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Welcome

Alistair Windybank
Investor Relations
Director

Fraser Montgomery
Finance Director
Operating Groups

Nick Mackenzie
Managing Director
Resort Theme Parks

Justin Platt
Marketing Director
Resort Theme Parks

Paul Moreton
Group Creative Director
Agenda

- **Introduction**
- **RTP Strategy**
  - Planned investment cycles
  - Strategic synergies
  - Transformation to short breaks
- **Strategy in Action**
  - Alton Towers Resort
  - Gardaland Resort
- ***Break***
- **Merlin Magic Making – Unique Accommodation**
- **Park walk / Tour of Azteca Hotel**
- **Summary**
- **Q&A**
Key messages for the day

- RTP strategy
  - Further develop the theme parks into short break resorts
  - Efficient use of capital to provide compelling new rides/features and drive capacity
  - Exploit Group synergies with MAP, group promotions and initiatives to improve the guest experience

- Examples of specific opportunities at Alton Towers and Gardaland – the two largest attractions

- Unique accommodation offering - The foundation of resort positioning
Resort Theme Parks in Context

- National brands with high brand and customer awareness
- Leading market positions
  - 4 of Europe’s largest top 20 theme parks
  - Leading theme parks in UK, Italy, and Northern Germany
  - 3 of the top 4 theme parks in the UK (4 including LLW)
  - Each theme park is pre-eminent in their market
- Positioned to appeal across various target demographics

Merlin 2013 Revenue

- RTP: 26%
- LLP: 30%
- Midway: 44%

Merlin 2013 EBITDA

- RTP: 19%
- LLP: 30%
- Midway: 51%

1 – AECOM, 2013
2 – LEGOLAND Windsor
3 – Excludes Central costs
Video summary of parks

AN ISLAND LIKE NO OTHER
Online tickets only £25.99 | THORPEPARK.COM
RTP Financial Performance

Visitors (m) and RPC (£)

- 2009: Visitors 22.5, RPC 11.5
- 2010: Visitors 21.7, RPC 11.8
- 2011: Visitors 22.9, RPC 11.8
- 2012: Visitors 22.6, RPC 10.5
- 2013: Visitors 23.1, RPC 11.2

Revenue (£m)

- 2009: Visitor revenue 312, Other revenue 52
- 2010: Visitor revenue 311, Other revenue 55
- 2011: Visitor revenue 330, Other revenue 58
- 2012: Visitor revenue 290, Other revenue 54
- 2013: Visitor revenue 314, Other revenue 56

EBITDA (£m) and margin (%)

- 2009: Underlying EBITDA 89, EBITDAR margin 36.1%
- 2010: Underlying EBITDA 89, EBITDAR margin 36.4%
- 2011: Underlying EBITDA 97, EBITDAR margin 37.0%
- 2012: Underlying EBITDA 73, EBITDAR margin 29.3%
- 2013: Underlying EBITDA 81, EBITDAR margin 25.9%

YTD performance

- Like for like revenue growth: 4.2%
- Total revenue growth, at constant FX: 5.2%
- Guest satisfaction: 90%+

1 – to week 36
2 – Touchscreen data
# UK Brands

## Customer Type

<table>
<thead>
<tr>
<th>Customer Type</th>
<th>Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>General (Families, Teens, Young Adults)</td>
<td><img src="image1" alt="Alton Towers Resort" /></td>
</tr>
<tr>
<td>Families with Young Children</td>
<td><img src="image3" alt="New Wave Castle" /></td>
</tr>
<tr>
<td>Older Families / Teens / Young Adults</td>
<td><img src="image4" alt="Thorpe Park" /></td>
</tr>
</tbody>
</table>

## Brands

### “Britain’s Ultimate Castle”
- New Wave Castle
- Midlands visitors (2-5 hour drive)
- Medieval camping

### “Britain’s Greatest Escape”
- No. 1 UK Park¹
- UK national visitors (2-5 hour drive)
- 2 hotels (391 rooms) and Waterpark

