Kastrup Airports Parent ApS

c/o Azets Insight A/S
Lyskær 3 CD
2730 Herlev

CVR. nr. 33781903

Annual Report for 2017

The Annual Report is presented and approved
at the Company's Annual General Meeting
at 31 May 2018

Morten Eriksen
Chairman

Contents

Statement by the Executive Board

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, Kastrup Airports Parent ApS. The financial statements of the Parent Company, Kastrup Airports Parent ApS, have been prepared as a separate publication which is available on request from Azets Insight A/S, Herlev. The financial statements of the Parent Company, Kastrup Airports Parent ApS, form an integral part of the full annual report.

The full annual report, including the financial statements of the Parent Company, Kastrup Airports Parent ApS, will be filed with the Danish Business Authority, and copies are also available from the Danish Business Authority on request. The full annual report has the following Management's statement and auditor's report.

The allocation of the profit for the year is described on page 9.

The Executive Board have today considered and adopted the Annual Report of Kastrup Airports Parent ApS for the financial year 1 January – 31 December 2017.

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January - 31 December 2017.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 May 2018

Executive Board

Charles Thomazi

Ulrik Dan Weuder

David Mark Stanton

Mia Line Byrk

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We recommend the Annual Report to be adopted at the Annual General Meeting.

Copenhagen, 31 May 2018

Executive Board

Charles Thomazi	Ulrik Dan Weuder	David Mark Stanton
Mia Line Byrk		

Independent Auditor's Report

To shareholders of Kastrup Airports Parent ApS

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.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Kastrup Airport Parent ApS -Group for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group "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 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials 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 Statement Act. We did not identify any material misstatement in Management's

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 in preparing the financial statements 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 of accounting in preparing the financial statements 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 and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- 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.

Independent Auditor's Report

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.

Copenhagen, 31 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Ørjan Jensen

State Authorised Public Accountant

mne33226

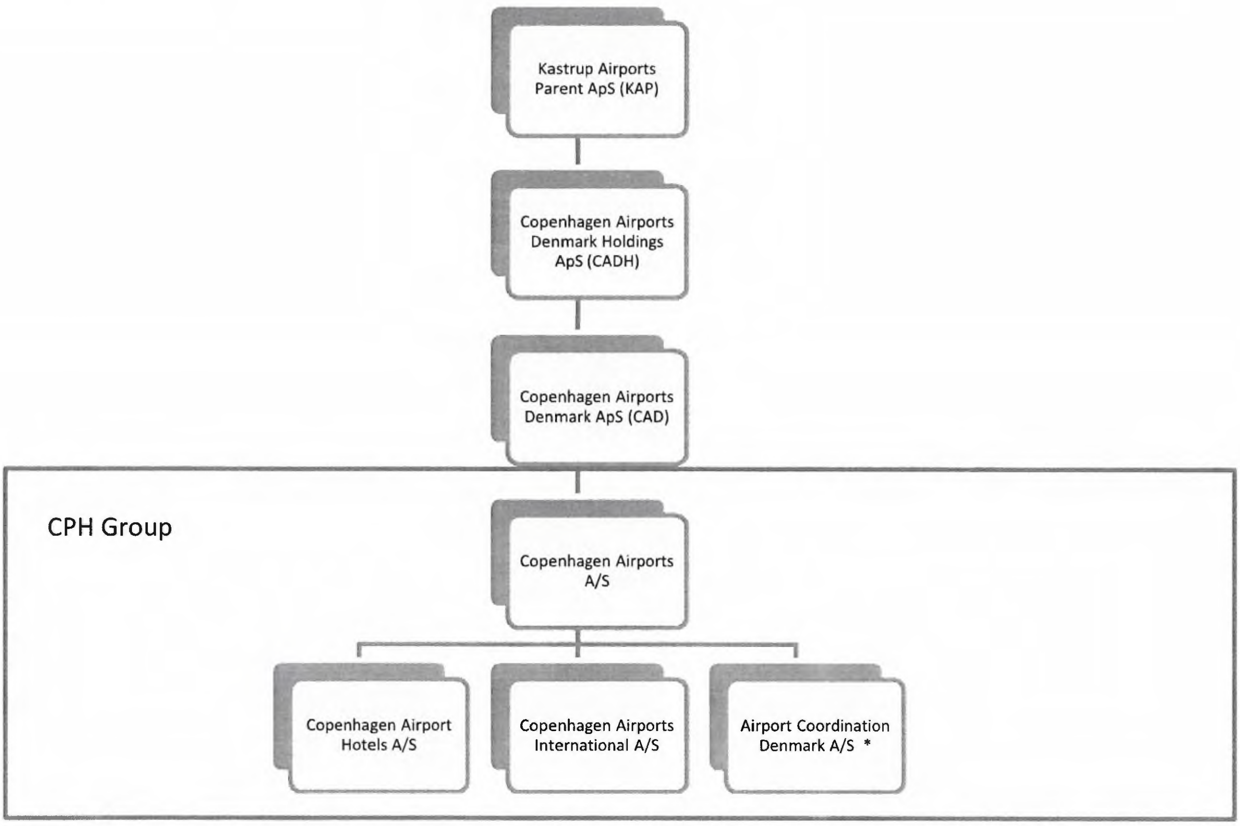
Company information

Executive Board	Charles Thomazi Ulrik Dan Weuder David Mark Stanton, Mia Line Byrk
The Company	Kastrup Airports Parent ApS c/o Azets Insight A/S Lyskær 3 CD 2730 Herlev
CVR-nr.	33781903
Date of foundation	07-07-2011
Financial year	01-01-2017 - 31-12-2017
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's Review

The Management of Kastrup Airports Parent ApS (KAP or the Parent Company) submits the following review of the Group for the financial year ended 31 December 2017.

The objective of the Parent Company is holding shares in other companies. The Parent Company's current primary activity is the holding of shares in other companies and the funding of these shareholdings. A structure diagram, detailing the Parent Company and the Group is presented below.



* Note: this entity is an associate of CPH and is therefore not consolidated but accounted for using the equity method

As the ultimate controlling entity, KAP is required to prepare a Group annual report for the entire Danish group shown above. A Group statement is also prepared by Copenhagen Airports A/S (CPH), a limited company, domiciled in Denmark and listed on NASDAQ OMX. The entities included in the CPH Group statement are hereafter referred to as the CPH Group. For a more detailed review of the CPH Group, please refer to the CPH Group Annual Report, available at www.cph.dk.

