2013 PRELIMINARY RESULTS PRESENTATION

MERLIN ENTERTAINMENTS

27 FEBRUARY 2014

Agenda

Overview	Nick Varney
Financial Results	Andrew Carr
Strategic Developments	Nick Varney

2013 Highlights

Further growth in visitors, revenue and profits

(£ millions, unless stated)	2013	*Growth*
Visitors (m)	59.8	*10.7%*
Revenue	1,192	*10.9%*
Like for like revenue growth[1]		*6.7%*
EBITDA	390	*12.8%*

Key non-financial KPI's

Customer satisfaction	90%+
Employee engagement	80%+




Underlying figures excluding exceptional and non-trading items. Exceptional and non-trading items are provided in the appendix

[1] Like for like growth based on the 2013 and 2012 figures and includes all businesses owned and opened before 2012, on a constant currency basis using 2013 exchange rates.

Progress on Six Strategic Growth Drivers

Progress on 6 Strategic Growth Drivers, including:

- **Capex cycle –** major new rides and attractions at Alton Towers, Chessington and LEGOLAND Florida
- **Synergies** – strategic partnerships with Kelloggs, News International and Tesco
- **Destination positioning –** New 250 room hotel at LEGOLAND California, opened ahead of schedule in April
- **Midway roll out** – Six openings and two relocations
- **LL Park development** – First full year of LEGOLAND Malaysia. LEGOLAND Dubai underway
- **Acquisitions –** Turkuazoo aquarium, providing the foundation for a cluster in Istanbul

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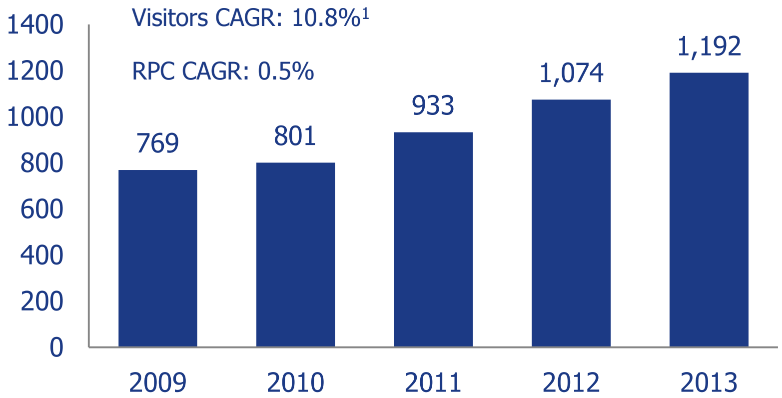
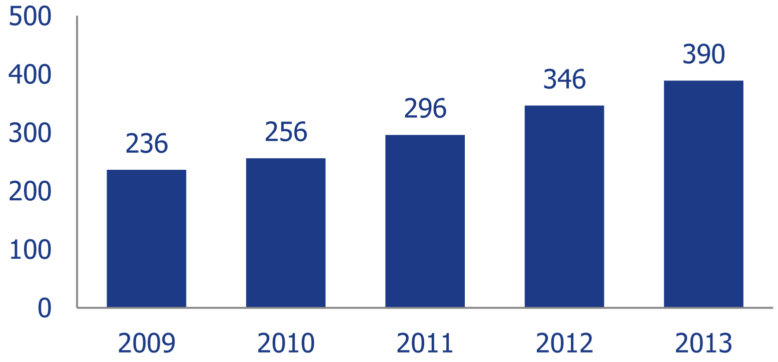
Long Term Growth Trajectory

Double-digit revenue and EBITDA CAGR since 2009

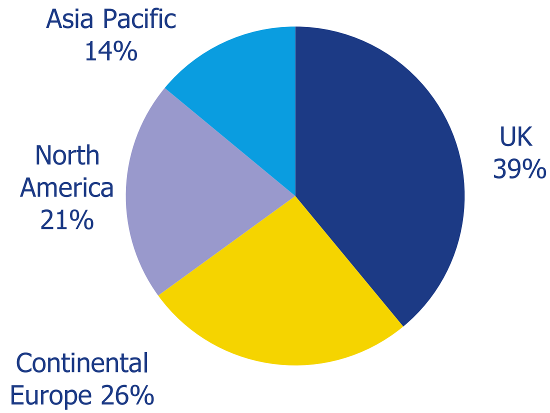
Revenue CAGR 2009-13 of 11.6%



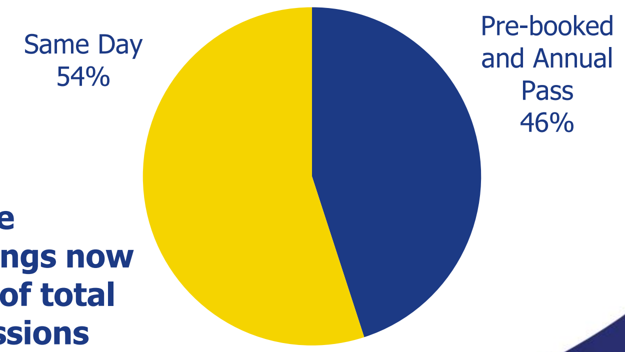
EBITDA CAGR 2009-13 of 13.4%



Revenue Split by Geography



Group Pre-booked Revenue



Online bookings now 19% of total admissions revenue

[1] *'Statutory' visitors, excluding LEGOLAND Malaysia and joint ventures*

Financial Results

Summary

(£ millions, unless stated)	2013	2012	Reported Growth	Constant FX Growth[1]	Like for like Growth[1]
Revenue	**1,192**	1,074	*10.9%*	*9.1%*	*6.7%*
EBITDA	**390**	346	*12.8%*	*10.2%*	*6.3%*
Margin	***32.7%***	*32.2%*			
Operating Profit	**290**	258	*12.3%*	*9.4%*	
PBT	**186**	140	*33.0%*		
Adjusted EPS[2]	**16.9 p**	*(16.0p calculated using the closing number of shares)*			
ROCE[3]	**10.2%**				

