

Announcement to the Copenhagen Stock Exchange

2003/3

6 March 2003

Profit announcement 2002

- Consolidated profit before tax and unrealised exchange gains (DKK 24.1 million) amounted to DKK 514.3 million, which was at the upper end of the forecast.
- In spite of lower traffic revenue, the Parent Company's operating profit was DKK 64.9 million higher than in 2001, mainly owing to increased concession revenue.
- The performance of the hotel operation was better than in 2001.
- As expected, the contribution to profit from Newcastle International Airport fell by DKK 56.3 million compared with the figure in 2001.
- Forecast of a profit before tax for 2003 of approximately DKK 50 million more than profit before tax in 2002.

Consolidated Financial highlights

Income statement (DKK million)	2002	2001	2000	1999	1998
Net revenue	2,145	2,041	1,908	1,801	1,675
EBITDA	1,210	1,130	1,138	1,025	947
EBIT	737	658	709	648	632
Profit/(loss) from investments	-21	43	16	8	0
Net financing costs	178	207	136	122	101
Profit before tax	538	494	589	534	530
Net profit	348	344	436	370	389
Balance sheet (DKK million)	2002	2001	2000	1999	1998
Property, plant and equipment	6,381	6,655	6,627	6,111	5,519
Investments	1,740	1,657	381	255	203
Total assets	8,516	8,834	7,448	6,890	6,094
Equity	3,234	3,261	2,966	2,594	2,271
Interest/bearing debt	4,155	4,473	3,360	3,274	2,545
Capital Investments	178	488	944	969	1,437
Financial investments	355	1,192	99	15	202
Cash flow statement (DKK million)	2002	2001	2000	1999	1998
Cash flow from operating activities	873	890	952	582	694
Cash flow from investing activities	-524	-1,752	-943	-1,255	-1,422
Cash flow from financing activities	-482	1,002	14	652	721
Cash and cash equivalents at year/end	47	181	41	18	39
Key ratios	2002	2001	2000	1999	1998
EBITDA-margin	56.4%	55.3%	59.7%	56.9%	56.6%
EBIT-margin	34.4%	32.2%	37.2%	36.0%	37.7%
Asset turnover rate	0.31	0.29	0.28	0.29	0.32
Return on assets	10.8%	9.4%	10.4%	10.4%	12.0%
Return on equity	10.7%	11.0%	15.7%	15.2%	18.4%
Equity ratio	38.0%	36.9%	39.8%	37.6%	37.3%
Earnings per share of DKK 100	38.2	37.9	48.0	41.0	43.0
Cash earnings per share of DKK 100	90.2	89.6	95.3	82.6	77.8
Net asset value in DKK per share of DKK 100	355.4	358.4	325.9	286.6	251.0
Payout ratio	35.0%	26.5%	19.8%	22.0%	19.8%
Dividend per share of DKK 100	13.38	10.00	9.50	9.00	8.50
NOPAT margin	22.0%	24.0%	27.7%	25.2%	27.2%
Turnover rate of capital employed	0.28	0.29	0.31	0.34	0.39
ROCE	6.2%	7.0%	8.7%	8.5%	10.7%

Operating and financial review

As announced earlier, the Group's accounting policies have been changed as from 2002. The accounting policy changes are a consequence of the new Danish Financial Statements Act and the Group's decision to present its financial statements in accordance with the international accounting standards (IAS/IFRS). The changes were described in greater detail in the Q1 2002 report. The change had no effect on the profit for the year.

Performance compared with forecasts

Consolidated profit before tax for the year ended 31 December 2002 was DKK 538.4 million. Adjusted for DKK 24.1 million of unrealised gains from hedging of the exchange rate risks on the investments in ASUR and Hainan Meilan Airport Company Ltd., the profit was at the upper end of the forecast profit range.

In the Parent Company, revenue for the year was favourably affected by increased concession revenue, which was, however, partially offset by lower traffic revenue. A cut in external costs was partially offset by increased costs of airport liability insurance. Finally, the profit was favourably affected by the above mentioned unrealised exchange gains.

Profits from the Group's hotel operation and international operations were lower than expected.

Performance relative to last year

Pre-tax profit was DKK 44.8 million higher than in the same period last year.

The improvement was primarily the result of the Parent Company's operating profit, which was DKK 64.9 million higher than in 2001. The DKK 84.4 million increase in net revenue was primarily attributable to increased concession revenue and rent. Operating costs rose DKK 19.5 million, which was primarily due to increased operating, maintenance and staff costs and increased costs of airport liability insurance. Finally, the Parent Company's net financing costs were reduced by DKK 33.9 million to DKK 151.9 million, mainly as a result of unrealised exchange gains on hedging of the exchange risks involved in the investments in ASUR and Hainan Meilan Airport Company Ltd.

The Group's investment in Newcastle International Airport contributed a loss of DKK 45.7 million against a profit of DKK 10.6 million in 2001. The loss contributed by the investment in 2002 was primarily attributable to normal seasonal fluctuations, of which DKK 30.3 million were related to the period January-April 2002. No share of results was recognised for the corresponding period of last year as the investment was made effective 4 May 2001. The remaining part of the deviation was attributable to restructuring costs, including redundancy payments and pension obligations.

The profit from the Group's investments in the Mexican airports amounted to DKK 23.6 million, a DKK 9.4 million decline from 2001, mainly as a result of a minor downturn in traffic volume and increased operating costs.

The investment in Hainan Meilan International Airport Ltd., which was made on 15 November 2002, contributed a DKK 1.8 million share of profit.

The Hilton Copenhagen Airport contributed a loss of DKK 35.0 million, compared with a loss of DKK 44.9 million in 2001. The results recognised from the hotel operation in 2001 covered ten 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.

Equity

At the beginning of the year, Group equity stood at DKK 3,261.3 million after the accounting policy changes. After giving effect to the profit for the year and after deducting exchange differences, Group equity stood at DKK 3,234.0 million at 31 December 2002. The movements are specified in annex 6. The DKK 198.3 million negative currency translation adjustment stated in the annex was partially offset by DKK 121.6 million recognised from currency hedges of investments. The difference was attributable to the following factors:

- The exchange rate risk on the investment in the Mexican company ITA is partially hedged by way of options.
- Gains on forward currency contracts relating to the investment in ASUR are recognised in the income statement.
- Exchange differences on debt relating to the investment in Hainan Meilan Airport Company Ltd. are recognised in the income statement.

The latter two factors represent financial hedges, which do not meet the requirements for hedge accounting. The reason is that the hedges are in a different currency than the one in which the investment is recognised in the financial statements.

Dividends

The Supervisory Board intends to propose to the annual general meeting that, in accordance with the adopted dividend policy, the payout ratio be increased from 26.5% (DKK 10.00 per share) for 2001 to 35.0% (DKK 13.38 per share) for 2002.

