Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Consolidated Annual Accounts

For the three month period ended
31 December 2018

Consolidated Directors' Report

For the three month period ended
31 December 2018

(With Independent Auditor's Report Thereon)

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

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

Independent Auditor's Report on the Consolidated Annual Accounts

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

To the Shareholders of Parques Reunidos Servicios Centrales, S.A.

Report on the Consolidated Annual Accounts

Opinion

We have audited the consolidated annual accounts of Parques Reunidos Servicios Centrales, S.A. (the "Company") and subsidiaries (together the "Group"), which comprise the consolidated statement of financial position at 31 December 2018, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the three-month period then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2018 and of its consolidated financial performance and its consolidated cash flows for the three-month period then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts in Spain pursuant to the legislation regulating the audit of accounts. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverable amount of non-current assets (See notes 2 (c), 4 (e), 4 (f), 4 (g), 6, 7, and 8)	
Key audit matter	*How the matter was addressed in our audit*
The Group has property, plant and equipment and intangible assets amounting to Euros 1,634,850 thousand and goodwill amounting to Euros 558,041 thousand allocated to the related cash-generating units (CGUs). For the purposes of evaluating impairment, each park constitutes a cash-generating unit. In this regard, intangible assets (primarily administrative concessions) and goodwill have been allocated to a significant portion of the CGUs. There is a risk that the carrying amount of cash-generating units may exceed their recoverable amount in those parks in which there is a decline in the number of visitors. Factors such as the weather, investments in fixed assets in each park (CAPEX), competition or promotional and marketing activities affect the number of visitors to each park. Group Management, with the assistance of independent experts, calculates the recoverable amount of goodwill and tests property, plant and equipment and intangible assets for indications of impairment at least on an annual basis, for the purpose of determining their recoverable amount. These recoverable amounts, estimated by determining the fair value less costs to sell, are obtained based on the projections approved by the Board of Directors, by applying valuation techniques that require the exercising of judgement by the Directors and Management and the use of estimates. Due to the complexity of the calculation of the recoverable amount, the high level of judgement	Our audit procedures included the following: • understanding the control environment and assessing the design and implementation of the most relevant controls established by Group Management with respect to the process of estimating the recoverable amount of goodwill and other non-current assets; • assessing the criteria used by Group Management when identifying indications of impairment in property, plant and equipment and intangible assets other than goodwill; • assessing, with our specialists, the methodology and assumptions used by Group Management to estimate the recoverable amount, by determining fair value less costs to sell based on discounted cash flows at CGU level; • comparing the forecasts of the main variables in the financial projections estimated in prior years with the actual data obtained; • contrasting the information contained in the model used to calculate the recoverable amount with the projections for the Group approved by the Board of Directors; • analysing the sensitivity of the estimated recoverable amount to changes in the relevant assumptions and judgements, such as the discount rate, the expected future growth rate and future cash flows. We also assessed whether the information disclosed in the consolidated annual accounts meets the requirements of the financial reporting framework applicable to the Group.

Recoverable amount of non-current assets (See notes 2 (c), 4 (e), 4 (f), 4 (g), 6, 7, and 8)	
Key audit matter	*How the matter was addressed in our audit*
when estimating the key assumptions and the associated uncertainty, as well as the significance of the carrying amount of the non-current assets, the process of measuring these assets has been considered a key audit matter.	

Other Information. Consolidated Directors' Report

Other information solely comprises the consolidated directors' report for the three-month period ended 31 December 2018, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility as regards the content of the consolidated directors' report is defined in the legislation regulating the audit of accounts, which establishes two different levels:

a) A specific level applicable to the consolidated non-financial information statement, as well as certain information included in the Annual Corporate Governance Report, as defined in article 35.2. b) of Audit Law 22/2015, which consists solely of verifying that this information has been provided in the consolidated directors' report, or where applicable, that the consolidated directors' report makes reference to the separate report on non-financial information, as provided for in legislation, and if not, to report on this matter.

b) A general level applicable to the rest of the information included in the consolidated directors' report, which consists of assessing and reporting on the consistency of this information with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned accounts and without including any information other than that obtained as evidence during the audit. Also, assessing and reporting on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have verified that the directors' report states that the information referred to in a) above is presented in the consolidated directors' report of the Parques Reunidos Group and that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the annual accounts for the three-month period ended 31 December 2018; and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibilities for the Consolidated Annual Accounts

The Company's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Company's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Company's audit committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Directors.

- Conclude on the appropriateness of the Company's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Company's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated to the audit committee of the Company, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

Additional Report to the Audit Committee

The opinion expressed in this report is consistent with our additional report to the audit committee of Parques Reunidos Servicios Centrales, S.A. dated 26 February 2019.

Contract Period

We were appointed as auditor of the Group by the shareholders at the extraordinary general meeting on 4 October 2018 for the three-month period ended 31 December 2018.

Previously, we were appointed for a period of seven years, by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 30 September 2012.

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

(*Signed on original in Spanish*)

Gustavo Rodríguez Pereira

On the Spanish Official Register of Auditors ("ROAC") with No. 17564

26 February 2019

Parques Reunidos Servicios Centrales, S.A.
and Subsidiaries

Consolidated Financial Statements and Consolidated Directors' Report for the three-month period ended 31 December 2018 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS - EU)

(With 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.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER AND 30 SEPTEMBER 2018
(Thousands of euros)

ASSETS	Notes	31.12.2018	30.09.2018 (*)	01.10.2017 (*)
Property, plant and equipment	8	1,211,385	1,151,915	1,064,351
Goodwill	7	558,041	555,169	562,433
Intangible assets	6	423,465	429,726	442,358
Non-current financial assets	10	1,296	1,368	2,054
Non-current assets		**2,194,187**	**2,138,178**	**2,071,196**
Inventory	4 l)	20,559	21,373	24,585
Trade and other receivables	11	24,378	43,859	30,229
Current tax assets	18	2,680	588	588
Other current financial assets	15	823	838	39
Other current assets		8,520	8,358	8,546
Cash and cash equivalents	12	52,324	54,875	123,087
Current assets		**109,284**	**129,891**	**187,074**
Total Assets		**2,303,471**	**2,268,069**	**2,258,270**

EQUITY AND LIABILITIES	Notes	31.12.2018	30.09.2018 (*)	01.10.2017 (*)
Share capital		40,371	40,371	40,371
Share premium		1,327,528	1,327,528	1,327,528
Other reserves		(289,345)	(304,858)	(296,563)
Other comprehensive income		22,402	19,784	15,948
Retained earnings attributable to the shareholders of the Parent		(45,768)	12,108	11,330
Equity attributable to the shareholders of the Parent		**1,055,188**	**1,094,933**	**1,098,614**
Non-controlling interests		534	548	504
Total equity	13	**1,055,722**	**1,095,481**	**1,099,118**
Loans and borrowings	14	527,837	529,425	547,278
Leases	9	270,619	237,573	233,005
Deferred tax liabilities	18	183,377	195,065	195,411
Provisions	16	10,136	9,779	10,890
Other non-current liabilities	14	14,772	3,802	1,573
Non-current liabilities		**1,006,741**	**975,644**	**988,157**
Loans and borrowings	14	107,490	33,486	31,370
Leases	9	20,514	16,757	5,021
Trade and other payables	17	88,046	125,497	116,044
Current tax liabilities	18	-	6,466	6,091
Other current liabilities	4 n)	24,958	14,738	12,469
Current liabilities		**241,008**	**196,944**	**170,995**
Total equity and liabilities		**2,303,471**	**2,268,069**	**2,258,270**

(*) Restated figures. See note 2 b)

The attached notes to the consolidated annual accounts for the three-month period ended 31 December 2018.

PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT
FOR THE THREE-MONTH ENDED 31 DECEMBER 2018 AND FOR THE YEAR ENDED 30 SEPTEMBER 2018
(Thousands of euros)

PROFIT AND LOSS	Notes	31.12.2018	30.09.2018 (*)
Revenue	20	76,855	583,089
Supplies		(8,769)	(66,048)
Personnel expenses	21	(41,374)	(175,776)
Amortisation and depreciation	6 y 8	(25,961)	(85,993)
Net losses on impairment and disposals of non-current assets		(9,243)	(25,686)
Changes in trade provisions		(1,128)	(2,360)
Other operating expenses	20	(36,606)	(157,325)
Gains / (losses) on disposal of group companies		895	-
Other results	20	-	(8,014)
Operating profit		**(45,331)**	**(61,887)**
Finance income		44	208
Finance expenses	20	(12,152)	(44,466)
Exchange gains/(losses)		(968)	(1,027)
Profit / (loss) before income tax		**(58,407)**	**16,602**
Income tax	18	12,625	(4,450)
Profit / (loss) for the period		**(45,782)**	**12,152**
Profit / (loss) for the period attributable to:			
Parent company shareholders		(45,768)	12,108
Non-controlling interests		(14)	44
		(45,782)	**12,152**
Basic Profit / (Loss) per share (expressed in euros)		*(0.57)*	*0.15*
Diluted profit / (loss) per share (expressed in euros)		*(0.57)*	*0.15*

(*) Restated figures. See note 2 b)

The attached notes to the consolidated annual accounts for the three-month period ended 31 December 2018.

PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR
THE THREE-MONTH PERIOD ENDED 31 DECEMBER 2018 AND FOR THE YEAR ENDED 30 SEPTEMBER 2018
(Thousands of Euros)

		Other reserves							Other comprehensive income					
			Of the Parent Company											
	Share Capital	Share premium	Other shareholder contributions	Other equity instruments	Reserves (legal and voluntary)	Balance in previous year	Negative balance in previous year	Reserves in consolidated companies by global integration	Exchange differences	Valuation adjustments	Accumulated income attributable to Parent Company shareholders	Total	Non-controlling interests	Total net equity
Balance at 1 October 2017 (*)	**40,371**	**1,327,528**	**10,148**	**531**	**88,510**	**–**	**(14,112)**	**(373,676)**	**17,638**	**–**	**11,330**	**1,108,268**	**510**	**1,108,778**
IFRS Adoption impact (Note 2)						–	(7,964)		(1,690)			(9,654)	(6)	(9,660)
Balance at 1 October 2017	**40,371**	**1,327,528**	**10,148**	**531**	**88,510**	**–**	**(22,076)**	**(373,676)**	**15,948**	**–**	**11,330**	**1,098,614**	**504**	**1,099,118**
Consolidated global result for period ended 30 September 2018									3,836		12,108	15,944	44	15,988
Transactions with shareholders or owners														
Distribution of the period ended 30 September 2017 result (note 3)					73,577			(62,247)			(11,330)	–		–
Distribution of dividends (Note 13 c))					(20,000)							(20,000)		(20,000)
Acquisition of shares from external partners (note 13 g))												–		–
Share based payments (Note 20 c))				375								375		375
Other movements (note 4 n))												–		–
Balance at 30 September 2018	**40,371**	**1,327,528**	**10,148**	**906**	**142,087**	**–**	**(22,076)**	**(435,923)**	**19,784**	**–**	**12,108**	**1,094,933**	**548**	**1,095,481**
Consolidated global result for the three-month period ended 31 December 2018									2,618		(45,768)	(43,150)	(14)	(43,164)
														–
Transactions with shareholders or owners														–
Distribution of the period ended 30 September 2018 result (note 3)						12,108					(12,108)	–		-
Share based payments (Note 20 c))				94								94		94
Other movements (note 8 and 14)								3.311				(3,189)		(3,189)
												–		–
Balance at 31 December 2018	**40,371**	**1,327,528**	**10,148**	**1,000**	**142,087**	**12,108**	**(22,076)**	**(432,612)**	**22,402**	**–**	**(45,768)**	**1,055,188**	**534**	**1,055,722**

(*) Restated figures. See note 2 b)

The attached notes to the consolidated annual accounts for the three-month period ended 31 December 2018.

PARQUES REUNIDOS SERVICIOS CENTRALES, S.A.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED
31 DECEMBER 2018 AND FOR THE YEAR ENDED 30 SEPTEMBER 2018
(Thousands of euros)

	Notes	31.12.2018	30.09.2018 (*)
Profit / (Loss) for the period		**(45,782)**	**12,152**
Other comprehensive (expense)/income	**13 e)**		
Conversion differences in financial statements of businesses abroad		2,618	3,836
Other comprehensive (expense)/income for the period, net of tax		**2,618**	**3,836**
Total comprehensive (expense)/income for the period		**(43,164)**	**15,988**
Total comprehensive (expense)/income attributable to:			
Parent Company shareholder		(43,150)	15,944
Non-controlling interests	**13 e)**	(14)	44
		(43,164)	**15,988**

(*) Restated figures. See note 2 b)

The attached notes to the consolidated annual accounts for the three-month period ended 31 December 2018.

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

CONSOLIDATED CASH FLOW STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 DECEMBER 2018 AND FOR THE YEAR ENDED 30 SEPTEMBER 2018
(Thousands of euros)

	Notes	31.12.2018	30.09.2018 (*)
Cash flows from operating activities			
Profit / (loss) for the period before tax		(45,782)	12,152
Adjustments for:			
Amortisation and depreciation	6 y 8	25,961	85,993
Changes in trade provisions		1,128	2,360
Variations from provisions		(784)	(736)
Finance income		(44)	(208)
Finance expenses	20	12,152	44,466
Income to be distributed in various years		(121)	(406)
(Gains)/losses on sale of property, plant and equipment	6 y 8	9,243	25,686
(Gains)/losses on disposal of group companies		(895)	-
Income tax	18	(12,625)	4,450
Adjusted profit / (loss) for the period		(11,767)	173,757
Changes in working capital			
Inventories		814	3,437
Trade and other receivables		26,216	(4,896)
Other current assets		981	901
Trade and other payables		(23,143)	5,820
Cash flows from operating activities		(6,899)	179,019
Income tax payments		(6,020)	(7,976)
Net cash flows from operating activities		**(12,919)**	**171,043**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	6 y 8	853	1,082
Interest received		44	208
Proceeds/(payments) from financial assets		15	(292)
Acquisition of subsidiaries, net of cash and cash equivalents	5	(24,850)	(24,676)
Proceeds from the sale of subsidiary companies, net of cash and cash equivalent		2,206	-
Acquisition of property, plant and equipment	8 y 17	(32,334)	(122,360)
Acquisition of intangible assets	6	(390)	(5,603)
Net cash flows used in investing activities		**(54,456)**	**(151,641)**
Cash flows from financing activities			
Receipts from debts with credit institutions		80,609	-
Repayment of loans and borrowings		(769)	(23,771)
Payments financial leases		(3,055)	(10,683)
Interest paid		(12,164)	(33,064)
Dividends paid	13	-	(20,000)
Net cash flows used in financing activities		**64,621**	**(87,518)**
Net increase/(decrease) in cash and cash equivalents		**(2,754)**	**(68,116)**
Cash and cash equivalents at beginning of period	**12**	**54,875**	**123,087**
Effect of exchange rate fluctuations		**203**	**(96)**
Cash and cash equivalents at end of period	**12**	**52,324**	**54,875**

(*) Restated figures. See note 2 b)

The attached notes to the consolidated annual accounts for the three-month period ended 31 December 2018.