### “The Nation’s Thrill Capital”
- No. 3 UK Park¹
- South visitors (2-5 hour drive)
- Shark ‘Hotel’ 90 rooms

### “Britain’s Wildest Adventure”
- No. 4 UK Park¹
- South East visitors (2-5 hour drive)
- 2 hotels (219 rooms)

¹ Based on visitor numbers in 2013. Source: AECOM

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1 – AECOM, 2013
LEGOLAND Windsor No. 2 UK Park
European Brands

Italy
- Italy’s Number 1 Park¹
- Families, teens and young adults
- 73% Italian, 27% International visitors²
- 247 room hotel
- SEA LIFE Centre second gate

“Italy’s Most Legendary Adventure”

Germany
- Northern Germany’s Number 1 Park¹
- Families, teens and young adults
- 94% Domestic, 6% International³
- Northern Germany (Lower Saxony) visitors
- 166 room hotel and 81 holiday camp chalets

“Germany’s Most Thrilling Adventure”

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¹ Based on visitor numbers in 2012. Source: AECOM
² Touchscreen data
³ Post code data

All based on 2013 results
Resort Theme Parks - Strategy

Nick Mackenzie
Managing Director, Resort Theme Parks
Merlin Six Strategic Growth Drivers

1. Existing estate growth via capex
2. Strategic synergies
3. Transformation of theme parks into short break destinations
4. Midway roll out
5. Developing new LEGOLAND parks
6. Strategic acquisitions

Mid-single digit Like for Like EBITDA Growth + >15% ROIC on Accommodation

>20% ROIC

Synergised >20% ROIC
RTP Strategic Focus

“To create a portfolio of differentiated short break destinations that are centred around unique and compelling theme park propositions”

1. Existing estate growth via capex
2. Strategic synergies
3. Transformation of theme parks into short break destinations

50% of guests sourced from short breaks by 2020
### Theme Park News Through Planned Investment Cycles

<table>
<thead>
<tr>
<th>Capex Cycle</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 year cycle</td>
<td>New rides and shows on regular basis drive visits</td>
</tr>
<tr>
<td>Peak, low, low, low</td>
<td>Family attractions less capex intensive</td>
</tr>
</tbody>
</table>

*New rides and shows on regular basis drive visits*
*Family attractions less capex intensive*

<table>
<thead>
<tr>
<th><strong>2014 Heide Park Winged Coaster</strong></th>
<th><strong>2014 Prezzemolo Land Launch</strong></th>
<th><strong>2014 CWOA Capex Refresh</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>RTP 'Peak Year’ Capex</td>
<td>RTP 'Low Year’ Capex</td>
<td>RTP 'Low Year’ Capex</td>
</tr>
<tr>
<td>YOY revenue and EBITDA growth</td>
<td>Family appeal news</td>
<td>Refresh and re-ignite product</td>
</tr>
</tbody>
</table>
Impact of ‘The Smiler’

- 14-looping roller coaster launched in 2013
- Capacity of 900+ rides per hour
- Increased average number of thrill rides per head

<table>
<thead>
<tr>
<th>Thrill rides units per day¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
</tr>
<tr>
<td>66k</td>
</tr>
</tbody>
</table>

8% increase

Impact of CBeebies attraction

- BBC Intellectual Property attraction launched in 2014
- 2000+ throughput per day
- Increased average number of family rides per head

Increase in peak capacity

Short term

- Increased guest satisfaction and Value for Money

Medium/Long-term

- Increased propensity for multi-day visits
- Pricing power
- Long-term delivery of volume growth

1 – Theoretical capacity increase, based on a typical park day, open 8 hours
Exploit Strategic Synergies

Customer purchase journey

Queue Management

Merlin Annual Pass

Group Promotions

- Expanding online ticket sales
- Pre-book and yield management
- CRM opportunities

- On-site screens
- Reserve and Ride

- CRM and loyalty opportunities
- 14% of RTP visitors through MAP

- National promotions in UK and Germany
- Leverages major brand exposure
Opening 24th May 2014

Selected UK stores. Subject to availability. See in store for list of all selected brands. Coupon available until 15/04/14, Coupon valid until 01/06/15. Height restrictions apply.
The Short Breaks Opportunity

