



**Parques Reunidos  
Servicios Centrales,  
S.A.U.**

**Condensed Consolidated Interim  
Financial Statements**

31 December 2015

(With Independent Auditors' Limited  
Review Report thereon)



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

Limited Review Report on the Condensed Consolidated Interim Financial Statements

To the Sole Shareholder of  
Parques Reunidos Servicios Centrales, S.A.U. as requested by The Board of Directors

*Introduction*

We have carried out a limited review of the condensed consolidated interim financial statements of Parques Reunidos Servicios Centrales, S.A.U. (the "Company") and subsidiaries, which comprise the statement of financial position at 31 December 2015, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows (all consolidated and condensed) and the explanatory notes for the three-month period then ended. The Directors of the Company are responsible for the preparation of these condensed consolidated interim financial statements in accordance with International Accounting Standard (IAS) 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 review in accordance with 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 information 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 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 three-month period ended 31 December 2015 have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

*Emphasis of Matter Paragraph*

The Company's Directors have prepared these condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union. Consequently, as specified in the accompanying note 2, these financial statements present condensed interim information and do not include all the disclosures required in complete financial statements. The accompanying condensed consolidated interim financial statements should therefore be read in conjunction with the consolidated annual accounts for the year ended 30 September 2015.

KPMG Auditores, S.L.

Manuel Martín Barbón

13 April 2016



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2015  
(Thousands of Euros)**

ASSETS	Note	Unaudited 31.12.2015	Restated 30.09.2015
Property, plant and equipment	4	839.435	832.730
Goodwill	5	688.851	680.721
Intangible assets	4	412.920	418.235
Non-current financial assets	7	44.563	39.108
Deferred tax assets	12	40.998	37.235
<b>Total non-current assets</b>		<b>2.026.767</b>	<b>2.008.029</b>
Inventories		21.459	22.625
Trade and other receivables	7	25.635	34.495
Current tax assets		5.238	436
Other current financial assets	7	782	28.734
Other current assets		7.552	7.590
Cash and cash equivalents		112.210	151.064
<b>Total current assets</b>		<b>172.876</b>	<b>244.944</b>
<b>Total assets</b>		<b>2.199.643</b>	<b>2.252.973</b>
EQUITY AND LIABILITIES	Note	31.12.2015	30.09.2015
Share capital		23.436	23.436
Share premium		819.463	819.463
Other reserves and other shareholder contributions		(259.104)	(283.707)
Other comprehensive income		33.573	29.887
Profit/(loss) for the period attributable to the shareholder of the Parent		(35.479)	20.103
<b>Equity attributable to the shareholder of the Parent</b>		<b>581.889</b>	<b>609.182</b>
Non-controlling interests		893	850
<b>Total equity</b>	8	<b>582.782</b>	<b>610.032</b>
Financial liabilities from the notes	9	389.823	377.647
Loans and borrowings	10	774.482	774.341
Finance lease	6 (a)	52.601	52.601
Deferred tax liabilities	10	237.819	242.197
Provisions	11	11.095	11.694
Other non-current liabilities		44.113	44.063
<b>Total non-current liabilities</b>		<b>1.509.933</b>	<b>1.502.543</b>
Financial liabilities from the notes	9	6.413	14.713
Loans and borrowings	10	18.520	738
Finance lease	6 (a)	4.869	4.869
Trade and other payables		67.991	107.794
Current tax liabilities		-	4.326
Other current liabilities		9.135	7.958
<b>Total current liabilities</b>		<b>106.928</b>	<b>140.398</b>
<b>Total equity and liabilities</b>		<b>2.199.643</b>	<b>2.252.973</b>

The accompanying notes form an integral part of the condensed consolidated interim financial statements for the three-month period ended 31 December 2015.

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

**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE  
THREE-MONTH PERIOD ENDED 31 DECEMBER 2015**

(Thousands of Euros)

PROFIT AND LOSS	Note	Unaudited 31.12.2015	Unaudited 31.12.2014
Revenue	14 a)	60.732	62.411
Other operating income	14 b)	5.000	-
Supplies		(6.499)	(7.705)
Personnel expenses	14 c)	(31.770)	(30.130)
Amortisation and depreciation	4	(15.714)	(15.262)
Net losses on impairment and disposals of non-current assets		-	(9)
Changes in trade provisions		(22)	(20)
Other operating expenses	14 d)	(30.662)	(29.645)
Other results		(6.746)	(803)
<b>Operating loss</b>		<b>(25.681)</b>	<b>(21.163)</b>
Finance income		92	163
Finance costs	14 e)	(22.790)	(20.996)
Exchange gains		265	279
<b>Loss before income tax</b>		<b>(48.114)</b>	<b>(41.717)</b>
Income tax	12	12.678	7.459
<b>Loss for the period</b>		<b>(35.436)</b>	<b>(34.258)</b>
Loss for the period attributable to:			
The shareholder of the Parent		(35.479)	(34.341)
Non-controlling interests		43	83
		<b>(35.436)</b>	<b>(34.258)</b>
<i>Basic earnings per share (expressed in Euros)</i>		<i>(1,51)</i>	<i>(1,47)</i>
<i>Diluted earnings per share (expressed in Euros)</i>		<i>(1,51)</i>	<i>(1,47)</i>

The accompanying notes form an integral part of the condensed consolidated interim financial statements for the three-month period ended 31 December 2015.

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTHS PERIOD ENDED 31 DECEMBER 2015**

(Thousands of Euros)

	Unaudited 31.12.2015	Unaudited 31.12.2014
<b>Loss for the period</b>	<b>(35.436)</b>	<b>(34.258)</b>
<b>1. Other comprehensive expenses or income recognized directly in equity:</b>		
<b>a) Items that will not be reclassified to profit or loss</b>	-	-
<b>b) Items that are or may be reclassified subsequently to profit or loss</b>		
Translation differences of financial statements of foreign operations	3.686	(725)
<b>Other comprehensive income for the period, net of tax</b>	<b>3.686</b>	<b>(725)</b>
<b>2. Transfer to results</b>	-	-
<b>Total comprehensive income for the period</b>	<b>(31.750)</b>	<b>(34.983)</b>
Total comprehensive income attributable to:		
The shareholder of the Parent	(31.793)	(35.066)
Non-controlling interests	43	83
	<b>(31.750)</b>	<b>(34.983)</b>

The accompanying notes form an integral part of the condensed consolidated interim financial statements for the three-month period ended 31 December 2015.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE-MONTH PERIOD ENDED 31 DECEMBER 2015**

(Thousands of Euros)

	Share capital	Share premium	Other shareholder contributions	Other reserves			Other comprehensive income	Retained earnings attributable to the shareholder of the Parent	Total	Non-controlling interests	Total equity
				of the Parent		Reserves in fully consolidated companies	Translation differences				
				Reserves (legal and voluntary)	Prior years' losses						
<b>Balances at 30 September 2014 (restated)</b>	<b>23.436</b>	<b>819.463</b>	<b>337</b>	<b>226</b>	<b>(66.348)</b>	<b>(226.695)</b>	<b>16.474</b>	<b>4.004</b>	<b>575.899</b>	<b>1.266</b>	<b>577.165</b>
Consolidated comprehensive income at 31 December 2014							(725)	(34.341)	(35.066)	83	(34.983)
Transactions with shareholders or owners											
Distribution of 2014 profits				7.704	46.426	(50.126)		(4.004)			
Other movements						(1.233)			(1.233)		(1.233)
<b>Balances at 31 December 2014</b>	<b>23.436</b>	<b>819.463</b>	<b>337</b>	<b>7.930</b>	<b>(11.920)</b>	<b>(280.054)</b>	<b>14.749</b>	<b>(34.341)</b>	<b>539.601</b>	<b>1.339</b>	<b>540.940</b>
<b>Balances at 30 September 2015</b>	<b>23.436</b>	<b>819.463</b>	<b>337</b>	<b>7.930</b>	<b>(14.762)</b>	<b>(277.212)</b>	<b>29.887</b>	<b>20.103</b>	<b>609.182</b>	<b>850</b>	<b>610.032</b>
Consolidated comprehensive income at 31 December 2015							3.686	(35.479)	(31.793)	43	(31.750)
Transactions with shareholders or owners											
Distribution of 2015 profits						20.103		(20.103)			
Other movements			4.500						4.500		4.500
<b>Balances at 31 December 2015</b>	<b>23.436</b>	<b>819.463</b>	<b>4.837</b>	<b>7.930</b>	<b>(14.762)</b>	<b>(257.109)</b>	<b>33.573</b>	<b>(35.479)</b>	<b>581.889</b>	<b>893</b>	<b>582.782</b>

The accompanying notes form an integral part of the condensed consolidated interim financial statements for the three-month period ended 31 December 2015.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE-MONTH PERIOD ENDED 31 DECEMBER 2015**

(Thousands of Euros)

	Unaudited 2015	Unaudited 2014
<b>Cash flows from operating activities</b>		
<b>Profit for the year</b>	(35.436)	(34.258)
<b>Adjustments for:</b>		
Depreciation and amortisation	15.714	15.262
Impairment losses on non-current assets	-	9
Changes in trade provisions	22	20
Changes in other provisions	3.901	(13)
Finance income	(92)	(163)
Finance costs	22.525	20.717
Income tax	(12.678)	(7.459)
<b>Adjusted profit for the year</b>	(6.044)	(5.885)
<b>Changes in working capital</b>		
Inventories	1.166	1.104
Trade and other receivables	7.861	7.285
Other current assets	38	205
Trade and other payables	(42.198)	(42.188)
Other current liabilities	1.177	245
<b>Cash flows from operating activities</b>	(38.000)	(39.234)
Income tax payments	(5.058)	(4.122)
<b>Net cash flows from operating activities</b>	<b>(43.058)</b>	<b>(43.356)</b>
<b>Cash flows from investing activities</b>		
Interest received	92	163
Proceeds from financial assets	27.996	-
Acquisition of financial assets	-	(25.314)
Acquisition of property, plant and equipment and intangible assets	(13.866)	(18.706)
<b>Net cash flows used in investing activities</b>	<b>14.222</b>	<b>(43.857)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	16.581	12.106
Interest paid	(28.324)	(28.235)
<b>Net cash flows used in financing activities</b>	<b>(11.743)</b>	<b>(16.129)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(40.579)</b>	<b>(103.342)</b>
<b>Cash and cash equivalents at 1 October</b>	<b>151.064</b>	<b>157.422</b>
<b>Effect of movements in exchange rates on cash held</b>	1.725	639
<b>Cash and cash equivalents at 31 December</b>	<b>112.210</b>	<b>54.719</b>

The accompanying notes form an integral part of the condensed consolidated interim financial statements for the three-month period ended 31 December 2015.