(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 2010 and 30 March 2010, the agreements of modification of the company name to the current one and transformation into a limited company.

In March 2007, the Company acquired the leisure group Parques Reunidos, having begun its activity following such acquisition.

On 23 March 2007, its Sole Shareholder approved the Amendment of the Corporate Bylaws, establishing the closing date of its financial year as 30 September of each year. However, in the Ordinary General Shareholders' Meeting of 21 March 2018, the decision was made to modify the Corporate Bylaws, specifically that relating to its financial year, setting the closing date at 31 December of every year. For the correct implementation of this change, it has also been agreed that the fiscal year that started on 1 October 2018 will be irregular in length and will end on 31 December 2018.

Its business address is Paseo de la Castellana 216, planta 16 in Madrid. As of 29 April 2016, the Company shares have been traded on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia.

Parques Reunidos Servicios Centrales, S.A. is the Parent Company of a Group (hereinafter, the Group) formed by subsidiaries whose main activity is the exploitation of amusement parks, animal parks, water parks and, in general, leisure facilities, including the new Indoor Entertainment Centres (IECs), indoor leisure venues located in shopping areas with a large number of visitors. Details of the parks operated by the Group under lease (in most cases only land lease) or administrative concessions are included in note 9. The breakdown of the companies in the Group included in the consolidation and information thereon can be found in Annex I.

During the three-month period ended 31 December 2018 and as a result of the business combination described in note 5, Wet n'Wild Sydney Pty Ltd. has been incorporated into the consolidation perimeter as a new subsidiary. Likewise, the company Plunimar, S.A., based in Argentina, has left the consolidation perimeter as a result of the sale contract of the participation shares that the Group companies Parque de Atracciones de Madrid, S.A.U and Zoos Ibéricos, S.A. held. This sale had result in the accompanying consolidated income statement amounting Euro 895 thousand.

During the annual year ended 30 September 2018, four new dependent companies have been added to the scope of consolidation: Indoor Entertainment Príncipe Pío, S.L.U., (Spain) Parques Reunidos Atlántica, S.L.U, (Spain) Nature Park Germany GmbH (Germany) and Event Park GmbH, (Germany) the latter as a result of the business combination described in note 5.

The three-month period used to prepare the consolidated annual accounts comprises from 1 October to 31 December 2018 for all Group companies, except subsidiaries belonging to the Centaur Holding II United States Inc. subgroup whose period used to elaborate the present consolidated annual accounts comprises from 17 September to 31 December 2018.

Given the nature of the activities carried out by the Group, there is a significant seasonality in its operations that affect the interpretation of the consolidated annual accounts for the three-month period ended 31 December 2018, compared to the consolidated annual accounts total of twelve months ended 30 September. The seasonality originates as a result of the significant decrease of visitors in the parks of the Group during the autumn and winter due to weather conditions, as well as due to of many of the group's parks are closed during this period, which entails that sales and results of the three-month period are significantly lower than those of the annual period at 30 September 2018.

Flotation on the Stock Market

Since 29 April 2016, the shares of Parques Reunidos Servicios Centrales, S.A., have been admitted to official trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, with no restrictions on the free transfer thereof. As a result of the Stock Market flotation described below, the Company no longer has single shareholder status .

Said flotation was carried out as follows:

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

b) Offer for Sale of 4,850,000 shares accounting for 21% of the capital, sold at Euro 15.5 per share, amounting to a total of Euro 75,175 thousand.

The information prospectus on the Initial Public Offer, the Offer for Sale and the Admission to Trading of the abovementioned shares was approved by the National Securities Market Commission on 20 April 2016. In addition, the capital increase was approved by the then Single Shareholder on 27 April 2016 and entered in the Registry of Madrid on 28 April 2016.

On 27 April 2016, the Parent Company closed the share subscription period, formalising it on 28 April 2016 in a public deed of execution, closing of capital increase and award of shares, at the price established in the offer of Euro 15.5 per share, with admission and trading of the new shares having commenced on 29 April 2016.

Within the framework of the aforementioned process, Morgan Stanley & Co. International PLC and Deutsche Bank AG, London Branch were appointed global coordinators. The total expense for these issues amounted to Euro 21,244 thousand, of which Euro 18,425 thousand (without considering the tax impact) was allocated to the public subscription offer and, therefore, recognised directly in consolidated equity and the remaining Euro 2,819 thousand was allocated to the public offering and, therefore, recognised in the consolidated income statement.

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 14).

(2) Basis for presentation

The accompanying consolidated financial statements for the three-month period ended 31 December 2018 have been prepared on the basis of the accounting records of Parques Reunidos Servicios Centrales, S.A. and the consolidated companies. The consolidated financial statements for the three-month period ended 31 December 2018 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 for the three-month period ended 31 December 2018 and consolidated financial performance, consolidated cash flows, and changes in consolidated equity corresponding for the three-month period ended 31 December 2018

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

The consolidated financial statements for the three-month period ended 31 December 2018, which were authorised for issue by the Board Directors of the Parent on 26 February 2019, and the individual financial statements for the three-month period ended 31 December 2018 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.

a) Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared on a historical cost basis, except for the derivative financial instruments which have been recorded at fair value and the rights of use which have been recorded at present value of lease liabilities.

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 financial statements for the three-month period ended 31 December 2018 also include those corresponding to 30 September 2018, which were part of the annual accounts for the previous financial year ended 30 September 2018 and which are pending approval by the General Shareholders Meeting.

However, as mentioned in note 1, during 2018 was agreed the change in the closing date of the Company's financial year to December 31 of each year has been agreed, so that the consolidated annual accounts closed on 31 December 2018 correspond to an exercise of only three months. In this regard, as the figures in the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity, the statement of consolidated cash flows and the consolidated report of December 2018 correspond to a period of only three months, they are not directly comparable with those of the previous fiscal year, which comprised 12 months.

Additionally, the consolidated statement of financial position, the consolidated income, the consolidated statement of comprehensive income, the statement of changes in consolidated equity, and the statement of financial position. consolidated cash flows as of 30 September 2018 and 1 October 2017 have been restated by the adoption, with total retrospective effect on 1 October 2017 of IFRS 16 (see notes 8 and 9). For this reason, the figures of the comparative consolidated statement of position for three periods are presented. Hereafter, the impact that this restated has had on the figures of the periods presented is as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Thousands of Euro					
	30.09.2018	Restated impact	30.09.2018 *Restated*	30.09.2017	Restated impact	1.10.2017 *Restated*
Non-current assets						
Property, plant and equipment	984,220	167,695	1,151,915	900,192	164,159	1,064,351
Equity						
Other reserves	(296,894)	(7,964)	(304,858)	(288,599)	(7,964)	(296,563)
Other comprehensive income	21,606	(1,822)	19,784	17,638	(1,690)	15,948
Retained earnings attributable to the shareholders of the Parent	12,978	(870)	12,108	11,330	-	11,330
Non-controlling interests	554	(6)	548	510	(6)	504
Non-current liabilities						
Leases	56,505	181,068	237,573	54,903	178,102	233,005
Deferred tax liabilities	199,772	(4,707)	195,065	199,694	(4,283)	195,411
Other non-current liabilities	13,461	(9,659)	3,802	1,573	-	1,573
Current liabilities						
Leases	5,102	11,655	16,757	5,021	-	5,021

CONSOLIDATED INCOME STATEMENT	Thousands of Euro		
	30.09.2018	Restated impact	30.09.2018 *Restated*
Amortisation and depreciation	(80,892)	(5,101)	(85,993)
Other operating expense	(168,008)	10,683	(157,325)
Other results	(8,420)	406	(8,014)
Finance expense	(37,250)	(7,216)	(44,466)
Income tax	(4,408)	358	(4,050)

Accounting estimates and relevant assumptions and opinions in the application of accounting policies

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 financial statements 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 financial statements, 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 record lease contracts according to IFRS 16.

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

At least every year, and always at year end, and with the assistance of an independent expert, the Group performs an impairment test on the goodwill and, in the event of evidence of impairment, of the tangible and intangible assets to calculate their recoverable value. Recoverable value is defined as the greater value between the fair value minus the cost of sale and the value in use. Based on the foregoing, the Group calculates the recoverable value on the basis of fair value minus cost of sale, applying discounted cash flow methods at Cash-Generating Unit level (hereinafter, "CGU"). In this regard, the determination of recoverable value requires the use of Management estimates.

Cash-generating units (CGUs) are the smallest groups of assets that generate independent cash inflows. Accordingly, 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 analysis of the impairments tests performed by the Group at 31 December 2018, assets impairment amounting to Euro 7,313 thousand have been recorded, mainly from the company Mall Entertainment Center Murcia, S.L.U. derived from the worst prospects of visitors of the indoor entertainment centre of said society. Additionally, at 30 September 2018, asset impairments were registered in two parks in the United States amounting to 13,402 thousand Euro, as well as a reversal of 2,662 thousand Euro in the asset impairment in the Parques de la Naturaleza Selwo and of 8,569 thousand Euro in the Parque de Atracciones Madrid (see notes 6 and 8). In addition, as a result of the analysis of the impairment of goodwill, an impairment of the goodwill allocated to the French park Marineland amounting to 6,358 thousand Euro and of the goodwill associated with the parks of Raging Waters Sacramento, Raging Waters San José, Water Country, Sea Life Park and Idlewild of 17,023 thousand Euro were posted (see note 7).

Justification of the assumptions used in the impairment tests

The cash flows and key assumptions take into account past experience and provide the best estimate on the future evolution of the market and the renegotiations of the concession and lease agreements. These key assumptions include EBITDA growth rates, defined as operating profit/(loss) minus amortisation and depreciation, net losses on impairment and disposals of non-current assets changes in trade provisions and other results. Including these, in addition, income and expenses considered as non-recurring according to the Group's internal policies. In this regard, the Group's EBITDA for the three-month period ended 31 December 2018 and the year ended 30 September 2018 was as follows:

	31.12.2018	30.09.2018
Operating profit/loss	(45,331)	61,887
Amortisation expenses	25,961	85,993
Net impairment losses and sale of non-current assets	9,243	25,686
Changes in trade provisions	1,128	2,360
Other results	-	8,014
Gains / (losses) on disposal of group companies	(895)	-
Other expenses and income considered as non-recurring (*)	5,844	-
EBITDA	**(4,050)**	**183,940**

(*) Includes, according to the Group's internal policies, severance and other expenses for Senior Management in the amount of Euro 2,403 thousand and Euro 94 thousand for the long-term incentive plan, both included in the Personnel Expenses heading, as well as expenses for consultancy services amounting to Euro 3,347 thousand included in the heading Other operating expenses.

Likewise, the key assumptions mentioned above also include the additional extension periods for the concession arrangements and leases, the constant growth rate or in perpetuity, as well as the discount rate and the tax rates in each country where the parks are located. On the other hand, capital expenditure (capex) has been estimated on the annual EBITDA, notwithstanding the specific consideration of the investment estimated in the opening of new attractions or extensions of areas planned in certain years. It is worth mentioning that the variation in non-financial working capital is not taken into consideration in the impairment tests, given that the annual variations in customer 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 projections approved by the Group for each park for the period 2019-2023.

The main components of projections visitor forecast, of income, operating expenses and capex, which reflect the best estimates available on the expected performance of each park. In this regard, the key business assumption and main management variable defined by the Group is the EBITDA, which is the main figures used by the Group to supervise its business performance.

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 it´s projections.

b) Projected years, additional extensions and growth rates

In the case of concession agreements, the projections included in the calculation of the cash flows have been made until the date of termination of the concession agreement, plus an additional extension of between 20 and 30 years. In the case of operating lease agreements, the projections are made up to the end of the contract, including additional extensions up to 20 years. The additional periods considered are based on past experience, which assume an uncertainty level of the renewal of such contracts.

As a general rule, for fully-owned parks the forecasts have been made for a five-year period. However, when this period does not allow for the EBITDA to be normalised, the extension of this period to up to ten years' forecast has been considered.

In the case of concession or lease agreements, as of the fifth year the cash flows are extrapolated until the end of the agreement term (plus any additional extensions considered) at a constant growth rate, except for those specific cases where expansion Capex enables growth rates above the constant growth rate to be forecast. In the case of fully owned parks, as of the last year of forecast the cash flow considers a terminal value calculated on the basis of a growth rate in perpetuity.

The growth rates used are in line with the average long-term growth rate for the sector and take into consideration the long-term prospects for inflation and gross domestic product for each of the countries in which the parks are located (source: European Central Bank and International Monetary Fund).

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

c) Discount rates

The discount rates used by the Group are after tax (cash flows are also considered after tax) on the basis of the weighted average capital cost (WACC) in each country in which the Group operates, taking into account:

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: Bloomberg).

iii. The market risk premium, representing the difference between the historical average yield in the securities market 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: D&P Small Stock Premium),

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

Main impairment test assumptions

The main assumptions used in the CGUs or groups of CGUs to estimate the recoverable amount for the three-month period ended 31 December 2018 and for the year ended on 30 September 2018 are as follows:

- Average compound annual growth of EBITDA of 7.6%. In specific situations where significant investments in new attractions are projected, the increase in EBITDA 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, generally, up to 30% of annual EBITDA. When significant investments in new attractions are projected, the capex increase is higher.

