

INTRODUCTION TO MERLIN ENTERTAINMENTS



SEPTEMBER 2016

MERLIN
ENTERTAINMENTS

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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 (99 attractions, 44% of 2015 revenue)
 - ✳ LEGOLAND Parks (6 parks, 34% of revenue)
 - ✳ Resort Theme Parks (6 parks, 22% of revenue)
- ✳ **Supported by Merlin Magic Making, our unique creative and production resource**

Midway Attractions



LEGOLAND Parks



Resort Theme Parks



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

² Number of attractions as at 26 December, 2015

UNIQUE PORTFOLIO OF FAMILY ENTERTAINMENT BRANDS AND ICONIC ASSETS

Midway Attractions



- 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 by the end of 2020 with 100+ potential locations identified
- Potential to expand portfolio with further brands

LEGOLAND Parks



- "Playful Learning"
- Leading global brands (LEGO, LEGOLAND)
- Attractive target demographic (families with children 2 – 12)
- Mutually synergistic relationship with LEGO
- 4 new parks to be opened by the end of 2020 (6 currently), with three already under development (Dubai, Japan, South Korea)

Resort Theme Parks



- 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
 - Each theme park is pre-eminent in their market
- Positioned to appeal across various target demographics

COMPELLING BRANDS AND DIVERSE BUSINESS WITH HIGH GROWTH AND RETURN CHARACTERISTICS

MARKET CONTEXT

Growth in Leisure Spending

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

Expansion in Leisure Time

Income growth, increase vacation days, and greater "spare time"

Expansion of the Middle Class in Emerging Economies

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

Increase in International Tourism

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

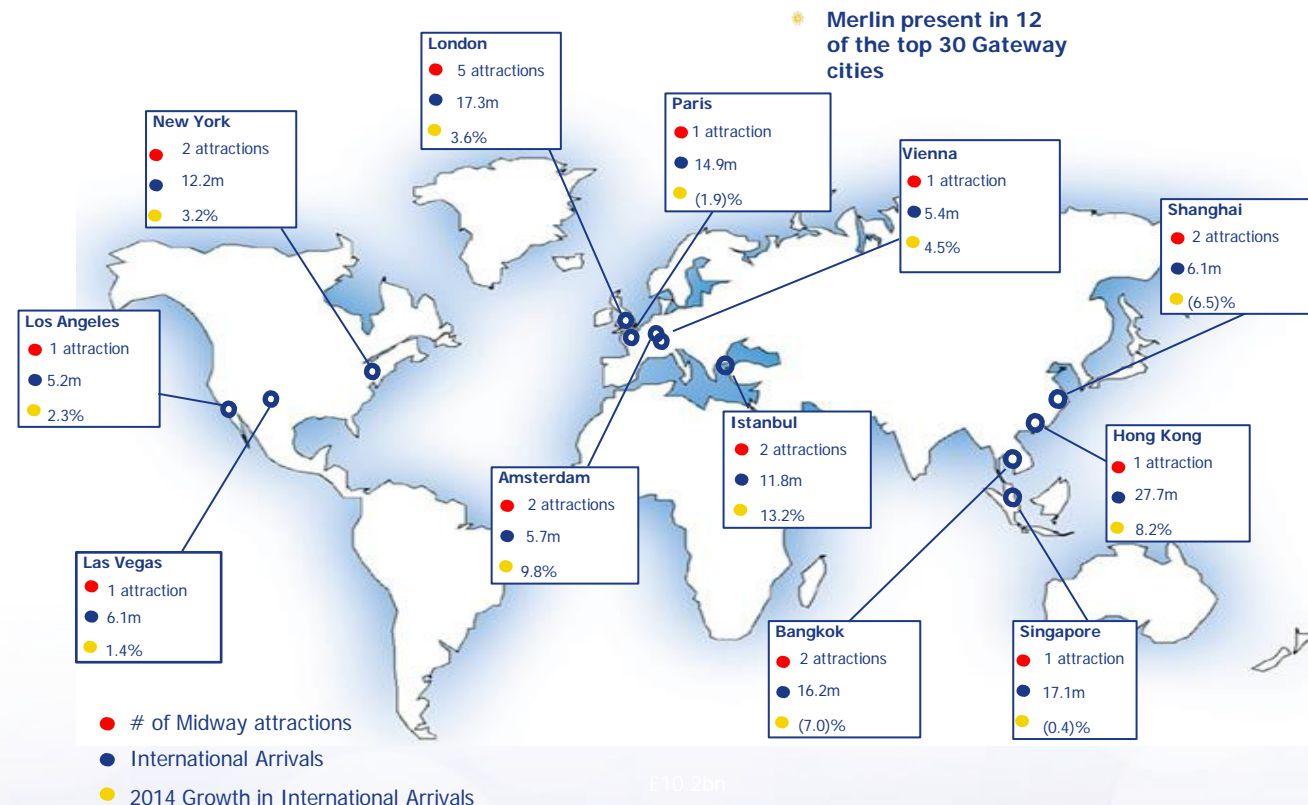
Growth in Short Breaks

Cultural and financial factors driving growth in short breaks

Market Fragmentation

Outside of the large Theme Park companies, the private visitor attractions market remains highly fragmented

