

# **KIRKBI Invest A/S**

Koldingvej 2  
7190 Billund

CVR No. 31159830

## **Annual Report 2015**

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 28 April 2016

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Conductor

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## **Management's Statement**

Today, Management has considered and adopted the Annual Report of KIRKBI Invest A/S for the financial year 1 January 2015 - 31 December 2015.

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 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015.

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 2016

### **Executive Management**

Søren Thorup Sørensen

### **Board of Directors**

Kjeld Kirk Kristiansen  
Chairman

Poul Hartvig Nielsen

Søren Thorup Sørensen

## **Independent Auditor's Report**

**To the shareholder of KIRKBI Invest A/S**

### **Report on the financial statements**

We have audited the financial statements of KIRKBI Invest A/S for the financial year 1 January 2015 to 31 December 2015, which comprise the accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### **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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the 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 financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Entity's preparation of 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 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 qualifications.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January 2015 to 31 December 2015 in accordance with the Danish Financial Statements Act.

### **Statement on 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 financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Aarhus, 28 April 2016

### **Deloitte**

**Statsautoriseret Revisionspartnerselskab**

CVR-no. 33963556

Thomas Rosquist Andersen  
State Authorised Public Accountant

Nikolaj Thomsen  
State Authorised Public Accountant

## KIRKBI Invest A/S

### Company Information

<b>Company</b>	KIRKBI Invest A/S Koldingvej 2 7190 Billund
Telephone	+45 75 33 88 33
Telefax	+45 75 33 89 44
email	kirkbi@kirkbi.com
Website	www.kirkbi.com
CVR No.	31159830
Financial year	1 January 2015 - 31 December 2015
<b>Board of Directors</b>	Kjeld Kirk Kristiansen, Chairman Poul Hartvig Nielsen Søren Thorup Sørensen
<b>Executive Management</b>	Søren Thorup Sørensen
<b>Shareholders according to the Danish Companies Act</b>	KIRKBI A/S, DK-7190 Billund, 100% CVR No. 18591235
<b>Group enterprises</b>	Boston Holding A/S, Denmark, 63% KIRKBI AG, Switzerland, 100% KIRKBI Anlæg A/S, Denmark, 100% KIRKBI Estates Ltd., Scotland, 100% KIRKBI Palác Karlin Property s.r.o., Czech Republic, 100% KIRKBI Real Estate Investment A/S, Denmark, 100% KIRKBI Real Estate Investment GmbH, Germany, 100% KIRKBI Real Estate Investment s.r.o., Czech Republic, 100% K & C Holding A/S, Denmark, 100% Blue Hors ApS, Denmark, 100% Schelenborg Gods ApS, Denmark, 100% LEGO Juris A/S, Denmark, 100% LLJ Investco KK, Japan, 100% Maxor 4 GmbH, Germany, 94% Valdek Praha Spol. s.r.o., Czech Republic, 100%
<b>Associates</b>	Axcel IKU Invest A/S, Denmark, 33.3% Falck Holding A/S, Denmark, 27.7% Founders A/S, Denmark, 33.3% Merlin Entertainments plc, UK, 29.9% MV Holding GmbH, Germany, 29.4%
<b>Group</b>	The annual report is included in the consolidated financial statement of the Parent KIRKBI A/S, DK-7190 Billund, CVR No. 18591235
<b>Auditors</b>	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 29.9% 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 3,925 million (DKK 3,676 million in 2014) and a profit after tax of DKK 3,671 million (DKK 3,171 million in 2014). The profit for the year includes profit from group entities in the amount of DKK 1,457 million and deficits from associates of DKK 123 million. The company's balance sheet shows total assets of DKK 48,171 million. Equity totals DKK 22,119 million, corresponding to an equity ratio of 46%.

It is proposed not to distribute any dividends for 2015.

### Special matters

100% of the shares in KIRKBI AG was acquired 1 January 2015 and this company is now fully integrated in the investment portfolio for KIRKBI Invest A/S.