Strong growth in revenue and profits with EBITDA margin up 50 bps

Underlying figures excluding exceptional and non-trading items. Exceptional and non-trading items are provided in the appendix
[1] At constant currency using 2013 FX rates
[2] Calculated based upon the profit for the period attributable to ordinary shareholders adjusted for exceptional and non-trading items
[3] Based on a normalised effective tax rate of 28%

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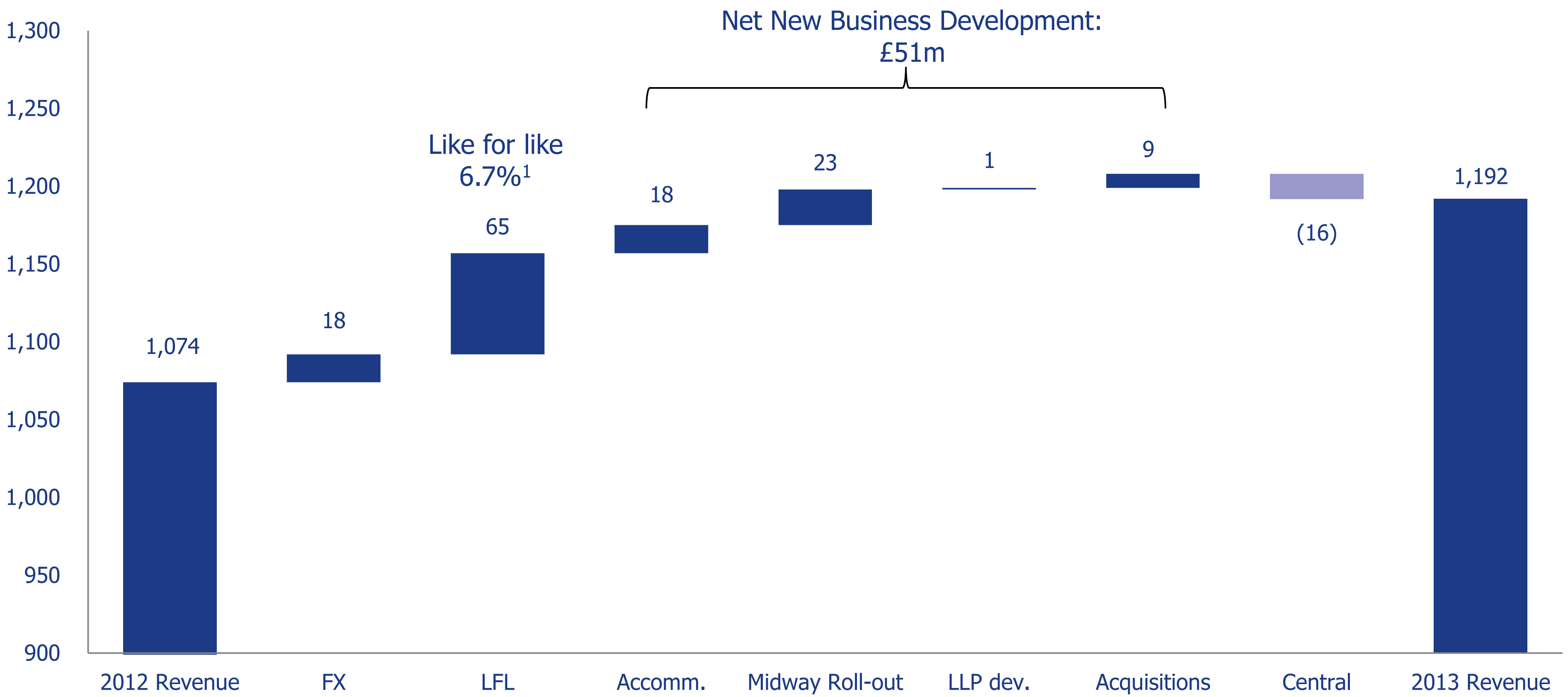
Revenue Bridge 2012-13



Revenue growth driven by Like for like and New Business Development supported by favourable foreign exchange movements

Underlying figures excluding exceptional and non-trading items

[1] Like for like growth based on those sites owned and operated before 2012. These contributed £970m of revenue in 2012, at 2013 FX rates. See appendix for further details

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Midway Financials

(£ millions, unless stated)	2013	2012	*Growth*
Revenue	**524**	**458**	***14.3%***
LFL Growth			***9.3%***
EBITDA	**212**	**179**	***18.7%***
Margin	40.5%	39.1%	
Operating Profit	**164**	**136**	***20.4%***
Margin	31.3%	29.7%	
Existing Estate Capex	**33**	**30**	***10.6%***
% of revenue	6.2%	6.5%	

