

Parques Reunidos Servicios Centrales, S.A.

Annual Accounts and Directors' Report for the year ended 30
September 2016

(With Independent Auditor's Report Thereon)

(Free translation from the original in Spanish. In the event of
discrepancy, the Spanish-language version prevails.)

Parques Reunidos Servicios Centrales, S.A.

Balance

30 September 2016 and 2015

(Thousand Euros)

<i>Assets</i>	<i>Note</i>	<i>2016</i>	<i>2015</i>
Intangible Assets	5	5,210	4,426
Development		960	103
Industrial property		47	62
Computer software		4,203	4,261
Property, plant and equipment	6	3,526	3,342
Land and buildings		404	444
Technical installations and other items		1,057	1,469
Assets under construction		2,065	1,429
Non-current investments in Group companies and associates		1,832,878	895,851
Equity instruments	9	332,905	213,417
Loans to group companies	10 and 17 (a)	1,440,034	629,427
Other financial assets	10 and 17 (a)	59,939	53,007
Non-current investments	10	155	4
Deferred tax assets	15	285	-
Total non-current assets		1,842,054	903,623
Trade and other receivables		138,175	57,129
Trade receivables	10	802	586
Trade receivables with group companies	10 and 17 (a)	135,720	56,052
Personnel	10	122	329
Public entities, other	15	1,531	162
Current investments in Group companies and associates	10 and 17 (a)	-	26,110
Current investments	11 (a)	284	4,364
Prepayments for current assets		546	563
Cash and cash equivalents	4 (f) and 10	5,826	48,620
Total current assets		144,831	136,786
Total assets		1,986,885	1,040,409

The accompanying notes form an integral part of the consolidated annual accounts for 2016.

Parques Reunidos Servicios Centrales, S.A.

Balance

30 September 2016 and 2015

(Thousand Euros)

<i>Equity and Liabilities</i>	<i>Note</i>	<i>2016</i>	<i>2015</i>
Equity	12	1,486,979	910,285
Capital		40,371	23,436
Share premium		1,327,528	819,463
Reserves		53,487	7,930
Other shareholder's contributions		10,148	337
Other equity instruments		423	-
Results of the year		55,022	59,119
Total net equity		1,486,979	910,285
Non-current payables		327,129	-
Loans and borrowings	13	326,783	-
Derivatives	13	346	-
Group companies and associates, non-current	13 and 17 (a)	98,053	74,390
Total non-current liabilities		425,182	74,390
Current payables		18,904	-
Loans and borrowings	13	18,416	-
Derivatives	13	488	-
Trade and other payables		55,790	55,704
Suppliers	13	1,392	1,026
Suppliers, group companies	13 and 17 (a)	43,908	44,270
Other creditors	13	1,472	694
Current tax liabilities	14	1,559	5,207
Public entities, other	14	1,731	1,701
Personnel (salaries payable)	13	917	902
Other current liabilities	13	4,811	1,904
Prepayments for current liabilities	4 (h)	30	30
Total current liabilities		74,724	55,734
Total equity and liabilities		1,986,885	1,040,409

The accompanying notes form an integral part of the consolidated annual accounts for 2016.

Parques Reunidos Servicios Centrales, S.A.

**Income Statements
for the years ended
30 September 2016 and 2015**

(Thousand Euros)

	<i>Note</i>	2016	2015
Revenues	16 (a)	88,192	72,248
Services rendered		1,190	2,664
Financial income from holding activity		87,002	69,584
Work done by the company for its assets		715	835
Other operating income	16 (b)	23,769	25,025
Non-trading and other operating income		23,769	25,025
Personnel expenses	16 (c)	(9,040)	(8,944)
Salaries and wages		(7,763)	(7,706)
Employee benefits expense		(1,277)	(1,238)
Other operating expenses		(5,500)	(4,984)
External services	16 (d)	(5,234)	(4,933)
Other operating expenses		-	(3)
Impairment losses from trading activities	11 (b)	(266)	(48)
Amortisation and depreciation	5 and 6	(2,290)	(2,111)
Other results	16 (e)	(14,077)	2
Results from operating activity		81,769	82,071
Financial Income		64	334
Marketable securities and other financial instruments			
Other		64	334
Finance costs		(4,864)	(208)
Group companies and associates		-	(208)
Other	13	(4,864)	-
Change in fair value of financial instruments	14	(834)	-
Exchange gains/(losses)		899	69
Net financial income/loss		(4,735)	195
Profit before income tax		77,034	82,266
Income tax	15	(22,012)	(23,147)
Result of the year		55,022	59,119

The accompanying notes form an integral part of the consolidated annual accounts for 2016.

Parques Reunidos Servicios Centrales, S.A.

Statements of Changes in Equity
for the years ended
30 September 2016 and 2015

A) Statements of recognized Income and Expenses
for the years ended
30 September 2016 and 2015

(Thousand Euros)

	<i>Note</i>	<i>2016</i>	<i>2015</i>
Profit for the year		55,022	59,119
Income and expense recognised directly in equity		-	-
Amounts transferred to the income statement		-	-
Total recognised income and expense		55,022	59,119

The accompanying notes form an integral part of the consolidated annual accounts for 2016.

Parques Reunidos Servicios Centrales, S.A.

Statements of Changes in Equity
for the years ended
30 September 2016 and 2015

B) Total Statements of Changes in Equity
for the years ended
30 September 2016 and 2015

(Thousand Euros)

	Share Capital	Share Premium	Reserves	Prior years' losses	Other equity instruments	Other shareholder's contributions	Result of the year	Total
Balances at 30 September 2014	23,436	819,463	226	(46,426)	-	337	54,130	851,166
Recognised income and expense	-	-	-	-	-	-	59,119	59,119
Transactions with shareholders or owners								
Distribution of 2014 profits	-	-	7,704	46,426	-	-	(54,130)	-
Balances at 30 September 2015	23,436	819,463	7,930	-	-	337	59,119	910,285
Recognised income and expense	-	-	-	-	-	-	55,022	55,022
Transactions with shareholders or owners								
Distribution of 2015 profits	-	-	59,119	-	-	-	(59,119)	-
Increase in capital	16,935	508,065	-	-	-	-	-	525,000
Transaction costs	-	-	(13,562)	-	-	-	-	(13,562)
Share based payments	-	-	-	-	423	-	-	423
Other movements	-	-	-	-	-	9,811	-	9,811
Balances at 30 September 2016	40,371	1,327,528	53,487	-	423	10,148	55,022	1,486,979

The accompanying notes form an integral part of the consolidated annual accounts for 2016.

Parques Reunidos Servicios Centrales, S.A.

**Cash Flow Statements
for the years ended
30 September 2016 and 2015**

(Thousand Euros)

	<i>Note</i>	<i>2016</i>	<i>2015</i>
<i>Cash flows from operating activities</i>			
Profit of the year before taxes		77,034	82,266
Adjustments for:			
Depreciation and amortisation	5 y 6	2,290	2,111
Impairment losses on trade receivables		266	44
Finance income		(87,066)	(69,918)
Finance expense		4,864	208
Exchange losses/gains		(899)	(69)
Change in fair value on financial instruments		834	-
Other income and expenses		8,835	4
Changes in working capital			
Trade and other receivables		(1,582)	(16,265)
Other current assets		17	12
Trade and other payables		4,633	9,379
Other cash flows from operating activities			
Income tax payments		(5,207)	(4,455)
Cash flows from operating activities		4,019	3,317
<i>Cash flows from investing activities</i>			
Payments for investments			
Group companies and associates		(119,488)	-
Property, plant and equipment	5	(1,764)	(1,713)
Intangible assets	6	(1,494)	(1,042)
Proceeds from sale of investments			
Other financial assets		3,929	19,336
Cash flows from investing activities		(118,817)	16,581
<i>Cash flows from financing activities</i>			
Proceeds from and payments for equity instruments			
Equity instruments issuance		506,575	-
Proceeds from and payments for financial liability instruments			
Loans and borrowings		340,583	-
Group companies and associates		(776,053)	-
Cash flows from financing activities		71,105	-
Effect of Exchange rate fluctuations		899	69
Net Increase/Decrease in cash and cash equivalents		(42,794)	19,967
Cash and cash equivalents at beginning of year		48,620	28,653
Cash and cash equivalents at year end		5,826	48,620

The accompanying notes form an integral part of the consolidated annual accounts for 2016.

Parques Reunidos Servicios Centrales, S.A.

Notes to the Annual Accounts

30 September 2016

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(1) Nature, Activities and Composition of the Group

Parques Reunidos Servicios Centrales, S.A. (hereinafter the Company or the Parent) was incorporated on 23 November 2006 under the name of Desarrollos Empresariales Candanchú, S.L. On 1 March 2007, it changed its name to Centaur Spain Two, S.L.U. On 27 January and 30 March 2010, the respective resolutions to convert it into a corporation (Spanish "S.A.") and to adopt its current name, Parques Reunidos Servicios Centrales, S.A., were executed in a public deed.

On 23 March 2007, the sole shareholder resolved to amend the Parent's by-laws, establishing 30 September as the end of its annual reporting period. In March 2007 the Company acquired the leisure group Parques Reunidos, thereby beginning its activity. The Parent's registered office is at Parque de Atracciones, Casa de Campo de Madrid, s/n. The Company's shares have been traded on the Madrid, Barcelona, Bilbao, and Valencia stock exchanges since 29 April 2016.

The Company's corporate purpose, according to its bylaws, is as follows:

- The promotion, development, construction, installation, and operation of all kinds of businesses and sports and leisure activities, on its own property or on lease, surface right, administrative concession and any other form of assignment of right of use.
- Providing management services, administration, or consultancy services related to the development, strategic growth, and planning of investments to companies in which the Company holds an equity interest, directly or indirectly.
- Advisory services to companies in which the Company holds (directly or indirectly) a share interest, such advice being related to potential investments or acquisitions in the domestic or international market in the sector of management and operation of any kind or any other Sector corresponding to a related activity, antecedent, consequent or in any way related to the aforementioned.
- The holding, administration, acquisition and disposal of transferable securities and corporate shares of companies.

The main activity of the Company, as the head of the group, consists of the acquisition, holding and disposal of shares, as well as the provision of centralized management services to all entities of the group, including the financing of group companies.

The Company has holdings in subsidiaries. Information related to the interests of the Group companies is presented in note 9. As a consequence, the Company is the parent of a group of companies in accordance with current legislation and is obliged to prepare consolidated annual accounts. The Company prepares these consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union and other provisions of the applicable financial reporting framework.

On November 28, 2016, the Directors have formulated the consolidated financial statements of Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries for the year ended 30 September 2016 (3 December 2015 for the year ended 30 September 2015), which show consolidated profits of Euros 3,532 thousand (profits of Euros 19,822 thousand in 2015) and a consolidated net worth of 1,132,317 thousand euros (610,032 thousand euros in 2015). The consolidated annual accounts will be deposited in the Mercantile Register of Madrid.

As a result of the initial public offering (IPO) described below, the Company has ceased to be a solely-owned company.

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Notes to the Annual Accounts

Initial public offering

Parques Reunidos Servicios Centrales, S.A. shares have been listed on the Madrid Stock Exchange since 29 April 2016. These shares are freely transferable. The aforementioned initial public offering was carried out as follows:

- a) A capital increase for Euros 525,000 thousand through the issue of 33,870,960 ordinary shares of Euros 0.50 par value each and a share premium of Euros 15 each. The new shares were sold via a subscription offer (see note 12 (a)) for a price of Euros 15.5 per share.
- b) A public offering for the sale of 4,850,000 shares representing 21% of the capital was approved. The shares were sold at Euros 15.5 each, raising a total amount of Euros 75,175 thousand.

The prospectus relating to the subscription, sale and admission to trading of the aforementioned shares was approved by the Spanish National Securities Market Commission on 20 April 2016. The capital increase was approved on 27 April 2016 by the then sole shareholder and entered on the Mercantile Register on 28 April 2016.

The Parent closed the share subscription period on 27 April 2016. On 28 April 2016 the public deed was executed, the capital increase closed and the shares were allocated at the offering price of Euros 15.5 per share, with the new shares admitted to trading on 29 April 2016. Consequently, at 30 September 2016, the Company's share capital was admitted to trading on the Madrid, Barcelona, Bilbao, and Valencia stock exchanges.

Morgan Stanley & Co. International PLC and Deutsche Bank AG, London Branch were appointed joint global coordinators for the aforementioned process. The total expense for these issues amounted to Euros 21,244 thousand, of which Euros 18,425 thousand (without considering the tax impact) was allocated to the public subscription offer and, therefore, recognised directly in consolidated equity (see note 12 (d)) and the remaining Euros 2,819 thousand was allocated to the public offering and, therefore, recognised in the consolidated income statement (see note 16 (e)).

Lastly, using the proceeds of the initial public offering, the Group has restructured its financial debt, settling the bonds issued in the United States and the existing syndicated loan and arranging a further syndicated loan (see note 13 (a)).

(2) Basis of Presentation

a) True and fair view

The annual accounts for 2016 have been prepared on the basis of the accounting records of the Company in accordance with prevailing legislation and the Spanish General Chart of Accounts to give a true and fair view of the equity and financial position at 30 September 2016 and results of operations, changes in equity, and cash flows for the year then ended.

These annual accounts have been authorised for issue by the directors as of 28 November 2016 and are expected to be approved by the sole shareholder with no modifications.