### Recognition and measurement uncertainties

Listed equities and bonds are recognised at the listed price at the balance sheet date. Subsidiaries are recognised at their net asset value. Associates are recognised at fair value or net asset value. Investments in private equity funds are measured at an estimated market value of the assets in the underlying funds based on the most recent reports from these funds. The company's properties are measured on the basis of an individual review and assessment of each property.

### Merlin Entertainments plc

The year 2015 was dominated by the traumatic accident at Alton Towers in June. Merlin Entertainments immediately accepted liability and have announced the cause, human error, which lead to a series of enhanced and rigorous new protocols to ensure there can be no repetition of this accident. Resort Theme parks were significantly negatively impacted by the accident in both number of visitors and operating profit. Despite the great shadow cast by this incident, business elsewhere in Merlin Entertainments performed satisfactorily.

Total number of visitors grew by 0.3% and revenue grew by 3.9% in 2015 on a constant currency basis. Profit for the year increased by 4.9% to GBP 170 million. The 6 LEGOLAND® parks enjoyed another excellent year following the record performance reported in 2014. In May 2015, Merlin Entertainments opened a new 152 room hotel at LEGOLAND Florida and can now offer accommodation at all its LEGOLAND parks. Further 3 LEGOLAND parks are currently being developed around the world. In Dubai (opening 2016), Japan (2017) and South Korea (2018). With the success of the LEGOLAND brands Merlin Entertainments will continue to pursue options for the roll out of further LEGOLAND parks.

Midway attractions experienced growth of 5% in number of visitors reflecting a strong performance in Asia. Within Midway attractions, Merlin Entertainments opened two LEGOLAND Discovery Centres, in Osaka, Japan and in Istanbul, Turkey. For 2016, a new LEGOLAND Discovery Centre is scheduled to open in Shanghai, China.

## **Management's Review**

### **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 ISS A/S. ISS A/S has performed well both operationally and financially and during 2015, the share price has increased by 40% and the company has, in addition, paid dividends of DKK 4.90 per share. In March 2015, we increased our equity stake in ISS A/S from 5.8% to above 10%. Other significant Long-term equity investments are our 28% equity stake in Falck Holding A/S, 29% equity stake in Minimax Viking Group and equity stake of more than 10% in Matas A/S.

### **Private Equity Investments**

In the Private Equity portfolio, gains are attributable both to the preferred buyout funds and co-investments made. During 2015, we made three new commitments to funds and invested in four new co-investments with our partners. The most significant co-investment in 2015 was the investment in Nordic Aviation Capital A/S together with EQT. In November 2015, we announced the investment in Armacell, a world leader in flexible insulation foams, together with Blackstone.

### **Real estate investments**

In 2015, Real estate completed the acquisition of two new office properties in Munich totaling 27,500 square meters. One property has been renovated to a modern LEED silver standard and we intend to renovate the other property in 2017-18.

The investments were made through the group enterprises KIRKBI Real Estate Investment GmbH and Maxor 4 GmbH.

### **Investments in renewable energy**

During 2015, the German offshore wind farm Borkum Riffgrund 1 was officially opened and in February 2015, first power was produced and delivered into the grid. We are looking forward to the wind farm becoming operational during 2016, which will be an important milestone in the LEGO Planet Promise to generate enough new renewable energy to meet The LEGO Group's energy needs by 2020.

The investment was made through Boston Holding A/S of which KIRKBI Invest A/S has an interest of 63%.

In February 2016, we also acquired 25% of the British offshore wind farm Burbo Bank Extension together with PKA (25%) and DONG (50%).

### **Subsequent events**

No other significant events have occurred after the end of the financial year, which could materially impact the financial position of the company at 31 December 2015.

### **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.

## **Management's Review**

In 2015, the company employed 13 FTEs on average, which is an increase of 2 FTE compared to 2014.

All employees are subject to a Performance Management Program, which aims to link business goals with individual employee goals. This program includes a tiered bonus scheme.

### **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 1.2 billion. The value is impacted by the way in which economic trends will affect 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.

