Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Consolidated Annual Accounts and Consolidated Directors' Report
for the year ended 30 September 2016
prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS - EU)

(With Independent Auditor's Report Thereon)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 30 SEPTEMBER 2016 AND 2015

(Thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

ASSETS	Note	2016	Restated 2015
Property, plant and equipment	8	877.303	832.730
Goodwill	7	640.631	680.721
Intangible assets	6	427.841	418.235
Non-current financial assets	10 a)	44.414	39.108
Deferred tax assets	19	48.756	37.235
Total non-current assets		**2.038.945**	**2.008.029**
Inventories	4 m)	23.852	22.625
Trade and other receivables	11	27.999	34.495
Current tax assets	19	663	436
Other current financial assets	10 b)	-	28.734
Other current assets		6.544	7.590
Cash and cash equivalents	12	109.951	151.064
Total current assets		**169.009**	**244.944**
Total assets		**2.207.954**	**2.252.973**

EQUITY AND LIABILITIES	Note	2016	2015
Share capital		40.371	23.436
Share premium		1.327.528	819.463
Other reserves		(268.925)	(283.707)
Other comprehensive income		28.961	29.887
Retained earnings attributable to the shareholders of the Parent		3.910	20.103
Equity attributable to the shareholders of the Parent		**1.131.845**	**609.182**
Non-controlling interests		472	850
Total equity	13	**1.132.317**	**610.032**
Financial liabilities from issuing bonds	14	-	377.647
Loans and borrowings	15	560.670	774.341
Finance lease	9	53.453	52.601
Deferred tax liabilities	19	246.925	242.197
Provisions	17	11.447	11.694
Other non-current liabilities	10 a)	43.847	44.063
Total non-current liabilities		**916.342**	**1.502.543**
Financial liabilities from issuing bonds	14	-	14.713
Loans and borrowings	15	32.993	738
Finance lease	9	4.918	4.869
Trade and other payables	18	109.734	107.794
Current tax liabilities	19	1.911	4.326
Other current liabilities	4 n)	9.739	7.958
Total current liabilities		**159.295**	**140.398**
Total equity and liabilities		**2.207.954**	**2.252.973**

The accompanying notes form an integral part of the consolidated annual accounts for 2016.

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

CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED
30 SEPTEMBER 2016 AND 2015

(Thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

PROFIT AND LOSS	Note	2016	2015
Revenue	21 a)	578.560	605.499
Other operating income	21 b)	5.425	-
Supplies	21 d)	(65.735)	(68.965)
Personnel expenses	22	(167.382)	(168.634)
Amortisation and depreciation	6 y 8	(68.561)	(67.562)
Net losses on impairment and disposals of non-current assets	6, 7 y 8	(2.277)	(2.298)
Changes in trade provisions	10 a) y 11 a)	(834)	(4.247)
Other operating expenses	21 e)	(162.499)	(173.084)
Profits from business combinations	5	-	8.750
Other results	21 c)	(25.554)	(8.869)
Operating profit		**91.143**	**120.590**
Finance income		349	602
Finance costs	21 f)	(88.823)	(94.152)
Exchange losses		2.692	(4.971)
Profit before income tax		**5.361**	**22.069**
Income tax	19	(1.829)	(2.247)
Profit for the year		**3.532**	**19.822**
Profit for the year attributable to:			
the shareholders of the Parent	13	3.910	20.103
Non-controlling interests		(378)	(281)
		3.532	**19.822**
	13		
Basic earnings per share (expressed in Euros)	13	*0,06*	*0,43*
Diluted earnings per share (expressed in Euros)	13	*0,06*	*0,43*
			(*)

(*) Restated as a result of the doubling agreement in the number of shares.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 30 SEPTEMBER 2016 AND 2015

(Thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

					Other reserves			Other comprehensive income					
					of the Parent								
	Share capital	Share premium	Other shareholder contributions	Other equity instruments	Reserves (legal and voluntary)	Prior years' losses	Reserves in fully consolidated companies	Translation differences	Valuation adjustments to equity	Retained earnings attributable to the shareholder of the Parent	Total	Non-controlling interests	Total equity
Balances at 30 September 2014 (restated)	**23.436**	**819.463**	**337**		**226**	**(58.346)**	**(228.695)**	**15.474**		**4.004**	**575.899**	**1.256**	**577.155**
Consolidated comprehensive income for 2015								14.413		20.103	34.516	(281)	34.235
Transactions with shareholders or owners													
Distribution of 2014 profits					7.704	46.426	(50.126)			(4.004)			
Other movements							(1.233)				(1.233)	(125)	(1.358)
Balances at 30 September 2015	**23.436**	**819.463**	**337**		**7.930**	**(11.920)**	**(280.054)**	**29.887**		**20.103**	**609.182**	**850**	**610.032**
Consolidated comprehensive income for 2016								(702)	(224)	3.910	2.984	(378)	2.606
Transactions with shareholders or owners													
Distribution of 2015 profits					59.119		(39.016)			(20.103)			
Increase in capital	16.935	508.065									525.000		525.000
Transaction costs					(13.562)						(13.562)		(13.562)
Share based payments				423							423		423
Other movements			9.811				(1.993)				7.818		7.818
Balances at 30 September 2016	**40.371**	**1.327.528**	**10.148**	**423**	**53.487**	**(11.920)**	**(321.063)**	**29.185**	**(224)**	**3.910**	**1.131.845**	**472**	**1.132.317**

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED
30 SEPTEMBER 2016 AND 2015
(Thousands of Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Note	2016	2015
Profit for the year		**3.532**	**19.822**
Other comprehensive income			
Translation differences of financial statements of foreign operations	13 f)	(702)	14.413
Cash flow hedges	13 f)	(363)	-
Tax effect	13 f)	139	-
Other comprehensive income for the year, net of tax		**(926)**	**14.413**
Total comprehensive income for the year		**2.606**	**34.235**
Total comprehensive income attributable to:			
the shareholder of the Parent		2.984	34.516
Non-controlling interests		(378)	(281)
		2.606	**34.235**

The accompanying notes form an integral part of the consolidated annual accounts for 2016.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 30 SEPTEMBER 2016 AND 2015

(Thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Note	2016	2015
Cash flows from operating activities			
Profit for the year		3.531	19.822
Adjustments for:			
Depreciation and amortisation	**6 and 8**	68.561	67.562
Impairment losses on trade receivables		833	4.247
Variations from provisions		(247)	0
Profits from business combinations		-	(8.750)
Finance income		(349)	(602)
Finance costs	**21 (f)**	86.132	94.152
(Gains)/losses on sale of property, plant and equipment		2.277	2.298
Income tax		1.829	2.247
Adjusted profit for the year		162.567	180.976
Changes in working capital			
Inventories		(1.227)	(1.558)
Trade and other receivables		511	(13.948)
Other current assets		1.046	-
Trade and other payables		(4.511)	13.983
Other current liabilities		1.781	(66)
Cash flows from operating activities		160.168	179.387
Income tax payments		(7.580)	(4.168)
Net cash flows from operating activities		**152.588**	**175.219**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		3.371	-
Interest received		349	602
Proceeds from financial assets		28.580	-
Acquisition of subsidiaries, net of cash and cash equivalents	**5**	-	(856)
Acquisition of property, plant and equipment	**8**	(75.437)	(81.715)
Acquisition of intangible assets	**6**	(4.536)	(5.828)
Acquisition of financial assets	**10 (b)**	-	(11.481)
Net cash flows used in investing activities		**(47.673)**	**(99.278)**
Cash flows from financing activities			
Proceeds from capital issue	**13 (a)**	525.000	-
Payments associeted with capital issue		(18.425)	-
Proceeds from other shareholders' contributions		9.811	-
Proceeds from loans and borrowings		586.813	7.480
Repayment of loans and borrowings		(1.185.434)	(671)
Interest paid		(64.279)	(89.108)
Net cash flows used in financing activities		**(146.514)**	**(82.299)**
Net increase/(decrease) in cash and cash equivalents		**(41.599)**	**(6.358)**
Cash and cash equivalents at 1 October	**12**	**151.064**	**157.422**
Cash and cash equivalents at 30 September	**12**	**109.951**	**(*) 151.064**

(*) Includes the effect of movements in exchange rates on cash held for an amount of Euros 6,188 thousand.

The accompanying notes form an integral part of the consolidated annual accounts for 2016.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Notes to the Consolidated Annual Accounts

30 September 2016

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(1) Nature, Activities and Composition of the Group

Parques Reunidos Servicios Centrales, S.A. (hereinafter the Company or the Parent) 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 and 30 March 2010, the respective resolutions to convert it into a corporation (Spanish "S.A.") and to adopt its current name, Parques Reunidos Servicios Centrales, S.A., were executed in a public deed. 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, thereby beginning its activity. The Parent's registered office is at Parque de Atracciones, Casa de Campo de Madrid, s/n. The Company's shares have been traded on the Madrid, Barcelona, Bilbao, and Valencia stock exchanges since 29 April 2016.

Parques Reunidos Servicios Centrales, S.A. is the parent of a group of subsidiaries (hereinafter the Group), the principal activity of which comprises the operation of amusement parks, zoos and animal parks, water parks and leisure facilities in general. Details of the parks operated by the Group under lease (in most cases only land lease) or administrative concessions are included in note 9. Details of the consolidated Group companies and information thereon are shown in Appendix I to these notes to the consolidated annual accounts. The main changes in the consolidated Group in 2015 are detailed in note 5. During 2016, the subsidiary Mall Entertainment Center Murcia, S.L.U, was incorporated, which has been included in the consolidation. Refer to Appendix I for related figures.

The reporting date of the Group companies' annual accounts used to prepare the consolidated annual accounts is 30 September 2016 (18 September 2016 in the case of the subsidiaries belonging to the Centaur Holding II United States Inc. subgroup) (20 September 2015 in 2015).

As a result of the initial public offering (IPO) described below, the Company has ceased to be a solely-owned company.

Initial public offering

Parques Reunidos Servicios Centrales, S.A. shares have been listed on the Madrid, Barcelona, Bilbao, and Valencia Stock Exchanges since 29 April 2016. These shares are freely transferable. The aforementioned initial public offering was carried out as follows:

a) A capital increase for Euros 525,000 thousand through the issue of 33,870,960 ordinary shares of Euros 0.50 par value each and a share premium of Euros 15 each. The new shares were sold via a subscription offer (see note 13 a)) for a price of Euros 15.5 per share.

b) A public offering for the sale of 4,850,000 shares representing 21% of the capital was approved. The shares were sold at Euros 15.5 each, raising a total amount of Euros 75,175 thousand.

The prospectus relating to the subscription, sale and admission to trading of the aforementioned shares was approved by the Spanish National Securities Market Commission on 20 April 2016. The capital increase was approved on 27 April 2016 by the then sole shareholder and entered on the Mercantile Register on 28 April 2016.

The Parent closed the share subscription period on 27 April 2016. On 28 April 2016 the public deed was executed, the capital increase closed and the shares were allocated at the offering price of Euros 15.5 per share, with the new shares admitted to trading on 29 April 2016. Consequently, at 30 September 2016, the Company's share capital was admitted to trading on the Madrid, Barcelona, Bilbao, and Valencia stock exchanges.

Morgan Stanley & Co. International PLC and Deutsche Bank AG, London Branch were appointed joint global coordinators for the aforementioned process. The total expense for these issues amounted to Euros

21,244 thousand, of which Euros 18,425 thousand (without considering the tax impact) was allocated to the public subscription offer and, therefore, recognised directly in consolidated equity (see note 13 c)) and the remaining Euros 2,819 thousand was allocated to the public offering and, therefore, recognised in the consolidated income statement (see note 21 c)).

Lastly, using the proceeds of the initial public offering, the Group has restructured its financial debt, settling the bonds issued in the United States and the existing contracted syndicated loan and arranging a further syndicated loan (see note 15).

(2) Basis of Presentation

The accompanying consolidated annual accounts have been prepared on the basis of the accounting records of Parques Reunidos Servicios Centrales, S.A. and the consolidated companies. The consolidated annual accounts for 2016 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), and other applicable provisions in the financial reporting framework, to give a true and fair view of the consolidated equity and consolidated financial position of Parques Reunidos Servicios Centrales, S.A. and subsidiaries at 30 September 2016 and consolidated financial performance, consolidated cash flows, and changes in consolidated equity corresponding for the year then ended.

The Group adopted IFRS-EU on 1 October 2007 and applied IFRS 1, "First-time adoption of International Financial Reporting Standards".

The consolidated annual accounts for the year ended 30 September 2016, which were authorised for issue by the directors of the Parent on 28 November 2016, and the individual annual accounts of Parques Reunidos Servicios Centrales, S.A. and of each of the consolidated companies, will be submitted for approval by the shareholders at the respective annual general meetings. It is considered that they will be approved with no changes.

The Group's consolidated annual accounts for 2015 were approved by the sole shareholder of the Parent on 17 March 2016.

a) Basis of preparation of the consolidated annual accounts

These consolidated annual accounts have been prepared on a historical cost basis, except for the derivative financial instruments which have been recorded at fair value.

Note 4 includes a summary of all mandatory and significant accounting principles, measurement criteria and alternative options permitted under IFRS.

The Group has opted to present a consolidated income statement separately from the consolidated statement of comprehensive income. The consolidated income statement is reported using the nature of expense method and the consolidated statement of cash flows has been prepared using the indirect method.

b) Comparative information

As required by IAS 1, the accompanying consolidated annual accounts for 2016 also include comparative figures for the prior year, which formed part of the consolidated annual accounts for 2015 approved by the sole shareholder on 17 March 2016. However, the consolidated statement of financial position at 30 September 2015 included for purposes of comparison does not tally with the information included in the 2015 consolidated annual accounts. After authorising the 2015 consolidated annual accounts for issue, the Group reassessed the lease agreement which had been classified as an operating lease in the 2015 consolidated annual accounts and concluded that this lease agreement should have been classified as a finance lease. Consequently, the Group has restated the amounts related to this agreement in the accompanying consolidated annual accounts for the year ended 30 September 2015. The reconciliation of items on the consolidated statement of financial position to the 2015 annual accounts affected by this restatement is as follows:

	Impact of the correction		
In thousands of Euros	Consolidated annual accounts	Adjustment for the correction	Restated figures
Property, plant and equipment (note 8)	775,260	57,470	832,730
Other	1,420,243		1,420,243
Total assets	**2,195,503**	57,470	**2,252,973**
Non-current finance lease payables (note 9 b))	-	52,601	52,601
Current finance lease payables (note 9 b))	-	4,869	4,869
Other	1,585,471		1,585,471
Total liabilities	**1,585,471**	57,470	**1,642,941**
Total equity	**610,032**	-	**610,032**

The restatement has no impact on the Group's basic or diluted earnings per share, or on cash flows from operating, investment or financing activities in the 2015 annual reporting period.

From 1 October 2015, due to changes in senior management, the Group has modified the basis of segmentation used to analyse profitability and make strategic decisions and now uses a geographical basis of segmentation. Before this decision, the Group's operating segments were defined according to the nature of the park (amusement parks, water parks and zoos and animal parks), based on how management monitored their profitability and on its operating strategy until that time. Under the new basis of segmentation, the Group has identified the following operating segments and has based its new reporting system on them: Spain, United States and rest of world. The Parent's activities as a holding company and the corporate activities undertaken by the Group both in Spain and in the United States, which cannot be assigned to any of the aforementioned operating segments, are included as an additional segment.

Management considers that this new segmentation is aligned with that of other companies in the sector. As a result of this decision, the operating segments indicated by the Group in its 2015 consolidated annual accounts differed from the current criteria. Consequently, the segment information in the consolidated annual accounts related to 2015 has been restated under current criteria in order to make the information for the current and previous years comparable.

Also according to the resolution of 29 January 2016 of the Institute of Accounting and Auditing on information to be included in the annual accounts in relation to the average period of payment to suppliers in commercial operations, comparative information for 2015 is not included (see note 18).

Finally, in the 2015 consolidated annual accounts, the Group corrected the useful lives of the administrative concessions of some Spanish parks, as well as the amount of deferred tax liabilities associated with such assets. However, these adjustments were not applied to the initial balances of shareholders' equity for 2015, which is why the Group has restated the comparative figures as of 30 September 2014 included in the consolidated statement of changes in equity in these consolidated annual accounts. This restatement does not have any effect on the figures as of 30 September 2015.

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

Relevant accounting estimates and judgements and other estimates and assumptions have to be made when applying the Group's accounting principles to prepare the consolidated annual accounts in conformity with IFRS-EU. A summary of the items requiring a greater degree of judgement or which are more complex, or where the assumptions and estimates made are significant to the preparation of the consolidated annual accounts, is as follows:

- The assumptions applied to calculate the cash flows used to assess possible impairment losses incurred on property, plant and equipment, intangible assets and goodwill.
- The assumptions used to calculate future taxable income, which is used as the basis for recognising tax credits.
- The judgements used to determine whether or not IFRIC 12 is applicable to the different concessions of the Group
- The judgements used to determine whether lease contracts should be classified as finance or operating leases.

(i) *Assumptions used in the impairment testing of property, plant and equipment, intangible assets and goodwill*

The Group tests goodwill for impairment on an annual basis, and property, plant and equipment and intangible assets whenever there are indications of impairment, in order to calculate the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Based on the foregoing, the Group calculates the recoverable amount of cash-generating units (hereinafter "CGUs") as their fair value less costs to sell using cash flow discounting methods. The calculation of the recoverable amount requires the use of estimates by management.

Cash-generating units (CGUs) are the smallest groups of assets that generate independent cash inflows. The Group considers that each of its parks constitutes an independent cash-generating unit. The Group prepares individual projections for each CGU on the basis of past experience and of the best estimates available, which are consistent with the Group's business plans. Although assets in each of the Group's parks are tested for impairment on an individual basis, goodwill is allocated to the CGU or the group of CGUs when there are economic grounds for applying this criterion (see note 7). In no event do the groups of CGUs exceed the operating segments established by the Group.

As a result of the impairment test carried out by the Group at 30 September 2016, provisions totalling Euros 59,177 thousand for impairment of certain Spanish parks (Parque de Atracciones de Madrid, Madrid zoo and Leisure Parks) were released. Conversely, impairment of Euros 17,497 thousand has been recognised on the Italian park Mirabilandia (see notes 6 and 8). Similarly, as a result of the analysis of impairment of goodwill allocated to the various CGUs and groups of CGUs and of the events that have occurred during the current year, impairment of Euros 40,809 thousand has been recognised on the French park Marineland (see note 7).

Justification of the assumptions used for impairment testing

Both cash flows and key assumptions take into account past experience and represent the best estimate of future market performance and of renegotiations of concession arrangements and leases. These key assumptions include the additional extension periods for the concession arrangements and leases, EBITDA growth rates (EBITDA being defined as operating profit or loss less depreciation and amortisation), the compound annual growth rate and the discount rate, as well as the tax rates for each country where the parks are located. Investments in fixed assets (Capex) have been estimated on the basis of annual EBITDA, without prejudice to specifically considering the estimated investment in the opening of new attractions or expansions of existing areas planned for certain years. Impairment tests do not consider the change in non-financial working capital as the year-to-year variations in trade receivables and supplier balances are not significant.

These estimates are categorised within level 3 of the estimated fair value hierarchy in accordance with IFRS 7 (see note 4 j)).

a) Five-year EBITDA projections

As mentioned in note 1, in addition to its own parks, the Group operates certain parks under lease or concession. In all cases, the cash flow discounting calculations are based on the business plans approved by the Group for each park (2017 budgets and 2018-2021 projections).

The main items in these business plans are the revenue, operating expenditure and Capex projections, which reflect the best available estimates of the expected performance of each park. EBITDA is the Group's key business assumption as well as its main defined management variable as this is the main indicator used by the Group to monitor the business.

The Group has drawn up EBITDA projections for the next five years on the basis of past experience, the estimated growth of the sector in each country (taking into account any differences between forecasts made in previous years and the actual figures) and the specific prospects of each park. The Group periodically reviews its business plan, updating it at least once a year.

b) Projected years, additional extensions and growth rates

The projections included in the cash flow discounting calculation for the concession arrangements have been drawn up until the end of the concession arrangement, plus an additional extension of between 20 and 30 years. The projections for operating lease agreements span the period until the end of the lease agreement, plus additional extensions of between 10 and 20 years. The additional periods considered are based on past experience, which suggests that such agreements will most likely be extended.

For the Group's own parks, from the fifth year on (the last year shown in the business plan) the terminal value used in the cash flows is calculated using a compound annual growth rate. In the case of concession arrangements or leases, from the fifth year on cash flows are extrapolated to the end of the terms of the agreements (plus any additional extensions considered) using a compound annual growth rate. The growth rates used are aligned with the average long-term growth rate for the sector and they take into account the long-term inflation outlook and the gross domestic product in each country where the parks are present (source: The Economist Intelligence Unit).

In the case of the US parks, the terminal value has been calculated using the EBITDA multiples method.

In the case of the US parks, the calculations of the recoverable value have been performed by an independent expert.

c) Discount rates

The discount rates used by the Group are after tax rates (cash flows are also after tax) and are based on the weighted average cost of capital (WACC) in each country where the Group operates, considering the following factors:

i. long-term government debt yields, which are used as a reference for the risk-free rate (source: Bloomberg),

ii. an unlevered beta and the average gearing ratio within the sector, based on comparable companies (source: Capital IQ),

iii. a market risk premium, which represents the difference between the historical average stock market return and long-term public debt (source: various studies),

iv. an alpha coefficient which represents an additional risk premium taking into account aspects such as size and lack of liquidity in the country (source: Ibbotson Associates),

v. the after-tax cost of debt used is the 10-year Euribor (source: Bloomberg) plus a risk premium (source: Damodaran), after applying the prevailing tax rate in each country.

Main impairment testing assumptions

The main assumptions used in the CGUs or groups of CGUs to estimate the recoverable amount were as follows:

- Average compound annual growth of EBITDA of 6.6% (6.5% in 2015). When significant investments in new attractions are projected, EBITDA growth is higher.

- Investments in fixed assets (Capex) considering projected investments in new attractions and projected expansion in existing areas in the coming years are estimated at between 15% and 25% of annual EBITDA. When significant investments in new attractions are projected, CAPEX growth is higher.

- In 2016 and 2015, the pre- and post-tax discount rates and estimated compound annual growth rates used in each country in which the Group is present are as follows:

	2016			2015		
Country	**Post-tax discount rate**	**Pre-tax discount rate**	**Estimated compound annual growth rate**	**Post-tax discount rate**	**Pre-tax discount rate**	**Estimated compound annual growth rate**
Spain	8.9%	12.3%	2%	8.8%	11.6%%	2%
Italy	8.8%	10.4%	2%	8.8%	11.2%%	2%
France	8.1%	17.1%	2%	7.7%	14.9%%	2%
United Kingdom	8.3%	9.8%	2%	8.1%	10.7%%	2%
Norway	7.7%	11.5%	2%	7.8%	13.3%%	2%
Belgium	7.2%	13.8%	2%	7.8%	15.3%%	2%
Denmark	7.8%	8.9%	2%	7.9%	8.1%%	2%
Germany	7.6%	9.7%	2%	7.5%	8.8%%	2%
Netherlands	7.6%	13.4%	2%	7.8%	14.1%%	2%
United States	9.0%	9.6%	(1)	9.9%	10.6%	(1)
Argentina	11.7%	27.3%	(2)	15.3%	27.4%	(2)

(1) To calculate the terminal value, the US subgroup has used the multiples method, applying a multiple of between 9.5 and 10 times EBITDA in 2016 (10 times EBITDA in 2015).

(2) The agreement expires in 2021 so a projection has not been drawn up extending beyond that year.