- The pre- and post-tax discount rates and estimated compound annual growth rates (or perpetual) used in each country in which the Group is present on, 31 December and 30 September 2018, are as follows:

Country	After-tax discount rate	Pre-tax discount rate	Estimated constant (or perpetual) growth rate
Spain	7.65%	9.94%	2.0%
Italy	8.40%	10.50%	2.0%
France	7.06%	9.20%	2.0%
United Kingdom	7.52%	9.48%	2.0%
Norway	7.05%	10.22%	2.0%
Belgium	7.09%	9.43%	2.0%
Denmark	7.09%	8.18%	2.0%
Germany	6.60%	8.49%	2.0%
Netherlands	7.12%	8.75%	2.0%
United States	9.61%	10.10%	(1)
Argentina (2)	13.02%	23.46%	3.0%

(1) To calculate the terminal value, the US subgroup has used the multiples method, applying a multiple of between 10 and 10.5 times EBITDA at 31 December and 30 September 2018.

(2) As mentioned in note 1, the Plunimar Company, S.A. does not belong to the consolidation perimeter at 31 December 2018, so the rates shown correspond only to the year ended 30 September 2018.

Sensitivity analysis

The estimates, including the methodology used, could have a significant impact on values and impairment of some CGUs. It must be pointed out that the variation in the EBITDA based on the budgeted figures has not shown significant variations with regard to the forecast growth rate.

The parks with a recoverable amount which far exceeds their carrying amount correspond to the parks Marineland (France), Mirabilandia (Italy), Bobbejaanland (Belgium) and the American water parks of Sacramento and San Jose. Therefore, any reasonable variations in the key assumptions on which the Group Management has based the calculation of the recoverable amount could lead to the carrying value thereof exceeding the recoverable amount.

As, historically, actual figures have not, but for some exceptional cases, fallen short of the projections made by more than 10%, 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 31 December 2018 and 30 September 2018, 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 Euro (expense) / income	
Sensitivity	31.12.2018	30.09.2018
+ 1 percentage point in discount rates	(81,106)	(83,064)
- 1 percentage point in discount rates	935	9,036
Extensions not obtained in concessions/leases	(79,389)	(88,108)
With a 10% reduction in EBITDA in the next five years	(24,623)	(21,917)
-1 percentage point in estimated future growth rate (perpetual or constant)	(57,722)	(58,375)

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

Parks in Spain: the effect of increasing the rate of growth by one percentage point would imply a reversal of impairment in Parques de la Naturaleza Selwo of Euro 0.6 million. In addition, a reduction of one percentage point in this rate would result in a impairment by 0.4 million Euro. Likewise, a reduction of one percentage point in the growth rate would lead to an impairment of approximately 2.8 million Euro in Zoo-Aquarium de Madrid and Parque de Atracciones de Madrid. None of improvements in the assumptions used would have an impact on Parque de Atracciones de Madrid given that the assumptions made in the test have managed to achieve complete reversal.

On the other hand, the increase by one percentage point in the discount rate would imply an impairment in Parque de Atracciones de Madrid of 4.7 million Euro, 2.8 million Euro Zoo Aquarium de Madrid and 0.7 million Euro in Parques de la Naturaleza Selwo. On the contrary, its reduction by one percentage point would lead to an additional reversal of 0.8 million Euro in the impairment of Parques de la Naturaleza Selwo.

As for the EBITDA forecast for the next five years, a drop of 10 % would not imply a significant impairment in Spanish parks.

Lastly, the failure to consider extensions would lead to impairment of 78 million Euro in the Spanish parks.

- In US groups of CGUs, an increase of one percentage point in the discount rate would result in an impairment of Euro 1.6 million in the American parks and a 10% decrease in EBITDA would lead to an impairment of Euro 4 million in the next 5 years. 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 Euro 2.7 million. In the aforementioned sensitivities, the parks that would see the largest impairment would be Emerald Pointe, Water Country, Raging Water San Jose and Sacramento.

Parks in the rest of the world: The main impact would correspond to the Marineland, Bobbejaanland and Mirabilandia parks located in France, Belgium and Italy, respectively. An increase of one percentage point in the discount rate would generate an expense of Euro 72 million and a decrease of one percentage point would not cause deterioration in any of the aforementioned parks. As in the previous case, a reduction of one percentage point in the growth rates at the aforementioned parks would have a negative impact on the bottom line of Euro 54 million and an increase in one percentage point in said rate would not imply impairment in the aforementioned parks.

In relation to the EBITDA, a reduction of 10% would produce an additional impairment in Marineland, Bobbejaland and Mirabilandia of Euro 14, 1 and 6 million, respectively.

Note, with regard to the goodwill associated with the Europe CGU group comprising amusement parks, any of the hypothesis considered separately would have a significant effect on the estimated impairment of such parks.

Group management considers that taking into account the reasonableness of any possible changes in key assumptions and the provisions recognised in the financial statements, 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.

(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, in relation to IFRIC 2, the Group determined in preceding years that the administrative concessions for the Parque de Atracciones de Madrid and the Zoo de la Casa de Campo in Madrid were subject to IFRIC, and had therefore applied this standard, in all significant aspects, to these concessions in the consolidated financial statements under IFRS-EU at 31 December and 30 September 2018.

Regarding the leases, the Group analyses the original contractual conditions, as well as subsequent amendments, in order to determine the lease term and the discount rate to be applied in accordance with IFRS 16. 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 31 December and 30 September 2018, as all leases are for assets that do not constitute a business.

In addition, despite the fact that the estimates made by the Board Directors have been calculated on the basis of the best information available on 31 December 2018, it may be the case that future events will require the modification thereof in coming years. Pursuant to IAS 8, any effect on the consolidated financial statements of adjustments to be made in subsequent years would be recognised prospectively.

c) Standards and interpretations applicable to this period

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 January 2018 have not had an impact on these consolidated financial statements.

- IFRS 15 – Revenue from contracts with clients. Entities must apply a five-step model to determine when these should be recognised and by what amount. The model specifies that the revenues must be recognised when the control of the goods or services is transferred to the clients. According to whether certain criteria are met, the revenues are recognised over time, reflecting the best performance of the company; or at a point in time, when the control of the goods or services is transferred to the client.

- IFRS 9 – Financial instruments. This standard, which is the first part of the standards to replace IAS 39, among other functions, improves and simplifies the information on financial instruments by the use of a single criterion to determine whether a financial asset should be measured at amortised cost or fair value. Its voluntary adoption in advance is allowed.

- IFRS 2 – Classification and valuation of share-based payments.

- Annual IFRS improvement project 2014-2016. Introduces small amendments and clarifications to IRFS 1- First-time adoption of International Financial Reporting Standards and IAS 28 – Investments in Associates and Joint Ventures. Application in advance for IAS 28 Amendments allowed.

- IFRIC 22 – Foreign currency transactions and advance considerations. Establishes the transaction date for the purpose of determining the exchange rate applicable to transactions in foreign currency prepayments.

- Amendments to IAS 40 – Investment property. The amendment clarifies that a reclassification of an investment from or to investment property is only allowed when there is evidence of change of use.

- Amendments to IFRS 4 (application of IFRS 9 on Financial Instruments with regard to IFRS 4 Insurance contracts). Allows entities under the scope of the IFRS to elect to either apply IFRS 9 or the temporary exemption therefrom.

On the date of presentation of these consolidated annual accounts, the following standards have been issued by the IASB and adopted by the European Union, but effective in the coming years and, therefore, its application is not yet mandatory:

a) Effective for annual reporting periods on or after 1 January 2019

- IFRS 16 – Leases. This standard require the recognition of all contracts identified in the lessee's balance sheet, with limited exceptions, replacing IAS 17 currently in force. The advance application is allowed for entities applying IFRS 15 before or on the date of initial application of IFRS 16.

- Amendment of IFRS 9. Prepayment features with negative compensation. This amendment will enable the measurement at amortised cost of certain financial assets eligible for early cancellation for an amount that is lower than the outstanding principal and interest thereon.

- IFRIC 23 – Uncertainty over income tax treatments. This interpretation clarifies how to apply the recognition and measurement of IAS 12 when there is uncertainty as to the acceptability by a taxation authority of a certain taxation treatment used by the entity.

The Group Management carried out an analysis on the effects of IFRS 9, 15 and 16. As a conclusion of that analysis, it was revealed that the only standard with a relevant effect was IFRS 16. In this regard, although the rule is effective for years initiated from 1 January 2019, early adoption is permitted when IFRS 15 is being applied. The Board of Directors of the Company decided to apply IFRS 16 in advance in this financial year of three-months starting on 1 October 2018.

Hereafter, the most relevant conclusions of the mentioned analysis are detailed:

IFRS 15 – Revenues from Ordinary Activities related to Client Contracts

This standard will replace the following standards currently in effect:

- IAS 18 Revenue from ordinary activities,
- IAS 11 Construction Contracts,
- IFRIC 13 Client loyalty programmes,
- IFRIC 15 Agreements for the construction of real estate,
- IFRIC 18 Transfers of assets from clients and
- SIC- 31 Revenue- Barter transactions involving Advertising Services.

This standard is effective for financial years commencing on or after 1 January 2018; therefore, the Group must apply IFRS 15 for the first time in the three-month period commencing 1 October 2018.

According to this standard, revenue must be recognised so that the transfer of goods or services to clients is shown for an amount that reflects the consideration that the entity expects to receive in exchange for such goods or service. This approach is based on five steps:

1. Identify the contract(s) with the client.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to each performance obligation.
5. Recognise revenue when (or insofar as) a performance obligation is satisfied.

In accordance with IFRS 15, revenue must be recognised as the performance obligations in the contract are satisfied. In addition, more detailed breakdowns of information are required.

With the help of an independent expert, the Group has performed a measurement of the first-time application of the standard, identifying the projects and services whose Revenue Recognition Method used to date must be adapted to the new standards. To this end the Group:

a) Has performed a review of all its contracts and classified them by type.

b) It has submitted each type to the pertaining five step analysis required by IFRS 15, establishing the revenue recognition policy for each type in accordance with the standard.

c) It has then allocated each contract to one of these types, thus having defined the revenue recognition policy to apply to each contract.

d) By comparing it to the revenue recognition policies currently being applied, differences have been identified and impacts have been quantified.

After this analysis, the Group Management concluded that the effect of the transition to IFRS 15 on the date of first-time application will not have a significant impact on the financial and income situation of the Group.

For this reason, from among the possibilities of transition to the standard, the Group has elected the modality of full retrospective application at 1 October 2018, but without requiring the restatement of comparative figures due to the absence of significant impact.

- IFRS 9 – Financial Instruments

This standard replaces IAS 39 and includes financial asset impairment and hedge accounting as requirements for the financial classification and measurement of financial instruments. In this regard, the Group has carried out an assessment of the impact that this change of standard might have on its consolidated financial statements. This assessment is based on information currently available and may be subject to variation due to additional information that becomes available when the Group adopts the IFRS 9.

The classification criterion for financial assets will depend both on the business model used for their management and on the characteristics of their contractual cash flows. Based on the foregoing, financial assets will be measured at amortised cost, at fair value with changes in equity or at fair value with value changes in the profit and loss for the period. Specifically, loans, as well as trade debtors, are held to receive contractual flows and are expected to generate flows that only represent payments of principal and interest.

On the other hand, the classification of financial liabilities under IFRS 9 remains similar to that of IAS 39. Generally, financial liabilities will be measured at amortised cost, except financial liabilities held for trading, such as derivatives, for instance, which will be measured at fair value with value changes in profit and loss.

The new impairment model of IFRS 9 is based on expected loss, unlike the incurred loss impairment model of IAS 39. According to IFRS 9, the entity shall measure the loss allowance at an amount equal to 12-month expected credit losses or to lifetime expected credit losses depending on the significant increase of the credit risk.

As for debt restructuring, IFRS 9 brings about a number of differences with regard to IAS 39 in terms of recording profit and loss impact. According to IFRS 9 the non-substantial modification of a financial liability is treated like a change in the estimate of cash flows from a financial instrument at the amortised cost. This adjustment means that the new amortised cost must be calculated on the transition date, deducting future cash flows estimated at the effective rate of the original liability. The difference between this amount and the previous amortised cost is recorded in consolidated profit and loss as an income or an expense at the refinancing date. Although, so as this interpretation is retroactive, for those operations made before 1 January 2018, this difference is recorded in reserves. In this regard, on 13 February 2017, the Group entered into a non-substantial novation of the syndicated loan, which resulted in a reduction of 40 basis points in the spread of the interest rate on the loan, and an extension of up to 11 months in the repayment schedule thereof, by tranches.

As for the transition option, the Group has decided not to restate the comparative period on the grounds of its impact not being significant (see note 14).

- IFRS 16 – Leases

This standard is effective for periods starting on or after 1 January 2019, although earlier application is permitted provided IFRS 15 is being applied. In this regard, the Board of Directors of the Company assessed the potential effect of the application of IFRS 16 on the Group Annual Accounts and decided for early application in the three-month period starting 1 October 2018.

This standard replaces IAS 17 and the current associated interpretations associated to that standard.

IAS 17 does not require the recognition of any asset or liability under right-of-use for future payments under such leases; on the other hand, certain information must be disclosed as operating leases commitment in the notes.

The main novelty of the IFRS 16 is the existence of a single lessee accounting model requiring lessees to recognise all leases in the balance sheet (with a few limited exceptions) with an impact similar to that of current financial leases with amortisation of the asset due to right-of-use and a financial cost due to the amortised cost of the liability, with cost accrual being faster under IFRS 16.

When applying IFRS 16, which impact has been quantified with the collaboration of an independent expert, the Group has taken the following decisions and conclusions into consideration:

a) The Group has elected the full retrospective method with restatement of comparative figures. In cases where the lease agreements have been incorporated to the Group in the course of a business combination, this method has been applied in retrospective up to the date of said business combination.

