

A photograph of two women in profile, facing each other and smiling, standing in what appears to be an airport terminal. The woman on the left has a backpack and is holding a smartphone. The woman on the right has a shoulder bag and is also holding a smartphone. The background is slightly blurred, showing airport infrastructure. The entire image has a blue color overlay.

LOOKING BACK MOVING FORWARD



Group Annual Report 2017

Pursuant to section 149(2) of the Danish Financial Statements Act, the Group Annual Report is an extract of Copenhagen Airports' complete Annual Report. The complete Annual Report, including the financial statements of the Parent Company, Copenhagen Airports A/S (pages 164-177), and the statutory corporate governance statement, can be downloaded at www.cph.dk/en. Following adoption at the Annual General Meeting, the complete Annual Report will also be available from the Danish Business Authority (Erhvervsstyrelsen).

The allocation of the profit for the year, including the proposed dividend, is described on page 87.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 11 April 2018 at 3 pm at the Vilhelm Lauritzen Terminal.

CORPORATE RESPONSIBILITY STATEMENT

The section "Performance" on pages 24-68 presents how Copenhagen Airports A/S (CPH) worked towards its non-financial business targets in 2017 and the results it achieved. Together with the non-financial statements, these pages make up CPH's corporate responsibility statement as required by sections 99a and 99b of the Danish Financial Statements Act.

FORWARD LOOKING STATEMENTS – RISK AND UNCERTAINTIES

This Annual Report includes forward-looking statements as described in the US Private Securities Litigation Reform Act of 1995 and similar acts of other jurisdictions on forward-looking statements, including in particular statements concerning future revenues, operating profits, business expansion and investments. Such statements are subject to risks and uncertainties, as various factors, many of which are beyond CPH's control, may cause actual results and performance to differ materially from the forecasts made in this Annual Report. Such factors include general economic and business conditions, changes in exchange rates, the demand for CPH's services, competitive factors within the aviation industry, operational problems in one or more of the Group's businesses, and uncertainties relating to acquisitions and divestments. See also the section "Risks" on pages 69-74.

COPENHAGEN AIRPORTS A/S

Lufthavnsboulevarden 6
2770 Kastrup
Denmark
Tel.: +45 3231 3231
Fax: +45 3231 3132
E-mail: cphweb@cph.dk
Web: www.cph.dk/en
Company reg. no. (CVR): 14 70 72 04
Established: 19 September 1990
Municipality of registered office: Tårnby

TERMS USED

Copenhagen Airports, CPH, the Group and the Company are used synonymously about Copenhagen Airports A/S consolidated with its subsidiaries and associates.

COPENHAGEN AIRPORT

The airport at Kastrup, Copenhagen, owned by Copenhagen Airports A/S.

ROSKILDE AIRPORT

The airport at Roskilde owned by Copenhagen Airports A/S.

PUBLISHED BY COPENHAGEN AIRPORTS A/S

DESIGN AND LAYOUT

kindly.dk

TRANSLATION

Borella projects

ISSN: 1904-2558

Contents

MANAGEMENT'S REVIEW

The big picture

Perspectives from the Board of Directors	6
The Annual Report in 5 minutes	7
Insights from the Executive Management	13
Outlook for 2018	17

Our business

CPH's business model	19
CPH's business environment	21
CPH's business strategy	22

Performance

Our performance	25
Updated CR strategy	35
People	38
Planet	48
Position	59
Roskilde Airport	65
Taxation	67

Risks

Risk management and risks	70
-------------------------------------	----

Governance, leadership and shares

Shareholder information	76
Corporate governance	77
Board of Directors and Executive Management	79

CONSOLIDATED FINANCIAL AND NON-FINANCIAL STATEMENTS

Consolidated financial performance and statements	82
Consolidated non-financial statements (not audited)	128

MANAGEMENT'S STATEMENT AND AUDITOR'S REPORTS

Management's Statement	156
Independent Auditor's Report	158
Limited assurance report of the independent auditor	162

The Management's review, as defined by the Danish Financial Statements Act, is included on [pages 4-80](#). This Annual Report is published in both English and Danish. In the event of any discrepancies, the Danish version shall prevail.

MANAGEMENT'S REVIEW



THE BIG PICTURE

Perspectives from the Board of Directors.....	6
The Annual Report in 5 minutes.....	7
Insights from the Executive Management.....	13
Outlook for 2018.....	17

Perspectives from the Board of Directors

We have a vital role and responsibility in Danish society and infrastructure, and this naturally attracts interest from politicians and the public. The government is also a central player and, following extensive preparatory work, the government presented its National Aviation Strategy in July 2017, which turns the spotlight onto the political effort to create increased connectivity through aviation. We are pleased that the increased political focus on the importance of aviation is now a reality.

Alongside the strategy, a new regulation of CPH's charges for airlines to use the airport was also introduced in 2017. We fundamentally support the aviation strategy's objective of strengthening the platform for the establishment of more routes and more daily services to and from Denmark as well as domestically.

CPH understands and respects the government's need to ensure a clear regulatory framework for Copenhagen Airport, which is a vital piece of Denmark's infrastructure. The current charges agreement runs until April 2019. However, in order to honour the intentions of the National Aviation Strategy, CPH has decided that from April 2018 it will reduce charges by an average of 10%, with

a particularly large reduction for the frequent feeder routes that support the airport's hub status.

As an international hub, CPH aims to create extraordinary travel experiences and effective connections, whether for people from Jutland visiting family in Copenhagen or doing business in Vilnius, tourists flying in from China, or southern Swedes on their way to San Francisco.

The routes to and from Copenhagen Airport connect Denmark domestically and provide connectivity between Denmark, southern Sweden and the rest of the world. CPH is also an important air cargo hub for Danish companies exporting pharmaceuticals, food, fashion and other products.

In 2017, Denmark gained access to new markets through 18 new routes, including to New Delhi and Agadir. CPH's aim, on behalf of the whole of Denmark, is to optimise connectivity by attracting new air routes, and in this endeavour we find ourselves in tough competition with hub airports such as Zurich, Amsterdam, Brussels and Vienna. To meet and beat the competition, we are working closely with key players from the

whole region to raise the profile of Copenhagen as a destination. At the same time, we are building new capacity for traffic growth, streamlining processes for the benefit of airlines and passengers, and creating extraordinary customer experiences for passengers in our security, shops, lounges and restaurants.



Playing a huge role in Danish society, CPH has a responsibility to continue to create increased connectivity. And we need to ensure increased growth while also respecting people and the planet.



CPH is a busy airport with nearly 80,000 travellers every day. The high level of activity at CPH creates jobs in the airport's many businesses, and the increasing international accessibility is helping to create and maintain jobs throughout Denmark and southern Sweden. Passenger growth means that we need more capacity for both aircraft and passengers, so 2017 has seen intensive

building activity, including the extension of the central security checkpoint, Terminal 2 airside and Pier E.

Playing a huge role in Danish society, CPH has a responsibility to continue to create increased connectivity, both from a social responsibility perspective and from a financial perspective. We need to ensure increased growth while also respecting people and the planet. In 2017, CPH therefore updated its strategy for corporate responsibility (CR). The new CR strategy sets long-term, ambitious goals for our work with health and security, working environment, noise, carbon footprint, interaction with the local community, and much more. Our ongoing CR work will build on the thinking of the UN's 17 Sustainable Development Goals (SDGs), and our ambitions and efforts are described in more detail later in this Annual Report.

We want a trustful and productive collaboration between the airport and its many important stakeholders in the coming years. For the benefit of Denmark, visitors, employees, business partners – and the world around us.

*The Board of Directors of
Copenhagen Airports A/S*

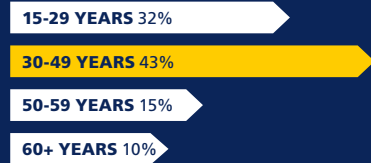


COPENHAGEN AIRPORT IN NUMBERS

CPH owns, operates and develops Copenhagen Airport in close collaboration with airlines, ground handlers, concessionaires and other key stakeholders – a complex 24/7 year-round operation.



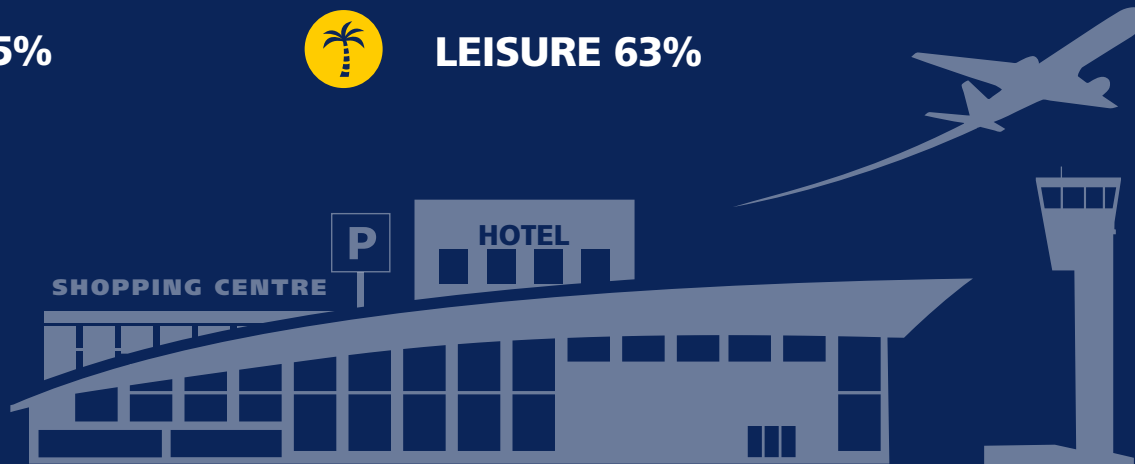
AGE COMPOSITION



TOP 5 DESTINATIONS



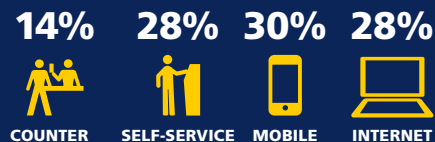
* Average number of passengers per day.



ARRIVED BY



CHECKED IN VIA



PASSENGERS' OVERALL EXPERIENCE IN THE ARRIVAL AREA



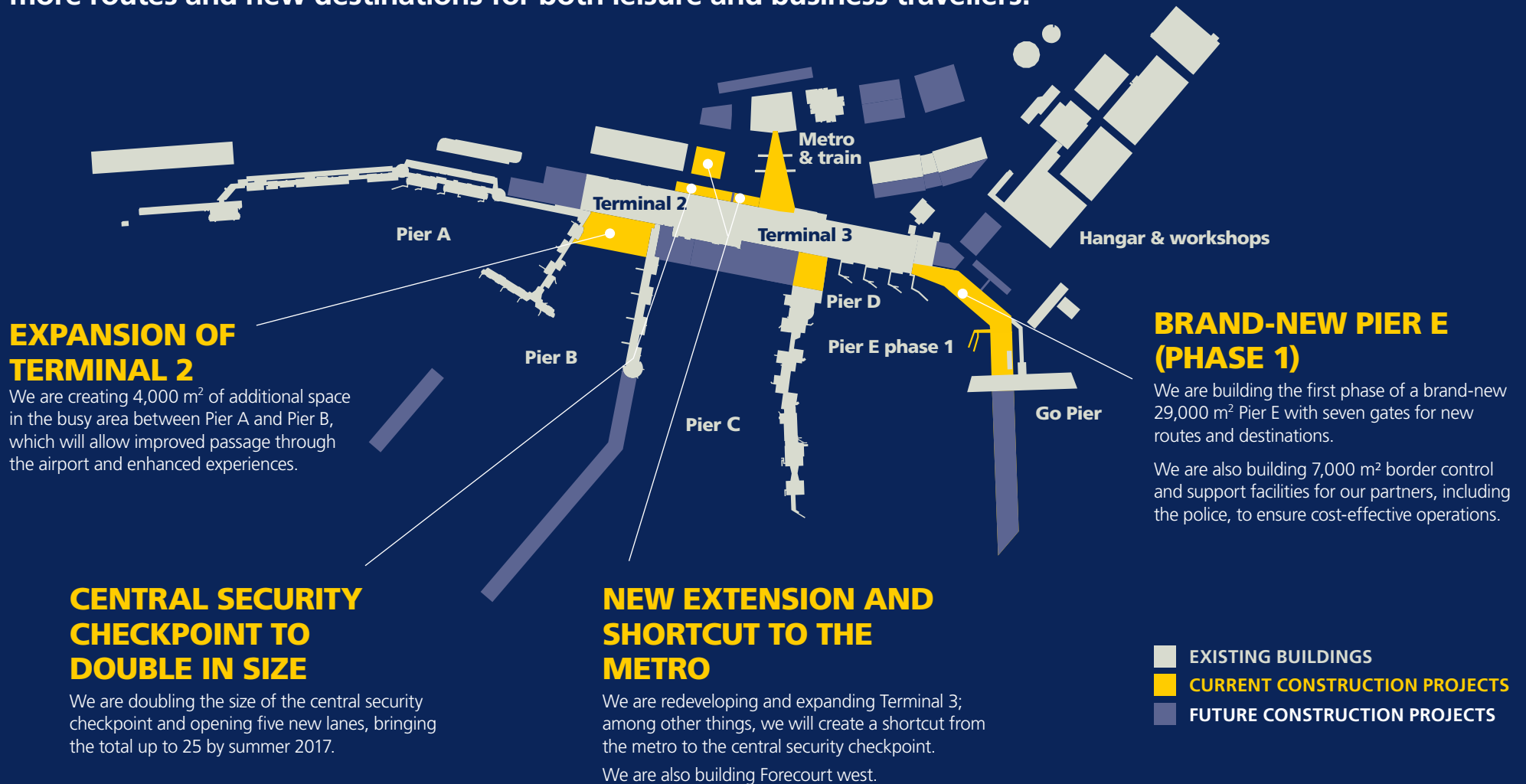
EMPLOYEES

2,573
CPH EMPLOYEES
21,029
EMPLOYEES AT THE AIRPORT
1,173
BUSINESSES AT THE AIRPORT



THE AIRPORT OF THE FUTURE WITH CAPACITY FOR 40 MILLION PASSENGERS A YEAR

CPH is investing DKK 20 billion in expanding the airport so that it has the capacity for more aircraft, more routes and new destinations for both leisure and business travellers.



EXPANSION OF TERMINAL 2

We are creating 4,000 m² of additional space in the busy area between Pier A and Pier B, which will allow improved passage through the airport and enhanced experiences.

CENTRAL SECURITY CHECKPOINT TO DOUBLE IN SIZE

We are doubling the size of the central security checkpoint and opening five new lanes, bringing the total up to 25 by summer 2017.

NEW EXTENSION AND SHORTCUT TO THE METRO

We are redeveloping and expanding Terminal 3; among other things, we will create a shortcut from the metro to the central security checkpoint. We are also building Forecourt west.

BRAND-NEW PIER E (PHASE 1)

We are building the first phase of a brand-new 29,000 m² Pier E with seven gates for new routes and destinations.

We are also building 7,000 m² border control and support facilities for our partners, including the police, to ensure cost-effective operations.

- EXISTING BUILDINGS
- CURRENT CONSTRUCTION PROJECTS
- FUTURE CONSTRUCTION PROJECTS



2017 HIGHLIGHTS

..... SOCIAL PERFORMANCE



83/100

EMPLOYEE ENGAGEMENT

The employee engagement index increased from 81 in 2016 to 83 in 2017. Response rate 92.77%.



4.65% ABSENCE

DUE TO ILLNESS

Absence due to illness fell from 5.08% in 2016 to 4.65% in 2017.

..... ENVIRONMENTAL PERFORMANCE



50% REDUCTION

AIR QUALITY

Our efforts to reduce the level of ultrafine particles in 2011-2016 resulted in a reduction of more than 50%. In 2017, we have maintained this level.



1.0 KG CO₂

PER PASSENGER

We managed to maintain emissions of 1.0 kg CO₂ per passenger in 2017. During 2017, we also set an ambitious new target of maximum emissions of 0.75 kg CO₂ per passenger in 2023.



2017 HIGHLIGHTS

FINANCIAL PERFORMANCE

4,439.4 MILLION

REVENUE

Revenue increased by 0.4% to DKK 4,439.4 million (2016: DKK 4,421.9 million), mainly due to a 0.5% increase in passenger numbers, more international passengers, and increased concession and parking revenue. This was partly offset by a decrease in the hotel operation due to the new hotel agreement with Nordic Choice Hotels. Excluding the effect of the new hotel agreement, where the hotel operation changed from a management contract with Hilton to a minimum-based lease with Nordic Choice Hotels in the second quarter, the revenue increased by 3.5%.

1,477.1 MILLION

INVESTMENTS

Investments in 2017 totalled DKK 1,477.1 million. CPH further increased its high investment level under the current charges agreement for the benefit of passengers and airlines.

1,661.8 MILLION

PROFIT BEFORE TAX EXCLUDING ONE-OFF ITEMS

Excluding one-off items, profit before tax for 2017 was DKK 1,661.8 million, which was in line with the guidance set out on page 4 of the Q3 2017 interim report of 16 November 2017. Reported profit before tax increased to DKK 1,635.6 million (2016: DKK 1,620.1 million), primarily due to higher revenue and CPH's continued focus on operating cost efficiency.

1,243.7 MILLION

PROFIT AFTER TAX EXCLUDING ONE-OFF ITEMS AND HOTEL OPERATION

Excluding one-off items and hotel operation, profit after tax increased by 3.9% to DKK 1,243.7 million (2016: DKK 1,196.8 million). Reported profit after tax was DKK 1,285.5 million (2016: DKK 1,259.0 million). The increase in profit after tax was primarily a result of the high activity level, cost efficiency, improved loan terms and a lower effective tax rate.

TOTAL DIVIDEND It is recommended that a final dividend of DKK 785.6 million be paid out, corresponding to DKK 100.10 per share. The total dividend will thus amount to DKK 1,285.5 million, corresponding to DKK 163.80 per share, after an interim dividend at half year of DKK 499.9 million.

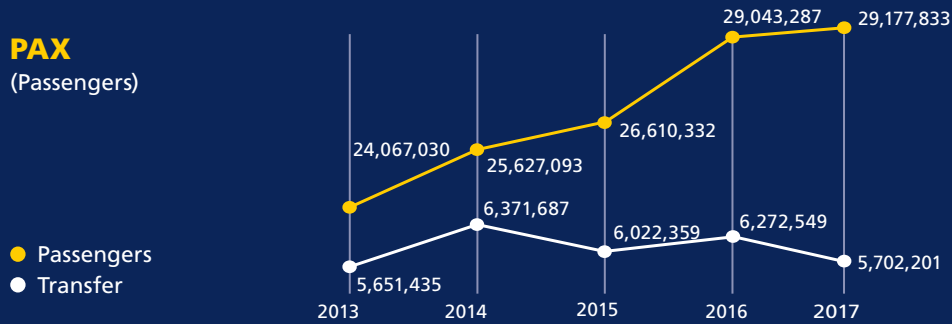


2017 HIGHLIGHTS

KEY FINANCIAL FIGURES

PAX

(Passengers)



REVENUE

● Revenue/PAX (DKK/PAX)
● Revenue (DKK million)



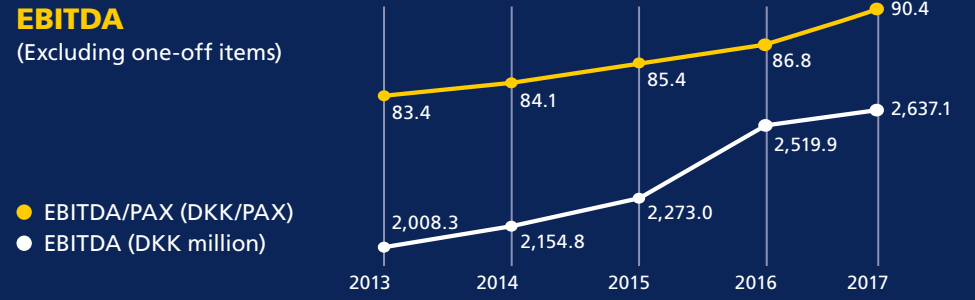
OPEX

(Operating costs excluding one-off items)



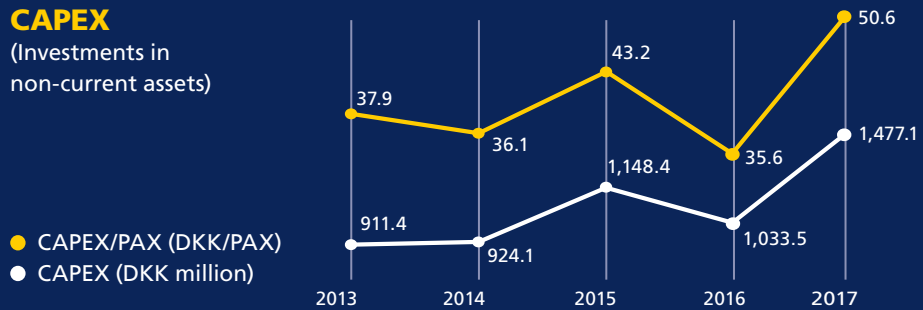
EBITDA

(Excluding one-off items)



CAPEX

(Investments in non-current assets)



FCF

(Free cash flow)



2017 HIGHLIGHTS

KEY FINANCIAL FIGURES

DKK million	2017	2016	2015	2014	2013
Income statement					
Revenue	4,439	4,422	4,062	3,868	3,645
aeronautical revenue	2,667	2,600	2,365	2,250	2,071
non-aeronautical revenue	1,772	1,822	1,697	1,618	1,574
EBITDA	2,611	2,505	2,259	2,139	1,996
aeronautical EBITDA	1,231	1,152	1,013	954	834
non-aeronautical EBITDA	1,380	1,353	1,246	1,185	1,163
EBIT	1,823	1,799	1,584	1,461	1,373
aeronautical EBIT	615	606	483	414	356
non-aeronautical EBIT	1,208	1,193	1,101	1,047	1,017
Net financing costs	187	179	180	197	201
Profit before tax	1,636	1,620	1,404	1,263	1,172
Net profit	1,286	1,259	1,086	958	976
Statement of comprehensive income					
Other comprehensive income	23	(32)	54	(57)	(3)
Total comprehensive income	1,308	1,227	1,140	902	973
Balance sheet					
Property, plant and equipment	10,584	9,800	9,403	8,928	8,669
Financial investments	7	340	246	1	1
Total assets	11,590	11,210	10,669	9,888	9,559
Equity	3,152	3,038	2,992	2,845	2,901
Interest-bearing debt	5,934	5,796	5,479	4,735	4,204
Capital investments	1,341	954	995	789	739
Investments in intangible assets	136	80	154	135	172

	2017	2016	2015	2014	2013
Cash flow statement					
Cash flow from operating activities	2,031	1,967	1,850	1,805	1,384
Cash flow from investing activities	(1,473)	(1,023)	(1,145)	(922)	(910)
Cash flow from financing activities	(623)	(949)	(668)	(874)	(1,270)
Cash at end of period	13	78	83	47	37
Key ratios					
EBITDA margin	58.8%	56.6%	55.6%	55.3%	54.8%
EBIT margin	41.1%	40.7%	39.0%	37.8%	37.7%
Asset turnover rate	0.40	0.42	0.40	0.40	0.39
Return on assets	16.3%	17.0%	15.7%	15.1%	14.7%
Return on equity	41.5%	41.8%	37.2%	33.4%	30.0%
Equity ratio	27.2%	27.1%	28.0%	28.8%	30.3%
Earnings per DKK 100 share	163.8	160.4	138.4	122.1	124.4
Cash earnings per DKK 100 share	264.2	250.3	224.4	208.6	203.7
Net asset value per DKK 100 share	401.7	387.1	381.2	362.5	369.6
Dividend per DKK 100 share	163.8	160.4	138.4	122.1	124.4
NOPAT margin	32.3%	31.6%	30.1%	28.7%	29.1%
Turnover rate of capital employed	0.44	0.46	0.45	0.45	0.42
ROCE	18.1%	18.6%	17.4%	16.8%	15.6%

The definitions of ratios are in line with the recommendations from 2015 made by the Association of Danish Financial Analysts, except for the ratios not defined by the Association. Definitions of ratios are listed in note 5.10.

Insights from the Executive Management

CPH has always been characterised by change, development and growth, and 2017 was certainly no exception. Since its pioneering start in 1925, Copenhagen Airport has developed into one of Europe's most efficiently run airports and enjoyed significant growth in route and passenger numbers. 2017 brought a new co-owner, a new regulatory framework and the most extensive building activity since the turn of the millennium.

Firstly, a bit about our performance. Following very strong growth in traffic in 2016, the increase in passenger numbers in 2017 was more modest, up just 0.5% to 29.2 million. The main reasons for the slowdown were the bankruptcy of Air Berlin and the general decline in transfer traffic. On the intercontinental routes, however, we generated significant growth of 6%. Year on year, revenue increased by 0.4% and EBITDA by 4.2%.

At the end of 2017, Danish Labour Market Supplementary Pension (ATP) became a new co-owner of Copenhagen Airports A/S after Macquarie European Infrastructure Fund III (MEIF3) decided to sell its ownership interest in Copenhagen Airports Denmark

ApS (CAD), through which, together with Canadian pension fund Ontario Teachers' Pension Plan (OTPP), it owned 57.7% of CPH. With 39.2%, the Danish State still holds a major stake in the Company, and we value the collaboration with the Danish Ministry of Finance, which manages the State's ownership interest.



2017 brought a new co-owner, a new regulatory framework and the most extensive building activity since the turn of the millennium.



With ATP as a long-term majority owner together with OTPP, the ownership has been clarified, which allows CPH to focus on continuing to develop the airport and generate results for the benefit of customers, business partners, and the whole of Denmark and southern Sweden.

As a partly state-owned, private, regulated business, we depend on the politically determined regulatory framework. So the discus-

sions further to the government's National Aviation Strategy, focusing especially on the charges framework, have been particularly important for us. As a central player, we have given our views on the proposed regulatory changes.

The new statutory order on charges has now entered into force, and the regulations will have a significant impact on the airport's finances. With the amended regulations, we are now looking ahead, and we are keen to work towards robust, long-term and responsible solutions in dialogue with the airlines and the authorities.

As part of CPH's focus on constructive dialogue and the effort to find solutions, CPH has already decided to launch two important initiatives that will reduce the charges paid by the airlines to use the airport. We will reduce the general charges paid by all airlines. And in order to strengthen CPH's status as a hub, we will also introduce a new incentive scheme for high-frequency feeder services from regional airports. Overall, CPH charges will be reduced by an average of 10% from 1 April 2018.



As part of CPH's focus on constructive dialogue and the effort to find solutions, CPH has already decided to launch two important initiatives that will reduce the charges paid by the airlines to use the airport.



The new incentive scheme will mean a reduction in charges of up to 35% for high-frequency feeder services between CPH and regional airports such as Aalborg, Aarhus, Billund, Bornholm, Midtjylland and Sønderborg in Denmark, as well as Bergen, Gdansk, Gothenburg, Stavanger and Vilnius. The lower prices will particularly benefit those airlines flying more than once a day on the shorter routes between CPH and the regional airports. The intention is that the considerable price reduction for feeder routes in particular will result in consolidation and growth in the hub traffic in line with the National Aviation Strategy.

Insights from the Executive Management

With these adjustments in our average charges and our incentive schemes, the charges at CPH are increasingly competitive with the airports in Arlanda and Oslo, partly due to both current and future aviation taxes in Norway and Sweden. This underlines the clear alignment between CPH's incentive to be competitive with peer airports and Denmark's interest in creating international accessibility. When Denmark prospers, CPH prospers – and vice versa. CPH therefore has a natural interest in supporting the goals of the National Aviation Strategy and in supporting growth and jobs throughout Denmark.

In 2017, Expanding CPH, our ambitious plan to expand airport capacity, moved up several gears. Building activity was at its highest level since the turn of the millennium, and overall we invested just under DKK 1.5 billion. The largest ongoing capacity projects will be completed in 2018 and 2019, including the new central security checkpoint, the major expansion of Terminal 2 airside and Pier E.

Executing such major expansion projects in the middle of a busy airport is a challenge, but good project planning, communication and collaboration with airlines, ground

handlers and passengers have ensured stable operations and limited passenger inconvenience. We are aware of the impact on passengers and appreciate their patience as we continue to improve the airport.

Strategy development in 2017 built further upon the well-established business strategy, World Class Hub 2.0. This strategy has a particular focus on four breakthrough areas that will help us achieve our targets: A winning team, Efficient processes, Partnerships and mutual benefits, and A digital airport.

Capable and committed employees have gone a long way towards integrating the breakthrough areas in their day-to-day work, generating a string of excellent results rooted in these focus areas in 2017.

In 2018, we will continue to work actively on addressing challenges and creating opportunities so that, going forward, we can open up the world, expand horizons and make our contribution to society.



Thomas Woldbye
CEO, Copenhagen Airports A/S



Thomas Woldbye,
CEO



Lars Jønstrup Døllerup,
CFO



Kristian Durhuus,
Vice President, Customer
Service & Operations



Christian Poulsen,
Vice President,
Assets & Technology



Peter Krogsgaard,
CCO



Kirstine Bergenholtz,
HR Director

Insights from the Executive Management



CPH SUPPORTS THE UN GLOBAL COMPACT

In 2011, CPH signed up to the UN Global Compact to support and help raise awareness of the ten general principles of corporate responsibility. In this integrated Group Annual Report, we describe our work with corporate responsibility and the results we achieved in 2017. Thus, this report serves as a declaration of our continued support for the UN Global Compact and its ten principles.

OUR APPROACH TO THE TEN PRINCIPLES

Human rights page 47

1. CPH supports and respects human rights.
2. CPH does not take part in any activity violating human rights.

Working conditions pages 41-43

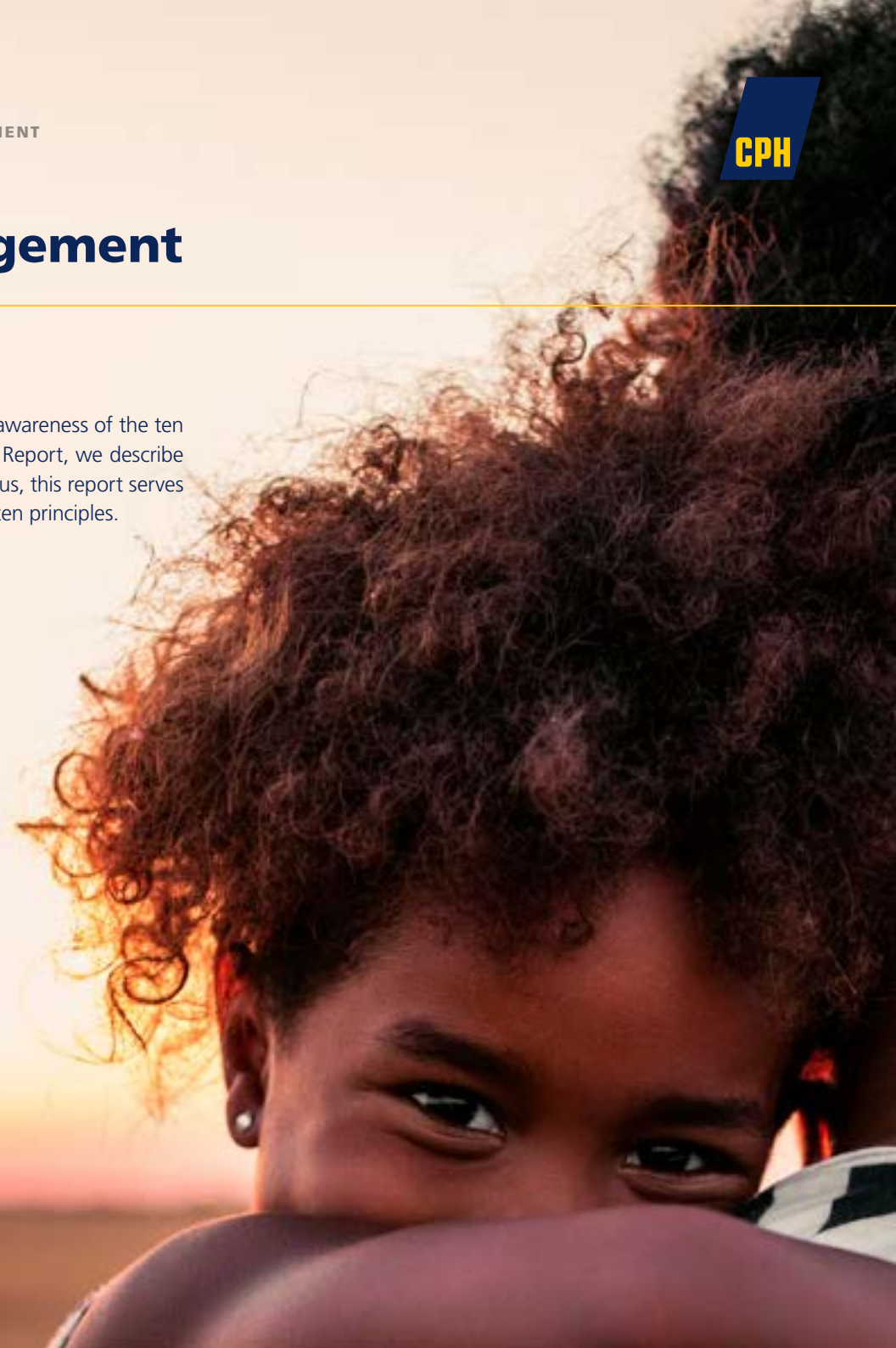
3. CPH employees are free to join associations and exercise their right to collective bargaining.
4. CPH is against all forms of forced labour.
5. CPH is against child labour.
6. CPH is against discrimination in respect of employment and occupation.

Environment pages 48-58

7. CPH supports a precautionary approach to environmental challenges.
8. CPH undertakes initiatives to promote greater environmental responsibility.
9. CPH promotes the development and diffusion of environmentally friendly technologies.

Anti-corruption page 46

10. CPH works against all forms of corruption, including bribery and extortion.





Insights from the Executive Management

Sustainable Development Goals

Since CPH joined the UN initiative Global Compact in 2011, the global focus on responsibility has intensified. In 2015, the UN's 17 global goals, the Sustainable Development Goals (SDGs), defined a new set of coordinates for responsibility.

The goals, which entered into force on 1 January 2016, commit the UN's 193 Member States to work together to address some of the biggest global challenges.

They are to be used to formulate policies, procure financing and generate changes that will help create a fairer and more sustainable world.

The 17 SDGs have 169 targets, and in 2017, as part of our CR strategy update, we began clarifying which goals and targets we can say we are working with and which goals it makes sense to work more with in the future. We expect to finish this preparatory work in the first half of 2018.

Read more about our updated CR strategy on page 35.



Outlook for 2018

	REALISED 2017	OUTLOOK FOR 2018
Revenue growth	0.4%	decrease of 1-2%
Revenue growth excluding one-off items and hotel operation	3.5%	decrease of 0.5-1.5%
Profit before tax excluding one-off items DKK million	1,661.8	1,350-1,450
Profit before tax, DKK million	1,635.6	
Total investments, DKK million	1,477.1	1,800-2,100

Outlook for revenue growth

Based on the expected traffic programme for 2018, an increase in the total number of passengers is expected. The development in passenger numbers is a dynamic factor that is subject to both positive and negative influence from general economic developments, decisions by airlines relating to routes and capacity, and isolated events in the aviation industry. The increase in passenger numbers is expected to have a favourable impact on revenue, while growth is more than outweighed by the announced reduction in airport charges at the end of 2017. Charges are being reduced from April 2018 through two specific initiatives. Firstly, the charges that all airlines pay to use the airport are being reduced and, secondly, a special hub incen-

tive scheme is being introduced, lowering charges for frequent feeder flights between regional airports and CPH by 35%. Overall, CPH's charges are expected to decrease by an average of 10% from April 2018.

Growth in revenue excluding one-off items and hotel operation is expected to be negative in the range of 0.5-1.5% due to the announced reduction in charges.

Outlook for profit before tax

Operating costs are expected to be higher than in 2017, primarily due to the expected rise in passenger numbers, stricter regulatory requirements and cost inflation, although this will partly be offset by a continuing focus on operating cost efficiencies.

Overall, depreciation charges and financing costs are expected to be higher than in 2017, primarily as a result of a significantly increased investment level.

Excluding one-off-items, profit before tax in 2018 is expected to be in the range of DKK 1,350-1,450 million. Excluding one-off items due to the reduction in charges, EBITDA is expected to be lower in 2018 than in 2017.

Outlook for capital investments

CPH expects to continue to invest in growth for the benefit of passengers and airlines, and is therefore continuing with Expanding CPH, its plan to expand and develop the airport as passenger numbers increase.

CPH also expects to significantly increase its investments in 2018, to an estimated DKK 1.8-2.1 billion, to accommodate Expanding CPH. Planned investments include expansion of the central security checkpoint, improvement of wide-body facilities, a new walkway in Terminal 3, border control and expansion of Terminal 2 airside (the area after the central security checkpoint). CPH will also be investing in non-aeronautical projects for the benefit of airlines and passengers.