Parques Reunidos Servicios Centrales, S.A.

Notes to the Annual Accounts

b) Comparative information

The balance sheet, income statement, statement of changes in equity, statement of cash flows and the notes thereto for 2016 include comparative figures for the previous year, which formed part of the annual accounts for the year ended 30 September 2015 approved by the sole shareholder on 17 March 2016.

However, as permitted by final provision two of Law 31/2014 which amended additional provision three of Law 15/2010, of 5 July 2010, which in turn had amended Law 3/2004, of 29 December 2004, containing measures to combat late payments in commercial transactions, stipulating that all companies must expressly disclose average supplier payment periods in the notes to the annual accounts, no comparative information relating to this requirement is presented in this first period of application of this standard (see note 13 (b)).

c) Relevant accounting estimates, assumptions and judgements used when applying accounting principles

In preparing the annual accounts, estimates have been made by the directors of the Company to assess some of the assets, liabilities, income, expenses, and commitments that have been recorded. Basically, these estimates refer to the evaluation of possible impairment losses of its main non-current assets, consisting of investments in subsidiaries and receivables from group companies.

To the extent that there are indications of impairment of investments in subsidiaries, the Company tests for impairment of such investments. The determination of the recoverable value implies the use of estimates by management. The recoverable amount is the greater of fair value less costs to sell and its useful value. In this sense, the useful value is calculated based on the Company's share in the present value of the estimated cash flows of the ordinary activities and the final disposal or the estimated flows expected to be received from the dividend distribution and the final disposal of the investment.

The Company uses methods of discounting cash flows to determine such amounts. Given that the Company has holdings in companies that are in turn holding entities of a larger subgroup, in assessing the impairment of its investments, the Company has calculated the cash flows of the subgroup of which each investee is dominant. In this way, the flows of these subgroups are composed of the aggregation of the flows of each Cash Generating Unit (CGU) as defined in the consolidated annual accounts of the Company, that is, each individual park. In this sense, for both components whose parks are owned and operated through concession or lease contracts, cash flow discount calculations are based on business plans (composed of the budget for 2017 and projections for the period 2018-2021) of each park, approved by the Group.

The main items in these business plans are the revenue, operating expenditure and Capex projections, which reflect the best available estimates of the expected performance of each park. EBITDA is the Group's key business assumption as well as its main defined management variable as this is the main indicator used by the Group to monitor the business.

The Group has drawn up EBITDA projections for the next five years on the basis of past experience, the estimated growth of the sector in each country (taking into account any differences between forecasts made in previous years and the actual figures) and the specific prospects of each park. The Group periodically reviews its business plan, updating it at least once a year.

The projections included in the cash flow discounting calculation for the concession arrangements have been drawn up until the end of the concession arrangement, plus an additional extension of between 20 and 30 years. The projections for operating lease agreements span the period until the end of the lease agreement, plus additional extensions of between 10 and 20 years. The additional periods considered are based on past experience, which suggests that such agreements will most likely be extended.

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Notes to the Annual Accounts

For the Group's own parks, from the fifth year on (the last year shown in the business plan) the terminal value used in the cash flows is calculated using a compound annual growth rate. In the case of concession arrangements or leases, from the fifth year on cash flows are extrapolated to the end of the terms of the agreements (plus any additional extensions considered) using a compound annual growth rate. The growth rates used are aligned with the average long-term growth rate for the sector and they take into account the long-term inflation outlook and the gross domestic product in each country where the parks are present (source: The Economist Intelligence Unit).

In the case of the US parks, the calculations of the recoverable value have been performed by an independent expert.

The main assumptions used to estimate the recoverable value were:

- Average compound annual growth of EBITDA of 6.6% (6.5% in 2015). When significant investments in new attractions are projected, EBITDA growth is higher.
- Investments in fixed assets (Capex) considering projected investments in new attractions and projected expansion in existing areas in the coming years are estimated at between 15% and 25% of annual EBITDA. When significant investments in new attractions are projected, CAPEX growth is higher

In the case of the impairment test that the Company has in the North American Group (USA), headed by the Dutch company Centaur Nederland 3 BV, the current value of the cash flows, prepared in US dollars, is translated to euros as of September 30, 2016, using the year-end exchange rate. In all other cases, cash flows have been determined directly in euros irrespective of the functional currency of the country in which each component is located.

Although estimates are calculated by the Company's directors based on the best information available at 30 September 2016, future events may require changes to these estimates in subsequent years. Pursuant to IAS 8, any effect on the consolidated annual accounts of adjustments to be made in subsequent years would be recognised prospectively.

(3) Distribution of the Parent's Profits

The distribution of the Parent's Euros 55,022,049.22 profit for the year ended 30 September 2015, approved by the shareholder's meeting on 17 March 2016, consisted of transferring to legal reserve an amount of 5,502,204.92, to voluntary reserves an amount of 29,519,844.30, and a dividend distribution for an amount of Euros 20,000,000.00.

The directors will propose to the sole shareholder that the profit of Euros 59,885,339.90 for the year ended 30 September 2016 be transferred to voluntary reserves.

Parques Reunidos Servicios Centrales, S.A.

Notes to the Annual Accounts

(4) Significant Accounting Policies

The significant accounting policies used by the Company in the preparation of the annual accounts are as follows:

a) Intangible assets

Intangible assets are initially recognised at cost of acquisition or development and subsequently measured at cost less accumulated amortisation and impairment.

- *Industrial property*

Industrial property reflects the amounts paid to acquire and register trademarks and is amortised over its useful life up to a maximum of 5 years.

- *Computer software*

Computer software is measured at acquisition cost and amortised on a straight-line basis over 4 years. Computer software maintenance costs are charged as expenses when incurred.

- *Development*

The Company capitalises development expenses incurred by specific projects for each activity that meets the following conditions:

- Costs are clearly allocated, assigned and timed for each project.
- There is evidence of the project's technical success and economic-commercial feasibility.

The Company reviews the residual value, useful life and amortisation method for intangible assets at each financial year end. Changes to initially established criteria are accounted for prospectively as a change in accounting estimates.

The Company measures and determines impairment to be recognised or reversed based on the criteria in section (b) of this note.

b) Property, plant and equipment

Property, plant and equipment are recognised at cost of acquisition less any accumulated depreciation and impairment.

Property, plant and equipment are depreciated by allocating the depreciable amount of the asset on a systematic basis over its useful life. The depreciable amount is the cost of an asset, less its residual value. The Company determines the depreciation charge separately for each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and with a useful life that differs from the remainder of the asset.

The Company reviews the residual value, useful life and depreciation method for property, plant and equipment at each financial year end. Changes to initially established criteria are accounted for prospectively as a change in accounting estimates.

Parques Reunidos Servicios Centrales, S.A.

Notes to the Annual Accounts

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, as follows.

	<u>Years</u>
Buildings and other structures	50
Technical installations and equipment	10 to 18
Furniture and fixtures	15
Information technology equipment	4
Other property, plant and equipment	10 to 15

Subsequent to initial recognition of the asset, only the costs incurred which increase capacity or productivity or which lengthen the useful life of the asset are capitalised. The carrying amount of parts that are replaced is derecognised. Costs of day-to-day servicing are recognised in profit and loss as incurred.

The Company evaluates whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

Impairment losses are recognised in profit or loss. A reversal of an impairment loss is recognised in the income statement. The increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

After an impairment loss or reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the asset is adjusted in future periods based on its new carrying amount.

However, if the specific circumstances of the assets indicate an irreversible loss, this is recognised directly in losses on the disposal of fixed assets in the income statement.

c) Leases

The Company classifies leases as finance leases when substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the lessee under the terms and conditions of the lease, otherwise they are classified as operating leases.

Amendments to lease contract clauses, other than renewal, which would have led to a different classification had they been considered at the inception of the lease, are recognised as a new contract over the remaining term. However, changes in estimates or circumstances do not entail a new classification.

d) Financial instruments

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity.

Financial instruments are classified into different categories based on the nature of the instruments and the Company's intentions on initial recognition.

A financial asset and a financial liability are offset only when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Parques Reunidos Servicios Centrales, S.A.

Notes to the Annual Accounts

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified in other financial asset categories. These assets are initially recognised at fair value, including transaction costs, and are subsequently measured at amortised cost using the effective interest method. Nevertheless, financial assets which have no established interest rate, which mature or are expected to be received in the short term, and for which the effect of discounting is immaterial, are measured at their nominal amount.

(ii) Held-to-maturity investments

Held-to-maturity investments, which include the bank deposits lodged by the Company, are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold to maturity, other than those classified in other categories. The measurement criteria applicable to financial instruments classified in this category are the same as those applicable to loans and receivables.

Some of these investments have been classified under cash and cash equivalents in accordance with the criteria defined in section (k) of this note.

(iii) Investments in Group companies

Group companies are those over which the Company, either directly, or indirectly through subsidiaries, exercises control as defined in article 42 of the Spanish Code of Commerce, or when the companies are controlled by one or more individuals or entities acting jointly or under the same management through agreements or statutory clauses.

Control is the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities. In assessing control, potential voting rights held by the Company or other entities that are exercisable or convertible at the end of each reporting period are considered.

Investments in Group companies, associates and jointly controlled entities are initially recognised at cost, which is equivalent to the fair value of the consideration given. The cost of investments in Group companies acquired before 1 January 2010 includes any transaction costs incurred.

(i) Deposits

Deposits as a result of the lease contracts are recorded at their nominal value since the difference between that and fair value is not significant

(iv) Derecognition of financial assets

Financial assets are derecognised when they expire or when the contractual rights to the cash flows from the financial asset have been transferred and the Company has substantially transferred all the risks and rewards of ownership.

(v) Impairment of financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company recognises impairment of loans and receivables when a reduction or delay is incurred in the estimated future cash flows, due to debtor insolvency.

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Notes to the Annual Accounts

An asset is impaired when its carrying amount exceeds its recoverable amount, the latter of which is understood as the higher of the asset's value in use and fair value less costs to sell. Value in use is calculated based on the Company's share of the present value of future cash flows expected to be derived from ordinary activities and from the disposal of the asset, or the estimated cash flows expected to be received from the distribution of dividends and the final disposal of the investment.

In subsequent years, reversals of impairment losses in the form of increases in the recoverable amount are recognised, up to the limit of the carrying amount that would have been determined for the investment if no impairment loss had been recognised.

(vi) Financial liabilities

Financial liabilities, including trade and other payables, which are not classified at fair value through profit or loss, are initially recognised at fair value less any transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, liabilities classified under this category are measured at amortised cost using the effective interest method. Nevertheless, financial liabilities which have no established interest rate, which mature or are expected to be settled in the short term, and for which the effect of discounting is immaterial, are measured at their nominal amount.

(vii) Derecognition and modifications of financial liabilities

The Company derecognises all or part of a financial liability when it either discharges the liability by paying the creditor, or is legally released from primary responsibility for the liability either by process of law or by the creditor.

The Company has contracted with various financial institutions to confirm payment management to suppliers. The Company applies the above criteria to assess whether it should de-recognise the original liability with commercial creditors and recognize a new liability with financial institutions. Commercial liabilities whose settlement is managed by the financial institutions are shown in the item commercial creditors and other accounts payable, to the extent that the Company has only ceded the payment management to financial institutions, maintaining itself as the primary obligor to the payment of debts to commercial creditors.

(viii) Derivative financial instruments and hedge accounting

To mitigate the risk associated with any fluctuations in cash flow (cash flow hedges) that might arise due to changes in interest rates, in 2016 the Company has arranged interest rate swaps for its syndicated loans (see note 16).

Derivative financial instruments that do not meet hedge accounting requirements are classified and measured as financial assets and financial liabilities at fair value through profit or loss. These instruments are initially recognised at fair value. After initial recognition, they are recognised at fair value through profit or loss.

Derivative financial instruments that qualify for hedge accounting are initially measured at fair value, plus any transaction costs that are directly attributable to the acquisition, or less any transaction costs directly attributable to the issue of the financial instruments. Nonetheless, transaction costs are subsequently recognised in profit or loss, inasmuch as they do not form part of the changes in the effective value of the hedge.

At the inception of the hedge the Company formally designates and documents the hedging relationships and the objective and strategy for undertaking the hedges. Hedge accounting is only applicable when the hedge is expected to be highly effective at the inception of the hedge and in subsequent years in achieving offsetting changes in cash flows attributable to the hedged risk, throughout the period for which the hedge was designated (prospective analysis), and the actual effectiveness is within a range of 80%-125% (retrospective analysis) and can be reliably measured.

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For cash flow hedges of forecast transactions, the Company assesses whether these transactions are highly probable and if they present an exposure to variations in cash flows that could ultimately affect profit or loss.

The Company recognises the portion of the gain or loss on the measurement at fair value of a hedging instrument that is determined to be an effective hedge in other comprehensive income (under equity - valuation adjustments). The ineffective portion and the specific component of the gain or loss or cash flows on the hedging instrument, excluding the measurement of the hedge effectiveness, are recognised with a debit or credit to finance costs or finance income.

The separate component of other comprehensive income associated with the hedged item is adjusted to the lesser of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in fair value or present value of the expected future cash flows on the hedged item from inception of the hedge. However, if the Company expects that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, it reclassifies into finance income or finance costs the amount that is not expected to be recovered.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income are reclassified to profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss and under the same caption of the consolidated income statement.