   To apply this method, after first taking care to identify the perimeter of contracts affected to ensure the integrity of the population, the Group has traced the contract back to its origin. It is necessary to take into account that some of the lease contracts of the Parques Reunidos Group are long-term and that, at the moment of the transition to IFRS 16, they are still in the minimum contractual period initially agreed, and there has been no modification to these contracts nor exercise of renewal options.

b) The contracts related with IFRIC 12 mentioned in Notes 4 e) and 9 of the consolidated report have not been included in the analysis, pursuant to IFRS 16.

c) The group will apply the exemptions of low value and short-term leases.

d) The Group has decided not to apply the standard to intangible assets.

e) On the other hand, no Group contracts not currently recognised as leases that should be classified as such under IFRS 16 are expected to exist (moreover taking into account the exemption set forth in the standard for contracts the pertaining analysis would have been performed under the previous standard).

f) The term of the contract for purpose of IFRS 16 corresponds with the agreed contractual minimum, given the term of the leasing contracts of Parques Reunidos Group. Given the level of certitude required in IFRS 16 regarding renewal options, the Group has considered that, for the large of the contracts, these options (i.e., those that depend exclusively on Parques Group) do not reach the threshold of reasonable certainty. This is due to the fact that the contracts related with rental of parks have an agreed contractual minimum that is in the distant future and there are no significant assets pending amortisation beyond that contractually agreed minimum and also to the fact that the rest of assets related with leasing contracts are not strategic and can in any case be easily substituted. Regarding the rest of assets other than the contracts for parks, the contractually agreed minimum has likewise been considered without unilateral renewals, since it is understood that there are no economic or business circumstances that would enable us to assert that the unilateral exercise of renewal options by the lessee is reasonably certain.

g) It has been possible to estimate the historic rents for the retrospective calculations since, although a large part of the contracts has been in place for a rather long time, the rents established in these contracts are fixed rents, updated if applicable due to inflation, and they have not been affected by contractual modifications.

h) Given the characteristics of the Group's business, other factors such as direct costs, incentives of the lessor, grace periods, etc., are not usually taken into consideration with the exception of some contracts that have been concluded recently (in which their effect has indeed been considered).

i) When it has not been possible to apply the implied interest rate, due to the difficulties of its determination, (paragraph 26 of IFRS 16) the group has calculated the incremental interest rate on the basis of the bond interest rate of the corresponding country plus, where appropriate the pertaining adjustments required to adapt the rate to the term of the lease, to the underlying asset and the spreads of credit risk to be applied to Group companies.

In the financial statements presented for the year ended 30 September 2018, the Group introduced an estimate based on the total retrospective method. However, although the Company has maintained the transition method, this estimate has experienced a significant variation with respect to the amounts finally recorded. This is due to the fact that, in the first estimate, the Group performed the calculations using the date of origin of each lease contract, while for the final calculation the Company has traced only up to the date of the different business combinations in which the corresponding Group companies were acquired in which said lease agreements were found. This has resulted in greater reliability both in obtaining historical payments for each lease and in determining the interest rate applicable to each contract in accordance with the provisions of IFRS 16.

The deviation regarding the estimate in the lease liability should only be due to the variation of the considered interest rate, and should be slightly superior to the estimated as of 30 September 2018, because the calculated interest rate up to the combination of business normally is inferior to the origin date of each contract (in some very old cases) while the payments for pending leases are the same in both cases. However, the liability finally recorded has been higher than the estimated due to the Group has finally determined that the "commencement date", defined in the IFRS 16 as "the date on which a lessor makes an underlying asset available for use by a lessee ", of a lease contract related to IECs in EEUU has been reached. After discounting the effect of this contract, the lease liability finally recorded would have been very similar to that estimated at 30 September 2018, the difference being attributable, as has been mentioned, to the different type of discount applied since it was determined on different dates. Regarding the asset, the difference between the estimate made and the amount finally recorded is higher due to the same reasons. On the one hand, due to the large age of the contracts with respect to the date of each business combination, the resulting asset in the estimate was significantly lower as a result of the interest rate effect and the years of accumulated amortisation and, on the other hand, to the impact not considered in the initial estimate of the lease contract of the new IEC described. The final impact of IFRS 16 can be seen in section b) of this Note.

d) Going concern.

On 31 December 2018, the Group presents a negative working capital of Euro 131,724 thousand (negative working capital of Euro 67,053 thousand at 30 September 2018). The deterioration of this working capital it was not due to a decrease in the cash generation of the operations but, mainly, to the use of the revolving credit because of the acquisition of the Australian park Wet'n'Wild Sydney described in note 5 as well as to the decrease of the activity of the Group due to the seasonality of the business mentioned in note 1.

In this regard, the Directors have prepared these consolidated annual accounts under the going concern principle, having considered that the cash forecasts of the Group are sufficient to guarantee its short-term payment obligations. In addition, as is stated in note 14 (a) of these Notes, the Group has an undrawn balance in the revolving credit facility associated with the syndicated loan amounting to Euro 136 million, maturing in April 2022.

(3) Distribution of the Parent's Profits

Parent Company profit distribution proposal for the period ended at 30 September 2018, amounts to 58,473,783.97, proposed by the Board Directors and pending approval by the General Shareholders Meeting, consisted of transferring to voluntary reserves an amount of Euro 38,473,783.97 and paying a dividend of Euro 20,000,000.

The proposal for the Parent Company profit distribution for the three-month period ended on 31 December 2018, amounts to Euro 14,656,129.06, proposed by the Board Directors and pending approval by the General Shareholders Meeting, consists of its transfer 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 financial statements 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 financial statements, the financial statements 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 accounts of the subsidiaries have been consolidated with those of the Parent Company by application of the global integration method. 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.

The acquisition date is the date on which the Group obtains control of the acquired. 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 acquired. 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 acquired, 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 financial statements are expressed in thousands of Euro, 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 Euro 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 global income.

For presentation of the consolidated statement of cash flows, cash flows of the subsidiaries are translated into Euro 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.

(iv) *Conversion of foreign transactions*

The annual accounts of the Group companies whose working currency is that of a hyper-inflationary economy, are restated at the measuring unit current at the balance sheet date.

If at the closing date of the annual accounts of the consolidated companies is different to that of the Company, the annual accounts are adjusted to the measuring unit current at the date of the balance sheet of the Company.

The profit and loss and financial situation of the Group's foreign business whose working currency is that of a hyper-inflationary economy are converted to Euro as follows:

- Assets and liabilities, including goodwill and adjustments made to net assets arising from business acquisitions, net equity items, income and expenses and cash flow, are converted at the closing exchange rate on the date of the most recent balance sheet;

- The comparative balances are those that were presented in the consolidated annual accounts of the previous year and are not adjusted on the basis of subsequent variations that have taken place in prices or exchange rates. The effect of the adjustment on the balances of the previous year is recognised as a revaluation reserve in other overall P&L/exchange differences or other overall P&L/net equity reserves.

Due to the consideration during 2018 of Argentina as a hyperinflationary economy, the Group Management carried out an analysis of the possible effects that this would have on the consolidated annual accounts for the year ended 30 September 2018 concluding that this fact did not have a significant effect on these consolidated accounts. Therefore, balances corresponding to dependant company, Plunimar, S.A., based in Argentina, was consolidated as its local currency did not belong to a hyperinflationary economy. As of 31 December 2018, as mentioned in note 1, this subsidiary has left the Group.

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 mention in the section of 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 Board Directors considered that the administrative concessions held by the Group for the Parque de Atracciones de Madrid, the Zoo de Madrid fell within the scope of this interpretation, which was therefore applied in the preparation of the consolidated financial statements.

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 6). 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 31 December and 30 September 2018.

- *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 (see section b) of this note)., and which are amortised on a straight-line basis over the remaining lease term.

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 31 December and 30 September 2018 no borrowing costs were capitalised under tangible assets 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 leading to the recording of a provision that is subject to financial update in the periods following its constitution.

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.

The Group 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.

Likewise, and regardless of the existence of any indication of impairment, the Group verifies, at least annually, the potential impairment of value that may affect goodwill, to intangible assets with an indefinite useful life, as well as intangible assets that are not yet available for use. Negative differences resulting from comparison of the carrying amounts of the assets with their recoverable amount are recognised in profit and loss.

The losses related to the impairment of the CGU, initially reduce, if applicable, the value of the goodwill allocated to it and then to the other assets of the CGU, prorating according to the book value of each of the assets, with the limit for each of them of the greater of their fair value less the costs of disposition or disposition in another way, their 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

(i) *Identification of a lease*

The Group evaluates at the beginning of a contract, if there is included a lease. A contract is or contains a lease, if it grants the right to control the use of the identified asset during a period of time in exchange for consideration. The period of time during which the Group uses an asset includes consecutive and non-consecutive periods of time. The Group only revaluates the conditions, when a modification of the contract occurs.

(ii) *Lessee accounting*

In contracts that contain one or more lease and non-lease components, the Group allocates the contract consideration to each lease component in accordance with the independent sale price of the lease component and the aggregate individual price of components other than the lease

Payments made by the Group that do not involve the transfer of goods or services by the lessor, are not a separate component of the lease, but are part of the total consideration of the contract.

The Group recognizes at the beginning of the lease an asset for right of use and a liability for lease. The right-of-use asset consists of the amount of the lease liability, any lease payment made on or prior to the commencement date, less the incentives received, the initial direct costs incurred and an estimate of the costs of dismantling or restoration to incur, as indicated in the accounting policy for provisions.

The Group values the lease liability for the current value of the lease payments that are outstanding on the start date. The Group discounts lease payments at the appropriate incremental interest rate, unless it can reliably determine the implicit interest rate of the lessor.

Outstanding lease payments are made up of fixed payments, less any incentive receivable, variable payments that depend on an index or rate, initially valued by the index or applicable rate on the start date, the amounts that are expected to be paid by guarantees of residual value, the price of the call option whose exercise is reasonably certain, and payments for compensation for cancellation of the contract, provided that the term of the lease reflects the exercise of the cancellation option.

The Group values the right of use at cost, less accumulated depreciation and accumulated impairment losses, adjusted for any re-estimation of the lease liability.

If the contract transfers ownership of the asset to the Group at the end of the lease term or the right-of-use asset includes the price of the call option, the depreciation criteria indicated in the item of property, plant and equipment from the start date applied to the lease until the end of the useful life of the asset. Otherwise, the Group depreciates the right of use from the start date until the previous date between the useful life of the right or the end of the lease term.

The Group applies the criteria for impairment of non-current assets mentioned in note 4 g).

The Group assesses the lease liability by increasing it by the accrued financial expense, decreasing it by the payments made and re-estimating the book value for the modifications of the lease or to reflect the updates of the fixed payments in substance.

The Group records the variable payments that have not been included in the initial valuation of the liability in results of the period in which the events that trigger its disbursement occur.

The Group records the liability estimates as an adjustment to the right of use asset, until it is reduced to zero and subsequently to profit or loss.

The Group re-estimates the lease liability by discounting the lease payments at an updated rate, if there is a change in the lease term or if there is a change in the period expectation of the call option of the underlying asset.

The Group re-estimates the lease liability if there is a change in the expected amounts to be paid of a residual value guarantee or a change in the index or rate used to determine the payments, including a change to reflect changes in market rents once there is a review of them.

The Group recognizes a modification of the lease as a separate lease if it increases the scope of the lease by adding one or more rights of use and the amount of the consideration for the lease increases by an amount consistent with the individual price for the increase in scope and any adjustment to the individual price to reflect the particular circumstances of the contract

If the modification does not result in a separate lease, on the date of modification, the Group allocates the consideration to the modified contract as indicated above, re-determines the lease term and re-estimates the value of the liability by discounting the revised payments at the interest rate reviewed. The Group reduces the book value of the asset by right of use to reflect the partial or total termination of the lease, in those modifications that reduce the scope of the lease and record the profit or loss in profit. For the other modifications, the Group adjusts the book value of the asset by right of use.

i) Financial instruments

(i) Recognition and classification of 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”.

Financial instruments are recorded when the Group becomes an obligated party of the legal contract or business in accordance with its provisions.

For measurement purposes, the Group classifies financial instruments in the categories of financial assets and financial liabilities at fair value through profit or loss, separating those originally designated from those held for trading or mandatorily measured at fair value through profit or loss, financial assets and liabilities valued at depreciation cost and financial assets valued at fair value with changes in other comprehensive income, separating the equity instruments designated as such, from other financial assets. The Group classifies financial assets, other than those designated at fair value through profit or loss, and equity instruments designated at fair value with changes in other comprehensive income, in accordance with the business model and the characteristics of the contractual flows. The Group classifies financial liabilities as valued at depreciated cost, except those designated at fair value through profit or loss and those held for trading.

The Group classifies a financial asset or liability as held for trading if:

- It is acquired or incurred mainly for the purpose of selling it or buying it again in the immediate future;

- The initial recognition is part of a portfolio of identified financial instruments, which are jointly managed and for which there is evidence of a recent pattern of obtaining short-term benefits;

- It is a derivative, except a derivative that has been designated as a hedging instrument and meets the conditions to be effective and a derivative that is a financial guarantee contract or

- It is an obligation to deliver financial assets obtained on loan that are not owned.

The Group classifies a financial asset at depreciation cost, if it is held in the framework of a business model whose objective is to hold financial assets to obtain contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows of cash that are only payments of principal and interest on the outstanding principal amount (UPPI).

The Group classifies a financial asset at fair value with changes in other comprehensive income, if it is maintained in the framework of a business model whose objective is achieved by obtaining contractual cash flows and selling financial assets and the contractual conditions of the financial asset give rise to, at specified dates, to cash flows that are UPPI.

The business model is determined by the key personnel of the Group and at a level that reflects the way in which they jointly manage groups of financial assets to achieve a specific business objective. The Group's business model represents the way in which it manages its financial assets to generate cash flows.

