

INTRODUCTION TO MERLIN ENTERTAINMENTS



MARCH 2017



WHAT IS MERLIN?



- ✦ Global leader in location based entertainment with world class brands
- ✦ No. 1 in Europe and No. 2 only to Disney worldwide¹
- ✦ Two products
 - ✦ Midway: indoor, up to two hour dwell time, located in city centres or resorts
 - ✦ Theme parks: outdoor, 1 – 3 day destination venues increasingly with on-site accommodation
- ✦ Three Operating Groups²
 - ✦ Midway Attractions (104 attractions, 44% of 2016 revenue)
 - ✦ LEGOLAND Parks (7 parks, 34% of revenue)
 - ✦ Resort Theme Parks (6 parks, 22% of revenue)
- ✦ Supported by Merlin Magic Making, our unique creative project management and production resource

Midway Attractions



LEGOLAND Parks



Resort Theme Parks



Merlin Entertainments
The Eye Brand



¹ Based on number of visitors as reported by AECOM 2015 Theme Index

² Number of attractions as at 31 December, 2016

UNIQUE PORTFOLIO OF FAMILY ENTERTAINMENT BRANDS AND ICONIC ASSETS



Midway Attractions

SEA LIFE

"Amazing Discoveries"

Madame Tussauds

"Famous Fun"

LEGOLAND
DISCOVERY CENTRE

"Playful Learning"

the
Dungeons

"Scary Fun"



"Revealing Perspective"

Merlin Entertainments
The Eye Brand

SHREK'S
ADVENTURE
LONDON

"Hilarious Misadventure"

- High quality, chainable international brands with global appeal

- Brands positioned across all key target demographics

- Portfolio provides substantial benefits

- Natural hedge across geographic markets and target demographics

- Opportunities to create "clusters" and "own the visit"

- Ability to leverage scale and synergies

- Significant roll out opportunity – 40 new attractions between 2016 and the end of 2020 with 100+ potential locations identified

- Potential to expand portfolio with further brands

LEGOLAND Parks

LEGOLAND
CALIFORNIA

LEGOLAND
BILLUND

LEGOLAND
FLORIDA

LEGOLAND
DUBAI

LEGOLAND
WINDSOR

LEGOLAND
DEUTSCHLAND

LEGOLAND
MALAYSIA

- "Playful Learning"

- Leading global brands (LEGO, LEGOLAND)

- Attractive target demographic (families with children 2 – 12)

- Mutually synergistic relationship with LEGO

- Significant roll out opportunity with two under development (Japan and Korea) and other N. American and Chinese options ongoing.

Resort Theme Parks

Alton Towers
RESORT

"Fantastical Escapism"

Chessington
WORLD OF ADVENTURES
RESORT

"Wild Adventure"

Gardaland
RESORT

"Big Fantasy Adventure"

HEIDE PARK
RESORT

"Extraordinary Adventure"

THORPE PARK

"Insane Fun"

WARWICK
CASTLE

"Ultimate Castle"

- National brands with high brand and customer awareness

- Leading market positions

- 4 of Europe's largest top 20 theme parks (6 including LLPs)¹

- Leading theme parks in UK, Italy, and Northern Germany

- 3 of the top 4 theme parks in the UK (4 including LLW)¹

- Positioned to appeal across various target demographics

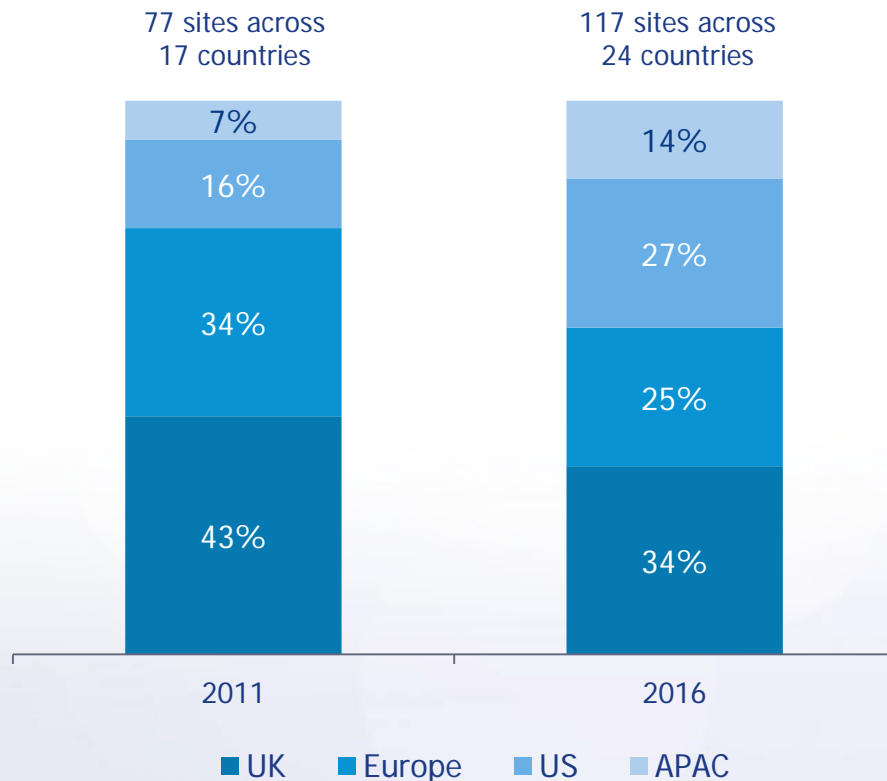
3 ¹ Based on number of visitors as reported by AECOM 2015 Theme Index.
LLW refers to LEGOLAND Windsor. LLP refers to LEGOLAND Parks Operating Group. See appendix for further definitions

STRATEGY SINCE CREATION OF MERLIN IN 1999



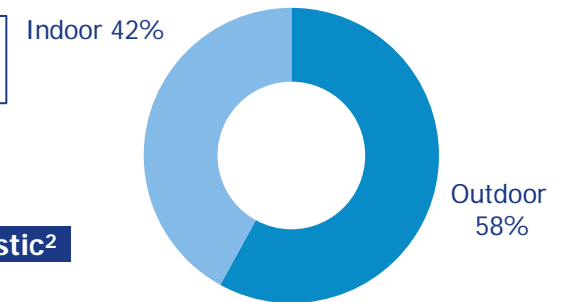
"TO CREATE A HIGH GROWTH, HIGH RETURN, FAMILY ENTERTAINMENT COMPANY BASED ON STRONG BRANDS AND A GLOBAL PORTFOLIO THAT IS NATURALLY BALANCED AGAINST THE IMPACT OF EXTERNAL FACTORS"

Revenue by Geography



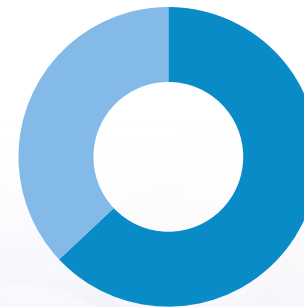
Revenue by weather exposure¹

61% of revenue from sites open all year round



Visitors by Tourist / Domestic²

Tourist 37%

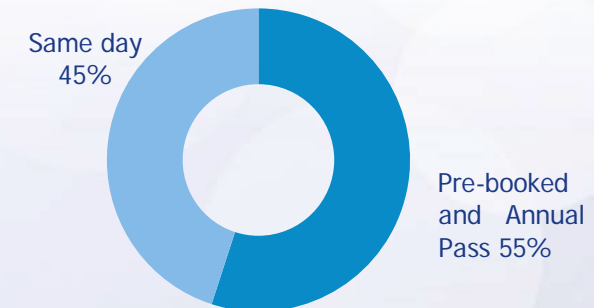


Not reliant upon 'fly-in' market

Domestic 63%

Pre-booked revenue³

Increasing levels of pre-booked revenue leads to reduced site-level volatility



¹ Total revenue, 2016

² Based on touchscreen data, from a sample of 2016 visitors

³ Total admissions revenue, 2016

MARKET CONTEXT



Increasing leisure spend

Global Travel & Tourism expected to grow by c4% CAGR (inflation-adjusted) over 2015-2025¹

City centre tourism

Growth in leisure time and expansion of middle classes has driven increased international tourism

Short breaks

Cultural and financial factors driving growth in short breaks and 'staycations'

Emerging markets

146m Chinese 'Urban Middle', greater than the working population of the US²



- 1 Global, exclusive rights to LEGOLAND brand
- 2 Only company to successfully operate Midway product across multiple brands and sites
- 3 Largest international presence in the industry (24 countries) via proven roll out of LEGOLAND and Midway brands
- 4 Highly successful themed accommodation formats
- 5 Merlin Magic Making as unique development resource

SIX STRATEGIC GROWTH DRIVERS

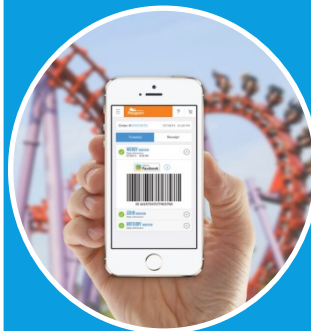


2020
Milestone



Existing estate

Adding new rides and features to our attractions to drive customer satisfaction, increase capacity and provide a compelling new proposition to guests.