**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries****Notes to Condensed Consolidated Interim Financial Statements  
for the three-month period ended 31 December 2015****(1) General Information**

Parques Reunidos Servicios Centrales, S.A.U. (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, it changed its name to Centaur Spain Two, S.L.U. On 27 January 2010 and 4 May 2010, the respective resolutions were executed in a public deed to adopt its current name, Parques Reunidos Servicios Centrales, S.A.U. and to convert it into a public limited liability company (Spanish 'S.A.'). Pursuant to article 13.1 of the Revised Spanish Companies Act, the Company has been registered at the Mercantile Registry as a solely-owned company.

On 23 March 2007, the sole shareholder resolved to amend the Parent's by-laws, establishing 30 September as the end of its annual reporting period. In March 2007 the Company acquired the leisure group Parques Reunidos. The Parent's registered office is at Parque de Atracciones, Casa de Campo de Madrid, s/n (Madrid - Spain).

Parques Reunidos Servicios Centrales, S.A.U. is the Parent Company of a group of subsidiaries (hereinafter the Group), the principal activity of which comprises the operation of theme parks, animal parks, water parks and leisure facilities in general. Details of the consolidated Group companies and information thereon are shown in Appendix I of the consolidated annual accounts as of 30 September 2015.

**(2) Basis of Presentation**

These condensed consolidated interim financial statements as at and for the three-month period ended 31 December 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information required for full annual accounts prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), and should be read in conjunction with the consolidated annual accounts of the Group for the year ended 30 September 2015. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last consolidated annual accounts as at and for the year ended 30 September 2015.

The condensed consolidated interim financial statements of Parques Reunidos as at and for the three-month period ended 31 December 2015 have been prepared based on the accounting records maintained by Parques Reunidos and subsidiaries and give a true and fair view of the consolidated equity and consolidated financial position of Parques Reunidos Servicios Centrales, S.A.U. and subsidiaries at 31 December 2015 and the result of operations and cash flows of the Group for the three-month period then ended.

The Board of Directors of Parques Reunidos Servicios Centrales, S.A.U. authorised these condensed consolidated interim financial statements for issue at their meeting held on 7 April 2016.

**a) Accounting principles and basis for consolidation applied**

The accounting principles and basis of consolidation applied in the preparation of these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual accounts as at and for the year ended 30 September 2015.

The Group companies have their local currency as their functional currency, which is the Euro, except for the subsidiaries located in the US, the UK, Norway, Denmark and Argentina. The interim financial statements of the Group companies that are stated in a currency other than the presentation currency are translated to Euros as indicated in the consolidated annual accounts as at and for the year ended 30 September 2015.

(Continue)



**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries****Notes to Condensed Consolidated Interim Financial Statements  
for the three-month period ended 31 December 2015**

The reporting date of the Group companies' financial statements used to prepare these condensed consolidated interim financial statements is 31 December 2015, except for the subsidiaries belonging to the Centaur Holding II United States Inc. subgroup which reporting date is 20 December 2015. However, as permitted by IFRS-EU, the financial statements of the US subgroup have not been adjusted as the impact in these condensed consolidated interim financial statements is not significant.

**b) Comparative information**

The information included in these Condensed Consolidated Interim Financial Statements for the three-month period ended 31 December 2015 is presented with the comparative information of the prior period. However, the consolidated statement of financial position at 30 September 2015 included for comparison does not coincide with the information included in the 2015 Consolidated Statutory Annual Accounts approved by the sole shareholder on 17 March 2015. After the preparation of the 2015 Consolidated Statutory Annual Accounts, the Group reevaluated a lease contract which had been classified as an operating lease, and concluded that the lease should have been classified as a financial lease during 2015. Therefore, the Group has restated the amounts on the statement of financial position regarding this change (see note 6).

The accounts affected and the effect of the restatement in the condensed consolidated statement of financial position as of 30 September 2015 is an increase in each of the line items of property, plant and equipment and financial lease in an amount of Euros 57,470 thousand (see details in notes 6 a) and 10), as compared to the figures included in the 2015 Consolidated Statutory Annual Accounts.

Additionally, in the Consolidated Statutory Annual Accounts of 2015, the Group adjusted the useful lives of assets classified as administrative concessions of certain parks and the amount of deferred tax liabilities associated with these assets. However, these adjustments were not applied to the opening figures of 2015 and, as a consequence, the Group has restated the comparative figures as of 30 September 2014 included in the statements of changes in equity in these condensed consolidated interim financial statements. This restatement does not have any effect in the 30 September 2015 figures.

**c) Relevant accounting estimates, assumptions and judgements used when applying accounting principles**

Relevant accounting estimates and judgements and other estimates and assumptions applied in the preparation of these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual accounts as at and for the year ended 30 September 2015.

At 30 September 2015, the Group performed tests of impairment for all CGU's. As a result of this, no impairments were identified as at 30 September 2015. During the three-month period ended 31 December 2015, the Group did not identify any triggering event that would make it necessary to perform the impairment test of the respective CGU's for this interim period. The Group reports a net loss for the period ended 31 December 2015 due to the seasonality of their business (see note 2.e).

Although estimates are calculated by the Company's directors based on the best information available at 31 December 2015, future events may require changes to these estimates in subsequent periods. Pursuant to IAS 8, any effect on the consolidated financial statements of adjustments to be made in subsequent years would be recognised prospectively.

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**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries****Notes to Condensed Consolidated Interim Financial Statements  
for the three-month period ended 31 December 2015****d) Standards and interpretations effective**

The following standards, issued by the International Accounting Standards Board (IASB) and adopted by the European Union, are effective for the annual reporting period of the Company beginning on 1 October 2015 and, accordingly, have been taken into account for the preparation of these condensed consolidated interim financial statements:

- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19). The amendments introduce a relief that reduces the complexity and burden of accounting for certain contributions from employees or third parties that were required in IAS 19.
- Annual Improvements to IFRSs 2010–2012 Cycle. Amendments made consist of the following clarifications: meaning of “vesting condition” (IFRS 2), clarification and measurement of contingent consideration (IFRS 3), disclosures on the aggregation of operating segments (IFRS 8), measurement of short-term receivables and payables (IFRS 13), restatement of accumulated depreciation (amortization) on revaluation (IAS 16) and definition of “related party” (IAS 24).
- Annual Improvements to IFRSs 2011–2013 Cycle. Amendments made consist of the following clarifications: an IFRS version that a first-time adopter can apply (IFRS 1), scope exclusion for the formation of joint arrangements (IFRS 3), Scope of portfolio exemption (IFRS 13) and inter-relationship of IFRS 3 and IAS 40 (IAS 40).

The application of these standards does not have a significant impact on these condensed consolidated interim financial statements.

At the date of presentation of these condensed consolidated interim financial statements, the following IFRS standards have been issued by the IASB and adopted by the European Union but effective for the annual reporting period of the Company beginning on 1 October 2016 and therefore their application is not yet mandatory:

- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). Effective for annual periods beginning on or after 1 January 2016. The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business.
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38). Effective for annual periods beginning on or after 1 January 2016. The amendments to IAS 38 introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets are not appropriate. The amendments to IAS 16 explicitly state that the revenue-based amortization methods of depreciation cannot be used for property, plant and equipment.
- Annual Improvements to IFRSs 2012–2014 Cycle – various standards (IFRS 5, IFRS 7, IAS 19 and IAS 34). Effective for annual periods beginning on or after 1 January 2016.
- Disclosure Initiative (Amendments to IAS 1). Effective for periods beginning on or after 1 January 2016. The IASB has factored concerns from preparers and users into its ‘disclosure initiative’, which aims to improve presentation and disclosures in financial reporting.

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**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

**Notes to Condensed Consolidated Interim Financial Statements  
for the three-month period ended 31 December 2015**

At the date of presentation of these condensed consolidated interim financial statements, the following IFRS standards have been issued by the IASB but have not been adopted by the European Union and therefore their application is not yet mandatory:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28). Deferred indefinitely. The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- IFRS 15: Revenue from Contracts with Customers. Effective for periods beginning on or after 1 January 2018. Companies will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) a company transfers control of goods or services to a customer at the amount to which the company expects to be entitled. Depending on whether certain criteria are met, revenue is recognized; over time, in a manner that best reflects the company's performance; or at a point in time, when control of the goods or services is transferred to the customer.
- IFRS 9 - Financial Instruments. Effective for annual periods beginning on or after 1 January 2018. This standard, which is the first part of the standards that will replace IAS 39, improves and simplifies the information on financial assets by using a single criterion to determine whether a financial asset should be measured at amortised cost or fair value.
- IFRS 16 – Leases. Effective for annual periods beginning on or after 1 January 2019. This standard will require the recognition of all identified leases on a lessee's balance sheet with only limited exceptions.