In the case of other hedges, the Company recognises amounts accounted for in other comprehensive income in profit or loss in the same period or periods during which the forecast transaction affects profit or loss and under the same caption of the consolidated income statement.

The Company prospectively discontinues the accounting of fair value hedges when the hedging instrument expires, is sold, is exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. In these cases, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income is not recorded in profit or loss until the forecast transaction occurs. If the transaction is no longer expected to occur, the cumulative gain or loss that had been recognised in other comprehensive income is reclassified to finance income or finance costs.

e) Own equity instruments held by the Company

Equity instruments acquired by the Company are shown separately at cost of acquisition as a reduction in capital and reserves in the balance sheet. Transaction costs related to own equity instruments, including issue costs related to a business combination, are accounted for as a deduction from reserves, net of any tax effect.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a maturity of less than three months from the date of acquisition.

g) Foreign currency transactions and balances

Transactions in foreign currency are translated at the spot exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies have been translated into the functional currency at the closing rate.

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Exchange gains and losses arising on the settlement of foreign currency transactions and the translation into the functional currency of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

For presentation of the consolidated statement of cash flows, cash flows of the subsidiaries are translated into Euros applying the exchange rates prevailing when the cash flows occurred.

h) Recognition of income and expenses

Income and expenses are recognised on an accruals basis, irrespective of collections and payments. Specifically, revenue is calculated at the fair value of the consideration receivable and represents the amount receivable for goods delivered and services rendered in the normal course of business, less discounts and taxes.

Interest income and expense are accrued using the current interest method, based on the outstanding portion of the principal and the applicable effective interest rate.

i) Income tax

The income tax expense or tax income for the year comprises current tax and deferred tax.

Current tax is the amount of income taxes payable or recoverable in respect of the consolidated taxable profit or tax loss for the period. Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Current and deferred tax are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity, or from a business combination.

The Parent has availed of the tax regime applicable to groups of Spanish companies as permitted by the revised text approved by Royal Legislative Decree 4/2004 of 5 March 2004, and is the parent of the tax group (see note 14).

In addition to the factors to be considered for individual taxation, set out previously, the following factors are taken into account when determining the accrued income tax expense for the companies forming the consolidated tax group:

- Temporary and permanent differences arising from the elimination of profits and losses on transactions between Group companies, derived from the process of determining consolidated taxable income.
- Deductions and credits corresponding to each company forming the consolidated tax group. For these purposes, deductions and credits are allocated to the company that carried out the activity or obtained the profit necessary to obtain the right to the deduction or tax credit.

Temporary differences arising from the elimination of profits and losses on transactions between tax group companies are allocated to the company which recognised the profit/loss and are valued using the tax rate of that company.

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A reciprocal credit and debit arises between the companies that contribute tax losses to the consolidated Group and the rest of the companies that offset those losses. Where a tax loss cannot be offset by the other consolidated Group companies, these tax credits for loss carryforwards are recognised as deferred tax assets, considering the tax group as a taxable entity for their recovery.

The Parent of the Group records the total consolidated income tax payable (recoverable) with a debit (credit) to receivables (payables) from/to Group companies and associates.

The amount of the debt (credit) relating to the subsidiaries is recognised with a credit (debit) to payables (receivables) to/from Group companies and associates.

- *Recognition of deferred tax liabilities*

The Company recognises all deferred tax liabilities except where they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.

- *Recognition of deferred tax assets*

The Company recognises deferred tax assets provided that it is probable that sufficient taxable income will be available against which the deductible temporary difference can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.

It is considered probable that the Company will generate sufficient taxable profit to recover deferred tax assets when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which are expected to reverse in the same tax period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from a deductible temporary difference can be carried back or forward.

The Company recognises deferred tax assets not previously recognised because they were not expected to be utilised within the ten-year recovery period, inasmuch as the future reversal period does not exceed ten years from the end of the reporting period or when there are sufficient taxable temporary differences.

In order to determine future taxable profit the Company takes into account tax planning opportunities, provided it intends or is likely to adopt them.

- *Measurement of deferred tax assets and liabilities*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted. The tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities. For these purposes, the Company has considered the deduction for reversal of the temporary measures provided in transitional provision thirty-seven of Spanish Income Tax Law 27/2014 of 27 November 2014 as an adjustment to the tax rate applicable to the deductible temporary difference associated with the non-deductibility of amortisation and depreciation charges in 2013 and 2014,.

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- *Offset and classification*

The Company only offsets current tax assets and liabilities if it has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Deferred tax assets and liabilities are recognised in the statement of financial position under non-current assets or liabilities, irrespective of the expected date of recovery or settlement.

j) Termination benefits

Provisions and termination benefits for involuntary redundancies or restructuring processes are recognised when the Company has a constructive obligation deriving from a detailed formal plan and it has raised a valid expectation that it will carry out the process by starting to implement the plan or announcing its main features to those affected by it.

k) Defined benefit plans

The Company includes plans financed through the payment of insurance premiums under defined benefit plans where a legal or constructive obligation exists to directly pay employees the committed benefits when they become payable or to pay further amounts in the event that the insurance company does not pay the employee benefits relating to employee service in the current and prior periods.

The Company recognises defined benefit liabilities in the statement of financial position reflecting the present value of defined benefit obligations at the reporting date, minus the fair value of plan assets at that date. Income or expense related to defined benefit plans is recognised as employee benefits.

Assets and liabilities arising from defined benefit plans are recognised as current or non-current based on the period of realisation of related assets or settlement of related liabilities.

l) Defined contribution plans

The Company recognises the contributions payable to a defined contribution plan in exchange for a service when an employee has rendered service to the Company. The contributions payable are recognised as an expense for employee remuneration, and as a liability after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the period, the Company only recognises that excess as an asset (prepaid expense) to the extent that the prepayments will lead to, for example, a reduction in future payments or a cash refund.

When contributions to a defined contribution plan do not fall due wholly within 12 months after the end of the period in which the employees render the related service, they are discounted using the market yield on high quality corporate bonds.

m) Share-based payments for services

The Company recognises the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. It recognises an increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability with a balancing entry in the income statement or assets if the goods or services were acquired in a cash-settled share-based payment transaction.

Equity instruments granted as consideration for services rendered by Company employees or third parties that supply similar services are measured by reference to the fair value of the equity instruments offered.

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- *Equity-settled share-based payment transactions (through delivery or issuance)*

Equity-settled payment transactions (through delivery or issuance) are recognised as follows:

- If the equity instruments granted vest immediately on the grant date, the services received are recognised in full and with a corresponding increase in equity;
- If the equity instruments granted do not vest until the employees complete a specified period of service, those services are accounted for during the vesting period, with a charge to profit and a corresponding increase in equity.

The Company determines the fair value of the instruments granted to employees at the grant date.

Market conditions and non-vesting conditions are taken into account when measuring the fair value of the instrument. Other vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for services received is based on the number of equity instruments that eventually vest. Consequently, the Company recognises the amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and revises that estimate if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates.

Once the services received and the corresponding increase in equity have been recognised, no additional adjustments are made to equity after the vesting date, although any necessary reclassifications in equity may be made.

- *Tax effect*

In accordance with prevailing tax legislation in Spain, costs settled through the delivery of equity instruments are deductible in the tax period in which delivery takes place, in which case a deductible temporary difference arises as a result of the time difference between the accounting recognition of the expense and its tax-deductibility.

In 2013 certain directors and employees of the Company entered into an agreement whereby they received a specific number of shares of Centaur Luxco, S.a.r.l. (parent of the Company's sole shareholder). These shares were granted in that year and vested immediately on the grant date, as their receipt was not subject to compliance with future objectives or length of stay in the Company. The fair value of these shares, Euros 337 thousand, was determined by an independent expert on the concession date and was not assumed by the companies to which these employees render their services, and therefore it was recognised under other equity contributions from shareholders.

In April 2016, prior to the Offer for Admission to trading (see note 1), the sole shareholder, Centaur Nederland, B.V., approved a long-term incentive plan for 2016-2020 to be settled through the delivery of shares in the Parent. Beneficiaries were informed of the plan regulations in May of 2016. According to the Incentive Plan, the delivery of shares is subject to the fulfilment of certain performance conditions, as well as the continued employment in the Company. The Parent has estimated the total obligation derived from these plans and the part of this obligation accrued at 30 September 2016 based on the extent to which the conditions for receipt have been met (see note 21 c)).

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n) Classification of assets and liabilities as current and non-current

The Company classifies assets and liabilities in the consolidated statement of financial position as current and non-current. Current assets and liabilities are determined as follows:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Company's normal operating cycle, which is expected to be within 12 months.
- Liabilities are classified as current when they are expected to be settled within 12 months after the reporting date or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
- Financial liabilities are classified as current when they are due to be settled within 12 months after the reporting date, even if the original term was for a period longer than 12 months, and an agreement to refinance or to reschedule payments on a long-term basis is completed after the reporting date and before the consolidated annual accounts are authorised for issue.

o) Transactions between Group companies

Transactions between Group companies are recognised at the fair value of the consideration given or received. The difference between this value and the amount agreed is recognised in line with the underlying economic substance of the transaction.

p) Assets and liabilities of an environmental nature

At 30 September 2016 and 2015 the Company does not have any assets earmarked for the protection and improvement of the environment, nor has it incurred relevant costs of this nature during the years then ended.

The Parent's directors consider that no significant contingencies exist concerning the protection and improvement of the environment and, accordingly, no provision has been made in this regard at 30 September 2016 or 2015.

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(5) Intangible Assets

Movement in 2016 and 2015 is as follows:

	Thousands of Euros						
	Balance at 30/09/2014	Additions	Transfers	Balance at 30/09/2015	Additions	Transfers	Balance at 30/09/2016
Cost							
Development	174	71	-	245	892	18	1,155
Industrial property	16	76	-	92	-	6	98
Computer software	6,644	1,566	349	8,559	872	648	10,079
	6,834	1,713	349	8,896	1,764	672	11,332
Amortisation							
Development	(96)	(46)	-	(142)	(53)	-	(195)
Industrial property	(14)	(16)	-	(30)	(21)	-	(51)
Computer software	(3,140)	(1,158)	-	(4,298)	(1,578)	-	(5,876)
	(3,250)	(1,220)	-	(4,470)	(1,652)	-	(6,122)
Net book value	3,584	493	349	4,426	112	672	5,210

Additions in 2016 primarily reflect the costs incurred in developing the new line of business in shopping centres (MECs or Mall Entertainment Centres) and acquisitions of computer software as part of the upgrading and renovation of the Company's IT systems. Additions in 2015 were essentially acquisitions of computer software as part of the upgrading and renovation of the Company's IT systems.

Details, by category, of fully amortised intangible assets at 30 September 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
Development	174	24
Industrial property	16	16
Computer software	2,783	2,507
	2,973	2,547

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(6) Property, Plant and Equipment

Movement in 2016 and 2015 is as follows:

	Thousands of Euros						
	Balance at 30/09/2014	Addition s	Transfers	Balance at 30/09/2015	Addition s	Transfers	Balance at 30/09/2016
Cost							
Buildings and other structures	691	-	-	691	-	-	691
Machinery, installations and equipment	1,670	4	55	1,729	3	-	1,732
Furniture and fixtures	176	-	-	176	-	-	176
Information technology equipment	3,260	26	209	3,495	39	144	3,678
Other property, plant and equipment	1	-	-	1	-	-	1
Property, plant and equipment under construction	1,030	1,012	(613)	1,429	1,452	(816)	2,065
	6,828	1,042	(349)	7,521	1,494	(672)	8,343
Amortisation							
Buildings and other structures	(207)	(40)	-	(247)	(40)	-	(287)
Machinery, installations and equipment	(840)	(143)	-	(983)	(124)	-	(1,107)
Furniture and fixtures	(112)	(16)	-	(128)	(14)	-	(142)
Information technology equipment	(2,128)	(692)	-	(2,820)	(460)	-	(3,280)
Other property, plant and equipment	(1)	-	-	(1)	-	-	(1)
	(3,288)	(891)	-	(4,179)	(638)	-	(4,817)
Net book value	3,540	151	(349)	3,342	856	(672)	3,526

The increases for fiscal year 2016 and 2015 basically include, the investments in improvements in the facilities where their offices are located and the updating of the computer equipment.

Details, by category, of the fully depreciated items of property, plant and equipment in use at 30 September 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
Machinery, installations and equipment	402	402
Furniture and fixtures	52	50
Information technology equipment	2,933	1,291
Other property, plant and equipment	-	-
	3,388	1,744

The Company takes out insurance policies to cover the possible risks affecting its property, plant and equipment. The Parent's directors consider that these policies are sufficient to cover the risks inherent in the Company's activity at 30 September 2016.

(7) Operating Leases - Lessee

The Company has signed operating lease agreements for vehicles and buildings.

Operating lease expenses totalled Euros 193 thousand and Euros 98 thousand at 30 September 2016 and 2015, respectively (see note 15 d)).

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At 30 September 2016 and 2015, future minimum lease payments under non-cancellable operating leases are as follows:

	Thousands of Euros	
	2016	2015
Less than one year	88	142
Two to five years	100	141
Over five years	-	-
	188	283

(8) Risk Management Policy

Management of the risks to which the Company is exposed in its day-to-day operations is one of the pillars of its effort to protect the value of its assets and thereby defend its shareholders' investment. The system of risky management is structured and defined by the accomplishment of strategic objectives and operations of the Company.