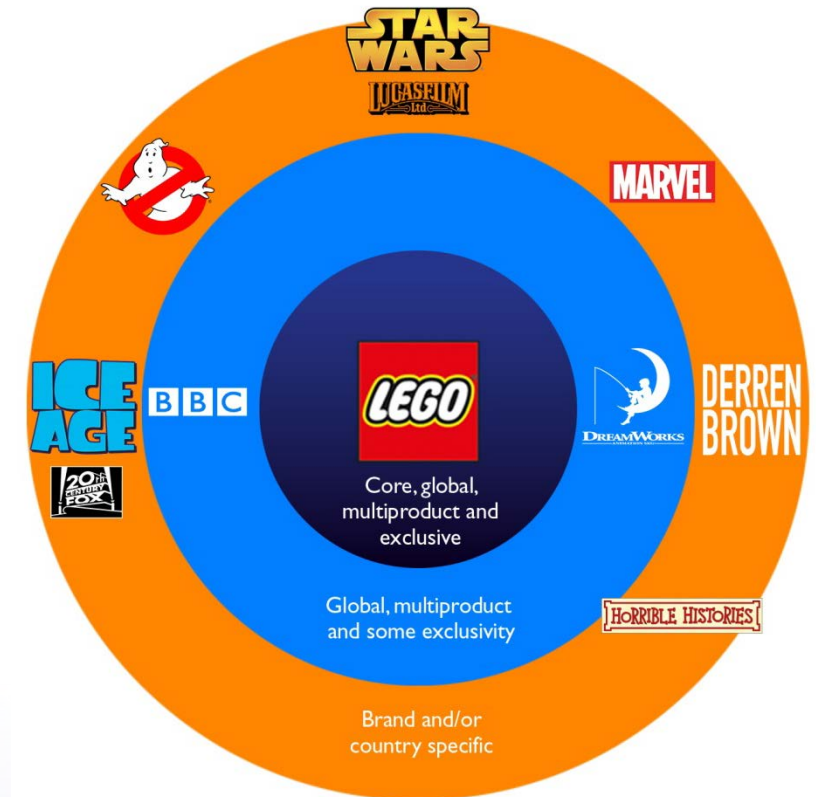
Increase in International Tourism³



MERLIN'S COMPETITIVE ADVANTAGES IN A DYNAMIC MARKET



- 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 (23 countries) via proven roll out of LEGOLAND and Midway brands
- 4 Highly successful themed accommodation formats
- 5 MMM as unique development resource

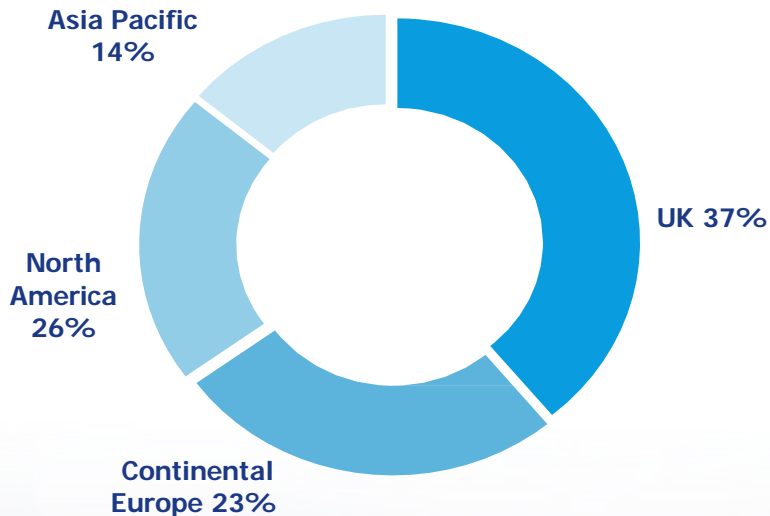


STRATEGY SINCE CREATION OF MERLIN IN 1999



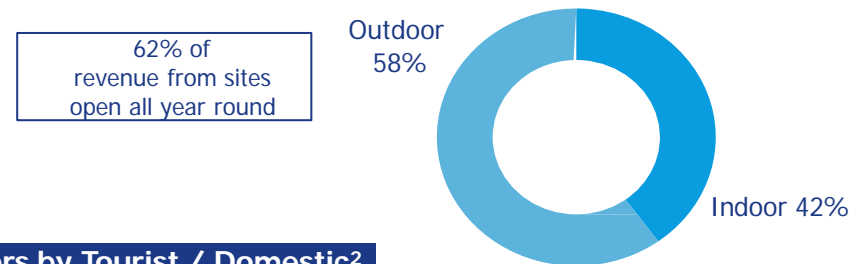
"TO CREATE A HIGH GROWTH, HIGH RETURN, FAMILY ENTERTAINMENT COMPANY BASED ON STRONG BRANDS AND A GLOBAL PORTFOLIO THAT IS NATURALLY BALANCED AGAINST THE IMPACT OF EXTERNAL FACTORS"

Revenue by Geography¹



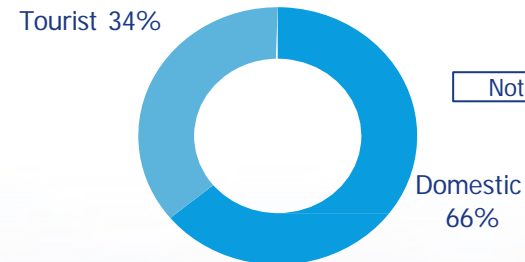
Long term ambition of even split between Europe, Americas and Asia Pacific

Revenue by weather exposure¹



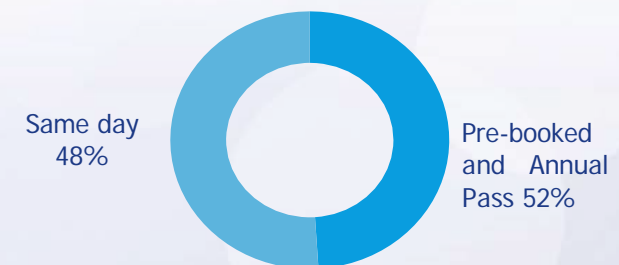
62% of revenue from sites open all year round

Visitors by Tourist / Domestic²



Not reliant upon 'fly-in' market

Pre-booked revenue³



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

¹ Total revenue, 2015

² Total 2015 visitors, based on touchscreen data

³ Total admissions revenue, 2015

WORLD OF ATTRACTIONS

NORTH AMERICA ATTRACTIONS



UK ATTRACTIONS



ASIA ATTRACTIONS



EUROPE ATTRACTIONS



AUSTRALIA/NEW ZEALAND ATTRACTIONS



SIX STRATEGIC GROWTH DRIVERS



"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."