The Group designates a financial asset at the initial moment at fair value with changes in results, if doing so eliminates or significantly reduces any inconsistency in the valuation or recognition that would otherwise arise, if the valuation of the assets or liabilities or the recognition of the results thereof were made on different bases.

The rest of financial assets are classified as at fair value with changes in results.

Financial assets and liabilities for contingent consideration arising in a business combination are classified as financial assets and liabilities measured at fair value through profit or loss.

The Group classifies liabilities held for trading at fair value through profit or loss.

The Group designates a financial liability at the initial moment at fair value with changes in results, if doing so eliminates or significantly reduces any inconsistency in the valuation or recognition that would otherwise arise, if the valuation of the assets or liabilities or the recognition of the results thereof was done on different bases or a group of financial liabilities or financial assets and financial liabilities is managed, and its performance is evaluated, based on fair value, according to an investment strategy or of documented risk management, and information relating to said group is provided internally on that same basis to key personnel of the Group's management.

The Group classifies the rest of the financial liabilities, except financial guarantee contracts, the commitments to grant a loan at a lower interest rate than the market one and the financial liabilities resulting from a transfer of financial assets that do not meet the requirements for their derecognition or that are accounted for using the continued involvement approach, as financial liabilities at depreciation cost.

(ii) *Compensation principles*

A financial asset and a financial liability are subject to compensation only when the Group has the currently enforceable legal right to offset the amounts recognized and intends to settle for differences or to realize the asset and settle the liability simultaneously. For the Group to have the legal right currently required, it must not be contingent on a future event and must be legally enforceable in the ordinary course of operations, in the event of insolvency or liquidation judicially declared and in case of default.

(iii) *Financial assets and liabilities at fair value with changes in results*

Financial assets and liabilities at fair value through profit or loss are initially recognized at fair value. Transaction costs directly attributable to the purchase or emission are recognized as an expense as incurred.

The fair value of a financial instrument at the initial moment is usually the price of the transaction, unless such price contains different elements of the instrument, in which case, the Group determines its fair value. If the Group determines that the fair value of an instrument differs from the transaction price, it records the difference in results, to the extent that the value was obtained by reference to a quoted price in an active market of an identical asset or liability. or was obtained from a valuation technique that has only used observable data. In all other cases, the Group recognizes the difference in results, to the extent that it arises from a change in a factor that market participation would consider when determining the price of the asset or liability.

Subsequent to their initial recognition, they are recognized at fair value by recording the changes in results. Changes in fair value include the interest and dividends component. The fair value is not reduced by the transaction costs that may be incurred by its eventual sale or disposal by other means.

Notwithstanding the foregoing, for financial liabilities designated at fair value through profit or loss, the Group recognizes the changes in fair value attributable to own credit risk in other comprehensive income. Deferred amounts in other comprehensive income are not subsequently reclassified to the income statement.

(iv) *Financial assets at liabilities at depreciation cost.*

Financial assets and liabilities at depreciation cost are initially recognized at fair value, plus or minus the transaction costs incurred and are subsequently valued at depreciated cost, using the effective interest rate method.

(v) *Financial assets at fair value with changes in other comprehensive income.*

Financial assets at fair value with changes in other comprehensive income are initially recognized at fair value plus transaction costs directly attributable to the purchase.

Subsequent to the initial recognition, financial assets classified in this category are measured at fair value, recognizing the loss or gain in other comprehensive income, except for the gains and losses from the exchange rate, as explained in the section on foreign currency transactions and expected credit losses. The amounts recognized in other comprehensive income are recognized in profit or loss at the time of the derecognition of financial assets. However, the interest calculated by the effective interest rate method is recognized in profit and loss.

(vi) *Financial assets valued at cost*

Investments in equity instruments for which there is insufficient information to be valued or those in which there is a wide range of valuations and the derivative instruments that are linked to them and that must be settled by delivery of said investments, are valued at cost. However, if the Group can have at any time a reliable valuation of the asset or the contract, these are recognized at that time at fair value, recording the profit or loss in profit or loss or in other comprehensive income, if the instrument is designated to fair value with changes in other comprehensive income.

(vii) *Reclassifications of financial instruments*

The Group reclassifies financial assets when it modifies the business model for its management. The Group does not reclassify financial liabilities.

If the Group reclassifies a financial asset of the depreciated cost category at fair value through profit or loss, it recognizes the difference between fair value and carrying amount in profit or loss. As of that moment, the Group does not record the interests of the financial asset separately.

If the Group reclassifies a financial asset of the fair value category with changes in results at depreciation cost, the fair value at the reclassification date is considered the new gross book value carrying amount, for the purpose of applying the effective interest rate method and the recording of credit losses.

If the Group reclassifies a financial asset of the depreciation cost category at fair value with changes in other comprehensive income, it recognizes the difference between the fair value and the book value in other comprehensive income. The effective interest rate and the recording of expected credit losses are not adjusted by the reclassification. However, the accumulated amount of expected credit losses is recorded against other comprehensive income and is disclosed in the notes.

If the Group reclassifies a financial asset of the fair value category with changes in other comprehensive income at depreciation cost, it is reclassified at its fair value. The deferred amount in equity is adjusted to the carrying amount of the asset. The effective interest rate and the recording of expected credit losses are not adjusted by the reclassification.

If the Group reclassifies a financial asset of the fair value category with changes in results at fair value with changes in other comprehensive income, the effective interest rate and expected credit losses are determined on the date of reclassification at fair value at that moment.

(viii) *Impairment*

The Group recognizes in profit or loss a value correction for expected credit losses of financial assets valued at depreciated cost, fair value through changes in other comprehensive income, accounts receivable from leases, assets by contract, loan commitments and financial guarantees.

For financial assets measured at fair value with changes in other comprehensive income, the expected credit loss is recognized in other comprehensive income and does not reduce the fair value of the assets.

The Group evaluates at each closing date the valuation adjustment in an amount equal to the expected credit losses in the following twelve months, for financial assets for which the credit risk has not increased significantly since the date of initial recognition. or when it considers that the credit risk of a financial asset has not increased significantly.

The Group evaluates, on each closing date, whether the credit risk of an instrument considered individually or a group of instruments considered collectively has increased significantly since the initial recognition.

When assessing whether for an instrument or a group of instruments, credit risk has increased significantly, the Group uses the change in the risk of default that will occur during the expected life of the instrument, instead of the change in the amount of expected credit losses. Therefore, the Group evaluates the change in default risk at each closing date compared to the initial recognition.

When evaluating whether there is a significant increase in the risk of credit risk, the Group considers all forward-looking information reasonable and supportable, specifically:

- Internal and external credit risk ratings;
- Current or expected adverse changes in the business, financial or economic conditions that may cause a significant change in the ability of the borrower to meet its obligations;
- Current or expected significant changes in the operating results of the borrower;
- Significant increases in credit risk in other financial instruments of the same borrower;
- Significant changes in the value of the guarantee that supports the obligation or in the quality of the guarantees or improvements of credit of a third party;
- Macroeconomic information such as interest rates, growth, unemployment rates, GDP of the area or region, real estate market prices or rental income.

The Group determines the expected credit losses considering the amount unweighted and weighted by the possible outcomes, the effective interest rate or the effective interest rate adjusted for the original credit risk and reasonable and supportable information that is available without effort and costs. not justified about past events, current conditions and projections of future economic conditions.

The maximum term considered by the Group to measure the expected credit losses is the contractual period, including the renewal options during which the Group is exposed to credit risk. However, the Group determines the credit losses during the period in which the Group is exposed to credit risk and the credit losses would not be mitigated by the credit risk management actions, although said period exceeds the maximum period contractual, for instruments that include a loan and an unencumbered commitment and the ability to demand reimbursement and cancel the commitment would not limit the Group's credit risk to the contractual period of notice.

(ix) *Losses, modifications and cancellations of financial assets*

The Group applies the criteria for the derecognition of financial assets to a part of a financial asset or to a part of a group of similar financial assets or to a financial asset or a group of similar financial assets.

Financial assets are derecognised when the rights to receive cash flows related to them have expired or have been transferred and the Group has substantially transferred the risks and benefits derived from their ownership. Likewise, the derecognition of financial assets in those circumstances in which the Group retains the contractual rights to receive the cash flows, only occurs when contractual obligations have been assumed that determine the payment of said cash flows to one or more recipients and are fulfilled. The following requirements:

- The payment of cash flows is subject to prior collection;
- The Group cannot proceed with the sale or pledge of the financial asset; and
- The cash flows collected in the name of the eventual recipients are remitted without significant delay, and the Group is unable to reinvest the cash flows. Exceptions to the application of this criterion are investments in cash or cash equivalents made by the Group during the liquidation period between the date of collection and the date of referral agreed with the eventual recipients, provided that the accrued interest is attributed to the possible.

In those cases, in which the Group transfer a financial asset in its entirety, but retains the right to administer the financial asset in exchange for a commission, an asset or liability corresponding to the provision of said service is recognized. If the consideration received is less than the expenses to be incurred as a result of the provision of the service, a liability is recognized for an amount equivalent to the obligations contracted measured at fair value. If the consideration for the service is higher than that which would result from applying an adequate remuneration, an asset is recognized for the administration rights.

In transactions in which the derecognition of a financial asset is recorded in its entirety, financial assets obtained or financial liabilities, including liabilities corresponding to administrative services incurred, are recorded at fair value.

In the transactions in which the partial derecognition of a financial asset is recorded, the book value of the complete financial asset is assigned to the sold part and the maintained part, including the assets corresponding to the administration services, in proportion to the fair value relative of each of them.

The derecognition of a financial asset in its entirety implies the recognition of results for the difference between its book value and the sum of the consideration received, net of transaction expenses, including the assets obtained or liabilities assumed and any deferred loss or gain. in other comprehensive income, except for equity instruments designated at fair value with changes in other comprehensive income.

The criteria for recognition of the derecognition of financial assets in operations in which the Group neither transfers nor substantially retains the risks and benefits inherent to its ownership are based on the analysis of the degree of control maintained. Thus:

- If the Group has not retained control, the financial asset is derecognised and any rights or obligations created or withheld due to the assignment are recognized separately as assets or liabilities.
- If control has been retained, it continues to recognize the financial asset due to the Group's ongoing commitment therein and records an associated liability. The continuous commitment in the financial asset is determined by the amount of its exposure to changes in value in said asset. The asset and the associated liability are valued in accordance with the rights and obligations that the Group has recognized. The associated liability is recognized in such a way that the book value of the asset and the associated liability is equal to the depreciated cost of the rights and obligations retained by the Group, when the asset is valued at depreciated cost or at the fair value of the rights and obligations held. by the Group, if the asset is valued at fair value. The Group continues to recognize the income derived from the asset to the extent of its continuing commitment and the expenses derived from the associated liability. Changes in the fair value of the asset and of the associated liability are recognized consistently in results or in equity, following the general recognition criteria set forth above and should not be offset.

Transactions in which the Group substantially retains all the risks and benefits inherent to the ownership of a transferred financial asset are recorded through the recognition in liabilities of the consideration received. The expenses of the transaction are recognized in results using the effective interest rate method.

The Group applies the weighted average price criterion to value and write off the cost of equity instruments that are part of homogeneous portfolios and that have the same rights, unless the instruments sold and the individualized cost of the instruments can be clearly identified. same. For debt instruments, determine the cost individually or collectively in a manner consistent with the unit of account used to determine the impairment.

If the Group modifies the contractual flows of a financial asset, insofar as it does not imply the derecognition of the same, the book value is recalculated by the current value of the modified cash flows at the effective interest rate or effective interest rate adjusted by the original credit risk and recognizes the difference in results. The costs and fees invoiced by the Group adjust the carrying amount of the financial asset and are depreciated over the residual.

The Group directly reduces the carrying amount of a financial asset when it has reasonable expectations of full or partial recovery.

(x) *Interests and dividends*

The Group recognizes interest by the effective interest rate method, which is the discount rate that equals the book value of a financial instrument with the estimated cash flows over the expected life of the instrument, based on its contractual conditions and without considering the expected credit losses, except for financial assets acquired or originated with incurred losses.

Interest is recognized on the gross carrying amount of financial assets, except for financial assets acquired or originated with credit losses incurred and financial assets with credit deterioration. For the former, the Group recognizes the interest for the effective interest rate adjusted for the initial credit risk and for the latter, the Group recognizes the interest on the depreciated cost.

The changes in the estimation of cash flows are discounted at the effective interest rate or interest rate adjusted for the original credit risk and are recognized in profit or loss.

Dividend income from investments in equity instruments is recognized in income when the rights for the Group have arisen when it is received, it is probable that it will receive the economic benefits and the amount can be estimated reliably.

Dividends from equity instruments classified at fair value with changes in other comprehensive income are recognized in profit or loss, unless they represent a return on investment, in which case they are recognized in other comprehensive income.

The Group recognizes as interest income and expenses the interest for delay in commercial transactions in accordance with the legal and contractual conditions agreed. If such interests are finally compensated or cancelled, the Group recognizes the transaction according to its substance. The Group recognizes the legal right to offset the costs for collection management incurred when it is probable that they will be collected. The Group recognizes the expense for claiming the costs for collection management in accordance with the provisions of the accounting policy for provisions.

(xi) <u>*Derecognition and modifications of financial liabilities*</u>

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. Otherwise, the modified cash flows are discounted at the original effective interest rate, recognizing any difference with the previous book value as an income or an expense. In addition, the costs or commissions adjust the book value of the financial liability and are amortized by the amortized cost method during the remaining life of the modified liability.

The Group recognizes the difference between the book value of the financial liability or a part of it that is canceled or assigned to a third party and the consideration paid, including any assigned asset different from the cash or liability assumed in profit or loss.

j) <u>Valuation techniques and assumptions applicable when measuring fair value</u>

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).

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) Inventory

Inventories in the consolidated statement of financial position at 31 December and 30 September 2018 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 financial statements are authorised for issue.

n) Recognition of income and expenses

As a general rule, the Group recognizes income in a way that represents the transfer of goods or services committed to customers in exchange for an amount that reflects the consideration to which the Group expects to be entitled in exchange for said goods or services. 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 or, in the case of merchandising and restoration revenues, at the time of sale.