The management of the Group's financial risks is centralized on the Corporate Financial Management. This Management has established the necessary mechanisms to control, depending on the Group's structure and financial position and the economic variables of the environment, the exposure to changes in interest rates and exchange rates, as well as credit and liquidity by resorting, if necessary, to specific hedging transactions and establishing, if necessary, the corresponding credit limits and establishing policies for the provision of credit insolvencies.

(i) Credit risk

The principal financial assets of the Company are cash and other cash equivalents, as well as commercial and non-commercial debtors. In general, the Company deposits its cash and cash equivalents with highly rated entities.

The Company does not have a significant concentration of third-party credit risk. In relation to the balances with group companies, the Corporate Financial Management controls them both for their origin (commercial transactions, fiscal consolidation, cash pooling, etc.) and for the ability of debtors to meet commitments, evaluating the recovery of the balances receivable from group companies together with the business they represent.

The Company monitors the balances receivable from and payable to these debtors in order to control the net position risk and to adopt suitable measures to prevent undesirable situations arising.

(ii) Liquidity risk

The syndicated loan signed in 2016 entails the fulfilment of certain commitments with the financial entities that facilitate such financing, so monitoring compliance with them is a very important task.

The Corporate Finance Department performs a detailed monitoring of compliance with these commitments, in order to detect in advance the potential risk of non-compliance. In case that a risk is identified, it is brought to the attention of general management in order to make the necessary decisions to correct this situation. As of 30 September 2016 and 2015, the Group has not identified any breach of the financial ratios committed with the financial entities with which the loans have been subscribed.

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On the other hand, the Company has to face payments derived, mainly, from the usual commercial operations in the development of its activity. The expected results for the coming years, as well as the mechanisms available in the Group of which it is the dominant company (such as cash pooling) guarantee the provision of sufficient cash to ensure liquidity and to meet all payment commitments.

Also, as detailed in note 13 of this report, the Group has credit lines that are not available for a significant amount. Therefore, the Group considers that the liquidity risk is adequately managed as of 30 September 2016.

(iii) Market risk

The main market risks to which the Company is exposed are the risk of interest rate, exchange rate and other price risks.

The Company is exposed, in relation to its financial assets, to fluctuations in interest rates that could have an adverse effect on its results and cash flows. However, the Company substantially mitigates this risk to the extent that the interest-bearing financial assets are Group companies.

In relation to financial liabilities, mainly the syndicated loan, the Company is exposed to the variability of interest rates. However, as indicated in note 16, the Company has entered into an interest rate swap agreement, designed to hedge the interest rate risk of the syndicated loan held as of September 30, 2016.

In relation to exchange rate risk, the Company is exposed to the effect that this may entail in the calculation of the cash flows of investments with currencies other than the euro in relation to impairment tests. In this sense, the risk is mitigated to the extent that countries outside the Euro environment where the Parques Group operates historically maintain stable exchange rates.

In relation to price risk, the Company is exposed to the impact that a significant fall in sales in the companies of the Parques Reunidos Group may entail in the income from services rendered to group companies (see note 15 (b)) because These revenues depend on the volume of sales of the same, which have a stable behavior. In this sense, the Parques Reunidos Group applies policies aimed at increasing revenues in all branches and maximizing profitability in the parks

(9) Investments in Equity Instruments of Group Companies

The information related to the investments in companies of the group is presented in Annex I. The detail and movement of the cost of investments in equity instruments of group companies in the years 2016 and 2015 is as follows:

Investment	Thousand Euros					
	Balance 30.09.14	Additions	Disposals	Balance 30.09.15	Additions	Balance 30.09.16
Centaur Nederland 3 B.V.	151,098	-	-	151,098	119,412	270,510
Parque de Atracciones Madrid, S.A.U.	58,319	-	-	58,319	-	58,319
Marineland Resort S.A.S.	4,000	-	-	4,000	-	4,000
Mall Entertainment Centre Murcia, S.L.U.	-	-	-	-	76	76
	<u>213,417</u>	<u>-</u>	<u>-</u>	<u>213,417</u>	<u>119,488</u>	<u>332,905</u>

The increases in 2016 correspond to:

- Increase in capital to Centaur Nederland 3, B.V. for an amount of Euros 118,012 thousand, fully subscribed by the Company. This increase has been dedicated to the cancelation of debt held by the US subsidiary (bonds).

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- b) Major investment recognized in Centaur Nederland 3, B.V. for an amount of EUR 1,400 thousand, in relation to the exit bonus paid to the employees of the US subsidiary (see note 18 (c)) as well as the accrual in 2016 of the Employee Incentive Plan of such subsidiary (note 18 (b)).
- c) Constitution on 6 May, 2016 of the company Mall Entertainment Center Murcia, S.L.U. with a capital of EUR 76 thousand.

The most significant information of the main participating subsidiaries as of 30 September 2016 and 2015 is the following:

2016					
Thousand Euros					
Name	Parque de Atracciones Madrid, S.A.U.		Centaur Nederland 3 B.V.		Marineland Resort, S.A.S
Registered office	Casa de Campo Madrid s/n, Madrid		Holland		France
Activity	Operates a theme park in Madrid		Holding		Hotel
Investment %	100%		100%		100%
	(a)	(b)	(c)	(d)	(e)
Capital	3,187	3,187	268,800	18	4.000
Operating result	59,566	17,015	31,303	(39)	274
Result for the year	18,673	(62,666)	(10,702)	(41)	(295)
Remaining equity balances	877,730	(187,874)	(29,096)	302.001	20
Total equity	899,590	(247,353)	229,002	301.978	3.725
Net book value of the investment	58,319		270,510		4,000

2015					
Miles de euros					
Name	Parque de Atracciones Madrid, S.A.U.		Centaur Nederland 3 B.V.		Marineland Resort, S.A.S
Registered office	Casa de Campo Madrid s/n, Madrid		Holland		France
Activity	Operates a theme park in Madrid		Holding		Hotel
Investment %	100%		100%		100%
	(a)	(b)	(c)	(d)	(e)
Capital	3,187	3,187	178,560	18	4.000
Operating result	11,245	22,394	36,781	(29)	285
Result for the year	12,812	(30,767)	(7,049)	(29)	52
Remaining equity balances	552,030	(154,216)	(55,236)	182.617	(32)
Total equity	568,029	(181,796)	116,275	182.606	4.020
Net book value of the investment	58,319		151,098		4,000

- (a) Information of the European subgroup headed by Parque de Atracciones Madrid, S.A.U. obtained from unaudited subconsolidated financial statements as of 30 September 2016 and 2015.
- (b) Information from the audited annual accounts of Parque de Atracciones Madrid, S.A.U. as of 30 September 2016 and 2015.
- (c) Information of the USA subgroup headed by Centaur Holdings United States, Inc. obtained from unaudited subconsolidated financial statements as of 30 September 2016 and 2015. Nevertheless, this subgroup has its consolidated annual accounts audited.
- (d) Information from the unaudited financial statements of Centaur Nederland 3 B.V. as of 30 September 2016 and 2015.
- (e) Information from the unaudited financial statements of Marineland Resorts, S.A.S as of 30 September 2016 and 2015.

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As a result of the negative results incurred by the participating subsidiaries and their consolidated groups, as of 30 September 2016, the Company has tested impairment of Parques de Atracciones de Madrid, S.A.U., Centaur Nederland 3 B.V., and of Marineland Resort, S.A.S. In this sense, the recoverable value exceeds the book value of the investment in EUR 16, 99, and 2 millions, respectively, so no valuation adjustments have been made for impairment.

The discount rate used by the Company in the context of the impairment test of its participants is between 11% and 15% before the tax effect as of 30 September 2016 (10% and 15% before the fiscal effect as of 30 September 2015). In order to calculate the aforementioned rate, the Company uses the Capital Asset Pricing Model (CAPM) methodology applied to the capital structure obtained from a number of comparable companies listed on the market and adjusted both by the risk free rate of the country where each subsidiary is operating, as per the specific premium associated with each of them. The remaining key assumptions considered in the impairment tests are detailed in note 2 (d).

None of the companies in which the Company invests is publicly traded.

(10) Financial Assets by Category

The classification of the financial assets by category, except for the investments in subsidiaries, as of 30 September 2016 and 2015, is as follows:

	Thousand Euros					
	At amortized cost or cost					
	2016			2015		
Non current	Current	Total	Non current	Current	Total	
Investments and Trade receivables						
Loans to group companies (note 16 (a))	1,440,034	-	1,440,034	629,427	26,110	655,537
Deposits	155	284	439	4	18	22
Trade and other receivables						
Trade receivables - current	-	802	802	-	586	586
Trade receivables – group (note 16 (a))	59,939	135,720	195,659	53,007	56,052	109,059
Personnel	-	122	122	-	329	329
	<u>1,500,128</u>	<u>136,928</u>	<u>1,637,056</u>	<u>682,438</u>	<u>83,095</u>	<u>765,533</u>
Investments held to maturity	-	4,341	4,341	-	36,853	36,853
Total financial assets	<u>1,500,128</u>	<u>141,269</u>	<u>1,641,397</u>	<u>682,438</u>	<u>119,948</u>	<u>802,386</u>

The carrying amount of financial assets does not differ significantly from their fair value.

Held-to-maturity investments, at 30 September 2016 and 2015 correspond to bank deposits for the amount of EUR 4,341 and 36,853 thousand, respectively, and are remunerated at market interest rates of 0.10% (between 0.15% and 1.15% as of 30 September 2015). As of 30 September 2016, deposits amounting to EUR 4,341 thousand (EUR 32,507 thousand at 30 September, 2016) have a maturity of less than three months and are recognized under "Cash and cash equivalents" on the balance sheet

The amount of financial income on the income statement relating to financial assets with third-parties in 2016 and 2015 amounts to EUR 64 thousand and EUR 334 thousand, respectively. The financial income from the holding activity is included in net revenue (see note 16 (a)).

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(11) Investments and Trade Receivables

a) Current financial assets

At 30 September 2016 this item of the statement of financial position primarily comprised deposits totalling Euros 284 thousand. At 30 September 2015 it comprised bank deposits totalling Euros 4,346 thousand which matured at between three and 12 months and current deposits for Euros 18 thousand related to rented buildings. The carrying amount of these items did not differ significantly from their fair value.

b) Trade and other receivables

Details at 30 September 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
<i>Group</i>		
Trade receivables	1,440,034	655,537
Other receivables	195,659	109,059
<i>Third-parties</i>		
Trade receivables	802	586
Personnel	122	329
	1,636,617	765,511

During 2015, the Company recorded a provision for traffic insolvencies amounting to EUR 44 thousand and recognized EUR 4 thousand of unrecoverable credit losses.

(12) Equity

Details of equity and movement during the year are shown in the consolidated statement of changes in equity.

a) Subscribed capital

At 30 September 2015 the share capital of Parques Reunidos Servicios Centrales, S.A. was represented by 23,435,538 ordinary bearer shares of Euros 1 par value each, subscribed and fully paid. These shares had the same voting and profit-sharing rights and all were held by the sole shareholder Centaur Nederland B.V. (see note 1).

On 7 April 2016, the sole shareholder resolved to reduce the par value of the Company's shares by performing a share split of two new shares per old share and amending the articles of association.

On 27 April 2016, as part of the initial public offering (see note 1), the sole shareholder of the Company resolved to increase the share capital by Euros 16,935,484 through the issue and circulation of 33,870,968 new ordinary with a par value of Euros 0.50 each, of the same class and series and with the same rights as the previously issued shares. These shares were issued with a share premium of Euros 15 per share or a total of Euros 508,064,520. As a result, the capital increase and share premium amounted to Euros 525,000,004.

Morgan Stanley & Co. International PLC and Deutsche Bank AG, London Branch, acting as joint global coordinators of the share subscription offer (see note 1) on behalf of the final subscribers of the shares allotted through the subscription offer, have underwritten each of the 33,870,968 new ordinary shares jointly equivalent to Euros 525,000,004, with Centaur Nederland B.V. expressly waiving the right to any preferential subscription rights.

Consequently, at 30 September 2016 the share capital of Parques Reunidos Servicios Centrales, S.A. is represented by 80,742,044 ordinary bearer shares of a single class and series of Euros 0.5 par

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value each. All the shares are fully subscribed and paid up and grant the shareholders the same voting and profit sharing rights.

As indicated in note 1, the Parent's shares were admitted to trading on the Madrid, Barcelona, Bilbao, and Valencia stock exchanges on 29 April 2016. According to public information filed with the Spanish National Securities Market Commission, the members of the board of directors control approximately 0.36% of the Parent's share capital at 30 September 2016.

According to the aforementioned public information, the most significant shareholdings at the closing date of these annual accounts are as follows:

	<u>%</u>
Monkwood Luxco S.a.r.l.	31.2%
Morgan Stanley & Co International Plc	10.1%
Alba Europe, S.a.r.l.	10.0%
Centaur Luxco, S.a.r.l.	7.3%
Henderson European Focus Fund	3.9%
Panda, L.P:	2.3%
Fil Investments International	1.2%

b) Share premium

The share premium is freely distributable provided that equity does not fall below share capital as a result of its distribution. As mentioned in section a) of this note, during 2016 the Company has increased share capital, raising the share premium by Euros 508,065 thousand.

c) Legal reserve

The legal reserve has been appropriated in accordance with Article 274 of the Spanish Companies' Act, which requires that companies transfer 10% of their profits for the year to the legal reserve until this reserve reaches an amount equal to 20% of share capital.