Strategic synergies

Leveraging the scale of the Group in key markets to exploit operational, marketing and buying power, including e-commerce initiatives that provide commercial benefits and better digital journeys for our guests.

+2,000
Rooms



Short break destinations

Developing our theme parks into short break destinations to extend the catchment area, create new revenue streams and improve guest satisfaction.

+40
Midways



Midway roll out

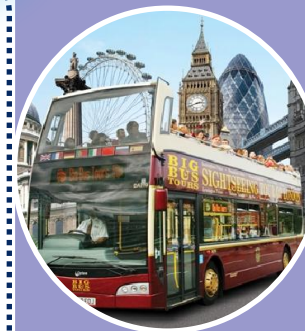
Opening new Midway attractions under one of our chainable global brands, with a focus on 'cluster' locations where we can derive operating cost, marketing and cross-selling advantages.

+4 new
Resorts



Developing new LEGOLAND parks

Under three models (operated and owned, operated and leased, under management contract). We combine our operational expertise with the LEGO brand's worldwide popularity.



Strategic acquisitions

Pursuing acquisition opportunities that complement our strategic objectives.

WORLD OF ATTRACTIONS

★ NORTH AMERICA ATTRACTIONS



Arizona
California
Charlotte
Dallas
Kansas City
Michigan
Minnesota
Orlando



Hollywood
Las Vegas
New York
Orlando
San Francisco
Washington DC



San Francisco



Orlando



California
Florida



Arizona
Atlanta
Boston
Chicago
Dallas
Kansas City
Michigan
Toronto
Westchester

● UK ATTRACTIONS



Birmingham
Blackpool
Brighton
Great Yarmouth
Hunstanton
Loch Lomond
London
Manchester
Scarborough
Weymouth
and Tower



Gweek
Oban



Blackpool
London



Alton



Chessington



Blackpool
Edinburgh
London
Warwick
York



Warwick



Chertsey



London



Windsor



Manchester



London
Blackpool

■ ASIA ATTRACTIONS



Bangkok
Busan
Shanghai



Bangkok
Beijing
Chongqing
Hong Kong
Singapore
Shanghai
Tokyo
Wuhan



Dubai
Malaysia



Osaka
Shanghai
Tokyo

▲ EUROPE ATTRACTIONS



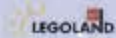
Benalmadena
Berlin
Blankenberge
Bray
Gardaland
Hannover
Helsinki
Istanbul
Jesolo
Königswinter
Konstanz
München
Oberhausen
Paris
Porto
Schweiningen
Speyer
Timmendorfer
Strand



Amsterdam
Berlin
Istanbul
Vienna



Sottau



Bilund
Günzburg



Amsterdam
Berlin
Hamburg



Berlin
Istanbul
Oberhausen



Lake Garda

◆ AUSTRALIA / NEW ZEALAND ATTRACTIONS



Auckland
Melbourne
Mooloolaba
Sydney



Manly



Sydney
Hamilton Island



Sydney



Sydney



Osway
Hawarna



Mount Hotham



Falls Creek

MERLIN
ENTERTAINMENTS

Being a Force for Good

Corporate Social Responsibility – The Merlin Way



Merlin's Magic Wand

- Days out for over 86,000 Children
- 'Magic Spaces' projects opening across the globe
- Community Outreach at all attractions



Sustainability and the Environment

- Carbon emission reduction target of 2% achieved
- Investing in Green Projects across estate



SEA LIFE and WILD LIFE Conservation

- Campaigns run on marine protection Pilot 'SEA LIFE Trust' features completed in Brighton and Berlin



Accessibility

- Investment in training and driving awareness
- Accessibility action planning



APPENDIX I

SIX STRATEGIC GROWTH DRIVERS

2016 PROGRESS ON STRATEGIC GROWTH DRIVERS



Merlin made good progress across its strategic growth drivers in 2016:

- ✦ **Capex cycle** – new product and features at every attraction, including 'Derren Brown's Ghost Train' at Thorpe Park Resort, 'NINJAGO – The Ride' at LEGOLAND Billund and 15 major new product investments across the Midway estate
- ✦ **Synergies** – Continued global implementation of the accesso® 'Passport' ticketing platform
- ✦ **Destination resort positioning** – 210 additional rooms opened in 2016; over 1,500¹ now open, under development or approved
- ✦ **Midway roll out** – Five new attractions opened in 2016 with over 20¹ now open, under development or approved
- ✦ **LEGOLAND parks development** – LEGOLAND Dubai opened on 31 October 2016 with good progress towards further LEGOLAND park openings.
- ✦ **Strategic acquisitions** – We acquired a minority stake in Big Bus Tours and entered into co-promotional agreements with them in number of locations.

#1 EXISTING ESTATE GROWTH VIA CAPEX

Operating Group	Capex Cycle	Rationale	Benefits
Midway Attractions	Up to 5 years N.B. Highest 'peak' is c.£5m but most are below £1m	<ul style="list-style-type: none"> ✦ High level of 'first time' tourist visitors means less emphasis on big capex new features ✦ Investment level and cycle dependent on size, location and target market 	
LEGOLAND Parks	4-year (peak, low, medium, low) N.B. 'Peak' is c.£7m	<ul style="list-style-type: none"> ✦ Strategic development / growth of LEGOLAND parks via themed 'lands' (e.g. LEGO Friends, NINJAGO) ✦ Less emphasis on high capex thrill rides due to younger audience 	
Resort Theme Parks	4-year (peak, low, medium, low) N.B. 'Peak' is c.£12m	<ul style="list-style-type: none"> ✦ Need for new rides and shows on regular basis, particularly for teen segment ✦ Family attractions less capex intensive 	

WELL INVESTED EXISTING ESTATE , WITH CAPITAL EXPENDITURE BROADLY IN LINE WITH DEPRECIATION

#2 STRATEGIC SYNERGIES



LEVERAGING THE SCALE OF THE GROUP IN KEY MARKETS TO EXPLOIT ENHANCED OPERATIONAL, MARKETING AND BUYING POWER.

Example

Merlin Annual Pass



- Merlin Annual Pass allows customers to visit all attractions within a particular country for an upfront fee
- Launched in key geographies where Merlin has achieved critical mass and achieved significant growth (inc. UK, Germany, Australia, USA)
- Key benefits:
 - Ability to drive customer loyalty and brand awareness
 - Increasing revenue visibility securing cash flows in advance
 - Increase levels of secondary spend

Example

accesso roll out

- Agreement to roll out accesso®'s 'Passport' ticketing systems across the Merlin estate over 2015-17
- Performance improvement to underpin existing revenue growth expectations
- No incremental capex beyond existing expectations

Key benefits:

- Mobile sales and ticketing
- Upselling, cross-selling, quick-selling
- Software as a Service (SaaS)
- Standardisation
- Cluster ticketing
- Annual Pass management
- Queue-busting

Example

Group Promotions

- National promotions at the Group level comprising promotional discounts or national marketing campaigns in conjunction with partners
- Provides multiple benefits
 - "Low cost" advertising and opportunities to build the attraction and brand profile. In addition provides brand association opportunities
 - Flexible pricing to manage visitor numbers in selected periods (e.g. "shoulder" periods) without impacting "peak" trading periods
 - Drive commercial spends for the relevant visitors
- Successfully conducted national retail promotions in the UK
 - Partners include Tesco, News International, McDonalds and Kellogg's
 - Opportunity for similar campaigns elsewhere
- Future opportunities through new channels, in particular online, which will provide opportunities for more targeted promotions with lower lead times



#3 THEME PARK RESORT POSITIONING



The Short Breaks market offers an opportunity to enhance guest satisfaction, grow profits and improve operational visibility

Increased catchment area

- Typically extended from 2-3 hours to 5 hours drive time, increasing market opportunity

Visibility and resilience of revenues

- Better budgeting / staff levels
- Less weather dependent

Growth in multi-day visitation

- 4%+ CAGR in multi-day visits since 2009

New revenue streams

- On-site evening entertainment and Food and Beverage
- Second gates (eg High ropes, Water parks)

Improved guest satisfaction

- Value for Money scores typically 5-8% better amongst those guests who have stayed in Merlin accommodation¹

£200m+ total investment 2016-2020.