	Growth driver	2020 Milestone	Primary Return criteria
1	Existing estate growth via capex		Mid-single digit like for like EBITDA growth + >15% ROIC on accommodation
2	Strategic synergies		
3	Transformation of theme parks into short break destinations	+2,000 Rooms	
4	Midway roll out	+40 Midways	>20% ROIC
5	Developing new LEGOLAND parks	+4 new Resorts	
6	Strategic acquisitions		Synergised >20% ROIC

2016 PROGRESS ON STRATEGIC GROWTH DRIVERS



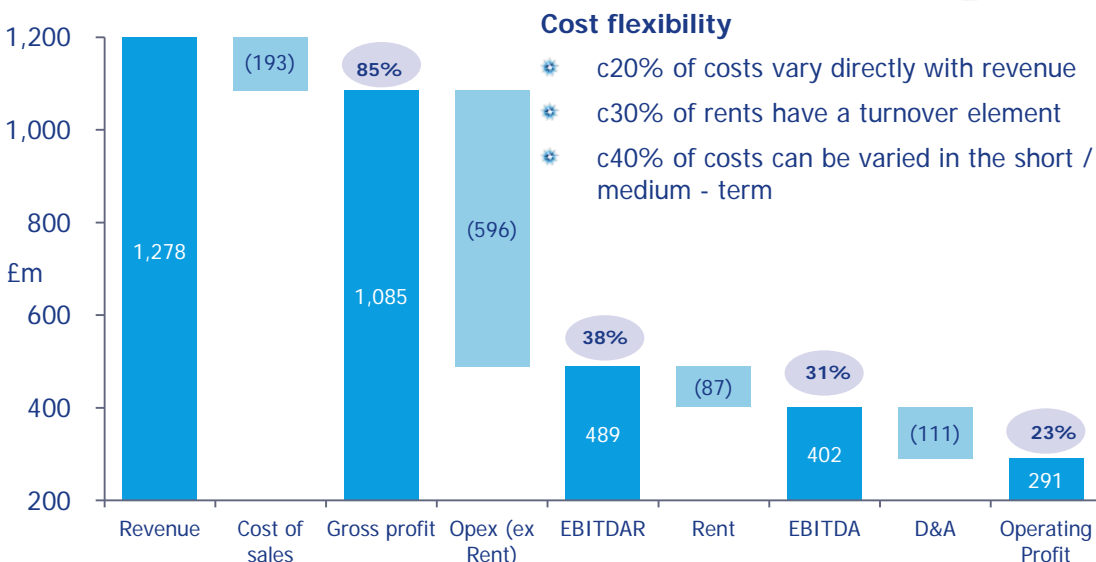
- ★ **Capex cycle** – new product and features at every attraction, including ‘Derren Brown’s Ghost Train’ at THORPE PARK, ‘NINJAGO – The Ride’ at LEGOLAND Billund and 15 major new product investments across the Midway estate
- ★ **Synergies** – Continued global implementation of the accesso® ‘Passport’ ticketing platform
- ★ **Destination positioning** – 210 additional ‘rooms’ across both theme park Operating Groups
- ★ **Midway roll out** – Four new attractions opened to date in 2016
- ★ **LEGOLAND Parks Development** – LEGOLAND Dubai to open in October 2016 with LEGOLAND Japan expected to open in 2017 and LEGOLAND Korea thereafter

FINANCIAL DYNAMICS

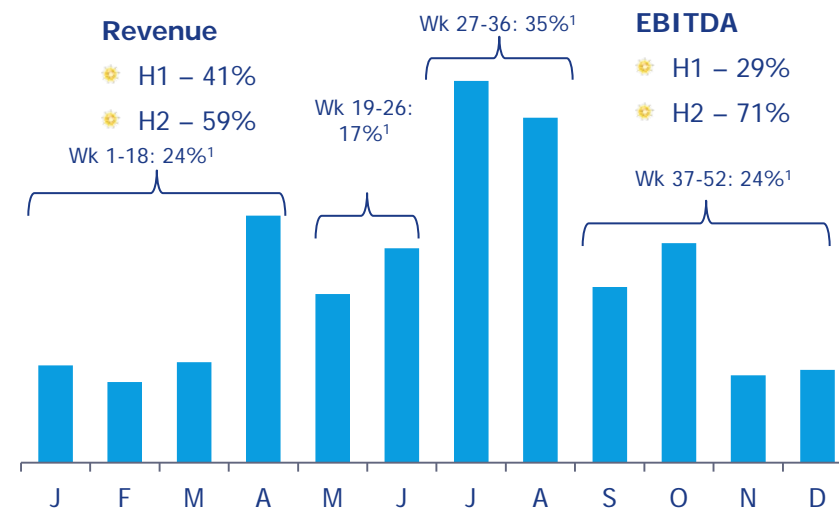


P&L Analysis

Margin



Revenue Seasonality

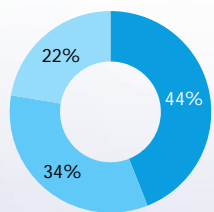


Revenue Analysis

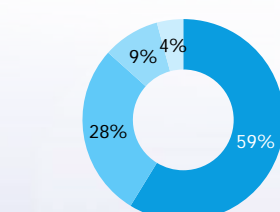
...by Op. Group

...by Type

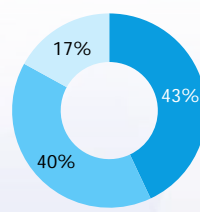
... by Tenure



■ Midway ■ LLP ■ RTP



■ Adm. ■ Sec. ■ Accom. ■ Non-per cap



■ Freehold ■ Long leasehold ■ Short leasehold

Spend and Margins

	Revenue per capita	Admissions/ Secondary ²	EBITDAR Margin	EBITDA Margin	Op. Profit Margin
Midway	£13.66	80/20	49.7%	39.4%	29.7%
LLP	£31.62	54/46	40.1%	39.6%	34.2%
RTP	£21.85	59/41	25.5%	16.5%	6.2%
Group	£18.31	68/32	38.2%	31.5%	22.8%

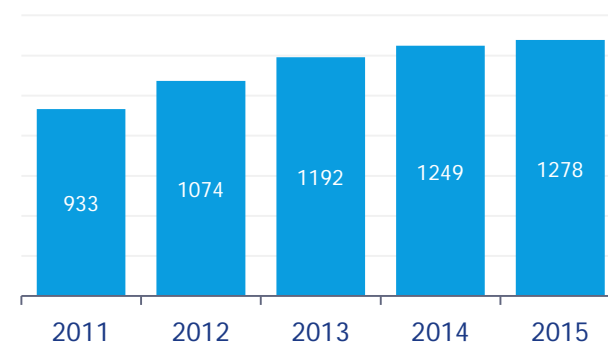
- Greater opportunity for F&B / Retail revenue in theme parks
- Margins impacted by tenure of property and mix of revenue type
- LLP royalty payments and higher retail spend (LEGO products)