The legal reserve is not distributable to shareholders and if it is used to offset losses, in the event that no other reserves are available, the reserve must be replenished with future profits.

At 30 September 2016 the Company has appropriated this reserve below the minimum limit established in the revised law of the Capital Companies Act. As of 30 September 2015, the Company had this reserve as established by the Capital Companies Act

d) Voluntary reserve

Voluntary reserves are distributable provided that equity does not fall below share capital as a result of its distribution.

At 30 September 2016, the Company's voluntary reserves have been reduced by expenses of Euros 18,425 thousand (Euros 13,562 thousand considering the tax effect) for the share capital increase, as well as the relative advisors, mainly Morgan Stanley & Co. International PLC and Deutsche Bank AG, London Branch, as the joint global coordinators in relation to the public offering of shares (see note 1).

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e) Other shareholder contributions

The increase in this caption during 2016 reflects the recognition of Euros 9,811 thousand relating to the exit bonuses that the then sole shareholder approved prior to the initial public offering (see note 18 c)).

f) Other equity instruments

This item reflects the increase in equity resulting from the share-based payment plan detailed in note 4 m). During 2016, an amount of Euros 423 thousand has been recognised under this heading in connection with the long-term incentive plan for 2016-2019 (see note 18 b)).

(13) Financial liabilities

The classification of financial liabilities by categories and classes is as follows:

	Thousands of Euros							
	2016				2015			
	Limit	Current	Non-current	Total	Limit	Current	Non-current	Total
At amortised cost:								
Syndicated loan	345,000	13,000	331,200	345,000	-	-	-	-
Revolving credit facility	200,000	-	-	-	-	-	-	-
Interest payable	-	4,616	-	4,616	-	-	-	-
	545,000	18,416	331,200	349,196	-	-	-	-
Transaction costs	-	-	(4,417)	(5,323)	-	-	-	-
Measured at fair value:								
Derivative financial instruments (note 14)	-	488	442	1,197	-	-	-	-
	545,000	18,904	560,670	593,663	-	-	-	-
Trade creditors								
Suppliers	-	1,392	-	1,392	-	1,026	-	1,026
Suppliers, related entities (note 16 (a))	-	43,908	98,053	141,961	-	44,270	74,390	118,660
Other creditors	-	1,472	-	1,472	-	694	-	694
Personnel	-	917	-	917	-	902	-	902
Other	-	4,811	-	4,811	-	1,904	-	1,904
	-	52,500	98,053	150,553	-	48,796	74,390	123,186

The financial liabilities are measured at amortised cost, which does not differ significantly from their fair value, given the fair value of the syndicated loan at year-end of Euros 347,278 thousand.

As of 30 September 2016 and 2015, the Company has balances with suppliers in confirming for an amount of Euros 1,253 and 1,565 thousand.

As of 30 September 2016, the Company has a revolving credit facility for a total amount of Euros 200,000 thousand which is fully available. This credit line has a maturity date in September 2021.

The amount of financial expenses in 2016 y 2015, is as follows:

	Thousands of Euros	
	2016	2015
Financial expenses based on amortised costs	4,864	208
Total	4,864	208

a) Current financial structure: Syndicated loan and 2016 revolving credit facility

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On 1 April 2016, the Company and its subsidiary of the US subgroup, Festival Fun Parks, LLC, as joint and several borrowers and guarantors arranged a new syndicated loan with Banco Santander (as the agent bank). This new financing has been used to (i) repay the syndicated loan arranged in 2014, the bonds of the US subgroup and the GE Capital 2011 revolving credit facility. All of these were settled with the cash obtained with the new financing, as well as that obtained from the public offering and sale of shares (see note 1), and (ii) pay the fees, commissions and expenses related to this new financing. Furthermore, a new revolving credit facility has been signed to finance the Group's working capital requirements (including the permitted investments in Capex and business acquisitions).

The loan, whose total amount as of 30 September 2016 amounts to EUR 577,229 thousand, consists of four tranches that have been taken by the Company (two tranches in euros) and Festival Fun Parks, LLC (two tranches in US dollars). The amount as of 30 September 2016 of the tranches taken by Festival Fun Parks, LLC amounts to EUR 232,229 thousand. A detail of the tranches of the new loan taken by the Company, as of 30 September 2016, is as follows:

Tranche	Expiry date	Nominal Interest	Effective interest rate	Limit in original currency	2016	
					Thousand Euros	
					Undrawn	Drawn down
Tranche A2 (Euros)	Sept 2021	Euribor 6 months + 2.5%	2,75%	138.000	-	138,000
Tranche B2 (Euros)	Sept 2021	Euribor 6 months + 3.25%	3,46%	207.000	-	207,000
Revolving facility (multicurrency)	Sept 2021	Euribor 6 months + 2.5%	2,71%	200.000	200,000	-
					200,000	345,000

At 30 September 2016 there were no restrictions on drawdowns of the revolving credit facilities.

The agreement establishes a partial repayment schedule of tranches A1 and A2, namely repayment of 10% of the principal on 30 September each year from 2017 until 2020 and repayment of the remaining 60% in September 2021. The entire principal of tranches B1 and B2 is to be settled in a single repayment on 30 September 2021. Finally, each drawdown from the revolving credit facility has to be repaid on the last day of the corresponding monthly interest period.

	2016					
	Thousands of Euros					
	2017/18	2018/19	2019/20	2020/21	2021/22 and thereafter	Total
Syndicated loan	13,800	13,800	13,800	289,800	-	331,200
	13,800	13,800	13,800	289,800	-	331,200

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Under the syndicated loan agreement, every quarter and year end the Group has to comply with a financial covenant calculated on the basis of its consolidated financial statements or its consolidated annual accounts. The Group's Corporate Finance Division closely monitors compliance with these financial ratios to pre-empt any potential risk of non-fulfilment. In each quarter since the contract was signed and as of 30 September 2016 the Parent's directors have confirmed compliance with the following covenant:

<u>Covenant</u>	<u>Definition</u>	<u>Ratio required</u>
Indebtedness	Net financial debt/Consolidated EBITDA	< 4.50

To ensure compliance with its obligations under the syndicated loan agreement, the Group has granted the following guarantees to the lending banks:

- A joint and several guarantee from Parques Reunidos Servicios Centrales, S.A. and Festival Fun Parks, LLC (including pledge on the shares of the latter). This guarantee is effective the moment that one of the guarantors fails to repay the principal or interest payments for the tranches of debt that each one has arranged. At 30 September 2016, both guarantors are up-to-date with the payments, so the guarantee has not been executed, and the Company has not needed to recognize an additional liability corresponding to the Festival Fun Parks, LLC.
- Pledge of shares of Parque de Atracciones Madrid, S.A.U., Madrid Theme Park Management, S.L.U., Leisure Parks, S.A., Zoos Ibéricos, S.A., Gestion Parque de Animales Madrid, S.L.U., Centaur Nederland 2 B.V., Grant Leisure Group Ltd, Tusenfryd AS, Pleasantville B.V., Marineland SAS, Movie Park Germany GmbH, and Centaur Nederland 3 B.V. These companies also constitute additional guarantors.

b) Average Supplier Payment Period. "Reporting Requirement", Third Additional Provision of Law 15/2010 of 5 July 2010

Pursuant to Law 15/2010, which stipulates measures to combat late payments in commercial transactions, the information on the average payment period to suppliers of the Company at 30 September 2016 is as follows:

	<u>Days</u>
Average supplier payment period	10
Transactions paid ratio	9
Transactions payable ratio	19
	<u>Amount (thousands of Euros)</u>
Total payments made	27,806
Total payments outstanding	854

The payments to suppliers reflected in the above table are trade payables as they relate to goods and services.

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(14) Derivative Financial Instruments

Details of the derivative financial instruments included in the consolidated statement of financial position under loans and borrowings at 30 September 2016 are as follows:

	2016		
	Current	Non-current	Total
Interest rate hedges	755	442	1,197

a) Interest rate derivatives and hedge accounting

The Company uses interest rate swaps (IRS or fixed rate swaps) to hedge the risk of variations in interest rates on its syndicated loan (see note 13). Details of derivative financial instruments and their corresponding fair values at 30 September 2016, together with the outstanding notional amounts to which they are linked, are provided below. At 30 September 2016 the Company applies hedge accounting to these derivatives.

Instrument	Interest rate swap
Fixed interest payable	-0.064%
Variable interest receivable	6-month Euribor
Date arranged	25/05/2016
Start of hedge	30/06/2016
Expiry date	30/06/2019
Notional (thousands)	200,000 (Euros)
Interest payments	Half-yearly (31 March and 30 September)
Fair value of swap (thousands of Euros)	834
Accrued interest payable (thousands of Euros)	-
Total fair value (thousands of Euros)	834

With IRS, interest rates are interchanged so that the Company receives a variable interest rate from the bank in exchange for a payment of fixed interest on the nominal amount. The variable interest rate received for the derivative offsets the interest paid on the hedged financing. The end result is the payment of fixed interest on the hedged financing.

To determine the fair value of interest rate derivatives, the Company discounts cash flows based on implicit rates determined through the Euro interest rate curves depending on market conditions at the measurement date.

The Company has carried out the corresponding prospective and retrospective effectiveness testing and found the hedges to be ineffective in the case of the IRSs on the tranche in Euros. Consequently, it has designated the pertinent hedging relationships at 30 September 2016.

The amount recognised in the 2016 income statement, due to the change in fair value from the initial date of the derivative up to 30 September 2016, amounts to a negative amount of Euros 834 thousands.

Finally in 2016, these derivative financial instruments have accrued interest totalling Euros 111 thousand, which is recognised under finance costs in the income statement.

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b) Sensitivity analysis

Details of the sensitivity analysis of the derivatives held by the Company at the 2016 reporting date are as follows:

Sensitivity	Thousands of Euros	
	Result – Expense/(Income)	
+ 0.50 points (rise in the variable interest rate curve)		(256)
- 0.50 points (decrease in variable interest rate curve)		256

The impact on results reflects the effect that variations in the interest rate applicable to derivatives would have had on finance costs accrued during the year. The sensitivity of the derivatives at 30 September 2016 will affect the Company's equity to the extent that market conditions, specifically the future interest rate curve, may change.

(15) Tax situation

Details of balances with public entities at 30 September 2016 and 2015 are as follows:

	Thousand Euros		
	2016		2015
	Non-current	Current	Current
Assets			
Deferred tax assets	285	-	-
Withholdings and payments on account	-	1,531	162
	285	1,531	162
Liabilities			
Income tax	-	1,559	5,207
Value added tax	-	1,525	1,456
Personal income tax	-	97	159
Social Security payables	-	109	86
	-	3,290	6,908

Pursuant to the revised text approved by Royal Decree Law 4/2004, of 5 March 2004, the Company heads the consolidated tax group comprising Parque de Atracciones Madrid, S.A.U., Zoos Ibéricos, S.A., Parques de la Naturaleza Selwo, S.L., Leisure Parks, S.A., Parque de Atracciones de San Fernando de Henares S.L.U., Aquopolis de Cartaya, S.L., Madrid Theme Park Management, S.L., Gestión Parque de Animales Madrid, S.L., Travelpark Viajes, S.L.U. and Parques Reunidos Valencia, S.A and Parque Biológico de Madrid, S.A.U. The profits, determined in according with the tax legislation, are subject to a tax of 28% on the base. The corporate income tax for 2016 generated accounts receivable and accounts payable from other companies in the tax consolidation for EUR 6,974 thousand and EUR 23,748 thousand, respectively (EUR 5,978 thousand and EUR 23,912 thousand, respectively, at 30 September 2015) which are included in the balances with Group companies (see note 17 (a)).

In accordance with legislation in force in Spain, taxes cannot be considered definitive until they have been inspected and agreed by the taxation authorities or before the inspection period of four years has elapsed. At 30 September 2016 the Company and its subsidiaries located in Spain forming the consolidated tax group have open to inspection by the taxation authorities all main applicable taxes for the last four years.

Due to the treatment permitted by fiscal legislation of certain transactions in each country in which the Company operates, additional tax liabilities could arise in the event of an inspection. In any case, the Company's directors do not consider that any such liabilities that could arise would have a significant effect on the consolidated annual accounts.

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In accordance with applicable tax legislation in Spain and the other countries in which the Company operates, losses declared may be carried forward to be offset against future profits within the period stipulated by the tax legislation prevailing in each country (indefinitely in the case of Spain). Losses are offset when the tax returns are filed, without prejudice to the taxation authorities' power of inspection.

On the basis of the income tax returns filed by the companies forming the Spanish tax group, the result of the tax inspection (see note 21) and the estimated consolidated tax return for 2016 that the Parent expects to file, the tax group companies have the following loss carryforwards to be offset against future profits:

Year of origin	Thousands of Euros	
	Company	Fiscal Group
2009	190	-
2010	83	-
2012	-	6.275
	273	6.275

In relation to the effect of the negative tax basis of the Spanish tax group, the Group has considered that the recognition of deferred tax assets is not sufficiently justified on the basis of estimates made.