Management's Review

Group financial highlights and key ratios

Group financial highlights and key ratios

DKK million	2017	2016	2015	2014	2013
Income statement					
Revenue	4.439	4.422	4.062	3.868	3.645
EBITDA	2.602	2.498	2.252	2.118	1.986
EBIT	1.814	1.793	1.577	1.439	1.364
Net financing costs	920	914	897	1.285	893
Profit before tax	894	879	680	155	471
Net profit	563	505	379	-137	322
Statement of comprehensive income					
Other comprehensive income	47	-83	78	-38	91
Comprehensive income	610	421	456	-175	412
Balance sheet					
Property, plant and equipment	10.584	9.800	9.403	8.928	8.669
Financial investments	1.096	340	246	1	1
Total assets	13.124	12.279	11.454	10.666	9.559
Equity	-7.572	-7.674	-7.945	-7.980	2.901
Interest-bearing debt	11.627	11.579	11.232	10.390	4.204
Cash flow statement					
Cash flow from operating activities	720	1.763	1.612	1.256	978
Cash flow from investing activities	-1.473	-1.023	-1.145	-922	-910
Cash flow from financing activities	65	-462	-423	-248	-523
Cash at end of period	458	1.147	868	825	739
Key ratios					
EBITDA margin	58,6%	56,5%	55,4%	54,8%	54,5%
EBIT margin	40,9%	40,5%	38,8%	37,2%	37,4%

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.

Management's Review

Financial review

Income statement
EBIT rose by 1,2 % to DKK 1.813,7 million. This was mainly due to a 0.4% increase in revenue, partly offset by higher depreciation charges because of the continued increase in aeronautical investments and higher operating costs.

Balance sheet
Liabilities
Total equity and liabilities is DKK 13.124,2 million as at 31 December 2017 (2016: DKK 12.278,6 million). The increase was mainly attributable to the growing of loan balance in the group.

KAP currently has Negative Equity. The Management has initiated measures to re-establish the share capital through further dividend payments within the Group Structure and support from the owner, as required.

As the operating activities of the Group predominantly take place at the CPH Group level, management recommended investors refer to the CPH Group Annual Report, which sets out these activities in further detail.

Events after the balance sheet date
No significant incidents have occurred since the termination of the accounting period.

The expected development of the company
Based on the expected traffic programme for 2018, an increase in the total number of passengers at CPH 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.

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.

As a result of the above, management expects that the distribution from CPH in 2018 will be lower than in 2017.

Risk factors
The key operational risks faced by the Group arise in relation to the operations of the CPH Group.

Risk management at CPH is based on Danish and international corporate governance recommendations. A continual identification and quantification of risks and assessment of the probability and consequences of events enables CPH to consider and manage the risks that are material in relation to the creation of value in CPH.

The main types of risks are explained in detail in the CPH Group Annual Report – please refer to this document for further information. For a description of the financial risks faced by the Group, please refer to note 4.3 of the Group financial statements.

An additional risk facing the Group, which arises at the CADH level, relates to uncertainty surrounding a claim made by the Danish tax authorities regarding the collection of withholding taxes on dividends between 2006 and 2008. There is a risk that further claims could be made by the Danish tax authorities. Please refer to note 5.10.

Management's Review

The annual result compared with the expected development in the recent published annual report

The developments in the group report have been satisfactory.

Report on Corporate Social Responsibility and the Gender Composition in Management Introduction

Kastrup Airports Parent ApS (KAP or the Parent Company) is the parent company of the group of companies (KAP Group or the Group) including:

- Copenhagen Airports Denmark Holdings ApS (CADH)
- Copenhagen Airports Denmark ApS (CAD)
- Copenhagen Airports A/S (CPH).

Work in relation to Corporate Social Responsibility in the KAP group is in all material aspects defined by the activities carried out in the daughter company CPH. Therefore, the reporting of the KAP group's work in relation to Corporate Social Responsibility is identical to that of CPH, which is summarized below.

CPH is one of Denmark's largest workplaces and a transport hub for millions of travellers. We acknowledge that CPH has an impact to its surroundings from a corporate, social and environmental perspective.

Social performance
Work environment and health

High level of engagement and well-being

KAP Group, through CPH conducts an annual employee engagement survey covering everything from communication and collaboration to development, well-being and the working environment.

In 2017, 93% of employees completed the survey. Among other things, the survey revealed that CPH's employees have a high level of job satisfaction. The engagement index, which is an average of the scores for 13 statements relating to collaboration, line manager, values, amount of work, job satisfaction and other topics, increased from 81 in 2016 to 83 in 2017. The target is an engagement index of 82 in 2023.

Employee development and performance
KAP Group understands that building employees' competences is critical for its success.

KAP Group wants to upgrade this employee group's competences with one such example being the introduction of English tuition for c.450 employees at CPH to better equip them for working in an everyday environment where certain aspects of the communication are in English, e.g. regulatory requirements to which the airport is subject.

Management's Review

Focus on reducing absence due to illness

KAP Group recognises the critical importance of the health and safety of its employees.

In order to prevent absence due to illness, CPH's employees are offered health checkups and advice on exercise, stress, diet and substance abuse, as well as free physiotherapy and access to a fitness centre. The target for 2023 is a maximum of 4.4% absence due to illness. In 2017, there was a small increase in absence due to decrease to 4,6% from 5,1% in 2016.
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 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.

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.

Fewer occupational injuries
Another key indicator for the working environment is the number of occupational injuries. For many years, KAP Group through CPH has worked actively to reduce the number of occupational injuries.

In 2016, CPH met its former target for of 9 occupational injuries per million working hours and consequently adjusted the target to 5.0. In 2017, CPH once again achieved a significant fall in injuries, down to 7.6 from 8.7 in 2016. This improvement was due to its more intensive focus on preventing work-related injuries.

Cleaner air

KAP Group through CPH takes responsibility for the people who work at the airport and it is actively working to improve the working environment.

One of the key efforts is 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 reduction has been maintained. 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. KAP Group strives for CPH to develop responsibly with respect for the planet's limited resources. CPH is working to implement the circularmindset in day-to-day operations and the ongoing expansion of the airport

Diversity and inclusion
The KAP Group believes that a diverse workforce is essential for ensuring future growth and creating a good relationship with passengers, business partners and other stakeholders.

