

Announcement to the Copenhagen Stock Exchange

2002/5
2 May 2002

Interim report for Copenhagen Airports A/S – first quarter of 2002

- Consolidated profit before tax amounted to DKK 46.5 million, which was at the upper end of the forecast. The profit was DKK 47.3 million lower than in 2001.
- Traffic at Copenhagen was not as severely hit by the aftermath of the terrorist attacks on 11 September 2001 as had been expected. However, the parent company's revenue was DKK 13.9 million lower than in 2001.
- The performance of the hotel activity was in line with the adjusted forecast following 11 September.
- As expected, the investment in Newcastle International Airport reduced the profit for the period, in the amount of DKK 34.3 million.
- The profit for the first quarter confirms the forecast of a pre-tax profit for 2002 slightly above the pre-tax profit for 2001.
- As from 2002, the Group's financial statements are presented according to the international accounting standards (IAS). The accounting policy changes have only a marginal effect on profit. The comparative figures have been restated.

Interim report – first quarter 2002

Consolidated financial highlights

Profit and loss account (DKK million)	1st quarter 2002	1st quarter 2001	2001
Net revenue	450	448	2,007
Total net revenue	458	457	2,041
Amortisation, depreciation and impairment	119	110	472
Operating profit	114	127	658
Net financing costs	52	42	207
Profit before tax	46	94	494
Net profit for the period	26	67	344
Balance sheet (DKK million)	31 March 2002	31 March 2001	2001
Non-current assets	8,275	7,078	8,353
Total assets	8,671	7,447	8,834
Shareholders' equity	3,294	3,057	3,261
Interest-bearing debt	4,356	3,351	4,473
Capital investments	55	117	499
Long-term financial assets	0	0	1,193
Cash flow statement (DKK million)	1st quarter 2002	1st quarter 2001	2001
Cash flow from operating activities	75	161	890
Cash flow from investing activities	(82)	(162)	(1,752)
Cash flow from financing activities	(108)	(13)	1,002
Cash and cash equivalents at end of period	66	27	181
Key ratios	1st quarter 2002	1st quarter 2001	2001
Operating margin	25.3%	28.4%	32.8%
Asset turnover rate *	0.26	0.26	0.29
Return on assets *	6.6%	7.3%	9.4%
Return on equity *	3.2%	8.9%	11.0%
Equity ratio	38.0%	41.0%	36.9%
Earnings per share of DKK 100 *	11.4	29.4	37.8
Cash earnings per share of DKK 100 *	63.6	78.1	89.6
Net asset value in DKK per share of DKK 100	362.0	335.9	358.4
NOPAT margin	13.9%	21.2%	24.4%
Turnover rate of capital employed *	0.23	0.28	0.29
ROCE *	3.2%	6.0%	7.0%
Gearing	0.78	0.68	0.91

Definitions of key ratios are given in Annex 7.

* The key ratios have been converted into full-year equivalents where necessary for purposes of comparison.

Financial review

The Group's accounting policies for 2002 have been changed from the policies applied for the annual report for 2001 and previous years. The accounting policy changes are implemented as a consequence of the new Danish Financial Statements Act and the Group's decision to present its financial statements according to the international accounting standards (IAS).

The accounting policy change primarily affects the consolidated balance sheet, which increased by DKK 515.8 million at 31 March 2002, primarily as a result of the recognition of leased assets owned by Lufthavnsparkeeringen København A/S, the airport parking operator, and related debt. The effect on profit before and after tax is considered insignificant. For additional information, see "Accounting policies" in Annex 1 of this interim report.

Segment information for the Group's activities will be disclosed in the annual report for 2002.

Performance compared with forecast

Consolidated profit before tax for the three months ended 31 March 2002 was DKK 46.5 million. As compared with the forecast made in the profit announcement for 2001, the profit is at the upper end of the forecast profit range. The main reason was that traffic at Copenhagen Airport was not as severely hit by the aftermath of the terrorist attacks on 11 September 2001 as had been expected. The Group's Mexican and UK activities performed as expected, which was also the case for the Group's hotel activity.

Performance compared with the first quarter of 2001

Pre-tax profit was DKK 47.3 million lower than in the same period last year.

Out of the total decline, DKK 17.2 million was attributable to a fall in the parent company's operating profit. As a result of the lower number of passengers after 11 September, the parent company's revenue was down DKK 13.9 million, while operating costs increased by a total of DKK 3.3 million.

