

## Company announcement

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# DONG Energy divests 50% of the UK offshore wind farm project Burbo Bank Extension to PKA and the LEGO Group

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Today, DONG Energy has signed and completed an agreement to divest 50% of the 258 MW UK offshore wind farm project Burbo Bank Extension to Danish pension provider PKA and KIRKBI A/S, parent company of the LEGO Group. Each investor will obtain a 25% ownership interest in the project.

Burbo Bank Extension will be constructed by DONG Energy with offshore construction works commencing in the spring 2016. The project is expected to be fully commissioned in the first half of 2017. The total purchase price for the investors amounts to approximately GBP 660 million (DKK 6.6 billion) to be paid in the period 2016-2017.

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Burbo Bank Extension will consist of 32 turbines and will be the first large-scale wind farm to deploy the new MHI Vestas 8.0 MW turbine. When completed Burbo Bank Extension will be able to supply CO<sub>2</sub>-free power equivalent to the annual electricity consumption of more than 230,000 households.

DONG Energy will provide operation and maintenance services to Burbo Bank Extension under a long-term O&M agreement. Furthermore, DONG Energy will be responsible for the sale and delivery to the market of the part of the production that is generated by PKA and KIRKBI A/S's 50% ownership share.

Henrik Poulsen, CEO of DONG Energy, welcomes the partners:

*"I am delighted to welcome the LEGO Group and PKA to a new partnership with DONG Energy. Both of them are already trusted partners in other DONG Energy offshore wind projects and we are proud to be able to build on these existing, successful partnerships. Our partners' commitment to the green transition is well known, and I am pleased that they continue to find our market-leading partnership model attractive."*

For the LEGO Group the investment fits well with its high ambition of making a positive impact on the environment. Jørgen Vig Knudstorp, President and Chief Executive Officer of the LEGO Group comments:

*"I am proud to announce our investment in the Burbo Bank Extension together with our partners DONG Energy and PKA. This investment is another substantial step for the LEGO Group towards balancing our global energy*

DONG Energy is one of the leading energy groups in Northern Europe, headquartered in Denmark. Around 6,700 ambitious employees are engaged in developing, constructing and operating offshore wind farms; generating power and heat from our power stations; providing energy to residential and business customers on a daily basis; and producing oil and gas. Group revenue was DKK 71bn (EUR 9.5bn) in 2015. For further information, see [www.dongenergy.com](http://www.dongenergy.com)

*consumption with renewable energy capacity. Our goal is to fulfil this by 2020 and beyond as we want to make a positive impact on the planet our children will inherit – primarily by providing great play experiences that inspire and develop children, but also through our commitment to the environment.”*

The investment is made by KIRKBI A/S, which owns 75% of the LEGO Group, and the investment in Burbo Bank Extension is the second major long-term investment within KIRKBI's strategic investment area: Renewables. In 2012, KIRKBI A/S invested in the Borkum Riffgrund 1 offshore wind farm. Both investments support the LEGO Group in balancing its global energy consumption with renewable energy capacity.

Today's announcement marks PKA's fifth investment in an offshore wind farm, of which three are together with DONG Energy. The investment is a part of PKA's ambition to combine stable long-term returns with investments in renewable energy:

Peter Damgaard Jensen, CEO at PKA, said:

*"In the spring of 2015 we blacklisted 31 coal companies, which have since lost more than 60% of their value. In the same period, the return on our offshore wind farms has been more than 7%. The first investment in a wind farm by PKA was Anholt offshore wind farm in 2011 together with DONG Energy, and today PKA has invested in five offshore wind farms. Together they will provide renewable energy to about 2 million households. We are proud to be able to provide a good return to the pension savers and at the same time make a positive difference”.*

The information provided in this announcement does not change DONG Energy's previous financial guidance for the 2016 financial year.

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### **Facts about Burbo Bank Extension**

- The wind farm will be located in the Irish Sea, 7 kilometres from the coast of Liverpool.
- The wind farm will consist of 32 MHI Vestas V164-8.0MW wind turbines.
- The wind farm will produce enough environmentally friendly electricity to supply 230,000 British households each year.

- Final investment decision regarding the wind farm was taken by DONG Energy in December 2014.
- The wind farm is expected to be fully commissioned in the first half of 2017.

### **About the LEGO Group**

The LEGO Group is a privately held, family-owned company with headquarters in Billund, Denmark, and main offices in Enfield, USA, London, UK, Shanghai, China, and Singapore. Founded in 1932 by Ole Kirk Kristiansen, and based on the iconic LEGO® brick, it is one of the world's leading manufacturers of play materials. Guided by the company spirit: "Only the best is good enough", the company is committed to the development of children and aims to inspire and develop the builders of tomorrow through creative play and learning. LEGO products are sold worldwide and can be virtually explored at [www.LEGO.com](http://www.LEGO.com).

### **About PKA**

PKA is one of the largest pension funds in Denmark with 275,000 members and assets of 235 billion DKK. PKA has invested about 17 billion DKK in climate-related projects, including wind farms, green bonds and the Danish Climate Investment Fund. The aim is that climate-related projects will be 10% of total investments in 2020.

With Burbo Bank Offshore Wind Farm in England PKA has invested in five offshore wind farms in four countries: Anholt in Denmark, Gode Wind II and Butendiek in Germany and Gemini in the Netherlands. A total investment of more than 9 billion DKK, which will provide renewable energy to about 2 million households.

<https://www.pka.dk/>