



Parques Reunidos Servicios Centrales, S.A. (“**Parques Reunidos**” or the “**Company**”), pursuant to article 17 of Regulation (EU) 596/2014 on market abuse and article 228 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, hereby informs of the following:

MATERIAL FACT

Parques Reunidos hereby submits to the Market the attached informative note on the development of the Company’s business (current trading update). The regulated financial information will be submitted timely and in due form.

In Madrid, on 5 October 2017

Parques Reunidos Servicios Centrales, S.A.

PARQUES REUNIDOS – TRADING UPDATE

2017 Main Trading Highlights

Parques Reunidos is providing today October 5th a current trading update including the business performance during the summer season.

The performance of the group, despite the strong underlying trends during the low season, has been affected during the summer by:

- Adverse weather conditions particularly in Central Europe¹ and the US.
- In addition, the anticipated recovery of Marineland is requiring more time than expected due to more restrictive conditions to obtain constructions' permits.
- And finally, Hurricane Irma affected our park in Florida, Miami Seaquarium, whereas the Harvey Hurricane ended up as a violent storm across the North-East area during Labor Day bank holiday.

As a result, the good performance achieved during the first 9 months of the year (reaching a like-for-like² revenue and EBITDA growth rates of +4% and +64%, respectively) has been offset and we expect to finish the year slightly down in revenues and with high-single digit decline in EBITDA vs. prior year.

The company continues working to deliver its growth strategy and is particularly focused on strategic actions that further diversifies the business (looking for new sources of revenue and locations) and hedges against external factors (through new indoor opportunities). We have recently i) reached an agreement to open a flagship Lionsgate themed indoor entertainment center at Times Square (New York) and ii) signed a licensing agreement with Discovery Communications to develop indoor entertainment centers.

Trading Performance by Region

Spain:

Spain continues to deliver strong results reaching a mid-single digit like-for-like EBITDA growth in a region that has been consistently performing above expectations during the past 5 years reaching a double digit like-for-like EBITDA CAGR 13-17. The main highlights of the period are the following:

- 1) Underlying business performance has been supported by the good growth achieved in season passes proving a strong demand for our product, attractive off-season events and particularly Halloween, successful introduction of virtual reality into our parks including the 1st VR coaster launched in Spain (Batman Escape at Warner Park) and the positive macro-economic and consumer landscape.
- 2) This robust performance has been partially affected by adverse weather conditions during the summer season mainly impacting our water park portfolio.
- 3) For the next season, we have scheduled two new important investment projects which could not open in 2017 and will give us more firepower for growth in 2018:
 - a. The extension of the Nickelodeon area in Parque de Atracciones de Madrid, that will include new brands, adds more capacity, a water ride and specific areas for kids.

¹ Central Europe includes Germany, Netherlands, Belgium and UK

² Like-for-like figures represent the performance of the business assuming same perimeter and constant FX rates

- b. The expansion of the Warner Beach area, with an investment of €8 MM to enlarge the successful Warner Beach product aiming at extending the length of stay, expanding the catchment area and improve our product offering of Warner Park.

Rest of Europe (excluding Marineland):

The portfolio of parks in the Rest of Europe, excluding Marineland, has performed well with a low-single digit like-for-like revenues and EBITDA growth rates. The main highlights for the period are the following:

- 1) The business has performed well driven by increased penetration of season passes, successful off-season events during Halloween and Christmas, and strong returns achieved from new attractions launched (including the Star Trek themed rollercoaster at Movie Park (Germany) and the Master Thai VR Coaster at Mirabilandia (Italy).
- 2) The region has also benefitted from our expansion capex strategy. The €8 MM extension of the Slagharen lodging facility (Netherlands) enhanced the parks' attendance driving it to perform above expectations, despite the rainy conditions during the summer.
- 3) Weather conditions during Q4 have affected the region and particularly the parks located in Central Europe. Rainy days in this region during the months of July and August increased by 11% or 19 operating days³ vs. prior year, resulting in a loss of revenue that partially offset growth achieved throughout the season.