The lower profit was also attributable to the Group's investment in Newcastle International Airport, which contributed a loss of DKK 34.3 million due to normal seasonal fluctuations. This had no impact on the first quarter of 2001, as the Group acquired a 49% interest in Newcastle International Airport on 4 May 2001. The loss was composed of a DKK 24.0 million share of the pre-tax loss and increased net financing costs in the parent company of DKK 10.3 million.

The profit contributed by the Group's investments in the Mexican airports amounted to DKK 8.7 million, which was DKK 0.8 million higher than in the same period last year.

The Hilton Copenhagen Airport contributed a loss of DKK 8.6 million, compared with a loss of DKK 8.5 million in the first quarter of 2001. In the first quarter of 2001, the results recognised from the hotel activity covered one month only, as the hotel opened on 1 March 2001. However, pre-opening costs of DKK 5.4 million were incurred during the same period.

Shareholders' equity

At the beginning of the year, the Group's shareholders' equity stood at DKK 3,261.3 million following the accounting policy changes. After giving effect to the profit for the period and exchange differences, Group shareholders' equity stood at DKK 3,294.4 million at 31 March 2002.

PROFIT AND LOSS ACCOUNT

Revenue

Traffic revenue

Traffic revenue for the period amounted to DKK 245.5 million, compared with DKK 258.1 million in the same period of 2001. The 4.9% decline was mainly caused by the effects of 11 September.

The number of passengers at Copenhagen Airport fell by 2.8% in the first quarter of 2002 compared with the same period last year.

The total number of passengers at Copenhagen Airport in the first quarter of 2002 was 3.9 million. The number of international scheduled passengers increased by 0.5% compared with the same period last year, while the number of charter passengers was down 24.2%. As expected, the fall in domestic scheduled passengers recorded in earlier years continued in 2002 as passenger numbers declined by 12.2% compared with the level for the same period last year.

The number of take-offs and landings by passenger aircraft at Copenhagen Airport fell by 11.5% in the first quarter compared with the same period of 2001. This decline was partially offset by the effect of the use of larger passenger aircraft than before. The tonnage was thus 7.5% lower than in the same period of 2001.

The number of cargo operations at Copenhagen Airport was 22.4% lower than in the first quarter of 2001. During the same period, the total take-off mass for cargo operations was down 14.1% as larger aircraft than before are also used for cargo operations.

Concession revenue

Concession revenue declined by DKK 5.7 million or 4.5% from the same period last year to DKK 119.9 million.

Revenue from the airport shopping centre totalled DKK 64.8 million for the first quarter, which represented a 1.5% decline from DKK 65.8 million in the same period of 2001. The fall was primarily attributable to the decline in passenger numbers in the first quarter of 2002 compared with the same period last year.

Other concession revenue, including parking, banking, restaurants and handling, decreased by 7.8% or DKK 4.7 million to DKK 55.1 million. The fall was attributable to lower concession revenue, primarily from traffic advertisements and parking. The latter was reduced in 2002 by higher property taxes and similar costs relating to measures to increase capacity, which were implemented in 2001.

Rent

Consolidated rental income for the period increased by 7.1% or DKK 2.9 million to DKK 43.5 million compared with the same period last year. The increase was attributable to new leases and contractual rent increases.

Sales of services, etc.

Consolidated sales of services increased by DKK 17.3 million to DKK 41.4 million. In 2002, this item includes DKK 26.9 million of turnover from the Group's hotel activity, an increase of DKK 16.7 million compared with the same period of 2001. The increase was primarily attributable to the fact that the Hilton Copenhagen Airport opened on 1 March 2001 and therefore only comprised one month's turnover in the first quarter of 2001.

Other sales of services increased by DKK 0.7 million to DKK 14.6 million compared with the level in the same period last year. The increase was primarily attributable to the increase in the Group's international business, in which sales of consulting services to foreign airports increased to DKK 3.6 million in the first quarter of 2002 from DKK 2.2 million in the same period last year.

Profit/(loss) from interests in associated companies before tax

A loss of DKK 15.3 million was recorded from interests in associated companies compared with a profit of DKK 7.9 million in the same period of 2001. The lower results were attributable to the Group's investment in Newcastle International Airport, which as expected contributed a loss of DKK 24.0 million due to normal seasonal fluctuations at the airport. The negative contribution from the investment took full effect in the first quarter of 2002 as the Group made the investment in Newcastle International Airport on 4 May 2001. The Group's investments in the Mexican airports contributed a profit share of DKK 8.7 million, which was DKK 0.8 million more than in the first quarter of 2001.

