

CHAIRMAN'S REPORT

INTRODUCTION

I would like to start by referring to the printed Annual Report with the Board of Directors' written report and the 2013 financial statements. The financial statements are presented in accordance with International Financial Reporting Standards.

CPH is not just a listed company, but also a company with a special corporate social responsibility. We have a responsibility for developing the airport's position as a northern European hub, thereby ensuring accessibility to, and growth and jobs in Denmark. We therefore issue both a pure financial report and a non-financial CSR report entitled *CPH and Society*.

At this Annual General Meeting, we are also going to elect a new Chairman. Under the Danish corporate governance recommendations, board members are no longer considered independent when they have been members for more than 12 years, as I have.

For this reason, I will step down as Chairman and member of the Board of Directors today. In continuation of the written reporting, I am now going to present the Board of Directors' oral report.

PROFIT FOR THE YEAR

CPH posted a satisfactory profit after tax of DKK 976.1 million for 2013. Some of you will probably note that this year's profit is lower than in 2012. As you may remember, the reason for this is that we sold our 49% interest in Newcastle Airport in 2012 – a sale that produced one-off income of DKK 759.1 million recognised in 2012.

Revenue grew by 3.7% in 2013 to 3 billion 644 million and 500 thousand Danish kroner. The increase was mainly the result of the growing passenger numbers and income from the non-aeronautical part of our business, such as shopping, parking, rent and the hotel operation. Corporation tax on the year's profit was DKK 195.7 million.

The total number of passengers at Copenhagen Airport grew from 23.3 million in 2012 to just below 24.1 million in 2013 – an increase of 3.1%. This was a strong passenger record in a year of challenge for the international aviation industry, and a year in which the financial crisis had not yet lost its grip in Denmark and Europe.

DENMARK'S GATEWAY TO GROWTH

Every single air route – whether to Stockholm or San Francisco – generates growth, accessibility, tourism, investment and jobs, both at and outside the airport. Copenhagen Airport is Denmark's gateway to growth.

Some 23,000 people currently work at Copenhagen Airport alone. And if we succeed in maintaining the growth in air traffic and people's urge to travel, we will generate an additional 6-7,000 new jobs at the airport and at least 3,000 outside the airport in the next decade, i.e. 10,000 new jobs.

Not only CPH, Denmark and our region has this knowledge: that air routes generate growth, accessibility and jobs. So the competition among Europe's major regions and airports has intensified significantly in recent years.

There is strong competition to offer airlines the best possible conditions. This strong competition involves offering passengers extraordinary experiences with good service, self-service, efficiency and attractive offers when they are at the airport. A competition we want to win. It is a must for us to win battles.

"EXPANDING CPH"

Continuing growth at Copenhagen Airport and society in general is not a matter of course. It requires focused efforts and close collaboration among politicians, the public authorities, the business community, interest groups and the airport.

We are prepared to make our contribution by way of large capital investments in the decades to come – provided society in general succeeds in generating the growth.

After intensive analysis, we announced what the press called a "large-scale plan" on 30 January this year. The **Expanding CPH** plan describes how we can expand the existing terminals, piers and aircraft stands in a phased process so that we can serve 40 million passengers in a couple of decades.

The realisation of the plan requires investment power. For this reason, it is essential that CPH continues to have the financial power that enables us to convert and expand the airport.

THE GATEWAY OF NORTHERN EUROPE

We are already in the process of rolling out our vision of being "**The Gateway of Northern Europe**".

With the addition of "**Where you come to move on and we make you wish to stay,**" we have emphasised our role as the attentive host. In this respect, we have three clear areas of focus:

Firstly, **Extraordinary customer experiences:** With 100,000 passenger interviews annually and with benchmark analyses and in-depth interviews with airlines, we are well prepared to offer world-class service and experiences to all our customers – both passengers and airlines.

Secondly, **Efficient operations:** We want to be efficient and keep down our own costs so that it is attractive for passengers and airlines to choose Copenhagen Airport.

That requires **Competitiveness:** We must be competitive with our peer airports in terms of price, quality and service.

CAPACITY

Passenger growth requires space. CPH completed a number of large and complex construction

projects in 2013. Building at an airport in operation is a challenge. It is much like laying a new floor at a department store during the busy Christmas shopping season – without affecting customers and sales. That is a challenge we at CPH have fortunately been good at handling.

