

Copenhagen Airports A/S

P.O. Box 74
Lufthavnsboulevarden 6
DK-2770 Kastrup

Contacts:
Niels Boserup, President &
CEO

Flemming Petersen, Director,
Head of IR

Tel. +45 3231 3231
Fax +45 3231 3132

Company reg. no. (CVR)
14 70 72 85

Announcement to the Copenhagen Stock Exchange

2002/6

22 August 2002

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

- Consolidated profit before tax amounted to DKK 212.9 million, which was at the upper end of the forecast. The profit was DKK 36.6 million lower than in the same period of 2001.
- The parent company's operating profit was at the same level as in 2001. Traffic revenue for the period was lower than in the same period of 2001, but this was offset by increased concession and rental revenue.
- The hotel activity was slightly lower than forecast.
- As expected, Newcastle International Airport reduced profit by DKK 37.5 million compared with last year.
- The forecast that pre-tax profit for 2002 will be slightly above pre-tax profit for 2001 is retained.

Interim report – first half of 2002

Consolidated financial highlights

Profit and loss account (DKK million)	Q2 2002	Q2 2001	H1 2002	H1 2001	2001
Net revenue	545	537	995	985	2,007
Total net revenue	558	546	1,016	1,003	2,041
Amortisation, depreciation and impairment	118	121	237	231	472
Operating profit	204	193	318	320	658
Profit/(loss) from investments	3	19	(12)	27	43
Net financing costs	41	56	93	98	207
Profit before tax	166	156	213	250	494
Net profit for the period	105	109	131	176	344
			30 June	30 June	2001
			2002	2001	2001
Balance sheet (DKK million)					
Non-current assets			8,085	8,453	8,353
Total assets			8,580	8,827	8,834
Shareholders' equity			3,228	3,126	3,261
Interest-bearing debt			4,297	4,664	4,473
Capital investments			117	334	499
Long-term financial investments			0	1,192	1,193
			30 June	30 June	2001
			2002	2001	2001
Cash flow statement (DKK million)	Q2 2002	Q2 2001	H1 2002	H1 2001	2001
Cash flow from operating activities	234	224	309	385	890
Cash flow from investing activities	(47)	(1,422)	(129)	(1,584)	(1,752)
Cash flow from financing activities	(100)	1,189	(208)	1,176	1,002
Cash and cash equivalents at end of period	153	18	153	18	181
			30 June	30 June	2001
			2002	2001	2001
Key ratios	Q2 2002	Q2 2001	H1 2002	H1 2001	2001
Operating margin	37.4%	35.9%	32.0%	32.5%	32.8%
Assets turnover rate *	0.29	0.30	0.29	0.28	0.29
Return on assets *	11.8%	11.0%	9.2%	9.1%	9.4%
Return on equity *	12.9%	14.1%	8.1%	11.5%	11.0%
Equity ratio	37.6%	35.4%	37.6%	35.4%	36.9%
Earnings per share of DKK 100 *	46.2	47.9	28.8	38.8	37.8
Cash earnings per share of DKK 100 *	98.0	101.1	80.8	89.6	89.6
Net asset value in DKK per share of DKK 100	354.7	343.5	354.7	343.5	358.4
NOPAT margin	24.5%	27.6%	19.7%	24.6%	24.4%
Turnover rate of capital employed *	0.29	0.30	0.26	0.28	0.29
ROCE *	7.0%	8.4%	5.1%	6.9%	7.0%
Gearing	0.81	0.75	0.81	0.75	0.91

Definitions of key ratios are given in Annex 6.

* 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 a consequence of the Group's decision to present its financial statements in accordance with the international accounting standards (IAS). The changes were described in greater detail in the first quarter report 2002.

Performance compared with forecast

Consolidated profit before tax for the six months ended 30 June 2002 was DKK 212.9 million. The profit was at the upper end of the profit range previously forecast. The traffic revenue for the period was lower, primarily as a result of a lower total take-off mass of aircraft, while the number of passengers increased. The lower traffic revenue was offset by higher concession and rental revenue. Increased costs of airport liability insurance were offset by a fall in other operating costs, to the effect that total operating costs were at the expected level. The Group's hotel activity was harder hit by the aftermath of 11 September than expected, whereas the performance of the Group's international activities was ahead of expectations. Finally, the profit was affected by unrealised gains on forward currency contracts relating to the investment in the Mexican company ASUR.

