

2016 September Trading Update



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29 SEPTEMBER 2016

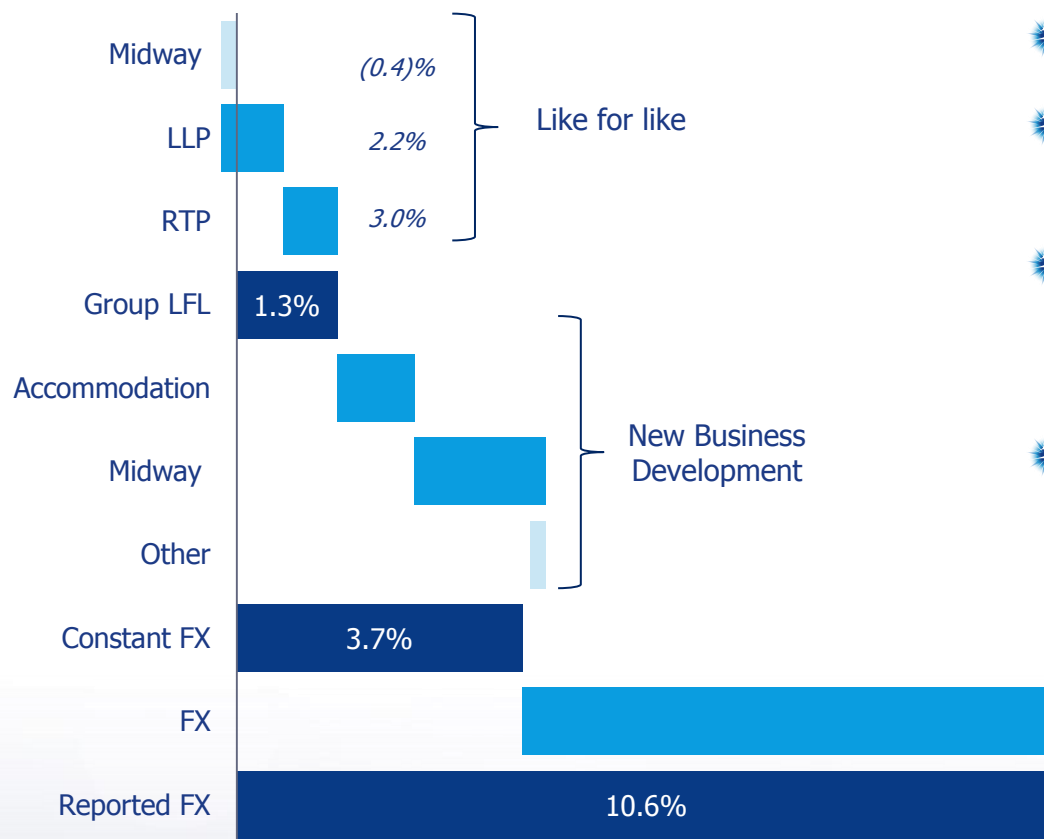


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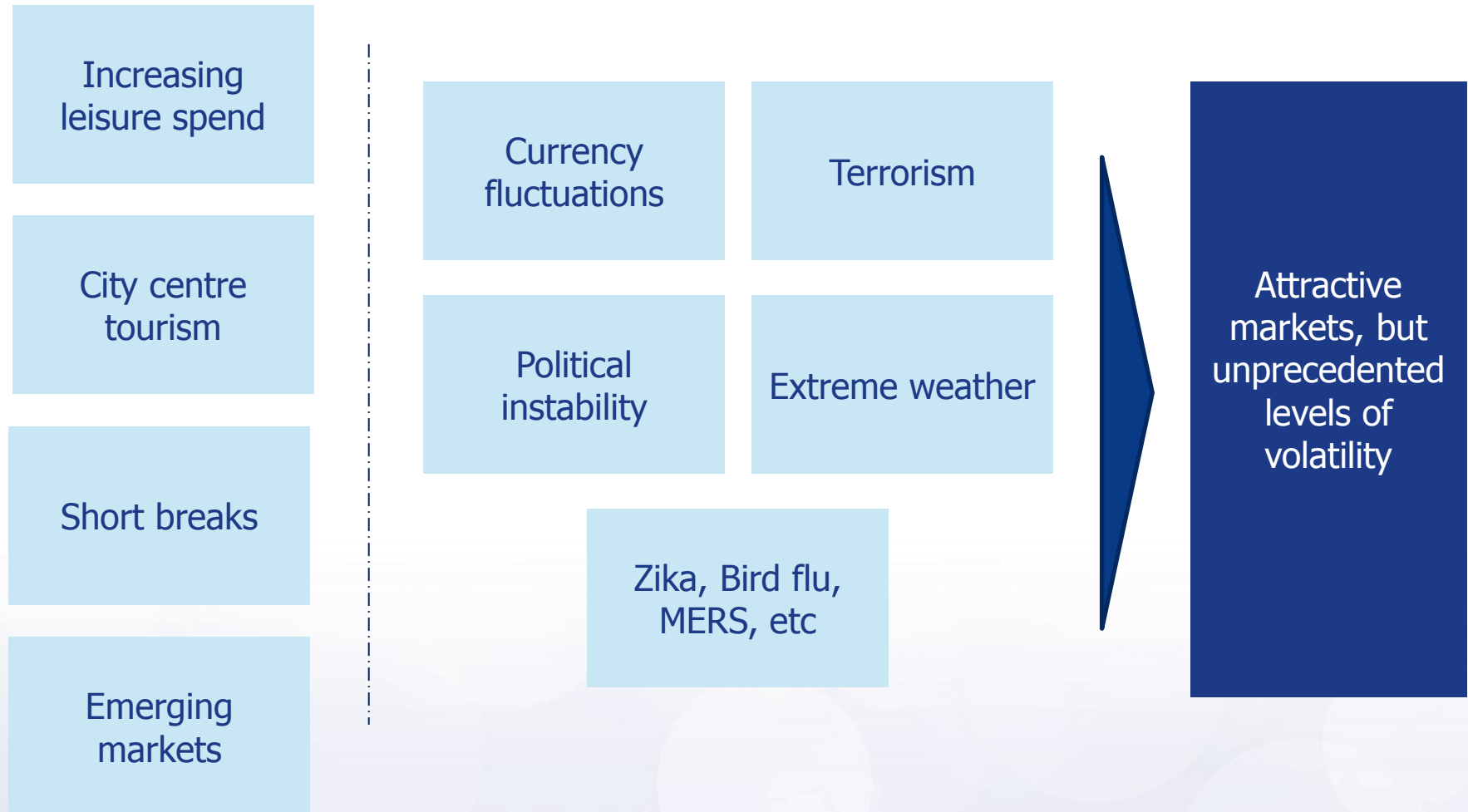
SUMMARY GROUP PERFORMANCE



- ✦ Total revenue growth of 10.6%
- ✦ Like for like growth despite challenges in certain key markets
- ✦ Ongoing positive contribution from NBD driving constant currency revenue growth of 3.7%
- ✦ Reported results supported by FX given non-Sterling earnings

CONTINUED GROWTH DESPITE DIFFICULT TRADING CONDITIONS IN CERTAIN KEY MARKETS

MARKET CONTEXT



MIDWAY ATTRACTIONS



- ✦ Total revenue growth (actual FX): +9.2%
- ✦ Total revenue growth (constant FX): +3.7%
- ✦ Like for like revenue growth: (0.4)%



DIFFICULT TRADING IN A NUMBER OF KEY MARKETS

MIDWAY ACTION AND OUTLOOK



- ★ Confidence in brands and markets
- ★ Continue to invest in product and new brands
- ★ Market disruption in certain markets due to multiple factors
- ★ Assuming continued volatility in key markets
 - ★ Planning assumption based upon like for like revenue growth of <3%
 - ★ Focus on cost, whilst investing in marketing in key strategic markets
 - ★ EBITDA margin expected to be in the 'mid-thirties' in 2016