OUR BUSINESS

CPH's business model	19
CPH's business environment	21
CPH's business strategy	22



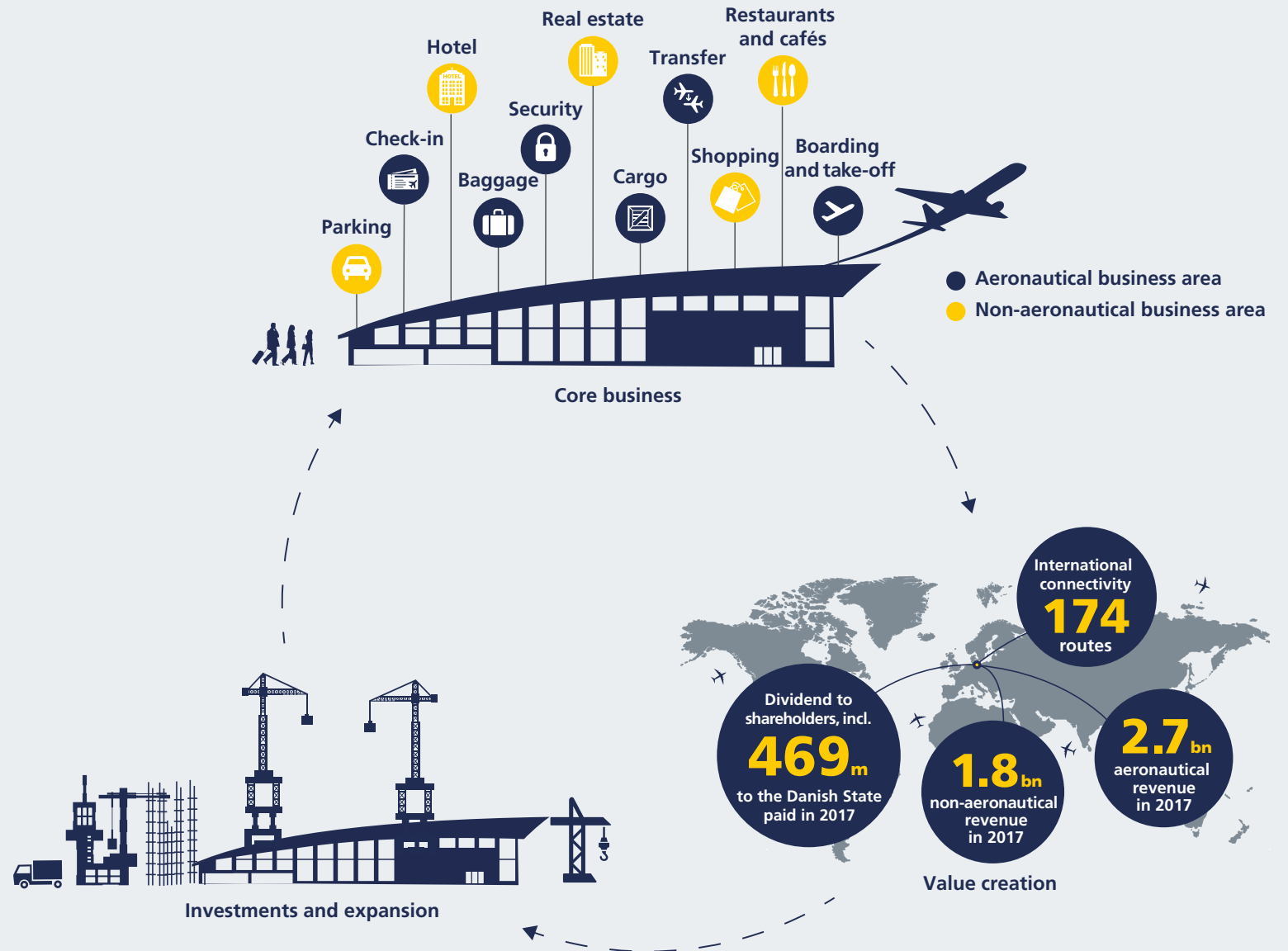
CPH's business model

CPH owns, operates and develops Roskilde Airport and Copenhagen Airport. We want to create international connectivity and contribute to growth and jobs throughout Denmark.

We are working to ensure that passengers experience Copenhagen Airport as the best part of the journey to and from their destination. We are keen to support the Government's aspiration, formulated in the National Aviation Strategy, to strengthen the basis for the establishment of more routes and more daily departures to and from Denmark and within Denmark.

The framework for CPH's business model is regulated by Danish and EU legislation. Within this regulatory framework, CPH's business model focuses on making the airport as well run, efficient and attractive as possible for customers, thereby creating the greatest possible value for society, business partners, employees and owners.

CPH has four customer groups: airlines, passengers, concessionaires in the shopping centre and tenants. The airlines pay to use



CPH's business model

facilities and processes through a system of negotiated charges that, in accordance with the regulations, must be cost-based and uniform for all airlines: from check-in and security, through boarding and baggage handling, to runway maintenance. The charges agreement must be approved by the Danish Transport, Construction and Housing Authority.

In connection with the agreement, CPH and the airlines also enter into a service level agreement (SLA) that sets out the requirements for the level of service to be provided in a number of selected areas of importance for passengers and airlines. This helps ensure a reasonable correlation between capacity, price and quality. The commercial relationship with the other three customer groups is managed through the general sale of services and through contracts.

The travel value chain

CPH's business encompasses two general areas: aeronautical and non-aeronautical. The aeronautical segment comprises the activities and services required for airlines to operate their flights – from security to

baggage handling, cargo handling, terminals, buses, stands and runways. The non-aeronautical segment comprises all other activities related to the operation of an airport – from parking to restaurants and shops, hotel operation, and leasing of premises and buildings at the airport.

More than 700 companies do business at Copenhagen Airport, so we operate and develop the airport in close collaboration with our partners. This close collaboration is a precondition for the smooth running of all elements of the travel value chain.

Value creation

The combined value creation within the two business areas is vital to CPH's ongoing ability to invest in the development and expansion of the airport and at the same time ensure a return for its shareholders, including the Danish State. The development, expansion and marketing of the airport ensure new routes and more departures, and consequently more passengers. This increases Denmark's international connectivity, and generates jobs and growth in GDP.





CPH's business environment

A market in growth

Global aviation is a market in growth. In Europe alone, the International Air Transport Association (IATA) anticipates a 50% rise in passenger numbers by 2034.

For an airport such as Copenhagen Airport, competition continues to increase as passenger numbers grow. Copenhagen Airport is competing with other European hubs such as Amsterdam, Brussels, Zurich and Vienna to attract new routes and airlines. The key factor in an airline's decision to establish a route is whether it can operate profitably.

Establishing a new route involves asset investments by the airline. The route therefore needs to generate profit as quickly as possible. This is achieved by maximising revenues from the average ticket price and seat occupancy, and by reducing costs, where ground handling is generally the major contributor, although payments to the airport in the form of charges also play a role.

Other important factors are the airport's ability to offer an efficient operation with on-time departures, the number of people in the airport's catchment area, efficient surface traffic (i.e. the public transport that brings passengers to the airport) and economic policy support for the aviation industry.

Copenhagen Airport scores highly on these parameters, which improves the possibilities for attracting additional routes to Denmark, with the major routes each contributing more than DKK 700 million yearly to the country's GDP.

Framework conditions

Framework conditions and the demands of the world around us are of major importance for CPH. In summer 2017, the government presented its National Aviation Strategy; a growth strategy to strengthen the industry's competitiveness and ability to attract investment and create jobs across the country. CPH fully supports the goals in this strategy.

Alongside its new strategy, the Danish Ministry of Transport, Building and Housing issued a draft amended statutory order on airport charges, BL 9-15. Among other things, this prepares the way for an increased requirement for cross-subsidising of profit from the non-aeronautical to the aeronautical segment.

Following a consultation phase in which the authorities listened to some of CPH's concerns and proposed amendments, the new statutory order was ratified with effect from 1 January 2018. This means that the negotiations ahead of the new charges agreement from April 2019 will take place under the new regulations.

The operation and development of an airport is characterised by capital-intensive and long-term investments. CPH aims to invest responsibly, maximising capacity and efficiency, and minimising costs for airlines and business partners.

The regulatory framework for Copenhagen Airport has provided the basis for two charges agreements entered into on a voluntary basis between the airlines and CPH.



Global aviation is a market in growth. In Europe alone, the international interest group IATA anticipates a 50% increase in the number of passengers by 2034.



In order to further strengthen CPH as the preferred Northern European hub, we have decided to launch two initiatives from 1 April 2018, both of which will reduce the charges that the airlines pay to use the airport (read more on page 13).

CPH's business strategy – World Class Hub 2.0

Building on the previous strategy, CPH's World Class Hub 2.0 business strategy will ensure that Denmark continues to have a world-class hub in future.

With Copenhagen Airport's business strategy, we have clear goals for achieving our vision. We are focused on five business tracks: Infrastructure and Services, Service Excellence, Commercial Excellence, Expanding CPH, and World Class Cost and Operations.

The five business tracks are supplemented by four strategic breakthrough areas that interact with the strategy. The continuing aim is to create efficiency, capacity, extraordinary customer experiences and competitiveness. Our goal is that this strategy will ensure CPH's competitiveness and position as a world-class hub so that we can continue to support the goal of the National Aviation Strategy to increase Denmark's national and international connectivity to the benefit of economic growth, employment and cohesion between regions.

A winning team

Significant and rapid growth places new, even tougher requirements on CPH's employees at all levels. CPH is therefore focused on developing strong strategic competences in both managers and employees, and on developing an even stronger service culture. And we are actively working with innovation

and new technology, including digitalisation, which require new competences.

At the same time, CPH wants to maintain the high levels of employee satisfaction, sense of community and pride in the work we do, which are an important basis for delivering joy of travel, good service, efficiency and strong performance.

Efficient processes

Process improvements greatly help to increase airport capacity in a cost-efficient manner. Increased competition in all business areas requires continued focus on efficient processes and a high service level if Copenhagen Airport is to remain an attractive and competitive airport for both airlines and passengers. CPH is aiming to ensure good overview, transparency and reproducibility in the airport's processes.

Partnerships and mutual benefits

A regulated aviation sector in a very complex market is placing ever greater demands on CPH's ability to create partnerships with the players and stakeholders in and around the airport. CPH is therefore keenly focused on its collaboration with business partners, authorities and other stakeholders. At CPH we are seeking to create mutual benefits in partnerships with the 700+ companies operating at the airport for the good of Denmark, travellers, business partners and CPH.

A digital airport

Exponential digitalisation, fresh expectations from travellers and rapid changes in passenger behaviour are increasing the need for digitalisation as a key element of optimising our operations and infrastructure, and improving customer experience throughout the travel value chain. CPH needs to use new technologies innovatively and strengthen the digital infrastructure, while at the same time ensuring the efficiency, security and stability of digital processes and solutions.



CPH's business strategy – CR focus areas

We updated our CR strategy in 2017

Corporate Responsibility (CR) is an integral part of CPH's business strategy and we measure the results of our work against a number of strategic goals within three focus areas:

People, Planet and Position

CPH has a special responsibility for developing Copenhagen Airport as a key part of Denmark's infrastructure and is therefore working hard to develop it as the Gateway of Northern Europe and increase international connectivity to the whole of Denmark. This important role also entails the responsibility to operate and develop the airport with respect for the environment and the people who are impacted by CPH. Read more about our updated CR strategy on page 35.



PEOPLE

We are a dedicated team, and a responsible and inclusive workplace that seeks to create joy of travel within a safe and secure framework. People are our main focal point, and we take pride in treating individuals with respect and hospitality.



PLANET

We have a responsibility to protect our climate and environment, and responsibility is an integral part of our business. We work purposefully and innovatively every day to develop sustainable solutions so that we can also contribute to creating a good environment for future generations.



POSITION

It is important for us to create value and growth for society, so we are investing responsibly and long term in international and national connectivity. We want to help strengthen the cohesion and development of local communities. We cannot do this on our own, but we are happy to take the lead in order to create shared benefits.



PERFORMANCE

Our performance	25
Updated CR strategy	35
People	38
Planet	48
Position	59
Roskilde Airport	65
Taxation	67



Our performance

The following pages present CPH's performance during the year in the aeronautical and non-aeronautical business as well as a review of CPH's performance against the strategic Position targets.

The aeronautical segment comprises the operations and functions required for airlines to operate their flights, including facilities required for passengers to pass through the airport.

The non-aeronautical segment comprises the other facilities and services provided at the airport to passengers and other customers, including car-parking facilities, shops, restaurants, rest areas, lounges and hotel. The non-aeronautical segment also includes the leasing of CPH's buildings, premises and land to non-Group lessees.

Passengers in 2017

With 29.2 million passengers, 2017 was the busiest year in the airport's 92-year history. Although growth fell slightly in the last few months, the final rate for the year was positive at 0.5%. This represented 134,546 more

passengers than in 2016, when the growth rate was 9.1%.

The year was characterised by a number of significant trends: more passengers flying directly, more long-haul passengers, fewer domestic passengers and fewer transfer passengers, i.e. flying from regional airports via CPH and out into the world.

The number of transfer passengers fell by 8.4% to 2,823,500. SAS accounts for 82% of transfer traffic at CPH.

In the past decade, the trend has been for more passengers to choose direct flights where they are available, assuming the price is competitive. This is also evident in CPH's passenger numbers, with the number of local departing passengers increasing to 11,733,107, representing growth of 2.9%.

The long-haul routes enjoyed a growth spurt, with 184,984 more passengers travelling on one of CPH's 38 direct intercontinental routes (long haul), an increase of 6%.

Number of passengers in 2017

29.2 million up 0.5% vs 2016

Inbound 39%

Outbound 42%

Transfer 19%



International 95%



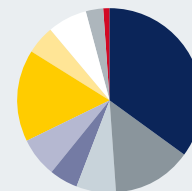
Domestic 5%



Business 37%



Leisure 63%

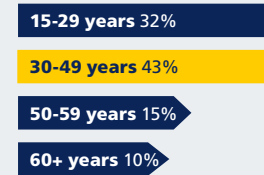


Passengers by geography

Female 47%

Male 53%

Age composition



2017
10 JULY

Busiest day in 2017

104,609 passengers



Our performance

In 2017, new routes opened to New Delhi and Agadir. At the same time, several airlines increased their departures to Bangkok, Los Angeles and New York. 2018 will bring more long-haul routes, including Hong Kong.

By contrast, the number of passengers flying on domestic routes fell by 5.8% to 1,611,369. CPH wants to reverse that development, and at the end of the year collaborated with the regional airports on a major campaign to raise awareness of how quick and easy it is to fly around Denmark.

The overall growth for the year included an increase in the number of international tourists and business travellers flying to Denmark. In Greater Copenhagen, the number of overnighting tourists grew by 3.8% (source: Accommodation statistics from Wonderful Copenhagen).

Continued high level of passenger satisfaction, new initiatives

Our ambition is that passengers should experience Copenhagen Airport as the best part of the journey to and from their destination.

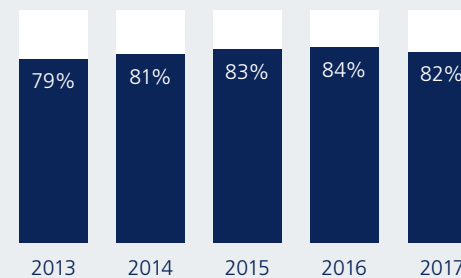
In 2017, we launched a series of major expansion projects at Copenhagen Airport, helping to provide passengers with increased space, more information, and better facilities and services in the terminals. We are making the passenger flow areas wider, so there is more space as people prepare to board.

In 2017, the total passenger satisfaction decreased from 84% to 82%. While the building work is in progress, we are striving to reduce inconvenience. We have continued implementing a raft of initiatives with our partners to help ensure a comfortable, efficient and secure airport.

Our employees' ability to proactively identify different passenger needs must continue to be strengthened, as well as their ability to empathise and provide any extra support and reassurance that is required, which can make a huge difference to passengers. Read more about our initiatives in the Passenger Experience on page 44.



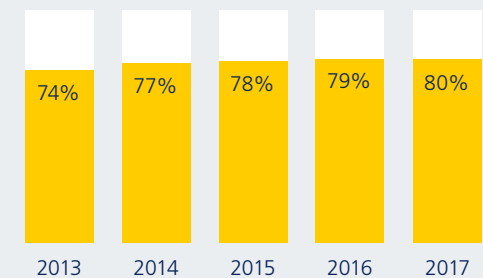
CURRENT STATUS GENERAL PASSENGER SATISFACTION



Satisfaction with security is measured as the percentage of passengers who rate CPH as "4-Very Good" and "5-Excellent" on a scale of 1-5. ASQ (Airport Service Quality) does not include an overall goal for security, but security is assessed on the following four individual aspects of the security experience, with weighted satisfaction a simple average of the ratings for the four aspects.



CURRENT STATUS SATISFACTION WITH SECURITY



- Courtesy and helpfulness of security staff
- Thoroughness of security inspection
- Waiting time at security inspection
- Feeling of being safe and secure

Satisfaction with ASQ is measured through interviews at the airport using paper questionnaires completed by the passengers at the gate just before departure. The questionnaires are handed out and collected in by the market research agency Epinion.

Our performance

High satisfaction with security and predictable waiting-times

Whereas 2016 was marked by issues with waiting times caused by more passengers travelling with more – and often more tightly packed – hand baggage and fewer checked-in items, 2017 was marked by consistent and predictable waiting times in central security.

This was due in no small part to the initiatives taken by CPH at the end of 2016, when rebuilding work of all security lanes was undertaken and all check-in facilities automated, resulting in significant optimisation of the processing time in check-in.

In summer 2016, the large-scale expansion activities in and around the central security checkpoint presented challenges, including long narrow walkways into the area from Terminals 2 and 3. It was important to implement initiatives to make access to the security area as simple and smooth as possible in order to prevent passengers having to stand in long queues. The effort succeeded and security delivered consistent, short, predictable waiting times in summer 2017.

Domestic passengers

In autumn 2016, CPH devised a solution that allowed domestic passengers to proceed directly to the central security checkpoint and expect to pass through within 5 minutes. Satisfaction surveys and meetings with commuter associations show that domestic passengers were very satisfied with the new streamlined arrangement in 2017.



We have created enhanced opportunities to create a framework for future central security.



The future central security checkpoint

In 2016 and 2017 we have had intense construction activity to double the area of the central security checkpoint with a bigger queuing area and more security lanes. We have created enhanced opportunities to create a framework for central security.

The vision of Expanding CPH is 40 million passengers a year. In order to support this vision, CPH must develop and expand the central security checkpoint. In February 2018, the new, enlarged area around the central security checkpoint opened.

We have a special focus on ensuring that passengers have an extraordinarily good experience. This means providing a stress-free, fast and service-oriented security check of the highest quality, including technically, with the focus on passenger needs, a high level of security and employee well-being.



Opening of the new central security checkpoint on 7 February 2018. CEO Thomas Woldbye and Minister for Transport, Building and Housing Ole Birk Olesen.

Our performance

Emergency response

CPH's emergency response efforts are synchronised with the dedicated emergency response players on site, including first and foremost the police, who are responsible for coordinating responses at the airport.

The various emergency response players regularly coordinate the relevant plans and test them through all manner of exercises at the airport. This means that the plans are continuously fine-tuned in relation to risks and available resources.

In 2017, four large-scale exercises were conducted with the focus on practising collaboration between the various players at the airport and the emergency services.

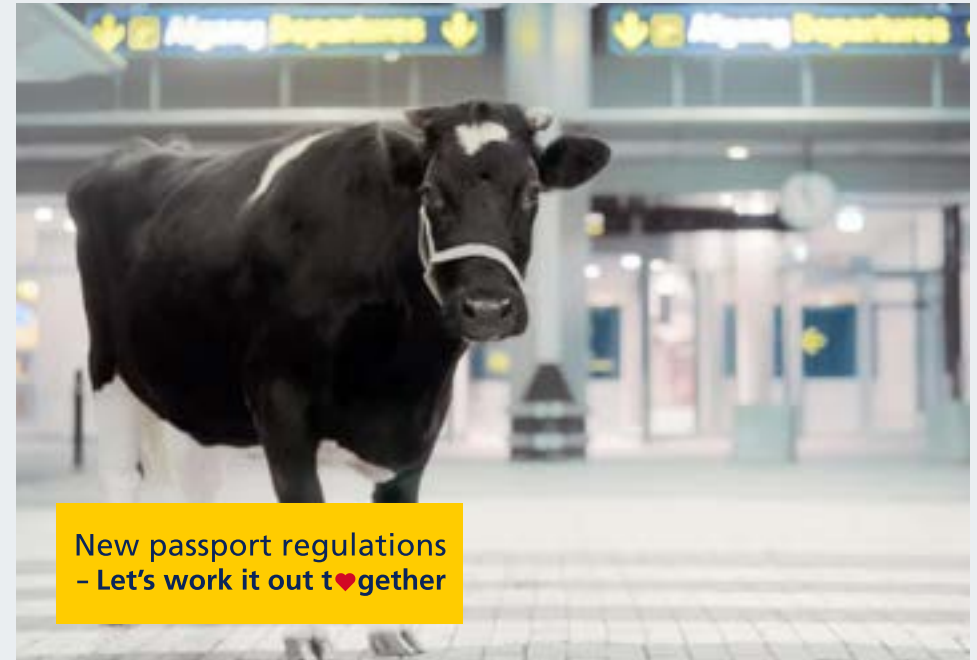
New rules on passport control

As of 7 October, the EU's new rules on systematic checks of all persons travelling in and out of the Schengen Area have meant stricter passport control at Copenhagen Airport. We naturally support this initiative, which will strengthen the Schengen Area's external borders in respect of internal security.

The new rules also apply to the police's border control at Copenhagen Airport. The new, more rigorous control means that far more passports need to be checked and that the processing time for each check is significantly longer. In connection with the new rules, the facilities for police border control at Copenhagen Airport are being expanded.

Ahead of the new rules coming into force, CPH worked intensively at the airport to ensure that passengers were well informed in advance and to prevent queues becoming too long. Among other things, we launched a campaign with the message "Let's work it out together" and made a film for the social media with the title: "Køer i lufthavnen". In Danish "queue" means standing in line, but it also means "cows".

The decision to introduce systematic border control involving electronic scanning of all passports was taken at short notice, which made it impossible for CPH to establish a brand-new infrastructure for the new border control. It was possible, however, to make an increase in the number of passport booths.



At the same time, the police deployed extra resources. These efforts were appreciated, and in the vast majority of cases passengers proceeded through passport control smoothly and efficiently.

The task of passport control is an example

of the fact that, as part of our World Class Hub 2.0 business strategy, we are striving for mutual benefits by cooperating innovatively and effectively both within our own organisation and with external parties, in this case the police.

Our performance

AIRCRAFT OPERATIONS

More routes, new destinations and larger aircraft

In 2017, the number of aircraft operations decreased by 2.5% to 259,243 take-offs and landings, but 18 routes were still opened to new destinations plus 20 routes to destinations already served. US traffic alone grew by 2%, and CPH thus continued its development as the hub of Northern Europe with a steadily increasing number of passengers on intercontinental routes.

During the year, a number of routes opened to new destinations in Europe, including Naples, Pescara, Thessaloniki, Valencia and Zadar (with Ryanair); Bordeaux (with Air France); Bucharest and Turin (with Blue Air); Riga, Malta and Olbia (with SAS); and Lefkas (with Norwegian).

The total number of European routes increased from 110 to 119 (a route is defined as: scheduled flight with minimum one departure per week for at least eight consecutive weeks).

Outside Europe, a new route opened to Delhi with Air India, representing a special opening of historic importance. Read more on page 60.

Furthermore, Norwegian opened its previously announced route to Oakland, California. This is an important route that creates capacity to serve a market with high demand and allows even more incoming tourists from the USA. This enabled Norwegian to grow to more than 18% of the total traffic at CPH in 2017.

SAS is the biggest airline operating at CPH, handling 34% of the traffic in 2017; Ryanair accounts for 7% and easyJet for 5%.

Other route openings in 2017 included Air Arabia (Maroc) to Agadir, Ryanair to London Stansted and SAS to Vágur (Faroe Islands).

From May 2018, these will be followed by Air Cairo to Sharm El Sheikh and Cathay Pacific to Hong Kong.





Our performance



Our performance

Cargo

The volume of air cargo via Copenhagen Airport in 2017 was 365,431 tonnes.

In 2017, the local plan for the proposed Airport Business Park was approved, which means CPH can now begin developing an area of 150,000 m² for a logistics park that will enable the airport's cargo capacity to eventually double from 500,000 to 1,000,000 tonnes annually.

The Airport Business Park will mean more jobs, more air cargo and better opportunities for exporting high-value goods by air. At the same time, it will give global companies the option of an attractive location at the airport itself. As an important part of the plan, the local road network is being developed so that the infrastructure around the site can keep pace with growth as the eastern part of the airport is expanded.

The logistics park should attract investment from new and existing business partners, for example in e-commerce warehouses or temperature-controlled warehouses for the pharma and biotech industries, which often use air transportation. The Airport Business

Park supports CPH's ambition to grow to 40 million passengers a year, as a large share of earnings on long-haul routes comes from belly cargo.



The Airport Business Park will mean more jobs, more air cargo and better opportunities for exporting high-value goods by air.



In November 2017, CPH signed an agreement with the German developer AXXUS Capital to develop a brand-new air cargo centre in the remaining vacant space in the airport's existing cargo area offering airside access. The new centre will occupy around 20,000 m² and is expected to be ready within two years.

In 2018, CPH will actively implement the new cargo strategy, with the focus on further developing the cargo products that we will need to be able to handle together with our business partners.

INVESTMENTS IN 2017

CPH is well on track with implementing Expanding CPH – its ambitious growth plan to develop the airport and create capacity for more aircraft, destinations and passengers. When Copenhagen Airport reaches its goal of 40 million passengers a year, CPH will have invested a total of around DKK 20 billion in what will be one of Denmark's largest privately financed construction projects of recent times. With Expanding CPH we will create more than 12,500 building jobs in the construction period and lay the ground for more than 9,000 new permanent jobs once the plan has been fully implemented. In recent years, CPH has maintained an investment level in the region of DKK 1 billion a year, with further increased investments in 2017 amounting to just under DKK 1.5 billion.

One of the key investments in 2017 was the expansion of the central security checkpoint. This project, costing more than DKK 400 million, has doubled the size of the area, creating five new lanes and providing an extra 1,500 m² of space for passengers on the ground floor of Terminal 2.

In 2017, we initiated projects with the common aim of modernising and expanding Terminal 3 landside. We moved Customs and the exit from baggage reclaim to improve the flow for arriving passengers. In mid-2018, we will be opening a bridge that will enable passengers arriving by metro to cross directly to the central security checkpoint or to check in in Terminal 2 without having to go down to ground level in Terminal 3, where there is already a high volume of passengers.



With Expanding CPH we will create more than 12,500 building jobs and lay the ground for more than 9,000 new permanent jobs.



In 2017, we also prepared for and completed the implementation of new EU rules requiring 100% electronic passport control for passengers crossing Schengen's external borders. The rules, which came into force in October 2017, increase the demand for e-passport gates and facilities for the many

Our performance

new border guards who will be working at the airport.

In addition, we have made new and changed existing building plans to increase the number of checkpoints. Read more about the new passport control rules on page 28.

Other work carried out in 2017 included expanding aircraft stands, improving the baggage system, renovating runways and taxiways, and upgrading various IT systems. This work is continuing in 2018:

- The first phase of a new 29,000 m² Pier E with seven aircraft stands for both narrow- and wide-body aircraft. This project is scheduled for completion in 2019.
- A significant 4,000 m² expansion of the busy passenger area in Terminal 2 between Piers A and B. Most of the work is scheduled for completion during 2018.
- A revamp of the concourse in front of the central security checkpoint to provide a traffic-free area in which passengers can move around safely, as well as space for outdoor activities.

Hotel plans

In addition to the local plan allowing the establishment of the Airport Business Park, Tårnby Municipality has also adopted a local plan that creates the opportunity for a brand-new hotel to be built in the north of the airport site. This hotel will be located alongside the existing Clarion Hotel.

First and foremost, the new hotel will provide our guests with the option of staying at a location close to public transport with good road access and offering conference facilities of an international standard. Furthermore, there will be cohesion in the public areas with open spaces and a green and attractive environment. Construction work is scheduled to begin in 2018.

The new hotel will be part of the Nordic hotel group Nordic Choice Hotels and part of the Comfort Hotel chain. It will be directly connected to the metro, railway and airport. In addition to 600 rooms, the hotel will also have a new, modern 3,000 m² meeting and conference centre. Petter Stordalen's property company, Strawberry Fields, will own 47% of the two hotels and conference centre. CPH will own the remaining share.

ROSKILDE AIRPORT

In 2017, the number of operations at Roskilde Airport increased by 3.1%, while the number of passengers decreased by 16.8%.

In 2017, Roskilde Airport's handling company, Roskilde Executive Handling, once again fared well in terms of airline perception of its services.

For the sixth consecutive year Roskilde Airport was rated one of the top 10 airports at handling business aviation by European Business Air News in its reader survey covering more than 400 fixed-base operators in Europe, Africa, the Middle East and Russia. The survey covers facilities, service, staff and value for money. Roskilde Airport was no. 1 in Scandinavia and only just beaten by London and Geneva.

Read more about Roskilde Airport on pages 65-66.





Our performance

AERONAUTICAL BUSINESS

Revenue

Total aeronautical revenue increased by 2.6% in 2017, mainly driven by the 0.5% growth in passenger numbers, especially the 2.9% growth in international departing passengers, and the annual CPI indexation of 0.23% applied to all airport charges on 1 April 2017.

Take-off revenue was in line with last year. Take-off weight for passenger-related aircraft operations fell by 1.6%, while take-off weight for cargo operations fell by 16.9%. Passenger-related operations fell by 4.6%, while cargo-related operations fell by 13.1%. Take-off revenue was partly offset by the annual indexation and a reduction in discounts in take-off charges compared to last year.

Passenger revenue grew by 3.6%, driven mainly by changes in the passenger mix, such as the higher share of local departing passengers on international departures.

Revenue from security, explosives trace detection (ETD) and handling services increased by DKK 18.5 million to DKK 888.0 million, an increase of 2.1%. The increase was mainly due to the shift in the passenger mix towards more local departing passengers on international departures. Also, passengers using the CPH Express lanes at the central security checkpoint increased.

Operating profit (EBIT)

EBIT increased by 1.5% in 2017 compared to 2016. This was mainly due to a 2.6% increase in revenue, partly offset by higher depreciation charges because of the continued increase in aeronautical investments and higher operating costs.

DKK million	2017	2016	Ch.	Ch. %
FINANCIAL PERFORMANCE				
Revenue	2,666.8	2,600.2	66.6	2.6%
Operating profit (EBIT)	615.1	605.9	9.2	1.5%
Segment assets	8,238.1	7,701.6	536.5	7.0%

DKK million	2017	2016	Ch.	Ch. %
REVENUE				
Take-off charges	460.9	459.7	1.2	0.3%
Passenger charges	1,242.2	1,199.2	43.0	3.6%
Security charges	629.2	621.0	8.2	1.3%
ETD charges	48.2	39.5	8.7	22.0%
Handling	210.6	209.0	1.6	0.7%
Aircraft parking, CUTE, etc.	75.7	71.8	3.9	5.4%
Total	2,666.8	2,600.2	66.6	2.6%

Our performance

NON-AERONAUTICAL BUSINESS

Revenue

Non-aeronautical revenue decreased by 2.7% in 2017, mainly due to the change in the hotel operation. Concession revenue from the shopping centre increased by 6.0% in 2017. The main drivers were the increase in departing passengers, TAX FREE, bank and foreign exchange, an improved shop and brand mix, and the opening of a new area by the expanded central security checkpoint.

The specialty store concept has been optimised with an expanded product mix thanks to the opening of stores such as Copenhagen Souvenir & Design, Excess Baggage and Wally and Whiz, giving passengers a wider choice of attractive options. The restaurant segment has been expanded with a new Re-Treat unit, Riccos Kaffe, 42Raw, Bar Jacobsen and another Lagkagehuset unit.

Revenue from parking grew by 4.1%. This was due to increased capacity (P19), a continuing stronger online and media presence as well as growth in local departing passengers. Other revenue grew by 6.7%, mainly because of continued growth in the advertising contract with Airmagine.

Revenue from rent from premises increased compared to 2016, mainly due to new contracts and a reallocation from other rental income to rent from premises. The fall in revenue from rent from land can primarily be attributed to the loss of rental income following demolition of a hangar in connection with expansion of the airport and the receipt of a one-off amount in January 2016 for building rights.

There was a decrease in revenue from the hotel operation, mainly because of the change from a management contract with Hilton to a minimum-based lease with Nordic Choice Hotels in the second quarter. This means that the operation of the hotel is no longer recognised in the CPH Group as before. Other income mainly comprises increasing revenue from PRM and Taxi Management Services (TMS), both of which are non-profit for CPH.

Operating profit (EBIT)

EBIT increased by 1.2% in 2017 compared to 2016. The increase was mainly driven by growth in the shopping centre and in parking revenue, as well as effective cost management. This was partly offset by the effect of the new hotel agreement.

DKK million	2017	2016	Ch.	Ch. %
FINANCIAL PERFORMANCE				
Revenue	1,772.6	1,821.7	(49.1)	(2.7%)
Operating profit (EBIT)	1,207.8	1,193.0	14.8	1.2%
Segment assets	3,332.1	3,089.9	242.2	7.8%
Investments in associates	0.4	0.4	-	-

DKK million	2017	2016	Ch.	Ch. %
CONCESSION REVENUE				
Shopping centre	840.5	793.0	47.5	6.0%
Parking	378.5	363.7	14.8	4.1%
Other revenue	61.7	57.8	3.9	6.7%
Total	1,280.7	1,214.5	66.2	5.4%

DKK million	2017	2016	Ch.	Ch. %
RENT				
Rent from premises	120.8	115.2	5.6	4.9%
Rent from land	47.4	56.4	(9.0)	(16.0%)
Other rent	5.7	6.5	(0.8)	(12.2%)
Total	173.9	178.1	(4.2)	(2.3%)

DKK million	2017	2016	Ch.	Ch. %
SALES OF SERVICES, ETC.				
Hotel operation – Hilton	50.7	227.5	(176.8)	(77.7%)
Hotel operation – Clarion	49.5	-	49.5	-
Other	217.8	201.6	16.2	8.0%
Total	318.0	429.1	(111.1)	(25.9%)

Updated CR strategy

In 2017, CPH updated its CR strategy. We did it because we wanted to and because we know it brings value and licence to operate. We are ambitious in our CR work and want to generate even better results for the benefit of our business and the world around us, and we want to integrate CR even more in the way we operate and develop the airport.

Working on the CR strategy has been valuable in many ways. We have asked ourselves questions such as: How ambitious do we want to be? How realistic do we need to be?

Much of the CR work is already well under way across the organisation, but updating the CR strategy has given the work even better structure, purpose and direction.



CR is important in a growth strategy. We want to grow the company responsibly. And we want that work to be international and binding insofar as is reasonable. So in 2017 we also started working with the UN's 17 Sustainable Development Goals (see also page 16).

Measuring practically everything that we do is deep in our DNA. We also decided that we can formulate an ambitious vision with long-term CR goals without necessarily having all the objectives and KPIs in place from the start. And we have a plan to do just that.

Under the focus areas of People, Planet and Position, we have chosen to focus on 11 particular themes. These represent areas that will receive particular attention and be given extra priority in the coming years.

Some of the 11 themes are already closely linked with the business strategy, e.g. international connectivity and cohesion in Denmark, and the way of measuring them is more "classic", while other themes require a little more time and information (e.g. baseline analyses). Some objectives and their KPIs are therefore new (e.g. for Local Community Development and Resources) and reflect the fact that we have rethought our corporate responsibility efforts and how we measure them. Consequently, not all themes are ready to be measured and included in the notes at the end of the Annual Report with specific figures for KPIs. Read more in

Note 1 "Summary of significant accounting policies" on page 134. We began executing in autumn 2017. And the first efforts look promising. Read more about our work with

e.g. Attractive Workplace (People) on page 42, our work with Air Quality (Planet) on page 53 and our work with Local Community Development (Position) on page 63.



In 2017, CPH updated its CR strategy. We did it because we wanted to and because we know it brings value and licence to operate.

We are ambitious in our CR work and want to generate even better results for the benefit of our business and the world around us.



Updated CR strategy: Vision, focus areas and themes



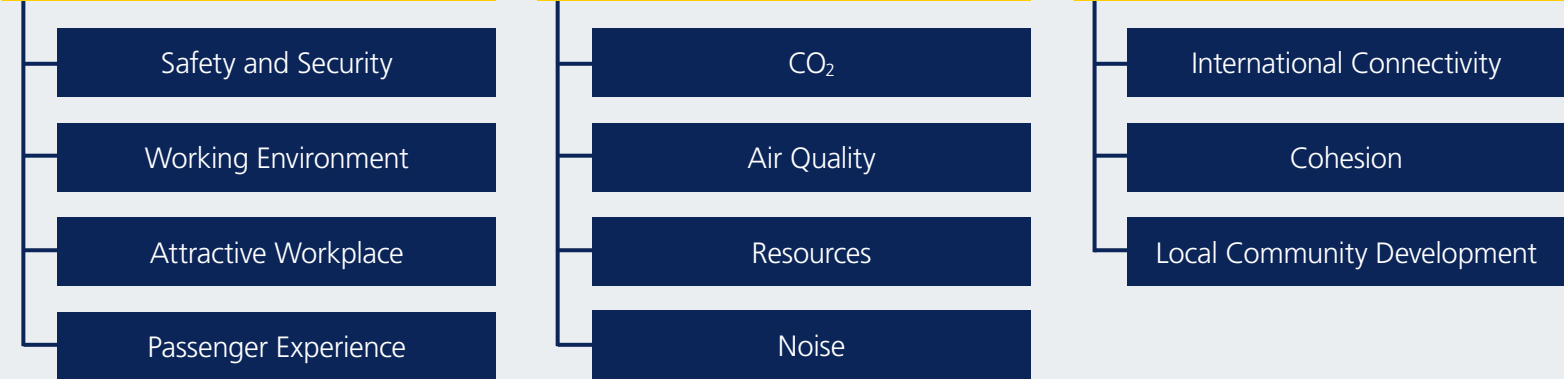
CR VISION

A RESPONSIBLE AIRPORT WITH 40 MILLION PASSENGERS

CR FOCUS AREAS
VISION STATEMENTS



CR THEMES
OBJECTIVES



Under each of the 11 CR themes we have defined KPIs to guide our efforts over the next five years. See the specific targets in the KPI trees on pages 45, 58 and 64.