Justin Platt
Marketing Director, Resort Theme Parks
The Short Breaks market offers an opportunity to enhance guest satisfaction, grow profits and improve operational visibility

**Increased catchment area**
- Typically extended from 2-3 hours to 5 hours drive time, increasing market opportunity

**Visibility and resilience of revenues**
- Pre-bookings increased from 30% in 2009 to 38% in 2013
- Better budgeting / staff levels
- Less weather dependent

**Growth in multi-day visitation**
- 4%+ CAGR in multi-day visits since 2009

**New revenue streams**
- On-site evening entertainment and Food and Beverage
- Second gates (eg High ropes, Water parks)

**Improved guest satisfaction**
- Value for Money scores typically 5-8% better amongst those guests who have stayed in Merlin accommodation

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1 – Excludes MAP
2 – Touchscreen data
3 – Mintel
4 – Represents UK hotel revenue from leisure guests, and their in-park spend. Excludes non-leisure spend, and day visit revenue.
The Short Breaks Opportunity

Build on market perception by driving understanding of the immersive, exciting theme park short break experience

Establish the theme park short break occasion

Unique accommodation + Lots to do + Constant news + Made easy

- Unique accommodation
- Lots to do
- Constant news
- Made easy
Expand Brand Unique Accommodation

- Increase level of room stock with equivalent of 200+ new keys per year\(^1\)
- Accommodation that ‘amplifies’ theme park proposition to deliver immersive short break experience
- Accommodation expansion targeting defined consumer segments with range of accommodation types

1 – Across RTP and LEGOLAND Parks
RTP Accommodation Development timeline

1996

1996 – Alton Towers Hotel

2003

2003 – Gardaland Hotel

2004

2004 – Heide Park Holiday Village

2005

2005 – Heide Park Hotel

2007

2007 – Chessington Hotel

2007 – Merlin acquisition of Tussauds Group

2014

2014 – Thorpe Park Hotel

2014 – Warwick Castle Glamping

Existing Estate

- 7 hotels and other accommodation
- 1,314 rooms/keys

Near term opportunities

- 125-room Holiday Village
- Alton Towers
- 2nd hotel at Gardaland
- Warwick Castle Village

Potential development

- Gardaland Holiday Village
- Chessington Lodges
- Chessington Safari Camp
- Heide Park Lodges

1 – As at October 30 2014. Includes Heide Camp and Warwick Castle Glamping
Broadening the range of On-Resort Activities

Lots to do...

...Destination Restaurants...

...Headline Shows
2014 YTD Growth Drivers

1. Theme Park News Through Planned Investment Cycles

2. Transformation to Short Break Destinations

3. Strategic Synergies
Strategy in Action – Alton Towers
The UK’s Number 1 short break destination with thrills and family fun at its heart. Centred around Europe’s most unique and treasured theme park; supported with world class indoor attractions, resort activities and a range of fantastical accommodation. Alton Towers Resort will take you to fantastical places you can’t even imagine, 365 days a year.
Alton Towers Resort Strategic Focus

Customer type¹

- Thrill: 36%
- Family: 64%

Domestic / Inbound¹

- Domestic: 90%
- Inbound: 10%

Source of business¹

- Day trip: 29%
- Short break: 71%

Resort Revenue

“UK’s No. 1 Theme Park Resort where you can stay over”

“UK’s No. 1 Seasonal Short Break Destination”

“UK’s No. 1 Short Break Destination”

50% GUESTS SHORT BREAK

MILESTONES
- Theme Park Major Capex
- Accommodation expansion
- New Trade model

MILESTONES
- Lodge Accommodation Capex
- Range of on resort activities
- New Promotions model

30% GUESTS SHORT BREAK

MILESTONES
- Thrillseeker Park Capex
- Family park capex
- New Advertising model

Today

1 – Touchscreen data, based on 2013 results
Theme Park News Through Planned Investment Cycles

- Brand engagement across Resort
- CBeebies themed bedrooms
- Further brand expansion planned

**2014 – CBeebies Land**

- Launch to penetrate young family audience
- BBC Worldwide partnership
- Immersive land that supports Alton Towers Resort proposition
Short Break Strategic Opportunities

