

Company announcement

DONG Energy divests 50 per cent of German offshore wind farm to KIRKBI and the Oticon Foundation

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DONG Energy has today signed an agreement to sell 50 per cent of the German offshore wind Borkum Riffgrund 1 to the LEGO Group's parent company, KIRKBI A/S, and the Oticon Foundation, via its investment company, William Demant Invest A/S for a total sum of DKK 4.7 billion.

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When completed Borkum Riffgrund 1 will consist of 77 3.6 MW wind turbines from Siemens Wind Power. The wind farm will be able to supply CO₂-free power equivalent to the annual electricity consumption of more than 285,000 households.

KIRKBI participates in the buying consortium with an investment of DKK 3 billion, giving it an ownership interest of 32 per cent. The Oticon Foundation will invest DKK 1.7 billion, giving it an ownership interest of 18 per cent.

KIRKBI A/S and the Oticon Foundation will pay the purchase price in four instalments, starting at the end of 2012 and paying the last instalment at the end of 2015. The instalments make up 11, 12, 56 and 21 per cent of the purchase price.

DONG Energy commits to constructing Borkum Riffgrund 1 offshore wind farm at a fixed price and by a fixed date. KIRKBI and the Oticon Foundation expects to take over the completed offshore wind farm and the earnings that come with their ownership interests on 1 October 2015. Until that date, production will primarily accrue to DONG Energy. Furthermore, DONG Energy has signed a 15-year contract with KIRKBI A/S and William Demant Invest on operation and planned maintenance of the farm.

DONG Energy has previously entered into partnership agreements with institutional investors on investment in renewable energy generation, but the agreement with KIRKBI and the Oticon Foundation is its first agreement with privately owned companies.

"The agreement is a major step forward for DONG Energy's partnership model for financing offshore wind farms. The market for offshore wind has seen strong growth in recent years because a number of countries wish to switch to green energy. This has led to a great need for external capital, and I am therefore pleased that we are also able to attract capital from privately owned companies and industry. The agreement will strengthen our position as a market leader in the construction and operation of offshore wind farms and shows that our

partnership model also works in the German market,” says Anders Eldrup, CEO of DONG Energy.

For KIRKBI A/S, which owns 75 per cent of the LEGO Group, this is a sound, long-term investment that at the same time contributes to more renewable energy to society. The LEGO Group’s goal is to generate enough renewable energy capacity to meet 100 pct. of its energy needs by 2020. With the investment in the project, the LEGO Group will be able to meet its target as the wind farm is expected to produce more electricity than the company’s total electricity consumption up to and including 2020.

“One of our fundamental values is that we want to help enable future generations of children to grow up in a better world. We do that first and foremost through our play materials – but also by improving the safety of our employees, improving the energy efficiency of our production, and reducing the volume of waste. In the field of renewable energy our objective is an ambitious one – and I am very pleased at this time to be able to announce this investment,” says Jørgen Vig Knudstorp, LEGO Group CEO.

The Oticon Foundation also views the construction of the wind farm as a good, long-term financial investment and an important step towards achieving a positive balance on the Group’s energy balance. In 2015, when the farm is fully operational, the stake owned by the Oticon Foundation will generate more than five times Oticon’s total global consumption.

”As one of the world’s leading hearing aid manufacturers, we have a long tradition of using innovation and foresight to enhance quality of life for people suffering from hearing loss – and that is an important task as these number 500 million. We would like to take our share of the responsibility for meeting the energy challenges of the future, and we therefore consider this considerable investment in renewable energy as a very positive step that far exceeds our own consumption as a company,” says Søren Nielsen, CEO of Oticon A/S.

The transaction is subject to approval by the competition authorities. The transaction is expected to be completed in the second quarter of 2012.

The information provided in this announcement does not change DONG Energy’s previous financial guidance for the 2011 financial year or the announced expected investment level.

FACTS

Construction of Borkum Riffgrund 1 is expected to commence in 2013, and first power is expected to be generated in 2014. The farm will be constructed in the German sector of the North Sea, approx. 55 km off the north-western coast of Germany. DONG Energy is also working on further developing the neighbouring

project, Borkum Riffgrund 2. No investment decision has been made concerning this project as yet.

DONG Energy is one of the leading energy groups in Northern Europe. We are headquartered in Denmark. Our business is based on procuring, producing, distributing and trading in energy and related products in Northern Europe. We have approximately 6,000 employees and generated DKK 55 billion (EUR 7.3 billion) in revenue in 2010. DONG Energy has constructed more of the world's largest offshore wind farms than any other company and is consequently the market leader in this field. DONG Energy has approximately 1,3 GW offshore wind power in operation and approximately 1,1 GW under construction in the UK, Germany and Denmark. For further information, see www.dongenergy.com

The Oticon Foundation is a commercial foundation. Its investment activities are managed by William Demant Invest A/S (WDI), which is wholly owned by the Oticon Foundation. The Oticon Foundation is the controlling shareholder of William Demant Holding A/S (WDH) which has over 7,000 employees and activities in more than 100 countries across the world. Oticon, one of the world's leading hearing aid manufacturers, is part of the WDH Group.

KIRKBI A/S is the Kirk Kristiansen Family's holding- and investment company with activities within 3 areas: 75% ownership of LEGO, 36% ownership of Merlin Entertainments and among other things a number of investments in bonds, listed and unlisted equities, and real estate.

The LEGO Group is engaged in the development of children's creativity through playing and learning. Based on the world-famous LEGO® brick, the company today provides toys, experiences and teaching materials for children in more than 130 countries. The LEGO Group has approximately 10,000 employees, and is the world's third-largest manufacturer of play materials.

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