**15% EBITDA ROIC on accommodation
+
Increased park spend
=
20% EBITDA ROIC**

LEGOLAND California Hotel - Example

- LEGOLAND California Hotel opened in 2013
- 81% occupancy in 2016, with ARR of \$273
- Guest satisfaction 96% - ahead of the park¹
- 30% EBITDA ROIC² since opening



#4 MIDWAY ROLL OUT



Madame
Tussauds

Midway roll out model:

- ★ Rolled out for typically £5-8m each
- ★ Located in city centres, resorts, destination shopping malls
- ★ Prioritising cluster cities
- ★ Target ROIC of 20%+



360+
MARKETS,
55 COUNTRIES

FINDING THE MAGIC

"The Science"

QUALITATIVE
EVALUATION

Market Factors

Penetration/
Pricing

Financial
Parameters

Profit &
Loss

÷

Development
Costs

%
RETURN

>20%
ROIC?

Cluster Values/
Strategic

Growth Factors

Competitor
Identification
& Assessment

Acquire?
Challenge?
Avoid?

Rationale

Example

Action

Low priority

One or more
potential issues

Moscow

Monitor
market

Primary target
>100 attractions

Satisfied returns
& qualitative
assessment

Range from
Phoenix
to Manila

Prioritisation
& active
site search

Final Ranking &
Prioritisation

#5 LEGOLAND PARKS DEVELOPMENTS

Three Flexible Business Models

Operated and Owned

- All existing parks (exc. Malaysia and Dubai)
- Full operational control and ownership of the park
- Utilised in proven locations and geographies
- Requires material capital investment
- Preliminary discussions over opportunities in USA



Operated and Leased

- E.g. Japan, South Korea.
- Full operational control / ownership of equipment
- Land and infrastructure assets for the park leased from partner
- Requires capital investment although fully funded from cash flow and targeted to deliver 20%+ ROIC



Management Contract

- E.g. Malaysia, Dubai
- Operational control under a management contract
- Utilised in new markets and unproven locations, particularly when part of a broader development
- Low capital commitment model



OPERATED AND OWNED
High Ownership
All Operations

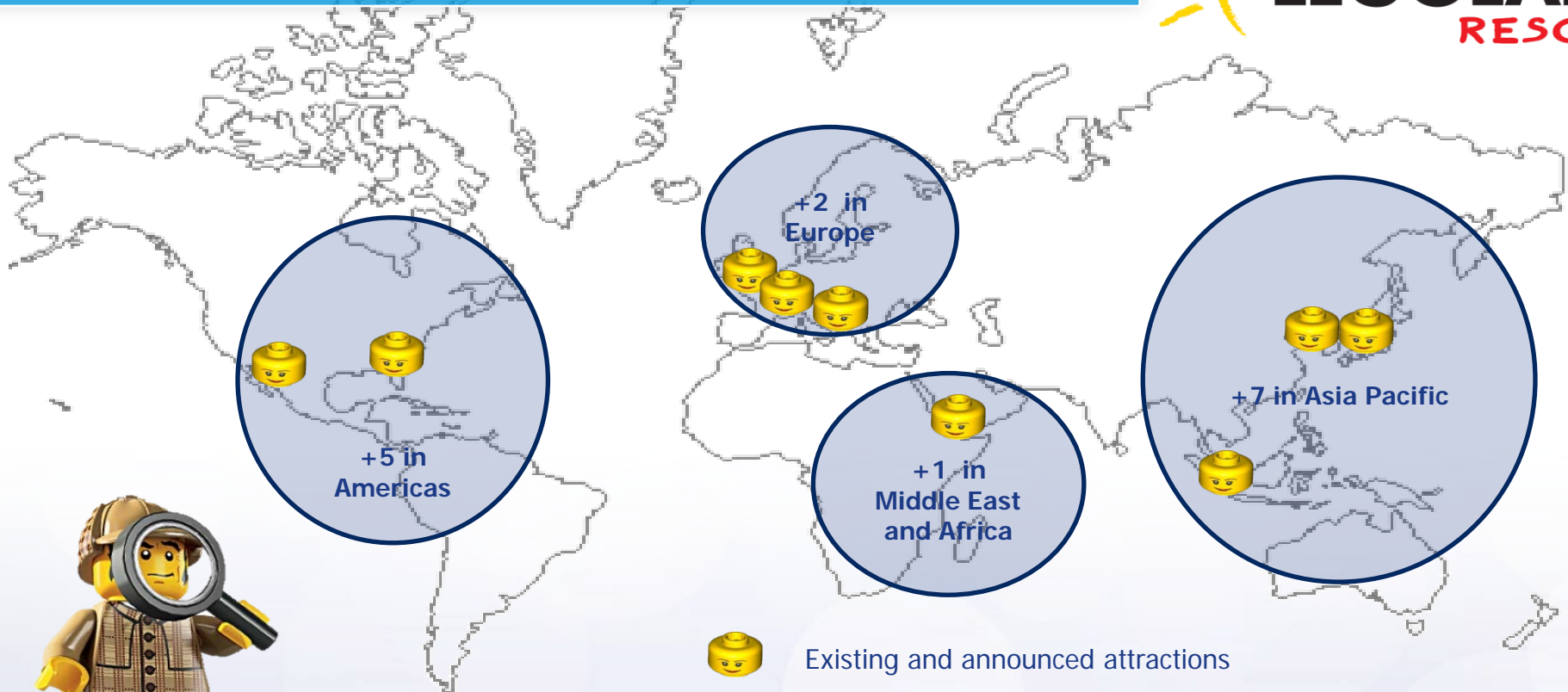
OPERATED AND LEASED
Medium Ownership
All Operations

MANAGEMENT CONTRACT
No Ownership
All Operations

#5 LEGOLAND PARKS - LONGER TERM VISION



Over 20 LEGOLAND Resorts around the world in the fullness of time



Existing and announced attractions



Approximate additional number of LEGOLAND Parks possible, longer term

#5 LEGOLAND LICENSING AND CO-OPERATION AGREEMENT



- ✦ The Licensing and Co-operating Agreement ('LCA') was signed with LEGO in 2005 upon Merlin's acquisition of the four original parks in Denmark, California, UK and Germany
- ✦ Merlin pays a low single-digit % of revenue to KIRKBI for use of the brand
- ✦ Where Merlin owns a LEGOLAND park, it enjoys exclusivity to do so, into perpetuity
- ✦ Where Merlin does not own a LEGOLAND park already, it has the global exclusivity to open further parks until 2047. However, for every new LEGOLAND park that is opened, or for every eight LEGOLAND Discovery Centres that are opened, this is extended by seven years.
- ✦ Merlin could lose the right to operate the LEGOLAND brands were it to be acquired by a competitor of LEGO or an 'inappropriate person'
- ✦ Furthermore, Merlin could lose the license were guest satisfaction to fall below pre-determined levels. In this scenario, the relevant park would have a two year 'grace' period during which an improvement in performance would be sought, before the license is removed from that park. Other parks would be unaffected. Guest satisfaction levels are currently significantly above the minimum levels required
- ✦ Kirkbi, who are a 75% shareholder of the LEGO Group, are also a 29.83% shareholder in Merlin

#6 STRATEGIC ACQUISITIONS

Rationale

- Creation of a diversified portfolio
- Enhance the Midway roll out (sites and brands)
- Deliver opportunities for strategic synergies
- Attractive capital returns

