2017 SUMMER TRADING AND STRATEGY UPDATE

Nick Varney
Chief Executive Officer

17 October 2017
INTRODUCTION
STRATEGIC STATEMENT

“To create a high growth, high return, family entertainment company based on strong brands and a global portfolio that is naturally balanced against the impact of external factors”
Increasingly Diversified Asset Portfolio

Geography
- UK: 34%
- US: 25%
- EUR: 14%
- APAC: 27%

Tourist / Domestic
- Domestic: 63%
- Tourist: 37%

Weather Exposure
- Outdoor: 58%
- Indoor: 42%

1 - Geography and Weather split based on 2016 FY revenue. Tourist / Domestic visitor split based on touchscreen data.
SIX GROWTH DRIVERS

Unique international group operating in attractive markets with strong brands and clear structural growth drivers

1. Existing estate growth via capex
2. Strategic synergies
3. Resort positioning
4. Midway roll out
5. Developing new LEGOLAND parks
6. Strategic acquisitions
TRADING UPDATE
### SUMMARY GROUP PERFORMANCE

<table>
<thead>
<tr>
<th>Category</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Growth</td>
<td>12.4%</td>
</tr>
<tr>
<td>FX</td>
<td></td>
</tr>
<tr>
<td>Constant FX</td>
<td>5.9%</td>
</tr>
<tr>
<td>LLP</td>
<td></td>
</tr>
<tr>
<td>Midway</td>
<td>(1.0)%</td>
</tr>
<tr>
<td>Accommodation</td>
<td>3.4%</td>
</tr>
<tr>
<td>RTP</td>
<td>(2.1)%</td>
</tr>
<tr>
<td>Group LFL</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

- **12.4% total growth reflecting NBD contribution**
- **Strong accommodation performance**
- **Positive early season momentum across most attractions**
- **UK terror attacks pre-Easter and Whitsun represented inflection point in London and UK parks**
- **Pressure on LDCs from retail sales, particularly affecting Midway North America**
- **Peak summer trading (August/early September) impacted by extreme weather in Northern Europe, Italy and Florida**
SUMMARY GROUP PERFORMANCE

Reported Growth

- FX: 12.4%
- Constant FX: 5.9%
- LLP: 0.3%

Midway Accommodation

- Like for like: (1.0)%
- New Business Development: 3.4%
- LLP: (2.1)%

12.4% total growth reflecting NBD contribution

Strong accommodation performance

Positive early season momentum across most attractions

UK terror attacks pre-Easter and Whitsun represented inflection point in London and UK parks

Pressure on LDCs from retail sales, particularly affecting Midway North America

Peak summer trading (August/early September) impacted by extreme weather in Northern Europe, Italy and Florida

LEGOLAND Japan

CBeebies Hotel Alton Towers

MT Nashville

Little BIG City Berlin
SECURITY CONCERNS IN GATEWAY CITIES

- Orlando – Jun 16
  - 4 attractions (Incl. LLF)
- New York – Sept 16
  - 1 attraction
- Las Vegas – Sept 17
  - 1 attraction
- UK – Mar, May, Jun & Sept 17
  - 7 attractions in London & Manchester (plus RTP impact)
- Berlin – Dec 16
  - 5 attractions
- Munich – Jul 16
  - 1 attraction
- Bangkok – Aug 2015
  - 2 attractions
- Paris – Nov 2015
  - 1 attraction
- Istanbul – Various
  - 3 attractions
- Nice – Jul 16
- Barcelona – August 17

2/3 of attacks in Europe (including Turkey)
TERROR IMPACT ON MIDWAY LONDON

Inflection point following terror attacks; pre Easter and Whitsun

<table>
<thead>
<tr>
<th>EUR/GBP:</th>
<th>June</th>
<th>July</th>
<th>October</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.31</td>
<td>1.20</td>
<td>1.11</td>
</tr>
</tbody>
</table>

Depreciating Sterling

- Brussels: March 2016
- Brexit vote: June 2016
- UK Terror attacks: March to September

Denotes peak period

London Cluster Visitation (MAT)
A TALE OF FOUR CITIES AND TWO BRANDS
Performance driven by market dynamics

MT Amsterdam & Edinburgh Dungeon
Visitation MAT (k)