LEGOLAND PARKS



- ✦ Total revenue growth (actual FX): +13.0%
- ✦ Total revenue growth (constant FX): +3.7%
- ✦ Like for like revenue growth: +2.2%

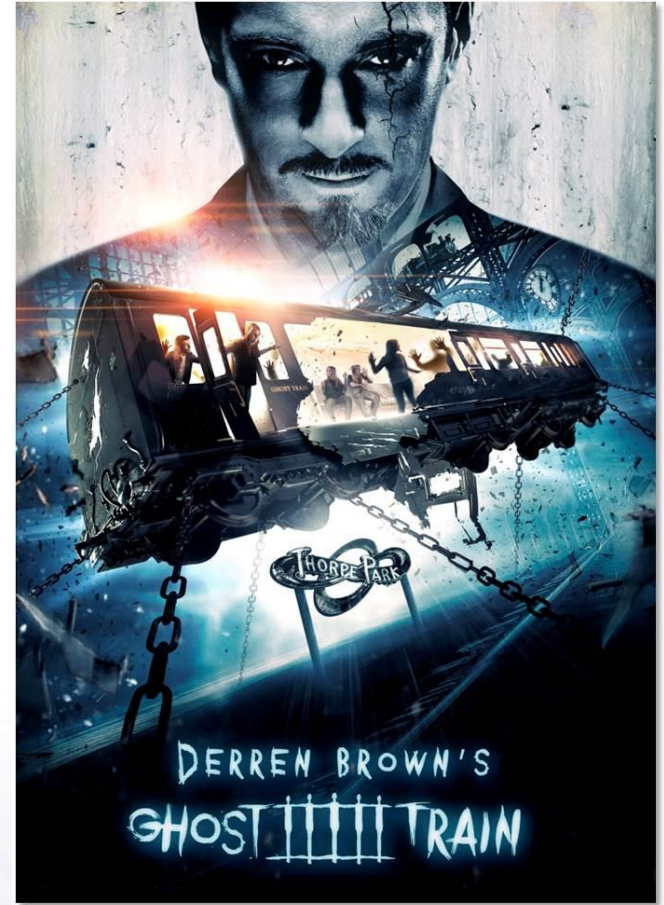


CONTINUED LIKE FOR LIKE GROWTH AND CONFIDENCE IN THE OUTLOOK

RESORT THEME PARKS



- ✦ Total revenue growth (actual FX): +10.2%
- ✦ Total revenue growth (constant FX): +4.5%
- ✦ Like for like revenue growth: +3.0%