The Group and especially CPH plays an important role in Danish society, and passengers and business partners have an international background that requires a diverse mindset and understanding. KAP Group believes it can achieve better performance by having a management team that is diverse in respect of gender, age and experience, as this diversity means varied management styles and working cultures, more innovation, better networking and business development, etc.

Management's Review

Gender Composition in the Boards of Directors in CPH and executive board in CAD, CADH and KAP.
In 2017, the proportion of women among the shareholder-elected members of the Board of Directors was:
33% at CPH
25% at CAD
25% at CADH
25% at KAP

At CPH, the aim is this figure to 30% by 2023, corresponding to the percentage of women in CPH's overall workforce in 2012.

The CAD, CADH and KAP Boards have not meet the target figure of 30%. In 2017, we did not meet the target; however, are we happy to have increase the figure from 17% in 2016 to 25% in 2017.

Gender Composition in Other Management

Work to increase the number of the underrepresented gender at management levels in the KAP group is in all material aspects performed in CPH where the majority of the employees in the KAP group is engaged. In 2017, the gender distribution in CPH's management was 70% men and 30% women (2016: 70% and 30%). 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.

Age
The right mix of younger and older employees is essential for developing the KAP Group's business. In 2017, we have continued to consider having the right mix of younger and older employees when recruiting and promoting. At the end of 2017 the average age of CPH employees was 45, which is in line with prior years.

Business Ethics

Anti-corruption

KAP Group will not tolerate corruption or bribery, including facilitation payments. If an employee is implicated in corruption or bribery, it can have serious consequences both for the employee in question and for the Group. We continuously monitor transactions to mitigate cases of inappropriate behavior. In 2017, we have not registered any incidents in relation to anti-corruption.

A responsible business partner

In 2012, the KAP Group through CPH set out specific requirements for suppliers in a Supplier Code of Conduct that, based on the principles of the UN Global Compact, requires its 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 an addendum to all standard contracts with suppliers, and in 2017, more than 95% of CPH's suppliers have committed to it.

Management's Review

Respect for human rights

KAP Group supports and respects human rights and does not take part in any activity that violates such rights. Specifically, CPH have in 2017 continued to work to ensure respect for human rights in connection with security checks of passengers and the handling of personal data. In 2017, we have not registered any complaints relating to violations of human rights.

Environmental performance
Energy

The KAP Group is committed to ensuring that passenger growth does not result in an increase in total energy consumption within the Group.

The Group, through CPH has therefore working actively to reduce energy consumption per passenger by making corresponding energy savings to offset the increase in passenger numbers. In recent years, CPH has worked intensively on lighting projects and integrating LED lighting into existing installations.

In 2017, initiatives at CPH included a focus on using second-quality water and investment in the major heat pump project in connection with the groundwater cooling system.

Climate

CPH's target for CO2 is to emit no more than 1.0 kg CO2 per passenger by 2020. This level was reached in 2017, four years ahead of schedule.

Waste

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

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%.

Other Environmental Activities

KAP Group through CPH undertook various other initiatives during 2017 including:

- Managing historic pollution
- Phasing out the use of herbicides
- Mapping noise
- Monitoring runway usage

Taxation

KAP Group 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. CPH's total tax contribution amounted to DKK 1,388 million in 2017 once profit, planet, people, product and property taxes are all included.

In 2016, KAP ApS was among the top 25 contributors of corporation tax in Denmark.

Management's Review

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. An associate in Denmark is subject to independent taxation. 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 administration company in the joint taxation scheme, is responsible for the filing of corporation tax returns and related communication with the Danish tax authorities regarding corporation tax. In this context, CPH reports to KAP.

Consolidatet Income statement, 1 January - 31 December

Note	DKK million	2017	2016
	Traffic revenue	2.666,8	2.600,2
	Concession revenue	1.280,7	1.214,5
	Rent	173,9	178,1
	Sale of services, etc.	318,0	429,1
2.1	**Revenue**	**4.439,4**	**4.421,9**
	Other income	2,9	6,2
2.2	External costs	505,9	621,0
2.3	Staff costs	1.334,7	1.309,0
3.1	Amortisation and depreciation	788,0	705,6
	Operating profit	**1.813,7**	**1.792,5**
4.1	Financial income	2,1	2,2
4.1	Financial expenses	922,3	915,8
	Profit before tax	**893,5**	**878,9**
2.4	Tax on profit for the year	330,4	374,3
	Net profit for the year	**563,1**	**504,6**
	Non-controlling interest of subsidiaries	(544,3)	(533,1)
	Net loss for the year attributable to shareholders	**18,8**	**(28,5)**

Statement of comprehensive income, 1 January - 31 December

Note	DKK million	2017	2016
	Net profit for the year	**563,1**	**504,6**
	Items that are reclassified to the income statement		
	Value adjustments of hedging instruments	-376,9	-25,2
4.1			
	Value adjustments of hedging instruments transferred to financial income and expenses in the income statement	436,6	-81,5
2.4	Tax on other comprehensive income	-13,1	23,5
	Other comprehensive income for the year	**46,5**	**-83,2**
	Total comprehensive income for the year	**609,6**	**421,4**
	Non-controlling interest of subsidiaries	**(553,8)**	**(519,4)**
	Total comprehensive income for the year	**55,8**	**(98,0)**

Consolidatet Balance sheet, Assets at 31 December

Note	DKK million	2017	2016
	NON-CURRENT ASSETS		
3.2	**Total intangible assets**	**448,1**	**502,9**
3.3	**Property, plant and equipment**		
	Land and buildings	4.955,6	4.620,5
	Plant and machinery	4.021,5	3.823,6
	Other fixtures and fittings, tools and equipment	681,2	560,9
	Property, plant and equipment in progress	925,2	795,3
	Total property, plant and equipment	**10.583,5**	**9.800,3**
	Financial investments		
3.4	Investments in associates	0,4	0,4
4.3	Other financial assets	1.095,4	340,0
	Total financial investments	**1.095,8**	**340,4**
	Total non-current assets	**12.127,4**	**10.643,6**
	CURRENT ASSETS		
	Receivables		
5.1	Trade receivables	427,5	371,3
	Other receivables	48,7	38,6
	Prepayments	62,4	78,5
	Total receivables	**538,6**	**488,4**
	Cash	**458,2**	**1.146,6**
	Total current assets	**996,8**	**1.635,0**
	Total assets	**13.124,2**	**12.278,6**

