KIRKBI Invest A/S

Koldingvej 2
7190 Billund

CVR No. 31159830

Annual Report 2016

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 28 April 2017

Conductor

Contents

Management's Statement

Today, Management has considered and adopted the Annual Report of KIRKBI Invest A/S for the financial year 1 January 2016 - 31 December 2016.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Billund, 28 April 2017

Executive Management

Søren Thorup Sørensen

Board of Directors

Kjeld Kirk Kristiansen Chairman	Sidsel Marie Kristensen	Søren Thorup Sørensen

Independent Auditor's Report

To the shareholder of KIRKBI Invest A/S

Opinion
We have audited the financial statements of KIRKBI Invest A/S for the financial year 1 January 2016 - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of its operations for the financial year 1 January 2016 - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under “Auditors' responsibility for the audit of the financial statements”. As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management considers necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting in preparing the financial statements unless Management either intends to either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements
Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

* Identify and assess the risk of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditor's Report

* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.

* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control which we identify during our audit.

Statement on Management's Review
Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Aarhus, 28 April 2017

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR-no. 33963556

Bill Haudal Pedersen	Nikolaj Thomsen
State Authorised Public Accountant	State Authorised Public Accountant

Company Information

Company	KIRKBI Invest A/S Koldingvej 2 7190 Billund
CVR No.	31159830
Financial year	1 January 2016 - 31 December 2016
Board of Directors	Kjeld Kirk Kristiansen, Chairman Sidsel Marie Kristensen Søren Thorup Sørensen
Executive Management	Søren Thorup Sørensen
Group	The annual report is included in the consolidated financial statement of the Parent KIRKBI A/S, Billund
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab CVR-no.: 33963556

Management's Review

Business review
The company's objective is to engage in investment activities.

The company's assets are primarily invested in ownership of 29.8 % of Merlin Entertainments plc and a broad investment portfolio consisting of listed and unlisted equities, bonds, real estate, private equity funds and other investment activities based on a long-term investment horizon.

Profit for the year and equity
During the past year, the company realised a pre-tax profit of DKK 3,591 million (DKK 4,233 million in 2015) and a profit after tax of DKK 3,273 million (DKK 3,979 million in 2015). The profit for the year includes profits from group entities in the amount of DKK 1,244 million and profits from associates of DKK 266 million. The company's balance sheet shows total assets of DKK 55,887 million. Equity totals DKK 25,448 million, corresponding to an equity ratio of 45 %.

It is proposed not to distribute any dividends for 2016.

Accounting estimates
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 profit before tax.

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.

Unquoted Long-term equity
Valuation of unquoted 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 equity of around DKK 600 million, while profit before tax is unaffected.

Real estate investments
Within fixed 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 on profit before tax would be negative with around DKK 209 million. Please refer to note 8 for a description of the applied yield.

Merlin Entertainments plc
The performance in 2016 is testament to the benefits of Merlin's strategy of portfolio diversification. The external environment continued to present challenges in a number of markets, particularly from international terrorism impacting tourism to larger cities. However, during 2016 there were beginnings of recovery in Resort Theme Parks, steady growth in LEGOLAND Parks and a strong contribution from New Business Development.

Total number of visitors grew by 3.5 % to 65.1 million and revenue grew by 3.6 % in 2016 on a constant currency basis. Profit for the year increased by 9.3 % to GBP 211 million. Following two years of extremely strong growth, the 6 existing LEGOLAND® parks saw further positive momentum in 2016. In October, a new LEGOLAND park in Dubai opened and the LEGOLAND park number 8 located in Japan is planned opened in April 2017. The number of LEGOLAND Discovery Centres increased during the year by three new Centres to a total number of 16 LEGOLAND Discovery Centres. The new openings were in Michigan, Arizona and Shanghai.

Investment activities
The investment portfolio is divided into long-term investments and shorter-term financial investments with the purpose of securing diversification as well as sufficient flexibility at all times. All investment areas are important to KIRKBI Invest A/S, but based on a belief in value creation through long-term focus as well as a long-term illiquidity premium, long-term investments are expected to be a growing part of the total portfolio.

