

Parques
Reunidos Servicios
Centrales, S.A.
and subsidiaries

**Condensed Consolidated Interim
Financial Statements**

31 March 2018

(With Independent Auditor's Limited Review Report thereon)

(Free translation from the originals in Spanish. In the event of discrepancy, the Spanish-language versions prevail.)



KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Limited Review on the Condensed Consolidated Interim Financial Statements

(Translation from the originals in Spanish. In the event of discrepancy, the Spanish-language versions prevail.)

To the Shareholders of
Parques Reunidos Servicios Centrales, S.A., at the request of the board of directors

Report on the Condensed Consolidated Interim Financial Statements

Introduction

We have carried out a limited review of the accompanying condensed consolidated interim financial statements (the "interim financial statements") of Parques Reunidos Servicios Centrales, S.A. (the "Company") and subsidiaries (the "Group"), which comprise the statement of financial position at 31 March 2018, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and the explanatory notes for the six-month period then ended (all condensed and consolidated). Pursuant to article 12 of Royal Decree 1362/2007 the Directors of the Company are responsible for the preparation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying condensed consolidated interim financial statements.

Conclusion

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements for the six-month period ended 31 March 2018 have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007.

Emphasis of Matter

We draw your attention to the accompanying note 2, which states that these condensed consolidated interim financial statements do not include all the information required in complete consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying condensed consolidated interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 30 September 2017. This matter does not modify our conclusion.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated interim directors' report for the six-month period ended 31 March 2018 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the condensed consolidated interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the condensed consolidated interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the condensed consolidated interim financial statements for the six-month period ended 31 March 2018. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Parques Reunidos Servicios Centrales, S.A. and subsidiaries.

Paragraph on Other Matters

This report has been prepared at the request of the board of directors in relation to the publication of the six-monthly financial report required by article 119 of the Revised Securities Market Law, enacted by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Gustavo Rodríguez Pereira

30 May 2018

**PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018

(Thousands of euros)

ASSETS	Notes	31.03.2018 (*)	30.09.2017
Tangible fixed assets	5	932.570	900.192
Goodwill	6	564.130	562.433
Intangible fixed assets	5	432.747	442.358
Non-current financial assets	8 a) y 10 c)	1.890	2.054
Total non-current assets		1.931.337	1.907.037
Inventory		26.070	24.585
Trade debtors and other accounts receivable	8 b)	25.709	30.229
Current income tax assets	13	1.049	588
Other current financial assets	10 c)	744	39
Other current assets		8.899	8.546
Cash and equivalents		43.509	123.087
Total current assets		105.980	187.074
Total assets		2.037.317	2.094.111
LIABILITIES AND NET EQUITY	Notes	31.03.2018 (*)	30.09.2017
Share Capital		40.371	40.371
Issue premium		1.327.528	1.327.528
Other reserves		(296.889)	(288.599)
Other global P&L		9.385	17.638
Accumulated income attributable to Parent Company shareholders		(58.568)	11.330
Net equity attributable to Parent Company shareholders		1.021.827	1.108.268
Non-controlling interests		478	510
Total net equity	9	1.022.305	1.108.778
Financial liabilities with credit institutions	10 a)	540.070	547.278
Financial lease creditors	7 b)	58.265	54.903
Deferred tax liabilities	13	172.809	199.694
Provisions	12	9.602	10.890
Other non-current liabilities	7 a)	8.053	1.573
Total non-current liabilities		788.799	814.338
Financial liabilities with credit institutions	10 a)	98.047	31.370
Other financial liabilities	10 d)	20.000	-
Financial lease creditors	7 b)	5.021	5.021
Trade creditors and other accounts payable		77.091	116.044
Current income tax liabilities		-	6.091
Other current liabilities	11	26.054	12.469
Total current liabilities		226.213	170.995
Total liabilities and net equity		2.037.317	2.094.111

(*) Unaudited

The attached explanatory notes form an integral part of the condensed consolidated interim financial statements for the six month period ending 31 March 2018

**PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
AND SUBSIDIARIES**

**CONSOLIDATED INCOME STATEMENT
AT 31 MARCH 2018 AND 31 DE MARCH 2017**

(Thousands of euros)

PROFIT AND LOSS	Notes	31.03.2018 (*)	31.03.2017 (*)
Ordinary income	15 a)	110.059	105.813
Supplies		(12.064)	(10.808)
Employee remuneration expenses	15 d)	(64.745)	(62.755)
Amortisation expenses	5	(40.007)	(33.083)
Net losses from impairment and disposal of non-current assets		-	(10.053)
Valuation of traffic provisions		(1.099)	(2.188)
Other operating expenses	15 b)	(59.668)	(60.590)
Other results	15 e)	(6.239)	(5.625)
Operating Profit / (Loss)		(73.763)	(79.289)
Financial income		759	1.525
Financial expenses	15 c)	(16.481)	(15.876)
Exchange differences		(1.303)	115
Pre-tax Profit / (Loss)		(90.788)	(93.525)
Corporate Income Tax	13	32.188	28.058
Profit / (Loss) for the year		(58.600)	(65.467)
Profit/(loss) for the year attributable to:			
Parent Company shareholders		(58.568)	(65.441)
Non-controlling interests		(32)	(26)
		(58.600)	(65.467)
<i>Basic Profit / (Loss) per share (expressed in euros)</i>		<i>(0,73)</i>	<i>(0,81)</i>
<i>Diluted profit / (loss) per share (expressed in euros)</i>		<i>(0,73)</i>	<i>(0,81)</i>

(*) Unaudited

The attached explanatory notes form an integral part of the condensed consolidated interim financial statements for the six month period ending 31 March 2018

**PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT
31 MARCH 2018 AND 31 MARCH 2017**

(Thousands of Euros)

	Share Capital	Issue premium	Other shareholder contributions	Other equity instruments	Other reserves			Other global P&L		Cumulative profit attributable to Parent Company shareholders	Total	Non-controlling interests	Total net equity
					Of the Parent Company		Reserves in consolidated companies by global integration	Exchange differences	Valuation adjustments				
					Reserves (legal and voluntary)	Negative balance in previous year							
Balance at 30 September 2016	40.371	1.327.528	10.148	423	53.487	(11.920)	(321.063)	29.185	(224)	3.910	1.131.845	472	1.132.317
Consolidated global result for the six month period ending 31 March 2017	-	-	-	-	-	-	-	11.357	224	(65.441)	(53.860)	(26)	(53.886)
Operations with owners and shareholders													
Distribution of results in 2016	-	-	-	-	35.022	-	(31.112)	-	-	(3.910)	-	-	-
Dividends (note 10 d)	-	-	-	-	(20.000)	-	-	-	-	-	(20.000)	-	(20.000)
Issue of share-based remuneration to employees (note 9 e)	-	-	-	942	-	-	-	-	-	-	942	-	942
Acquisition of shares from external partners	-	-	-	-	-	-	(1.500)	-	-	-	(1.500)	-	(1.500)
Other movements	-	-	-	-	-	(2.208)	-	-	-	-	(2.208)	(9)	(2.217)
Balance at 31 March 2017	40.371	1.327.528	10.148	1.365	68.509	(14.128)	(353.675)	40.542	-	(65.441)	1.055.219	437	1.055.656
Balance at 30 September 2017	40.371	1.327.528	10.148	531	88.510	(14.112)	(373.676)	17.638	-	11.330	1.108.268	510	1.108.778
Consolidated global result for the six month period ending 31 March 2018	-	-	-	-	-	-	-	(8.253)	-	(58.568)	(66.821)	(32)	(66.853)
Operations with owners and shareholders													
Distribution of results in 2017	-	-	-	-	53.577	-	(42.247)	-	-	(11.330)	-	-	-
Dividends (note 10 d)	-	-	-	-	(20.000)	-	-	-	-	-	(20.000)	-	(20.000)
Issue of share-based remuneration to employees (note 9 e)	-	-	-	380	-	-	-	-	-	-	380	-	380
Balance at 31 March 2018 (*)	40.371	1.327.528	10.148	911	122.087	(14.112)	(415.923)	9.385	-	(58.568)	1.021.827	478	1.022.305

(*) Unaudited

The attached explanatory notes form an integral part of the condensed consolidated interim financial statements for the six month period ending 31 March 2018

**PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF GLOBAL P&L
FOR THE SIX-MONTH PERIOD ENDING
31 MARCH 2018 AND 2017**

(Thousands of euros)

	Notes	31.03.2018 (*)	31.03.2017 (*)
Profit / (Loss) for the year		(58.600)	(65.467)
Other Global P&L			
Conversion differences in financial statements of businesses abroad	9 f)	(8.253)	11.357
Cash flow hedges		-	363
Tax effect		-	(139)
Other global P&L for the year, net of tax		(8.253)	11.581
Total Global P&L for the year		(66.853)	(53.886)
Total Global P&L attributable to:			
Parent Company shareholder		(66.821)	(53.860)
Non-controlling interests		(32)	(26)
		(66.853)	(53.886)

