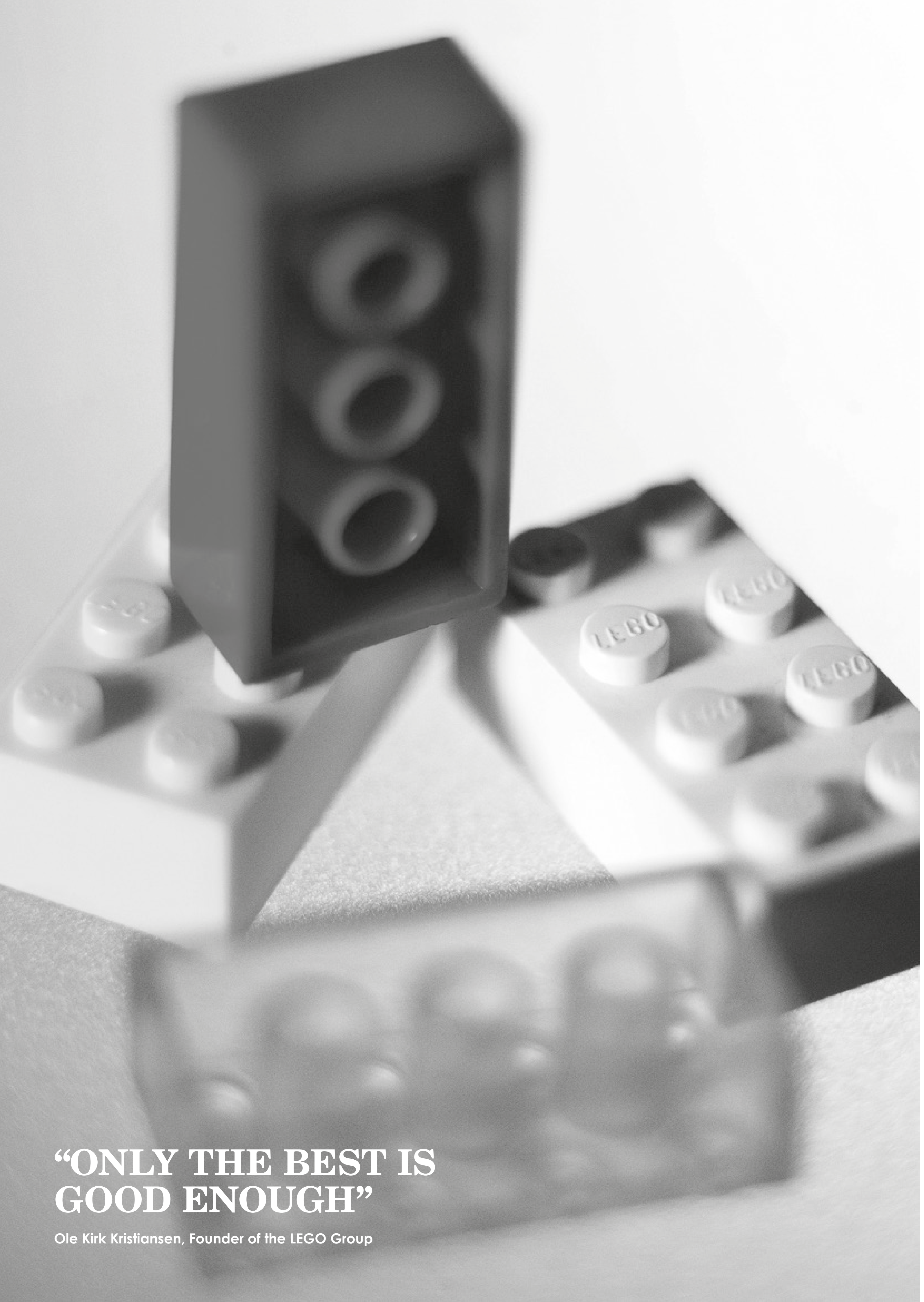
ANNUAL REPORT 2014



“ONLY THE BEST IS GOOD ENOUGH”

Ole Kirk Kristiansen, Founder of the LEGO Group

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KIRKBI – A FAMILY-OWNED COMPANY

KIRK KRISTIANSEN FAMILY

100 % OWNERSHIP

KIRKBI GROUP

2014 KEY FIGURES

12,781
FULL-TIME EMPLOYEES

10.2 (bn DKK)
CASH FLOW FROM OPERATION

10.8 (bn DKK)
PROFIT FOR THE YEAR

48.4 (bn DKK)
EQUITY

KIRKBI – A FAMILY-OWNED COMPANY

Strategic activities

75 % THE LEGO GROUP

Revenue	28.6 bn DKK
Profit for the year	7.1 bn DKK
Investments	3.1 bn DKK
Employees (FTE)	12,582

Founded by Ole Kirk Kristiansen in 1932. Based on the LEGO® brick, the company provides toys, experiences and educational materials for children

29.9 % MERLIN ENTERTAINMENTS PLC

Revenue	11.8 bn DKK
Profit for the year	1.5 bn DKK
Investments	1.8 bn DKK
Employees	17,327

Europe's leading and the world's second-largest visitor attraction operator. Owns the LEGOLAND® parks which were founded by Godtfred Kirk Christiansen in 1968 and the LEGOLAND® Discovery Centres, among other activities

31.5 % BORKUM RIFFGRUND 1

Investments	3.8 b DKK
First power	Q1 2015
Wind turbines	78

Offshore windfarm Borkum Riffgrund 1 is under construction. The purpose is to support the LEGO Group's goal to generate enough renewable energy to meet 100 % of its energy needs by 2020

100 % LEGO® AND LEGOLAND® TRADEMARKS

Revenue	1.1 bn DKK

The LEGO® and LEGOLAND® trademarks

Investment activities

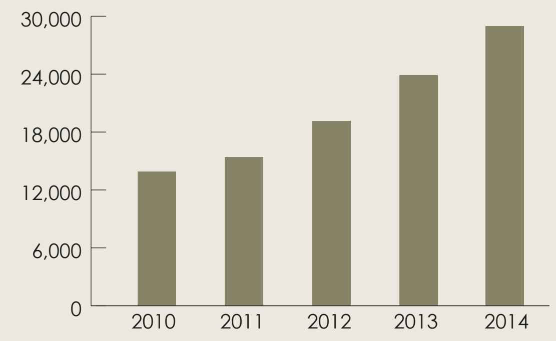
LIQUID INVESTMENTS

- Bonds and corporate debt
- Quoted equities

LONG TERM INVESTMENTS

- Long-term equity
- Real Estate
- Private Equity
- Alternatives

INVESTMENT PORTFOLIO (b DKK)



FINANCIAL HIGH-LIGHTS

KIRKBI Group

(m DKK)	2014	2013	2012	IFRS* 2011	DANISH GAAP* 2010
Income statement:					
Operating profit from strategic activities	11,020	10,317	8,677	6,453	
Operating profit from investment activities	3,484	1,859	1,649	108	
Total operating profit	14,101	11,873	10,166	6,425	5,065
Profit for the year	10,818	9,205	7,682	4,880	5,207
Balance sheet:					
Total assets	59,851	48,108	40,103	32,052	29,285
Equity	45,218	36,610	29,607	23,416	21,063
Non-controlling interests	3,206	2,767	2,491	1,763	1,846
Liabilities	11,427	8,731	8,005	6,873	6,376
Cash flow statement:					
Cash flows from operating activities	10,163	7,591	7,713	4,739	4,775
Investment in property, plant and equipment	(6,803)	(3,708)	(3,064)	(1,344)	(1,347)
Investment in intangible assets	(59)	(103)	(81)	(129)	(131)
Employees:					
Average number (full-time)	12,781	11,956	10,598	9,542	8,508
Financial ratios (in %):					
Equity ratio	80.9 %	81.9 %	80.0 %	78.6 %	79.7 %
Return on equity	22.1 %	23.1 %	23.6 %	17.7 %	22.5 %

* The comparative figures for 2010 are prepared according to generally accepted accounting principles in Denmark (Danish Gaap) and the financial statement for the years 2011-2014 are prepared in accordance with IFRS. The figures for 2010 are therefore not necessarily comparable with the financial figures for 2011 - 2014.

Financial ratios have been calculated in accordance with the "Recommendations and Financial Ratios 2010", issued by the Danish Society of Financial Analysts.

Parentheses denote negative figures.

2014 AT A GLANCE

Continued high performance in the majority of the KIRKBI Group activities has turned 2014 into another strong year. The LEGO Group had a highly satisfactory 2014 result driven by continued growth in consumer sales in all regions of the world. Merlin Entertainments had growth in both number of visitors, revenue and operating profit. The investment activities showed a strong result based on positive development in the financial markets and efficient portfolio allocation.

In 2014, the LEGO Group continued its growth, and revenue increased by 13 % to DKK 28.6 bn driven by strong global performance of product lines, such as LEGO® City, LEGO® Star Wars™, LEGO Friends as well as The LEGO Movie™ products. All regions of the world contributed to the sales growth and led to a highly satisfactory result for the LEGO Group with a 16 % increase in operating profit to DKK 9.7 bn. Driven by the continued high consumer demand and future growth plans, the LEGO Group invested DKK 3.1 billion in production capacity and increased the number of employees by 6 % to more than 14,500 at year-end.

In the first full year as a public company, Merlin Entertainments delivered strong performance with growth in existing estate and continued roll out of the Group's brands globally. The number of visitors increased by nearly 5 % to 62.8 million, and revenue and operating profit saw continued growth. Merlin Entertainments announced the planned opening of two LEGOLAND® parks in Asia, both scheduled for opening in 2017. We announced our decision to assist Merlin Entertainments with the establishment of a LEGOLAND park in Japan by investing in the park's infrastructure assets.

During 2014, the construction of the German offshore wind farm Borkum Riffgrund 1 has continued and the first turbine was successfully installed in October 2014. In February 2015 first power was produced and delivered into the grid. We are looking forward to the wind farm becoming fully operational, which will be an important milestone in the LEGO Planet Promise to generate enough new renewable energy to meet its energy needs by 2020.

The investment portfolio delivered a net gain of DKK 3.5 bn against DKK 1.9 bn in 2013 driven by good performance in all asset classes, with strong performance in Quoted equities, Private equity and Real estate.

Based on the high dividend flow from the LEGO Group and the high financial returns over recent years, we have continued the growth in the investment portfolio, where focus has been on further investments into Long-term equity and Real estate.

In the Long-term equity portfolio, a significant minority stake in the German company Minimax Viking was acquired over the summer, a global market leader in the active fire protection industry. Furthermore, we have retained our ownership in ISS A/S in connection with ISS's successful IPO. During the year we have increased our ownership stakes in Falck and Matas. Within Real estate two properties were acquired during the year, with one in Copenhagen and one in London. Finally, the refurbishment of New Fetter Place in London was finalised, where the LEGO Group has rented 4 floors of the building.

The KIRKBI Group has the necessary strength to support the continued growth of the LEGO Group and allowing us to target larger attractive investment opportunities within our strategy, especially with focus on Long-term equity and Real estate investments.

The strong performance in KIRKBI and related companies is built on the motivated and engaged effort of the many employees during the year. We would like to thank all employees for their effort and look forward to a prosperous 2015.

Søren Thorup Sørensen
CEO

Kjeld Kirk Kristiansen
Chairman of the Board

KIRKBI's office in Billund

“OUR AMBITIOUS VISION WILL DRIVE OUR PERFORMANCE”

Søren Thorup Sørensen, CEO

GROUP INFORMATION AND STRUCTURE

Parent Company
KIRKBI A/S
Koldingvej 2
DK – 7190 Billund
Company registration number:
18591235
Tel: + 45 75 33 88 33
Fax: + 45 75 33 89 44

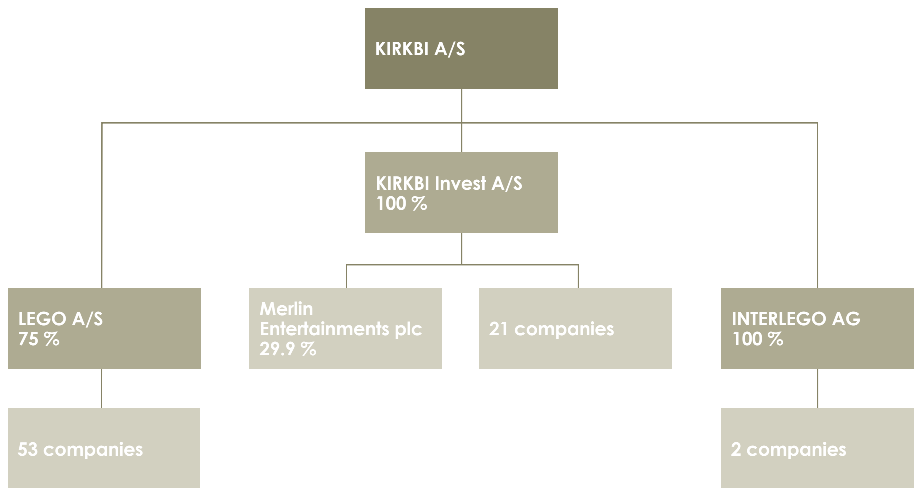
Website: www.kirkbi.com
E-mail: kirkbi@kirkbi.dk

Board of Directors
Kjeld Kirk Kristiansen (Chairman)
Niels Jacobsen (Deputy Chairman)
Jeppe Christiansen
Peter Gæmelke
Thomas Kirk Kristiansen

Executive Management
Søren Thorup Sørensen

Auditors
Deloitte

MAIN GROUP STRUCTURE



(for a detailed group structure please refer to note 33)

ABOUT KIRKBI

A FAMILY-OWNED HOLDING COMPANY

KIRKBI A/S is the Kirk Kristiansen family's holding and investment company, which - in addition to a broad investment portfolio - owns the LEGO® brand and the majority of the Kirk Kristiansen family´s joint activities, including the majority shareholding in LEGO A/S and a significant shareholding in Merlin Entertainments plc, which among other actitivies owns the LEGOLAND® parks and LEGOLAND Discovery Centres.

The activities within the KIRKBI Group are divided into strategic and investment activities.

The strategic activities include ownership of the LEGO trademarks, 75 % ownership of the LEGO Group, 29.9 % ownership of Merlin Entertainments plc which among other activities owns LEGOLAND® Parks and LEGOLAND Discovery Centers, and investments in renewable energy in order to support the LEGO Group's goal to generate enough renewable energy capacity to meet 100 % of The LEGO Group's energy needs by 2020.

The investment activities include significant long-term equity investments in companies such as Falck A/S, Minimax Viking, ISS A/S and Matas A/S as well as real estate investments in Denmark, UK, Germany and Switzerland. In addition to this, the KIRKBI Group manages a portfolio of fixed income instruments, quoted equities and private equity funds.

KIRKBI has a long-term investment profile and wants to act as a professional and responsible investor with a high ethical standard.

FAMILY **KIRK** KRISTIANSEN
+ **BI**LLUND
= **KIRKBI**

The KIRKBI name dates back to the 1980s when it was adopted for the Kirk Kristiansen family's investment company – until then known under various LEGO names – to underline the difference between the LEGO activities and the family's investment activities. The name is a combination of the family name KIRK and the location of the company in Billund, Denmark.

OPERATING PROFIT

(m DKK)	2014	2013
Strategic activities	11,020	10,317
Investment activities	3,484	1,859
Other operating activities	(111)	(70)
Administration and trademark costs	(292)	(233)
Total operating profit	**14,101**	**11,873**

Three generations of the Kirk Kristiansen family

FAMILY OWNERSHIP THROUGH GENERATIONS

The LEGO story began in Denmark back in 1932. Ole Kirk Kristiansen started making wooden toys in his workshop in Billund and from 1934 he sold them as LEGO toys. Today, his grandson Kjeld Kirk Kristiansen - third generation - owns the world famous toy company together with his three children.