Long-term equity investments
Within Long-term equity, the gains are mainly attributable to solid performance of the investment in MV Holding GmbH as the investments in both Falck Holding A/S and Matas A/S showed negative returns.

Private Equity Investments
In the Private Equity portfolio, gains are attributable both to the preferred buyout funds and co-investments made. During 2016, we made two new commitments to funds and invested in two new co-investments with our private equity partners. The co-investments in 2016 was the investment in Press Ganey with EQT and in Atos Medical together with PAI.

Real estate investment
In 2016, Real estate completed the acquisition of a new property. In Munich, we acquired "Das Einstein" a shopping centre in the Eastern part of Munich of 29,000 square meters.

The investment was made through the subsidiary Einsteinsstrasse 130 GmbH.

Investments in renewable energy
For Borkum Riffgrund 1 the optimisation and test phase was finalised on 18 June 2016, whereby KIRKBI Invest A/S entered into sharing risks and benefits for the windfarm.

The investment is made through Boston Holding A/S of which KIRKBI Invest A/S has an ownership share of 63 %.

In February 2016, 25 % of the British offshore wind farm Burbo Bank Extension was acquired together with PKA (25 %) and DONG Energy (50 %). DONG Energy is handling both the construction and operations of the wind farm. Burbo Bank Extension is located approximately 7 kilometres off the coast of Liverpool in the UK. The wind farm consists of 32 MHI Vestas 8 MW turbines with a total capacity of 258 MW and is expected to provide green energy to 230,000 UK households. First power was generated in November 2016 and as of December 2016, all 32 turbines have been installed. Full commisioning is expected during the first half of 2017.

The investment was made through the subsidiary KIRKBI Burbo Extension Holding UK Ltd.

Knowledge resources
According to the company's corporate mission, the employees are a key resource. The profit for the year was realised thanks to the motivation and commitment of the employees; and as part of the overall corporate strategy, employees and management work together to continuously ensure job satisfaction and a strong working environment.

In 2016, the company employed 16 FTEs on average, which is an increase of three FTE compared to 2015.

All employees are subject to a Performance Management Program, which aims to link business goals with individual employee goals.

Risks
Due to its holding of a significant portfolio of equities and bonds, the company is exposed to fluctuations in the financial markets. At the end of the year, the market value of the company's listed and unlisted equities and bonds amounted to DKK 29.9 billion.

The recognised carrying amount of the company's investment properties is DKK 1.4 billion. The value is impacted by the way in which economic trends will impact on the demand for commercial leases and, hence, the occupancy rate and rent level as well as developments in the long-term interest rate.

Environmental impact
KIRKBI Invest A/S' own activities do not have any material impact on the environment, as the sole impact is related to the use of resources for light and heating.

The company's portfolio of real estate is constantly kept at a high standard, ensuring a healthy environment for the tenants and contributing to ensuring that heat consumption, noise pollution, etc. will at all times live up to current requirements and standards.

Profit for the year compared with expected developments in the most recently published annual report
Profit for 2016 has met expectations.

Corporate Responsibility
Reference is made to the "Corporate Responsibility" reporting in the annual report of the parent, KIRKBI A/S.

Research and development activities
KIRKBI Invest A/S does not engage in research or development activities.

Statement on the gender composition of management
We have the ambition to have a balanced composition of the gender and currently there is no underrepresented gender in the company.

Outlook
The 2017 results of operations are expected to be at a satisfactory level.

Management's Review

Key Figures and Financial Ratios

The development in the company's key figures and financial ratios is shown below.

As descibed on page 11 the accounting policies have been changed for investments in associates and debt related to investment property.The comparative figures for 2012-2014 have not been adjusted according to the change in accounting policies. Adjustment of the comparative figures would give an increase of profit.