(*) Unaudited

The attached explanatory notes form an integral part of the condensed consolidated interim financial statements for the six month period ending 31 March 2018

**PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
AND SUBSIDIARIES**

CONSOLIDATED CASH FLOW STATEMENTS
AT 31 MARCH 2018 AND 31 MARCH 2017

(Thousands of euros)

	Notas	31.03.2018 (*)	31.03.2017 (*)
Operating cash flow			
Profit / (Loss) for the year		(58.600)	(65.467)
Adjustments to P&L			
Amortisation	5	40.007	33.083
Net losses from impairment and disposal of non-current assets		-	10.053
Variation of traffic provisions		1.099	(3.855)
Variation of other provisions		(908)	-
Financial income		(759)	(1.525)
Financial expenses	15 c)	16.481	15.876
Exchange differences		1.303	(115)
Income tax		(32.188)	(28.058)
Adjusted Profit / (Loss) for the year		(33.565)	(40.008)
Working capital variations			
Inventory		(1.260)	(1.340)
Trade debtors and other accounts receivable	8 b)	9.122	6.462
Other current assets		(916)	(314)
Trade creditors and other accounts payable		(36.993)	(39.229)
Other current liabilities	11	18.669	16.537
Cash generated from operations		(44.943)	(57.892)
Payments of income tax		(6.127)	(2.869)
Net cash generated from operating activities		(51.070)	(60.761)
Investment activity cash flows			
Interest received		132	101
Payments for acquisition of intangible and tangible fixed assets	5	(55.839)	(31.092)
Acquisition of subsidiaries, net cash and equivalents	4	(24.676)	-
Net cash from investment activities		(80.383)	(30.991)
Cash flow from financial activities			
Receipts from debts with credit institutions	10 a)	65.808	58.489
Payments from debts with credit institutions	10 a)	(645)	(5.534)
Payment of interest	15 c)	(11.978)	(10.251)
Acquisition of shares from third parties		-	(1.500)
Net cash from financial activities		53.185	41.204
Net Increase (Reduction) in cash and equivalents		(78.268)	(50.548)
Cash and equivalents on 1 October		123.087	109.951
Effect of exchange differences on cash		(1.310)	(1.928)
Cash and equivalents on 31 March		43.509	57.475

(*) Unaudited

The attached explanatory notes form an integral part of the condensed consolidated interim financial statements for the six month period ending 31 March 2018

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Explanatory Notes on the Condensed Consolidated Interim Financial Statements for the six-month period ending 31 March 2018

(1) General Information

Parques Reunidos Servicios Centrales, S.A. (hereinafter, Parques Reunidos, the Company or the Parent Company) was incorporated on 23 November 2006 under the name of Desarrollos Empresariales Candanchú, S.L. On 1 March 2007 its name was changed to that of Centaur Spain Two, S.L.U. On 27 January 2010 and 30 March 2010, the agreements of conversion to public limited company and modification of the company name to the current one was formalised respectively in public deeds.

On 23 March 2007, its Single Shareholder approved the modification of the articles of association of the Company, establishing the closing date of its financial year on 30 September of each year. In March 2007, the Company acquired the leisure group Parques Reunidos, having begun its activity following such acquisition. Its business address is Paseo de la Castellana 216, planta 16 in Madrid.

Parques Reunidos Servicios Centrales, S.A. is the Parent Company of a Group (hereinafter, the Group) formed by subsidiaries whose main activity is the exploitation of amusement parks, animal parks, water parks and, in general, leisure facilities. Some of these parks are operated by the Group under lease (in most cases only land lease) or administrative concessions. The breakdown of the companies in the Group included in the consolidation and information thereon can be found in Annex I of the consolidated financial statements of 30 September 2017.

As of 29 April 2016, the Company shares have been traded on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia. As a result of the Stock Market flotation described below, the Company has ceased to have its former single shareholder status.

Flotation on the Stock Market

Since 29 April 2016, the shares of Parques Reunidos Servicios Centrales, S.A., have been admitted to official trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, with no restrictions on the free transfer thereof. Said flotation was carried out as follows:

- a) Capital increase of Euros 525,000 thousand via the issue of 33,870,968 ordinary shares of a nominal value of Euros 0.50 each, offering new issuance shares via an Initial Public Offering at a price of Euros 15.5 per share.
- b) Offer for Sale of 4,850,000 shares accounting for 21% of the capital, sold at Euros 15.5 per share, amounting to a total of Euros 75,175 thousand.

The information prospectus on the Initial Public Offer, the Offer for Sale and the Admission to Trading of the abovementioned shares was approved by the National Securities Market Commission on 20 April 2016. In addition, the capital increase was approved by the then Single Shareholder on 27 April 2016 and entered in the Registry of Companies on 28 April 2016.

On 27 April 2016, the Parent Company closed the share subscription period, formalising it on 28 April 2016 in a public deed of execution, closing of capital increase and award of shares, at the price established in the offer of Euros 15.5 per share, with admission and trading of the new shares having commenced on 29 April 2016. Consequently, on 29 April 2016, the shares of the Company were admitted for trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia.

Lastly, within the context of the flotation process and thanks to the funds obtained therefrom, the Group restructured its financial debt, cancelling the bonds issued in the United States and the existing syndicated loan, having agreed on a new syndicated loan.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Explanatory Notes on the Condensed Consolidated Interim Financial Statements for the six-month period ending 31 March 2018

(2) Bases for presentation

The Condensed Consolidated Interim Financial Statements pertaining to the six-month period ending on 31 March 2018 were authorized on 30 May 2018 by the Directors of the Parent Company, from the accounting records of Parques Reunidos Servicios Centrales, S.A. and the consolidated entities. The Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and do not include all the information required for the financial statements prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU); therefore, these Condensed Consolidated Interim Financial Statements must be read and interpreted in conjunction with the consolidated financial statements of the Group pertaining to the financial year ended 30 September 2017. However, explanatory notes have been included to explain significant events and transactions in order to understand the changes in the Group's financial situation since the last consolidated financial statements for the financial year ended on 30 September 2017.

a) Accounting Principles and bases for presentation applied in the consolidation

The accounting principles and valuation criteria applied in the preparation of these Condensed Consolidated Interim Financial Statements do not differ from those applied in the financial year ending 30 September 2017, described in the Group's consolidated financial statements pertaining to the financial year ending on that date.

The local currency of all the Group's companies is its working currency, the Euro, except for the subsidiaries located in the United States of America, United Kingdom, Norway, Denmark and Argentina. The interim financial statements of Group companies expressed in currencies other than the Euro have been converted into Euros as is stated in the consolidated financial statements for the financial year ending on 30 September 2017.

The closing date for the interim financial statements of the Group companies used to prepare these Condensed Consolidated Interim Financial Statements is 31 March 2018, except for the subsidiaries belonging to the American subgroup, Centaur Holding II United States Inc., whose closing date is 18 March 2018. However, in accordance with what is allowed in the IFRS-EU, the interim financial statements of the American subgroup have not been adjusted, as the impact thereof on these Condensed Consolidated Interim Financial Statements is not significant.

b) Comparison of information

As required by the IFRS-EU, the information included in the Condensed Consolidated Interim Financial Statements for the six-month period ending 31 March 2018, is presented for comparative purposes along with the information pertaining to the six-month period ending 31 March 2017, except for the consolidated statement of financial position which includes, as comparative figures, those pertaining to 30 September 2017, the closing date of the Group's financial year.

c) Accounting estimates and relevant assumptions and opinions in the application of accounting policies

The accounting estimates and relevant opinions applied in the preparation of these Condensed Consolidated Interim Financial statements have been the same as those applied by the Group in its consolidated financial statements for financial year ending 30 September 2017.

At least once a year, the Group carries out an impairment test on goodwill and, in the event of detecting evidence of impairment, of the tangible and intangible assets for calculation of the recoverable value thereof.

During the period of six months ending 31 March 2018, based on the analysis performed by the Group, the Directors have concluded that there are no new significant facts that show yielded evidence that the recoverable value calculated in the impairment test carried out at the close of financial year ending 30 September 2017 should be updated.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Explanatory Notes on the Condensed Consolidated Interim Financial Statements for the six-month period ending 31 March 2018

d) Standards and interpretations applicable to this period

For the six-month period ending on 31 March 2018, there are no relevant standards issued by the International Accounting Standards Board (IASB) in addition to those contained in the financial statements for financial year ending 30 September 2017.

In addition, as is mentioned in the consolidated financial statements for the financial year ending 30 September 2017, the Group has not applied any standard prior to its entry into force. With regard to such standards, the Group expects a significant impact only from IFRS 16, mainly with regard to future obligations of existing leases, which is currently being analysed. However, taking into consideration the complexity of the analysis and existence of many contracts in the countries in which the Group operates, the analysis of this standard has not been completed by the date of preparation of these Condensed Consolidated Interim Financial Statements.

e) Changes in the composition of the Group

In the preparation of these Condensed Consolidated Interim Financial Statements, the Company has consolidated its investments in all Group companies. The breakdown of the companies in the Group included in the consolidation and the information related thereto is included in Annex I of the consolidated financial statements of 30 September 2017.