Market growth throughout the period, unaffected by security concerns elsewhere in Europe

MT London & Berlin Dungeon
Visitation MAT (k)

Paris Brussels Berlin UK attacks

(7)% (13)%
UK RTP
MARKET BACKDROP
Share gains in a difficult 2017 market

**Theme Park Market Share**
Merlin share increase of c4% vs 2015 reflecting gains at both Alton Towers and other parks

<table>
<thead>
<tr>
<th>2015 YTD</th>
<th>2016 YTD</th>
<th>2017 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>54%</td>
<td>55%</td>
<td>58%</td>
</tr>
</tbody>
</table>

**Theme Park Market visitor growth yoy, 2017**
Strong market at the start of the year offset by terror attacks and poor weather resulting in difficult peak season trading

12% decline in value of day trips in June-August

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1 - GfK research based on visitation. Attractions comprise: Alton Towers, Chessington World of Adventures, LEGOLAND Windsor, THORPE PARK, Warwick Castle, Drayton Manor, Flamingo Land, Paultons Park, Longleat Safari and Adventure Park, Blackpool Pleasure Beach, Crealy’s, Gulliver’s World, Warner Brothers Studios, Hobbledown Farm and others.
2 - VisitEngland
SUMMARY AND 2017 OUTLOOK

- Challenging external conditions
- Clear inflection point after UK terror attacks
- Tight cost control ongoing

- Balance of year in line with YTD trends
- Key Halloween period remains
- 2017 EBITDA in the range of £470m to £480m
FUTURE STRATEGY
CONTEXT

Tourism destinations clearly affected by security concerns

Now at the highest level of terrorist activity ever in Europe and unlikely to reduce in the foreseeable future

Externally induced cost pressures across all countries, particularly UK

“When you are experiencing storms, the sensible thing is to navigate around them”

NICK VARNEY
LOOKING AHEAD

Flexing the strategy 2018-2021
LOOKING AHEAD
Flexing the strategy 2018-21

1. Overarching strategy of geographic and brand diversification unchanged

2. Reduce capex and LFL expectation in Existing Estate, particularly in Midway. Release c£100m of capital from plan to…

3. Back the winners
   - Accommodation
   - New LEGOLAND parks
   - Midway roll out (including new brands)

4. Invest in Productivity Agenda to support LFL EBITDA
## Delivering Long Term Growth 2018-21

### Strategic Growth Drivers

1. **Existing estate growth via capex**
2. **Strategic synergies**
3. **Resort positioning**
4. **Midway roll out**
5. **LEGOLAND parks roll out**
6. **Strategic acquisitions**

### Base

- **Existing Estate**
  - 4 - 6% growth
- **New Business Development**
  - 4 - 6% growth

### Flexed

- **1 - 3% growth**
- **6 - 9% growth**

### Overall EBITDA & CAPEX broadly unchanged

- £100m reduction in Existing Estate
- Increase in accomm.
- Productivity Agenda

Continue to target high single-digit to low double-digit EBITDA growth.

Total capex and EBITDA growth trajectory broadly unchanged.
1. OVERARCHING STRATEGY OF GEOGRAPHIC AND BRAND DIVERSIFICATION
1. OVERARCHING STRATEGY OF GEOGRAPHIC AND BRAND DIVERSIFICATION

<table>
<thead>
<tr>
<th>Families</th>
<th>City centre tourists</th>
<th>Teenagers &amp; Young adults</th>
<th>Pre-school families</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEGOLAND</td>
<td>Madame Tussauds</td>
<td>Little BIG City</td>
<td>Peppa Pig</td>
</tr>
<tr>
<td>SEA LiFE</td>
<td>The Eye Brand</td>
<td>Shrek's Adventure</td>
<td>The Dungeons</td>
</tr>
<tr>
<td>Alton Towers Resort</td>
<td></td>
<td>LEGOLAND Resort</td>
<td>Alton Towers</td>
</tr>
<tr>
<td>Little BIG City</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shrek's Adventure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEGOLAND Resort</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BingFISHING BURG</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gardaland Resort</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warwick Castle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heide Park Resort</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gardaland Resort</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Adventure/ experience seekers |                                    |                         |                    |
| The Bear Grylls ADVENTURE     |                                    |                         |                    |
2. REDUCE CAPEX AND LFL EXPECTATIONS IN EXISTING ESTATE