FINANCIAL PERFORMANCE

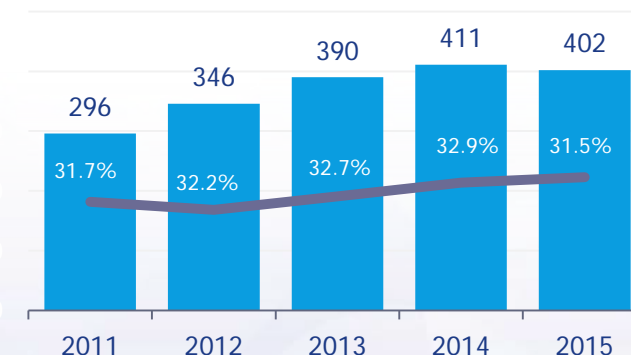


	2011 £m	2012 £m	2013 £m	2014 £m	2015 £m	CAGR Reported FX %	CAGR Constant FX %
Total visitors¹	47.3	54.0	59.8	62.8	62.9	7.8%	7.8%
<i>Growth</i>	<i>15.2%</i>	<i>14.3%</i>	<i>10.7%</i>	<i>4.9%</i>	<i>0.3%</i>		
Revenue	946	1,074	1,192	1,249	1,278	8.2%	10.0%
<i>Growth</i>	<i>18.1%</i>	<i>13.6%</i>	<i>10.9%</i>	<i>4.8%</i>	<i>2.3%</i>		
<i>LFL Growth</i>		<i>-0.5%</i>	<i>6.7%</i>	<i>7.1%</i>	<i>0.4%</i>		
Underlying EBITDA	306	346	390	411	402	8.0%	10.0%
<i>Margin</i>	<i>32.3%</i>	<i>32.2%</i>	<i>32.7%</i>	<i>32.9%</i>	<i>31.5%</i>		
<i>LFL Growth</i>		<i>1.9%</i>	<i>6.3%</i>	<i>7.8%</i>	<i>-4.3%</i>		
Underlying operating profit	232	258	290	311	291	7.1%	9.1%
<i>Margin</i>	<i>24.5%</i>	<i>24.1%</i>	<i>24.4%</i>	<i>24.9%</i>	<i>22.8%</i>		
Capex							
Existing estate²	87	92	95	107	125		
<i>% of revenue</i>	<i>9.3%</i>	<i>8.6%</i>	<i>8.0%</i>	<i>8.5%</i>	<i>9.8%</i>		
NBD	87	71	57	85	90		
Total capex	174	163	152	192	215		

REVENUE CAGR 2011-15 OF 10.0%³



EBITDA CAGR 2011-15 OF 10.0%³



Average LFL EBITDA growth 2011-15: 2.9%
(2010-14: 5.8%)

As reported figures. 2011 figures on a 53 week basis except for LFL growth rates and charts which are on a 52 week basis.

11 | ¹ All visitors to Merlin owned or operated attractions

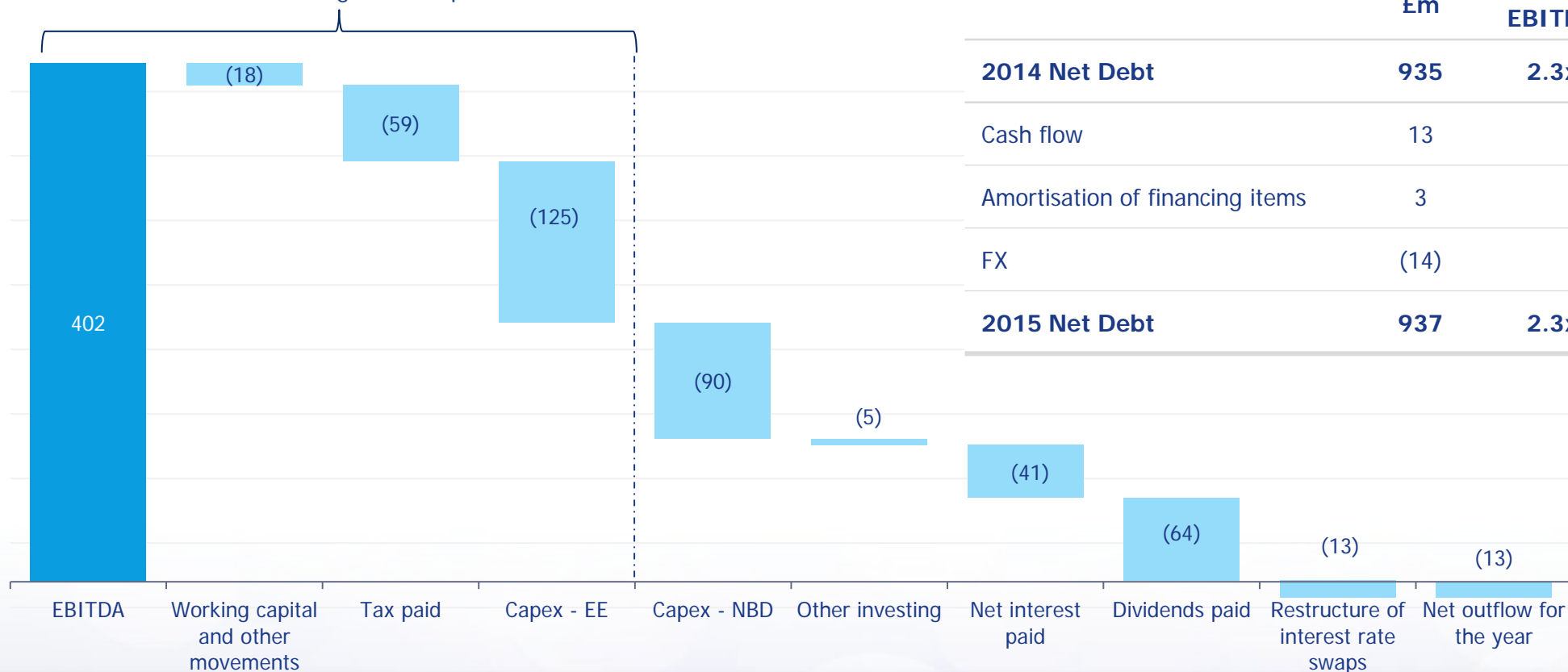
² Includes capital expenditure incurred in connection with the capsule refurbishment for the London Eye between 2008-12

³ Constant currency

2015 CASH FLOW



Free cash flow after existing estate capex: £200m



	£m	ND/ EBITDA
2014 Net Debt	935	2.3x
Cash flow	13	
Amortisation of financing items	3	
FX	(14)	
2015 Net Debt	937	2.3x

STRONG CASH GENERATION USED TO FUND NEW BUSINESS DEVELOPMENT, DIVIDENDS AND INTEREST

APPENDIX I

SIX STRATEGIC GROWTH DRIVERS

SIX STRATEGIC GROWTH DRIVERS



"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."