### **Corporate Responsibility**

Reference is made to the CSR 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**

The board of directors of KIRKBI Invest A/S has resolved to follow the ambition in the parent, KIRKBI A/S, to recruit one female member over the coming 2-year period, 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 under-represented gender accounts for 0 per cent of the board members appointed by the general meeting of shareholders, which was also the case last year.

### **Outlook**

The 2016 results of operations are expected to be at a satisfactory level.



## Key Figures and Financial Ratios

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

The comparative figures for 2011-2012 have not been adjusted according to the change in accounting policies in 2014, see Accounting Policies in the Annual Report 2014. The figures for 2011-2012 are therefore not necessarily comparable with the financial figures for 2013-2015.

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Key figures (m DKK)					
Revenue	1,069	665	596	485	486
Profit from ordinary operating activities	2,590	2,979	1,300	1,276	221
Net financials	2	-123	-79	-62	-136
Profit for the year	3,671	3,171	2,553	1,169	139
Total assets	48,171	35,579	28,605	22,811	17,530
Investments in property, plant and equipment, net	91	349	143	72	-26
Total Equity	22,119	18,255	14,965	12,224	9,415
Ratios (%)					
Return on assets	6.2	9.3	5	6.1	1.3
Return on equity	18.2	19.1	18.6	10	1.5
Average number of full-time employees					
	13	11	9	8	8

For definitions of key ratios, see Accounting Policies.

## **Accounting Policies**

### **Reporting Class**

The Annual Report of KIRKBI Invest A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

### **Consolidated Financial Statements**

According to section 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.

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, which are classified as and satisfy the criteria for hedging of the fair value of an asset or a recognised liability, are recognised in the income statement together with any changes in fair value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments, which satisfy the criteria for hedging of expected future cash flows, are recognised as a separate reserve under equity. Income and expenses regarding these hedged transactions are transferred from equity, when the hedged transaction affects the income statement. The amount is recognised in net financials.

## Accounting Policies

### 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.

#### 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:

	<b>Useful life</b>
Domicile properties and installations	25 years
Tools 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.

## Accounting Policies

### 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.

### Value adjustments of liabilities

Financial liabilities are recognised at fair value with value adjustments 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

## **Accounting Policies**

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 income statement. 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.

### **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.

## Accounting Policies

### Financial liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. In the following periods the loans are measured at fair value. Other debt is measured at amortised cost corresponding to the nominal unpaid debt.

### 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.

## Cash Flow Statement

The company has not prepared a cash flow statement, as this is included in the consolidated cash flow statement for the KIRKBI A/S Group.

## Explanation of financial ratios

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

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

## KIRKBI Invest A/S

### Income Statement

	Note	2015 † DKK	2014 † DKK
Revenue	1	1,068,879	665,116
Other external expenses		-213,391	-192,804
<b>Gross result</b>		<b>855,488</b>	<b>472,312</b>
Staff costs	2	-13,348	-11,527
Depreciation and impairment of property, plant and equipment		-34,699	-27,000
Value adjustments of investment properties		-29,374	50,156
Value adjustments of other investment assets		1,812,905	2,493,087
Value adjustments of liabilities		-1,295	1,952
<b>Profit from ordinary operating activities</b>		<b>2,589,677</b>	<b>2,978,980</b>
Income from investments in group enterprises		1,456,580	730,801
Income from investments in associates		-123,498	89,430
Other financial income	3	57,737	28,274
Other financial expenses	4	-55,255	-151,519
<b>Profit before tax</b>		<b>3,925,241</b>	<b>3,675,966</b>
Tax on profit for the year		-254,712	-505,430
<b>Profit for the year</b>		<b>3,670,529</b>	<b>3,170,536</b>
Reserve for net revaluation according to equity method		1,650,172	892,551
Retained earnings		2,020,357	2,277,985
		<b>3,670,529</b>	<b>3,170,536</b>