Over the years new activities have developed and others have stopped, but in spite of all changes the family ownership as well as the long-term perspective and the fundamental values rooted in the family have been a steady force and a driver behind the endurance of the LEGO Group.

THREE GENERATIONS

In front of the picture is Edith Kirk Kristiansen who is second generation of the LEGO owner family. Behind her are her son and daughter-in-law Kjeld and Camilla Kirk Kristiansen and her three grandchildren. To the left is Agnete Kirk Thinggaard and to the right Sofie Kirk Kristiansen and Thomas Kirk Kristiansen.

In August 2014 three generations of the LEGO owner family laid the six foundation stones of the LEGO House in Billund. The six stones – precisely dimensioned to represent six classic LEGO® bricks – symbolise the values which are at the heart of all LEGO experiences: Imagination, creativity, fun, learning, caring and quality.

LEGO House is going to be an experience center where LEGO fans of all ages can be inspired by the endless possibilities of the LEGO brick.

ANNUAL REVIEW

INCOME STATEMENT

The KIRKBI Group's profit before tax for 2014 amounted to DKK 14,072 million against DKK 11,857 million in 2013. The profit after tax and non-controlling interests for 2014 were DKK 9,062 million compared with DKK 7,643 million for 2013.

The profit for the year is considered highly satisfactory and exeeded the expectation disclosed in the financial statements for 2013.

It is proposed to distribute dividend in the amount of DKK 200 million.

BALANCE SHEET

At the end of the year, the total assets amounted to DKK 59.9 billion against DKK 48.1 billion in 2013. The increase is primarily due to investments in operating assets in the LEGO Group, offshore wind farm and investment-related securities. The equity ratio was 80.9 % against 81.9 % in 2013.

CASH FLOWS

In 2014, cash flows from operating activities were DKK 10,163 million against DKK 7,591 million in 2013. Cash flows from investing activities were DKK -9,848 million against DKK -6,458 million in 2013.

DEVELOPMENT IN THE KIRKBI GROUP'S ACTIVITIES AND FINANCIAL POSITION

The satisfactory results for the year are due to the continued strong development for the LEGO Group and Merlin Entertainments plc combined with higher results from the investment activities.

In 2014, the LEGO Group had yet another successful year and the results are considered highly satisfactory. The company's net revenue increased by 13 % to DKK 28.6 billion. Earnings also improved significantly as profit before tax was DKK 9,491 million against DKK 8,239 million in 2013.

Merlin Entertainments also improved net revenue and net profit before tax compared to 2013. Net revenue increased by 5 % to GBP 1,249 million and the profit for the year increased by 12 % to GBP 162 million.

The investment activities yielded a highly satisfactory return of DKK 3,484 million compared to DKK 1,859 million in 2013. This result is driven by positive results from all asset classes, although with high returns from Quoted equities, Real estate and Private equity. During the year, the investment portfolio increased by DKK 5 billion.

KNOWLEDGE RESOURCES

In the KIRKBI Group's core activities, employees are the single most critical resource. The KIRKBI Group's results are accomplished thanks to the motivation and commitment of the employees. As part of the overall corporate strategy, employees and management work together to continuously secure job satisfaction and a strong working environment.

In 2014, the average number of full-time employees was 12,781 against 11,956 in 2013. These numbers are exclusive of the employees in Merlin Entertainments. More than 99 % of the employees work in the LEGO Group.

All employees of the LEGO Group and the Parent Company are subject to a Performance Management Programme, which aims to link business goals with individual employee goals. This programme includes a tiered bonus scheme.

RISKS

The KIRKBI Group's risks primarily relate to developments within the global markets where the LEGO Group is active, the market for family entertainment and other leisure activities, and the financial markets.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Parent Company does not engage in research or development activities. Group enterprises conduct research and development within their respective business areas.

EXPECTATIONS

The investment activities will be impacted by the development in the global economy in 2015 and hence it is difficult to express clear expectations of the results for the year. The objective for the KIRKBI Group is to create satisfactory long-term returns.

Based on a good start of 2015 for both the LEGO Group and the investment activities, the overall result for 2015 for the KIRKBI Group is expected to be satisfactory.

PEOPLE AND VALUES

Effective governance structure, clear roles and responsibilities and stringent internal company procedures are important to any company inclusive KIRKBI, but it is the people employed and their values that secure the right combination of skills and performance. People and values make the difference and that is not least the case in a diverse company as KIRKBI.

KIRKBI is determined on supporting the employees in their ongoing development of competencies and performance. In order to do so, KIRKBI work with individual development plans and performance management programs for all employees in a structured way. Besides, KIRKBI focus on developing the leaders to become even better in supporting the employee's personal and professional competencies.

The KIRKBI staff consists of specialised and experienced professionals in so diverse fields as investment and treasury management, board assignments, real estate investments and operations, business administration and controlling. It is this diversity of professional and personal competencies together with the acknowledgement of the special values of the Kirk Kristiansen family, which makes KIRKBI unique as a company. Strongly related to the core of these values is motivation, and engagement together with a high ethical standard in all activities.

The number of employees in KIRKBI is 47. KIRKBI's headquarter is in Billund. Besides, KIRKBI has offices in Copenhagen and Baar in Switzerland.

CORPORATE SOCIAL RESONSIBILITY

KIRKBI strives to be a good corporate citizen with a high ethical standard in all operations both in the Parent Company itself as well as in all the companies where KIRKBI owns significant shares.

In that regard, KIRKBI has identified certain industries that it simply does not invest in at all: Tobacco, armament, and adult entertainment.

Additionally, KIRKBI has entered into business relations with the Swedish ethical screening company GES Investment Services. The company has developed a global ethical standard – "GES Global Ethical Standard" – based on systematic screening of international companies regarding their compliance with international conventions and guidelines on environment, human rights and corruption.

GES Investment Services regularly conducts a screening of KIRKBI's Quoted equity portfolio.

The LEGO Group and Merlin Entertainment plc both conduct comprehensive work with CSR matters and communicate the progress made. These CSR activities ensure that KIRKBI's strategic activities live up to our high ethical standard.

The responsibility report for 2014 for the LEGO Group is available at www.LEGO.com/responsibility.

The companies in which KIRKBI has made long-term equity investments also work actively with Corporate Social Responsibility.

GENDER COMPOSITION

We believe that a truly diverse organisation presents an opportunity to succeed in the long term. We are committed to hiring and promoting woman at all levels.

The Board of Directors of KIRKBI A/S has decided that longer-term the board should include one female member, provided that such person has the right qualifications for purposes of the directorship.

It is the Board of Directors' intention to meet the target by the end of 2017. At present, the underrepresented gender accounts for 0 percent of the board members appointed by the general meeting of shareholders.

LEGO GROUP

ABOUT THE LEGO GROUP

The LEGO Group is engaged in the development of children's creativity through play and learning. Based on the world-famous LEGO® brick, the company today provides toys, experiences and educational materials for children in more than 130 countries.

The name LEGO® was created by the two Danish words LEg GOdt, meaning "play well", and the development of children's creativity through play and learning has been at the core of the company ever since its foundation. The LEGO brick, which was invented in its present form in 1958, and the LEGO building system form the platform for open-ended play, and provide children with endless possibilities of realising their true potential.

The aim of the company is to "inspire and develop the builders of tomorrow", and all products are based on the underlying philosophy of development through play. It is the LEGO philosophy that "good quality play" enriches a child's life – and lays the foundation for its development later in life.

The LEGO Group was founded by the Kirk Kristiansen family in 1932 and has since then been headquartered in Billund, Denmark. Production takes place in Denmark, the Czech Republic, Hungary and Mexico, and other large locations are USA, Germany, Singapore and the UK.

The LEGO Group is owned 75 % by KIRKBI A/S, and the remaining 25 % is owned by the LEGO Foundation through Koldingvej 2, Billund A/S.

HIGHLIGHTS FOR 2014

2014 was another year of strong growth for the LEGO Group. Revenue increased by 13 % in 2014 to 28.6 billion. All the LEGO Group's market regions experienced double digit sales growth while the traditional toy market in most countries grew by low single digit rates.

Among the top selling lines in 2014 were core themes like LEGO® City, LEGO® Star Wars™ and LEGO Friends.

Another significant contributor to sales growth in 2014 was The LEGO Movie™ product line that launched in conjunction with the release of The LEGO Movie feature film in early 2014.

In 2014, the LEGO Group increased its already extensive investments in production capacity, building on its overall strategy to locate production close to core markets. Investments in property, plant and equipment amounted to DKK 3.1 billion in 2014 against DKK 2.6 billion in 2013, including significant investments in a new manufactoring facility in Jiaxing in China.

Sales offices in Turkey, Malaysia and Brazil have been added to the long list of local presence for the LEGO Group.

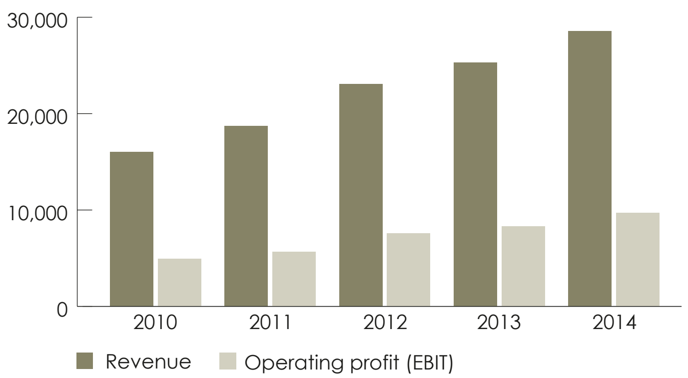
The number of average full-time employees increased by 7 % during the year to 12,582 employees for 2014.

The LEGO Group's profit before tax amounted to DKK 9.5 billion in 2014 against DKK 8.2 billion the year before.

During the coming years, the LEGO Group expects to grow moderately ahead of the global toy market that is expected to continue to grow low single digits.

5 YEARS' PERFORMANCE

(m DKK)



Opening of the LEGO Groups new office in London in KIRKBI's building New Fetter Place

Management Board
Jørgen Vig Knudstorp, CEO
John Goodwin, CFO
Bali Padda, COO
Julia Goldin, CMO
Loren I. Shuster, CCO

Board of Directors
Niels Jacobsen, Chairman
Kjeld Kirk Kristiansen, Deputy Chairman
Eva Berneke
Thomas Kirk Kristiansen
Jan Nielsen
Kåre Schultz
Søren Thorup Sørensen

FINANCIAL HIGHLIGHTS

(m DKK)	2014	2013
Revenue	28,578	25,382
Operating profit	9,697	8,336
Profit before tax	9,491	8,239
Profit for the year	7,025	6,119
Equity	12,832	11,075
Cash flows from operating activities	7,945	6,744
Investments	(3,147)	(2,747)
Average number of employees (FTE)	12,582	11,755

MERLIN ENTERTAINMENTS PLC

ABOUT MERLIN ENTERTAINMENTS PLC

Merlin Entertainments is Europe's leading and the world's second-largest visitor attraction operator. At the end of December 2014, Merlin Entertainments operated 105 attractions in 23 countries across four continents. The aim for Merlin is to deliver memorable experiences to its more than 62 million visitors worldwide.

Merlin Entertainments operates through three operating groups: LEGOLAND® Parks, Resort Theme Parks and Midway Attractions, using a number of international brands including SEA LIFE, Madame Tussauds, the Dungeons, LEGOLAND Discovery Centres and the Eye.

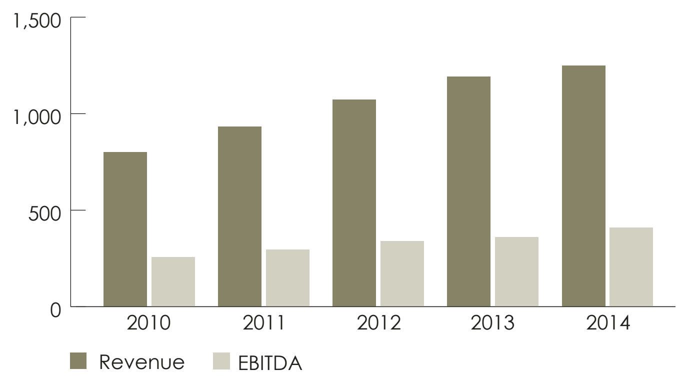
Midway Attractions are predominantly indoor attractions located in city centres or resorts providing visits of shorter duration. Resort theme parks are stand-alone national brands generally aimed at families, teenagers and young adults.

The six LEGOLAND resorts across Europe, USA and Asia offer a unique LEGO® themed experience for families with children often including highly themed accomodation and based on interactivity, imagination and family fun. Also in the eleven LEGOLAND Discovery Centres across Europe, USA and Asia families with young children are offered an indoor, interactive and immersive experience.

Merlin Entertainments plc is a listed company on the London Stock Exchange.

KIRKBI is a significant shareholder of Merlin Entertainments plc with a 29.9 % interest.

5 YEARS' PERFORMANCE (m GBP)



HIGHLIGHTS FOR 2014

The overall performance for 2014 was growth in all three Operating Groups: LEGOLAND parks, Resort Theme Parks and Midway attractions. In total the number of visitors and revenue increased by nearly 5 %. Operating profit increased 7 % compared to 2013, mainly from organic growth.

The 'stand out' performance was from LEGOLAND Parks where strong underlying momentum, and the addition of the LEGO CHIMA water park in LEGOLAND California, were further boosted by the success of 'The LEGO Movie' which increased the visitor numbers by nearly 10 %. During 2014 Merlin Entertainments announced the opening for 2017 of 2 new LEGOLAND parks. In Nagoya, Japan a cooperation between Merlin Entertainments and KIRKBI has been established where Merlin Entertainments will be the operator for the LEGOLAND park and will lease the balance of the assets from KIRKBI. In Korea the new LEGOLAND park will be located on an island approximately one hour from Seoul, South Korea.

Within Resort Theme Parks, good weather across the trading season together with a major new ride at Heide Park in Germany and a new themed area at Alton Towers in the UK resulted in improved visitor numbers of around 7 %.

A 3 % growth came from Midway attractions, where the growth in visitor numbers were negatively impacted by political unrest in Thailand while extremely cold weather brought disruption to the East Coast Midway North American attractions. The numbers of visitors were positively impacted by the success of the 'The LEGO Movie' and increased snowfall boosted the Australian ski fields. During 2014 Merlin Entertainments added another LEGOLAND Discovery Center in Boston, US to bring a total of 11 LEGOLAND Discovery Centres around the world. For 2015 new LEGOLAND Discovery Centers are planned in Istanbul, Turkey and Osaka, Japan.

LEGOLAND Malaysia

Board of Directors

Sir John Sunderland, Chairman
Nick Varney, CEO
Andrew Carr, CFO
Charles Gurassa
Ken Hydon
Miguel Ko
Fru Hazlitt
Søren Thorup Sørensen
Dr. Gerry Murphy
Rob Lucas

FINANCIAL HIGHLIGHTS

(m GBP)	2014	2013
Revenue	1,249	1,192
Underlying EBITDA	411	390
Profit for the year	162	145
Equity	1,059	940
Cash flows from operating activities	357	365
Average number of employees	17,327	16,285
Visitors (millions)	62.8	59.8
Ownership of Merlin Entertainments plc	29.9%	29.9%
KIRKBI's share of profit for the year (mDKK)	459	463

BKR1 - WTG in operation

RENEWABLES

ABOUT RENEWABLES

Renewables is a strategic investment area for the KIRKBI Group. The primary reason behind the investment is to support the LEGO Group's goal to generate enough renewable energy capacity to meet its energy needs by 2020.

