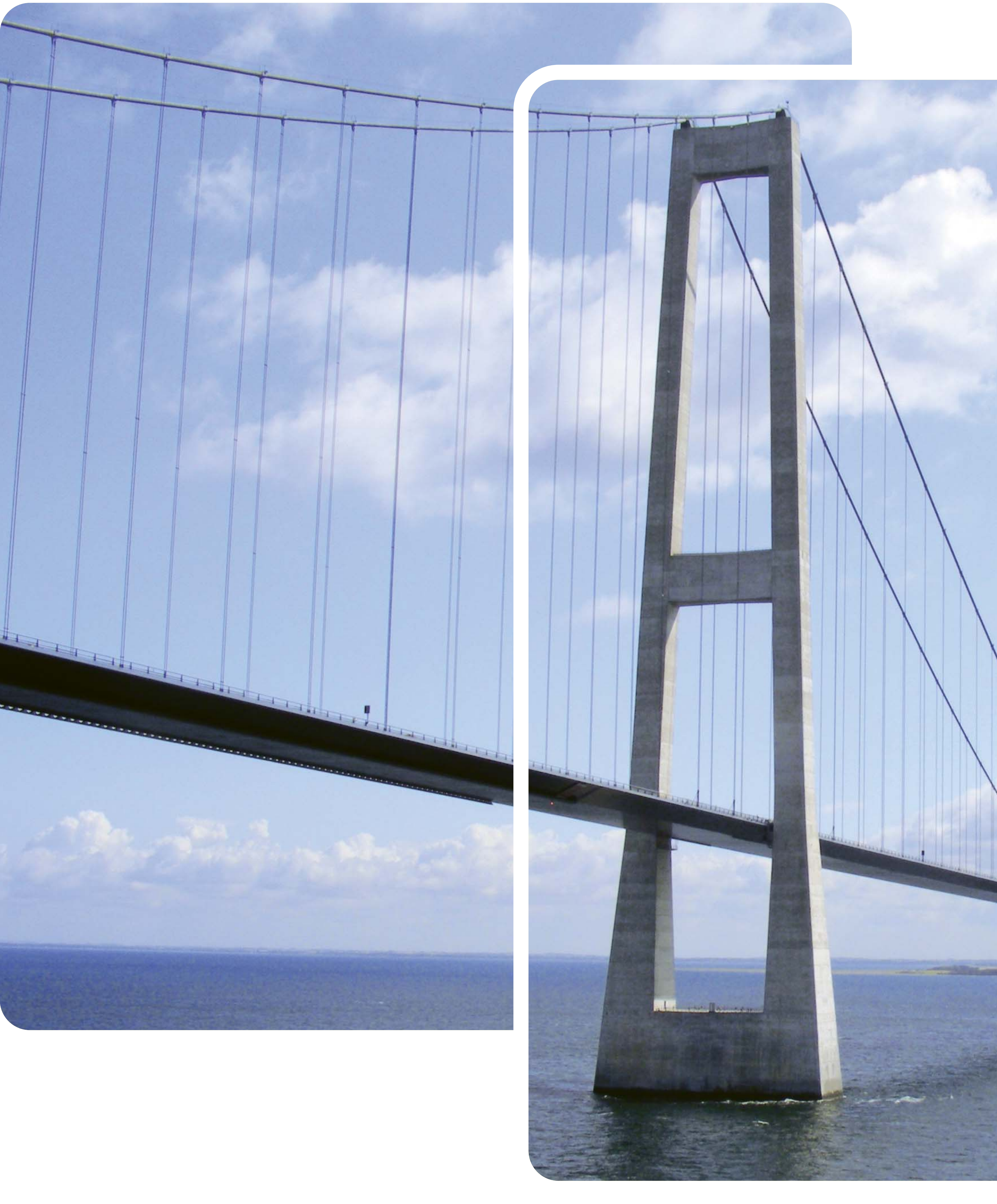
Owners

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

14 April 2015 at
Islands Brygge 43, Copenhagen.



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Kennet Arvedsen, *Managing Director*

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Francesco Malara, *Managing Director, Waste & Renewable Energy*

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Ho Gib Ren, *Managing Director*

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Gary Milla, *General Manager*

Gaetano Cacciatore, LLC
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Alex Narcise, *Managing Director*

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Alex Narcise, *Managing Director*

Aalborg Portland A/S

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