INCOME STATEMENT

Revenue

Traffic revenue

Traffic revenue for 2002 amounted to DKK 1,113.8 million, compared with DKK 1,118.8 million in 2001. The 0.5% decline was primarily attributable to a fall in total take-off mass (tonnage).

The total number of passengers at Copenhagen Airport increased by 0.7% or 0.1 million to 18.3 million in 2002.

The number of international scheduled passengers increased by 2.9% compared with the same period last year, while the number of charter passengers was down 11.8%. As expected, previous years' fall in domestic scheduled passengers continued, and the volume dropped 7.9% in 2002.

The number of take-offs and landings by passenger aircraft at Copenhagen Airport was down 6.6% compared with 2001. This decline was partially offset by the effect of the use of larger passenger aircraft. The tonnage was thus only 4.4% lower than in 2001.

The number of cargo operations at Copenhagen Airport was 26.3% lower than in 2001. During the same period, the tonnages for cargo operations declined by 12.3% only, as larger aircraft are also used for cargo operations.

Concession revenue

Concession revenue rose by DKK 76.1 million or 13.9% from last year and amounted to DKK 625.5 million.

Revenue from the airport shopping centre in 2002 was DKK 374.2 million, representing a 25.3% or DKK 75.6 million increase from DKK 298.6 million in 2001. The increase was primarily attributable to an expansion of the shopping area and a new contract with The Nuance Group, mainly for duty free sales.

Other concession revenue, including parking, banking, restaurants and handling, increased by 0.2% or DKK 0.5 million to DKK 251.3 million. The increase was primarily the result of increased revenue from traffic advertisements, which was partially offset by lower concession revenue from parking.

Rent

Consolidated rental income for 2002 increased by 4.7% or DKK 7.9 million compared with the same period last year to DKK 176.0 million. The increase was attributable to new leases and contractual rent adjustments on existing leases.

Sales of services, etc.

Consolidated sales of services increased by DKK 25.3 million to DKK 230.1 million. The increase was mainly attributable to the Group's hotel operation, from which twelve months' revenue was recognised in 2002 compared with ten months' revenue in 2001. Revenue from the hotel operation was DKK 121.0 million in 2002, compared with DKK 104.3 million in 2001.

The Group's other sales of services increased by 8.6% or DKK 8.6 million to DKK 109.1 million, primarily as a result of increased revenue from sales of special security checks.

Profit/(loss) from investments in associates before tax

A pre-tax loss of DKK 21.1 million was recorded from investments in associates compared with a profit of DKK 43.0 million in 2001.

The decline was mainly attributable to the Group's investment in Newcastle International Airport, which, as expected, contributed a loss of DKK 45.7 million compared with a profit of DKK 10.6 million in 2001. The decline was primarily the result of normal seasonal fluctuations at NIAL, which did not affect the profit contributed by the investment in 2001 as the investment was made effective 4 May 2001. The remaining part of the deviation was attributable to restructuring costs, including redundancy payments and pension obligations.

The Group's investments in the Mexican airports contributed DKK 23.6 million to profit, or DKK 9.4 million less than in 2001, primarily as a result of a minor decline in the traffic volume and increased operating costs.

The investment in Hainan Meilan International Airport Ltd., which was made on 15 November 2002, contributed DKK 1.8 million to profit.

Costs

External costs

Consolidated external costs amounted to DKK 408.4 million in 2002, which represented a 1.7% or DKK 6.9 million increase compared with 2001. External costs relating to the Group's hotel operation fell by DKK 1.9 million to DKK 105.4 million, while the Group's other external costs rose by DKK 8.8 million to DKK 303.0 million.

The fall relating to the hotel operation was the result of an adjustment of costs to the lower activity level. Conversely, the Hilton Copenhagen Airport was opened on 1 March 2001, and costs were therefore only included for ten months in 2001.

The increase in the Group's external costs was attributable to increased operating and maintenance costs, mainly as a result of increased costs of airport liability insurance. Insurance costs consequently increased from DKK 14.1 million in 2001 to DKK 23.5 million in 2002. The increase was partially offset by cuts in administrative expenses.

Staff costs

Consolidated staff costs rose by DKK 17.1 million or 3.4% in 2002 to DKK 526.9 million. Out of this increase, DKK 7.6 million was attributable to a fall in capitalised payroll costs (a 29.4% decline), which was a consequence of the lower investing activity. At the same time, the number of staff was 41 lower than in the same period of last year. The average number of employees in 2002 was 1,347.

The remaining part of the increase was mainly attributable to the average annual salary adjustment of approximately 3.6% and the increase in the number of days off with pay negotiated with the unions. Moreover, costs were affected by the organisation's transition in connection with the Group's increased internationalisation.

Amortisation, depreciation and impairment of intangible and tangible assets

Consolidated depreciation increased by 0.3% to DKK 472.9 million from DKK 471.7 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 opened on 1 March 2001. Depreciation in the hotel company amounted to DKK 24.8 million in 2002 against DKK 20.4 million in 2001.

Net financing costs

Consolidated net financing costs in 2002 fell by 14.3% or DKK 29.7 million compared with last year to DKK 177.7 million. The Parent Company's net financing costs fell by DKK 33.9 million to DKK 151.9 million.

The fall in the Parent Company's net financing costs was primarily attributable to increased exchange gains of DKK 27.3 million and lower net interest costs of DKK 7.5 million as a result of the generally lower interest rate level in 2002.

Tax on the profit for the period

Tax on the profit for the period amounted to DKK 190.5 million against DKK 149.8 million in 2001, equivalent to a 27.2% increase.

The effective tax rate in 2002 was 35.4% against 30.5% in 2001. The effective tax rate in 2002 contains a special tax on the distribution of dividends from the Group's Mexican operations and prior-year tax adjustments.

BALANCE SHEET

Assets

Intangible assets

Consolidated intangible assets represent computer software and amounted to DKK 32.7 million at 31 December 2002, which was DKK 8.1 million less than at 31 December 2001.

Property, plant and equipment

Consolidated property, plant and equipment totalled DKK 6,380.5 million at 31 December 2002, which was DKK 274.8 million less than at 31 December 2001. The fall was attributable to a reduction in investment activity in areas that do not have an adverse effect on consolidated revenue.

Investments

Consolidated investments totalled DKK 1,740.2 million at 31 December 2002 compared with DKK 1,656.5 million at 31 December 2001. The increase was primarily attributable to the investment in Hainan Meilan Airport and unrealised gains from foreign currency hedges. This was partially offset by the currency translation of the Group's foreign investments, dividend payments and a loss posted by Newcastle International Airport as a result of normal seasonal fluctuations.

Receivables

Consolidated receivables totalled DKK 315.1 million at 31 December 2002, which was DKK 14.0 million or 4.7% more than at 31 December 2001. The increase was primarily attributable to a general increase in revenue.

Liabilities

Long-term debt

Consolidated long-term debt to financial institutions totalled DKK 3,040.6 million at 31 December 2002 compared with DKK 3,856.2 million at 31 December 2001. The reduction 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.