## Balance Sheet as of 31 December

	Note	2015 † DKK	2014 † DKK
<b>Assets</b>			
Domicile properties	5	58,982	60,123
Plant and equipment	6	391,868	472,178
Prepayments for property, plant and equipment	7	75,721	31,716
Investment properties	8	1,221,848	1,186,683
<b>Property, plant and equipment</b>		<b>1,748,419</b>	<b>1,750,700</b>
Investments in group enterprises	10	8,614,748	2,824,503
Investments in associates	11	5,495,165	5,726,866
Receivables from group enterprises	12	3,654,720	2,995,436
Receivables from associates	13	78,042	0
Other long-term investments	14	32,640	52,000
<b>Investments</b>		<b>17,875,315</b>	<b>11,598,805</b>
<b>Fixed assets</b>		<b>19,623,734</b>	<b>13,349,505</b>
Receivables from group enterprises		564,727	770,731
Receivables from associates		672	45,581
Other short-term receivables		930,995	109,833
<b>Receivables</b>		<b>1,496,394</b>	<b>926,145</b>
Securities		26,428,520	20,429,577
<b>Short-term investments</b>		<b>26,428,520</b>	<b>20,429,577</b>
<b>Cash</b>		<b>622,816</b>	<b>873,360</b>
<b>Current assets</b>		<b>28,547,730</b>	<b>22,229,082</b>
<b>Assets</b>		<b>48,171,464</b>	<b>35,578,587</b>



## Balance Sheet as of 31 December

	Note	2015 † DKK	2014 † DKK
<b>Liabilities and equity</b>			
Share capital	15	120,000	120,000
Reserve for net revaluation according to equity method		1,271,310	564,583
Retained earnings		20,727,581	17,570,615
<b>Equity</b>	16	<b>22,118,891</b>	<b>18,255,198</b>
Provisions for deferred tax		159,231	177,861
Other provisions		0	115
<b>Provisions</b>		<b>159,231</b>	<b>177,976</b>
Payables to credit institutions		407,740	459,657
Other payables		1,749,316	590
<b>Long-term liabilities</b>	17	<b>2,157,056</b>	<b>460,247</b>
Short-term part of long-term liabilities		605,171	25,237
Debt to banks		143,456	0
Trade payables		24,763	7,349
Payables to group enterprises		22,341,394	15,929,898
Payables to associates		2,474	213,997
Tax payables		162,076	398,238
Other payables		456,570	110,256
Deferred income, liabilities		382	191
<b>Short-term liabilities</b>		<b>23,736,286</b>	<b>16,685,166</b>
<b>Liabilities</b>		<b>25,893,342</b>	<b>17,145,413</b>
<b>Liabilities and equity</b>		<b>48,171,464</b>	<b>35,578,587</b>
Contingent liabilities	18		
Other financial obligations	19		
Related parties	20		
Business combinations	21		

**Notes**

(amounts in t DKK)

	<b>2015</b>	<b>2014</b>
<b>1. Revenue</b>		
Segmentation of revenue by activity:		
Income from investments	959,732	558,917
Income from properties	84,866	84,772
Other income	24,281	21,427
	<b><u>1,068,879</u></b>	<b><u>665,116</u></b>
As investments are made on a global basis, a segmentation of revenue by geographical segment would not be meaningful.		
<b>2. Staff costs</b>		
Wages and salaries	12,104	10,485
Pensions	814	710
Social security contributions	430	332
	<b><u>13,348</u></b>	<b><u>11,527</u></b>
<i>Remuneration to members of the executive management and board of directors:</i>		
Executive management and board of directors	1,000	1,000
	<b><u>1,000</u></b>	<b><u>1,000</u></b>
Average number of employees	<u>13</u>	<u>11</u>
<b>3. Other financial income</b>		
Finance income from group enterprises	0	3,162
Other finance income	57,737	25,112
	<b><u>57,737</u></b>	<b><u>28,274</u></b>
<b>4. Other financial expenses</b>		
Finance expenses arising from group enterprises	1,663	80,326
Other finance expenses	53,592	71,193
	<b><u>55,255</u></b>	<b><u>151,519</u></b>

**Notes**

(amounts in t DKK)

