Ladies and gentlemen, welcome to the Parques Reunidos First Quarter Financial Results. The management of the company will run you through the presentation. I am now pleased to give the floor to Mr. Isidoro Díez, Chief Financial Officer, and Mr. Juan Barbolla, Chief of Strategy and Investor Relations. Gentlemen, please go ahead.

Juan Barbolla:
Good morning, and thank you for joining our Q1 2018 Results Conference Call. Today, we are pleased to say that we have a good start of the year. The performance of this quarter depends on, first, the results achieved during the off-season events (Halloween and Christmas), and second, the sale of season passes. And we have been able to grow on both initiatives and across all regions. Revenues from off-season events have grown by 16%, even though we had tough comparable figures from last year. This growth has been driven by, first, the introduction of new events. This is the case of the new Christmas season we launched at Mirabilandia in Italy. We have continued extending the season supported by introduction of new attractions and shows in parks like Warner in Spain, Movie Park in Germany, or Kennywood in the US. And we have incorporated new technologies such as the case of the new virtual reality haunted house launch at Castle Park for the Halloween event. We have also achieved record levels in season passes, reaching a remarkable 25% sales growth driven in this case by successful campaigns during the Halloween, Black Friday, Cyber Monday and Christmas. We have redefined our portfolio, our products across the European portfolio. And we have been able to successfully grow our sales and dining season passes in the US.

In summary, we had a strong beginning of the year, reaching a 7.6% like-for-like revenue growth and a 4.7% like-for-like EBITDA growth. We are on track to reach our year-end targets of double-digit EBITDA growth and at least 10%. Our capex plan is on track and we have recently announced the launch of a new kid's area at Kennywood theme park with an IP of, with the IP of Thomas the Tank. And we have also announced the development of the new Lionsgate indoor entertainment center in Madrid, which will be the first we will launch, we will open in Europe, and it will be in 2020.

Lastly, we can say that we are very active in M&A, and based on current pipeline, we could be capable of announcing something in the coming months. Now, Isidoro will explain in more detail our performance by region.

Isidoro Díez:

Thank you, Juan. Now, I will go through the segments. On page 5, Spain, hitting a new record in revenues with a growth of 10.2% on a like-for-like basis, achieving €20.8 million in Q1. Growth drivers have been the off-season events (Halloween and Christmas), with a 19% growth for this segment, successful season pass marketing campaigns—we have achieved a 29% growth—, and also the new branded food and beverage concepts that we are introducing in our parks. EBITDA is €3.7 million or 28% ahead of prior year, but Q1 represents only 14% of our annual revenue in Spain, so, so far so good, but still, an important to come.

Next page, rest of Europe, solid performance across the portfolio. 6.1% revenue growth, constituting both visitors' increase and percap. Growth drivers have been the same as in Spain: off-season events with an 11% growth, and successful season passes campaigns, +55% growth, still a small number in this segment. EBITDA is €100 k down versus prior year impacted by the minimum wage increase in Germany, Italy and The Netherlands, but also cost investments in specific new events and on season passes campaigns. But, as said before, in this segment, Q1 represents only 13% of our annual revenue.

USA achieved 7% revenue growth on a like-for-like basis, excluding Miami, which was closed for almost a month due to the impact of Hurricane Irma. Growth drivers have been the off-season events, 20% growth and the successful season pass marketing campaign—12% growth. EBITDA with a significant improvement versus prior year, but again, as said before, in this case, only 7% of the annual revenue is found in this first quarter.

Moving to page 8, let me introduce to you now the P&L below EBITDA. There are two items to highlight: first, the non-recurrent items which are including €1 million related to the Miami clean-up, personnel restructuring, one-off advisory fees, the provision for long-term stock-based compensation, the discontinued operations and other non-recurrent items. And the second item to highlight, below EBITDA, the net financial expenses that, they are higher this quarter than the prior year because they are including €1.2 million FX impact. This is not a cash out issue, this is just accounting.

To finish, on page 9, we have included a detailed [inaudible] of the net debt evolution in this first quarter, where the capital needs have been €57 million, and I forgot, we continue in increasing this amount up to Easter, where the working capital needs start to decrease up to 0 at the end of the season as has been in the last years.

Juan Barbolla:
Thank you, Isidoro. So, to conclude. We are satisfied with the performance of this quarter; it is a strong beginning of the season. And although Q1 represents only 11% of our annual revenues and there's still a significant part of the year yet to come, we are on track to reach our year-end targets. With this, we have finished the presentation and now, we are open for questions.