In addition to supporting the LEGO Group's environmental goals, this investment also sends a clear signal that the Kirk Kristiansen family as owners want to make a positive impact. Further it is a solid, long-term investment which fits well with the KIRKBI strategy and should be able to generate a marketable return.

HIGHLIGHTS FOR 2014

In 2012 the KIRKBI Group entered into a joint operation with William Demant Invest and DONG Energy to construct 78 wind turbines in the North Sea at the German coast. This wind farm is named Borkum Riffgrund 1 and the total capacity of the wind farm is 312 MW.

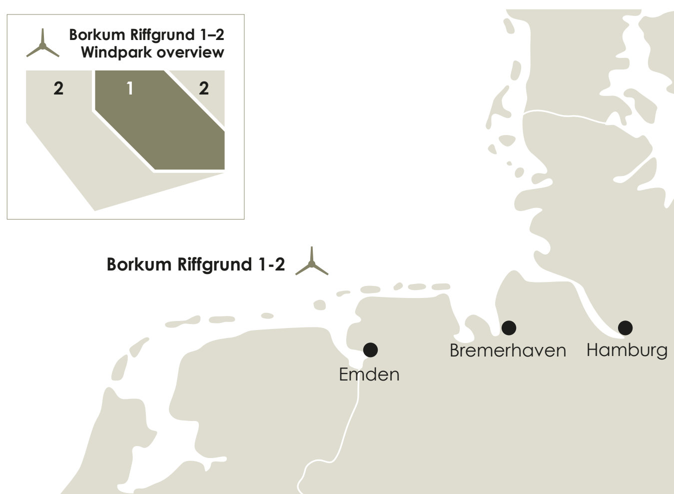
During 2014 the park has been under construction by DONG Energy, where all foundations have been installed and the installation of the wind turbines started. First power reached the grid connection in February 2015.

In 2015 the installation of wind turbines is expected to be finished and test and optimisation of the wind farm will continue during 2015 and the beginning of 2016.

When the wind farm is finally delivered from DONG Energy to the joint venture Borkum Riffgrund 1, expected mid 2016, operation for the KIRKBI Group will start.

When Borkum Riffgrund 1 has been commisioned, the wind farm will supply approximately 320,000 German households with green energy.

LOCATION



FINANCIAL HIGHLIGHTS (m DKK)

	2014	2013
Revenue	–	–
Profit for the year	1	(0)
Ownership of Borkum Riffgrund, 1	31.5 %	31.5 %

INVESTMENT ACTIVITIES

ABOUT INVESTMENT ACTIVITIES

The investment philosophy of KIRKBI is within prudent levels of risk and a sufficient level of liquidity to invest in different value-creating activities. The investments are handled by the investment team to achieve the highest possible rate of total risk-adjusted return.

The investment portfolio is divided into liquid investments and long-term investments with the purpose of having sufficient liquidity at all times and to maintain sufficient diversification. The investment approach is fundamentally driven with actively managed investments by a dedicated and lean organisation.

INVESTMENT PHILOSOPHY

The key investment philosophies of the KIRKBI Investment team for new investments are:

- Transparent investment structures
- Diversification is key, but not an investment purpose on its own
- Long-term investment horison
- Good long-term relationship with cooperative partners with high integrity

We exclude investments in certain industries such as tobacco, armament, adult entertainment etc. and our investments are regularly screened by GES Investment Services for their compliance with international conventions, environment, human rights and corruption compliance.

All investments are followed by KIRKBI's investment managers, who are focusing on their investment portfolio. All investment areas are important to the KIRKBI Group, but the investment strategy is to rebalance the investment portfolio into long-term investments such as Long-term equity and Real estate.

HIGHLIGHTS FOR 2014

In 2014 the investment activities yielded a return of nearly DKK 3.5 billion and the investment portfolio ended in 2014 at around DKK 29 billion.

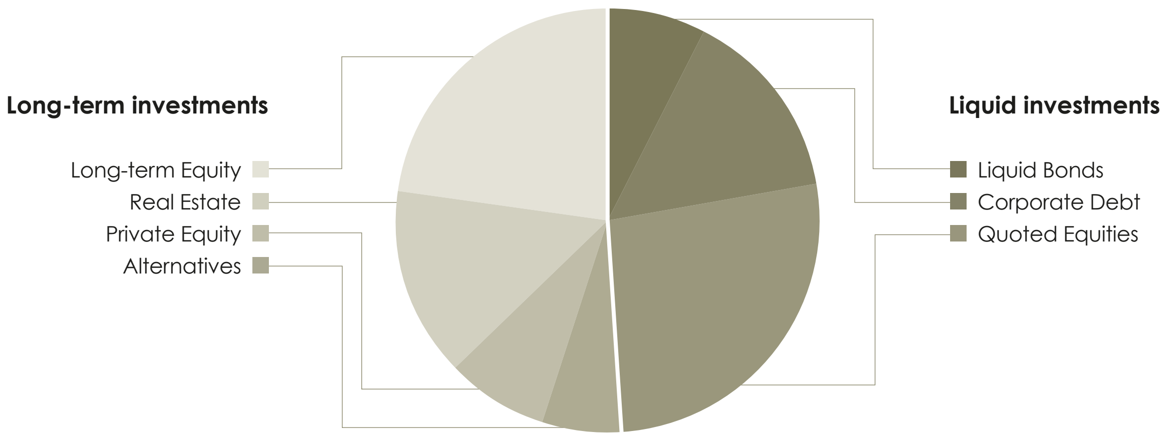
The strong return was driven by good performance in all asset classes, with especially strong performance in Quoted equities, Private equity and Real estate.

During 2014, further DKK 1.6 billion has been invested into the portfolio, whereas DKK 3.4 billion was invested into the long-term asset classes and DKK 1.8 billion was sold from the liquid asset classes.

The majority of the long-term investments were made into Long-term equities and Investment real estate. Within Long-term equities a minority stake in the German company Minimax Viking was aquired in August 2014 and further investments were made in Falck and Matas during the year. In the Private Equity portfolio further commitments and co-investments were made with our partners. After the successfull IPO of ISS A/S in March 2014 this investment was transferred from the Private equity portfolio into the Long-term equity portfolio.

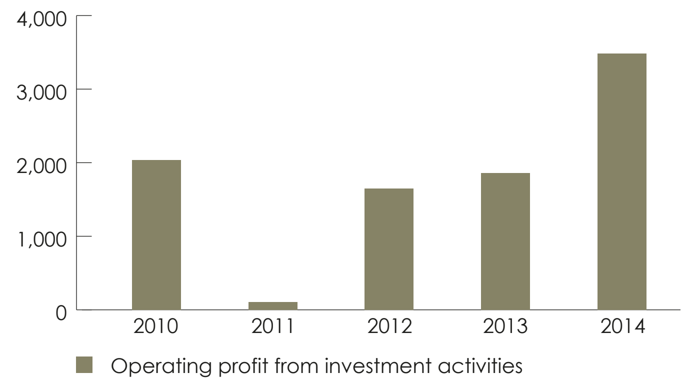
In 2014 Real estate completed the acquisition of two new properties. The first was in Copenhagen of a 14,000 m² office building and the second was a 5,700 m² grade A office building located in London, adjacent to New Fetter Place. The full renovation of New Fetter Place in London was completed in April 2014 and the first tenants have moved into the building.

ALLOCATION OF INVESTMENT PORTFOLIO YEAR-END 2014



INVESTMENT PORTFOLIO AT YEAR-END (m DKK)

5 YEARS' PERFORMANCE (m DKK)



FINANCIAL HIGHLIGHTS

(m DKK)	**2014**	**2013**
Operating profit from investment activities	3,484	1,859

LONG-TERM EQUITY INVESTMENTS

ABOUT KIRKBI'S LONG-TERM EQUITY INVESTMENTS

It is a strategic choice of KIRKBI to grow the long-term equity investments and the choice reflects a wish to engage in supporting and developing the businesses by buying significant minority stake of high-quality companies with a long-term value potential.

KIRKBI invests within attractive and growing industries. The geographic focus area is Denmark and the rest of Scandinavia, Switzerland and other German speaking countries as well as Great Britain.

KIRKBI's strategy is to be an active holder of significant minority stakes. Thus, KIRKBI is represented on the boards of most of its long-term equity investments in order to support the companies with strategic and operational issues in relation to their long-term growth and further development.

HIGHLIGHTS FOR 2014

In March 2014, ISS conducted a successful IPO on OMX NASDAQ Copenhagen. The IPO was a natural development for ISS and KIRKBI retained all its shares in ISS in connection with the IPO.

In June 2014, KIRKBI acquired a 29 % minority stake in Minimax Viking GmbH, a global market leader in the active fire protection industry. Minimax Viking's headquarters are located in Bad Oldesloe in Germany and this investment marked KIRKBI's first Long-term Equity investment outside Denmark.

During 2014, KIRKBI further increased its ownership stakes in Falck and Matas.

KIRKBI'S PORTFOLIO OF LONG-TERM EQUITY INVESTMENTS

Falck A/S
Falck's activities are directed at preventing accidents and disease; providing assistance in situations of emergency, accidents and need; and helping people move on with their lives after illness or accidents.

Falck has more than 34,000 employees and business activities in 45 countries on six continents. Falck provides ambulance services to the general public and works in close collaboration with the authorities in 21 countries. Operating more than 2,300 ambulances, Falck has the world's largest international ambulance fleet. With fire-fighting services in several countries worldwide, Falck is also the world's largest provider of fire services, healthcare and safety services.

KIRKBI owns 28 % of Falck A/S.

ISS A/S
The ISS Group was founded in Copenhagen in 1901 and has grown to become one of the world's leading Facility Services companies. ISS offers a wide range of services such as: Cleaning, Catering, Security, Property and Support Services as well as Facility Management.
ISS has approximately 511,000 employees and local operations in more than 50 countries across Europe, Asia, North America, Latin America and Pacific, serving thousands of both public and private sector customers.

ISS A/S is listed on OMX Nordic Stock Exchange.

KIRKBI owns 6 % of ISS A/S.

Minimax Viking Group
Minimax Viking is a global market leader in the active fire protection industry specialised in the development, manufacture and supply of fire suppression and prevention systems including related detection and control technology. The Group also offers engineering, installation and commissioning of the systems as well as after-sales services for the business sector. Minimax Viking's primary markets are Germany and North America while business is emerging in Asia. Minimax Viking has more than 7,000 employees.

KIRKBI owns 29 % of Minimax Viking Group.

Matas A/S
Matas is the largest health and beauty retailer in Denmark and offers a distinctive one-stop retail concept which serves a broad range of health, beauty, household and personal care needs. Matas has developed a strong reputation for professional advice and customer service excellence that has been leveraged to establish one of the best-known retail chains in Denmark. The product offering is sold through the Matas Store Network, which consists of a network of 294 Matas stores in Denmark. Matas has more than 2,500 employees and is listed on OMX Nordic Stock Exchange.

KIRKBI owns 14 % of Matas A/S.

1 Plough Place, London

REAL ESTATE INVESTMENTS

ABOUT KIRKBI'S REAL ESTATE INVESTMENTS

It is a strategic choice of KIRKBI to maintain and increase the real estate portfolio with sound and high-quality office properties with a long-term value potential. KIRKBI has implemented an updated strategy for real estate investments including identification of four strategic locations for future real estate investments: Copenhagen, London, Munich and the German speaking part of Switzerland.

KIRKBI has currently 20 real estate investments located in Copenhagen and Billund (Denmark), London (Great Britain), Baar (Switzerland), Hamburg (Germany) and Prague (Czech Republic).

HIGHLIGHTS FOR 2014

In 2014, KIRKBI's real estate portfolio was extended with two new acquisitions:

In January, KIRKBI took over a 14,000 m^2 4-floor office property in Copenhagen. The property is made up of four self-contained office buildings.

In July, KIRKBI acquired a 5,700 m^2 6-floor office building located in the Central London area of Midtown. The property is arranged around a central courtyard, shared with New Fetter Place, KIRKBI's first office development in London.

In May, the redevelopment of KIRKBI's first real estate investment in London, New Fetter Place, was completed. The property comprises a newly regenerated 12-floor octagonal shaped tower at New Fetter Lane and a newly constructed 6-floor link building at Fetter Lane. The LEGO Group has opened a new office in the top four floors of the tower.

EXECUTIVE MANAGEMENT

Søren Thorup Sørensen
Chief Executive Officer since 2010

Chairman of the Board of Topdanmark A/S, Topdanmark Forsikring A/S, Danske Forsikring A/S, K&C Holding A/S and Boston Holding A/S

Deputy Chairman of KIRKBI AG and INTERLEGO AG

Member of the Board of LEGO A/S, KIRKBI Invest A/S, Koldingvej 2 Billund A/S, LEGO Juris A/S, TDC A/S, Falck Holding A/S and Merlin Entertainments plc

BOARD OF DIRECTORS

Kjeld Kirk Kristiansen
Chairman of the Board and member since 1974

Majority Shareholder of KIRKBI A/S

President and CEO of the LEGO Group 1979-2004

Chairman of the Board of the LEGO Foundation, Koldingvej 2 Billund A/S, Ole Kirk's Foundation, INTERLEGO AG, KIRKBI Invest A/S, LEGO Juris A/S, Schelenborg Gods ApS, Lundhøjgård ApS, Klinkbygård ApS and Blue Hors ApS

Deputy Chairman of the Board of LEGO A/S

Member of the Board of COC office A/S, K&C Holding A/S, KIRKBI AG, KGH Holding Grindsted A/S and the KG Foundation

Niels Jacobsen
Deputy Chairman of the Board and member since 2008

President & CEO of William Demant Holding A/S

Chairman of the Board of LEGO A/S and Össur hf

Deputy Chairman of the Board of A. P. Møller-Mærsk A/S and Jeudan A/S

Member of the Board of Boston Holding A/S

Jeppe Christiansen
Member of the Board since 2008

CEO (and co-founder) of MAJ Invest A/S

Deputy Chairman of the Board of Novo Nordisk A/S and Haldor Topsøe A/S

Member of the Board of NOVO A/S and Symphogen A/S

Peter Gæmelke
Member of the Board since 2001

Farmer and former President of the Danish Agriculture & Food organisation

Chairman of the Board of Danske Spil A/S, The Loevenholm Foundation, NGF Nature Energy Biogas A/S and Gamst Maskinstation A/S

Member of the Board of DLR Kredit A/S, TryghedsGruppen, H.C. Petersen og Co.'s Efff. A/S, Janzen Development A/S, Fællesfonden, University of Copenhagen and Askov Højskole

Member of the Board of Representatives of The Danish Central Bank, Sydbank A/S and Hedeselskabet

Thomas Kirk Kristiansen
Member of the Board since 2007

Shareholder of KIRKBI A/S and representing the fourth generation of the owner family

Chairman of the Board of KIRKBI AG and Great Northern A/S

Deputy Chairman of the Board of the LEGO Foundation

Member of the Board of LEGO A/S, LEGO Juris A/S, INTERLEGO AG, Schelenborg Gods ApS and Klinkbygård ApS

MANAGEMENT'S STATEMENT

Today, the Board of Directors and Executive Management have discussed and approved the annual report of KIRKBI A/S for the financial year 1 January – 31 December 2014.