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#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 ¹ 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) ✦ 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 	
			Smooth Cash Needs Smooth Utilisation of In-house Resources Smooth EBITDA Development

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

#1 EXISTING ESTATE GROWTH VIA CAPEX



Target...

Continue to deliver mid-single digit EBITDA growth via capex broadly in line with depreciation

Supported by...

Pipeline of compelling product from MMM, focus on Existing Estate and market growth



#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 secondary spends for the relevant visitors
- Successfully conducted national retail promotions in the UK
 - Partners include Tesco, News International and Kellogg's
 - Opportunity for similar campaigns in US, Australia and New Zealand
- Future opportunities through new channels, in particular online, which will provide opportunities for more targeted promotions with lower lead times




2. STRATEGIC SYNERGIES

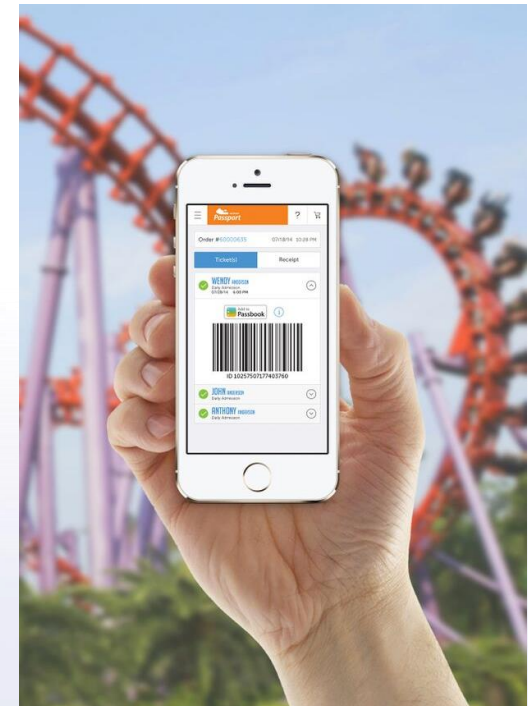
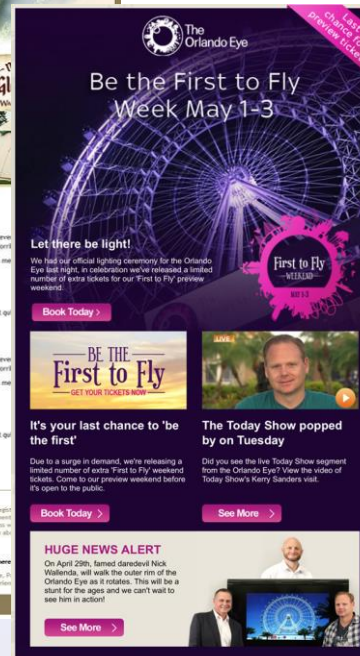


Target...

Continue to deliver synergies to support
Existing Estate growth objectives

Supported by...

Benefits of enhanced digital guest
purchase journey and upgraded CRM



#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

- Opened on time and on budget in April 2013
- 250 bedrooms, extending catchment area
- 99% occupancy rates in peak season
- 50k extra park visits directly attributable to hotel



#3 THEME PARK RESORT POSITIONING



Target...

Double the number of new rooms from 200 p.a. to over 400 p.a.
2,000 new keys by the end of 2020
representing capital investment of £200m+

Supported by...

Strong pipeline of hotel and other accommodation projects across LLP and RTP



#4 MIDWAY ROLL OUT



Target...

Step up openings with target of 40 new Midway attractions by the end of 2020 (equivalent to 8 p.a.)

Supported by...

Strong pipeline of new sites, new brand concepts and rapid expansion in China



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

MIDWAY ROLL OUT

Approved pipeline



The Americas x 4



Europe x 3



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%+

Middle East x 2



Merlin Entertainments
The Eye Brand

APAC x 6



#5 LEGOLAND PARKS DEVELOPMENTS

Three Flexible Business Models

Operated and Owned

- All existing parks (exc. Malaysia)
- 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 DEVELOPMENTS



Target...

Open four new parks / resorts by the end of 2020

Supported by...

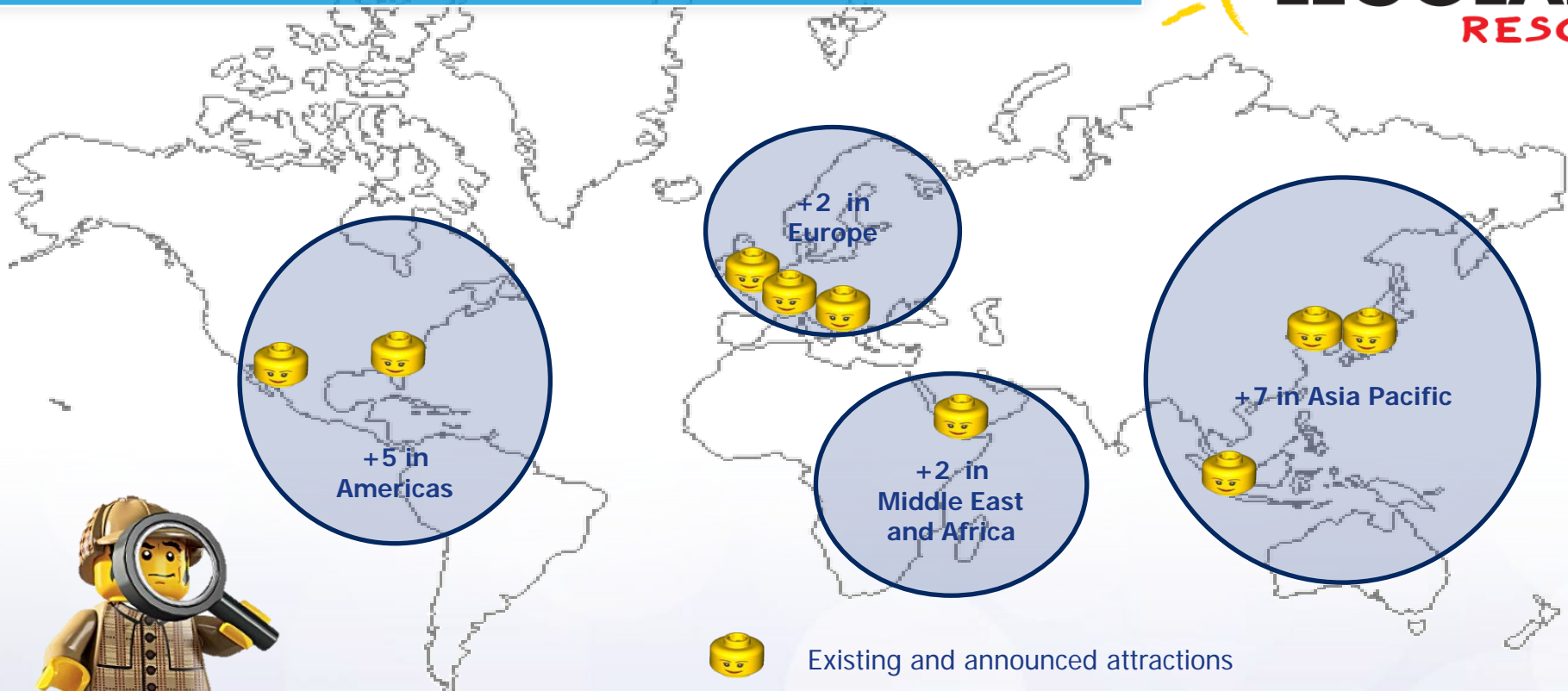
Three (Dubai, Japan, South Korea) under development and strong US / China pipeline