Sensitivity analysis

The estimates, including the methodology used, could have a significant impact on values and impairment of some CGUs. In previous years, differences between actual and budgeted EBITDA have generally been positive, and no significant negative variations have been recorded vis-à-vis budgeted growth. In any event, any deviations in the aforementioned figures have been considered in the impairment tests carried out.

The parks with a recoverable amount which far exceeds their carrying amount correspond to the parks located in Spain (except for Parque de Atracciones in Madrid and Zoo-Aquarium in Madrid), most of the parks in the US, and practically all other parks worldwide. However, there are a few parks, mainly Bobbejaanland (Belgium) and Sandcastle (USA), where there is little difference between the carrying amount and the recoverable amount. Reasonable variations in the key assumptions used by Group management to determine the recoverable amount could result in the carrying amount exceeding the recoverable amount or, conversely, in the case of parks for which impairment has been recognised, could result in the future release of the booked provision.

As, historically, actual figures have not, but for some exceptional cases, fallen short of the projections made by more than 10%, and as EBITDA growth has been positive in the last three years, the Group has performed a sensitivity analysis considering, as the worst-case scenario, a drop in EBITDA figures of 10% vis-à-vis the initial projection for the next five years. For the sensitivity analysis, the Group has lowered the compound annual growth rate by 1%. Lastly, the Group has performed a sensitivity analysis without considering lease extensions for any of the Group's parks. This has the greatest impact on the Spanish parks, which are all operated under concession arrangements or leases.

Taking into account the previous sensitivity analysis carried out at 30 September 2016 and 2015, as well as any variations in the discount rate (an increase or decrease of 1% being considered reasonable), details of the effect on profit or loss are as follows:

	Thousands of Euros (Expenses)/income	
Sensitivity	2016	2015
+1 percentage point in discount rates	(92.964)	(145,096)
-1 percentage point in discount rates	30,726	16,611
No extension obtained for concessions/leases	(69.175)	(39,147)
With a 10% drop in EBITDA over the next five years	(79.560)	(35,747)
-1 percentage point in the forecast future compound annual growth rate	(60,806)	(92,732)

The impact of these changes on the main CGUs are shown below:

- Parks in Spain: The main impact observed is in the parks for which impairment has been reversed this year (Parque de Atracciones in Madrid and Zoo-Aquarium in Madrid). Thus, an increase of one percentage point in the discount rate would reduce the reversal in these parks by Euros 15 million and, conversely, a decrease of one percentage point would mean reversing additional impairment of Euros 13 million. A 10% reduction in projected EBITDA over the next 5 years would reduce the reversals made by Euros 16 million and would give rise to additional impairment of Euros 11 million. Finally, not considering extensions would produce an additional deterioration of Euros 55 million in the previous parks (Parque de Atracciones in Madrid and Zoo-Aquarium in Madrid), being that it is in these parks as well as the rest of the Spanish parks where almost all of the impact of the sensitivity (Euros 68 million) would be produced.

- Parks in the rest of the world: The main impact would be on parks in Europe, primarily those that are impaired, namely Mirabilandia and Marineland. An increase of one percentage point in the discount rate would increase impairment thereof by Euros 49 million and a decrease of one percentage point would reduce impairment by Euros 17 million. In the remaining European parks, principally in Bobbejaland) a one percentage point increase in the discount rate would give rise to additional impairment of Euros 20 million.

  As in the previous case, a one percentage point fall in the growth rate of the impaired parks would have a negative impact on profit of Euros 32 million. The remaining parks, principally in Bobbejaland), would experience additional impairment of Euros 17 million if the growth rate were to decline by one percentage point.

  In relation to the EBITDA, a reduction of 10% would produce an additional impairment in Marineland and Mirabilandia of Euros 35 million and Euros 11 million in the rest of the European parks, principally in Bobbejaland.

  In Bobbejaanland, there is little scope for sensitivity to changes in the assumptions. Consequently, any variation in the assumptions would lower the recoverable amount to below the carrying amount. Similarly, with regard to the goodwill associated with the Europe CGU group comprising amusement parks, a rise of 1.65 p.p. in the discount rate or a 1.65% drop in the growth rate would mean that the recoverable amount of this group of CGUs would be approximately equal to its carrying amount. Similarly, with regard to EBITDA, a decrease of 3.8% vis-à-vis the percentage increases considered over the next five years in the impairment test would lower the recoverable amount of the group of CGUs to roughly its carrying amount.

  Finally, failure to consider additional extensions in European park contracts would not have a significant effect on the estimated impairment of such parks.

- In US groups of CGUs, an increase of one percentage point in the discount rate would result in an impairment of Euros 8 million in the American parks and a 10% decrease in EBITDA would lead to an impairment of Euros 17 million. Also, considering that the impairment tests in the U.S. are realized considering a method of multiples of EBITDA, if one point is reduced, the considered multiple would produce an impairment of approximately Euros 12 million.

The park that would suffer the most impairment in the aforementioned sensibilities would be the Sandcastle waterpark (Pittsburgh, USA). In this sense, this park has very little slack against sensitivities in the hypothesis, so any variations in the assumptions would reduce the recoverable value below the book value. The aforementioned sensitivities would affect the impairment by approximately Euros 8 million in all agreed-upon cases.

Group management considers that taking into account the reasonableness of any possible changes in key assumptions and the provisions recognised in the annual accounts, there is sufficient leeway to offset any impairment risk in the remaining parks for which provision has not been made.

(ii) *Assumptions used in the recognition of tax credits*

The Group assesses whether to recognise tax loss carryforwards and temporary adjustments pending approval based on its capacity to generate future taxable income (see note 19).

(iii) *Relevant judgements used in the application of IFRIC 12 and the analysis of lease agreements*

The Group analyses the contractual and legal characteristics of concession arrangements and leases. As a result of this analysis, the Group determined in preceding years that the administrative concessions for the Madrid amusement park, the Casa de Campo zoo in Madrid and the Madrid cable car were subject to IFRIC 12, and had therefore applied this standard, in all significant aspects, to these concessions in the consolidated annual accounts under IFRS-EU at 30 September 2016 and 2015.

The Group analyses the initial contractual terms of leases, and subsequent amendments, to determine their adequate classification as operating or finance leases. The Group has also performed an analysis of the possible existence of business leases over which the Group may hold control. As a result of these analyses, the Group has determined that there are no business leases at 30 September 2016 and 2015, as all leases are for assets that do not constitute a business.

Although estimates are calculated by the Company's directors based on the best information available at 30 September 2016, future events may require changes to these estimates in subsequent years. Pursuant to IAS 8, any effect on the consolidated annual accounts of adjustments to be made in subsequent years would be recognised prospectively.

d) Standards and interpretations effective this year

The standards, issued by the International Accounting Standards Board (IASB), and adopted by the European Union, with effective application for annual periods beginning on or after 1 October 2015 have not had an impact on these consolidated annual accounts:

At the date of presentation of these consolidated annual accounts, the following IFRS standards have been issued by the IASB and adopted by the European Union but are effective for the annual period beginning on or after 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 provide new guidance on how to account for the acquisition of an interest in a joint operation whose activity 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 an amortisation method that is based on the revenue generated through the use of an intangible asset is inappropriate. The amendments to IAS 16 explicitly state that revenue-based depreciation methods cannot be used for property, plant and equipment.
- Annual Improvements to IFRS 2012-2014 Cycle - various standards (IFRS 5, IFRS 7, IAS 19 and IAS 34). Effective for annual periods beginning on or after January 2016.
- Presentation of Financial Statements (Amendments to IAS 1). Effective for periods beginning on or after 1 January 2016. The purpose of these amendments is to improve the effectiveness of disclosures and encourage companies to apply professional judgement when determining which information to disclose in their financial statements.
- The sale or contribution of assets between an investor and its associate (amendments to IFRS 10 and IAS 28). The amendments address an inconsistency between IFRS 10 and IAS 28 (2011) requirements regarding the accounting treatment of the sale or contribution of assets between an investor and its associate. The main consequence of the amendments is that a gain or loss is recognised in full when a transaction involves a business (whether or not it is in a subsidiary). A partial gain or loss is recognised when the transaction involves assets that do not constitute a business, even if the assets are in a subsidiary.
- IFRS 15: Revenue from Contracts with Customers. Effective for annual periods beginning on or after 1 January 2018. Companies shall apply a five-step model to determine the amount of revenue

to be recognised and the timing thereof. The model specifies that revenue should be recognised when control of the goods or services is transferred to customers. Depending on whether certain criteria are met, revenue is recognised over time, reflecting the company's performance, or at a point in time, when control of the goods or services is transferred to customers.

- At the date of presentation of these consolidated annual accounts, 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:

- Amendments to IAS 7 – Breakdown of the changes in financial liabilities in the statement of cash flows. The amendments are intended to enable users of the financial statements to evaluate the changes, whether cash or not, in the liabilities for financing activities. Effective for annual periods beginning on or after 1 January 2017.

- IFRS 9: Financial Instruments. Effective for annual periods beginning on or after 1 January 2018. This standard, 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 requires the recognition of all lease agreements identified in the lessee's balance sheet, with a few exceptions.

The Group has not applied any of the standards before the effective date. Of the previous standards, only IFRS 16 is expected to have a significant impact, particularly on the amounts of future obligations under existing leases, an impact that is currently being analysed. However, at the date of authorisation for issue of these consolidated annual accounts, the analysis of the aforementioned standard had not been completed due to the complexity of the analysis and the large number of leases in the countries in which the Group operates.

(3) Distribution of the Parent's Profits

The distribution of the Parent's Euros 55,022,049.22 profit for the year ended 30 September 2015, approved by the shareholder’s meeting on 17 March 2016, consisted of transferring to legal reserve an amount of 5,502,204.92, to voluntary reserves an amount of 29,519,844.30, and a dividend distribution for an amount of Euros 20,000,000.00.

The directors will propose to the sole shareholder that the profit of Euros 59,885,339.90 for the year ended 30 September 2016 be transferred to voluntary reserves.

(4) Significant Accounting Policies

a) Subsidiaries

Subsidiaries are entities, including structured entities, over which the Group, either directly or indirectly through subsidiaries, exercises control. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Company has power over a subsidiary when it has existing substantive rights that give it the ability to direct the relevant activities. The Company is exposed, or has rights, to variable returns from its involvement with the subsidiary when its returns from its involvement have the potential to vary as a result of the subsidiary’s performance.

The income, expenses and cash flows of subsidiaries are included in the consolidated annual accounts from the date of acquisition, which is when the Group effectively takes control of the subsidiaries. Subsidiaries are excluded from the consolidated Group from the date on which this control is lost.

The subsidiaries' accounting policies have been adapted to Group accounting policies for like transactions and events in similar circumstances.

Except for the Centaur Holding II United States Inc. subgroup, as mentioned in note 1 to the accompanying annual accounts, the annual accounts or financial statements of the subsidiaries used in the consolidation process have been prepared as of the same date and for the same period as those of the Parent. Nonetheless, the Group has assessed the impact of the reporting date of the US subgroup on the consolidated financial statements, which is considered to be insignificant, and therefore no harmonisation in terms of timing has been carried out.

The annual accounts of subsidiaries have been fully consolidated. Consequently, all significant balances and transactions between consolidated companies have been eliminated on consolidation.

b) Business combinations

As permitted by IFRS 1: First-time Adoption of International Financial Reporting Standards, the Group has recognised only business combinations that occurred on or after 1 October 2007, the date of transition to IFRS-EU, using the acquisition method. Acquisitions of entities prior to that date were accounted for in accordance with Spanish GAAP, taking into account the necessary corrections and adjustments at the transition date. The Group has applied IFRS 3 Business Combinations, revised in 2008, to transactions carried out on or after 1 January 2010.

New business combinations arose in 2015 (see note 5).

The acquisition date is the date on which the Group obtains control of the acquiree. The consideration given is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued by the Group and any consideration contingent on future events or compliance with certain conditions in exchange for control of the acquiree. Acquisition-related costs, such as professional fees, do not form part of the cost of the business combination and are accounted for as expenses in the consolidated income statement.

On the acquisition date, the Group determined whether the terms of any operating lease contracts included in business combinations were favourable or unfavourable relative to market terms. The Group recognises an intangible asset if the terms are favourable and a non-financial liability if the terms are unfavourable. Nevertheless, and although the terms are market terms, the Group recognises as leaseholds intangible assets associated with contracts that provide the Group with entry into a new market or other future economic benefits.

Any contingent consideration is measured at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration are recognised in the consolidated income statement unless the changes arise within a time period of 12 months established as the provisional accounting period, in which case goodwill will be adjusted.

Goodwill is measured as the difference between the sum of the consideration transferred, the non-controlling interests and the fair value of the acquirer's previously held equity interest in the acquiree, less the net identifiable assets acquired.

If the acquisition cost of the net identifiable assets is lower than their fair value, the difference is recognised in the consolidated income statement for the year.

c) Non-controlling interests

Non-controlling interests in subsidiaries acquired after 1 October 2007 (the date of the Group's transition to IFRS-EU) are recognised at the acquisition date at the proportional part of the fair value of the identifiable net assets. Non-controlling interests in subsidiaries acquired prior to the transition date were recognised at the proportional part of the equity of the subsidiaries at the date of first consolidation.

Non-controlling interests are disclosed in consolidated equity separately from equity attributable to shareholders of the Parent. Non-controlling interests' share in consolidated profit or loss for the year (and in consolidated total comprehensive income for the year) is disclosed separately in the consolidated income statement (and in the consolidated statement of comprehensive income).

d) Foreign currency transactions and balances

(i) *Functional and presentation currency*

The functional currency of all the Group companies is the local currency, which is the Euro, except for the subsidiaries located in the US, the UK, Norway, Denmark and Argentina. The figures disclosed in the consolidated annual accounts are expressed in thousands of Euros, the Parent's functional and presentation currency, rounded off to the nearest thousand.

(ii) *Foreign currency transactions, balances and cash flows*

Transactions in foreign currency are translated at the spot exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies have been translated into the functional currency at the closing rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the transaction date. Non-monetary assets measured at fair value have been translated into the functional currency at the exchange rate at the date that the fair value was determined.

Exchange gains and losses arising on the settlement of foreign currency transactions and the translation into the functional currency of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(iii) *Translation of foreign operations*

The financial statements of the Group companies that are stated in a currency other than the presentation currency are translated to Euros as follows:

- Assets and liabilities, including goodwill and net asset adjustments derived from the acquisition of the operations, are translated at the closing rate at the reporting date of each statement of financial position.
- Income and expenses are translated at the average exchange rates for the year.
- All resulting exchange differences are recognised as translation differences in other comprehensive income.

For presentation of the consolidated statement of cash flows, cash flows of the subsidiaries are translated into Euros applying the exchange rates prevailing when the cash flows occurred.

Translation differences recognised in other comprehensive income are accounted for in profit or loss as an adjustment to the gain or loss on the sale using the same criteria as for subsidiaries.

The local currency of all the Group companies is the Euro, except for the subsidiaries located in the US, the UK, Norway, Denmark and Argentina.

e) Intangible assets and goodwill

Intangible assets are initially recognised at cost of acquisition or development and subsequently measured at cost less accumulated amortisation and impairment. Only assets whose cost can be estimated objectively and from which future economic benefits are expected to be obtained are recognised.

An intangible asset is regarded as having an indefinite useful life when it is considered that there is no foreseeable limit to the period over which it is expected to generate net cash inflows. In all other cases intangible assets are considered to have finite useful lives.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment at least once a year, using the same criteria as those applied to goodwill.

Intangible assets with finite useful lives are amortised on a straight-line basis over the years of estimated useful life of the related assets.

The Group reviews the residual value, useful life and amortisation method for intangible assets at each financial year end. Changes to initially established criteria are accounted for prospectively as a change in accounting estimates.

- *Goodwill*

Goodwill is determined using the same criteria as for business combinations.

Goodwill is not amortised but is tested for impairment annually or more frequently where events or circumstances indicate that an asset may be impaired. Goodwill on business combinations is allocated to each CGU or group of CGUs expected to benefit from the synergies of the aforementioned business combination, applying the criteria described in section g). After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Internally generated goodwill is not recognised as an asset.

- *Administrative concessions*

Administrative concessions and surface rights include the amounts paid to public sector and other entities on which some of the leisure facilities owned by the Group are located. This cost was determined as the fair value of the concessions and/or surface rights on the date on which they were included in the Group.

In relation to the application of the IFRIC 12 interpretation, which refers to the accounting for, measurement and presentation of administrative concessions affecting infrastructure and other public services, as mentioned in note 2 c) the directors considered that the administrative concessions held by the Group for the Madrid amusement park, the Madrid zoo and the Madrid cable car fell within the scope of this interpretation, which was therefore applied in the preparation of the consolidated annual accounts.

This interpretation is applicable to service concession arrangements with public entities in which:

- the grantor controls or regulates the services to be rendered using the infrastructure, as well as the associated conditions and prices; and
- the grantor controls any significant residual interest in the infrastructure at the end of the concession period.

Based on the terms of the concession arrangements governing the services provided by the Group under these administrative concessions, the recognition and measurement criteria applied to concessions are those established for intangible assets. The consideration received takes the form of the right to charge visitors the corresponding tariffs for their visits. This right to receive consideration is not unconditional and the Group assumes the risk of a fall in demand or in visitor numbers. During initial application of this standard, all investment costs relating to the infrastructure at these facilities that were recognised under property, plant and equipment have been retrospectively reclassified to intangible assets.

Contractual obligations assumed by the Group in order to maintain the infrastructure during the operating period or carry out renovation work prior to returning the infrastructure to the grantor upon expiry of the concession are recognised using the accounting policy described for provisions (see section s) of this note). Maintenance works are recognised as an expense when incurred. Any replacements, major repairs and other work necessary before the infrastructure can be returned require the systematic recognition of a provision. Due to the extensive ordinary maintenance carried out on the infrastructure, the Group considers that no additional provisions are required to meet contractual obligations.

Concession contracts that are not subject to IFRIC 12 are recognised using the general criteria. If the Group recognises assets as property, plant and equipment, these are depreciated over the shorter of the asset's economic life and the concession period. Any investment, upgrade or replacement obligation assumed by the Group is considered when calculating the asset's impairment as a contractual outflow of future cash flows necessary to obtain future cash inflows.

Administrative concessions are amortised on a straight-line basis over the concession period (see note 9). Lastly, the cost of any concession assets that require a substantial period of time to get ready for their intended use includes the borrowing costs incurred until the assets become operational, provided that these qualify for capitalisation. No borrowing costs have been capitalised at 30 September 2016 or 2015.

- *Industrial property*

Industrial property reflects the amounts paid to acquire and register trademarks and is amortised over its useful life up to a maximum of 20 years.

- *Computer software*

Computer software is measured at acquisition cost and amortised on a straight-line basis over five years. Computer software maintenance costs are charged as expenses when incurred.

- *Other intangible assets*

Other intangible assets basically comprise the cost of certain leases that are measured at their fair value on the date they were included in the Group through a business combination, and which are amortised on a straight-line basis over the remaining lease term (see section b) of this note).

f) Property, plant and equipment

Property, plant and equipment are recognised at cost of acquisition less any accumulated depreciation and impairment.

The cost of assets acquired or produced that require a substantial period of time to get ready for their intended use includes the borrowing costs incurred until the assets become operational, provided that these qualify for capitalisation. At 30 September 2016 and 2015 no borrowing costs were capitalised under property, plant and equipment as no assets of this nature had been acquired.

Costs of expansion, modernisation or improvements that increase productivity, capacity or efficiency or extend the useful lives of assets are recognised as an increase in the cost of those assets. Repair

and maintenance costs of property, plant and equipment are recognised in the consolidated income statement when incurred.

The cost of an item of property, plant and equipment includes the estimated costs of dismantling or removal and restoration of the site on which it is located, provided that the obligation is incurred as a consequence of having used the item and for purposes other than to produce inventories. Several Group companies have entered into agreements that provide for the construction and other works, at their own cost, required for the facilities and structures located on the land included in the concessions to be handed over in perfect condition at the end of the concession term. At the beginning of each contract term, the Group assesses whether it will have to make disbursements in the future as a result of the obligations assumed and, if so, estimates the present value thereof, which is capitalised as an increase in the cost of the related asset. A provision is therefore recognised, which is increased accordingly in subsequent reporting periods.

This item also includes the cost of acquiring animals (including the fair value assigned thereto in a business combination), in cases in which this acquisition involved a monetary consideration, net of accumulated depreciation. The depreciation period of these assets is based on the expected lifespan of each species acquired with a monetary consideration, which is between 10 and 50 years.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, as follows.

	Years
Buildings and other structures	50
Machinery	25
Technical installations and equipment	10 to 18
Furniture and fixtures	15
Information technology equipment	4
Vehicles	6 to 12
Other property, plant and equipment	3 to 15

The items of property, plant and equipment whose useful life exceeds the term of the administrative concessions or operating leases are depreciated on a straight-line basis over the term of the related concession or lease (see note 9). Land not assigned to concessions is considered to have an indefinite useful life and is therefore not depreciated.

The Group reviews the residual value, useful life and depreciation method for property, plant and equipment at each financial year end. Changes to initially established criteria are accounted for prospectively as a change in accounting estimates.

g) Impairment of non-financial assets subject to amortisation or depreciation and goodwill

The Group evaluates whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount.

The Group tests goodwill, intangible assets with indefinite useful lives and intangible assets that are not yet ready to enter service for potential impairment at least annually, irrespective of whether there is any indication that the assets may be impaired.

Negative differences resulting from comparison of the carrying amounts of the assets with their recoverable amount are recognised in profit and loss.

Impairment losses for cash-generating units are allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit pro rata with their carrying amounts. The carrying amount of each asset may not be reduced below the highest of its fair value less costs of disposal, its value in use and zero.

A reversal of an impairment loss is recognised in the consolidated income statement. A reversal of an impairment loss for a CGU is allocated to the assets of each unit, except goodwill, pro rata with the carrying amounts of those assets. The carrying amount of an asset may not be increased above the lower of its recoverable amount and the carrying amount that would have been disclosed, net of amortisation or depreciation, had no impairment loss been recognised.

h) Leases

The Group classifies leases as finance leases when substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the lessee under the terms and conditions of the lease, otherwise they are classified as operating leases.

Amendments to lease contract clauses, other than renewal, which would have led to a different classification had they been considered at the inception of the lease, are recognised as a new contract over the remaining term. However, changes in estimates or circumstances do not entail a new classification.

- Lessee accounting - Finance leases

At the commencement of the lease term, the Group recognises finance leases as assets and liabilities at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Initial direct costs are added to the asset's carrying amount. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Interest is expensed using the effective interest method. Contingent rents are recognised as an expense when it is probable that they will be incurred.

The accounting policies applied to the assets used by the Group by virtue of finance lease contracts are the same as those set out in section (f) of this note. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the assets are fully depreciated over the shorter of the lease term and their useful lives.

- Lessee accounting - Operating leases

Lease payments under an operating lease, net of incentives received, are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the lease's benefit.

i) Financial instruments

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument in IAS 32 "Financial Instruments: Presentation".

For measurement purposes, financial instruments are classified into the following categories: financial assets and financial liabilities at fair value through profit or loss, separating those initially designated as such from those held for trading; loans and receivables; held-to-maturity investments; available-for-sale financial assets; and financial liabilities at amortised cost. Financial instruments are classified into different categories based on the nature of the instruments and the Group's intentions on initial recognition.

A financial asset and a financial liability are offset only when the Group currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(i) *Loans and receivables and held-to-maturity investments*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified in other financial asset categories.

These assets are initially recognised at fair value, including transaction costs, and are subsequently measured at amortised cost using the effective interest method. Nevertheless, financial assets which have no established interest rate, which mature or are expected to be received in the short term, and for which the effect of discounting is immaterial, are measured at their nominal amount.