Performance compared with the second quarter of 2001

Pre-tax profit for the second quarter of 2002 was DKK 166.5 million, or DKK 10.7 million higher than in the same period last year.

The improved profit was attributable to a DKK 13.8 million increase in the parent company's operating profit, which was mainly attributable to increased concession revenue as a result of a new contract with The Nuance Group, primarily regarding duty free sales. Moreover, the parent company's net financing costs fell by DKK 15.5 million to DKK 34.5 million. This was caused by DKK 8.8 million of unrealised gains on forward currency contracts relating to the investment in ASUR and a generally lower level of interest rates.

The profit improvement was partially balanced out by the investment in Newcastle International Airport, which contributed a loss of DKK 6.3 million in the second quarter compared with a profit of DKK 7.2 million in the same period last year. The deterioration was due to a seasonal loss during the month of April. See the financial review for the first half of 2002 below.

Performance compared with the first half of 2001

Pre-tax profit was DKK 36.6 million lower than in the same period last year.

The lower profit was mainly attributable to the Group's investment in Newcastle International Airport, which contributed a loss of DKK 30.3 million due to normal seasonal fluctuations, compared with a profit of DKK 7.2 million in the same period last year. The investment was made on 4 May 2001, and consequently no share of profit from Newcastle International Airport was recognised for the period January to April 2001.

Profit from the Group's investments in the Mexican airports fell DKK 2.4 million to DKK 17.9 million compared with the same period of last year, mainly as a result of the aftermath of 11 September.

The Hilton Copenhagen Airport contributed a loss of DKK 22.6 million, compared with a loss of DKK 19.7 million in the first half of 2001. In the first half of 2001, the results recognised from the hotel activity covered four months only, as the hotel opened on 1 March 2001. However, pre-opening costs of DKK 7.2 million were incurred during the same period of 2001.

The parent company's operating profit for the first half of 2002 was in line with the first half of 2001. At the same time, the parent company's net financing costs fell by DKK 9.2 million to DKK 80.2 million. See the financial review of the second quarter above.

Shareholders' equity

At the beginning of the year, Group 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 3,227.7 million at 30 June 2002. The movements are specified in annex 5. The DKK 150.9 million negative currency translation adjustment in the annex was partially offset by DKK 110.9 million recognised from currency hedges of investments. The difference arose as the exchange risk on the investment in ITA, the Mexican company, is partially hedged by options, and as the gains on forward currency contracts relating to the investment in ASUR are recognised in the profit and loss account. The latter forward currency contracts represent a financial hedge, which does not meet the requirements for hedge accounting, because the contracts are denominated in USD, while the investment is recognised in the financial statements in MXN.

PROFIT AND LOSS ACCOUNT

Revenue

Traffic revenue

Traffic revenue for the period amounted to DKK 541.0 million, compared with DKK 555.7 million in the same period of 2001. The 2.6% decline was primarily attributable to a fall in total take-off mass.

The number of passengers at Copenhagen Airport fell by 0.9% in the first half of 2002 compared with the same period last year.

A total number of 8.9 million passengers passed through Copenhagen Airport in the first half of 2002. The number of international scheduled passengers increased by 1.9% compared with the same period last year, while the number of charter passengers was down 20.4%. As expected, the previous years' fall in domestic scheduled passengers continued in 2002, when the number fell 8.3%.

The number of take-offs and landings by passenger aircraft at Copenhagen Airport fell by 9.8% in the first half 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 only 6.0% lower than in the same period of 2001.

The number of cargo operations at Copenhagen Airport was 25.3% lower than in the first half of 2001. During the same period, the total take-off mass for cargo operations was down 14.4% as larger aircraft than before are also used for cargo operations.