Certain parks in 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 systematic criteria (based on statistical and historical data) in the consolidated income statement over their validity period. As of 31 December and 30 September 2018, the heading "Other current liabilities" in the accompanying consolidated statement of financial position includes the revenues invoiced and not accrued as of said dates for this concept.

Additionally, the Group has a customer loyalty program. In this case, the credits or points that the Group grants to customers are considered a separate execution obligation, so that the transaction price is assigned between the credits and the other components of the sale transaction in accordance with the Independent sale price. The independent selling price per point is estimated considering the probability of redemption based on past experience.

Specifically, once the analysis of IFRS 15 for the identification of the different performance obligations for each customer transaction has been carried out and the corresponding part of the total price has been attributed to each of these obligations, the revenues are calculated as the control is transferred to the final customer and represent the amounts receivable for the goods delivered and the services provided in the ordinary framework of the activity, deducted discounts and taxes.

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

During the period ended at 31 December 2018, the Group has not capitalized costs of obtaining contracts with customers because they are not significant.

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 31 December and 30 September 2018, 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.

p) Income tax

The Parent has availed of the tax regime applicable to groups of companies as permitted by the revised text approved by Law 27/2014, of 27 November 2014, of Income Tax and is the parent of the tax group (see note 18).

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.

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. The recalculated amount of net assets and liabilities for defined benefits is recognised in another global profit/loss. This last one 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 is 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 recognizes the goods or services received or acquired in a transaction with payments based on shares, at the moment of obtaining said goods or when the services are received. If the goods or services are received in a transaction with payments based on shares that are settled in equity instruments, an increase in net equity is recognized, whereas if they are settled in cash, a liability is recognized, with a counterpart in income or in assets of the consolidated statement.

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 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 31 December 2018 based on the extent to which the conditions for receipt have been met (see note 21 c)).

s) <u>Provisions and contingencies</u>

In preparing the consolidated financial statements, the Parent's Board 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 financial statements 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 financial statements 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 31 December and 30 September 2018, 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 Board 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 31 December and 30 September 2018.

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.

The operating segments disclosed in the consolidated annual financial statements are defined by geographic region. The Management of the Group has decided to supervise the performance of the group's operations and makes strategic decisions based on geographical segmentation. The Group has identified the following operating segments: "United States", "Spain" and "Rest of the World". The holding activities of the Parent Company, as well as the activities carried out by the central offices of the Group (offices in Spain and in the United States) not attributable to any of the specific operating segments, are included in the segment "Head Office- Non-Operating". Group management considers the 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 financial costs associated with the syndicated loan at 31 December and 30 September 2018, and the relating finance expense, are included in the "Head office - 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 office - 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.

(5) Business Combination

On 2 October 2018 and through the acquisition of 100% of the shares constituting the capital stock by the US subsidiary Festival Fun Parks, LLC, the Group obtained the control of the company Wet n'Wild Sydney Pty Ltd. This company is based in Australia and its main activity is the exploitation of a water park called "Wet'n'Wild Sydney" located in Sydney, Australia, focused on family entertainment. This Australian company has been incorporated for accounting purposes on 1 October 2018 since the effect of not considering the exact date of acquisition is not significant.

As allowed by IFRS 3, the initial recognition of this business combination is incomplete at 31 December 2018. However, the provisional breakdown of the price paid, the fair value of the assets acquired and liabilities recognised on the date of acquisition and the resulting goodwill is as follows:

	Thousands of Euro	
	Book values	**Fair values**
Property, plant and equipment	37,653	30,085
Other current assets	1,285	919
Cash and other equivalent assets	153	153
Non-current liabilities	-	(4,978)
Current liabilities	(24,637)	(1,176)
Total net assets acquired	**14,454**	**25,003**
Consideration provided		25,003
Goodwill		**-**

The losses and the income obtained by the business incorporated in the three-month period ended at 31 December 2018 and included in the consolidated annual accounts for the said period amounted to Euro 2,314 and Euro 2,096 thousand, respectively.

Event Park – Belantis (Germany)

On 14 February 2018 and through the acquisition of 100 % of its shares, the Group obtained the control of the company Event Park GmbH. This company is based in Germany and its main activity is the operation of an amusement park known as "Belantis" located in Leipzig, Germany, focused on family entertainment. This German company has been added for accounting purposes on 1 March 2018 as the effect of not considering the exact date of acquisition is not significant.

The breakdown of the price paid, the fair value of the assets acquired and liabilities recognised on the date of acquisition and the resulting goodwill is as follows:

	Thousands of Euro	
	Book Values	**Fair Values**
Intangible assets	77	2,806
Lands	2,499	4,142
Buildings and other constructions	1,440	5,002
Other property, plant and equipmment	3,211	9,666
Inventories	225	225
Other current assets	533	533
Cash and cash equivalents	743	743
Current liabilities	(2,356)	(2,356)
Non-current liabilities	(7,269)	(7,269)
Net assets acquired	(897)	13,492
Consideration provided		25,419
Goodwill (Note 7)		**11,927**

The profit and revenues obtained by the business added and included in the consolidated annual accounts for the financial year ended 30 September 2018 amount to Euro 2,642 thousand and Euro 10,899 thousand, respectively. This German company has been included for accounting purposes on 1 March 2018. If it had been acquired on 1 October 2017, the revenues contributed to the Group would have been up by Euro 1,245 thousand and the profit would have dropped by Euro 2,406 thousand, compared to the Consolidated Annual Accounts for the year ended 30 September 2018.

In addition, during January 2018, dependent company Palace Entertainment Holdings, LLC based in the United States of America acquired a hotel close to the Dutch Wonderland park located in Pennsylvania for Euro 4.9 million. The purchase price mainly pertains to land and buildings for Euro 3.1 and Euro 1.2 million respectively (see note 8).

(6) Intangible Assets

Movement under this heading of the consolidated balance sheet for the years ended 31 December and 30 September 2018 is as follows:

	31.12.2018 Thousands of Euro					
	Balance at 30.09.18	Additions	Disposals	Transfers (note 8)	Exchange differences	Balance at 31.12.18
Cost						
Administrative concessions	790,469	318	-	768	-	791,555
Industrial property	46,965	23	-	199	550	47,737
Computer software	18,027	48	(3)	644	-	18,716
Other intangible assets	30,123	-	-	2,365	-	32,488
Total, cost	**885,584**	**389**	**(3)**	3,976	**550**	**890,496**
Depreciation and amortisation						
Administrative concessions	(404,128)	(8,457)	-	-	-	(412,585)
Industrial property	(25,764)	(570)	-	-	(272)	(26,606)
Computer software	(12,721)	(585)	3	-	-	(13,303)
Other intangible assets	(13,245)	(314)	-	-	-	(13,559)
Total, amortisations	**(455,858)**	**(9,926)**	**3**	**-**	**(272)**	**(466,053)**
Impairment	**-**	(978)	-	-	-	(978)
	429,726	**(10,515)**	**-**	**3,976**	**278**	**423,465**

	30.09.2018 Thousands of Euro						
	Balance at 01.10.17	Additions	Disposals	Transfers (note 8)	Business combination (Note 5)	Exchange differences	Balance at 30.09.18
Cost							
Administrative concessions	783,840	3,384	(560)	3,805	-	-	790,469
Industrial property	43,192	172	-	174	2,729	698	46,965
Computer software	16,393	1,876	(770)	455	77	(4)	18,027
Other intangible assets	29,740	171	-	210	-	2	30,123
Total, cost	**873,165**	**5,603**	**(1,330)**	**4,644**	**2,806**	**696**	**885,584**
Depreciation and amortisation							
Administrative concessions	(375,921)	(28,650)	443	-	-	-	(404,128)
Industrial property	(23,378)	(2,083)	-	-	-	(303)	(25,764)
Computer software	(11,127)	(2,367)	770	-	-	3	(12,721)
Other intangible assets	(11,812)	(777)	-	-	-	(656)	(13,245)
Total, amortisations	**(422,238)**	**(33,877)**	**1,213**	**-**	**-**	**(956)**	**(455,858)**
Impairments	**(8,569)**	-	8,569	-	-	-	**-**
	442,358	**(28,274)**	**8,452**	**4,644**	**2,806**	**(260)**	**429,726**

Additions at 31 December and 30 September 2018, primarily comprise investments in the concessions for the Parque de Atracciones de Madrid and the Zoo de Madrid, as well as investments in the Group. 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 31 December and 30 September 2018 of the carrying amount of the administrative concessions are as follows:

	Thousands of Euro	
	31.12.2018	30.09.2018
Parque de Atracciones de Madrid	100,405	102,863
Zoo de Madrid	100,890	102,520
Spanish water parks (Parques Acuáticos)	39,491	41,159
Parque de Atracciones Mirabilandia	136,529	137,153
Parque Acuático de Mar del Plata	-	977
Parque Biológico de Madrid	1,655	1,669
Total	**378,970**	**386,341**

Of the above amount, Euro 201,295 thousand at 31 December 2018 (Euro 205,383 thousand at 30 September 2018) correspond to concessions recognised under IFRIC 12 criteria.

At 31 December and 30 September 2018, the Group carried out an impairment test on all intangible assets showing evidence of impairment according to the methodology described in note 2 c). As a result of this impairment test, in the three-month period ended 31 December 2018, an impairment of Euro 978 thousand was recorded relating mainly to Mall Entertainment Center Murcia, S.L.U. and in the year ended 30 September 2018, the impairment in intangible assets recognized in previous years was reversed at Parque de Atracciones de Madrid, S.A.U. amounting to Euro 8,569 thousand.

At the date of authorisation for issue of these consolidated financial statements, the Parent's Board Directors consider that no additional events have occurred which would require amendments to the estimates made at the three-month period ended 31 December 2018 in respect of the impairment testing carried out.

Details, by category, of fully amortised intangible assets at 31 December and 30 September 2018 are as follows:

	Thousands of Euro	
	31.12.2018	30.09.2018
Administrative concessions	31,788	31,599
Industrial property	1,059	881
Computer software	12,760	11,713
Other intangible assets	467	498
	46,074	**44,691**

(7) Goodwill

Details and movement under this heading of the consolidated balance sheet at 31 December and 30 September 2018 are as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Opening balance	555,169	562,433
Business combinations (note 5)	-	11,927
Impairments (note 2 c))	-	(23,381)
Exchange differences	2,872	4,190
Closing balance	**558,041**	**555,169**

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.

At 31 December and 30 September 2018, the Group has tested all goodwill for impairment in accordance with accounting principles, using the methodology described in note 2 c). As a result of this test, in the year ended 30 September 2018 an impairment of Euro 26.835 thousand was recognised in the goodwill associated with the French animal park Marineland. Due to the decrease in the number of visitors expected after the reopening of the park after severe flooding suffered in October 2015, the estimation of projections of the cash flows considered were reduced.

Likewise, in the aftermath of bad results of US parks due to adverse weather conditions (heavy rains and hurricanes), at 30 September 2018 the Group recognised impairments in goodwill associated with Miami Seaquarium, Water Country, Noah´s Ark, Sandcastle, Sacramento and San José in the amount of Euro 17,023 thousand.

At the date of authorisation for issue of these consolidated financial statements, the Parent's Board Directors consider that no additional events have occurred which would require amendments to the estimates made of the three-month period ended 31 December 2018 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 31 December and 30 September 2018 are as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Spain parks		
Parque Warner	39,085	39,085
US theme parks		
Kennywood	57,191	56,403
Idlewild	6,621	6,529
Lake Compounce	8,685	8,566
Storyland	12,969	12,789
Dutch Wonderland	197	194
US animal parks		
Sea Life Park	8,365	8,250
US water parks		
San Dimas	28,098	27,710
Sacramento	828	817
San Jose	5,020	4,951
Splish Splash	33,793	33,327
Water County	15,307	15,096
Emerald Pointe	23,055	22,737
Noah's Ark	8,056	7,944
Amusement parks in Europe		
CGU 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
Belantis	11,927	11,927
Animal parks in Europe		
Marineland	65,998	65,998
UK Zoos and aquariums	12,302	12,302
Water parks in Europe		
BoSommarland	6,719	6,719
	558,041	**555,169**

(8) Property, plant and equipment

Movement under this heading of the consolidated balance sheet at 31 December and 30 September 2018 is as follows:

	Thousands of Euro							
	Balance at 30.09.18	Additions	Disposals	Transfers (note 6)	Business combination (Nota 5)	Other movements	Exchange differences	Balance at 31.12.18
Cost								
Land	76,486	248	–	–	–	–	488	77,222
Land - IFRS 16	15,744	–	–	–	–	–	–	15,744
Buildings and other structures	627,517	649	(269)	–	21,363	–	(19)	649,241
Buildings and other structures - IFRS 16	219,522	32,384	–	–	–	–	–	251,906
Plant, machinery and tools	629,371	2,144	(3,127)	14,025	5,048	–	(620)	646,841
Furniture and fixtures	46,930	339	(44)	441	364	–	43	48,073
Information technology equipment	27,081	169	(39)	307	710	–	198	28,426
Vehicles	61,504	207	(6)	2	2,207	–	712	64,626
Vehicles - IFRS 16	1,232	102	–	–	–	–	–	1,334
Other property, plant and equipment	154,710	619	(197)	3,216	–	–	70	158,418
Other property, plant and equipment - IFRS 16	23,152	–	(2)	–	–	–	–	23,150
Assets under construction	67,722	25,096	(201)	(21,991)	393	–	294	71,312
Total cost	**1,950,971**	**61,957**	**(3,885)**	**(4,000)**	**30,085**	**–**	**1,166**	**2,036,294**
Depreciation								
Buildings and other structures	(214,204)	(2,197)	216	–	–	(4,678)	421	(220,442)
Buildings and other structures - IFRS 16	(34,562)	(1,364)	–	–	–	–	(265)	(36,191)
Plant, machinery and tools	(342,552)	(6,847)	1,092	24	–	–	(947)	(349,230)
Furniture and fixtures	(27,074)	(456)	23	–	–	–	1	(27,506)
Information technology equipment	(19,907)	(952)	40	–	–	–	6	(20,813)
Vehicles	(32,204)	(1,955)	6	–	–	–	2	(34,151)
Vehicles - IFRS 16	(562)	(84)	–	–	–	–	-	(646)
Other property, plant and equipment	(91,409)	(1,636)	43	–	–	–	500	(92,502)
Other property, plant and equipment - IFRS 16	(6,061)	(544)	–	–	–	–	-	(6,605)
Total accumulated depreciation	**(768,535)**	**(16,035)**	**1,420**	**24**	**–**	**(4,678)**	**(282)**	**(788,086)**
Impairment	**(30,520)**	(6,335)	–	–	–	–	33	**(36,822)**
	1,151,915	**39,587**	**(2,465)**	**(3,976)**	**30,085**	**(4,678)**	**917**	**1,211,385**