- Strong like for like growth in Asia and UK
- Further growth from 12[1] new sites opened in 2012-13
- EBITDA margin increased by 140bp driven by improved revenue performance
- Existing Estate capex in line with 6-8% target

Underlying figures excluding exceptional and non-trading items

[1] Excluding the acquisition of Turkuazoo aquarium. Two further sites were relocated

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LEGOLAND Parks Financials

(£ millions, unless stated)	2013	2012	*Growth*
Revenue	**352**	**308**	***14.2%***
LFL Growth			***5.3%***
EBITDA	**127**	**113**	***12.8%***
Margin	36.1%	36.6%	
Operating Profit	**106**	**95**	***11.6%***
Margin	30.0%	30.8%	
Existing Estate Capex	**26**	**29**	***(8.2)%***
% of revenue	7.5%	9.3%	

- Good like for like revenue growth dampened by LEGOLAND Florida's strong first year performance in 2012
- Excellent performance from LEGOLAND California, supported by the new 250 room LEGOLAND hotel opened in April 2013
- High year capex at LEGOLAND Florida and LEGOLAND Deutschland
- Existing Estate capex in line with target of 8-10%

Underlying figures excluding exceptional and non-trading items

Resort Theme Parks Financials

(£ millions, unless stated)	2013	2012	*Growth*
Revenue	**314**	**290**	***8.4%***
LFL Growth			***5.2%***
EBITDA	**81**	**73**	***11.2%***
Margin	25.9%	25.3%	
Operating Profit	**54**	**49**	***10.5%***
Margin	17.3%	17.0%	
Existing Estate Capex	**33**	**32**	***2.9%***
% of revenue	10.4%	10.9%	

- Good like for like revenue growth, driven by the UK attractions, following a challenging year in 2012
- Revenue driven by high year investment at Alton Towers ('The Smiler') and Chessington ('Zufari')
- Continued resort development
- Stabilisation in Gardaland
- Existing Estate capex as % of revenue continues to fall due to extended investment cycle and increased revenue

Underlying figures excluding exceptional and non-trading items

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Summary Underlying P&L

(£ millions, unless stated)	2013	2012	*Growth*
Op. Group EBITDA	420	365	*15.3%*
Central Costs	(30)	(19)	*(61.8)%*
EBITDA	**390**	**346**	***12.8%***
Depreciation and amortisation	(100)	(88)	*(14.2)%*
Operating profit	**290**	**258**	***12.3%***
Net finance costs	(104)	(118)	*12.0%*
PBT	**186**	**140**	***33.0%***
Tax	(24)[1]	(20)	*(18.1)%*
Net profit pre-exceptionals	**162**	**120**	***35.6%***

- Central costs of around £35m in 2014
- D&A at 8.4% of revenues in 2013 expected to remain in 8-9% range
- 2014 senior facility cash costs of 4.4%
  - £7m of finance lease interest
  - £6m non-cash amortisation of financing costs
- Effective Tax Rate of 27% in 2014, Cash Tax Rate of 22%

Underlying figures excluding exceptional and non-trading items. Exceptional and non-trading items are provided in the appendix. Growth at reported, actual FX rates

[1]Effective Tax Rate of 12.7%. Underlying effective tax rate, excluding prior year adjustments is 14.5%

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Capital Expenditure and Acquisitions

