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KIRKBI Group delivered a satisfactory result in 2016

Billund, Denmark March 28, 2017 – KIRKBI A/S today published its annual report for 2016. The result for the year after tax was DKK 13.3 bn compared with DKK 13.4 bn in 2015. Net equity was DKK 66.4 bn compared with DKK 56.3 bn in 2015. KIRKBI's total investment portfolio was DKK 44 bn compared with DKK 39 bn on the same date in 2015.

Commenting on the result, Søren Thorup Sørensen, KIRKBI CEO, says:

"In 2016, KIRKBI was again able to deliver a satisfactory result – based primarily on the satisfactory results delivered by the LEGO Group and the investment activities. In addition, Merlin Entertainments plc continued to grow its revenue, net profit and number of new attractions".

In 2016, the LEGO Group achieved a 6% growth in sales to DKK 37.9 bn, primarily driven by growth in Europe and Asia. The LEGO Group continued to expand its production capacity to support its future demand. The LEGO Group's result for 2016 was DKK 9.4 bn – impacted by expenditure for investments in production capacity and strengthening of the organisation in preparation for future growth.

Merlin Entertainments plc achieved an increase in number of visitors in 2016 – totalling 65.1 m people of whom more than 12.8 m visited the six LEGOLAND® parks. The company's revenue increased by 14% to GBP 1,457 m. Net operating profit (EBITDA) increased from GBP 402 m to GBP 451 m. A new LEGOLAND Park opened in Dubai in October 2016, and in April 2017 Merlin Entertainments plc expects to be able to open LEGOLAND park number 8 in Nagoya, Japan.

Investment activities in 2016 generated a result of DKK 3.0 bn compared with DKK 3.3 bn in 2015.

Profit from investment activities was positively affected by strong returns from private equity, quoted shares and property investments – whereas a decline in earnings from Falck A/S and a weakness in sterling (GBP) had a negative effect on investment activities.

The total investment portfolio increased from DKK 39 bn in 2015 to DKK 44 bn at year-end 2016.

KIRKBI's investment strategy continues to focus on long-term equity investments with substantial minority shares in high-quality companies with a long-term growth potential and investments in office and commercial properties in Copenhagen, London, Munich and the German-speaking region of Switzerland.

Well underway towards reaching 2020 target for renewable energy

In February 2016 KIRKBI signed an agreement to acquire a 25% ownership of Burbo Bank Extension Offshore Wind Farm located off Liverpool on the west coast of England. Burbo Bank Extension has been constructed by DONG Energy, and is expected to become fully operational during the first half of 2017. The wind farm consists of 32 wind turbines with a total capacity corresponding to the annual power consumption of 230,000 households.

Another wind farm – Borkum Riffgrund 1 in Germany – became operational in 2015. KIRKBI invested in this facility back in 2012, and the two wind-farm investments mean that KIRKBI is well underway towards reaching its target of supporting the LEGO Group in balancing the company's global energy consumption with renewable energy from 2020 onwards.

Søren Thorup Sørensen says:



"I'm delighted that we – due to our investments in Burbo Bank Extension and Borkum Riffgrund 1 – are well underway to ensure the LEGO Group's global energy consumption is 100% balanced by renewable energy."

Expectations

The financial markets developed positively at the start of 2017. The KIRKBI Group expects to be able to report a satisfactory result in 2017, and based on the Group's financial strength it is well positioned to continue supporting the LEGO Group and to participate in attractive investments.

Read KIRKBI's Annual Report 2016 [here](#).

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ABOUT KIRKBI A/S

KIRKBI A/S is the Kirk Kristiansen Family's holding and investment company. The company's strategic activities include a 75% holding in the LEGO Group, 29.8% ownership of Merlin Entertainments plc and investments in renewable energy. The company's investment activities also include major long-term investments in companies such as Falck A/S, Minimax Viking GmbH and ISS A/S, as well as property investments in Denmark, UK, Switzerland and Germany. KIRKBI has a long-term investment profile and is a responsible investor with a high ethical standard. Read more at www.KIRKBI.com.