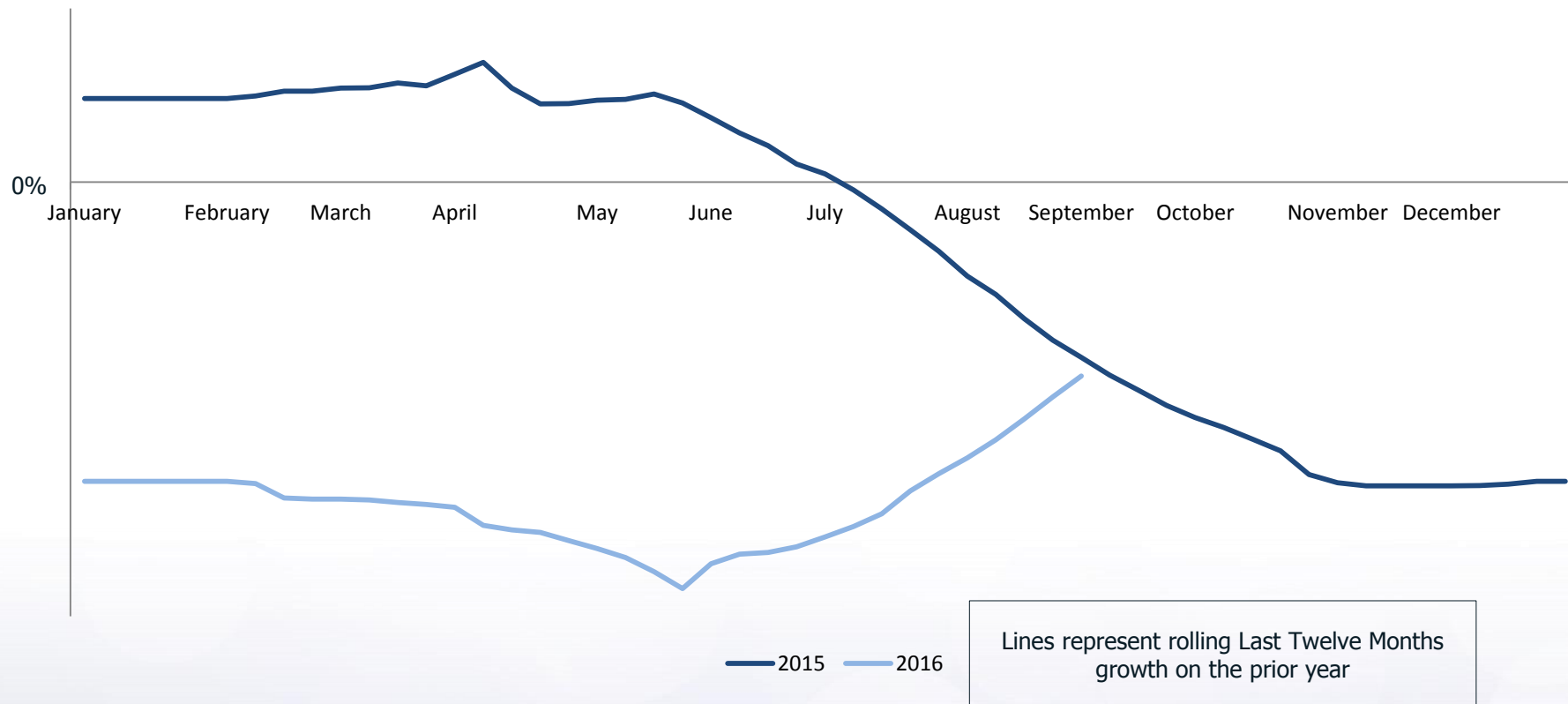


ONGOING INVESTMENT IN PRODUCT AND RESORT POSITIONING STRATEGY

ALTON TOWERS RECOVERY



Alton Towers Park Visitation (% y-o-y growth, LTM basis)



EMERGING RECOVERY AT ALTON TOWERS

2016 OUTLOOK



- ✦ A significant amount of trading remains, including the important Halloween period
- ✦ Continuation of recent trends expected to prevail for the balance of the year



2020 MILESTONES UPDATE

SIX STRATEGIC GROWTH DRIVERS



"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."

	Growth driver	2020 Milestone	Primary Return criteria
1	Existing estate growth via capex		Mid-single digit like for like EBITDA growth + >15% ROIC on accommodation
2	Strategic synergies		
3	Transformation of theme parks into short break destinations	+2,000 Rooms	
4	Midway roll out	+40 Midways	>20% ROIC
5	Developing new LEGOLAND parks	+4 new Resorts	
6	Strategic acquisitions		Synergised >20% ROIC