After almost ten months of intensive construction work, we were ready to open the large-scale expansion and conversion of the eastern area of Terminal 2 before the record-busy summer period. The project resulted in an additional 1,400 square meters and 12 new check-in desks as well as thoroughly refurbished offices and system. We are now planning how we can expand and renovate the rest of Terminal 2.

In the early summer of 2013, we also completed the large-scale upgrade of the baggage facilities which now has capacity to handle 30 million passengers. The system has been working very well after a few problems in May and June in running in the new system. This means that we can now provide even more stable handling of outbound baggage.

Towards the end of the year, we opened the first 12 self-service bag drops – initially for SAS and Norwegian.

The next task will be to focus on inbound baggage; we are already in the process of preparing this improvement both for the short term and the medium term.

This year, we will also start up a project to expand the central security screening area. Moreover, we are in process of planning another expansion of Pier C, which handles intercontinental and non-Schengen traffic. We are going to add three new gates for the largest aircrafts.

AERONAUTICAL BUSINESS

More than 60 airlines currently operate services to and from Copenhagen. The two largest airlines are SAS, with 42% of traffic, and Norwegian, with 16%. EasyJet comes in third, with 6% of traffic.

CPH has strategic partnerships with SAS and Norwegian to create the best possible conditions for operating at Copenhagen Airport. CPH also has a close collaboration with easyJet for efficient handling of the airline's flights from the airport's low-cost facility CPH Go.

Low-cost carriers' share of traffic in 2013 ended at 24.5%.

The growth in passenger numbers is reflected in the financial statements showing an increase in CPH's aeronautical income by 7.2% to 2 billion 70 million and 900 thousand Danish kroner.

It is worth noting that the growth rate for intercontinental routes was 3.8%. The launch of three new intercontinental services to San Francisco (SAS), Fort Lauderdale (Norwegian) and Casablanca (Royal Air Maroc) brought the total number of intercontinental routes to 26 at year-end 2013.

And 2014 has been off to a good start for long-haul services. A month ago, Norwegian opened new non-stop services from Copenhagen to New York JFK and to Los Angeles, California.

The domestic market is recovering after the Cimber Sterling bankruptcy. However, domestic traffic declined by an aggregate 1.7% to 1,902,000 passengers.

ROUTE DEVELOPMENT

Efficient route development is crucial in order to retain and strengthen Copenhagen Airport's position as a northern European hub.

In collaboration with the airlines, CPH has over the years successfully created an international hub that millions of northern Europeans use to travel to other world destinations each year.

This means that Denmark has a MUCH larger airport with more passengers, more destinations and more routes than the small size of our country would otherwise warrant.

We were therefore proud when we won what is dubbed the world championship in route development – the World Routes Award – for airports with between 20 and 50 million passengers which was presented on 8 October 2013.

What is special about the World Routes Award is that our customers, the airlines, are on the panel of judges. So the airlines appreciate Copenhagen Airport's professional and objective way of presenting them with viable business cases for new routes to be developed.

The award was given after a year in which 22 new routes were opened between Copenhagen and new destinations, and new airlines launched services on 11 existing routes. I can mention a number of examples in addition to San Francisco, Fort Lauderdale and Casablanca.

SAS opened five new European year-round routes – to Bremen, Humberside, Newcastle, Prague and Budapest – and a number of seasonal routes to southern European destinations.

Norwegian opened six European year-round routes – to Madrid, Liverpool, Corfu, Lisbon, Sarajevo and Montpellier – in addition to a number of summer routes. EasyJet opened new routes to Rome and Edinburgh.

Other destinations to be mentioned are Vueling to Florence, Transavia to Eindhoven, DAT to Norrköping and Widerøe to Molde. Moreover, additional frequencies or more capacity were added to 15 existing routes.

And, not least, it is important to emphasise that we at CPH work closely with the public authorities and the business community in the route development programme *Global Connected* to help airlines market Denmark as a destination.

AWARDS WON BY COPENHAGEN AIRPORT

The airlines were not the only ones who appreciated our airport last year. We received a SKYTRAX award for the world's best security processing in 2013 following a survey in which passengers assess service and quality at airports and airlines worldwide.

The international, independent Air Transport Research Society, which analyses and assesses airport efficiency worldwide rated Copenhagen Airport the most efficient airport in Europe for the eighth time in ten years.