Out of the long-term debt at floating rates, the Group swapped DKK 2,310.0 million to fixed rate debt in order to extend the duration of the debt.

Short-term debt

Consolidated short-term debt amounted to DKK 1,454.8 million at 31 December 2002, which was DKK 489.1 million more than at 31 December 2001. The short-term portion of debt to financial institutions increased by DKK 496.9 million, mainly because a number of fixed term loans are now closer to expiry.

CASH FLOW STATEMENT

Consolidated cash and cash equivalents were reduced by DKK 133.1 million to DKK 47.5 million.

Cash flow from operating activities

Cash flows from operating activities for the period amounted to DKK 873.0 million, which was DKK 16.7 million less than in the same period last year. The decrease was the result of a general reduction of debt related to operations.

Cash flow from investing activities

Payments for investing activities totalled DKK 523.7 million compared with DKK 1,751.5 million in 2001. The change was primarily attributable to the investment in Newcastle International Airport in 2001, while the item included the somewhat smaller investment in Hainan Meilan Airport in 2002. In 2002, dividends of DKK 50.2 million were received in respect of the Company's investments in ASUR, ITA and Newcastle International Airport.

Cash flow from financing activities

The cash flow from financing activities represented a net repayment of DKK 482.4 million, which was a DKK 1,484.2 million change relative to 2001. In 2002, net repayments on loans amounted to DKK 270.6 million, whereas DKK 1,088.3 million of debt was raised in 2001, primarily in connection with the investment in Newcastle International Airport. In addition, payments to acquire own shares during the year amounted to DKK 120.8 million.

SEGMENT REVIEW

Segment reporting began as from 1 January 2002, and there are consequently no comparative figures for 2001. The review solely concerns 2002. The note to the financial statements containing segment information is enclosed as annex 5.

Traffic Business

The Traffic Business comprises operations and functions which the airports at Kastrup and Roskilde make available so that airlines can operate their flights, including facilities required for the traffic of passengers through these airports.

External revenue in the Traffic Business, comprising passenger, take-off and parking charges, amounted to DKK 1,248.1 million in 2002, equivalent to 58.2% of consolidated revenue. Profit before interest was DKK 282.2 million, equivalent to 38.3% of consolidated operating profit.

The segment operations primarily consist of runways, taxiways, terminal areas, baggage sorting facilities, vehicles and outdoor areas, which totalled DKK 4,180.1 million as at 31 December 2002, equivalent to 62.2% of total assets in the segment.

Commercial Business

Commercial Business comprises revenue from the facilities and services provided at the airports to passengers and others, including parking facilities, shops, restaurants, resting areas, lounges and the hotel. The vast majority of the operations have been concessioned to other private operators. Furthermore, the segment comprises renting of Copenhagen Airports' buildings, premises and land.

External revenue, which amounted to DKK 876.9 million in 2003, equivalent to 40.9% of consolidated revenue, comprises concession revenue, rent from buildings, premises and land as well as revenue from the hotel operation. Operating profit for 2002 was DKK 476.0 million, equivalent to 64.6% of consolidated operating profit.

Segment assets in the Commercial Business totalled DKK 2,514.4 million as at 31 December 2002, equivalent to 37.5% of total segment assets. These assets primarily comprise terminal areas, including shopping areas, energy plant, lounges, hangars, the hotel and other buildings used for commercial or rental purposes.

International Business

The International Business sells advisory services to other airports and invests in foreign airports.

External revenue, which comprises sales of services relating to airport operation, amounted to DKK 20.3 million in 2002, equivalent to 0.9% of consolidated revenue. The International Business segment contributed an operating loss of DKK 21.0 million in 2002. Operating costs for the segment were especially affected by acquisition costs.

The International Business segment's assets primarily comprise receivables from sales of services. Moreover, the investments in associates, which mainly comprise investments in foreign airports, have been attributed to the International Business segment. The International Business segment's assets totalled DKK 20.2 million as at 31 December 2002, equivalent to 0.3% of total segment assets. To this should be added investments in associates, which amounted to DKK 1,715.4 million as at 31 December 2002.

The table below shows selected data for investments in foreign airports in 2002:

	NIAL	Mexico	Meilan
<i>2002</i>		(ITA/ASUR)	
Passengers ('000)	3.418	10.997	5.601
ATMs ('000)	79	195	
<i>Local currency ('000)</i>	<i>GBP</i>	<i>MXN</i>	<i>CNY</i>
Traffic revenue	26.673	1.038.919	
Commercial revenue	11.551	209.426	
Total revenue	38.224	1.248.345	*)
EBITDA	16.382	678.305	
EBIT	3.652	400.755	
Profit/(loss) before tax	-6.319	448.943	
<i>DKK ('000)</i>			
CPH's share of profit/(loss)	-45.704	23.575	1.758
CPH's advisory services	12.331	5.867	0
CPH's share of dividends	28.109	22.123	0
Acquisition costs	1.192.242	313.460	353.303
Net book value at 31 December 2002	1.060.394	311.433	341.458

*) In order to comply with the rules of ethics of the Hong Kong Stock Exchange, the remaining information cannot be disclosed at present. When the information is available, the table will be updated on the corporate website, www.cph.dk. The shares were taken over in November 2002.

RISK FACTORS

Copenhagen Airports regularly identifies and evaluates potential risks that may affect Company operations. The risks identified are controlled, diversified or hedged taking into account the exposure to cyclical fluctuations, impact on the Group's core business and the Group's opportunities to reduce such risks.

The Group's most significant risks can be divided into customer and cyclical risks, financial risks and environmental impact risks.

Customer and cyclical risks

Owing to its large, irreversible capital expenditure, the Group is sensitive to factors which, over time, could have an adverse impact on traffic growth.

SAS is the Company's largest customer, contributing approximately 55% of traffic revenue in 2002 (2001: approximately 60%). In the short term, Copenhagen Airport's status as a Scandinavian hub is dependent on SAS' finely meshed route network out of Copenhagen, primarily to European destinations. Any increased point-to-point traffic to and from other destinations in Scandinavia and the rest of Europe would thus weaken the status of Copenhagen Airport as a Scandinavian hub.

Developments in air traffic are related to trends in the economy in general, primarily economic and political developments. In addition to traffic revenue, economic and political trends are also reflected in concession revenue and may also have a significant impact on the Group's insurance premiums.

Given the increased involvement in international operations, the Group seeks to limit its exposure to individual customers and markets.

Financial risks

The Group's financial risks are managed at corporate level. The general principles and framework for the financial management are laid down once a year. The Group solely hedges commercial risks, primarily interest rate and exchange rate risks.

Interest rate risks

Fluctuations in the interest rate level affect the Group's income statement and balance sheet. In order to reduce the overall interest rate sensitivity, the Group intends to refinance its debt in an ongoing process so that it will better match the economic life of the underlying assets. Thus, the duration of the Group's debt increased in 2002 and was 3-4 years compared with 1-2 years at the beginning of the year. A change in the interest rate level by 1 percentage point would result in a change in annual interest expenses of approximately DKK 5 million.