Updated CR strategy: Vision statements and objectives

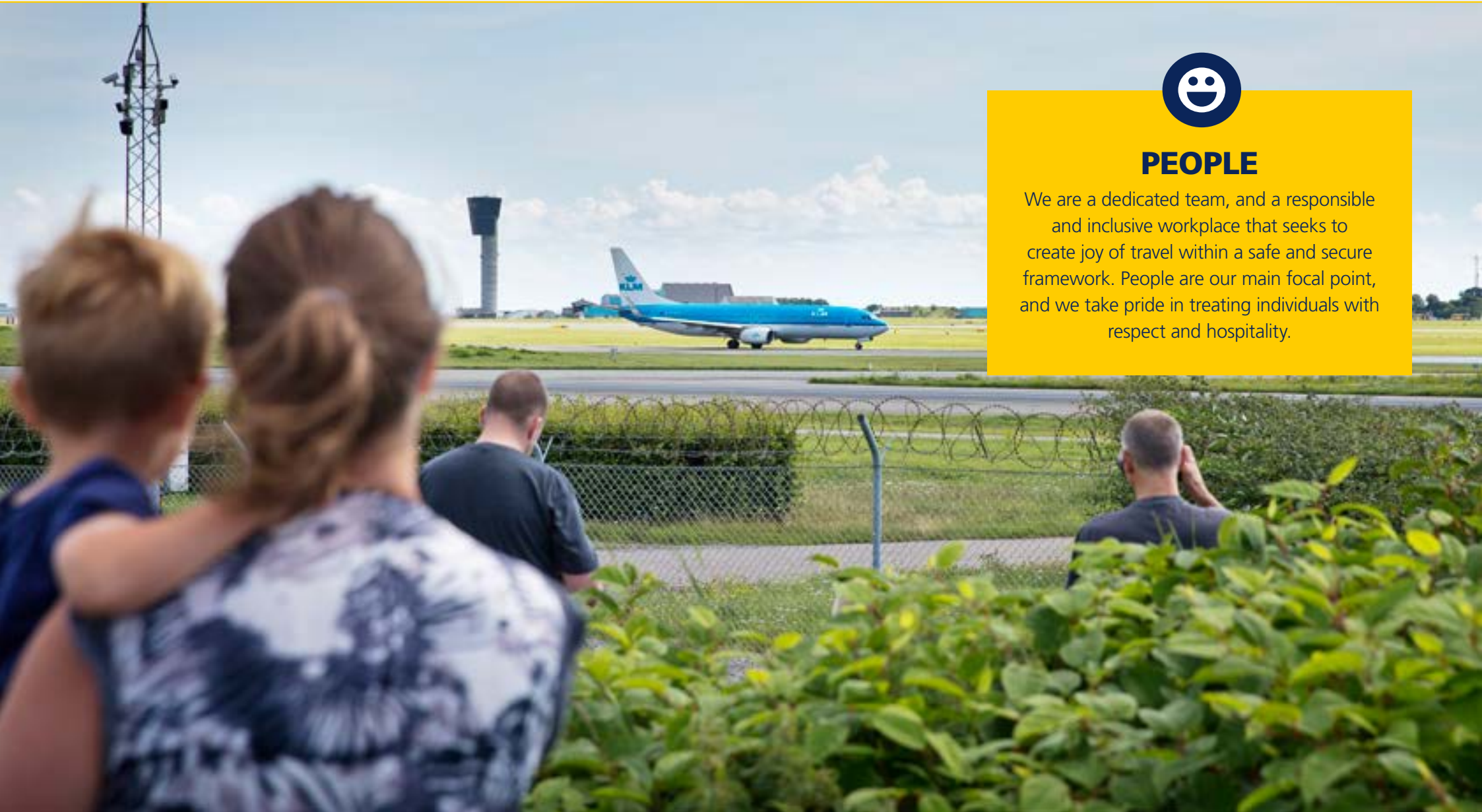
VISION STATEMENTS	 <h2>PEOPLE</h2> <p>We are a dedicated team, and a responsible and inclusive workplace that seeks to create joy of travel within a safe and secure framework. People are our main focal point, and we take pride in treating individuals with respect and hospitality.</p>	 <h2>PLANET</h2> <p>We have a responsibility to protect our climate and environment, and responsibility is an integral part of our business. We work purposefully and innovatively every day to develop sustainable solutions so that we can also contribute to creating a good environment for future generations.</p>	 <h2>POSITION</h2> <p>It is important for us to create value and growth for society, so we are investing responsibly and long term in international and national connectivity. We want to help strengthen the cohesion and development of local communities. We cannot do this on our own, but we are happy to take the lead in order to create shared benefits.</p>	
	OBJECTIVES	<h3>SAFETY AND SECURITY</h3> <p>Our goal is continuously to be one of the best airports at managing flight safety. Every day, we are working proactively and systematically to ensure that our passengers feel safe and secure on their journeys.</p>	<h3>CO₂</h3> <p>Our long-term vision is to be carbon-neutral. As an airport in growth, it is our view that we have a special responsibility to reduce our CO₂ emissions. Reducing our climate impact is an important and integral part of our actions, so every day we are working on innovative solutions that will optimise our energy consumption.</p>	<h3>INTERNATIONAL CONNECTIVITY</h3> <p>We are continuing to actively expand connectivity to the whole world in order to create even more growth opportunities. We are committed to helping create world-class benefits – for the business community, the labour market and tourism.</p>
		<h3>WORKING ENVIRONMENT</h3> <p>We know that a safe and healthy working environment means job satisfaction and a high level of performance. We are therefore working dedicatedly and innovatively to share knowledge and ensure well-being – every day.</p>	<h3>AIR QUALITY</h3> <p>It is important for us that air quality is as good as possible, both now and in the future. We are continuously working on new, smart solutions to minimise consumption of fossil fuels at the airport.</p>	<h3>COHESION</h3> <p>It is important for us to create value for society, so we are investing responsibly and long term in connecting Denmark even better domestically. With strong products and effective solutions, we want to provide good travel experiences and help strengthen growth and cohesion in Denmark.</p>
<h3>ATTRACTIVE WORKPLACE</h3> <p>We are working in all areas of our company to maintain a high level of engagement and to remain a diverse and inclusive workplace where all employees can develop and fulfil their potential.</p>		<h3>RESOURCES</h3> <p>We want to develop our airport responsibly with respect for the planet's limited resources. We are working to implement the circular mindset in our day-to-day operations and ongoing expansion of the airport in order to create the best sustainable solutions for the future.</p>	<h3>LOCAL COMMUNITY DEVELOPMENT</h3> <p>We want to be a dynamic and inclusive company that, backed by local policy, aims to create long-term solutions. We contribute to valuable development and growth in the local region – for the benefit of the local economy and our neighbours and with respect for people and the environment.</p>	
<h3>PASSENGER EXPERIENCE</h3> <p>Every day, we create a safe and comfortable environment at the airport. We are the welcoming host who treats people with respect and concern for their individual needs so we can continue to be one of the best airports in the world at creating joy of travel and providing good travel experiences.</p>		<h3>NOISE</h3> <p>We want to develop the airport while at the same time handling noise responsibly. We cannot do this on our own, so we are working to strengthen the dialogue and engagement with our neighbours and operators on future sustainable solutions.</p>		

People



PEOPLE

We are a dedicated team, and a responsible and inclusive workplace that seeks to create joy of travel within a safe and secure framework. People are our main focal point, and we take pride in treating individuals with respect and hospitality.





People

As one of Denmark's largest workplaces and a transport hub for millions of travellers, we have a responsibility towards the large number of people who are impacted by CPH, including passengers, neighbours, co-owners, employees and business partners.

Approximately 21,000 people go to work each day at the more than 700 businesses that operate at Copenhagen Airport, and 2,573 of these people are employed by CPH. We take our social responsibility seriously and work dedicatedly within four areas of focus:

- Safety and Security
- Working Environment
- Attractive Workplace
- Passenger Experience



SAFETY AND SECURITY

Our goal is continuously to be one of the best airports at managing flight safety. Every day we are working proactively and systematically to ensure that our passengers feel safe and secure on their journeys.

SAFETY AND SECURITY

Flight safety and conduct

Our ambition is to become one of the best airports at managing flight safety. Flight safety and conduct go hand in hand. As an airport, we take responsibility for ensuring that all companies and employees working airside on a daily basis play their part in increasing safety at the airport.

All parties have a shared responsibility to understand and respect one another's roles. CPH facilitates a number of initiatives aimed at continuously improving the airside culture.

Safety management

CPH encourages all employees and business partners to work together to report safety-related incidents, suggest proposals

for improvements and share knowledge so that we continuously learn from our experiences. If we are to maintain our high level of flight safety, it is vital that all parties feel comfortable reporting incidents.

The reporting system ensures that individuals who speak up about their own or others' involvement in safety-related incidents are



In December, we arranged for users of airside and CPH employees to meet and discuss how safety and security could be further improved in future.

People

exempted from sanctions and have their identity protected. Gross negligence, however, is not tolerated.

In recent years, CPH's Safety & Crisis Management department has received an average of around 1,000 safety-related reports a year from ground handlers, air traffic controllers, pilots, CPH employees and others. It is very positive that the users of the airport report observations and incidents, and the relatively high number of reports indicates that the airport's ambition of creating a JUST CULTURE actually works. Obtaining this amount of information is important for understanding what leads to potential hazards, and it allows us to determine corrective actions based on knowledge rather than assumptions.

In 2017, 95% of mandatory reports were from individuals who themselves caused a safety-related incident. This high rate of mandatory reports testifies that we have created a mature safety culture.

To that same end, CPH monitors, analyses and actively uses all reported data to improve flight safety at the airport.

As well as learning from reports, CPH uses various forums to discuss, communicate and work with flight safety. Safety performance is continuously measured and presented to CPH's Board of Directors and management team, airlines, business partners, union representatives and others.



This high rate of mandatory reports testifies that we have created a mature safety culture.



CPH's participation in international work focusing on flight safety and capacity

The Instrument Flight Procedures Panel is an ICAO panel that is responsible for updating the basis for instrument flight procedures design. It shares experiences, including implementation of performance-based navigation PBN (Performance Based Navigation programme) and upgrading of current design procedures.

CPH actively participates on this panel, helping to develop procedures and ensure local implementation of new regulatory requirements in the area.

SESAR

The EU produced forecasts 10-15 years ago showing that air traffic would grow considerably. A number of initiatives were therefore adopted to ensure safe and efficient air traffic operations despite the large-scale

growth: the SESAR (Single European Sky ATM Research) project.

As part of the implementation of these initiatives, CPH has rolled out A-CDM (Airport Collaborative Decision Making). The aim of the project is that all parties involved in a flight from A to B should digitally update how far they are in the process via time stamps.





People

CPH has also upgraded its ground radar system in collaboration with Naviair so that it can form part of an integrated workstation for air traffic controllers. Among other things, work is being carried out to create automated functions such as route planning with a built-in safety net.

Many of these initiatives are about optimising the IT infrastructure through the introduction of new database systems, communication principles and concepts that support cyber security.

Thanks to this effort in 2017, we are well on the way to achieving our goal of becoming one of the best airports at managing flight safety. In 2018, we look forward to continuing to share knowledge, come up with new solutions and measure our efforts so that we remain on the ball and ahead of the game at all times. So joy of travel can be underpinned by world-class safety.

Read more about our targets for Safety and Security in the KPI tree on page 45.



WORKING ENVIRONMENT
 We know that a safe and healthy working environment means job satisfaction and a high level of performance. We are therefore working dedicatedly and innovatively to share knowledge and ensure well-being – every day.

WORKING ENVIRONMENT

At CPH, we know that a high level of well-being improves how we do business. We therefore deploy a range of initiatives to maintain engagement, to ensure that employees who are off sick get back to work as quickly as possible, and to prevent employees coming to any harm in the workplace.

In order to improve our employees' health and well-being, we offer health check-ups and advice on exercise, stress, diet and substance abuse, as well as free physiotherapy and access to fitness centres.

Improved well-being and targeted efforts mean a big decrease in absence due to illness

In 2017, we maintained our focus on keeping in contact with employees during long-term absence and producing action plans to help them return to work. Furthermore, we launched specific initiatives in those departments facing challenges with well-being and the psychosocial working environment.

CPH has developed a specific model in which the manager has regular contact with the employee who is off sick in order to make the return to work easier. The model was trialled with 300 employees at the end of 2017 and is expected to be rolled out across CPH during 2018. Back in 2015, CPH also introduced the Early Recovery Programme to reduce absence following occupational injuries.

The targeted efforts to ensure a healthy workforce have had a major effect. Absence

due to illness fell from 5.08% in 2016 to 4.65% in 2017. The target for 2023 is maximum 4.4%.

More intensive focus leads to significantly improved occupational injury rates

CPH works actively to prevent occupational injuries, both in our own operations and on construction sites on our premises. A particular challenge has been creating safe sites in areas of the airport where construction work is being carried out in the vicinity of our day-to-day operations.

This is evident in the fact that while the rate of occupational injuries has fallen significantly overall, it has increased in relation to construction work. In 2017, we therefore increased our collaboration with external contractors to ensure that the expansion of Copenhagen Airport can be carried out safely even though it is highly complex and taking place close to our operations.

Read more about our targets for Working Environment in the KPI tree on page 45.

People



ATTRACTIVE WORKPLACE

We are working in all areas of our company to maintain a high level of engagement and to remain a diverse and inclusive workplace where all employees can develop and fulfil their potential.

ATTRACTIVE WORKPLACE

We have launched a number of initiatives to motivate and include new and future employees in such a way that they are engaged and can use and develop their skills.

CPH supports and attracts young people through work placements and mentoring

A diverse workforce helps create good relationships with passengers, business partners and other stakeholders – all groups that are themselves characterised by a high degree of diversity. At the same time, diversity among employees and managers means greater innovation, increased efficiency and an even more motivated workforce.

CPH has therefore introduced various initiatives to fulfil our corporate responsibility to society by helping groups that are finding it hard to get back on track, and to attract and retain the necessary talent through greater diversity.

Various staff groups at CPH have a steadily increasing average age, and many employees will be leaving the company in the next few years as they retire. Going forward, CPH therefore wants to increase the number of apprentices and other younger employees to give us a better age distribution.

In 2017, we set out the framework for two initiatives focused on young people:

1. A collaboration with Talent Scouts in which four employees from CPH will take on mentoring roles to help young people who are not ready to enter a youth education programme to become aware of their abilities and talents.
2. A collaboration with Dragør and Tårnby Municipalities in which, from 2018, young people aged 12-15 will be offered a 10-week placement at the airport, while for those aged 18 and over the placement will last two years.

Better gender balance strengthens leadership

In 2017, CPH began a mentoring programme for employees who want to become managers. A special effort will be made to onboard female employees in the programme with a view to strengthening diversity at the various management levels. The programme supports CPH's target that its share of female managers should match its share of female employees. In 2017, the respective shares were 30% and 35%.

Veterans receive a helping hand back into the job market

CPH is making an active effort to put a stop to stigmatisation and unemployment among



Mikkel Hove, head of CPH's Project Excellence department, is a mentor to veteran Richard as part of the Welcome Home collaboration.

"I've met a person with an extremely high level of skills that I myself can take example from. The good thing is that Richard and I are on an equal footing in terms of leadership skills. I mentor him because he's from the military world and wants to enter the business world."

People

soldiers returning home from the world's conflict zones. This effort is centred on our support for the Welcome Home veterans' organisation, of which CPH's CEO Thomas Woldbye is the chairman.

We are proud to do our bit for social responsibility through Welcome Home. In this way, CPH is acting as a bridge between veterans and the business community, while at the same time making ourselves more visible as an attractive workplace for veterans.



We are proud to do our bit for social responsibility through Welcome Home.

Thomas Woldbye, CEO of CPH and chairman of Welcome Home



Lead the Way taking leadership to a new level

Lead the Way, which is part of our strategic breakthrough area "A winning team", has a strong focus on increasing empowerment among CPH's 213 managers and strength-

ening the holistic management mindset. All CPH's managers will have completed the programme by spring 2018.

The effect of the management programme is evident in the annual employee engagement survey, where the management index has risen from 80 to 83.

We are also developing our employees' business skills, for example through a new e-learning programme called "The CPH business" and by enhancing language and process-related skills.

Creative idea stream among employees

The initiative CPH Airdeas, in which all employees have been invited to come up with ideas for how the airport can be developed, has generated an impressive idea stream with a high level of creativity. The ideas are assessed by a new Innovation Board, which discusses the ideas with their originators and ensures the right platform for testing them out. In 2017, 16 employees were appointed as "digital lighthouses" to help ensure that we think digitally and innovatively.

Spotlight on innovation and digitalisation optimises processes

Robot technology is allowing us to free up employee time spent on routine tasks. This means the employees can focus their efforts on more complex, stimulating tasks, while CPH can grow profitably. In summer 2017, CPH ran two pilots involving automisation of administrative tasks in order to gain experience of how robots can optimise our processes by managing staffing and ID card processes. Robot technology can not only save resources, but also increase customer satisfaction and shorten lead times.

In 2018, CPH will be integrating robot technology. Furthermore, we will be implementing a number of other initiatives to make our processes more efficient and our airport more digital – two of the strategic breakthrough areas in our World Class Hub 2.0 strategy. Read more about our Attractive Workplace targets in the KPI tree on page 45.



Robot technology can not only save resources, but also increase customer satisfaction and shorten lead times.



In summer 2017, the Security Access & Logistics department piloted an automated process for adding a special access rights classification to ID cards.

"This means that the robot takes over when the employee has successfully completed an e-learning course until he or she gets a new ID card. There can be a lot of different processes, but they have all been relatively easy to get coded," says assistant Dorthe Sander.

People



PASSENGER EXPERIENCE

Every day, we create a safe and comfortable environment at the airport. We are the welcoming host who treats people with respect and concern for their individual needs so we can continue to be one of the best airports in the world at creating joy of travel and providing good travel experiences.

PASSENGER EXPERIENCE

In 2017, we implemented a raft of initiatives to help ensure a comfortable, efficient and secure airport. We worked with our partners at the airport to expand a number of digital self-service solutions for check-in and boarding. In 2017, we increased the number

of self-service bag drop desks by 19 to a total of 50 and the number of self-service gates from 29 to 31.

We are the first airport in the world to devise a system where baggage is video-coded. The system means that far fewer suitcases are sent for manual handling, which benefits the work environment, cost level and baggage conveyor capacity. The baggage needs to be sorted only once, which means it gets to the aircraft more quickly. Video-coding is a step forward for airlines, handlers, passengers and employees, improving a process that is normally hidden to passengers and many others, but which plays an enormous role in the joy of travel.

In 2017, we launched a series of major expansion projects at Copenhagen Airport, helping to provide passengers with more space, and better facilities and services in the terminals. We are making the passenger flow areas wider, so there is more space as people prepare to board. We are establishing a new family and play area, more seating, and more charging points for phones and devices.

While the building work is in progress, we are striving to reduce inconvenience by helping passengers to keep moving and ensuring that they are kept informed of what is going to happen and how long the various processes will take, e.g. when waiting at passport control.

As an airport, we need to focus on delivering precise, punctual and reliable operations without breaking any rules, while at the same time keeping a watchful and caring eye on the needs of the individual passenger.

We will continue to ensure that the airport's facilities are geared to the needs of different passenger groups – both existing needs and those of which they are not yet aware. We are working to boost our employees' ability to be proactive in identifying different passenger needs as well as their ability to empathise and provide any extra support and reassurance that is required, which can make a huge difference to passengers on their way out into the world – and coming home again.

To measure our efforts in this area, in 2018 we will examine how we can develop our

passenger satisfaction surveys. In addition, we will consider how we can best train our staff to make sure passengers are treated with respect and consideration for their individual needs.

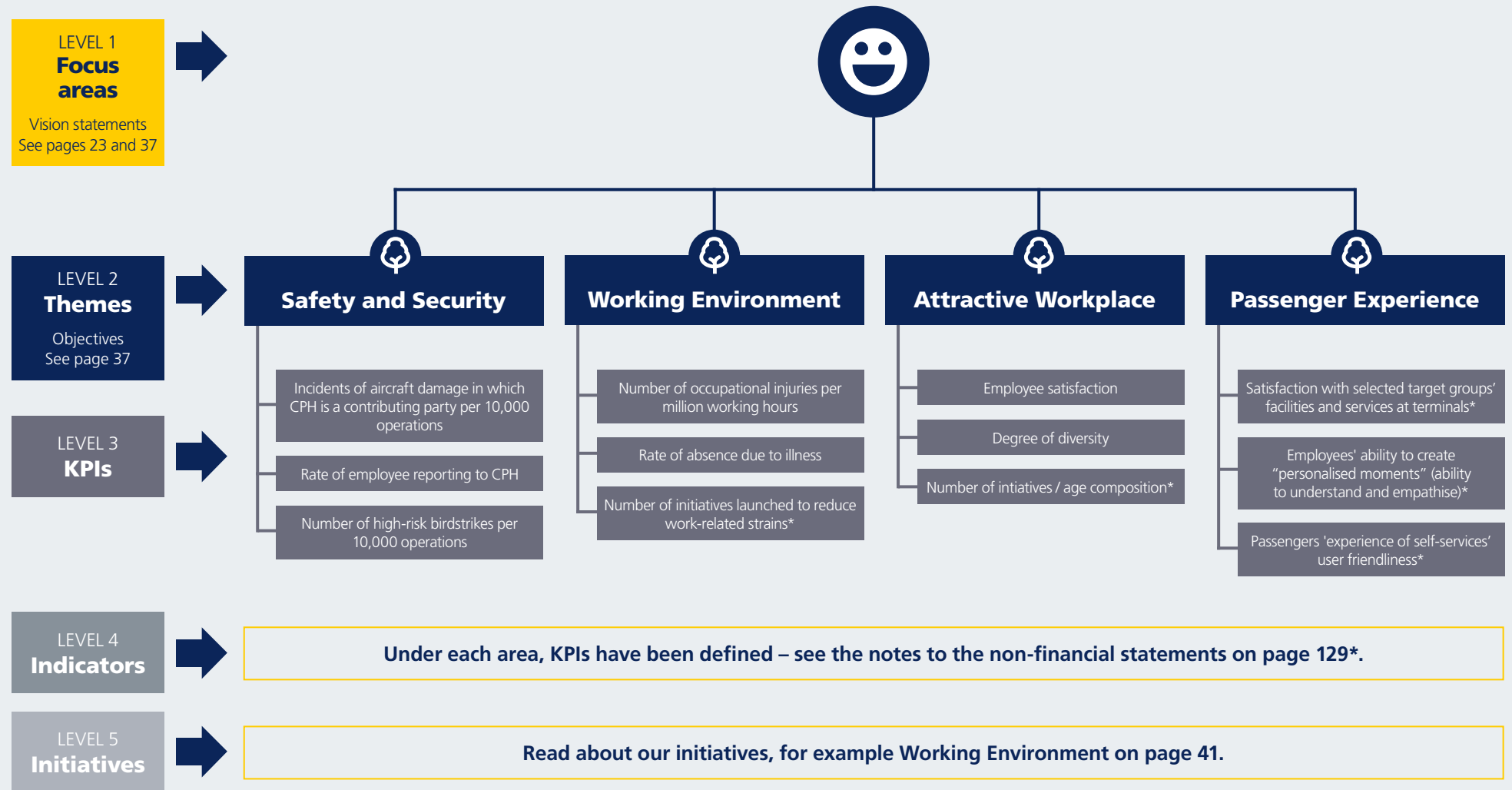
Read more about our targets for Passenger Experience in the KPI tree on page 45.



A family making its way through security.



KPI tree for People



*Not all areas were ready to be measured and reported on in 2017. For one thing, baseline analysis must be performed for several areas to obtain more data. Read more about the themes on the previous pages (Safety and Security on page 39, Working Environment on page 41, Attractive Workplace on page 42 and Passenger Experience on page 44).

People

BUSINESS ETHICS

At CPH, we see it as an important task to continue the work of expanding our responsibility. We purchase goods and services from more than 3,000 suppliers worth close to DKK 2 billion a year.

As one of Denmark's largest workplaces and a transport hub for millions of travellers, CPH has a responsibility to protect the environment and climate, as well as the people whom we impact, throughout our value chain. At all times, we want to take responsibility for ensuring to the best of our ability that our partners meet our standards.

Anti-corruption

If an employee is implicated in corruption or bribery, it can have serious consequences for both CPH and the employee in question. We have therefore put in place a number of safeguards to minimise the risk of corruption and bribery. CPH will not tolerate corruption or bribery.

CPH's "Guidelines for employees on ethical conduct" were introduced in 2013 with the

aim of supporting our employees in situations where dilemmas arise and ensuring that our interaction with the outside world and one another is based on sound ethical principles.

The guidelines summarise how CPH expects and requires employees to handle issues such as extortion, bribery and corruption, as well as describing CPH's expectations of employee conduct in relation to aircraft safety, health & safety, confidential information, IT security, external communications, environment and energy.

As it is vital for CPH that the trustworthiness of employees in their professional dealings with customers, suppliers and partners should be beyond question, CPH has also clarified its guidelines on gifts, entertaining and travel in a detailed policy.

CPH's exposure to bribery, breaches of ethical policy and other risks is monitored through internal control systems, and CPH's overall risk exposure is assessed to ensure that any weaknesses are identified and addressed as quickly as possible. In order to

improve the efficiency of our risk management, compliance and internal controls, CPH is organised in accordance with the "three lines of defence" model.

In order to ensure a clear allocation of responsibilities and roles in decision-making processes, CPH has implemented a number of policies of a general and binding nature. These policies ensure:

- transparent decision-making
- involvement of relevant departments
- greater collaboration between business areas
- taking of decisions at the right organisational level
- better risk management.

The policies concern projects, contracts, payments, rules and external communications. Among other things, CPH has clearly set out who is authorised to sign contracts on behalf of the Company and who should be involved beforehand. The policy relating to payments sets out, based on the four-eyes principle, who has the authority to approve payment transactions at particular levels.

CPH is keen to promote an open corporate culture in which everyone can express themselves freely, not least if they become aware of any irregularities or illegal practice. In 2012, we therefore launched a whistleblower scheme that enables employees and other CPH stakeholders to submit anonymous or non-anonymous reports about serious matters.

Hosted by an independent party, Human Time, the portal provides an anonymous, secure and user-friendly system. Further



People

information on the whistleblower scheme and our procedures for handling reports can be found in our whistleblower policy on the whistleblower portal, accessible via www.cph.dk.

In 2017, CPH continued the scheme and maintained the relevant procedures, and our ongoing controls did not give rise to any comments or changes.



A responsible business partner

In 2012, CPH set out specific requirements for suppliers in a Supplier Code of Conduct that, based on the principles of the UN Global Compact, requires our suppliers to comply with generally recognised ethical rules, combat corruption, work to ensure good health & safety and protect the environment. Since then, the Supplier Code of Conduct has been a fixed addendum to all standard contracts, and more than 95% of our suppliers have committed to it. CPH's Supplier Code of Conduct is publicly accessible at www.cph.dk.

In order to also promote responsible conduct by our business partners, in 2015 we incorporated the UN Global Compact's principles into the standard lease for concessionaires in the airport's shopping centre with effect from 2016. In 2017, more than 95% of all contracts included the Global Compact clause.

In 2017, we also began working with the UN's 17 Sustainable Development Goals (SDGs). Further information on our initial work with the SDGs can be found on page 16.

Respect for human rights

CPH supports and respects human rights and does not take part in any activity that violates such rights. Specifically, we are working to ensure respect for human rights in connection with passenger security checks and handling of personal data. Compliance with passengers' human rights is an integral part of the training of all CPH security officers working at the airport's central security checkpoint.

All newly appointed security officers undergo the mandatory training, including areas such as religion, ethnicity and cultural diversity.

Passenger body checks are always carried out by a security officer of the same gender.

//

Compliance with passenger human rights is an integral part of the training of all CPH's security officers working at the airport's central security checkpoint.

//

In relation to data collected in connection with surveillance of the Copenhagen Airport site, CPH has laid down explicit procedures for handling images. This means that only a limited number of employees have access to surveillance images, and there are restrictions on who can use the images and how long they can be stored. The site is regulated by the Danish CCTV Monitoring Act and the Danish Personal Data Act.

CPH receives personal data in connection with the issuing of ID cards to anyone working at the airport. This information is processed and stored in a separate system in accordance with the Danish Personal Data Act, thus ensuring full confidentiality. In 2017, CPH did not receive any complaints about the use or handling of personally sensitive information and data.

In 2017, CPH worked to ensure compliance with the new EU Personal Data Protection Regulation when it enters into force in May 2018.



PLANET

We have a responsibility to protect our climate and environment, and responsibility is an integral part of our business. We work purposefully and innovatively every day to develop sustainable solutions so that we can also contribute to creating a good environment for future generations.

Planet

CPH's work on energy and the environment ensures that Copenhagen Airport and Roskilde Airport are operated and developed in a responsible manner that enables continuous improvement in performance in these areas. This applies both to the global climate, with CPH working actively to cut CO₂ emissions, and the local environment in areas such as noise, air, waste, soil, water and nature.

CPH is subject to extensive regulation in the environmental field, and the starting point for our work is always compliance with all statutory and regulatory environmental, climate and energy requirements. While we are responsible first and foremost for activities under CPH's direct control, we also aim as far as possible to influence activities that are outside our direct control, such as those of business partners and customers.

We have defined strategic targets for four selected themes that also contribute to responsible growth: CO₂, Air Quality, Resources and Noise. The following provides a review of CPH's performance against its strategic targets, and other relevant environmental activities and results in 2017.



CO₂

Our long-term vision is to be carbon-neutral. As an airport in growth, it is our view that we have a special responsibility to reduce our CO₂ emissions. Reducing our climate impact is an important and integral part of our actions, so every day we are working on innovative solutions that will optimise our energy consumption.

CO₂

CPH's target for CO₂ is to emit no more than 1 kg CO₂ per passenger in 2020. In 2016, we achieved our 2020 target four years early. We managed to maintain this level in 2017, with emissions of 1.0 kg CO₂ per passenger. During the year, we also set an ambitious

new target of maximum emissions of 0.75 kg CO₂ per passenger in 2023. CPH's CO₂ target covers emissions that can be directly controlled by CPH (scopes 1 and 2 in the Greenhouse Gas Protocol). Approximately 93% of these emissions come from the consumption of energy (power, heat and

gas). CPH's work on energy optimisation and savings is consequently key to meeting its CO₂ target.

Read more about our targets for CO₂ in the KPI tree on page 58.



CPH employees at CPH's solar system, which annually produces approximately 120,000 kWh.



CPH receives Energy and Environmental Award 2017

In 2012, Copenhagen Airport set itself the goal of cutting energy consumption by 20% by 2020. By the end of 2015, the airport was already more than half way to achieving this target, with total savings of 12 GWh. The latest contribution is an investment of DKK 20 million in two new heat pumps for groundwater cooling with a total output of 2 MW, representing a saving of almost 9 GWh. This means we have achieved the ambitious target for 2020 – three years early. This was a factor in CPH receiving Energiforum Denmark's Energy and Environmental Award 2017.

Our new heat pumps have been installed in connection with our groundwater cooling system (ATES) and are helping to deliver more sustainable green cooling as well as supplying district heat to our internal heating system. See also the figure on page 52.

Increased use of second-quality water to cool server rooms

Second-quality water is water that is pumped up from a remediation drilling but is not suitable for drinking, i.e. water that is available anyway, and we are now using even more of it.

There are three large server rooms at CPH, familiarly known as machine rooms 1, 2 and 3. In 2015, we started using second-quality water to cool machine room 1 instead of conventional – and expensive – compressor cooling (which is still used as back-up).

In 2017, we took things further and started using second-quality water to cool machine room 3. This represents an annual saving of 450,000 kWh on cooling as well as increased security of supply.

New electric vehicle charging points at Copenhagen Airport

In 2017, CPH installed its first commercial electric vehicle charging points as a pilot project.

We have decided to establish our own charging infrastructure, as we own our own high-voltage network and can thus in the long term control consumption by vehicle charging points relative to overall consumption – in other words, make optimal use of the existing electricity infrastructure at all times.

Our joint responsibility

CO₂ emissions from business partner activities, such as aircraft traffic and passenger traffic to and from the airport, are addressed through CPH's certification under the Airport Carbon Accreditation (ACA) scheme, which was renewed at level 3, optimisation in 2017. Our target is to maintain this certification as a minimum at level 3 until 2023.

ACA requires an annual carbon footprint report for scopes 1, 2 and 3, a target for CO₂ reduction and ongoing dialogue with stakeholders in all three scopes.



Planet

The renewal of CPH's accreditation means that CPH met its target for 2017. See more about ACA in the figure below. Where CO₂ emissions over which CPH has no direct control are concerned, our work with airlines and handling companies is crucial. CPH's involvement in the Nordic Initiative for Sustainable Aviation (NISA) is also important. CPH is a co-founder of NISA and plays an active role in the initiative, which is working towards the introduction of sustainable jet fuel in the Nordic market on commercial terms. In October 2017, CPH hosted the conference "Nordic Leadership in Aviation Emissions Reduction".

//

CPH is a co-founder of NISA and plays an active role in the initiative, which is working towards the introduction of sustainable jet fuel in the Nordic market on commercial terms.

//

+ MAPPING
Footprint measurement

+ REDUCTION
Carbon management towards a reduced carbon footprint

+ OPTIMISATION
Third-party engagement in carbon footprint reduction

+ NEUTRALITY
Carbon neutrality for direct emissions by offsetting





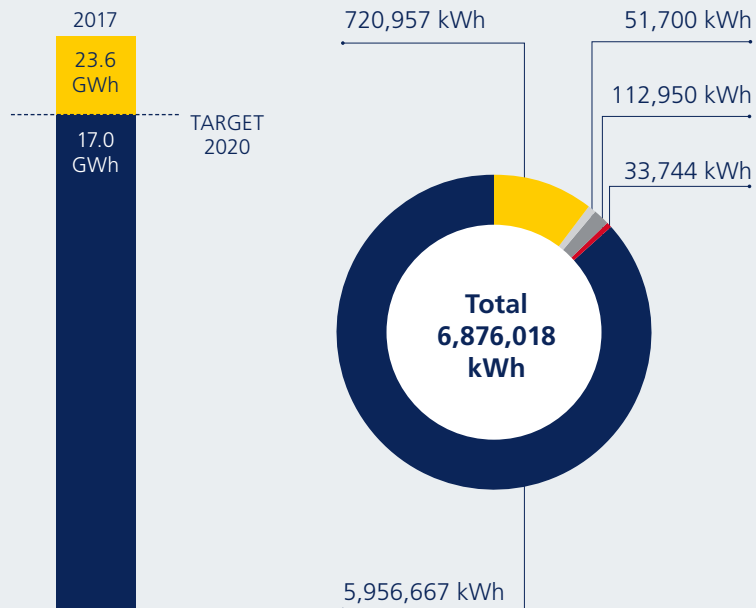
Planet

In 2017, we made energy savings of 6.88 GWh, thus reaching our 2020 target three years early.

Since 2013, we have made total energy savings of 23.6 GWh, compared with a target of 17.0 GWh.

