

## Press release

25 March 2015

### Strong earnings in KIRKBI Group

In 2014, the KIRKBI Group achieved yet another strong result driven by continued growth and high earnings in the LEGO Group, a strong development in Merlin Entertainments plc and a good return on KIRKBI A/S investment activities.

- Profit before tax and minority interests was 14.1 billion DKK against 11.9 billion DKK in 2013. Profit after tax and minority interests was 9.1 billion DKK against 7.6 billion DKK in 2013
- Equity totalled 45.2 billion DKK at the end of 2014 against 36.6 billion DKK in 2013
- KIRKBI's total investment portfolio amounted to 29 billion DKK at the end of 2014 against 24 billion DKK in 2013

"The result is highly satisfactory and primarily achieved due to continued growth and yet another record result in the LEGO Group. Merlin Entertainments plc continued the positive development in the first full financial year after the company was listed on the London Stock Exchange in November 2013. In addition, the return on our investment activities has been strong in 2014, especially driven by healthy returns on quoted equities, private equity investments and real estate. The good results and the positive development have been achieved due to a great effort from the group's many employees", says Søren Thorup Sørensen, CEO of KIRKBI A/S.

KIRKBI's activities are focused on four areas:

- 75% ownership of the LEGO Group, which develops, manufactures, markets and sells play materials. The remaining 25% are owned by the LEGO Foundation. In addition, the KIRKBI Group owns among others the LEGO® trademark
- 29.9% ownership of Merlin Entertainments plc, which is the world's second largest operator within family entertainment and other leisure activities, including ownership of the LEGOLAND® Parks and the LEGOLAND Discovery Centers
- Renewable energy, where KIRKBI in cooperation with DONG Energy and William Demant Invest is about to finish the construction of the German offshore wind turbine farm Borkum Riffgrund 1. The KIRKBI Group's investment of approx. 3 billion DKK shall ensure that the LEGO Group can comply with its goal of generating enough renewable energy capacity to cover the group's consolidated energy consumption by 2020
- Investment activities including long-term equity investments in listed and unlisted companies, real estate, securities and private equity



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The LEGO Group had yet another successful year in 2014 and the result is considered highly satisfactory. The LEGO Group's revenue increased by 13% to 28.6 billion DKK. Earnings also improved as profit before tax was 9.5 billion DKK against 8.2 billion DKK in 2013. The LEGO Group has increased the number of employees to more than 14,500 at the end of 2014; and during 2014, the company has invested 3.1 billion DKK in e.g. production facilities in China, Hungary, Mexico and Czech Republic against 2.6 billion DKK in 2013. In The LEGO Group's Responsibility Report, the company confirms its support to UN Global Compact, which describes how the company operates within the areas of human rights, employee rights, environment and anti-corruption.

In 2014, Merlin Entertainments plc, which operates the LEGOLAND Parks, once again achieved growth in number of visitors compared to the previous year. Number of visitors increased by almost 5% to 62.8 million and operational earnings (EBITDA) amounted to 411 million GBP. Number of visitors in the LEGOLAND Parks increased by nearly 10% compared to 2013. In 2014, Merlin Entertainments plc announced the opening of another two LEGOLAND Parks – one in Nagoya, Japan and one in Chuncheon in the Gangwon province of South Korea with opening scheduled for 2017. The KIRKBI Group participates in the investment in the Japanese LEGOLAND Park as owner of a significant part of the park's infrastructure and fixed assets.

The construction of the offshore wind farm Borkum Riffgrund 1 continued in 2014. In October 2014, the first turbine was installed and in February 2015, the first power was delivered to the German grid. According to the agreement, the KIRKBI Group enters operationally, when the wind farm is fully installed and tested – expectedly in 2016.

In 2014, the investment activities achieved a very good result of 3.5 billion DKK against 1.9 billion DKK in 2013 positively impacted by healthy returns on quoted equities, private equity investments and real estate. In 2014, KIRKBI invested e.g. in the German company, Minimax Viking GmbH which operates within the fire protection industry. In connection with the IPO of ISS A/S, KIRKBI maintained the ownership and have through 2014, increased the ownership in Falck Holding A/S and Matas A/S. In the portfolio of real estate, acquisitions have been made in Copenhagen and London, and after several years of refurbishment, the property New Fetter Place in London has been taken into use.

Based on a good start to 2015 for both the LEGO Group and the investment activities, the KIRKBI Group expects a satisfactory result in 2015. Based on the strong financial results, the group is in a good position to continuously support the development of the LEGO Group and Merlin Entertainments plc as well as take part in relevant investments within the investment strategy.

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