Operator, please.

Ladies and gentlemen, the Q&A session starts now. If you wish to ask a question, please press 01 on your telephone keypad. There will be a short silence while questions are being registered. Thank you.

The first question comes from Ed Young, from Morgan Stanley. Please go ahead.

Ed Young:
Uh, hello there. I'll ask questions one at a time, if that's okay. So, the first one's on M&A. You say you're active in discussions. Obviously, there's been press reporting about the potential to buy the German theme park Belantis. I don't know how much more you'd be able to comment on that in generalities, in terms of what that park's performance looks like and revenue or EBITDA, or multiple... If you can't, I'm just thinking, a bit more of a broad question to, can you say how many other parks or how many parks in general you're actively looking at? And is there the potential that you can do more than one acquisition a year or do you think that's sort of your capacity? I'll stop there for the first.

Juan Barbolla:
Okay, hello, good morning Ed. Now look, in terms of M&A, as we have said in many other conference calls, M&A is an important growth lever for the company, and really, we have opened several M&A processes. And look, based on the pipeline we have, within... We can announce something in the coming months. That's all we can say. We don't talk about a specific, public or a... or maybe news, okay? So, we cannot go into detail. And in terms of capacity to do one, two acquisitions...Look, we look to several processes at the same time, if we are capable to do one, we'll do one and if we are capable to do two and being cautious of our capital structure, we will consider that as well.

[inaudible] Okay?

Ed Young:
Okay, thank you. The second one's on Dubai. HQ revenue was flat on the quarter, suggesting that you're going to be still on minimum income for that, for that management contract. So, it's fairly disappointing, I guess, although you were conservatively guiding on that previously. Can you give us a bit of color on what's gone wrong or what hasn't happened, if you like, through the peak season to see an improvement there and what plans are there operationally to improve things?

Juan Barbolla:
Look, in terms of Dubai, as you know, Dubai is now undergoing in… It's peak season right now and we are evaluating the performance, okay? There are still some [inaudible] to come, and we are in the process of evaluating the performance of the park. As you said, look, based on the performance, we are reiterating what we said in terms of the guidance for the year, which is the minimum fee in the case of Dubai, and look, it's too early to say anything else on that. And as you know, and to be honest with you, we have some confidentiality terms we have with our partners and we cannot disclose information for the time being. But, honestly, to sum… As a summary, we are on track of what we said to the market, it's minimum fee for the time being.

Ed Young:
Okay, thanks. And the final one is just on your cost investments, frontloading some of your marketing for the year ahead. Can you just give us a bit of an idea over what that looks like and what kind of returns and over what kind of period you expect to see the payback on that? Is this really a boost for this summer or is this sort of building a brand in certain areas for, on a multi-year basis and how do think about returns in that marketing? Thanks.

Juan Barbolla:
Look, it's a mix of things. So, there are, there's been some cost investments and let me give you an example, the one of Mirabilandia where we have increased our costs, operating costs and marketing expenses to launch this first season of Christmas season at Mirabilandia, and this is something where we expect to get more returns or higher returns in the coming years—not only this year, the next year we expect that it will be better and the following year as well. This has been the experience we had in other parks. A good example for instance is Warner Park, where the first season was pretty much flattish in terms of, or so with 0 EBITDA contribution, and now, we're talking that we're seeing the week of Halloween at Warner Park is the one with more attendance in the year, okay? So, this is one example.

Other part of… other initiatives we have launched are to increase the penetration of the season passes, where part of the returns should be captured throughout this year. So, right now, it's not reflected in the numbers, because as you know, there's still an important part of the year to continue growing the penetration, and as well, the way we account for season passes is gradually across the seasons. So, those types of cost investments should be recovered and making… start making positive profits for the company and for the segment during the coming months, coming quarters. And mainly, those are those few, the main, the main, the main drivers of the increasing costs.

Ed Young:
Okay, thanks very much.

Juan Barbolla:
Thanks, Ed.

Ladies and gentlemen, just a reminder. In order to ask a question, please press 01 on your telephone keypad. Thank you.

The next question comes from James Warren Glock from Barclays. Please go ahead.

James Warren Glock:
Hi, there. I've got a few questions please. The first one is: would you mind updating us on your planning developments at the Marineland Park please?