Held-to-maturity investments, which include the bank deposits lodged by Group companies, are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity, other than those classified in other categories. The measurement criteria applicable to financial instruments classified in this category are the same as those applicable to loans and receivables. Some of these investments have been classified under cash and cash equivalents in accordance with the criteria defined in section (k) of this note.

(ii) *Impairment and uncollectibility of financial assets*

The Group recognises impairment to cover its exposure to bad debt risk. Provisions for impairment are calculated based on the probability of recovery of the debt, taking into account its ageing and the debtor's solvency. At 30 September 2016 and 2015 the fair value of these assets does not differ significantly from their carrying amount.

(iii) *Derecognition of financial assets*

Financial assets are derecognised when they expire or when the contractual rights to the cash flows from the financial asset have been transferred and the Group has substantially transferred all the risks and rewards of ownership. The Group does not derecognise financial assets, but recognises a financial liability for the same amount as the consideration received, when the Group substantially retains all of the risks and rewards incidental to ownership of the financial asset transferred.

(iv) *Financial liabilities*

Financial liabilities, including trade and other payables, which are not classified at fair value through profit or loss, are initially recognised at fair value less any transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, liabilities classified under this category are measured at amortised cost using the effective interest method. Nevertheless, financial liabilities which have no established interest rate, which mature or are expected to be settled in the short term, and for which the effect of discounting is immaterial, are measured at their nominal amount.

(v) *Derecognition and modifications of financial liabilities*

The Group derecognises all or part of a financial liability when it either discharges the liability by paying the creditor, or is legally released from primary responsibility for the liability either by process of law or by the creditor.

The exchange of debt instruments between the Group and the counterparty or substantial modifications of initially recognised liabilities are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, providing the instruments have substantially different terms.

The Group considers the terms to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the exchange is accounted for as an extinguishment of the financial liability, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange is not

accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

The Group has contracted with various financial institutions to confirm payment management to suppliers. The Group applies the above criteria to assess whether it should de-recognise the original liability with commercial creditors and recognize a new liability with financial institutions. Commercial liabilities whose settlement is managed by the financial institutions are shown in the item commercial creditors and other accounts payable, to the extent that the Group has only ceded the payment management to financial institutions, maintaining itself as the primary obligor to the payment of debts to commercial creditors.

(vi) *Derivative financial instruments and hedge accounting*

To mitigate the risk associated with any fluctuations in cash flow (cash flow hedges) that might arise due to changes in interest rates, in 2016 the Group has arranged interest rate swaps for its syndicated loans (see note 16).

Derivative financial instruments that do not meet hedge accounting requirements are classified and measured as financial assets and financial liabilities at fair value through profit or loss. These instruments are initially recognised at fair value. After initial recognition, they are recognised at fair value through profit or loss.

Derivative financial instruments that qualify for hedge accounting are initially measured at fair value, plus any transaction costs that are directly attributable to the acquisition, or less any transaction costs directly attributable to the issue of the financial instruments. Nonetheless, transaction costs are subsequently recognised in profit or loss, inasmuch as they do not form part of the changes in the effective value of the hedge.

At the inception of the hedge the Group formally designates and documents the hedging relationships and the objective and strategy for undertaking the hedges. Hedge accounting is only applicable when the hedge is expected to be highly effective at the inception of the hedge and in subsequent years in achieving offsetting changes in cash flows attributable to the hedged risk, throughout the period for which the hedge was designated (prospective analysis), and the actual effectiveness is within a range of 80%-125% (retrospective analysis) and can be reliably measured.

For cash flow hedges of forecast transactions, the Group assesses whether these transactions are highly probable and if they present an exposure to variations in cash flows that could ultimately affect profit or loss.

The Group recognises the portion of the gain or loss on the measurement at fair value of a hedging instrument that is determined to be an effective hedge in other comprehensive income (under equity - valuation adjustments). The ineffective portion and the specific component of the gain or loss or cash flows on the hedging instrument, excluding the measurement of the hedge effectiveness, are recognised with a debit or credit to finance costs or finance income.

The separate component of other comprehensive income associated with the hedged item is adjusted to the lesser of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in fair value or present value of the expected future cash flows on the hedged item from inception of the hedge. However, if the Group expects that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, it reclassifies into finance income or finance costs the amount that is not expected to be recovered.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income are reclassified to profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss and under the same caption of the consolidated income statement.

In the case of other hedges, the Group recognises amounts accounted for in other comprehensive income in profit or loss in the same period or periods during which the forecast transaction affects profit or loss and under the same caption of the consolidated income statement.

The Group prospectively discontinues the accounting of fair value hedges when the hedging instrument expires, is sold, is exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. In these cases, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income is not recorded in profit or loss until the forecast transaction occurs. If the transaction is no longer expected to occur, the cumulative gain or loss that had been recognised in other comprehensive income is reclassified to finance income or finance costs.

The fair value of derivative financial instruments is calculated using the valuation techniques described in section j) of this note.

j) Valuation techniques and assumptions applicable when measuring fair value

Fair value is the amount for which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction. The Group generally applies the following systematic hierarchy to determine the fair value of financial assets and financial liabilities:

- Level 1: Firstly, the Group applies the quoted prices of the most advantageous active market to which the entity has immediate access, adjusted where appropriate to reflect any differences in counterparty credit risk between instruments traded in that market and the one being valued. The quoted market price for an asset held or liability to be issued is the current bid price and, for an asset to be acquired or liability held, the asking price. If the Group has assets and liabilities with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies the bid or asking price to the net open position as appropriate.
- Level 2: When current bid and asking prices are unavailable, the price of the most recent transaction is used, adjusted to reflect changes in economic circumstances.
- Level 3: Otherwise, the Group applies generally accepted valuation techniques using, insofar as is possible, market data and, to a lesser extent, specific Group data.

The fair values of the Group's financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions which are traded in active and liquid markets are measured using quoted prices in the market at the valuation date.
- The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted valuation models by discounting cash flows using transaction prices observable in the market and the quotations of similar instruments.
- Interest rate derivatives are arranged so as to be more in line with the financing taken out by the Group. Since the inputs required to measure this type of instrument are available, instruments of this type are classified under Level 2 in the hierarchy of IFRS 7. To determine the fair value of

interest rate derivatives, the Group discounts cash flows based on implicit rates determined through interest rate zero coupon curves, based on market conditions at the date on which the fair value was measured. To calculate implicit rates, a zero coupon curve must be differentiated based on the current deposit/non-current swaps with monthly settlements curve, as variable interest is paid on a monthly basis. The zero coupon curve based on the Overnight Index Swaps (OIS) curve with daily settlements is used to calculate the discount factors required to determine the present value of estimated cash flows (calculated as the difference between the fixed and implicit rates for each period).

At 30 September 2016 the Group's financial assets and financial liabilities at fair value comprise derivative financial liabilities amounting to Euros 1,197 thousand (see note 16).

k) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a maturity of less than three months from the date of acquisition.

l) Inventories

Inventories in the consolidated statement of financial position at 30 September 2016 and 2015 comprise the raw materials, spare parts and other supplies required to carry out the Group's activities. Inventories mainly comprise catering and merchandising items that are measured at the lower of average purchase price and net realisable value. Obsolete, faulty or slow-moving inventories have been written down to their expected realisable value.

m) Classification of assets and liabilities as current and non-current

The Group classifies assets and liabilities in the consolidated statement of financial position as current and non-current. Current assets and liabilities are determined as follows:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Group’s normal operating cycle, which is expected to be within 12 months.
- Liabilities are classified as current when they are expected to be settled within 12 months after the reporting date or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
- Financial liabilities are classified as current when they are due to be settled within 12 months after the reporting date, even if the original term was for a period longer than 12 months, and an agreement to refinance or to reschedule payments on a long-term basis is completed after the reporting date and before the consolidated annual accounts are authorised for issue.

n) Recognition of income and expenses

Income and expenses are recognised on an accruals basis, irrespective of collections and payments.

The main source of Group income corresponds to the income received by the entrance into the park, followed by the income for restoration and merchandising. Except for what is mentioned below regarding annual passes and season passes, the accrual of such income occurs at the time of sale.

Certain parks of the Group sell annual passes and season tickets. The annual passes are booked as unearned income at the date of sale and recognised on a following a financial criteria in the consolidated income statement over their validity period. The season tickets are booked as unearned income at the date of sale and recognised during the season they are valid, in proportion to the average price of the season tickets and the average visits per season. At 30 September 2016 and 2015, the income billed but not earned at those dates was recognised under "other current liabilities" in the accompanying consolidated statement of financial position and amounted to Euros 9,706 thousand and Euros 7,917 thousand, respectively.

Specifically, revenue is calculated at the fair value of the consideration receivable and represents the amount receivable for goods delivered and services rendered in the normal course of business, less discounts and taxes.

Interest income and expense are accrued using the current interest method, based on the outstanding portion of the principal and the applicable effective interest rate.

o) Capital grants

Capital grants are measured at the fair value of the sum or asset transferred and are recognised as income over the same period and in proportion to the depreciation of the subsidised assets.

At 30 September 2016, the balance of the grants not yet taken to the consolidated income statement was included under other non-current liabilities in the accompanying consolidated statement of financial position and amounted to Euros 338 thousand (Euros 487 thousand at 30 September 2015).

p) Income tax

The Parent has availed of the tax regime applicable to groups of Spanish companies as permitted by the revised text approved by Royal Legislative Decree 4/2004 of 5 March 2004, and is the parent of the tax group (see note 19).

The income tax expense or tax income for the year comprises current tax and deferred tax.

Current tax is the amount of income taxes payable or recoverable in respect of the consolidated taxable profit or tax loss for the period. Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits. Temporary differences are differences between the carrying amount of an asset or liability and its tax base.

Current and deferred tax are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity, or from a business combination.

- *Recognition of deferred tax liabilities*

The Group recognises all deferred tax liabilities except where:

– they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income;

– they are associated with investments in subsidiaries and joint ventures for which the Group is able to control the timing of the reversal of the temporary difference and it is not probable that the difference will reverse in the foreseeable future.

- *Recognition of deferred tax assets*

The Group recognises deferred tax assets provided that:

– it is probable that sufficient taxable income will be available against which the deductible temporary difference can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income;

– the temporary differences are associated with investments in subsidiaries and joint ventures that will reverse in the foreseeable future and sufficient taxable profit is expected to be generated against which the temporary differences can be offset.

It is considered probable that the Group will generate sufficient taxable profit to recover deferred tax assets when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which are expected to reverse in the same tax period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from a deductible temporary difference can be carried back or forward.

In order to determine future taxable profit the Group takes into account tax planning opportunities, provided it intends or is likely to adopt them.

- *Measurement of deferred tax assets and liabilities*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted. The tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities. For these purposes, the Group has considered the deduction for reversal of the temporary measures provided in transitional provision thirty-seven of Spanish Income Tax Law 27/2014 of 27 November 2014 as an adjustment to the tax rate applicable to the deductible temporary difference associated with the non-deductibility of amortisation and depreciation charges in 2013 and 2014, and to the balance sheet revaluation under Law 16/2012 of 27 December 2012.

The Group reviews the carrying amount of deferred tax assets at the reporting date and reduces this amount to the extent that it is not probable that sufficient taxable profit will be available against which to recover them.

Deferred tax assets that do not comply with the above conditions are not recognised in the consolidated statement of financial position. At year end the Group reassesses whether conditions are met for recognising previously unrecognised deferred tax assets.

- *Offset and classification*

The Group only offsets current tax assets and liabilities if it has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Group only offsets deferred tax assets and liabilities if it has a legally enforceable right to offset the recognised amounts, and they relate to income taxes levied by the same taxation authority on the same taxable entity or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets and liabilities are recognised in the consolidated statement of financial position under non-current assets or liabilities, irrespective of the expected date of recovery or settlement.

q) Commitments with employees

The Group has commitments with certain employees of its companies in Spain in the form of defined benefit plans for early retirement, death or disability. In prior years the subsidiaries resolved to externalise their obligations through a single-premium insurance policy covering the actuarial liability incurred at the date of externalisation. This premium is revised each year on the basis of updated information provided by the Group concerning the number of beneficiary employees. The Group also has a savings plan in the form of a defined contribution plan.

- *Defined benefit plans*

The Group includes plans financed through the payment of insurance premiums under defined benefit plans where a legal or constructive obligation exists to directly pay employees the committed benefits when they become payable or to pay further amounts in the event that the insurance company does not pay the employee benefits relating to employee service in the current and prior periods.

Where applicable, the Group should recognise defined benefit liabilities in the statement of financial position reflecting the present value of defined benefit obligations at the reporting date, minus the fair value of plan assets at that date. In the event that the difference results in an asset, the Group measures the resulting asset at the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Economic benefits are available to the Group when they are realisable at some point during the life of the plan or on settlement of plan liabilities, even when not immediately realisable at the reporting date.

Income or expense related to defined benefit plans is recognised as employee benefits expense and is the sum of the net current service cost and the net interest cost on the net defined benefit liability or asset. Remeasurements of the net defined benefit asset or liability are recognised in other comprehensive income, comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability or asset. The costs of managing the plan assets and any tax payable by the plan itself, other than tax included in the actuarial assumptions are deducted when determining the return on plan assets. Any amounts deferred in other comprehensive income are reclassified to retained earnings in reserves during that year.

Assets and liabilities arising from defined benefit plans are recognised as current or non-current based on the period of realisation of related assets or settlement of related liabilities.

- *Defined contribution plans*

The Group recognises the contributions payable to a defined contribution plan in exchange for a service when an employee has rendered service to the Group. The contributions payable are recognised as an expense for employee remuneration, and as a liability after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the period, the Group only recognises that excess as an asset (prepaid expense) to the extent that the prepayments will lead to, for example, a reduction in future payments or a cash refund.

When contributions to a defined contribution plan do not fall due wholly within 12 months after the end of the period in which the employees render the related service, they are discounted using the market yield on high quality corporate bonds.

- *Other employee benefits*

Under the legislation in force in Italy, the employees of the Italian subsidiaries are entitled to a termination benefit in the event of resignation or termination. Lastly, under the legislation in force in the US, the US Group companies must recognise a liability for the employment-related obligations to their employees in connection with healthcare coverage and other items.

- *Termination benefits*

By law, the Group is liable to pay termination benefits to employees whose services are discontinued.

Provisions and termination benefits for involuntary redundancies or restructuring processes are recognised when the Group has a constructive obligation deriving from a detailed formal plan and it has raised a valid expectation that it will carry out the process by starting to implement the plan or announcing its main features to those affected by it.

r) Share-based payments for services

The Group recognises the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. It recognises an increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability with a balancing entry in the income statement or assets if the goods or services were acquired in a cash-settled share-based payment transaction.

Equity instruments granted as consideration for services rendered by Group employees or third parties that supply similar services are measured by reference to the fair value of the equity instruments offered.

- *Equity-settled share-based payment transactions (through delivery or issuance)*

Equity-settled payment transactions (through delivery or issuance) are recognised as follows:

- If the equity instruments granted vest immediately on the grant date, the services received are recognised in full and with a corresponding increase in equity;
- If the equity instruments granted do not vest until the employees complete a specified period of service, those services are accounted for during the vesting period, with a charge to profit and a corresponding increase in equity.

The Group determines the fair value of the instruments granted to employees at the grant date.

Market conditions and non-vesting conditions are taken into account when measuring the fair value of the instrument. Other vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for services received is based on the number of equity instruments that eventually vest. Consequently, the Group recognises the amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and revises that estimate if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates.

Once the services received and the corresponding increase in equity have been recognised, no additional adjustments are made to equity after the vesting date, although any necessary reclassifications in equity may be made.

- *Tax effect*

In accordance with prevailing tax legislation in Spain and other countries in which the Group operates, costs settled through the delivery of equity instruments are deductible in the tax period in which delivery takes place, in which case a deductible temporary difference arises as a result of the time difference between the accounting recognition of the expense and its tax-deductibility.

In 2013 certain directors and employees of the Group entered into an agreement whereby they received a specific number of shares of Centaur Luxco, S.a.r.l. (parent of the Company's sole shareholder). These shares were granted in that year and vested immediately on the grant date, as their receipt was not subject to compliance with future objectives or length of stay in the Group. The fair value of these shares, Euros 337 thousand, was determined by an independent expert on the concession date and was not assumed by the companies to which these employees render their services, and therefore it was recognised under other consolidated equity contributions from shareholders.

In April 2016, prior to the Offer for Admission to trading (see note 1), the sole shareholder, Centaur Nederland, B.V., approved a long-term incentive plan for 2016-2020 to be settled through the delivery of shares in the Parent. Beneficiaries were informed of the plan regulations in May of 2016. According to the Incentive Plan, the delivery of shares is subject to the fulfilment of certain performance conditions, as well as the continued employment in the Parques Group. The Parent has estimated the total obligation derived from these plans and the part of this obligation accrued at 30 September 2016 based on the extent to which the conditions for receipt have been met (see note 21 c)).

s) Provisions and contingencies

In preparing the consolidated annual accounts, the Parent’s directors distinguish between:

- Provisions: balances payable for current obligations deriving from past events, settlement of which will probably require an outflow of undetermined resources as regards the amount and/or settlement date.
- Contingent liabilities: possible obligations arising from past events, the future materialisation of which is conditional on the occurrence or not of one or more future events beyond the Group’s control.

The consolidated annual accounts include all provisions for which the probability of the obligation requiring settlement is estimated to be more likely than not. Contingent liabilities, except those relating to business combinations, are not recognised in the consolidated annual accounts but are disclosed in the notes thereto, when they are not considered to be remote.

Provisions are measured at the present value of the best estimate of the expenditure required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Any adjustments arising from the restatement of these provisions are recognised as a finance cost.

Rights to reimbursement from third parties of the expenditure required to settle a provision are recognised as a separate asset provided that it is virtually certain that the reimbursement will be received. Any income deriving from the reimbursement is recognised in profit and loss as a reduction in the provision expense up to the amount of the provision.

t) Assets and liabilities of an environmental nature

At 30 September 2016 and 2015 the Group does not have any assets earmarked for the protection and improvement of the environment, nor has it incurred relevant costs of this nature during the years then ended.

The Parent's directors consider that no significant contingencies exist concerning the protection and improvement of the environment and, accordingly, no provision has been made in this regard at 30 September 2016 or 2015.

u) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

As indicated in note 1, until 2015 the operating segments disclosed in the consolidated annual accounts were defined by type of park (amusement parks, water parks, zoos and animal parks and other).

Following the changes made to the Group's management structure from 1 October 2015, Group management has decided to monitor the Group's operating performance and make strategic decisions on the basis of the geographical segmentation. Based on the new segmentation, the Group has identified the following operating segments: “United States”, “Spain” and “Rest of world”. The holding activities of the Parent and the activities performed by the Group's head offices (central offices in Spain and United States) that cannot be allocated to a specific operating segment are included in the head offices - non-operating segment. Group management considers the new segmentation to be aligned with that used by other groups in the sector.

Segment assets and liabilities include all items directly or indirectly attributable to a segment. No significant assets are shared between segments. The finance costs related to the financial liability associated with the syndicated loan at 30 September 2016 and 2015 and the bonds issued by the US subgroup at 30 September 2015 are included in the head offices - non-operating segment.

Segment revenue refers to revenue directly attributable to the segment plus the relevant portion of any Group revenue that could be attributable to the segment using reasonable distribution criteria. Segment revenue does not include interest or dividend income, gains on the sale of investments, or gains on redemption or extinguishment of debt. Any such items are included under head offices - non-operating.

Segment profit or loss is recognised before any adjustments attributable to non-controlling interests. Segment assets and liabilities are those directly related to its operating activities. Inter-segment sales prices are established in accordance with normal commercial terms and conditions governing unrelated third parties.

As mentioned in note 2 b, the segment information related to 2015 has been restated under the current criteria, in order to make the information comparable between the current and prior years. Accompanying Appendix II includes segment reporting for 2016 as well as comparative information for 2015 under the new geographical segmentation (see note 2 b)).

(5) Business Combinations

The following business combinations were carried out in 2015:

a) *Madrid nature park*

On 27 March 2015 the subsidiary Gestión de Parque de Animales de Madrid, S.L.U. acquired 100% of the share capital of Parque Biológico de Madrid, S.A. from Corporación Industrial Bankia, S.A.U. The principal activity of Parque Biológico de Madrid, S.A. is the operation of the concession for "Faunia" animal park, located in Valdebernardo (Madrid). The operation of this animal park has been transferred to the aforementioned acquirer through an operating lease contract.

The Group carried out a preliminary allocation of the fair value of its assets and liabilities in 2015. The profits and income generated through these businesses in 2015, from the date control was obtained, which is considered to be 1 April 2015, and included in the consolidated income statement for the year ended 30 September 2015, as well as the profits and income that would have been included had the acquisition taken place on 1 October 2014, were not significant. Details of the consideration given, the fair value and carrying amount of the assets acquired and liabilities recognised at the acquisition date are as follows:

	Thousands of Euros	
	Carrying amount	**Fair value**
Intangible assets (note 6)	1,868	1,868
Property, plant and equipment (note 8)	13,912	13,912
Other current assets	1,355	1,355
Current liabilities	(529)	(529)
Non-current liabilities	(7,000)	(7,000)
Total net assets acquired	9,606	9,606
Consideration given		856
Difference		(8,750)

In 2016 the Group completed the allocation of the fair value of the net assets acquired, having found no significant differences with respect to the amounts allocated in the 2015 annual consolidated accounts. Based on the valuation performed by an independent expert, the Group analysed the fair value of the net assets acquired. This analysis did not reveal any additional liabilities that might reduce the net value of the assets acquired.

b) *Acquisition of certain businesses in the Slagharen Park*

In 2014, the Group acquired 100% of the share capital of Horeca Slagharen B.V. from a third party. The principal activity of this company is the operation of a number of catering businesses in the Slagharen amusement park owned by the Group and located in the Netherlands. In 2014, the Group also acquired from a third party the assets of a leisure facility also located inside this amusement park, simultaneously extinguishing the existing lease and operation contract. November 2013 and February 2014 were considered the dates of incorporation into the Group of the company and the assets, respectively, as these were their dates of acquisition. In 2015 the Group completed the allocation of the fair value of the assets, increasing the amount of goodwill by Euros 250 thousand (see note 7).

The consideration for these transactions totalled Euros 3,050 thousand. The fair value of the assets acquired and the liabilities recognised at the date of acquisition (equal to their carrying amount) and goodwill amounted to Euros 127 thousand and Euros 2,923 thousand, respectively. Goodwill has been attributed mainly to the synergies expected to arise on integration of the businesses acquired within Slagharen park.