The Group has not applied any of the amendments and standards issued prior to their effective date. In respect of the above standards, the Group expects that only IFRS 16 could have a significant impact and is currently analysing it, especially as to the future amounts of the obligations assumed. However, taking into consideration the complexity of the analysis; there are a large amount of contracts as well as the various countries where these contracts are operative, no estimation has been reached as of the date of these interim financial statements.

e) Changes in the composition of the Group

For the preparation of its condensed consolidated interim financial statements, the Company has consolidated its investments in all subsidiaries. During the three-month period ended 31 December 2015 no changes in the group companies have taken place. Appendix I of the consolidated annual accounts as at 30 September 2015 lists the subsidiaries in which Parques Reunidos Servicios Centrales, S.A.U. holds a direct or indirect stake.

f) Seasonality of transactions during this period

Given the nature of the activities conducted by the Group, there is significant seasonality in the Group's operations that affect the interpretation of these condensed consolidated interim financial statements for the three-month period ended 31 December 2015 in comparison with the financial statements for a full fiscal year. Seasonality is caused by the significant decrease in visitors to the parks of the Group during the winter season due to weather conditions, which makes sales and results of this period significantly lower than the rest of the year. Therefore, it is important that these condensed consolidated interim financial statements be read in conjunction with the consolidated annual accounts as at 30 September 2015.

(Continue)

**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

**Notes to Condensed Consolidated Interim Financial Statements  
for the three-month period ended 31 December 2015**

For the 12 months ended 31 December 2015, the consolidated revenue and consolidated operating profit (earnings before interests and taxes) of the Group amounts to Euros 608,734 thousand and Euros 107,772 thousand, respectively.

g) Relative importance

When determining the information to be disclosed in these Notes, in accordance with IAS 34, the relative importance in relation to these condensed consolidated interim financial statements has been taken into account.

**(3) Earnings per share**

Basic earnings per share are calculated by dividing the profit/(loss) for the period attributable to the sole shareholder of the Parent by the weighted average number of ordinary shares outstanding during the period, excluding own shares.

Details of the calculation of basic earnings/(loss) per share are as follows:

	<b>Three month period ended</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>
Loss for the period attributable to the sole shareholder of the Parent (in thousands of Euros)	(35,479)	(34,341)
Weighted average number of ordinary shares outstanding	23,435,538	23,435,538
Basic earnings/(loss) per share (in Euros)	<b>(1.51)</b>	<b>(1.47)</b>

The Group has not issued any financial instruments that give access to capital or convertible debt and therefore diluted earnings per share are the same as basic earnings per share.

**(4) Intangible Assets and Property, Plant, and Equipment**

During the three month period ended at 31 December 2015, the Group acquired assets for a total amount of Euros 11,760 thousand. The main acquisitions were related to new attractions in US parks for Euros 6,927 thousand.

The amortization expense of the three month period ended at 31 December 2015 has been Euros 5,755 thousand for intangible assets (Euros 4,467 thousand as of 31 December 2014) and Euros 9,959 thousand for tangible assets (Euros 10,795 thousands of 31 December 2014).

Also, at 31 December 2015, the Group has capital commitments to purchase property, plant and equipment for Euros 40,663 thousand.

During the three month period ended 31 December 2015, the Group has concluded the purchase price allocation in relation to Parque Biológico de Madrid, S.L. and there are no significant differences with the amounts allocated in the consolidated annual accounts for the year ended at 30 September 2015. The Group carried out their analysis of the fair values of the net assets acquired relying on a valuation of these net assets performed by an independent expert. In this analysis, no additional liabilities were identified which could reduce the net value of the assets acquired.

(Continue)

**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

**Notes to Condensed Consolidated Interim Financial Statements  
for the three-month period ended 31 December 2015**

**(5) Goodwill**

Movement during the three-month period ended at 31 December 2015 and the year ended 30 September 2015 is as follows:

	<u>Thousand of Euros</u>
Balance at 1 October 2014	649,707
Business combinations	250
Translation differences	<u>30,764</u>
Balance at 30 September 2015	<b>680,721</b>
Translation differences	<u>8,130</u>
Balance at 31 December 2015	<b><u>688,851</u></b>

Translation differences comprise the effect of fluctuations in the exchange rates used to convert the goodwill in countries with functional currencies other than the Euro, essentially the United States.

As indicated in Note 14.b), on 3 October 2015, Marineland Park (France) was hit by a strong storm that brought floods to the area. Insurance will cover most damages and loss of profit under the terms and conditions of the insurance policy. In this respect, the Directors consider that this event does not impact the recoverability of the goodwill assigned to this park, which amounts to €140,000 thousand, as the insurance is expected to cover the revenue included in the business plan used in the impairment testing carried out on this park.

**(6) Concession Arrangements and Leases**

a) Finance lease

On 28 February 2007 the Group and Parque Temático de Madrid, S.A. (hereinafter "the owners") entered into an agreement for the lease of a number of assets at the Warner park in Madrid. Based on the terms of the agreement and the assessment carried out by the Group at inception of the lease, it was classified as an operating lease. On 23 February 2015 the parties agreed to amend this agreement, including a crossed sale and purchase option at the same price for the lessee and the lessor, respectively, on the leased assets, which can only be exercised upon expiration of the lease agreement (scheduled for 31 December 2026 or the date in January 2027 on which the Warner park closes to the public at the end of the season). The new agreement also includes the possibility that none of the options would be exercised, in which case, this would be automatically extended by a further two successive five-year periods, i.e., until 31 December 2036 or the date in January 2037 on which the Warner park closes to the public at the end of the season, after which, the agreement would be extinguished. As a result of the changes made to the agreement in 2015, Group management has performed an in-depth analysis in respect of the classification of the lease. Based on this assessment, the classification of this lease has been modified to finance lease as of 30 September 2015. In application of IAS 8, comparative amounts in the statement of financial position have been restated for consistency (see note 2 b)).

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**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

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At 31 December 2015, the detail of the nature of the assets contracted under financial lease contracts is as follows:

	Thousands of Euros				Total
	Land	Buildings	Technical installations and equipment	Other tangible assets	
Cost	15,744	21,917	19,618	191	57,470

A detail of the minimum lease payments by year, as at 31 December 2015, is as follows:

	Thousands of Euros 31.12.2015
In one year	4,869
Between one and five years	19,460
More than five years	33,141
Less current	<b>(4,869)</b>
Total non-current	<b>52,601</b>

Finance lease maturity at 31 December is as follows:

	31.12.2015					
	Thousands of Euros					
	2017	2018	2019	2020	2021 and thereafter	Total
Finance lease	4,865	4,865	4,865	4,865	33,141	52,601
	<b>4,865</b>	<b>4,865</b>	<b>4,865</b>	<b>4,865</b>	<b>33,141</b>	<b>52,601</b>

b) Operating leases

At 31 December 2015 and 30 September 2015, future minimum lease payments under non-cancellable operating leases and concession arrangements are as follows:

	Thousands of Euros	
	31.12.2015	30.09.2015
Less than one year	7,597	13,374
Between two and five years	38,124	59,055
More than five years	88,294	112,831
	<b>134,015</b>	<b>185,260</b>

Operating lease and administrative concession fee expenses totalled for the three month periods ended 31 December 2015 and 2014, Euros 3,154 thousand and Euros 3,221 thousand, respectively.

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**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

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**(7) Financial Assets**

a) Non-current financial assets

Under this caption of the statement of financial position, at 31 December 2015 other receivables include a gross account receivable for Euros 47,803 thousand account receivable from Ciudad de las Artes y las Ciencias, S.A. (hereinafter CACSA) deriving from the services rendered under the operating agreement for the Oceanogràfic park in Valencia entered into by the subsidiary Parques Reunidos de Valencia, S.A. By virtue of this agreement, the subsidiary holds accounts payable to CACSA of Euros 41,553 thousand, which are booked under other non-current liabilities in the condensed consolidated statement of financial position.

During 2014, the Group filed a lawsuit claiming payment for the net debt receivable from Ciudad de las Artes y las Ciencias, S.A. In 2015, CACSA has responded to this lawsuit, on the one hand, confirming the amount payable by them, but on the other hand, filing a counterclaim, seeking from the Group the payment of Euros 40.4 million in damages for failure to comply with conservation and maintenance obligations, and for failure to comply with its obligation to introduce Orca whales into that park. Based on the analysis carried out by the Group's legal advisors, the Directors of Parques Reunidos consider that the counterclaim filed by CACSA is unfounded. In addition, the Group accounted for an impairment allowance of Euros 11,120 thousand at 31 December 2015 on the amount receivable from this debtor. A preliminary hearing on this matter took place on 30 November 2015 where the Court made their decision regarding the admission and rejection of evidence in the case. Although both parties appealed the decision on the evidence, a trial date has been set for 8 and 9 November 2016.

b) Trade and other receivables

In December 2011, the owner of the Mountain Creek park exercised its option to rescind the operating lease contract entered into with the Group, which was to expire in 2030. In accordance with the terms of the contract, the Group claimed a compensation of US Dollars 9,500 thousand from the owner. However, based on the analysis performed by management and its legal advisors, the Group considered a probable impairment loss of US Dollars 3,500 thousand. Consequently, the net receivable recognised under other receivables in the condensed consolidated statement of financial position, amounts to Euros 5,500 thousand (US Dollars 6,000 thousand) at 31 December 2015 (Euros 5,338 thousand at 30 September 2015). The Group expects that the arbitrator decision will be issued by June 2016.

