

## LEGO Group sales up by 17% in 2011

For the 8th year running the LEGO Group captured market shares in 2011 in a sluggish toy market. The Group's share of the global market is now 7.1%. Sales rose to USD \$3.495 billion.

This is reported in the company's annual report for 2011, with the key figures showing that 2010's high growth rate continued into 2011.

- Operating profit for the year increased to USD \$1.057 billion from USD \$884 million in 2010.
- Profit for the year increased to USD \$776 million from USD \$661 million in 2010.
- Group equity increased to USD \$1.214 billion at end 2011 from USD \$981 million at end 2010.
- Sales rose by 17% to USD \$3.495 billion (from USD \$2.847 billion in 2010).

"It is a highly satisfactory result reflecting a solid growth in profit. Growth in the North American market continued undiminished, and also in most European and Asian markets we were able to report double-digit increases in sales," says Jørgen Vig Knudstorp, LEGO Group CEO.

### Success with both classic and licensed products

Sales of licence-based product lines in particular were well above expectations in 2011. This was the case with, for example, with LEGO® products based on *Star Wars™*, *Harry Potter™* and *Pirates of the Caribbean™*.

Sales of classic lines such as LEGO City, LEGO Technic and LEGO Creator also rose sharply, while LEGO Ninjago, the Group's major product launch in 2011 – a combination of traditional building sets and so-called spinners – exceeded expectations and was the Group's biggest product introduction [ever](#).

By contrast, LEGO Universe – the online game launched in late 2010 – fell below expectations, and in November 2011 the decision was made to halt development of the game.

### Investment in wind energy

The LEGO Group is taking active steps to reduce its impact on the environment and in February 2012 the LEGO Group took an important step towards its goal of generating renewable energy capacity to meet 50% of its energy needs by 2015, rising to 100% by 2020. 23 February the LEGO Group's parent company, KIRKBI A/S, announced an investment in a new offshore wind farm in Germany which is expected to enable the LEGO Group to meet its energy targets for 2020. The wind farm is expected to come on stream in 2014.

### Increased production capacity and 1,000 new employees

In 2011, the LEGO Group continued to invest in production capacity in order to be able to meet demand.

- In the autumn new moulding halls were opened at the LEGO factory in Monterrey, Mexico, where a new high-bay warehouse is under construction.
- In March 2011 work began on a major extension to the LEGO factory in Kladno, Czech Republic, which is expected to open in spring 2012.
- It has also been decided to build a brand-new factory in Nyíregyháza, Hungary, to replace the existing, rented facility in the same city.

In 2011 the number of LEGO employees, reflecting rising sales and capacity investments, increased to an average of 9,374 full-time employees for the year – which was 1,009 more than in 2010.

The LEGO Group has grown strongly over the past seven years, and as a result the size and complexity of the organization has grown. In 2011, the Group set up was simplified and management was restructured removing a management level and some individuals left the company. A new and broader Corporate Management team of 22 individuals facilitates better collaboration and faster decision making. The expected outcome of this is a set up more scalable and adaptable to the challenges facing the LEGO Group, such as further expansion in emerging markets.

**Continued growth expected**

In the context of the LEGO Group's positive results in 2011, global LEGO Group sales are expected to continue growing, producing a satisfactory result for 2012. One of the drivers is the new play theme, LEGO Friends, which along with the existing product range should secure continued sales growth in 2012.

The company expects, however, that the economic crisis in certain European markets will mean slower growth during the coming year. In the closing months of 2011 in particular, the LEGO Group observed the growth rate in some Western European markets decline. In the light of these economic trends the LEGO Group expects a flat or slightly declining development in the overall European toy market in 2012 – while modest increases are expected in the overall market for traditional toys elsewhere in the world.

**Further information:**

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