Ladies and gentlemen, welcome to the Parques Reunidos 3rd Quarter 2017 Results Presentation. The Management of the company will run you through the presentation. I'm now pleased to give the floor to Mr. Isidoro Díez, Chief Financial Officer and Mr. Juan Barbolla, Senior VP Strategic Planning and Investor Relations. Gentlemen, please go ahead.

Juan Barbolla:
Good morning, everyone, and thank you for joining Parques Reunidos Q3 2017 Results Conference Call. Today we are pleased to announce that the business has continued delivering strong results within this period. As a result, we have reached a 4% like-for-like revenue growth year-to-date June, and a 64% like-for-like EBITDA growth year-to-date June. We have reached again record levels in season passes with a 12% year-on-year growth. We have multiple top-line initiatives in place that are helping us to boost revenue growth. The new attractions we have launched during the season are having strong success and as part of our DNA, we are maintaining strict cost control policies to maximize the revenue to EBITDA conversion.

It is important to highlight that year-to-year today June, results mainly represent the performance of the business during the low season, and still almost 60% of the revenues are yet to come within the next quarter. And the company is fully focused on delivering the year-end expectations.

Going to the slide 3, we are so into growth we have achieved during the third quarter, as well as year-to-date June. It's important to highlight that Q2 results include the impact of the Easter holiday shift. This year, the vacation period took place in April, it was mostly in March during Q2. As a result, the performance during this quarter has been benefitted from the holiday shift and visitors and revenues have grown 9% and 7%, respectively, on a like-for-like basis. To better understand the performance of the business, we should focus best on the year-to-date June results that include the performance for the first nine months of the year, a period which is comparable on a year-on-year basis. We have achieved positive performance across all matrix. Visitor growth of 4.2%, revenue growth of 4% and EBITDA growth of 64% all on a like-for-like basis.

Going to the next slide, we are highlighting the performance by region. On the top graph, we include the revenue reached for the year-to-date June period. As you can see, Spain is the strongest contributor to the increasing revenues, achieving growth above expectations. Rest of Europe has achieved positive revenue growth as well. While in the US, June performance has offset the growth we have achieved as of May. Headquarters is including the increase in management fees. On an EBITDA basis, on the bottom graph, Spain is the main contributor to EBITDA growth, benefited from a strong revenue to EBITDA conversion. In the case of Rest of Europe, the EBITDA performance has been flattish, and in the US, there's been strict cost controls to partially offset the drop in revenues. Finally, headquarter figures include anticipated costs linked to being a publicly traded company.

Now, Isidoro will explain in more detail the performance of the business during the period.

Isidoro Díez:
Thank you, Juan, good morning. I will drive you through the main KPIs by segment, the group P&L, and cash flow generation and netted position. Let us start with Spain's record performance in the region. On a like-for-like basis, revenue up by 10% due to visitors in [inaudible] which resulted in EBITDA increase of 30%, thanks to the operating leverage with a drop-through ratio of 72%.

The growth is being driven by positive macro and consumer environment, the season passes' commercial strategy is performing very well, plus 23%, and the successful introduction of the new attractions in this segment. Year-to-date June in the Spanish segment represents 51% of total year, so 49% to come at the end of June.

The next slide number 6, Rest of Europe on track performance. Plus 2.8% of revenue growth year-to-date and flat EBITDA performance. Top-line growth offset by cost increase to support expected growth during the peak season. The growth on the Rest of Europe segment is basically on the back of the increase in season passes, plus 15% vs. prior year. And the opening of new attractions, including new virtual reality coaster at Mirabilandia in Italy, the Star Trek coaster in Movie Park Germany and the new lodging facilities at Slagharen Park in the Netherlands. For this segment, year-to-date June represents 45% of the total year revenue, so 55% to come.