Juan Barbolla:
Yes, sure. So, in Marineland, the first thing, what we can say about Marineland, the first thing: Q1 performance of Marineland is broadly in line with our expectations. Having said that, Q1 is not a meaningful quarter for the park. So, still, the important quarters are still to come. In terms of execution of our capex plan which is now our key priority for the year, okay, given the limitations we have to obtain construction permits, we have two important actions that we would love to executive this year, okay? Although we don't have certainty, but we're working hard for that. The first one is to launch a novelty which will be the, a 5D cinema. That will help us to attract more visitors to the park. And the second one is to build a new educational area which will help to reposition, will help for the repositioning of the park. This is, these are our targets. We don't have clear visibility yet, and we will be providing more visibility there as we progress, because as you know, we have some limitations and, we have certainty [inaudible]. But, look, we're working hard to get that.

James Warren Glock:
Okay, thank you. And then secondly, you've had some one-off costs in Q1 relating to the impact of the hurricane in Miami's Aquarium. Can we expect any more of that in Q2 or is that it?

Isidoro Díez:
Hi, this is Isidoro. No. No, because the amount we have in the non-recurrent items is the amount of deductible of the insurance in the US, which means that part that the insurance is not going to cover. The rest, it's covered. We are right now under negotiations but the, but the million which is booked at non-recurrent items, it's because it's the deductible of the insurance in the US.

James Warren Glock:
Okay, great, thank you. And finally, you've guided a few years ago to a leverage of two to two and a half times net debt EBITDA in the medium term. Could you just elaborate on the key covenant requirements for leverage in the context of both the year-end and after H1 given working capital swings?

Isidoro Díez:
The key covenant in this company, let me be very, very open with you is the debt, net debt to EBITDA. And that, for that purpose, our covenant right now, I mean, the headroom is huge, the covenant is 4.5 times. It goes down in March 19 to 3.75, so, let me say that our room in terms of covenant is huge. And to your second question, sorry about that, I didn't hear properly, could you repeat? About the swing on the working capital? I didn't understand.

James Warren Glock:
You've actually answered that.

Isidoro Díez:
Ah, okay. How... what's the impact on the covenant? The impact on the covenant is during the quarters, I mean, Q1, Q2, Q3, whatever revolving facility we have drawn is not part of the debt. It's only debt if we have some amount drawn down at the end of the season—September.

James Warren Glock:
That's great, thank you.

Isidoro Díez:
Thank you.

Ladies and gentlemen, just a reminder. In order to ask a question, please press 01 on your telephone keypad. Thank you.

We have a question, a follow-up question from Ed Young from Morgan Stanley. Please go ahead.

Ed Young:
Um, just, just one more please. I wondered if you could talk a little about the Lionsgate Center in Madrid of 2020? Can you just give us an idea of the capex you'd expect into that side, what returns you expect as well? Is it similar along the lines of the economic, sort of, the New York side?

Juan Barbolla:
Yes, sure. The new Lionsgate Center we are planning to open here in Madrid is, as well as the one in Times Square is, it will be a city center, it will be located in a highly populated area in Madrid, crowded area in Madrid, in the center of Madrid, the type of investment we have contemplated is €15 million, and the type of returns, in this case, because it's not in the shopping mall, all the investment will be paid by Parques Reunidos, and the type of returns are similar to the ones we have announced to the market in other centers, okay? So, it's a +20% ROI, okay? Returns, returns on investment.

Ed Young:
Okay, thank you.

The next question comes from Álvaro Lenze from Alantra Equities. Please go ahead.

Álvaro Lenze:
Hello, thanks for taking my question. Could you please elaborate a little bit on the net financial expenses that you had this year, sorry, this quarter? And if this run rate can be extrapolated for the balance of the year? Thanks.

Isidoro Díez:
Hi, Álvaro. Well, as I said before in this quarter, we have €1.2 million regarding FX that we don't know if it's, what's going to happen for the rest of the year. But, right now, we maintain our guidance in €35 million for the year.

Álvaro Lenze:
Okay, thank you very much.

Isidoro Díez:
You're welcome.

Ladies and gentlemen, there are further questions in the conference call. I now give back the word to Mr. Isidoro Diez and Mr. Juan Barbolla:

Juan Barbolla:
Thank you very much for joining the call and hope you have a nice day, thank you.

Isidoro Díez:
Thank you. And we will see everyone. Thank you, bye!

Juan Barbolla:
Thank you.