	Thousands of Euro								
	Balance at 30.09.18	**Regulatory change (Nota 2)**	**Balance at 01.10.2017**	**Additions**	**Disposals**	**Transfers (note 6)**	**Business combination (Nota 5)**	**Exchange differences**	**Balance at 30.09.18**
Cost									
Land	84,159	(15,744)	68,415	3,375	–	–	4,142	554	76,486
Land - IFRS 16	–	15,744	15,744	–	–	–	–	–	15,744
Buildings and other structures	624,462	(21,917)	602,545	19,661	(6,553)	5,179	5,002	1,683	627,517
Buildings and other structures - IFRS 16	–	213,155	213,155	6,367	–	–	–	–	219,522
Plant, machinery and tools	599,888	(19,618)	580,270	30,281	(6,466)	13,586	9,151	2,549	629,371
Furniture and fixtures	43,672	–	43,672	3,116	(512)	551	165	(62)	46,930
Information technology equipment	24,528	–	24,528	3,140	(1,391)	565	40	199	27,081
Vehicles	54,340	–	54,340	6,483	(764)	597	34	814	61,504
Vehicles - IFRS 16	–	818	818	414	–	–	–	–	1,232
Other property, plant and equipment	151,848	(191)	151,657	5,611	(5,268)	2,031	276	403	154,710
Other property, plant and equipment - IFRS 16	–	20,877	20,877	2,275	–	–	–	–	23,152
Assets under construction	40,439	–	40,439	54,251	(70)	(27,153)	–	255	67,722
Total cost	**1,623,336**	**193,124**	**1,816,460**	**134,974**	**(21,024)**	**(4,644)**	**18,810**	**6,395**	**1,950,971**
Depreciation									
Buildings and other structures	(216,468)	1,132	(215,336)	(3,866)	5,971	–	–	(973)	(214,204)
Buildings and other structures - IFRS 16	–	(29,312)	(29,312)	(4,831)	–	–	–	(419)	(34,562)
Plant, machinery and tools	(326,657)	3,621	(323,036)	(28,124)	6,416	–	–	(1,558)	(346,302)
Furniture and fixtures	(26,103)	–	(26,103)	(1,479)	481	–	–	27	(27,074)
Information technology equipment	(17,952)	–	(17,952)	(3,158)	1,350	–	–	(147)	(19,907)
Vehicles	(27,172)	–	(27,172)	(5,098)	639	(13)	–	(560)	(32,204)
Vehicles - IFRS 16	–	(318)	(318)	(244)	–	–	–	-	(562)
Other property, plant and equipment	(89,358)	77	(89,281)	(3,419)	5,200	13	–	(172)	(87,659)
Other property, plant and equipment - IFRS 16	–	(4,165)	(4,165)	(1,897)	–	–	–	-	(6,062)
Total accumulated depreciation	**(703,710)**	**(28,965)**	**(732,675**	**(52,116)**	**20,057**	**–**	**–**	**(3,802)**	**(768,536)**
Impairment	(19,434)	–	(19,434)	(13,402)	2,662	–	–	(346)	(30,520)
	900,192	**164,159**	**1,064,351**	**69,456**	**1,695**	**(4,644)**	**18,810**	**2,247**	**1,151,915**

The additions of the three-month period ended on 31 December 2018 and the fiscal year of September 2018 mainly include investments in maintenance made in the various parks operated by the consolidated companies, as well as investments in new attractions. In this regard, the investments made in the new IECs of the Group, mainly those located in Spain (Arroyomolinos), as well as those made in the Parque de Atracciones de Madrid and Parque Warner in Spain, Marineland in France, Mirabilandia in Italy, and Movie Park Germany in Germany, as well as those made in US parks. At 30 September 2018, the investments made in the new IECs of the Group, mainly those located in Spain (Murcia and Arroyomolinos), as well as those made in the Parque de Atracciones de Madrid and Parque Warner in Spain, Marineland in France, Mirabilandia in Italy, Movie Park Germany in Germany and Slagharen in the Netherlands, as well as those made in US parks. The breakdown of new capital additions by operating segment is shown in Annex II attached hereto.

At 31 December and 30 September 2018, 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 a result of the tests, asset impairments amounting to Euro 6,335 thousand mainly associated to Mall Entertainment Center Murcia, S.L.U. and derived from the development experienced by said center after completing the first year of activity. Additionally, losses related to the disposal of an attraction in Parque Warner amounting Euros 1,930 thousand has been recorded. At 30 September 2018, asset impairments amounting to Euro 13,402 thousand were booked in two parks of US. As a result of the strong performance and positive outlook for the Spanish parks, impairment of Euro 2,662 thousand on property, plant and equipment recognised in previous years in the Spanish park Selwo was reversed.

Other movement for the three-month period ended on 31 December 2018 correspond to the effect of disposals of property, plant and equipment on the years ended 30 September 2018 and 2017 on the amortization homogenization adjustment recorded in consolidation process to mitigate the effect of the difference between net book values at consolidated and at local level of certain assets of the Group companies due to different useful lives. Such impact amounts Euros 4,678 thousand (Euros 3,280 thousand net of taxes).

Additionally, as a consequence of IFRS 16 adoption described in note 2, rights of use related to leasing contracts described in note 9 has been recorded.

At the date of authorisation for issue of these consolidated financial statements, the Parent's Board Directors consider that no additional events have occurred which would require amendments to the estimates made for the three-month period ended 31 December 2018 reporting date in respect of the impairment testing carried out.

Details, by category, of the fully depreciated items of property, plant and equipment in use at 31 December and 30 September 2018 are as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Buildings and other structures	188,083	186,654
Plant, machinery and tools	304,329	299,032
Furniture and fixtures	19,270	18,847
Information technology equipment	20,770	18,742
Vehicles	29,092	26,266
Other property, plant and equipment	34,908	33,395
	596,452	**582,936**

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 Board Directors consider that these policies are sufficient to cover the risks inherent in the Group's activity at 31 December 2018.

At 31 December and 30 September 2018, 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 Euro 541,350 and Euro 502,479 thousand, respectively (of which Euro 254,365 and 222,129 thousand, respectively, in the United States), net of accumulated depreciation and impairment.

(9) Leases and concession agreements

During the years ended 31 December and 30 September 2018, the Group exploited a series of parks and other centres through administrative concession agreements, surface rights or leases with the Public Administration.

A detail of the terms and conditions of the main concessions and leases of parks and other centers at 31 December and 30 September 2018 is included in Annex III attached.

a) Concession agreements and surface rights

Details of the parks and other leisure facilities operated by the Group during the years ended 31 December and 30 September 2018 for which administrative concessions, surface rights or leases are held with public entities are as follows:

Country	Location	Type of park	Description	Maturity
Spain	Madrid	Animal park	Zoológico de Madrid	2034 (1)
Spain	Madrid	Amusement park	Parque de atracciones de Madrid	2026 (1)
France	Le Touquet	Water park	Aqualud	2034
Italy	Ravena	Amusement park	Mirabilandia (2 parks)	2072 (2)

(1) The assets invested in for these parks must be returned at the end of the administrative concession. At 31 December and 30 September 2018, the net book value of property, plant and equipment and intangible assets at these parks amounted to Euro 115,799 and 118,695 thousand, respectively.

(2) Several contracts on different parcels with maturities in 2062 (automatically renewable for another 25 years), 2072 and 2070 (automatically renewable).

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 it is possible to extend the contracts for additional periods through the contract financial and economic equilibrium. 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. Likewise, the Group's updates on the fees for most concessions are made in reference to market indices.

In addition, in the case of Parque de Atracciones de Madrid, Zoo de Madrid, entrance prices are controlled by the competent Authority, as they must be authorised on a yearly basis by the Authority after the request for review presented by the Group. In light of the foregoing, the entertainment parks of Parque de Atracciones de Madrid and Zoo de Madrid are recognised under IFRIC 12 (see note 4 e)).

b) Leases

During the three-month period ended 31 December and the year ended 30 September 2018, the Group has operated a group of parks and other leisure facilities, for which it has signed 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	Maturity
Spain	Alicante	Water park	Parque acuático de Torrevieja	2032 (1)
Spain	Madrid	Water park	Parque acuático de Villanueva de la Cañada	2026 (1)(6)
Spain	Valencia	Water park	Parque acuático de Cullera	2033 (1)
Spain	Madrid	Water park	Parque acuático de S. F. de Henares	2019 (1)
Spain	Sevilla	Water park	Parque acuático de Sevilla	2020 (1)
Spain	Tarragona	Water park	Parque acuático de Salou	2021 (1)
Spain	Huelva	Water park	Parque acuático de Cartaya	2024 (1)
Spain	Madrid	Animal Park	Faunia (Parque Biológico Madrid)	2048 (1)
Spain	Málaga	Leisure centre	Teleférico de Benalmádena	2075 (1)
Spain	Málaga	Animal park	Parque de la naturaleza Selwo	2072 (1)
Spain	Málaga	Animal park	Parque Selwo Marina	2075 (1)
United Kingdom	Blackpool	Animal park	Zoológico de Blackpool	2033
United Kingdom	Windermere	Animal park	Acuario de Lake Windermere	2047
United Kingdom	Bournemouth	Animal park	Acuario de Bournemouth	2097 (4)
Germany	Dusseldorf	Animal park	Movie Park	2062 (2)
Argentina	Mar de Plata	Animal park	Aquarium Mar de Plata	2021 (3)
United States	California	Family entertainment centres	Palm Springs	2027
United States	Georgia	Family entertainment centres	Marietta Mountasia	2026
United States	Georgia	Family entertainment centres	Norcross Malibu	2026
United States	California	Family entertainment centres	Vista	2033
United States	Nueva York	Family entertainment centres	Medford	2034
United States	California	Water park	Sacramento	2025
United States	California	Water park	San Jose Raging Waters	2025
United States	Nueva York	Water park	Splish Splash	2034
United States	California	Water park	San Dimas Raging Waters	2034
United States	New Hampshire	Water park	Water County	2034
United States	Carolina del Norte	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
Spain	Murcia	Family entertainment centres	Nickelodeon Adventure Murcia	2027 (5)
Spain	Madrid	Family entertainment centres	Atlantis Aquarium Madrid	2028 (7)
Spain	Madrid	Family entertainment centres	Nickelodeon Adventure Madrid	2028 (7)
Australia	Sydney	Water park	Wet n'Wild Sydney	2063

(1) The investments made in these parks are subject to reversion at the end of the contract. The net book value of the tangible and intangible assets of these parks, as of 31 December and 30 September 2018, amounts to Euro 41,040 and 41,748 thousand, respectively.

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

(3) The Plunimar Company, S.A. does not belong to the consolidation perimeter as of 31 December 2018 as described in Note 1.

(4) This contract allows for five-year renewals indefinitely.

(5) It is possible to exercise up to two (2) extensions of five (5) years each.

(6) The 14 of February 2019, the Municipal Plenary has agreed to extend the duration of the surface right until July 23, 2041. The modification of the contract will be drafted and signed in the coming months.

(7) It is possible to exercise up to three (3) extensions of five (5) years each

All the parks and leisure centres detailed in the previous table were also exploited in fiscal year ended 30 September 2018, except for the IEC of Nickelodeon Adventure Madrid and Atlantis Aquarium Madrid, inaugurated during the three-month period ended 31 December 2018, and Wet n'Wild Sydney, acquired during the three-month period ended 31 December 2018.

In the case of Teleférico de Benalmádena and Aquopolis Costa Dorada, the access fees are controlled by the competent Authority since they must be authorized annually by the Authority after the request for review submitted by the Group.

There are, as of December 31, 2018, a series of parks that, not being open to the public, are currently under development, by virtue of contracts signed with different landlords in different locations, which are listed below:

Country	Location	Operating segment	Description	Maturity
United States	New York	Indoor Entertainment Centre	Lionsgate Times Square	15 years from opening
Portugal	Lisbon	Indoor Entertainment Centre	Nickelodeon Adventure Lisboa	10 years from earlier: a) opening b) past 11 month from premises is available for use
United Kingdom	Lakeside	Indoor Entertainment Centre	Nickelodeon Adventure Lakeside	25 years from premises is available for use

The contracts included in the previous tables (except those whose consideration is entirely variable depending on the performance of the park) are capitalized within Note 8 since they are within the scope of IFRS 16 (together with leases on other types of assets such as vehicles or other fixed assets).

The financial expense caused by the contracts subject to IFRS 16 has amounted to Euro 2,081 thousand for the three-month period ended 31 December 2018. The financial expense caused by the contracts subject to IFRS 16 has amounted to Euro 7,216 thousand for the year ended 30 September 2018.

The total lease expense due to contracts referenced to variable income has amounted to Euro 539 thousand for the three-month period ended 31 December 2018.

As mentioned in Note 4, the group has taken advantage of exemptions from short-term contracts and low-value assets, with the recognized expense of Euro 546 thousand for the three-month period ended 31 December 2018. There are no sublease transactions to third parties outside the Group or sale & leaseback agreements.

The average discount rate applied is around 6%. As mentioned in note 2, since it has not been possible to apply the implicit interest rate since it is not easily determinable (paragraph 26 of IFRS 16), the Group has calculated the incremental interest rate based on the interest rate. Interest on the bonds of the corresponding country plus, if applicable, the corresponding adjustments to adapt the rate to the duration of the lease, to the underlying asset and the spreads for credit risk to be applied to the Group companies.