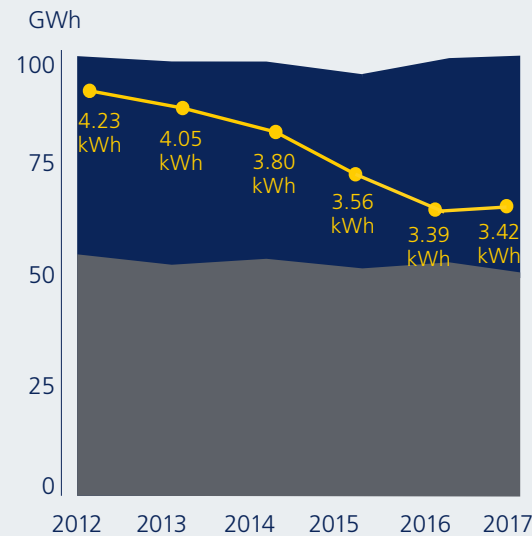
TOTAL ENERGY SAVINGS IN 2017: 6,876,018 KWH

- Heat pumps
- General lighting
- Cooling (incl. ATES)
- Outdoor lighting
- Miscellaneous



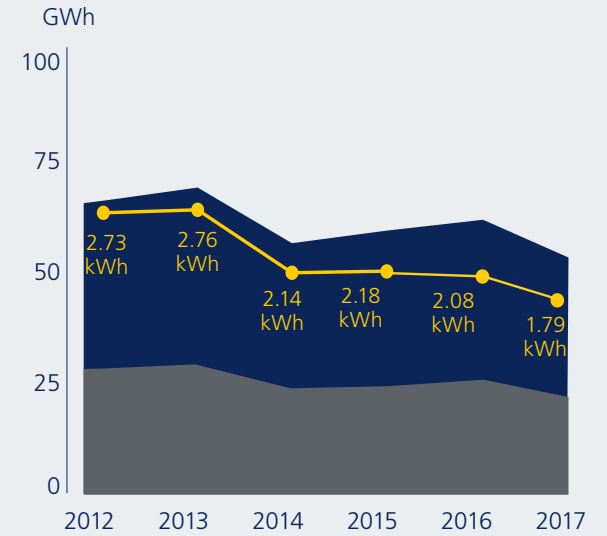
POWER CONSUMPTION AT COPENHAGEN AIRPORT 2012-2017

- Total power consumption at CPH Airport
- Power consumption, CPH share
- Power consumption per passenger



HEATING CONSUMPTION AT COPENHAGEN AIRPORT 2012-2017

- Total heating consumption at CPH Airport
- Heating consumption, CPH share
- Heating consumption per passenger





Planet

CO₂

Air Quality



Resources



Noise



AIR QUALITY

It is important for us that air quality is as good as possible, both now and in the future. We are continuously working on new, smart solutions to minimise consumption of fossil fuels at the airport.

AIR QUALITY

Through its air quality programme, CPH has for many years taken responsibility for contributing actively to improved air quality at the airport and for the people who work on the airport site. Key to this work are our efforts to reduce the level of ultrafine particles. In the period 2011-2016, these efforts resulted in a reduction of more than 50% in

the central part of the airport's apron, and measurements for 2017 show that this has been maintained. These good results have been achieved by constantly seeking new and innovative solutions to reduce the use of fossil fuels, which are usually the direct cause of ultrafine particles.

One contributory factor are the restrictions on the airlines' use of APUs – small jet engines that serve as generators when the aircraft is on the ground – and main engines respectively. These must be switched off as soon as the aircraft reaches the gate.

In addition, airlines are generally encouraged to save fuel, among other things by only using one engine when taxiing. We also maintain a sharp focus on the vehicles used for various support tasks at the airport.

CPH's air quality programme involves collaboration with all business partners using vehicles on the airport site and focuses on switching to more environmentally friendly alternatives, particularly in the case of diesel vehicles. For CPH, this means considering, each time a vehicle is replaced, whether a

more environmentally friendly alternative to diesel – e.g. a gas-powered or electric vehicle – is feasible.

Denmark's National Research Centre for the Working Environment has initiated a new research project, to which CPH has made an active contribution by facilitating collection of ultrafine particles from aircraft so that their chemical composition can be analysed and compared to particles from diesel engines.

This study will help to generate greater understanding of air pollution and the impact of ultrafine particles on the environment and people. CPH's ground-breaking work on air quality has attracted attention in the industry.

Read more about our air quality programme at www.cph.dk/air-quality.

Read more about our targets for Air Quality in the KPI tree on page 58.





Planet



RESOURCES

We want to develop our airport responsibly with respect for the planet's limited resources. We are working to implement the circular mindset in our day-to-day operations and ongoing expansion of the airport in order to create the best sustainable solutions for the future.

RESOURCES

CPH handles a large volume of waste every year and, given the Company's growth strategy, it is important to ensure that as much as possible is recycled. CPH has therefore set a target for 2020 that at least 50% of waste from the day-to-day operation of terminal areas, service areas and administration at

Copenhagen Airport should be recycled. In 2017, 28% of waste from day-to-day operations was recycled, which is 3 percentage points above the 2016 level. The total waste volume was 4,887 tonnes, 2% more than in 2016. In the same period, the number of passengers grew by 0.5%.

In 2016, we implemented a new logistics and waste concept for the airport's shopping centre, making it easier for concessionaires to sort waste and dispose of it as close to the stores as possible. Restaurants and cafés can also now separate biowaste, which is subsequently used to produce biogas.

This concept is already working well in the shopping centre airside, and we are working to make a similar solution available for our landside concessionaires. In the long term, this will mean that all biowaste from the entire terminal area is separated and used to produce biogas. In 2017, a total of 646 tonnes of biowaste was collected under this scheme. We continue to develop and expand the waste concept, including to cover the new shops and restaurants that we plan to open in 2018 in connection with the expansion of Terminal 2 airside.

Total water consumption increased by 2.4% in 2017, while total water losses increased by 3% compared to 2016. The large losses were due to increased building activity related to construction projects, as this consumption has not been measured. In 2018, an initiative will be carried out to improve recording of building-related consumption. CPH's own consumption was 1% lower in 2017 than in 2016.

Read more about our targets for Resources in the KPI tree on page 58.



CPH handles a large volume of waste every year and, given the company's growth strategy, it is important to ensure that as much as possible is recycled.



NOISE

We want to develop the airport while at the same time handling noise responsibly. We cannot do this on our own, so we are working to strengthen the dialogue and engagement with our neighbours and operators on future sustainable solutions.

NOISE

Noise from aviation activities is monitored 24 hours a day, 365 days a year, at 12 measuring stations, six of which are located in residential areas around the airport and six on the airport site itself. In addition, noise levels are checked using a number of different calculation methods, including the TDENL method (Total Day-Evening-Night



Planet

Level), which expresses the development in noise impact for air traffic in a single figure.

TDENL for 2017 has been calculated at 144.9 dB, which is comfortably within the noise limit stipulated in the airport's environmental permit for aircraft noise. For comparison, the figure for 2016 was 145.1 dB. There are



One of CPH's six noise-measuring stations located in residential areas around the airport.

several factors in the reduction in noise impact, including a decrease in the number of operations in 2017. In addition, the number of take-offs at night has fallen, which makes a big difference, as night flights have a relatively high weighting when calculating noise impact.

Historically low level of registered noise events

Despite an increase in the number of passengers in recent years, in 2017 CPH recorded its lowest number of noise events above 80 dB(A) at night (11 pm – 6 am) in the residential areas since such measurements began. This can be attributed to the phasing out of older aircraft types such as the MD80 in favour of new types, the decrease of take-offs in the night period, as well as the preventive work undertaken by the Advance Approval Committee for Night Traffic.

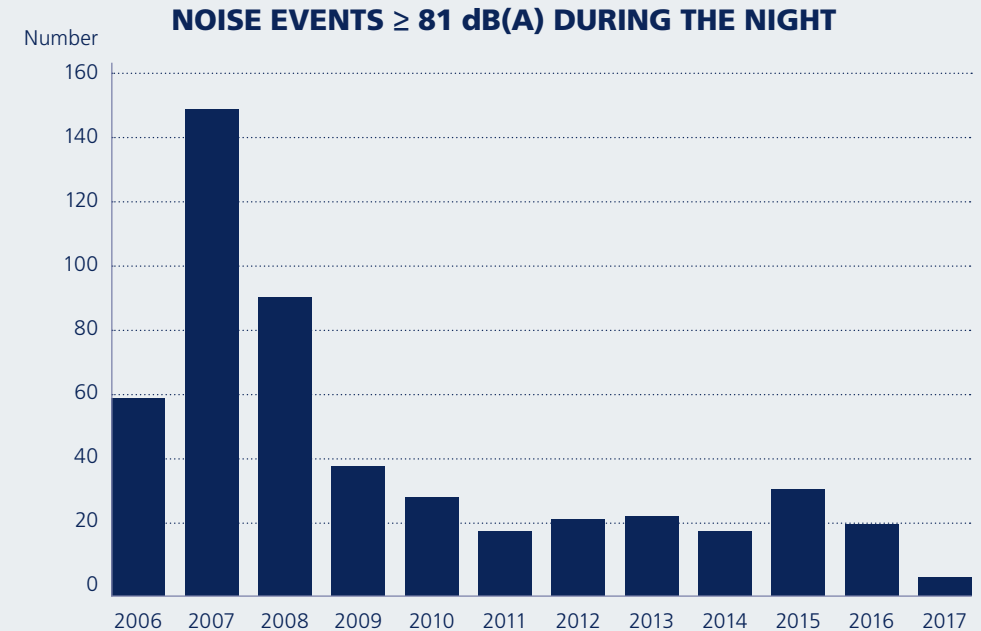
Read more about our targets for Noise in the KPI tree on page 58.

Managing historical pollution

CPH aims to operate and develop its airports with respect for both the global and local

environment. We have a sharp focus on soil contamination in the airport area and always inspect for possible pollution when carrying out construction projects. In 2017, we maintained our focus on managing pollution as a result of previous use of fire-extinguishing foam containing now-banned perfluorocarbons (PFCs). CPH's aim when working with

these types of contamination is to handle them in a way that prevents the substance spreading to drinking water resources. We always manage such cases in accordance with environmental legislation, and in close dialogue with the environmental authorities and other stakeholders.



Planet

An environmentally friendly approach to weeds

In 2016, CPH decided to phase out its use of glyphosate-based herbicides, based on both environmental and health & safety considerations.

In 2017, we continued working to find effective alternative solutions for tackling weeds and have now invested in Heatweed. This tackles weeds using nothing but hot water at 98°C, which kills the weeds. As in 2016, use of glyphosate-based herbicides was 0 L in 2017.



CPH's employees are looking forward to benefiting from the new investment. Henrik Boye Mortensen (left), Team Leader, Field Services: "Heatweed is good for both the environment and employees, which makes it an all-round powerful tool."

The investment in Heatweed demonstrates that CPH is a responsible airport that is working in a focused and innovative way to develop an even more environmentally friendly airport and a good working environment.



In 2017, we continued working to find effective alternative solutions for tackling weeds.



Taking nature into consideration in new local plans

The site where the Airport Business Park is to be developed is home to a large colony of European green toads, which are a protected species. Accordingly, the toads' living conditions have been taken into consideration in the local plan and thus in development of the site.



It is this little toad that has played a relatively large part in the local plan.



The stone wall is an example of how regard for the toads has been integrated into the area. The wall was built around P19, to provide a valuable refuge for the toads while simultaneously enhancing the look of the car park. P19 was completed and taken into use in the spring of 2017.



Runway usage in 2017

The pattern of runway usage in 2017 did not differ from the previous year.

✈ TAKE-OFF / LANDING ✈

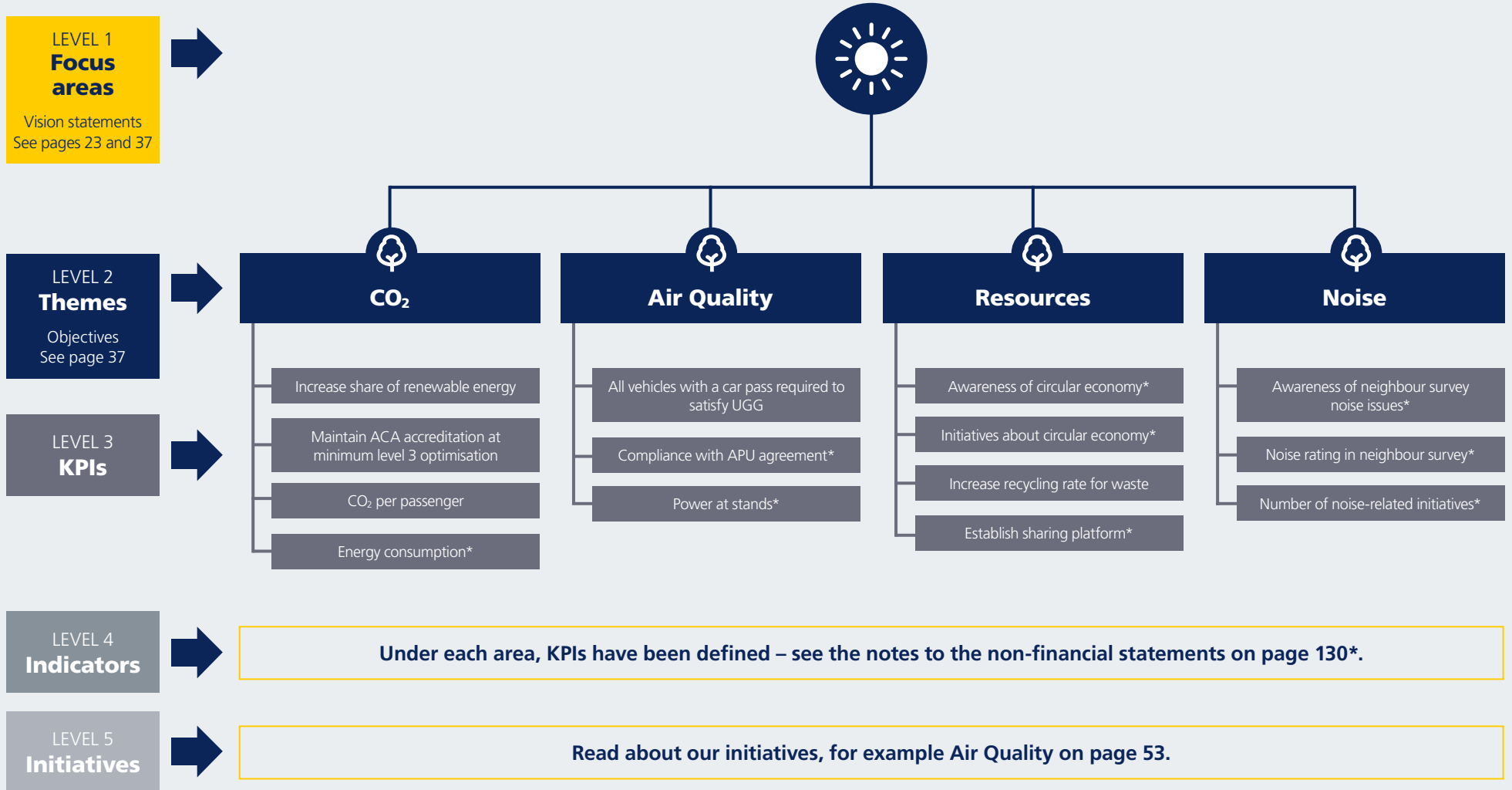
Runway 04L		Runway 22R	
✈	0.0% (0.3%*)	✈	68.0% (60.4%*)
✈	26.6% (33.1%*)	✈	0.3% (0.7%*)
Runway 04R		Runway 22L	
✈	27.7% (35.3%*)	✈	4.1% (3.5%*)
✈	1.4% (2.3%*)	✈	67.5% (60.5%*)
Runway 12		Runway 30	
✈	0.0% (0.4%*)	✈	0.2% (0.1%*)
✈	0.1% (0.8%*)	✈	3.9% (2.6%*)

RUNWAY USAGE 2017



* Runway usage 2016.

KPI tree for Planet



*Not all areas were ready to be measured and reported on in 2017. For one thing, baseline analysis must be performed for several areas to obtain more data. Read more about the themes on the previous pages (CO₂ on page 49, Air Quality on page 53, Resources on page 54 and Noise on page 54).

Position



POSITION

It is important for us to create value and growth for society, so we are investing responsibly and long term in international and national connectivity. We want to help strengthen the cohesion and development of local communities. We cannot do this on our own, but we are happy to take the lead in order to create shared benefits.

Position

Position is not just about business and position in the market.

It is also very much about listening and, together with the world around us, creating new connections and long-term opportunities and solutions.

In the future, we will be working with three themes in particular:

- **International Connectivity**
- **Cohesion**
- **Local Community Development**



INTERNATIONAL CONNECTIVITY

A key aspect of CPH's work is creating international connectivity, which is closely linked with Denmark's growth and level of globalisation. International Connectivity is about routes and joy of travel for millions of travellers every year. It is about improving

conditions for Denmark's business community, labour market and tourist industry. And it is about making Denmark attractive to international companies when they are considering where to locate their activities. We very much agree with the government's National Aviation Strategy to continue to increase our connectivity to the world around us. Because this international connectivity affects Denmark's level of globalisation and is therefore a key parameter for Denmark's business sector, job market and ability to attract tourists.

CPH is continuing to work with the airlines to expand international connectivity in order to create even more growth opportunities.

It is not just about transporting people and goods, but also about creating opportunities for ideas to come closer to fruition, for example enabling a location in Jutland and a province in India to realise new partnerships and potentials.

Denmark and India regain an air link

In September, CPH acquired a Delhi route courtesy of Air India. CPH is delighted with the route, which restores the air link between Denmark and India – a historic breakthrough after an interruption of eight and a half years. The route, operated by the state-owned Indian airline, came about as a result of a close collaboration between



Air India Boeing 787-8 Dreamliner on first touchdown at Copenhagen Airport.

Position

the authorities in Denmark and India. The number of Indians travelling abroad has doubled in just a few years. This route has brought access to a huge market, which will benefit the whole of Denmark and southern Sweden. And it is about more than just Indian tourists visiting Denmark. Given the extensive relations between Danish and Indian business, it is anticipated that many Danish business travellers will also use the route. Danish trade with India is currently worth DKK 10 billion per annum, and this sum is expected to increase in the future. With a population of 1.3 billion people and annual economic growth of 7%, the Indian market remains highly attractive.

We look forward to continuing our work with the airlines to increase international connectivity in 2018. Read more about our targets for International Connectivity in the KPI tree on page 64.

Connectivity is also about cohesion; it has to be easy to get from A to B in Denmark. Read more about this in the next section, where we describe how we are continuing to connect Denmark domestically.



COHESION

CPH is keen to play an active role in creating value for society by strengthening domestic traffic, as this is an important precondition for connecting up Denmark and ensuring that the whole country benefits from the

international connectivity offered by Copenhagen Airport.

Domestic traffic is especially important for Denmark because it ensures a high level of national and international connectivity for companies, educational establishments and citizens throughout the country. At the same time, efficient domestic traffic helps secure the passenger base for more routes and services from Copenhagen Airport out into the world.

Domestic traffic can be strengthened through, among other things, good interaction with the regional airports and the airlines, and through the parties offering strong products, smart solutions and effective communication to travellers about the possibilities of flying domestically in Denmark.

Among other things, we therefore strive to ensure that, whenever possible, domestic aircraft are always parked at the same



Position

prioritised stands to give commuters and other domestic passengers a high degree of predictability ahead of their departures.

Similarly, we want to assure domestic passengers with short flight times a fast passage through the central security checkpoint, so we are delighted that they have responded so well to our so-called domestic lanes.

Essentially, we want to make it more attractive for travellers to fly domestically, and in so doing contribute to an increase in domestic passengers in the future.

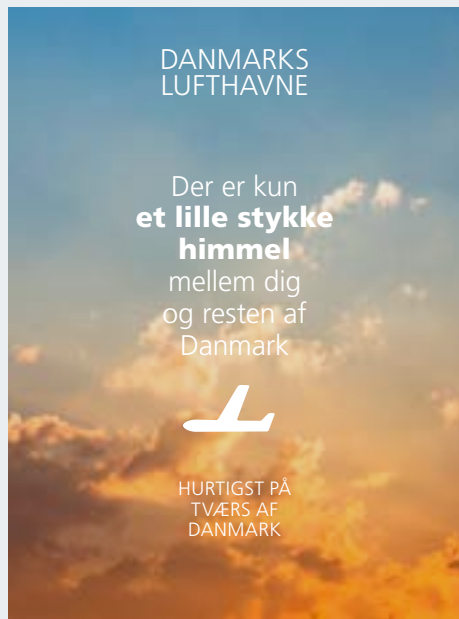
The number of domestic passengers has fallen since 2010, but we believe there is potential to reverse the trend to the benefit of growth and employment throughout Den-

mark. In 2017, CPH therefore worked actively to strengthen its strategic collaboration with the regional Danish airports, politicians and the business community across the country. One example of this is a joint marketing campaign for domestic routes in Denmark that we started in 2017 and that will also run during 2018.

This initiative was the outcome of excellent and important dialogue with our regional business partners and a domestic conference hosted by the Danish Parliament, which was very supportive of our aspiration. Moving forward with strong products and smart solutions, we want to continue providing good travel experiences and helping to strengthen growth and cohesion in Denmark.

For us, investing responsibly and long term is an instinctive part of the way we think and act.

Read more about our targets for Cohesion in the KPI tree on page 64.



Examples from CPH's domestic campaign: your best friend in Denmark is just a short flight away.



Ann Hartl, Lecturer on the Leisure Management programme, University College Absalon, and chair, Bornholm Passengers Association

As chair of the Bornholm Passengers Association and as a commuter in a work context, a well-functioning airport and regular responsive contact with the management at Copenhagen Airport are important to me. In the Passengers Association, we're pleased with the trustful dialogue that we've built up, which allows us to come up with good solutions to the challenges faced by Bornholm's air passengers. Good flight connections and a problem-free passage through the airport in Kastrup are crucial for the Bornholm community.

Position

International
Connectivity

Cohesion

Local Community
Development

LOCAL COMMUNITY DEVELOPMENT

We want to be a dynamic and inclusive company that, backed by local policy, aims to create long-term solutions. We contribute to valuable development and growth in the local region – for the benefit of the local economy and our neighbours and with respect for people and the environment.

LOCAL COMMUNITY DEVELOPMENT

CPH seeks to engage in energetic dialogue. We aim to meet with people where they are, to be open and to listen so that CPH is transformed into a familiar local destination

that local people can visit even if they are not travelling. This is our ambition with CPH's enhanced effort around the theme of Local Community Development.

CPH is becoming more visible locally, we are inviting people to open-door events, and we are working to accommodate the main local media and, generally speaking, to make local people feel well-informed, especially as we prepare to welcome 40 million passengers a year.

In 2017, we began our efforts to strengthen dialogue with local citizens by inviting our neighbours to the airport and meeting them in the local area. We also launched our neighbour site, where the dialogue can continue.

We prioritise close ties with the local community, and will continue to do so, in order to sustain and strengthen the exchange of mutually beneficial solutions and dialogue. It is important not only for our neighbours but also for CPH's future.

The new local plans adopted by Tårnby municipality in 2017 are an example of how,

with the backing of local policy, we can create long-term solutions and new opportunities. The plans for the Airport Business Park support our aim to contribute valuable development and growth in the local area.

The relationship with the local area goes back to 1925, and maintaining dialogue with our neighbours remains important.

Read more about our targets for Local Community Development in the KPI tree on page 64.

//

The relationship with the local area goes back to 1925, and maintaining dialogue with our neighbours remains important.

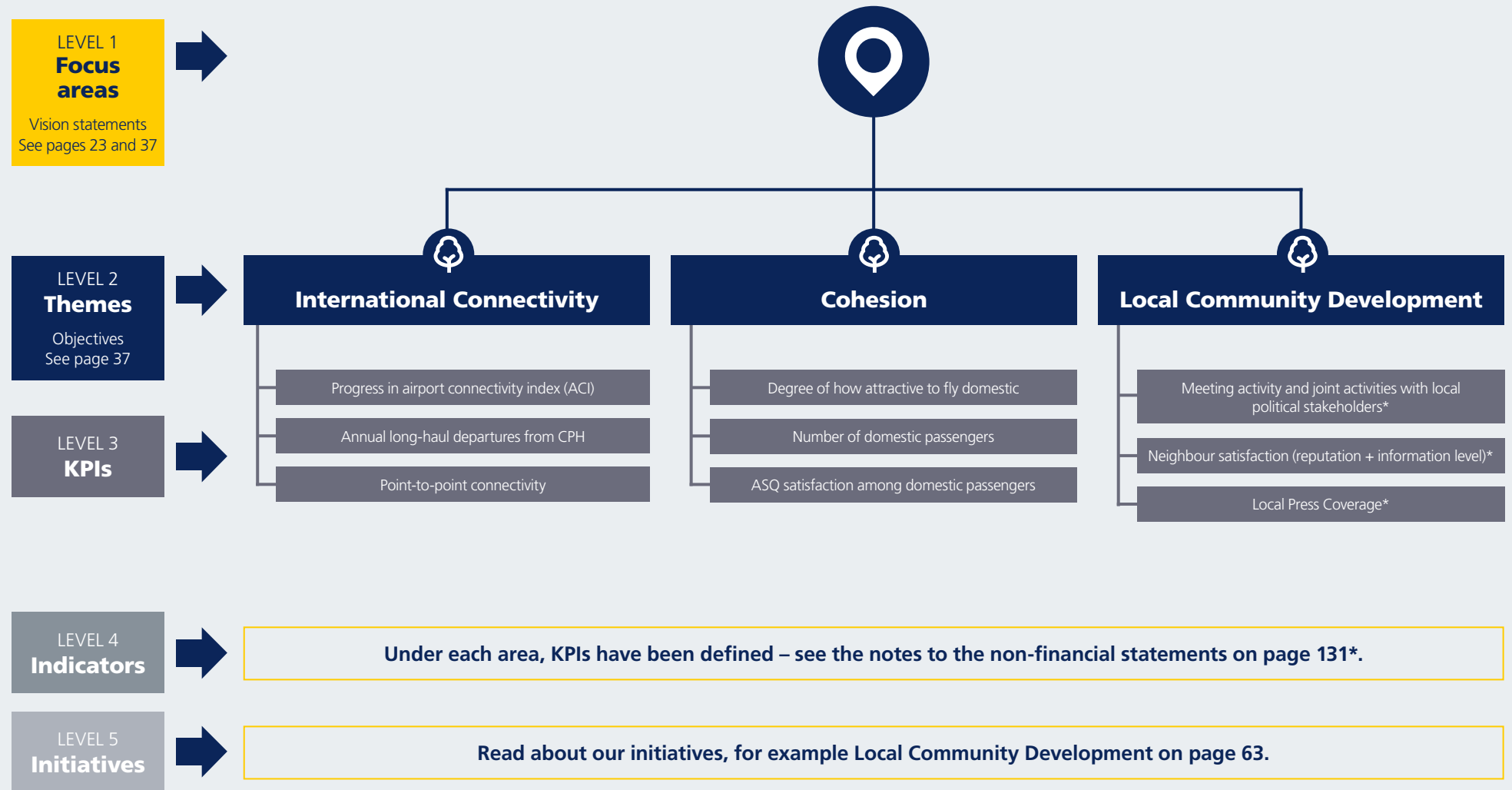
//

*Dialogue with
citizens at the
Amager Center.*





KPI tree for Position



*Not all areas were ready to be measured and reported on in 2017. For one thing, baseline analysis must be performed for several areas to obtain more data. Read more about the themes on the previous pages (International Connectivity on page 60, Cohesion on page 61 and Local Community Development on page 63).

Roskilde Airport

Roskilde Airport

Roskilde Airport opened on 1 April 1973. The intention was that it would handle small and medium-sized aircraft operations as part of Denmark's domestic service. Instead, Roskilde became a base for private aircraft, taxi flights and flying schools.

Up to 1990, the airport was owned by the government and run by Copenhagen Airport Service, a body within the Danish Ministry of Transport.

In October 1990, Copenhagen Airports A/S took over the running of both Roskilde Airport and Copenhagen Airport, Kastrup.

Roskilde Executive Handling has been named number one in Scandinavia and for the third year in a row Roskilde Airport was the recipient of the HSSE Gold Award (Health, Safety, Security and Environment) from Shell Aviation/Dansk Fuels for its focus on handling jet fuel.

In 2017, a private investor began building a large hangar to handle the largest business jets on the market. The hangar is expected to be finished at the start of the second quarter of 2018.

The aircraft and engine maintenance company DAO has begun establishing an engine test cell, scheduled to be ready in mid-2018. It will then be possible to perform engine run-ups with some of the noisiest turboprop engines indoors instead of in the open field at the airport. This will help confine noise pollution.

In autumn 2017, Roskilde Airport held a major exercise in conjunction with Central and West Zealand Police and Roskilde Fire Service to practise elements of the emergency response plan.

The popular Roskilde Airshow was held again in 2017. The show demonstrates and provides information on the various training opportunities at Roskilde Airport within civilian and military aviation.

Read more about Roskilde Airport on page 32 and in the notes on page 153.











Roskilde Airport

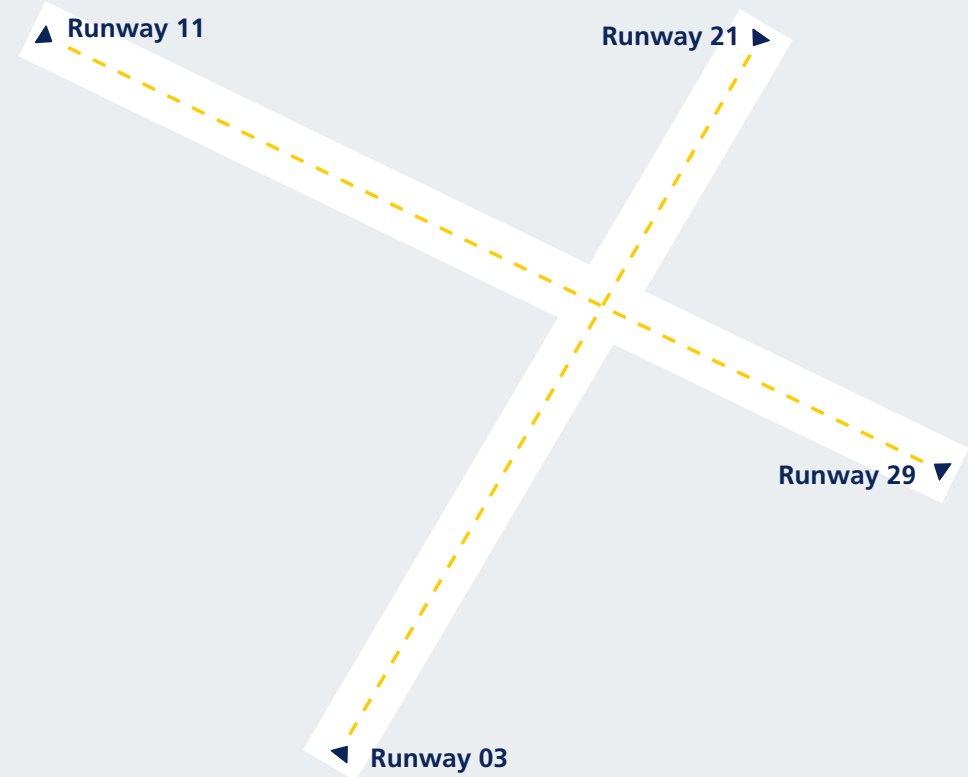
Runway usage in 2017

The pattern of runway usage in 2017 was influenced by a prevailing south-westerly wind direction through the year and major resurfacing of the western part of Runway 11-29, which was closed to traffic for four weeks (weeks 36-39), leaving only Runway 03-21 operational during that period. It is estimated that this resulted in approx. 5,000 operations being moved from Runway 11/29 to Runway 03/21 due to this. Overall, Runway 21 was the most used runway for departures and arrivals in 2017, and almost half of all departures took off from Runway 21, a higher proportion than in previous years.

 TAKE-OFF / LANDING 

Runway 11		Runway 29	
	17.3% (29.5%*)		32.0% (24.3%*)
	19.6% (31.9%*)		32.1% (24.5%*)
Runway 03		Runway 21	
	5.5% (7.6%*)		45.3% (38.6%*)
	5.5% (7.6%*)		42.8% (36.0%*)

RUNWAY USAGE 2017



* Runway usage 2016.

Taxation

With nearly 2,600 employees, CPH is an important contributor of taxes to the Danish State. This applies both to taxes expensed by CPH and taxes collected (in transit) by CPH. Once profit, plant, people, product and property taxes are all included, CPH's total tax contribution amounted to DKK 1,338 million in 2017. In 2016, CPH and its holding company KAP were among the top 25 contributors of corporation tax in Denmark.

Group structure, ownership, tax strategy

CPH and its subsidiaries operate two airports and own a hotel, all in Denmark, and as such are primarily subject to Danish taxes. Copenhagen Airports Denmark ApS (CAD) holds 57.7% of the shares in CPH. CAD is indirectly controlled by Kastrup Airports Parent ApS (KAP), which is the ultimate Danish holding company. CPH is jointly taxed with KAP. KAP, as the administrative company in the joint taxation scheme, is responsible for the filing of corporation tax returns and related com-

munication with the Danish tax authorities regarding corporation tax. In this context, CPH reports to KAP. CPH's corporation tax policy applies solely to Copenhagen Airports A/S and its subsidiaries, not to the holding companies.

Tax compliance

CPH has adopted a clear compliance approach aiming for both corporation tax and other taxes to be reported and paid on a timely basis and according to Danish law. This also applies to taxes collected (in transit).

Total tax contribution

In 2017, CPH contributed DKK 1,338 million in taxes (2016: DKK 1,273 million), of which DKK 387 million was borne by CPH (2016: DKK 341 million) and DKK 951 million (2016: DKK 932 million) was collected in the form of VAT, payroll taxes, environmental taxes, etc. The bulk of the taxes expensed by CPH were profit taxes¹. In 2017, corporation tax accounted for 91% of the total expensed by CPH (2016: 90%). Other taxes expensed by CPH consisted of planet taxes², people taxes³, product taxes⁴ and property

taxes. People (payroll) taxes are paid mainly by CPH's employees. Public airports in Denmark are generally exempt from property taxes.

Corporation tax

The corporation tax rate in Denmark is 22%. CPH's effective tax rate in 2017 was 21.4% (2016: 22.3%) due to the transfer and utilisation of past losses on financial instruments

subject to interest limitation. CPH optimises tax depreciation of non-current assets, thus reducing corporation tax but increasing deferred tax liabilities. Around half of corporation tax is paid during the year, while the balance is paid in the following year. CPH pays interest on the balance. See note 2.5 to the financial statements for further information.



¹ Current corporation tax.

² Environmental/energy taxes expensed by CPH or collected from tenants.

³ Payroll taxes withheld from wages or paid by employer.

⁴ VAT not reclaimed and VAT paid by customers.



Taxation

DKK million	2017				2016				2015			
	Expensed by CPH	Collected in transit	Total	In %	Expensed by CPH	Collected in transit	Total	In %	Expensed by CPH	Collected in transit	Total	In %
Tax contribution												
Profit ¹	351	-	351	26%	306	-	306	24%	281	-	281	24%
Planet ²	4	48	52	4%	3	46	49	4%	1	43	44	4%
People ³	20	461	481	36%	19	442	461	36%	19	408	427	36%
Product/services ⁴	1	436	437	33%	1	450	451	35%	1	418	419	35%
Property ⁵	11	6	17	1%	12	(6)	6	1%	22	(6)	16	1%
Total	387	951	1,338	100%	341	932	1,273	100%	324	863	1,187	100%
In %	29%	71%	100%		27%	73%	100%		27%	73%	100%	

¹ Current corporation tax.

² Environmental/energy taxes expensed by CPH or collected from tenants.

³ Payroll taxes withheld from wages or paid by employer.

⁴ VAT not reclaimed and VAT paid by customers.

⁵ Real estate taxes.



RISKS

Risk management and risks 70

Risk management and risks

Protecting long-term value creation for the benefit of travellers, employees and the world around us.

2017 was a year when regulatory risks dominated CPH's risk picture, with the new regulation introduced after the publication of the National Aviation Strategy and the new EU border control regulation – both having material financial and operational consequences for CPH.

CPH is exposed to a wide range of generic and specific risks – and opportunities. Adopting a holistic approach to risk management is therefore an important management tool for CPH. In recent years, we have worked to develop our Enterprise Risk Management (ERM) framework, and we now have a risk management setup that we are proud of and that is considered best practice by international sparring partners.

Financial risks

CPH's financial risks are managed by its Finance department. The principles and framework for financial risk management are approved at least once a year by the Board of Directors. For further information

on how financial risks are managed, please see note 4.3 to the financial statements on page 116.

MAIN RISKS

The following sections describe the main types of risk that we assess to be particularly material in relation to our core business and that may potentially have an impact on our overall goal of increasing annual passenger numbers to 40 million.

- Regulation
- CPH's hub status
- Safety and Security
- Capacity
- Airport charges
- Reputation
- IT security breaches
- Environment and climate

Read more about the environment in the Planet section on pages 48-58.

PROBABILITY MANAGEMENT

Prevention & optimisation

IMPACT MANAGEMENT

Exploitation & recovery



PREVENTIVE MEASURES




- Rules
- Policies
- Procedures

REACTIVE MEASURES

- Emergency response plans
- Business continuity plans
- Contingency plans
- Crisis management
- Communication
- Insurance

The "bowtie" model used at CPH.