- Targeting £100m cumulative saving on Existing Estate capex over 2018-21 versus plan
- Savings predominantly in Midway and RTP - focus on cash generation
- 2018 transition year due to committed spend
- 1-3% LFL EBITDA growth over 2018-21; lower end in 2018
  - Current trajectory of London trading
  - Benefit of Productivity Agenda from 2019
  - Next LEGO Movie scheduled for 2019
- Health and Safety and Repairs and Maintenance capex unaffected
2. REDUCE CAPEX AND LFL EXPECTATIONS IN EXISTING ESTATE

Continued investment in product and focus on guest experience has resulted in growing guest KPIs.

Net Promoter Score, 50%+ is considered excellent.
2. REDUCE CAPEX AND LFL EXPECTATIONS IN EXISTING ESTATE

- Continued investment in ‘show’ capex in key attractions
- High year investments in LEGOLAND California and Alton Towers in 2018
- Deal signed with Warner Bros. for LEGO Movie Lands in all LEGOLAND parks from 2019 (following ‘The LEGO Movie 2’ planned release in Spring 2019)
3. BACKING THE WINNERS

Accommodation and short break opportunity

- Clear evidence to support continued investment into themed accommodation and the short break proposition (including second gates)
- Continued strong returns on both mature accommodation and recent openings
- Negligible evidence of cannibalisation of existing offerings
- Multiple concepts from glamping to chalets to 4* hotels and luxury lodges
3. BACKING THE WINNERS

Accommodation and short break opportunity

- **£130m**: Capex incurred on openings 2012-2016\(^1\)

- **£100m+**: Cumulative EBITDA (excluding park benefit)\(^1\)

- **4%**: Accommodation revenue outperformance vs park, 2013-16

- **8%**\(^2\)**: Satisfaction differential of short break guest vs park guest

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\(^1\) - Based on Constant Currency FX rates. Excludes capex related to 2017 openings.

\(^2\) - Based upon Top Box satisfaction scores, 2017 YTD. The equivalent figure for the Value for Money metric is 6%
3. BACKING THE WINNERS
Accommodation and short break opportunity

<table>
<thead>
<tr>
<th>Year</th>
<th>Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>210 rooms</td>
</tr>
<tr>
<td>2017</td>
<td>381 rooms</td>
</tr>
<tr>
<td>2018</td>
<td>642 rooms</td>
</tr>
<tr>
<td>2019</td>
<td>1,300+ rooms</td>
</tr>
<tr>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
</tr>
</tbody>
</table>

Including
- Alton Towers Barrels
- Gardaland Holiday Village/Hotel 3
- LEGOLAND Billund Castle Hotel
- LEGOLAND New York Hotel
- LEGOLAND Florida Hotel 2
- LEGOLAND Windsor Holiday Village
3. BACKING THE WINNERS

LEGOLAND park roll out

<table>
<thead>
<tr>
<th>Successful roll out across the three operating models</th>
<th>✓</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEGOLAND Florida, Malaysia and Dubai combined capex&lt;sup&gt;1&lt;/sup&gt;</td>
<td>£160m</td>
</tr>
<tr>
<td>LEGOLAND Florida, Malaysia and Dubai cumulative EBITDA to date&lt;sup&gt;1&lt;/sup&gt;</td>
<td>£200m+</td>
</tr>
<tr>
<td>LEGOLAND Japan on track</td>
<td>✓</td>
</tr>
</tbody>
</table>

1 Based on Constant Currency FX rates. Includes accommodation and existing estate capex. Excludes capex related to 2017 investments.
3. BACKING THE WINNERS

LEGOLAND park roll out

- LEGOLAND New York expected to open in 2020, subject to final formalities
- North America represents LEGO’s largest market
- Proven success from two LEGOLAND parks
- 23m residents (inc. 4m children aged under 14) within 2 hour catchment area
- Good transport infrastructure, and strong political support
- 500 acre site provides long term expansion opportunities
- Total Merlin investment of c£260m\(^1\), including 250 bedroom, 4* hotel

\(^1\) Assuming USD/GBP rate of 1.34. Expected pre-opening operating and capital costs are shown in the appendix
3. BACKING THE WINNERS

LEGOLAND park roll out

🌟 Continue to target 2020 opening for Korea
🌟 Construction of bridge complete (funded by local government); site now ready
🌟 Partner funding yet to be finalised
🌟 Geo-political uncertainty

🌟 Strong pipeline beyond 2020
🌟 Study agreements in place for four projects in China
🌟 Continue to believe there is an opportunity of at least 20 LEGOLAND parks around the world
3. BACKING THE WINNERS
Midway roll out

New brands extend the roll out opportunity, and further diversifies the quantum of capital expenditure allocated per attraction.