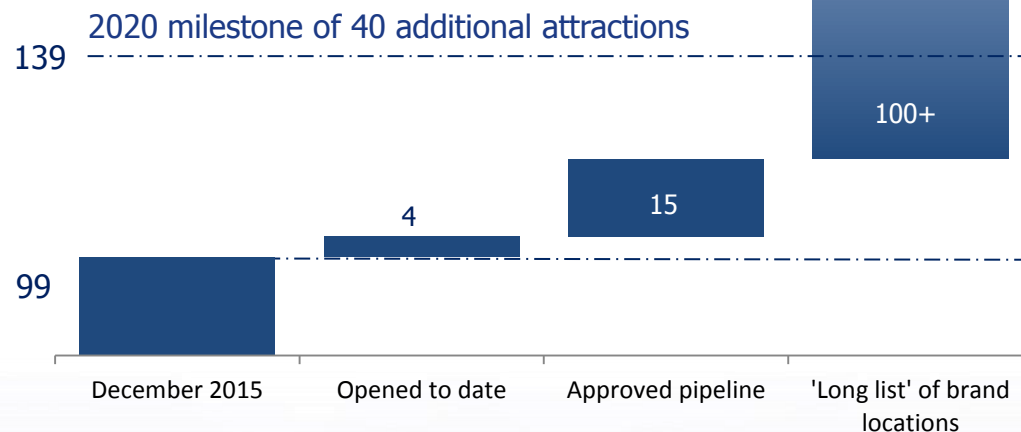
2020 MILESTONES UPDATE - ACCOMMODATION



- ✦ 100 room Gardaland hotel opened in May 2016
- ✦ Further 110 rooms opened across a variety of accommodation types, in LEGOLAND Deutschland, Chessington and Warwick Castle
- ✦ Over half of 2,000 'milestone' rooms opened or approved
- ✦ Acceleration of roll out in 2017
 - ✦ 76 room CBeebies Land hotel already announced
 - ✦ c300 room LEGOLAND Park expansion, across a number of parks and a range of accommodation types



2020 MILESTONES UPDATE - MIDWAY



GOOD PROGRESS TOWARDS ACHIEVING 2020 MILESTONE OF OPENING 40 ADDITIONAL ATTRACTIONS

MIDWAY ROLL OUT

Approved pipeline



The Americas x 4



Europe x 3



Middle East x 2



Merlin Entertainments
The Eye Brand

APAC x 6





Introducing our new Midway attraction, Little Big City

Little Big City is the new way to experience the history, culture and individuality of a city.

Created by Merlin Magic Making, and launching first in Berlin, we bring to life the most important events from medieval to modern Berlin using a captivating combination of special effects, storytelling and interactive miniature.

Opening Summer 2017 in the iconic TV tower, it will be our fifth Midway attraction in central Berlin.

Global roll out opportunities in the pipeline.





2020 MILESTONES UPDATE - LEGOLAND PARKS



LEGOLAND Dubai

- ✦ LEGOLAND Dubai to open on 31 October under a management contract

LEGOLAND Japan

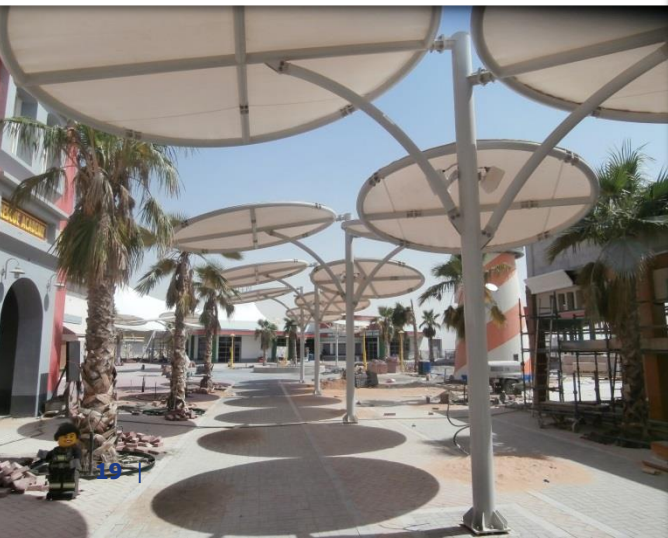
- ✦ On schedule to open in April 2017 under an Operated and Leased contract
- ✦ Expect some positive EBITDA contribution, despite pre-opening costs
- ✦ 250 room Hotel to open in 2018

Further projects

- ✦ Three additional 'live' projects in USA, Beijing and Shanghai



LEGOLAND DUBAI UPDATE



LEGOLAND JAPAN UPDATE



City East Complex
20th August 2016

SUMMARY AND OUTLOOK



Existing Estate

- ✦ Planning for continued volatility in key Midway markets, with increased investment in marketing
- ✦ Confidence in LEGOLAND brand outlook – strong product pipeline and brand momentum
- ✦ Continuing recovery in Resort Theme Parks driven by Alton Towers

