

# Stock exchange announcement 2015

## Copenhagen, 26 February 2015

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### Announcement of Group Annual Report 2014

Copenhagen Airports A/S (CPH) set a passenger record for the fourth consecutive year. For the first time in its 90-year history, Copenhagen Airport surpassed 25 million travellers in 2014, a passenger record that led to revenue growth and a satisfactory result.

The number of passengers at Copenhagen Airport grew by 6.5%, equivalent to a year-on-year increase of just over 1.5 million travellers. The total number of passengers reached 25.6 million, which contributed to a 6.1% increase in revenue to DKK 3,867.5 million. As a result of the revenue growth, reported profit before tax rose to DKK 1,263.2 million. Excluding one-off items, profit before tax for 2014 was DKK 1,279.0 million which was in line with our stock exchange announcement of 4 November 2014.

The growth was driven by more international passengers and transfer passengers, which strengthened Copenhagen Airport's strong competitive position among the European hub airports. Moreover, revenue from the shopping centre and parking increased and the hotel operation improved. CPH expects growth to continue in 2015.

The growth was also higher than at most of Copenhagen Airport's European competitors, which underlines that CPH is meeting the targets set in its World Class Hub business strategy.

International traffic grew by 6.8%, and the number of transfer passengers grew by 12.7%, the highest growth rate in the last five years. The number of domestic passengers rose by 2.3%.

#### **New charges agreement to ensure continued growth**

In 2014, CPH signed a new long-term charges agreement with the airlines. The four-year agreement will be in force until 31 March 2019 and ensures that the rates airlines pay to use Copenhagen Airport will remain at a competitive level.

As a result, Copenhagen Airport will retain its position among Europe's top one-third most competitive major airports, offering high value for money. The agreement is key to ensuring that the necessary level of investments in the airport can be sustained.

#### **Copenhagen Airport will grow along with traffic**

CPH has made a number of large investments in intangible assets and property, plant and equipment. Investments in 2014 totalled DKK 924.1 million, which again was substantially above the amount CPH is committed to investing per year under the current charges agreement.

The growth expected in coming years will require a continuous physical expansion of the airport. As a consequence of the higher number of long-haul services, CPH began extending Pier C in 2014 to accommodate even more intercontinental flights, both adding and upgrading several aircraft stands to accommodate these large aircraft.

In addition to that, the largest investments for the benefit of passengers and airlines included the expansion of Terminal 2, optimisation and expansion of the baggage system and the purchase and installation of self-boarding gates and automated bag drop counters.

#### **Non-aeronautical growth**

Revenues from the shopping centre were up by 4.4%, mainly as a result of new and improved food and beverage offerings and new specialty shop concepts, but also as a result of rising numbers of international departing passengers.

Parking revenue grew by 6.4%, primarily driven by the online segment, where CPH achieved an increase in average revenue per transaction through a stronger campaign strategy and improved online products. Revenue from the hotel operation was up by DKK 10.1 million, mainly due to higher average room rates. The Hilton also saw an increase in meeting, conference and banquet activity.

### **Several international awards**

Copenhagen Airport received the following number of awards in 2014 – "World's best security processing", "Best airport in northern Europe" and "Most efficient airport in Europe", "Most punctual airport in the EU" and "Second-most punctual airport worldwide" in the medium sized category, and was designated among the top three for "world's best airport at route development" in the 20-to-50-million-passenger category. Finally, CPH received the award for "Airport Food & Beverage Offer of the Year" at the international FAB Awards. On the same occasion, Joe & The Juice won the right to call itself "Best Airport Coffee Shop" for the second consecutive year.

### **Outlook for 2015:**

Based on the expected traffic programme for 2015, the total number of passengers is expected to increase. Traffic in 2015 could, however, be adversely affected by continuing competition among airlines and by any closure of routes due to airline cutbacks or a slowdown in the global economy.

The growth in the number of passengers and the changed structure of charges as from 1 April 2015 is expected to have a positive impact on revenue.

Operating costs are expected to be higher than in 2014, primarily due to the expected rise in passenger numbers, stricter requirements for security, and cost inflation, but this will be partly offset by a continuing focus on operating cost efficiencies.

Overall, depreciation charges and financial costs are expected to be slightly higher than in 2014, primarily as a result of the continually high investment level. Profit before tax for 2015 is expected to be in the range of DKK 1,300.0 million to DKK 1,400.0 million, excluding one-off items. Operating profit before depreciation is projected to be higher in 2015 than in 2014, excluding one-off items.

### **Investments outlook**

In terms of capital investments, CPH continues to invest for growth. As in recent years, CPH expects capital investments to remain at a high level in 2015. Planned investments include expansion of the airport's security restricted area (CSRA) and the merger of the terminal areas, which is part of the charges agreement that comes into force on 1 April 2015. CPH will also be investing in non-aeronautical projects for the benefit of airlines and passengers.

**The Group Annual Report is attached in pdf-format**

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