	2016	2015	2014	2013	2012
Key figures (Million DKK)					
Revenue	997	1,069	665	596	485
Profit from ordinary operating activities	2,198	2,591	2,979	1,300	1,276
Net financials	-117	-8	-123	-79	-62
Profit for the year	3,273	3,979	3,171	2,553	1,169
Total assets	55,887	48,171	35,579	28,605	22,811
Investment in property, plant and equipment, net	313	91	349	143	72
Total equity	25,448	22,125	18,255	14,965	12,224
Ratios (%)					
Return on assets	4.22	6.19	9.30	5.00	6.10
Return on equity	13.76	19.71	19.10	18.60	10.00
Average number of full-time employees	16	13	11	9	8

For definitions of key ratios, see Accounting Policies

Accounting Policies

Reporting Class
The Annual Report of KIRKBI Invest A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Company has also decided not to include an cash flow statement due to Danish Financial Statements Act § 86, 4.

Change in accounting policies
Accounting policies are due to changes in the Danish Financial Statements Act changed for the following areas:

Investments in associates included in the investment portfolio are recognised at fair value with value adjustment in equity. Previously the value adjustments was recognised in the income statement.

Debt related to investment property is recognised at amortised cost. Previously the debt related to investment property was recognised at fair value with value adjustments in the income statement.

The total effect of changes to accounting policies is a decrease of profit for the year with DKK 333 million (2015: an increase of DKK 308 million). Total assets as of 31 December 2016 is unchanged, while equity as of 31 December 2016 is increased with DKK 4 million (2015: DKK 6 million). Effect of the changes as of 1 January 2016 is recognised directly on equity.

Apart from this, accounting policies remain unchanged from last year.

Consolidated Financial Statements
According to § 112, 1 of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of KIRKBI Invest A/S and its group enterprises are included in the consolidated financial statements of KIRKBI A/S.

Reporting currency
The Annual Report is presented in Danish kroner.

Translation policies
Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

Foreign group entities
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.

Accounting Policies

Differences deriving from translation of the opening balance equity in foreign subsidiaries that are allocated to the company's investment portfolio are recognized in the income statement. Differences deriving from translation of the opening balance equity in foreign subsidiaries that are allocated to the company's strategic portfolio are taken directly to equity.

Derivative financial instruments
Derivative financial instruments are measured at fair value. Positive and negative fair values are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments are recognised in the income statement under other financial income and expenses.

General Information

Basis of recognition and measurement
Income is recognised in the income statement when earned. Furthermore, all costs incurred to generate earnings for the year are recognised in the income statement, including depreciation/amortisation, impairment losses and provisions.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of the asset can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the company, and the value of the liability can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income Statement

Revenue
Income from investments include interest and dividends from securities and is accrued to the period.

Income from properties includes rental income.

Other external expenses
Expenses relating to financial assets are accrued to the period.

Staff costs
Staff costs comprise wages and salaries, pensions and social security costs.

Accounting Policies

Depreciation and impairment losses
Depreciation and impairment charges include depreciation and impairment of property, plant and equipment. Fixed assets are depreciated using the straight-line method, based on the cost measured by reference to the below assessments of the useful lives:

	Useful life
Domicile properties and installations	25 years
Plant and equipment	3-10 years

As for individual assets, the expected residual value has been set off.

Gains or losses on the sale of fixed assets are recognised in the income statement under other operating income and expenses.

Value adjustments of investment properties
Investment properties are recognised at fair value with value adjustments in the income statement. The fair value of investment properties is calculated for each property by use of a return-based model.

Value adjustments of other investment assets
Financial assets are recognised at fair value, and all realised and unrealised value adjustments are recognised in the income statement.

Income from equity investments in group enterprises and associates
Income from equity investments in group enterprises and associates allocated to the company's strategic portfolio comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortisation of consolidated goodwill.

The accounting policy for income from associates allocated to the company's investment portfolio is described in the section "Equity investments in group enterprises and associates".

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include among others interest income and expenses related to receivables, cash and liabilities and realised and unrealised foreign exchange gains and losses.