Due to the treatment permitted by fiscal legislation of certain transactions, accounting profit or loss differs from the taxable income or tax loss. A reconciliation of the accounting loss for the year with the tax loss that the Company expects to declare after approval of the annual accounts is as follows:

	Thousands of Euros			2015
	2016			
	Income statement	Reserves	Total	Income statement
Profit before income tax	77,034	-	77,034	82,266
Permanent differences				
Non-deductible expenses	9,011	-	9,011	65
Deductible expenses recognised in equity	-	(17,368)	(17,368)	-
Taxable accounting income/(loss)	86,045	(17,368)	68,677	82,331
Temporary differences				
Originating in current year	1,137	-	1,137	634
Originating in prior years	(114)	-	(114)	-
Taxable income/(Tax loss) of the Parent	87,068	(17,368)	69,700	82,965
Tax losses contributed by companies forming part of the tax group	(59,909)	-	(59,909)	(59,361)
Aggregate taxable income/(tax loss)	27,159	(17,368)	9,791	23,604
Tax consolidation adjustments	-	-	-	(375)
Offset of tax loss carryforwards	(2,448)	-	(2,448)	(5,807)
Consolidated taxable income/(tax loss)	24,711	(17,368)	7,343	17,422
Gross tax at 28% (30% in 2015)	6,919	(4,863)	2,056	5,226
Deductions	(497)	-	(497)	(221)
Income tax payable	6,422	(4,863)	1,559	5,005

In 2016 permanent differences arising on non-deductible expenses essentially relate to the exit bonus paid to Company employees (see note 18 (c)). Permanent differences due to deductible expenses recognised in equity in 2016 arise from the stock market flotation and have been recognised under reserves in equity (see note 12 (d)).

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Temporary differences arising for the Company in 2016 relate to the positive adjustment in respect of non-deductible finance costs, while those originated in prior years correspond to the negative adjustment due to the reversal of non-deductible depreciation and amortisation expenses in prior years. The temporary differences originated in 2015 were due to non-deductible depreciation and amortisation expenses.

Tax loss carryforwards contributed by tax group companies reflect individual taxable income/tax losses corrected for consolidation adjustments where applicable. In 2016 and 2015 the Company offset its individual taxable income against part of the tax loss carryforwards contributed by the companies in the tax group. As such, in 2016 the subsidiaries in the tax group generated net tax loss carryforwards of Euros 59,909 thousand (Euros 59,361 thousand in 2015).

The relationship between the income tax expense and profit for 2016 and 2015 is as follows:

	Thousands of Euros	
	2016	2015
Profit for the year before tax	77,034	82,266
Tax at 28% (30% in 2015)	21,570	24,680
Non-deductible expenses of the Parent	2,523	19
Temporary differences treated as permanent	284	190
Recognition of prior years' temporary differences	(285)	-
Tax effect of offsetting tax loss carryforwards	(685)	(1,742)
Prior years adjustments	(1,395)	-
Income tax expense	22,012	23,147

Details of the income tax expense for 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
Current tax		
Present year	24,377	24,889
Deferred tax		
Previously unrecognised tax credits applied	(685)	(1,742)
Recognition of prior years' temporary differences	(285)	-
Prior years adjustments	(1,395)	-
	22,012	23,147

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Details of deferred tax assets and liabilities by type of asset and liability are as follows:

	Thousands of Euros			
	2016		2015	
	Temporary difference	Tax effect	Temporary difference	Tax effect
Assets				
Amortisation and depreciation	1,025	307	1,139	341
Non-deductible finance costs	1,137	284	-	-
	2,162	591	1,139	341
Unrecognised deferred tax assets	(1,022)	(306)	(1,139)	(341)
	1,140	285	-	-

Based on estimations carried out the Company has not recognised all deferred tax assets.

Law 27/2014 on corporate income tax applicable to Spanish companies was approved on 27 November 2014 and introduces completely new legislation. The Law revokes the revised Royal Legislative Decree 4/2004 of 5 March 2004. The numerous developments contained in this new legislation include the progressive reduction of tax rates, from the current 28% for the year beginning on 1 October 2015 to 25% from 2016 onwards.

(16) Income and expense

(a) Revenue

A detail of revenue for the years ended 30 September 2016 and 2015 is as follows:

	Thousand Euros	
	2016	2015
Income from services rendered to group companies	-	1,554
Income from services rendered to third parties	1,190	1,110
Financial income from holding activity (note 16 (a))	87,002	69,584
	88,192	72,248

Revenue for the year 2015 and 2016, except for income for services rendered to third parties that have been generated abroad, in U.S. dollars, was generated entirely in Spain in euros and corresponds, mainly to financial income with companies of the Group (in 2015 also included fees billed by the company to the Group companies).

(b) Other operating income

The composition of this line item in the income statement for the years ended as of 30 of September 2016 and 2015, is as follows:

	Thousand Euros	
	2016	2015
Services rendered to group companies	20,114	20,993
Income from patronage and exclusivity with third parties	3,338	3,743
Other income with group companies	317	289
	23,769	25,025

Services rendered to group companies includes:

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- Invoicing to other Group companies of costs incurred by the Company pursuant to the contracts signed between them for the provision of centralized services. Such costs are charged with a margin of 6%.
- Fees billed by the Company in relation to exploitation and use by the Group companies of the intangibles which are property of Parques Reunidos Servicios Centrales, S.A. In this sense, the Company signed with those Group companies the corresponding contracts based on which the Company charges annually a fee. These fees include a margin of 4%.
- Within these services, it is included, reducing this income, the expenses billed to the Company from the Group companies in Spain in relation to sponsorship and marketing services by amount of Euros 3,438 thousands in 2016 (Euros 3,048 thousands in 2015).

Income from patronage and exclusivity with third parties relates to sponsorship and advertising of third party trademarks in the Spanish parks.

The breakdown by geographical market of "services rendered to companies of the group" and "Other income with group companies" is the following:

	Thousand Euros	
	2016	2015
Spain	6,974	6,805
United States of America	1,435	1,751
France	2,030	2,524
Belgium	1,064	1,096
Italy	2,391	2,411
Norway	1,571	1,733
United Kingdom	897	772
Denmark	541	581
Germany	2,044	2,203
Argentina	222	196
Holland	1,262	1,210
	20,431	21,282

(c) Personnel expenses

A detail of personnel expenses for the years ended 30 September 2016 and 2015 is as follows:

	Thousand Euros	
	2016	2015
Salaries and wages		
Salaries and wages	6,690	6,721
Termination costs	712	985
	7,402	7,706
Employee benefits expense		
Social Security	1,006	1,044
Other employee benefits expenses	271	194
	1,277	1,238
Share based payments (note 18 (b))	361	-
	9,040	8,944

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(d) External services

A detail of external services for the years ended 30 September 2016 and 2015 is as follows:

	Thousand Euros	
	2016	2015
Leases	193	98
Repairs and maintenance	638	650
Independent professional services	1,509	1,979
Transportation	6	2
Insurance premiums	94	145
Bank charges	589	59
Advertising and publicity	877	805
Utilities	15	15
Other services	1,313	1,180
	5,234	4,933

Other services as of 30 September 2016, includes travel expenses amounting to Euros 541 thousand (Euros 562 thousand to 30 September 2015).

(e) Other results

As of 30 September 2016, it mainly includes non-recurring consulting expenses related to the public offering amounting to Euros 2,819 thousand, Euros 2,289 thousand for advisory costs in relation to the new financial structure and the exit bonus paid to certain employees amounting to Euros 8,322 thousand (see note 18 (c)).

(17) Related Party Transactions and Balances

a) Related party balances and transactions

In 2016 and 2015 balances and transactions with related parties are shown in Appendix II.

The conditions of the transaction with **related parties** are equivalent to those made at market conditions. Services are normally negotiated with related parties on a margin over cost basis, applying market margins.

A detail of the main characteristics of loans granted to related parties as of 30 September 2016 and 2015, is as follows:

Type	Original currency	% interest	Type of interest (1)	Initial date	Expiry date	Nominal value (thousand)	2016	
							Thousand Euros	
							Non current	Current
Profit Participating Loans								
Parque de Atracciones Madrid, S.A.U.	Euros	(2)		Sept 13	March 19	351,079	517,473	-
Parque de Atracciones Madrid, S.A.U.	Euros	(3)		Sept 13	Feb 20	130,336	164,259	-
							681,732	-
Type	Original currency	% interest	Type of interest (1)	Initial date	Expiry date	Nominal value (thousand)	2015	
							Thousand Euros	
							Non current	Current

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Type	Original currency	% Type of interest (1)	Initial date	Expiry date	Nominal value (thousand)	2015	
						Thousand Euros	
						Non current	Current
Profit Participating Loans							
Parque de Atracciones Madrid, S.A.U.	Euros	(2)	Sept 13	March 19	351,079	442,704	-
Parque de Atracciones Madrid, S.A.U.	Euros	(3)	Sept 13	Feb 20	130,336	164,259	-
Loans at variable interest							
Parque de Atracciones Madrid, S.A.U.	Euros	9.51%	nov-11	Sept 16	18,000	-	26,110
Parque de Atracciones Madrid, S.A.U.	Euros	3.49%	Julio 12	Sept 18	20,000	22,465	-
						629,428	26,110

(1) The variable interest rate corresponds to the applied as of 30 September 2016 and 2015. Interest accrued each year are not settled but capitalized in the amount of the debt.

(2) Fixed interest of 6.188% plus variable interest depending on the EBITDA of Parque de Atracciones Madrid, S.A.U. being 0% up to Euros 10 million, 2.968% up to Euros 20 million and 5.937% above Euros 20 million.

(3) Fixed interest of 6.188% plus variable interest depending on the EBITDA of Parque de Atracciones Madrid, S.A.U. being 0% up to Euros 10 million, 2.9529% up to Euros 20 million and 5.90575% above Euros 20 million.

The EBITDA of Parque de Atracciones Madrid, S.A.U. is defined as the operating profit less amortization and depreciation in accordance with its audited accounts annual.

In addition, during 2016, after completing the IPO (see note 1) and refinancing (see note 13), the Company transferred the funds obtained to its subsidiary Parque de Atracciones Madrid, S.A.U. in order to be able to cancel the syndicated loan that it maintained. The balance receivable that the Company has with such subsidiary since then (which at September 30, 2016 amounts to Euros 757,690 thousand) accrues interest rates of 3.3% per annum.

In connection with the long-term accounts receivable from the subsidiary of the US subgroup amounting to Euros 7,262 thousand (Euros 6,994 thousand at September 30, 2015), the Company agreed in 2013 to liquidate it within 5 years. Long-term debtors or creditors as of September 30, 2016 and 2015 correspond to the accumulated balance of the taxable bases offset between the companies that make up the tax group headed by the Company. The rest of the debit and credit balances with Group companies originate mainly from the normal commercial transactions between the Company and the other Group companies. The balances with these companies accrue an annual market interest.

The amount included in Credits granted in the balance sheet as of September 30, 2016 and 2015 includes accrued interest, which matures on the same date as the principal.

Parques Reunidos Servicios Centrales, S.A.

Notes to the Annual Accounts

b) Information relating to the directors and senior management of the Parent

The remuneration received by the directors as members of the Parent's board of directors, including those who are also members of senior management during 2016 and 2015, was as follows:

	Thousands of Euros	
	2016	2015
Fixed remuneration	887	703
Variable remuneration	218	-
Other	218	-
	1,323	703

In relation to the previous remuneration, Euros 971 and 658 thousand in 2016 and 2015, respectively, correspond to those received by members of senior management.

The remuneration received in 2016 and 2015 by members of senior management (other than those who are also members of the board of directors, whose remuneration was indicated above), was as follows:

	Thousands of Euros	
	2016	2015
Salaries and wages	1,455	1,508
Insurance premiums	2	14
	1,457	1,522

At 30 September 2016 the Company has balances payable to senior management amounting to Euros 21 thousand (78 thousand payable to senior management at 30 September 2015). As of September 30, 2016 and 2015, the Company does not maintain any balances with the Directors. At 30 September 2016 and 2015 the Company had not extended any advances to the directors or senior management personnel and had no pension fund, life insurance or other such commitments with these parties, except for the defined contribution plans for senior management detailed in note 22, to which contributions of Euros 45 thousand were made in 2016 (contributions of Euros 53 thousand in 2015).

c) Transactions other than ordinary business or under terms differing from market conditions carried out by the directors of the Parent and their related parties

In 2016 and 2015 the Parent's directors and their related parties did not carry out any transactions other than ordinary business with the Company or applying terms that differ from market conditions.

d) Conflicts of interest concerning the directors

The directors of the Company and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

Parques Reunidos Servicios Centrales, S.A.

Notes to the Annual Accounts

(18) Employee Information

The average headcount of the Company in 2016 and 2015, distributed by category, is as follows:

	Number	
	2016	2015
Board members	1	1
Senior management personnel	4	4
Department directors	29	30
Other qualified personnel	30	31
Administrative staff	30	30
	94	96

At the 2016 and 2015 year ends, the distribution by gender of personnel and the members of the board of directors of the Parent is as follows:

	Number					
	2016			2015		
	Female	Male	Total	Female	Male	Total
Board members	-	7	7	-	5	5
Senior management personnel	-	4	4	-	4	4
Department directors	4	23	27	4	23	27
Other qualified personnel	16	19	35	16	17	33
Administrative staff	19	13	32	19	12	31
	39	66	105	39	61	100

At 30 September 2016, six of the directors were not Parent employees.

On the other hand, in 2016 and 2015 the Company does not have employees with a disability rating of 33% or more.