(6) Intangible Assets

Movement in 2016 and 2015 is as follows:

	2016					
	Thousands of Euros					
	Balance at 30/09/2015	Additions	Disposals	Transfers (note 8)	Translation differences	Balance at 30/09/2016
Cost						
Administrative concessions	777,540	2,041	(25)	433	-	779,989
Industrial property	39,543	971	-	23	(108)	40,429
Computer software	14,709	654	(30)	(125)	4	15,212
Other intangible assets	28,185	870	(270)	649	(6)	29,428
Total cost	859,977	4,536	(325)	980	(110)	865,058
Amortisation						
Administrative concessions	(325,751)	(22,439)	25	-	-	(348,236)
Industrial property	(16,534)	(3,646)	-	(71)	19	(20,161)
Computer software	(13,874)	(691)	27	17	(4)	(14,525)
Other intangible assets	(4,910)	(1,587)	270	-	3	(6,224)
Total amortisation	(361,069)	(28,363)	322	(54)	18	(389,146)
Impairment	(80,673)	(17,497)	50,099	-	-	(48,071)
	418,235	**(41,324)**	**50,096**	**4,926**	**(92)**	**427,841**

	2015								
	Thousands of Euros								
	Balance at 30/09/2014	Adjustment of useful lives	Balance at 01/10/2014	Business combinations (note 5)	Additions	Disposals	Transfers (note 8)	Translation differences	Balance at 30/09/2015
Cost									
Administrative concessions	772,908	-	772,908	1,868	3,310	(1,045)	499	-	777,540
Industrial property	37,318	-	37,318	-	134	-	-	2,091	39,543
Computer software	12,320	-	12,320	-	2,257	(221)	353	-	14,709
Other intangible assets	28,115	-	28,115	-	127	(116)	5	54	28,185
Total cost	850,661	-	850,661	1,868	5,828	(1,382)	857	2,145	859,977
Amortisation									
Administrative concessions	(260,632)	(40,293)	(300,925)	-	(24,826)	-	-	-	(325,751)
Industrial property	(13,085)	-	(13,085)	-	(2,174)	-	-	(1,275)	(16,534)
Computer software	(12,222)	-	(12,222)	-	(1,920)	268	-	-	(13,874)
Other intangible assets	(4,780)	-	(4,780)	-	(103)	-	-	(27)	(4,910)
Total amortisation	(290,719)	(40,293)	(331,012)	-	(29,023)	268	-	(1,302)	(361,069)
Impairment	(80,673)	-	(80,673)	-	-	-	-	-	(80,673)
	479,269	**(40,293)**	**438,976**	**1,868**	**(23,195)**	**(1,114)**	**857**	**843**	**418,235**

Additions in 2016 and 2015 primarily comprise investments in the concessions for the Madrid amusement park and the Madrid zoo. Additions in 2015 were mainly for, besides the aforementioned, investments in computer software in Spain, France and Italy. Translation differences comprise the effect of fluctuations in the exchange rates used to translate the various line items reflecting intangible assets located in countries with a functional currency other than the Euro. Details of additions by operating segment are provided in the accompanying Appendix II.

Details at 30 September 2016 and 2015 of the carrying amount of the administrative concessions are as follows:

	Thousands of Euros	
	2016	2015
Madrid amusement park	89,752	80,254
Madrid zoo	109,964	92,564
Spanish water parks	55,960	49,339
Mirabilandia amusement park	124,328	144,319
Mar del Plata water park	1,628	1,954
Madrid nature park	1,783	1,840
Other	267	846
	383,682	**371,116**

At 30 September 2016 Euros 199,983 thousand of the preceding amount reflects concessions recognised under IFRIC 12 criteria (Euros 173,665 at 30 September 2015).

At 30 September 2016 and 2015, using the methodology described in note 2 c), the Group has conducted impairment testing on all intangible assets presenting indications of impairment. As a result of the financial projections drawn up by the Parent at 30 September 2016 and the strong performance and positive outlook of the Spanish parks, impairment of intangible assets totalling Euros 50,099 thousand recognised in prior years has been reversed. Conversely, impairment of Euros 17,497 thousand has been recognised on the Italian park Mirabilandia as the outlook has worsened. There were no changes in impairment during 2015. At the date of authorisation for issue of these consolidated annual accounts, the Parent's directors consider that no additional events have occurred which would require amendments to the estimates made at the 2016 reporting date in respect of the impairment testing carried out.

Details, by category, of fully amortised intangible assets at 30 September 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
Administrative concessions	39	63
Industrial property	469	583
Computer software	8,511	7,741
Other intangible assets	52	36
	9,071	**8,423**

(7) Goodwill

Details and movement in 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
Balance at 1 October	680,721	649,707
Business combinations (note 5)	-	250
Impairment (note 2 c))	(40,809)	-
Translation differences	719	30,764
Balance at 30 September	**640,631**	**680,721**

Additions through business combinations during 2015 reflected the adjustment to goodwill after the conclusion of the allocation process in the same year arising on the acquisition of Slagharen (see note 5).

Translation differences comprise the effect of fluctuations in the exchange rates used to convert the goodwill in countries with a functional currency other than the Euro, essentially the United States, the impact of which was far smaller in 2016 than in 2015 owing to changes in the exchange rate.

At 30 September 2016 and 2015 the Group has tested all goodwill for impairment in accordance with accounting principles, using the methodology described in note 2 c). Following recent terrorist attacks in France, together with the decrease in the expected number of visitors after the French Marineland animal park reopened after the floods suffered during the year (see note 21 b), has led to the estimates the estimates used in the cash flow projections for this park to be reduced. Consequently, in 2016 the Group recognised impairment of Euros 40,809 thousand for part of the goodwill associated with the mentioned park. No impairment of goodwill was recognised in 2015.

At the date of authorisation for issue of these consolidated annual accounts, the Parent's directors consider that no additional events have occurred which would require amendments to the estimates made at the 2016 reporting date in respect of the impairment testing carried out.

Goodwill has been allocated to CGUs and/or groups of CGUs. Details of this goodwill and its carrying amount at 30 September 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	**2015**
Amusement parks in Spain		
Warner theme park	39,085	39,085
Amusement parks in the United States		
Kennywood	58,365	58,209
Idlewild	16,254	16,211
Lake Compounce	8,864	8,840
Storyland	13,235	13,200
Dutch Wonderland	201	200
Zoos and animal parks in the United States		
Sea Life Park	8,634	8,611
Miami Seaquarium	11,498	11,467
Water parks in the United States		
Sandcastle	7,328	7,309
San Dimas	28,674	28,598
Sacramento	4,057	4,046
San Jose	9,686	9,660
Splish Splash	34,486	34,394
Water County	23,006	22,945
Emerald Point	23,528	23,465
Noah's Ark	21,693	21,635
Amusement parks in Europe		
Group CGU amusement parks in Europe	75,000	75,000
Bobbejaanland	100,000	100,000
Bonbonland	2,500	2,500
Tusenfryd	33,403	33,403
Slagharen	2,922	2,922
Zoo and animal parks in Europe		
Marineland	99,191	140,000
Zoo and aquariums in the UK	12,302	12,302
Water parks in Europe		
BoSommarland	6,719	6,719
	640,631	**680,721**

(8) Property, Plant and Equipment

Movement in 2016 and 2015 is as follows:

	2016							
	Thousands of Euros							
	Balance at 30/09/2015	Financial Adjustments (note 9 b))	Balance at 01/10/2015	Additions	Disposals	Transfers (note 6)	Translation differences	Balance at 30/09/2016
Cost								
Land	70,389	15,744	86,133	-	-	(327)	(138)	85,668
Buildings and other structures	586,464	21,917	608,381	17,961	(5,307)	2,500	154	623,689
Machinery, installations and equipment	543,307	19,618	562,925	29,738	(5,510)	6,131	(3,268)	590,016
Furniture and fixtures	27,886	119	28,005	1,257	(43)	46	871	30,136
Information technology equipment	22,750	72	22,822	1,467	(954)	435	(212)	23558
Vehicles	45,627	-	45,627	6,186	(626)	680	(221)	51,646
Other property, plant and equipment	154,301	-	154,301	3,754	(4,763)	138	(318)	153,112
Property, plant and equipment under construction	16,195	-	16,195	21,525	(21)	(10,583)	(56)	27,060
Total cost	1,466,919	57,470	1,524,389	81,888	(17,224)	(980)	(3,188)	1,584,885
Depreciation								
Buildings and other structures	(201,521)	-	(201,521)	(11,080)	5,615	71	907	(206,008)
Machinery, installations and equipment	(321,154)	-	(321,154)	(16,190)	3,016	(17)	1,808	(332,537)
Furniture and fixtures	(20,108)	-	(20,108)	(1,423)	43	-	(979)	(22,467)
Information technology equipment	(14,570)	-	(14,570)	(3,025)	947	-	(167)	(16,815)
Vehicles	(21,166)	-	(21,166)	(4,100)	549	-	(165)	(24,882)
Other property, plant and equipment	(86,652)	-	(86,652)	(4,380)	3,686	-	(117)	(87,463)
Total accumulated depreciation	(665,171)	-	(665,171)	(40,198)	13,856	54	1,287	(690,172)
Impairment	(26,488)	-	(26,488)	-	9,078	-	-	(17,410)
	775,260	**57,470**	**832,730**	**41,690**	**5,710**	**(926)**	**(1,901)**	**877,303**

	2015						
	Thousands of Euros						
	Balance at 30/09/2014	Business combinations (note 5)	Additions	Disposals	Transfers (note 6)	Translation differences	Balance at 30/09/2015
Cost							
Land	66,943	-	-	(114)	21	3,539	70,389
Buildings and other structures	532,084	12,245	34,341	(2,794)	1,416	9,172	586,464
Machinery, installations and equipment	503,477	1,586	26,519	(1,114)	4,474	8,365	543,307
Furniture and fixtures	25,182	11	2,397	(377)	78	595	27,886
Information technology equipment	20,210	1	2,012	(580)	141	966	22,750
Vehicles	61,655	-	5,679	(1,609)	(27,395)	7,297	45,627
Other property, plant and equipment	124,911	69	4,751	(2,942)	28,342	(830)	154,301
Property, plant and equipment under construction	17,553	-	6,017	(142)	(7,934)	701	16,195
Total cost	1,352,015	13,912	81,716	(9,672)	(857)	29,805	1,466,919
Depreciation							
Buildings and other structures	(192,537)	-	(8,107)	1,704	-	(2,581)	(201,521)
Machinery, installations and equipment	(306,960)	-	(16,006)	2,397	(182)	(403)	(321,154)
Furniture and fixtures	(18,907)	-	(1,093)	353	1	(462)	(20,108)
Information technology equipment	(11,193)	-	(3,539)	560	180	(578)	(14,570)
Vehicles	(27,736)	-	(3,556)	2,344	6,527	1,255	(21,166)
Other property, plant and equipment	(75,673)	-	(6,238)	1,379	(6,526)	406	(86,652)
Total accumulated depreciation	(633,006)	-	(38,539)	8,737	-	(2,363)	(665,171)
Impairment	(26,641)	-	(721)	-	-	874	(26,488)
	692,368	**13,912**	**42,456**	**(935)**	**(857)**	**28,316**	**775,260**

Additions in 2016 and 2015 basically comprise the general refurbishment work carried out at the various parks operated by the consolidated companies and the investments in new attractions. In 2016 the main investments are comprised amusement parks, zoos and animal parks and water parks in the United

States totalling Euros 18 million, Euros 5 million and Euros 5 million, respectively, an investment of Euros 10 million in the animal park in France, and other investments in amusement parks in the Netherlands, Norway, Italy, Germany and Spain. In 2015 noteworthy investments included the animal park located in France (construction of the new hotel) and investments in amusements parks in the Netherlands, Norway, Italy and Spain. Investments in the amusement parks in the United States totalled Euros 17 million in 2015. Details of additions by operating segment are provided in the accompanying Appendix II.

At 30 September 2016 and 2015 the Group has carried out impairment testing on all property, plant and equipment that presented indications of impairment, using the methodology described in note 2 c). As indicated in note 6, as a result of the strong performance and positive outlook for the Spanish parks, impairment of Euros 9,078 thousand on property, plant and equipment recognised in previous years in the Spanish parks has been reversed. In 2015 the Group recognised a negligible amount of impairment. At the date of authorisation for issue of these consolidated annual accounts, the Parent's directors consider that no additional events have occurred which would require amendments to the estimates made at the 2016 reporting date in respect of the impairment testing carried out.

Translation differences comprise the effect of fluctuations in the exchange rates used to translate the various line items reflecting property, plant and equipment located in countries with a functional currency other than the Euro.

Details, by category, of the fully depreciated items of property, plant and equipment in use at 30 September 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	**2015**
Buildings and other structures	127.111	86,746
Machinery, installations and equipment	241.155	192,275
Furniture and fixtures	18.461	15,780
Information technology equipment	19.430	15,208
Vehicles	25.876	22,914
Other property, plant and equipment	32.003	32,004
	464.036	**364,927**

The Group takes out insurance policies to cover the possible risks affecting its property, plant and equipment, and for the intangible asset items relating to administrative concessions recognised in note 6 as a result of the application of IFRIC 12. The Parent's directors consider that these policies are sufficient to cover the risks inherent in the Group's activity at 30 September 2016.

At 30 September 2016 and 2015, items of property, plant and equipment located abroad, mainly in the United States, Germany, France, Italy, Norway, Denmark, the United Kingdom and the Netherlands, amount to Euros 464,030 thousand and Euros 428,805 thousand, respectively (of which Euros 219,092 thousand and Euros 225,123 thousand, respectively, in the United States), net of accumulated depreciation and impairment).

(9) Leases and Concession Arrangements

a) Operating leases and concession arrangements

Details of the parks and other leisure facilities operated by the Group in 2016 and 2015 for which administrative concessions, surface rights or leases are held with public entities are as follows:

Country	Location	Type of park	Description	Expiry
Spain	Alicante	Water park	Torrevieja water park	2032 (1) (2)
Spain	Madrid	Water park	Villanueva de la Cañada water park	2026 (1)
Spain	Valencia	Water park	Cullera water park	2033 (1)
Spain	Madrid	Water park	S.F. de Henares water park	2019 (1)
Spain	Seville	Water park	Seville water park	2020 (1)
Spain	Tarragona	Water park	Salou water park	2021 (1)
Spain	Huelva	Water park	Cartaya water park	2024 (1)
Spain	Madrid	Animal park	Madrid zoo	2034 (1)
Spain	Madrid	Animal park	Faunia (Madrid nature park)	2048 (1) (3)
Spain	Madrid	Amusement park	Madrid amusement park	2026 (1)
Spain	Madrid	Other leisure facilities	Rosales cable car	2017 (1)
Spain	Malaga	Other leisure facilities	Benalmádena cable car	2075 (1)
Spain	Malaga	Animal park	Selwo wildlife park	2072 (1)
Spain	Malaga	Animal park	Selwo sealife park	2075 (1)
France	Bouquet	Water park	Aqualud water park	2034
Italy	Ravenna	Amusement park	Mirabilandia (2 parks)	2072 (4)
United Kingdom	Blackpool	Animal park	Blackpool zoo	2033
United Kingdom	Windermere	Animal park	Lake Windermere aquarium	2047
United Kingdom	Bournemouth	Animal park	Bournemouth aquarium	2097 (5)

(1) The assets invested in for these parks must be returned at the end of the administrative concession. At 30 September 2016 and 2015, investments in property, plant and equipment and intangible assets amounted to Euros 163,439 thousand and Euros 140,001 thousand, respectively.

(2) In 2016 the Group signed a 15-year extension to the lease with the Town Hall of Torrevieja.

(3) In 2015 the Group acquired the company Parque Biológico de Madrid, S.A., the holder of the administrative concession for Faunia.

(4) Various contracts with different instalments maturing in 2062 (automatically extendable for 25 more years), 2072, and 2070 (automatically extendable).

(5) Adjacent instalments (Pingüinario) maturing in 2065.

The concession arrangements to construct, maintain and operate the parks and cable cars listed above on land leased by the corresponding local authorities were for initial periods of 30-35 years. They have since been extended up to the expiry dates based on a number of agreements with those authorities.

At the end of the concession periods, of the aforementioned surface rights or leases, the facilities will revert to the granting authority in accordance with the signed agreements. Nevertheless, the Group's experience in the sector suggests that in many cases the parties agree to extend the contracts for additional periods before the agreements expire. In most cases, one year prior to expiry, the concession operator must carry out at its own cost the construction and other work required for the facilities and structures to be handed over in perfect condition for rendering the services for which they were intended.

During the term of the agreement, concession operators are required to renovate and improve the facilities. As such, the concession operator undertakes to carry out the conservation and maintenance of the facilities. The Group considers that the ordinary maintenance carried out on the park facilities held under the concession is so comprehensive that no additional provisions are required in order to meet the contractual obligations.

Furthermore, the Group updates the fees on most of the concessions in accordance with market indices.

Moreover, the admission fees to the Madrid amusement park, Madrid zoo and Rosales cable car are authorised and set by the local authorities each year, following a review request submitted by the Group. As a result of this and the above, these three leisure facilities are recognised applying IFRIC 12 (see note 4 e)).

Details of the terms and conditions of the main concession are provided in the accompanying Appendix III.

In 2016 and 2015 the Group has operated a group of parks and other leisure facilities, for which it has signed operating lease agreements for the land on which they are built. Details of these parks and leisure facilities are as follows:

Country	Location	Operating segment	Description	Expiry
Germany	Düsseldorf	Amusement park	Movie Park	2062 (1)
Argentina	Mar de Plata	Animal park	Mar de Plata aquarium	2021 (2)
Spain	Valencia	Animal park	Oceanogràfic park in Valencia	2015 (3)
United States	California	Family entertainment centre	Palm Springs	2026
United States	Georgia	Family entertainment centre	Marietta Mountasia	2026
United States	Georgia	Family entertainment centre	Norcross Malibu	2026
United States	Florida	Family entertainment centre	Greater Ft. Lauderdale	2033
United States	California	Family entertainment centre	Vista	2033
United States	New York	Family entertainment centre	Medford	2034
United States	California	Water park	Sacramento	2025
United States	California	Water park	San Jose Raging Waters	2025
United States	New York	Water park	Splish Splash	2033
United States	California	Water park	San Dimas Raging Waters	2034
United States	New Hampshire	Water park	Water County	2034
United States	North Carolina	Water park	Emerald Pointe Wet n Wild	2037
United States	Hawaii	Animal park	Sea Life Hawaii	2027
United States	Florida	Animal park	Miami Seaquarium	2031
United States	California	Amusement park	Castle park	2037
Norway	Telemark	Water park	Bo Sommarland	2026 (4)
Norway	Oslo	Amusement park	Tusenfryd	2025

(1) Various contracts with different instalments maturing in 2062, 2090, and 2092.

(2) Includes automatic 3-year extensions, the last being executed in 2018.

(3) On 5 June 2015, after the pertinent tender in which the Group did not participate, the owner of the Oceanogràfic Park in Valencia awarded its operation to another entity and it is therefore its holding terminated on 1 August 2016.

(4) In 2016 the lease agreement for the land on which the park is located has been extended until 2026. This agreement can be renewed for an indefinite number of five-year periods.

At 30 September 2016 and 2015, future minimum lease payments under non-cancellable operating leases and concession arrangements are as follows:

	Thousands of Euros	
	2016	**2015**
Less than one year	8,806	13,374
Two to five years	36,547	59,055
Over five years	79,631	112,831
	124,983	**185,260**

Operating lease and administrative concession fee expenses totalled Euros 16,446 thousand and Euros 23,619 thousand at 30 September 2016 and 2015, respectively (see note 21 e)).

b) Finance leases

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 the inception of the lease, it was classified as an operating lease. On 23 February 2015, the parties amended the agreement to include a call option for the lessee and a correlative put option for the same price for the lessor on the leased assets. The options may only be exercised on expiration of the lease (forecast for 31 December 2026 or the date in January 2027 on which Warner park closes to the public for the season). The new agreement also includes the possibility of not exercising either option, which would imply an automatic extension to the agreement for a further two successive five-year periods (at the end of which each party can exercise such options), i.e. until 31 December 2036 or the date in January 2037 on which Warner park closes to the public for the season, following which the agreement would expire. As a result of the amendments made to the agreement in 2015, in 2016 Group management has conducted an in-depth analysis of the lease classification and has reclassified it as a finance lease. Consequently, in accordance with IAS 8, the comparative figures for these consolidated annual accounts have been restated (see note 2 b)).

Warner Bros Inc has granted the Company the licence to use the Warner brand in exchange for an annual royalty fee payable by the Company in the form of a percentage of the amusement park's annual revenues. Through this agreement the Company also undertakes to invest in maintenance and new attractions for an amount equivalent to 8% of the park's gross revenue for each three-year investment period or a minimum of Euros 3,200 thousand should the park's gross revenue be less than this amount.

Details of the nature of assets classified as finance leases at 30 September 2016 and 2015 are as follows:

	Thousands of Euros				
	Land	**Buildings**	**Machinery, installations and equipment**	**Other property, plant and equipment**	**Total**
Cost at 30/09/2016	15,744	21,917	19,618	191	57,470
Accumulated depreciation at 30/09/2016	-	(694)	(2,219)	(48)	(2,961)
Carrying amount at 30/09/2016	**15,744**	**21,223**	**17,399**	**143**	**54,509**
Cost at 30/09/2015	15,744	21,917	19,618	191	57,470
Accumulated depreciation at 30/09/2015	-	-	-	-	-
Carrying amount at 30/09/2015	**15,744**	**21,917**	**19,618**	**191**	**57,470**

Details of minimum lease payments and the present value of finance lease liabilities, by maturity date, are as follows:

	Thousands of Euros					
	2016			**2015**		
	Minimum payments	Interest	Present value	Minimum payments	Interest	Present value
Less than one year	4,918	-	4,918	4,869	-	4,869
One to five years	19,920	(6.085)	13,835	19,821	(6,864)	12,957
Over five years	111.687	(72.069)	39,618	120,759	(81,115)	39,644
Less current portion	(4,918)	-	(4,918)	(4,869)	-	(4,869)
Total non-current	**131.607**	**(378.154)**	**53,453**	**140,580**	**(87,979)**	**52,601**

Non-current maturity of finance lease payments at 30 September 2016 and 2015 is as follows:

	2016					
	Thousands of Euros					
	2017/18	2018/19	2019/20	2020/21	2021/22 and thereafter	Total
Finance leases	3,999	3,615	3,267	2,954	39,618	53,453
	3,999	**3,615**	**3,267**	**2,954**	**39,618**	**53,453**

	2015					
	Thousands of Euros					
	2016/17	2017/18	2018/19	2019/20	2020/21 and thereafter	Total
Finance leases	3,743	3,385	3,061	2,768	39,645	52,601
	3,743	**3,385**	**3,061**	**2,768**	**39,645**	**52,601**

(10) Financial Assets

a) Non-current financial assets

The balance at the 2016 and 2015 year ends is as follows:

	Thousands of Euros	
	2016	**2015**
Loans and receivables:		
Other receivables	53,839	48,697
Provisions for impairment	(11,120)	(11,120)
Non-current deposits and guarantees	1,695	1,531
Available-for-sale financial assets:		
At cost	14	14
Provisions for impairment	(14)	(14)
	44,414	**39,108**

The carrying amount of loans and receivables recognised at amortised cost net of impairment does not differ significantly from their fair value.

At 30 September 2016 and 2015, other receivables include Euros 48,687 thousand and Euros 48,697 thousand, respectively, receivable from Ciudad de las Artes y las Ciencias, S.A. (hereinafter CACSA) for services rendered under the contract signed with the subsidiary Parques Reunidos Valencia, S.A. for operation of the Oceanográfico park in Valencia. Furthermore, under this contract, the subsidiary has amounts payable to CACSA totalling Euros 41,369 thousand and Euros 41,553 thousand, respectively, which is included under other non-current liabilities in the 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 responded to this lawsuit, on the one hand, confirming the amount payable, but on the other hand, filing a counterclaim in which it sought payment from the Group of Euros 40.4 million in damages for failure to comply with repairs and maintenance obligations, and for failure to comply with its obligation to introduce killer whales into that park. Based on the analysis conducted with their legal counsel, the directors of Parques Reunidos Valencia, S.A. consider that the counterclaim filed by CACSA is unfounded. Furthermore, the Group has recognised an impairment loss of Euros 11,120 thousand on the receivable at 30 September 2016 and 2015. On 30 November 2015 the court held a preliminary hearing in which it issued a ruling on the admissibility of the evidence in the case. Although both parties appealed the court's ruling, the trial date was set for 8 and 9 November 2016. After year-end, the Group received notification of the expert ruling of the court expert assessing the cost attributable to the subsidiary for repairs and maintenance at Euros 3,061 thousand. At 30 September 2016, the Group has recognised a provision for this amount (see note 17).