Consolidatet Balance sheet, Assets at 31 December

Note	DKK million	2017	2016
	EQUITY		
	Share capital	0,3	0,3
	Reserve for hedging	-282,9	-319,9
	Retained earnings	-8.625,2	-8.643,9
	Non-controlling interests	1.336,0	1.289,8
	Total equity	**-7.571,8**	**-7.673,7**
	NON-CURRENT LIABILITIES		
2.5	Deferred tax	1.035,6	1.026,9
	Payable to related party	6.378,0	5.878,7
4.2	Financial institutions and other loans	10.345,8	11.515,8
4.3	Other payables	128,5	54,2
	Total non-current liabilities	**17.887,8**	**18.475,6**
	CURRENT LIABILITIES		
4.2	Financial institutions and other loans	1.280,9	62,7
	Prepayments from customers	235,9	220,5
	Trade payables	507,7	547,0
2.5	Income tax	207,2	168,6
4.3, 5.2	Other payables	567,9	471,0
	Deferred income	8,5	6,9
	Total current liabilities	**2.808,1**	**1.476,7**
	Total liabilities	**20.696,0**	**19.952,3**
	Total equity and liabilities	**13.124,1**	**12.278,6**

Statement of changes in equity, 1 January - 31 December

Note	DKK million	2017 Share capital	2017 Reserve for hedging	2017 Retained earnings	2017 Non-controlling interest	2017 Total	2016 Share capital	2016 Reserve for hedging	2016 Retained earnings	2016 Non-controlling interest	2016 Total
	Equity at 1 January	**0,3**	**-319,9**	**-8.643,9**	**1.289,8**	**-7.673,7**	**0,2**	**-250,4**	**-8.965,1**	**1.270,1**	**-7.945,2**
	Equity change doing the year						0,1	-	-	-	**0,1**
	Increase of capital						-	-	349,8	-	**349,8**
	Comprehensive income for the year										
	Net profit for the year	-	-	18,8	544,3	563,1	-	-	-28,5	533,1	504,6
	Other comprehensive income										
	Value adjustments of hedging instruments	-	-159,4	-	-134,6	-294,0	-	-32,8	-	13,2	-19,6
	Value adjustments of hedging instruments transferred to financial	-	196,4	-	144,1	340,5	-	-36,7	-	-26,9	-63,6
	Total other comprehensive income	**-**	**37,0**	**-**	**9,5**	**46,5**	**-**	**-69,5**	**-**	**-13,7**	**-83,2**
	Total comprehensive income for the year	**-**	**37,0**	**18,8**	**553,8**	**609,6**	**-**	**-69,5**	**-28,5**	**519,4**	**421,4**
	Transactions with owners										
	Dividends paid	-	-	-	-507,7	-507,7	-	-	-	-499,7	-499,7
	Total transactions with owners	**-**	**-**	**-**	**-507,7**	**-507,7**	**-**	**-**	**-**	**-499,7**	**-499,7**
	Equity at 31 December	**0,3**	**-282,9**	**-8.625,1**	**1.336,0**	**-7.571,7**	**0,3**	**-319,9**	**-8.643,9**	**1.289,8**	**-7.673,6**

Cash flow statement, 1 January - 31 December

Note	DKK million	2017	2016
	CASH FLOW FROM OPERATING ACTIVITIES		
5.3	Received from customers	4.398,7	4.375,9
5.3	Paid to staff, suppliers, etc.	-1.850,6	-1.916,6
	Cash flow from operating activities before financial items and tax	2.548,1	2.459,3
5.3	Interest received, etc.	1,3	1,4
5.3	Interest paid, etc.	-216,4	-440,8
	Cash flow from operating activities before tax	2.105,0	2.020,0
2.5	Income taxes paid	-1.384,8	-
	Cash flow from operating activities	**719,8**	**1.762,8**
	CASH FLOW FROM INVESTING ACTIVITIES		
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**	**-1.022,8**
	CASH FLOW FROM FINANCING ACTIVITIES		
	Increase of Capital	-	350,0
4.2	Repayments of long-term loans	-1.005,0	-3.240,3
4.2	Proceeds from long-term loans	1.599,2	2.871,8
4.2	Repayments of short-term loans	-233,6	-453,8
4.2	Proceeds from short-term loans	210,0	510,7
	Dividends paid	-505,5	-500,2
	Cash flow from financing activities	**65,2**	**-461,8**
	Net cash flow for the year	**-688,4**	**278,1**
	Cash at beginning of year	**1.146,6**	**868,5**
	Cash at end of year	**458,2**	**1.146,6**

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, the Group 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
The Group is a limited company domiciled in Denmark and listed on Nasdaq Copenhagen.

The consolidated financial statements of the Group 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, Kastrup Airports Parent ApS are prepared in accordance with the Danish Financial Statements Act.

Significant accounting estimates
The estimates made by the Group 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 the Group'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 the Group 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.

The Group'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 the Group's accounting policies.

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

Foreign currency translation
The Group'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.

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 recognized 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
The Group 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 the Group'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 THE GROUP'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.

1.2 RECENTLY ADOPTED ACCOUNTING STANDARDS AND INTERPRETATIONS FOR IMPLEMENATION

A number of minor amendments to existing financial reporting standards have been implemented in the 2017 financial year. The Group has assessed the effect of the updated IFRS standards and interpretations. The Group 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 the Group or do not have a material impact on the Group's financial statements.

New standards, amendments and interpretations adopted but not yet effective
The following new standards, amendments and interpretations of relevance to the Group 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. THE GROUP has assessed the effect of the new standards, amendments and interpretations as follows:

• The Group 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. The Group 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.

• The Group 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, the Group has assessed changes 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.

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

IASB has issued the following new interpretation, which could be relevant to the Group, 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. The Group expects to implement this interpretation when it becomes effective. The Group has not conducted an in-depth analysis of the interpretation but does not expect the interpretation to have a material impact on The Group financial reporting at present.

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 conprises 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.