(a) Employee benefits under defined benefit plans and other employee benefits

(i) Defined benefit plans

The Company currently has defined benefit commitments with certain serving employees in Spain, in the form of retirement benefits and indemnities in the event of death or disability, as set forth in the respective collective labour agreements applicable to the different work centres.

The Company has not recorded any provision or asset deriving from these commitments in its consolidated annual accounts as it considers that at 30 September 2016 and 2015, the present value of these defined benefit obligations does not differ significantly from the fair value of the plan assets.

(ii) Defined contribution plans

The Company has arranged a mixed collective insurance policy with an insurance company to finance a defined contribution benefit scheme (savings plan) for a specific group of employees based in Spain.

The Company makes annual contributions in the form of the policy premium payments. The amount of these contributions is determined each year by the Company. In 2016 the Company made policy premium payments totalling Euros 45 thousand to the insurance company (Euros 53 thousand in 2015).

Parques Reunidos Servicios Centrales, S.A.

Notes to the Annual Accounts

(b) Long-term incentive plan

In April 2016, prior to the public offering for the subscription, sale and admission to trading (see note 1), the sole shareholder Centaur Nederland, B.V. approved the implementation of a long-term incentive plan for 2016-2020 for several of the Company's executives and directors, payable in shares of the Company.

This plan consists of two cycles of share-based payments, each with a measurement period of three years. At the start of each cycle a number of shares will be assigned to each of the beneficiaries based on salary level, estimated compliance with the long-service commitment and the estimated degree of achievement of certain financial objectives. The first cycle (2016/2019 Cycle) commenced on 1 May 2016 (the measurement date) and the second cycle (2017/2020 Cycle) will commence on 1 January 2017.

For the 2016/2019 Cycle, the Company forecasts 100% compliance with the terms and conditions and, at the measurement date, it estimates that a total of 204,573 shares, with a weighted average fair value of Euros 14.75 per share, are to be delivered to directors and executives. This fair value has been calculated based on the listed price of the Company's shares at the measurement date.

In 2016 an expense of Euros 361 thousand has been recognised in respect of this plan (Euros 423 thousand excluding the tax effect), and is reflected in the income statement under personnel expenses (see note 16 (c)). The balancing entry has been recognised under other own equity instruments (see note 12 (f)).

(c) Exit bonus

In 2016, members of the Group's management team, and a certain number of employees in management positions within the Group, have received an exit bonus accrued as a result of the Company's admission to trading. The members of the management team have received a discretionary amount set by the shareholders of Centaur Luxco S.a.r.l. (sole shareholder of Centaur Nederland, B.V.) at their general meeting. For employees in management positions within the Group, the exit bonus was set at an amount equivalent to 1% of the sole shareholder's capital gain on the sale of its shares in the public offering. The total amount of the two exit bonuses received by employees of the Company, recognised in the income statement for 2016, was Euros 8,322 thousand. The amount received by employees of other Group companies was Euros 1,489 thousand (see note 9). Taking into account that Centaur Nederland, B.V. (the Company's sole shareholder until its IPO) assumed the payment of the entire amount of these bonuses, the Company has recognised a shareholder's contribution in equity for this amount (see note 12 (e)).

(19) Audit Fees

KPMG Auditores, S.L., and other related companies as defined in the fourteenth additional provision of legislation governing the reform of the financial system, rendered professional services to the Company during the years ended 30 September 2016 and 2015, the fees and expenses for which are as follows:

	Euros					
	2016			2015		
	KPMG Auditores, S.L.	Other entities affiliated with KPMG International	Total	KPMG Auditores, S.L.	Other entities affiliated with KPMG International	Total
Audit and other assurance services	1,255,170	-	1,255,170	157,480	-	157,480
Tax advisory services	-	112,841	112,841	-	19,000	19,000
Other services	368,330	1,055	369,385	-	90,903	90,903
	1,623,500	113,896	1,737,396	157,480	109,903	267,838

Parques Reunidos Servicios Centrales, S.A.

Notes to the Annual Accounts

Other assurance services in 2016 amounted to Euros 1,105 thousand and basically consist of audit services related to the initial public offering. Other services in 2016 correspond to non-audit services related to the initial public offering.

The amounts detailed in the above table include the total fees for 2016 and 2015, irrespective of the date of invoice.

(20) Other contingent liabilities

As of 30 September 2016, the Company has provided bank guarantees for the normal course of business in the amount of Euros 4,320 thousand (Euros 4,371 thousand at 30 September 2016). The Company no does not expect a significant liability to arise as a result of these guarantees.

(21) Subsequent Events

On November 25, 2016, the Company signed (individually or as the parent company of the fiscal group) minutes in conformity with the current tax inspection carried out by the AEAT in relation to the following taxes and periods:

- Corporate income tax for fiscal years 2009/2010, 2010/2011 and 2011/2012 and Value Added Tax for fiscal year 2012.
- Value Added Tax for the year 2011, Tax on the income of individuals in 2011 and 2012 and Tax on the income of non residents of 2011 and 2012.

The liquidation contained in these minutes means the regularization of the negative tax bases accredited by the fiscal consolidation group since its incorporation in 2007/2008 and does not give rise to any amount to be paid by the Company. In the same way, quotas settled in subsequent years will not be increased due to these minutes. Finally, the inspector-actuary has not assessed the commission of infractions, which makes it possible to exclude the imposition of sanctions.

In the absence of an appeal by the parties, the minutes will become firm within a period of one month, definitively ending the verification carried out. The Directors of the Company value the result of the inspection very positively.

Parques Reunidos Servicios Centrales, S.A.

Details of Subsidiaries
at 30 September 2016

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euros			
					Assets	Liabilities	Equity	Profit/(loss)
Parque de Atracciones Madrid, S.A.U.	(2)	KPMG	Amusement park	100%	1,726,410	1,973,763	(247,353)	(62,666)
Zoos Ibéricos, S.A.	(2)	KPMG	Zoo	100%	62,840	8,808	54,033	4,169
Leisure Parks, S.A.	(2)	KPMG	Water parks and cable cars	99.25%	87,486	24,705	62,782	7,787
Parques de la Naturaleza Selwo, S.L.	(2)	KPMG	Nature parks, botanical gardens and zoos	100%	9,326	29,311	(19,985)	323
Aquopolis Cartaya, S.L.U.	(2)	Unaudited	Water park	100%	2,303	813	1,490	36
Parque de Atracciones San Fernando de Henares, S.L.U.	(2)	Unaudited	Water park	100%	2,723	3,353	(630)	(276)
Madrid Theme Park Management, S.L.U.	(2)	KPMG	Amusement park	100%	117,129	81,770	35,359	4,973
Travelpark Viajes, S.L.U.	(2)	Unaudited	Bookings	100%	3,240	2,324	916	129
Parque Biológico de Madrid, S.A.U.	(2)	Unaudited	Nature parks, botanical gardens and zoos	100%	16,413	6,762	9,652	(408)
Parques Reunidos Valencia, S.A. in liquidation	Valencia	KPMG	Management of Oceanogràfic	75.08%	49,997	49,765	232	(2,047)
Mall Entertainment Center Murcia, S.L.U.	(2)	Unaudited	(8)	100%	6,423	5,245	1,179	170
Gestión Parque de Animales Madrid, S.L.U.	(2)	KPMG	Management of Faunia	100%	999	923	76	-
Plunimar, S.A.	Argentina	KPMG	Water park	100%	1,274	1,305	(31)	(243)
Bobbejaanland B.V.B.A.	Belgium	KPMG	Amusement park	100%	200,863	106,158	94,704	1,605
Travel parks B.V.B.A.	Belgium	Unaudited	Bookings	100%	83	22	61	(14)
BO Sommarland AS	Norway	KPMG	Water park	100%	3,778	1,375	2,403	319
Tusenfyrd AS	Norway	KPMG	Amusement park	100%	38,091	37,162	929	2,886
Parkferie AS	Norway	Unaudited	Bookings	100%	44	32	12	1
Centaur Holding France 1 S.A.	France	Unaudited	Holding company	100%	177,028	96,837	80,191	(5,359)
Centaur Holding France 2 S.A.	France	Unaudited	Holding company	100%	131,796	80	131,716	(19)
Delphinus S.A.	France	Unaudited	Holding company	100%	26,367	5,198	21,169	(190)
Marineland S.A.S.	France	KPMG	Marine park	100%	60,371	21,823	38,548	1,737
SCI Col Vert	France	Unaudited	Land owner	100%	2,669	2,710	(40)	(41)
LB Investissement S.A.	France	KPMG	Water park	100%	2,941	3,68	(427)	(271)
Travel parks S.A.S.	France	Unaudited	Bookings	100%	493	807	(314)	(122)
Marineland Resort, S.A.S.	France	Unaudited	Hotel management	100%	13,652	9,927	3,725	(295)
Centaur Holding Italy S.r.l.	Italy	Unaudited	Holding company	100%	156,046	64,460	91,586	(373)
Parco della Standidiana S.r.l.	Italy	KPMG (7)	Amusement park	100%	82,644	10,448	72,197	3,013
Travelmix S.r.l.	Italy	KPMG (7)	Bookings	100%	1,621	1,140	481	46
Travelparks Italy S.r.l.	Italy	Unaudited	Bookings	100%	10	(4)	14	(4)
Grant Leisure Group Limited	United Kingdom	KPMG	Zoo	100%	15,644	4,026	11,618	2,211
Real Live Leisure Company Limited	United Kingdom	KPMG	Aquariums	100%	5,965	1,119	4,846	751
Bon-Bon Land A/S	Denmark	KPMG	Amusement park	100%	21,676	4,024	17,652	(439)

Parques Reunidos Servicios Centrales, S.A.

Details of Subsidiaries
at 30 September 2016

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euros			
					Assets	Liabilities	Equity	Profit/(loss)
Centaur Holding Denmark A/S	Denmark	Unaudited	Holding company	100%	34,390	98	34,292	(6)
Travelparks Denmark A/S	Denmark	Unaudited	Bookings	100%	106	111	(5)	(17)
Centaur Nederland 2 B.V.	Netherlands	Unaudited	Holding company	100%	366,239	151,931	214,308	(4,463)
Centaur Holding Germany, GmbH.	Germany	Unaudited	Holding company	100%	9,014	11,392	(2,378)	(615)
Movie Park Germany GmbH	Germany	KPMG	Theme park	100%	29,961	24,112	5,849	4,557
Movie Park Germany Services GmbH.	Germany	Unaudited	Bookings	100%	786	735	51	-
Centaur Nederland 3.B.V.	Netherlands	Unaudited	Holding company	100%	302,198	220	301,978	(41)
Pleasantville, B.V and subsidiaries (3)	Netherlands	BDO	(4)	100%	30,295	26,899	3,396	(322)
Centaur Holding US Inc. and subsidiaries (5)	United States	KPMG	(6)	100%	548,561	319,558	229,002	(10,661)

- (1) Only Parque de Atracciones Madrid, S.A.U., Centaur Nederland 3.B.V. and Marineland Resorts, S.A.S, are direct subsidiaries of the Company. For the rest of the Group companies, the percentage ownership shown reflects indirect ownership.
- (2) Casa de Campo s/n, Madrid.
- (3) This line includes the figures reflecting the assets, liabilities, equity and profit or loss of the consolidated subgroup formed by Pleasantville, B.V., Bembom Brothers Beheer B.V., Attractie-en Vakantiepark Slagharen B.V. (previously called Shetland Ponypark Slagharen B.V.), Wigwam Wereld Slagharen B.V., Bembom Rides B.V. and Horeca Exploitatie Slagharen, B.V.
- (4) Equity investment management firms and operators of a theme park.
- (5) This line includes the figures reflecting the assets, liabilities, equity and profit or loss of the consolidated subgroup of Centaur Holding II United States, Inc., Centaur Holding United States, Inc., Palace Entertainment Holdings, Llc., Festival Fun Parks, Llc. Dallas Speedzone Club, Llc., BR Beverage Company Llc., DD Pacific Investors, Llc., Sea Life Services, Llc., DD Parks, Llc., Oahu Entertainment Parks, LP and Attractions Hawaii, LP.
- (6) Equity investment management firms and operators of theme parks, water parks, zoos and nature parks, and family entertainment centres.
- (7) The statutory audit is carried out by a local audit firm.
- (8) Incorporation in the consolidated Group during 2016.

Parques Reunidos Servicios Centrales, S.A.