Tax on profit for the year
Tax on profit for the year comprises current tax on the expected taxable income for the year and adjustments for the year of deferred tax less the portion of tax for the year which concerns changes in equity. Current and deferred tax relating to changes in equity is recognised directly in equity. The company and the Danish group enterprises are jointly taxed. The Danish income tax is allocated between profit-making and loss-making Danish companies in ratio to their taxable income.

Balance Sheet

Property, plant and equipment
Property, plant and equipment include land and buildings, operating equipment and prepayments for property and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Furthermore, as regards operating equipment, an estimated residual value has been taken into consideration for depreciation purposes.

Investment properties are recognised at fair value using of return-based model. The profit/loss, location, and rental situation of the individual properties are included in the model.

An impairment test is made for domicile property, plant and equipment if there is evidence of impairment. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the fair value, net of selling expenses, of the asset or group of assets if this is lower than the carrying amount.

Equity investments in group enterprises and associates
Equity investments in group enterprises are measured by the equity method at the proportionately owned share of the equity of the enterprises plus any consolidated goodwill, less intercompany profit and negative goodwill. Enterprises with negative equity are measured at 0 as the negative value corresponding to the proportionate share is offset against receivables, if any. Amounts beyond this are recognised in the provisions item, if there is a legal or actual obligation to cover the negative balance.

Goodwill is amortised on a straight-line basis over the estimated useful life based on an assessment of, among other factors, the acquiree's nature, earnings and market position as well as the industry's stability and dependence on key personnel.

The company's investments in associates are allocated at the time of investment to the company's strategic portfolio or investment portfolio based on the strategy determined by management for each investment.

Strategic portfolio
Investments allocated to the strategic portfolio are measured using the equity method at the pro rata ownership share of the enterprises' equity plus consolidated goodwill and less intercompany profits and negative goodwill. Goodwill is amortised on a straight-line basis over its estimated useful life, which is determined on the basis of an assessment of the nature, earnings, market position of the acquired enterprise, the stability of the industry and dependence on key personnel, among other factors.

Investment portfolio
Investments allocated to the investment portfolio are currently monitored and evaluated based on the development of fair value in accordance with the company's and the group's investment strategy. As the company's primary activity is to run investment business, investments allocated to the investment portfolio are measured at fair value and adjusted in the equity. The valuation is based on internationally accepted valuation methods for private equity.

Other investments
Other securities and equity investments are measured at the market value at the balance sheet date if they are listed, or at an estimated fair value if they are not.

Accounting Policies

Receivables
Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Cash
Cash comprises cash at bank.

Deferred tax
Deferred tax and adjustment for the year are measured in accordance with the balance-sheet liability method of all temporary differences between the carrying amount and tax-based value of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the amount at which they are expected to be utilised, either by setting off tax on future earnings or by a set-off against deferred tax liabilities in enterprises within the same legal tax entity and jurisdiction.

Deferred tax is measured based on the tax regulations and tax rates that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered.

Other provisions
Provisions are recognised when, at the balance sheet date, the enterprise has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions expected to be settled after more than one year after the balance sheet date are measured at the net present value of the expected payments. Other provisions are measured at net realisable value, unless otherwise stated.

Financial liabilities
Fixed-rate loans such as loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Current tax liabilities
Current tax liabilities are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Deferred income, liabilities
Deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Accounting Policies

Explanation of financial ratios

Return on assets (%): $= \dfrac{\text{Profit from ordinary operating activities X 100}}{\text{Average assets}}$

Return on equity (%): $= \dfrac{\text{Profit/loss for the year X 100}}{\text{Average equity}}$

Income Statement

	Note	2016 T.DKK	2015 T.DKK
Revenue	1	997,445	1,068,879
Other external expenses		-182,522	-213,391
Gross result		**814,923**	**855,488**
Staff costs	2	-14,928	-13,348
Depreciation and impairment of property, plant and equipment		-32,979	-34,699
Value adjustments of investment properties		58,905	-29,374
Value adjustments of other investment assets		1,371,917	1,812,905
Profit from ordinary operating activities		**2,197,838**	**2,590,972**
Income from investments in group enterprises		1,244,390	1,456,580
Income from investments in associates		265,990	193,592
Other financial income		5,355	48,199
Other financial expenses	3	-122,382	-55,838
Profit before tax		**3,591,191**	**4,233,505**
Tax on profit for the year		-318,131	-254,712
Profit for the year	4	**3,273,060**	**3,978,793**