- Potential for increased number of short breaks
- Potential for share gains from off-site accommodation

On site accommodation occupancy typically 90%+ in peak season

Sources: Touchscreen data, based on 2013 data
## Accommodation Expansion

**Quantity of room stock to double in next 5 years against defined consumer segments**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Action Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penetrate Premium Family Market</td>
<td>✦ Premium Woodland Treehouse Development</td>
</tr>
<tr>
<td></td>
<td>✦ ‘Hero’ accommodation for Short Break Messaging</td>
</tr>
<tr>
<td>Steal share from Local entry level Hotels / B&amp;Bs</td>
<td>✦ ‘Entry’ level Lodge Development</td>
</tr>
<tr>
<td></td>
<td>✦ Flexibility to accommodate larger family sizes</td>
</tr>
<tr>
<td>Increase realised room rates from existing room stock</td>
<td>✦ Increase proportion of themed rooms stock</td>
</tr>
<tr>
<td></td>
<td>✦ Utilise Resort brands for cohesive short break offer</td>
</tr>
</tbody>
</table>
New for 2015 – Enchanted Village

- Experience a land full of forest spirits and little fable folk that live amongst the trees
- 120 Lodges and 5 Luxury Tree Houses
- Crooked Spoon Restaurant for dining & entertainment
- Quirky playground areas throughout the village
- Opening Easter 2015
**New for 2015 – Tree Top Walks**

**Additional On Resort Activity**

- Target Audience: Family & Thrill (2 levels)
- Fantastical Adventure High Ropes experience
- Launch Spring 2015
Strategy in Action – Gardaland Resort
Gardaland is Italy’s Number 1 short break destination for adventurers of all ages with family fun and thrills at its heart. Centred around Italy’s pre-eminent, most unique and treasured theme park; supported with world class indoor attractions, 2nd gates and a range of fantastic accommodation. Gardaland Resort will take Italian and International guests on epic adventures that are out of this world.
Gardaland Strategic Focus

Customer type¹

- 39% Thrill
- 61% Family

Domestic / Inbound¹

- 27% Domestic
- 73% Inbound

Source of business¹

- 33% Day trip
- 67% Short break

Resort Revenue

“Italy’s Number 1 Theme Park”

MILESTONES
- Thrillseeker Capex
- New Hotel
- International Focus

“Italy’s Number 1 short break destination”

MILESTONES
- New Accommodation Formats
- Family Capex
- International Focus

50% GUESTS SHORT BREAK

30% GUESTS SHORT BREAK

Today

1 - Touchscreen data, based on 2013 results
The Lake Garda Opportunity

**Total visitors to Lake Garda (m)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Visitors (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>4.0</td>
</tr>
<tr>
<td>2010</td>
<td>4.1</td>
</tr>
<tr>
<td>2011</td>
<td>4.3</td>
</tr>
<tr>
<td>2012</td>
<td>4.4</td>
</tr>
<tr>
<td>2013</td>
<td>4.5</td>
</tr>
</tbody>
</table>

**Lake Garda Source of visitors**

- Domestic: 29%
- International: 71%

**Lake Garda International visitor breakdown**

- Germany: 49%
- UK: 31%
- Austria: 6%
- Netherlands: 8%
- Others: 6%

Source: Tourism Offices of the Provinces of Verona, Brescia and Trento
<table>
<thead>
<tr>
<th>Source Market</th>
<th>Drive time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milan</td>
<td>1.5 hours</td>
</tr>
<tr>
<td>Venice</td>
<td>1.5 hours</td>
</tr>
<tr>
<td>Munich</td>
<td>4 hours</td>
</tr>
<tr>
<td>Zurich</td>
<td>5 hours</td>
</tr>
</tbody>
</table>

**Key:**
1 Existing Park
2 Existing Hotel
3 Car Park
4 SEA LIFE

Note: boundaries are approximate only
# The Gardaland Opportunity

<table>
<thead>
<tr>
<th>Number of resort rooms</th>
<th>Visitors (m)</th>
<th>% International visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>247</td>
<td>c3m</td>
<td>27%</td>
</tr>
<tr>
<td>949</td>
<td>c5m</td>
<td>51%</td>
</tr>
<tr>
<td>2000</td>
<td>c4m</td>
<td>35%</td>
</tr>
<tr>
<td>5800</td>
<td>c15m</td>
<td>49%</td>
</tr>
</tbody>
</table>