#5 LEGOLAND PARKS - LONGER TERM VISION



At least 25 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, in to perpetuity
 - ✦ Where Merlin does not own a LEGOLAND park already, it has the global exclusivity to open further parks until 2033. 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. Once LEGOLAND Dubai, Japan and South Korea have been opened, this exclusivity will therefore extend to beyond 2050
 - ✦ 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
- 27 | ✦ Kirkbi, who are a 75% shareholder of the LEGO Group, are also a 29.89% 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)



#6 STRATEGIC ACQUISITIONS



Target...

Continue to make opportunistic acquisitions appropriate to strategy. Focus on North America / Asia and primarily Midway
'Invest to learn' where necessary

Supported by...

Strong balance sheet and dedicated resource in a fragmented market



APPENDIX II

OPERATING GROUP ASSETS

MIDWAY ATTRACTIONS



Merlin Entertainments
The Eye Brand



AMAZING!



Strategic Alliance with Dreamworks

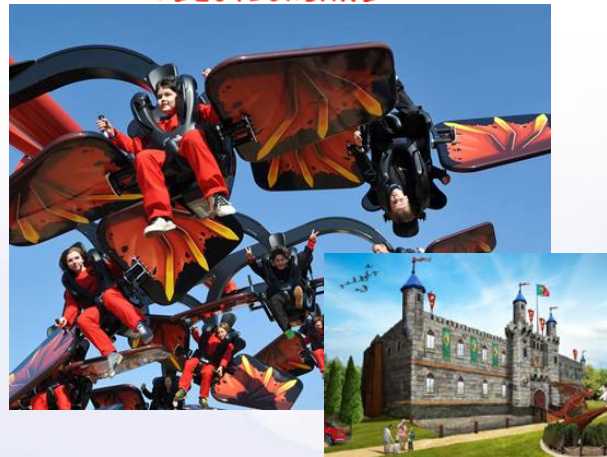
- ✓ Agreement with DreamWorks Animation announced in 2014
- ✓ Sixth Midway brand, based on Shrek and other Dreamworks IP
- ✓ Initial plan for 6 attractions over 9 years
- ✓ First attraction opened in London in Summer 2015 to good guest feedback
- ✓ Investment and returns expected to be similar to existing Midway roll out strategy
- ✓ Worldwide exclusivity on Midway concept, excluding China and Russia
- ✓ New brand provides incremental opportunities for roll out to gateway cities and clusters



MERLIN
MAGIC
MAKING



LEGOLAND PARKS



LEGOLAND DUBAI



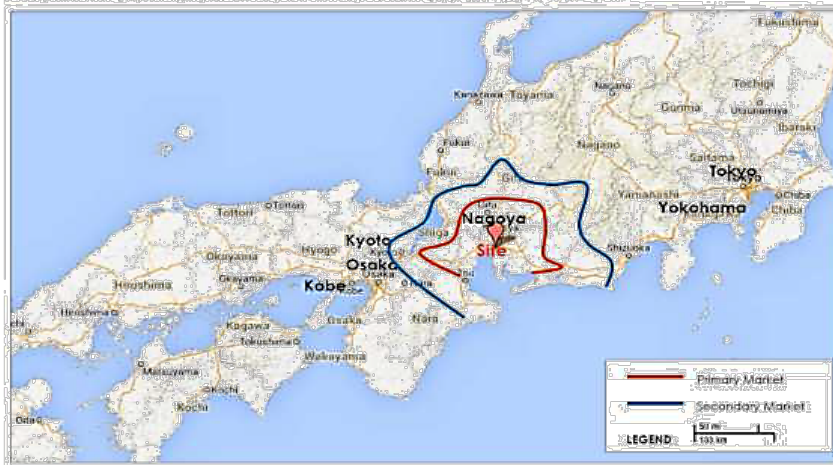
- ☺ Management Contract, funded primarily by Dubai Parks and Resorts
- ☺ Part of a wider resort, consisting of a number of other complementary leisure attractions and hotels, including 'motiongate™ Dubai' and 'Bollywood Parks™ Dubai'.
- ☺ Merlin to receive a management fee. No upfront or ongoing capex obligation
- ☺ Un-locked other opportunities:- Waterpark (to be run as second gate) and more to come...
- ☺ On schedule for opening in Q4 2016

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 worlds 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 with target EBITDA ROIC of at least 20%.
EBITDA margins of 15-20%

LEGOLAND KOREA



- ☺ Scheduled for 2018 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, with target EBITDA ROIC of at least 20%
- ☺ EBITDA margins of 20-25%

RESORT THEME PARKS



APPENDIX III

MERLIN – CMC JOINT VENTURE



New Brands

(China)