Proven Track Record

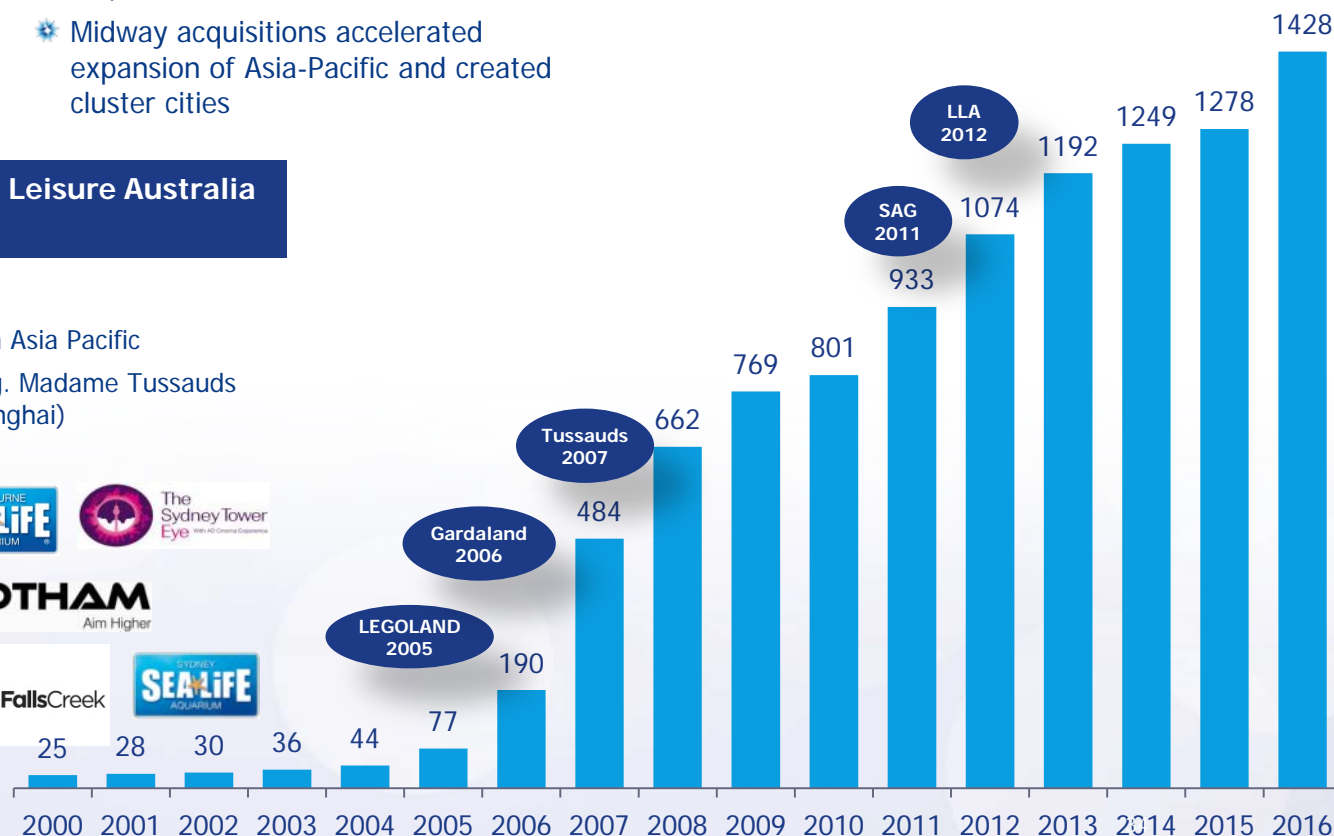
- Proven track record of identifying and successfully acquiring high quality assets in the market
- Demonstrated ability to transform acquired assets / businesses
- Midway acquisitions accelerated expansion of Asia-Pacific and created cluster cities

Significant Opportunity

- Diversified and fragmented market with significant scope for consolidation
- Number of opportunities under active consideration

Sydney Attractions Group / Living and Leisure Australia (2011/12)

- Combined acquisition cost: c£260m
- Created significant footprint and critical mass in Asia Pacific
- Ability to add additional Midway attractions (e.g. Madame Tussauds Sydney) and create clusters (Bangkok and Shanghai)



APPENDIX II

OPERATING GROUP ASSETS

MIDWAY ATTRACTIONS



SEA LIFE is the world's biggest aquarium brand, built around the notion of **Amazing Discoveries**, and home to a variety of creatures from shrimps and starfish to seahorses, rays, sharks and seals. SEA LIFE campaigns actively on a variety of conservation issues prioritised around breeding, rescue and protection of the marine environment.

x47 attractions

SEA LIFE

Madame Tussauds' heritage and the breathtaking artistry of the figures differentiate it from other wax attractions. **Famous Fun** is the heart of the experience, where visitors are encouraged to interact with all the historical and celebrity figures from Napoleon to One Direction!

STAR WARS

x21 attractions

Madame Tussauds

LEGOLAND Discovery Centres are the ultimate LEGO indoor playground, with over two million bricks under one roof. With **Playful Learning** at the heart of the experience, they create a fun filled and interactive environment where children and parents are inspired to be creative.

x16 attractions

LEGOLAND
DISCOVERY CENTRE

Dungeons are a unique mix of dark, historical horror and irreverent humour delivered through set piece shows performed by live actors, rides and spine chillingly themed sets. **Scary Fun** is the goal, delivered daily to families, teenagers and young adults.

x9 attractions

the
Dungeons

Each of our **Eye** observation attractions offers the ultimate viewing experience, unparalleled and different every time, giving a **Revealing Perspective** of the location's landscape and iconic landmarks.

x4 attractions



Merlin Entertainments
The Eye Brand

At '**DreamWorks Tours – Shrek's Adventure!**' guests play their part in a unique and interactive DreamWorks experience, where the choices they make decide the outcome. At the heart of this are the **Hilarious Misadventures** you experience in the company of your favourite characters!

x1 attractions

SHREK'S
ADVENTURE!
LONDON

LEGOLAND PARKS



☀️ LEGOLAND® Billund was the original LEGOLAND Park, opening in 1968 alongside the LEGO® factory in Billund, Denmark. The resort is Denmark's largest tourist attraction outside of Copenhagen.



☀️ LEGOLAND® Windsor was opened in March 1996 after the LEGO Group decided to develop a second LEGOLAND park after LEGOLAND Billund.



☀️ LEGOLAND® California opened in March 1999, being the third LEGOLAND to open but notably the first outside of Europe. It's located in Carlsbad, California.



☀️ Based in Southern Germany LEGOLAND® Deutschland opened in May 2002 and is one of the most popular theme parks in Germany.



☀️ The second -largest LEGOLAND® park in the world, LEGOLAND® Florida opened in October 2011 on the former site of the Cypress Gardens Theme Park.



☀️ LEGOLAND® Malaysia was the sixth park to open but the first Asian LEGOLAND park. It was opened in September 2012 and offers a full day of adventure, education and fun.



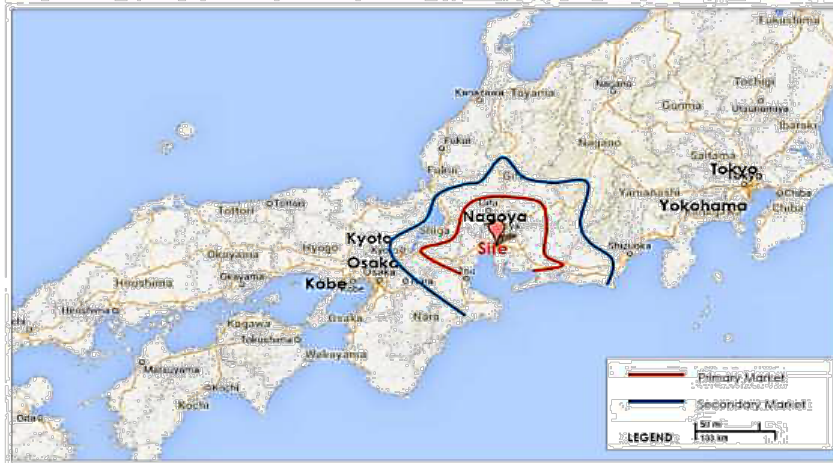
☀️ LEGOLAND® Dubai is the ultimate world of year-round LEGO fun. It features six themed lands and over 60 million LEGO bricks.

LEGOLAND JAPAN



Resident Market Overview

Overview Map of Illustrative Resident Markets for Proposed LEGOLAND Japan



- April 2017 opening with hotel planned for Q1 2018
- Located in centre of country, between Tokyo and Osaka. Catchment area of 20m+ people.
- Good infrastructure and transport links. No local competition.
- Strongest theme park market in Asia
 - Developed theme park market
 - High density of population
 - Highly affluent market
- Good LEGO Awareness, but huge upside in world's 2nd largest toy market
- Strong support from KIRKBI (property investment) and City of Nagoya (infrastructure)
- Merlin to invest approximately a third of the total park cost.