Next slide, the slide number 7, we have the USA with a slow start of the season, with strong pre-sales figures, plus 10% growth. The June performance has offset, sorry, the growth achieved in the low season. Year-to-date June we are -3.3% like-for-like revenue growth vs. +1.8% increase as of May. Strong reactivity ratio, 52% five-two, again demonstrating the capacity to manage the cost basis wherein revenue is not growing. The most relevant part of the year is still to come in the USA segments, segment, sorry. Year-to-date represents only 31% of the total year.

The new attraction had supported the growth in the summer season including the suspended coaster at Dutch Wonderland, Phobia Coaster at Lake Compounce, and the attraction of virtual reality at Kennywood.

To finish with the segments, on page 8 we have the Headquarters as Juan was explaining before, the increasing revenue is driven by management services provided, which represent +€2.6 million vs. last year in terms of revenue, which has been partially offset this increase in, sorry, the increase in costs associated with becoming a publicly traded company.

On page 9, we have the P&L below EBITDA, with the 45% increase in [inaudible] income level. As commented in prior quarters, substantial reduction on interest expense due to post IPO capital structure is partially offset by non-recurring items, which are including goodwill impairment in USA and a provision related to Mountain Creek termination fee, already disclosed in the H1.

And to finish the financial section on page 10, let me give you some color on the net debt and intra year capital needs. First of all, due to dollar effects, the permanent net debt is €535.6 million excluding the working capital intra year needs. Intra year needs, sorry, the intra year working capital needs in the first nine months amounted to €99 million, which is below €114 million intra year working capital needs in H1. The working capital, as every year in this business, declines up to get positive at the end of the season.

Now I hand over to Juan.

Juan Barbolla:
Thank you, Isidoro. So going to slide 11 to finish the presentation, we would like to give you an audit of the current trading of the business. As you have seen today, year-to-date June revenues which represent 41% of the total annual amount have shown strong 4% like-for-like growth during the period. However, it's important as well to highlight that the July trading which includes the first three weeks of the month and represents 15% of the total annual amount, has been affected by operating conditions. We have decreased revenues by 4.2% within this period. It is also important to highlight that this period has a top com from previous year. Last year we were growing 6-7% during these three weeks.

Looking forward, we are still 44% of the annual revenues still to come and we should expect to achieve high single-digit growth rates to deliver our year-end targets. So, we believe that if, performance of the business under normal conditions should help us to achieve these rates. It's important as well to highlight that the year-to-go low com from previous year. It was low, with this, were flattish vs. 2015, and we should expect to achieve partial recovery of Marineland, as we have anticipated and as well, recover the revenue lost largely in US due to poor conditions during the last week of July and the first half of August. So in summary, year-to-date performance as of June on a group basis has been strong and in line with our expectations. July trading, where we had a [inaudible] com last year, has improved due to external factors but looking forward to year-to-go under normal operating conditions, we should expect to grow at strong rates benefitting from a low com of previous year. With this, we have finished the presentation and now we are available for any questions you might have. Thank you.

Ladies and gentlemen, the Questions and Answers session starts now. If you wish to ask a question, please dial 0 and 1 on your telephone keypad. There will be a short silence while questions are being registered. Thank you.

We have a question from Ed Wong, Morgan Stanley. Please go ahead.

Ed Wong:
Uh, hello. Thank you for taking my questions. I've got three I'll ask in turn if that's okay. The first is on whether you could talk about your expectations on margin please. What sort of drop-through do you think we can expect from Q4 under normal conditions? And what kind of margin expectations do you have for the full year? Thanks.

Isidoro Díez:
Regarding the drop-through, Ed, for this Q4, it's important to take into consideration that during the peak season, the drop-through is usually above the full-year drop-through, which is roughly 50%. So you could expect for this Q4 a 60% drop-through in the high season.

Ed Wong:
Okay, so if under normalized conditions, if you talk about the growth rate, do you expect in the rest of Q4, yes, what's your kind of, what kind of margin growth do you expect for the year approximately? Are you giving any guidance on that?

Juan Barbolla:
Yes, you should expect, Ed, this is Juan here. You should expect around 50-70 basis points [inaudible] in terms of margin.