Balance Sheet as of 31 December

	Note	2016 T.DKK	2015 T.DKK
Assets			
Domicile properties	5	103,258	58,982
Plant and equipment	6	361,326	391,868
Prepayments for property, plant and equipment	7	236,321	75,721
Investment properties	8	1,389,701	1,221,848
Property, plant and equipment		**2,090,606**	**1,748,419**
Long-term investments in group enterprises	9, 10	12,260,723	8,614,748
Long-term investments in associates	9, 11	5,806,805	5,495,165
Receivables from group enterprises	12	4,107,146	3,654,720
Receivables from associates	13	267,592	78,042
Other long-term investments	14	100,852	32,640
Investments		**22,543,118**	**17,875,315**
Fixed assets		**24,633,724**	**19,623,734**
Receivables from group enterprises		950,746	564,727
Receivables from associates		2,304	672
Other short-term receivables		158,545	930,995
Receivables		**1,111,595**	**1,496,394**
Securities		29,926,450	26,428,520
Short-term investments		**29,926,450**	**26,428,520**
Cash		**215,503**	**622,816**
Current assets		**31,253,548**	**28,547,730**
Assets		**55,887,272**	**48,171,464**

Balance Sheet as of 31 December

	Note	2016 T.DKK	2015 T.DKK
Liabilities and equity			
Share capital		120,000	120,000
Revaluation reserve		984,829	1,618
Reserve for net revaluation according to equity method		1,399,595	1,271,310
Retained earnings		22,943,498	20,732,112
Equity		**25,447,922**	**22,125,040**
Provisions for deferred tax	15	171,023	159,231
Provisions		**171,023**	**159,231**
Payables to credit institutions		377,909	401,591
Other payables		1,150,732	1,749,316
Long-term liabilities	16	**1,528,641**	**2,150,907**
Short-term part of long-term liabilities		621,551	605,171
Debt to banks		500,697	143,456
Trade payables		21,638	24,763
Payables to group enterprises		27,145,306	22,341,394
Payables to associates		0	2,474
Tax payables		213,918	162,076
Other payables		236,399	456,570
Deferred income, liabilities	17	177	382
Short-term liabilities		**28,739,686**	**23,736,286**
Liabilities		**30,268,327**	**25,887,193**
Liabilities and equity		**55,887,272**	**48,171,464**

Contingent liabilities	18
Other financial obligations	19
Related parties	20

Statement of changes in Equity

2016
(Amounts in T.DKK)

	Share capital	Revaluation reserve	Reserve for net revaluation according to equity method	Retained earnings	Total
Equity at 1/1	120,000	1,618	1,271,310	20,732,112	22,125,040
Capital adjustments in group enterprises and associates	0	0	-281,095	0	-281,095
Dividend received	0	0	-1,101,000	1,101,000	0
Profit for the year	0	0	1,510,380	1,762,680	3,273,060
Fair value adjustments in equity from associates	0	983,211	0	-642,274	340,937
Other adjustments	0	0	0	-10,020	-10,020
Equity at 31/12	**120,000**	**984,829**	**1,399,595**	**22,943,498**	**25,447,922**

The share capital consist of:

58,060 class A shares of DKKT 1 or multiples thereof
61,940 class B shares of DKKT 1 or multiples thereof

The share capital has developed as follows:

	2016	2015	2014	2013	2012
Balance at 1/1	120,000	120,000	120,000	120,000	100,000
Capital increase	0	0	0	0	20,000
Balance at 31/12	**120,000**	**120,000**	**120,000**	**120,000**	**120,000**

Notes

	2016 T.DKK	2015 T.DKK
1. Revenue		
Segmentation of revenue by activity:		
Income from investments	886,951	959,732
Income from properties	86,738	84,866
Other income	23,756	24,281
	997,445	**1,068,879**

As investments are made on a global basis, a segmentation of revenue by geographical market would not be meaningful.