The annual report is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2014 and of the results of the Group's and the Parent Company's cash flows for the financial year 1 January – 31 December 2014 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

In our opinion, the management's review includes a fair review of the development in the Group's and the Parent Company's operations and economic conditions, the results for the year and the financial position of the Group and the Parent Company, as well as a review of the most significant risks and elements of uncertainty facing the Parent Company and the Group, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

We recommend the adoption of the annual report at the annual general meeting of shareholders.

Billund, 11 March 2015

Executive Management

Søren Thorup Sørensen,
CEO

Board of Directors

Kjeld Kirk Kristiansen,
Chairman

Niels Jacobsen,
Deputy Chairman

Jeppe Christiansen

Peter Gæmelke

Thomas Kirk Kristiansen

INDEPENDENT AUDITOR'S REPORTS

To the shareholders of KIRKBI A/S

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of KIRKBI A/S for the financial year 1 January - 31 December 2014, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies, for the Group as well as the Parent. The consolidated financial statements and parent financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2014, and of the results of their operations and cash flows for the financial year 1 January - 31 December 2014 in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

Statement on the management's review

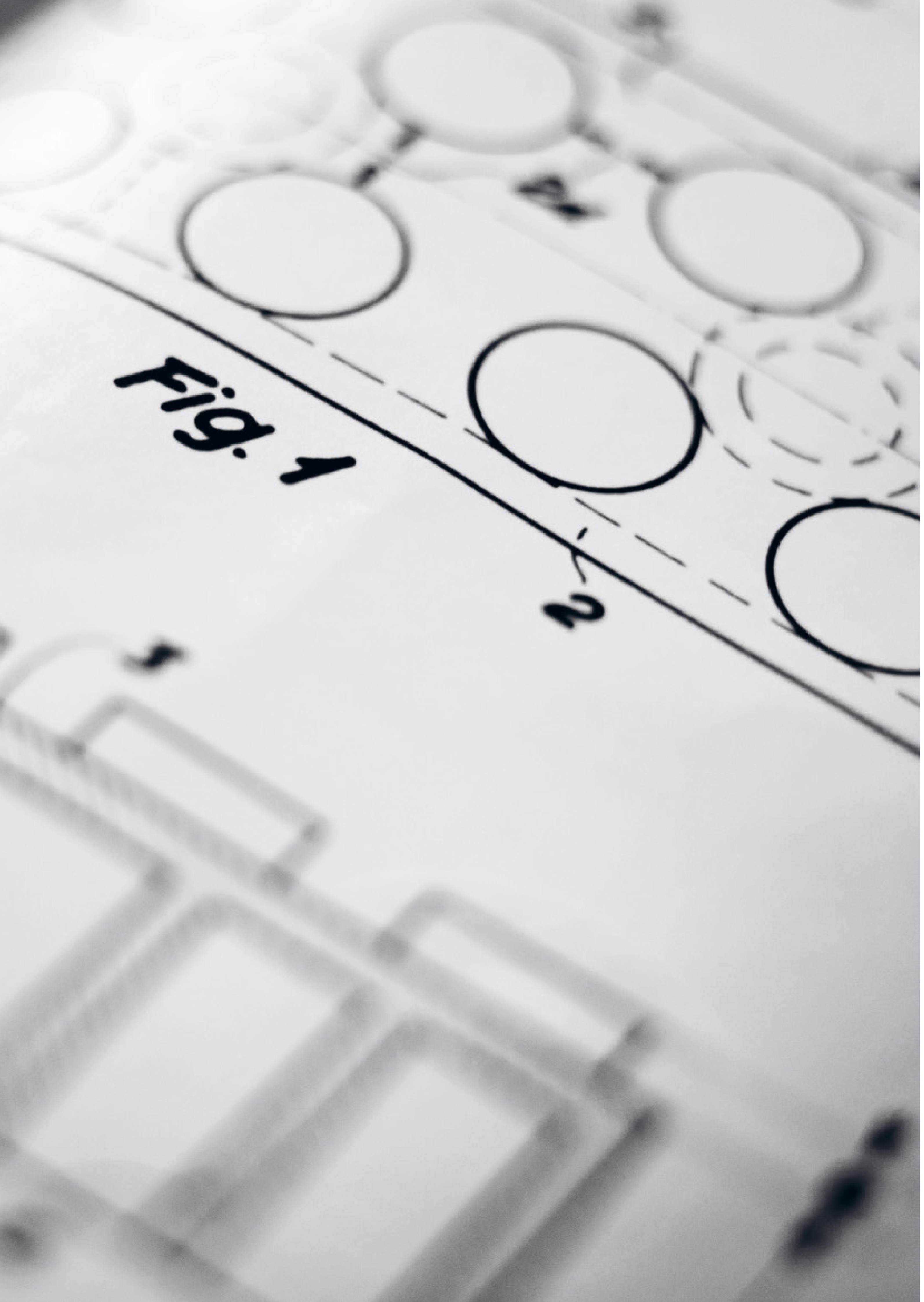
Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated financial statements and parent financial statements.

Aarhus, 11 March 2015
Deloitte

Thomas Rosquist Andersen
State Authorised Public Accountant

Nikolaj Thomsen
State Authorised Public Accountant



CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

(m DKK)	Notes	2014	2013
LEGO Group 1) 2) 3)	2, 3, 4, 5	9,491	8,239
Royalties 1)		1,089	971
Merlin activities		439	1,107
Renewables		1	0
Operating profit from strategic activities		**11,020**	**10,317**
Operating profit from investment activities	6	3,484	1,859
Other operating activities	4, 5	(111)	(70)
Administration and trademark costs 3)	2, 3, 4, 5	(292)	(233)
Total operating profit		**14,101**	**11,873**
Financial income	7	57	35
Financial expenses	8	(86)	(51)
Profit before tax		**14,072**	**11,857**
Tax on profit for the year	9	(3,254)	(2,652)
Profit for the year		**10,818**	**9,205**
Appropriation to			
Parent company shareholders		9,062	7,643
Non-controlling interests	19	1,756	1,562
		10,818	**9,205**

1) Operating profit from the LEGO Group and royalties include royalty from the LEGO Group of DKK 1,036 million (2013 DKK 920 million)

2) Revenue for the KIRKBI Group is DKK 28,974 million (2013 DKK 25,730 million) primarily from sale of goods

3) Total operating expenses for the KIRKBI Group amounts to DKK 19,173 million (2013 DKK 17,191 million) as specified in note 2

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(m DKK)	Notes	2014	2013
Profit for the year		**10,818**	**9,205**
Items that may be reclassified to the income statement:			
Exchange differences, foreign subsidiaries and associates		146	(338)
Net gain/(loss) on cash flow hedges		(400)	71
Net gain/(loss) on cash flow hedges associates		(26)	16
Tax on entries directly in equity		83	(18)
Items that will not be reclassified to the income statement:			
Remeasurements of defined benefit plans		14	(1)
Other equity movements in associates		(6)	(23)
Other comprehensive income for the year		**(189)**	**(293)**
Total comprehensive income		**10,629**	**8,912**
Appropriation to			
Parent company shareholders		8,929	7,401
Non-controlling interests	19	1,700	1,511
		10,629	**8,912**

BALANCE SHEET AT 31 DECEMBER

ASSETS (m DKK)	Notes	2014	2013
Non-current assets			
Goodwill, trademarks, patents and other intangible rights	11	1,891	1,889
Software		126	131
Development projects		85	71
Intangible assets	10	**2,102**	**2,091**
Property		4,269	2,581
Plant and equipment		2,494	2,114
Other fixtures, fittings, tools and equipment		1,599	1,193
Fixed assets under construction		5,371	2,844
Property, plant and equipment	12	**13,733**	**8,732**
Investment real estate	13	4,186	2,996
Investments in associates	14	3,787	3,183
Receivables from associates		468	503
Other investments		60	47
Prepayments		162	146
Deferred tax assets	20	235	140
Other non-current assets		**8,898**	**7,015**
Total non-current assets		**24,733**	**17,838**
Current assets			
Inventories	15	2,217	1,852
Trade receivables	16	5,899	4,874
Other receivables		922	1,149
Prepayments		99	74
Current tax receivables		57	185
Receivables from associates		46	168
Securities	17	24,467	20,317
Cash		1,411	1,651
Total current assets		**35,118**	**30,270**
TOTAL ASSETS		**59,851**	**48,108**

EQUITY AND LIABILITIES (m DKK)	Notes	2014	2013
EQUITY			
Share capital	18	200	200
Retained earnings		45,018	36,410
KIRKBI Group's share of equity		**45,218**	**36,610**
Non-controlling interests	19	3,206	2,767
Total equity		**48,424**	**39,377**
LIABILITIES			
Non-current liabilities			
Borrowings		1,204	1,270
Deferred tax liabilities	20	600	668
Pension obligations	21	82	57
Payables to associates		–	186
Provisions	23	96	90
Other long-term liabilities	22	1,539	506
Total non-current liabilities		**3,521**	**2,777**
Current liabilities			
Borrowings		427	308
Payables to associates		215	25
Trade payables		2,632	2,289
Current tax liabilities		86	75
Provisions	23	228	112
Other short-term liabilities	22	4,318	3,145
Total current liabilities		**7,906**	**5,954**
Total liabilities	26	**11,427**	**8,731**
TOTAL EQUITY AND LIABILITIES		**59,851**	**48,108**

STATEMENT OF CHANGES IN EQUITY

(m DKK)	Share capital	Retained comprehensive income	**KIRKBI Group's share of equity**	Non-controlling interests	**Total equity**
Balance at 1 January 2014	**200**	**36,410**	**36,610**	**2,767**	**39,377**
Profit for the year	–	9,062	9,062	1,756	10,818
Other comprehensive income for the year	–	(133)	(133)	(56)	(189)
Total comprehensive income for the year	**–**	**8,929**	**8,929**	**1,700**	**10,629**
Acquisition of non-controlling interest in subsidiaries	–	(32)	(32)	32	–
Equity-settled share-based transactions in associates	–	11	11	–	11
Dividend	–	(300)	(300)	(1,293)	(1,593)
Balance at 31 December 2014	**200**	**45,018**	**45,218**	**3,206**	**48,424**
Balance at 1 January 2013	**200**	**29,407**	**29,607**	**2,491**	**32,098**
Profit for the year	–	7,643	7,643	1,562	9,205
Other comprehensive income for the year	–	(242)	(242)	(51)	(293)
Total comprehensive income for the year	**–**	**7,401**	**7,401**	**1,511**	**8,912**
Acquisition of non-controlling interest in subsidiaries	–	(98)	(98)	(78)	(176)
Dividend	–	(300)	(300)	(1,157)	(1,457)
Balance at 31 December 2013	**200**	**36,410**	**36,610**	**2,767**	**39,377**

CASH FLOW STATEMENT 1 JANUARY – 31 DECEMBER

(m DKK)	**Notes**	**2014**	**2013**
Profit before tax		14,072	11,857
Income tax paid		(3,278)	(2,706)
Reversals of items with no effect on cash flows	28	(1,085)	(921)
Changes in working capital	29	454	(639)
Cash flows from operating activities		**10,163**	**7,591**
Acquisition of securities, net		(2,986)	(2,647)
Acquisition of intangible assets		(59)	(103)
Sale of property, plant and equipment		11	83
Acquisition of property, plant and equipment		(6,814)	(3,791)
Cash flows from investing activities		**(9,848)**	**(6,458)**
Dividend paid to shareholders		(300)	(300)
Dividend paid to non-controlling interests		(1,293)	(1,157)
New borrowings		94	652
Repayments of borrowings		(41)	(79)
Financing from other long-term liabilities		985	221
Cash flows from financing activities		**(555)**	**(663)**
Net cash flows for the year		**(240)**	**470**
Cash and cash equivalents at 1 January		1,651	1,181
Cash and cash equivalents at 31 December		**1,411**	**1,651**

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PART 3 Notes – The KIRKBI Group

NOTE 1. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the annual report it is necessary that management makes a number of accounting estimates and judgements that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses.

Estimates and judgements used in the determination of reported results are continuously evaluated. Management bases the judgements on historical experience and other assumptions that management assesses are reasonable under the given circumstances. Actual results may differ from these estimates under different assumptions or conditions.

The following accounting estimates and judgements are those which management assesses to be material for the annual report.

Investment in associates
The KIRKBI Group's investment in entities in which the Group has significant influence, is accounted for using either the equity method or fair value through profit and loss depending on the classification of each single entity.

Entities, in which the KIRKBI Group has significant influence and which are considered a strategic investment are accounted for using the equity method. Based on this judgement for instance Merlin Entertainments plc is accounted for using the equity method.

Entities, in which the KIRKBI Group has significant influence, which are included in the investment portfolio (Long-term equity) are accounted for using fair value through profit and loss and accounted for in accordance with IAS 39, which goes for the investments in Falck and Minimax Viking.

Please refer to the Group Structure for a complete overview of which companies are accounted for using the equity method and which companies are accounted for using fair value through profit and loss.

It is management's assessment that the assumptions are reasonable.

Unquoted Long-term equity
Valuation of iunquoted Long-term equity investments is based on estimates and assumptions as regards the fair value of each individual company. The fair value is estimated using a valuation model based on relevant multiples of a set of comparable companies, pro-forma adjusted operating income and adjusted net interest bearing debt. The valuation is performed by internal portfolio managers.

The most subjective parameter in the valuation model is the multiples from comparable companies. If the multiples were reduced by 1.0x point, it would have a negative effect on profit before tax of around DKK 585 million, which is described in note 17.

It is management's assessment that the assumptions and estimates are reasonable.

Real estate Investment
Within other non-current assets the valuation of Real estate requires estimates and judgements on future cash flows, yields and market values for similar properties. The most subjective parameter is the yield used in the calculation. If the yield in the calculations increases by 1 % point, the impact of profit before tax would be negative with around DKK 663 million. Please refer to note 13 for a description of the impact on each geografical area. It is management's assessment that the estimates are reasonable.

NOTE 2. EXPENSES BY NATURE

(m DKK)	2014	2013
Raw materials and consumables	4,062	3,923
Employee expenses	4,778	4,310
Depreciation and amortisation	947	764
License and royalty expenses	2,019	1,602
Other external expenses	7,075	6,359
Total operating expenses from LEGO Group activities	**18,881**	**16,958**
Administration and trademark costs	292	233
Total operating expenses for the KIRKBI Group activities	**19,173**	**17,191**
Research and development costs charged during the year	**437**	**384**

NOTE 3. AUDITORS' FEES

(m DKK)	2014	2013
Fee to Deloitte:		
Statutory audit of the financial statements	2	1
Other assurance engagements	–	–
Tax assistance	3	–
Other services	1	–
	6	**1**
Fee to EY:		
Statutory audit of the financial statements	–	1
Other assurance engagements	–	–
Tax assistance	–	1
Other services	–	1
	–	**3**
Fee to PwC:		
Statutory audit of the financial statements	9	9
Other assurance engagements	1	4
Tax assistance	18	9
Other services	12	7
	40	**29**
Total auditors' fees	**46**	**33**

NOTE 4. EMPLOYEE EXPENSES

(m DKK)	2014	2013
Wages and salaries	4,364	4,001
Termination benefit and restructuring	32	54
Pension costs, defined contribution plans	266	255
Other expenses and social security costs	331	225
	4,993	**4,535**
Average number of full-time employees	**12,781**	**11,956**
Executive Management and Board of Directors:		
Salaries and other remuneration	19	20
Short-term incentive plans	3	2
Long-term incentive plans	9	9
	31	**31**

Since the Executive Management only consists of one member, the remuneration of the Executive Management and the Board of Directors is disclosed collectively with reference to § 98b (3) of the Danish Financial Statements.