In December 2011, the owner of the land where the US "Mountain Creek" was located exercised the option of early cancellation of the operating lease agreement entered into with the Group, due 2030. Under the terms of the lease and the calculation performed by the Group, it should be compensated by the owner in the amount of 9,500 thousand US dollars determined from the result obtained by the park in the last year. However, based on the analysis carried out by the management and its legal advisors, this amount has been reduced, recognizing the corresponding loss on uncollectible commercial credits in the consolidated income statement of the last years, reaching a figure of Euros 5,338 thousands as of 30 September 2015 (US $ 6,000 thousand). On 3 October 2016, the arbitrator appointed in this litigation has determined the amount of compensation in Euros 5,142 thousand (US $ 5,775 thousand), based on which the Group has recognised an additional loss in 2016 of Euros 186 thousand. This collection right is recorded as of 30 September 2016 under "Non-current financial assets" in the consolidated statement of financial position since the group estimates that the resolution of the litigation and recovery will not take place in the next 12 months.

b) Other current financial assets

At 30 September 2015 this item of the consolidated statement of financial position primarily comprised deposits totalling Euros 28,313 thousand, which matured at between three and 12 months and earned interest at market rates of between 0.15% and 0.75%, and current deposits. The carrying amount of these items did not differ significantly from their fair value.

(11) Trade and Other Receivables

Details at 30 September 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
Trade receivables	24,555	23,957
Other receivables	403	9,308
Public entities (note 19)	1.739	753
Personnel	302	477
	27.999	**34,495**

a) Trade receivables

Trade receivables in the accompanying consolidated statements of financial position at 30 September 2016 and 2015 mainly comprise the balances receivable on Group sales made to third parties in the ordinary course of business. In general, these receivables earn no interest and fall due within 180 days.

The Group does not have a significant concentration of credit risk with regard to its trade receivables, since it has a large number of customers distributed throughout all the countries in which it operates.

At 30 September 2016 and 2015 this item includes provisions for impairment to cover the risk of debtor insolvency. The balance at these dates and movement for the years then ended are as follows:

	Thousands of Euros	
	2016	2015
Balance at 1 October	3,132	2,784
Charge	648	363
Applications	(309)	(15)
Balance at 30 September	**3,471**	**3,132**

The Group recognises a provision for past-due receivables based on a specific analysis thereof. When determining the recoverability of its trade receivables, the Group takes into account any change in credit quality since the date of origination. As a general rule, most impaired receivables are more than 12 months past due.

b) Age of past-due unimpaired financial assets

Trade receivables include amounts past due at 30 September 2016 for which the Group has not recognised a provision 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 30 September 2016 and 2015 is as follows:

	Thousands of Euros	
	2016	2015
Past due by less than 180 days	5,608	6,518
Past due by 180 to 360 days	293	1,146
Past due by more than 360 days	366	1,308
	6,267	**8,972**

As described in note 10 a), the Group also has other past-due receivables, mostly aged over 360 days, on which the Group has recognised an impairment loss.

(12) Cash and Cash Equivalents

Details at 30 September 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
Cash on hand	2,920	2,911
Cash at banks	96,985	137,923
Bank deposits	4,738	10,039
Restricted cash equivalents	5,066	-
Accrued interest receivable	242	191
	109,951	**151,064**

As a result of the cancellation of GE Capital's 2011 revolving credit facility (see note 15 b)), the US subgroup deposited Euros 5,066 thousand (US Dollars 5,678 thousand) to secure the insurance taken out to cover commitments with employees and other general liability insurance. This amount was consequently restricted at 30 September 2016. On 5 October 2016, the Parent pledged extended guarantees on these commitments, and this balance was therefore released as of that date (see note 20).

At 30 September 2016 and 2015 the Group's cash balances are not subject to any restrictions except for that mentioned in the preceding paragraph.

Bank deposits mature in less than three months and earn interest at market rates of 0.10% (0.35% at 30 September 2015).

(13) Equity

Details of equity and movement during the year are shown in the consolidated statement of changes in equity.

a) Subscribed capital

At 30 September 2015 the share capital of Parques Reunidos Servicios Centrales, S.A. was represented by 23,435,538 ordinary bearer shares of Euros 1 par value each, subscribed and fully paid. These shares had the same voting and profit-sharing rights and all were held by the sole shareholder Centaur Nederland B.V. (see note 1).

On 7 April 2016, the sole shareholder resolved to reduce the par value of the Company's shares by performing a share split of two new shares per old share and amending the articles of association.

On 27 April 2016, as part of the initial public offering (see note 1), the sole shareholder of the Group resolved to increase the share capital by Euros 16,935,484 through the issue and circulation of 33,870,968 new ordinary with a par value of Euros 0.50 each, of the same class and series and with the same rights as the previously issued shares. These shares were issued with a share premium of Euros 15 per share or a total of Euros 508,064,520. As a result, the capital increase and share premium amounted to Euros 525,000,004.

Morgan Stanley & Co. International PLC and Deutsche Bank AG, London Branch, acting as joint global coordinators of the share subscription offer (see note 1) on behalf of the final subscribers of the shares allotted through the subscription offer, have underwritten each of the 33,870,968 new ordinary shares jointly equivalent to Euros 525,000,004, with Centaur Nederland B.V. expressly waiving the right to any preferential subscription rights.

Consequently, at 30 September 2016 the share capital of Parques Reunidos Servicios Centrales, S.A. is represented by 80,742,044 ordinary shares represented by account entries of a single class and series of Euros 0.5 par value each. All the shares are fully subscribed and paid up and grant the shareholders the same voting and profit sharing rights.

As indicated in note 1, the Parent's shares were admitted to trading on the Madrid, Barcelona, Bilbao, and Valencia stock exchanges on 29 April 2016. According to public information filed with the Spanish National Securities Market Commission, the members of the board of directors control approximately 0.36% of the Parent's share capital at 30 September 2016.

According to the aforementioned public information, the most significant shareholdings at the closing date of these annual accounts are as follows:

	%
Monkwood Luxco S.a.r.l.	31,2%
Morgan Stanley & Co International Plc	10,1%
Alba Europe, S.a.r.l.	10,0%
Centaur Luxco, S.a.r.l.	7,3%
Henderson European Focus Fund	3,9%
Panda, L.P:	2,3%
Fil Investments International	1,2%

Capital management

The main objectives of the Group's capital management are to ensure short- and long-term financial stability and the adequate financing of its investments, while maintaining its borrowing levels. All this is aimed at ensuring that the Group maintains its financial strength and the soundness of its financial ratios in order to support its business and maximise value for its shareholders. For the purpose of measuring its capital management the Group uses the financial leverage ratio as an indicator, calculated as follows at 30 September 2016 and 2015:

	Thousands of Euros	
	2016	**2015**
Gross debt		
Loans and borrowings (note 15)	599,663	787,208
Finance leases (note 9 b))	58,371	57,470
Bonds (note 14)	-	392,360
	658,034	1,237,038
Treasury assets		
Current financial assets held to maturity (note 10 b))	-	(28,734)
Cash and cash equivalents (note 12)	(109,951)	(151,064)
	(109,951)	(179,798)
Total net debt	**548,083**	**1,057,240**
Total equity	**1,132,317**	**610,032**
Financial leverage	**0.48**	**1.73**

The Group's financing structure, designed and implemented, 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 gearing ratio (loans and borrowings and bonds net of treasury assets/equity). The directors consider that this ratio is sufficient for targets to be achieved.

In addition, most of the financial debt used by the Group matures in September 2021 (see note 15). 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.

In light of the seasonal nature of its business, the Group performs systematic cash projections for each business unit and geographical area in order to assess their needs. This liquidity policy adopted by the Group ensures that its payment obligations are met without having to resort to high interest-bearing financing, and allows it to monitor its liquidity position on an ongoing basis.

b) Share premium

The share premium is freely distributable provided that equity does not fall below share capital as a result of its distribution. As mentioned in section a) of this note, during 2016 the Company has increased share capital, raising the share premium by Euros 508,065 thousand.

c) Other reserves

- Parent legal reserve and voluntary reserves

The legal reserve has been appropriated in accordance with Article 274 of the Spanish Companies' Act, which requires that companies transfer 10% of their profits for the year to the legal reserve until this reserve reaches an amount equal to 20% of share capital.

The legal reserve is not distributable to shareholders and if it is used to offset losses, in the event that no other reserves are available, the reserve must be replenished with future profits.

At 30 September 2016 the Company has appropriated this reserve below the minimum limit established in the revised law of the Capital Companies Act. As of 30 September 2016, the Company had this reserve as established by the Capital Companies Act.

At 30 September 2016, the Parent's voluntary reserves have been reduced by expenses of Euros 18,425 thousand (Euros 13,562 thousand considering the tax effect) for the share capital increase, as well as the relative advisors, mainly Morgan Stanley & Co. International PLC and Deutsche Bank AG, London Branch, as the joint global coordinators in relation to the public offering of shares (see note 1).

- Reserves in fully consolidated companies

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.

- Restriction on the availability of reserves

The equity of the Company and of certain subsidiaries eliminated on consolidation includes reserves which, due to their nature, are restricted under the terms of applicable legislation.

The main reserves are the legal reserve of the subsidiaries in Spain, Italy, France, Argentina and Belgium. At 30 September 2016 these reserves amount to Euros 18,695 thousand (Euros 6,242 thousand at 30 September 2015) and the revaluation reserve resulting from application of Royal Decree-Law 7/1996 in the Spanish subsidiaries amounts to Euros 6,095 thousand (the same amount at 30 September 2015).

d) Other shareholder contributions

The increase in this caption during 2016 reflects the recognition of Euros 9,811 thousand relating to the exit bonuses that the then sole shareholder approved prior to the initial public offering (see note 21 c)).

e) Other equity instruments

This item reflects the increase in equity resulting from the share-based payment plan detailed in note 4 r). During 2016, an amount of Euros 423 thousand has been recognised under this heading in connection with the long-term incentive plan for 2016-2019 (see note 21 c)).

f) Other comprehensive income

- Translation differences:

Translation differences primarily comprise the translation into Euros of the financial statements of the US subgroup, whose functional currency is the US Dollar. Movement in 2016 and 2015 is as follows:

	Thousands of Euros
Balance at 30 September 2014	**15,474**
Additions	14,413
Balance at 30 September 2015	**29,887**
Additions	(702)
Balance at 30 September 2016	**29,185**

- Valuation adjustments to equity

Valuation adjustments to equity reflect the net tax effect of the change in value of the financial derivative held by the Group and designated as a cash flow hedging instrument (see note 4 i)). Movements in 2016 are as follows:

	Thousands of Euros
Balance at 1 October	-
Change in the fair value of derivatives for the year	363
Tax effect	(139)
Balance at 30 September	**224**

g) Non-controlling interests

Details of this item in the accompanying consolidated statement of financial position at 30 September 2016 and 2015 and movement are as follows:

	Thousands of Euros		
	Leisure Parks, S.A.	Parques Reunidos Valencia, S.A.	Total
Balance at 30 September 2014	380	876	1,256
Profit for the year	34	(315)	(281)
Dividends distributed	-	(125)	(125)
Balance at 30 September 2015	**414**	**436**	**850**
Profit for the year	1	(379)	(378)
Balance at 30 September 2016	**415**	**57**	**472**

h) Earnings per share

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

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

	2016	2015
Profit/(loss) for the year attributable to the shareholders of the Parent (in thousands of Euros)	3,910	20,103
Weighted average number of ordinary shares outstanding	60,495,850	46,871,076
Basic earnings/(loss) per share (in Euros)	**0.06**	**0.43**

On 7 April 2016, there was a doubling of the number of shares outstanding to date, increasing from 23,435,538 shares to 46,871,076 shares. Consequently, in accordance with IAS 33, in the calculation of earnings per share, the share split has been taken into account effectively since the beginning of the year. Likewise, in order to perform the comparative calculation, the earnings per share for 2015 has been restated considering the share split, having considered 46,871,076 shares for the restatement instead of the 23,435,538 shares that were outstanding in the prior year and which were presented in the 2015 consolidated annual accounts.

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.

(14) Financial Liabilities from Issuing Bonds

The classification of financial liabilities by categories and classes, including the comparison of fair value and book value is presented in Appendix IV.

On 28 February 2011, the US subgroup completed the senior secured bonds issue, which was subscribed in full, for an amount of US Dollars 430,000 thousand, targeted at qualified investors. The funds from this bond issue were earmarked for settling the subgroup's outstanding debts. These bonds mature on 15 April 2017. These bonds amounted to Euros 382,562 thousand at 30 September 2015.

The Group incurred issue costs that amounted to Euros 4,915 thousand in some cases at 30 September 2015. These were pending recognition in the consolidated income statement and were presented as a reduction in the nominal amount of the bonds.

The bonds accrued annual fixed interest of 8.875% (effective interest rate of 9.75% at 30 September 2015), payable half-yearly on 15 April and 15 October each year. At 30 September 2015 the accrued interest payable amounted to Euros 14,713 thousand and was recognised in the accompanying consolidated statement of financial position under current liabilities - financial liabilities from issuing bonds.

The fair value of these bonds at 30 September 2015 was Euros 381,673 thousand (US Dollars 429,000 thousand). The fair value hierarchy according to IFRS 7 corresponds to level 3.

As stated in note 1 of the notes to the consolidated financial statements, after the initial public offering and the signing of the new syndicated loan (see note 15), in 2016 the Group has repaid all of these bonds. Consequently, the issue costs that were pending recognition have been recognised in the consolidated income statement for 2016 for an amount of Euros 4,915 thousand (see note 21 f)).

(15) Loans and Borrowings

The classification of financial liabilities by categories and classes, including the comparison of fair value and book value is presented in Appendix IV.

Details of current and non-current loans and borrowings at 30 September 2016 and 2015 are as follows:

	Thousands of Euros							
	2016				2015			
	Limit	Current	Non-current	Total	Limit	Current	Non-current	Total
At amortised cost:								
Syndicated loan 2016	577,229	23,089	554,140	577,229	-	-	-	-
Revolving credit facility 2016	200,000	-	-	-	-	-	-	-
Syndicated loan 2014	-	-	-	-	802,179	-	771,731	771,731
Revolving credit facility GE Capital 2011	-	-	-	-	106,762	-	-	-
Other bank loans	-	910	13,285	14,195	-	-	14,739	14,739
Credit facilities	43,414	-	-	-	57,782	-	-	-
Interest payable	-	8,239	-	8,239	-	738	-	739
	818,414	**32,238**	**567,425**	**599,663**	**966,723**	**738**	**786,470**	**787,208**
2016 syndicated loan fees	-	-	(5,323)	(5,323)	-	-	-	-
2016 revolving credit facility fees	-	-	(1,874)	(1,874)	-	-	-	-
2014 syndicated loan fees	-	-	-	-	-	-	(10,836)	(10,836)
2011 revolving credit facility fees	-	-	-	-	-	-	(1,293)	(1,293)
Measured at fair value:								
Derivative financial instruments (note 16)	-	755	442	1,197	-	-	-	-
	818,414	**32,993**	**560,670**	**593,663**	**966,723**	**738**	**774,341**	**775,079**

Except for the derivative financial instruments, the financial liabilities are measured at amortised cost, which at 30 September 2016 and 2015 does not differ significantly from their fair value, given the fair value of the syndicated loan at year-end of Euros 582,879 thousand. The estimated fair value corresponds to level 2 of the hierarchy established in IFRS 7.

Other bank loans include a Euros 6,195 thousand loan arranged by the subsidiary Parque Biológico de Madrid, S.A., which matures in 2025 and accrues variable interest at an annual rate of Euribor +5.5%. This line item also includes a loan of Euros 8,000 thousand arranged by the subsidiary Marineland Resort, S.A.S., which matures in 2027 and bears fixed interest at an annual rate of 3.8%.

At 30 September 2016 and 2015, several Group companies have credit facilities totalling Euros 243,414 thousand and Euros 57,782 thousand, respectively, which have not been drawn down. These credit facilities are renewable annually.

Non-current loans and borrowings at 30 September 2016 and 2015 mature as follows:

	2016					
	Thousands of Euros					
	2017/18	2018/19	2019/20	2020/21	2021/22 and thereafter	Total
Syndicated loan	23,089	23,089	23,089	484,873	-	554,140
Other bank loans	1,296	1,360	1,427	1,427	7,775	13,285
	24,385	**24,449**	**24,516**	**486,300**	**7,775**	**567,425**

	2015					
	Thousands of Euros					
	2016/17	2017/18	2018/19	2019/20	2020/21 and thereafter	Total
Syndicated loan	-	6,000	765,731	-	-	771,731
Other bank loans	876	1,261	1,323	1,524	9,755	14,739
	876	**7,261**	**767,054**	**1,524**	**9,755**	**786,470**

a) Current financial structure: Syndicated loan and 2016 revolving credit facility

On 1 April 2016, the Parent and its subsidiary of the US subgroup, Festival Fun Parks, LLC, as joint and several borrowers and guarantors arranged a new syndicated loan with Banco Santander (as the agent bank). This new financing has been used to (i) repay the syndicated loan arranged in 2014, the bonds of the US subgroup and the GE Capital 2011 revolving credit facility. All of these were settled with the cash obtained with the new financing, as well as that obtained from the public offering and sale of shares (see note 1), and (ii) pay the fees, commissions and expenses related to this new financing.

Furthermore, a new revolving credit facility has been signed to finance the Group's working capital requirements (including the permitted investments in Capex and business acquisitions).

Details of this new loan at 30 September 2016 are as follows:

					2016	
					Thousands of Euros	
Tranche	Maturity	Nominal Rate	Effective interest rate	Limit in original currency	Undrawn amount	Drawn down
Tranche A1 (US Dollars)	September 2021	6-month Libor + 2,5%	3.65%	104,000	-	92,892
Tranche A2 (Euros)	September 2021	6-month Euribor + 2,5%	2.75%	138,000	-	138,000
Tranche B1 (US Dollars)	September 2021	6-month Libor + 3,25%	4.36%	156,000	-	139,337
Tranche B2 (Euros)	September 2021	6-month Euribor + 3,25%	3.46%	207,000	-	207,000
Revolving credit facility (multicurrency)	September 2021	6-month Libor/Euribor + 2,5%	2.71%	200,000	200,000	-
					200,000	**577,229**

At 30 September 2016 there were no restrictions on drawdowns of the revolving credit facilities.

The agreement establishes a partial repayment schedule of tranches A1 and A2, namely repayment of 10% of the principal on 30 September each year from 2017 until 2020 and repayment of the remaining 60% in September 2021. The entire principal of tranches B1 and B2 is to be settled in a single repayment on 30 September 2021. Finally, each drawdown from the revolving credit facility has to be repaid on the last day of the corresponding monthly interest period.

Under the syndicated loan agreement, every quarter and year end the Group has to comply with a financial covenant calculated on the basis of its consolidated financial statements or its consolidated annual accounts. The Group's Corporate Finance Division closely monitors compliance with these financial ratios to pre-empt any potential risk of non-fulfilment. In each quarter since the contract was signed and as of 30 September 2016 the Parent's directors have confirmed compliance with the following covenant:

Covenant	**Definition**	**Ratio required**
Indebtedness	Net financial debt/Consolidated EBITDA	< 4.50

To ensure compliance with its obligations under the syndicated loan agreement, the Group has granted the following guarantees to the lending banks:

- A joint and several personal guarantee from Parques Reunidos Servicios Centrales, S.A. and Festival Fun Parks, LLC (including pledge on the shares of the latter). This guarantee is effective the moment that one of the guarantors fails to repay the principal or interest payments for the tranches of debt that each one has arranged. At 30 September 2016, both guarantors are up-to-date with the payments, so the guarantee has not been executed, and the Company has not needed to recognize and additional liability corresponding to the Festival Fun Parks, LLC.
- Pledge of shares of Parque de Atracciones Madrid, S.A.U., Madrid Theme Park Management, S.L.U., Leisure Parks, S.A., Zoos Ibéricos, S.A., Gestion Parque de Animales Madrid, SL.U., Centaur Nederland 2 B.V., Grant Leisure Group Ltd, Tusenfryd AS, Pleasantville B.V., Marineland SAS, Movie Park Germany GmbH, and Centaur Nederland 3 B.V.
- In addition, with a personal guarantee, as additional guarantors, the dependent companies are Parque de Atracciones Madrid, S.A.U., Madrid Theme Park Management, S.L.U., Leisure Parks, S.A., Zoos Ibéricos, S.A., Gestion Parque de Animales Madrid, S.L.U., Centaur Nederland 2 B.V., Grant Leisure Group Ltd, Tusenfryd AS, Pleasantville B.V., Marineland SAS Parco della Standiana SRL, Movie Park Germany GmbH, Centaur Nederland 3 B.V.

b) Former financial structure: 2014 syndicated loan and GE Capital 2011 revolving credit facility

Prior to the financial structure described above, on 21 March 2007 the Group had arranged a syndicated loan with the Royal Bank of Scotland (as the agent bank) through its subsidiary Parque de Atracciones Madrid, S.A.U. 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 30 September 2015 are as follows:

		2015		
		Thousands of Euros		
Tranche	Maturity	Limit	Undrawn amount	Drawn down
B3 A	March 2019	289,924	-	289,923
B3 A (GBP)	March 2019	6,864	-	6,864
			-	
C3 A	March 2019	342,845	-	342,845
C3 A (GBP)	March 2019	7,099	-	7,099
Second Lien 1A	September 2018	6,000	-	6,000
Second Lien 2	September 2019	119,000	-	119,000
RCF2 (Revolving)	September 2018	30,447	30,447	-
		802,179	**30,447**	**771,731**

The syndicated loan bore interest pegged to Euribor, which resulted in an average effective interest rate of 6% in 2015. It also stipulated compliance with certain covenants calculated based on the figures in the pro forma consolidated financial statements of the group headed by Parque de Atracciones S.A.U. The Parent's directors confirmed that these covenants had been met at 30 September 2015. To guarantee it will meet the obligations assumed under the syndicated loan, the Group provided the lenders with mortgage guarantees over certain assets and pledged shares of certain Group companies.

At the same time as the bond issue described in note 14, in 2011 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. The amount available on this facility must be reduced by the total 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. At 30 September 2015, these guarantees amounted to Euros 6,491 thousand. The effective interest rate at 30 September 2015 was 6.5% and, after an extension in 2014, the expiry date of the credit facility was set in January 2017.

As stated in note 1 of the notes to the consolidated financial statements, after the initial public offering and the signing of the new syndicated loan, the Group has repaid all existing debt in 2016. Consequently, the issue costs that were pending to be charged to the consolidated income statement have been recognised in the consolidated income statement for 2016 for an amount of Euros 12,129 thousand (see note 21 f)).

(16) Derivative Financial Instruments

Details of the derivative financial instruments included in the consolidated statement of financial position under loans and borrowings at 30 September 2016 are as follows:

	2016		
	Current	Non-current	Total
Interest rate hedges	755	442	1,197

a) Interest rate derivatives and hedge accounting

Details of derivative financial instruments and their corresponding fair values at 30 September 2016, together with the outstanding notional amounts to which they are linked, are provided below. At 30 September 2016 the Group applies hedge accounting to these derivatives.

Instrument	Interest rate swap	Interest rate swap	Interest rate swap
Fixed interest payable	-0.064%	1.394%	1.399%
Variable interest receivable	6-month Euribor	6-month Libor	6-month Libor
Date arranged	25/05/2016	31/05/2016	31/05/2016
Start of hedge	30/06/2016	30/06/2016	30/06/2016
Expiry date	30/06/2019	30/06/2019	30/06/2019
Notional (thousands)	200,000 (Euros)	55,000 (USD)	55,000 (USD)
Interest payments	Half-yearly (31 March and 30 September)		
Fair value of swap (thousands of Euros)	834	132	231
Accrued interest payable (thousands of Euros)	-	-	-
Total fair value (thousands of Euros)	834	132	231

The Group uses interest rate swaps (IRS or fixed rate swaps) to hedge the risk of variations in interest rates on its syndicated loan (see note 15). These financial instruments have been categorised as Level 2 based on the fair value hierarchy established in IFRS 7.