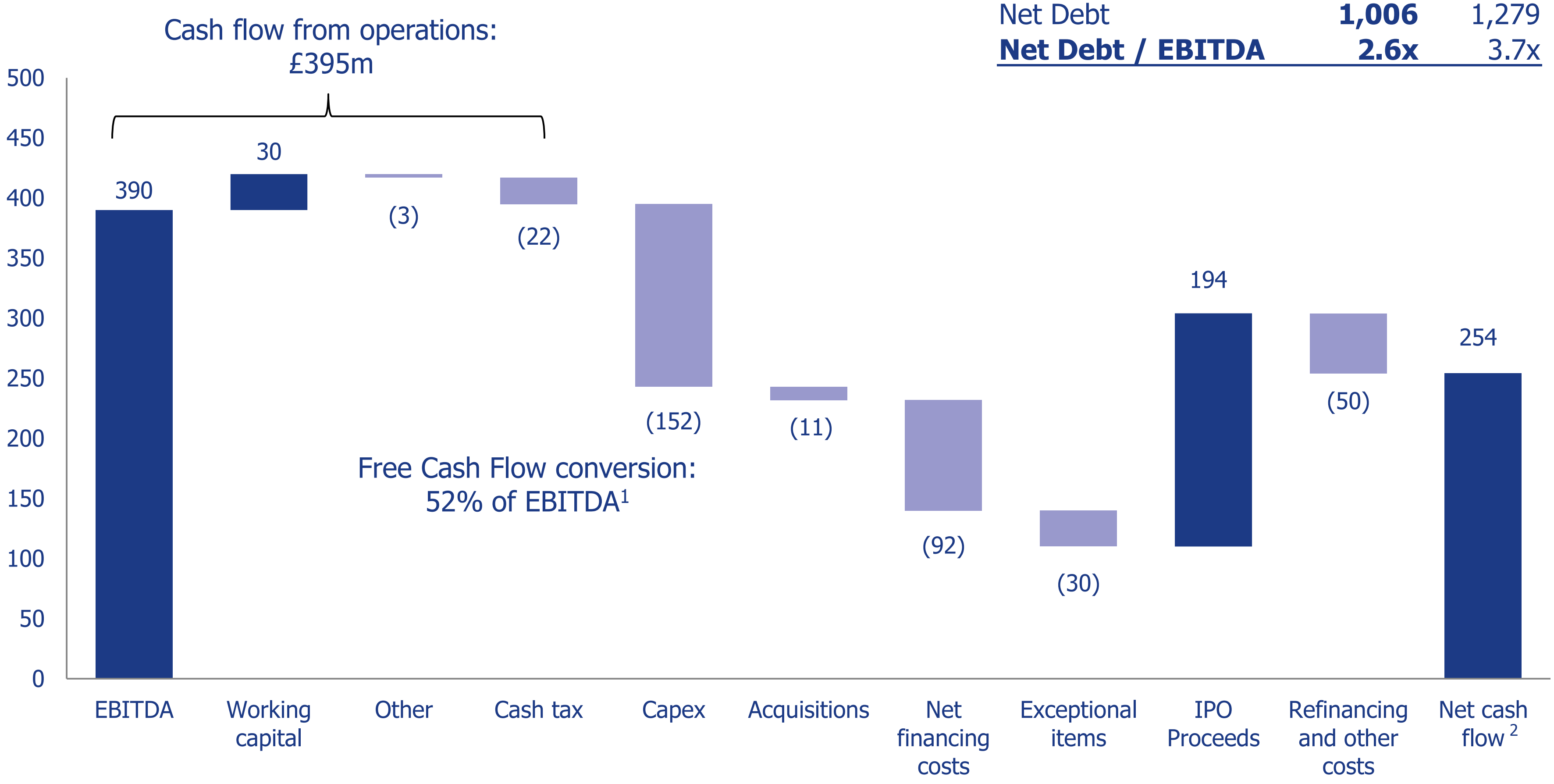
(£ millions, unless stated)	2013	2012
Existing Estate (EE)	95	92
New Business		
Accommodation	18	17
Midway	38	54
LLP development	1	-
Total Capital Expenditure	**152**	**163**
Acquisitions	11	157
Total Capex and Acquisitions	**163**	**320**
EE Capex % Total Revenue	8.0%	8.6%

- Existing Estate capex to remain in the range 8-10%
- Total capex of around £190m in 2014

Investment consistent with strategic objectives – EE capex at 8-10% of revenues

Cashflow

	2013	2012
Net Debt	**1,006**	1,279
Net Debt / EBITDA	**2.6x**	3.7x



Strong operating cash flow and reduced leverage to 2.6x from 3.7x

All figures in £m unless otherwise stated

[1] Free Cash Flow calculated as Cash flow from operations less Capex, Acquisitions and exceptionals

[2] Net cash flow represents cash flow movement in debt, excluding increase in financing costs

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2014 Outlook and Current Trading

- **Outlook**
  - Strong pipeline of openings (H2-weighted)
  - Strong trading in major markets
  - Southern Europe stabilising
  - FX – translational impact only
- **Current Trading**
  - Seasonally quiet period
  - Current trading in line with expectations
  - Capex plans on track

Continued growth in revenue and profits. Well placed to deliver on strategy.

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Strategic Developments

Strategic Statement since 1999

To create a high growth, high return, family entertainment company based on strong brands and a global portfolio that is naturally hedged against the impact of external factors

Six Strategic Growth Drivers

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	
4	Midway roll out	>20% ROIC
5	Developing new LEGOLAND parks	
6	Strategic acquisitions	Synergised >20% ROIC

#1 Existing Estate Capex-led Growth

20% ROIC

8-10% Revenues

In line Depreciation

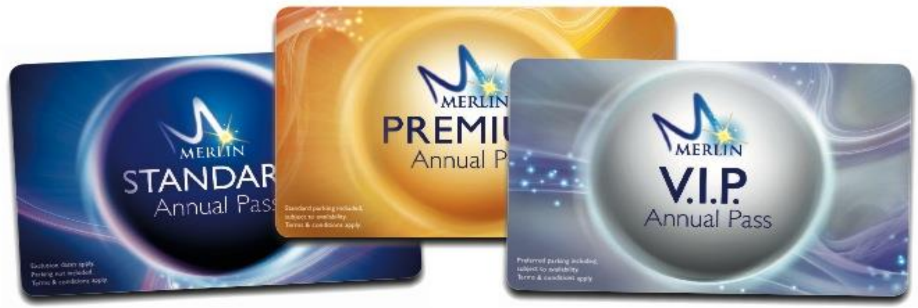
2014 plans include…

- **Midway:**
  - Penguin Ice Adventure at SEA LIFE Birmingham
  - 4D cinema MT Hollywood
  - SEA LIFE relaunch at Busan Aquarium
- **LLP:**
  - Legends of Chima waterpark in LEGOLAND California
- **RTP:**
  - 'Flight of the Demons' at Heide Park
  - CBeebies IP – New Land at Alton Towers

5.8% average like for like EBITDA growth 2009-13

#2 Strategic Synergies

- **UK Merlin Annual Pass relaunch**
- 70k passes in 2014 January sale vs 45k in 2013
- Upselling to Premium via CRM and Privilege Pack
- Strong interest in exclusive VIP pass (March launch)