		2017				
	DKK million	Including one-off items	One-off items	Excluding one-off items	Hotel operation*	Excluding one-off items and the hotel operation
2.1, 2.2	Revenue	4.439,4	-	4.439,4	(100,2)	4.339,2
	Other income	2,9	-	2,9	-	2,9
2.3	External costs	(505,9)	(13,9)	(519,8)	37,5	(482,3)
2.4	Staff costs	(1.334,7)	(12,3)	(1.347,0)	0,5	(1.346,5)
	EBITDA	**2.601,7**	**(26,2)**	**2.575,5**	**(62,2)**	**2.513,3**
3.1	Amortisation and depreciation	(788,0)	-	(788,0)		(788,0)
	Operating pr	**1.813,7**	**26,2**	**1.839,9**	**(62,2)**	**1.777,7**
4.1	Net financing	(920,2)	-	(920,2)		(920,2)
	Profit before	**893,5**	**26,2**	**919,7**	**(62,2)**	**857,5**
2.5	Tax on profit	(330,4)	(5,8)	(336,2)		(336,2)
	Net profit for	**563,1**	**20,4**	**583,5**	**(62,2)**	**521,3**
		2016				
	Revenue	4.421,9	-	4.421,9	(227,6)	4.194,3
	Other income	6,2	-	6,2	-	6,2
	External costs	(621,0)	(5,1)	(615,9)	153,4	(462,5)
	Staff costs	(1.309,0)	(10,3)	(1.298,7)	-	(1.298,7)
	EBITDA	**2.498,1**	**(15,4)**	**2.513,5**	**(74,2)**	**2.439,3**
	Amortisation and depreciation	(705,6)	-	(705,6)		705,6
	Operating pr	**1.792,5**	**15,4**	**1.807,9**	**(74,2)**	**17.410,1**
	Net financing	(913,6)	-	(913,6)		178,8
	Profit before	**878,9**	**15,4**	**894,3**	**(74,2)**	**1.561,3**
	Tax on profit	(374,3)	(3,4)	(377,7)		364,5
	Net profit for	**504,6**	**12,0**	**516,6**	**(74,2)**	**1.196,8**

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

Note | DKK million | 2017 | 2016

2 Results of the year

2.1 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.

	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**

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.
The group's revenue consists only of services in the aeronautical and non-aeronautical segments.
The groups revenue consists only of services in the aeronautical and non-aeronautical segments.

2.2 External costs

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

	2017	2016
Operation and maintenance	355,1	428,7
Energy	45,0	57,6
Administration	81,0	120,1
Other	24,8	14,6
Total external costs	**505,9**	**621,0**

External costs decreased by DKK 115.1 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, the group 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	DKK million	2017	2016

2.3 **Staff costs**

Accounting policies

Staff costs comprise salaries, wages and pension contributions for the group 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, the group 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**

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.

The group 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, the group 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.

The executive board of the Group have received DKK 0.3 million (2016: DKK 0.3 Million).

Notes to the financial statements

Note	DKK million	2017	2016

2.4 **Tax on profit for the year**

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 judgments

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.

TAX EXPENSE	**2017**	2016
Current income tax	**334,8**	304,6
Change in deferred tax	**8,7**	46,3
Total	**343,5**	350,9
TAX IS ALLOCATED AS FOLLOWS:		
Tax on profit for the year	**330,4**	374,3
Tax on other comprehensive income related to hedging instruments	**13,1**	-23,5
Total	**343,5**	350,9
BREAKDOWN OF TAX ON PROFIT FOR THE YEAR		
Tax calculated at 22.0% of profit before tax	**334,8**	304,6
Tax effect of:		
Non-deductible costs including effect of interest limitation etc.	**9,7**	-4,7
Total	**344,5**	299,9
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
INCOME TAX PAYABLE		
Balance at 1 January	**168,6**	121,3
Tax paid on account in current year	**-128,1**	-136,0
Payment of tax underpaid in previous year	**-168,6**	-121,3
Current income tax	**334,8**	304,6
Balance at 31 December	**206,8**	168,6

Note	DKK million	2017	2016

3 Investments

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.

	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.

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.

	2017			2016		
	Software	**Software under development**	**Total**	**Software**	**Software under development**	**Total**
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 De	**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.

Note	DKK million	2017	2016

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.

Significant estimates and judgements
Property, plant and equipment are depreciated to the estimated residual value over their estimated useful lives, which the group 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. The group 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, the group has chosen to divide the system into three elements: foundations, surfaces and technical installations. The group'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, the group takes into account significant indicators of potential impairment such as purchase and sales prices, and general market conditions.

			2017		
DKK million	**Land and buildings***	**Plant and machinery**	**Other fixtures and fittings, tools and equipment**	**Property, plant and equipment under construction**	**Total**
Cost					
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	0,0
Accumulated cost at 31 December	**8.174,4**	**8.010,3**	**1.986,0**	**925,2**	**19.095,9**
Depreciation					
Accumulated depreciation at 1 Januar	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 De	**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**

* The group 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.

DKK million			**2016**		
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	0,0
Accumulated cost at 31 December	**7.605,0**	**7.552,5**	**1.729,1**	**795,3**	**17.681,9**
Depreciation					
Accumulated depreciation at 1 Januar	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 De	**2.984,5**	**3.728,9**	**1.168,2**	**0,0**	**7.881,6**
Carrying amount at 31 December	**4.620,5**	**3.823,6**	**560,9**	**795,3**	**9.800,3**

* See previous page.

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
- Copenhagen Airports Denmark Holding ApS, Herlev, Denmark - 100% owned by KAP
- Copenhagen Airports Denmark ApS, Herlev, Denmark - 100% owned by CADH

Associate

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

Note	DKK million	2017	2016

4 Financing and financial risks

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.

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.

Financial expenses		
Interest on debt to financial institutions and other loans, etc.	219,8	210,4
Interest on debt to related party	732,9	734,8
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	**922,3**	**915,8**

In calculating loan costs for the cost of assets in CPH, an effective interest rate of 4.0% was applied in 2017 (2016: 4.5%), corresponding to the group'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, the group 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.

The net value of the exchange loss recognised in 2017 includes an unrealised exchange gain of DKK 346.4 million (2016: unrealised exchange loss of DKK 270.7 million) related to long-term loans denominated in USD, EUR and GBP offset by an unrealised exchange loss on currency swaps of DKK 346.4 million (2016: unrealised exchange gain of DKK 270.7 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.

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.