With IRS, interest rates are interchanged so that the Group receives a variable interest rate from the bank in exchange for a payment of fixed interest on the nominal amount. The variable interest rate received for the derivative offsets the interest paid on the hedged financing. The end result is the payment of fixed interest on the hedged financing.

To determine the fair value of interest rate derivatives, the Group discounts cash flows based on implicit rates determined through the Euro and US dollar interest rate curves depending on market conditions at the measurement date.

The Group has carried out the corresponding prospective and retrospective effectiveness testing and found the hedges to be fully effective in the case of the IRSs on the tranches in US dollars and

ineffective in the case of the IRSs on the tranche in Euros. Consequently, it has designated the pertinent hedging relationships at 30 September 2016. In these hedging relationships, the risk hedged is the fluctuation in the variable Euribor rate (for the tranches in Euros) and the Libor rate (for tranches in US Dollars) of the hedged borrowings.

The amount recognised for the change in fair value from the initial date of the derivative up to 30 September 2016, directly in consolidated equity for the year 2016 corresponding to the effective portion of the IRS cash flow hedge relationships in U.S. dollars amounts to a negative amount, net of taxes of Euros 224 thousand, which are included under “Valuation adjustments in equity”. The amount recognised for the change in fair value from the initial date of the derivative through 30 September 2016, directly in consolidated income statement for the year 2016 corresponding to the ineffective part of the hedge relationships of cash of the IRS in Euros amounts to a negative amount of Euros 834 thousand, which are included in “Financial expenses” in the consolidated income statement.

The amount recognised in the 2016 income statement, due to the change in fair value from the initial date of the derivative up to 30 September 2016, amounts to a negative amount of Euros 834 thousands.

Finally in 2016, these derivative financial instruments have accrued interest totalling Euros 305 thousand, which is recognised under finance costs in the consolidated income statement (see note 21 f)).

b) Sensitivity analysis

Details of the sensitivity analysis of the derivatives held by the Group at the 2016 reporting date are as follows:

	Thousands of Euros
Sensitivity	Result – Expense/(Income)
+ 0.50 points (rise in the variable interest rate curve)	(256)
- 0.50 points (decrease in variable interest rate curve)	256

The impact on results reflects the effect that variations in the interest rate applicable to derivatives would have had on finance costs accrued during the year.

The sensitivity of the derivatives at 30 September 2016 will affect the Group's equity to the extent that market conditions, specifically the future interest rate curve, may change.

(17) Provisions

Details of non-current provisions at 30 September 2016 and 2015 and the main movements therein during the years then ended are as follows:

	Thousands of Euros		
	Provision for pensions and similar commitments	Other provisions	Total
Balance at 30 September 2014	586	11,028	11,614
Charges/applications	47	33	80
Balance at 30 September 2015	**633**	**11,061**	**11,694**
Charges/applications	(62)	(185)	(247)
Balance at 30 September 2016	**571**	**10,876**	**11,447**

The provision for pensions and similar commitments mainly comprises the amount accrued at 30 September 2016 and 2015 in respect of the remuneration payable to Group employees in Italy when they leave the Group (see note 22).

Other provisions at 30 September 2016 and 2015 include a liability of Euros 6,344 thousand and Euros 7,173, respectively, to cover the Group's employment-related obligations to its US employees in connection with healthcare coverage and other items (see note 22 b)). Likewise, it includes, as of 30 September 2016, the provision for legal disputes with CASCA in the amount of Euros 3,061 thousand (see note 10 a). Finally, at 30 September 2016 and 2015 this item includes provisions for probable third-party liabilities arising from litigation in progress or from outstanding obligations of an undetermined amount, primarily tax assessments (in the year-ended 2015) (see note 19 c)).

(18) Trade and Other Payables

Details at 30 September 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	**2015**
Trade payables	64,731	69,254
Public entities (note 19)	10,599	10,896
Personnel	18,816	18,407
Other payables	15,588	9,237
	109,734	**107,794**

Trade payables reflect balances payable arising from the Group's commercial activity, which is its statutory activity. In general, these payables are not interest-bearing and fall due within 120 days. At 30 September 2016 and 2015, the group has balances with suppliers in the amount of Euros 18,287 thousand and Euros 20,346 thousand.

At 30 September 2016 other payables include Euros 14,971 thousand due to the acquisition of fixed assets (Euros 8,250 thousand at 30 September 2015). These payables fall due in less than 12 months and do not generally bear any interest.

a) Average Supplier Payment Period. "Reporting Requirement", Third Additional Provision of Law 15/2010 of 5 July 2010

Pursuant to Law 15/2010, which stipulates measures to combat late payments in commercial transactions, the information on the average payment period to suppliers of the parent company and the Spanish subsidiaries at 30 September 2016 is as follows:

	Days
Average supplier payment period	16
Transactions paid ratio	15
Transactions payable ratio	27

	Amount (thousands of Euros)
Total payments made	109,896
Total payments outstanding	46,564

The payments to suppliers of the Spanish consolidated companies reflected in the above table are trade payables as they relate to goods and services.

(19) Income Tax

Details of balances with public entities at 30 September 2016 and 2015 are as follows:

	Thousands of Euros			
	2016		**2015**	
	Non-current	**Current**	**Non-current**	**Current**
Assets				
Deferred tax assets	14,179	-	2,601	-
Tax loss carryforwards	34,577	-	34,634	-
Withholdings and payments on account	-	663	-	436
Value added tax	-	-	-	9
Other items	-	1,739	-	744
	48,756	**2,402**	**37,235**	**1,189**
Liabilities				
Deferred tax liabilities	246,925	-	242,197	-
Income tax	-	1,911	-	4,326
Personal income tax	-	1,375	-	1,736
Social Security payables	-	2,336	-	2,317
Value added tax	-	4,192	-	3,862
Other items	-	2,696	-	2,981
	246,925	**12,510**	**242,197**	**15,222**

Pursuant to the revised text approved by Royal Decree Law 4/2004, of 5 March 2004, the Parent heads the consolidated tax group comprising Parque de Atracciones Madrid, S.A.U., Zoos Ibéricos, S.A., Parques de la Naturaleza Selwo, S.L., Leisure Parks, S.A., Parque de Atracciones San Fernando de Henares S.L.U., Aquopolis de Cartaya, S.L.U., Madrid Theme Park Management, S.L.U., Gestión Parque de Animales Madrid, S.L.U., Travelpark Viajes, S.L.U. Parques Reunidos Valencia, S.A, and Parque Biológico de Madrid, S.A.U. The other subsidiaries did not meet the criteria set forth in Spanish tax legislation on consolidated tax returns and as such have not been included within this tax group.

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 30 September 2016 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 relation to the US subgroup, the years 2002-2015 and 2004-2015 are open to inspection by the federal and state tax authorities, respectively. The other Group companies have open to inspection all taxes for the years stipulated by their respective local legislation.

Due to the treatment permitted by fiscal legislation of certain transactions in each country in which the Group operates, additional tax liabilities could arise in the event of an inspection. In any case, the Parent's directors do not consider that any such liabilities that could arise would have a significant effect on the consolidated annual accounts.

In accordance with applicable tax legislation in Spain and the other countries in which the Group operates, losses declared may be carried forward to be offset against future profits within the period stipulated by the tax legislation prevailing in each country (indefinitely in the case of Spain). Losses are offset when the tax returns are filed, without prejudice to the taxation authorities' power of inspection.

On the basis of the income tax returns filed by the companies forming the Spanish tax group the result of the tax inspection that took place (see note 26) and the estimated consolidated tax return for 2016 that the Parent expects to file, the tax group companies have the following loss carryforwards from the consolidated group to be offset against future profits:

Year of origin	Thousands of Euros
2012	6,275
	6,275

Some of the companies in the consolidated tax group headed by the Parent had tax losses prior to their inclusion in the tax group, in addition to those described above, which may only be offset against profits generated on an individual basis. As mentioned in note 26, these loss carryforwards have be subject to regularization. Details of one of the regularizations is as follows:

	Thousands of Euros					
Year of origin	Parques de la Naturaleza Selwo, S.L.	Aquopolis Cartaya, S.L.U.	Parque de Atracciones San Fernando de Henares, S.L.U.	Parque de Atracciones Madrid, S.A.U.	Travelpark Viajes, S.L.U.	Total
1997	-	-	291	-	-	291
1998	-	698	210	-	-	908
1999	-	242	149	-	-	391
2000	-	267	443	-	-	710
2001	-	139	-	-	-	139
2002	-	2	-	-	-	2
2003	117	380	16	415	-	928
2005	83	9	15	2,042	-	2,149
2006	2,407	10	86	29,473	1	31,977
	2,607	**1,747**	**1,210**	**31,930**	**1**	**37,495**

In relation to the effect of the tax loss carryforwards generated by the tax group companies prior to their inclusion in the group, as well as with the negative tax basis of the Spanish tax group, the Group has considered that the recognition of deferred tax assets is not sufficiently justified on the basis of estimates made.

On 27 November 2014 the new Law 27/2014 on corporate income tax applicable to Spanish companies, which introduces completely new legislation, was approved. The Law revokes the previous revised Royal Legislative Decree 4/2004 of 5 March 2004. The numerous developments contained in this new legislation include the progressive reduction of tax rates, from the current 28% for the year beginning on 1 October 2015 to 25% from 1 October 2016 onwards.

At 30 September 2016 the US subgroup has federal and state tax loss carryforwards. Details are as follows:

Thousands of Euros		Expiry	
Federal	State	Federal	State
102,107	73,722	2028	2023

At 30 September 2016 and 2015 the Group has recorded all of this subgroup's tax credits under deferred tax assets in the consolidated statement of financial position, on considering that their recovery is likely based on the estimated future taxable income of the subsidiaries that gave rise to the credits.

Finally, at 30 September 2016, Group companies in Denmark, Germany and Norway have tax loss carryforwards. Details are as follows:

Thousands of Euros		
Denmark	Germany	Norway
439	1,251	828

At 30 September 2016, the Group companies in Norway and Denmark have not recognised tax credits for tax losses to be offset their negative tax bases since their recoverability, based on future tax projections, is not probable. On the other hand, the Group companies in Germany have recognised credits for losses to be offset against negative tax bases as their recoverability, based on future tax projections, is considered probable.

a) Reconciliation of taxable income/(tax loss) with the income tax expense/(income)

The income tax of each consolidated company is calculated based on accounting income obtained under generally accepted accounting principles in each country, which is not necessarily the same as taxable income.

Subsidiaries located abroad calculate the income tax expense in accordance with the respective legislation and the tax rates in force in that country.

A reconciliation of the accounting profit and income tax expense is as follows:

	2016		2015	
	Thousands of Euros	%	Thousands of Euros	%
Consolidated profit before income tax	**5,361**		**22,069**	
Tax calculated at the applicable Spanish rate	(1,501)	(28%)	(6,621)	(30%)
Changes in tax rates in Spain	-	-	9,240	42%
Effect of permanent differences	762	14%	(4,976)	(23%)
Effect of tax credits	685	13%	1,742	8%
Consolidation adjustments and other permanent differences	5,504	103%	3,822	17%
Income tax expense in foreign subsidiaries	(11,450)	(214%)	(7,232)	(33%)
Other adjustments	4,171	78%	1,778	8%
Consolidated income tax expense	**(1,829)**	**(34%)**	**(2,247)**	**(10%)**

In 2016 the only items that have generated deferred taxes recognised directly in equity have been the tax effect of the fair value of the derivative financial instruments and tax impact corresponding to the expenses associated with the public stock offering (see note 1). In 2015, the effect of the adjustment to amortisation and the corrected deferred tax liabilities was included.

Details by geographical area of the current and deferred income tax expense/income, calculated in accordance with the different tax legislation in force in each country, are as follows:

	Thousands of Euros	
	2016	2015
Italy	156	354
France	56	1,022
Spain	(480)	1,025
United States	2,303	3,512
Norway	1,595	(810)
Belgium	972	877
Other countries	1,227	(3,733)
	1,829	**2,247**

b) Recognised deferred tax assets and liabilities

Movement in deferred tax assets in 2016 and 2015 is as follows:

	Thousands of Euros	
	2016	2015
Balance at 1 October	37,235	39,238
Translation differences	94	4,659
Capitalisations/(cancellations)	11,427	(6,662)
Balance at 30 September	**48,756**	**37,235**

Deferred tax assets arise mainly as a result of provisions recognised, which will become deductible in the year in which they are used, and due to the different tax treatment of the depreciation and amortisation of certain fixed assets. Temporary differences generated by the tax group in Spain since 2013 relating to non-deductible finance costs have been recognized as a differed tax asset in the amount of Euros 7,754 thousand that the Group has considered recoverable based on the estimates made.

Details of deferred tax assets (including tax loss carryforwards) by geographical area at 30 September 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
United States	34,576	34,634
Spain	11,141	-
Germany	2,258	944
Other countries	781	1,657
	48,756	**37,235**

Based on the best estimate of the Group and the individual subsidiares' future profits, including certain tax planning initiatives, the Parent's directors consider that recovery of the deferred tax assets detailed above is probable and they have therefore been recognised in the consolidated statement of financial position. These deferred tax assets essentially include the tax loss carryforwards of the US subgroup.

Movement in deferred tax liabilities recognised under non-current liabilities in 2016 and 2015 is as follows:

	Thousands of Euros	
	2016	**2015**
Balance at 1 October	242,197	282,029
Translation differences	258	11,663
Capitalisations/(cancellations)	4,470	(6,509)
Update of tax rates	-	(9,240)
Corrections	-	(35,746)
Balance at 30 September	**246,925**	**242,197**

At 30 September 2016, deferred tax liabilities include Euros 93,029 thousand due to the tax effect of the merger of Parque de Atracciones Madrid, S.A.U. and Centaur Spain Bidco, S.L.U. in March 2007 (Euros 92,294 thousand at 30 September 2015). This item also includes Euros 7,924 thousand (Euros 8,086 thousand at 30 September 2015) arising from the business combination to acquire Movie Park in Germany in 2010, Euros 4,639 thousand (Euros 4,737 thousand at 30 September 2015) derived from the business combination in 2012 for the acquisition of the Dutch park Slagharen, as well as other amounts deriving from business combinations of US subsidiaries and the tax effect of other temporary differences totalling Euros 98,279 thousand due to the measurement of the property, plant and equipment and intangible assets of these companies (Euros 96,578 thousand at 30 September 2015).

In addition, deferred tax liabilities include the effect of the difference of Euros 38,980 thousand (Euros 36,982 thousand at 30 September 2015) between the consolidated carrying amount and the carrying amount in the local financial statements of certain assets of European Group companies, the useful lives and depreciation or amortisation of which have been harmonised in the consolidation process.

Lastly, adjustments to Spanish income tax bases have been included as a result of various Spanish subsidiaries availing of Royal Decree 3/1993 of 26 February 1993 on accelerated depreciation in 1993 and 1994, other deferred taxes generated as a result of the temporary differences arising from the acquisition of capital goods under finance leases and other taxable temporary differences.

Details of deferred tax liabilities by geographical area at 30 September 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	**2015**
Spain	41.758	37,363
United States	98.729	96,578
Italy	55.216	59,917
Germany	16.792	16,025
France	13.255	12,539
Netherlands	5.254	4,737
Other countries	15.921	15,038
	246.926	**242,197**

c) Years open to tax inspection

In 2007 the Spanish taxation authorities completed an inspection of income tax for 2002/2003 and 2003/2004 and of VAT and personal income tax for 2002, 2003 and 2004 at the Spanish subsidiaries. As a result of these inspections, assessments were issued raising additional taxes of Euros 4,167 thousand, of which the Group paid a portion in 2008 and appealed against the remainder. The provision of Euros 963 thousand at 30 September 2015 was applied in 2016.

In February 2015, the Spanish taxation authorities informed the Group of the commencement of tax inspections on the Spanish tax group. As indicated in note 26, the Group has signed tax minutes in conformity with such inspection, without the resolution of which has had an adverse impact on these consolidated annual accounts.

In relation to such inspection, on 23 November 2015, the Spanish taxation authorities issued assessments on an uncontested basis and official notices of findings in relation to all taxes verified of the subsidiary Parques Reunidos de Valencia, S.A., which did not give rise to any adjustments to individual tax or taxes of the tax group to which this company belongs.

During 2015, the German taxation authorities also inspected the main taxes for 2011 to 2013 of the subsidiaries in that country. At 30 September 2015 the Group has applied a provision of Euros 1,734 thousand in relation to probable contingencies that could arise. In 2016, the Group settled these contingencies with no significant differences in respect of the provision made.

The Group's accounting policy in relation to tax inspections is to record the amount payable for the nature of the tax, penalties in the other income line on the income statement, and interest in arrears as a financial expense.

In the opinion of the Parent's directors the provisions made (see note 17) represent the best quantification of the liability that could arise from the resolution of the aforementioned appeals filed.

(20) Commitments and Contingencies

At 30 September 2016, the Group had extended guarantees in Spain, the USA, Italy, and Norway amounting to Euros 13,012 thousand (Euros 18,596 thousand at 30 September 2015), in respect of the contractual guarantees required in the ordinary course of business. The directors do not consider that any significant liabilities will arise for the Group as a result of the aforementioned guarantees.

A summary of the types of guarantees extended by country, amounts, the guarantor and the beneficiaries at 30 September 2016 is provided below.

Type	Country	Thousands of Euros	Guarantor	Beneficiary
Arising from park operating agreements	Spain	2,699	Financial institutions	Municipal entities
Advertising	Spain	1,374	Financial institutions	Arena Media
Guarantees for the suspension of tax settlements	Spain	2,705	Financial institutions	Tax agency/local councils
Social Security	Spain	131	Financial institutions	Social Security Treasury Office
Counter-guarantees	Spain	1,581	Financial institutions	Financial institutions
Warner theme park licences	Spain	3,622	Financial institutions	Warner Bros
Arising from park operating agreements	USA	257	-	Connecticut Development Authority
Inherent to activity agreements	Italy	534	Financial institutions/insurance companies	Other
Taxes	Norway	105	Financial institutions	Taxation authorities
Other	Norway	4	Financial institutions	Other
		13,012		

Furthermore, as stated in note 15 a), the Group has pledged shares and interests in certain Group companies to guarantee it will meet its obligations in relation to the syndicated loan.

At 30 September 2016 and 2015, the Group has 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 22 b). The Parent's directors consider that the insured sum adequately covers the aforementioned assets and risks.

Certain lawsuits brought against the Group are in progress at 30 September 2016 and 2015. Based on the estimates of the directors and the legal advisors of the Group, the possible loss would not have a significant impact on the consolidated financial statements.

Occasionally the Group is involved in litigation as a result of claims made in respect of transactions in the normal course of business. At 30 September 2016 and 2015, there are legal contingencies derived from the Group's involvement in certain legal proceedings. In the opinion of management and their legal advisors the outcome of these, on an individual or aggregate basis, would not have a significant adverse impact on the Group's consolidated income statement. Consequently, the Group has provisions totalling Euros 3 million in relation to specific labour claims in parks of the US subgroup as a result of injuries sustained by visitors and former employees' claims.

The Group also has accounts receivable linked to litigation with CACSA and Mountain Creek (see notes 10 and 11) on which it has recognised impairment in prior years. The directors do not expect that any significant contingencies will arise in addition to the Euros 3 million provision recognised in 2016 in respect of the litigation with CACSA (see note 17).

(21) Income and Expenses

a) Revenue

Details for 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	**2015**
Ticket sales	311,465	322,173
Catering	129,124	135,159
Merchandising	35,540	37,454
Games and gaming machines	26,845	28,565
Parking	16,184	15,802
Sales of hotel packages	14,446	15,391
Exclusivity revenue	13,719	14,523
Other income	31,237	36,432
	578,560	**605,499**

A breakdown of the Group's revenue for 2016 and 2015 by geographical area is as follows:

	Thousands of Euros	
	2016	**2015**
United States	230,877	242,259
Spain	142,636	145,366
Italy	43,024	41,150
Germany	38,905	39,606
France	27,002	41,560
Norway	25,093	27,150
Netherlands	23,912	21,723
Belgium	20,751	19,772
Other countries	26,360	26,913
	578,560	**605,499**

b) Other operating income

On 3 October 2015 severe flooding caused serious damage at the French park Marineland. Nevertheless, under the terms and conditions of the insurance policy the insurance company has covered most of the damage as well as the loss of profit. Therefore, in 2016 the Group has recognised income of Euros 5,425 thousand in respect of the loss of profit under other operating income in the consolidated income statement.

c) Other income/expenses

Details of non-recurring income and expenses included in the consolidated income statement for 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	**2015**
Indemnities paid to third parties	2,411	2,719
Other non-recurring income	(9,239)	(612)
Other non-recurring expenses	32,382	6,762
	25,554	**18,869**

Indemnities paid to third parties in 2016 and 2015 primarily comprise those arising from workforce restructuring processes carried out in the parks.

Other non-recurring expenses in 2016 mainly comprise Euros 2,819 thousand of advisory fees related to the public offering (see note 1), Euros 2,289 for consulting expenses in the contracting of the new financing structure, Euros 9,811 thousand for the exit bonus paid to certain employees (see note 22 d)), Euros 4,701 thousand of expenses derived from the flood damage to Marineland and Euros 5,440 thousand for expenses related to litigation. In 2015 these included, inter alia, Euros 1,734 thousand in provisions for German tax contingencies (see note 19 (c)), non-recurring expenses for professional advisory services of Euros 1,608 thousand, and expenses related to the litigation with CACSA (see note 10 (a)) of Euros 579 thousand.

Other non-recurring income in 2016 mainly comprises Euros 8,425 thousand from the insurance compensation received to cover expenses due to the deterioration of property, plant and equipment and other expenses related to the adaptation of the park for its re-opening.

d) Supplies

Details for 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
Merchandise and supplies purchased	48,700	51,636
Subcontracted work	14,519	14,457
Change in inventories	2,516	2,872
	65,735	**68,965**

e) Other operating expenses

Details of other operating expenses in the consolidated income statement for 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
Advertising and publicity	31,608	33,218
Leases and royalties (note 9)	16,446	23,619
Utilities	34,451	37,357
Repairs and maintenance	16,501	16,926
Taxes	11,390	11,401
Security, cleaning and gardening	10,626	11,513
Independent professional services	15,031	14,892
Insurance premiums	7,336	9,403
Other expenses	19,110	14,754
	162,499	**173,084**

At 30 September 2016 other expenses mainly include royalties of Euros 11,715 thousand (Euros 9,387 thousand at 30 September 2015).

f) Finance costs

A breakdown of this item in the consolidated income statement for 2016 and 2015 is as follows:

	Thousands of Euros	
	2016	2015
Borrowing costs	87,715	94,152
Finance costs of interest rate derivatives	305	-
Change in the fair value of interest rate derivatives	803	-
	88,823	**94,152**

Finance costs in 2016 include Euros 17,044 thousand related to the issue costs of the syndicated loan that were pending recognition and bonds settled in 2016 (see notes 14 and 15).

g) Foreign currency transactions

The Group's foreign currency transactions, performed in currencies other than the functional currency of each component, are not significant.

(22) Personnel Expenses

A breakdown of this item in the consolidated income statement is as follows:

	Thousands of Euros	
	2016	2015
Salaries and wages	132,952	132,282
Social Security	29,921	31,247
Termination benefits	567	565
Other employee benefits expenses	3,942	4,540
	167,382	**168,634**

a) Employee Information

The average headcount of the Group in 2016 and 2015, distributed by category, is as follows.