New Business Development

- ✦ Accelerating accommodation roll out
- ✦ Confidence in Midway pipeline
- ✦ Two new LEGOLAND Parks to open over the next year with strong medium term pipeline

CONFIDENCE IN EXISTING ESTATE AND THE DELIVERY OF 2020 MILESTONES

Q&A



APPENDIX

ATTRACTION COUNT



	UK			Cont. Europe			Americas			Asia Pacific			Group		
	25 Jun 2016	Mov't	17 Sep 2016	25 Jun 2016	Mov't	17 Sep 2016	25 Jun 2016	Mov't	17 Sep 2016	25 Jun 2016	Mov't	17 Sep 2016	25 Jun 2016	Mov't	17 Sep 2016
SEA LIFE	13	-	13	18	-	18	8	-	8	8	-	8	47	-	47
Madame Tussauds	2	-	2	3	-	3	6	-	6	8	1	9	19	1	20
Dungeons	5	-	5	3	-	3	1	-	1	-	-	-	9	-	9
LDC	1	-	1	3	-	3	9	-	9	3	-	3	16	-	16
Eye	2	-	2	-	-	-	1	-	1	1	-	1	4	-	4
Shrek	1	-	1	-	-	-	-	-	-	-	-	-	1	-	1
Other	-	-	-	-	-	-	-	-	-	6	-	6	6	-	6
Midway	24	-	24	27	-	27	25	-	25	26	1	27	102	1	103
LLP	1	-	1	2	-	2	2	-	2	1	-	1	6	-	6
RTP	4	-	4	2	-	2	-	-	-	-	-	-	6	-	6
Group	29	-	29	31	-	31	27	-	27	27	1	28	114	1	115

2015 LIKE FOR LIKE REVENUE GROWTH - COMPARATIVES



	Week 36, 2015 (as reported)	Week 38, 2015
Midway Attractions	2.6%	2.7%
LEGOLAND Parks	6.7%	7.2%
Resort Theme Parks	(11.4)%	(11.4)%
Group	0.3%	0.5%

GLOSSARY

Key terms	Definition
ARR	Average Room Rate
Cluster	A group of attractions located in a city close to one another
Constant Currency growth	Using 2016 exchange rates
EBITDA	Underlying basis, excluding exceptional items
LDC	LEGOLAND Discovery Centre
Lead price	Face value of a ticket, which may then be discounted
LFL	2016 Like for like growth refers to the growth between 2015 and 2016 on a constant currency basis using 2016 exchange rates and includes all businesses owned and operated before the start of 2015
LLB	LEGOLAND Billund Resort
LLC	LEGOLAND California Resort
LLD	LEGOLAND Deutschland Resort
LLF	LEGOLAND Florida Resort
LLM	LEGOLAND Malaysia Resort
LLP	LEGOLAND Parks Operating Group
LLW	LEGOLAND Windsor Resort
MAP	Merlin Annual Pass
Midway	Midway Attractions Operating Group

GLOSSARY (CONT.)

Key terms	Definition
NBD	New Business Development
Resident Market	The total population living within a two-hour drive of the attractions
ROCE	Underlying Operating Profit after tax divided by average net operating assets
ROIC	Average EBITDA over the first five years divided by total development capex
RPC	Revenue per Cap, defined as Visitor Revenue divided by number of visitors
RTP	Resort Theme Parks Operating Group
Second Gate	A visitor attraction at an existing resort with a separate entrance and for which additional admission fees are charged
SLC	SEA LIFE Centre
Visitors	Represents all individual visits to Merlin owned or operated attractions

WORLD OF ATTRACTIONS

★ NORTH AMERICA ATTRACTIONS



● UK ATTRACTIONS



■ ASIA ATTRACTIONS



▲ EUROPE ATTRACTIONS



◆ AUSTRALIA/NEW ZEALAND ATTRACTIONS





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