Exchange rate risks

Fluctuations in exchange rates affect the Group's income statement and balance sheet. The Group's traffic revenues are received in DKK only. The exposure to exchange rate fluctuations is therefore largely limited to investments in, dividends from and intercompany accounts with non-Danish associates. Given the increase in investments in foreign associates, it is Group policy to hedge these risks as much as possible.

Credit risks

The use of money market deposits and derivative financial instruments involves exposure to credit risks. The Group seeks to reduce this exposure by solely collaborating with financial counterparties with a satisfactory creditworthiness. The credit exposure by counterparty is calculated on the basis of the net market value of the contracts concluded. The maximum credit exposure to financial counterparties has been made up at DKK 27.4 million.

Environmental impact

Copenhagen Airports' environmental policy contains the overall framework for the Group's environmental activities. The environmental policy stipulates that Copenhagen Airports, in its capacity as an environmentally responsible organisation, must be operated and developed to achieve consistently better environmental results.

Results are secured by including environmental concerns in all decisions, by taking preventive action and using cleaner technology, through increased environmental awareness among employees and partners and through an open dialogue about the Company's environmental impact.

The environmental impact from the Group's airports at Copenhagen and Roskilde is regulated by the Danish environmental authorities based on terms and conditions laid down in environmental approvals. The most important approvals are the framework approval from the Danish Environmental Agency with respect to noise and air pollution in connection with air traffic and the Copenhagen County environmental approval of other activities. The approvals were granted on the basis of an environmental impact assessment (EIA) of the expansion of Copenhagen Airport and include requirements to future expansion as well as operational adjustments.

In order to comply with the conditions set out in the approvals, the Group continuously monitors the environmental impact of the airports. One of the most significant environmental impacts from air traffic is noise. Calculations show that the noise impact in the residential areas around Copenhagen Airport was reduced from 2001. Apart from trends in air traffic volumes, the decline is attributable to the airlines phasing out older and more noisy aircraft. The overall environmental impact from the Group's operations in 2002 was in line with expectations.

Copenhagen Airports will prepare a special environmental report for 2002, which will be published concurrently with the print version of the Annual Report.

SHAREHOLDER INFORMATION

Directors' interests in Copenhagen Airports A/S

The table below shows the number of shares in Copenhagen Airports A/S held by members of the Supervisory Board and the Executive Board.

	Shares held at 1 January 2002		Shares held at 31 December 2002	
	Number of shares	Nominal value DKK	Number of shares	Nominal value DKK
Supervisory Board				
Kurt Bliggard Pedersen	0	0	175	17.500
John Stig Andersen	100	10.000	48	4.800
Anita Doris Rasmussen	240	24.000	240	24.000
Carsten Lennie Winther	383	38.300	383	38.300
Executive Board				
Niels Boserup	750	75.000	1.000	100.000
Kjeld Binger	284	28.400	284	28.400
Torben Thyregod	423	42.300	423	42.300
Peter Rasmussen	250	25.000	250	25.000

Ownership structure

No shareholder other than the Kingdom of Denmark, LD Pensions, the Danish Labour Market Supplementary Capital Pension Fund (ATP) and Taube Hodson Stonex Partners Ltd. held more than 5% of the Group's shares at 31 December 2002.

Treasury shares

As part of the Group's continuous adjustment of the capital structure and in support of the share price, the Supervisory Board has resolved to use the authority granted by the shareholders in general meeting to buy up to 10% of Copenhagen Airports' own shares during the period until the annual general meeting in 2003.

As at December 2002, Copenhagen Airports held treasury shares equivalent to 2.45% of the share capital of DKK 910 million nominal value. During the 2002 financial year, 221,222 treasury shares were acquired, equivalent to 2.43% of the share capital, which brought the portfolio of treasury shares to 223,117 and a total market value of DKK 113.8 million as at 31 December 2002.

To leave open the possibility of using the shares in a potential future acquisition and due to the instability in the equity markets, the Supervisory Board has resolved not to recommend that the holding of treasury shares be cancelled, but to recommend to the annual general meeting that the share buy-back programme be continued.

CORPORATE GOVERNANCE

The Supervisory Board has evaluated Copenhagen Airports' corporate governance structure based on the corporate governance recommendations issued by the so-called Nørby Committee. The Board believes that Copenhagen Airports meets the Committee's recommendations in all essential respects. The Company continues to work on initiatives within corporate governance where the directors believe such initiatives would lead to improvements.

As a consequence of these initiatives, Copenhagen Airports expanded the investor section of the corporate website in 2002 in order to strengthen communication with shareholders and the financial markets. The website contains updated information on Copenhagen Airports' financial performance, including information on movements in the price of the Company's shares and in the share prices of the two listed airport companies in Mexico and China, respectively, in which Copenhagen Airports holds investments.

In line with the recommendations of the Nørby Committee, the Supervisory Board further resolved in 2002 to prepare proxies for each agenda item to be considered at the Company's annual general meeting and to disclose the Company's recruiting criteria for members of the Supervisory Board.

In future, Copenhagen Airports intends to supply updated information on corporate governance to the investor section of www.cph.dk, which includes a situation report on Copenhagen Airports' compliance with the Nørby Committee recommendations.

OUTLOOK FOR 2003

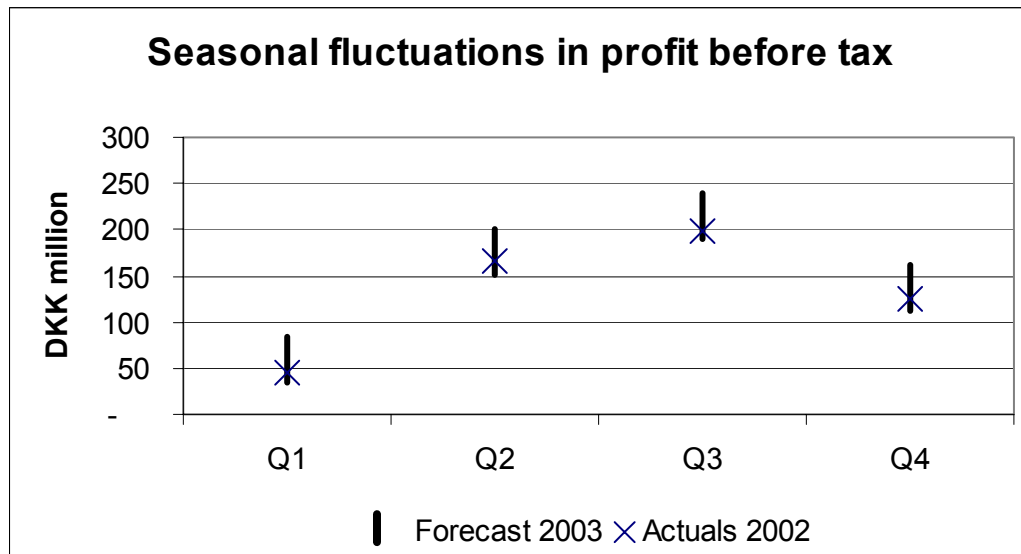
In its Q3 2002 interim report, the Group forecast that the total number of passengers would continue to increase in 2003, and that total take-off mass would suffer a relative decline. Owing to the state of world affairs, this forecast has been revised to a fall in the number of passengers in 2003, while profit is still expected to increase. However, a prolonged war could result in a downright fall in earnings.