Trade receivables include amounts past due as at the date of the condensed consolidated statement of financial position for which the Group has not recognised an impairment allowance for bad debts because there have been no significant changes in the credit ratings of the debtors and the amounts are deemed to be recoverable. The ageing of past-due unimpaired financial assets at 31 December 2015 and 30 September 2015 is as follows:

	<b>Thousands of Euros</b>	
	<b>31.12.2015</b>	<b>30.09.2015</b>
Past due by less than 180 days	2,686	6,518
Past due by 180 to 360 days	1,090	1,146
Past due by more than 360 days	732	1,308
	<b>4,507</b>	<b>8,972</b>

Despite the fact that the above accounts receivable are past-due, the Group considers that their recoverability is probable and, therefore, has not booked any impairment allowance as of 31 December 2015 or at 30 September 2015.

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c) Other current financial assets

At 30 September 2015 this caption primarily included deposits which mature between three and 12 months and earn interest at market rates. The carrying amount of these items did not differ significantly from their fair value. During the three month period ended 31 December 2015, the Group used its cash deposits to fulfil its short term obligations and investments in fixed assets.

**(8) Equity**

Details of equity and movement are shown in the consolidated statement of changes in equity, which forms part of the condensed consolidated interim financial statements.

a) Share capital

At 31 December 2015 the share capital of Parques Reunidos Servicios Centrales, S.A.U. is represented by 23,435,538 ordinary bearer shares of Euros 1 par value each, subscribed and fully paid. These shares have the same voting and profit-sharing rights and are all held by the sole shareholder Centaur Nederland B.V.

b) Share premium

The share premium is freely distributable provided that equity does not fall below share capital as a result of its distribution.

c) Other reserves

Reserves in consolidated companies include the retained earnings of the consolidated companies, and their prior years' losses not yet offset, also taking into account consolidation adjustments.

The equity of the Company and certain consolidated companies that is eliminated on consolidation includes reserves which, due to their nature, are restricted under the terms of applicable legislation. These reserves include most notably the legal reserve of the Spanish, Italian, French, Argentine and Belgian subsidiaries and the revaluation reserve resulting from application of Royal Decree-Law 7/1996 in the Spanish subsidiaries. At 31 December 2015, these reserves amount to a total of Euros 6,249 thousand (Euros 6,152 thousand at 30 September 2015).

As detailed in notes 9 and 10, certain restrictions apply to the distribution of dividends and redemption of capital in relation to the bonds and syndicated loan.

d) Other shareholder contributions

This item includes movements in equity resulting from the share-based payment plan and the bonuses indicated in note 15.c).

e) Other comprehensive income

Other comprehensive income relates to the translation differences, mainly due to the conversion to Euros of the financial statements of the entities in the United States whose functional currency is the US Dollar.

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**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries****Notes to Condensed Consolidated Interim Financial Statements  
for the three-month period ended 31 December 2015**f) Capital management

For the purpose of measuring its capital management, the Group uses the financial leverage ratio (target ratio is <2.0 calculated on annual figures at 30 September year end) as an indicator, calculated as follows at 31 December 2015 and 30 September 2015:

	Thousands of Euros	
	31.12.2015	30.09.2015
<b>Gross debt</b>		
Loans and borrowings (note 10)	793,002	775,079
Finance lease (6 (a))	57,470	57,470
Financial liabilities from the notes (note 9)	396,236	392,360
	1,246,708	1,224,909
<b>Treasury assets</b>		
Non-current financial assets	(44,563)	(39,108)
Other current financial assets	(782)	(28,734)
Cash and cash equivalents	(112,210)	(151,064)
	(157,555)	(218,906)
<b>Total net debt</b>	<b>1,089,153</b>	<b>1,006,003</b>
<b>Total equity</b>	<b>582,782</b>	<b>610,032</b>
<b>Financial leverage</b>	<b>1.87</b>	<b>1.65</b>

The Group's financing structure, designed and implemented by its sole shareholder, aims to optimise its equity and harness its borrowing capacity without compromising the investments projected in its business plans or its short-term cash requirements. The Group manages the efficiency of this structure using the financial leverage ratio (Total net debt / Total equity). The sole shareholder considers that this ratio as at 31 December 2015 is sufficient for the targets to be achieved.

In addition, the financial debt used by the Group matures in 2017 (see note 9) and 2019 (see note 10). The Parent's directors consider that this provides a sufficient period to perform such corporate transactions as might be required, together with the generation of cash from the Group's operations, to restore the balance in its volume of debt before it falls due.

**(9) Financial Liabilities from the notes**

On 28 February 2011, the US subgroup completed the senior secured bonds issue, which was subscribed in full, for a nominal amount of US Dollars 430,000 thousand, targeted at qualified investors. These bonds mature on 15 April 2017. The bonds totalled Euros 394,134 thousand at 31 December 2015 (Euros 382,562 thousand at 30 September 2015).

The Group incurred debt issuance costs, amounting to Euros 4,311 thousand at 31 December 2015, which have not yet been charged to the condensed consolidated income statement, and which are presented as a reduction in the nominal amount of the bonds (Euros 4,915 thousand at 30 September 2015).

The bonds accrue annual fixed interest of 8.875% (effective interest rate of 9.75%), payable half-yearly on 15 April and 15 October each year. At 31 December 2015 accrued interest payable amounts to Euros 6,413 thousand (Euros 14,713 thousand at 30 September 2015) and has been recognised under current liabilities in the accompanying condensed consolidated statement of financial position as financial liabilities from the notes.

The fair value of these bonds at 31 December 2015 is Euros 389,551 thousand (US Dollars 425,000 thousand). The estimated fair value is Level 3 based on the fair value hierarchy established in IFRS 7.

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Based on the terms of the issue, the Group may make early payment of all or part of the bonds based on the early payment prices established in the bond issue contract together with any cumulative interest payable.

The bonds are secured by virtually all of the assets of the US subgroup (Euros 236,734 thousand and Euros 238,173 thousand as of 31 December 2015, and Euros 229,783 thousand and Euros 231,180 thousand as of 30 September 2015) and the shares of the subsidiaries forming part thereof, although the bonds are subordinated, in relation to these guarantees, to the revolving credit facility (note 10 (b)). The bond issue contract sets limits on, inter alia, the arrangement of additional debt, the payment of dividends, the repayment of the principal, the disposal and/or sale of assets, and the redemption of capital.

According to the terms and conditions of the issue contract, the US subgroup undertakes to comply with certain covenants of a non-financial nature, such as making the interest payments on the agreed dates, issuing quarterly financial information to the bond holders on time and adhering to other payment restrictions and debt issue limitations. As of the US subgroup's balance sheet date (i.e. 20 December 2015) the Directors' confirmed compliance with these covenants:

<b>Covenant</b>	<b>Definition</b>	<b>Required Ratio as of 31.12.15</b>	<b>Required Ratio as of 30.09.15</b>
Leverage Ratio	Indebtedness Outstanding / Consolidated EBITDA	<1.0	<1.0

In the event of a change of control over the US subgroup, as included in the bond issue contract, the bond holders are entitled to request that the Group redeem them in cash at a price equal to 101% of the nominal amount thereof plus accrued interest payable. As mentioned in note 18 b), the Group has entered into a senior term and multicurrency revolving facilities agreement. This agreement is conditioned to the success of the public offering of the Company, in which case the bond would be cancelled at the same time.

**(10) Loans and Borrowings**

Details of current and non-current loans and borrowings at 31 December 2015 and 30 September 2015 are as follows:

	<b>Thousands of Euros</b>							
	<b>31.12.2015</b>				<b>30.09.2015</b>			
	Limit	Current	Non-current	Total	Limit	Current	Non-current	Total
At amortised cost:								
Syndicated loans	802,179	-	771,731	771,731	802,179	-	771,731	771,731
Revolving credit facility	109,991	-	-	-	106,762	-	-	-
Other bank loans	-	1,045	13,694	14,739	-	-	14,739	14,739
Credit facilities	57,782	18,839	-	16,839	57,782	-	-	-
Interest payable	-	636	-	636	-	738	-	739
	<b>969,952</b>	<b>18,520</b>	<b>785,425</b>	<b>803,945</b>	<b>966,723</b>	<b>738</b>	<b>786,470</b>	<b>787,209</b>
Syndicated loan arrangement costs	-	-	(9,869)	(9,869)	-	-	(10,836)	(10,836)
Revolving credit facility arrangement costs	-	-	(1,074)	(1,074)	-	-	(1,293)	(1,293)
	<b>969,952</b>	<b>18,520</b>	<b>774,482</b>	<b>793,002</b>	<b>966,723</b>	<b>738</b>	<b>774,341</b>	<b>775,880</b>

The fair value of the syndicated loans at 31 December 2015 is Euros 766,901 thousand. The estimated fair value is Level 2 based on the fair value hierarchy established in IFRS 7.

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Other bank loans include a Euros 7 million loan contracted by Parque Biológico de Madrid, S.A., which matures in 2025 and has annual interest at a variable rate of Euribor + 5.5%, and a Euros 8 million loan contracted by Marineland Resort, S.A.S. that has annual interest at a fixed rate of 3.8% and falls due in 2027.

At 31 December 2015 and 30 September 2015, several Group companies have available for drawdown credit facilities totalling Euros 40,943 thousand and Euros 57,782 thousand, respectively. These credit facilities are renewable annually and have market interest rates. Drawdowns as at 31 December 2015 result from the Group's seasonality and the temporary cash needs in some of its parks.