- **Strategic partnerships with major brands**
- 'Grown ups go free' promotion across all Kelloggs cereal range

- **2014 Next generation ticketing trial at Thorpe Park**
- Admissions and e-commerce solution
- Upsell to Thorpe Annual Pass and MAP
- Improve customer satisfaction
- Opportunity to roll out across the wider estate

#3 Theme Park Resort Positioning

- **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

2014 plans…

- **New Chessington hotel -** 69 bedroom 'Azteca' hotel
- **LEGOLAND Deustchland -** 68 bedroom Knight's Castle hotel
- **Thorpe Park –** 'Shark Hotel'
- **LEGOLAND Billund -** Extension, and upgrade
- **Warwick Castle** – Medieval Glamping

Targeting 15%+ ROIC on c£25m capex p.a.

#4 Midway roll out

The Midway roll out model continues to drive revenue and profit growth

- Branded 20-30k sq ft 'boxes'
- Rolled out for £5m - £8m each
- Located in city centres, resorts, destination shopping malls
- Low rent and opex = lower risk
- Prioritising Cluster cities
  - Share operating costs
  - Marketing synergies
  - Cross-selling
- Average ROIC of 20%+

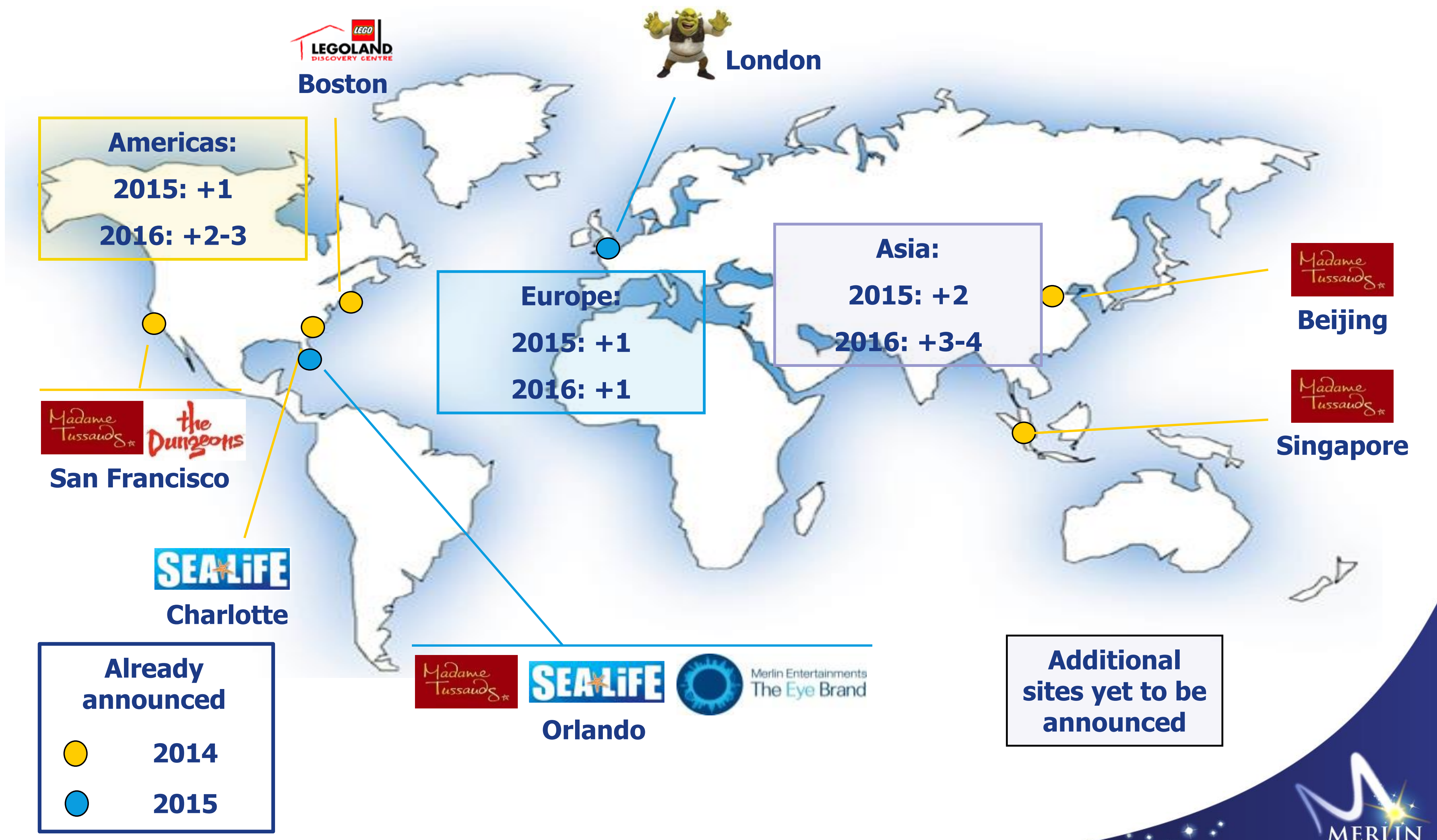
Overall 5-year rolling average Midway roll out ROIC 20.8%