During the first six months of the period ending 31 March 2018, three new subsidiaries have been added to the scope of consolidation: Indoor Entertainment Principe Pio, S.L.U., Parques Reunidos Atlántica, S.L.U, and Event Park GMBH. The first two have been incorporated in the aforementioned period and the last one has been acquired as a result of the business combination described in note 4.

f) Seasonal nature of the transactions during the period

Given the nature of the activities carried out by the Group, its operations are highly seasonal, which affects the interpretation of these Condensed Consolidated Interim Financial Statements pertaining to the six-month period ending 31 March 2018, compared to the annual financial statements for the full year of 12 months ending on 30 September. The seasonal nature of the activities is due to the significant drop in the number of visitors to the Group's parks during the winter as a result of the weather conditions, which leads to significantly lower sales and results in the interim six-month period compared to those for the full year ending 30 September. For this reason, it is important that these Condensed Consolidated Interim Financial Statements are read and interpreted in conjunction with the consolidated financial statements pertaining to the financial year ending 30 September 2017.

As a result of the aforementioned seasonality, at 31 March 2018 the Group's working capital is negative by Euros 120,233 thousand (positive by Euros 16,079 thousand at 30 September 2017). In this regard, the Group Directors consider that there is no doubt as to compliance with the going concern principle, given that this fact is due to the seasonal nature of the business and is not indicative, in and of itself, of any alteration whatsoever in the normal future performance of the Group. In addition, in accordance with the cash flow generation estimates for the financial year ending 30 September 2018, the Directors expect these to be higher than those for the financial year ended 30 September 2017.

g) Relative importance

In accordance with IAS 34, for the determination of the information to be disclosed in the Explanatory Notes, the relative importance thereof in regard to these Condensed Consolidated Interim Financial Statements has been taken into consideration.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Explanatory Notes on the Condensed Consolidated Interim Financial Statements for the six-month period ending 31 March 2018

(3) Earnings per share

The basic earnings per share are calculated by dividing the profit / (loss) of the year attributable to the holders of equity instruments of the Parent Company by the weighted average of the ordinary shares in circulation during the year, excluding own shares.

The breakdown of the basic earnings / (losses) per share is as follows:

	31.03.2018	31.03.2017
Profit / (loss) for the year attributable to Parent Company shareholders (in thousands of euros)	(58,568)	(65,411)
Weighted average of ordinary shares in circulation	80,742,044	80,742,044
Basic earnings / (loss) per share (in euros)	(0,73)	(0,81)

The group does not have issued financial instruments that give access to capital or convertible debt, so the diluted benefit per share coincides with the basic one.

As mentioned in note 9 e), in April 2016 the previous Single Shareholder approved a Long-Term Incentive Plan based on share payments. The impact of this Plan on basic and diluted earnings per share is not significant as of March 31, 2018.

(4) Business Combinations:

On February 14, 2018, the group has acquired, through the acquisition of 100% of the constituent shares of the social capital, the control of the German company Event Park GmbH. This company is situated in Germany and its main activity is the exploitation of an amusement park called "Belantis", situated in Leipzig, Germany. The business of this park is geared towards family entertainment. This German company has been incorporated for accounting purposes on March 1, 2018, since the effect of not considering the date of acquisition is not significant.

As permitted by IFRS3, the initial accounting of the aforementioned business combination is incomplete at the date of these Consolidated Interim Financial Statements. An interim detail of the consideration given, of the fair value of the assets acquired and liabilities recognized at the acquisition date and the goodwill is as follows:

	Miles de euros
Intangible asset	2.789
Land	4.142
Buildings and other constructions	5.002
Other property	9.666
Stock	225
Other current assets	582
Cash and other equivalent liquid	743
Current Liabilities	(2.150)
Non-Current Liabilities	(7.273)
Total net assets acquired	13.726
Reimbursement given	25.419
Goodwill (note 6)	11.693

The result and income obtained by the business incorporated in the year 2018 and included in the consolidated income statement for the year ended March 31, 2018, amount to losses for 536 and income for 152 thousand euros, respectively.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Explanatory Notes on the Condensed Consolidated Interim Financial Statements for the six-month period ending 31 March 2018

This German company was incorporated for accounting purposes on March 1, 2018. If its acquisition had taken place on October 1, 2017, the income contributed to the Group would have increased by 1,237 thousand euros and the result would have decreased by 1,672 thousand euros, compared to these consolidated half-yearly financial.

During, January 2018, the company Palace Entertainment Holdings, LLC domiciled in the United States has acquired a hotel near Dutch Wonderland Park, located in Pennsylvania for an amount of 4.9 million euros. The purchase price has been assigned, mainly, to the land and building in the amount of 3.1 and 1.2 million euros, respectively

(5) Intangible and tangible assets

During the six-month period ending 31 March 2018, the Group has acquired assets for a total amount of Euros 50,426 thousand, of which most – Euros 23,653 thousand – corresponds to new attractions in parks in Europe, mainly in Mirabilandia, Warner, Movie Park and Slagharen and in USA mainly in Dutch Wonderland and Kennywood. Meanwhile, the Group has acquired assets for a total amount of euros 9,195 thousand for the line of business of Mall Entertainment Centres and of Euros 5,749 thousand in animal parks, principally in Marineland (Europe) and Miami Seaquarium (USA).

In addition, as a result of the business combination described in note 4, assets have been incorporated in the amount of 21,599 thousand euros, from the German society Event Park GmbH and 4.870 thousand euros, related to the assets associated with the hotel acquired in the United States.

The amortisation cost for the six-month period ending 31 March 2018 has been of Euros 14,252 thousand in intangible assets (Euros 13,472 thousand at 31 March 2017) and of Euros 25,755 thousand in tangible assets (Euros 19,611 thousand at 31 March 2017). Furthermore, the exchange differences in the six-month period ending 31 March 2018 imply a decrease in assets by of Euros 10,022 million, approximately.

In addition to the asset acquired in the period, at 31 March 2018 the Group has tangible fixed assets purchase commitments amounting to Euros 46,354 thousand.

(6) Goodwill

The movements in goodwill are as follows:

	Thousands of euros
	30.03.2018
Balance at 1 October 2017	562,433
Business Combination	11,693
Exchange differences	(9,996)
	564,130
Balance at 31 March 2018	

In additions for business combinations in the six-month period ended March 31, 2018, include the amount of goodwill arising from the acquisition of Event Park GmbH (see note 4)

The exchange differences pertain to the effect of the fluctuation in the exchange rate used to convert goodwill in countries with a working currency other than the Euro, namely, the USA.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Explanatory Notes on the Condensed Consolidated Interim Financial Statements for the six-month period ending 31 March 2018

(7) Leases and concession agreements

a) Operating leases and concession agreements

At 31 March 2018 and 30 September 2017, the minimum future payments due under the operating leases and non-cancellable concession agreements are broken down as follows:

	Thousands of euros	
	31.03.2018	30.09.2017
Under one year	11,280	11,397
Between two and five years	42,156	42,665
More than five years	159,928	165,041
	213,364	219,093

The total expenses in operating leases and fees for administrative concessions have amounted, at 31 March 2018 and 31 September 2017, to Euros 6,803 and 7,117 thousand, respectively (see note 15 b)).

b) Financial leases

A breakdown of the nature of the assets classified as under financial leases, at 31 March 2018 and 30 September 2017, basically pertaining to the financial lease of the assets of the Warner Park in Madrid entered into on 28 February 2007, is as follows:

	Thousands of euros				
	Land	Constructions	Plant, machinery and tools	Other tangible fixed assets	Total
Cost at 31.03.2018	15,744	21,917	19,618	191	57,470
Accumulated amortisation at 31.03.18	-	(1,352)	(4,321)	(93)	(5,766)
Net accounting value at 31.03.18	15,744	20,565	15,297	98	51,704
Cost at 30.09.2017	15,744	21,917	19,618	191	57,470
Accumulated amortisation at 30.09.17	-	(1,132)	(3,621)	(77)	(4,830)
Net accounting value at 30.09.17	15,744	20,785	15,997	114	52,640

Below is a breakdown of minimum payments and present value of financial lease liabilities broken down by expiry date:

	Thousands of euros					
	31.03.2018			30.09.2017		
	Minimum payments	Interest	Present value	Minimum payments	Interest	Present value
Up to one year	5,021	-	5,021	5,021	-	5,021
Between one and five years	22,912	(6,820)	16,092	20,338	(6,724)	13,614
More than five years	104,396	(62,223)	42,173	106,970	(65,681)	41,289
Minus current share	(5,021)	-	(5,021)	(5,021)	-	(5,021)
Total non-current	127,308	(69,043)	58,265	127,308	(72,405)	54,903

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At 31 March 2018 and 30 September 2017, the long-term expiry of financial lease debts is as follows:

		Thousands of euros					
		31.03.2018					
		2018/19	2019/20	2020/21	2021/22	2022/23 and following	Total
Financial lease		3,342	3,367	3,392	5,992	42,172	58,265
		3,342	3,367	3,392	5,992	42,172	58,265
		Thousands of euros					
		30.09.2017					
		2018/19	2019/20	2020/21	2021/22	2022/23 and following	Total
Financial lease		3,365	3,391	3,416	3,442	41,289	54,903
		3,365	3,391	3,416	3,442	41,289	54,903

(8) Financial Assets

a) Non-current financial assets

At 31 March 2018 this heading basically includes long term deposits and securities, as well as the fair value of the derivative financial instrument from the asset (see note 10 c).

b) Trade debtors and other accounts receivable

This heading mainly includes clients from sales and provision of services which include amounts due at 31 March 2018 for which the Group has not made any provision for insolvencies whatsoever due to no significant changes having taken place in the debtor's credit rating and the amounts being deemed recoverable. The analysis of the age of the financial assets due for which no provision has been recognised at 31 March 2018 and 30 September 2017 is as follows:

		Thousands of euros	
		31.03.2018	30.09.2017
Maturity in less than 180 days		7,341	4,538
Maturity between 180 and 360 days		84	637
Maturity over 360 days		5	205
		7,430	5,380

(9) Net Equity

The composition and movement in net equity are shown in the consolidated statement of changes in net equity which forms part of these Condensed Consolidated Interim Financial Statements.

a) Capital subscribed

At 31 March 2018 the share capital of Parques Reunidos Servicios Centrales, S.A. is represented by 80,742,044 ordinary book entry shares each of a nominal value of Euros 0.5, belonging to the single class and series. All shares have been fully subscribed and paid up and grant the same political and economic rights to their holders.

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Shareholdings above 10 % of the share capital of the Company reflected in the registered public information at the National Securities Market Commission at the closing date of these Condensed Consolidated Interim Financial Statements are as follows:

	%
Corporación Financiera Alba, S.A.	20,010%
Groupe Bruxelles Lambert (GBL)	20,997%

Capital management

For the purposes of capital management measuring, the indicator used by the Group is the financial leverage ratio at 31 March 2018 and 30 September 2017, calculated as follows:

	Thousands of euros	
	31.03.2018	30.09.2017
Gross debt		
Debt with credit institutions (note 10 a))	638,117	578,648
Financial leases (note 7 b))	63,286	59,924
	701,403	638,572
Treasury assets		
Current-to-maturity financial assets	(744)	(39)
Cash and other equivalents	(43,509)	(123,087)
	(44,253)	(123,126)
Total net debt	657,150	515,446
Total net equity	1,022,305	1,108,778
Financial leverage	0.64	0.46

The Group's financing structure, designed and in application, seeks to optimise own resources and take advantage of the external financing capacities, without compromising the investment plans established in the business plan or short-term cash needs. The Group manages the efficiency of this structure via the financial leverage ratio (Debt with credit institutions and obligations, net of cash assets /Net equity). The Directors consider that this ratio is suitable for achieving the abovementioned objective.

In addition, most of the financial debt used by the Group matures in May 2022 (see note 10 a)) and provides sufficient time, in the opinion of the Directors of the Parent Company, to carry out the corporate transactions which, along with the generation of cash from the Group's operations, will enable the level of debt to be balanced prior to maturity thereof.

As a result of the seasonal nature of the business, the Group makes treasury forecasts systematically for each business unit and geographical region in order to assess their needs. This liquidity policy followed by the Group ensures fulfilment of the payment obligations acquired without having to resort to obtaining funds under onerous conditions, allowing the Group's liquidity position to be continuously monitored.

b) Issue premium

The issue premium is non-restricted, except when, as a result of its distribution, the net equity should fall below the share capital.

c) Other reserves

The reserves in consolidated companies included non-distributed profits and accumulated losses to be offset pertaining to the consolidated companies, also considering consolidation adjustments.

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The net equity of the Company and of some of the subsidiaries which is eliminated as part of the consolidation process includes reserves which, given their nature, are restricted according to the terms established in the legislation applicable to each case.

Among such cases are the legal reserve of the subsidiaries in Spain, Italy, France, Argentina and Belgium and the restatement reserve arising from the application of Royal Decree Law 7/1996 to Spanish subsidiaries, amounting to Euros 6,095 thousand at 31 March 2018 and at 30 September 2017.

d) Other shareholder contributions

This heading mainly includes the recognition in 2016 of Euros 9,811 thousand in relation to the Exit Bonuses that the then Single Shareholder approved prior to the flotation mentioned in note 1.

e) Other equity instruments

This heading includes the increase in net equity as a result of the long term 2016-2019 Incentives Plan approved by the previous Single Shareholder (see note 16 c)).

f) Other global P&L

Exchange differences mainly pertain to the conversion to Euros of the financial statements of the US subgroup, whose working currency is the US Dollar.

(10) Financial liabilities

a) Financial liabilities with credit institutions

The composition of "Financial liabilities with credit institutions", both current and non-current, at 31 March 2018 and 30 September 2017, is as follows:

	Thousands of euros							
	31.03.2018				30.09.2017			
	Limit	Current	Non-current	Total	Limit	Current	Non-current	Total
Valued at amortised cost:								
Syndicated loan	556,305	22,252	534,053	556,305	565,430	22,617	542,813	565,430
Revolving credit	200,000	44,643	-	44,643	200,000	-	-	-
Other bank loans	-	2,210	12,612	14,822	-	1,305	11,974	13,279
Credit facilities	55,110	21,165	-	21,165	43,121	-	-	-
Interests outstanding	-	7,585	-	7,585	-	7,262	-	7,262
	811,415	97,855	546,665	644,520	808,551	31,184	554,787	585,971
Syndicated loan fees	-	-	(5,099)	(5,099)	-	-	(5,793)	(5,793)
Revolving credit fees	-	-	(1,736)	(1,736)	-	-	(1,965)	(1,965)
Valued at fair value:								
Derivative financial instruments	-	192	240	432	-	186	249	435
	811,415	98,047	540,070	638,117	808,551	31,370	547,278	578,648

The fair value of the syndicated loan at 31 March 2018 is of Euros 579,772 thousand (Euros 603,647 thousand at 30 September 2017). The estimated fair value is Level 2 based on the fair value hierarchy established in IFRS 7.

Other bank loans include a loan entered into by the subsidiary Parque Biológico de Madrid, S.A., whose outstanding balance at 31 March 2018 amounts to Euros 5,315 thousand (Euros 5,618 thousand at 30 September 2017), maturing in 2025 and accruing an annual variable interest rate of Euribor + 5.5 %. Moreover, it also includes a loan with an outstanding balance at 31 March 2018 of 7,319 Euros and at 30 September 2017 of Euros 7,661 thousand, entered into by the subsidiary Marineland Resort, S.A.S. maturing in 2027 and at a fixed annual rate of 3.8 %. Finally, as a consequence of the acquisition and

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integration of the new dependent company Event Park GmbH (see note 4), a loan subscribed by this company is included in this epigraph whose outstanding balance as of March 31, 2018 is of 2,188 thousand euros due in 2022 and a fixed annual interest rate of 1.76%.

At 31 March 2018 and 30 September 2017, several Group companies have credit facilities which are extended every year. Additionally, there is a revolving line associated with the syndicated loan available to the Group. The drawdowns made by 31 March 2018 are mainly due to the seasonal nature of the Group's activities and the temporary cash requirements of some of the parks.

At 31 March 2018 and 30 September 2017, the long-term maturity of the debts with credit institutions is as follows:

		31.03.2018					
		Thousands of euros					
		2018/19	2019/20	2020/21	2021/22	2022/23 and following	Total
Syndicated loan		22,252	22,252	22,252	467,297	-	534,053
Other bank loans		691	1,869	1,938	2,011	6,103	12,612
		22,943	24,121	24,190	469,308	6,103	546,665
		30.09.2017					
		Thousands of euros					
		2018/19	2019/20	2020/21	2021/22	2022/23 and following	Total
Syndicated loan		22,617	22,617	22,617	474,962	-	542,813
Other bank loans		1,366	1,432	1,500	1,573	6,103	11,974
		23,983	24,049	24,117	476,535	6,103	554,787

b) Syndicated loan and revolving credit

On 1 April 2016 the Parent Company and its subsidiary in the US subgroup Festival Fun Parks, LLC enter into, as joint and several borrowers and guarantors, a new syndicated loan with Banco Santander, S.A. (as the agent bank). This new funding was used for (i) the repayment of the syndicated loan entered into in 2014, the bonds of the US subgroup and the GE Capital 2011 revolving credit, which were repaid in full using the cash obtained from the new financing as well as that obtained from the flotation Initial Public Offer and Sales Offer (see note 1) and (ii) towards the payment of fees, commissions and expenses associated with the new financing.

On the other hand, a new revolving credit line was used to finance the working capital needs of the Group (including capex investments and permitted business acquisitions).

On 13 February 2017, the Company agreed a novation of this syndicated debt, which means a reduction in o 40 basis points in the interest rate spread applicable to the debt and an extension up to 11 months in the maturity schedule thereof, depends on the tranches.