Financial institutions and other loans are recognised in the balance sheet as follows:		
Non-current liabilities	**10.345,8**	11.515,8
Current liabilities	**1.280,9**	62,7
Total	**11.626,7**	11.578,5

Notes to the financial statements

Note	DKK million	2017	2016

DKK million	2016	Cash flow	Non-cash changes: Reclassification and loan costs	Non-cash changes: Foreign exchange movements	2017
Long term loans	5.733,40	594,30	-1.407,10	-267,30	4.653,32
Short term loans	62,70	-23,50	1.411,10	-169,30	1.280,90
Total	**5.796,10**	**570,70**	**4,00**	**-436,56**	**5.934,20**

The group had the following loans at 31 December:

DKK million Loan	Currency	Fixed/floating	Maturity date	Carrying amount 2017	Carrying amount 2016	Fair value* 2017	Fair value* 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 mio.)**	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
DKK	DKK	Fixed	12 Feb 2026	130,0	130,0	142,4	145,3
European Investment Bar	DKK	Fixed	15 Dec 2026	250,0	250,0	249,7	250,3
European Investment Bar	DKK	Fixed	07 Apr 2032	600,0	-	589,6	-
Credit Agricole *****	DKK	Floating	22 Jan 2019	524,4	524,4	524,4	524,4
Credit Agricole *****	DKK	Floating	22 Jan 2019	624,4	624,4	624,4	624,4
Credit Agricole *****	DKK	Floating	22 Jan 2021	373,0	373,0	373,0	373,0
USPP bond issue	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
USPP bond issue	DKK	Fixed	30 Dec 2022	273,1	273,1	273,1	273,1
USPP bond issue	DKK	Fixed	29 Dec 2023	273,2	273,2	273,2	273,2
USPP bond issue	DKK	Fixed	31 Dec 2025	546,3	546,3	546,3	546,3
USPP bond issue	USD	Fixed	30 Dec 2022	310,6	352,5	-	352,5
USPP bond issue	USD	Fixed	29 Dec 2023	434,8	493,5	-	493,5
USPP bond issue	EUR	Fixed	29 Dec 2023	223,2	222,9	-	222,9
EUPP bond issue	DKK	Floating	22 Jan 2024	969,8	969,8	969,8	969,8
EUPP bond issue	EUR	Floating	22 Jan 2026	446,4	445,8	-	445,8
EUPP bond issue	EUR	Floating	22 Jan 2026	558,0	557,2	-	557,2
EUPP bond issue	EUR	Floating	22 Jan 2024	148,9	148,8	-	148,8
Total				**11.667,3**	**11.631,7**	**9.797,8**	**12.048,7**
Loan costs for future amortisation				(40,5)	(53,3)	(40,5)	(53,3)
Total				**(40,5)**	**(53,3)**	**(40,5)**	**(30,8)**
Total				**11.626,8**	**11.578,4**	**9.757,3**	**12.017,9**

* 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.
***** These loans are issued by a consortium of banks, with Crédit Agricole acting as Agent. These loans are secured by share in CPH and bank deposits.

The fixed-rate USPP bond loans of USD 627 million, EUR 185 million and GBP 23 million (2016: USD 627 million and EUR 185 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.

Note	DKK million	2017	2016

4.3 **Financial risks**

Accounting policies
In connection with the group's hedging of future transactions and cash flows, derivative financial instruments are used as part of the group'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.

Estimates and judgments
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.

The group's risk management policy
The group'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
The group's credit risks are primarily related to receivables, bank deposits, securities and derivative financial instruments.

The credit risk regarding receivables arises when the group'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.

The group'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 the group'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.

The group'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 the group equivalent to four months' revenue (2016: four months' revenue). The remaining credit risk is distributed among the group's other customers. See note 5.1 on trade receivables for further information.

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. The group 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, the group 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
The group'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 the group'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.

The group, 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, the group has made a commitment to its lenders to comply with a number of other terms and conditions, including financial covenants. A number of the group's agreements on loans and credit facilities can be terminated in the event of failure to comply with these terms and conditions. The group complied with all terms and conditions as at 31 December 2017.

Liquidity risk
The group'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). The group also has overdraft facilities available of DKK 66.5 million (2016: DKK 93.0 million). In addition to a general operational risk assessment, the group 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.

			2017			
Maturity at 31 December, DKK million	**0-1 year**	**1-5 years**	**After 5 years**	**Total**	**Fair value level 2***	**Carrying amount**
Recognised at amortised cost						
Financial institutions and other loans	1.518,5	1.742,3	9.158,9	12.419,7	5.451,6	5.692,5
Payable to related party	-	-	8.706,7	8.706,7	6.378,0	6.378,0
Trade payables	507,7	-	-	507,7	371,3	371,3
Other payables	567,9	-	-	567,9	48,7	48,7
Total	**2.594,1**	**1.742,3**	**17.865,6**	**22.202,1**	**12.249,6**	**12.490,4**
Recognised at fair value						
Derivative financial instruments	-	78,8	251,6	330,4	330,4	330,4
Total	**-**	**78,8**	**251,6**	**330,4**	**330,4**	**330,4**
	-	-	-	-	-	-
Total financial liabilities	**2.594,1**	**1.821,1**	**18.117,2**	**22.532,4**	**12.579,9**	**12.820,8**
Recognised at amortised cost						
Cash	458,2	-	-	458,2	458,2	458,2
Trade receivables	62,4	-	-	62,4	62,4	62,4
Other receivables	538,6	-	-	538,6	538,6	538,6
Total	**1.059,2**	**-**	**-**	**1.059,2**	**1.059,2**	**1.059,2**
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	**1.065,7**	**-**	**0,3**	**1.066,0**	**1.066,0**	**1.066,0**

* 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:

Maturity as at 31 December 2016	**0-1 year**	**1-5 years**	**After 5 years**	**Total**	**Fair value level 2***	**Carrying amount**
Recognised at amortised cost						
Financial institutions and other loans	306,1	3.306,2	8.914,0	12.526,3	5.752,8	5.752,8
Payable to related party	-	-	8.706,7	8.706,7	5.878,7	5.878,7
Trade payables	547,0	-	-	547,0	326,6	326,6
Other payables	471,0	-	-	471,0	31,1	31,1
Total	**1.324,1**	**3.306,2**	**17.620,7**	**22.251,0**	**11.989,2**	**11.989,2**
Recognised at fair value						
Derivative financial instruments	-	51,2	421,1	472,3	472,3	472,3
Total	**-**	**51,2**	**421,1**	**472,3**	**472,3**	**472,3**
Total financial liabilities	**1.324,1**	**3.357,4**	**18.041,8**	**22.723,3**	**12.461,5**	**12.461,5**
Recognised at amortised cost						
Cash	1.146,6	-	-	1.146,6	1.146,6	1.146,6
Trade receivables	371,3	-	-	371,3	371,3	371,3
Other receivables	38,6	-	-	38,6	38,6	38,6
Total	**1.556,5**	**-**	**-**	**1.556,5**	**1.556,5**	**1.556,5**
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	**1.556,5**	**216,0**	**124,0**	**1.896,5**	**1.896,5**	**1.896,5**

* See previous page.