**2015****5. Domicile properties**

Cost at 1/1 2015	103,560
Addition during the year	2,971
<b>Cost at 31/12 2015</b>	<b>106,531</b>
Depreciation and impairment losses at 1/1 2015	-43,437
Depreciation and impairment losses for the year	-4,112
<b>Depreciation and impairment losses at 31/12 2015</b>	<b>-47,549</b>
<b>Carrying amount at 31/12 2015</b>	<b>58,982</b>

**6. Plant and equipment**

Cost at 1/1 2015	554,981
Addition during the year	277
Disposal during the year	-72,363
<b>Cost at 31/12 2015</b>	<b>482,895</b>
Depreciation and impairment losses at 1/1 2015	-82,803
Depreciation and impairment losses for the year	-30,587
Reversal of impairment losses and amortisation of disposed assets	22,363
<b>Depreciation and impairment losses at 31/12 2015</b>	<b>-91,027</b>
<b>Carrying amount at 31/12 2015</b>	<b>391,868</b>

**7. Prepayments for property, plant and equipment**

Cost at 1/1 2015	31,716
Addition during the year	44,005
<b>Cost at 31/12 2015</b>	<b>75,721</b>
<b>Carrying amount at 31/12 2015</b>	<b>75,721</b>

**Notes**

(amounts in t DKK)

**2015****8. Investment properties**

Cost at 1/1 2015	667,546
Addition during the year	144,504
Disposal during the year	-28,891
<b>Cost at 31/12 2015</b>	<b>783,159</b>
Fair value adjustments at 1/1 2015	519,137
Adjustments for the year	-39,339
Reversal of fair value adjustments of disposed assets	-41,109
<b>Fair value adjustments at 31/12 2015</b>	<b>438,689</b>
<b>Carrying amount at 31/12 2015</b>	<b>1,221,848</b>

Investment properties are recognised at fair value on the basis of a return-based model using yields in the level 5-9%. If the yield in the calculations increases by 1% point, the impact on profit before tax would be negative with DKK 180 million.

## Notes

## 9. Investments in group enterprises and associates

Company name and legal form	Domicile	Currency	Nominal capital	Interest (%)
<b>Group enterprises</b>				
Boston Holding A/S	Denmark	DKK	500,000	63
KIRKBI AG	Switzerland	CHF	3,000,000	100
KIRKBI Anlæg A/S	Denmark	DKK	10,000,000	100
KIRKBI Estates Ltd.	Scotland	GBP	20,000,000	100
KIRKBI Palác Karlín 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 KK	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
<b>Associates recognised at equity value</b>				
Axcel IKU Invest A/S	Denmark	DKK	3,000,000	33.3
Founders A/S	Denmark	DKK	8,130,000	33.3
Merlin Entertainments plc	UK	GBP	10,137,460	29.9
<b>Associates recognised at fair value</b>				
Falck Holding A/S	Denmark	DKK	66,952,345	27.7
MV Holding GmbH	Germany	EUR	213,000	29.4

**Notes**

(amounts in t DKK)

**2015****10. Long-term investments in group enterprises**

Cost at 1/1 2015	1,611,328
Addition in connection with acquisition of enterprises	4,766,384
Capital increase	447,797
Disposal during the year	-1,912
<b>Cost at 31/12 2015</b>	<b><u>6,823,597</u></b>
Adjustments at 1/1 2015	1,210,349
Share of the profit/loss for the year	1,456,580
Dividend paid	-919,000
Other adjustments	37,797
Reversed adjustments for disposals	379
<b>Adjustments at 31/12 2015</b>	<b><u>1,786,105</u></b>
Set-off of negative value of loans recognised as non-current assets	5,046
	<b><u>5,046</u></b>
<b>Carrying amount at 31/12 2015</b>	<b><u>8,614,748</u></b>

**11. Long-term investments in associates**

Cost at 1/1 2015	6,370,918
Capital increase	16,800
<b>Cost at 31/12 2015</b>	<b><u>6,387,718</u></b>
Adjustments at 1/1 2015	-644,052
Share of the profit/loss for the year, net	-123,498
Dividend paid	-280,370
Other adjustments	155,367
<b>Adjustments at 31/12 2015</b>	<b><u>-892,553</u></b>
<b>Carrying amount at 31/12 2015</b>	<b><u>5,495,165</u></b>