LEGOLAND KOREA



- 🧑‍🚀 Scheduled for 2019 opening
- 🧑‍🚀 Situated on the island of Jung-do, in South Korea, within 2 hour's drive time for c24m residents, 60km from Seoul
- 🧑‍🚀 Strong potential for further resort development
- 🧑‍🚀 Park infrastructure funded by consortium of local public and private investors
- 🧑‍🚀 Significant contributions from Gangwon Province and the City of Chuncheon
- 🧑‍🚀 'Operated and Leased' model, Merlin investing approximately one third of the total park cost

RESORT THEME PARKS



Alton Towers Resort is set in 500 acres of beautiful Staffordshire countryside. Boasting two themed hotels, **The Enchanted Village** lodges and an indoor waterpark, it invites families, teenagers and young adults alike into a world of **Fantastical Escapism**.



Insane Fun is on offer at **THORPE PARK**, the UK's third biggest theme park and acknowledged thrill capital for teenagers, young adults and older families. The resort includes the unique **THORPE SHARK Hotel**, offering bite-sized rooms in a stunning waterfront location.



Wild Adventure is at the heart of **Chessington World of Adventures Resort**, with exotic themed lands and rides mixed with amazing creatures from around the world. Guests can stay in the heart of the adventure at our Safari and Azteca resort hotels, or even go glamping.



Heide Park is Germany's third biggest theme park with rides and attractions appealing to all ages, set in four lands of **Extraordinary Adventure**. The resort attracts visitors from all over Germany and beyond, who can stay in the **Heide Park Adventure Hotel** or adjacent Holiday Village.



Jousting knights, princesses, falconry, staged scenes by Madame Tussauds and the Castle Dungeon all make Warwick the **Ultimate Castle** experience, now with three different types of themed accommodation.



Gardaland Resort is Italy's leading theme park. Located on the edge of Lake Garda, it boasts rides for all ages set in a beautifully landscaped and themed worlds. **Big Fantasy Adventure** is all around, including at our **Fantasy** and **Adventure hotels** and adjacent SEA LIFE Centre.



APPENDIX III

FINANCIAL DYNAMICS

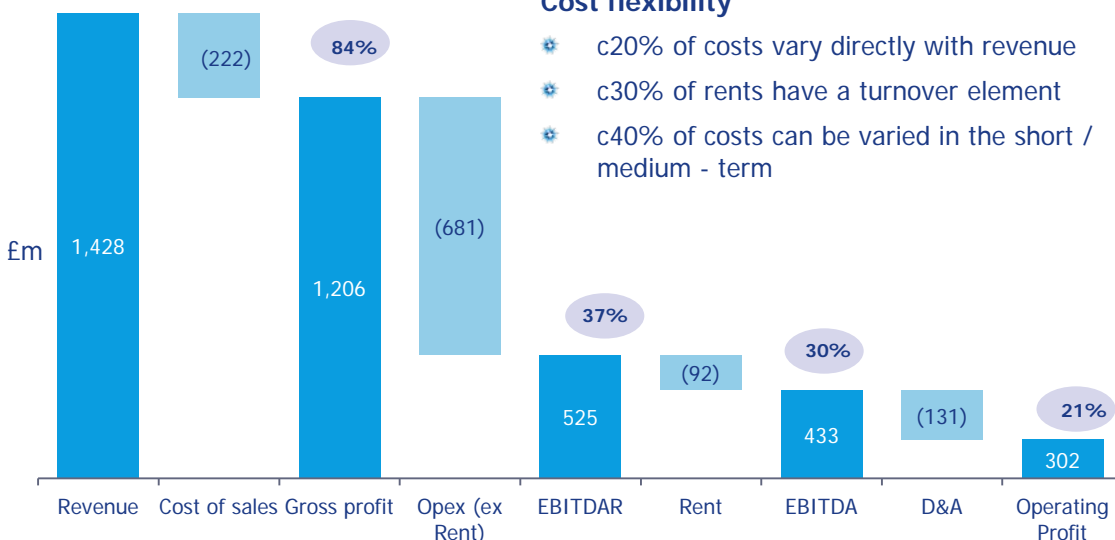


P&L Analysis

Margin

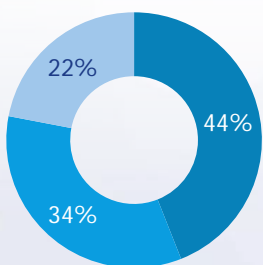
Cost flexibility

- ⚙ c20% of costs vary directly with revenue
- ⚙ c30% of rents have a turnover element
- ⚙ c40% of costs can be varied in the short / medium - term



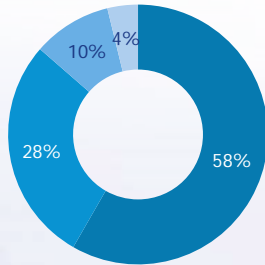
Revenue Analysis

...by Op. Group



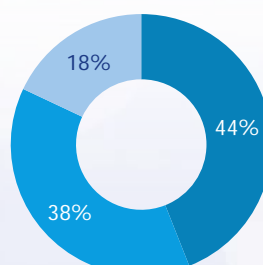
■ Midway ■ LLP ■ RTP

...by Type



■ Admissions ■ Commercial
■ Accom ■ Non-per cap

... by Tenure



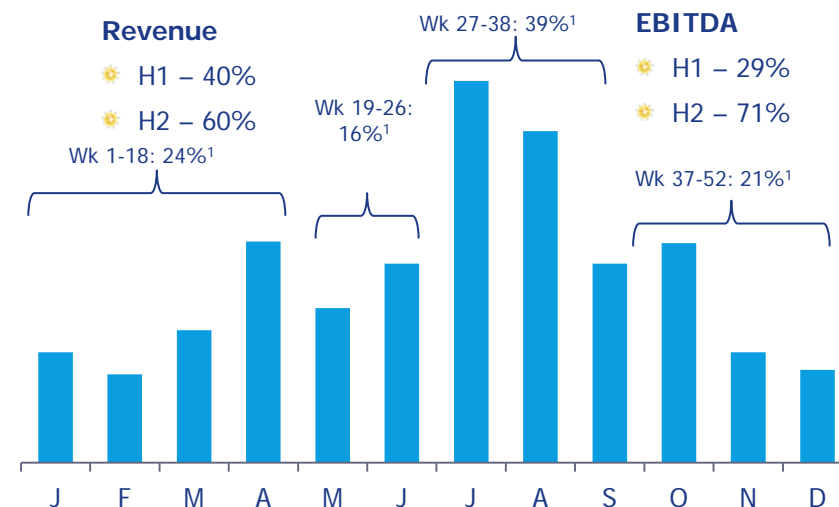
■ Freehold ■ Long lease
■ Short lease

27

¹ % of 2016 FY revenue.

² 2016 % split of 'In-Park' spend (Admission and Secondary)

Revenue Seasonality



Spend and Margins

	Revenue per capita	Admissions/ Secondary ²	EBITDAR Margin	EBITDA Margin	Op. Profit Margin
Midway	£14.89	79/21	46.2%	36.1%	25.7%
LLP	£35.47	55/45	39.2%	38.7%	32.9%
RTP	£24.29	59/41	29.8%	21.5%	11.6%
Group	£20.18	67/33	36.8%	30.3%	21.2%

☀ Greater opportunity for F&B / Retail revenue in theme parks

☀ Margins impacted by tenure of property and mix of revenue type

☀ LLP royalty payments and higher retail spend (LEGO products)