Market risks

Interest rate risks
It is the group'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, the group 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, the group 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 the group's loans at 31 December 2017 has been determined at approximately 6.9 years (2016: approximately 7.1 years).

Most of the group'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 the group's income statement.

As the exchange rate and interest rate risk of debt denominated in USD, EUR, GBP and DKK is hedged by USD/DKK, EUR/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 **EFFECT ON EQUITY OF:**	**2017**	**2016**
An increase in the DKK rate of interest of 1 %-point	**(18,0)**	(18,0)
A decrease in the DKK rate of interest of 1 %-point	**8,4**	5,8
An increase in the EUR rate of interest of 1 %-point	**(17,9)**	(13,8)
A decrease in the EUR rate of interest of 1 %-point	**17,9**	13,8
An increase in the USD rate of interest of 1 %-point	**181,0**	124,1
A decrease in the USD rate of interest of 1 %-point	**(186,5)**	(132,8)
An increase in the GBP rate of interest of 1 %-point	**5,5**	7,9
A decrease in the GBP rate of interest of 1 %-point	**(5,7)**	(8,3)

A change in the DKK, EUR, 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.

Exchange rate risks
Exchange rate fluctuations would have only a low impact on the group'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 627 million, EUR 185 million and GBP 23 million (2016: USD 627 million, EUR 185 million and GBP 23 million). The carrying amount of the currency swap contracts amounted to DKK (245,1) million (2016: DKK 247.1 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.

Note	DKK million	2017	2016

5 Other notes

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.

	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	2017	2016
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, the group receives collateral security for sales on credit, mainly regarding non-aeronautical activities, and such collateral is included in the assessment of the writedown 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.

The group'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:

Overdue but not impaired receivables by maturity	2017	2016
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

5.2 Other liabilities

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.

	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	DKK million	2017	2016
5.3	**Notes to the cash flow statement**		
	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	(1.840,6)	-1.930,0
	Change in other receivables, etc.	20,9	30,2
	Change in cost-related trade payables, etc.	7,5	43,4
	Total	**(1.812,2)**	**(1.856,4)**
	Interest received, etc.		
	Interest received, etc.	0,1	0,1
	Realised exchange gains	1,3	1,7
	Total	**1,4**	**8,9**
	Interest paid, etc.		
	Interest paid, etc.	(442,6)	(451,0)
	Realised exchange losses	(0,5)	(0,5)
	Other financial costs	(1,9)	(4,6)
	Other interest expenses	(1,2)	(7,1)
	Total	**(446,2)**	**(463,2)**

5.4 **Financial commitments**

The group 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, the group 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.

The group 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:

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 the group 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 the group holding the remaining 53%.

Under the agreement with Naviair for the provision of air traffic services, the group 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 group's properties as described in note 3.3.

The group 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.

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

Note DKK million **2017** 2016

5.5 **Related parties**

The group's related parties are the Danish Labour Market Supplementary Pension (ATP) and the Ontario Teachers' Pension Plan (OTPP), cf. their controlling ownership interests in the group 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.

Copenhagen Airports Denmark ApS (CAD), company reg. (CVR) no. 29144249 is directly controlled by CADH with CADH being directly controlled by Kastrup Airports Parent ApS (KAP), company reg. (CVR) no. 33781903. The ultimate controlling shareholders of CAD, CADH and KAP are Arbejdsmarkedets Tillægspension (ATP) and the Ontario Teachers' Pension Plan Board (OTPP) via their respective underlying holding companies. Until 24th of November 2017, OTPP and MEIF3 jointly owned and controlled CAD

KAP is thereby the ultimate holding company of the group. 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.

CAD holds 57.7% of both the shares and voting rights in the group.

For additional information on ATP and OTPP, see www.atp.dk and www.otpp.com.

5.6 **Concession for airport operation and charges regulation**

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.

The Minister of Transport may lay down regulations concerning the charges that may be levied on the use of aerodrome ("charges regulation").

The charges regulation for the group 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.

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, the group 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.

During the period 1 March to 1 September 2014, the airlines and the group (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 the group 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 the group Go will retain a lower passenger charge.

In accordance with the charges agreement and security requirements concerning explosives trace detection (ETD), the group introduced a new separate security charge on 1 September 2015 corresponding to group'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
5.7 continuously reflect the actual costs for the group.

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 the group 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.

Notes to the financial statements

Note	DKK million	2017	2016
5.8	**Fees to auditors appointed at the Annual General Meeting**		
	Audit fee to PwC	1,4	1,7
	Fees for assurance engagements other than audit	0,5	0,2
	Tax advice	0,2	0,1
	Non-audit services	1,2	1,6
	Total audit fee	**3,2**	**3,6**

Fees for services other than statutory audit of the financial statements provided to the group 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.

5.9 **Post Balance sheet events**

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

5.10 **Contingent liabilities**

The Danish tax authorities have made decisions on collection of withholding taxes on interest and dividends for 2006 and 2007. The tax dispute is expected to be concluded in the coming years. While the court process continues, the Danish National Tax Tribunal in October 2012 issued a decision in favour of Copenhagen Airports Denmark Holdings ApS in relation to dividend withholding taxes, and in favour of the Danish tax authorities in relation to interest withholding tax. This has not altered management's assessment that it does not expect that it is likely that the tax dispute will result in a change in the tax assessments for 2006 and 2007. In 2013, an additional claim was received from the Danish tax authorities regarding withholding tax on dividends paid in 2008. In 2014 an additional claim was received from the Danish tax authorities regarding withholding tax on interest in 2008-2010. the Company has appealed against both claims. There is a risk that further claims could be made by the Danish tax authorities. In May 2016, the Danish National Tax Tribunal issued a decision which upheld the Danish tax authorities' decision on 2008 interest payments but stated that there should be no withholding tax on the 2008 dividends. Copenhagen Airports Denmark Holding ApS intends to appeal the interest decision.