MERLIN – CMC JOINT VENTURE



Development

- ✦ Capitalise Merlin's and CMC's access to popular brands and IP
- ✦ Leverage relationships & network to access premium locations
- ✦ Adapt content to local tastes

Management

- ✦ Leverage existing Merlin divisional & global infrastructure
- ✦ Rely on Merlin know-how and experience for daily operations
- ✦ Utilise local networks and relationships






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. He was formerly, Chairman of Tragus, Deputy Chairman of The National Trust, and most recently Non-Executive Chairman of Genesis Housing Association. 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. 	
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 joined the Board as Chief Financial Officer with effect from 1 August 2016. Prior to Merlin, Anne-Francoise was Chief Financial Officer and Executive Director of Dechra Pharmaceuticals plc, a FTSE 250 specialist veterinary pharmaceuticals company. Before joining Dechra, Anne-Francoise held a number of senior finance roles at GlaxoSmithKline(GSK) including Senior Vice-President of Finance of GSK Vaccines Belgium and VP & Finance Controller for GSK Europe. Anne-Francoise has also held finance roles in Caterpillar, ADP, Tetra Pak and John Crane. 	

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), 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. 	
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. Møller – 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
(25 years)

Anne-Francoise Nesmes

CFO
(Joined August 2016)



Nick Mackenzie
Managing Director
Midway Attractions
(13 years)

Hans Aksel Pedersen
Managing Director
LEGOLAND Parks
(16 years)

Justin Platt
Managing Director
Resort Theme Parks
(5 years)

John Jakobsen
CNOO
New Openings Group
(30 years)

Mark Fisher
CDO
Merlin Magic Making
(24 years)

OVER 100 YEARS COMBINED EXPERIENCE AMONGST SENIOR MANAGEMENT TEAM

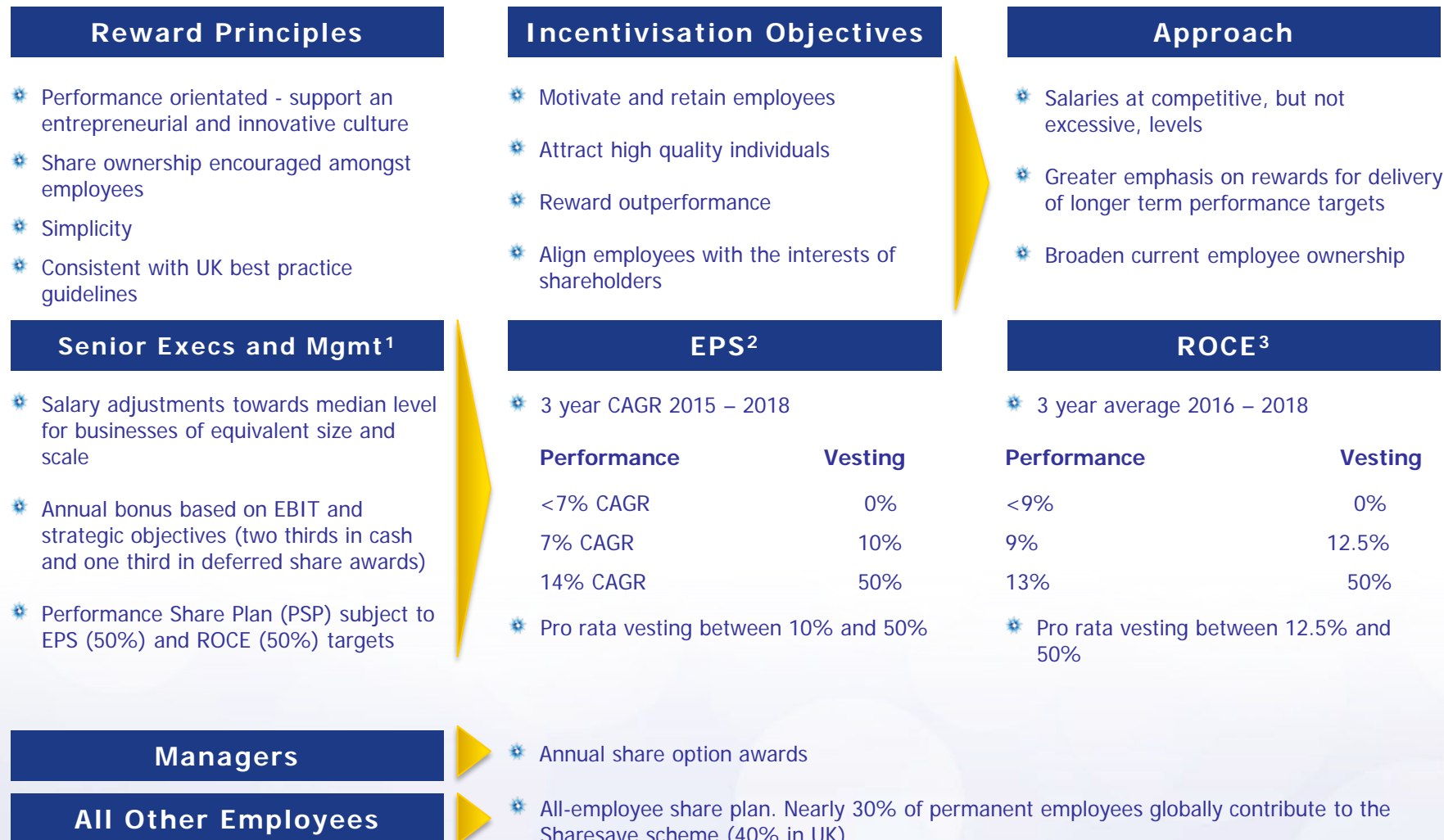
Name
Title
(Years with Merlin
Businesses)

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 26 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 16 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 Earnings Before Interest and Tax (pre-Exceptional items and after taxation) divided by end of period net operating assets. Average ROCE will be calculated as an average of ROCE for the three individual financial years 2016-2018