And in terms of punctuality at major European airports, Copenhagen Airport was one of the four best performing airports with 85% of flights operated on time.

ROSKILDE AIRPORT

Roskilde Airport is dedicated to general and business aviation operations, i.e. business travel using corporate jets and private flights. And things are going well there – so well that European Business Air News is now rating Roskilde Airport the second best business airport among all its competitors in Europe, the Middle East, Russia and Africa.

The high fuel costs have limited the number of private flights. However, as Roskilde Airport is also very successful in attracting training flights for pilots, the number of operations in 2013 was at the same level as in 2012.

In early March 2013, a tragic accident occurred at Roskilde Airport when an aircraft crashed and the two pilots died. The tragedy underlines that accidents may occur anytime and that the airport's EMS services must always be in place and ready, as they were to handle this accident.

AIR CARGO

We successfully retained the growth in the important air-cargo business: the growth rate in 2013 was 1.9%. International cargo company DHL has expanded its presence at Copenhagen Airport by an additional 20 operations per day and 85 new employees, initially for a two-year period.

Emirates SkyCargo introduced an all-cargo Dubai-Copenhagen-Chicago service in 2013. And major cargo airlines such as Singapore Airlines Cargo, Air China Cargo, Korean Air Cargo and China Cargo retained Copenhagen Airport in their route networks. This means that we have the largest intercontinental route network for air cargo in Scandinavia.

REGULATION AND CHARGES

Costs are involved in operating and developing an airport as well as in using it. The charges airlines pay for using the runways and infrastructure at Copenhagen Airport enable us to develop the airport of the future. Our charges must concurrently be competitive so that we can continue to attract routes and passengers.

And charges at Copenhagen Airport are competitive. Leigh Fisher, an independent firm of consultants, compares charges at all major European airports every year. In that comparison, Copenhagen Airport is in the lower third.

The industry organisation Airport Council International compares the quality levels of the same airports every year. Copenhagen Airport is in the upper third in that comparison. In other words: Copenhagen Airport offers high quality at reasonable prices.

Copenhagen Airport's charges are subject to supervision by the Danish Transport Authority and

have been fixed in a 5½-year agreement between the airlines and CPH. The current agreement runs until 31 March 2015, This means that in 2014 we have initiated negotiations for a new charges agreement.

Under the current agreement, CPH must invest an average of DKK 500 million annually in aeronautical projects, i.e. projects directly aimed at improving the infrastructure at Copenhagen Airport. In 2013, we invested DKK 821,7 million in improving and expanding **aeronautical capacity** at Copenhagen Airport.

Overall, 2 billion and 863 million Danish kroner was invested during the charges period, which was 863 million kroners more than we are committed to investing under the agreement.

NON-AERONAUTICAL BUSINESS

Copenhagen Airport is more than just runways, terminals and technical facilities. It is also the shopping centre, food & beverage, parking, hotel and rent of land and premises.

The year 2013 was quite good for our non-aeronautical business. We received three awards when the prestigious Food & Beverage were presented in Dubai:

Joe & the Juice for "best airport coffee shop", Le Sommelier Bar & Bistro for "best airport chef-led dining" and the award for the world's strongest airport event for the pop-up restaurant CPH Nordic Dining.

These awards confirm that we are on the right track with our World Class Hub strategy, in which we are the attentive host providing extraordinary experiences for any travel budget.

And new shops open at the shopping centre every year: in 2013 the new shops ranged from "Marc by Marc Jacobs", which opened its first independent shop in a European airport – to the Eton shirt store and an H&M Kids.

Aggregate revenue from the shopping centre was down by 1%, which was due to the major refurbishment of the duty- and tax-free stores in the first half of the year.

Excluding revenue from duty- and tax-free sales, revenue actually increased by 13.4%, mainly due to growth generated by the specialty shops, restaurants and bars.

Non-aeronautical revenue grew by 0.5% in 2013 to 1 billion 570 million and 700 thousand Danish kroner, mainly driven by growing revenue from parking and the hotel operation.

PARKING & HOTEL

Copenhagen Airport has more than 10,000 parking spaces in 11 car parks close to its terminals. Our parking revenue grew 2.8% in 2013.

The Copenhagen Airport Hilton saw a minor drop in revenue in 2012 due to a large-scale refurbishment project. This was turned into growth in 2013 when revenue grew by 14.1 million Danish kroner. This was mainly driven by a higher level of meeting and conference activity and a

higher occupancy rate. In 2013, the Hilton received a "Business Destinations Travel Award" for being the best business hotel in Denmark.