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Below is a breakdown of the syndicated loan, at 31 March 2018 and 30 September 2017:

Thousands of euros						
31.03.2018						
Tranche	Year of maturity	Nominal rate	Effective interest rate	Limit in original currency	Undrawn	Drawn down
Tranche A1 (Dollar)	Abr 2022	6 month Libor + 2.10%	3.97%	104,000	-	84,522
Tranche A2 (Euros)	Abril 2022	6 month Euribor + 2.10%	2.24%	138,000	-	138,000
Tranche B1 (Dollar)	May 2022	6 month Libor + 2.85%	3.00%	156,000	-	126,783
Tranche B2 (Euros)	May 2022	6 month Euribor + 2.85%	3.10%	207,000	-	207,000
Revolving credit (multi-currency)	Abr 2022	6 month Libor/Euribor + 2.10%	3.40%	200,000	155,357	44,643
					155,357	600,948
					155,357	600,948
Thousands of euros						
30.09.2017						
Tranche	Year of maturity	Nominal rate	Effective interest rate	Limit in original currency	Undrawn	Drawn down
Tranche A1 (Dollar)	Abr 2022	6 month Libor + 2.5%	3.97%	104,000	-	88,172
Tranche A2 (Euros)	Abr 2022	6 month Euribor + 2.5%	2.24%	138,000	-	138,000
Tranche B1 (Dollar)	May 2022	6 month Libor + 3.25%	3.00%	156,000	-	132,258
Tranche B2 (Euros)	May 2022	6 month Euribor + 3.25%	3.10%	207,000	-	207,000
Revolving credit (multi-currency)	Abr 2022	6 month Libor/Euribor + 2.5%	3.40%	200,000	200,000	-
					200,000	565,430
					200,000	565,430

At 31 March 2018 and 30 September 2017, there are no restrictions on the revolving credit drawdowns.

The agreement establishes a partial amortisation schedule for tranches A1 and A2, with 10% of amortisation of principal on 31 May of financial years 2018 to 2021, and the remaining 60% to be amortised in May 2022. On its part, the total amortisation of tranches B1 and B2 is set as a single repayment to be made in April 2022. Finally, every drawdown against the revolving credit must be repaid on the last day of its interest period.

The syndicated loan also requires fulfilment, semi-annual and at the end of the year, of a covenant financial ratio calculated on the consolidated financial statements or consolidated financial accounts of the Group. The Group Corporate Financial Department carries out a detailed follow-up of compliance with such financial ratios, in order to enable early detection of any potential risk of non-compliance. In each semester since the signing of the original agreement in April 2016 and at 31 March 2018, the Directors of the Company have confirmed compliance with the following covenant:

Covenant	Definition	Ratio required
Debt	Net financial debt / Consolidated EBITDA	< 4.50

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In order to guarantee fulfilment of the obligations arising from the syndicated loan, the lender entities were provided with the following guarantees:

- Personal, joint and several guarantees by Parques Reunidos Servicios Centrales, S.A. and Festival Fun Parks, LLC (including pledge on the shares of the latter). This guarantee is enforceable as soon as any such guarantors should fail to fulfil the commitments of amortisation of principal or payment of interest for the debt tranches drawn down by each. At 31 March 2018, both guarantors are current with the payments and therefore the guarantee has not been enforced and, therefore, the Company has not had to recognise an additional liability pertaining to the debt of Festival Fun Parks, LLC.
- Pledge on the 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.
- In addition, the following subsidiaries have furnished a personal guarantee: 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 Parco della Standiana SRL, Movie Park Germany GmbH and Centaur Nederland 3 B.V.

c) Derivative financial instruments

The breakdown of derivative financial instruments included in the consolidated statement of financial position on 31 March 2018, is as follows:

		31.03.2018		
		Thousand of euros		
		Current	Non-current	Total
	Assets			
	Interest rate hedges	744	430	1,174
	Liabilities			
	Interest rate hedges	192	240	432
		31.09.2017		
		Thousand of euros		
		Current	Non-current	Total
	Assets			
	Interest rate hedges	39	507	546
	Liabilities			
	Interest rate hedges	186	249	435

The Group hedges against the risk of interest rate fluctuations in the syndicated loan using interest rate swaps (IRS). These financial instruments have been classified as Level 2 according to the rank established in IFRS 7.

The amount recognised in the profit and loss statement for the first semester of financial year 2018, with regard to the variation in fair value from 30 September 2017 to 31 March 2018, is of Euros 669 thousand.

In addition, these derivative instruments have accrued interest amounting to Euros 157 thousand which are included in the heading "Financial expenses" in the consolidated income statement for the period.

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d) Other financial liabilities

On 21 March 2018 the General Meeting of Shareholders approved the distribution of dividends amounting to Euros 20 million, which is settled in the second half of July 2018.

(11) Other current liabilities

Certain parks in the Group sell annual passes and season tickets. Both are posted as non-accrued income at the time of the sale and recognised over the period during which they are valid, in proportion to the valuation per capita of the visits in the period.

During the six-month period ending 31 March 2018, the Group has recognised Euros 11,130 thousand pertaining to non-accrued income on 31 March 2018, for the season passes sold in the period, whose visits will occur after the closing of these financial statements.

(12) Provisions

The provision as of March 31, 2018 and September 30, 2017 refer, mainly, to the obligations to cover the commitments that the labour matter maintains to the group with its employees in favour of the coverage of healthy systems and other concepts, as well as the provisions for possible obligations of third parties arising from litigation in progress. Likewise, they also correspond to provisions for pensions and the like corresponds, fundamentally, to the amount accrued on March 31, 2018 and September 30, 2016, for the compensation that the group's employees will receive in Italy at the time they leave it.

(13) Income tax

According to the legislation in force in Spain, taxes cannot be deemed to have definitively settled until the returns presented have been inspected by the tax authorities, or a prescription period of four years has elapsed. At 30 September 2017, the Parent Company and the rest of subsidiaries located in Spain which form part of its tax consolidation group had all the main taxes applicable to them from the last four tax years open to inspection. With regard to the US subgroup, the years 2003-2016 and 2005-2016 are open for inspection by the Federal and State tax authorities respectively. As for the rest of the entities in the Group, the years as established in their pertaining local jurisdictions are open for inspection.

As is mentioned in the consolidated financial statements for 30 September 2017, on 25 November 2016 the Group signed conformity reports the tax inspection carried out by the AEAT regarding the main taxes for the years 2009 to 2012 of the Spanish subsidiaries. The settlement amount contained in those conformity reports led to the adjustment of the tax loss carry forwards of the tax consolidation group since its incorporation in 2007/2008 and resulted in no amount payable by the Group. Likewise, the amounts paid in subsequent years have not been increased as a result of these reports. Lastly, the actuarial inspection did not consider any infringement having been committed, thus ruling out any penalties payable.

Income from Corporate Tax has been recognized based on the Management's best estimate of the annual average rate of the expected tax rate for the year. The resulting effective rate is applied to pre-tax profit / (loss) for the six-month period ended March 31, 2018 and 2017.

On December 22, 2017, a tax reform was formalized in the United States of America with effect from January 1, 2018. One of the measures is the reduction of the tax rate on profits. This tax reform has generated an income of approximately Euros 8.6 million, recorded in the present Condensed Consolidated Interim Financial Statements.

(14) Commitments and contingencies

At 31 March 2018, the Group has guarantees in Spain, Italy, Norway, Germany and France amounting to Euros 9,668 thousand (Euros 10,020 thousand at 30 September 2017) stemming from the contractual

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guarantees required in the ordinary course of business. The Directors consider that no material liabilities will arise for the Group as a result of the aforementioned guarantees.

Below is a Condensed of the types of guarantee per country, the amounts, the guarantor and the beneficiaries at 31 March 2018:

Type	Country	Thousands of euros	Guarantor	Beneficiary
From park exploitation contracts	Spain	2,784	Financial entities	Municipal entities
Social Security	Spain	32	Financial entities	Social Security Treasury
Counter-guarantees	Spain	1,006	Financial entities	Financial entities
Licences Parque Warner	Spain	3,796	Financial entities	Warner Bros
Inherent to business contracts	Italy	534	Financial entities	Several
Tax-related	Norway	362	Financial entities	Tax authorities
Other	Norway	31	Financial entities	Several
Rental	Germany	773	Financial entities	Several
Originated from the specific regulations of travel agencies in France	France	350	Financial entities	Institution of travel agencies
		9,668		

In addition, as is stated in note 10, to guarantee fulfilment of the obligations arising from the syndicated loan, the Group has issued guarantees on shares and stocks of certain companies in the Group.

At 31 March 2018 and 30 September 2017, the Group has acquired insurance policies to cover against risk of damage to property, loss of profit and civil liability, as well as obligations with employees. In the opinion of the Directors of the Parent Company, the insured capital covers the abovementioned assets and risks.