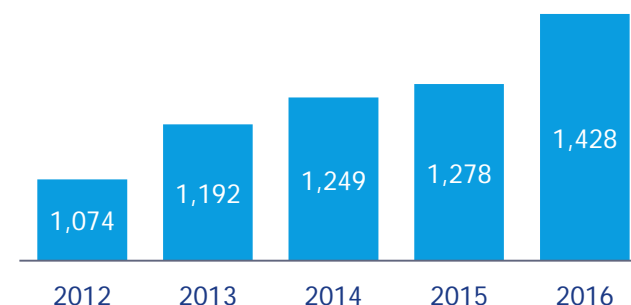
FINANCIAL PERFORMANCE



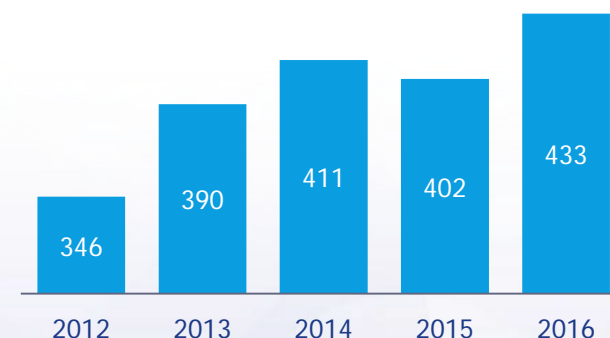
	2012 £m	2013 £m	2014 £m	2015 £m	2016 £m	CAGR Reported FX %	CAGR Constant FX %
Total visitors¹	54.0	59.8	62.8	62.9	63.8	4.2%	4.2%
<i>Growth</i>	<i>14.3%</i>	<i>10.7%</i>	<i>4.9%</i>	<i>0.3%</i>	<i>1.3%</i>		
Revenue	1,074	1,192	1,249	1,278	1,428	7.4%	6.7%
<i>Growth</i>	<i>13.6%</i>	<i>10.9%</i>	<i>4.8%</i>	<i>2.3%</i>	<i>11.7%</i>		
<i>LFL Growth</i>	<i>-0.5%</i>	<i>6.7%</i>	<i>7.1%</i>	<i>0.4%</i>	<i>1.4%</i>		
Underlying EBITDA	346	390	411	402	433	5.8%	4.7%
<i>Margin</i>	<i>32.2%</i>	<i>32.7%</i>	<i>32.9%</i>	<i>31.5%</i>	<i>30.3%</i>		
<i>LFL Growth</i>	<i>1.9%</i>	<i>6.3%</i>	<i>7.8%</i>	<i>-4.3%</i>	<i>-3.6%</i>		
Underlying operating profit	258	290	311	291	302	4.0%	2.7%
<i>Margin</i>	<i>24.1%</i>	<i>24.4%</i>	<i>24.9%</i>	<i>22.8%</i>	<i>21.2%</i>		

Capex					
Existing estate	92	95	107	125	141
<i>% of revenue</i>	<i>8.6%</i>	<i>8.0%</i>	<i>8.5%</i>	<i>9.8%</i>	<i>9.8%</i>
NBD	71	57	85	90	118
Total capex	163	152	192	215	259

REVENUE CAGR 2012-16 OF 7.4%²



EBITDA CAGR 2012-16 OF 5.8%²



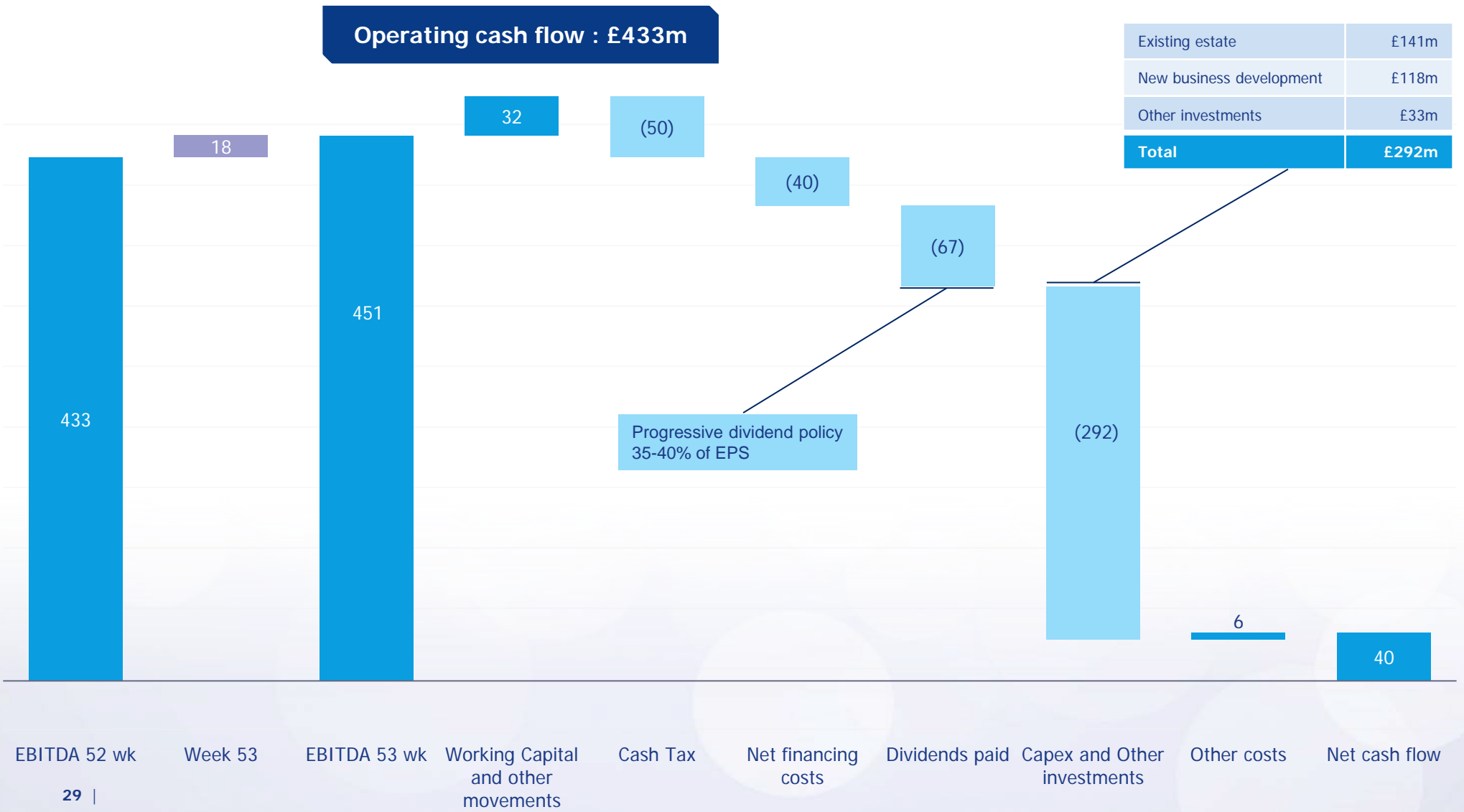
As reported figures. 2016 figures on a 52 week basis

28 | ¹ All visitors to Merlin owned or operated attractions

² Reported FX basis

CASH FLOW

Strong cash flow to support growth strategy and dividend



NET DEBT



£ millions, unless stated	2016	2015
Loans and borrowings	1,152	1,007
Cash and cash equivalents	(215)	(152)
	937	855
Finance lease obligations	88	82
Net Debt	1,025	937
Net Debt / EBITDA	2.3x	2.3x

Credit Ratings

- ★ S&P: BB, stable outlook
- ★ Moody's: Ba2, stable outlook

Debt	£m	ND/ EBITDA
2015 Net Debt	937	2.3x
Cash flow	(40)	
Amortisation of financing items and increase in accrued interest	5	
FX	123	
2016 Net Debt	1,025	2.3x

- ★ Continued strong cash generation to support strategy
- ★ Believe 2-3x net debt / EBITDA to be appropriate level of leverage