Details of Subsidiaries
at 30 September 2015

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euros			
					Assets	Liabilities	Equity	Profit/(loss)
Parque de Atracciones Madrid, S.A.U.	(2)	KPMG	Amusement park	100%	1,631,898	1,813,694	(181,796)	(30,767)
Zoos Ibéricos, S.A.	(2)	KPMG	Zoo	100%	70,371	20,507	49,864	3,725
Leisure Parks, S.A.	(2)	KPMG	Water parks and cable cars	99.25%	87,202	32,208	54,994	4,625
Parques de la Naturaleza Selwo, S.L.	(2)	KPMG	Nature parks, botanical gardens and zoos	100%	10,356	30,662	(20,306)	(92)
Aquopolis Cartaya, S.L.U.	(2)	Unaudited	Water park	100%	2,276	822	1,454	(131)
Parque de Atracciones San Fernando de Henares, S.L.U.	(2)	Unaudited	Water park	100%	2,910	3,264	(354)	(636)
Madrid Theme Park Management, S.L.U.	(2)	KPMG	Amusement park	100%	60,135	28,229	31,906	3,054
Travelpark Viajes, S.L.U.	(2)	Unaudited	Bookings	100%	2,430	1,643	787	227
Parque Biológico de Madrid, S.A.U.	(2)	Unaudited	Nature parks, botanical gardens and zoos	100%	17,332	7,273	10,059	(53)
Parques Reunidos Valencia, S.A.	Valencia	KPMG	Management of Oceanográfico	75.08%	56,465	54,390	2,075	(961)
Gestión Parque de Animales Madrid, S.L.U.	(2)	KPMG	Management of Faunia	100%	6,193	5,184	1,009	71
Plunimar, S.A.	Argentina	KPMG	Water park	100%	2,385	2,094	291	29
Bobbejaanland B.V.B.A.	Belgium	KPMG	Amusement park	100%	206,723	107,079	99,644	1,000
Travel parks B.V.B.A.	Belgium	Unaudited	Bookings	100%	87	63	24	(16)
BO Sommarland AS	Norway	KPMG	Water park	100%	3,705	1,308	2,397	6
Tusenfyrd AS	Norway	KPMG	Amusement park	100%	33,695	35,692	(1,997)	(1,977)
Parkferie AS	Norway	Unaudited	Bookings	100%	127	117	10	(10)
Centaur Holding France 1 S.A.	France	Unaudited	Holding company	100%	176,966	91,416	85,550	(4,583)
Centaur Holding France 2 S.A.	France	Unaudited	Holding company	100%	131,797	62	131,735	(27)
Delphinus S.A.	France	Unaudited	Holding company	100%	25,584	4,225	21,359	(52)
Marineland S.A.S.	France	KPMG	Marine park	100%	56,775	19,591	37,184	3,157
SCI Col Vert	France	Unaudited	Land owner	100%	2,553	2,890	(337)	(338)
LB Investissement S.A.	France	KPMG	Water park	100%	3,171	3,364	(193)	(276)
Travel parks S.A.S.	France	Unaudited	Bookings	100%	116	308	(192)	(115)
Marineland Resort, S.A.S.	France	Unaudited	Hotel management	100%	13,735	9,713	4,022	54
Centaur Holding Italy S.r.l.	Italy	Unaudited	Holding company	100%	156,184	64,225	91,959	(890)
Parco della Standidiana S.r.l.	Italy	KPMG (7)	Amusement park	100%	81,941	10,675	71,266	2,229
Travelmix S.r.l.	Italy	KPMG (7)	Bookings	100%	1,665	1,230	435	79
Travelparks Italy S.r.l.	Italy	Unaudited	Bookings	100%	26	8	18	(3)
Grant Leisure Group Limited	United Kingdom	KPMG	Zoo	100%	17,460	28,673	(11,213)	1,855
Real Live Leisure Company Limited	United Kingdom	KPMG	Aquariums	100%	6,301	1,443	4,858	813
Bon-Bon Land A/S	Denmark	KPMG	Amusement park	100%	20,929	2,830	18,099	(995)

Parques Reunidos Servicios Centrales, S.A.

Details of Subsidiaries
at 30 September 2015

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euros			
					Assets	Liabilities	Equity	Profit/(loss)
Centaur Holding Denmark A/S	Denmark	Unaudited	Holding company	100%	34,335	68,598	(34,263)	11
Travelparks Denmark A/S	Denmark	Unaudited	Bookings	100%	64	77	(13)	21
Centaur Nederland 2 B.V.	Netherlands	Unaudited	Holding company	100%	372,359	153,589	218,770	(4,574)
Centaur Holding Germany, GmbH.	Germany	Unaudited	Holding company	100%	9,018	10,781	(1,763)	(602)
Movie Park Germany GmbH	Germany	KPMG	Theme park	100%	29,933	28,641	1,292	1,056
Movie Park Germany Services GmbH.	Germany	Unaudited	Bookings	100%	964	913	51	-
Centaur Nederland 3.B.V.	Netherlands	Unaudited	Holding company	100%	182,784	178	182,606	(29)
Pleasantville, B.V and subsidiaries (3)	Netherlands	BDO	(4)	100%	29,836	26,118	3,718	(478)
Centaur Holding US Inc. and subsidiaries (5)	United States	KPMG	(6)	100%	585,812	466,604	119,208	(3,965)

- (1) Only Parque de Atracciones Madrid, S.A.U., Centaur Nederland 3.B.V. and Marineland Resorts, S.A.S, are direct subsidiaries of the Company. For the rest of the Group companies, the percentage ownership shown reflects indirect ownership.
- (2) Casa de Campo s/n, Madrid.
- (3) This line includes the figures reflecting the assets, liabilities, equity and profit or loss of the consolidated subgroup formed by Pleasantville, B.V., Bembom Brothers Beheer B.V., Attractie-en Vakantiepark Slagharen B.V. (previously called Shetland Ponypark Slagharen B.V.), Wigwam Wereld Slagharen B.V., Bembom Rides B.V. and Horeca Exploitatie Slagharen, B.V.
- (4) Equity investment management firms and operators of a theme park
- (5) This line includes the figures reflecting the assets, liabilities, equity and profit or loss of the consolidated subgroup of Centaur Holding II United States, Inc., Centaur Holding United States, Inc., Palace Entertainment Holdings, Llc., Festival Fun Parks, Llc. Dallas Speedzone Club, Llc., BR Beverage Company Llc., DD Pacific Investors, Llc., Sea Life Services, Llc., DD Parks, Llc., Oahu Entertainment Parks, LP and Attractions Hawaii, LP.
- (6) Equity investment management firms and operators of theme parks, water parks, zoos and nature parks, and family entertainment centres.
- (7) The statutory audit is carried out by a local audit firm.

This appendix forms an integral part of note 1 to the consolidated annual accounts for 2016, in conjunction with which it should be read.

Parques Reunidos Servicios Centrales, S.A.

Detail of balances and transactions with related parties
30 September 2016

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Thousand Euros						
	Balances				Transactions		
	Debtors		Creditors		Income		Expenses
	Long term debtors	Trade debtors	Long term creditors	Short term creditors	Services rendered	Financial income	Services received
Aquopolis Cartaya, S.L.	162	-	-	(61)	84	-	28
Bobbejaanland BVBA	-	1,105	-	(10)	1,055	-	9
Bonbon Land A/S	-	586	-	(69)	531	-	69
Bonbon RejserDanmark A/S	-	-	-	-	9	-	-
Centaur Holding United States Inc.	-	-	-	-	1,435	184	-
Centaur Nederland 2 B.V.	-	90	-	-	-	-	-
Centaur Nederland 3 B.V.	-	119	-	-	-	-	-
BØ Sommarland AS	-	328	-	-	315	-	-
Gestión Parque de Animales Madrid, S.L.	557	198	-	(138)	587	-	25
Grant Leisure Ltd.	-	604	-	-	568	-	-
LB Investissement S.A.	-	190	-	-	188	-	-
Leisure Parks, S.A.	17,323	-	-	(12,330)	2,082	-	873
Madrid Theme Park Management, S.L.	13,120	-	-	(7,090)	3,551	-	551
Mall Entertainment Centre Murcia, S.L.U.	-	2,638	-	-	-	-	-
Marineland S.A.S.	-	11,066	-	-	1,701	25	-
Marineland Resort S.A.S.	-	144	-	-	144	-	-
Movie Park Germany GmbH	-	1,946	-	-	1,912	-	-
Movie Park Germany Services GmbH	-	132	-	-	132	-	-
Palace Entertainment Holdings LLC	7,262	154	-	(1,033)	-	-	161
Parco Della Standidiana S.r.l.	-	2,138	-	(21)	2,083	-	29
Parkferie AS	-	43	-	-	43	-	-
Parque Biológico de Madrid	-	-	(234)	-	-	-	-
Parques Reunidos Valencia, S.A.	4,912	-	-	(4,486)	41	-	-
Parques de la Naturaleza Selwo, S.L.	-	2,215	(1,722)	(143)	280	-	120
Parque de Atracciones Madrid, S.A.U	1,440,034	106,131	(95,452)	(4,520)	1,756	86,793	980
Parque de Atracciones San Fernando, S.A.	-	776	(645)	(132)	101	-	39
Plunimar, S.A.	-	1,280	-	-	222	-	-
Shetland Ponypark Slagharen B.V.	-	1,268	-	-	1,262	-	15
The Real Live Leisure Comp. Ltd.	-	338	-	-	329	-	-
Travelmix, Srl	-	308	-	-	308	-	-
Travelpark Viajes, S.L.	392	651	-	-	183	-	-
Travelpark S.A.S.	-	21	-	-	21	-	-
Travelpark B.V.B.A.	-	9	-	-	9	-	-
Tusenfryd A/S	-	1,242	-	-	1,212	-	-
Zoos Ibéricos, S.A.	16,211	-	-	(13,875)	1,223	-	539
	1,499,973	135,720	(98,053)	(43,908)	23,367	87,002	3,438
	note 11 (b)	note 11 (b)	note 13	note 13	note 15 (a)/(b)	note 15 (a)	note 15 (b)

Parques Reunidos Servicios Centrales, S.A.

Detail of balances and transactions with related parties
30 September 2015

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Thousand Euros								
	Balances			Creditors		Transactions			
	Debtors		Trade debtors	Long term creditors	Short term creditors	Income		Expenses	
Long term debtors	Short term debtors	Services rendered				Financial income	Services received	Financial expenses	
Aquopolis Cartaya, S.L.	169	-	110	-	179	79	-	30	-
Bobbejaanland BVBA	-	-	1,134	-	-	1,085	-	1	-
Bonbon Land A/S	-	-	693	-	4	571	-	-	-
Bonbon RejserDanmark A/S	-	-	10	-	-	10	-	-	-
Centaur Holding United States Inc.	6,994	-	-	-	-	1,751	165	-	-
Centaur Nederland 2 B.V.	-	-	34	-	-	-	-	-	-
Centaur Nederland 3 B.V.	-	-	79	-	-	-	-	-	-
BØ Sommarland AS	-	-	327	-	-	325	-	-	-
Gestión Parque de Animales Madrid, S.L.	525	-	798	-	330	625	-	11	-
Grant Leisure Ltd.	-	-	515	-	-	484	-	-	-
LB Investissement S.A.	-	-	205	-	-	193	-	-	-
Leisure Parks, S.A.	14,665	-	2,829	-	11,855	2,059	-	921	-
Madrid Theme Park Management, S.L.	10,786	-	3,968	-	8,296	3,209	-	558	-
Marineland S.A.S.	-	-	2,360	-	-	2,120	-	-	-
Marineland Resort S.A.S.	-	-	145	-	-	145	-	-	-
Movie Park Germany GmbH	-	-	2,084	-	-	2,056	-	-	-
Movie Park Germany Services GmbH	-	-	146	-	-	146	-	-	-
Palace Entertainment Holdings LLC	-	-	154	-	871	-	-	182	-
Parco Della Standiana S.r.l.	-	-	2,132	-	-	2,094	-	1	-
Parkferie AS	-	-	49	-	-	49	-	-	-
Parques Reunidos Valencia, S.A.	4,930	-	465	-	4,743	1,558	-	-	-
Parques de la Naturaleza Selwo, S.L.	-	-	2,270	1,840	178	283	-	129	-
Parque de Atracciones Madrid, S.A.U	629,428	26,110	28,504	72,051	4,576	1,915	69,419	960	208
Parque de Atracciones San Fernando, S.A.	-	-	445	499	51	96	-	42	-
Plunimar, S.A.	-	-	1,058	-	-	196	-	-	-
Shetland Ponypark Slagharen B.V.	-	-	1,259	-	-	1,210	-	6	-
The Real Live Leisure Comp. Ltd.	-	-	540	-	-	288	-	-	-
Travelmix, Srl	-	-	317	-	-	317	-	-	-
Travelpark Viajes, S.L.	343	-	208	-	209	172	-	-	-
Travelpark S.A.S.	-	-	66	-	-	65	-	-	-
Travelpark B.V.B.A.	-	-	12	-	-	12	-	-	-
Tusenfryd A/S	-	-	1,362	-	7	1,360	-	24	-
Zoos Ibéricos, S.A.	14,595	-	1,774	-	12,969	1,411	-	583	-
Other	-	-	-	-	2	-	-	-	-
	682,435	26,110	56,052	74,390	44,270	25,884	69,584	3,448	208
	note 11 (b)	note 11 (b)	note 11 (b)	note 13	note 13	note 15 (a)/(b)	note 15 (a)	note 15 (b)	

Parques Reunidos Servicios Centrales, S.A.

Directors' Report

2016

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Parques Reunidos Servicios Centrales, S.A.

**Authorisation for Issue of the Annual Accounts and
Directors' Report for 2016**

At their meeting held on 28 November 2016, pursuant to the requirements of article 253.2 of the Revised Spanish Companies Act and article 37 of the Spanish Code of Commerce, the Directors of Parques Reunidos Servicios Centrales, S.A. authorised for issue the annual accounts and directors' report for the period from 1 October 2015 to 30 September 2016. The annual accounts comprise the documents that precede this certification.

Signed:

Mr. Peter James Long
(Chairman)

Mr. Fernando Eiroa
(Managing Director)

Mr. Francisco Javier Abad Marturet

Mr. Fredrik Arp

Mr. John Andrew Arney

Mr. Nicolás Villén Jiménez

Mr. Dag Erik Johan Svanstrom