Risk management and risks

	 DESCRIPTION	 IMPACT	 MITIGATION
Regulation	CPH is subject to extensive regulation at both national and EU level.	New and changed rules can have a material impact on CPH's finances and day-to-day operations.	CPH monitors the relevant authorities to keep abreast of new legislation and changes to existing legislation. Where appropriate, CPH provides consultation responses and participates in relevant trade organisations. CPH conducts ongoing dialogue with relevant stakeholders, including both national and EU authorities.
CPH's hub status	Thanks to its hub status, CPH currently has a route network that far exceeds what the catchment area supports. CPH works actively to expand international connectivity.	Should feeder traffic and/or overseas routes fall away, this could have a negative impact on CPH's hub status and thus on the route network for a period, putting CPH at risk of temporary surplus capacity.	CPH is in continuous dialogue with the airlines that underpin CPH's hub status, and monitors their plans, performance and risks in relation to route development for CPH, with the focus on maintaining and developing the airport's hub status.
Safety and security	Safety comes first at a workplace such as CPH. Employee and passenger safety is therefore at the heart of our risk management and, in line with our risk appetite, has the highest priority and focus in day-to-day activities. Our ambition is to continue to be one of the best airports at managing flight safety.	Accidents or violations of rules can have very serious consequences at a workplace such as CPH, where approximately 21,000 people go to work and more than 80,000 travellers pass through every day. As an airport, we keep a focus on delivering precise, punctual and reliable operations without breaking any rules, while keeping the needs of employees and passengers in focus.	CPH spares no effort in monitoring, preventing and responding to safety and security incidents, and in this regard has developed specific emergency response plans to allow it to react at short notice to potential incidents. Every month, CPH follows up, measures and reports on incidents based on the relevant KPIs; read more in the notes on page 136. CPH is also subject to a whole raft of regulatory requirements concerning both safety and security, and its compliance is monitored and checked by the Danish Transport, Construction and Housing Authority on an ongoing basis.
Capacity	CPH plans to grow to 40 million passengers a year. Such an ambitious growth strategy requires investments in increased capacity.	The most critical capacity process areas are security, baggage handling and passport control, as they are vital if passengers are to make their departures. These areas are therefore considered to have a major impact on our daily operations and reputation.	Planning and execution of the expansion projects at Copenhagen Airport seek to balance expected developments in airline customers and passenger numbers with agreed service levels, while ensuring operational flexibility and efficiency. The capacity investment initiatives aim to accommodate future demand from both airline customers and passengers.

Risk management and risks

	 DESCRIPTION	 IMPACT	 MITIGATION
Airport charges	The level of airport charges, which is agreed in a regulated process, has a direct bearing on CPH's competitiveness and ability to continue to invest in growth.	In 2017, the Danish Transport, Construction and Housing Authority adopted new regulations in this area, which will form the basis for the round of negotiations planned to start early in 2018. The final consequences and economic impact of the regulations and the coming airport charge negotiations will not be known until later in 2018.	CPH strives to predict and understand how the regulations impact on the airport charges negotiations, always keeping an eye on its ability to fund future investments.
Reputation	It is very important for CPH's licence to operate that it is – and is perceived as – a responsible company that creates cohesion and focuses on ethics and compliance, while also creating value and growth for society and ultimately its shareholders. CPH therefore gives a commitment to its passengers, employees, business partners, stakeholders, owners and society at large that it will live up to its corporate responsibility.	As a transport hub for millions of travellers and hundreds of companies, we perform a social task of major local, regional and national importance. The ongoing relationship and dialogue with our stakeholders and their perception of us are key to CPH's licence to operate and licence to grow. As an airport, we also have an impact on our surroundings, and it is important that we achieve the goals we set as a company in a responsible manner.	At CPH, we are aware of the responsibility that comes with operating and developing Copenhagen Airports, and we want to combine this with the goal of maintaining and strengthening our position as the preferred Northern European hub. Thus, CPH is aware of the importance of having a good reputation and how this links with being a responsible company. In its risk management, CPH therefore seeks to ensure that its reputation is not damaged but instead continuously enhanced with stakeholders. By way of example, in 2017 we updated our CR strategy (read more on page 35). The integration of CR in our business strategy and day-to-day activities shows that we are taking our CR commitment seriously.
IT security breaches	One of CPH's strategic focus areas is digitalisation and Copenhagen Airport as a digital airport. This includes being innovative and using the digitalisation wave as a lever for growth, so there is a sharp focus on ensuring that CPH's IT strategy supports this. Read about some examples of our work on digitalisation on page 43.	CPH is highly dependent on well-functioning and reliable IT systems, which allow CPH to run the airport efficiently and keep passengers safe. Cybercrime is a concrete threat, as hackers can cause disruption that extends far beyond the actual incident.	CPH has a natural focus on protecting its IT systems from hacking, internet crime and viruses. With this in mind, we have adopted an IT security strategy to reduce the risk of IT systems being compromised and harmed.
Environment and climate	CPH takes its environmental responsibility seriously, and is working long term and systematically to minimise its environmental impact and to ensure environmental responsibility in both operating and sustainably developing the airport.	Airport operations can impact the environment in many different ways, e.g. in terms of noise, air quality, surface water, wastewater and groundwater. Building work at the airport can also have an impact.	In line with its risk appetite, CPH seeks out innovative methods and solutions to environmental challenges, always working in compliance with relevant environmental regulations. CPH works systematically to ensure that the airport is operated and developed responsibly with due consideration for climate and the environment, which is integral to CPH's activities and decision-making processes. Furthermore, identifying and reducing potential environmental risks is a statutory requirement in major projects.

Risk management and risks

Risk management method and approach

Our approach to risk management is proactive and consistent, ensuring that all risks are handled systematically with the involvement of relevant competences across CPH. Risk management is thus integrated into all our business activities with the aim of preventing and preparing for incidents, reducing uncertainty, leveraging opportunities and helping to meet CPH's strategic targets.

The current perceived risk exposure is integrated into decision-making processes across the organisation and helps CPH to make decisions that are affected by one or more risks in accordance with the defined risk appetite.

The ongoing identification, evaluation and monitoring of internal and external risks enable CPH to identify changes in the perceived risk exposure at an early stage and ensure timely action. They also allow CPH to roll out continuous improvements to both preventive and reactive measures. Finally, they increase CPH's scope to exploit any opportunities that may arise.

To enhance CPH's ability to withstand and react to an adverse incident or crisis, and to limit its negative consequences, CPH has introduced a business community management programme. The aim of this is to ensure a structured approach to maintaining a number of reactive measures, including emergency response and contingency plans. In common with other companies, CPH further reduces its exposure to negative events by means of insurance cover. In 2017, we conducted an insurance review of our perceived risk exposure to explore possible ways of using insurance cover to further reduce exposure where this is feasible and cost-effective.

Risk assessment of corporate strategy

Every two years, we conduct an extensive risk assessment of CPH's corporate strategy to test the key assumptions implicitly and explicitly underlying the corporate strategy for the coming years. As part of this process, we formulate risk scenarios and perform analyses based on selected assumptions to assess the individual and combined effect of these, and thus ascertain any need for

additional preventive or reactive measures and/or adjustment of the strategy.

In 2016, CPH introduced its revised corporate strategy, World Class Hub 2.0. This is sched-

uled for risk assessment in 2018, when the Danish government's National Aviation Strategy and the new regulations will finally be in place and incorporated in CPH's strategy.



Risk management and risks



Our approach to risk management is proactive and consistent, ensuring that all risks are handled systematically with the involvement of relevant competences across CPH.



Governance structure and organisation of risk management

The management team at CPH is responsible for risk management and supervising its implementation. The Board of Directors has approved CPH's risk management policy, monitors routine risk management through the Audit and Risk Management Committee, and has delegated responsibility for the ongoing development and implementation of risk management to the Executive Management.

Responsibility for the practical implementation of risk management is embedded in all parts of the organisation and handled by selected "risk owners" in the various business units. This includes identification, evaluation, management, control and reporting of risks, as well as provision of an informed decision-making basis consistent with CPH's risk appetite. Similarly, all risks are fully discussed, reconciled and quality-assured at individual meetings with risk owners and at management group meetings in the respective business units in advance of the quarterly ERM (Enterprise Risk Management) reporting.

The Board of Directors has defined the general risk appetite in itemised form, and the underlying descriptions of risk appetite and risk tolerance contribute to the ongoing evaluation and prioritisation of risks against CPH's targets. Risk appetite is therefore an important tool in supporting decision-making with a view to meeting the Company's strategic targets.



A close-up, high-angle photograph of a fountain pen nib, positioned diagonally from the top right towards the bottom left. The pen is dark, possibly black or dark blue, and is resting on a light-colored surface, creating a subtle reflection. The background is a solid, deep blue color.

GOVERNANCE, LEADERSHIP AND SHARES

Shareholder information	76
Corporate governance	77
Board of Directors and Executive Management ..	79

Shareholder information

Throughout 2017, CPH's shares were listed in Nasdaq Copenhagen's Nordic Large Cap segment, which consists of companies (excluding C25) with a market capitalisation of EUR 1 billion or more.

Investor relations policy

CPH's investor relations policy is to offer a consistently high level of information on CPH's goals, performance and outlook through an active and open dialogue with shareholders, other investors and stakeholders.

IR activities in 2017

In 2017, shareholders and other stakeholders were able to find updated information on CPH's financial performance at www.cph.dk. In addition, two issues of CPH's shareholder newsletter, "CPH News", were published, and a Capital Markets Day was held on 2 May. The Annual Report 2017 is available online at www.cph.dk.

Analyst coverage

As a result of CPH's ownership structure, no share analysts cover CPH.

The share

At 31 December 2017, CPH had share capital of DKK 784,807,000, divided into 7,848,070 shares each with a nominal value of DKK 100. There is only one share class, and no shares carry special rights. The shares are listed on Nasdaq Copenhagen under ISIN DK0010201102.

A total of 65,515 shares were traded during the year, equivalent to 0.8% of the share capital and an average of 261 shares per trading day. The total value of the shares traded was DKK 382 million. CPH's market capitalisation was DKK 44.7 billion at the end of the year (2016: DKK 48.7 billion).

Shareholders

CPH had 5,171 registered shareholders at 31 December 2017.

Share buyback programmes

CPH has not purchased any treasury shares since the Annual General Meeting in April 2017. CPH held no treasury shares at the end of the year.

Dividend policy

The goal of CPH's dividend policy is to create shareholder value. A key element in doing so

is the maintenance of an efficient and prudent capital structure that provides funding for business and investment requirements.

Credit rating

CPH is rated by two credit-rating agencies: Fitch (BBB+) and Moody's (Baa2).

MANAGEMENT'S INTERESTS AT 31 DECEMBER 2017

BOARD OF DIRECTORS

Jesper Bak Larsen: 15 shares (2016: 15 shares)

John Flyttov: 1 share (2016: 1 share)

No options or warrants have been issued to members of the Board of Directors or Executive Management. See note 2.4 to the financial statements on the remuneration to the Executive Management.

Holdings of more than 5%

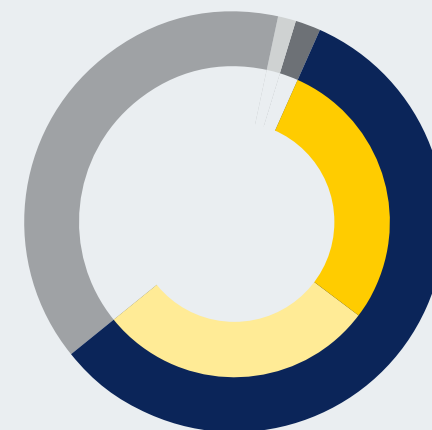
The following shareholders held more than 5% of the share capital on 1 March 2018:

- Copenhagen Airports Denmark ApS (CAD), c/o Azets Insight A/S, Lyskær 3CD, 2730 Herlev
- The Danish State.

SHAREHOLDER STRUCTURE

AT 31 DECEMBER 2017

- **57.72%** Copenhagen Airports Denmark ApS (CAD)*
- Ontario Teachers' Pension Plan (OTPP)
- The Danish Labour Market Supplementary Pension (ATP)
- **39.25%** The Danish State
- **1.76%** Danish private and institutional investors
- **1.27%** International private and institutional investors



* See note 5.5 to the financial statements on related parties for a further description of OTPP's and ATP's ownership of shares in CPH.



Corporate governance

Good corporate governance at CPH is about supporting value creation and accountable management, thereby contributing to long-term success. The following sections describe CPH's general management structure and processes.

Annual General Meeting

The Annual General Meeting is the highest authority in all company matters. CPH's Annual General Meeting is held before the end of April each year.

Board of Directors

The Board of Directors comprises nine members. Six members are elected by the Annual General Meeting and three by the employees.

The Board of Directors undertakes the overall and strategic management of CPH. The roles and responsibilities of the Board are defined in rules of procedure, which specify that the Board must:

- ensure that CPH is properly organised and that the Executive Management performs its duties in an appropriate manner
- ensure that bookkeeping and financial

reporting are carried out satisfactorily and that the necessary procedures for risk management and internal control are in place

- ensure that CPH's financial resources are appropriate
- define CPH's overall targets, strategy, action plans and investment policy.

The Board of Directors meets seven times a year, including for a two-day strategy seminar. The agenda of the meetings is set out in an annual plan to ensure that the principal tasks are performed in a timely manner and distributed reasonably between the year's meetings.

CPH's employees elect three members to CPH's Board of Directors. These members are elected for a four-year term. The most recent employee elections took place in March 2015. Under Danish law, employee-elected Board members have the same rights, duties and responsibilities as Board members elected by the Annual General Meeting.

The Board of Directors has drawn up a specification of competences that Board members are required to possess. Propos-

als for candidates for election to the Board must take into account this specification of competences.

CPH's decision of 2013 that the female share of board members in 2017 should be 33% was reached in December 2017 when the second female board member, out of a total of six board members elected by the general meeting, was elected to the CPH Board. CPH now has a more equal gender distribution on the Board of Directors according to the Danish Business Authority's guidelines on target figures, policies and reporting on the gender composition of management (March 2016).

Chairmanship

The Board of Directors of CPH has appointed a chairmanship consisting of the chairman and the two deputy chairmen. The chairmanship prepares and organises the work of the Board of Directors with a view to supporting the Board in fulfilling its tasks, duties and responsibilities effectively and responsibly. The chairmanship also performs the role of a nomination and remuneration committee.

In 2017, the chairmanship held 13 meetings, including two extraordinary meetings. At these meetings, the chairmanship considered a number of issues in accordance with an annual plan for the various activities for which the chairmanship is responsible.

Audit and Risk Management Committee

The Board of Directors of CPH has established an Audit and Risk Management Committee. The primary objective of the committee is to assist the Board of Directors in fulfilling its accounting, reporting and auditing responsibilities, and in areas connected with control and risk management of CPH.

In 2017, the Audit and Risk Management Committee met four times. At these meetings, the committee considered a number of issues in accordance with an annual plan for the various activities set out in the terms of reference for the committee. An annual risk seminar is also held.

Executive Management

The Executive Management undertakes the day-to-day management of CPH. In so doing, the Executive Management follows the

Corporate governance

guidelines and directions laid down by the Board of Directors in the instructions for the Executive Management.

The Executive Management makes recommendations to the Board of Directors concerning financial resources, organisation,

insurance matters, and the definition and implementation of CPH's overall targets, strategy, action plans and investment policy. Finally, the Executive Management provides reports and information to the Board of Directors in a timely manner on day-to-day operations and financial matters.

Internal controls

CPH actively works to maintain its internal controls, strengthen embedding and engage

with employees so that we create a strong foundation for the ongoing efforts in this area.

The Board of Directors and Executive Management have the overall responsibility for the internal control environment, while the Audit and Risk Management Committee monitors CPH's internal control systems to ensure that any weaknesses are identified and addressed as quickly as possible. Among other things, this monitoring covers CPH's exposure to fraud and breaches of ethical policies as well as an assessment of CPH's overall risk exposure. See more about CPH's risk exposure under Risk management and risks on page 70.

The responsibility for risk management, compliance and internal control is divided

between a number of departments and functions. The tasks are closely coordinated to ensure that the internal control systems and risk management processes function as intended. In order to further strengthen the effectiveness of risk management and internal control, CPH is organised according to the "three lines of defence" model. This model supports effective communication on risk management, compliance and internal control by defining the distribution of roles and responsibilities within the following three groups:

- Functions that own and manage risks
- Functions that oversee risks
- Functions that provide independent assurance

Reference to the statement on corporate governance

CPH prepares a detailed statement on corporate governance that includes information on its position on the recommendations of the Danish Committee on Corporate Governance. The statement also presents the main elements of CPH's internal control and risk management systems in connection with the financial reporting process.

The statutory statement on corporate governance, cf. the Danish Financial Statements Act, section 107b, is available on CPH's website at: www.cph.dk/om-cph/investorer/corporate-governance



Board of Directors



Lars Nørby Johansen

Danish citizen, born in 1949. Chairman of the Board since 2014. Elected for one year at a time. Independent Board member.

BOARD POSITIONS

Chairman:

William Demant Invest
Oticon Fonden
Codan Forsikring A/S
Dansk Vækstkapital
University of Southern Denmark
Rockwool Foundation
Montana
The Danish Growth Council

Deputy chairman:

Arp-Hansen Hotel Group

RELEVANT COMPETENCES

Previously chairman of the Copenhagen Stock Exchange Committee on Corporate Governance. Previously a member of the Board of Directors of Copenhagen Airports A/S in 2000-2002.



David Stanton

British citizen, born in 1969. Asset Director at Ontario Airports Investments Ltd. Member and deputy chairman of the Board since 2011. Chairman of the Audit and Risk Management Committee. Elected for one year at a time.

BOARD POSITIONS

Member:

Birmingham Airport

RELEVANT COMPETENCES

Expertise in finance, accounting, business development and commercial operations with in-depth knowledge of the aviation sector.



Ulrik Dan Weuder

(from 19 December 2017)

Danish citizen, born in 1969. Senior Vice President and Head of Global Direct Investments (GDI) at ATP. Member and deputy chairman of the Board since December 2017. Member of the Audit and Risk Management Committee.

BOARD POSITIONS

Member:

Redexis, non-executive director
APR Energy, director

RELEVANT COMPETENCES

Significant experience in planning, financing and expanding infrastructure. Manages ATP investments worth over DKK 55 billion, DKK 28 billion of which in infrastructure.



Charles Thomazi

Canadian citizen, born in 1963. Director, Ontario Teachers' Pension Plan (OTPP). Member of the Board since 2015. Elected for one year at a time.

BOARD POSITIONS

Member:

Brussels Airport

RELEVANT COMPETENCES

More than 25 years' experience in the financial sector and more than 17 years' experience in infrastructure. Has worked across numerous sectors, but with a focus on transport infrastructure.



Annemette Moesgaard

(from 19 December 2017)

Danish citizen, born in 1966. Executive Vice President and Chief Communications Officer at ATP. Member of the Board since December 2017.

RELEVANT COMPETENCES

20 years' management experience from Danish and global companies in communications and public affairs, including strategic communications, media management and stakeholder management.



Janis Kong

British citizen, born in 1951. Member of the Board since 2012. Member of the Audit and Risk Management Committee. Elected for one year at a time. Independent Board member.

BOARD POSITIONS

Chairman:

Bristol Airport

Member:

Portmeirion Group plc
TUI Group AG
Roadis

RELEVANT COMPETENCES

In-depth knowledge of the airport sector achieved through a 33-year career at British Airports Authority plc, where she held a number of positions, including chairman of Heathrow Airport Ltd.

Board of Directors

Executive Management



Simon Geere

(until 19 December 2017)

British citizen, born in 1968. Managing Director, Macquarie Infrastructure and Real Assets (Europe) Ltd. Member of the Board since 2010 and deputy chairman since 2011. Member of the Audit and Risk Management Committee. Elected for one year at a time.

BOARD POSITIONS

Chairman:

Stockholm-Arlanda Express Railway

Member:

Aberdeen Airport
Glasgow Airport
Southampton Airport

RELEVANT COMPETENCES

Expertise in business development and commercial operations with in-depth knowledge of the aviation sector.



John Bruen

(until 19 December 2017)

Irish citizen, born in 1972. Head of Transport, MIRA Europe. Member of the Board since 2014. Elected for one year at a time.

BOARD POSITIONS

Member:

Brussels Airport
Aberdeen Airport
Glasgow Airport
Southampton Airport
Macquarie Autoroutes de France

RELEVANT COMPETENCES

Considerable expertise in the airport sector, and now leads the transportation industry group at MIRA.



Jesper Bak Larsen

Danish citizen, born in 1971. Electrician.

EMPLOYEE REPRESENTATIVE

Member of the Board since 2011. Elected for four years at a time.



John Flyttov

Danish citizen, born in 1956. Security officer.

EMPLOYEE REPRESENTATIVE

Member of the Board since 2015. Elected for four years at a time.



Dan Hansen

Danish citizen, born in 1979. Semi-skilled worker.

EMPLOYEE REPRESENTATIVE

Member of the Board since 2015. Elected for four years at a time.



Thomas Woldbye, CEO

Danish citizen, born in 1964. Joined Copenhagen Airports A/S on 1 May 2011 as CEO. Previously worked for A. P. Moller-Maersk for 27 years, including approx. 20 years abroad.

BOARD POSITIONS

Chairman:

Copenhagen Airports International A/S
Copenhagen Airport Hotels A/S
Welcome Home (organisation)

Member:

Center for Leadership, CfL
Wonderful Copenhagen
DI's Committee on Business Policy
SITA
ACI Europe

CONSOLIDATED FINANCIAL & NON-FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL PERFORMANCE AND STATEMENTS

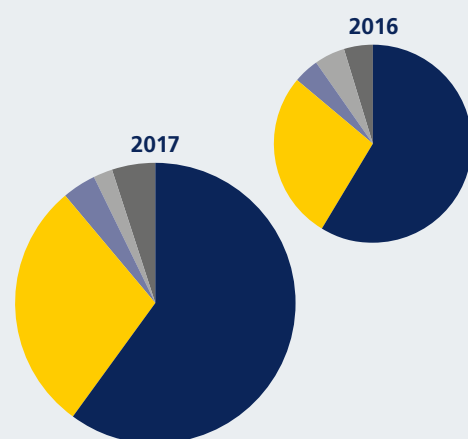
Financial performance	83
• Income statement	84
• Statement of comprehensive income	84
• Balance sheet	86
• Statement of changes in equity	88
• Cash flow statement.....	90
Notes to the financial statements.....	91

Financial performance

Revenue

Consolidated revenue grew by DKK 17.5 million, equivalent to 0.4%. Revenue amounted to DKK 4,439.4 million and consists of aeronautical revenue of DKK 2,666.8 million and non-aeronautical revenue of DKK 1,772.6 million.

The increase was mainly driven by an increase in passenger numbers and a rise in concession and parking revenue, partly offset by the decrease in the hotel operation due to the new



- Traffic revenue
- Concession revenue
- Rent
- Hotel operation
- Other sales of services, etc.

hotel agreement with Nordic Choice Hotels. Underlying revenue, excluding the effect of the new hotel operation, rose by 3.5%.

Operating costs

Operating costs including depreciation and amortisation increased by 3.9% to DKK 2,555.2 million, excluding one-off items and the hotel operation at DKK 36.0 million consisting mainly of the effect of the new hotel agreement and restructuring costs.

The rise in operating costs was mainly due to a DKK 82.4 million increase in depreciation and amortisation as a result of the high level of investment. Staff costs increased by DKK 23.2 million as a result of wage indexation and an increase of 97 full-time employees due to additional regulatory requirements relating to security. This was partly offset by a decrease in external costs of DKK 10.8 million, due to the continued focus on cost efficiency.

EBITDA

Excluding one-off items and the hotel operation, EBITDA rose by 5.3%. Reported EBITDA increased by 4.2% to DKK 2,610.9 million.

EBIT

Excluding one-off items and the hotel operation, EBIT rose by 2.7%. Reported EBIT climbed 1.3% to DKK 1,822.9 million.

Net financing costs

Net financing costs increased compared to 2016, mainly due to the higher loan volume, partly offset by improved loan terms.

Tax on profit for the year

Tax on profit for the year was DKK 350.1 million, resulting in an effective tax rate of 21.4%. The Danish corporation tax rate in 2017 was 22.0% (2016: 22.0%).

Profit before tax

Profit before tax excluding one-off items increased 1.6% and amounted to DKK 1,661.8 million.

Net profit

CPH's profit after tax increased by DKK 26.5 million to DKK 1,285.5 million, an increase of 2.1%. This was primarily due to the rise in passenger numbers, increased revenue from the shopping centre and parking, and efficient cost control, despite the continued increasing security requirements. Excluding one-off items and the hotel operation, profit after tax amounted to DKK 1,243.7 million.

DKK million	INCOME STATEMENT				INCOME STATEMENT EXCLUDING ONE-OFF ITEMS AND THE HOTEL OPERATION			
	2017	2016	Ch.	Ch. %	2017	2016	Ch.	Ch. %
Revenue	4,439.4	4,421.9	17.5	0.4%	4,339.2	4,194.4	144.8	3.5%
Other income	2.9	6.2	(3.3)	(53.2%)	2.9	6.2	(3.3)	(53.2%)
External costs	496.7	614.6	(117.9)	(19.2%)	445.3	456.1	(10.8)	(2.4%)
Staff costs	1,334.7	1,309.0	25.7	2.0%	1,321.9	1,298.7	23.2	1.8%
EBITDA	2,610.9	2,504.5	106.4	4.2%	2,574.9	2,445.7	129.2	5.3%
EBIT	1,822.9	1,798.9	24.0	1.3%	1,786.9	1,740.1	46.8	2.7%
Profit before tax	1,635.6	1,620.1	15.5	1.0%	1,599.6	1,561.3	38.3	2.5%
Net profit for the year	1,285.5	1,259.0	26.5	2.1%	1,243.7	1,196.8	46.9	3.9%

Financial statements of income, 1 January – 31 December

Note	DKK million	2017	2016	Note	DKK million	2017	2016
INCOME STATEMENT				STATEMENT OF COMPREHENSIVE INCOME			
	Traffic revenue	2,666.8	2,600.2		Net profit for the year	1,285.5	1,259.0
	Concession revenue	1,280.7	1,214.5				
	Rent	173.9	178.1		Items that are reclassified to the income statement		
	Sale of services, etc.	318.0	429.1		Value adjustments of hedging instruments	(407.6)	40.1
2.1, 2.2	Revenue	4,439.4	4,421.9	4.1	Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	436.6	(81.5)
	Other income	2.9	6.2	2.5	Tax on other comprehensive income	(6.4)	9.1
2.3	External costs	496.7	614.6		Other comprehensive income for the year	22.6	(32.3)
2.4	Staff costs	1,334.7	1,309.0				
3.1	Amortisation and depreciation	788.0	705.6		Total comprehensive income for the year	1,308.1	1,226.7
	Operating profit	1,822.9	1,798.9				
4.1	Financial income	2.1	2.2				
4.1	Financial expenses	189.4	181.0				
	Profit before tax	1,635.6	1,620.1				
2.5	Tax on profit for the year	350.1	361.1				
	Net profit for the year	1,285.5	1,259.0				
5.9	Earnings per DKK 100 share (basic and diluted) EPS is stated in Danish kroner	163.8	160.4				

Group balance sheet

The Group had assets of DKK 11,590.1 million at 31 December 2017 (2016: DKK 11,209.7 million). The increase of DKK 380.4 million was mainly due to a higher investment level.

Non-current assets

Non-current assets totalled DKK 11,038.9 million (2016: DKK 10,643.6 million), or 95.2% of total assets (2016: 94.9%). The largest investments in 2017 comprised expanding Terminal 2 landside and capacity at central security checkpoint, developing the terminal area between Piers A and B, and establishing the new Pier E. There have also been investments to expand passport control in Pier C further to new EU rules requiring 100% passport checks on journeys to and from Schengen countries, and in IT systems.

Current assets

Current assets totalled DKK 551.2 million (2016: DKK 566.1 million), which was in line with 2016.

Liabilities

Liabilities totalled DKK 8,437.7 million at 31 December 2017 (2016: DKK 8,171.6 million). Non-current liabilities decreased by DKK 997.1 million compared to 31 December 2016 (2016: increased by DKK 360.7 million), while current liabilities excluding the current portion of financial institutions and other loans amounted to DKK 1,339.4 million (2016: DKK 1,294.4 million), an increase of DKK 45.0 million. The increase was mainly due to higher tax payables.

BREAKDOWN OF INVESTMENTS IN THE AERONAUTICAL AND NON-AERONAUTICAL SEGMENTS



Balance sheet, 31 December

Note	DKK million	2017	2016	Note	DKK million	2017	2016
ASSETS				EQUITY AND LIABILITIES			
NON-CURRENT ASSETS				EQUITY			
3.2	Total intangible assets	448.1	502.9		Share capital	784.8	784.8
3.3	Property, plant and equipment				Reserve for hedging	(152.7)	(175.3)
	Land and buildings	4,955.6	4,620.5		Retained earnings	2,520.3	2,428.6
	Plant and machinery	4,021.5	3,823.6		Total equity	3,152.4	3,038.1
	Other fixtures and fittings, tools and equipment	681.2	560.9		NON-CURRENT LIABILITIES		
	Property, plant and equipment in progress	925.2	795.3	2.5	Deferred tax	1,035.6	1,026.9
	Total property, plant and equipment	10,583.5	9,800.3	4.2	Financial institutions and other loans	4,653.3	5,733.4
	Financial investments			4.3	Other payables	128.5	54.2
3.4	Investments in associate	0.4	0.4		Total non-current liabilities	5,817.4	6,814.5
4.3	Other financial assets	6.9	340.0		CURRENT LIABILITIES		
	Total financial investments	7.3	340.4	4.2	Financial institutions and other loans	1,280.9	62.7
	Total non-current assets	11,038.9	10,643.6		Prepayments from customers	235.9	220.5
	CURRENT ASSETS				Trade payables	506.4	544.8
	Receivables			2.5	Income tax	213.9	168.7
5.1	Trade receivables	427.5	371.3	4.3, 5.2	Other payables	374.7	353.5
	Other receivables	48.7	38.6		Deferred income	8.5	6.9
	Prepayments	62.4	78.0		Total current liabilities	2,620.3	1,357.1
	Total receivables	538.6	487.9		Total liabilities	8,437.7	8,171.6
	Cash	12.6	78.2		Total equity and liabilities	11,590.1	11,209.7
	Total current assets	551.2	566.1				
	Total assets	11,590.1	11,209.7				

For more information, see list of notes on page 91.

Equity and dividend

Equity

Equity totalled DKK 3,152.4 million at 31 December 2017 (2016: DKK 3,038.1 million), an increase of DKK 114.3 million. Total comprehensive income more than offset the year's dividend payments.

Change in equity

Equity was increased by the profit for the year of DKK 1,285.5 million (2016: DKK 1,259.0 million), which was partly offset by dividends of DKK 1,193.8 million (2016: DKK 1,180.2 million) paid to shareholders. In addition, there was a positive

impact of DKK 22.6 million (2016: negative impact of DKK 32.3 million) from value adjustments of hedging transactions and the associated tax effect. These adjustments related to currency swaps to hedge USD and GBP exposure and to interest rate swaps.

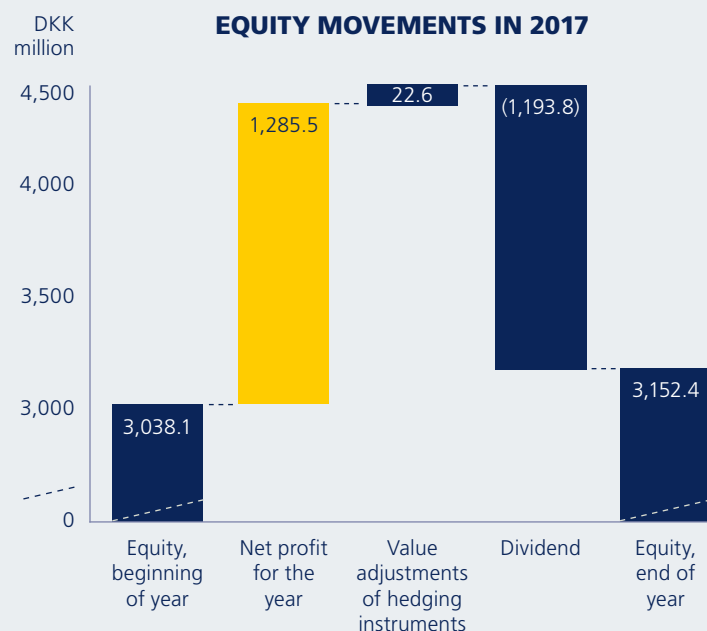
Dividend

The Board of Directors proposes a final dividend of DKK 785.6 million, equivalent to DKK 100.10 per share, for adoption at the Annual General Meeting. The total dividend for the year amounts to DKK 1,285.5 million, equivalent to DKK 163.80 per share after an extraordinary dividend of DKK 499.9 million, equivalent to DKK 63.70 per share, was distributed on 8 August 2017 based on the interim profit.

Dividends paid in 2017 consist of dividend in respect of 2016 of DKK 693.9 million and dividend in respect of 2017 of DKK 499.9 million. Dividends paid in 2016 consist of dividend in respect of 2015 of DKK 615.2 million and dividend in respect of 2016 of DKK 565.0 million. Dividend per share is stated under key financial figures on page 12.

See the Parent Company's statement of equity for information on which reserves are available for distribution.

Disclosures about capital are stated in Shareholder information on page 76.

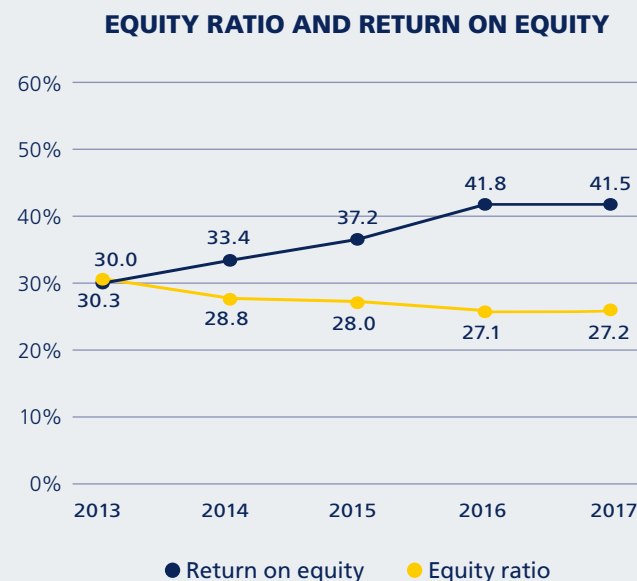


Equity ratio

The equity ratio amounted to 27.2% (2016: 27.1%) of the balance sheet total, an increase of 0.1 percentage point compared to 2016.

Return on equity

The return on equity was 41.5%, a decrease of 0.3 percentage point compared to 2016. The decrease was primarily due to profit for the year and a slight increase in equity.



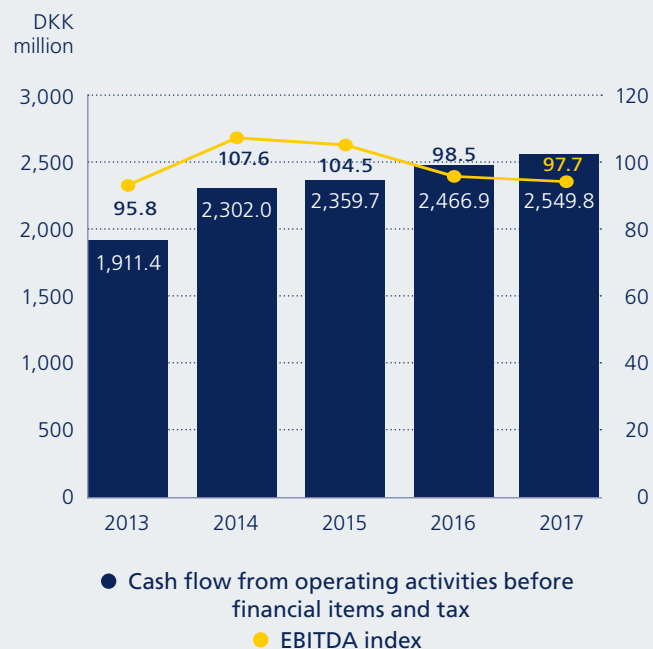
Statement of changes in equity, 1 January – 31 December

Note	2017				2016			
	Share capital	Reserve for hedging	Retained earnings	Total	Share capital	Reserve for hedging	Retained earnings	Total
DKK million								
Equity at 1 January	784.8	(175.3)	2,428.6	3,038.1	784.8	(143.0)	2,349.8	2,991.6
Comprehensive income for the year								
Net profit for the year	-	-	1,285.5	1,285.5	-	-	1,259.0	1,259.0
Other comprehensive income								
Value adjustments of hedging instruments	-	(317.8)	-	(317.8)	-	31.2	-	31.2
Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	-	340.4	-	340.4	-	(63.5)	-	(63.5)
Total other comprehensive income	-	22.6	-	22.6	-	(32.3)	-	(32.3)
Total comprehensive income for the year	-	22.6	1,285.5	1,308.1	-	(32.3)	1,259.0	1,226.7
Transactions with owners								
Dividends paid	-	-	(1,193.8)	(1,193.8)	-	-	(1,180.2)	(1,180.2)
Total transactions with owners	-	-	(1,193.8)	(1,193.8)	-	-	(1,180.2)	(1,180.2)
Equity at 31 December	784.8	(152.7)	2,520.3	3,152.4	784.8	(175.3)	2,428.6	3,038.1

Cash flow statement

Cash flow from operating activities

The increase of DKK 64.2 million in the cash flow from operating activities can primarily be attributed to the increased activity level, and the focus on achieving cost efficiencies and stabilising operating costs relative to growth. Cash flow from operating activities amounted to DKK 2,030.9 million. In addition, the development was impacted by higher interest payments due to higher loan volume and higher tax payments.



Cash flow from investing activities

Investments in intangible assets and property, plant and equipment totalled DKK 1,477.1 million (2016: DKK 1,033.5 million).