Non-current maturity of loans and borrowings at 31 December 2015 and 30 September 2014 is as follows:

	<b>31.12.2015</b>					
	<b>Thousands of Euros</b>					
	2017	2018	2019	2020	2021 and thereafter	Total
Syndicated loans	-	6,000	765,731	-	-	771,731
Bank loans	1,092	1,323	1,387	1,455	8,437	13,694
	<b>1,092</b>	<b>7,323</b>	<b>767,118</b>	<b>1,455</b>	<b>8,437</b>	<b>785,425</b>
	<b>30.09.2015</b>					
	<b>Thousands of Euros</b>					
	2016/17	2017/18	2018/19	2019/20	2020/21 and thereafter	Total
Syndicated loans	-	6,000	765,731	-	-	771,731
Bank loans	876	1,261	1,323	1,524	9,755	14,739
	<b>876</b>	<b>7,261</b>	<b>767,054</b>	<b>1,524</b>	<b>9,755</b>	<b>786,470</b>

a) Syndicated loan arranged by Parque de Atracciones Madrid, S.A.U.

On 21 March 2007, through its subsidiary Parque de Atracciones Madrid, S.A.U., the Group arranged a syndicated loan with The Royal Bank of Scotland (the agent bank). On 4 June 2014, based on the "Amendment and Restatement Agreement" entered into by the parties on that date, the terms of the syndicated loan were renegotiated. Details of this syndicated loan at 31 December 2015 and 30 September 2015 are as follows:

Tranche	Maturity	<b>31.12.2015</b>			<b>30.09.2015</b>		
		<b>Thousands of Euros</b>			<b>Thousands of Euros</b>		
		Limit	Undrawn amount	Drawn down	Limit	Undrawn amount	Drawn down
B3 A	Mar 2019	289,923	-	289,923	289,923	-	289,923
B3 A (GBP)	Mar 2019	6,864	-	6,864	6,864	-	6,864
C3 A	Mar 2019	342,845	-	342,845	342,845	-	342,845
C3 A (GBP)	Mar 2019	7,099	-	7,099	7,099	-	7,099
Second Lien 1A	Sept 2018	6,000	-	6,000	6,000	-	6,000
Second Lien 2	Sept 2019	119,000	-	119,000	119,000	-	119,000
RCF2 (Revolving)	Sept 2018	30,448	30,448	-	30,448	30,448	-
		<b>802,179</b>	<b>30,448</b>	<b>771,731</b>	<b>802,179</b>	<b>30,448</b>	<b>771,731</b>

At 31 December 2015 there are no restrictions to drawdowns on the available credit tranches.

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The Group is obliged to repay loan principal amounts early if it generates cash flows in excess of certain thresholds established in the syndicated loan agreement. This is measured annually at year end. The Company did not make any repayments on the loan principal in the three-month period ended 31 December 2015. At 31 December 2015, based on figures at 30 September 2015, no repayments will be made on the principal in 2016.

The agreement also requires at each quarter and at year end compliance with certain covenants calculated based on the figures in the consolidated management accounts of the subgroup headed by Parque de Atracciones Madrid, S.A.U. Group management closely monitors compliance with these obligations, in order to pre-empt any potential risk of non-fulfilment. As of 31 December 2015 and 30 September 2015, the Directors' confirmed compliance with these covenants:

<b>Covenant</b>	<b>Definition</b>	<b>Required Ratio as of 31.12.15</b>	<b>Required Ratio as of 30.09.15</b>
Net interest Coverage ratio	Consolidated EBITDA/ Net financial expense	> 2.10	> 2.10
Cash Flow Coverage ratio	Operating Cashflow/ Debt service	> 1.00	> 1.00
Gross debt Coverage ratio	Gross debt / Consolidated EBITDA	< 7.70	< 7.70
Capital expenditure ratio (in - thousand euros)		Only required on annual basis	< 50,196

The syndicated loan bears interest pegged to Euribor, which resulted in an average effective interest rate of 6% at 31 December 2015. The contract sets limits on, inter alia, the arrangement of additional debt, the payment of dividends, and the disposal and/or sale of assets.

Also, in the event of a change of control over the Group or the sale of all or substantially all of the assets of the Group whether in a single transaction or a series of related transactions, as included in the syndicated loan contract, the facilities will be cancelled and all outstanding utilisations and ancillary outstandings, together with accrued interest, and all other amounts accrued, shall become immediately due and payable. As mentioned in note 18 b), the Group has entered into a senior term and multicurrency revolving facilities agreement. This agreement is conditioned to the success of the public offering of the Company, in which case the existing syndicated would be amortised and a new syndicated would be signed at the same time.

In order to meet its obligations under the syndicated loan agreement, the Group has granted the following guarantees to the lending banks:

- Security interest on the shares and equity holdings of Centaur Nederland B.V., Parques Reunidos Servicios Centrales, S.A.U., Parque de Atracciones Madrid, S.A.U. and the other subsidiaries of the group headed by Parque de Atracciones Madrid, S.A.U.
- Security interest on the receivables arising from certain loan agreements between the subsidiaries.
- Security interest on certain current accounts held at banks by the subsidiaries Bobbejaanland B.V.B.A., Marineland S.A.S. and Parco della Standiana S.r.l.
- Mortgages on the properties owned by the subsidiaries BO Sommarland AS, Marineland S.A.S., SCI Col Vert, Parco della Standiana S.r.l. and Bobbejaanland B.V.B.A.
- Mortgages on the concessions and surface rights held by the Group, including the lease agreement for the Warner park in Madrid, as well as the lease agreement held by Parco della Standiana S.r.l.

The carrying amount of the assets mortgaged as security to ensure compliance with the obligations under the aforementioned syndicated loan contract entered into by the Group is Euros 419,168 thousand at 30 December 2015 (Euros 444,443 thousand at 30 September 2015).

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b) Revolving credit facility of the US subgroup

At the same time as the bond issue described in note 9, the US subgroup arranged financing in the form of a revolving credit facility with a limit of US Dollars 120 million with GE Capital Corporation, Credit Suisse Securities (USA) LLC and Morgan Stanley Senior Funding Inc. This amount must be reduced by the amount of the guarantees given by the US subgroup to secure the insurance taken out to meet the obligations to its employees and general liability insurance policies (see note 13). At 31 December 2015, these guarantees amounted to Euros 5,667 thousand (Euros 6,491 thousand at 30 September 2015). The effective interest rate at 31 December 2015 and 30 September 2015 is 6.5% and the credit facility matures on 15 January 2017. This credit facility has not been drawn down at 31 December 2015 and 30 September 2015.

The terms and conditions of the financing stipulate, inter alia, that the Group must comply with a covenant in the event that there are amounts drawn down at the end of each quarter. This covenant limits the high-priority senior debt-EBITDA ratio to between 2.0 and 1.0 in the four preceding quarters. As of the US subgroup's balance sheet date (i.e. 20 December 2015) the Directors' confirmed compliance with these covenants. Moreover, the financing is secured by substantially all the assets of the US subgroup (Euros 236,734 thousand and Euros 238,173 thousand as of 31 December 2015, and Euros 229,783 thousand and Euros 231,180 thousand as of 30 September 2015) and the shares of the subsidiaries of this subgroup.

**(11) Provisions**

Non-current provisions at 31 December 2015 and 30 September 2015 mainly relate to the Group's employment-related obligations to its US employees in connection with healthcare coverage and other items as well as provisions for probable third-party liabilities arising from litigation in progress or from outstanding obligations of an undetermined amount, primarily tax assessments (see note 12).

**(12) Income tax**

In accordance with legislation in force in Spain, taxes cannot be considered definitive until they have been inspected and agreed by the taxation authorities or before the inspection period of four years has elapsed. At 31 December 2015 the Parent and its subsidiaries located in Spain forming the consolidated tax group have open to inspection by the taxation authorities all main applicable taxes for the last four years. In respect of the US subgroup, tax years for 2002-2014 and 2004-2014, respectively, are subject to examination by the federal and state tax authorities. The other Group companies have open to inspection all taxes for the years stipulated by their respective local legislation.

As mentioned in the consolidated annual accounts for the year ended 30 September 2015, the Spanish fiscal group is being audited by the Tax Authorities. No material events have arisen regarding this tax audit during the three-month period ended December 2015. Based on management assessment, probable tax contingencies are not significant. Therefore, no provision has been booked.

In respect of an income tax audit in the German subsidiaries, which is about to be filed, the Group expects that the probable contingencies would not exceed the provision included in the condensed consolidated interim financial statements at 31 December 2015 for an amount of Euros 1,734 thousand.

Some of the Spanish entities forming the Spanish tax group have tax losses related to years prior to their inclusion in the tax group, for an amount of Euros 48,757 thousand. The tax effect of these tax losses are not recognised in the condensed consolidated statement of financial position as at 31 December 2015 and 30 September 2015 as it is not expected, based on the current debt structure, that sufficient taxable income will be generated in the future by the corresponding entities considered individually. These tax losses do not expire.

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In addition, the Spanish tax group has tax loss carryforwards to be offset against future profits for an amount of Euros 194,669. Regarding tax loss carryforwards generated by the Spanish tax group, Group's management has analysed the tax group's capacity to generate sufficient taxable income in the future to justify the recognition thereof. To verify the recoverability thereof, the Group has drawn up a five-year business plan for the companies in the tax group as that is the period of time for which the Group can draw up reasonable estimates. The business plan is based on the estimated accounting profit/loss, aligned with the budget and the business plans approved by Group management, and subsequently incorporates permanent or temporary tax adjustments for the companies in the tax group, which mainly derive from the limitation on the deductibility of finance costs and amortization. Based on this business plan and the tax projections prepared, the Group has not recognised any amount for tax loss carryforwards in the accompanying condensed consolidated interim financial statements as there is not sufficient evidence, based on the current debt structure, that profits will be sufficient to be able to recognise a reasonable figure at the reporting date. These tax losses do not expire.