Since the last quarterly report, the number of passengers commencing their journey in Copenhagen has increased in line with expectations. At the same time, travel activity in Sweden and, in that connection, also traffic between Swedish airports and Copenhagen showed a significant decline in November, December, January and February. Combined with a deeper recession in important markets, this is expected to result in a fall of approximately 3% in the total number of passengers relative to the level in 2002.

As the expected fall in the number of passengers mainly concerns transfer passengers, who pay half passenger charge, and as charges for using Copenhagen Airport were increased by 2.75% on average from 1 January 2003, the Group nevertheless expects traffic revenue to increase marginally. Concession revenue is also expected to increase, as new contracts, which came into force in 2002, will take full effect in 2003. Operating costs will be kept at the 2002 level. The Group's international operations are expected to improve. Against this background, consolidated profit before tax for the existing operations is expected to be approximately DKK 50 million higher than the pre-tax profit for 2002.

The forecast of pre-tax profit for 2003 should be seen in light of the Group's wish to maintain the existing capital structure, and the forecast does not include any exchange gains or losses on hedges of investments denominated in foreign currency.

The quarter-by-quarter performance in 2003 is expected to be more or less in line with performance in 2002. The figure below shows the expected developments in pre-tax profit in 2003 compared with actual results in 2002.



The forecasts for 2003 stated above do not take into account the potential consequences of a further deterioration of the state of world affairs, including a possible war with Iraq. Based on experience from the 1990-91 Gulf War and the terrorist attacks in the United States in 2001, a possible war in Iraq could result in a further decline of up to 5% in passenger volumes at Copenhagen Airport in 2003 relative to 2002. A 1% change in the full-year number of passengers would basically affect the pre-tax profit by approximately DKK 15 million.

Forward-looking statements

The forward-looking statements in this announcement reflect management's expectations of future events and financial performance. Forward-looking statements are subject to risks and uncertainties, which could cause actual results and performance to differ materially from the forecasts made herein. The threat of war, fear of terror, recession, profitability problems among the airlines and structural changes in the industry are each material uncertainties. The timing overlap of these uncertainties makes the situation historically unique.

ANNUAL GENERAL MEETING, 27 March 2003

The annual general meeting will be held on 27 March 2003 at 3.00 p.m. at the Radisson SAS Scandinavia Hotel, Amager Boulevard 70, Copenhagen, Denmark.

The print version of the Annual Report will be available on 18 March 2003.

The Supervisory Board proposes:

- that the payout ratio be increased in accordance with the previously announced dividend policy, to 35.0% (DKK 13.38 per share), equivalent to DKK 121.7 million.
- that the Supervisory Board be authorised, until the next annual general meeting, to let the Company acquire own shares of up to 10% of the share capital to meet the Company's right of redemption pursuant to article 5.4 of the articles of association.
- that the Supervisory Board be authorised, until the next annual general meeting, to let the Company acquire own shares of up to 10% of the share capital, cf. the provisions of section 48 of the Danish Companies Act. The consideration for such shares may not deviate by more than 10% from the price quoted by the Copenhagen Stock Exchange at the time of purchase.

Supervisory Board

Jette Wigand Knudsen has notified the Company that she wishes to retire from the Board. As a consequence, the Supervisory Board recommends that Bjarne Hansen, Chief Executive, be elected new member of the Supervisory Board.

Copenhagen Airports A/S

Kurt Bligaard Pedersen
Chairman

Niels Boserup
President & CEO

Kastrup, 6 March 2003

Copenhagen Airports A/S

Income statement

1 January to 31 December

DKK '000	Note	Group	
		2002	2001
Traffic revenue		1,113,781	1,118,822
Concession revenue		625,460	549,337
Rent		176,010	168,140
Sale of services, etc.		230,088	204,745
Net revenue	1	2,145,339	2,041,044
External costs		408,381	401,489
Staff costs		526,939	509,847
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment		472,888	471,676
Operating profit		737,131	658,032
Profit/(loss) from investments in associates before tax		-21,095	42,964
Financial income		45,587	13,413
Financial expenses		223,257	220,833
Profit before tax		538,366	493,576
Tax on profit for the year		190,531	149,757
Net profit for the year		347,835	343,819

Copenhagen Airports A/S

Balance sheet

At 31 December

Assets DKK '000	Group	
	2002	2001
FIXED ASSETS		
Total intangible assets	32,694	40,790
Property, plant and equipment		
Land and buildings	3,670,085	3,732,961
Plant and machinery	2,347,650	2,469,208
Other fixtures and fittings, tools and equipment	273,013	313,589
Property, plant and equipment in progress	89,774	139,576
Total property, plant and equipment	6,380,522	6,655,334
Investments		
Investments in associates	1,715,374	1,655,690
Other investments	24,844	821
Total investments	1,740,218	1,656,511
Total fixed assets	8,153,434	8,352,635
CURRENT ASSETS		
Receivables		
Trade receivables	256,138	215,075
Other receivables	17,547	24,663
Income tax receivable	19,031	36,915
Prepayments	22,401	24,441
Total receivables	315,117	301,094
Cash and cash equivalents	47,451	180,518
Total current assets	362,568	481,612
Total assets	8,516,002	8,834,247

Copenhagen Airports A/S

Balance sheet

At 31 December

Equity and liabilities			
DKK '000			
	Note	Group 2002	2001
Equity			
Share Capital		910,000	910,000
Reserve for hedging		10,173	-15,720
Reserve for currency translation		-102,378	95,582
Retained earnings		2,294,482	2,180,447
Proposed dividend		121,742	91,000
Total Equity	2	3,234,019	3,261,309
LONG-TERM LIABILITIES			
Provision for deferred tax		786,622	751,035
Financial institutions		3,040,573	3,856,245
Total long-term liabilities		3,827,195	4,607,280
CURRENT LIABILITIES			
Financial institutions		1,114,042	617,186
Prepayments from customers		52,714	71,668
Trade payables		86,757	142,131
Other payables		107,161	121,684
Deferred income		94,114	12,989
Total current liabilities		1,454,788	965,658
Total liabilities		8,516,002	8,834,247