Occasionally the Group is involved in litigation related to its ordinary course of business. At 31 March 2018 and 30 September 2017 there are legal contingencies regarding the Group's participation in a number of legal proceedings, whose result, in the opinion of the Directors and its legal advisors, individually or as a whole, would not have a significant adverse effect on the Group's consolidated income statement

(15) Income and expenses

a) Ordinary income

The breakdown of the balance of this heading in the consolidated income statement for the six-month period ending 31 March 2018 and 31 March 2017 is as follows:

	Thousands of euros	
	31.03.2018	31.03.2017
Income from tickets	57,031	54,853
Income from food services	20,702	19,778
Income from merchandising	5,974	5,709
Games and gaming machines	6,624	7,934
Parking income	3,000	2,641
Sale of hotel packages	2,400	1,976
Exclusivity income	5,076	4,677
Other income	9,252	8,245
	110,059	105,813

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b) Other operating expenses

The composition of the heading “Other operating expenses” of the consolidated income statement for the six-month period ending 31 March 2018 and 31 March 2017 is as follows:

	Thousands of euros	
	31.03.2018	31.03.2017
Advertising and propaganda	7,648	7,319
Leases and rental (note 6)	6,803	7,117
Utilities	12,018	12,347
Repairs and conservation	8,382	8,887
Taxes	5,245	4,873
Guarding, cleaning and gardening	3,981	3,885
Independent professional services	5,328	5,471
Insurance premiums	3,692	4,614
Other expenses	6,571	6,077
	59,668	60,590

Other expenses, at 31 March 2018, mainly includes royalties amounting to Euros 3,630 thousand (Euros 3,388 thousand on 31 March 2017).

c) Financial expenses

The financial expenses for the six-month period ending 31 March 2018 mainly includes the interest on the syndicated loan amounting to Euros 9,802 thousand (Euros 11,206 thousand for the six-month period ending 31 March 2017).

d) Employee remuneration expenses

The composition of this heading in the six-month period ending 31 March 2018 and 31 March 2017 is as follows:

	Thousands of euros	
	31.03.2018	31.03.2017
Salaries and wages	51,354	49,417
Social Security	11,914	11,487
Severance pay	282	213
Other social expenses	1,195	1,638
	64,745	62,755

The average number of employees in the Group in the six-month period ending 31 March 2018 and 31 March 2017 is of 5,072 and 4,800, respectively.

During the six-month period ending 31 March 2018, only one of the Board Members has been an employee of the Parent Company.

e) Other income and expenses

Other income and expenses mainly includes, in the six-month period ending 31 March 2018, compensations paid to third parties arising from personnel restructuring processes carried out in the theme parks amounting to 1.2 million euros, expenses for non-recurrent professional advice for an amount of 1.8 million euros, costs of adapting the American Park in Miami after the hurricane suffered in September 2017, amounting to 1.3 million euros and expenses related to the ending of the Teleférico de Madrid concession for an amount of 0.4 million euros.

The six-month period ending 31 March 2018 mainly included expenses amounting to Euros 5,147 thousand due to the long-term debit balance held by the Group with Mountain Creek and income

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pertaining to the reversal of the provision made in connection with the legal dispute with CACSA amounting to Euros 3 million.

(16) Related Party Balances and Transactions

a) Related party balances and transactions

The related party balances and transactions in the six-month periods ending 31 March 2018 and 31 March 2017 refer, exclusively, to Group Directors and Senior Management personnel remunerations.

b) Information on Directors of the Parent Company and Senior Executive personnel

The remuneration received during the six-month periods ending 31 March 2018 and 31 March 2017 by the Directors as members of the Board of Directors of the Parent Company, including those who are also Senior Management members, has been as follows:

	Thousands of euros	
	31.03.2018	31.03.2017
Fixed remuneration	657	662
Variable remuneration	108	88
Other	5	5
	770	755

The remuneration received during the six-month periods ending 31 March 2018 and 31 March 2017 by the Senior Management members (different from those who are also members of the Board of Directors, whose remuneration has been shown earlier), have been as follows:

	Thousands of euros	
	31.03.2018	31.03.2017
Salaries and wages	1,076	935
Insurance premiums	6	6
	1,082	941

On 31 March 2018, the Company has no credit balances with Senior Management (credit balance amounting Euros 91 thousand at 31 March 2017). At 31 March 2018 and 2017, the Company has no balances outstanding with the Directors. On the other hand, at 31 March 2018 and 2017, the Company has not granted advances or commitments of pension funds, and other similar items to Directors or Senior Management personnel, except for the contribution defined for Senior Management plans detailed in note 20 of the consolidated annual accounts for the year ended 30 September, 2017.

c) Long term incentive plans

In April 2016, prior to the Initial Public Offer, the Offer for Sale and the Admission to Trading (see note 1), the Single Shareholder Centaur Nederland, B.V. approved, for several Senior Executives of the Group and Directors of the Company, the implementation of a 2016-2020 long term incentive plan payable by way of Parent Company shares. This Plan consists of two share delivery cycles, each with a measurement period of three years. At the start of each cycle, a number of shares is allocated to each beneficiary on the basis of his salary level, as well as the estimated compliance with conditions of permanence and estimated degree of achievement of certain financial targets. The first cycle (Cycle 2016/2019) began on 1 May 2016 (valuation date) and the second cycle (Cycle 2017/2020) began on 1 January 2017.

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Explanatory Notes on the Condensed Consolidated Interim Financial Statements for the six-month period ending 31 March 2018

The expense recognised in the six-month period ending 31 March 2018 for this Plan has amounted to Euros 188 thousand corresponding to the Board Directors and an expense of 192 thousand euro corresponding to the Management of the Group. The counterpart has been posted as "Other own equity instruments" (see note 9).

(17) Financial Information by segment

The Management of the Group supervises the performance of the group's operations and makes strategic decisions based on geographical segmentation. On this segmentation, the Group has identified the following operating segments: "United States", "Spain" and "Rest of the World". The holding activities of the Parent Company, as well as the activities carried out by the central offices of the Group (offices in Spain and in the United States) not attributable to any of the specific operating segments, are included in the segment "Central Offices - Non-Operating". The Management of the Group considers that this segmentation is in line with that of other groups in the sector.

Annex I attached hereto includes segmented information of the six-month period ending 31 March 2018 as well as the comparative information for the six-month period ending 31 March 2017.

(18) Risk policy and management

At 31 March 2018, the financial risk targets and policies of the Group are consistent with those described in the consolidated financial statements pertaining to the year ending 30 September 2017.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Information by segment for the six-month period ending 31 March 2018 and 31 March 2017

	Thousands of euros									
	United States		Spain		Rest of the world		Non-Operating Headquarters		Total	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Income (a)	29,826	32,925	33,077	29,762	41,376	38,031	5,780	5,095	110,059	105,813
Supplies	(2,738)	(2,889)	(3,919)	(3,407)	(5,309)	(4,512)	(98)	-	(12,064)	(10,808)
Fixed expenses (b)	(41,269)	(46,557)	(26,378)	(25,460)	(41,539)	(38,558)	(15,227)	(12,770)	(124,413)	(123,345)
Amortisation and depreciation (c)	(8,387)	(9,826)	(4,011)	(4,572)	(10,408)	(4,100)	(17,201)	(24,638)	(40,007)	(43,136)
Variation in traffic provisions	(11)	(353)	(176)	(756)	(101)	(1,103)	(811)	24	(1,099)	(2,188)
Other results	(1,009)	(585)	(315)	2,455	(1,438)	(1,399)	(3,477)	(6,096)	(6,239)	(5,625)
Operating profit / (loss)	(23,588)	(27,285)	(1,722)	(1,978)	(17,419)	(11,641)	(31,034)	(38,385)	(73,763)	(79,289)
Net financial expenses (d)	(450)	1,446	(3,742)	(3,743)	(6,417)	(9,553)	(6,416)	(2,385)	(17,025)	(14,236)
Profit / (Loss) before taxes	(24,038)	(25,839)	(5,464)	(5,721)	(23,836)	(21,194)	(37,450)	(40,770)	(90,788)	(93,525)
Corporate Income Tax	-	-	1,914	3,564	(554)	(1,847)	30,828	26,341	32,188	28,058
Profit / (loss) for the year	(24,038)	(25,839)	(3,550)	(2,157)	(24,390)	(23,041)	(6,622)	(14,429)	(58,600)	(65,467)
Non-controlling interests	-	-	(32)	(26)	-	-	-	-	(32)	(26)
Profit / (loss) for the year attributable to the shareholders of the Parent Company	(24,038)	(25,839)	(3,518)	(2,131)	(24,390)	(23,041)	(6,622)	(14,429)	(58,568)	(65,441)
Additions to tangible and intangible fixed assets	19,690	6,177	12,200	4,435	17,080	14,230	1,457	1,627	50,427	26,469
Amortisation and depreciation (c)	(8,387)	(9,826)	(4,011)	(4,572)	(10,408)	(4,100)	(17,201)	(24,638)	(40,007)	(43,136)
	Thousands of euros									
	United States		Spain		Rest of the world		Non-Operating Headquarters		Total	
	31.03.2018	30.09.2017	31.03.2018	30.09.2017	31.03.2018	30.09.2017	31.03.2018	30.09.2017	31.03.2018	30.09.2017
Total assets	601,126	607,947	716,621	801,040	664,153	640,119	55,417	45,005	2,037,317	2,130,317
Total liabilities	82,238	102,027	217,107	233,125	77,633	57,043	638,034	593,138	1,015,012	1,074,367

- (a) Includes the headings "Employee remuneration expenses" and "Other operating costs" in the consolidated income statement.
(b) Includes the headings "Amortisation expenses" and "Net impairment losses and disposal of non-current assets" in the consolidated income statement.
(c) Includes the headings "Financial Income", "Financial Expenses" and "Exchange differences" in the consolidated income statement.