Costs

External costs

Consolidated external costs for the period amounted to DKK 97.3 million, which represented a DKK 2.9 million increase over the first quarter of 2001. External costs relating to the Group's hotel activity increased by DKK 7.6 million, while the parent company's external costs fell by DKK 4.7 million.

The increase relating to the hotel activity was attributable to the fact that the Hilton Copenhagen Airport opened on 1 March 2001 and therefore only comprised one month's turnover in the first quarter of 2001.

The fall in the parent company's external costs was attributable to general cost savings on administration and lower costs for operation and maintenance of IT systems, including the airport terminal equipment. These cost savings were partially offset by increased costs of airport liability insurance and studies of potential investments in foreign airports.

Staff costs

Consolidated staff costs rose by DKK 3.9 million or 3.1% during the period to DKK 128.0 million.

In addition to a general pay adjustment, the increase in staff costs was attributable to an increase in the number of days off with pay. Furthermore, staff costs were affected by the transition of the company to the growing internationalisation of operations and the Group's increased emphasis on business optimisation, resulting in a requirement for advisory and analytical functions.

Copenhagen Airports had an average of 1,335 employees during the first three months of 2002, which was 52 less than in the same period of 2001.

Amortisation, depreciation and impairment of intangible and tangible assets

Consolidated depreciation increased by 7.6% to DKK 118.9 million from DKK 110.5 million in the same period last year. The increase was attributable to completed projects, the most important of which were the Hilton Copenhagen Airport and assets constructed in connection with Denmark's new status as a Schengen country.

Net financing costs

Consolidated net financing costs for the period increased by 25.5% to DKK 52.2 million from DKK 41.6 million in the same period last year. Interest costs incurred in connection with the funding of the investment in Newcastle International Airport accounted for DKK 10.3 million of this increase, while DKK 3.9 million was attributable to the Group's hotel activity. Compared with the same period of 2001, interest costs in the first quarter of 2002 were reduced by a relatively lower interest rate level.

Tax on the profit for the period

Tax on the profit for the period for the parent company and the Danish subsidiaries has been calculated on the reported profit before tax using the current tax rate, while tax on the profit for the period for the foreign associated companies has been recognised on the basis of the proportional share of estimated tax calculated on a full-year basis.

BALANCE SHEET

Assets

Intangible assets

Consolidated intangible assets represent computer software and amounted to DKK 40.3 million at 31 March 2002, which was DKK 6.5 million more than at 31 March 2001.

Tangible assets

Consolidated tangible assets totalled DKK 6,590.5 million at 31 March 2002, which was DKK 42.6 million less than at 31 March 2001. The fall was attributable to a reduction in investment activity in areas that do not have an adverse effect on developments in consolidated revenue.

Long-term financial assets

Consolidated long-term financial assets totalled DKK 1,644.3 million at 31 March 2002 compared with DKK 411.2 million at 31 March 2001. DKK 1,189.9 million of this increase was attributable to the Group's investment in Newcastle International Airport.

Debtors

Consolidated debtors totalled DKK 329.8 million, which was DKK 12.7 million or 3.7% less than at the same time last year. The fall was primarily attributable to trade debtors.

Liabilities

Non-current liabilities

Consolidated non-current liabilities to financial institutions totalled DKK 3,803.5 million at 31 March 2002 compared with DKK 3,011.5 million at 31 March 2001. The increase was primarily attributable to a loan obtained to finance the investment in Newcastle International Airport and a loan to finance the completion of the Hilton Copenhagen Airport.

Current liabilities

Consolidated current liabilities amounted to DKK 819.8 million at 31 March 2002, which was DKK 123.7 million higher than at 31 March 2001. The current portion of debt to financial institutions increased by DKK 213.1 million, mainly as a result of the above mentioned loan to finance the investment in Newcastle International Airport. The balance of the current liabilities fell by DKK 89.4 million, primarily because of a reduction in trade creditors caused by a reduction in building and construction activities at Copenhagen, including the completion of the Hilton Copenhagen Airport.

CASH FLOW STATEMENT

Consolidated cash and cash equivalents fell by DKK 114.9 million in the first quarter of 2002 to DKK 65.6 million.

Cash flow from operating activities

The cash flow from operating activities for the period amounted to DKK 75.1 million, which was DKK 85.6 million less than in the same period last year. The decrease was primarily attributable to the lower operating results and rising net financing costs in connection with the financing of the investment in Newcastle International Airport.