Copenhagen Airports A/S

Cash flow statement

1 January to 31 december

DKK '000	Group	
	2002	2001
CASH FLOW FROM OPERATING ACTIVITIES		
Received from customers	2,079,830	2,076,429
Paid to staff and suppliers	-961,289	-910,850
Cash flow from operating activities before financial items	1,118,541	1,165,578
Interest received	84,448	11,597
Interest paid	-218,781	-220,884
Cash flow from ordinary activities before tax	984,208	956,292
Income taxes paid	-111,184	-66,579
Cash flow from operating activities	873,024	889,713
CASH FLOW FROM INVESTING ACTIVITIES		
Net payments for intangible assets and property, plant and equipment	-218,790	-558,571
Payments to acquire investments	-354,782	-1,192,952
Capital contributions in associates	-383	0
Dividends from associates	50,232	0
Cash flow from investing activities	-523,723	-1,751,523
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of long-term loans	-796,337	-148,657
Proceeds from long-term loans	0	1,539,668
Repayments of short-term loans	0	-290,554
Proceeds from short-term loans	525,782	0
Drawings on current accounts	0	-12,189
Payments to acquire treasury shares	-120,813	0
Dividends paid	-91,000	-86,450
Cash flow from financing activities	-482,368	1,001,818
Net change in cash and cash equivalents	-133,067	140,008
Cash and cash equivalents at beginning of year	180,518	40,510
Cash and cash equivalents at end of year	47,451	180,518

Copenhagen Airports A/S

Annex 5

DKK '000

1 Segment information

Group, 2002

	Traffic	Commercial	International	Group
Net revenue	1,248,103	876,931	20,305	2,145,339
Operating profit	282,198	475,979	-21,046	737,131
Profit/(loss) from investments in associates			-21,095	-21,095
Profit before financial income	282,198	475,979	-42,141	716,036
Segment assets	4,180,101	2,514,442	20,245	6,714,788
Investments in associates			1,715,374	1,715,374
Non-distributed assets				85,840
Total assets	4,180,101	2,514,442	1,735,619	8,516,002
Segment liabilities	60,315	160,243	-451	220,107
Non-distributed liabilities				5,061,876
Total liabilities	60,315	160,243	-451	5,281,983
Investments in intangible assets and property, plant and equipment	115,582	75,463	353,717	544,762
Depreciation	312,521	159,963	404	472,888
Average number of employees	848	475	24	1,347

Copenhagen Airports A/S

Annex 6

Notes

At 31 December 2002

DKK '000	Share capital	Reserve for hedges	Reserve for currency translation	Retained earnings	Proposed dividends	Total
2 Equity						
Opening balance	910,000	-15,721	95,583	2,180,447	91,000	3,261,309
Profit/(loss) for the year				226,093	121,742	347,835
Currency translation of investments			-198,349			-198,349
Currency hedges of investments		121,591				121,591
Interest hedges through swaps		-84,354				-84,354
Tax effect of currency hedges		-11,343				-11,343
Prior period adjustments			388			388
Prior period adjustment of income taxes				8,755		8,755
Purchase of treasury shares				-120,813		-120,813
Dividends paid					-91,000	-91,000
Balance at end of year	910,000	10,173	-102,378	2,294,482	121,742	3,234,019

As a consequence of a change in accounting policy the reserve for revaluation according to the equity method has been dissolved. Reserve according to the equity method in the parent company amount to DKK 0 at 31 December 2002

Copenhagen Airports A/S

Accounting policies

Basis of preparation

The Annual Report of Copenhagen Airports A/S for 2002 has been prepared in compliance with the International Financial Reporting Standards (IAS/IFRS) and other requirements imposed by the Copenhagen Stock Exchange and the Danish Financial Statements Act on the presentation of financial statements by Danish listed companies.

Accounting policy changes

The accounting policies have been changed in the following areas as a result of the transition to IAS and the new Danish Financial Statements Act:

1. Leasing

Leased assets for which Copenhagen Airports A/S actually obtains or retains substantially all risks and rewards of ownership (finance leases) are recognised in the balance sheet under property, plant and equipment. A liability corresponding to the value of the assets at the inception of the lease is recognised under liabilities.

So far, finance leases have not been recognised in the balance sheet, but have only been disclosed in the notes to the financial statements under financial liabilities.

2. Dividends

Proposed dividends in respect of the financial year are recognised under equity until adopted by the shareholders at the annual general meeting, after which the dividends are recognised as a current liability.

So far, proposed dividend has been recognised as a current liability.

3. Other changes

Derivative financial instruments are recognised in the balance sheet at fair value under other receivables or deferred income, respectively. Changes in the fair value of derivative financial instruments that meet the conditions for hedging future assets and liabilities are recognised in equity until the hedged item is recognised. So far, the fair value of these derivative financial instruments has not been recognised, but has been disclosed in the notes to the financial statements. The accounting policy changes with respect to derivative financial instruments have no material impact on the comparative figures nor the key ratios, and they have consequently not been restated.

Capital losses incurred in connection with the raising of fixed interest loans are deducted from the cost price of the loan as are other borrowing costs, to the effect that the borrowing costs and capital losses are allocated over the term of the loan.

So far, capital losses etc. on the raising of loans have been recognised as a cost when the loan was raised.

Financing costs during the construction period are not recognised in the cost price of buildings. So far, such costs

have been recognised on buildings not directly related to airport operations. The change does not have any material impact on the comparative figures nor on the key ratios, and they have consequently not been restated.

In future, treasury shares will be deducted directly against equity. So far, treasury shares have been recognised as a current asset.

The effect on the profit, balance sheet and equity of the accounting policy changes is shown for 2002 and 2001 in the table below.

Effect of accounting policy changes

(DKK million)	2002	2001
Change in profit	0	3
Change in balance sheet total	501	521
Change in equity	127	95
Change in total liabilities	374	426

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

In addition to the above mentioned accounting policy changes, certain changes have been made to the layout of the financial statements, the names of the individual line items, the contents and classification, the notes to the financial statements and adjustments to the description of the accounting policies, etc. as a result of the transition to IAS and the new Danish Financial Statements Act. Under IAS, provisions are included in long-term liabilities and not as a separate main group.

The comparative figures for 2001 and the financial highlights and key ratios for 1998-2001 have been restated accordingly.

General information on the basis of preparation

The Annual Report is prepared on the basis of the historic cost principle. Assets and liabilities are subsequently measured as described below.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Group, and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Group, and the value of the liability can be reliably measured.

Recognition and measurement take into consideration gains, losses and risks that arise before the time of presentation of the Annual Report and that confirm or invalidate matters existing at the balance sheet date.

The Group's functional currency is Danish kroner. Consequently, this currency is used as the measurement and presentation currency in the preparation of the Annual Re-

port. Thus, other currencies than Danish kroner are considered foreign currencies.

Basis of consolidation

The Annual Report comprises the Parent Company, Copenhagen Airports A/S, and companies in which the Parent Company directly or indirectly controls the majority of the votes or in any other way controls the companies (subsidiaries). Companies in which the Group controls less than 50% of the votes and does not have control but exercises a significant influence are considered associates.

In the consolidation, intercompany income and expenses, shareholdings, dividends and balances, and realised and unrealised intercompany gains and losses on transactions between the consolidated companies are eliminated.