This Annex forms an integral part of note 17 of the Condensed Consolidated Interim Financial statements for the six-month period ending 31 March 2018, which it must be read.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Management Report for the six-month period ending 31 March 2018

1. Business performance and situation of the Group

The main financial figures of the Group are presented removing the exchange rate effect in order to not distort the comparability between periods. For this reason, the same currency rate has been applied to the figures in both periods (the rate applied is that pertaining to the first semester 2018).

Therefore, the reconciliation of income and EBITDA for the six-month period ending 31 March 2017 is as follows:

	Thousands of euros	
	Income	EBITDA
Six monthly interim statements on 31 March 2017	105.8	(28.3)
Impact of exchange rate	(4.3)	2.3
Comparable six monthly interim statements at 31 March 2017	101.5	(26.0)

The table below shows the main financial figures for the group:

Grupo			
€ MM	H1 2017	H1 2018	Var.
Visitors ('000)	3,441	3,710	7.8%
Total Income Per Capita ⁽¹⁾	29.5	29.7	0.6%
Total Income	101.5	110.1	8.5%
EBITDA ⁽²⁾	(26.0)	(26.4)	(1.4%)
% margin	(26%)	(24%)	

Calculation method:

(1) Total Income Per Capita = Total Income*1000/Visitors

(2) EBITDA = Income / (Loss) of exploitation – Amortisation expenses – Net losses from impairment and disposal of non-current assets– Valuation of traffic provisions traffic – Other results.

The results at Group level have been positively affected by the Easter holidays, taken place in March, whereas in the previous year took place in April and therefore its effect was included in the second half of the previous year.

The Easter holidays, as well as the success achieved in the first quarter of the year, especially in Halloween and Christmas events, have been the main catalysts of the increase in visitors and income.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

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2. Business performance by geographical area

Below is a comparison of the main figures by segment (geographical area):

Spain

Spain			
€ MM	H1 2017	H1 2018	Var.
Visitors ('000)	1,493	1,563	4.7%
Total Income Per Capita ⁽¹⁾	19.9	21.2	6.2%
Total Income	29.8	33.1	11.1%
EBITDA ⁽²⁾	0.9	2.8	210.9%
% margin	3%	8%	

Calculation method:

(1) Total Income Per Capita = Total Income*1000/Visitors

(2) EBITDA = Income / (Loss) of exploitation – Amortisation expenses –Net losses from impairment and disposal of non-current assets– Valuation of traffic provisions traffic – Other results.

The Spanish parks are the ones that have benefited the most from the Easter holidays mentioned earlier. Additionally, it is worth highlighting both the success of Halloween and Christmas campaigns and the significant increase in the sales of seasonal passes. All this has resulted in a significant improvement in the income per capita.

Rest of Europe

Rest of Europe			
€ MM	H1 2017	H1 2018	Var.
Visitors ('000)	1,282	1,416	10.5%
Total Income Per Capita ⁽¹⁾	29.1	29.2	0.3%
Total Income	37.3	41.4	10.8%
EBITDA ⁽²⁾	(5.1)	(5.5)	(8.2%)
% margin	(14%)	(13%)	

Calculation method:

(1) Total Income Per Capita = Total Income*1000/Visitors

(2) EBITDA = Income / (Loss) of exploitation – Amortisation expenses –Net losses from impairment and disposal of non-current assets– Valuation of traffic provisions traffic – Other results.

Regarding the rest of Europe, in line with what is mentioned in the preceding section corresponding to the parks in Spain, the positive effect generated by the Easter holidays as well as the success of Halloween and Christmas campaigns are also the main catalysts of the increase in visitors and income. Additionally, there has been a significant increase in sales of season passes.

However, EBITDA has been slightly affected by costs related to marketing campaigns that will have a positive effect in the following periods, cost related to maintenance and improvement that are carried out in the parks during the low season and, to a lesser extent, due to a slight increase in minimum wages in Germany, Italy and Netherlands, which has had a negative impact on personnel expenses in this segment.

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United States

United States			
€ MM	H1 2017	H1 2018	Var.
Visitors ('000)	666	695	4.3%
Total Income Per Capita ⁽¹⁾	44.1	42.9	(2.5%)
Total Income	29.3	29.8	1.7%
EBITDA ⁽²⁾	(14.7)	(14.2)	3.7%
% margin	(50%)	(48%)	

Calculation method:

(1) Total Income Per Capita = Total Income*1000/Visitors

(2) EBITDA = Income / (Loss) of exploitation – Amortisation expenses – Net losses from impairment and disposal of non-current assets– Valuation of traffic provisions traffic – Other results.

The results of the United States segment have also been positively affected by the success of the Halloween and Christmas campaigns. Most of the parks in the segment open in the months of May and June.

During this first semester, sales of seasonal passes have increased.

Central Offices – non-operating

Central Offices - Non-operating			
€ MM	H1 2017	H1 2018	Var.
Total Income	5.0	5.8	15.0%
EBITDA ⁽¹⁾	(7.2)	(9.5)	(33.1%)
% margin	(141%)	(165%)	

The total revenue has increased substantially due to the management contracts and from the recent opening in Murcia of the first Nickelodeon Mall Entertainment Centre.

EBITDA has been affected by the increase in expenses of the head office to support the future growth of the company and the costs associated with the start-up of the Mall Entertainment Centre mentioned above.

3. Foreseeable strategy and performance of the Group

- ✓ The main lines of action that have supported organic growth are the following:
 - Success of the commercial strategy carried out by the Group to drive the sale of annual passes, in order to mitigate the risk arising from adverse weather conditions and seasonality, having reached a record in these sales.
 - Extension of the season via events such as Halloween and Christmas.
 - Pricing policy designed to maximise income per capita in ticket sales.
 - Multiple initiatives implemented to drive consumption inside the parks.
 - International brands introduced in catering activity.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Management Report for the six-month period ending 31 March 2018

- ✓ Mall Entertainment Centers: worth mentioning not only the formalized projects but also the advanced negotiations that are being carried out to close additional projects. The number of agreements signed has been high in a short period of time and this trend is expected to continue successfully. At present, six projects related to this new line of business are under development, from which the opening of the first center in Murcia has been carried out.
- ✓ Acquisitions: The Group acquired a new park in Germany, named Belantis. Likewise, it continues to seek opportunities to acquire parks to improve the existing portfolio.
- ✓ Management Contracts: The group has signed a global agreement with FC Barcelona to develop Indoor Entertainment Centers in which offer a family-friendly sport based experience and to benefit from the global success of the "FC Barcelona" Brand around the world. On the other hand, the Group has obtained a new management contract for the "Dubai Safari" park, reinforcing its presence in the Middle East, where the group already operates the Motiongate and Bollywood Parks since 2016.

4. Research and Development

During 2018, the Group continues to internally develop R&D&I projects, mainly in the area of software applications as well as the new business model in shopping malls (Mall Entertainment Centers).

5. Own Shares

The Parent Company has not carried out any transactions with own shares.

6. Financial Instruments

The Group hedges against the risk of variations in the interest rate of the syndicated loan using fixed rate interest rate swaps (IRS). These financial instruments are classified as Level 2 according to IFRS 7.

The amount recognised in the consolidated income statement of the first semester of financial year 2018, due to the variation in fair value from 30 September 2017 to 31 March 2018 is Euros 669 thousand.

In addition, these derivative instruments have accrued interest amounting to Euros 157 thousand, which are included under the heading "Financial Expenses" of the consolidated income statement for the period.

7. Risk policy and management

The management of the risks to which the Group is exposed in the performance of its activities is one of the basic cornerstones of its action to preserve the value of the assets of the Group and, consequently, the value of shareholders' investment. The risk management system is structured and defined for the achievement of the strategic and operational objectives of the Group.

The management of the Group's financial risk is centralised in the Corporate Financial Department. This Department has the necessary mechanisms to control, according to the structure and financial position of the Group and the economic variables of the context, the exposure to the variations in interest and currency rates, as well as the risks of credit and liquidity, using, if necessary, occasional hedge transactions and establishing, if deemed necessary, the pertaining credit limits and setting credit insolvency provisions policies.