Ed Wong:
Okay, thanks. The second question is on management contracts. So H2 revenue has only grown €2.5 million year-to-date. That's actually down quarter-on-quarter with the EBITDA down. Obviously you pointed out the rise in HQ costs, so that's partly placed on that, you know. Should we expect sixish million of revenue and fivish million of EBITDA from the six months contribution from Dubai? Have you seen anything from Vietnam? And what can you say about the performance of the parks? Are there any details about phasing or accounting when it comes to management contracts we should bear in mind?

Isidoro Díez:
Look, first, in terms of performance of the parks. Look, so, it's as we've mentioned in the previous call okay, it's still too early to take a view on what we believe is the run rate or the performance. We will need a bit more of time. We will need an indication of Dubai. It's important to wait until Q4 calendar year, okay, of 2017, where the gain, the peak season starts and we will have sufficient data to evaluate the run rate. In the case of Vietnam, as well we need further months to see the, to get a proper view of the performance. That's regarding the performance.

Regarding guidance in terms of headquarters, we only know we should focus on how we're going to finish in an EBITDA basis the third quarter. Okay? Our idea is that we are now €1 million down vs. previous year and we should maintain that. So if we close last year up to -15 EBITDA contribution from headquarters, this year should be one more million, around €60 million. Okay, sixty, sixty-something.

Ed Wong:
Okay, thank you. And the final one is on, excuse me, it's on acquisitions. It appears that you're fully focused on delivering Q4 right now, but can you say anything about the timing of potential acquisitions or if any of those discussions have progressed? Or given the times and [inaudible] without anything on this front, should we think of this as something that is sort of a low priority for the group?

Isidoro Díez:
No, Ed, so acquisitions is a priority for the group. We are active. Now, time-wise, look now we are in the peak season so it's not feasible to close any deals because we want to wait to see the performance in the peak season so it's a risk to buy ahead of that. Okay, or that is at least our view. We are active, we are in different stages in different situations, and look we cannot compromise to explicitly date because this time we don't control the process, it's a bilateral process. But naturally, and based on our experience, we should be capable to do something in the coming months. So I think our target is to give you a better update by the end of the year where we are, and if we see something that is near to be closed or we have announced something before that. Okay?

Ed Wong:
Thanks very much.

Thank you. We have no further questions for the moment. Ladies and gentlemen, I would like to remind you that if you wish to ask a question, please dial 0 and 1 on your telephone keypad.

We have a question from James [inaudible] from Barclays. Please go ahead.

James [inaudible]:
Hi, thank you for taking my questions. I have three as well, which I'll ask one by one. Just first on the current trading, in July, minus 4% like-for-like. Could you split that by regions please? And also, what's your EBITDA growth over that same period? Thank you.

Isidoro Díez:
So, split by region, so we are 4.2% down by these three weeks in July. By region I would say that Spain is a bit, the drop is a bit higher, so we're talking about more 5-6%, Rest of Europe is in line with that drop, okay and US is slightly below that, on the 3.5%, the area, okay?

Juan Barbolla:
In terms of EBITDA, yes, I mean, assuming, assuming, you should assume a reactivity ratio there of 40, 40, 40, 40-something.

Isidoro Díez:
Yes.

Juan Barbolla:
We've be doing 40 on 50 so 40-45 probably, and you get to the, an idea of what is the impact on EBITDA.

James [inaudible]:
Okay, great, thank you. And then on Marineland, you said that you're expecting a partial recovery with the park there. Can you just give us an idea of what visitor trends have been like for the last three months? And also what that partial recovery is.

Isidoro Díez:
Look, in Marineland, in terms of recovery, we expect the most...

Juan Barbolla:
...the largest part of the recovery to come now, because as you know, we suffered the attack, the terrorist attack in Nice last year.

Isidoro Díez:
July 14.