Cash flow from investing activities

Payments for non-current assets totalled DKK 81.9 million in the first quarter of 2002, compared with DKK 161.9 million in the same period last year. The fall was attributable to reduced investing activity.

Cash flow from financing activities

Cash flow from financing activities for the period amounted to DKK 108.1 million, which was DKK 95.4 million more than in the same period last year. The increased repayments primarily concerned the financing of the investment in Newcastle International Airport.

OUTLOOK FOR 2002

In its profit announcement for 2001, the Group forecast a 2-3% fall in the number of passengers in the first half of 2002 compared with the level in the same period of 2001. Developments in the actual number of passengers in the first quarter and other factors affecting the number of passengers indicate that the actual decline will be at the low end of this range.

Performance in the first quarter of 2002 confirms the forecast made in connection with the annual report for 2001 of a pre-tax profit for 2002 for the Group's existing activities, which is slightly above the profit posted for 2001.

Copenhagen Airports A/S

Kurt Bligaard Pedersen
Chairman

Niels Boserup
President & CEO

Kastrup, 2 May 2002

Copenhagen Airports A/S

Accounting policies

The consolidated financial statements for 2002 are prepared in accordance with the provisions of the new Danish Financial Statements Act, the international accounting standards (IAS) and the guidelines issued by the Copenhagen Stock Exchange on the presentation of accounts by listed companies.

The Group's accounting policies have consequently been changed in the following areas:

- Leased assets meeting the conditions for finance leases are accounted for as corresponding owned assets. The leased assets are parking facilities owned by Lufthavnsparkeringen København A/S (LPK), the airport parking operator, which has a concession agreement with the Group. LPK is entitled to terminate the agreement at six months' notice, and Copenhagen Airports A/S would then be obliged to take over the assets at book value.
- Liabilities are recognised at amortised cost price, whereby loan costs and capital losses are allocated over the term of the liabilities.
- Computer software is reclassified as intangible assets.
- Own shares are recognised directly under shareholders' equity.
- Proposed dividends are no longer recognised as a liability but as part of shareholders' equity.
- Financial instruments are recognised at market value on the balance sheet date. Unrealised market value adjustments of financial instruments used to hedge future revenue and costs are deferred via shareholders' equity.

The accounting policy changes have no effect on the Group's cash flows and tax.

The accounting policy changes had the following effect on the financial statements for the first quarter of 2002:

- Profit was reduced by DKK 0.3 million;
- assets increased by DKK 515.8 million; and
- shareholders' equity increased by DKK 3.5 million excluding the reclassification of dividends.

The comparative figures for the period from 1997 to 2001 have been restated to reflect the accounting policy changes, and the main items are shown below:

Effect of accounting policy changes on the consolidated financial statements 1997 to 2001

(DKK million)	2001	2000	1999	1998	1997
Change in profit	3	(1)	(1)	0	0
Increase in assets	521	490	373	293	181
Increase in shareholders' equity	95	87	83	79	74
Increase in liabilities	426	403	290	214	107

See Copenhagen Airports A/S' Web site (www.cph.dk) for a more detailed presentation of the changes to the accounting policies and the effect on the consolidated financial statements.

Copenhagen Airports A/S

Consolidated profit and loss account

1 January to 31 March

Profit and loss account		
DKK '000		
	2002	2001
Traffic revenue	245,488	258,123
Concession revenue	119,874	125,538
Rent	43,536	40,634
Sale of services, etc.	41,403	24,059
Net revenue	450,301	448,354
Other operating revenue	7,934	8,191
Total net revenue	458,235	456,545
External costs	97,346	94,435
Staff costs	128,023	124,124
Amortisation, depreciation and impairment of intangible and tangible assets	118,891	110,489
Operating profit	113,975	127,497
Profit/(loss) from interests in associated companies before tax	(15,271)	7,930
Financial income	3,255	2,709
Financial costs	55,476	44,318
Profit before tax	46,483	93,818
Tax on the profit for the period	20,585	27,133
Net profit	25,898	66,685

Copenhagen Airports A/S

Consolidated balance sheet

At 31 March

Assets		
DKK '000	2002	2001
NON-CURRENT ASSETS		
Intangible assets		
Computer software	35,960	27,758
Computer software in process	4,374	6,085
Total intangible assets	40,334	33,843
Tangible assets		
Land and buildings	3,726,014	3,320,098
Production plant and machinery	2,433,786	2,306,243
Other equipment	297,331	390,435
Construction contract work in progress	133,399	616,307
Total tangible assets	6,590,530	6,633,083
Long-term financial assets		
Interests in associated companies	1,643,524	411,137
Other securities and interests	821	111
Total long-term financial assets	1,644,345	411,248
Total non-current assets	8,275,209	7,078,174
CURRENT ASSETS		
Debtors		
Trade debtors	232,974	242,534
Other debtors	71,709	77,649
Prepayments	25,072	22,284
Total debtors	329,755	342,467
Cash and cash equivalents	65,576	26,571
Total current assets	395,331	369,038
Total assets	8,670,540	7,447,212