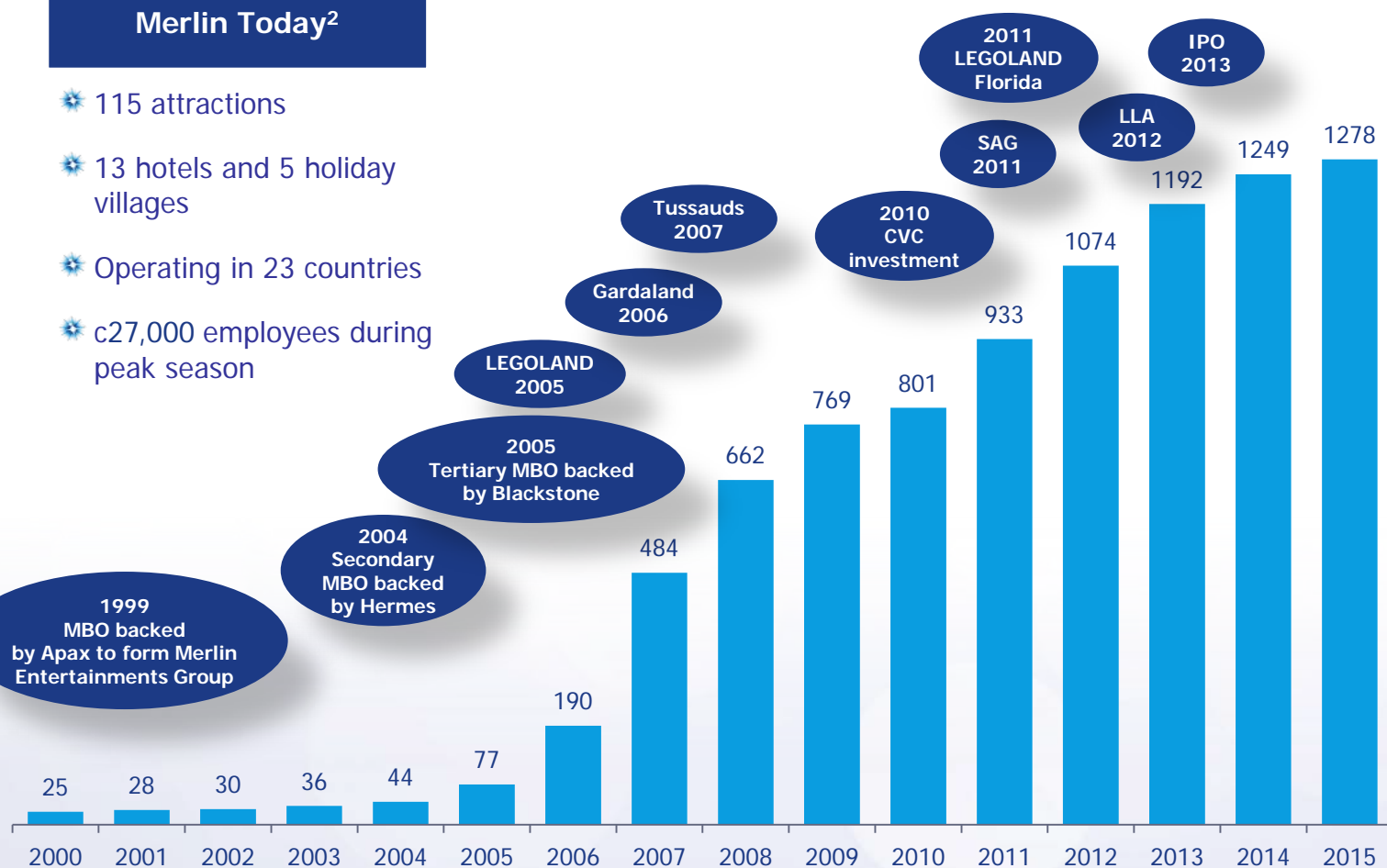
LONG TERM, ROBUST GROWTH



Revenue growth 2000 – 2015 (£m)¹

Merlin Today²

- 115 attractions
- 13 hotels and 5 holiday villages
- Operating in 23 countries
- c27,000 employees during peak season



2015 Performance

- 62.9m visitors
- £1,278m revenue
- £402m EBITDA³
- £291m Operating Profit³
- £180m Profit after tax³
- 9.7% ROCE³

46 | ¹ Currency as reported. Non-December year ends calendarised. 2011 reflects 52 weeks (week 2 to 53).

² As at 17 September, 2016

³ Underlying figures, excluding exceptional items

APPENDIX IV

ATTRACTION COUNT AND GLOSSARY OF TERMS

ATTRACTION COUNT



	UK			Cont. Europe			Americas			Asia Pacific			Group		
	27 Dec 2014	Mov't	26 Dec 2015	27 Dec 2014	Mov't	26 Dec 2015	27 Dec 2014	Mov't	26 Dec 2015	27 Dec 2014	Mov't	26 Dec 2015	27 Dec 2014	Mov't	26 Dec 2015
SEA LIFE	13	-	13	18	-	18	6	2	8	8	-	8	45	2	47
Madame Tussauds	2	-	2	3	-	3	5	1	6	8	-	8	18	1	19
Dungeons	5	-	5	3	-	3	1	-	1	-	-	-	9	-	9
LDC	1	-	1	2	1	3	7	-	7	1	1	2	11	2	13
Eye	2	-	2	-	-	-	-	1	1	1	-	1	3	1	4
Shrek	-	1	1	-	-	-	-	-	-	-	-	-	-	1	1
Other	-	-	-	-	-	-	-	-	-	6	-	6	6	-	6
Midway	23	1	24	26	1	27	19	4	23	24	1	25	92	7	99
LLP	1	-	1	2	-	2	2	-	2	1	-	1	6	-	6
RTP ⁽¹⁾	4	-	4	3	(1)	2	-	-	-	-	-	-	7	(1)	6
Group	28	1	29	31	-	31	21	4	25	25	1	26	105	6	111

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 2015 exchange rates
EBITDA	Underlying basis, excluding exceptional items
LDC	LEGOLAND Discovery Centre
Lead price	Face value of a ticket, which may then be discounted
LFL	2015 Like for like growth refers to the growth between 2014 and 2015 on a constant currency basis using 2015 exchange rates and includes all businesses owned and operated before the start of 2014
LLB	LEGOLAND Billund Resort
LLC	LEGOLAND California Resort
LLD	LEGOLAND Deutschland Resort
LLF	LEGOLAND Florida Resort
LLM	LEGOLAND Malaysia Resort
LLP	LEGOLAND Parks Operating Group
LLW	LEGOLAND Windsor Resort
MAP	Merlin Annual Pass
Midway	Midway Attractions Operating Group

GLOSSARY (CONT.)

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
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.