CPH DIGITAL

For a growing number of passengers, their trip begins already before they arrive at the airport as they visit airline websites, the cph.dk website, our app and various social media. And that can be seen and measured.

Just two years after its launch, our free CPH Advantage benefit program has rounded 480,000 members. Our website, cph.dk, has been relaunched in a new design that is automatically scaled to all screens, be they PC-, tablet-, or smartphone-sized.

And our app is now available for all types of mobile phones in four different languages, including Chinese. At the end of 2013 we had reached more than 600,000 downloads of the CPH app. In 2013, the number of our Facebook fans grew from 18,000 to 45,000.

And most recently, we have launched a new Twitter profile. In other words, we are progressing in the digital part of our business and customer services.

OUR CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our CSR strategy is now an integral part of our entire business. When we invest in an expansion of the airport, we must focus sharply on energy consumption and the impact on the environment and climate. Our goal is to expand to 30 million passengers without using more energy. It is our *ambition* to retain that goal when we expand to 40 million passengers.

We cannot succeed in that without involving the more than 500 companies operating at the airport. For this reason, a cornerstone of our CSR strategy is to coordinate efficient collaboration in this field across all the airport companies.

The CSR strategy is discussed in greater detail in our report, *CPH and Society*, which is published in parallel with this Group Annual Report.

THE CPH SHARE

CPH's share was a component of the NASDAQ OMX Nordic Large Cap segment throughout 2013, which is made up of companies with a market capitalisation of EUR 1 billion or more. The market capitalisation of Copenhagen Airports was DKK 21.9 billion at the end of the financial year.

CPH offers its shareholders, investors and other stakeholders information to a relevant extent. The newsletter CPH News is sent out in electronic form to the Company's private shareholders twice annually, and information is also provided on an ongoing basis on the website.

REMUNERATION

CPH's general guidelines for remuneration to the members of the Board of Directors and the Executive Management were adopted at the Annual General Meeting in 2012. The Board of Directors believes that the principles of the remuneration policy support a long-term value

creation for the Company.

The remuneration for ordinary Board members is DKK 300,000, and the Vice Chairmen and the Chairman receive twice and triple that remuneration respectively. The remuneration for members of the Audit and Risk Committee is DKK 150,000. To this should be added that the Deputy Chairmen and the Board members appointed by the majority shareholders decided to renounce their remuneration for 2013.

The remuneration to the members of the Executive Management consists of a fixed basic salary, and a short-term and a long-term incentive scheme. A relatively large part of the remuneration of the members of the Board of Directors is performance-based as the Board of Directors wishes to provide an incentive to ensure continuing good value creation at Copenhagen Airports. The Board of Directors believes that the remuneration is at a reasonable level, and that it reflects management's independent efforts, responsibility and value creation for Copenhagen Airports A/S.

OUTLOOK FOR 2014

With the anticipated traffic program for 2014, we expect to see an increase in the total number of passengers. A positive full-year effect in 2014 is expected from the many new routes opened in 2013. Traffic in 2014 could, however, be adversely affected by the continuing financial uncertainty in the Eurozone and by any closure of routes due to airline cutbacks.

The increase in passenger numbers is expected to have a favourable impact on revenue. Operating costs are expected to be higher than in 2013, primarily due to the expected rise in passenger numbers and cost inflation, but this will partly be offset by our continuing focus on operating cost efficiencies.

Under the charges agreement, CPH must invest an average of DKK 500 million annually, but, as in previous years, CPH expects to invest at a level significantly higher in 2014 than what CPH is committed to under the charges agreement. However, the investment level depends on the continuing increase in total passenger numbers. CPH will also be investing in other non-aeronautical projects for the benefit of airlines and passengers.

Depreciation charges and financial costs are expected to be higher in 2014 than in 2013 as a result of the continuing high investment level. Overall, profit before tax for 2014 is expected to be in the range of DKK 1.1 billion to DKK 1.2, billion, when excluding one-off items. Operating profit before depreciation is projected to be higher in 2014 than in 2013, when excluding one-off items.

THANK YOU

Finally, I would like to thank our shareholders for their support, and the employees of CPH for their very strong commitment in 2013. In recognition of their efforts, we have decided again to pay out a well-deserved bonus.