2. Staff costs

	2016	2015
Wages and salaries	13,571	12,104
Pensions	996	814
Social security contributions	361	430
	14,928	**13,348**
Remuneration to members of the executive management and board of directors:		
Executive management and board of directors	1,000	1,000
	1,000	**1,000**
Average number of employees	16	13

3. Other financial expenses

	2016	2015
Finance expenses arising from group enterprises	10,092	1,663
Other finance expenses	112,290	54,175
	122,382	**55,838**

4. Profit distribution

	2016	2015
Reserve for net revaluation according to equity method	1,510,380	1,650,172
Retained earnings	1,762,680	2,328,621
	3,273,060	**3,978,793**

Notes

	2016 T.DKK
5. Domicile properties	
Cost at 1/1 2016	106,530
Addition during the year	46,713
Cost at 31/12 2016	**153,243**
Depreciation and impairment losses at 1/1 2016	-47,548
Depreciation and impairment losses for the year	-2,437
Depreciation and impairment losses at 31/12 2016	**-49,985**
Carrying amount at 31/12 2016	**103,258**
6. Plant and equipment	
Cost at 1/1 2016	482,941
Cost at 31/12 2016	**482,941**
Depreciation and impairment losses at 1/1 2016	-91,073
Depreciation and impairment losses for the year	-30,542
Depreciation and impairment losses at 31/12 2016	**-121,615**
Carrying amount at 31/12 2016	**361,326**
7. Prepayments for property, plant and equipment	
Cost at 1/1 2016	75,721
Addition during the year	160,600
Cost at 31/12 2016	**236,321**
Carrying amount at 31/12 2016	**236,321**
8. Investment properties	
Cost at 1/1 2016	783,159
Addition during the year	118,538
Disposal during the year	-13,094
Cost at 31/12 2016	**888,603**
Fair value adjustments at 1/1 2016	438,689
Adjustments for the year	61,994
Reversal of fair value adjustments of disposed assets	415
Fair value adjustments at 31/12 2016	**501,098**
Carrying amount at 31/12 2016	**1,389,701**

Notes

Investment properties are recognised at fair value on the basis of a return-based model using yields in the level 4.5-9 %. If the yield in the calculations increases by 1 % point, the impact on profit before tax would be negative with DKK 209 million.

9. Investment in group enterprises and associates

Company name and legal form	Domicile	Currency	Nominal capital	Interest (%)
Group enterprises				
Boston Holding A/S	Denmark	DKK	500,000	63
Einsteinsstrasse 130 GmbH	Germany	EUR	50,000	90
KIRKBI AG	Switzerland	CHF	3,000,000	100
KIRKBI Anlæg A/S	Denmark	DKK	10,000,000	100
KIRKBI Burbo Extension Holding UK Ltd.	UK	GBP	9	100
KIRKBI Estates Ltd.	Scotland	GBP	20,000,000	100
KIRKBI Palác Karlin Property s.r.o.	Czech Republic	CZK	100,000,000	100
KIRKBI Real Estate Investment A/S	Denmark	DKK	100,000,000	100
KIRKBI Real Estate Investment GmbH	Germany	EUR	25,000	100
KIRKBI Real Estate Investment s.r.o.	Czech Republic	CZK	16,500,000	100
K & C Holding A/S	Denmark	DKK	45,000,000	100
LEGO Juris A/S	Denmark	DKK	10,000,000	100
LLJ Investco K.K.	Japan	JPY	300,100,000	100
Maxor 4 GmbH	Germany	EUR	25,000	94
Valdek Praha Spol. s.r.o.	Czech Republic	CZK	100,000	100
Associates recognised at equity value				
Axcel IKU Invest ApS	Denmark	DKK	90,000	33.3
Founders A/S	Denmark	DKK	11,550,000	33.3
Merlin Entertainments plc	UK	GBP	10,137,460	29.8
Associates recognised at fair value				
Falck Holding A/S	Denmark	DKK	66,952,345	27.7
MV Holding GmbH	Germany	EUR	213,000	29.4

