

## Estimated effects of Danish government's national aviation strategy

### Stock Exchange Announcement Copenhagen, 5 July 2017

In continuation of Copenhagen Airports A/S' (CPH) stock exchange announcement on 3 July 2017, CPH has reviewed the aviation strategy published by the government together with proposed regulation implementing such strategy.

CPH understands that the strategy is subject to political consultation. In addition, the proposed regulation is being consulted upon over the following months. Therefore, neither the strategy nor the regulation implementing it are final. The government's intent is that the new regulation applicable for tariffs shall be effective as from 1 April 2019, when the current tariffs agreed between CPH and the airlines expire.

The government has proposed a change to the commercial cross-subsidy. In the recent charges agreements, under the current regulation, the average implied cross-subsidy has historically been around 30%. A new cross-subsidy range of 30-50% is proposed in the fall-back model for the tariff period commencing 1 April 2019, moving to 40-50% for later tariff periods. The level of cross-subsidy under the regulatory fall-back is determined according to the competitiveness of CPH's airport charges compared to its European peer group airports.

CPH notes the recent press speculation and various comments on the financial impact of the proposed changes announced on 3 July. CPH assess that it is too early to comment specifically on the speculation, as detailed analysis will be required before accurate assessments can be made. However, it should be noted that if the proposed regulatory fall-back model was applied in the next tariff period from 1 April 2019, the isolated effect of a 10% change in the cross-subsidy, before mitigating actions are taken, could have an impact on profit before tax of approximately DKK 100 million.

CPH will review its business model and strategy due to the proposed changing legislation. In particular, CPH intends to re-evaluate its investment plan and financing in the light of the aviation strategy in the second half of 2017.

CPH's outlook for 2017, including investment outlook, as communicated latest on 16 May 2017 remain unchanged.

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