BOARD OF DIRECTORS



Name	Position	Background	
Sir John Sunderland	Chairman	<ul style="list-style-type: none"> Appointed Chairman of Merlin Entertainments in December 2009. Sir John is currently Chairman of Cambridge Education Group, Chancellor of Aston University and an Associate Member of BUPA. He is also an adviser to CVC Capital Partners. Previously, Sir John was Chairman of Cadbury Schweppes from 2003 to 2008 and Chief Executive Officer from 1996 to 2003. Sir John was also President of the CBI from 2004 to 2006, President of the Chartered Management Institute from 2006 to 2007 and President of the Food and Drink Federation from 2002 to 2004. Sir John was a Non-executive Director of the Rank Group from 1998 to 2006 and a Director of the Financial Reporting Council from 2004 to 2011. Sir John was a Non-executive Director of Barclays Bank PLC from 2005 to 2015 and of AFC Energy plc from 2012 to 2015. 	
Charles Gurassa	Senior Independent Non-executive Director	<ul style="list-style-type: none"> Charles was appointed Senior Independent Non-executive Director of Merlin Entertainments and Chairman of the Remuneration Committee in 2013. Charles is the Non-executive Chairman of Channel 4 and Deputy Chairman at EasyJet plc and a trustee of English Heritage and the Migration Museum. Until January 2017 was the Non-executive Chairman of Genesis Housing Association, a position he held since 2010. He is a former Chairman of Virgin Mobile plc, LOVEFiLM, Phones4U, MACH, Tragus, NetNames, Parthenon Entertainments and Alamo/National Rent A Car and the former Deputy Chairman of the National Trust. His executive career included roles as Chief Executive of Thomson Travel Group plc, Executive Chairman TUI Northern Europe, Director TUI AG and as Director, Passenger & Cargo business at British Airways. He is a former Non-executive Director at Whitbread plc, trustee of the children's charity Whizz-Kidz and a member of the development board of the university of York 	
Nick Varney	Group Chief Executive Officer	<ul style="list-style-type: none"> Nick has over 25 years' experience in the visitor attractions industry and was appointed Chief Executive Officer in 1999 Prior to Merlin, Nick was Managing Director of Vardon Attractions and a main board Director of Vardon plc. In 1999 Nick led the management buyout of Vardon Attractions to form Merlin Entertainments. In 2005 he initiated the process which led to its acquisition by Blackstone and subsequent rapid expansion, taking the Company to its 2013 Listing on the London Stock Exchange. Before joining Vardon Attractions, Nick held senior positions within The Tussauds Group (part of Pearson plc), including Marketing Director of Alton Towers and Head of Group Marketing. He started his career in FMCG marketing first with Rowntree and then Reckitt & Colman. 	
Anne-Francoise Nesmes	Group Chief Financial Officer	<ul style="list-style-type: none"> Anne-Francoise was appointed CFO in August 2016. With over 23 years' experience in finance across international organisations, Anne-Francoise brings a strong focus on strategy execution, M&A, process improvement and governance. Anne-Francoise started her career in the UK as a Finance Graduate Trainee at John Crane, before moving to Tetra Pak, then ADP and later Caterpillar UK. In 1997, she joined GlaxoSmithKline and held a variety of increasingly senior roles across the organisation in the UK and overseas, including Senior Vice President of Finance for Vaccines. In April 2013, Anne-Francoise joined Dechra Pharmaceuticals PLC as CFO, where she was instrumental in transforming Dechra into a successful Pharmaceutical company specialising in animal health. She led the expansion of its international footprint through acquisitions and delivered significant efficiencies through modernising Finance and R&D processes. 	

BOARD OF DIRECTORS



Name	Position	Background	
Fru Hazlitt	Independent Non-executive Director	<ul style="list-style-type: none"> Fru was appointed a Non-executive Director of Merlin Entertainments in 2014. Fru was formerly Managing Director, Commercial, Online and Interactive at ITV, and previously Chief Executive Officer at GCap Media plc and Virgin Radio. Prior to that Fru spent six years at Yahoo! where her roles included Managing Director, UK and Ireland, and Sales and Marketing Director, Europe. She is now a Governor of Downe House School and has also served as a Non-executive Director on the Boards of Betfair Plc and Woolworths Plc. 	
Ken Hydon	Independent Non-executive Director	<ul style="list-style-type: none"> Ken was appointed a Non-executive Director and Chairman of the Audit Committee of Merlin Entertainments in 2013. Ken is currently a Non-executive Director of Reckitt Benckiser Group plc. Previously, he was CFO of Vodafone Group Plc. Ken was also a Non-executive Director of Tesco Plc from 2004 to 2013, a Non-executive Director of Royal Berkshire NHS Foundation Trust from 2005 to 2012 and a Non-executive Director of Pearson Plc from 2006 to 2015. 	
Rachel Chiang	Independent Non-executive Director	<ul style="list-style-type: none"> Rachel was appointed a Non-executive Director of Merlin Entertainments with effect from 1 January 2016. She has extensive experience of the Asian consumer and property markets, having held a number of senior executive and non-executive roles in the region. Rachel is currently Partner and founding member of the private equity activities of Pacific Alliance Group (PAG), one of the region's largest Asia-focussed alternative investment managers with over \$16 billion in funds under management across Private Equity, Real Estate and Hedge Funds. She currently holds Non-executive positions with Hong Kong-listed Sands China (a majority-owned subsidiary of Las Vegas Sands) and Hong Kong-listed Pacific Century Premium Developments (PCPD) which specializes in the development and management of premium property and infrastructure projects in the Asia Pacific region and Hong Kong-listed Goodbaby International Ltd a leading manufacturer of children's durable products. 	
Søren Thorup Sørensen	Non-executive Director	<ul style="list-style-type: none"> Søren was appointed a Non-executive Director of the Company in 2013, representing KIRKBI Søren is currently the Chief Executive Officer of KIRKBI, following his appointment in March 2010. Søren was formerly a Partner, Chief Financial Officer and member of the Group Executive Board of A.P. Moller – Maersk Group between 2006 and 2009. Prior to this he was Managing Partner of KPMG Denmark, having been a partner at KPMG since 1997. Outside the KIRKBI Group, Søren is currently Non-executive Chairman of Topdanmark A/S and holds Non-executive Director positions at LEGO A/S, TDC A/S and Falck Holding A/S. 	
Trudy Rautio	Independent Non-executive Director	<ul style="list-style-type: none"> Trudy was appointed a Non-executive Director of Merlin Entertainments with effect from 1 October 2015. Trudy was previously Chief Executive Officer of Carlson, a privately held global hospitality and travel company. Trudy had been a senior executive with Carlson since 1997, having served as Executive Vice President and Chief Financial and Administrative Officer of Carlson preceding her appointment as CEO. Prior to joining Carlson, Trudy served as Senior Vice President and Chief Financial Officer of Jostens, Inc., and served as Vice President of Finance for Minneapolis-based Pillsbury Co. Trudy is the Chair of The Rezidor Hotel Group Board, and also serves on the Board of Directors for Cargill, The Donaldson Company, Inc., and Securian Holding Company. 	

MANAGEMENT TEAM



Nick Varney

CEO
(26 years)

Anne-Francoise Nesmes

CFO
(Joined August 2016)



Nick Mackenzie
Managing Director
Midway Attractions
(14 years)

Hans Aksel Pedersen
Managing Director
LEGOLAND Parks
(17 years)

Justin Platt
Managing Director
Resort Theme Parks
(6 years)

John Jakobsen
CNOO
New Openings Group
(31 years)

Mark Fisher
CDO
Merlin Magic Making
(25 years)

OVER 100 YEARS COMBINED EXPERIENCE AMONGST SENIOR MANAGEMENT TEAM

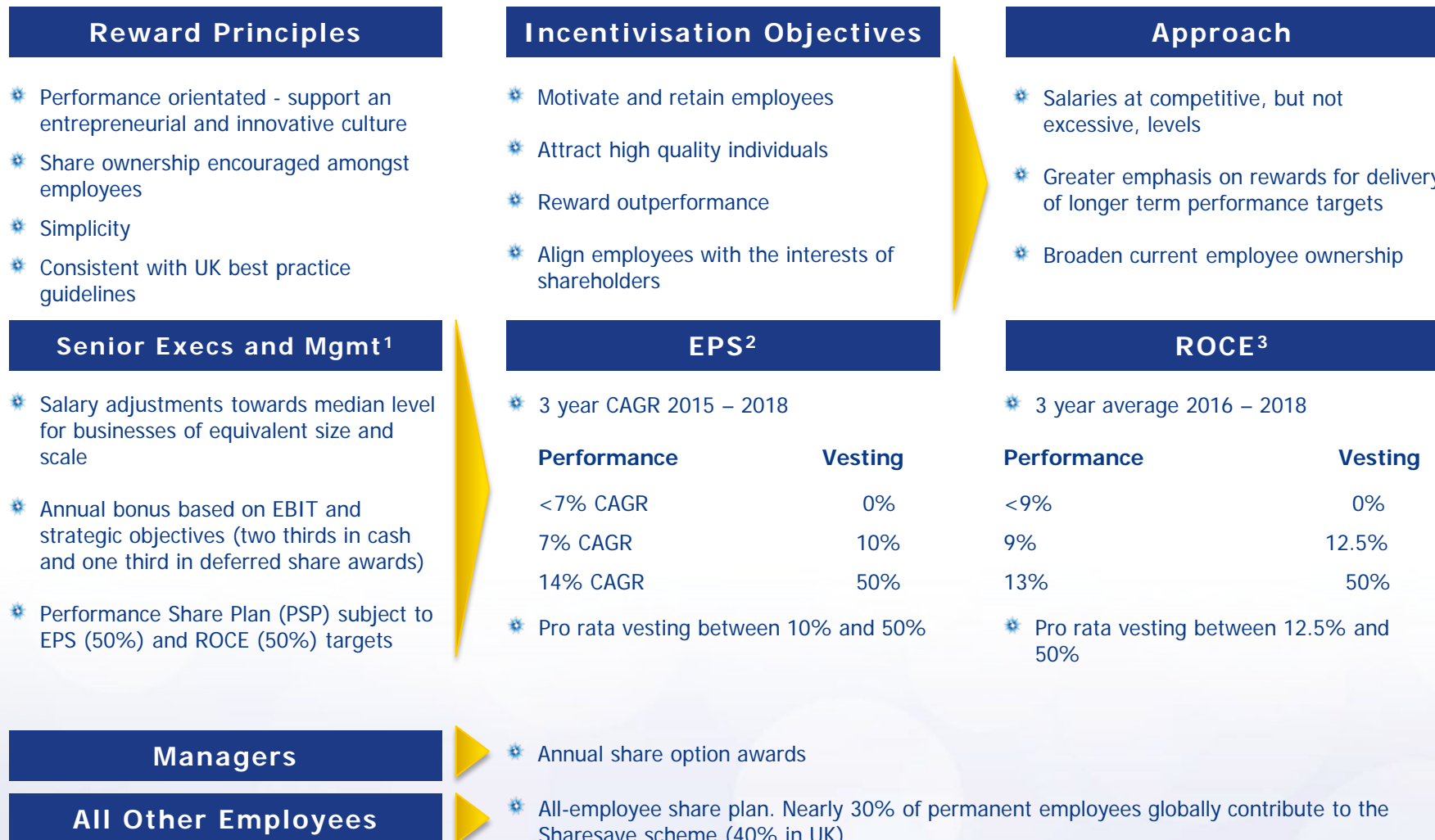
Name
Title
(Years with Merlin
Businesses)