Notes

	2016 T.DKK
10. Income from investments in group enterprises	
Cost at 1/1 2016	6,823,597
Additions in connection with acquisition of enterprises	3,482,039
Cost at 31/12 2016	**10,305,636**
Adjustments at 1/1 2016	1,786,105
Share of the profit/loss for the year	1,244,390
Dividend received	-907,000
Other adjustments	-168,408
Fair value adjustments at 31/12 2016	**1,955,087**
Carrying amount at 31/12 2016	**12,260,723**

11. Long-term investments in associates

Cost at 1/1 2016	6,387,718
Capital increase	11,400
Cost at 31/12 2016	**6,399,118**
Adjustments at 1/1 2016	-892,553
Share of the profit/loss for the year, net	606,927
Dividend received	-194,000
Other adjustments	-112,687
Fair value adjustments at 31/12 2016	**-592,313**
Carrying amount at 31/12 2016	**5,806,805**
Analysis of the company's share of the profit/loss for the year	
Share of the profit/loss for the year, net	287,311
Fair value adjustment	340,937
Amortisation of goodwill on consolidation	-21,321
	606,927
Analysis of the carrying amount at 31/12 2016	
Share of net asset value	1,963,158
Fair value	3,792,212
Goodwill on consolidation	51,435
	5,806,805

Notes

	2016 T.DKK
12. Receivables from group enterprises	
Cost at 1/1 2016	3,659,766
Additions for the year	477,870
Disposals during the year	-30,490
Cost at 31/12 2016	**4,107,146**
Write-downs at 1/1 2016	-5,046
Reversal during the year	5,046
Write-downs at 31/12 2016	**0**
Carrying amount at 31/12 2016	**4,107,146**

13. Receivables from associates

Cost at 1/1 2016	78,042
Additions for the year	189,550
Cost at 31/12 2016	**267,592**
Carrying amount at 31/12 2016	**267,592**

14. Other long-term investments

Cost at 1/1 2016	32,640
Additions during the year	82,125
Disposals during the year	-13,913
Costs at 31/12 2016	**100,852**
Carrying amount at 31/12 2016	**100,852**

15. Provisions for deferred tax

Deferred tax at 1/1 2016	159,231
Regulation of deferred tax in the income statement	11,792
Balance at 31/12 2016	**171,023**

16. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to credit institutions	377,909	23,870	282,846
Other payables	1,150,732	597,681	0
	1,528,641	**621,551**	**282,846**

Notes

	2016 T.DKK
17. Deferred income, liabilities	
Prepaid rent	177
Balance at 31/12 2016	**177**

18. Contingent liabilities

A statement of continuing financial support has been given to the subsidiary KIRKBI Estates Ltd. KIRKBI Invest A/S will provide continuing financial support to KIRKBI Estates Ltd. to enable it to operate as a going concern and to meet its obligations for at least 12 months from the date of the directors' report for the financial year ended 31 December 2016.

The company is part of a joint taxation arrangement in which the parent, KIRKBI A/S is the management company. Therefore, the company is jointly and severally liable for tax on the group's joint taxation income, etc., including surcharges and interest. Also, the company is jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax, including surcharges and interest, to which the jointly taxed entities are liable. Any subsequent changes in corporate income taxes and withholding taxes may imply that the company becomes liable to pay tax.

Apart from the above, there are no contingent liabilities.

19. Other financial obligations

Contingent liabilities and legal commitments to participate in investment projects and other purchase obligations amount to maximally DKK 7,415 million.

Security has been given in land, buildings and installations with a net carrying amount of DKK 928 million for the company's mortgage loans which amount to DKK 406 million.

20. Related parties

The parent, KIRKBI A/S, Billund has a controlling interest.

All transactions with related parties are made on market terms.