Incentive plans comprise a short-term incentive plan based on yearly performance and a long-term incentive plan related to long-term goals regarding value creation.

NOTE 5. DEPRECIATION AND AMORTISATION

(m DKK)	2014	2013
Trademarks, patents and other intangible rights	9	30
Software	45	40
Property	137	113
Plant and equipment	612	496
Other fixtures, fittings, tools and equipment	210	174
	1,013	**853**

In 2014, the KIRKBI Group did not recognize impairment losses on intangible assets (2013 DKK 20 million) or on property, plant and equipment (2013 DKK 12 million).

NOTE 6. OPERATING PROFIT FROM INVESTMENT ACTIVITIES

(m DKK)	2014	2013
Net gain or loss on financial assets at fair value through profit and loss	1,344	744
Net income from Investment real estate (note 13)	506	125
Realised net gain or loss on financial assets	1,634	990
	3,484	**1,859**

NOTE 7. FINANCIAL INCOME

(m DKK)	2014	2013
Interest income from associates	22	10
Interest income from credit institutions measured at amortised cost	3	1
Other interest income	6	9
Exchange gain	26	15
	57	**35**

NOTE 8. FINANCIAL EXPENSES

(m DKK)	2014	2013
Interest expenses on mortgage loans measured at amortised cost	12	9
Interest expenses to associates	13	15
Interest expenses to credit institutions measured at amortised cost	15	8
Other interest expenses	2	2
Exchange loss, etc.	44	17
	86	**51**

NOTE 9. INCOME TAX EXPENSES

(m DKK)	2014	2013
Current tax on profit for the year	3,239	2,629
Deferred tax on profit for the year	27	81
Effect of change in tax rate	(5)	(77)
Other	–	9
Prior year adjustments	(7)	10
	3,254	**2,652**
Income tax expenses are specified as follows:		
Calculated 24.5 % (25 %) tax on profit for the year before income tax	3,448	2,974
Tax effect of		
Higher/lower tax rate in subsidiaries	24	33
Non-taxable income	(381)	(409)
Non-deductible expenses	152	46
Effect of change in tax rate	(5)	(77)
Adjustment of tax relating to previous years	46	6
Other	(30)	79
	3,254	**2,652**
Effective tax rate	23.1%	22.3 %

NOTE 10. INTANGIBLE ASSETS

2014 (m DKK)	**Goodwill, trademarks, patents and other intangible rights**	**Software**	**Deve-lopment projects**	**Total**
Cost at 1 January	2,045	431	71	2,547
Exchange adjustment to year-end rate	23	4	–	27
Additions	5	5	49	59
Disposals	(20)	(14)	–	(34)
Transfers	-	35	(35)	–
Cost at 31 December	**2,053**	**461**	**85**	**2,599**
Amortisation and impairment losses at 1 January	(156)	(300)	–	(456)
Exchange adjustment to year-end rate	(17)	(3)	–	(20)
Amortisation for the year	(9)	(45)	–	(54)
Impairment losses for the year	–	–	–	–
Disposals	20	13	–	33
Amortisation and impairment losses at 31 December	**(162)**	**(335)**	**–**	**(497)**
Carrying amount at 31 December	**1,891**	**126**	**85**	**2,102**

2013 (m DKK)	**Goodwill, trademarks, patents and other intangible rights**	**Software**	**Deve-lopment projects**	**Total**
Cost at 1 January	2,045	414	37	2,496
Exchange adjustment to year–end rate	–	(2)	–	(2)
Additions	–	15	88	103
Disposals	–	(50)	–	(50)
Transfers	–	54	(54)	–
Cost at 31 December	**2,045**	**431**	**71**	**2,547**
Amortisation and impairment losses at 1 January	(126)	(310)	–	(436)
Amortisation for the year	(10)	(40)	–	(50)
Impairment losses for the year	(20)	–	–	(20)
Disposals	–	50	–	50
Amortisation and impairment losses at 31 December	**(156)**	**(300)**	**–**	**(456)**
Carrying amount at 31 December	**1,889**	**131**	**71**	**2,091**

NOTE 11. IMPAIRMENT TEST

Impairment test of trademarks

Annual impairment test is carried out of the carrying amount of trademarks with indefinite useful lives. The impairment test in 2014 did not give rise to recognising any impairment losses.

The carrying amount of trademarks at 31 December is related to the cash-generating operational units and breaks down as follows:

(m DKK)	**2014**	**2013**
LEGO Group	**1,831**	**1,831**

The recoverable amount is based on the value in use, which is calculated by means of the estimated net cash flows on the basis of budgets and forecasts 3–5 years ahead using a discount rate (WACC) of 8 % (2013 10 %)

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

2014 (m DKK)	**Property**	**Plant and equipment**	**Other fixtures, fittings, tools and equipment**	**Fixed assets under construction**	**Total**
Cost at 1 January	3,397	5,346	1,910	2,844	13,497
Exchange adjustment to year-end rate	12	(20)	65	(63)	(6)
Additions	831	830	429	3,915	6,005
Disposals	(3)	(312)	(50)		(365)
Transfers	988	179	158	(1,325)	–
Cost at 31 December	**5,225**	**6,023**	**2,512**	**5,371**	**19,131**
Depreciation and impairment losses at 1 January	(816)	(3,232)	(717)	–	(4,765)
Exchange adjustment to year-end rate	(4)	8	(27)		(23)
Depreciation for the year	(137)	(612)	(210)		(959)
Impairment losses for the year	–	–	–		–
Disposals	1	307	41		349
Depreciation and impairment losses at 31 December	**(956)**	**(3,529)**	**(913)**	**–**	**(5,398)**
Carrying amount at 31 December	**4,269**	**2,494**	**1,599**	**5,371**	**13,733**
Including assets held under finance leases	**21**	**–**	**–**	**–**	**21**

Proterty, plant and equipment in general

An obligation related to the purchase of property, plant and equipment of DKK 1,258 million exists at 31 December 2014 (DKK 816 million at 31 December 2013).

2013 (m DKK)	**Property**	**Plant and equipment**	**Other fixtures, fittings, tools and equipment**	**Fixed assets under construction**	**Total**
Cost at 1 January	2,960	4,569	1,698	1,339	10,566
Exchange adjustment to year-end rate	(117)	(29)	(50)	(4)	(200)
Additions	421	772	293	2,136	3,622
Disposals	(208)	(208)	(75)	–	(491)
Transfers	341	242	44	(627)	–
Cost at 31 December	**3,397**	**5,346**	**1,910**	**2,844**	**13,497**
Depreciation and impairment losses at 1 January	(827)	(2,954)	(629)	–	(4,410)
Exchange adjustment to year-end rate	12	14	15	–	41
Depreciation for the year	(113)	(496)	(174)	–	(783)
Impairment losses for the year	–	–	–	–	–
Disposals	112	204	71	–	387
Depreciation and impairment losses at 31 December	**(816)**	**(3,232)**	**(717)**	**–**	**(4,765)**
Carrying amount at 31 December	**2,581**	**2,114**	**1,193**	**2,844**	**8,732**
Including assets held under finance leases	**22**	**–**	**–**	**–**	**22**

NOTE 13. INVESTMENT REAL ESTATE

(m DKK)	2014	2013
Fair value:		
Fair value at 1 January	2,996	2,832
Exchange adjustment to year-end rate	58	(41)
Additions, new real estates	711	-
Additions, improvement of existing real estate	98	169
Disposals	-	-
Fair value adjustment for the year, net	323	36
Fair value at 31 December	**4,186**	**2,996**
Net income:		
Rental income	200	176
Direct expense	(60)	(48)
Net result from operation	**140**	**128**
Fair value adjustments:		
Fair value adjustment for the year, net	323	36
Exchange adjustment to real estate for the year, net	58	(41)
Exchange adjustment for the year related to debt	(15)	2
Net income from Investment real estate	**506**	**125**

Valuation method:
The fair value is assessed by the KIRKBI Group's real estate team at year-end on the basis of a return-based model. Valuations rely substantially on non-observable input and are based on cash flow estimates and on the required rate of return (yield) calculated for each property that reflects the price at which the property can be exchanged between knowledgeable, willing parties under current market conditions. The cash flow estimates are determined on the basis of the market rent for each property. The required rate of return (yield) on a property is dertermined on the basis of its location, type, possible uses, layout and condition as well as on the terms of lease agreements, rent adjustment and the credit quality of lessees.

The return-based model used is:
Rental income
+ vacant rents
- operating costs such as taxes, insurances and utilities
- maintenance
- administration
= Net cash flow
/ Yield
= Capitalised fair value
- vacant rents
+ Deposits
+/- corrections for known circumstances
= Fair value

Investment properties are stated at fair value, using the following yields based on location: (m DKK)	**Yield** 2014	2013	**Effect of 1 % point increase in yield (mDKK)**
Billund, Denmark	5.75 - 9.0 %	6.6 - 9.0 %	(9)
Copenhagen, Denmark	5.25 - 6.00 %	5.7 - 6.3 %	(160)
London, UK	4.75 - 5.25 %	5,55 %	(220)
Prague and Kladno, Czech Republic	7.75 - 8.75 %	7.25 - 8.50 %	(31)
Baar, Switzerland	4.75 - 5.25 %	4.50 - 5.25 %	(226)
Hamburg, Germany	6.25 %	6.75 %	(17)
			(663)

NOTE 14. INVESTMENTS IN ASSOCIATES

(m DKK)	2014	2013
Cost at 1 January	3,142	3,604
Additions	186	–
Disposals	–	(462)
Cost at 31 December	**3,328**	**3,142**
Value adjustment at 1 January	41	(808)
Exchange adjustment to year-end rate	176	–
Disposals	–	(68)
Share of profit	371	430
Share of comprehensive income	(65)	(87)
Dividend	(64)	–
Dilution gain	–	574
Value adjustment at 31 December	**459**	**41**
Carrying amount at 31 December	**3,787**	**3,183**

The KIRKBI Group's shareholding in Merlin Entertainments plc is defined as long-term strategic investment and is classified in the balance sheet as Other non-current assets.

General information on associates	
Company name	**Merlin Entertainments plc**
Country	UK
Ownership / Votes	29.9 %
Functional currency	GBP

Merlin Entertainments plc is listed on the London Stock Exchange. The investment has a carrying amount at 31 December 2014 of DKK 3,214 million (2013 DKK 2,696 million) and a market value of DKK 11,491 million (2013 DKK 9,661 million).

Financial information of associates (m DKK)	**Merlin Entertain-ments plc**	**Other**	**2014**	**2013**
Revenue	11,775	23	11,798	10,488
Profit for the year	1,535	(88)	1,447	1,223
KIRKBI Group's share of profit for the year	**459**	**(88)**	**371**	**430**
Total assets	26,508			
Total equity	10,075			
KIRKBI Group's share of equity	3,012	585	3,597	2,993
Goodwill	190	-	190	190
Carrying amount of associates	**3,202**	**585**	**3,787**	**3,183**

NOTE 15. INVENTORIES

(m DKK)	2014	2013
Raw materials and components	138	133
Work in progress	801	746
Finished goods	1,243	945
Farming inventories	35	28
	2,217	**1,852**
Cost of sales recognised in operating profit from the LEGO Group	**6,187**	**5,327**
including write-down of inventories to net realisable value	**(16)**	**(12)**

NOTE 16. TRADE RECEIVABLES

(m DKK)	2014	2013
Trade receivables (gross)	5,978	4,922
Provisions for bad debts:		
Balance at the beginning of the year	(48)	(52)
Exchange adjustment to year-end rate	1	–
Change in provisions for the year	(44)	(1)
Realised losses for the year	12	5
Balance at the end of the year	**(79)**	**(48)**
Trade receivables (net)	**5,899**	**4,874**

All trade receivables fall due within one year. The nominal value is considered equal to the fair value of receivables falling due within one year from the balance sheet date.

The age distribution of gross trade receivables is as follows:

(m DKK)	2014	2013
Not overdue	5,337	4,514
0 – 60 days overdue	577	355
61 – 120 days overdue	23	9
121 – 180 days overdue	9	3
More than 180 days overdue	32	41
	5,978	**4,922**

None of total trade receivables are covered by insurance (76 % in 2013). In 2013 DKK 1,161 million corresponding to 24 % of trade receivables was not covered by insurance.

The KIRKBI Group has no single significant trade debtor, nor are the trade receivables concentrated in specific countries. The KIRKBI Group has fixed procedures for determining the KIRKBI Group's granting of credit. The KIRKBI Group's risk relating to trade receivables is considered to be moderate.

NOTE 17. SECURITIES

Securities consist of bonds, corporate debt, quoted equities, private equity and investments in associated companies. Associated companies classified as investment activities and included in Securities are listed in note 33.

All securities and investments recognised under Securities are classified as "financial assets at fair value through profit or loss" and are reported at fair value by level of the following fair value measurement hierarchy for:

- Quoted prices (unadjusted) in active markets for identical assets (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the assets either directly or indirectly (level 2)
- Inputs for the asset or liability that are not based on observable market data (level 3)

Specification of Securities into fair value measurement, currency allocation in DKK/EUR and % of investments rated:	2014			Carrying amount	
	Fair value measurement hierarchy	**% of investment in DKK or EUR**	**% of investments rated**	**2014**	**2013**
Liquid bonds	Level 1	88 %	100 % AAA	2,418	2,790
Corporate debt etc.	Level 1	84 %	34 % inv. Grade	5,441	5,232
Quoted equities and long-term equity	Level 1	61 %	n/a	10,452	8,002
Private and unquoted long-term equity	Level 3	75 %	n/a	6,156	4,293
Carrying amount at 31 December				**24,467**	**20,317**

For descriptions on credit risk and foreign exchange risk please refer to note 25, where risks from a group perspective are considered low.

Reconciliation of fair value of level 3 financial instruments
The KIRKBI Group carries unquoted equity shares as financial assets at fair value through profit and loss classified as level 3 within the fair value hierarchy.

Private and unquoted long-term equity	**2014**	**2013**
1 January	4,293	3,643
Total gains and losses recognised in profit and loss	1,202	627
Purchases	3,459	544
Sales	(1,108)	(521)
Transfer to Quoted and long-term equity (level 1)	(1,690)	–
Carrying amount at 31 December	**6,156**	**4,293**

Financial instruments which are priced using non-observable input include private placement in private equity funds and private placement in unquoted equities (Long-term Equity).

For Private Equity, valuation is based on IPEV (International Private Equity and Venture Capital Valuation Guidelines) valuations guidelines, which set out the principles for determining the price for which independent parties would trade the shares. The fair value would not vary significantly if one or more inputs were changed.

For unquoted equities (Long-term equity) valuation is based on a valuation model using input such as relevant multiples of a set of comparable companies, pro-forma adjusted operating income and adjusted net interest bearing debt. For the carrying amount of 2014 valuation based on this method is used for the investments in Falck Holding and Minimax Viking.

Investments in unquoted Long-term equity are stated at fair value using a valuation model based on the following inputs:	2014	2013
Pro-forma adjusted operating income	Individual	Individual
Multiples for comparable companies	10.3x - 12.8x	11.8x
Adjusted net interest bearing debt	Individual	Individual

The most significant input for the valuation model is the multiples for comparable companies. If this multiple decreased by 1.0x, the fair value would be reduced by around DKK 585 million.

For financial information about associates accounted for using fair value through profit and loss, please refer to the websites of the associates to have sufficient, relevant and updated information. For Falck Holding please refer to www.falck.com/en/company/financials/ and for Minimax Viking please refer to www.minimax.de/en/.