Concession revenue

Concession revenue increased by DKK 7.5 million or 2.7% from the same period last year to DKK 280.2 million.

Revenue from the airport shopping centre increased by 7.9% to DKK 158.4 million during the period from DKK 146.8 million in the same period of 2001. The increase was mainly attributable to a new contract, primarily for duty free sales, with The Nuance Group.

Other concession revenue, including parking, banking, restaurants and handling, decreased by 3.3% or DKK 4.2 million to DKK 121.8 million. In addition to the fall in passenger numbers, the decline was attributable to lower profit from parking owing to higher property taxes, interest and other costs of the initiatives taken to increase capacity in 2001. Furthermore, the revenue from banking was adversely affected by the introduction of the euro, which resulted in lower currency exchange fees.

Rent

Consolidated rental income for the period increased by 7.3% or DKK 5.9 million compared with the same period last year to DKK 87.4 million. The increase was attributable to new leases and contractual rent adjustments.

Sales of services, etc.

Consolidated sales of services increased by DKK 11.5 million to DKK 86.5 million. The increase was mainly attributable to the Group's hotel activity from which six months' revenue was recognised in 2002 compared with four months' revenue in 2001. Revenue from the hotel activity was DKK 57.7 million in the first half of 2002 compared with DKK 43.3 million in the same period of 2001.

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

A pre-tax loss of DKK 12.4 million was recorded from interests in associated companies compared with a profit of DKK 27.4 million in the same period of 2001. The lower results were primarily attributable to the Group's investment in Newcastle International Airport, which contributed a loss of DKK 30.3 million, as expected, due to normal seasonal fluctuations at the airport, compared with a profit of DKK 7.2 million in 2001. The negative contribution from the investment took full effect in the first half 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 17.9 million, which was DKK 2.4 million less than in the first half of 2001, primarily as a result of the aftermath of 11 September.

Costs

External costs

Consolidated external costs for the period amounted to DKK 194.1 million, which represented a DKK 0.3 million increase over the first half of 2001. External costs relating to the Group's hotel activity increased by DKK 8.3 million to DKK 52.3 million, while the parent company's external costs fell by DKK 8.0 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 four months' revenue in the first half of 2001.

The fall in the parent company's external costs was attributable to lower administrative expenses as more expenses were incurred in 2001 for studies of potential investments in foreign airports and of opportunities to optimise the Group's commercial revenue. These cost savings were partially offset by increased costs of airport liability insurance. Insurance costs consequently increased from DKK 6.2 million in the first half of 2001 to DKK 10.9 million in 2002.

Staff costs

Consolidated staff costs rose by DKK 8.2 million or 3.2% during the period to DKK 266.4 million. At the same time, the number of staff was 47 lower than in the same period of last year. During the first six months of 2002, Copenhagen Airports A/S had an average of 1,342 employees.

In addition to an average 3.5% 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 optimising business operations, resulting in a requirement for advisory and analytical functions.

Amortisation, depreciation and impairment of intangible and tangible assets

Consolidated depreciation increased by 2.7% to DKK 236.8 million from DKK 230.6 million in the same period last year. The increase was attributable to completed projects, the most significant of which was the Hilton Copenhagen Airport, which was opened on 1 March 2001. Amortisation and depreciation in the hotel company amounted to DKK 12.3 million in the first half of 2002 compared with DKK 7.4 million in 2001.

Net financing costs

Consolidated net financing costs for the first six months of 2002 were down 4.7% or DKK 4.6 million compared with last year to DKK 93.1 million. The fall was attributable to exchange gains of DKK 8.8 million and a generally lower interest rate level in the first half of 2002, which resulted in cost savings of DKK 9.6 million. The fall was partially offset by increased interest costs of DKK 9.2 million in connection with the financing of the investment in Newcastle International Airport, while the financing of the Group's hotel activity increased interest costs by DKK 4.6 million compared with the same period of 2001.

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 34.9 million at 30 June 2002, which was DKK 0.6 million less than at 30 June 2001.