In 2017, CADH received invoices from the Danish Tax authorities requesting payment of DKK1.089 million in withholding tax and penalty interest, covering all the witholing tax claims on interest for the period 2006-2011.

The maximum loss, related to the Danish Tax Authorities decisions, exclusive of late payment interest amounts to DKK 658 million, whereof DKK 472 million is paid and recognised as a receivable. The maximum remaining liability related to the pending withholding tax claims on dividends for the period 2006-2008, exclusive of late payment interest amounts to DKK 187 million.

CADH and its tax adviser still believes that it is more likely than not that CADH will win all withholding tax cases currently outstanding.

5.11 **Guarnatees and pledges**

The Group has pledged its shares in Copenhagen Airports International A/S and its bank deposit as security for its bank loan.

Kastrup Airports Parent ApS

c/o Azets Insight A/S
Lyskær 3 CD
2730 Herlev

CVR No. 33781903

Annual Report 2017

7. financial year

The financial statements of the parent company is an integral part of the overall annual report. The full annual report including the consolidated annual report and financial statements for the parent company will be sent to Danish Business Authority, where a copy can be obtained at www.cvr.dk

Contents

Management's Review

Management´s review for Kastrup Airports Parent ApS is included in management´s review for the group in the consolidated annual report.

Key Figures and Financial Ratios

There are no specific key figures and financial ratios for the parent. Refer to the key figures in the consolidated annual report.

Accounting Policies

Basis of Preparation

Reporting Class
The Annual Report of Kastrup Airports Parent ApS for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C. Refer to the basis of preparation for the group in the consolidated report.

Reporting currency
The Annual Report is presented in Danish kroner.

Income Statement

Investments in group companies
The proportionate share of dividends declared by subsidiaries is recognised in the income statement of the parent company.

Balance Sheet

Investments in group companies
Investments in group enterprises are measured at cost. If the cost price exceeds the recoverable amount the amount is written down to the lower value.

Equity
Proposed dividend for the year is recognised as a separate item in equity.

Contingent assets and liabilities
Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Accounting policies Cash Flow Statement

A separate cash flow statement for the parent has not been prepared pursuant to the Financial Statements Act § 86. Refer to the cash flow statement for the group in the consolidated annual report.

Income Statement

	Note	2017 kr.	2016 kr.
Other external expenses		-1.707.742	-990.252
Profit from ordinary operating activities		**-1.707.742**	**-990.252**
Income from investments in group enterprises	1	0	175.371.391
Other finance income from group enterprises		1.180.827	1.045.949
Finance income		-38.813	0
Finance expenses arising from group enterprises		-499.297.778	-497.442.888
Other finance expenses		-1.348.675	-865.085
Profit from ordinary activities before tax		**-501.212.181**	**-322.880.885**
Tax expense on ordinary activities	2	408.859	17.893.067
Profit	3	**-500.803.322**	**-304.987.818**

Balance Sheet as of 31 December

	Note	2017 kr.	2016 kr.
Assets			
Long-term investments in group enterprises	4	6.297.646.370	6.297.646.370
Investments		**6.297.646.370**	**6.297.646.370**
Fixed assets		**6.297.646.370**	**6.297.646.370**
Short-term receivables from group enterprises		635.956.196	510.900.905
Prepayments		0	93.141
Receivables		**635.956.196**	**510.994.046**
Cash and cash equivalents		**36.269.274**	**31.621.306**
Current assets		**672.225.470**	**542.615.352**
Assets		**6.969.871.840**	**6.840.261.722**

Balance Sheet as of 31 December

	Note	2017 kr.	2016 kr.
Liabilities and equity			
Contributed capital		323.836	323.836
Retained earnings		-174.247.056	326.140.054
Provision for distributions		0	416.212
Equity		**-173.923.220**	**326.880.102**
Payables to group enterprises		6.377.997.853	5.878.700.074
Long-term liabilities other than provisions	5	**6.377.997.853**	**5.878.700.074**
Trade payables		825.927	609.137
Payables to group enterprises		466.000.658	402.469.461
Tax payables		206.381.669	168.071.751
Tax payables to group enterprises		92.588.953	63.531.197
Short-term liabilities other than provisions		**765.797.207**	**634.681.546**
Liabilities other than provisions within the business		**7.143.795.060**	**6.513.381.620**
Liabilities and equity		**6.969.871.840**	**6.840.261.722**

Significant events occurring after end of reporting period	6
Contingent liabilities	7
Collaterals and assets pledges as security	8

Statement of changes in equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2017	323.836	326.556.266	0	326.880.102
Profit (loss)	0	-500.803.322	0	-500.803.322
Equity 31 December 2017	**323.836**	**-174.247.056**	**0**	**-173.923.220**

Movement in share capital:

	2017	2016	2014	2013	2012
Balance at the beginning of the year	323.836	163.418	163.418	163.418	163.418
Correction at the beginning of the year	0	0	0	0	0
Additions during the year	0	160.418	0	0	0
Disposals during the year	0	0	0	0	0
Other adjustments	0	0	0	0	0
Balance at the end of the year	**323.836**	**323.836**	**163.418**	**163.418**	**163.418**

Notes

1. Income from investments in group enterprises

	2017	2016
Income from investments in group enterprises	0	175.371.391
	0	**175.371.391**

2. Tax expense

	2017	2016
Tax expense for the year	-408.859	-17.893.067
	-408.859	**-17.893.067**

3. Proposed distribution of results

Distributions	0	416.212
Retained earnings	500.803.322	304.571.606
Distribution of profit	**500.803.322**	**304.987.818**

4. Long-term investments in group enterprises

Group enterprises

Name	Registered office	Share held in %
Copenhagen Airports Denmark Holdings ApS	Copenhagen	100,00

5. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	6.377.997.853	0	0
	6.377.997.853	**0**	**0**

The Company has received a letter of subordination regarding loan repayment until the Company has sufficient liquidity.

6. Significant events occurring after end of reporting period

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Notes

7. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of Kastrup Airports Parent ApS which is the administration company in the joint taxation.

Refer to note 5.10 in the consolidated annual report.

8. Collaterals and securities

No securities or mortgages exist at the balance sheet date.