Juan Barbolla:
July 14, so look, after that is when we experienced a significant drop in attendance and look we are expecting to recover that in this business, okay? So what I can tell you is that we are seeing positive signs of recovery this year since the 15th of July. Okay? We are tracking this performance on a day-by-day basis. We have positive signs but obviously it's still early. There are a lot of days to come and we need to track on a daily basis. So there's a trend of recovery, yes, and look, the target we are maintaining the target we have, we announced before, which on an EBITDA basis, it was 2.5% EBITDA growth. Where we end up is something that okay, obviously, we don't, we don't, we don't know exactly now, but what we can say is we see positive signs to contribute to that growth.

Isidoro Díez:
Yes.

James [inaudible]:
Okay, thank you, and then just on the rest of your division. I realized that Germany is doing a bit better because you've introduced a new ride. Could you maybe break down your best and worst-performing markets and give some underlying color on local trends by country please? Thank you.

Juan Barbolla:
So, we will... In terms of best performing areas or worst-performing areas, I wouldn't see it this way. I would see it more in terms of, I think that the parks are working well under normal conditions, pretty much across all countries. Honestly, what we think about the most important in terms of weight to the contribution to EBITDA, most important part so countries, we can say that, we're seeing that in the North of Europe, we are struggling a bit more because of adverse conditions, it's been rainy.

Isidoro Díez:
Especially in Belgium.

Juan Barbolla:
And particularly that is affecting Belgium. Okay? It's also affecting Germany, but in the case of Germany, we have a strong marketing campaign linked to the new attraction we introduced this year, the Star Trek roller coaster, which helped us to offset that, okay? As well as in the case of Slagharen in the Netherlands, we have the expansion of the hotel, lodging, the lodging facility, where look, that is helping us as well because it has a component, together with the previous expansion project where we did an indoor water park as the component of...

Isidoro Díez:
Indoor.

Juan Barbolla:
...we have a component of advanced purchasing which help us to partially hedge against the weather. But I would say that [inaudible] is the one that is struggling a bit more because of weather. Again, it's because of weather so if things are normal, we should... In normal conditions in the coming weeks, we believe we have the parks ready to capture growth, okay? We don't see any [inaudible].

Isidoro Díez:
I mean the [inaudible] in Italy, the weather conditions are not impacting. It's been standard weather, I would say, so it's performing very well.

James [inaudible]:
Okay, thank you.

Thank you, we have the following question from João [inaudible] from Banco Santander. Please go ahead.

João [inaudible]:
Yes, hi, thank you for taking my questions. Just two questions, the first on, if I look at slide 11 where you discussed about current trading performance and what you have to deliver to make your guidance. Does this number when I see, I see single digits for what the remains, does it, does this include the expansion projects or just to understand that. I mean do you include it on the like-for-like or not, considering that they weren't there before, just to have an idea. And then the second question on, I mean it's a very detailed question but, there was this news saying that the Madrid, that Madrid wants, that the municipality wants to take back the cable car concession. Just wondering what's, I mean I imagine a very small impact, but if you could quantify what would be the impact in your EBITDA. Thank you.

Juan Barbolla:
Okay, so João, look first question regarding the five single digits. This is like for leverage, including all the impact from all the capex we have included here. So it is also including the benefit we experience on the Slagharen lodging, as well as when we opened the Warner Beach at Warner Park when we opened the expansion, we expect to... So that is included as well there. Okay? Then, related to the, to the...

Isidoro Díez:
João, related to the Madrid cable car, this business represents less than 0.5% of the total group, or in line with the 0.5%, so it's a tiny business.

João [inaudible]:
Okay, thank you very much.

Thank you, we have no further questions for the moment.

Isidoro Díez:
Okay, thanks.

Okay, thank you. Then ladies and gentlemen, this concludes. Now, back to you gentlemen for the conclusion.

Juan Barbolla:
Okay, it's been a pleasure to host this call. We would like to thank all of you for your participation and we hope you have a great summer season. Thank you.

Isidoro Díez:
Thank you so much, bye!