Source: latest available data from company websites, annual reports or presentations
Accommodation Expansion

- **TODAY**
  - 247-room hotel

- **2016 PLANS**
  - Planning consent for second, 100-room hotel

- **2017+ PLANS**
  - Significant expansion opportunity from owned land
  - Lodge accommodation
  - Holiday Village
  - JV and ‘infill’ acquisition opportunities
Paul Moreton – Group Creative Director

Merlin Magic Making
Merlin Entertainments Group

UNIQUE ACCOMMODATION PRODUCT
Themed Hotel Bedrooms
Warwick Castle
Medieval Glamping
Warwick Castle
Tower Suites
Heide Park Adventure Hotel
Heide Park Adventure Hotel
Merlin Entertainments Group

LLP RESORTS DEVELOPMENTS
LEGOLAND Resort Hotels
LEGOLAND Deutschland The King’s Castle
Holiday Villages
Chessington World of Adventures Hotel

CREATIVE REGENERATION
From ‘Holiday Inn’ to ‘Safari’
Summary

**RTP strategy**
- Further develop the theme parks into short break resorts
- Efficient use of capital to provide compelling new rides/features and drive capacity
- Exploit Group synergies with MAP, group promotions and initiatives to improve the guest experience

**Examples of specific opportunities at Alton Towers and Gardaland – the two largest attractions**

**Unique accommodation offering - The foundation of resort positioning**
Operating Group Structure

Nick Mackenzie
Managing Director
Resort Theme Parks
12 years

Ian Crabbe
Divisional Director
Alton Towers Resort
19 years

Tim Harrison-Jones
Divisional Director
Chessington World of Adventures Resort
9 years

Mike Vallis
Divisional Director
Thorpe Park
22 years

Geoff Spooner
General Manager
Warwick Castle
3 years

Aldo Vigevani
Divisional Director
Gardaland Resort
15 years

Sabrina de Carvalho
Director
Heide Park Resort
11 years

Justin Platt
Marketing Director
Resort Theme Parks
3 years
Developing the Alton Towers Resort

1994
Nemesis

1996
Alton Towers Hotel

1998
Oblivion

2003
Splash Landings Hotel and WaterPark

2008
Mutiny Bay

2010
Th13teen

2013
The Smiler

2014
CBeebies Land

2015
Enchanted Village

1996
2003
2010
2014
2015
<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>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>‘Like for like’. 2014 like for like growth is based on the constant currency growth of those sites owned and operated at the beginning of 2013, using 2014 exchange rates</td>
</tr>
<tr>
<td>LLB</td>
<td>LEGOLAND Billund Resort</td>
</tr>
<tr>
<td>LLC</td>
<td>LEGOLAND California Resort</td>
</tr>
<tr>
<td>LLD</td>
<td>LEGOLAND Deutschland Resort</td>
</tr>
<tr>
<td>LLF</td>
<td>LEGOLAND Florida Resort</td>
</tr>
<tr>
<td>LLM</td>
<td>LEGOLAND Malaysia Resort</td>
</tr>
<tr>
<td>LLP</td>
<td>LEGOLAND Parks Operating Group</td>
</tr>
<tr>
<td>LLW</td>
<td>LEGOLAND Windsor Resort</td>
</tr>
<tr>
<td>Midway</td>
<td>Midway Attractions Operating Group</td>
</tr>
<tr>
<td>NBD</td>
<td>New Business Development</td>
</tr>
<tr>
<td>ROIC</td>
<td>Average EBITDA over the first five years divided by total development capex</td>
</tr>
<tr>
<td>Key terms</td>
<td>Definition</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Resident Market</td>
<td>The total population living within a two-hour drive of the attractions</td>
</tr>
<tr>
<td>RPC</td>
<td>Revenue per Cap, defined as Visitor Revenue dividend 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>
</tbody>
</table>