MANAGING DIRECTORS



Name	Position	Background	
Nick Mackenzie	Managing Director, Midway Attractions	<ul style="list-style-type: none"> Nick was appointed as Managing Director, Midway Attractions in June 2015 Previously, Nick was the Managing Director of Merlin's Property and Development Group and also MD of Resort Theme Parks Nick is a qualified chartered surveyor, working first with the brewer Bass PLC and then with Allied Domecq as their Acquisitions Director. This was followed by three years at Diageo as the Development Director for Burger King. 	
Hans Aksel Pedersen	Managing Director, LEGOLAND Parks	<ul style="list-style-type: none"> Hans Aksel was appointed as Managing Director, LEGOLAND Parks in June 2015 Hans has more than 27 years of extensive experience in both FMCG and the entertainment industry across general management, global brand building, consumer & trade marketing, new product development and people management. Hans Aksel has been with LEGOLAND for 17 years, starting with the original LEGOLAND park in Billund in Denmark in 2000. In 2008, he moved into an operational role as Divisional Director managing LEGOLAND Deutschland; and in 2014 took a new role as Divisional Director LEGOLAND Parks USA, overseeing the continued resort development of both parks and hotels in LEGOLAND California and LEGOLAND Florida. 	
Justin Platt	Managing Director, Resort Theme Parks	<ul style="list-style-type: none"> Justin was appointed as Managing Director, Resort Theme Parks in June 2015 Previously, Justin was the Marketing Director for Resort Theme Parks and prior to that Marketing Director for Alton Towers Resort Justin has a very strong global marketing pedigree both in FMCG with Kellogg's, and pharmaceuticals with GSK and AstraZeneca where he was Global Marketing Director 	
Mark Fisher	Chief Development Officer	<ul style="list-style-type: none"> Mark was appointed Chief Development Officer, managing Merlin Magic Making, in 2011 Following the acquisition of the Tussauds Group in 2007, Mark became the Managing Director of Resort Theme Parks Mark joined The Tussauds Group in 1991 and Merlin in 1995. He has been a senior member of the management team throughout its impressive growth period, playing a key role as part of the original management buyout team from Vardon plc, and in the ongoing organic development which has been at the heart of the company's success. 	
John Jakobsen	Chief New Openings Officer	<ul style="list-style-type: none"> John took on his current role of Chief New Openings Officer in June 2015. Appointed Managing Director of LEGOLAND Parks in 2007 following the acquisition of the Tussauds Group John was previously President and General Manager of LEGOLAND California and General Manager of LEGOLAND Deutschland John joined the LEGOLAND business in 1985 and was involved in the strategic planning of LEGOLAND California, LEGOLAND Windsor, and LEGOLAND Deutschland 	

MANAGEMENT INCENTIVISATION



¹ Central management only

² Based on comparing Adjusted EPS for the financial year 2018 with the financial year 2015

³ Based on underlying operating profit after tax (pre-Exceptional items and after taxation) divided by average net operating assets. Average ROCE will be calculated as an average of ROCE for the three individual financial years 2016-2018

ATTRACTION COUNT



	UK			Cont. Europe			Americas			Asia Pacific			Group		
	26 Dec 2015	Mov't	31 Dec 2016	26 Dec 2015	Mov't	31 Dec 2016	26 Dec 2015	Mov't	31 Dec 2016	26 Dec 2015	Mov't	31 Dec 2016	26 Dec 2015	Mov't	31 Dec 2016
SEA LIFE	13	-	13	18	-	18	8	-	8	8	-	8	47	-	47
Madame Tussauds	2	-	2	3	1	4	6	-	6	8	1	9	19	2	21
Dungeons	5	-	5	3	-	3	1	-	1	-	-	-	9	-	9
LDC	1	-	1	3	-	3	7	2	9	2	1	3	13	3	16
Eye	2	-	2	-	-	-	1	-	1	1	-	1	4	-	4
Shrek	1	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Other	-	-	-	-	-	-	-	-	-	6	-	6	6	-	6
Midway	24	-	24	27	1	28	23	2	25	25	2	27	99	5	104
LLP	1	-	1	2	-	2	2	-	2	1	1	2	6	1	7
RTP	4	-	4	2		2	-	-	-	-	-	-	6	-	6
Group	29	-	29	31	1	32	25	2	27	26	3	29	111	6	117

GLOSSARY

Key terms	Definition
ARR	Average Room Rate
Cluster	A group of attractions located in a city close to one another
Constant Currency growth	Using 2016 exchange rates
EBITDA	Underlying basis, excluding exceptional items
LBC	Little Big City
FX	Effect of movements in foreign exchange
LDC	LEGOLAND Discovery Centre
Lead price	Face value of a ticket, which may then be discounted
LFL	2016 Like for like growth refers to the growth between 2015 and 2016 on a constant currency basis using 2016 exchange rates and includes all businesses owned and operated before the start of 2015
LLP	LEGOLAND Parks Operating Group
MAP	Merlin Annual Pass
Midway	Midway Attractions Operating Group

Key Terms	Definition
NBD	New Business Development
Resident Market	The total population living within a two-hour drive of the attractions
ROCE	Underlying Operating Profit after tax divided by average net operating assets
ROIC	Average EBITDA over the first five years divided by total development capex
RPC	Revenue per Cap, defined as Visitor Revenue divided by number of visitors
RTP	Resort Theme Parks Operating Group
Second Gate	A visitor attraction at an existing resort with a separate entrance and for which additional admission fees are charged
SLC	SEA LIFE Centre
Underlying	Underlying information presented excludes exceptional items that are classified separately within the financial statements
Visitors	Represents all individual visits to Merlin owned or operated attractions

ADR PROGRAMME



Merlin Entertainments has a sponsored Level 1 American Depositary Receipt (ADR) programme for which Citibank acts as depositary bank.

An ADR (American Depositary Receipt) is a security designed to facilitate the ownership of shares in non-US companies by investors based in the United States.

An ADR is quoted in dollars and is traded like any other security.

ADR symbol	MERLY
CUSIP	59010Q205
Depository bank	Citibank
Platform	OTC
ADR ratio (ORD:DR)	2:1
Country	UK
Industry	Travel & Leisure
Effective date	1 September 2015
Underlying SEDOL	BDZT6P9
Underlying ISIN	GB00BDZT6P94
US ISIN	US59010Q2057

FORWARD-LOOKING STATEMENTS DISCLAIMER



The information contained in this presentation has not been independently verified and this presentation contains various forward-looking statements that reflect managements current views with respect to future events and financial and operational performance. The words “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe” and similar expressions or variations on such expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. These forward-looking statements involve known and unknown risks, uncertainties, assumptions, estimates and other factors, which may be beyond Merlin Entertainments plc’s (the “Group’s”) control and which may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. All statements (including forward-looking statements) contained herein are made and reflect knowledge and information available as of the date of preparation of this presentation and the Group disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. Nothing in this document should be construed as a profit forecast.