	Madame Tussauds	SEA LIFE	the Dungeons	LEGOLAND Discovery Centre	Merlin Entertainments The Eye Brand	
2014 6 sites	**Beijing San Francisco Singapore**	**Charlotte**	**San Francisco**	**Boston**		
2015 8 sites[1]	**Orlando**	**Orlando Istanbul[1] North America**		**Asia Asia Europe**	**Orlando**	**London**

Targeting 20%+ ROIC on 6-7 new sites p.a. at £5-8m capex each

[1] Turkuazoo acquired in 2013 with re-brand and relaunch planned for the 2015 season

#4 Midway roll out (cont)



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#5 LEGOLAND Parks Developments

LEGOLAND Malaysia

- **First full year of trading in 2013**
  - Visitor numbers significantly ahead of expectations
  - Waterpark opened in October 2013
  - 249 room hotel opened in November
  - All investment funded by partner

LEGOLAND Developments

- **Dubai management contract**
  - Development fees of $2.5m p.a. 2013-15
  - Receive management fee and performance upside from opening in 2016 (total fees $3-4m pa)
- **Medium-term opportunities**
  - Japan and South Korea (operated & leased)
  - China (management contract)
  - USA (operated & owned/leased)

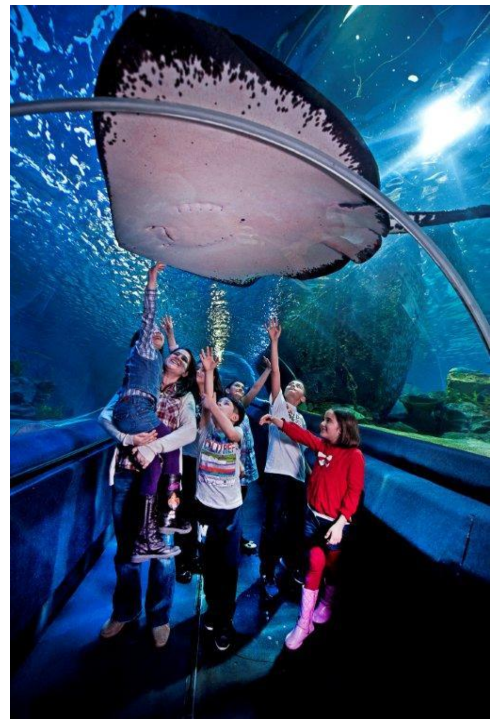
#6 Strategic Acquisitions

Relaunch of LLA Aquariums in 2013. Acquisition of Turkuazoo Aquarium

Melbourne aquarium

- c£3.6m capex investment
- Relaunched in September 2013
- Visitors +16% since relaunch[1]

Turkuazoo aquarium



- Acquired in September 2013
- Relaunch planned for 2015 season
- Opportunity for Istanbul cluster

[1]*Compared to the corresponding period in the prior year*

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New Strategic Alliance with Dreamworks

- New midway brand, based on Shrek and other Dreamworks IP
- Initial plan for 6 attractions over 9 years
- First attraction opening in London in Summer 2015
- Investment and returns 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

The Biggest Animated Franchise Of All Time

Shrek OWNS the hilarious intersection of pop culture and fairytales

A Global Phenomenon with a ogre-sized social media following

60 Million Fans Worldwide

- Shrek **(44 Million)** is the #1 fan page of any animated film | #4 fan page of any movie on Facebook
- Since 2010, the Shrek Facebook page has grown by over **10 Million** people per year for the last 3 years
- More than 85% of Shrek fans are INTERNATIONAL
- Donkey, Puss and Gingy fan pages total **16 Million** fans worldwide

5.2 Million Mentions

1.6 Million Videos of Donkey

(top video has **23 Million** views)

Sources: Shrek Global Listening Report - Way to Blue **Sept 2012 – Sept 2013**

Attraction Concept

- Concept created by MMM NBD team
- Original content (storyline, script and animation)
- Family based immersive attraction
- Guest steps into their own Shrek fairytale adventure
- Two part experience
  - Multi-stage fairytale linear attraction
  - Dreamworks character court
- Blackbox to showcase new IP releases

Merlin in the Community

Merlin's Magic Wand Charity

- 35,000 tickets to Merlin attractions provided to seriously ill, disabled and disadvantaged children across the world
  - Tickets and travel grants
- Taking the magic to less fortunate children
  - Alton Towers themed playroom at University Hospital in North Staffordshire

Shark eggs in SEA LIFE Scarborough

SEA LIFE Marine Conservation Trust

- Launched in 2013
- Already raised £40,000 this year, helping fund our 'Breed, Rescue and Protect' global conservation and welfare projects. Year 1 target of £350,000.
- In discussion with NGOs about supporting large global campaigns

Summary

- Continued growth in visitors, revenue and profits
- Tangible development pipeline for new attractions in Midway and LEGOLAND Parks
- Rapidly growing strategic alliances with Intellectual Property owners
- Fragmented market with non-natural owners means further acquisition opportunities
- Right team in place to ensure continued delivery

…Stand by for more Merlin magic ahead…!