The Group's Annual Report is prepared on the basis of the financial statements of the Parent Company and the subsidiaries. The financial statements used in the consolidation are prepared in accordance with the Group's accounting policies.

Acquisitions are accounted for using the purchase method. The amount at which the cost of the company acquired exceeds the fair value of the net assets at the time of acquisition is capitalised under intangible assets in these companies. The intangible assets concern concessions and the like for airport operation, which are amortised over periods of up to 50 years based on an individual assessment, including the term of the concession. Net assets are stated including recognition of any provisions for specific and already adopted restructuring initiatives in the company acquired.

Newly acquired or newly established companies are recognised in the consolidated financial statements from the date of acquisition. Companies divested or wound up are consolidated in the income statement until the date they are divested or wound up. The comparative figures are not restated to reflect acquisitions or divestments.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the transaction date. Gains and losses arising as a result of differences between the exchange rate at the transaction date and the exchange rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled on the balance sheet date are translated at the exchange rates ruling at the balance sheet date. Differences between the exchange rate ruling at the balance sheet date and at the transaction date are recognised in the income statement as financial income or financial expenses.

When translating the financial statements of foreign subsidiaries and associates, the income statement is translated at average exchange rates, while balance sheet items are translated at the exchange rates ruling at the balance sheet date. Exchange differences arising on the translation of the foreign companies' equity at the beginning of the year and on the translation of foreign company income statements at average exchange rates to the exchange rate ruling at the balance sheet are taken directly to equity.

If the financial statements of foreign subsidiaries and associates are presented in a currency in which the accumulated inflation over the past three years has exceeded 100%, adjustment is made for inflation. The inflation adjusted financial statements are translated into Danish kroner at the exchange rates ruling at the balance sheet date.

Derivative financial instruments

In connection with the Group's hedging of future assets and liabilities, derivative financial instruments are often used as part of the Group's risk management.

Derivative financial instruments are recognised in the balance sheet at their fair value on the transaction date under other receivables or deferred income, respectively. The fair value of interest rate swaps is determined as the present value of expected future cash flows. The fair value of forward currency transactions is determined using the forward exchange rate at the balance sheet date.

Changes in the fair value of derivative financial instruments that are designated as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement together with any changes in the fair value of the hedged asset or hedged liability.

Changes in the fair value of derivative financial instruments designated as hedges of expected future transactions relating to purchases and sales denominated in foreign currency are recognized in equity under reserve for foreign currency and interest rate hedges. If the expected future transaction results in the recognition of assets or liabilities, gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability, respectively. Other amounts deferred in equity are transferred to the income statement in the period in which the hedged transaction affects the income statement.

Changes in the fair value of derivative financial instruments used to hedge net investments in independent foreign subsidiaries and associates are recognised directly in equity with respect to the effective part of the hedge, while the ineffective part is recognised in the income statement.

Income tax and deferred tax

The Company is taxed jointly with its wholly-owned Danish subsidiaries. Corporate income tax for payment is allocated proportionately among the Danish companies with positive taxable income. The jointly taxed companies pay tax under the on-account tax scheme.

Current tax liabilities are carried on the balance sheet as current liabilities to the extent such items have not been paid.

Tax overpaid on account is included as a separate line item under receivables.

Supplements, deductions and allowances regarding tax payments are recognised under financial income or expenses.

Income tax for the year, consisting of the year's current tax and the year's deferred tax, is recognised in the income statement as regards the amount that can be attributed to the profit for the year and posted directly on equity as regards the amount that can be attributed to movements di-

rectly on equity. Any prior-year tax adjustments are disclosed separately in the notes to the financial statements.

Deferred tax is calculated on the basis of the tax rules and tax rates in the various countries that will apply under the legislation in force at the balance sheet date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.

Deferred tax is calculated according to the balance sheet liability method on all timing differences between the accounting and tax value of assets and liabilities. Deferred tax adjustments are made regarding unrealised intercompany gains and losses.

Deferred tax is not calculated for investments in subsidiaries and associates if the shares are not expected to be sold within a short period of time.

Deferred tax assets are recognised in the balance sheet at the value at which they are expected to be realisable.

Income statement

Net revenue

Net revenue comprises the year's traffic revenue, rent, concession revenue and sales of services, net of value added tax and price reductions directly related to sales. Please see the following section on segment information.

Traffic revenue comprises passenger, take-off and parking charges and is recognised when the related services are provided.

Concession revenue comprises turnover-related revenue from Copenhagen Airports' shopping centre, parking facilities, etc. and is recognised in step with the revenue generated by the concessionaires.

Rent comprises rent for buildings and land and is recognised over the terms of the contracts.

Revenue from sales of services, etc. comprises revenue from the hotel operation and other activities of an operating nature, which are recognised when delivery of the services takes place.

External costs

External costs comprise administrative expenses and other operating and maintenance costs.

Staff costs

Staff costs comprise salaries, wages and pensions to the Group's staff as well as other staff costs.

Regular pension contributions under defined contribution schemes are recognised in the income statement in the period in which they arise. For civil servants seconded by the Danish State, the Parent Company recognises a pension contribution in the income statement, which is fixed each year by the State and paid to the State on a regular basis.

Pension obligations under defined benefit schemes are recognised based on an actuarial calculation and are included in the valuation of investments in associates and subsidiaries.

Rent and lease costs

On initial recognition, lease contracts for property, plant and equipment under which the Group has substantially all risks and rewards of ownership (finance leases) are measured in the balance sheet at the lower of the fair value and the present value for the future lease payments. The present value is calculated using the interest rate implicit in the lease, or an approximate value, as the discount factor. Assets held under finance leases are subsequently accounted for as the Group's other property, plant and equipment.

The capitalised lease obligation is recognised in the balance sheet as a liability, and the financial charge is recognised in the balance sheet over the term of the contract.

All lease contracts that are not considered finance leases are considered operating leases. Payments in connection with operating leases are recognised in the income statement over the term of the leases.

Amortisation, depreciation and impairment

Amortisation, depreciation and impairment comprises the year's charges for this purpose on the Group's intangible assets and property, plant and equipment.

Profit from investments in associates and subsidiaries

Investments in subsidiaries and associates are recognised and measured according to the equity method in the Parent Company's financial statements. Associates are accounted for in the same manner in the consolidated financial statements.

In the income statement, the proportionate share of the pre-tax profit for the year less amortisation of intangible assets is recognised under the line item profit from investments in associates before tax, while the share of the tax of subsidiaries and associates is recognised in the line item tax on the profit for the year.

In the balance sheet, the proportionate interest in the carrying amount of the companies is recognised determined according to the Parent Company's accounting policies minus or plus unrealised intercompany gains or losses and plus or minus remaining unallocated value in excess of the carrying amount of the assets.

In the Parent Company, the aggregate net revaluation of investments in subsidiaries and associates is allocated to the reserve for net revaluation according to the equity method under equity as part of the profit allocation.