Current Midway portfolio

- £5m-£6m capex
- £6m-£8m capex
- c.£20m capex
- c.£250m capex

Continue to expect a total of £60-70m NBD capex p.a. dependent upon the mix of attractions opened.
3. BACKING THE WINNERS
Midway roll out and new brands

ADVENTURE/ EXPERIENCE-SEEKER MARKET

People’s growing desire for experiences bring with it a desire for self improvement. We want to do things that make us better people rather than just enjoying ourselves.

Fun

Physical experience

Mental creative experience

PRE-SCHOOL MARKET

• Strong brand engagement and loyalty
• Existing competition is typically generic and undifferentiated
• Good retail opportunities
• High levels of repeat visitation
• Drives volume outside of peak/holiday periods

Proven success with CBeebies Land and The Gruffalo

Currently only limited Merlin presence in these markets
3. BACKING THE WINNERS
Midway rollout and new brands


Global media empire - over 180 countries reaching c1.2bn people

9m books. 7.1m Facebook fans.
Key deal terms

- Worldwide exclusivity to roll out ‘The Bear Grylls Adventure’ concept
- Revenue based royalty payment
- Initial exclusivity period until 2026, with ten year extension for each four attractions opened
- Birmingham to open in 2018; 1 in 2019-20 in US or China
OVERVIEW OF IP

Top ten pre-school brand in 30 countries (incl. US and China)

Broadcast in over 180 territories

261 5 min episodes by 2018 and 117 brand new episodes for 2019-2022

£1bn+ annual global retail sales
Key deal terms

- Multi-territory exclusivity to roll out Location Based Entertainment
- Revenue based royalty payment
- Initial exclusivity period until 2022; extension periods subject to pace of roll out
- In-park Peppa Pig themed areas to open at two attractions in 2018
- Targeting standalone attractions in at least two countries by the end of 2019
3. BACKING THE WINNERS
 Changing shape of Midway roll out – 2020 onwards

<table>
<thead>
<tr>
<th>Brand</th>
<th>Direction of travel</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="SEALIFE" /></td>
<td>Focus on clusters</td>
</tr>
<tr>
<td><img src="image" alt="LEGOLAND" /></td>
<td>High potential for gateway city markets; positioning evolving outside of Europe</td>
</tr>
<tr>
<td><img src="image" alt="The Dungeons" /></td>
<td>Finite roll out of core brand; increasing focus on sub-brands</td>
</tr>
<tr>
<td><img src="image" alt="Madame Tussauds" /></td>
<td>Significant opportunity. Focus on gateway city clusters</td>
</tr>
<tr>
<td><img src="image" alt="LittleBIG City" /></td>
<td>One every 2-3 years</td>
</tr>
<tr>
<td><img src="image" alt="Bear Grylls" /></td>
<td>Significant roll out opportunity of multiple standalone attractions</td>
</tr>
<tr>
<td><img src="image" alt="Peppa Pig" /></td>
<td></td>
</tr>
</tbody>
</table>

35 |
4. PRODUCTIVITY AGENDA

£30m investment in systems

Cost inflation

Wage pressures
- Legislative pressures around the world
- Asian wage inflation

Property
- Business rates
- Rent

Productivity Agenda

Back office efficiencies
- Shared services
- Procurement savings

‘Working smarter’
- Automation, e.g. self-service terminals
- More motivated, better rewarded teams

Maintaining margins despite market volatility and underlying cost inflation
4. PRODUCTIVITY AGENDA

London cluster trial of Self-Service Ticket Machines

- Trial of self-service ticket machines in London Eye ticket office
- Payroll savings, with further opportunity
- Positive upsell ratios (Cluster and Fastrack)
- Reduced queues in ticket office
- Integration with trade partners
SUMMARY
SUMMARY