The US subgroup has tax loss carryforwards in respect of both federal and state taxes. At 31 December 2015, these tax losses amount to Euros 83,021 thousand and Euros 71,514 thousand, respectively (US Dollars 90,576 thousand and US Dollars 78,022 thousand), whose availability for offset will start to expire in 2028 and 2023, respectively. The tax effect of these tax losses amounts to Euros 37,267 and is recognised in the condensed consolidated statement of financial position as at 31 December 2015 and 30 September 2015 as their recovery is likely based on the estimated future taxable income of the US subsidiaries.

**(13) Commitments and Contingencies**

At 31 December 2015, the Group had extended guarantees in Spain and the USA amounting to Euros 15,948 thousand (Euros 18,596 thousand at 30 September 2015), in respect of the contractual guarantees required in the ordinary course of business. These guarantees are principally related to the administrative concession of Spanish Parks.

Following is a summary of the types of guarantees by country, the amounts, the type of endorser and the beneficiaries at 31 December 2015:

<b>Type</b>	<b>Country</b>	<b>Thousands of Euros</b>	<b>Endorser</b>	<b>Beneficiary</b>
Related to the operating contracts of the parks	Spain	2,130	Financial Entities	Municipal Entities
Publicity	Spain	1,210	Financial Entities	Zenith Media
Relating to not liquidating taxes	Spain	4,962	Financial Entities	Tax Administration / Town Halls
Social Security	Spain	173	Financial Entities	Social Security Administration
Counter guarantees	Spain	1,575	Financial Entities	Financial Entities
Warner Park Licence	Spain	3,605	Financial Entities	Warner Bros
Others	Spain	522	Financial Entities	Various
Related to the operating contracts of the parks	USA	832	-	Connecticut Development Authority
Contracts related to the activities of the companies	Italy	534	Financial Entities / Insurance Companies	Various
Taxes	Norway	366	Financial Entities	Tax authorities
Others	Norway	39	Financial Entities	Various
		<u>15,948</u>		

The directors do not consider that any significant liabilities will arise for the Group as a result of the aforementioned guarantees. In addition, as mentioned in note 10 b), the Group provided guarantees to Workers Compensation and General Liability insurance providers.

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**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries****Notes to Condensed Consolidated Interim Financial Statements  
for the three-month period ended 31 December 2015**

At 31 December 2015 and 30 September 2015, the Group had taken out insurance policies to cover possible damage to property, plant and equipment, loss of profit and third-party liability, as well as obligations to employees (see note 11). The Parent's directors consider that the insured sum adequately covers the aforementioned assets and risks.

Occasionally, the Group is involved in litigation relating to claims arising out of its operations in the normal course of business. As of 31 December 2015 and 30 September 2015, there are probable legal contingencies in relation to the Group's involvement in certain legal proceedings, the adverse outcome of which, in management's and the legal advisor's opinion, individually or in the aggregate, would not have a significant adverse effect on the Group's consolidated financial position or consolidated income statement. As a result, a provision for a total amount of Euros 3 million was recognised at 31 December 2015 and 30 September 2015 in relation to specific claims for injuries suffered by US visitors and claims from former US employees.

In addition, the Group has accounts receivables related to legal disputes with CACSA and Mountain Creek (see notes 7 (a) and 7 (b)) for which a related impairment has been recorded in prior years. No significant contingencies are expected to arise related to these litigations.

**(14) Income and Expenses****a) Revenue**

Details for the three-month period ended 31 December 2015 and 31 December 2014 are as follows:

	<b>Thousands of Euros</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>
Ticketing revenue	33,323	33,346
Catering	12,757	12,960
Merchandising	3,795	3,794
Games and gaming machines	3,589	3,388
Exclusivity revenue	5,083	1,437
Parking	1,666	1,542
Sales of hotel packages	892	1,747
Other income	3,627	4,197
	<b>60,732</b>	<b>62,411</b>

**b) Other operating income**

On 3 October 2015, Marineland park (France) was hit by a strong storm that brought floods to the area. Insurance will cover most damages and loss of profit under the terms and conditions of the insurance policy (including the applicable deductibles). In this respect, the Group has recognised income for Euros 5,000 thousand regarding the amount of indemnification in respect of loss of profit as at 31 December 2015.

In addition, the Group has recorded expenses related to property, plant and equipment impairment for Euros 1,607 thousand and other expenses related to the adaptation of the park for the re-opening for Euros 1,590 thousand. Compensating these expenses, income for Euros 3,197 thousand regarding the indemnification in respect of these damages has also been recognised as at 31 December 2015.

In January 2016, the Group received from the insurance company a payment on account for Euros 5 million.

(Continue)

**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

**Notes to Condensed Consolidated Interim Financial Statements  
for the three-month period ended 31 December 2015**

c) Personnel Expenses

Details for the three-month period ended 31 December 2015 and 31 December 2014 are as follows

	<b>Thousands of Euros</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>
Salaries and wages	25,261	23,381
Social Security	5,852	6,032
Termination benefits	87	68
Other employee benefits expenses	570	629
	<b>31,770</b>	<b>30,130</b>

The average headcount of the Group in the three-month period ended 31 December 2015 and 31 December 2014 is 5,084 and 5,562, respectively.

d) Other operating expenses

Details for the three-month period ended 31 December 2015 and 31 December 2014 are as follows:

	<b>Thousands of Euros</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>
Advertising and publicity	3,783	4,196
Fees and royalties	3,154	3,221
Utilities	6,589	6,918
Repairs and maintenance	3,528	3,825
Taxes	3,341	3,036
Security, cleaning and gardening	1,889	1,989
Independent professional services	2,874	1,973
Insurance premiums	1,936	2,575
Other expenses	3,568	1,912
	<b>30,662</b>	<b>29,645</b>

e) Finance costs

Finance costs for the three-month period ended 31 December 2015 mainly include interest expenses from the syndicated loan and bonds amounting to Euros 19,142 thousand (Euros 17,988 thousand for the three-month period ended 31 December 2014).

**(15) Related Party Balances and Transactions**

a) Related party balances and transactions

During the three-month periods ended 31 December 2015 and 31 December 2014, balances and transactions performed with related parties relate only to the remuneration paid to Group directors and senior management personnel as noted in b).

(Continue)



**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

**Notes to Condensed Consolidated Interim Financial Statements  
for the three-month period ended 31 December 2015**

b) Information relating to the directors and senior management of the Parent

The remuneration received by the members of the Parent's board of directors in the three-month period ended at 31 December 2015 and 2014, acting as members of the Board of the Parent Company and, if any, as Senior Management, is as follows:

	Thousand Euros	
	3 month period 31.12.2015	3 month period 31.12.2014
Fixed remuneration	145	137
Variable remuneration	-	-
Others	-	-
	<u>145</u>	<u>137</u>

The remuneration received in the three-month period ended at 31 December 2015 and 2014 by the members of the Senior Management (other than those who are also members of the Board of Directors, whose remuneration is detailed above), classified by item, is as follows:

	Thousand Euros	
	3 month period 31.12.2015	3 month period 31.12.2014
Salary	446	433
Pension Schemes	-	-
Insurance Premiums	2	2
	<u>448</u>	<u>435</u>

At 31 December 2015, the Company has Euros 3,044 thousand payable to Senior Management personnel (including the Exit Bonus of Euros 3,000 thousand mentioned in the next section) and has no balances payable to the directors at that date (Euros 78 thousand to senior management personnel and none to the directors at 30 September 2015). At 31 December 2015 and 30 September 2015 the Group had not extended any advances to the directors or senior management personnel and had no pension fund, life insurance or other such commitments with these parties, except for the defined pension benefit plans (as described in the consolidated annual accounts for the year ended 30 September 2015), to which contributions in the three-month period ended at 31 December 2015 and 31 December 2014 amounting to nil, respectively.

c) Management Incentive Plans

The Company has awarded certain incentives to members of the Company's management team pursuant to a "Main Securities Incentive Plan" and an "Exit Bonus Plan" (together, the "Management Incentive Plans").

Under the Management Incentive Plans, upon the occurrence of an "exit event", the beneficiaries are entitled to receive certain remuneration. An "exit event" means, in respect of the Group, a sale, an asset sale or a public offering. Therefore, the Offering (see note 18) will constitute an "exit event" and, upon completion of the Public Offering, the Management Incentive Plans will be liquidated.

(Continue)

**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

**Notes to Condensed Consolidated Interim Financial Statements  
for the three-month period ended 31 December 2015**

The Main Securities Incentive Plan was designed to encourage the fulfilment of the Company's business goals and to align the long-term interests of the beneficiaries with those of the shareholders of the Company. Those participating in the Main Securities Incentive Plan received, in 2013, shares in Centaur Luxco S.a.r.l. (the parent company of our sole shareholder), and gains in connection with those shares and financial instruments shall be realized on or following the completion of the investment exit of the Company's current sole shareholder.

Also, the Group has awarded certain incentives to members of the Company's management team and personnel in managerial positions within the Group, pursuant to an "Exit Bonus Plan". Regarding the Company's management team, they are entitled to a discretionary amount established by the board of Centaur Luxco S.a.r.l., to be paid when the investment exit, either total or partial, by the sole shareholder is completed. Regarding the Company's personnel in managerial positions, the exit bonus will be for an amount equal to 1% of the capital gain received by the shareholders of Parques Group on completion of an investment exit, which has been established to be paid to other personnel in managerial positions. Regarding these exit bonuses, the Group has recorded a provision in the in the consolidated interim income statement for the three month period ended 31 December 2015 (included in Other results caption) for an amount of Euros 4.5 million. Also, considering that the payment of these exit bonuses will be assumed by the shareholder, the Group has recorded at 31 December 2015 a shareholder contribution in equity for the same amount.