## KIRKBI Invest A/S

### Notes

(amounts in t DKK)

**2015**

*Analysis of the company's share of the profit/loss for the year*

Share of the profit/loss for the year, net	214,914
Fair value adjustment	-317,090
Amortisation of goodwill on consolidation	-21,322
	<u><b>-123,498</b></u>

*Analysis of the carrying amount at 31/12 2015*

Share of the net asset value	1,971,134
Fair value	3,451,274
Goodwill on consolidation	72,757
	<u><b>5,495,165</b></u>

### **12. Long-term receivables from group enterprises**

Receivables at 1/1 2015	2,998,262
Additions for the year	661,504
<b>Costs at 31/12 2015</b>	<u><b>3,659,766</b></u>

Write-downs at 1/1 2015	-2,826
Write-downs for the year	-2,220
<b>Write-downs at 31/12 2015</b>	<u><b>-5,046</b></u>

<b>Carrying amount at 31/12 2015</b>	<u><b>3,654,720</b></u>
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### **13. Long-term receivables from associates**

Receivables at 1/1 2015	0
Additions for the year	78,042
<b>Cost at 31/12 2015</b>	<u><b>78,042</b></u>

<b>Carrying amount at 31/12 2015</b>	<u><b>78,042</b></u>
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**Notes**

(amounts in † DKK)

**2015****14. Other long-term investments**

Cost at 1/1 2015	56,000
Disposal during the year	-23,360
<b>Cost at 31/12 2015</b>	<b>32,640</b>
Write-downs at 1/1 2015	-4,000
Reversal of prior years' write-downs	4,000
<b>Write-downs at 31/12 2015</b>	<b>0</b>
<b>Carrying amount at 31/12 2015</b>	<b>32,640</b>

**15. Share capital**

The share capital consist of:

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

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Balance, beginning of the year	120,000	120,000	120,000	100,000	100,000
Capital increase	0	0	0	20,000	0
<b>Balance, end of the year</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>100,000</b>

**16. Statement of changes in equity**

	<b>Share capital</b>	<b>Reserve for net revaluation according to equity method</b>	<b>Retained earnings</b>	<b>Total</b>
Equity at 1/1 2015	120,000	564,583	17,570,615	18,255,198
Capital adjustments in group enterprises and associates	0	193,164	0	193,164
Transfer	0	-1,136,609	1,136,609	0
Transferred in the year	0	1,650,172	2,020,357	3,670,529
<b>Equity at 31/12 2015</b>	<b>120,000</b>	<b>1,271,310</b>	<b>20,727,581</b>	<b>22,118,891</b>



**Notes**

(amounts in t DKK)

**17. Long-term liabilities**

	<b>Due after 1 year</b>	<b>Due within 1 year</b>	<b>Due after 5 years</b>
Payables to credit institutions	407,740	23,988	311,720
Other payables	1,749,316	581,183	0
	<b>2,157,056</b>	<b>605,171</b>	<b>311,720</b>

**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 2015.

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**

REPO agreements have been entered into with an amount of DKK 297 million (DKK 198 million in 2014).

Contingent liabilities and legal commitments to participate in investment projects and other purchase obligations amount to maximally DKK 3,642 million (DKK 1,812 million in 2014).

Commitment of loan to subsidiary of approx. DKK 259 million (DKK 1 billion in 2014) has been given for covering the financing of an offshore wind park.

Security has been given in land, buildings and installations with a net carrying amount of DKK 832 million (DKK 866 million in 2014) for the company's mortgage loans.

**20. Related parties**

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

**21. Business combinations**

On 1 January 2015 KIRKBI Invest A/S acquired 100% of the shares in KIRKBI AG, Switzerland at market value. KIRKBI AG is an investment company and the balance sheet on 1 January 2015 included cash and securities at market value of CHF 695 million, receivables of CHF 19 million offset by debt of CHF 6 million. The purchase price of CHF 708 million was paid with cash CHF 238 million and debt of CHF 470 million. No bad- or goodwill occurred from this transaction.