	Number	
	2016	2015
Board members	1	1
Senior management personnel	4	4
Management	61	66
Department directors	128	112
Other qualified personnel	154	130
Supervisors	458	473
Operating personnel	5,294	5,456
Administrative staff	362	370
Maintenance	574	593
Lifeguards and attendants	1,361	1,328
	8,397	**8,542**

At the 2016 and 2015 year ends, the distribution by gender of personnel and the members of the board of directors of the Parent is as follows:

	Number					
	2016			2015		
	Male	Female	Total	Male	Female	Total
Board members	7	-	7	5	-	5
Senior management personnel	4	-	4	4	-	4
Management	47	14	61	29	35	64
Department directors	76	40	116	61	52	113
Other qualified personnel	72	58	130	51	70	121
Supervisors	287	197	484	211	257	468
Operating personnel	2,303	2,889	5,192	2,768	2,458	5,226
Administrative staff	118	256	374	251	140	391
Maintenance	522	40	562	101	442	543
Lifeguards and attendants	793	867	1,660	807	701	1,508
	4,229	**4,361**	**8,590**	**4,288**	**4,155**	**8,443**

At 30 September 2016, six of the directors were not Parent employees.

On the other hand, in 2016 the Spanish Group companies had 7 employees with a disability rating of 33% or more (an average of 11 in 2015).

b) Employee benefits under defined benefit plans and other employee benefits

(i) Defined benefit plans

The Group currently has defined benefit commitments with certain serving employees in Spain, in the form of retirement benefits and indemnities in the event of death or disability, as set forth in the respective collective labour agreements applicable to the different work centres.

The Group has not recorded any provision or asset deriving from these commitments in its consolidated annual accounts as it considers that at 30 September 2016 and 2015, the present value of these defined benefit obligations does not differ significantly from the fair value of the plan assets.

Retirement benefits

The Group has externalised the retirement benefit defined in its collective labour agreements through a collective policy arranged with a financial institution. This obligation comprises an indemnity payable to workers who retire whilst employed at the company.

The obligation has been insured and updated at 31 December 2016 through an insurance policy compliant with the first additional provision of Royal Legislative Decree 1/2002 of 29 November 2002, approving the revised Law on the Regulation of Pension Plans and Funds, and Royal Decree 1588/1999 of 15 October 1999, approving the Regulation on the implementation of companies' pension obligations to employees and beneficiaries.

The main actuarial assumptions used to update the policy in 2016 and 2015 were as follows:

- Cumulative annual salary growth rate of 1.0% (3.0% in 2015).
- The mortality tables used to calculate the defined benefit obligation were PERM/F 2000 New Production.
- Decrease in workforce due to staff turnover, based on the Group's historical information.
- The employees to be insured are those who will retire before expiry of the concession in force.

The value or mathematical provision of the policy arranged to insure the retirement benefits amounts to Euros 6 thousand at 30 September 2016 (Euros 22 thousand at 30 September 2015), essentially reflecting the premium paid to the insurance company and the related returns. No net premiums were paid in 2015. In 2016, a regularization was carried out with a net redemption value in favour of the borrower in the amount of Euros 12 thousand.

Obligations in the event of death or disability

The obligations in the event of death or disability have been insured and updated at 30 September 2016 through an insurance policy compliant with the first additional provision of Royal Legislative Decree 1/2002 of 29 November 2002, approving the revised Law on the Regulation of Pension Plans and Funds, and Royal Decree 1588/1999 of 15 October 1999, approving the Regulation on the implementation of companies' pension obligations to employees and beneficiaries. The net premium paid in 2016 and 2015 is immaterial.

(ii) Defined contribution plans

The Group has arranged a mixed collective insurance policy with an insurance company to finance a defined contribution benefit scheme (savings plan) for a specific group of employees based in Spain.

The Group makes annual contributions in the form of the policy premium payments. The amount of these contributions is determined each year by the Group. In 2016 the Group made policy premium payments totalling Euros 45 thousand to the insurance company (Euros 53 thousand in 2015).

(iii) Benefits payable to employees in Italy

Pursuant to legislation in force in Italy, employees are entitled to receive an exceptional payment upon leaving the company, voluntarily or otherwise. The projected unit credit method was used to calculate this obligation. Provisions in the accompanying consolidated statement of financial position (see note 17) include a liability accrued for this item at 30 September 2016 and 2015, based on the latest actuarial studies available conducted by an independent expert.

Details of the main assumptions used in this actuarial study, which is the basis for the liability recognised at 30 September 2016 and 2015 are as follows:

- Discount rate of 4.40%.
- Expected annual salary growth rate of 3%.
- Expected rate of return on plan assets of 3%.

(iv) Commitments with employees in the United States

The US subgroup has arranged a programme to cover the employment-related obligations to its employees in connection with healthcare coverage and other items. These commitments are calculated annually in accordance with a study carried out by an independent expert, based on the use of different actuarial methods applied to the historical information of the US subgroup, as well as sector information. Personnel, under current liabilities, and non-current provisions in the accompanying consolidated statement of financial position at 30 September 2016 include Euros 3,949 thousand (Euros 4,075 thousand at 30 September 2015) and Euros 6,344 thousand (Euros 7,173 thousand at 30 September 2015), respectively, in connection with this subgroup's obligations.

c) Long-term incentive plan

In April 2016, prior to the offering of subscription, sale, and admission to trading (see note 1), the sole shareholder Centaur Nederland, B.V. approved the implementation of a long-term incentive plan for 2016-2020 for various Group directors and Directors of the Company, payable in shares of the Parent.

This plan consists of two cycles of share-based payments, each with a measurement period of three years. At the start of each cycle a number of shares will be assigned to each of the beneficiaries based on salary level, as well as the estimated achievement of employment conditions and the estimated degree of achievement of certain financial objectives. The first cycle (Cycle 2016/2019) began on May 1 2016 (valuation date) and the second cycle (Cycle 2017/2020) will begin on 1 January 2017.

In relation to the Cycle 2016/2019, the Group has estimated a 100% achievement of the conditions and estimated that, at the valuation date, the number of shares to be delivered to managers and directors in 204,573 shares, which have a weighted average fair value of Euros 14.75/share. This fair value has been determined based on the quotation price of the Company's share on the valuation date.

The expense recognised in 2016 for this plan has amounted to Euros 361 thousand (Euros 423 thousand without tax impact), recognised under employee benefits expenses in the consolidated income statement. The balancing entry was recognised under other own equity instruments (see note 13).

d) Exit bonus

In 2016, members of the Group's management team, and a certain number of employees in management positions within the Group, have received an exit bonus accrued as a result of the Company's admission to trading. The members of the management team have received a discretionary amount set by the shareholder meeting of Centaur Luxco S.a.r.l. (sole shareholder of Centaur Nederland, B.V.) at their general meeting. For employees in management positions within the Group, the exit bonus was set at an amount equivalent to 1% of the sole shareholder's capital gain on the sale of its shares in the public offering. The total amount of the two exit bonuses, recognised in the consolidated income statement for 2016, was Euros 9.811 thousand. Taking into account that Centaur Nederland, B.V. (the Company's sole shareholder until its IPO) assumed the payment of the entire amount of these bonuses, the Group has recognised a shareholder's contribution in consolidated equity for this amount (see note 13).

(23) Related Party Balances and Transactions

a) Related party balances and transactions

In 2016 and 2015 balances and transactions with related parties only reflect the remuneration paid to Group directors and senior management personnel.

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

The remuneration received by the directors as members of the Parent's board of directors, including those who are also members of senior management during 2016 and 2015, was as follows:

	Thousands of Euros	
	2016	2015
Fixed remuneration	887	703
Variable remuneration	218	-
Other	218	-
	1,323	703

In relation to the previous remuneration, Euros 971 and 658 thousand in 2016 and 2015, respectively, correspond to those received by members of senior management.

The remuneration received in 2016 and 2015 by members of senior management (other than those who are also members of the board of directors, whose remuneration was indicated above), was as follows:

	Thousands of Euros	
	2016	2015
Salaries and wages	1,455	1,508
Insurance premiums	2	14
	1,457	1,522

At 30 September 2016 the Company has balances payable to senior management amounting to Euros 21 thousand (78 thousand payable to senior management at 30 September 2015). As of September 30, 2016 and 2015, the Company does not maintain any balances with the Directors. At 30 September 2016 and 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 contribution plans for senior management detailed in note 22, to which contributions of Euros 45 thousand were made in 2016 (contributions of Euros 53 thousand in 2015).

c) Transactions other than ordinary business or under terms differing from market conditions carried out by the directors of the Parent and their related parties

In 2016 and 2015 the Parent's directors and their related parties did not carry out any transactions other than ordinary business with the Group or applying terms that differ from market conditions.

d) Conflicts of interest concerning the directors

The directors of the Company and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

(24) 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 shareholders' investment. The system of risky management is structured and defined by the accomplishment of strategic objectives and operations of the Group.

The management of the Group's financial risks is centralized on the Corporate Financial Management. This Management has established the necessary mechanisms to control, depending on the Group's structure and financial position and the economic variables of the environment, the exposure to changes in interest rates and exchange rates, as well as credit and liquidity by resorting, if necessary, to specific hedging transactions and establishing, if necessary, the corresponding credit limits and establishing policies for the provision of credit insolvencies.

The following describes the principal financial risks and the corresponding Group policies:

Foreign exchange risk

The Group is exposed to very limited exchange rate fluctuations since practically all transactions of the Group companies are made in their functional currencies. The Group's presentation currency is the euro, but some of the subsidiaries use other currencies, namely the US dollar, the Danish krone, the Norwegian krone, and the British pound. In fiscal year 2016 and 2015, 51% of revenues were generated in euros and 40% in US dollars. As a consequence of foreign currency exchange rate fluctuations, the Group's financial statements are subject to fluctuations arising from the process of translating financial information into currencies other than the euro.

The following table illustrates the impact that a 5%-10% movement in the value of the US dollar would have on the consolidated income for the year:

	Millions of euros	
	2016	**2015**
5% Appreciation	0,3	0,5
As a % consolidated income for the year	*7,8%*	*2,4%*
5% Depreciation	(0,3)	(0,4)
As a % consolidated income for the year	*7,1%*	*2,2%*
10% Appreciation	0,6	1,0
As a % consolidated income for the year	*16,5%*	*5,1%*
10% Depreciation	(0,5)	(0,8)
As a % consolidated income for the year	*13,5%*	*4,2%*

Credit risk

The principal financial assets of the Group are cash and other cash equivalents, as well as commercial and non-commercial debtors. In general, the Group deposits its cash and cash equivalents with highly rated entities.

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 30 September 2016 and 2015 are Ciudad de las Artes y las Ciencias, S.A. (the public company that owns the Oceanographic Aquarium in Valencia) and the owner of the Mountain Creek park (see note 10 a and 11 c)).

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.

Details of the estimated maturities of the Group's financial assets reflected in the consolidated statements of financial position at 30 September 2016 and 2015 are as follows. The accompanying tables reflect the analysis of the maturities of financial assets at 30 September 2016 and 2015.

	2016			
	Thousands of Euros			
	Less than 3 months	6 months to 1 year	More than 1 year	Total
Non-current deposits and guarantees	-	-	1,695-	1,695
Trade and other receivables	27,999	-	42,719	70,718
	27,999	**-**	**44,414**	**72,413**

	2015			
	Thousands of Euros			
	Less than 3 months	6 months to 1 year	More than 1 year	Total
Non-current deposits and guarantees	-	-	1,531	1,531
Trade and other receivables	34,495	-	37,577	72,072
Other current financial assets	-	28,734	-	28,734
	34,495	**28,734**	**39,108**	**102,337**

Liquidity risk

The different acquisitions that have taken place in recent years have been carried out through appropriate funding structures. However, these structures lead to the fulfilment of certain commitments with financial institutions that facilitate such financing, so monitoring compliance with them is a very important task.

The Corporate Finance Department performs a detailed monitoring of compliance with these commitments, in order to detect in advance the potential risk of non-compliance. In case that a risk is identified, it is brought to the attention of general management in order to make the necessary decisions to correct this situation. As of 30 September 2016 and 2015, the Group has not identified any breach of the financial ratios committed with the financial entities with which the loans have been subscribed.

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.

The Group's exposure to liquidity risk at 30 September 2016 and 2015 is shown below. These tables present an analysis of financial liabilities (including interest payable in the future) by remaining contractual maturity dates.

	2016					
	Thousands of Euros					
	Less than 1 month	2 to 3 months	4 months to 1 year	2 to 5 years	More than 5 years	Total
Loans and borrowings						
Variable-rate syndicated loan	-	-	42,207	624,004	-	666,211
Other variable-rate loans	-	-	904	3,665	3,260	7,829
Other fixed-rate loans	-	-	418	3,851	5,296	9,628
Finance lease payables	-	-	4,918	19,920	111,687	136,525
Trade and other payables	-	64,732	-	-	-	64,732
	-	64,732	48,510	651,440	120,243	884,925

	2015					
	Thousands of Euros					
	Less than 1 month	2 to 3 months	4 months to 1 year	2 to 5 years	More than 5 years	Total
Financial liabilities from issuing bonds						
Fixed rate	16,108	-	17,023	416.515	-	449,646
Loans and borrowings						
Variable-rate syndicated loan	-	-	41,331	871.482	-	912,813
Other variable-rate loans	-	-	910	3,647	4,182	8,739
Other fixed-rate loans	-	-	-	3,370	6,259	9,629
Finance lease payables	-	-	4,869	19,821	120,760	145,450
Trade and other payables	-	69,254	-	-	-	69,254
	16,108	69,254	64,133	1,314,835	131,201	1,595,531

Also, as detailed in note 15 of this report, the Group has credit lines that are not available for a significant amount. Therefore, the Group considers that the liquidity risk is adequately managed as of 30 September 2016.

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 3.656 thousand in finance costs in 2016 (Euros 3,848 thousand in 2015). Nonetheless, as indicated in note 16, the Group has entered into interest rate swap contracts to hedge the interest rate risk of the syndicated loan held as of 30 September 2016.

(25) Audit Fees

KPMG Auditores, S.L., and other related companies as defined in the fourteenth additional provision of legislation governing the reform of the financial system, rendered professional services to the Group during the years ended 30 September 2016 and 2015, the fees and expenses for which are as follows:

	2016			
	Thousands of Euros			
	KPMG Auditores, S.L.	Other entities affiliated with KPMG International	Other auditors	Total
Audit and other assurance services	1,362	530	30	1,925
Tax advisory services	-	140	-	140
Other services	368	1	-	369
	1,730	**674**	**30**	**2,434**

	2015			
	Thousands of Euros			
	KPMG Auditores, S.L.	Other entities affiliated with KPMG International	Other auditors	Total
Audit and other assurance services	259	452	32	743
Tax advisory services	-	41	-	41
Other services	-	104	-	104
	259	**597**	**32**	**888**

Other assurance services in 2016 amounted to Euros 1,105 thousand and basically consist of audit services related to the initial public offering. Other services in 2016 correspond to non-audit services related to the initial public offering.

The amounts detailed in the above table include the total fees for 2016 and 2015, irrespective of the date of invoice.

(26) Subsequent Events

On November 25, 2016, the Group signed minutes in conformity with the current tax inspection carried out by the AEAT in relation to the following taxes and periods:

- Corporate income tax for fiscal years 2009/2010, 2010/2011 and 2011/2012 and Value Added Tax for fiscal year 2012.
- Value Added Tax for the year 2011 of Parques Reunidos Servicios Centrales, S.A., Parque de Atracciones Madrid, S.A.U., Madrid Theme Park Management, S.L.U., and Leisure Parks, S.A.
- Tax on the income of individuals in 2011 and 2012 of the companies Parques Reunidos Servicios Centrales, S.A., Amusement Park Madrid, S.A.U., Madrid Theme Park Management, S.L.U. and Leisure Parks, S.A.
- Tax on the income of non residents of 2011 and 2012 of the companies Parques Reunidos Servicios Centrales, S.A., Amusement Park Madrid, S.A.U. and Madrid Theme Park Management, S.L.U.

The liquidation contained in these minutes means the regularization of the negative tax bases accredited by the fiscal consolidation group since its incorporation in 2007/2008 and does not give rise to any amount to be paid by the Group. In the same way, quotas settled in subsequent years will not be increased due to these minutes. Finally, the inspector-actuary has not assessed the commission of infractions, which makes it possible to exclude the imposition of sanctions.

In the absence of an appeal by the parties, the minutes will become firm within a period of one month, definitively ending the verification carried out. The Directors of the Company value the result of the inspection very positively.

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Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Details of Subsidiaries
at 30 September 2016

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euros			
					Assets	Liabilities	Equity	Profit/(loss)
Parque Reunidos Servicios Centrales S.A.U.	(2)	KPMG	Administrative services	100%	1,908,843	421,864	1,486,979	59,885
Parque de Atracciones Madrid, S.A.U.	(2)	KPMG	Amusement park	100%	1,726,410	1,973,763	(247,353)	(62,666)
Zoos Ibéricos, S.A.	(2)	KPMG	Zoo	100%	62,840	8,808	54,033	4,169
Leisure Parks, S.A.	(2)	KPMG	Water parks and cable cars	99.25%	87,486	24,705	62,782	7,787
Parques de la Naturaleza Selwo, S.L.	(2)	KPMG	Nature parks, botanical gardens and zoos	100%	9,326	29,311	(19,985)	323
Aquopolis Cartaya, S.L.U.	(2)	Unaudited	Water park	100%	2,303	813	1,490	36
Parque de Atracciones San Fernando de Henares, S.L.U.	(2)	Unaudited	Water park	100%	2,723	3,353	(630)	(276)
Madrid Theme Park Management, S.L.U.	(2)	KPMG	Amusement park	100%	117,129	81,770	35,359	4,973
Travelpark Viajes, S.L.U.	(2)	Unaudited	Bookings	100%	3,240	2,324	916	129
Parque Biológico de Madrid, S.A.U.	(2)	Unaudited	Nature parks, botanical gardens and zoos	100%	16,413	6,762	9,652	(408)
Parques Reunidos Valencia, S.A. in liquidation	Valencia	KPMG	Management of Oceanogràfic	75.08%	49,997	49,765	232	(2,047)
Mall Entertainment Center Murcia, S.L.U.	(2)	Unaudited	(8)	100%	6,423	5,245	1,179	170
Gestión Parque de Animales Madrid, S.L.U.	(2)	KPMG	Management of Faunia	100%	999	923	76	-
Plunimar, S.A.	Argentina	KPMG	Water park	100%	1,274	1,305	(31)	(243)
Bobbejaanland B.V.B.A.	Belgium	KPMG	Amusement park	100%	200,863	106,158	94,704	1,605
Travel parks B.V.B.A.	Belgium	Unaudited	Bookings	100%	83	22	61	(14)
BO Sommarland AS	Norway	KPMG	Water park	100%	3,778	1,375	2,403	319
Tusenfryd AS	Norway	KPMG	Amusement park	100%	38,091	37,162	929	2,886
Parkferie AS	Norway	Unaudited	Bookings	100%	44	32	12	1
Centaur Holding France 1 S.A.	France	Unaudited	Holding company	100%	177,028	96,837	80,191	(5,359)
Centaur Holding France 2 S.A.	France	Unaudited	Holding company	100%	131,796	80	131,716	(19)
Delphinus S.A.	France	Unaudited	Holding company	100%	26,367	5,198	21,169	(190)
Marineland S.A.S.	France	KPMG	Marine park	100%	60,371	21,823	38,548	1,737
SCI Col Vert	France	Unaudited	Land owner	100%	2,669	2,710	(40)	(41)
LB Investissement S.A.	France	KPMG	Water park	100%	2,941	3.,68	(427)	(271)
Travel parks S.A.S.	France	Unaudited	Bookings	100%	493	807	(314)	(122)
Marineland Resort, S.A.S.	France	Unaudited	Hotel management	100%	13,652	9,927	3,725	(295)
Centaur Holding Italy S.r.l.	Italy	Unaudited	Holding company	100%	156,046	64,460	91,586	(373)
Parco della Standiana S.r.l.	Italy	KPMG (7)	Amusement park	100%	82,644	10,448	72,197	3,013
Travelmix S.r.l.	Italy	KPMG (7)	Bookings	100%	1,621	1,140	481	46
Travelparks Italy S.r.l.	Italy	Unaudited	Bookings	100%	10	(4)	14	(4)
Grant Leisure Group Limited	United Kingdom	KPMG	Zoo	100%	15,644	4,026	11,618	2,211
Real Live Leisure Company Limited	United Kingdom	KPMG	Aquariums	100%	5,965	1,119	4,846	751

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Details of Subsidiaries
at 30 September 2016

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euros			
					Assets	Liabilities	Equity	Profit/(loss)
Bon-Bon Land A/S	Denmark	KPMG	Amusement park	100%	21,676	4,024	17,652	(439)
Centaur Holding Denmark A/S	Denmark	Unaudited	Holding company	100%	34,390	98	34,292	(6)
Travelparks Denmark A/S	Denmark	Unaudited	Bookings	100%	106	111	(5)	(17)
Centaur Nederland 2 B.V.	Netherlands	Unaudited	Holding company	100%	366,239	151,931	214,308	(4,463)
Centaur Holding Germany, GmbH.	Germany	Unaudited	Holding company	100%	9,014	11,392	(2,378)	(615)
Movie Park Germany GmbH	Germany	KPMG	Theme park	100%	29,961	24,112	5,849	4,557
Movie Park Germany Services GmbH.	Germany	Unaudited	Bookings	100%	786	735	51	-
Centaur Nederland 3.B.V.	Netherlands	Unaudited	Holding company	100%	302,198	220	301,978	(41)
Pleasantville, B.V and subsidiaries (3)	Netherlands	BDO	(4)	100%	30,295	26,899	3,396	(322)
Centaur Holding US Inc. and subsidiaries (5)	United States	KPMG	(6)	100%	548,561	319,558	229,002	(10,661)

(1) Only Parque de Atracciones Madrid, S.A.U., Centaur Nederland 3.B.V. and Marineland Resorts, S.A.S, are direct subsidiaries of the Company. For the rest of the Group companies, the percentage ownership shown reflects indirect ownership.

(2) Casa de Campo s/n, Madrid.

(3) This line includes the figures reflecting the assets, liabilities, equity and profit or loss of the consolidated subgroup formed by Pleasantville, B.V., Bembom Brothers Beheer B.V., Attractie-en Vakantiepark Slagharen B.V. (previously called Shetland Ponypark Slagharen B.V.), Wigwam Wereld Slagharen B.V., Bembom Rides B.V. and Horeca Exploittatie Slagharen, B.V.

(4) Equity investment management firms and operators of a theme park.

(5) This line includes the figures reflecting the assets, liabilities, equity and profit or loss of the consolidated subgroup of Centaur Holding II United States, Inc., Centaur Holding United States, Inc., Palace Entertainment Holdings, Llc., Festival Fun Parks, Llc. Dallas Speedzone Club, Llc., BR Beverage Company Llc., DD Pacific Investors, Llc., Sea Life Services, Llc., DD Parks, Llc., Oahu Entertainment Parks, LP and Attractions Hawaii, LP.

(6) Equity investment management firms and operators of theme parks, water parks, zoos and nature parks, and family entertainment centres.

(7) The statutory audit is carried out by a local audit firm.