Below is a description of the main financial risks and the Group's policies to counteract them:

Currency risk

The Group is exposed in a very limited way to exchange rate fluctuations as almost all of the transactions of the companies that make up the Group are carried out in their working currencies. The presentation currency of the Group is the Euro, but some subsidiaries use other currencies, mainly the US dollar, the Danish krone, the Norwegian krone and the pound sterling. As a result of the fluctuations in exchange rates of foreign

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

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currencies, the financial statements of the Group are subject to fluctuations due to the conversion of the financial information in currencies other than the euro.

The following table shows the impact that a movement of 5 % - 10 % in US dollar value would have had on the consolidated P&L of the year:

	<i>Millions of euros</i>	
	<u>March 2018</u>	<u>March 2017</u>
<i>Appreciation of 5 %</i>	<i>(0.8)</i>	<i>(1.7)</i>
<i>As % of consolidated result for the year</i>	<i>1.1%</i>	<i>2.7%</i>
<i>Devaluation of 5 %</i>	<i>0.7</i>	<i>1.6</i>
<i>As % of consolidated result for the year</i>	<i>(1.0%)</i>	<i>(2.4%)</i>
<i>Appreciation of 10 %</i>	<i>(1.6)</i>	<i>(3.7)</i>
<i>As % of consolidated result for the year</i>	<i>2.3%</i>	<i>5.6%</i>
<i>Devaluation of 10 %</i>	<i>1.3</i>	<i>3.0</i>
<i>As % of consolidated result for the year</i>	<i>(1.9%)</i>	<i>(4.6%)</i>

Credit risk

The main financial assets of the Group are cash and other equivalent liquid assets as well as trade and non-trade debtors. Generally, the Group holds its cash and equivalents with institutions with a high credit rating.

The Group does not have a significant concentration of credit risk with third parties due to the fact that a large part of the income is in cash and that the distribution of risk is among a large number of customers with short collection periods.

Liquidity risk

The various acquisitions that have taken place in recent years have been carried out using suitable financing structures. However, these structures are associated with the fulfilment of certain commitments with the financial institutions providing the funding, and therefore the monitoring of compliance therewith is a very important task.

The Corporate Financial Department closely monitors the fulfilment of these commitments, in order to detect any potential risk of default thereof well in advance. In the event of such a risk being detected, the General Management is notified so that the appropriate decisions to correct the situation may be taken. On 31 March 2018 and 30 September 2017, the Group has not identified any non-fulfilment whatsoever of the financial ratios it has undertaken to achieve with the financial institutions providing the loans.

The exposure to adverse situations in the debt or capital markets may hinder or prevent the hedging of the financial needs required for the proper development of the Group's activities and its Strategic Plan.

At 31 March 2018 and 30 September 2017, several Group's companies had credit facilities amounting to a total of Euros 55,110 and 43,121 thousand, respectively. These credit facilities are extended annually. Additionally, there is a revolving line associated with the syndicated loan available to the Group for an amount of 200,000 thousand euros. The drawdowns made at 31 March 2018 are mainly due to the seasonal nature of the Group's activity and the temporary cash requirements in some of the parks.

On 13 February 2017, the Company agreed a novation of this syndicated debt, which means a reduction in o 40 basis points in the interest rate spread applicable to the debt and an extension up to 8 months in the maturity schedule thereof, depends on the tranches.

At 31 March 2018 and 30 September 2017, the long-term maturity of the debts with credit institutions is as follows:

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		31.03.2018					
		Thousands of euros					
		2018/19	2019/20	2020/21	2021/22	2022/23 y siguientes	Total
Syndicated loan		22,252	22,252	22,252	467,297	-	534,053
Other bank loans		691	1,869	1,938	2,011	6,103	12,612
		22,943	24,121	24,190	469,308	6,103	546,665

		30.09.2017					
		Thousands of euros					
		2018/19	2019/20	2020/21	2021/22	2022/23 y siguientes	Total
Syndicated loan		22,617	22,617	22,617	474,962	-	542,813
Other bank loans		1,366	1,432	1,500	1,573	6,103	11,974
		23,983	24,049	24,117	476,535	6,103	554,787

Interest rate risk

With regard to its financial assets and liabilities, the Group is exposed to interest rate fluctuations which could have an adverse effect on results and cash flow.

In accordance with the information requirements of IFRS 7, the Group has performed a sensitivity analysis of the potential interest rate fluctuations which might occur in the markets in which it operates. On the basis of these requirements, the Group estimates that an increase of 0.50 b.p. in the interest rates to which each of the loans in the Group's financial debt are referenced would imply an increase in the financial expense thereof of Euros 1,640 thousand in the first semester of 2018 (Euros 3,011 thousand in 2017). However, the Group has interest rate swaps designed to hedge against variations in the interest rates of the syndicated loan.

8. Dividend Policy

The Group aims to distribute dividends between 20 %-30 % of the Net Profit of the Group, once the impact of non-recurring effects has been eliminated. On 21 March 2018, the General Meeting of Shareholders approved the distribution of dividends of Euros 20 million, which is going to be paid out in the second half of the July 2018.

9. Events subsequent to year end

There have been no significant events subsequent to year end that might affect the figures at 31 March 2018.

10. Personnel

The average workforce of the Group at 31 March 2018 is 5,072 employees (4,800 at 31 March 2017) of which 2,413 are women (2,266 at 31 March 2017).

11. Other aspects

Given the activity of the Group, it has no responsibilities, expenses, assets, provisions or contingencies of an environmental nature that are significant in relation to the equity, financial situation and results thereof.

Fixed asset investments are the main assets of the Group, and the risks thereof have been appropriately covered on the basis of the experience in this type of business accumulated over recent years.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Management Report for the six-month period ending 31 March 2018

As for Social Corporate Responsibility, the Parent Company of the Group Parques Reunidos Servicios Centrales, S.A. carries out its activity with the aim of becoming a role model in terms of responsible conduct, creating shared value at an economic, social and environmental level wherever it is present.

One of the fundamental cornerstones supporting this commitment is the Fundación Parques Reunidos (the "Foundation"), created in 2010. The Foundation is a private non-profit organisation whose purposes can be summarised as the defence of the environment and biodiversity, the promotion of sustainable development and sustainable use of resources, the conservation of the natural heritage (particularly regarding endangered species and those threatened with extinction), the protection of children and the defence of the democratic principles of encouragement of tolerance and values, focusing its efforts on social awareness of such matters.

Thus, since its creation, the Foundation has taken part in many programmes of research, reproduction and conservation of animal species, either of its own accord or in collaboration with other national and international bodies and organisations. In addition, it has taken part in many actions mainly addressing children at risk of social exclusion or with serious health problems.

In addition to the Foundation, Parques Reunidos has a number of policies applicable to all its activities, designed, on the one hand, to meet its absolute commitment to guarantee sustainability and conservation of the environment in all its facilities, ensuring compliance with standards of quality and regulation – Environmental Policy; Energy Savings and Efficiency Policy, etc. – and, on the other hand, to encourage ethical conduct – Mission, Vision and Values Policy; Code of Conduct, etc.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Authorization of Issue of the Condensed Consolidated Interim Financial Statements for the six-month period ending 31 March 2018

and

Management Report for the six-month period ending 31 March 2018

At their meeting held on 30 May 2018, 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. authorise for issue the condensed consolidated interim financial statements and consolidated management's report for the six-month period ending 31 March 2018. The condensed consolidated interim financial statements comprise the documents that precede this certification.

Signatory:

D. Peter James Long (Chairman)

D. Félix Fernando Eiroa Giménez (Chief Executive Officer)

D. Dag Erik Johan Svanstrom (Member)

D. Nicolás Villén Jiménez (Member)

D. Javier Fernández Alonso (Member)

D. Colin Hall (Member)

D.^a Ana Bolado Valle (Member)

D.^a Jackie Kernaghan (Member)

D. Mario Armero Montes (Member)

D. Carlos Ortega Arias-Paz (Member)

DECLARATION OF DIRECTORS' RESPONSIBILITY

The members of the Board of Directors of Parques Reunidos Servicios Centrales, S.A. (“**Parques Reunidos**” or the “**Company**”) on its meeting held on 30 May 2018, and according to article 119 of the reinstated text of the Spanish Securities Markets Act approved by Royal Legislative Decree 4/2015 of 23 October as well as to article 11.1 b) of Royal Decree 1362/2007 of 19 October, declare that, as far as they are aware, the Summarized Annual Accounts of the Company, corresponding to the financial semester ended 31 March 2018, and prepared in accordance with the applicable accounting principles, offer a true and fair image of the equity, the financial situation and the results of the Company and the companies within the consolidation taken as a whole, and the interim management report includes an accurate analysis of the required information.

Madrid, 30 May 2018

Mr. Peter James Long
Chairman

Mr. Félix Fernando Eiroa Giménez
Chief Executive Officer

Mr. Javier Fernández Alonso
Member

Mr. Johan Svanstrom
Member

Mr. Colin Hall
Member

Mr. Nicolás Villén Jiménez
Member

Mrs. Ana Bolado Valle
Member

Mr. Mario Armero Montes
Member

Mr. Carlos Ortega Arias-Paz
Member

Mrs. Jackie Kernaghan
Member