Cash flow from financing activities

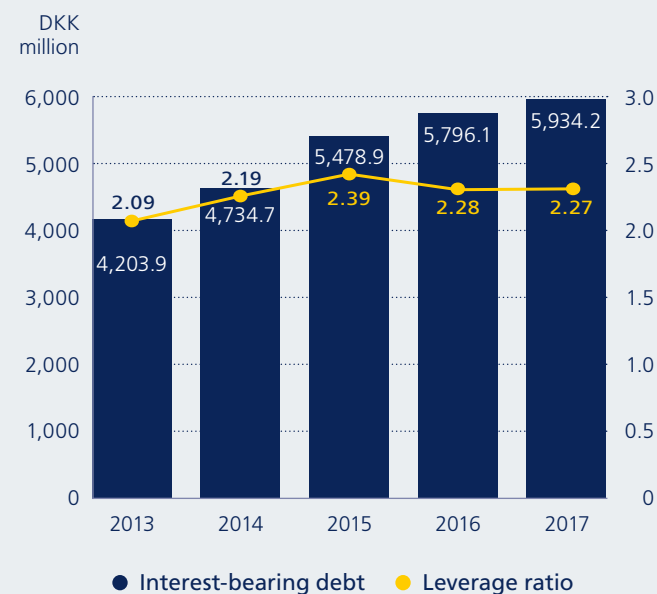
Cash flow from financing activities comprised net drawdowns on long-term facilities, mortgage payments and dividend payments, partly offset by drawdowns on the EIB facility.

Cash and cash equivalents

At 31 December 2017, CPH had cash and cash equivalents of DKK 12.6 million and committed undrawn credit facilities of DKK 3,366.5 million.

Financing

At the end of the year, CPH had interest-bearing debt of DKK 5,934.2 million (2016: DKK 5,796.1 million) and net interest-bearing debt of DKK 5,921.6 million (2016: DKK 5,717.9 million). The difference of DKK 12.6 million (2016: DKK 78.2 million) consisted of cash and cash equivalents. Of this interest-bearing debt, 78.4% (2016: 98.9%) was non-current, i.e. with a maturity of more than one year from 31 December 2017, and consisted primarily of facilities in USD, DKK and GBP.



Cash flow statement, 1 January – 31 December

Note	DKK million	2017	2016	Note	DKK million	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES				CASH FLOW FROM FINANCING ACTIVITIES			
5.3	Received from customers	4,398.7	4,375.9	4.2	Repayments of long-term loans	(505.7)	(2,305.7)
5.3	Paid to staff, suppliers, etc.	(1,848.9)	(1,909.0)	4.2	Proceeds from long-term loans	1,100.0	2,480.0
	Cash flow from operating activities before financial items and tax	2,549.8	2,466.9	4.2	Repayments of short-term loans	(233.6)	(453.8)
5.3	Interest received, etc.	1.3	1.4	4.2	Proceeds from short-term loans	210.0	510.7
5.3	Interest paid, etc.	(217.7)	(211.9)		Dividends paid	(1,193.8)	(1,180.2)
	Cash flow from operating activities before tax	2,333.4	2,256.4		Cash flow from financing activities	(623.1)	(949.0)
2.5	Income taxes paid	(302.5)	(289.7)		Net cash flow for the year	(65.6)	(5.2)
	Cash flow from operating activities	2,030.9	1,966.7		Cash at beginning of year	78.2	83.4
CASH FLOW FROM INVESTING ACTIVITIES					Cash at end of year	12.6	78.2
3.3	Payments for property, plant and equipment	(1,340.6)	(953.1)				
3.2	Payments for intangible assets	(136.5)	(80.4)				
	Sales of property, plant and equipment	3.7	10.6				
	Cash flow from investing activities	(1,473.4)	(1,022.9)				

Notes to the financial statements

1 GENERAL

1.1 Significant accounting policies	92	●
1.2 Recently adopted accounting standards and interpretations for implementation	94	
1.3 One-off items	95	●

2 RESULTS FOR THE YEAR

2.1 Segmental information	97	●
2.2 Revenue	99	●
2.3 External costs	101	●
2.4 Staff costs	101	●
2.5 Tax	103	● ●

3 INVESTMENTS

3.1 Amortisation and depreciation	105	●
3.2 Intangible assets	106	● ●
3.3 Property, plant and equipment	108	● ●
3.4 Subsidiaries and associate	112	

4 FUNDING AND FINANCIAL RISKS

4.1 Financial income and expenses	113	●
4.2 Financial institutions and other loans	114	●
4.3 Financial risks	116	●

5 OTHER NOTES

5.1 Trade receivables	122	● ●
5.2 Other payables	123	
5.3 Notes to the cash flow statement	123	
5.4 Financial commitments	124	
5.5 Related parties	125	
5.6 Concession for airport operation and charges regulation	125	
5.7 Fees to the auditors appointed at the Annual General Meeting	126	
5.8 Post-balance sheet events	127	
5.9 Capital and EPS	127	
5.10 Definitions of key financial figures	127	

- Contains accounting policies
- Contains significant estimates and judgements
- Contains estimates and judgements

Notes - General

Note

1.1 SIGNIFICANT ACCOUNTING POLICIES

To make the report more manageable and readable, the accounting policies and the estimates and judgements for specific items are placed together with the appropriate note, and all information related to the item is in one place. From 2017, CPH has chosen to group the notes in the following areas: General, Results for the year, Investments, Funding and financial risks and Other notes.

Basis of preparation of the financial statements

CPH is a limited company domiciled in Denmark and listed on Nasdaq Copenhagen.

The consolidated financial statements of CPH are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and further requirements stated in the Danish Financial Statements Act.

The financial statements of the Parent Company, Copenhagen Airports A/S, are prepared in accordance with the Danish Financial Statements Act.

Significant accounting estimates

The estimates made by CPH in determining the carrying amounts of assets and liabilities are based on assumptions that are subject to future events. These include, among other things, estimates of the useful lives of property, plant and equipment, and their residual values. Estimates and underlying assumptions are based on historical data and a number of other factors that Management considers relevant under the given circumstances. The carrying amounts of these items are disclosed in notes 3.2 and 3.3.

For a description of CPH's risks, see note 4.3 on financial risks.

General information

The consolidated financial statements are prepared under the historical cost principle. Assets and liabilities are subsequently measured as described below.

Basis of consolidation

The Group Annual Report comprises the Parent Company, Copenhagen Airports A/S, and companies where the Parent Company directly or indirectly controls the majority of the votes or in some other way controls the companies (subsidiaries). Companies where CPH controls less than 50% of the votes and does not have control but exercises 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.

CPH's Group 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 CPH's accounting policies.

Other income

Other income contains items of a secondary nature relative to CPH's primary activities, including gains and losses on sales of assets.

Foreign currency translation

CPH's functional currency is the Danish krone (DKK). This currency is used as the measurement and presentation currency in the preparation of the Annual Report. Therefore, currencies other than DKK are considered foreign currencies.

Notes - General

Note

1.1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Statement of comprehensive income

CPH presents comprehensive income in two statements, an income statement and a statement of comprehensive income, showing the results of operations for the year and income included in other comprehensive income. Other comprehensive income comprises hedging transactions. Tax related to other comprehensive income for the individual items is disclosed in the relevant notes.

Equity

Dividends expected to be declared in respect of the year are stated under equity. Dividends are recognised as a liability at the time of adoption by the shareholders at the Annual General Meeting.

Prepayments and deferred income

Prepayments recognised under assets comprise costs incurred relating to the following financial year and are measured at nominal value.

Deferred income recognised under liabilities comprises payments received relating to income in subsequent financial years and is measured at nominal value.

Cash flow statement

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

Cash and cash equivalents

Cash includes cash and balances on accounts available at no or short notice.

Cash flow from operating activities

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

Cash flow from investing activities

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

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 payments to shareholders.

Notes - General

Note

1.2 RECENTLY ADOPTED ACCOUNTING STANDARDS AND INTERPRETATIONS FOR IMPLEMENTATION

A number of minor amendments to existing financial reporting standards have been implemented in the 2017 financial year. CPH has assessed the effect of the updated IFRS standards and interpretations. CPH has concluded that all the standards and interpretations in question that entered into force for financial years beginning 1 January 2017 are either not relevant to CPH or do not have a material impact on CPH's financial statements.

New standards, amendments and interpretations adopted but not yet effective

The following new standards, amendments and interpretations of relevance to CPH have been issued by the IASB and adopted by the EU. The standards are not yet effective and will therefore not be implemented in the Annual Reports until they take effect.

- **IFRS 9, Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities:** The number of categories of financial assets is reduced to three: those measured at amortised cost and those measured at fair value via the income statement, and those measured at fair value via other comprehensive income. The rules governing write-downs of financial assets are being changed to a model based on expected credit losses such that changes in the credit risk entail changes in the provision for bad debt. The rules governing hedge accounting are being relaxed, so that they are more closely aligned with the entity's risk management strategy and goals. The standard becomes effective for financial years starting 1 January 2018 or later.

- **IFRS 15, Revenue from Contracts with Customers:** A new standard on revenue recognition that replaces IAS 18, among others. The standard may potentially affect revenue recognition in a number of areas, including:
 - The timing of revenue recognition
 - Recognition of variable considerations
 - Allocation of revenue from multi-element arrangements
 - Incremental costs of obtaining the contract

The standard also includes a large number of new disclosure requirements.

Clarifications of IFRS 15 concerning the identification of performance obligations, principal versus agent considerations and licence considerations as well as changes to the transition rules.

IFRS 15 and the clarifications will be effective for financial years beginning on or after 1 January 2018.

- **IFRS 16, Leases:** Going forward, the lessee is required to recognise all leases as a lease liability and a lease asset in the balance sheet with two exceptions: short-term leases (less than 12 months) and leases relating to low-value assets. It must furthermore be considered whether the agreement is a lease or a service arrangement.

The current rules for the lessor remain largely unchanged. Consequently, leases are still to be classified as finance leases and operating leases.

The standard will be effective for financial years beginning on or after 1 January 2019.

CPH has assessed the effect of the new standards, amendments and interpretations as follows:

- CPH has assessed the impact of the implementation of IFRS 9, including the impact on impairment of accounts receivable based on expected loss due to credit risk. CPH has assessed that the implementation of IFRS 9 will not have any significant impact on the consolidated financial statements compared to the current accounting practice.
- CPH has performed an analysis of the impact of the implementation of IFRS 15, including the timing of revenue recognition, and variable considerations and revenue from contracts with more than one performance obligation. Furthermore, CPH has assessed changes

Notes - General

Note

1.2 RECENTLY ADOPTED ACCOUNTING STANDARDS AND INTERPRETATIONS FOR IMPLEMENTATION (continued)

to revenue recognition due to clarifications in relation to the agent/principal definition. Based on the analysis, it is assessed that the standard will not have any significant impact on revenue recognition or measurement compared to the current practice.

- CPH is in the process of investigating the consequences of implementing IFRS 16 but, based on the initial analysis, CPH does not expect the implementation of the new financial reporting standard to have a material impact on CPH's financial reporting.

IASB has issued the following new interpretation, which could be relevant to CPH, but which has not yet been adopted by the EU:

- **IFRIC 23, Uncertainty over Income Tax Treatments:** The interpretation clarifies that it must be determined whether each tax position is to be treated individually or collectively with other uncertain tax positions. The assessment should be based on the assumption that the tax authorities have the same knowledge of the enterprise's circumstances and, therefore, the assessment should disregard any detection risk. This determination may be based on e.g. how tax statements are prepared or how the enterprise expects the tax authorities to treat the uncertain tax positions. The uncertain tax position must be recognised if it is probable that the enterprise will have to pay or receive refunds. The uncertain tax position must be measured so as to better reflect the receivable/liability and the related uncertainty.

The amendment will be effective for financial years beginning on or after 1 January 2019.

CPH expects to implement this interpretation when it becomes effective. CPH has not conducted an in-depth analysis of the interpretation but does not expect the interpretation to have a material impact on CPH's financial reporting at present.

Note

1.3 ONE-OFF ITEMS

Accounting policies

One-off items comprise revenue and expenses of an exceptional nature relative to CPH's operating activities, such as costs incurred for structuring of processes and structural adjustments as well as any gains and losses on divestments related thereto and which, over time, are of material importance. Other amounts of a one-off nature are also included in this line item, including gains on the divestment of operations.

The hotel operation comprises a specific operation, which changed in 2017 from a management contract with Hilton to a minimum-based lease with Nordic Choice Hotels. Under the old agreement, both revenue and costs related to the hotel activity were recognised in the respective financial items. Under the new agreement, the hotel operation is no longer recognised in the CPH Group, but is included in rental income.

The figures for 2016 and 2017 have been adjusted for one-off items and the hotel activity to make the years comparable.

Notes - General

Note		2017					2016				
1.3 ONE-OFF ITEMS (continued)		Including one-off items	One-off items	Excluding one-off items	Hotel operation*	Excluding one-off items and the hotel operation	Including one-off items	One-off items	Excluding one-off items	Hotel operation*	Excluding one-off items and the hotel operation
DKK million											
2.1, 2.2	Revenue	4,439.4	-	4,439.4	(100.2)	4,339.2	4,421.9	-	4,421.9	(227.6)	4,194.3
	Other income	2.9	-	2.9	-	2.9	6.2	-	6.2	-	6.2
2.3	External costs	496.7	(13.9)	482.8	(37.5)	445.3	614.6	(5.1)	609.5	(153.4)	456.1
2.4	Staff costs	1,334.7	(12.3)	1,322.4	(0.5)	1,321.9	1,309.0	(10.3)	1,298.7	-	1,298.7
	EBITDA	2,610.9	26.2	2,637.1	(62.2)	2,574.9	2,504.5	15.4	2,519.9	(74.2)	2,445.7
3.1	Amortisation and depreciation	788.0	-	788.0		788.0	705.6	-	705.6		705.6
	Operating profit	1,822.9	26.2	1,849.1	(62.2)	1,786.9	1,798.9	15.4	1,814.3	(74.2)	1,740.1
4.1	Net financing costs	187.3	-	187.3		187.3	178.8	-	178.8		178.8
	Profit before tax	1,635.6	26.2	1,661.8	(62.2)	1,599.6	1,620.1	15.4	1,635.5	(74.2)	1,561.3
2.5	Tax on profit for the year	350.1	5.8	355.9		355.9	361.1	3.4	364.5		364.5
	Profit after tax	1,285.5	20.4	1,305.9	(62.2)	1,243.7	1,259.0	12.0	1,271.0	(74.2)	1,196.8

* An adjustment for the hotel operation has been made only down to EBITDA level.

Notes - Results for the year

Note

2.1 SEGMENTAL INFORMATION

Accounting policies

The accounting policies for recognition and measurement of segmental information are the same as for the income statement and balance sheet.

The operating results of the segments comprise directly attributable revenue less related operating costs. Operating costs comprise external costs, staff costs and amortisation and depreciation.

Segment assets comprise non-current 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, prepayments and deferred income. Jointly used properties are allocated to the segments on the basis of an overall estimate of the amount of space used.

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

Operating segments

CPH has two segments: Aeronautical and Non-aeronautical.

The segmental classification follows the legal and organisational classification of the Group's activities, and the aeronautical segment comprises the regulated part of Copenhagen Airports (traffic charges). The non-aeronautical segment comprises all other activities. This classification is appropriate, as the aeronautical segment reporting also constitutes the reporting of regulatory activities under BL 9-15 (traffic charges). BL 9-15 is described in note 5.6.

Aeronautical

This segment comprises the operations and functions that the airports at Kastrup and Roskilde make available so that airlines can operate their flights, including facilities required for passengers to pass through these airports. Revenue in the aeronautical segment comprises passenger, security, ETD, take-off and aircraft-parking charges and other income, including handling and CUTE charges (IT technology used in connection with check-in).

Non-aeronautical

This segment comprises the other facilities and services provided at the airports to passengers and others, including car-parking facilities, shops, restaurants, rest areas, lounges and the hotel. The vast majority of the operations are operated by concessionaires. The segment also includes the leasing of CPH's buildings, premises and land to non-Group lessees. Revenue in the non-aeronautical segment comprises concession revenue; rent from buildings, premises and land; revenue from parking, the hotel operation and services for persons with reduced mobility (PRM); taxi management services (TMS); sales of consulting services concerning airport operation; and other services.

Revenue related to CPH's largest customer amounted to DKK 1,015.5 million in 2017 (2016: DKK 1,048.0 million), representing 22.9% of revenue (2016: 23.7%). This revenue relates to both the aeronautical and non-aeronautical segments. Revenue related to the second-largest customer amounted to DKK 518.7 million in 2017 (2016: DKK 476.8 million), representing 11.7% of revenue (2016: 10.8%). This revenue relates to both the aeronautical and non-aeronautical segments. Revenue related to the third-largest customer amounted to DKK 425.5 million in 2017 (2016: DKK 414.4 million), representing 9.6% of revenue (2016: 9.4%). This revenue relates solely to the non-aeronautical segment.

Notes - Results for the year

Note

2.1 SEGMENTAL INFORMATION (continued)

DKK million	2017			2016		
	Business areas		Total	Business areas		Total
	Aeronautical	Non-aeronautical		Aeronautical	Non-aeronautical	
Revenue	2,666.8	1,772.6	4,439.4	2,600.2	1,821.7	4,421.9
Operating profit	615.1	1,207.8	1,822.9	605.9	1,193.0	1,798.9
Non-current assets	7,914.5	3,117.1	11,031.6	7,414.7	2,888.5	10,303.2
Other assets	323.6	215.0	538.0	286.9	201.0	487.9
Investments in associates		0.4	0.4		0.4	0.4
Unallocated assets*			19.5			418.2
Total assets	8,238.1	3,332.5	11,590.1	7,701.6	3,089.9	11,209.7
Liabilities	698.2	427.3	1,125.5	684.5	441.2	1,125.7
Unallocated liabilities**			7,312.2			7,045.9
Total liabilities	698.2	427.3	8,437.7	684.5	441.2	8,171.6
Investments in fixed assets (including capitalised interest)	1,115.4	401.7	1,517.1	911.9	158.5	1,070.4
Amortisation and depreciation	615.9	172.1	788.0	545.6	160.0	705.6

* Unallocated assets include cash and financial assets.

** Unallocated liabilities include deferred taxes, borrowings from financial institutions and other loans, other long-term liabilities and income tax payable.

Compared to the 2016 Group Annual Report, CPH has chosen to reclassify certain assets in the segments to obtain a more precise allocation of these. The comparative figures for 2016 have been restated.

Notes - Results for the year

Note

2.2 REVENUE

Accounting policies

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, cf. the segmental information in note 2.1.

Traffic revenue comprises passenger, security, ETD, take-off and aircraft-parking charges, handling and CUTE charges (IT technology used in connection with check-in) and is recognised when the services are provided. Start-up discounts for previously unserved routes are deducted from traffic revenue. The NO_x charge is included in take-off charges.

Concession revenue comprises sales-related revenue from Copenhagen Airport's shopping centre, which is recognised in line with the revenue generated by the concessionaires. Revenue from car-parking facilities is recognised upon completion (exiting the car park).

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, including services for persons with reduced mobility (PRM), which are recognised when delivery of the services takes place, and taxi management services (TMS), which are recognised on arrival at the taxi stand.

Notes - Results for the year

Note

2.2 REVENUE (continued)

DKK million	2017	2016
TRAFFIC REVENUE		
Take-off charges	460.9	459.7
Passenger charges	1,242.2	1,199.2
Security charges	629.2	621.0
ETD charges	48.2	39.5
Handling	210.6	209.0
Aircraft parking, CUTE, etc.	75.7	71.8
Total traffic revenue	2,666.8	2,600.2
CONCESSION REVENUE		
Shopping centre	840.5	793.0
Car parking	378.5	363.7
Other concession revenue	61.7	57.8
Total concession revenue	1,280.7	1,214.5
RENT		
Rent from premises	120.8	115.2
Rent from land	47.4	56.4
Other rent	5.7	6.5
Total rent	173.9	178.1
SALES OF SERVICES, ETC.		
Hotel operation, Hilton	50.7	227.5
Hotel operation, Clarion	49.5	-
Other sales of services, etc.	217.8	201.6
Total sales of services, etc.	318.0	429.1
Total revenue	4,439.4	4,421.9

DKK million	2017	2016
RENT RELATING TO LEASES NON-CANCELLABLE BY LESSEE		
Within 1 year	170.4	113.2
Between 1 and 5 years	454.4	123.6
After 5 years	3,697.6	158.0
Total	4,322.4	394.8

Concession charges (minimum charges) related to the shopping centre and other concessions are subject to the level of activity.

CPH's revenue consists only of services in the aeronautical and non-aeronautical segments.

The figures for 2017 also include rent from the new hotel agreement.

Notes - Results for the year

Note

2.3 EXTERNAL COSTS

Accounting policies

External costs comprise administrative expenses, sales and marketing expenses, and other operating and maintenance costs.

DKK million	2017	2016
Operation and maintenance	355.1	428.7
Energy	45.0	57.6
Administration	71.8	113.7
Other	24.8	14.6
Total external costs	496.7	614.6

External costs decreased by DKK 117.9 million compared to 2016. This is mainly due to the effect of the new hotel agreement. Excluding the hotel activity, external costs are in line with 2016. See also note 1.3 on one-off items.

In 2017, CPH incurred one-off costs of DKK 13.9 million, mainly related to restructuring and charges regulation (2016: DKK 5.1 million). See note 1.3 for an overview of one-off items.

Note

2.4 STAFF COSTS

Accounting policies

Staff costs comprise salaries, wages and pension contributions for CPH staff, including the Executive Management, fees to the Board of Directors and other staff costs.

Regular pension contributions under defined contribution plans are recognised in the income statement in the period in which they arise. For civil servants seconded by the Danish State, CPH 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.

DKK million	2017	2016
Salaries and wages	1,316.1	1,261.2
Pension contributions	109.5	105.8
Other social security costs	10.0	9.4
Other staff costs	61.2	66.6
	1,496.8	1,443.0
Less amounts capitalised as non-current assets	162.1	134.0
Total staff costs	1,334.7	1,309.0
Remuneration to the Executive Management and Board of Directors		
Cash remuneration to the Executive Management including pension contributions, company car, etc.	6.7	6.5
Provision for short-term incentive plan for members of the Executive Management, see below	3.6	3.5
Provision for long-term incentive plan for members of the Executive Management, see below	2.5	2.5
Fees to the Board of Directors, including board committees	2.3	2.3
Total	15.1	14.8

Notes - Results for the year

Note

2.4 STAFF COSTS (continued)

DKK million	2017	2016
Number of people employed by CPH		
Average number of full-time employees	2,431	2,334
Of which civil servants who, pursuant to the Copenhagen Airports Act, retain their status as State employees	24	27

In 2017, salaries and wages increased by DKK 54.9 million, mainly due to the annual salary adjustment and an increase in headcount of 97 full-time employees. This increase was primarily the result of an intensified focus on investments in security checks as well as additional regulatory requirements and higher passenger numbers. This was partly offset by an increase in capitalisation of DKK 28.1 million on the many growth projects.

Employer-administered pension contributions accounted for DKK 1.0 million (2016: DKK 1.0 million) of the salaries paid to members of the Executive Management.

Emoluments to the Board of Directors in 2017 comprised DKK 900,000 to the chairman Lars Nørby Johansen, DKK 900,000 to three staff representatives, and DKK 300,000 to Janis Kong. The other Board members who are not staff representatives decided to renounce their emoluments.

Emoluments to the Audit and Risk Management Committee in 2017 comprised DKK 150,000 to Janis Kong. In 2017, the other members of the Audit and Risk Management Committee decided to renounce their emoluments.

The remuneration to members of the Executive Management consists of a fixed basic salary (including pension contributions), certain benefits (free company car, etc.) and a bonus plan, which is described below. In the event of termination of employment by CPH, members of the Executive Management are entitled to a maximum of 12 months' salary and a maximum of 24 months' severance payment.

In order to promote a sound long-term approach, a rolling three-year incentive plan has been introduced for the Executive Management. For 2017, the total costs expensed for the long-term incentive plan were DKK 2.5 million (2016: DKK 2.5 million). The three-year incentive plan cannot exceed six months' salary per annum. Short-term bonus agreements have terms of up to one year. The target of the short-term bonus agreements is 50% of the executive's fixed annual salary but the value may be up to a maximum of 75% if targets are exceeded. For 2017, the total costs expensed for the short-term incentive plan were DKK 3.6 million (2016: DKK 3.5 million).

The total remuneration in 2017 to members of the Executive Management was DKK 12.8 million (2016: DKK 12.5 million), including a provision of DKK 2.5 million for a potential payout under the long-term incentive plan (2016: DKK 2.5 million) and a provision of DKK 3.6 million for the short-term incentive plan (2016: DKK 3.5 million). Pension contributions for members of the Executive Management are paid regularly to private pension companies. CPH has no liabilities in this respect.

Remuneration to the Board of Directors and Executive Management in 2017 was paid in accordance with the "General guidelines for remuneration to the Board of Directors and Executive Management of Copenhagen Airports A/S". Key management consists of the Executive Management.

CPH makes annual pension contributions to the Danish State. These contributions are paid for those employees who, under their contracts of employment, are entitled to a pension from the Danish State. The rate of pension contributions is fixed by the Minister of Finance was 21.2% in 2017 (2016: 21.2%). In 2017, these pension contributions amounted to DKK 1.3 million (2016: DKK 1.5 million).

In 2017, CPH incurred one-off costs of DKK 12.3 million (2016: DKK 10.3 million) related to restructuring, including redundancy payments. See note 1.3 for an overview of one-off items.

Notes - Results for the year

Note

2.5 TAX

Accounting policies

Copenhagen Airports A/S is taxed jointly with Kastrup Airports Parent ApS (KAP), Copenhagen Airports Denmark Holding ApS (CADH) and Copenhagen Airports Denmark ApS (CAD), and the two wholly owned subsidiaries Copenhagen Airports International A/S (CAI) and Copenhagen Airport Hotels A/S (CAH). KAP is the administrative company for the jointly taxed companies and settles corporation taxes due to the tax authorities. CPH, CAI and CAH pay tax on account to KAP and settle tax underpaid/overpaid with KAP when the annual notices of assessment are received from the tax authorities.

Income tax for the year, consisting of the year's current tax and the year's change in deferred tax, is recognised in the income statement at the amount that can be attributed to the profit for the year, and posted directly in other comprehensive income at the amount that can be attributed to movements therein.

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. Interest and allowances regarding tax payments are recognised under Financial income and Financial expenses.

Deferred tax is calculated according to the balance sheet liability method on all temporary differences between the carrying amount and tax base of assets and liabilities.

Estimates and judgements

Deferred tax is calculated on the basis of the tax rules and tax rates that will apply under the legislation in force at the balance sheet date when the deferred tax item 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 assets are recognised in the balance sheet at the value at which they are expected to be realisable.

DKK million	2017	2016
TAX EXPENSE		
Current income tax	347.8	305.7
Change in deferred tax	8.7	46.3
Total	356.5	352.0
TAX IS ALLOCATED AS FOLLOWS:		
Tax on profit for the year	350.1	361.1
Tax on other comprehensive income related to hedging instruments	6.4	(9.1)
Total	356.5	352.0

Notes - Results for the year

Note

2.5 TAX (continued)

DKK million	2017	2016
BREAKDOWN OF TAX ON PROFIT FOR THE YEAR		
Tax calculated at 22.0% of profit before tax	359.8	356.4
Tax effect of:		
Non-deductible costs including effect of interest limitation, etc.	(9.7)	4.7
Total	350.1	361.1
PROVISIONS FOR DEFERRED TAX		
Balance at 1 January	1,026.9	980.6
Change in deferred tax	8.7	46.3
Balance at 31 December	1,035.6	1,026.9
BREAKDOWN OF DEFERRED TAX PROVISIONS		
Property, plant and equipment	1,017.0	1,001.2
Other receivables	(3.8)	(1.9)
Other payables	22.4	27.6
Total	1,035.6	1,026.9

DKK million	2017	2016
INCOME TAX PAYABLE		
Balance at 1 January	168.7	152.6
Tax paid on account in current year	(133.9)	(136.9)
Payment of tax related to previous year	(168.7)	(152.7)
Current income tax	347.8	305.7
Balance at 31 December	213.9	168.7

The Company is subject to interest limitation rules. As a result of the uncertainty regarding the deductibility of interest costs carried forward, the Company has not recognised the tax base of these costs. The tax base of the interest costs carried forward is DKK 6.0 million (2016: DKK 17.0 million).

From 1 July 2012, Copenhagen Airports A/S has had a secondary liability for the tax liabilities of the Danish holding companies, which hold 57.7% of the shares in the Company. This liability is limited to 57.7% of tax liabilities payable on or after 1 July 2012.

In 2017, CPH incurred one-off tax expenses of DKK 5.8 million (2016: DKK 3.4 million).

Notes - Investments

Note

3.1 AMORTISATION AND DEPRECIATION

Accounting policies

Amortisation and depreciation comprise the year's charges for this purpose on CPH's intangible assets and property, plant and equipment.

DKK million	2017	2016
Software	129.3	117.1
Land and buildings	243.3	199.3
Plant and machinery	272.2	257.6
Other fixtures and fittings, tools and equipment	143.2	131.6
Total amortisation and depreciation	788.0	705.6

Total amortisation and depreciation charges increased by DKK 82.4 million, mainly because of the continuing high level of investment.

Notes - Investments

Note

3.2 INTANGIBLE ASSETS

Accounting policies

Software is measured at cost less accumulated depreciation.

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

Software costs comprise salaries, amortisation and other costs that can be attributed directly or indirectly to the software. Costs also include interest expenses incurred during the development of the software.

Software projects that are clearly defined and identifiable, where the technical rate of utilisation, adequate resources and potential scope for development in the Group can be demonstrated, and where the intention is to produce and use the project, are recognised as non-current intangible assets, provided there is sufficient assurance that the value in use from future earnings will cover development costs.

Amortisation is charged on a straight-line basis commencing when the project is ready for use. The amortisation period is 3-5 years.

Impairments

The carrying amount of software and software under development is tested at least annually for any impairment beyond that expressed in amortisation charges. Where there are such indications, an impairment charge is made against the recoverable amount of the assets where this is lower than the carrying amount.

The recoverable amount of the asset is determined as the higher of the net selling price and the value in use. The recoverable amount of software is assessed together with other assets in the smallest group of assets for which a reliable recoverable amount can be determined in an overall assessment.

Estimates and judgements

The estimated useful lives are determined based on historical experience and expectations of future use of the assets. These may prove to be unachievable, which could lead to future reassessment of their useful lives and a need for impairment.

Notes - Investments

Note	2017			2016		
	Software	Software under development	Total	Software	Software under development	Total
3.2 INTANGIBLE ASSETS (continued)						
DKK million						
Cost						
Accumulated cost at 1 January	901.6	146.9	1,048.5	752.4	267.3	1,019.7
Additions	-	74.5	74.5	-	80.4	80.4
Disposals	(17.0)	-	(17.0)	(51.6)	-	(51.6)
Transferred	105.7	(105.7)	-	200.8	(200.8)	-
Accumulated cost at 31 December	990.3	115.7	1,106.0	901.6	146.9	1,048.5
Amortisation						
Accumulated amortisation at 1 January	545.6	-	545.6	480.1	-	480.1
Amortisation	129.3	-	129.3	117.1	-	117.1
Amortisation on disposals	(17.0)	-	(17.0)	(51.6)	-	(51.6)
Accumulated amortisation at 31 December	657.9	-	657.9	545.6	-	545.6
Carrying amount at 31 December	332.4	115.7	448.1	356.0	146.9	502.9

Major investments in intangible assets include purchasing system, system for aircraft stands, development of airport system software and other IT systems.

Notes - Investments

Note

3.3 PROPERTY, PLANT AND EQUIPMENT

Accounting policies

Property, plant and equipment are measured at cost less accumulated depreciation.

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 self-constructed assets, cost comprises direct costs attributable to the asset, including salaries and wages, materials, components, and work performed by subcontractors. Cost also includes interest expenses during construction.

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 ready for use.

Land is not depreciated.

Useful lives of property, plant and equipment:

Land and buildings

Land improvements (sewers, etc.)	40 years
Buildings (terminals, offices, etc.)	80-100 years
Buildings (other)	40 years
Fitting out	5-10 years

Plant and machinery

Runways, roads, etc. (foundations)	80-100 years
Surface of new runways, roads, etc.	10 years
Technical installations on runways	15 years
Technical installations (lifts, etc.)	20 years
Technical installations in buildings	25 years

Other fixtures and fittings, tools and equipment

IT equipment	3-5 years
Energy plant	15 years
Vehicles, etc.	4-15 years
Furniture and fittings	10 years
Hotel equipment	15-20 years
Security equipment	10 years
Technical equipment	10 years
Other equipment	5 years

Gains and losses on the sale of non-current assets are recognised under Other income.

Notes - Investments

Note

3.3 PROPERTY, PLANT AND EQUIPMENT (continued)

Significant estimates and judgements

Property, plant and equipment are depreciated to the estimated residual value over their estimated useful lives, which CPH has estimated above. These estimates are based on the Company's business plans and expected useful lives of the assets, the technical and maintenance state of the assets, and regulatory requirements. The residual value is estimated at DKK 175.9 million (2016: DKK 175.9 million) at the balance sheet date. The useful lives and residual values of property, plant and equipment are reviewed at least at every year-end based on these factors. CPH evaluates the carrying amounts in order to assess whether events have occurred that require an adjustment of these amounts because they are not expected to be recoverable.

In estimating the runways' useful lives, CPH has chosen to divide the system into three elements: foundations, surfaces and technical installations. CPH's assessment is that each element has a different useful life. The runway surfaces have shorter lives than the foundations due to immediate wear; their useful life expectancy is 10 years. This assessment is supported by historical replacement of runway surfaces and planning for future replacement. Technical installations related to the runways are estimated to have a useful life of 15 years. It is assessed that these technical installations do not have the same useful life as other technical installations, taking into account security measures.

Impairment

The carrying amount of property, plant and equipment is tested at least annually for any indications of impairment beyond that expressed in the depreciation charges. Where there are such indications, an impairment charge is made against the recoverable amount of the assets where this is lower than the carrying amount.

In assessing the recoverable amount, CPH takes into account significant indicators of potential impairment such as purchase and sales prices, and general market conditions.

Notes - Investments

Note

3.3 PROPERTY, PLANT AND EQUIPMENT (continued)

DKK million

Cost

	Land and buildings*	Plant and machinery	2017 Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Accumulated cost at 1 January	7,605.0	7,552.5	1,729.1	795.3	17,681.9
Additions	-	-	-	1,442.5	1,442.5
Disposals	(9.3)	(12.3)	(6.9)	-	(28.5)
Transferred	578.7	470.1	263.8	(1,312.6)	-
Accumulated cost at 31 December	8,174.4	8,010.3	1,986.0	925.2	19,095.9

Depreciation

Accumulated depreciation at 1 January	2,984.5	3,728.9	1,168.2	-	7,881.6
Depreciation	243.3	272.2	143.2	-	658.7
Depreciation on disposals	(9.0)	(12.3)	(6.6)	-	(27.9)
Accumulated depreciation at 31 December	3,218.8	3,988.8	1,304.8	-	8,512.4
Carrying amount at 31 December	4,955.6	4,021.5	681.2	925.2	10,583.5

* CPH properties have been mortgaged for a total of DKK 514.9 million (2016: DKK 507.5 million).

Major investments in 2017 included expansion of capacity at the central security checkpoint, improvement of widebody facilities, expansion of Terminal 2 airside, expansion of Terminal 3 landside, establishment of Pier E and various investments in growth.

Notes - Investments

Note

3.3 PROPERTY, PLANT AND EQUIPMENT (continued)

DKK million	2016				Total
	Land and buildings*	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	
Cost					
Accumulated cost at 1 January	7,342.2	7,165.3	1,694.6	770.0	16,972.1
Additions	-	-	-	990.0	990.0
Disposals	(60.8)	(44.9)	(174.5)	-	(280.2)
Transferred	323.6	432.1	209.0	(964.7)	-
Accumulated cost at 31 December	7,605.0	7,552.5	1,729.1	795.3	17,681.9
Depreciation					
Accumulated depreciation at 1 January	2,841.6	3,516.2	1,211.1	-	7,568.9
Depreciation	199.3	257.6	131.6	-	588.5
Depreciation on disposals	(56.4)	(44.9)	(174.5)	-	(275.8)
Accumulated depreciation at 31 December	2,984.5	3,728.9	1,168.2	-	7,881.6
Carrying amount at 31 December	4,620.5	3,823.6	560.9	795.3	9,800.3

* See previous page.



Notes - Investments

Note

3.4 SUBSIDIARIES AND ASSOCIATE

Subsidiaries

- Copenhagen Airport Hotels A/S, Tårnby, Denmark
 - 100% owned by CPH
- Copenhagen Airports International A/S, Tårnby, Denmark
 - 100% owned by CPH

Associate

- Airport Coordination Denmark A/S, Tårnby, Denmark
 - 50% owned by CPH

Notes - Funding and financial risks

Note

4.1 FINANCIAL INCOME AND EXPENSES

Accounting policies

Financial income and expenses include interest, realised and unrealised exchange differences, recycled accumulated gains and losses on swaps related to terminated hedges, amortisation of mortgage loans and other loans, including reversal of fair value adjustments of effective hedges of loans, supplements and allowances under the on-account tax scheme. Fair value adjustment of interest elements of swaps classified as a cash flow hedge for accounting purposes is recognised in comprehensive income.

DKK million	2017	2016
FINANCIAL INCOME		
Interest on other receivables	0.7	1.0
Exchange gains	1.4	1.2
Total financial income	2.1	2.2

Financial income decreased by DKK 0.1 million, primarily due to lower interest rates in the market.