Copenhagen Airports A/S

Consolidated balance sheet

At 31 March

Equity and liabilities			
DKK '000			
	Note	2002	2001
SHAREHOLDERS' EQUITY			
Share capital		910,000	910,000
Reserve for net revaluation according to the equity method		121,030	90,073
Retained profit		2,172,339	1,970,251
Proposed dividend in respect of latest financial year		91,000	86,450
Total shareholders' equity	1	3,294,369	3,056,774
PROVISIONS			
Deferred tax		752,846	682,851
NON-CURRENT LIABILITIES			
Financial institutions		3,803,491	3,011,475
CURRENT LIABILITIES			
Financial institutions		552,860	339,766
Prepayments from customers		63,403	79,412
Trade creditors		55,271	127,306
Other liabilities		148,300	149,628
Total current liabilities		819,834	696,112
Total liabilities		4,623,325	3,707,587
Total equity and liabilities		8,670,540	7,447,212

Copenhagen Airports A/S

Consolidated cash flow statement

1 January to 31 March

Cash flow statement		
DKK '000	2002	2001
CASH FLOW FROM OPERATING ACTIVITIES		
Received from customers	426,579	466,748
Paid to staff and suppliers	(271,691)	(249,294)
Cash flow from operating activities before financial items	154,888	217,454
Interest received	1,999	2,847
Interest paid	(55,673)	(39,539)
Cash flow from ordinary activities	101,214	180,762
Corporation tax paid	(26,166)	(20,074)
Cash flow from operating activities	75,048	160,688
CASH FLOW FROM INVESTING ACTIVITIES		
Net payments for tangible assets	(81,926)	(161,921)
Cash flow from investing activities	(81,926)	(161,921)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of long-term loans	(72,806)	(1,563)
Repayment of short-term loans	(35,259)	(11,143)
Cash flow from financing activities	(108,065)	(12,706)
Net change in cash and cash equivalents	(114,943)	(13,939)
Cash and cash equivalents at beginning of year	180,519	40,510
Cash and cash equivalents at end of period	65,576	26,571

Copenhagen Airports A/S

Notes to the consolidated financial statements

31 March

Notes to the financial statements

DKK '000

2002

2001

1 Shareholders' equity

Share capital	910,000	910,000
Reserve for net revaluation according to the equity method	131,177	63,917
Retained profit	2,129,132	1,910,011
Proposed dividend in respect of latest financial year *	91,000	86,450
Shareholders' equity at 1 January	3,261,309	2,970,378
Retained profit for the period	43,207	60,240
Reserve for net revaluation according to the equity method	(10,147)	26,156
Shareholders' equity at 31 March	3,294,369	3,056,774

* The proposed dividend for the 2001 financial year was adopted by the shareholders at the company's annual general meeting held on 9 April 2002.

Copenhagen Airports A/S

Definitions of ratios

The definitions of ratios are in line with the recommendations made by the Danish Association of Financial Analysts except for the ratios marked by an *, which are not defined by the Association.

Operating margin

Operating profit as a percentage of net revenue.

Asset turnover rate:

Net revenue divided by average operational assets.

Return on assets

Operating profit as a percentage of average operational assets.

Return on equity

Net profit for the period divided by average shareholders' equity.

Equity ratio

Shareholders' equity at end of period as a percentage of liabilities and shareholders' equity at end of period.

Earnings per share

Net profit for the period divided by average number of shares.

* *Cash earnings per share*

Net profit for the period plus depreciation divided by average number of shares.

Net asset value per share

Shareholders' equity at end of period divided by number of shares at end of period.

* *NOPAT margin*

Net profit for the period, but before net financing costs divided by net revenue.

* *Turnover rate of capital employed*

Net revenue divided by average shareholders' equity plus average interest-bearing debt.

* *ROCE*

Net profit for the period, but before net financing costs divided by average shareholders' equity plus average interest-bearing debt.

Gearing

Interest-bearing debt at end of period divided by share capital at market value (share capital times officially quoted share price at end of period).