- Remain confident in medium-long term market attractiveness and our overarching strategy and growth drivers
- Unprecedented levels of market volatility resulting in lower LFL growth
- £100m reduction in Existing Estate capex over 2018-21
- Backing the winners
  - Accelerated accommodation roll out
  - Strong LEGOLAND parks development pipeline (all models)
  - Two new Midway brands in new categories to further support diversification
- Productivity Agenda to support LFL EBITDA growth
- A flexed model capable of delivering structural growth
## Delivering Long Term Growth 2018-21

### Strategic Growth Drivers

<table>
<thead>
<tr>
<th></th>
<th>Existing estate growth via capex</th>
<th>Strategic synergies</th>
<th>Resort positioning</th>
<th>Midway roll out</th>
<th>LEGOLAND parks roll out</th>
<th>Strategic acquisitions</th>
</tr>
</thead>
</table>

### Base

- **Existing Estate**: 4 - 6% growth
- **New Business Development**: 4 - 6% growth
- **Overall EBITDA & CAPEX broadly unchanged**

### Flexed

- **1 - 3% growth**
- **6 - 9% growth**

### Key Points

- **£100m reduction in Existing Estate**
- **Increase in accomm. & Productivity Agenda**

Continue to target high single-digit to low double-digit EBITDA growth.

Total capex and EBITDA growth trajectory broadly unchanged.
Q&A
APPENDIX
<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>Cont. Europe</th>
<th>Americas</th>
<th>Asia Pacific</th>
<th>Group</th>
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</thead>
<tbody>
<tr>
<td>SEA LI FE</td>
<td>13</td>
<td>-</td>
<td>18</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Madame Tussauds</td>
<td>2</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Dungeons</td>
<td>5</td>
<td>-</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>LDC</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Eye</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shrek</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Midway</td>
<td>24</td>
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<td>24</td>
<td>28</td>
<td>1</td>
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<td>LLP</td>
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<tr>
<td>RTP</td>
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<tr>
<td>Group</td>
<td>29</td>
<td>-</td>
<td>29</td>
<td>32</td>
<td>1</td>
</tr>
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</table>
# ACCOMMODATION COUNT

<table>
<thead>
<tr>
<th>Location</th>
<th>31 Dec 2016</th>
<th>Mov’t</th>
<th>07 Oct 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billund (Denmark)</td>
<td>356</td>
<td>80</td>
<td>436</td>
</tr>
<tr>
<td>California</td>
<td>250</td>
<td>-</td>
<td>250</td>
</tr>
<tr>
<td>Deutschland</td>
<td>319</td>
<td>-</td>
<td>319</td>
</tr>
<tr>
<td>Florida</td>
<td>152</td>
<td>166</td>
<td>318</td>
</tr>
<tr>
<td>Malaysia</td>
<td>249</td>
<td>-</td>
<td>249</td>
</tr>
<tr>
<td>Windsor (UK)</td>
<td>150</td>
<td>59</td>
<td>209</td>
</tr>
<tr>
<td>Dubai</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Japan</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>LEGOLAND Parks</strong></td>
<td><strong>1,476</strong></td>
<td><strong>305</strong></td>
<td><strong>1,781</strong></td>
</tr>
<tr>
<td>Alton Towers (UK)</td>
<td>516</td>
<td>76</td>
<td>592</td>
</tr>
<tr>
<td>Chessington World of Adventures (UK)</td>
<td>254</td>
<td>-</td>
<td>254</td>
</tr>
<tr>
<td>Gardaland (Italy)</td>
<td>347</td>
<td>-</td>
<td>347</td>
</tr>
<tr>
<td>Heide Park (Germany)</td>
<td>329</td>
<td>-</td>
<td>329</td>
</tr>
<tr>
<td>THORPE PARK (UK)</td>
<td>90</td>
<td>-</td>
<td>90</td>
</tr>
<tr>
<td>Warwick Castle (UK)</td>
<td>71</td>
<td>-</td>
<td>71</td>
</tr>
<tr>
<td><strong>Resort Theme Parks</strong></td>
<td><strong>1,607</strong></td>
<td><strong>76</strong></td>
<td><strong>1,683</strong></td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>3,083</strong></td>
<td><strong>381</strong></td>
<td><strong>3,464</strong></td>
</tr>
</tbody>
</table>
## LEGOLAND NEW YORK COST PHASING