Tangible assets

Consolidated tangible assets totalled DKK 6,534.8 million at 30 June 2002, which was DKK 196.0 million less than at 30 June 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 1,515.3 million at 30 June 2002 compared with DKK 1,686.2 million at 30 June 2001. The fall was primarily attributable to currency translation of the Group's foreign investments and a loss posted by Newcastle International Airport as a result of normal seasonal fluctuations. The fall was partially offset by DKK 46.5 million of unrealised gains on currency hedges, which were recognised as other debtors.

Debtors

Consolidated debtors totalled DKK 342.2 million at 30 June 2002, which was DKK 14.5 million or 4.1% less than at the same date last year. The fall was primarily attributable to the fact that corporation tax amounted to a receivable at 30 June 2001 due to tax paid on account, whereas it was a liability at 30 June 2002.

Liabilities

Non-current liabilities

Consolidated non-current liabilities to financial institutions totalled DKK 3,593.7 million at 30 June 2002 compared with DKK 4,439.0 million at 30 June 2001. The fall was primarily attributable to the fact that a number of fixed term loans are now closer to expiry and to a reduction of drawings on long-term credit facilities.

The Group swapped DKK 500.0 million of long-term debt at floating rates to fixed rate debt in order to extend the duration of the liabilities.

Current liabilities

Consolidated current liabilities amounted to DKK 971.9 million at 30 June 2001, which was DKK 407.8 million more than at 30 June 2001. The current portion of debt to financial institutions increased by DKK 478.5 million, mainly as a result of the fact that a number of fixed term loans are now closer to expiry. The balance of the current liabilities fell by DKK 70.7 million, primarily because of a reduction in trade creditors etc. caused by a reduction in building and construction activities at Copenhagen, including the completion of the Hilton Copenhagen Airport.

CASH FLOW STATEMENT

Compared with the level at 31 December 2001, consolidated cash and cash equivalents fell by DKK 27.9 million during the first half of 2002 to DKK 152.6 million.

Cash flow from operating activities

The cash flow from operating activities for the period amounted to DKK 308.8 million, which was DKK 76.3 million less than in the same period last year. The decrease was primarily attributable to a general reduction in debt related to operations and rising net financing costs in connection with the financing of the investment in Newcastle International Airport.

Cash flow from investing activities

Payments for investing activities totalled DKK 128.7 million in the first half of 2002 compared with DKK 1,583.9 million in the same period of last year. The decrease was primarily attributable to the investment in Newcastle International Airport in the first half of 2001. In 2002, DKK 9.0 million was received as dividends on the company's direct ownership interest in ASUR.

Cash flow from financing activities

In the first half of 2002, net repayments on debt totalled DKK 208.1 million. During the same period last year, net proceeds from new loans totalled DKK 1,176.1 million, primarily relating to 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. The actual number of passengers in the first half of the year turned out to be marginally better than forecast, whereas the total take-off mass was lower. Overall, profit for the first half of 2002 was in line with expectations in spite of deviations in individual items.

The trends from the first half of the year are expected to continue in the second half, and the forecast of pre-tax profit for 2002 for the Group's existing activities at slightly above the pre-tax profit posted for 2001 is therefore retained.

Copenhagen Airports A/S

Kurt Bligaard Pedersen
Chairman

Niels Boserup
President & CEO

Kastrup, 22 August 2002

Copenhagen Airports A/S

Annex 1

Consolidated profit and loss account

1 January to 30 June

DKK '000	2002	2001
Traffic revenue	541,029	555,682
Concession revenue	280,161	272,711
Rent	87,389	81,471
Sale of services, etc.	86,450	74,982
Net revenue	995,029	984,846
Other operating revenue	20,738	17,677
Total net revenue	1,015,767	1,002,523
External costs	194,109	193,785
Staff costs	266,407	258,232
Amortisation, depreciation and impairment of intangible and tangible assets	236,792	230,628
Operating profit	318,459	319,878
Profit/(loss) from interests in associated companies before tax	(12,398)	27,419
Financial income	14,514	5,632
Financial costs	107,634	103,384
Profit before tax	212,941	249,545
Tax on the profit for the period	82,092	73,643
Net profit for the period	130,849	175,902

