



## **Response to ValueAct Capital Announcement**

**23 May 2019:** The Board of Merlin (the “Board”) notes the announcement made by ValueAct Capital. Merlin maintains an active dialogue with all its shareholders, including ValueAct Capital. Merlin has had recent discussions with ValueAct Capital, including their perspectives on the options for the Company, and intends to continue the constructive dialogue that it has had to date.

The Board regularly considers all options for driving shareholder value and has concluded that it remains in the best interests of all its shareholders to continue to pursue its current strategy to create a high growth, high return, family entertainment company based upon strong brands and a global portfolio that is naturally balanced against the impact of external factors.

As announced on 3 May 2019 in the trading update at the time of Merlin’s Annual General Meeting, trading during this seasonally quiet period of the year has been in line with management expectations and consistent with the guidance provided on 28 February 2019. Merlin has also made good strategic progress in the financial year with seven Midway attractions opened and 244 additional accommodation rooms opened. In addition, Merlin has completed the sale of its ski resort businesses. The Board remains fully confident in the ongoing execution of Merlin’s strategy and that its successful delivery will create significant value for shareholders.

**Ends**

**For enquiries contact:**

Investors

Debbie Fisher +44 (0)20 3915 8305

Media

James Crampton +44 (0)1202 493 014

Brunswick

Fiona Micallef-Eynaud / Imran Jina +44 (0)20 7404 5959

[merlin@brunswickgroup.com](mailto:merlin@brunswickgroup.com)

## About Merlin Entertainments plc

Merlin Entertainments plc is a global leader in location based, family entertainment. As Europe's Number 1 and the world's second-largest visitor attraction operator, Merlin now operates over 130 attractions, 19 hotels and 6 holiday villages in 25 countries and across 4 continents. Merlin's purpose is to deliver memorable experiences to 67 million guests around the world, through its iconic global and local brands, and the commitment and passion of its c.28,000 employees (peak season). It is headquartered in Poole, Dorset, UK and is listed on the London Stock Exchange (MERL.L). In 2018, Merlin had revenues of £1.7 billion and underlying EBITDA of £494 million. Reflecting its longstanding strategy of diversification and global expansion, Merlin generates over 70% of profits from outside of the UK.

Merlin's strategy since its inception in 1999 has been to create a high growth, high return, family entertainment company based upon strong brands and a global portfolio that is naturally balanced against the impact of external factors. It operates two distinct products - Midway attractions and theme parks.

'Midway' attractions are high quality, branded, indoor attractions, with a typical 1-2 hour dwell time, located in city centres, shopping malls or resorts. There are over 100 Midway attractions across 22 countries, with chainable brands including SEA LIFE, Madame Tussauds, The Eye (observation attractions), The Dungeons and LEGOLAND Discovery Centres. Midway also incorporates the Little BIG City brand which has attractions in Berlin and Beijing, and two new brand concepts: The Bear Grylls Adventure which opened its first attraction last year in Birmingham, UK, and Peppa Pig World of Play, a pre-school play experience with initial roll out in China and the US.

Merlin's theme parks are larger multi-day outdoor resort destinations, incorporating on-site themed accommodation. These are organised into two specific Operating Groups, based on the brands.

- LEGOLAND Parks - Eight LEGO themed interactive theme parks appealing to younger families with children aged 2-12. The LEGOLAND Parks estate spans seven countries across three continents, with plans already announced for further parks in New York, US and South Korea and discussions ongoing regarding parks in China.
- Resort Theme Parks - Six nationally recognised destination theme parks arranged around a central theme. Resort Theme Parks include Alton Towers, THORPE PARK, Chessington World of Adventures, Warwick Castle in the UK, and Gardaland (Italy) and Heide Park (Northern Germany).

The trend towards shorter, more frequent breaks has supported the growth of Merlin's themed on-site accommodation within its theme parks. Merlin has over 4,300 rooms across a variety of accommodation formats and price points, including four star hotels, lodges and glamping.

Merlin delivers safe, memorable experiences every day for its guests through its own brands or through exclusive IP partnerships. It is supported by its unique internal department - Merlin Magic Making - providing development, creative, production and project management expertise. Merlin also operates a function dedicated to opening new attractions which incorporates site finding, construction, resourcing and initial operation.

Merlin is committed to being a force for good, aiming to make a difference to the communities linked to its business. Merlin's Magic Wand ([www.merlinsmagicwand.org](http://www.merlinsmagicwand.org)) is a charity which supports children facing challenges of serious illness, disability or adversity to experience the magic of Merlin's attractions, and SEA LIFE Trust ([www.sealifetrust.org](http://www.sealifetrust.org)), promotes and contributes to marine conservation around the world.

See Merlin Backstage ([www.merlinentertainments.biz/backstage](http://www.merlinentertainments.biz/backstage) or [www.facebook.com/merlinbackstage](https://www.facebook.com/merlinbackstage)) for an insight into how Merlin delivers memorable experiences to its many millions of visitors to its attractions.

Visit [www.merlinentertainments.biz](http://www.merlinentertainments.biz) for more information.