NOTE 18. SHARE CAPITAL

The share capital consists of (m DKK):

1	A share of DKK 1,000 or multiples thereof
199	B shares of DKK 1,000 or multiples thereof
200	**Total shares at 31 December 2014**

Each ordinary A share of DKK 1,000 gives 1,000 votes, while each ordinary B share of DKK 1,000 gives 1 vote.

Dividend has been distributed at DKK 1.50 per share (2013 DKK 1.50).

Within the last 5 years, there have been no changes in the share capital.

Shareholders owning more than 5 % of the share capital:

Kjeld Kirk Kristiansen
Sofie Kirk Kristiansen
Thomas Kirk Kristiansen
Agnete Kirk Thinggaard

NOTE 19. NON-CONTROLLING INTERESTS

Information about the KIRKBI Group's subsidiaries which have non-controlling interests.

Non-controlling part	Koldingvej 2, Billund A/S		William Demant Invest A/S	
Subsidiary	LEGO A/S		Boston Holding A/S	
(m DKK)	2014	2013	2014	2013
Statement of comprehensive income in subsidiary				
Revenue	28,578	25,294	–	–
Net profit (loss) for the year allocated to the parent company shareholders	7,025	6,076	1	–
Total comprehensive income allocated to the parent company shareholders	6,800	5,874	1	–
Balance sheet in subsidiary				
Non-current assets	9,386	6,839	3,798	1,135
Current assets	12,033	11,113	2	2
Current liabilities	(8,587)	(6,877)	(3,804)	(1,141)
Equity	12,832	11,075	(4)	(4)
Cash flow in subsidiary				
Cash flow from operating activities	7,945	6,744		–
Cash flow from investing activities	(3,164)	(2,704)	(2,663)	(595)
Dividend to shareholders	(5,000)	(4,500)		–
Dividend to non-controlling interests	(43)	(32)		–
Ownership interest of non-controlling interests	25 %	25 %	37 %	37 %

Consolidation into the KIRKBI Group					Total	Total
(m DKK)	2014	2013	2014	2013	2014	2013
Carrying amount 1 January	**2,769**	**2,493**	**(2)**	**(2)**	**2,767**	**2,491**
Share of net profit alocated to the non-controlling interests	1,756	1,519	–	–	1,756	1,519
Share of net profit allocated directly to non-controlling interests	–	43	–	–	–	43
Non-controlling interests of net profit	**1,756**	**1,562**	**–**	**–**	**1,756**	**1,562**
Share of comprehensive income allocated to non-controlling interest	(56)	(51)	–	–	(56)	(51)
Non-controlling interests of total comprehensive income	**1,700**	**1,511**	**–**	**–**	**1,700**	**1,511**
Other adjustments:						
Aquisition of non-controlling interests	32	(78)		–	32	(78)
Dividend paid	(1,293)	(1,157)		–	(1,293)	(1,157)
Carrying amount 31 December	**3,208**	**2,769**	**(2)**	**(2)**	**3,206**	**2,767**

Boston Holding A/S
The KIRKBI Group has entered into a collaboration through its subsidiary Boston Holding A/S of operating the offshore windfarm Borkum Riffgrund I Offshore Windpark A/S GmbH & Co. OHG.

The collaboration is between the KIRKBI Group, William Demant Invest A/S and DONG Energy A/S. The KIRKBI Group and William Demant Invest A/S have through the jointly owned company Boston Holding A/S (where William Demant Invest A/S is a non-controlling interest) a 50 % interest in the offshore windfarm Borkum Riffgrund I Offshore Windpark A/S GmbH & Co. OHG and DONG Energy A/S holds the other 50 %.

When determining the arrangement as a joint operation, a holistic view was adopted of the factors deemed relevant in the situation in question. These factors include whether the collaboration has been established in corporate form and whether only the KIRKBI Group is entitled to the net profit or income and expenses resulting from the operation.

Key figures for Borkum Riffgrund I Offshore Windpark A/S GmbH & Co. OHG (100 %)

(m DKK)	2014	2013
Revenue	–	–
Net profit (loss)	–	–
Non-current assets	7,357	2,013
Current assets	–	–
Liabilities	–	–
Equity	7,357	2,013

NOTE 20. DEFERRED TAX

(m DKK)	2014	2013
Deferred tax, net at 1 January	(528)	(402)
Exchange adjustment to year-end rate	3	(3)
Income statement charge	70	(187)
Effect of change in tax rate	5	77
Charged to other comprehensive income	83	(16)
Other	2	3
Deferred tax, net at 31 December	**(365)**	**(528)**
Classified as:		
Deferred tax assets	235	140
Deferred tax liabilities	(600)	(668)
	(365)	**(528)**

2014 (m DKK)	Deferred tax asset	Deferred tax liability	Deferred tax net
Non-current assets	80	(715)	(635)
Receivables	2	(2)	–
Inventories	257	(158)	99
Provisions	128	–	128
Other liabilities	146	(45)	101
Other	23	(111)	(88)
Offset	(431)	431	–
Tax loss carry-forwards	30	–	30
	235	**(600)**	**(365)**

2013 (m DKK)	Deferred tax asset	Deferred tax liability	Deferred tax net
Non-current assets	65	(591)	(526)
Receivables	3	(1)	2
Inventories	156	(152)	4
Provisions	96	–	96
Other liabilities	67	(43)	24
Other	11	(157)	(146)
Offset	(276)	276	–
Tax loss carry-forwards	18	–	18
	140	**(668)**	**(528)**

Tax loss carry-forwards
Tax assets relating to tax loss carry-forwards are capitalised based on an assessment of whether they can be utilised in the future. DKK 17 million of the KIRKBI Group's capitalised tax losses expires after 5 year (DKK 18 million in 2013 expires after 5 years).

NOTE 21. PENSION OBLIGATIONS

Defined contribution plans:
In defined contribution plans, the KIRKBI Group recognises in the income statement the premium payments (e.g. a fixed amount or a fixed percentage of the salary) to the independent insurance companies responsible for the pension obligations. Once the pension contributions for defined contribution plans have been paid, the KIRKBI Group has no further pension obligations towards current or past employees. The pension plans in the Danish companies and some of the non-Danish companies are defined contribution plans. In the KIRKBI Group, DKK 262 million (DKK 251 million in 2013) has been recognised in the income statement as costs relating to defined contribution plans.

Defined benefit plans:
In defined benefit plans, the KIRKBI Group is obliged to pay a certain pension benefit. The defined benefit plans include employees in Germany and in the UK. In the KIRKBI Group, a net obligation of DKK 82 million (DKK 57 million in 2013) has been recognised relating to the KIRKBI Group's obligations towards current or past employees concerning defined benefit plans. The obligation is calculated after deduction of the plan assets. In the KIRKBI Group, DKK 5 million (DKK 4 million in 2013) was recognised in the income statement and DKK 14 million (DKK 1 million in 2013) has been recognised in other comprehensive income. All defined benefit plans relate to the LEGO Group and no new employees will be included in the defined benefit plans.

NOTE 22. OTHER LIABILITIES

(m DKK)	2014	2013
Liabilities related to wages and other charges	1,301	1,103
Liabilities related to renewables	1,407	422
Other current liabilities	3,149	2,126
	5,857	**3,651**
Specified as follows:		
Non-current	1,539	506
Current	4,318	3,145
	5,857	**3,651**

Financial obligations

The fair value of obligations regarding assets under finance leases corresponds to the carrying amount. The fair value is estimated to equal the present value of expected future cash flows at a market interest rate for similar leases.

(m DKK)	2014	2013
Obligations regarding finance leases are as follows:		
0 – 1 year	6	9
1 – 5 years	26	24
> 5 years	6	10
	38	**43**
Reconciliation of carrying amount:		
Carrying amount of the liability	28	31
Interest expenses not yet accrued	10	12
	38	**43**

NOTE 23. PROVISIONS

2014

(m DKK)	Restructuring	Other	Total
Provisions at 1 January	55	147	202
Exchange adjustment to year-end rate	–	1	1
Additions	–	313	313
Used	(24)	(114)	(138)
Reversed	(4)	(50)	(54)
Provisions at 31 December	**27**	**297**	**324**
Specified as follows:			96
Non-current			228
Current			**324**

2013

(m DKK)	Restructuring	Other	Total
Provisions at 1 January	7	132	139
Additions	71	109	180
Used	(14)	(60)	(74)
Reversed	(9)	(34)	(43)
Provisions at 31 December	**55**	**147**	**202**
Specified as follows:			
Non-current			90
Current			112
			202

Provisions for restructuring obligations relate primarily to close-down and reduction of production facilities, close-down of activities and redundancy programmes in the LEGO Group. The majority of these obligations are expected to result in cash outflows in 2015.

Other provisions consist of various types of provisions, including provisions for loyalty programmes. The majority of other provisions are expected to be used within the next 2 years.

NOTE 24. CONTINGENT ASSETS, LIABILITIES AND OTHER OBLIGATIONS

Contingent liabilities and other obligations

(m DKK)	2014	2013
Remaining obligations in investment projects	2,735	2,465
Guarantees	96	320
Operating lease obligations	1,876	1,947
Other obligations	2,480	3,415
	7,187	**8,147**

The KIRKBI Group leases various offices, warehouses and plants and machinery under non-cancellable operating leases. The leases have varying terms, clauses and rights.

The KIRKBI Group also leases plants and machinery under cancellable operating leases. The KIRKBI Group is required to give various notices of termination of these agreements.

Lease expenses for the year charged to the income statement amount to:	636	527
Future minimum lease payments under non-cancellable operating leases are specified as follows:	**2014**	**2013**
0 – 1 year	415	392
1 – 5 years	1,013	985
> 5 years	448	570
	1,876	**1,947**

Security has been given in land, buildings and installations at a net carrying amount of DKK 2,723 million (DKK 2,420 million in 2013) for the mortgage loans.

The KIRKBI Group has utilised tax losses in non-Danish jurisdictions in the Danish joint taxation until 31 December 2004. The deferred tax of this amounts to DKK 116 million, of which DKK 0 million has been recognised as a provision for deferred tax. The remaining amount of DKK 116 million is not expected to be recaptured.

The KIRKBI Group is a party to certain legal disputes. It is management's assessment that the settlement of these legal disputes will not significantly impact the financial position of the KIRKBI Group.

NOTE 25. FINANCIAL RISKS

The financial risks of the KIRKBI Group are managed centrally from the Parent Company as well as decentralised by the operating companies. The overall risk management guidelines have been approved by the Board of Directors and include the Group's treasury and investment policy related to securities. The KIRKBI Group's risk management guidelines are established to identify and analyse the risk faced by the KIRKBI Group, to set the appropriate risk limits and controls to monitor the risks and ensure adherence to limits.

The overall objective for the KIRKBI Group's investment activities is to achieve the highest rate of total return reasonably possible within prudent levels of risk and a sufficient level of liquidity while maintaining sufficient diversification to avoid large losses, minimise unintended risk and preserve capital. Therefore, the investment policy includes, among other items, guidelines and ranges for which investments are considered to be eligible investments and which investment parameters are to be applied such as limits on issuer, duration, credit rating, country, or economic sector.

The guidelines are reviewed regularly to reflect changes in market conditions, the KIRKBI Group's activities and financial position. A separate and independent risk management function reviews managers' compliance with the mandates and the adequacy of the mandates to risks and exposures facing the KIRKBI Group.

Investment approach and asset allocation
The KIRKBI Group's activities consist of holdings in the strategic assets LEGO Group, Merlin Entertainments and renewables and investments within the areas of fixed income, quoted equities, private equity, real estate and long-term equity.

The fundamental pillars that the KIRKBI Group's investment approach is built on are the following:

- Transparent investments where we understand the underlying economic rationale and risks of the investment
- Reasonable diversification of our portfolio, although diversification is not an investment purpose on its own
- We will at all times assess its possible outcomes and be ready to make adjustments to the allocation
- Good long-term relationship with cooperating partners with high integrity
- Investments comply with the values of the KIRKBI Group and the ethical guidelines

The five fundamental pillars that drive all our investments allow us to prudently take risk within the context of overall diversification to meet KIRKBI's long-term investment objectives. The asset allocation as well as strategies and mandates for the individual asset classes allow for practical risk management, both on the overall portfolio level and for the individual asset classes.

Financial risk management
For the KIRKBI Group, the concept of risk is divided into two sub-concepts:

- Short-term risk of temporary loss of capital – i.e. quotation risk
- Long-term risk of permanent loss of capital – i.e. capital loss risk

As a long-term investor, the most important risk to avoid is the permanent loss of capital. However, as the liquid investments function as a liquid buffer to cover obligations and non-financial risks, the liquid investment portfolio is subject to short-term quotation risk.

Credit risk
Financial instruments are entered into with counterparts with a credit rating of A- or higher from Standard & Poor's or Moody's Investor Service.

Similarly, the KIRKBI Group only engages with insurance companies with a credit rating of A- or higher from Standard & Poor's or Moody's Investor Service.

For banks and financial institutions, only independently rated parties with an acceptable long-term rating are accepted. Credit risk regarding trade receivables is disclosed in note 16. The credit risks of the KIRKBI Group are considered to be moderate.

Foreign exchange risk
The foreign exchange risk for the KIRKBI Group is mostly related to net inflows in the LEGO Group and investments denomited in foreign currencies.

The LEGO Group's foreign exchange risk is managed centrally in LEGO System A/S based on a foreign exchange policy approved by the Board of Directors. Forward contracts and options are used to hedge purchases and sales in foreign currencies for the LEGO Group. These forward contracts are mainly classified as hedges and meet the accounting requirements for hedging of future cash flows.

The foreign exchange risks of the investments are managed centrally from the Parent Company. The overall risk management guidelines have been approved by the Board of Directors and include the KIRKBI Group's treasury and investment policy.

The most significant exchange risks are in the currency of USD and GBP. A negative 10 % change in the GBP currency would not effect the income statement of the KIRKBI Group significantly, but reduce equity by DKK 250 million. A negative 10 % change in the USD currency would maximum effect the income statement by DKK 475 million and reduce equity by DKK 225 million. Based on this, the foreign exchange risks from a group perspective are considered moderate.

Interest rate risk
The KIRKBI Group's interest rate risk relates mainly to the portfolio of liquid bonds, however with the current interest rate levels and the composition of the liquid bonds portfolio, the interest risk is not present. The KIRKBI Group's interest rate risk is considered insignificant.

Liquidity risk
Liquidity is managed centrally and is continuously assessed. It is ensured that, at any given time, sufficient financial resources are available. Based on cash and the liquid investment portfolio of bonds and quoted equities the liquidity risk is considered insignificant.

NOTE 26. FINANCIAL ASSETS AND LIABILITIES

The maturity profile of financial liabilities is disclosed as follows:

(m DKK)	2014 Nominal value	2014 0–1 years	2014 1–5 years	2014 Over 5 years	2013 Nominal value	2013 0–1 years	2013 1–5 years	2013 Over 5 years
Measured at amortised cost								
Borrowings	1,631	427	185	1,019	1,578	308	207	1,063
Deferred tax liabilities	600	–	298	302	668	–	352	316
Pension obligations	82	–	40	42	57	–	30	27
Other long-term liabilities	1,539	–	126	1,413	506	–	74	432
Payables to associates	215	215	–	–	211	25	186	–
Trade payables	2,632	2,632	–	–	2,289	2,289	–	–
Current tax liabilities	86	86	–	–	75	75	–	–
Provisions	324	228	96	–	202	112	90	–
Other liabilities	4,318	4,318	–	–	3,145	3,145	–	–
Total liabilities	**11,427**	**7,906**	**745**	**2,776**	**8,731**	**5,954**	**939**	**1,838**

NOTE 27. DERIVATIVE FINANCIAL INSTRUMENTS

TOTAL HEDGING ACTIVITIES

The derivatives used by the KIRKBI Group mainly relate to the LEGO Group. The LEGO Group uses a number of derivatives to hedge currency exposure. The hedging activities are categorised into hedging of forecast transactions (cash flow hedges), and hedges of assets and liabilities (fair value hedges).