Copenhagen Airports A/S

Annex 2

Consolidated balance sheet

At 30 June

Assets		
DKK '000	2002	2001
NON-CURRENT ASSETS		
Intangible assets		
Computer software	30,190	29,051
Computer software in process	4,757	6,522
Total intangible assets	34,947	35,573
Tangible assets		
Land and buildings	3,737,073	3,609,982
Production plant and machinery	2,394,849	2,250,060
Other equipment	287,077	379,180
Construction contract work in progress	115,833	491,590
Total tangible assets	6,534,832	6,730,812
Long-term financial assets		
Interests in associated companies	1,467,992	1,686,057
Other securities and interests	821	111
Other debtors	46,485	0
Total long-term financial assets	1,515,298	1,686,168
Total non-current assets	8,085,077	8,452,553
CURRENT ASSETS		
Debtors		
Trade debtors	289,477	302,148
Other debtors	32,667	35,807
Prepayments	20,105	18,830
Total debtors	342,249	356,785
Cash and cash equivalents	152,584	17,781
Total current assets	494,833	374,566
Total assets	8,579,910	8,827,119

Copenhagen Airports A/S

Annex 3

Consolidated balance sheet

At 30 June

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		20,580	153,901
Retained profit		2,297,114	2,062,331
Total shareholders' equity	1	3,227,694	3,126,232
PROVISIONS			
Deferred tax		786,652	697,789
NON-CURRENT LIABILITIES			
Financial institutions		3,593,681	4,439,011
CURRENT LIABILITIES			
Financial institutions		703,045	224,585
Prepayments from customers		68,133	80,765
Trade creditors		61,788	85,065
Corporation tax payable		1,094	0
Other liabilities		137,823	173,672
Total current liabilities		971,883	564,087
Total liabilities		4,565,564	5,003,098
Total equity and liabilities		8,579,910	8,827,119

Copenhagen Airports A/S

Annex 4

Consolidated cash flow statement

1 January to 30 June

DKK '000	2002	2001
CASH FLOW FROM OPERATING ACTIVITIES		
Received from customers	932,338	899,516
Paid to staff and suppliers	(497,338)	(409,197)
Cash flow from operating activities before financial items	435,000	490,320
Interest received	11,962	5,709
Interest paid	(111,957)	(90,860)
Cash flow from ordinary activities	335,005	405,169
Corporation tax paid	(26,166)	(20,074)
Cash flow from operating activities	308,839	385,095
CASH FLOW FROM INVESTING ACTIVITIES		
Net payments for intangible assets and tangible assets	(137,320)	(392,068)
Payments to acquire long-term financial assets	0	(1,191,879)
Capital contributions in associated companies	(383)	0
Dividends from associated companies	8,988	0
Cash flow from investing activities	(128,715)	(1,583,947)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of long-term loans	(81,983)	1,252
Proceeds from long-term loans	0	1,539,668
Repayments of short-term loans	(35,076)	(288,536)
Proceeds from short-term loans	0	10,127
Dividends paid	(91,000)	(86,450)
Cash flow from financing activities	(208,059)	1,176,061
Net change in cash and cash equivalents	(27,935)	(22,791)
Cash and cash equivalents at beginning of year	180,519	40,572
Cash and cash equivalents at end of period	152,584	17,781

Copenhagen Airports A/S

Annex 5

Notes to the consolidated financial statements

At 30 June

DKK '000	Share capital	Reserve for net revaluation	Retained profit	Proposed dividend	Total
1 Shareholders' equity					
Opening balance	910,000	131,177	2,129,132	91,000	3,261,309
Profit/(loss) for the period		(28,145)	158,994		130,849
Currency translation of investments		(150,948)			(150,948)
Currency hedging of investments		110,937			110,937
Tax effect of currency hedging		(33,453)			(33,453)
Dividends from associated companies		(8,988)	8,988		0
Dividends paid				(91,000)	(91,000)
Balance at end of period	910,000	20,580	2,297,114	0	3,227,694

Copenhagen Airports A/S

Annex 6

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 (CEPS)*

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*

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*

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).