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18 percent global sales growth in the first half of 2015

The LEGO Group delivered a turnover of DKK 14,142m in the first half of 2015, in addition to expanding its factories around the globe and significantly increasing investments on the responsibility agenda. First half sales were driven by double-digit growth across all geographical regions and strong product innovation on themes such as LEGO® Ninjago, LEGO Elves and LEGO Creator.

Key financial figures from the 2015 interim result:

- Revenue in the first half of 2015 increased by 18% compared with the same period last year measured in local currency (i.e. excluding the impact of foreign exchange rate changes).
- Revenue for the first half of 2015 increased by 23% in DKK to DKK 14,142m compared with DKK 11,458m for the same period last year.
- Operating profit (profit before financial items and tax) for the first half of 2015 was DKK 4,607m compared to DKK 3,632m for the first half of 2014, an increase of 27% year over year.
- Net profit for the first half of 2015 was DKK 3,553m compared with DKK 2,715m for the first half of 2014.
- Cash flow from operating activities was DKK 4,349m compared with DKK 3,383m during the first half of 2014.

Commenting on the financial result, LEGO Group President and CEO Jørgen Vig Knudstorp says:

"We are pleased that we have again been able to develop exciting and fun play experiences that really appeal to children all over the world. A strong performance across the entire product range enabled us to deliver a highly satisfactory result for the first half of 2015. It is a great achievement and a result of the hard work of more than 15,000 LEGO colleagues around the world. This is especially encouraging since we compare to 2014 when The LEGO® Movie™ products boosted our performance. While it is still early to estimate full year results, we expect another satisfactory result for the full year."

Lines such as LEGO City, LEGO Creator, LEGO Technic, and LEGO Star Wars™ continue to deliver very strong global results. LEGO Ninjago, which has become an evergreen LEGO theme, also performed strongly, while new launches such as LEGO Elves and LEGO Jurassic World™ products were received very positively by children all over the world.

"Our innovation program, connecting consumer insights to design and through to engineering and ultimately to sales, has performed tremendously this calendar year. We had more than 300 different LEGO sets on the market during the first half of 2015. These ranged from the heroic Ninjas of LEGO Ninjago to the immaculately detailed LEGO Technic mobile crane to the adventurous fantasy theme LEGO Elves. This enables us to bring engaging products and stories into the hands of children across different ages, interests and geographies – yet all are based on the LEGO system and the endless creative potential of the LEGO brick," says Executive Vice President and Chief Marketing Officer Julia Goldin.

Broad-based sales growth

In the first half of 2015, the LEGO Group experienced broad-based sales momentum across all regions where it operates.

"While all our regions experienced double digit growth during the first half of 2015, it is particularly satisfactory that Asia saw the highest growth rates given the considerable investments we are making there to further the company's globalisation," says Executive Vice President and Chief Commercial Officer Loren I. Shuster.

Global currency developments have had considerable impact on the results for the first six months of the year.

"The weakness of the Danish Krone and the Euro versus most major currencies around the globe has had a significant impact on our results, with our DKK reported sales figures increasing an additional 5% purely due to currency movements. Nevertheless, we are very satisfied with the underlying growth rate of +18% (excluding the impact of currency effects) versus the same period a year ago," says Executive Vice President and Chief Financial Officer John Goodwin.

Building global presence

During the first half of 2015, the LEGO Group has welcomed a significant amount of new colleagues globally, and today the LEGO Group employs more than 15,000 people. Since 2010, the number of employees has increased by more than 50%.

The company's focus on building the global organisation is leading to increased diversity across all levels of the organisation, both as regards nationality and gender. Among other initiatives, the establishment of main offices with global functions in key locations has supported this effort. At the same time, heavy investments have been made in building global manufacturing capacity.

"Among the important milestones for us during the first six months of 2015 was the inauguration of a 50,000 m² expansion of our packing facility in the Czech Republic. And later this year, packing activities in our new factory in China will begin. The factory is going to supply our expanding Asian market and will create production capacity that will enable us to reach even more children in the region," says Executive Vice President and Chief Operations Officer Bali Padda.

The manufacturing facility in Jiaxing, China, now has more than 230 employees – a number that is expected to grow to 600 by the end of 2015. The factory will be fully operational in 2017.

LEGO Group steps up on responsibility agenda with a strong first half performance

It is the LEGO Group's ambition to make a positive impact on the planet. In addition to the satisfactory financial results for the first six months of 2015, the progress against key corporate responsibility targets is therefore considered highly satisfactory.

In the first half of 2015, the Group announced a significant investment of DKK 1 billion to boost the search for sustainable materials through the establishment of the LEGO Sustainable Materials Centre in Billund, Denmark. The centre will lead the work to reach the LEGO Group's 2030 ambition of finding and implementing sustainable alternatives to all current materials – including the materials presently used to manufacture LEGO bricks, which are all petro-chemically based.

"Today I am excited to share that we have just welcomed on board the first of the more than 100 employees we will be hiring to work on this challenge. I look forward to sharing the progress we make against this important initiative in the coming years," says John Goodwin.

The LEGO Group's ambition to have a positive impact is also reflected in the company's engagement in the local communities where it operates. The activities are organised and carried out by local LEGO employees, and in the first half of 2015, a total of more than 5,000 children and 1,000 LEGO employees have participated in activities in local communities around the world. Throughout 2014, 50,000 children and 2,000 employees took part in these activities.

As an example, in April 2015 LEGO colleagues from the factory in Jiaxing, China hosted a building event, where more than 500 children from the local community had a fun, social and creative day playing with LEGO bricks. In Hungary, employees from the factory in Nyíregyháza arranged a one-week school camp for 45 socially disadvantaged children in the local community to aid their social integration.

“Seen individually, these local activities may seem insignificant, but they go hand in hand with our large scale global initiatives, and are equally important for our ambition of making a positive impact on society. This year LEGO employees have expanded our local engagement to provide playful opportunities for even more children and engage deeper with the local communities where we operate,” says John Goodwin.

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