**(16) Segment Reporting**

In the Group consolidated statutory annual accounts for the years 2015, 2014 and 2013 the operating segments of the Group were defined by type of park as theme parks, water parks and animal parks, on the basis of how management monitored the performance and strategic priorities of the operations of the Group during those periods.

From 1 October 2015, in line with changes in the top management's structure, the Group has decided, from there on, to monitor the performance of the operations of the Group and to take strategic decisions based on geographical segmentation. On the basis of this new segmentation, the Group has identified the following three key reportable operating segments: United States, Spain and the Rest of the world. The Parent's holding activities as well as activities carried out by the headquarters of the Group (headquarters are defined as the corporate offices in Spain and United States), which cannot be allocated to any of the specific operating segments, are included as the non-operating headquarters segment. Management believes this new segmentation is aligned to other companies in the sector.

Appendix I to these condensed consolidated interim financial statements includes the segmental information for the three month period ended 31 December 2015 and comparative information for the same period as of 31 December 2014 under this new geographical segmentation.

**(17) Risk Management Policy**

At 31 December 2015 the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated annual accounts for the year ended 30 September 2015.

**(18) Events after the Reporting Period**

a) Change in the Chief Executive Officer

Mr. Yann Caillère resigned as director and Chief Executive Officer (CEO) of Parques Reunidos Servicios Centrales S.A.U. with effect as from 28 January 2016. On the same date, Mr. Fernando Eiroa Giménez was appointed as director and new CEO of Parques Reunidos Servicios Centrales S.A.U. (said appointment being registered in the Mercantile Registry of Madrid on 16 February 2016).

(Continue)

**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries****Notes to Condensed Consolidated Interim Financial Statements  
for the three-month period ended 31 December 2015****b) Possible Public Offering**

At the date of authorization for issue of the accompanying condensed consolidated interim financial statements, the Group has undertaken work related to a possible flotation of the Company. At 31 December 2015 the Group has not incurred in any expenses relating to this decision. As a part of this work, on 1 April 2016 Parques Reunidos Servicios Centrales, S.A.U. and Festival Fun Parks, LLC (a US subsidiary), as borrowers and guarantors, and a syndicate of lenders (with Banco Santander, S.A. as agent) entered into a senior term and multicurrency revolving facilities agreement.

The agreement is structured into the following tranches:

**(i) Facility A**

- Term Loan A1, denominated in USD of 104 million
- Term Loan A2, denominated in Euros of 138 million

**(ii) Facility B**

- Term Loan B1, denominated in USD of 156 million
- Term Loan B2, denominated in Euros of 207 million (Facility A and Facility B together, the "New Term Loan Facilities"); and

**(iii) Multicurrency Revolving Facility (which may be used by way of letters of credit) of Euro 200 million (the "New Revolving Credit Facility")**

The New Term Loan Facilities is to refinance (i) the Syndicated Loan; (ii) the Notes; and (iii) the Revolving Credit Facility. The purpose of the New Revolving Credit Facility is to finance general corporate and working capital purposes (including capital expenditure and permitted acquisitions). This New Term Loan is conditioned to the success of the public offering of the Company.

As security for the payment obligations, the facilities agreement includes warranties and pledges (including related to additional subsidiaries of the Group).

Repayment of Facility A is established: 10% of principal to be paid each 30 September 2017, 2018, 2019 and 2020. On the fifth anniversary of the first utilization of Facility A, the remaining 60% of principal shall be repaid. Facility B has a bullet repayment on 30 September 2021. Each draw down of the Revolving Facility shall be repaid on the last day of its interest period.

This agreement, along with the capital that it would be obtained with the public offering, has been made with the intention that the actual European financing (the syndicated loan), as well as the Senior Secured Notes and the credit lines of the US sub-group be cancelled.

## Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries

**Segment Reporting**  
**for the three-month period ended 31 December 2015 and 31 December 2014**

	Thousands of Euros									
	United States		Spain		Rest of the world		Non-operating Headquarters		Total	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Revenue (a)	18,789	16,161	19,133	19,266	27,382	26,332	428	652	65,732	62,411
Supplies	(1,665)	(1,376)	(2,077)	(2,520)	(2,758)	(3,809)	1	-	(6,499)	(7,705)
Fixed expenses (b)	(23,301)	(19,051)	(13,972)	(14,942)	(20,071)	(20,692)	(5,088)	(5,090)	(62,432)	(59,775)
Amortisation and depreciation (c)	(4,017)	(2,744)	(2,880)	(4,158)	(2,732)	(2,235)	(6,085)	(6,134)	(15,714)	(15,271)
Changes in trade provisions	(1)	(7)	(4)	-	(17)	(13)	-	-	(22)	(20)
Other results	(544)	677	115	(193)	(617)	(484)	(5,700)	(803)	(6,746)	(803)
<b>Results from operating profit/(loss)</b>	<b>(10,739)</b>	<b>(6,340)</b>	<b>315</b>	<b>(2,547)</b>	<b>1,187</b>	<b>(901)</b>	<b>(16,444)</b>	<b>(11,375)</b>	<b>(25,681)</b>	<b>(21,163)</b>
Net finance cost (d)	(308)	(242)	(313)	(197)	(4,565)	(4,822)	(17,247)	(15,293)	(22,433)	(20,554)
<b>Profit/(loss) before income tax</b>	<b>(11,047)</b>	<b>(6,582)</b>	<b>2</b>	<b>(2,744)</b>	<b>(3,378)</b>	<b>(5,723)</b>	<b>(33,691)</b>	<b>(26,668)</b>	<b>(48,114)</b>	<b>(41,717)</b>
Income tax	(1,627)	(1,813)	2,197	478	600	(821)	11,508	9,615	12,678	7,459
<b>Profit/(loss) for the year</b>	<b>(12,674)</b>	<b>(8,395)</b>	<b>2,199</b>	<b>(2,266)</b>	<b>(2,778)</b>	<b>(6,544)</b>	<b>(22,183)</b>	<b>(17,053)</b>	<b>(35,436)</b>	<b>(34,258)</b>
Non-controlling interest	-	-	43	83	-	-	-	-	43	83
<b>Profit/(loss) for the period attributable to the shareholder of the Parent</b>	<b>(12,674)</b>	<b>(8,395)</b>	<b>2,156</b>	<b>(2,349)</b>	<b>(2,778)</b>	<b>(6,544)</b>	<b>(22,183)</b>	<b>(17,053)</b>	<b>(35,479)</b>	<b>(34,341)</b>
Additions to intangible assets and property, plant and equipment	6,812	2,347	831	1,241	3,697	6,500	420	340	11,760	10,428
Amortisation and depreciation (c)	(4,017)	(2,744)	(2,880)	(4,158)	(2,732)	(2,235)	(6,085)	(6,134)	(15,714)	(15,271)
Total assets	523,098	436,460	447,599	426,715	407,263	410,895	821,683	779,338	2,199,643	2,053,408
Total liabilities	(127,417)	(128,892)	(118,124)	(53,785)	(199,389)	(229,633)	(1,171,931)	(1,103,849)	(1,616,861)	(1,516,159)

(a) Includes captions "Revenue" and "Other operating income" of the condensed consolidated interim income statement.

(b) Includes captions "Personnel expenses" and "Other operating expenses" of the condensed consolidated interim income statement.

(c) Includes captions "Amortisation and depreciation" and "Net losses on impairment and disposals of non-current assets" of the condensed consolidated interim income statement.

(d) Includes captions "Finance income", "Finance cost" and "Exchange gains" of the condensed consolidated interim income statement.

This appendix forms an integral part of note 16 to the condensed interim consolidated financial statements for the three-month period ended 31 December 2015, in conjunction with which it should be read.

## **Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

### **Condensed Directors' Report for the three-month period ended 31 December 2015**

#### **1. Business performance and situation of the Group**

The main Group's expansion in 1Q 2016 has been the roll-out of mall entertainment centers, or MECs, which represents a significant growth opportunity with high and sustainable returns.

The number of visitors to our parks during the three-month period ending 31 December 2015 has increased in comparison to the three-month period ending 31 December 2014, reaching the figure of 2.3 million people even though Marineland Park has been closed due to repair works as a consequence of the damages caused by flooding.

The Group continues to implement its ongoing strategy to improve existing and recently-acquired parks, as well as to diversify its investments, geographically and by type of park, to become one of the European and world leaders in leisure facilities.

#### **2. Results and outlook for the Group**

The Group has achieved an improvement in EBITDA (earnings before interest, tax, depreciation and amortisation), in comparison to prior fiscal year first quarter.

The Group continues with the implementation of an ambitious strategic plan with the opening and development of new commercial channels. These measures, together with the modernisation and the boost to the "Parques Reunidos" trademark, will enable the Group to consolidate its leading position in the amusement parks sector worldwide.

We are continuing to make significant progress in the online sales channel and in enhancing our presence in social media, where we continue to focus much of our effort, reaping excellent results across the board.

Our aim for 2016 is to strengthen our achievements to date and continue to expand, based on organic growth policies and using tools that increase the productivity of our revenues.

#### **3. Other matters**

Given the Group's activities, it does not have any environmental liabilities, expenses, assets, provisions or contingencies that could be material with respect to its equity, financial position or results.

The Group's main assets are its investments in fixed assets. The associated risks are suitably catered for based on the experience accumulated in businesses of this type in recent years. The Group expects interest and exchange rates to fluctuate within the foreseeable limits for the coming years and therefore does not expect any significant impact on the accompanying Condensed Interim Financial Statements.