The changes in fair value of the financial instruments qualifying for hedge accounting are recognised directly under other comprehensive income until the hedged items affect the income statement.

The changes in fair value of the financial instruments not qualifying for hedge accounting are recognised directly in the income statement. This includes the time value of options.

All changes in fair value of hedging of assets and liabilities (fair value hedging) are recognised directly in the income statement.

Hedging of forecast transactions

The main hedging of forecast transactions relates to USD where the LEGO Group is hedging for a period up to 12 months. For 2014 a total of DKK 4.1 billion (2013 DKK 1.7 billion) has been recognised as forecast transactions in USD qualifying for hedge accounting. The fair value adjustment for USD directly in the income statement is negative with DKK 200 million and is not considered material to the consolidated KIRKBI Group income statement.

Hedging of balance sheet items

The main hedging of balance items relates to USD where the LEGO Group is hedging for a period up to 2 months. For 2014, a total of DKK 0.6 billion (2013 DKK 1.3 billion) has been recognised as hedging of balance sheet items in USD. The fair value adjustment for USD directly in the equity of the consolidated KIRKBI Group is below DKK 100 million and is not considered material.

Cash flow hedges for which hedge accounting is not applied

Cash flow hedges for which hedge accounting is not applied are insignificant in the consolidated KIRKBI Group figures.

NOTE 28. REVERSALS OF ITEMS WITH NO EFFECT ON CASH FLOWS

(m DKK)	2014	2013
Depreciation, amortisation and impairment	696	838
Revaluation of securities etc.	(1,734)	(838)
Net movements in provisions	195	66
Net income from associates	(242)	(987)
	(1,085)	**(921)**

NOTE 29. CHANGES IN WORKING CAPITAL

(m DKK)	2014	2013
Inventories	(365)	(122)
Trade and other receivables	(701)	(259)
Trade and other payables	1,520	(258)
	454	**(639)**

NOTE 30. RELATED PARTY TRANSACTIONS

KIRKBI A/S' related parties comprise Kjeld Kirk Kristiansen, Sofie Kirk Kristiansen, Thomas Kirk Kristiansen, Agnete Kirk Thinggaard and the Board of Directors and the Executive Management of KIRKBI A/S. Related parties also comprise subsidiaries and associates and the Board of Directors and management in these companies. Related parties further comprise companies where the mentioned shareholders have significant influence.

Kjeld Kirk Kristiansen, Sofie Kirk Kristiansen, Thomas Kirk Kristiansen and Agnete Kirk Thinggaard have as shareholders significant influence in KIRKBI A/S.

In the financial year a limited number of transactions related to services took place between the owners of KIRKBI A/S and the Group. These services were paid on normal market terms and the total fee paid to KIRKBI A/S amounts to DKK 10 million (2013 DKK 9 million).

There were no transactions with the Board of Directors or the Executive Management besides transactions related to the employment except for the circumstances described above.

For information about remuneration to the Board of Directors and the Executive Management, please refer to note 4.

Loans, receivables and commitments related to associates are specified in the KIRKBI Group's balance sheet.

NOTE 31. POST BALANCE SHEET EVENTS

From the period from 31 December 2014 and until adoption at the annual report, no events have occurred that could have significant effect on the annual report for 2014.

NOTE 32. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the KIRKBI Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for reporting class C enterprises.

EFFECTS OF NEW AND AMENDED ACCOUNTING STANDARDS

All new and amended standards and interpretations issued by IASB and endorsed by the EU effective as of 1 January 2014 have been adopted by the KIRKBI Group. The application of the new IFRS has not had a material impact on the Consolidated Financial Statements in 2014 and we do not anticipate any significant impact on future periods from the adoption of these new IFRS's.

The following standards which are not yet effective and have not yet been endorsed by the EU are relevant for the KIRKBI Group:
* IFRS 9, Financial instruments which will be effective from 1 January 2018.
* IFRS 15, Revenue from contracts with customers which will be effective from 1 January 2017.

It is management's assessment that the above mentioned changes in accounting standards and interprerations will not have any significant impact on the consolidated financial statements upon adoption of these standards.

CONSOLIDATION PRACTICE

Subsidiaries are fully consolidated from the date on which control is transferred to the KIRKBI Group. They are de-consolidated from the date on which control ceases.

Associates are all entities over which the KIRKBI Group has significant influence but which it does not control, and are generally represented by a shareholding of between 20 % and 50 % of the voting rights. Associates classified as strategic investments are accounted for using the equity method of accounting and are initially recognised at cost. Assoicates classified as investments are valuated using fair value through profit and loss (IAS 39).

The KIRKBI Group's share in joint operations is recognised in the consolidated balance sheet through recognition of the KIRKBI Group's own assets, liabilities, income and expenses. The KIRKBI Group's share of joint income, expenses, assets and liabilites is then recognised.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the KIRKBI Group.

Non-controlling interests include third-party shareholders' share of equity and the results for the year in subsidiaries which are not 100 % owned.

The part of the subsidiaries' results that can be attributed to non-controlling interests forms part of the profit or loss for the year. Non-controlling interests' share of equity is stated as a separate item in equity.

Amounts and qualitative information that are considered unimportant for the accounting user are omitted.

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the KIRKBI Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Danish kroner (DKK), which is the functional and presentation currency of the Parent Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at balance sheet date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as reserve for exchange rate adjustments.

Group companies

The results and financial position of subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each subsidiary are translated into DKK at the closing rate at the balance sheet date.
- Income and expenses for each subsidiary are translated at average exchange rates.
- Differences deriving from translation of the foreign subsidiaries' opening equity to the exchange rates prevailing at the balance sheet date, and differences owing to the translation of the income statements of the foreign subsidiaries from average exchange rates to balance sheet date exchange rates are recognised in other comprehensive income.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at fair value and are subsequently measured at fair value. Derivative financial instruments are recognised in other receivables and other current liabilities.

Changes to the fair value of derivative financial instruments which meet the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with any changes in the fair value of the hedged asset or liability attributable to the hedged risk.

The effective portion of changes to the fair value of derivative financial instruments which meet the criteria for hedging future cash flows are recognised in other comprehensive income. Income and expenses relating to these hedge transactions are transferred from equity when the hedged item affects the income statement. The amount is recognised in financial income or expenses.

In case of settlement of a derivative designated as a cash flow hedge, the accumulated fair value adjustment remains in equity until the hedged transaction occurs. If the hedged transaction is no longer expected to take place, any accumulated fair value adjustments are transferred from equity to the income statement under financial income or expenses.

INCOME STATEMENT

Recognition of sales and revenues

Sales represent the fair value of the sale of goods excluding VAT and after deduction of provisions for returned products, rebates and trade discounts relating to the sale.

Provisions and accruals for rebates to customers are made in the period in which the related sales are recorded. Historical data are readily available and reliable and are used for estimating the amount of the reduction in sales.

Revenue from the sale of goods is recognised when all the following specific conditions have been met and the control over the goods has been transferred to the buyer.

- Significant risks and rewards of ownership of the goods have been transferred to the buyer.
- Revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the KIRKBI Group.
- Costs incurred or to be incurred in respect of the transaction can be measured reliably.

These conditions are usually met by the time the products are delivered to the customers.

Licence fees are recognised on an accruals basis in accordance with the relevant agreements.

Revenue is measured at the fair value of the consideration received or receivable.

Operating profit from investment activities

Operating profit from investment activities includes return from the investment activities in the KIRKBI Group, which include liquid bonds, quoted equities, corporate debt, private equities, investment real estate etc. Profit from investment activities is net gains and losses on financial assets at fair value, fair value adjustments, income and expenses from investment properties and realised gains and losses on financial assets.

Taxes

The tax expenses for the period comprise current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income. In this case, tax is also recognised in other comprehensive income.

Deferred tax on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts is provided in full in the consolidated financial statements, using the liability method.

Deferred tax reflects the effect of any temporary differences. To the extent calculated deferred tax is positive, this is recognised in the balance sheet as a deferred tax asset at the expected realisable value. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Any changes in deferred tax due to changes in tax rates are recognised in the income statement.

BALANCE SHEET

INTANGIBLE ASSETS

Goodwill, trademarks, patents and other intangible rights

Goodwill and trademarks are initially recognised in the balance sheet at cost and are not amortised.

Acquired patents and other intangible rights are capitalised on the basis of the costs incurred. These costs are amortised over the shorter of their estimated useful lives and the contractual duration.

The carrying amount of goodwill, trademarks, patents and other intangible rights is allocated to the cash generating assets at the acquisition date and is tested for impairment at that level.

Software and development projects
Research expenses are charged to the income statement as incurred. Software and development projects that are clearly defined and identifiable and which are expected to generate future economic profit are recognised as intangible non-current assets at historical cost less accumulated amortisation and any impairment loss. Amortisation is provided on a straight-line basis over the expected useful life which is normally 5–10 years. Other development costs are recognised in the income statement. An annual impairment test of the intangible fixed assets under construction is performed.

Borrowing costs related to financing development projects that take a substantial period of time to complete and whose commencement date is on or after 1 January 2009 are included in the cost price.

Licences, patents and other rights
Acquired licences, patents and other rights are capitalised on the basis of the costs incurred. These costs are amortised over the shorter of their estimated useful lives and the contractual duration.

PROPERTY, PLANT AND EQUIPMENT
Land and buildings comprise mainly factories, warehouses and offices. Property, plant and equipment are measured at cost, less subsequent depreciation and impairment losses, except for land, which is measured at cost less impairment losses.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life as follows:

Buildings	25-50 years
Installations	10-20 years
Plant and machinery	2-15 years
Other fixtures, fittings, tools and equipment	3-10 years

The residual values and useful lives of the assets are reviewed and adjusted, if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Cost comprises acquisition price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets comprises direct expenses for wage consumption and materials. Borrowing costs related to financing self constructed assets that take a substantial period of time to complete and whose commencement date is on or after 1 January 2009 are included in the cost price.

Investment real estate
Investment real estate is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at the expected fair values from a net cash transaction at the balance sheet date.

Fair value is determined by management using approved valuation methods based on the capital value calculated on expected cash flows. If current market prices for comparable properties are available, these will be incorporated as part of the fair value valuation.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

Leases
Leases of assets where the KIRKBI Group has substantially all risks and rewards of ownership are capitalised as finance leases under property, plant and equipment and depreciated over the estimated useful lives of the assets, according to the periods listed under the section Property, plant and equipment. The corresponding finance lease liabilities are recognised in liabilities.

Operating lease expenses are recognised in the income statement on a straight-line basis over the term of the lease.

Impairment of assets
Assets that are subject to depreciation and amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets under development and intangible assets which are not subject to amortisation are tested for impairment at each reporting date.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of an asset less expenses to sell and the value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Investment in associates
The KIRKBI Group's investment in entities in which the group has significant influence is allocated to either strategic or investment portfolio

Strategic portfolio
Entities which are allocated to the strategic portfolio is accounted for using the equity method. Under the equity method, investments in associates are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the share of the net assets of the associate since the acquisition date.

At each reporting date, the KIRKBI Group determines whether there is objective evidence that the investment in associate is impaired. If there is such evidence, the KIRKBI Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and then recognises the loss in the income statement.

Investment portfolio
Entities which are allocated to the investment portfolio are managed and evaluated on a fair value basis in accordance with the KIRKBI Group's investment strategy. The investment portfolio are therefore designated at fair value through profit or loss and accounted for in accordance with IAS 28. The fair value is based on internationally accepted valuation models for Private equity.

INVENTORIES
Inventories are measured at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of raw materials, consumables and purchased goods comprises the invoice price plus delivery expenses. The cost of finished goods and work in progress comprises the purchase price of materials and direct labour costs plus indirect production costs. Indirect production costs include indirect materials and wages, maintenance and depreciation of plant and machinery, factory buildings and other equipment as well as expenses for factory administration and management.

RECEIVABLES
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less provisions for bad debt. Provisions for bad debt are made on the basis of an individual assessment of the risk relating to each receivable.

SECURITIES
The KIRKBI Group invests its cash in deposits with major financial institutions, in mortgage bonds, notes issued by Danish and European governments, corporate debt and equities which all are classified as securities. The securities can be purchased and sold in established markets.

The portfolio of investments has been designated as financial assets at fair value through profit and loss as the portfolio is managed and evaluated on a fair value basis in accordance with the KIRKBI Group´s investment strategy. Securities are measured at fair value, which equals listed prices or internationally accepted valuation models for private equity. Realised and unrealised gains and losses (including unrealised foreign exchange rate gains and losses) are recognised in the income statement as financial items. Transactions are recognised at the trade date.

EQUITY
Proposed dividends
Dividends are recognised as a liability in the period in which they are adopted at the Annual General Meeting.

LIABILITIES

BORROWINGS
Borrowings are initially recognised at fair value, net of transaction expenses incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds and the redemption value are recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the KIRKBI Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

EMPLOYEE BENEFITS
Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses and non-monetary employee benefits are accrued in the year in which the associated services are rendered by the employees of the KIRKBI Group. Where the KIRKBI Group provides long-term employee benefits, the costs are accumulated to match the rendering of the services by the employees concerned.

Retirement benefit obligation
Costs regarding defined contribution plans are recognised in the income statement in the periods in which the related employee services are delivered.

Net obligations in respect of defined benefit pension plans are calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. Discount rates are based on the market yield of high quality corporate bonds in the country concerned approximating to the terms of the KIRKBI Group's pension obligations. The calculations are performed by a qualified actuary using the Projected Unit Credit Method. When the benefits of a plan are increased, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement over the vesting period. To the extent that the benefits are vested, the expense is recognised in the income statement immediately.

Actual gains and losses are recognised in other comprehensive income in the period in which they occur.

Net pension assets are recognised to the extent that the KIRKBI Group is able to derive future economic benefits in the way of refunds from the plan or reductions of future contributions.

PROVISIONS
Provisions are recognised when the KIRKBI Group identifies legal or constructive obligations as a result of past events and it is probable that it will lead to an outflow of resources that can be reliably estimated. In this connection, the KIRKBI Group makes the estimate based upon an evaluation of the individual, most likely outcome of the cases. In cases where a reliable estimate cannot be made, these are disclosed as contingent liabilities.

Further provisions for restructuring expenses are only recognised when the decision is made and announced before the balance sheet date. Provisions are not made for future operating losses.

Provisions are measured at the present value of the estimated obligation at the balance sheet date.

OTHER LIABILITIES
Other liabilities are measured at amortised cost unless specifically stated otherwise.

CASH FLOW STATEMENT

The consolidated cash flow statement shows cash flows for the year broken down by operating, investing and financing activities, changes for the period in cash and bank overdrafts and cash and bank overdrafts at the beginning of the year.

Cash flows from operating activities are calculated indirectly as the profit for the year adjusted for non-cash items, income taxes paid and changes in working capital.

Cash flows from investing activities comprise payments relating to acquisitions and disposals of securities, intangible assets, property, plant and equipment, fixtures and fittings as well as fixed asset investments. Furthermore, they comprise interest and dividends received.

Cash flows from financing activities comprise proceeds from borrowings, repayment of interest-bearing debt and dividend paid to shareholders and non-controlling interests.