<table>
<thead>
<tr>
<th>£m</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capex</strong></td>
<td>10-20</td>
<td>30-50</td>
<td>110-130</td>
<td>80-100</td>
</tr>
<tr>
<td><strong>Pre-opening costs</strong></td>
<td>-</td>
<td>1-2</td>
<td>2-5</td>
<td>2-5</td>
</tr>
</tbody>
</table>

All estimates in £m, assuming a USD:GBP rate of 1.34

Exact phasing of capex subject to change
## REVENUE PERFORMANCE, 2017 YTD

<table>
<thead>
<tr>
<th>Year to date revenue growth</th>
<th>Total growth at actual FX</th>
<th>Total growth at constant FX</th>
<th>Like for like growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midway Attractions</td>
<td>7.7%</td>
<td>1.6%</td>
<td>(1.0)%</td>
</tr>
<tr>
<td>LEGOLAND Parks</td>
<td>24.4%</td>
<td>15.7%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Resort Theme Parks</td>
<td>3.4%</td>
<td>(0.8)%</td>
<td>(2.1)%</td>
</tr>
<tr>
<td>Group</td>
<td>12.4%</td>
<td>5.9%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>
## GLOSSARY

<table>
<thead>
<tr>
<th>Key terms</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARR</td>
<td>Average Room Rate</td>
</tr>
<tr>
<td>Cluster</td>
<td>A group of attractions located in a city close to one another</td>
</tr>
<tr>
<td>Constant Currency growth</td>
<td>Using 2017 exchange rates</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Underlying basis, excluding exceptional items</td>
</tr>
<tr>
<td>LBC</td>
<td>Little BIG City</td>
</tr>
<tr>
<td>FX</td>
<td>Effect of movements in foreign exchange</td>
</tr>
<tr>
<td>LDC</td>
<td>LEGOLAND Discovery Centre</td>
</tr>
<tr>
<td>Lead price</td>
<td>Face value of a ticket, which may then be discounted</td>
</tr>
<tr>
<td>LFL</td>
<td>2017 Like for like growth refers to the growth between 2016 and 2017 on a constant currency basis using 2017 exchange rates and includes all businesses owned and operated before the start of 2016</td>
</tr>
<tr>
<td>LLP</td>
<td>LEGOLAND Parks Operating Group</td>
</tr>
<tr>
<td>MAT</td>
<td>Moving Annual Total</td>
</tr>
<tr>
<td>Midway</td>
<td>Midway Attractions Operating Group</td>
</tr>
<tr>
<td>NBD</td>
<td>New Business Development</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Terms</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Promoter Score</td>
<td>An index that measures the willingness of customers to recommend a company's products or services to others</td>
</tr>
<tr>
<td>Resident Market</td>
<td>The total population living within a two-hour drive of the attractions</td>
</tr>
<tr>
<td>ROCE</td>
<td>Underlying Operating Profit after tax divided by average net operating assets</td>
</tr>
<tr>
<td>ROIC</td>
<td>Average EBITDA over the first five years divided by total development capex</td>
</tr>
<tr>
<td>RPC</td>
<td>Revenue per Cap, defined as Visitor Revenue divided by number of visitors</td>
</tr>
<tr>
<td>RTP</td>
<td>Resort Theme Parks Operating Group</td>
</tr>
<tr>
<td>Second Gate</td>
<td>A visitor attraction at an existing resort with a separate entrance and for which additional admission fees are charged</td>
</tr>
<tr>
<td>SLC</td>
<td>SEA LIFE Centre</td>
</tr>
<tr>
<td>Top Box Satisfaction</td>
<td>The top box score is the sum of percentages for the top one, two or three highest points on guest satisfaction scale.</td>
</tr>
<tr>
<td>Underlying</td>
<td>Underlying information presented excludes exceptional items that are classified separately within the financial statements</td>
</tr>
<tr>
<td>Visitors</td>
<td>Represents all individual visits to Merlin owned or operated attractions</td>
</tr>
<tr>
<td>YOY</td>
<td>Year on year</td>
</tr>
</tbody>
</table>
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