SEA LIFE | Madame Tussauds | the Dungeons | LEGOLAND Discovery Centre | Merlin Entertainments The Eye Brand

LEGOLAND | Alton Towers Resort | Thorpe Park | Chessington World of Adventures Resort | Warwick Castle | Gardaland Resort | Heide Park Resort

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Q&A

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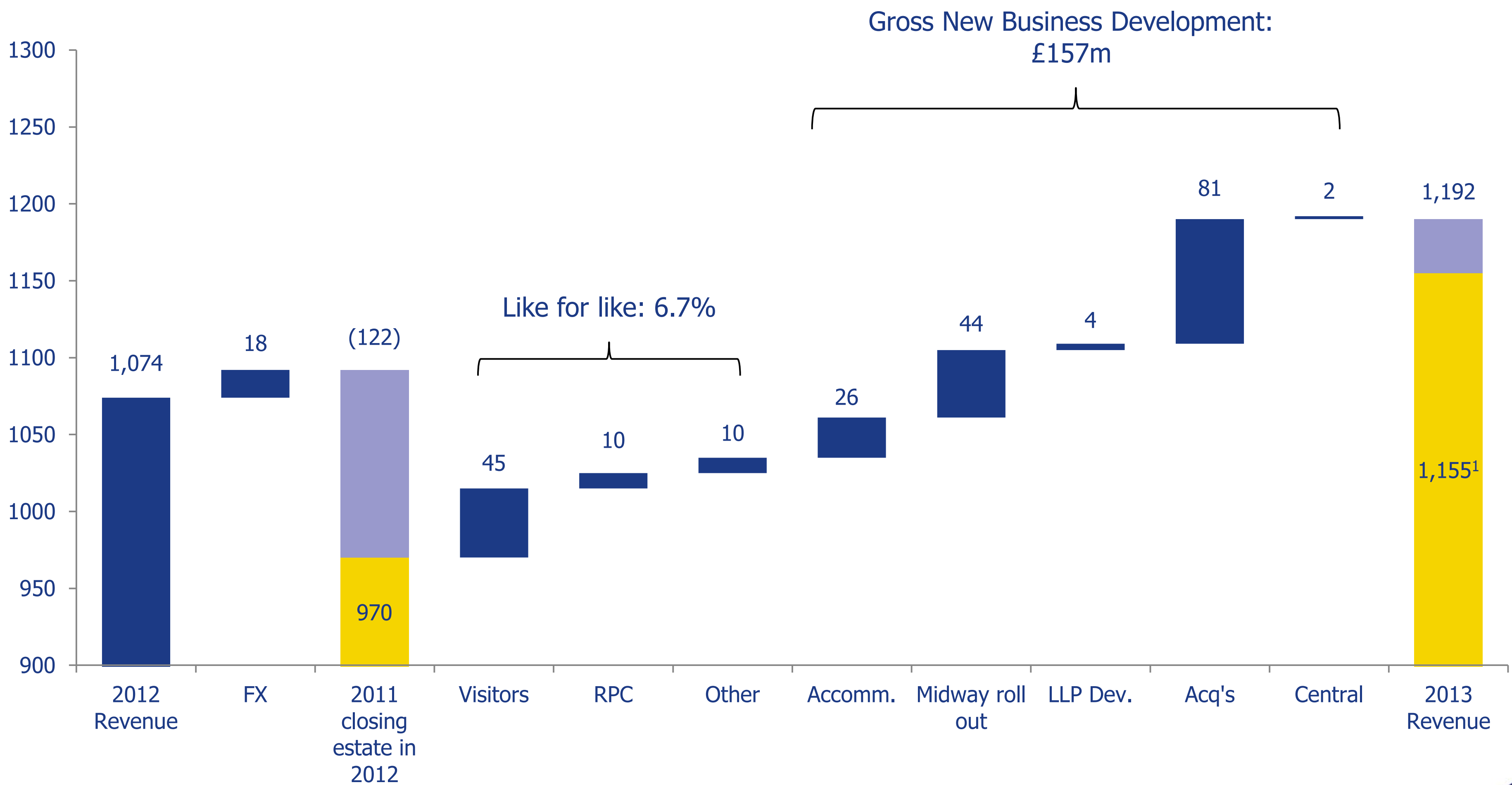
Appendix

Revenue Bridge 2012-13

Revenue growth driven by Like for like growth and New Business Development



[1] *£1,155m excludes the contribution from new sites opened during 2013 and therefore reflects the performance of those sites owned and operated at the beginning of 2013. Based on 2013 FX, this is the base of the like for like calculation for 2014.*

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2013 Exceptional Items

	2013 £m
IPO costs	28
Acquisition costs	2
Unrealised gain on financial derivatives	(16)
Net exceptional items	**14**
Tax impact	3
Post tax exceptional items	**17**

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2013 Like for Like Growth

	Week 18	Week 26	Week 35	Week 52
Midway		9.3%	10.6%	9.3%
LEGOLAND Parks		1.2%	5.1%	5.3%
Resort Theme Parks		0.0%	4.9%	5.2%
Total revenue	**1.4%**	**4.3%**	**7.0%**	**6.7%**

All figures are cumulative year to date performance and use 2013 year to date weighted average FX rates.