Cash and cash equivalents comprise cash and bank overdrafts etc. that can readily be converted into cash reduced by short-term bank debt.

FINANCIAL RATIOS
Financial ratios have been calculated in accordance with the "Guidelines and Financial Ratios 2010", issued by the Danish Society of Financial Analysts.

Return on equity (ROE):	$\dfrac{\text{Profit for the year (excl. non-controlling interests) x 100}}{\text{Average equity (excl. non-controlling interests)}}$
Equity ratio:	$\dfrac{\text{Equity (incl. non-controlling interests) x 100}}{\text{Total liabilities and equity}}$

NOTE 33. GROUP STRUCTURE

Ownership is 100 % unless stated otherwise

KIRKBI A/S

LEGO A/S, 75 % (Denmark / Danmark)

Denmark
LEGO System A/S

Europe
LEGO Park Holding UK Ltd.
– LEGO Lifestyle International Ltd. (UK)
LEGO Company Limited (UK)
LEGO Education Europe Ltd. (UK)
LEGO Belgium n.v.
LEGO Netherland B.V.
LEGO Sverige AB
LEGO Norge A/S
Oy Suomen LEGO Ab (Finland)
LEGO GmbH (Germany)
LEGO Handelsgesells. GmbH (Austria)
LEGO S.A.S. (France)
LEGO S.p.A. (Italy)
LEGO Brand Retail S.A.S (France)
LEGO S.A. (Spain)
LEGO Lda. (Portugal)
LEGO Production s.r.o. (Czech Republic)
LEGO Trading s.r.o. (Czech Republic)
LEGO Schweiz AG
LEGO Hungária Kft.
LEGO Manufacturing Kft. (Hungary)
LEGO Polska Sp. z.o.o.
LEGO Romania S.R.L.
LEGO Ukraine LLC
OOO LEGO (Russia)
LLD Share verwaltungs GmbH (Germany)
– LLD Share Gmbh & Co. KG (Germany)
LEGO Turkey Oyuncak Tiearet Anonim Sirketi

Americas
LEGO do Brazil Ltda.
LEGO do Brasil Comercio e Distribuicão de Brinquedos Ltda
LEGO Canada Inc.
LEGO Mexico S.A. de C.V
Administración de Servicios LEGO, S. de R.L. de C.V. (Mexico)
LEGO Operaciones de Mexico S.A. de C.V. (Mexico)
LEGO Real Estate, S.A. de C.V. (Mexico)
LEGO System Inc. (US)
– LEGO Dacta Inc. (US)
  – Dacta and Pitsco LLC (US)
– LEGO Brand Retail Inc. (US)

Asia, Africa and Australia
LEGO Hong Kong Limited
LEGO Australia Pty. Ltd.
LEGO New Zealand Ltd.
LEGO Korea Co. Ltd.
LEGO South Africa (Pty.) Ltd.
LEGO Japan Ltd.
LEGO Company Ltd. (Hong Kong)
LEGO Singapore Pte. Ltd.
LEGO Trading CO Ltd. (Beijing)
LEGO India Private Limited
LEGO Trading Sdn. Bhd (Malaysia)
LEGO Toy Manufacturing Co., Ltd. (Jiaxing)
LEGO Toy Co., Ltd. (Shanghai)

Associates
KABOOKI A/S, 19.8 % (Denmark / Danmark)

KIRKBI Invest A/S (Denmark)

Denmark
KIRKBI Anlæg A/S
KIRKBI Real Estate Investment A/S
K & C Holding A/S
LEGO Juris A/S
LEGO Security ApS

Europe
KIRKBI Estates Ltd. (UK)
KIRKBI Palác Karlin Property s.r.o (Czech Republic)
KIRKBI Real Estate Investment s.r.o (Czech Republic)
Valdek Praha Spol s.r.o (Czech Republic)
KIRKBI Real Estate Investment GmbH (Germany)
Boston Holding A/S, 63 % (Denmark)
– Borkum Riffgrund I Offshore Windpark A/S
  Gmbh & Co. OHG, 50 % (Germany)

Asia, Africa and Australia
LLJ Investco KK (Japan)

Associates (accounted for using the equity method)
Merlin Entertainments plc, 29.9 % (UK)
Blue Hors ApS, 89.9 % (Denmark)
Founders A/S, 33.3 % (Denmark)
KIFI-AX II A/S, 32.3 % (Denmark)
Schelenborg Gods ApS, 89.9 % (Denmark)
Axcel IKU Invest A/S, 33.3 % (Denmark)

Associates (accounted for using fair value through profit and loss)
Falck Holding A/S, 27.7 % (Denmark)
MV Holding GmbH, 29.4 % (Germany)

INTERLEGO AG (Switzerland)

Europe / (Europa)
KIRK AG (Switzerland / Schweiz)
Hotel Valbella Inn AG (Switzerland)

CONTENTS

INCOME STATEMENT & COMPREHENSIVE INCOME 1 JANUARY - 31 DECEMBER

(m DKK)	Note	2014	2013
Dividend from investments in subsidiaries		3,750	3,375
Other net income		28	35
Administration costs	2	(99)	(80)
Operating profit		**3,679**	**3,330**
Financial income	3	99	86
Financial expenses	4	(27)	(15)
Profit before tax		**3,751**	**3,401**
Tax on profit for the year	5	(2)	(13)
Profit for the year		**3,749**	**3,388**
Statement of comprehensive income			
Profit for the year		3,749	3,388
Other comprehensive income after tax		(21)	6
		3,728	**3,394**
Proposed distribution			
Dividend		200	200
Transferred to retained comprehensive income		3,528	3,194
		3,728	**3,394**

BALANCE SHEET AT 31 DECEMBER

(m DKK)	Note	2014	2013
ASSETS			
Non-current assets			
Property		338	351
Other fixtures, fittings, tools and equipment	6	4	4
Fixed assets under construction		75	7
Property, plant and equipment		**417**	**362**
Investments in subsidiaries		17,442	17,442
Receivables from associates		468	503
Other non-current assets	7	**17,910**	**17,945**
Total non-current assets		**18,327**	**18,307**
Current assets			
Receivables from subsidiaries		12,708	9,349
Current tax receivables		641	544
Other receivables		12	2
Cash		4	34
Total current assets		**13,365**	**9,929**
TOTAL ASSETS		**31,692**	**28,236**

BALANCE SHEET AT 31 DECEMBER

(m DKK)	Note	2014	2013
EQUITY AND LIABILITIES			
EQUITY			
Share capital		200	200
Retained comprehensive income		30,358	26,930
Proposed dividend		200	200
Total equity		**30,758**	**27,330**
LIABILITIES			
Non-current liabilities			
Borrowings	8	190	197
Deferred tax liabilities	9	1	1
Other long-term liabilities	8	35	11
Total non-current liabilities		**226**	**209**
Current liabilities			
Borrowings	8	8	7
Payables to subsidiaries		634	614
Trade payables		17	2
Other short-term liabilities		49	74
Total current liabilities		**708**	**697**
Total liabilities		**934**	**906**
TOTAL EQUITY AND LIABILITIES		**31,692**	**28,236**

Contingent liabilities and other obligations 10

STATEMENT OF CHANGES IN EQUITY

(m DKK)	Share capital	Retained comprehen-sive income	Proposed dividend	Total
2014:				
Equity at 1 January 2014	**200**	**26,930**	**200**	**27,330**
Profit for the year	–	3,749	–	3,749
Other comprehensive income for the year	–	(21)	–	(21)
Total comprehensive income for the year	**–**	**3,728**	**–**	**3,728**
Dividend	–	(300)	(200)	(500)
Proposed dividend	–	–	200	200
Equity at 31 December 2014	**200**	**30,358**	**200**	**30,758**
2013:				
Equity at 1 January 2013	**200**	**23,836**	**200**	**24,236**
Profit for the year	–	3,388	–	3,388
Other comprehensive income for the year	–	6	–	6
Total comprehensive income for the year	**–**	**3,394**	**–**	**3,394**
Dividend	–	(300)	(200)	(500)
Proposed dividend	–	–	200	200
Equity at 31 December 2013	**200**	**26,930**	**200**	**27,330**

CASH FLOW STATEMENT 1 JANUARY – 31 DECEMBER

(m DKK)	Note	2014	2013
Operating profit		3,679	3,330
Interest received		99	86
Interest paid		(27)	(15)
Income tax (paid)/received		(2)	(13)
Reversals of items with no effect on cash flows		(7)	16
Changes in working capital		(3,454)	(3,178)
Cash flows from operating activities		**288**	**226**
Purchases of property, plant and equipment		(69)	(29)
Investment in other non-current assets		35	41
Cash flows from investing activities		**(34)**	**12**
Dividend paid to shareholders		(300)	(300)
New borrowings		25	144
Repayments of borrowings		(9)	(54)
Cash flows from financing activities		**(284)**	**(210)**
Net cash flows		**(30)**	**28**
Cash at 1 January		34	6
Cash at 31 December		**4**	**34**

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The annual report of the Parent Company KIRKBI A/S has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for reporting class B enterprises.

The accounting policies for the Parent Company and for the KIRKBI Group are identical (see note 32 for the KIRKBI Group) except for the following:

Dividend from investments in subsidiaries and associates
Dividend from investments in subsidiaries and associates is recognised in the income statement of the parent company in the year the dividends are declared. If the dividend distributed exceeds the comprehensive income of the subsidiaries in the period the dividend is declared, an impairment test is performed.

Investments in subsidiaries and associates
Investments in subsidiaries and associates are measured at acquisition cost. The acquisition cost includes the fair value of the purchase consideration plus direct purchase costs.

If there is an indication of impairment, impairment testing is carried out as described in the accounting policies for the consolidated financial statements. Where the carrying value exceeds the recoverable amount, it is written down to the recoverable amount.

NOTE 2. EMPLOYEE EXPENSES

(m DKK)	2014	2013
Wages and salaries	108	85
Pension costs	1	1
Other expenses and social security costs	1	1
	110	**87**
Including fee to Executive Management and Board of Directors	**30**	**29**
Number of employees	**47**	**41**

Since the Executive Management only consists of one member, the remuneration of the Executive Management and the Board of Directors is disclosed collectively with reference to § 98b (3) of the Danish Financial Statements.

Incentive plans comprise a short-term incentive plan based on yearly performance and a long-term incentive plan related to long-term goals regarding value creation.

NOTE 3. FINANCIAL INCOME

(m DKK)	2014	2013
Interest from subsidiaries	78	52
Income from other investments and securities	20	24
Other interest and exchange gains	1	10
	99	**86**

NOTE 4. FINANCIAL EXPENSES

(m DKK)	2014	2013
Interest to subsidiaries	10	10
Other interest and exchange losses	17	5
	27	**15**

NOTE 5. TAX ON PROFIT FOR THE YEAR

(m DKK)	2014	2013
Current tax on profit for the year	–	10
Changes in deferred tax	–	–
Adjustment of tax relating to previous years, current tax	2	3
	2	**13**
Income tax expenses are specified as follows:		
Calculated 24.5 % (25 %) tax on profit for the year before income tax	918	850
Non-taxable income	(919)	(843)
Non-deductable costs	1	1
Change in valuation of deferred tax	–	2
Adjustment of tax relating to previous years	2	3
	2	**13**

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

2014 (m DKK)	Property	Other fixtures, fittings, tools and equipment	Fixed assets under construction	Total
Cost at 1 January	483	6	7	496
Additions	1	–	68	69
Transfer	–	–	–	–
Cost at 31 December	**484**	**6**	**75**	**565**
Depreciation and impairment losses at 1 January	132	2	–	134
Depreciation for the year	14	–	–	14
Depreciation and impairment losses at 31 December	**146**	**2**	**–**	**148**
Carrying amount at 31 December	**338**	**4**	**75**	**417**

2013 (m DKK)	Property	Other fixtures, fittings, tools and equipment	Fixed assets under construction	Total
Cost at 1 January	181	6	280	467
Additions	23	–	6	29
Disposals	279	–	(279)	–
Cost at 31 December	**483**	**6**	**7**	**496**
Depreciation and impairment losses at 1 January	120	2	–	122
Depreciation for the year	12	–	–	12
Depreciation and impairment losses at 31 December	**132**	**2**	**–**	**134**
Carrying amount at 31 December	**351**	**4**	**7**	**362**

NOTE 7. OTHER NON-CURRENT ASSETS

2014 (m DKK)	Investments in subsidiaries	Receivables from associates
Cost at 1 January	17,442	503
Exchange adjustments	–	(1)
Disposals	–	(34)
Cost at 31 December	**17,442**	**468**

2013 (m DKK)	Investments in subsidiaries	Receivables from associates
Cost at 1 January	14,890	542
Exchange adjustments	-	2
Additions	2,552	-
Disposals	-	(41)
Cost at 31 December	**17,442**	**503**

Subsidiaries (m DKK)	Domicile	Currency	Nominal capital	Ownership/ Votes
LEGO A/S	Denmark	DKK	20,000,000	75 %
KIRKBI Invest A/S	Denmark	DKK	120,000,000	100 %
INTERLEGO AG	Switzerland	CHF	67,000,000	100 %

NOTE 8. NON–CURRENT LIABILITIES

(m DKK)	Total debt	Due within 1 year	Due between 2 and 5 years
Borrowings	198	7	36
Other long-term liabilities	36	1	35
	234	**8**	**71**

NOTE 9. DEFERRED TAX

(m DKK)	2014	2013
Deferred tax, net at 1 January	1	1
Change in deferred tax	–	–
Provision for deferred tax, net at 31 December	**1**	**1**
Classified as:		
Deferred tax liabilities	1	1
	1	**1**

NOTE 10. CONTINGENT LIABILITIES AND OTHER OBLIGATIONS

(m DKK)	2014	2013
Remaining obligations in investment projects	74	–
Guarantees for group enterprises' balances with credit institutions	349	262
Liabilities operational lease agreements	3	3
Other liabilities	198	205
Total	**624**	**470**

Security has been given in land, buildings and installations at a net carrying amount of DKK 205 million (DKK 215 million in 2013) for the company's mortgage loans.

The Parent Company is the KIRKBI Group's administration company in relation to the Danish tax authorities in as far as national, joint taxation is concerned.

NOTE 11. RELATED PARTY TRANSACTIONS

KIRKBI A/S´ related parties comprise Kjeld Kirk Kristiansen, Sofie Kirk Kristiansen, Thomas Kirk Kristiansen, Agnete Kirk Thinggaard and the Board of Directors and the Executive Management of KIRKBI A/S. Related parties also comprise subsidiaries and associates and Boards of Directors and Executive Management in these companies. Related parties further comprise companies where the mentioned shareholders have significant influence.

Kjeld Kirk Kristiansen, Sofie Kirk Kristiansen, Thomas Kirk Kristiansen and Agnete Kirk Thinggaard have as shareholders significant influence in KIRKBI A/S.

In the financial year a limited number of transactions related to services took place between the owners of KIRKBI A/S and the KIRKBI Group. These services have been paid on normal market conditions and the total fee paid to KIRKBI A/S does not exceed DKK 1 million (2013 DKK 1 million).

There were no transactions in the financial year with the Board of Directors or the Executive Management besides transactions related to employment except from the circumstances described above

For information of remuneration to the Board of Directors and the Executive Management see note 2.

Transactions with subsidiaries and associates have included the following:

(m DKK)	2014	2013
Financial income	95	75
Rental income	43	42
Sale of services	72	59
Financial expenses	(9)	(10)
Rental expenses	(3)	(2)
Purchase of services	(5)	(13)
	193	**151**

Loans, receivables and commitments related to subsidiaries and associates are specified in the balance sheet.

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