Marineland:

The recovery of Marineland is taking longer than expected. The implementation of the plan has been affected by a new anti-flooding plan approved by local authorities. This plan is reviewing existing construction work permits and is more restrictive on granting new ones. Hence, it has prevented us from executing our capex plans in the park.

We remain confident on the future potential of the park and on our ability to recover historical profitability levels.

- 1) We have seen positive signs during the summer with revenues growing at a high single digit rate since July 15th, which makes us optimistic on the future of the park.
- 2) However, during this season we have undertaken specific actions to improve the perception of the park, customer's service and the value for money proposition. As result, we have intentionally reduced prices, we have increased the cost structure and hence we have penalized the overall EBITDA performance for the year.
- 3) This park is a major focus for the company. We have an strategic plan in place aiming at repositioning the asset, changing its marketing strategy and recovering attendance. We have a new and highly experienced management team at the park to execute this plan.

³ Operating day means a day that an individual park of our portfolio is scheduled to open (ie. 10 parks opening 1 calendar day equals to 10 operating days)

- 4) On the back of the above, we trust on Marineland's recovery potential but we will also need additional time to achieve the expected results.

US:

The performance in the US has been severely affected by adverse weather conditions during the entire summer season, despite strong pre-sales levels achieved during the low season (+10% year-on-year growth).

- 1) The US has gone through the rainiest summer during the past years. There has been 15% additional rainy days vs. prior year; equivalent to 112 operating days of which almost half were in weekends. Furthermore, the destructive meteorological events, such as Hurricane Irma affecting our park in Miami and Hurricane Harvey which finished in the form of a violent storm across the North-East area during Labor Day bank holidays, have made the end of the peak season even more challenging.
- 2) Under these circumstances, we have seen a drop of visitors of 6% or 360 thousand to 5.7 MM, significantly below our last 5-year average of 6.1 MM, resulting in a mid-single digit revenue drop, partially benefitted from a moderate increase in percaps. On the back of this, EBITDA is expected to end up falling at a double-digit rate. Drop in revenues is expected to flow directly to EBITDA after two years of no opex increase, despite cost inflation.
- 3) However, we have implemented attractive actions that did not pay-off this season but should be considered as upside growth for next one. These measures include the successful campaign to continue increasing season passes and pre-sales, our marketing and in-park offering and our capex program, including our 1st VR coaster in the region (SkyRocket at Kennywood), a suspended coaster at Dutch Wonderland or Phobia coaster at Lake Compounce.

Headquarters

Headquarter figures are broadly in line with our expectations. The revenue contribution from management services fees has been offset by the anticipated increase in corporate costs linked to becoming a public listed company.

Review of the Strategy

The company is progressing towards the implementation of its strategic plan and growth strategy. Our growth initiatives are focused on securing solid and visible growth for the company. In this line, we have recently reached several important milestones which will help us, not only to grow, but also to hedge our business model against external factors:

- 1) On September 20th, we announced the future opening of a flagship indoor entertainment center in a landmark location at Times Square, New York. The project investment amounts to a total of approximately €25 MM, it will be our 1st indoor city center, the 1st center to be open in US and the 1st Lionsgate themed center operated by Parques Reunidos, that is planned to open in late 2019.
- 2) On October 3rd, we announced the new licensing agreement reached with Discovery Communications to develop entertainment centers themed around topics like science, nature, space... Discovery has more than 3bn viewers through channels such as Eurosport or Animal

Plant. This agreement will allow us to further develop our indoor expansion strategy offering a new family-friendly concept oriented to adventure and educational experiences.

Parques Reunidos continues working on the execution of its strategic plan. During the past months, we have identified multiple opportunities including new expansion projects, additional management contracts, further indoor opportunities and potential M&A targets that we are executing in a disciplined way. This will help us to i) further expand our footprint, ii) diversify our sources of revenue and iii) hedge our business model against external factors.