(8) Incorporation in the consolidated Group during 2016.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Details of Subsidiaries
at 30 September 2015

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euros			
					Assets	Liabilities	Equity	Profit/(loss)
Parque Reunidos Servicios Centrales S.A.	(2)	KPMG	Administrative services	100%	1,040,409	130,124	910,285	59,119
Parque de Atracciones Madrid, S.A.U.	(2)	KPMG	Amusement park	100%	1,631,898	1,813,694	(181,796)	(30,767)
Zoos Ibéricos, S.A.	(2)	KPMG	Zoo	100%	70,371	20,507	49,864	3,725
Leisure Parks, S.A.	(2)	KPMG	Water parks and cable cars	99.25%	87,202	32,208	54,994	4,625
Parques de la Naturaleza Selwo, S.L.	(2)	KPMG	Nature parks, botanical gardens and zoos	100%	10,356	30,662	(20,306)	(92)
Aquopolis Cartaya, S.L.U.	(2)	Unaudited	Water park	100%	2,276	822	1,454	(131)
Parque de Atracciones San Fernando de Henares, S.L.U.	(2)	Unaudited	Water park	100%	2,910	3,264	(354)	(636)
Madrid Theme Park Management, S.L.U.	(2)	KPMG	Amusement park	100%	60,135	28,229	31,906	3,054
Travelpark Viajes, S.L.U.	(2)	Unaudited	Bookings	100%	2,430	1,643	787	227
Parque Biológico de Madrid, S.A.U.	(2)	Unaudited	Nature parks, botanical gardens and zoos	100%	17,332	7,273	10,059	(53)
Parques Reunidos Valencia, S.A.	Valencia	KPMG	Management of Oceanogràfic	75.08%	56,465	54,390	2,075	(961)
Gestión Parque de Animales Madrid, S.L.U.	(2)	KPMG	Management of Faunia	100%	6,193	5,184	1,009	71
Plunimar, S.A.	Argentina	KPMG	Water park	100%	2,385	2,094	291	29
Bobbejaanland B.V.B.A.	Belgium	KPMG	Amusement park	100%	206,723	107,079	99,644	1,000
Travel parks B.V.B.A.	Belgium	Unaudited	Bookings	100%	87	63	24	(16)
BO Sommarland AS	Norway	KPMG	Water park	100%	3,705	1,308	2,397	6
Tusenfryd AS	Norway	KPMG	Amusement park	100%	33,695	35,692	(1,997)	(1,977)
Parkferie AS	Norway	Unaudited	Bookings	100%	127	117	10	(10)
Centaur Holding France 1 S.A.	France	Unaudited	Holding company	100%	176,966	91,416	85,550	(4,583)
Centaur Holding France 2 S.A.	France	Unaudited	Holding company	100%	131,797	62	131,735	(27)
Delphinus S.A.	France	Unaudited	Holding company	100%	25,584	4,225	21,359	(52)
Marineland S.A.S.	France	KPMG	Marine park	100%	56,775	19,591	37,184	3,157
SCI Col Vert	France	Unaudited	Land owner	100%	2,553	2,890	(337)	(338)
LB Investissement S.A.	France	KPMG	Water park	100%	3,171	3,364	(193)	(276)
Travel parks S.A.S.	France	Unaudited	Bookings	100%	116	308	(192)	(115)
Marineland Resort, S.A.S.	France	Unaudited	Hotel management	100%	13,735	9,713	4,022	54
Centaur Holding Italy S.r.l.	Italy	Unaudited	Holding company	100%	156,184	64,225	91,959	(890)
Parco della Standiana S.r.l.	Italy	KPMG (7)	Amusement park	100%	81,941	10,675	71,266	2,229
Travelmix S.r.l.	Italy	KPMG (7)	Bookings	100%	1,665	1,230	435	79
Travelparks Italy S.r.l.	Italy	Unaudited	Bookings	100%	26	8	18	(3)
Grant Leisure Group Limited	United Kingdom	KPMG	Zoo	100%	17,460	28,673	(11,213)	1,855
Real Live Leisure Company Limited	United Kingdom	KPMG	Aquariums	100%	6,301	1,443	4,858	813
Bon-Bon Land A/S	Denmark	KPMG	Amusement park	100%	20,929	2,830	18,099	(995)

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Details of Subsidiaries
at 30 September 2015

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euros			
					Assets	Liabilities	Equity	Profit/(loss)
Centaur Holding Denmark A/S	Denmark	Unaudited	Holding company	100%	34,335	68,598	(34,263)	11
Travelparks Denmark A/S	Denmark	Unaudited	Bookings	100%	64	77	(13)	21
Centaur Nederland 2 B.V.	Netherlands	Unaudited	Holding company	100%	372,359	153,589	218,770	(4,574)
Centaur Holding Germany, GmbH.	Germany	Unaudited	Holding company	100%	9,018	10,781	(1,763)	(602)
Movie Park Germany GmbH	Germany	KPMG	Theme park	100%	29,933	28,641	1,292	1,056
Movie Park Germany Services GmbH.	Germany	Unaudited	Bookings	100%	964	913	51	-
Centaur Nederland 3.B.V.	Netherlands	Unaudited	Holding company	100%	182,784	178	182,606	(29)
Pleasantville, B.V and subsidiaries (3)	Netherlands	BDO	(4)	100%	29,836	26,118	3,718	(478)
Centaur Holding US Inc. and subsidiaries (5)	United States	KPMG	(6)	100%	585,812	466,604	119,208	(3,965)

(1) Only Parque de Atracciones Madrid, S.A.U., Centaur Nederland 3.B.V. and Marineland Resorts, S.A.S, are direct subsidiaries of the Company. For the rest of the Group companies, the percentage ownership shown reflects indirect ownership.

(2) Casa de Campo s/n, Madrid.

(3) This line includes the figures reflecting the assets, liabilities, equity and profit or loss of the consolidated subgroup formed by Pleasantville, B.V., Bembom Brothers Beheer B.V., Attractie-en Vakantiepark Slagharen B.V. (previously called Shetland Ponypark Slagharen B.V.), Wigwam Wereld Slagharen B.V., Bembom Rides B.V. and Horeca Exploittatie Slagharen, B.V.

(4) Equity investment management firms and operators of a theme park

(5) This line includes the figures reflecting the assets, liabilities, equity and profit or loss of the consolidated subgroup of Centaur Holding II United States, Inc., Centaur Holding United States, Inc., Palace Entertainment Holdings, Llc., Festival Fun Parks, Llc. Dallas Speedzone Club, Llc., BR Beverage Company Llc., DD Pacific Investors, Llc., Sea Life Services, Llc., DD Parks, Llc., Oahu Entertainment Parks, LP and Attractions Hawaii, LP.

(6) Equity investment management firms and operators of theme parks, water parks, zoos and nature parks, and family entertainment centres.

(7) The statutory audit is carried out by a local audit firm.

This appendix forms an integral part of note 1 to the consolidated annual accounts for 2016, in conjunction with which it should be read

Appendix II

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Segment Reporting
at 30 September 2016 and 2015

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Thousands of Euros									
	United States		Spain		Rest of the world		Head offices – Non-operating		Total	
	30.09.2016	30.09.2015(*)	30.09.2016	30.09.2015(*)	30.09.2016	30.09.2015(*)	30.09.2016	30.09.2015(*)	30.09.2016	30.09.2015(*)
Revenue (a)	229,906	241,375	137,338	139,496	210,473	217,874	6,268	6,754	583,985	605,499
Supplies	(19,859)	(20,646)	(16,418)	(17,140)	(29,458)	(31,179)	-	-	(65,735)	(68,965)
Fixed costs (b)	(132,098)	(134,517)	(65,277)	(73,046)	(111,057)	(113,228)	(21,449)	(20,927)	(329,881)	(341,718)
Amortisation and depreciation (c)	(17,8)	(21,374)	37,317	(10,472)	(76,345)	(12,616)	(13,935)	(25,398)	(70,838)	(69,860)
Changes in trade provisions	(66)	(55)	(79)	(3,477)	(422)	(646)	(267)	(69)	(834)	(4,247)
Other income/(expenses) (d)	(4,841)	2,565	(3,868)	6,377	(49)	(4,271)	(16,977)	(4,789)	(25,554)	(119)
Net operating profit/(loss)	**55,167**	**67,348**	**89,195**	**41,738**	**(46,858)**	**55,934**	**(46,360)**	**(44,429)**	**91,143**	**120,590**
Net finance cost (e)	(2,821)	(3,504)	(4,601)	(944)	(17,255)	(24,888)	(61,105)	(69,185)	(85,782)	(98,521)
Profit/(loss) before income tax	**52,346**	**63,844**	**84,594**	**40,794**	**(24,113)**	**31,046**	**(107,465)**	**(113,614)**	**5,361**	**22,069**
Income tax	-	(6,509)	(6,067)	4,974	(1,719)	(8,384)	5,957	7,672	(1,829)	(2,247)
Profit/(loss) for the year	**52,346**	**57,335**	**78,527**	**45,768**	**(25,832)**	**22,662**	**(101,508)**	**(105,942)**	**3,532**	**19,822**
Non-controlling interests	-	-	(378)	281	-	-	-	-	(378)	(281)
Profit/(loss) for the year attributable to the shareholders of the Parent	**52,346**	**57,335**	**78,905**	**46,049**	**(25,832)**	**22,662**	**(101,508)**	**(105,942)**	**3,910**	**20,103**
Deferred tax assets	34.576	34.634	10.856	-	3.039	2.601	285	-	48.756	37.235
Additions to intangible assets and property, plant and equipment	29,082	23,897	11,646	66,898	38,866	49,418	6,830	4,801	86,424	145,014
Amortisation and depreciation (b)	(19,160)	(21,374)	37,317	(10,472)	(76,345)	(12,616)	(13,935)	(25,398)	(70,838)	(69,860)
Total assets	711,465	731,930	773,519	746,507	681,326	691,451	41,644	83,085	2,207,954	2,252,973
Total liabilities	138,487	140,896	270,621	267,208	64,993	56,131	601,536	1,178,706	1,075,637	1,642,941

(*) Restated figures

(a) Comprises the following items from “Ordinary income” and “Other operating income”.
(b) Comprises the following items from the consolidated income statement: employee benefits expense and other operating expenses.
(c) Comprises the following items from the consolidated income statement: amortisation and depreciation and net losses on impairment and disposals of non-current assets.
(d) Comprises the following items from the consolidated income statement: income/expenses from business combinations and other income/expenses.
(e) Comprises the following items from the consolidated income statement: finance income, finance costs and exchange gains/losses.

This appendix forms an integral part of note 4 (u) to the consolidated annual accounts for 2016, in conjunction with which it should be read.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Detail of concession arrangements

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name of the park	Nature of contract	Operator	Owner of the asset	Term	Price and tariff review	Early termination	Fee/revenues and review thereof	Reversion of installations
AMUSEMENT PARKS	Concession to use public property	PARQUE DE ATRACCIONES MADRID, S.A.U.	Madrid City Council	Concession end date: 5 October 2026	The entrance fees are approved each year by the Madrid City Council. Increased in line with the CPI.	The contract will be terminated in advance due to (i) fundamental non-compliance by the concession operator; (ii) insolvency of the concession operator; (iii) destruction; (iv) mutual agreement; (v) abandonment and (vi) redemption, in which case the indemnity is subject to the general regime.	€0.138 per visitor (with a guaranteed minimum equal to 2,500,000 visitors).The fee for 2015 amounted to €345,584.	The installations will revert to the council when the concession expires.
TELEFÉRICO DE MADRID	Public service management administrative concession.	LEISURE PARKS, S.A.	Madrid City Council	Concession end date: 31 December 2017	The entrance fees are approved each year by the Madrid City Council. Increased in line with the CPI.	The contract will be terminated in advance due to (i) fundamental non-compliance by the concession operator; (ii) insolvency of the concession operator; (iii) destruction; (iv) mutual agreement; (v) abandonment and (vi) redemption, in which case the indemnity is subject to the general regime.	Fixed fee of Euros 2,194 per quarter.	The installations will revert to the council when the concession expires.
AQUÓPOLIS TORREVIEJA	Contract for the lease of the Hoya Grande estate. Private contract to lease an asset.	LEISURE PARKS, S.A.	City council of Torrevieja.	Concession end date: 20 February 2032	LEISURE PARKS may establish the fee for entry to the park and the prices for the other services.	There are no clauses regarding early termination, which is governed by general contracting law.	Euros 54,555 per year, reviewed in line with the CPI (last available revenue paid: Euros 58,565) until 20 February 2017. From that moment, the annual fee amounted to Euros 248,621.69.	The installations will revert to the council when the concession expires.
AQUOPOLIS SEVILLA	Administrative concession with a 25 year term for the right to use the land lot and installations of the Seville water park, which are owned by the council. Concession for private use of a public-domain asset.	LEISURE PARKS, S.A.	Seville city council	Concession end date: 18 May 2020.	LEISURE PARKS may establish the fee for entry to the park and the prices for the other services, although these amounts may not exceed the normal prices for these types of establishments.	The concession may be terminated in advance due to (i) non-compliance by the concession operator; (ii) mutual agreement; (iii) destruction of the installations; (iv) abandonment or renouncement by the concession operator, (v) or inactivity of the	Euros 31,200 per year reviewed in line with the CPI (last fee paid: Euros 52,000).	The installations will revert to the council when the concession expires.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Detail of concession arrangements

Name of the park	Nature of contract	Operator	Owner of the asset	Term	Price and tariff review	Early termination	Fee/revenues and review thereof	Reversion of installations
						installations for one year. No specific indemnities or penalties have been established besides compensation in the event of the concession being awarded to another party prior to expiry.		
AQUOPOLIS COSTA DORADA	Contract for the construction and subsequent operation under an administrative concession of a water park in Vila Seca i Salou. Administrative contract for works and services.	LEISURE PARKS, S.A.	Vilaseca municipal council.	Concession end date: 31 December 2021.	The tariffs must be approved by the council. They will be reviewed in line with the CPI.	The council is authorised to redeem the concession early for reasons of public interest, especially for town planning purposes. The concession operator will be compensated under the general regime unless they are guilty of negligence or wilful misconduct.	In 1998 a fee of Euros 102,000 per year was established, which was to be reviewed in line with the CPI (last fee paid: Euros 191,961.16).	The installations will revert to the council when the concession expires.
AQUOPOLIS CARTAYA	Administrative contract for the installation of a water park and its annexes (restaurant, etc.) and the subsequent operation of the 'Malpica' site on adjacent common land called 'Playas de Cartaya'.	AQUOPOLIS CARTAYA, S.L.U.	Cartaya municipal council	Concession end date: 15 March 2024.	No specific regime in place.	The concession may be redeemed in the event of non-compliance by the concession operator, renouncement by the concession operator, release of the asset or for reasons of public interest. Where appropriate, the concession operator will be compensated under the general regime.	Euros 12,000 per year reviewed in line with the CPI (latest fee paid: Euros 21,780.75).	The land and the installations will revert to the council when the concession ends (except any own tools used to perform the activity).
AQUOPOLIS SAN FERNANDO DE HENARES	Conveyance of the right to use a municipal land lot. Contract to convey the right to use a land lot owned by the municipal council.	PARQUE DE ATRACCIONES SAN FERNANDO DE HENARES, S.L.U.	San Fernando de Henares municipal council	Concession end date: 23 November 2019.	There are no specific restrictions placed on the contractor in respect of establishing entrance fees.	The contract will be terminated in advance in the event of failure to pay the fee for four quarters, mutual agreement or abandonment of the premises.	Annual minimum of Euros 24,000 plus a variable fee in line with ticket office revenues. (latest fee paid: Euros 24,040.48).	The installations will revert to the council when the concession expires.
AQUOPOLIS VILLANUEVA DE LA CAÑADA	Surface right.	LEISURE PARKS, S.A.	Villanueva de la Cañada municipal council.	Concession end date: 23 July 2026.	No specific regime in place.	In the event of non-compliance by the surface right holder.	Euros 50,000 per year reviewed in line with CPI (latest fee paid: Euros 53,883.86).	The installations will revert to the council when the surface right expires.
ZOO-AQUARIUM DE MADRID	Concession for the construction, upkeep and operation of a zoo located in Casa de Campo in	ZOOS IBÉRICOS, S.A.	Madrid City Council	Concession end date: 18 April 2034.	Entrance fees must be approved each year by the council. Reviewed in	The contract will be terminated in advance due to (i) fundamental non-compliance by the concession	Euros 25,002 per year + 45,000 tickets per	The installations will revert to the council when the concession

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Detail of concession arrangements

Name of the park	Nature of contract	Operator	Owner of the asset	Term	Price and tariff review	Early termination	Fee/revenues and review thereof	Reversion of installations
	Madrid. Concession of public-domain assets.				line with CPI.	operator; (ii) insolvency of the concession operator; (iii) destruction; (iv) mutual agreement; (v) abandonment and (vi) redemption, in which case the indemnity is subject to the general regime.	year.	expires.
AQUOPOLIS CULLERA	Contract for the lease of municipal land for the construction and installation of a sports park, water park and theme park.	LEISURE PARKS, S.A.	Cullera municipal council.	Concession end date: 31 December 2033.	No specific regime in place.	In the event of continued fundamental non-compliance by the concession operator.	Euros 3,000 per year reviewed in line with the CPI (latest fee paid: Euros 6,911.60).	The installations will revert to the council when the concession expires.
FAUNIA	Concession to use the land lot named Parque Biológico under the Plan Especial Norte del PAU.-4 Valdebernardo in Madrid. Administrative concession of public property.	PARQUE BIOLÓGICO DE MADRID, S.A.	Directorate-General for the Environment of the Autonomous Region of Madrid.	Concession end date: 22 July 2048.	There are no specific restrictions placed on the concession operator regarding establishing entrance fees and prices for services.	In the event of non-compliance by the concession operator. If no express cause is stated, in the event of early termination for reasons attributable to the authorities, the concession operator will be entitled to compensation (in accordance with the general regime).	Last amount paid: Euros 1,028,225.72 (reviewable annually in line with CPI).	The installations will revert to the Madrid city council when the concession ends.
Selwo Aventura	Contract for the building, installation and operation of a comprehensive wildlife park and creation of a surface right. Surface right.	PARQUES DE LA NATURALEZA SELWO, S.L.	Estepona municipal council	Concession end date: 8 February 2072.	There are no specific restrictions placed on the concession operator regarding establishing entrance fees and prices for services.	In the event of non-compliance by the surface right holder, especially if the park remains closed for six months.	Last amount paid: Euros 94,220.15 (reviewable in line with CPI).	The installations will revert to Estepona municipal council.
SELWO MARINA	Construction, execution of works and operation of a wildlife park in the municipality of Benalmádena. Operation under an operating lease of the Benalmádena-Calamorro public cable car system. Surface right.	LEISURE PARKS, S.A.	Benalmádena municipal council.	Concession end date: 27 June 2075.	There are no specific restrictions placed on the surface right holder regarding establishing entrance fees and prices for services.	No specific regime established and therefore subject to general regime.	Latest fee paid: Euros 83,885.81 Fixed amount with fixed annual increase of 2.5%.	The installations will revert to Benalmádena municipal council.
Benalmádena cable car	Construction, execution of works and operation of a wildlife park	LEISURE PARKS,	Benalmádena	Concession end date:	The cable car ticket prices are approved by the	No specific regime established and therefore subject to general	Latest fee paid: Euros 167,771.84 Fixed	The installations will revert to

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Detail of concession arrangements

Name of the park	Nature of contract	Operator	Owner of the asset	Term	Price and tariff review	Early termination	Fee/revenues and review thereof	Reversion of installations
	in the municipality of Benalmádena. Operation under an operating lease of the Benalmádena-Calamorro public cable car system. Public service lease.	S.A.	municipal council.	27 June 2075.	council. Authorisation must be requested to modify prices by an amount not in line with the CPI.	regime.	amount with fixed annual increase of 2.5%.	Benalmádena municipal council.

This appendix forms an integral part of note 9 a) to the consolidated annual accounts for 2016, in conjunction with which it should be read.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Financial Liabilities by category

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Thousands of euros							
	2016							
	Non-current				Current			
	At amortized cost or cost				At amortized cost or cost			
	Book Value	Fair Value	At Fair Value	Total	Book Value	Fair Value	At Fair Value	Total
Financial liabilities with credit institutions (see note 15)								
Variable rate								
Syndicated loan	554.140	559.564	-	554.140	23.089	23.315	-	23.089
(Issuance costs pending amortization)	(7,197)	(7,197)	-	(7,197)	-	-	-	-
Other debts with credit institutions	13,285	13,285	-	13,285	9.149	9.149	-	9.149
	560.228	**565,652**	**-**	**560.228**	**32.238**	**32.329**	**-**	**32.238**
Creditors due to financial leasing (see note 9)	53.453	69.776		53.453	4.918	6.459	-	4.918
Other financial liabilities (see note 10 a))	43.847	43.847		43.847	9.739	9.739	-	9.739
	97.300	**113.623**	-	**97.300**	**14.657**	**16.198**	-	**14.657**
Commercial debtors and other accounts payable (see note 18)								
Suppliers	-	-	-	-	64.731	64.731	-	64.731
Other accounts payable	-	-	-	-	45.003	45.003	-	45.003
					109.734	**109.734**		**109.734**
Coverage derivatives (see note 16)								
Contracted in non-organized markets	-	-	442	442	-	-	755	755
			442	**442**			**755**	**755**
Total financial liabilities	**657.528**	**679,275**	**442**	**657.970**	**156.629**	**158.261**	**755**	**157.384**

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Financial Liabilities by category

	Thousands of euros							
	2015							
	Non-current				Current			
	At amortized cost or cost				At amortized cost or cost			
	Book Value	Fair Value	At Fair Value	Total	Book Value	Fair Value	At Fair Value	Total
Obligations and other negotiable securities (see note 14)								
Fixed rate	377.647	367.361	-	377.647	14.713	14.312	-	14.713
	377.647	**367.361**	**-**	**377.647**	**14.713**	**14.312**	**-**	**14.713**
Financial liabilities with credit institutions (see note 15)								
Variable rate								
Syndicated loan	771.731	766.901	-	771.731	-	-	-	-
(Issuance costs pending amortization)	(10.836)	(10.836)	-	(10.836)	-	-	-	-
Other debts with credit institutions	13.446	13.446	-	13.446	738	738	-	738
	774.341	**769.511**	**-**	**774.341**	**738**	**738**	**-**	**738**
Creditors due to financial leasing (see note 9)	52.601	69.776	-	52.601	4.869	6.459	-	4.869
Other financial liabilities (see note 10 a))	44.063	44.063	-	44.063	7.958	7.958	-	7.958
	96.664	**113.839**	-	**96.664**	**12.827**	**14.417**	-	**12.827**
Commercial debtors and other accounts payable (see note 18)								
Suppliers	-	-	-	-	69.254	69.254	-	69.254
Other accounts payable	-	-	-	-	38.540	38.540	-	38.540
	-	-	-	-	**107.794**	**107.794**	-	**107.794**
Total financial liabilities	**1.248.652**	**1.250.711**	**-**	**1.248.652**	**136.072**	**137.261**	**-**	**136.072**

This Appendix is an integral part of note 15 of the consolidated annual accounts for the fiscal year 2016, with which it must be read.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Directors' Report

2016

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Authorisation for Issue of the Consolidated Annual Accounts and Consolidated Directors' Report for 2016

At their meeting held on 28 November 2016, pursuant to the requirements of article 253.2 of the Revised Spanish Companies Act and article 37 of the Spanish Code of Commerce, the Directors of Parques Reunidos Servicios Centrales, S.A. authorised for issue the consolidated annual accounts and consolidated directors' report for the period from 1 October 2015 to 30 September 2016. The consolidated annual accounts comprise the documents that precede this certification.

Signed:

Mr. Peter James Long
(Chairman)

Mr. Fernando Eiroa
(Managing Director)

Mr. Francisco Javier Abad Marturet

Mr. Fredrik Arp

Mr. John Andrew Arney

Mr. Nicolás Villén Jiménez

Mr. Dag Erik Johan Svanstrom