Net Debt

	2013 £m	2012 £m
Bank loans and borrowings	1,185	1,337
Cash and cash equivalents	(264)	(142)
Net bank debt	**921**	**1,195**
Finance lease obligations	85	84
Net debt	**1,006**	**1,279**
Net debt / EBITDA	2.6x	3.7x

Credit ratings

- S&P: BB
- Moody's: B1, credit watch positive

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Movement in Net Debt

	2013 £m
Opening net debt	**1,279**
Net cash flow (including IPO proceeds)[1]	(254)
Increase in financing costs	(11)
Amortisation of financing costs	7
Increase in accrued interest	3
Effect of foreign exchange	(18)
Closing net debt	**1,006**

[1]Net cash flow represents cash flow movement in debt, excluding increase in financing costs

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Midway Revenue Split

	2013 £m	2012 £m	%
Statutory visitors[1]	36.7	32.7	*12.5%*
Revenue per capita	13.48	13.29	*1.4%*
Visitor revenue	496	434	*14.1%*
Other revenue	28	24	*18.3%*
Total revenue	**524**	**458**	***14.3%***

[1] 'Statutory' visitors, excluding LEGOLAND Malaysia and joint ventures

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LEGOLAND Parks Revenue Split

	2013 £m	2012 £m	%
Statutory visitors[1]	9.8	9.6	*2.7%*
Revenue per capita	29.95	28.67	*4.4%*
Visitor revenue	295	275	*7.2%*
Other revenue	57	33	*71.8%*
Total revenue	**352**	**308**	***14.2%***

[1] 'Statutory' visitors, excluding LEGOLAND Malaysia and joint ventures

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Resort Theme Parks Revenue Split

	2013 £m	2012 £m	%
Statutory visitors[1]	11.2	10.5	*6.5%*
Revenue per capita	23.11	22.57	*2.4%*
Visitor revenue	258	236	*9.1%*
Other revenue	56	54	*5.6%*
Total revenue	**314**	**290**	***8.4%***

[1] 'Statutory' visitors, excluding LEGOLAND Malaysia and joint ventures

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FX Sensitivity - Revenue

	2012 Average FX rates	2013 Average FX rates	% *change*	£m Revenue impact
EUR	1.24	1.17	*6.0%*	14
USD	1.58	1.55	*2.1%*	5
AUD	1.53	1.62	*(6.1)%*	(6)
Other				5
Total				**18**

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FX Sensitivity - EBITDA

	2012 Average FX rates	2013 Average FX rates	% *change*	£m EBITDA impact
EUR	1.26	1.16	*8.0%*	6
USD	1.58	1.54	*2.4%*	2
AUD	1.53	1.64	*(7.6)%*	(2)
Other				2
Total				**8**

Attraction Count – by Operating Group

	December 2011	2012 Mov't	December 2012	2013 Mov't	December 2013
Midway	**65**	16	**81**	5	**86**
LEGOLAND Parks	**5**	1	**6**	-	**6**
RTP	**7**	-	**7**	-	**7**
Total Group	**77**	17	**94**	5	**99**

SEA LIFE Charlotte marked 100th attraction, opened on February 20th 2014

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WORLD OF ATTRACTIONS
UK ATTRACTIONS
SEA LIFE
Birmingham
Blackpool
Brighton
Great Yarmouth
Hunstanton
Loch Lomond
London
Manchester
Scarborough
Weymouth and Tower
The Sanctuaries
Gweek
Oban
The Dungeons
Blackpool
Edinburgh
London
Warwick
York
Madame Tussauds
Blackpool
London
Alton Towers
Alton
Chessington World of Adventures Resort
Chessington
Merlin Entertainments The Eye Brand
London
Blackpool
Warwick Castle
Warwick
LEGOLAND
Windsor
LEGOLAND Discovery Centre
Manchester
Thorpe Park
Chertsey
NORTH AMERICA ATTRACTIONS
SEA LIFE
Arizona
California
Charlotte*
Dallas
Kansas City
Minnesota
Madame Tussauds
Hollywood
Las Vegas
New York
San Francisco*
Washington DC
The Dungeons
San Francisco*
LEGOLAND
California
Florida
LEGOLAND Discovery Centre
Atlanta
Boston*
Chicago
Dallas
Kansas City
Toronto
Westchester
ASIA ATTRACTIONS
SEA LIFE
Bangkok
Busan
Shanghai
Madame Tussauds
Bangkok
Beijing*
Hong Kong
Singapore*
Shanghai
Tokyo
Wuhan
LEGOLAND
Malaysia
LEGOLAND Discovery Centre
Tokyo
EUROPE ATTRACTIONS
SEA LIFE
Benalmadena
Berlin
Blankenberge
Bray
Gardaland
Hannover
Helsinki
Jesolo
Königswinter
Konstanz
München
Oberhausen
Paris
Porto
Scheveningen
Speyer
Timmendorfer Strand
Turkuazoo Aquarium
Madame Tussauds
Amsterdam
Berlin
Vienna
The Dungeons
Amsterdam
Berlin
Hamburg
Gardaland Resort
Lake Garda
Gardaland Waterpark
Milan
Heide Park Resort
Soltau
LEGOLAND
Billund
Günzburg
LEGOLAND Discovery Centre
Berlin
Oberhausen
AUSTRALIA / NEW ZEALAND ATTRACTIONS
SEA LIFE
Auckland
Melbourne
Mooloolaba
Sydney
The Sanctuaries
Manly
Wild Life
Sydney
Hamilton Island
Merlin Entertainments The Eye Brand
Sydney
Madame Tussauds
Sydney
Australian Treetop Adventures
Otway
Illawarra
HOTHAM alpine resort
Mount Hotham
falls creek
Falls Creek
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*Opening 2014

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