Note

4.1 FINANCIAL INCOME AND EXPENSES (continued)

DKK million	2017	2016
FINANCIAL EXPENSES		
Interest on debt to financial institutions and other loans, etc.	219.8	210.4
Capitalised interest expenses regarding assets under construction	(39.9)	(36.8)
Exchange losses	1.4	0.7
Other financing costs	3.1	1.9
Amortisation of loan costs	5.0	4.8
Total financial expenses	189.4	181.0

In calculating loan costs for the cost of assets, an effective interest rate of 4.0% was applied in 2017 (2016: 4.5%), corresponding to CPH's weighted average cost of capital for borrowings for purchases of property, plant and equipment.

As stated under Currency swaps and Hedging transactions in note 4.3 on financial risks, CPH uses currency swaps to hedge foreign currency loans so that the exchange rate exposure on interest as well as principal is converted from the foreign currency into fixed payments in DKK over the terms of the respective loans. The loans in question have been fully hedged.

Exchange rate adjustments of loans as well as currency swaps (for loan principals) are recognised in Financial income/expenses in the income statement at a net amount of zero, as the exchange rate adjustment of the loans is fully offset by an opposite exchange rate adjustment of the currency swaps.

Notes - Funding and financial risks

Note

4.1 FINANCIAL INCOME AND EXPENSES (continued)

The net value of the exchange loss recognised in 2017 includes an unrealised exchange gain of DKK 436.6 million (2016: unrealised exchange loss of DKK 81.5 million) related to long-term loans denominated in USD and GBP offset by an unrealised exchange loss on currency swaps of DKK 436.6 million (2016: unrealised exchange gain of DKK 81.5 million) relating to the same loans.

Other financing costs mainly consist of interest costs on commercial exposures.

Amortisation of loan costs relates to costs in connection with the establishment of bank loans and credit facilities.

Note

4.2 FINANCIAL INSTITUTIONS AND OTHER LOANS

Accounting policies

Mortgage loans, loans from financial institutions and other loans are recognised when taken out at the amount 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.

DKK million	2017	2016
Financial institutions and other loans are recognised in the balance sheet as follows:		
Non-current liabilities	4,653.3	5,733.4
Current liabilities	1,280.9	62.7
Total	5,934.2	5,796.1

DKK million	2016	Cash flows	Non-cash changes		2017
Liabilities arising from financing activities			Reclassification and loan costs	Foreign exchange movements	
Long-term loans	5,733.4	594.3	(1,407.1)	(267.3)	4,653.3
Short-term loans	62.7	(23.6)	1,411.1	(169.3)	1,280.9
Total	5,796.1	570.7	4.0	(436.6)	5,934.2

Notes - Funding and financial risks

Note

4.2 FINANCIAL INSTITUTIONS AND OTHER LOANS (continued)

CPH had the following loans at 31 December:

DKK million					Carrying amount		Fair value*	
Loan	Currency	Fixed/floating	Maturity date		2017	2016	2017	2016
Overdraft	DKK	Floating	-	-	33.5	57.0	33.5	57.0
RD (DKK 58 million)**	DKK	Floating	30 Jun	2035	51.0	53.9	50.9	53.9
RD (DKK 64 million)**	DKK	Fixed	23 Dec	2032	50.5	53.3	55.0	56.9
Nordea Kredit**	DKK	Floating	30 Dec	2039	450.9	450.9	450.9	451.9
Nordic Investment Bank (NIB)***	DKK	Fixed	12 Feb	2026	130.0	130.0	142.4	145.3
European Investment Bank (EIB)****	DKK	Fixed	15 Dec	2026	250.0	250.0	249.7	250.3
European Investment Bank (EIB)****	DKK	Fixed	07 Apr	2032	600.0	-	589.6	-
USPP bond loan	DKK	Fixed	27 Aug	2025	1,055.0	1,055.0	1,118.9	1,126.4
USPP bond loan	USD	Fixed	27 Aug	2018	620.8	705.5	647.4	764.2
USPP bond loan	USD	Fixed	29 Jun	2018	620.8	705.5	630.1	741.6
USPP bond loan	USD	Fixed	29 Jun	2020	912.5	1,037.1	979.1	1,154.0
USPP bond loan	USD	Fixed	22 Aug	2023	993.2	1,128.7	1,053.7	1,213.7
USPP bond loan	GBP	Fixed	29 Jun	2020	193.0	200.0	212.4	228.7
Total					5,961.2	5,826.9	6,213.6	6,243.9
Loan costs for future amortisation					(27.0)	(30.8)	(27.0)	(30.8)
Total					(27.0)	(30.8)	(27.0)	(30.8)
Total					5,934.2	5,796.1	6,186.6	6,213.1

* See note 4.3 for a description of the method for determining the fair value of financial liabilities.

** CPH's properties have been mortgaged for a total value of DKK 514.9 million (2016: DKK 507.5 million).

*** Funding for the expansion of Pier C.

**** Funding for the expansion of Copenhagen Airport, which is expected to be completed by the end of 2024.

The fixed-rate USPP bond loans of USD 507 million and GBP 23 million (2016: USD 507 million and GBP 23 million) were swapped to DKK on close of contract, both in terms of principal and interest payments, using currency swaps.

The interest rate risk in connection with the floating-rate loan from Nordea Kredit has been hedged by an interest rate swap until 2020.

Notes - Funding and financial risks

Note

4.3 FINANCIAL RISKS

Accounting policies

In connection with CPH's hedging of future transactions and cash flows, derivative financial instruments are used as part of CPH's risk management.

Derivative financial instruments are initially recognised in the balance sheet at fair value on the transaction date under Other receivables and Other payables respectively.

Changes in the fair value of derivative financial instruments that are designated as fair value hedges of a recognised asset or 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 cash flows are recognised in other comprehensive income and accumulated under Reserve for hedging. If the expected future transaction results in the recognition of non-financial assets or liabilities, amounts previously deferred in other comprehensive income are transferred via other comprehensive income from equity and included in the initial measurement of the cost of the asset or liability respectively. Other amounts deferred in other comprehensive income as part of equity are transferred to the income statement in the period in which the hedged transaction affects the income statement.

The fair value of interest rate and currency swaps is determined as the present value of expected future cash flows. The fair value of forward exchange contracts and other derivative financial instruments is determined based on observable exchange rates and the swap and forward rates at the balance sheet date. An evaluation of own and counterparty credit risks is also included.

CPH's risk management policy

CPH's financial risks are managed from its head office. The principles and framework governing CPH's financial management are laid down once a year by the Board of Directors. The financial risks occur primarily as a result of operating and investing activities and are hedged to the greatest extent possible.

Credit risks

CPH's credit risks are primarily related to receivables, bank deposits, securities and derivative financial instruments.

The credit risk regarding receivables arises when CPH's revenue in the form of traffic charges, concession charges, rent, etc. is not prepaid, or when customer solvency is not covered by guarantees, etc.

CPH's revenue comprises aeronautical revenue from national and international airlines, and non-aeronautical revenue from national and international companies within and outside the aviation industry. As part of CPH's internal procedures regarding risk management, the credit risk relating to customers is monitored on a monthly basis. This is done by reviewing any failure to pay amounts due and assessing whether the customer has financial problems.

CPH's trading partners SAS, Norwegian and Gebr. Heinemann (the largest concessionaire), constitute the only significant concentration of credit risk. The gross receivables from sales of services to these customers amounted to approximately 39.7% (2016: 34.7%) of the total. SAS's credit rating from Standard & Poor's is B+ (2016: B). Norwegian does not have a published credit rating but has provided a deposit for rent. Gebr. Heinemann does not have a published credit rating but has provided a banker's guarantee to CPH equivalent to four months' revenue (2016: four months' revenue). The remaining credit risk is distributed among CPH's other customers. See note 5.1 on trade receivables for further information.

Notes - Funding and financing risks

Note

4.3 FINANCIAL RISKS (continued)

Credit risks related to bank deposits, securities and derivative financial instruments arise as a result of uncertainty regarding the counterparty's ability to meet liabilities when due. CPH seeks to limit the credit risk regarding bank deposits and derivative financial instruments by diversifying financial contracts and by entering into contracts only with financial counterparties with satisfactory credit ratings. The credit risk is calculated per counterparty based on the actual market value of the contracts entered into. At the balance sheet date, CPH had no credit risk on derivative financial instruments.

Credit exposure to financial counterparties at 31 December 2017 totalled DKK 12.6 million (2016: DKK 78.2 million), corresponding to the value of bank deposits and money market deposits, including accrued interest.

Capital management

CPH's policy concerning borrowings is, as far as possible, to ensure a certain flexibility by diversifying funding by maturity date and counterparties. Furthermore, it is CPH's policy to comply with the loan covenants in its loan agreements. The Board of Directors ensures, together with management, that the Company has a sound capital structure and, based on this, the financing policy is approved on an annual basis.

CPH, itself and on behalf of its subsidiaries, has undertaken not to create or permit to subsist any charge over its assets or those of its subsidiaries, subject to a maximum permitted amount. Furthermore, CPH has made a commitment to its lenders to comply with a number of other terms and conditions, including financial covenants. A number of CPH's agreements on loans and credit facilities can be terminated in the event of failure to comply with these terms and conditions. CPH complied with all terms and conditions as at 31 December 2017. For information about dividend policy, see page 76.

Liquidity risk

CPH's liquid assets consist of cash totalling DKK 12.6 million (2016: DKK 78.2 million) and guaranteed unused long-term credit facilities totalling DKK 3,300.0 million (2016: DKK 3,000.0 million). CPH also has overdraft facilities available of DKK 66.5 million (2016: DKK 93.0 million). In addition to a general operational risk assessment, CPH endeavours to have minimum undrawn credit facilities of DKK 250.0 million at any time so that it is able to meet its obligations at any time and still have the capital resources needed to conduct its business.

A complete overview of payment commitments is disclosed below. All cash flows are undiscounted and include all liabilities under the contracts. Interest payments on floating-rate debt not yet hedged are recognised at the fixed forward rate from the day the loans are expected to be swapped, based on the yield curve applicable at the balance sheet date. The DKK value of future interest and principal payments on loans in foreign currency is calculated based on the exchange rate at the balance sheet date.

Notes - Funding and financing risks

Note

4.3 FINANCIAL RISKS (continued)

MATURITY AT 31 DECEMBER, DKK million	2017			Total	Fair value level 2*	Carrying amount
	0-1 year	1-5 years	After 5 years			
Recognised at amortised cost						
Financial institutions and other loans	1,518.5	1,742.3	3,543.2	6,804.0	6,213.6	5,961.2
Trade payables	506.4	-	-	506.4	506.4	506.4
Other payables	374.7	-	-	374.7	374.7	374.7
Total	2,399.6	1,742.3	3,543.2	7,685.1	7,094.7	6,842.3
Recognised at fair value						
Derivative financial instruments	43.3	78.8	6.4	128.5	128.5	128.5
Total	43.3	78.8	6.4	128.5	128.5	128.5
Total financial liabilities	2,442.9	1,821.1	3,549.6	7,813.6	7,223.2	6,970.8
Recognised at amortised cost						
Cash	12.6	-	-	12.6	12.6	12.6
Trade receivables	427.5	-	-	427.5	427.5	427.5
Other receivables	48.7	-	-	48.7	48.7	48.7
Total	488.8	-	-	488.8	488.8	488.8
Recognised at fair value						
Derivative financial instruments	6.5	-	0.3	6.8	6.8	6.8
Total	6.5	-	0.3	6.8	6.8	6.8
Total financial assets	495.3	-	0.3	495.6	495.6	495.6

* The fair value of financial liabilities is the present value of the expected future instalments and interest payments, except for trade payables, other payables and receivables, which are stated at the net carrying amount at year-end. A zero-coupon interest rate for similar maturities plus estimated credit cost based upon the present rating of the Company is used as the discount rate. The fair value of derivative financial instruments is determined based on published exchange rates, swap and forward rates, etc. An evaluation of own and counterparty credit risk is also included. The fair value measurement of financial instruments is divided into the following measurement hierarchy:

Level 1: Observable market prices of identical instruments

Level 2: Valuation models primarily based on observable prices or traded prices of comparable instruments

Level 3: Valuation models primarily based on non-observable prices

The fair value of CPH's forward exchange contracts and other derivative financial instruments (interest rate and currency swaps) is considered a level 2 fair value measurement, as the fair value is primarily determined directly based on published exchange rates and quoted swap and forward rates at the balance sheet date.

Notes - Funding and financing risks

Note

4.3 FINANCIAL RISKS (continued)

MATURITY AT 31 DECEMBER, DKK million	2016			Total	Fair value level 2*	Carrying amount
	0-1 year	1-5 years	After 5 years			
Recognised at amortised cost						
Financial institutions and other loans	306.1	3,306.2	3,298.3	6,910.6	6,243.9	5,826.9
Trade payables	544.8	-	-	544.8	544.8	544.8
Other payables	353.5	-	-	353.5	353.5	353.5
Total	1,204.4	3,306.2	3,298.3	7,808.9	7,142.2	6,725.2
Recognised at fair value						
Derivative financial instruments	-	51.2	3.0	54.2	54.2	54.2
Total	-	51.2	3.0	54.2	54.2	54.2
Total financial liabilities	1,204.4	3,357.4	3,301.3	7,863.1	7,196.4	6,779.4
Recognised at amortised cost						
Cash	78.2	-	-	78.2	78.2	78.2
Trade receivables	371.3	-	-	371.3	371.3	371.3
Other receivables	38.6	-	-	38.6	38.6	38.6
Total	488.1	-	-	488.1	488.1	488.1
Recognised at fair value						
Derivative financial instruments	-	216.0	124.0	340.0	340.0	340.0
Total	-	216.0	124.0	340.0	340.0	340.0
Total financial assets	488.1	216.0	124.0	828.1	828.1	828.1

* See previous page.

Notes - Funding and financing risks

Note

4.3 FINANCIAL RISKS (continued)

MARKET RISKS

Interest rate risks

It is CPH's policy to hedge interest rate risks on its loans whenever it is considered that the interest payments can be hedged at a satisfactory level. Hedging is normally by means of entering into interest rate swaps under which floating-rate loans are swapped to a fixed interest rate.

Interest rate swaps have been used to hedge the floating rate on certain mortgage loans over a part of the loan's maturity. At the balance sheet date, CPH had outstanding interest rate swaps at a notional amount of DKK 507.8 million (2016: DKK 507.8 million). The remaining period is approximately four years. The fair value of the interest rate swaps amounts to DKK (37.9) million (2016: DKK (54.2) million).

In order to reduce its overall interest rate sensitivity, CPH seeks to ensure that its debt has a duration that to a certain extent takes into account the useful lives of its assets. The duration of CPH's loans at 31 December 2017 has been determined at approximately 6.9 years (2016: approximately 7.1 years).

Most of CPH's loan portfolio is at fixed rate or has been swapped to fixed interest rate. Fluctuations in the interest rate level would therefore have only a limited impact on CPH's income statement.

As the exchange rate and interest rate risk of debt denominated in USD, GBP and DKK is hedged by USD/DKK, GBP/DKK and DKK interest rate swaps, a change in interest rate levels would affect equity.

Sensitivity analysis of the current portfolio of swap contracts

DKK million	2017	2016
EFFECT ON EQUITY OF:		
An increase in the DKK interest rate of 1 %-point	100.8	118.2
A decrease in the DKK interest rate of 1 %-point	(110.4)	(130.4)
An increase in the USD interest rate of 1 %-point	94.1	130.6
A decrease in the USD interest rate of 1 %-point	(99.6)	(139.3)
An increase in the GBP interest rate of 1 %-point	5.5	7.9
A decrease in the GBP interest rate of 1 %-point	(5.7)	(8.3)

A change in the DKK, USD or GBP interest rate would have an opposite effect on the loan portfolio. However, as the liability is recognised at amortised cost, it would not impact the carrying amount and thereby equity.

Notes - Funding and financing risks

Note

4.3 FINANCIAL RISKS (continued)

Exchange rate risks

Exchange rate fluctuations would have only a low impact on CPH's operating results because most of its revenues and costs are settled in DKK.

Currency swaps

Currency swaps have been used to hedge fixed-rate bond loans denominated in USD and GBP by swapping the exchange rate exposure on both interest and principal from fixed payments in USD and GBP to fixed payments in DKK throughout the terms of the respective loans. The total notional amount of these outstanding cross-currency swaps at 31 December 2017 was USD 507 million and GBP 23 million (2016: USD 507 million and GBP 23 million). The carrying amount of the currency swap contracts amounted to DKK (83.8) million (2016: DKK 340.0 million).

Hedging transactions

The net fair value stated will be transferred from Reserve for hedging to the income statement as and when the hedged interest payments are made. The terms to maturity of the cross-currency swaps match the terms to maturity of the related loans. The term to maturity of one of the interest rate swaps is shorter than the underlying mortgage loan, but the hedges match the interest payments on the loans for the full terms of the hedges.

Notes - Other notes

Note

5.1 TRADE RECEIVABLES

Accounting policies

Receivables are recognised in the balance sheet at amortised cost less any write-down. Provisions are determined on the basis of an individual assessment of each receivable.

Estimates and judgements

The write-down is based on an objective indication of impairment, such as outstanding payments or financial difficulties, e.g. the debtor's suspension of payments, bankruptcy or expected bankruptcy.

DKK million	2017	2016
Trade receivables	457.7	404.5
Write-down	30.2	33.2
Net trade receivables	427.5	371.3
Write-down for bad and doubtful debts		
Accumulated write-down at 1 January	33.2	33.9
Change in write-down for the year	8.2	(1.0)
Realised loss for the year	0.4	0.3
Reversal	(11.6)	-
Accumulated write-down at 31 December	30.2	33.2

The year's movements are recognised in the income statement under External costs. The carrying amount is the fair value.

In a number of cases, CPH receives collateral security for sales on credit, mainly regarding non-aeronautical activities, and such collateral is included in the assessment of the write-down required for bad and doubtful debts. The collateral may be in the form of financial guarantees. Of the trade receivables of DKK 427.5 million (2016: DKK 371.3 million), DKK 60.0 million (2016: DKK 178.9 million) was covered by collateral security. The maximum credit risk is reflected in the carrying amount of the financial assets in the balance sheet.

CPH's trade receivables at 31 December 2017 included receivables of DKK 38.7 million (2016: DKK 36.6 million), which were written down to DKK 8.5 million (2016: DKK 3.4 million) on the basis of individual assessments.

Overdue receivables at 31 December 2017 that had not been written down totalled DKK 34.1 million (2016: DKK 25.2 million). The list of receivables by maturity is as follows:

DKK million	2017	2016
Overdue but not impaired receivables by maturity		
Less than 30 days	37.3	25.1
30 to 90 days	(0.7)	0.3
More than 90 days	(2.5)	(0.2)
Total	34.1	25.2

Notes - Other notes

Note

5.2 OTHER PAYABLES

Accounting policies

Other payables are recognised when, as a result of events occurring on or before the balance sheet date, the Group has a legal or constructive obligation and it is probable that an outflow of economic benefits will be required to settle the obligation.

Other payables primarily comprise holiday pay liabilities, payroll taxes, VAT and interest payable and are measured at nominal value. Other payables also comprise the fair value of derivative financial instruments.

DKK million	2017	2016
Holiday pay and other payroll items	283.3	277.8
Interest payable	39.7	32.7
Other costs payable	51.7	43.0
Balance at 31 December	374.7	353.5

Other payables increased by DKK 21.2 million, primarily due to the higher activity level and higher interest payable as a result of higher loan volume, partly offset by improved loan terms.

Note

5.3 NOTES TO THE CASH FLOW STATEMENT

DKK million	2017	2016
RECEIVED FROM CUSTOMERS		
Revenue	4,439.4	4,421.9
Change in trade receivables and prepayments from customers	(40.7)	(46.0)
Total	4,398.7	4,375.9
PAID TO STAFF, SUPPLIERS, ETC.		
Operating costs	(1,831.4)	(1,923.6)
Change in other receivables, etc.	20.9	(30.2)
Change in cost-related trade payables, etc.	(38.4)	44.8
Total	(1,848.9)	(1,909.0)
INTEREST RECEIVED, ETC.		
Interest received, etc.	-	1.1
Realised exchange gains	1.3	0.3
Total	1.3	1.4
INTEREST PAID, ETC.		
Interest paid, etc.	(214.1)	(209.7)
Realised exchange losses	(0.5)	(0.3)
Other financial costs	(1.9)	(0.7)
Other interest expenses	(1.2)	(1.2)
Total	(217.7)	(211.9)



Notes - Other notes

Note

5.4 FINANCIAL COMMITMENTS

CPH is committed to providing redundancy pay to civil servants pursuant to the provisions of the Danish Civil Servants Act, cf. note 2.4.

As of 31 December 2017, CPH had entered into contracts to build facilities totalling DKK 383.0 million (2016: DKK 167.3 million) and other commitments totalling DKK 23.2 million (2016: DKK 52.2 million). Major commitments include contracts concerning Terminal 2 airside expansion, developing Pier E, Terminal 3 landside expansion and IT systems. Other commitments include administrative, IT and service contracts.

CPH has entered into a contract to replace the airport's traffic system for handling aircraft settlement at a purchase price of DKK 36.0 million (2016: DKK 36.0 million). The commitment covers the investment in software. In addition, the contract includes a commitment in the form of annual service costs contingent on the number of passengers. There may be uncertainty in the calculation of the liability due to the estimated number of passengers. The total commitment amounted to DKK 100.3 million (2016: DKK 144.7 million) and is specified as follows:

DKK million	2017	2016
Within 1 year	20.2	20.5
Between 1 and 5 years	44.3	76.8
More than 5 years	35.8	47.4

Petter Anker Stordalen and CPH entered into an agreement that Nordic Choice Hotels would assume management of the existing airport hotel from 1 April 2017. The existing airport hotel will be upgraded to a high-end Clarion Hotel. The agreement also included the construction of a 600-room Comfort Hotel and a 3,000 m² conference facility, expected to be opened by Nordic Choice Hotels in 2020. The total budget for upgrading and new construction will be approximately DKK 1.0 billion. When work on the new hotel and conference centre is complete, Petter Anker Stordalen's property company, Strawberry Fields, will hold a 47% stake in the two hotels and the conference centre, with CPH holding the remaining 53%.

Under the agreement with Naviair for the provision of air traffic services, CPH has undertaken to be liable for any terminal navigation charges (TNC) that Naviair users may fail to pay. This liability takes effect when the claim has been ascertained and documented as irrecoverable, and when other specifically agreed terms and conditions have been met.

Debt to financial institutions is secured by mortgages on CPH's properties as described in note 3.3.

CPH has a secondary liability for the tax liabilities of the Danish holding companies, which hold 57.7% of the shares in the Company. See note 2.5 for additional information.

CPH is not party to any significant agreements that take effect, alter or terminate upon change of control of CPH.

Notes - Other notes

Note	Note
<p>5.5 RELATED PARTIES</p> <p>CPH's related parties are the Danish Labour Market Supplementary Pension (ATP) and the Ontario Teachers' Pension Plan (OTPP), cf. their controlling ownership interests in CPH and an associate (see note 3.4), and the Board of Directors and Executive Management. See also note 2.4 regarding remuneration to the Board of Directors and Executive Management.</p> <p>ATP and OTPP (via their respective underlying holding companies) jointly own and control Copenhagen Airports Denmark ApS (CAD), company reg. (CVR) no. 29144249. CAD is indirectly controlled by Kastrup Airports Parent ApS (KAP), company reg. (CVR) no. 33781903, which is owned by ATP and OTPP. Until 19 December 2017, OTPP and MEIF3 jointly owned and controlled CAD.</p> <p>KAP is thereby the ultimate holding company of CPH. The consolidated annual report of KAP, in which CPH is included as a subsidiary, may be obtained from KAP through Azets Insight A/S, Lyskær 3C, 2730 Herlev, Denmark.</p> <p>CAD holds 57.7% of both the shares and voting rights in CPH.</p> <p>ATP and OTPP (through their respective underlying holding companies) have signed a shareholders' agreement providing for agreement between the two parties on all material resolutions. The agreement also stipulates rules for the nomination of members of the Board of Directors of CPH.</p> <p>For additional information on ATP and OTPP, see www.atp.dk and www.otpp.com.</p>	<p>5.6 CONCESSION FOR AIRPORT OPERATION AND CHARGES REGULATION</p> <p>Pursuant to section 55 of the Danish Air Navigation Act, special permission from the Minister of Transport is required for airport operations. The permissions for the airports at Kastrup and Roskilde, which are issued by the Danish Transport, Construction and Housing Agency (DTCA), are valid until 1 January 2020, at which time they must be renewed.</p> <p>Commission Regulation (EU) No 139/2014 establishes requirements and administrative procedures related to aerodromes and aerodrome operators. On 22 December 2016, CPH received new certificates from the DTCA under the EU Aerodromes Regulation. These certificates have been issued to CPH as aerodrome operator and replace the former technical approvals. The certificates are valid indefinitely.</p> <p>The Minister of Transport may lay down regulations concerning the charges that may be levied on the use of aerodrome ("charges regulation").</p> <p>The charges regulation for CPH relating to 2017 was set out by the DTCA in BL 9-15, 3rd edition of 8 March 2011, "Regulation on payment for use of airports (airport charges)", with annex 1 of 20 November 2013. According to BL 9-15, 3rd edition, the airlines and the airport are first requested to seek consensus on future airport charges in the coming regulatory period. If this is not possible, the DTCA will set annual revenue caps, which comprise the maximum total amount the airport can apply for each of the years as a basis for setting the charges for the use of the aeronautical facilities and services (fall-back). If the charges are negotiated by the parties, the parties must also agree on the length of the coming regulatory period. If the parties cannot agree on the terms and conditions through negotiation, the regulatory period is four years.</p> <p>BL 9-15, 3rd edition, includes various rules on determining charges by negotiation and in the event of a fall-back situation. In a fall-back situation, the revenue caps will be determined to cover the operating costs, depreciation and cost of capital for efficient operation of the airport. Based on the revenue cap, CPH is then required to prepare a proposal for charges during the regulatory period, for approval by the DTCA. BL 9-15, 3rd edition, includes various rules on how to calculate these revenue caps.</p>

Notes - Other notes

Note

5.6 CONCESSION FOR AIRPORT OPERATION AND CHARGES REGULATION

(continued)

During the period 1 March to 1 September 2014, the airlines and CPH (under the supervision of the DTCA) negotiated and concluded a charges agreement that is valid from 1 April 2015 to 31 March 2019. According to the charges agreement, the price for using the airport will follow the Danish Consumer Price Index. The charges agreement includes investments by CPH to help reduce total airline costs. These investments comprise a change to the airside security area on 4 December 2015, making it easier and cheaper to service aircraft, and merging domestic and international traffic on 1 April 2015 to strengthen the domestic product and make operations more efficient. Uniform prices for domestic and international traffic have been introduced in connection with the merger of domestic and international traffic with full harmonisation on 1 April 2016, with the exception that CPH Go will retain a lower passenger charge.

In accordance with the charges agreement and security requirements concerning explosives trace detection (ETD), CPH introduced a new separate security charge on 1 September 2015 corresponding to CPH's costs to comply with the new requirements. As of 1 April 2017, the security charge has been DKK 4.30 per locally departing passenger (2016: DKK 3.59). The charge will be adjusted on 1 April each year to continuously reflect the actual costs for CPH.

In November 2017, the DTCA issued BL 9-15, 4th edition, which will enter into force on 1 January 2018. BL 9-15, 4th edition, will replace BL 9-15, 3rd edition, and govern the charges negotiation to take place in 2018 between the airlines and CPH in which the parties shall seek to agree on the charges from 1 April 2019 onwards. If the parties fail to agree, the DTCA will set the revenue caps for the airport and the regulatory period will then be two years. The parties can agree amongst themselves on the charges for a period up to six years. BL 9-15, 4th edition, includes various rules on how to calculate the revenue caps.

For additional information, see the Copenhagen Airports Act, the Danish Air Navigation Act, the Copenhagen Airport Expansion Act, the Articles of Association of Copenhagen Airports A/S and EU regulations, including regulations concerning design, operation, facilities, etc.

Note

5.7 FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

DKK million	2017	2016
Audit fee to PwC	1.2	1.4
Fees for assurance engagements other than audit	0.4	0.2
Tax advice	0.2	0.1
Non-audit services	0.9	0.6
Total audit fee	2.7	2.3

Fees for services other than statutory audit of the financial statements provided to CPH by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab amount to DKK 1.5 million (2016: DKK 0.9 million) and mainly relate to review of non-financial statements, accounting advice and tax assistance associated with the hotel operation.

Notes - Other notes

Note

5.8 POST-BALANCE SHEET EVENTS

No material events have occurred subsequent to the balance sheet date.

5.9 CAPITAL AND EPS

See Shareholder information in the Management's Review on page 75.

DKK million	2017	2016
EPS = $\frac{\text{Net profit for the year}}{\text{Number of outstanding shares (thousand)}}$	$\frac{1,285.5}{7,848}$	$\frac{1,259.0}{7,848}$
EPS = (diluted) $\frac{\text{Net profit for the year}}{\text{Average number of outstanding shares, fully diluted (thousand)}}$	$\frac{1,285.5}{7,848}$	$\frac{1,259.0}{7,848}$

Note

5.10 DEFINITIONS OF KEY FINANCIAL FIGURES

Asset turnover rate	Revenue divided by average operating assets
Cash earnings per share (CEPS)*	Net profit/(loss) for the year plus amortisation and depreciation divided by average number of shares
Earnings per share (EPS)	Net profit/(loss) for the year divided by average number of shares
Equity ratio	Equity at year-end as a percentage of total assets at year-end
EBITDA index	Cash flow from operating activities before financial items and tax divided by EBITDA
EBITDA margin	Operating profit/(loss) adjusted for amortisation and depreciation as a percentage of revenue
EBIT margin	Operating profit/(loss) as a percentage of revenue
Leverage ratio	Net interest-bearing debt divided by EBITDA
Net asset value per share	Equity at year-end divided by number of shares at year-end
NOPAT margin*	Net profit/(loss) for the year adjusted for net financial expenses after tax and changes in deferred tax for the year divided by revenue
Payout ratio	Dividend divided by net profit/(loss) for the year
Return on assets	Operating profit/(loss) as a percentage of average operating assets
Return on equity	Net profit/(loss) for the year divided by average equity
ROCE*	EBIT divided by average equity plus non-current liabilities and current interest-bearing debt
Turnover rate of capital employed*	Revenue divided by average equity plus average non-current liabilities and current interest-bearing debt

The definitions of ratios are in line with the recommendations from 2015 made by the Association of Danish Financial Analysts, except for the ratios marked with *, which are not defined by the Association.

CONSOLIDATED NON-FINANCIAL STATEMENTS (SUPPLEMENTARY INFORMATION – NOT AUDITED)

Statement on Social performance (People)	129
Statement on Planet performance.....	130
Statement on Position performance	131
Notes to the non-financial statements.....	133



Social performance (People), 1 January – 31 December

Note

		Unit	Target 2023	2017	2016	2015
Safety and security						
2	Incidents of aircraft damage in which CPH is a contributing party per 10,000 operations	number	Reduce the risk of aircraft damage	0.00	0.11	0.08
3	Rate of employee reporting to CPH	%	97	95	96	97
4	Number of high-risk birdstrikes per 10,000 operations	number	Reduce the risk of birdstrikes	1.31	1.24	1.37
Working environment						
5	Number of occupational injuries per million working hours in CPH	number	5.0	7.6	8.7	13.0
5	Number of occupational injuries per million working hours on CPH building sites	number	5.0	18.3	10.8	N/A
5	Rate of absence due to illness	%	4.4	4.6	5.1	4.9
Attractive workplace						
6	Employee satisfaction	scale 0-100	82	83	81	81
7	Degree of diversity	achieved/not achieved	Max. 70% belong to the same gender and age group in departments with min. 20 employees	Not achieved	N/A	N/A

Read more about the initiatives on pages 38-47.

Planet performance, 1 January – 31 December

Note

		Unit	Target 2023	2017	2016	2015
CO₂						
8	Increase share of renewable energy	%	At least 10	0.23	0.22	0.24
8	Maintain ACA accreditation at minimum level 3 optimisation	level	Level 3	Achieved	Achieved	Achieved
8	CO ₂ per passenger	kg CO ₂ per passenger	Max. 0.75	1.00	1.01	1.10
Air quality						
9	All vehicles with a car pass required to satisfy UGG	%	90	57	55	57
Resources						
10	Increase the recycling rate for waste from daily operations in terminal areas, service areas and administration at CPH	%	At least 60	28	25	14

Read more about the initiatives on pages 48-58.



Position performance, 1 January – 31 December

Note

		Unit	Target 2023	2017	2016	2015
International connectivity						
11	Progress in Airport Connectivity Index (ACI)	index	9,928	8,613	8,289	8,022
12	Annual long-haul departures at CPH	number	10,000	7,928	7,919	7,575
13	Point-to-point connectivity	number	131	119	110	105
Cohesion						
14	Degree of how attractive to fly domestic	%	48	42	N/A	N/A
15	Number of domestic passengers (both departing and arriving)	number	1,834,000	1,611,369	1,710,868	1,612,884
16	ASQ satisfaction among domestic passengers	%	85	86	84	80

Read more about the initiatives on pages 59-64.

Roskilde Airport, 1 January – 31 December

Note

	Unit	2017	2016	2015
17 Roskilde Airport				
CO ₂ emissions, scopes 1 + 2	tonnes	511	532	528
Direct energy consumption, scope 1	MWh	841	906	935
Indirect energy consumption, scope 2	MWh	728	728	704
Energy savings, scopes 1 + 2	MWh	26.8	-	-

Read more about the initiatives on pages 65-66.

Notes to the non-financial statements

Note			
1	Summary of significant accounting policies	134	
PEOPLE			
Safety and security			
2	Incidents of aircraft damage in which CPH is a contributing party per 10,000 operations	136	
3	Rate of employee reporting to CPH	137	
4	Number of high-risk birdstrikes per 10,000 operations	138	
Working environment			
5	Number of occupational injuries per million working hours in CPH	139	
5	Number of occupational injuries per million working hours on CPH building sites	139	
5	Rate of absence due to illness	139	
Attractive workplace			
6	Employee satisfaction	140	
7	Degree of diversity	141	
PLANET			
CO₂			
8	Increase share of renewable energy	143	
8	Maintain ACA accreditation at minimum level 3 optimisation	143	
8	CO ₂ per passenger	143	
Air quality			
9	All vehicles with a car pass required to satisfy UGG	145	
Resources			
10	Increase the recycling rate for waste (from daily operations in terminal areas, service areas and administration at CPH)	146	
POSITION			
International connectivity			
11	Progress in Airport Connectivity Index (ACI)	147	
12	Long-haul departures per year at CPH	148	
13	Point-to-point connectivity	149	
Cohesion			
14	Degree of how attractive to fly domestic	150	
15	Number of domestic passengers	151	
16	ASQ satisfaction among domestic passengers	152	
ROSKILDE			
17	Roskilde Airport	153	

Notes

Note

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the non-financial statements

The non-financial statements have been prepared in accordance with sections 99a and 99b of the Danish Financial Statements Act.

Pursuant to section 99a, CPH is required to give an account of its CR policies and report on its CR activities and the results achieved. Pursuant to section 99b, CPH is required to give an account of its targets and policies that are intended, over time, to increase gender diversity at board and management levels. For more details, see CPH's CR policy at www.cph.dk/cr-policy and for more details on the key results for the year, see the section entitled Performance on pages 25-34. See also the notes on the following pages for the current status of relevant KPIs and other performance measures. The information referred to above and the non-financial statements together constitute CPH's CR report pursuant to sections 99a-b of the Danish Financial Statements Act.

Since 2011, CPH has supported the ten principles of the UN Global Compact on human rights, labour, environment and anti-corruption. As a Global Compact signatory, CPH reports on its activities to incorporate the ten principles into its strategy, operations and corporate culture. As part of these efforts, CPH also strives to communicate the ten principles to suppliers and business partners. For more details on CPH's work to implement the ten principles, see the table on page 15. In 2017, CPH also focused on the global UN Sustainable Development Goals (SDGs). As part of its updated CR strategy, CPH has initiated a process to clarify which of the 17 SDGs and 169 targets to select as focus areas for the future and which goals would make sense and add value for CPH going forward. CPH expects to complete the preliminary stage of this analysis during the first six months of 2018.

Materiality

CPH is responsible for ensuring that reporting is provided on the areas that are relevant to CPH's stakeholders and have a material impact on CPH's business now and in future.

In 2014, CPH integrated its financial and non-financial reporting. To better reflect CPH's targeted CR approach and incorporate the goals even further into its business strategy, in 2017 CPH carried out a complete reorganisation of the goals that promote the work of running and developing Copenhagen Airport in a responsible manner and getting results.

In 2016, CPH carried out a materiality analysis among its key stakeholders to map the most significant corporate responsibility risks and opportunities from the stakeholders' perspective.

In 2017, the results of the analysis formed the basis of the updated CR strategy in which CPH has maintained the three strategic focus areas of People, Planet and Position and selected 11 priority areas for the coming years. Thus, the 2016 analysis contributed significantly to formulating and developing the updated CR strategy and also provided input to the selection of content and data in this Group Annual Report.

The selection of data included in the non-financial reporting is based on statutory requirements and Management's annual evaluation of what is considered to be material to report to CPH's stakeholders. Both short-term and long-term value creation is taken into account. Management's assessment is based on an evaluation of last year's integrated Group Annual Report entitled Facts & Figures 2016, the materiality assessment as well as input and comments from relevant stakeholders and the consortium of owners.