#### **4. Research and development**

The Group developed internal R&D&I projects for IT applications. However, the amount of these projects is not significant.

#### **5. Own shares**

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

#### **6. Financial instruments**

At 31 December 2015, the Group does not operate with financial instruments.

## **Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

### **Condensed Directors' Report for the three-month period ended 31 December 2015**

#### **7. Events after the reporting period**

##### **a) Change in the Chief Executive Officer**

Mr. Yann Caillère resigned as Chief Executive Officer (CEO) of Parques Reunidos Servicios Centrales S.A.U. with effect as from 28 January 2016. On the same date, Mr. Fernando Eiroa Giménez was appointed as new CEO of Parques Reunidos Servicios Centrales S.A.U. (said appointment being registered in the Mercantile Registry of Madrid on 16 February 2016).

##### **b) Possible Public Offering**

At the date of authorization for issue of the accompanying condensed consolidated interim financial statements, the Group has undertaken work related to a possible flotation of the Company. At 31 December 2015 the Group has not incurred in any expenses relating to this decision. As a part of this work, on 1 April 2016 Parques Reunidos Servicios Centrales, S.A.U. and Festival Fun Parks, LLC (a US subsidiary), as borrowers and guarantors, and a syndicate of lenders (with Banco Santander, S.A. as agent) entered into a senior term and multicurrency revolving facilities agreement.

The agreement is structured into the following tranches:

##### **(i) Facility A**

- Term Loan A1, denominated in USD of 104 million
- Term Loan A2, denominated in Euros of 138 million

##### **(ii) Facility B**

- Term Loan B1, denominated in USD of 156 million
- Term Loan B2, denominated in Euros of 207 million (Facility A and Facility B together, the "New Term Loan Facilities"); and

##### **(iii) Multicurrency Revolving Facility (which may be used by way of letters of credit) of Euro 200 million (the "New Revolving Credit Facility")**

The New Term Loan Facilities is to refinance (i) the Syndicated Loan; (ii) the Notes; and (iii) the Revolving Credit Facility. The purpose of the New Revolving Credit Facility is to finance general corporate and working capital purposes (including capital expenditure and permitted acquisitions). This New Term Loan is conditioned to the success of the public offering of the Company.

As security for the payment obligations, the facilities agreement includes warranties and pledges (including related to additional subsidiaries of the Group).

Repayment of Facility A is established: 10% of principal to be paid each 30 September 2017, 2018, 2019 and 2020. On the fifth anniversary of the first utilization of Facility A, the remaining 60% of principal shall be repaid. Facility B has a bullet repayment on 30 September 2021. Each draw down of the Revolving Facility shall be repaid on the last day of its interest period.

This agreement, along with the capital that it would be obtained with the public offering, has been made with the intention that the actual European financing (the syndicated loan), as well as the Senior Secured Notes and the credit lines of the US sub-group be cancelled.

## **Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

### **Condensed Directors' Report for the three-month period ended 31 December 2015**

#### **8. Risk management policy**

Management of the risks to which the Group is exposed in its day-to-day operations is one of the pillars of its effort to protect the value of its assets and thereby defend its shareholder's investment. The risk management system has been structured and defined so as to achieve the Group's strategic and operating targets.

The Group's financial risks are managed centrally by the Corporate Finance Department. Based on the structure and financial position of the Group and external economic variables, this department has the necessary systems in place to control exposure to changes in interest and exchange rates, and credit and liquidity risks, using hedging operations where required, establishing any credit limits deemed necessary and setting bad debt provision policies.

The main financial risks and the corresponding Group policies are as follows:

##### Financial covenants

The acquisitions made in recent years were carried out through appropriate financing structures. However, these structures require that certain obligations to the financial institutions providing the financing be met. Monitoring their fulfilment is therefore of utmost importance.

The Corporate Finance Department closely monitors compliance with these obligations, in order to pre-empt any potential risk of non-fulfilment. If any such risk is identified, general management is informed in order to take the appropriate decisions to correct the situation.

At 31 December 2015 and at 30 September 2015, the Group had not identified any breach of the financial ratios agreed upon with the banks extending the loans.

##### Currency risk

The Group has very limited exposure to fluctuations in exchange rates as substantially all Group company transactions are carried out in their respective functional currencies.

##### Credit risk

The Group's main financial assets are cash and cash equivalents and trade and other receivables. The Group generally deposits its cash and cash equivalents at banks with high credit ratings.

The Group does not have a significant concentration of third-party credit risk since most of its revenue is paid in cash and the risk is distributed amongst a large number of customers with very short collection periods. The only significant debtors at 31 December 2015 are Ciudad de las Artes y las Ciencias, S.A. and the owner of the Mountain Creek park. The relationship with Ciudad de las Artes y las Ciencias, S.A. differs from that of the other customers because it owns the Oceanogràfic park in Valencia and is a state-owned company. The Group monitors the balances receivable from and payable to these debtors in order to control the net position risk and to adopt suitable measures to prevent undesirable situations arising.

##### Liquidity risk

Exposure to adverse situations in the debt or capital markets may hinder or prevent the procurement of the financing required by the Group to adequately conduct its business activities and implement its strategic plan.

**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

**Condensed Directors' Report  
for the three-month period ended 31 December 2015**

The main Group's exposure to liquidity risk at 31 December and 30 September 2015 is shown below. These tables present an analysis of financial liabilities and finance lease by remaining contractual maturity dates.

<b>31 December 2015</b>						
<b>Miles de euros</b>						
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Financial liabilities from the notes						
Fixed rate	-	-	-	394,134	-	394,134
Loans and borrowings						
Variable rate	-	-	-	771,731	-	771,731
Financial lease	-	-	-	24,255	33,215	57,470
Trade and other payables	-	37,296	-	-	-	37,296
	-	<b>37,296</b>	-	<b>1,190,120</b>	<b>33,215</b>	<b>1,260,631</b>
<b>30 September 2015</b>						
<b>Thousands of Euros</b>						
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Financial liabilities from the notes						
Fixed rate	-	-	-	382,562	-	382,562
Loans and borrowings						
Variable rate	-	-	-	771,731	-	771,731
Financial lease	-	-	-	24,255	33,215	57,470
Trade and other payables	-	69,254	-	-	-	69,254
	-	<b>69,254</b>	-	<b>1,178,548</b>	<b>33,215</b>	<b>1,281,017</b>

**Interest rate risk**

The Group's financial assets and financial liabilities are exposed to interest rate fluctuations that could have an adverse effect on its results and cash flows.

In accordance with the disclosure requirements of IFRS 7, the Group has performed a sensitivity analysis in relation to the possible interest rate fluctuations that could occur in the markets in which it operates. Based on these requirements, the Group considers that an increase of 0.50 points in the interest rates to which each of the loans composing the Group's financial debt is tied, would give rise to an increase of Euros 958 thousand in finance costs for the three month period at 31 December 2015.



**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

**Authorisation for Issue of the Condensed Consolidated Interim Financial Statements  
and Directors' Report for the three-month period ended 31 December 2015**

At their meeting held on 7 April 2016, the Directors of Parques Reunidos Servicios Centrales, S.A.U. authorised for issue the condensed consolidated interim financial statements and directors' report for the period from 1 October 2015 to 31 December 2015. The condensed consolidated interim financial statements comprise the documents that precede the five separate certifications from each Board Member.

Signed:

Mr. Fr#drik Arp  
(Chairman)

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**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

**Authorisation for Issue of the Condensed Consolidated Interim Financial Statements  
and Directors' Report for the three-month period ended 31 December 2015**

At their meeting held on 7 April 2016, the Directors of Parques Reunidos Servicios Centrales, S.A.U. authorised for issue the condensed consolidated interim financial statements and directors' report for the period from 1 October 2015 to 31 December 2015. The condensed consolidated interim financial statements comprise the documents that precede the five separate certifications from each Board Member.

Signed:

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Mr. Francisco Javier Abad Marturet  
(Vice-chairman)

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**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

**Authorisation for Issue of the Condensed Consolidated Interim Financial Statements  
and Directors' Report for the three-month period ended 31 December 2015**

At their meeting held on 7 April 2016, the Directors of Parques Reunidos Servicios Centrales, S.A.U. authorised for issue the condensed consolidated interim financial statements and directors' report for the period from 1 October 2015 to 31 December 2015. The condensed consolidated interim financial statements comprise the documents that precede the five separate certifications from each Board Member.

Signed:

Mr. Fernando Eiroa Gíménez  
(Chief Executive Officer)

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**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

**Authorisation for Issue of the Condensed Consolidated Interim Financial Statements  
and Directors' Report for the three-month period ended 31 December 2015**

At their meeting held on 7 April 2016, the Directors of Parques Reunidos Servicios Centrales, S.A.U. authorised for issue the condensed consolidated interim financial statements and directors' report for the period from 1 October 2015 to 31 December 2015. The condensed consolidated interim financial statements comprise the documents that precede the five separate certifications from each ~~Board Member~~.

Signed:

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Mr. ~~Philip~~ Patrick McAveety

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**Parques Reunidos Servicios Centrales, S.A.U. and Subsidiaries**

**Authorisation for Issue of the Condensed Consolidated Interim Financial Statements  
and Directors' Report for the three-month period ended 31 December 2015**

At their meeting held on 7 April 2016, the Directors of Parques Reunidos Servicios Centrales, S.A.U. authorised for issue the condensed consolidated interim financial statements and directors' report for the period from 1 October 2015 to 31 December 2015. The condensed consolidated interim financial statements comprise the documents that precede the five separate certifications from each Board Member.

Signed:

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Mr. John Andrew Arney