Gains and losses on the divestment of associates and subsidiaries are determined as the difference between the sales price and the carrying amount of the net assets at the date of divestment less anticipated costs involved in the divestment. Gains or losses are recognised in the income statement.

Financial items

Financial income and expenses include interest, realised and unrealised exchange differences, amortisation of mortgage loans and other loans, supplements and allowances under the on-account tax scheme and value adjustments of securities and similar items.

Balance sheet

Intangible assets

Major projects in which computer software is the principal element are recognised as assets if there is sufficient certainty that the capital value of future earnings can cover the related costs.

Computer software primarily comprises external costs and other directly and indirectly attributable costs.

Amortisation is charged on a straight-line basis commencing upon completion of the project. The amortisation period is 3-5 years.

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and less any impairment losses.

Cost comprises the cost of acquisition and costs directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect costs attributable to the construction work, including salaries and wages, materials, components, and work performed by subcontractors. Loan costs are not included in cost.

The depreciation base is determined as cost less any residual value. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets and begins when the assets are brought into use. For certain assets, depreciation is charged on the basis of capacity utilisation during the year relative to total estimated capacity of the assets in order to match depreciation to the directly related revenue.

Land is not depreciated.

The estimated useful lives of the major asset categories are as follows:

Land and buildings	
Buildings	30 - 40 years
Fitting out of buildings directly related to airport operations	10 years
Fitting out of buildings not directly related to airport operations	25 years
Plant and machinery	
Runways, etc.....	10 - 40 years
Technical installations	10 - 15 years
Other fixtures and fittings, tools and equipment	
Large vehicles	12 - 15 years
Other operating equipment and furniture directly related to airport operations	3 - 10 years
Other operating equipment and furniture not directly related to airport operations	5 - 15 years
Small vehicles	3 - 5 years

Assets with an estimated useful life of less than three years and assets costing less than DKK 25,000 are expensed in the year of acquisition. Gains and losses on the sale of fixed assets are recognised under external costs.

Investments

Investments in subsidiaries and associates are valued according to the equity method.

Shares held in other companies are measured at fair value. The fair value of listed securities is the market value on the balance sheet date (the sales value).

Other receivables include the fair value of financial instruments used to hedge investments.

Impairment of assets

The carrying amount of intangible assets and property, plant and equipment as well as investments is assessed periodically to determine whether there are indications of any impairment of the value beyond what is expressed in the amortisation or depreciation charges. If that is the case, an impairment charge is taken against the recoverable amount of the assets, if that is lower than the carrying amount.

The recoverable amount of the asset is determined as the higher of the net selling price and the capital value. If it is not possible to determine a recoverable amount for the individual assets, the assets are assessed together in the smallest group of assets for which a reliable recoverable amount can be determined in an overall assessment.

Receivables

Receivables are recognised in the balance sheet at net realisable value. Provisions are determined on the basis of an individual assessment of each receivable.

Equity

Dividends

Dividends expected to be declared in respect of the year are stated as a separate line item under equity. Dividends are recognised as a liability at the time of adoption by the shareholders in general meeting.

Treasury shares

Treasury shares are recognised at cost directly in equity. If treasury shares are subsequently sold, any consideration is correspondingly recognised directly in equity.

Financial institutions

Loans such as mortgage loans and loans from financial institutions are recognised when obtained at the proceeds received less transaction costs incurred. In subsequent periods, the loans are measured at amortised cost so that the effective interest charges are recognised in the income statement over the term of the loan.

Other liabilities

Other liabilities primarily comprise holiday pay liabilities, income taxes, other taxes and interest payable. Other liabilities are measured at nominal value.

Prepayments

Prepayments recognised under assets comprise costs incurred relating to the following financial year.

Deferred income recognised under liabilities comprise payments received concerning income in subsequent years and the fair value of financial instruments.

Cash flow statement

The cash flow statement shows the Group's cash flows for the year distributed on operating, investing and financing activities, net changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flow from operating activities

The cash flow from operating activities comprises payments from customers less payments to employees and suppliers adjusted for financial items paid and income taxes paid.

Cash flow from investment activities

The cash flow from investing activities comprises cash flows from the purchase and sale of intangible assets, property, plant and equipment and investments, including acquisitions.

Cash flow from financing activities

The cash flow from financing activities comprises cash flows from the raising and repayment of long-term and short-term debt to financial institutions as well as dividend payments to shareholders.

Segment information

The segment information follows the Group's accounting policies, is based on the management structure and reflects the differences in the risk profiles of the segments.

The Group's primary segments are:

- **Traffic Business:** The operations and functions which the airports at Kastrup and Roskilde make available so that airlines can operate their flights, including facilities required for the traffic of passengers through these airports.
- **Commercial Business:** The facilities and services provided at the airports to passengers and others, including parking facilities, shops, restaurants, resting areas, lounges and the hotel. The vast majority of the operations have been concessioned to other private operators. Furthermore, the segment comprises leasing of Copenhagen Airports' buildings, premises and land to non-group lessees.

- **International Business:** Advice to other airports and investments in foreign airports.

The International Business segment comprises the Group's operations and investments outside Denmark. Consequently, no further geographic segmentation has been made.

Group revenue in the segments comprises:

- **Traffic Business:** Passenger, take-off and parking charges.
- **Commercial Business:** Concession revenue, rent from buildings, premises and land as well as the hotel operation.
- **International Business:** Sales of advisory services concerning airport operation.

Allocation to the segments is based on the following criteria: vehicles: consumption; operations and maintenance: area used; staff functions: external revenue generated by the segment and average number of employees. Internal allocation among the segments is made on a cost-covering basis.

The operating results of the segments comprise directly attributable net revenue less related operating costs. Operating costs comprise external costs, staff costs and amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Segment assets comprise fixed assets used directly in the operating activities of each segment and current assets directly attributable to the operating activities of each segment, including trade receivables, other receivables and prepayments. Jointly used properties are allocated to the segments on the basis of the amount of space used.

Segment liabilities comprise liabilities that have arisen out of the segment operations, including prepayments received from customers, trade payables and other liabilities.

Copenhagen Airports A/S

Annex 8

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.

EBITDA margin

Operating profit adjusted for depreciation and amortisation as a percentage of net revenue.

** EBIT margin*

Operating profit as a percentage of net revenue.

Asset turnover

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 year divided by average equity.

Equity ratio

Equity at year-end as a percentage of equity and liabilities at year-end.

Earnings per share

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

** Cash earnings per share*

Net profit for the year plus depreciation and amortisation divided by average number of shares.

Net asset value per share

Equity at year-end divided by number of shares at year-end.

Payout ratio

Dividend divided by profit for the year.

** NOPAT margin*

Profit for the year, before net financing costs, divided by net revenue.

** Turnover rate of capital employed*

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

** ROCE*

Profit for the year, before net financing costs, divided by average equity plus average interest-bearing debt.