(continued)

Notes

Note

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The same measurement and calculation methods are applied for all of CPH's reporting sites and companies. Data and disclosures are recorded continuously based on reporting from the individual airport areas and functions, and are essentially based on externally documented records, internal records, calculations and, to a lesser extent, estimates. The specific method of calculation for each KPI is stated in the related accounting policies note. Historical data are only restated if the change represents more than 2% of the consolidated figure, and in that case there will be a note setting out the reason.

Changes compared to 2016

In 2017, we updated our CR strategy. As a result of the work to integrate and consolidate our business strategy and our CR strategy, the KPIs, performance measures and format have been changed in the Annual Report 2017. All notes have been redefined so that while still structured around the three areas of People, Planet and Position, they have been categorised into the above-mentioned 11 themes. Not all themes/areas were included in the notes, as some themes/areas for 2017 are not yet ready to be measured and reported on in 2017 and are thus not included in the notes. For one thing, baseline analyses must be performed for several areas to obtain more data.

Compared to 2016, by way of example, the following performance measures have been left out: Waiting time at the central security checkpoint, Punctuality, Other social and ethical indicators, and Drinking water.

Instead, for example, the following new KPIs have been included this year: International connectivity and Cohesion. See pages 35-66 of Management's Review for more details on KPIs.

Delimitation

The Annual Report 2017 constitutes CPH's statutory annual reporting and is primarily aimed at professional stakeholders. For additional information about CPH's corporate responsibility work, please visit the website www.cph.dk.

The Annual Report 2017 represents CPH's Communication on Progress (COP) to the UN Global Compact.

Basis of consolidation

The Annual Report includes reporting for the entire Group with respect to non-financial data and disclosures. Companies are consolidated into or eliminated from reporting with effect from the date when they are controlled by or no longer controlled by CPH, as the case may be.



Notes - People

Note**2 INCIDENTS OF AIRCRAFT DAMAGE IN WHICH CPH IS A CONTRIBUTING PARTY PER 10,000 OPERATIONS****Accounting policy**

Aircraft damage is defined as all types of damage to aircraft contributed to by CPH's equipment or employees. This KPI is stated as incidents of aircraft damage per 10,000 operations.

Sources are pilot/airline reports, handling company reports, security reports and direct information from persons involved in such incidents. Incidents reported by the persons involved are stated as incidents subject to reporting that have been reported by the persons involved in the specific incident.

**SAFETY AND SECURITY**

Our goal is continuously to be one of the best airports at managing flight safety. Every day we are working proactively and systematically to ensure that our passengers feel safe and secure on their journeys.

	Unit	Target 2023	2017	2016	2015
Safety and security, KPI					
Incidents of aircraft damage in which CPH is a contributing party per 10,000 operations	number	Reduce the risk of aircraft damage*	0.00	0.11	0.08

Typical cases of aircraft damage where CPH could be a contributing party are caused by CPH's infrastructure or equipment, or CPH staff moving around airside. For example, there have been some technical challenges involving passenger bridges in previous years. Over the last few years, CPH has sharpened focus on maintaining bridges. Despite this, there have been a few near-misses involving bridges but, fortunately, no actual aircraft damage.

In the last few years, CPH has undergone a certification process in compliance with EU legislation. This imposed a number of stringent requirements regarding both design and maintenance of the airport's infrastructure and equipment as well as operational performance, for example competence requirements for airport staff. Compliance with these requirements has also contributed to a general improvement in flight safety on CPH's part.

* The 2023 target is expected to be finally approved in Q1 2018 by the CPH Safety Board.



Notes - People

Note**3 RATE OF EMPLOYEE REPORTING TO CPH****Accounting policy**

The target is based on whether safety episodes that come under the employee reporting obligation are actually reported by the persons involved.

Employee reports are compared to information from other sources, which may be pilot reports, marshal reports, security reports, air traffic controller reports and observations. If safety episodes have come to the attention of CPH SCM via these sources and no employee report has been submitted, this brings down the results.

Rate of employee reports is measured as a percentage of all episodes reported by the persons involved.

CPH SCM considers only the following three types of safety episode to be covered by the reporting obligation:

- a) Unauthorised runway incursion
- b) Aircraft damage
- c) Driving in front of/behind a moving aircraft

The employee reporting obligation applies only to employees of CPH, Naviair, handling companies and airlines operating at the airport.

	Unit	Target 2023	2017	2016	2015
Safety and security, KPI					
Rate of employee reporting to CPH	%	97	95	96	97

This figure is still fairly high. The small decrease is not considered a significant downward trend.

**SAFETY AND SECURITY**

Our goal is continuously to be one of the best airports at managing flight safety. Every day we are working proactively and systematically to ensure that our passengers feel safe and secure on their journeys.



Notes - People

Note**4 NUMBER OF HIGH-RISK BIRDSTRIKES PER 10,000 OPERATIONS****Accounting policy**

Birdstrikes is calculated as the number of birds at high risk of causing collisions per 10,000 operations.

Birds likely to cause collisions are recorded where

- a birdstrike has been reported by the pilot
- birds likely to cause collisions have been found by the airport bird hunter
- the species has been determined by a wild bird and game consultant or via a DNA test.

Birds likely to cause collisions are only counted as birdstrikes if their species has been determined and they have been classified as red or orange risk. Concrete birdstrikes where no DNA has been found or no bird has been retrieved are not included in the report.

The species of birds likely to cause collisions are determined and they are classified as red or orange risk following retrieval from the airport bird hunter, cf. CPH's wild bird and game consultant's "Acquired management action" table drawn up in connection with the annual Risk Assessment Matrix for CPH.

	Unit	Target 2023	2017	2016	2015
Safety and security, KPI					
Number of high-risk birdstrikes per 10,000 operations	number	Reduce the risk of birdstrikes	1.31	1.24	1.37

The fluctuation seen in the values over the last few years can be attributed to natural variation, as there are various uncontrollable factors (e.g. climate) that affect bird behaviour and hence, indirectly, the number of birdstrikes.

**SAFETY AND SECURITY**

Our goal is continuously to be one of the best airports at managing flight safety. Every day we are working proactively and systematically to ensure that our passengers feel safe and secure on their journeys.



Notes - People

Note**5 WORKING ENVIRONMENT****Accounting policy**

The number of occupational injuries is the number of occupational injuries during the year causing one or more days of absence after the day on which the injury occurred. The frequency of occupational injuries is stated as the number of occupational injuries involving lost days per million actual working hours. Actual working hours is calculated as planned working hours (normal hours) less planned time off. Planned time off is defined as paid and unpaid holiday, extra holiday and extra days off, and other time off in lieu. For full-time permanent employees, CPH continues to use a standard-year calculation.

The number of occupational injuries on CPH building sites where the developer is required to coordinate working environment measures is calculated as the number of occupational injuries during the year causing one or more days of absence after the day on which the injury occurred. The frequency of occupational injuries is stated as the number of occupational injuries involving lost days per million actual working hours.

Absence due to illness is determined based on records in CPH's HR systems.



WORKING ENVIRONMENT
We know that a safe and healthy working environment means job satisfaction and a high level of performance. We are therefore working dedicatedly and innovatively to share knowledge and ensure well-being – every day.

	Unit	Target 2023	2017	2016	2015
Working environment, KPI					
Number of occupational injuries per million working hours in CPH	number	5.0	7.6	8.7	13.0
Number of occupational injuries per million working hours on CPH building sites	number	5.0	18.3	10.8	-
Rate of absence due to illness	%	4.4	4.6	5.1	4.9
Indicators					
Absence due to occupational injuries	%		0.1	0,1	0.2
Occupational injuries involving lost days	number		30	33	47
Health checks	number		366	365	340
Physiotherapy treatments /massages	number		143	766	792

Occupational injuries on building sites have increased due to a larger portfolio and greater complexity in the building work. Recording of occupational injuries on building sites started in 2016, and it has taken time to encourage all contractors to report occupational injuries to CPH.

Physiotherapy treatments: The number of treatments fell in 2017 because no treatments were offered in the period from January to August 2017. During this period, CPH referred employees to the health insurance scheme.



Notes - People

Note**6 EMPLOYEE SATISFACTION****Accounting policy**

CPH's annual engagement survey encourages all employees to respond to a series of statements on development, communication and collaboration, culture and values, psychosocial working environment and strategy. The 2017 survey was conducted in September to October. The engagement index score is the average for a series of statements that relate directly to employee satisfaction, motivation, individual well-being and working in teams.

All persons permanently employed at CPH on 1 June 2017, including permanent substitutes, were able to participate in the survey and were sent an e-mail about it. This did not include employees who had given or been given notice.

**ATTRACTIVE WORKPLACE**

We are working in all areas of our company to maintain a high level of engagement and to remain a diverse and inclusive workplace where all employees can develop and fulfil their potential.

	Unit	Target 2023	2017	2016	2015
Attractive workplace, KPI					
Employee satisfaction	scale 0-100	82	83	81	81
Indicators					
Response rate	%		93	89	92

Our dual focus on management development and creating a healthy physical and psychosocial working environment has borne fruit, contributing to high scores on our management and engagement indexes. In addition, both managers and union representatives have made a huge effort to motivate all employees to respond to the engagement survey. The opportunity to complete the survey on a mobile phone was also a factor in the very high response rate.



Notes - People

Note**7 DEGREE OF DIVERSITY****Accounting policy**

CPH believes that a diverse workforce is important to guarantee the airport's future growth and strategic direction. This is why CPH launched a new Diversity and Inclusion Strategy in 2016, in which we describe how we wish to focus on three key areas: gender, age and multiculturalism. The Diversity and Inclusion Strategy defines how CPH wishes to work with diversity and inclusion in the coming years.

Information on employees such as age and gender is generally based on CPH's HR system records, in which an employee's data are recorded from the date the employment contract comes into force and until the employee is no longer on the payroll.

**ATTRACTIVE WORKPLACE**

We are working in all areas of our company to maintain a high level of engagement and to remain a diverse and inclusive workplace where all employees can develop and fulfil their potential.

	Unit	Target 2023	2017	2016	2015
Attractive workplace, KPI					
Degree of diversity	achieved/not achieved	Max. 70% belong to same gender and age group in departments with min. 20 employees	Not achieved	N/A	N/A
Indicators					
Total number of employees	FTE*		2,431	2,334	2,260
Total number of employees	individuals		2,573	2,498	2,394
Average number of employees	number		2,573	2,478	2,384
Women in the workforce	%		35	35	34
Men in the workforce	%		65	65	66
Women in management	%		30	30	28
Men in management	%		70	70	72
Women on the Board of Directors (elected by AGM)	%		33	17	17
Men on the Board of Directors	%		67	83	83

(continued)



Notes - People

Note**7 DEGREE OF DIVERSITY** (continued)

	Unit	Target 2023	2017	2016	2015
New employees, women	number		169	174	157
New employees, men	number		217	238	190
New employees, 0-25 years	number		67	67	62
New employees, 26-35 years	number		103	126	98
New employees, 36-49 years	number		153	158	137
New employees, 50-99 years	number		63	61	50
Average age	year		45	45	45
50 years or over	%		36	34	33
Employees, 0-25 years	number		97	94	83
Employees, 26-35 years	number		365	349	313
Employees, 36-49 years	number		1,177	1,198	1,213
Employees, 50-99 years	number		934	857	785
Managers, 0-25 years	number		-	-	-
Managers, 26-35 years	number		12	17	15
Managers, 36-49 years	number		123	128	133
Managers, 50-99 years	number		76	77	78

The number of female new hires remained stable at almost 44%, which means that the gender distribution for all non-managerial positions was stable at 35% women and 65% men.

The number of new hires aged 50 or over is increasing, with the proportion of employees aged 50 or over increasing by 2 percentage points from 2016 to 2017. This was also reflected in the age distribution for management – the 50+ group increased steadily from 34.5% in 2016 to 36.0% in 2017.

* FTE = Full time equivalent



Notes - Planet

Note**8 CO₂****Accounting policy**

The volume of CO₂ emissions (scopes 1 and 2) is calculated based on the consumption of power, natural gas, district heating and fuel for vehicles and diesel generators, and emission factors for the individual sources of CO₂. Emission factors are provided by the utility company HOFOR for district heating and by Energinet.dk for power. Emission factors for other sources of CO₂ are provided by the Danish Energy Authority. For power, natural gas and district heating, a rolling average for the five calendar years preceding the reporting year is used. CO₂ per passenger is calculated from scope 1 and scope 2 CO₂ emissions.

The calculation of other relevant indirect CO₂ emissions (scope 3) is based on measurements, traffic counts, questionnaire surveys, key figures and assumptions. Due to materiality considerations, assumptions have primarily been used for the smallest sources. The calculation is limited to the island of Amager and flight operations below 3,000 feet, and by source to utilities and transportation.

The share of renewable energy is calculated as the quantity of power produced by solar panel systems located at Copenhagen Airport as a percentage of CPH's total power consumption in the relevant year.

In June 2014, CPH received an airport carbon accreditation at level 3 – "optimisation" – from Airports Council International (ACI). "Optimisation" is the highest level achievable without buying CO₂ quotas or similar, and requires an airport to calculate its CO₂ emissions and specify carbon reduction targets. It further requires the airport to engage with third parties in calculating the airport's total carbon footprint.

The annual effect of energy efficiency measures is calculated. The annual energy saving is calculated in MWh and is distributed between electricity and heat savings (natural gas and district heating), respectively. The savings are calculated / certified by an external company that works according to Dansk Energis "Code of Conduct"

**CO₂**

Our long-term vision is to be carbon-neutral. As an airport in growth, it is our view that we have a special responsibility to reduce our CO₂ emissions. Reducing our climate impact is an important and integral part of our actions, so every day we are working on innovative solutions that will optimise our energy consumption.

	Unit	Target 2023	2017	2016	2015
CO₂, KPI					
Increase share of renewable energy	%	Min. 10	0.23	0.22	0.24
Maintain ACA accreditation at minimum level 3 optimisation	level	Level 3	Achieved	Achieved	Achieved
CO ₂ per passenger	kg CO ₂ per passenger	Max 0.75	1.00	1.01	1.10
Indicators					
Total energy savings	MWh		6,850	4,588	5,275
Power	MWh		893	1,597	2,563
Heating, including natural gas	MWh		5,957	2,991	2,712

(continued)



Notes - Planet

Note**8 CO₂ (continued)**

	Unit	Target 2023	2017	2016	2015
Direct energy consumption, scope 1	MWh		12,517	13,574	18,081
Petrol	m ³		11	11	10
Diesel	m ³		699	731	733
Natural gas purchased	m ³		1,097,773	1,057,046	971,369
Natural gas consumed	m ³		482,531	462,042	427,856
Natural gas for vehicles	m ³		15,231	6,151	4,572
Fueloil	m ³		-	107	-
Indirect energy consumption, scope 2	MWh		69,793	78,883	77,704
Power purchased	MWh		99,907	98,595	94,609
Power consumed	MWh		50,547	53,175	52,340
Renewable energy produced	MWh		114	116	123
District heating purchased	GJ		188,091	217,773	209,266
District heating consumed	GJ		69,287	92,968	91,753
Total CO ₂ emissions, scopes 1 + 2	tonnes		27,726	29,638	29,082
Scope 1	tonnes		3,000	3,297	2,937
• Diesel/petrol	tonnes		1,882	1,966	1,970
• Fueloil	tonnes		-	283	-
• Natural gas (heating and vehicles)	tonnes		1,118	1,048	967
Scope 2	tonnes		24,726	26,341	26,145
• Power and district heating	tonnes		24,726	26,341	26,145
Total CO ₂ emissions, scope 3	tonnes		341,318	353,524	324,779
Power, district heating and natural gas	tonnes		26,847	25,096	23,597
Aircraft emissions	tonnes		270,956	281,042	258,651
Catchment area traffic	tonnes		37,349	39,873	35,593
Airside traffic	tonnes		6,166	7,513	6,938

Energy savings are higher than in 2016 due to the completion of large heat pumps.

The share of renewable energy is likely to be on a par with 2016. New initiatives are planned in 2018 that should increase the share.

In general, CPH's energy consumption and CO₂ emissions fell, primarily because of the change from a management contract with Hilton to a minimum-based lease with Nordic Choice Hotels in the second quarter.



Notes - Planet

Note**9 AIR QUALITY****Accounting policy**

UGG (very low-emission equipment): Once a year, all companies that have vehicles on the airport site (and hence fitted with a car pass) are requested to self-report, taking the end of the calendar year as the cut-off point. The companies are required to draw up a list of vehicles used, stating type of equipment, make, year of manufacture, fuel (and, in the case of diesel vehicles, whether a particulate filter is fitted), together with an assessment of whether the vehicle conforms to the definition of UGG. It is only equipment, that operates at the airport and it does not include car and vans of less than 3,500 KG owned by the companies. In addition, spot checks are carried out on new vehicles or where there is a suspected fault. The companies' statements are transferred to a master spreadsheet showing the aggregated information. The companies' individual lists and the aggregated information are confidential and are stored by CPH/CMO. Based on the aggregated information, a non-confidential "very low-emission equipment %" is calculated, covering all self-reported vehicles.

**AIR QUALITY**

It is important for us that air quality is as good as possible, both now and in the future. We are continuously working on new, smart solutions to minimise consumption of fossil fuels at the airport.

	Unit	Target 2023	2017	2016	2015
Air quality, KPI					
All vehicles with a car pass required to satisfy UGG	%	90	57	55	57

UGG: There was a change of 2% compared with the calculation for 2016.



Notes - Planet

Note**10 RESOURCES****Accounting policy**

The amount of waste is calculated based on annual statements from the waste recipients used.

**RESOURCES**

We want to develop our airport responsibly with respect for the planet's limited resources. We are working to implement the circular mindset in our day-to-day operations and ongoing expansion of the airport in order to create the best sustainable solutions for the future.

	Unit	Target 2023	2017	2016	2015
Resources, KPI					
Increase the recycling rate for waste from daily operations in terminal areas, service areas and administration at CPH	%	At least 60	28	25	14
Indicators					
Recycling	tonnes		1,354	2,111	628
Other recovery	tonnes		3,225	3,314	3,481
Disposal	tonnes		308	243	279
Total waste	tonnes		4,887	4,768	4,388

The volume of waste recycled increased by 12%, while the total volume of waste increased by 2,5%, especially the initiatives related to the shopping center and goods delivery had full impact throughout 2017.



Notes - Position

Note**11 PROGRESS IN AIRPORT CONNECTIVITY INDEX (ACI)****Accounting policy**

The airport connectivity index (ACI) is calculated using data received from ACI Europe, the European association of airport operators. In June each year, ACI Europe publishes the Airport Industry Connectivity Report, showing the number of direct and indirect connections for each airport. Direct connections are calculated as the total number of direct connections from CPH to all other destinations, and indirect connections are calculated as the total number of connections with an extra stop at another airport, quality-adjusted in the form of extra flying time and waiting time.


**INTERNATIONAL
CONNECTIVITY**

We are continuing to actively expand connectivity to the whole world in order to create even more growth opportunities. We are committed to helping create world-class benefits – for the business community, the labour market and tourism.

	Unit	Target 2023	2017	2016	2015
International connectivity, KPI					
Progress in Airport Connectivity Index (ACI)	index	9,928	8,613	8,289	8,022
Indicators					
Direct destinations	number		2,615	2,596	2,492
Indirect destinations	number		5,998	5,692	5,695

In 2017, the connectivity index increased by 4% (1% direct and 5% indirect). The small increase in direct connectivity of just 1% from 2016 to 2017 reflects fewer available seats (-1.4%) but more direct routes (168 in 2017 compared to 159 in 2016), and should also be seen in the light of the significant 4% growth from 2015 to 2016. The growth in indirect connectivity is the result of more connections with secondary hubs where passengers from CPH can transfer.



Notes - Position

Note**12 ANNUAL LONG-HAUL DEPARTURES AT CPH****Accounting policy**

Long-haul departures is calculated based on data from CPH's traffic statistics system, which records all flight operations (take-offs/landings). The definition of long-haul includes all destinations outside Europe, including Greenland and excluding Turkey and Russia. Long-haul departures are calculated as the number of departures from CPH to the respective destinations, as defined as a route that is flown at least eight times per year over a minimum of eight consecutive weeks.


**INTERNATIONAL
CONNECTIVITY**

We are continuing to actively expand connectivity to the whole world in order to create even more growth opportunities. We are committed to helping create world-class benefits – for the business community, the labour market and tourism.

	Unit	Target 2023	2017	2016	2015
International connectivity, KPI					
Annual Long-haul departures at CPH	number	10,000	7,928	7,919	7,575

Long-haul departures: In 2017, we saw a relatively flat development in the number of long-haul departures, with an increase of just nine departures taking the total to 7,928. This masks pleasing growth in the number of long-haul passenger flights, as the number of purely cargo flights fell, particularly for Emirates Cargo and Singapore Airlines Cargo.



Notes - Position

Note**13 POINT-TO-POINT CONNECTIVITY****Accounting policy**

Point-to-point connectivity is calculated based on data from CPH's traffic statistics system, which records all flight operations (take-offs/landings).

A point-to-point destination is defined as a route that is flown at least eight times per year over a minimum of eight consecutive weeks.

A point-to-point route is defined as a direct connection without an interim stop en route. Point-to-point departures are calculated as the number of departures from CPH to the respective destinations. Only destinations in Europe and the Faroe Islands are included.



INTERNATIONAL CONNECTIVITY

We are continuing to actively expand connectivity to the whole world in order to create even more growth opportunities. We are committed to helping create world-class benefits – for the business community, the labour market and tourism.

	Unit	Target 2023	2017	2016	2015
International connectivity, KPI					
Point-to-point connectivity	number	131	119	110	105

Point-to-point connectivity: The number of direct short-haul point-to-point routes from Copenhagen Airport rose from 110 to a total of 119. "Short haul" is defined as continental Europe, including all of Turkey and the Canary Islands. This includes three discontinued routes to Marseille, Bremen and Gazipaza. On the other hand, as many as 12 new routes opened with flights to Zadar, Biarritz, Lefkas, Turin, Pescara, Ponta Delgada, Fuerteventura, Santa Cruz La Palma, Valencia, Ankara, London Stansted and Kiev.



Notes - Position

Note**14 DEGREE OF HOW ATTRACTIVE TO FLY DOMESTIC****Accounting policy**

The attractiveness of flying within Denmark rather than using other forms of transport is calculated based on a brand equity zero-point analysis by Kantar Millwardbrown. The analysis covers seven Danish airports: Copenhagen, Sønderborg, Billund, Midtjylland, Aarhus, Aalborg and Bornholm. A zero-point analysis is used in the first year, with only follow-up analyses in subsequent years.


COHESION

It is important for us to create value for society, so we are investing responsibly and long term in connecting Denmark even better domestically. With strong products and effective solutions, we want to provide good travel experiences and help strengthen growth and cohesion in Denmark.

	Unit	Target 2023	2017	2016	2015
Cohesion, KPI					
Degree of how attractive to fly domestic	%	48	42	N/A	N/A

The outcome of the analysis carried out in 2017 was as expected, which is excellent in terms of our expectations. CPH certainly expects the rating of how attractive it is to fly domestic to rise due to lower tariffs on domestic routes in 2018 as well as efforts and marketing campaigns relating to domestic flights.



Notes - Position

Note**15 NUMBER OF DOMESTIC PASSENGERS (BOTH DEPARTING AND ARRIVING)****Accounting policy**

Domestic passengers are calculated based on data from CPH's traffic statistics system. There is a statutory duty to record the number of passengers. This is done by the handling companies on behalf of the airlines, and comprises passengers in transit or departing from Copenhagen Airport. The number of domestic passengers is calculated based on universal time, and includes both arriving, transfer and departing passengers.


COHESION

It is important for us to create value for society, so we are investing responsibly and long term in connecting Denmark even better domestically. With strong products and effective solutions, we want to provide good travel experiences and help strengthen growth and cohesion in Denmark.

	Unit	Target 2023	2017	2016	2015
Cohesion, KPI					
Number of domestic passengers (both departing and arriving)	number	1,834,000	1,611,369	1,710,868	1,612,884

Generally, traffic dropped for nearly all domestic destinations, and the largest operators also suffered a drop in traffic except for Air Alsie.

The drop for domestic destinations was mainly due to a 25% drop for Billund, which was caused by a 21% decrease in the number of seats. Moreover, traffic to Karup dropped by 6%, primarily due to a decrease in load factor for Danish Air Transport. Similarly, traffic to Rønne dropped by 6% as a result of decreasing load factors at Danish Air Transport.



Notes - Position

Note**16 ASQ SATISFACTION AMONG DOMESTIC PASSENGERS****Accounting policy**

ACI's passenger satisfaction benchmark ASQ measures satisfaction by means of interviews at the airport using paper questionnaires completed by the passengers at the gate just before departure. Domestic passenger satisfaction is measured as the percentage of passengers who rate CPH as "5-Excellent" or "4-Very Good" on a scale of 1-5. The questionnaires are handed out and collected in by the market research agency Epinion.

The interviews are planned to be representative in terms of airlines/destinations, and each quarter CPH receives a sample plan from ACI's international bureau TNS, based on planned aircraft seats from OAG Direct Flights Data. Overall, around 3,000 interviews are conducted with departing passengers each year, of which approximately 200 or 6% are with domestic passengers.

The ASQ set-up is subject to detailed guidelines with which CPH must comply before the results are approved by ACI.


COHESION

It is important for us to create value for society, so we are investing responsibly and long term in connecting Denmark even better domestically. With strong products and effective solutions, we want to provide good travel experiences and help strengthen growth and cohesion in Denmark.

	Unit	Target 2023	2017	2016	2015
Cohesion, KPI					
ASQ satisfaction among domestic passenger	%	85	86	84	80

Since Q2 2015, when domestic and international traffic were merged, we have seen a generally positive trend in satisfaction with the domestic product as a result of a more compact product with smoother transfer connections and better access to public transportation. In order to secure a strong domestic product, CPH has focused particularly on improving passenger experience at security, as this has long been requested by domestic commuters. The aim has been to provide travellers with effective and reliable flight access. In Q1 2016, CPH launched a domestic package, among other things allocating extra resources to security in the form of more staff, and since Q4 2016 domestic travellers have had permanent access to the CPH security fast track, which has further improved passenger experience and reliability at CPH. As a consequence, satisfaction with security* has increased from 74% in 2015 to 80% in 2016 and 85% in 2017, which is a primary reason for the improved satisfaction with the domestic product in general.

* Average satisfaction with staff courtesy, thoroughness of inspection, waiting time, feeling of being safe.



Notes - Roskilde Airport, 1 January – 31 December

Note

17 ROSKILDE AIRPORT

Accounting policy

CO₂ emissions, scopes 1 + 2

CO₂ emissions (scopes 1 and 2) is calculated based on the consumption of power, natural gas, fuel for vehicles and diesel generators, and emission factors for the individual sources of CO₂. Emission factors for power are provided by Energinet.dk. Emission factors for other sources of CO₂ are provided by the Danish Energy Authority. For power and natural gas, a rolling average for the five calendar years immediately before the reporting year is used.

Direct energy consumption, scope 1

CPH is responsible for purchasing energy for Roskilde Airport. Roskilde Airport's energy consumption is calculated as the quantity of natural gas purchased. Diesel consumption is adjusted for changes in inventory levels. Consumption is calculated based on the airport's own records, checked against invoices received.

Indirect energy consumption, scope 2

CPH is responsible for purchasing energy for Roskilde Airport. Roskilde Airport's energy consumption is calculated as the quantity of energy purchased. Consumption is calculated based on the airport's own records, checked against invoices received.

Energy savings, scopes 1 + 2

The annual effect of energy-efficiency measures is calculated. The annual energy saving is calculated in MWh and broken down into savings on power and heating (natural gas) respectively. The savings are calculated/certified by an external firm, which complies with Danish Energy's Code of Conduct.

	Unit	2017	2016	2015
Roskilde Airport				
CO ₂ emissions, scopes 1 + 2	tonnes	511	532	528
Direct energy consumption, scope 1	MWh	841	906	935
Indirect energy consumption, scope 2	MWh	728	728	704
Energy savings, scopes 1 + 2	MWh	26.8	-	-

Roskilde Airport's energy consumption and CO₂ emissions are on par with 2016.

MANAGEMENT'S STATEMENT & AUDITOR'S REPORTS

MANAGEMENT'S STATEMENT AND AUDITOR'S REPORTS

Management's statement	156
Independent Auditor's Report.....	158
Limited Assurance Report of the independent auditor	162

Management's Statement

The Group Annual Report – which according to section 149 of the Danish Financial Statements Act is an extract of the Company Annual Report – does not include the financial statements of the Parent Company, Copenhagen Airports A/S. The financial statements of the Parent Company have been prepared as a separate publication available at www.cph.dk/en.

The financial statements of the Parent Company form an integral part of the full Annual Report. The full Annual Report, including the financial statements of the Parent Company, will be filed with the Danish Business Authority, and copies are also available from the Danish Business Authority on request.

The allocation of the profit for the year, including the proposed dividend, is described on page 87.

The full Annual Report contains the following Management's statement and auditor's report.

MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Management have today considered and adopted the Annual Report of Copenhagen Airports A/S for the financial year 1 January – 31 December 2017. The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Moreover, the Consolidated Financial Statements have been prepared in accordance with further requirements in the Danish Financial Statements Act.

Management's Review has also been prepared in accordance with the Danish Financial Statements Act.

CPH's non-financial statements, which include social and environmental aspects, have been prepared in accordance with the specific accounting policies in this area.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Group and the Company, and of the results of the operations and consolidated cash flows of the Group for the financial year 1 January – 31 December 2017.

In our opinion, Management's Review includes a true and fair account of developments in the operations and financial circumstances of the Group and the Company, of the results for the year, and of the financial position of the Group and the Company, as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

Management's Statement

CPH's non-financial statements, which include social and environmental aspects, have been prepared in accordance with relevant principles. The non-financial reporting represents a balanced and reasonable presentation of the Company's social and environmental performance.

Copenhagen, 1 March 2018

EXECUTIVE MANAGEMENT



Thomas Woldbye
CEO



Charles Thomazi



Annemette Moesgaard



Janis Kong



Simon Geere



John Bruen



Jesper Bak Larsen



John Flyttov



Dan Hansen

BOARD OF DIRECTORS



Lars Nørby Johansen
Chairman



David Stanton
Deputy chairman



Ulrik Dan Weuder
Deputy chairman



Independent Auditor's Report

To the shareholders of Københavns Lufthavne A/S

OUR OPINION

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2017 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2017 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2017 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2017 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements of Københavns Lufthavne A/S for the financial year 1 January to 31 December 2017 pages 81-127 comprise the income statement and statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and the notes, including summary of significant accounting policies.

The Parent Company Financial Statements of Københavns Lufthavne A/S for the financial year 1 January to 31 December 2017 pages 164-177 comprise the income statement, the balance sheet, the statement of changes in equity and the notes, including summary of significant accounting policies.

Collectively referred to as the "Financial Statements".

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

Following the admission of the shares of Københavns Lufthavne A/S for listing on Nasdaq Copenhagen, we were first appointed auditors of Københavns Lufthavne A/S in 1995. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 23 years including the financial year 2017.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2017. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

Key audit matters

How our audit addressed the key audit matters

Recognition of revenue

Revenue comprises an aeronautical and a non-aeronautical segment. Revenue in the aeronautical segment comprises passenger, security, take-off and aircraft parking charges and other charges. Revenue in the aeronautical segment is recorded on the basis of various data sources that are integrated through automated and manual processes.

Revenue in the non-aeronautical segment comprises concession income, rental income and parking charges. Concession income and rental income are recorded on the basis of contracts signed. The income is recorded through automated processes and partially through manual processes as regards revenue-based contracts. Parking charges are recorded automatically upon entering and leaving the parking area by means of parking barriers.

Effective processes and controls are crucial for correct recording of revenue.

We focused on this area because the large number of processes and transactions related to the various revenue streams involves a risk of misstatement of revenue recognition.

Refer to note 2.2 in the Consolidated Financial Statements.

We considered the appropriateness of the Company's accounting policies for revenue recognition of the various revenue streams, discussed the principles with Management and assessed compliance with applicable accounting standards.

We gained an understanding of the Group's internal processes and controls and tested relevant controls on a sample basis. In this connection, we tested IT general controls related to the financial reporting, relevant automated application controls and manual controls.

We performed substantive audit procedures regarding revenue through reconciliation of transactions with significant contracts and schedule of charges etc. in order to assess the existence, completeness, accuracy and correct timing of revenue recognition.

We performed data analysis including analysis of revenue transactions in order to identify transactions outside the ordinary transaction flows.

Key audit matters

How our audit addressed the key audit matters

Property, plant and equipment

Property, plant and equipment account for more than 91% of the Group's total balance sheet, and investments for the year amounted to DKK 1,381 million.

The individual items of property, plant and equipment consist of a large number of transactions that are recorded through manual processes on a current basis. Investments through internal production and through the conclusion of agreements with contractors require robust control procedures and systems to ensure that the assets are recognised and measured accurately in the Financial Statements.

A large part of property, plant and equipment are specialised and require considerable estimates by Management for the determination and reassessment of useful lives, which is done in cooperation with the Company's own specialists.

We focused on this area due to the complexity and the considerable estimates made by Management in connection with the determination of useful lives.

Refer to note 3.3 in the Consolidated Financial Statements.

We gained an understanding of the Group's internal controls and performed an evaluation and validation of these through test of relevant controls, including procedures ensuring the existence and correct recording additions, transfers and disposals of property, plant and equipment.

We evaluated Management's assessment of the useful lives of property, plant and equipment through analysis of the historical need for write-downs related to scrapped assets. Moreover, we obtained data on the historical useful lives of special airport-specific facilities and compared these with Management's assessment of the useful lives of property, plant and equipment.

We obtained specifications of investments made by the Company and reviewed the investment plans for the most comprehensive investments, which primarily comprised continued investments in the establishment of Pier E, the expansion of Terminal 3 and the expansion of the security area in order to assess the effect of the investments on the existing facilities.

Independent Auditor's Report

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in

accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either

intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis

Independent Auditor's Report

of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within

the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hellerup, 1 March 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no. 3377 1231



Mogens Nørgaard Mogensen
State Authorised Public Accountant
mne21404



Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Limited assurance report of the independent auditor

To the Stakeholders of Københavns Lufthavne A/S

Københavns Lufthavne A/S engaged us to provide limited assurance on the consolidated non-financial statements in the Annual Report for the year ended 31 December 2017.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us not to believe that

- Management has completed a documented assessment of materiality as described on pages 134-135 when defining the contents of the consolidated non-financial statements;
- The annual report 2017, comprising both consolidated financial and non-financial statements, have been prepared in accordance with the UN Global Compact principles;
- The consolidated non-financial statements stated on pages 128-153 in the 2017 annual report of Københavns Lufthavne

have been prepared, in all material respects, in accordance with the non-financial accounting policies stated on pages 134-153.

This conclusion is to be read in the context of what we say in the remainder of our report.

What we are assuring

The scope of our work was limited to assurance over consolidated non-financial statements as stated on pages 128-153 in the 2017 Københavns Lufthavne Annual Report. Furthermore, we were to assess and conclude with limited assurance whether the 2017 Annual Report have been prepared in accordance with the principles of the UN Global Compact.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information'. A limited assurance

engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other ethical requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical require-

ments, professional standards and applicable legal and regulatory requirements. Our work was carried out by an independent multidisciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

Data and information need to be read and understood together with the accounting principles (page 134-153 of the 2017 Københavns Lufthavne Annual Report), which Management is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the data. In doing so and based on our professional judgement, we:

Limited assurance report of the independent auditor

- Conducted interviews with key functions in Københavns Lufthavne and checked working papers to assess whether Management conducted a materiality assessment as described on pages 134-135;
- Conducted an assessment of how Københavns Lufthavne have reported upon the ten principles of the UN Global Compact;
- Made inquiries regarding methods, procedures and internal control as well as conducted selected interviews with data and reporting responsible personnel and checks to underlying documentation;
- Conducted analytical review of the data and trend explanations submitted for consolidation at Group level.
- Establishing objective accounting principles for preparing data;
- Measuring and reporting the consolidated non-financial statements based on the accounting principles;
- Ensuring compliance with UN Global Compact and completion of a materiality assessment when defining contents of the non-financial statements.

Our responsibility

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the consolidated non-financial statements as stated on page 128-153 in the 2017 Annual Report are free from material misstatement, whether due to fraud or error, and for assessing compliance with UN Global Compact and for assessing the materiality assessment completed;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Stakeholders of Københavns Lufthavne.

Management's responsibilities

Management of Københavns Lufthavne is responsible for:

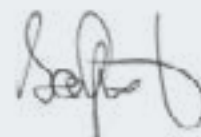
- Designing, implementing and maintaining internal controls over information relevant to the preparation of the consolidated non-financial statements that are free from material misstatement, whether due to fraud or error;

Hellerup, 1 March 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 3377 1231



Søren Ørjan Jensen
State Authorised
Public Accountant
mne32226



Jens Pultz Pedersen
M.Sc. (engineering)

3-5 min



3-5 min



CPH

COPENHAGEN AIRPORTS A/S · LUFTHAVNSBOULEVARDEN 6 · 2770 KASTRUP · DENMARK · TEL. +45 32 31 32 31 · WWW.CPH.DK