The Group's activity as a lessee focuses mainly on the lands on which their parks are located, as well as other less significant elements such as vehicles or small machinery. Due to the long duration of the land lease agreements since the rest of the assets subject to lease agreements are easy to replace, the lease liability is not subject to significant variations as a result of extension or determination options they were not included in the lease period determined in accordance with IFRS 16 but whose exercise could be classified as probable.

On the other hand, the Group is exposed to potential variable income payments for lease contracts for land whose rent is linked to the volume of income or profits of the park in question, mainly in the United States, the United Kingdom and the latest contracts signed in Spain. However, as detailed above, the lease expense for this variable component has not been significant up to now.

The Group is not exposed to guarantees for residual value and the covenants of its financing agreements do not include the lease liability for the purpose of calculating them (in equivalence with the contracts hitherto accounted for as financial leases).

(10) Financial Assets

The balance of the three-month period ended 31 December and 30 September of non-current financial assets are as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Financial assets at amortization cost:		
Other receivables	-	12
Non-current deposits and guarantees arranged	1,645	1,705
Available-for-sale financial assets:		
Measured at cost	14	14
Provision for value impairment	(363)	(363)
Derivative financial instruments		
	1,296	**1,368**

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

(11) Trade and Other Receivables

Details at 31 December and 30 September 2018 are as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Clients from sales and provision of service	21,445	40,845
Other receivables	2,523	2,671
Public Administrations (Note 18)	269	197
Personnel	141	146
	24,378	**43,859**

Clients from sales and provision of service in the accompanying consolidated statements of financial position at 31 December and 30 September 2018 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 31 December and 30 September 2018 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 Euro	
	31.12.2018	**30.09.2018**
Opening balance	4,816	4,658
Provisions	2,419	1,732
Amounts used	(409)	(815)
Reversals for unrecoverable loans	(1,291)	(759)
Closed Balance	**5,535**	**4,816**

(12) Cash and other equivalents

Details at 31 December and 30 September 2018 are as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Cash on hand	4,495	5,060
Cash in banks	46,565	48,450
Bank deposits	491	691
Accrued interest receivable	773	674
	52,324	**54,875**

At 31 December and 30 September 2018, the Group's cash balances are not subject to any restrictions except for that mentioned.

Bank deposits mature in less than three months and generally earn interest at market rates below 0,5%.

(13) Equity

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

a) Capital subscribed

At 31 December and 30 September 2018 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 Euro 0,5 par value each. All shares have been fully subscribed and paid up and grant the same political and economic rights to their holders.

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 at 31 December 2018 approximately 0,81% of the share capital of the Parent Company at 30 September 2018 (0,84% at 30 September 2018).

According to the aforementioned public information, the most significant shareholdings (higher than 10%) at 30 December 2018 are as follows:

	%
Corporación Financiera Alba, S.A.	20.01
Groupe Bruxelles Lambert (GBL)	20.99

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 31 December and 30 September 2018:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Gross debt		
Debt with credit institutions (note 14)	635,327	562,911
	635,327	562,911
Treasury assets		
Current financial assets on maturity (Note 15)	(823)	(838)
Cash and other equivalents (note 12)	(52,324)	(54,875)
	(53,147)	(55,713)
Total net debt	**582,180**	**507,198**
Total net equity	**1,055,722**	**1,095,481**
Financial leverage	**0.55**	**0.46**

The Group’s financing structure, designed and in application, seeks to optimise equity and take advantage of the external financing capacities, without compromising the investment plans established in the business plan or short-term cash need. The Group manages the efficiency of this structure using the gearing ratio (Debt with credit institutions, net of cash assets /Net equity). The Board Directors consider that this ratio is suitable for achieving the abovementioned objective.

In addition, most of the financial debt used by the Group matures in May 2022 (see note 14) The Parent's Board 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.

As a result of the seasonal nature of the business, the Group makes treasury forecasts systematically for each business unit and geographical region in order to assess their needs. This liquidity policy followed by the Group ensures that its payment obligations are met without having to resort to high-interest bearing financing, allowing the Group to continuously monitor its liquidity position.

b) Share premium

The share premium is freely distributable, except when, as a result of its distribution, the net equity should fall below the share capital. During 2016 the Company increased share capital, raising the existing share premium from Euro 819,463 thousand to Euro 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 31 December 2018 the Company has appropriated this reserve above the minimum limit established in the revised law of the Capital Companies Act.

On 21 March 2018 the Company's General Meeting of Shareholders approved the distribution of dividends amounting to Euro 20 million, which was settled in July 2018.

- Reserves in fully consolidated companies

The reserves in consolidated companies included retained profits and accumulated losses to be offset pertaining to the consolidated companies, also considering consolidation adjustments.

- Restriction on the availability of reserves

The net equity of the Company and of some of the subsidiaries which are eliminated as part of the consolidation process includes reserves which, given their nature, are restricted according to the terms established in the legislation applicable to each case.

The main reserves are the legal reserve of the subsidiaries in Spain, Italy, France and Belgium. At 31 December and 30 September 2018, these reserves amounted to Euro 25,545 thousand and Euro 25,461 thousand, respectively, including the revaluation reserve resulting from the application of Royal Decree-Law 7/1996 in the Spanish subsidiaries, totalling Euro 6,095 thousand, in both years.

d) Other shareholder contributions

This heading mainly includes Exit Bonuses received by members of the Group's senior management team and a certain number of employees in management positions, which the then Sole Shareholder (Centaur Nederland, B.V.) had assumed prior to the flotation of the Company mention in note 1.

e) Other equity instruments

This heading includes an increase in net equity as a result of the share-based payment schedule detailed in note 4 r). During the years ended 31 December and September 2018, with regard to the first and second cycles (2016-2019 and 2017-2020) of the long-term Incentives Plan (see note 21 c)), Euro 94 and Euro 375 thousand have been respectively recognised.

f) Other comprehensive income

- Exchange differences:

Exchange differences mainly pertain to the conversion to Euro of the financial statements of the US subgroup, whose working currency is the US Dollar. Movement in the years ended 31 December and 30 September 2018 is as follows:

	Thousands of Euro
Balance at 30 September 2017	**17,638**
Additions	3,836
Impact IFRS 16	(1,690)
Balance at 30 September 2018	**19,784**
Additions	2,618
Balance at 31 December 2018	**22,402**

- Valuation adjustments to equity:

At 30 September 2016, this heading included the net tax effect on the change in value of the financial derivative held by the Group in US dollars and designated as a cash flow hedging instrument. In 2017, the heading was reduced as a result of the ineffective coverage of said derivative (see Notes 4 (i) and 15 (a)). During 2018, no movements have taken place since the coverage of the derivate continues to be ineffective.

g) Non-controlling interests:

The detail of this section of the consolidated statement of financial position as of 31 December and 30 September 2018, and its movement during both years, are the following:

	Leisure Parks, S.A.
Balance at 30 September 2017	**504**
Profit/ Loss of the year	44
Balance at 30 September 2018	**548**
Profit/ Loss of the year	(14)
Balance at 31 December 2018	**534**

h) Earnings per share

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

The breakdown of the basic earnings / (losses) per share is as follows:

	31.12.2018	**30.09.2018**
Profit / (loss) for the year attributable to Parent Company shareholders (in thousands of Euro)	(45,768)	12,108
Weighted average of ordinary shares in circulation	80,742,044	80,742,044
Basic earnings / (loss) per share (in Euro)	**(0.57)**	**0.15**

The Group does not have any issued financial instruments granting access to capital or to convertible debt, and therefore the diluted earnings per share are the same as the basic earnings.

(14) 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.

a) Loans and borrowings with credit institutions

Details of current and non-current loans and borrowings at 31 December and 30 September 2018 are as follows:

	Thousands of Euro							
	31.12.2018				**30.09.2018**			
	Limit	Current	Non-current	Total	Limit	Current	Non-current	Total
At amortised cost:								
Syndicated loan	549,657	22,902	526,755	549,657	546,644	22,777	523,867	546,644
Revolving credit facility	200,000	63,738	–	63,738	200,000	–	–	–
Other bank loans	–	2,341	10,926	13,267	–	2,332	11,703	14,035
Credit facilities	57,249	16,872	–	16,872	38,233	–	–	–
Interests outstanding	–	3,867	–	3,867	–	8,118	–	8,118
Syndicated loan fees	–	–	(4,393)	(4,393)	–	–	(4,600)	(4,600)
Revolving credit fees	–	–	(1,451)	(1,451)	–	–	(1,545)	(1,545)
IFRS 9 adjustment	–	(2,500)	(4,000)	(6,500)	–	–	–	–
Valued at fair value:								
Derivative financial instruments (note 15)	–	270	–	270	–	259	–	259
	806,906	**107,490**	**527,837**	**635,327**	**784,877**	**33,486**	**529,425**	**562,911**

At 31 December and 30 September 2018, the long-term maturity of debts with credit institutions is as follows:

	31.12.2018					
	Thousands of Euro					
	2019/20	2020/21	2021/22	2022/23	2023/24 and thereafter	Total
Syndicated loan	22,902	22,902	480,951	-	-	526,755
Other bank loans	2,370	2,391	2,421	832	2,912	10,926
	25,272	**25,293**	**483,372**	**832**	**2,912**	**537,681**

	30.09.2018					
	Thousands of Euro					
	09/2020	09/2021	09/2022	09/2023	09/2024 and thereafter	Total
Syndicated loan	22,777	22,777	478,313	-	-	523,867
Other bank loans	2,363	2,387	3,005	824	3,124	11,703
	25,140	**25,164**	**481,318**	**824**	**3,124**	**535,570**

(i) Syndicated loan and revolving credit

On 1 April 2016 the Parent Company and its subsidiary in the US subgroup Festival Fun Parks, LLC, as joint and several borrowers and guarantors, enter into a new syndicated loan with Banco Santander, S.A., (as the agent bank. This funding was used (i) for the repayment of the previous syndicated loan (arranged in 2014), the bonds of the US subgroup and the GE Capital 2011 revolving credit, which were repaid in full using the cash obtained from this financing as well as the amount obtained from the Initial Public Offering (see Note 1) and (ii) pay the fees, commissions and expenses related to this financing. Furthermore, on that date a new revolving credit facility was signed to finance the Group's working capital requirements (including the permitted investments in Capex and business acquisitions).

On 13 February 2017, the Companies that initially entered into the syndicated loan agreed to a non-substantially-modifying renewal of this syndicated loan, implying a reduction of up to 40 basis points in the applicable interest rate spread and an extension of up to 11 months in the maturity schedule thereof, depending on the tranche. An analysis of the renewal determined that modification of the syndicated loan was not substantial, the variation being only 1,52%.

The loan, consists of four tranches that have been taken by the Parent Company (two tranches in Euro) and Festival Fun Parks, LLC (two tranches in US dollars), Below is a breakdown of the syndicated loan, at 31 December and 30 September 2018:

					31.12.2018	
					Thousands of Euro	
Tranche	Year of maturity	Nominal rate	Effective interest rate	Limit in original currency	Undrawn	Drawn down
Tranche A1 (Dollar)	April 2022	6 month Libor + 2.35%	3.97%	93,718	-	81,921
Tranche A2 (Euro)	April 2022	Euribor 6 months + 2.35%	2.24%	124,200	-	124,200
Tranche B1 (Dollar)	May 2022	6 month Libor + 3.10%	3.00%	156,197	-	136,536
Tranche B2 (Euro)	May 2022	Euribor 6 months + 3.10%	3.10%	207,000	-	207,000
Revolving facility (multi-currency)	April 2022	Libor/Euribor + 2.35%	3.40%	200,000	136,262	63,738
					136,262	**613,395**

					30.09.2018 Thousands of Euro	
Tranche	Year of maturity	Nominal rate	Effective interest rate	Limit in original currency	Undrawn	Drawn down
Tranche A1 (Dollar)	April 2022	6 month Libor + 2.35%	3.97%	93,718	-	80,792
Tranche A2 (Euro)	April 2022	Euribor 6 months + 2.35%	2.24%	124,200	-	124,200
Tranche B1 (Dollar)	May 2022	6 month Libor + 3.10%	3.00%	156,197	-	134,652
Tranche B2 (Euro)	May 2022	Euribor 6 months + 3.10%	3.10%	207,000	-	207,000
Revolving facility (multi-currency)	April 2022	Libor/Euribor + 2.35%	3.40%	200,000	200,000	-
					200,000	**546,644**

The fair value of the syndicated loan at 31 December 2018 is of Euro 634,449 thousand (Euro 584,149 thousand on 30 September 2018). The estimated fair value is Level 2 based on the fair value hierarchy established in IFRS 7.

At 31 December 2018 there were no restrictions on drawdowns of the revolving credit facilities.

The agreement establishes a partial repayment schedule for tranches A1 and A2, with 10% of repayment of principal on 31 May each year from 2018 to 2021, and the remaining 60% to be repaid in April 2022. The total repayment of tranches B1 and B2 is set as a single repayment to be made on 31 May 2022. Finally, each drawdown from the revolving credit facility must be repaid at maturity.

The syndicated loan also requires fulfilment, in each quarter and at the end of the year, of a covenant financial ratio calculated on the consolidated financial statements or consolidated financial accounts of the Group. The Group Corporate Financial Department carries out a detailed follow-up of compliance with such financial ratios, in order to enable early detection of any potential risk of non-compliance. In each quarter since the signing of the agreement and at 31 December 2018, the Board Directors of the Company have confirmed compliance with the following covenant:

Covenant	**Definition**	**Ratio required**
Debt	Net financial debt (*) / Consolidated EBITDA	< 4,50

(*) Defined as: Syndicated loan + Other bank loans + Interests outstanding - Cash and cash equivalents.

To ensure compliance with its obligations arising from the syndicated loan, the lender entities were provided with the following guarantees:

- 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 31 December 2018, 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 on the 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, S.L.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 and Centaur Nederland 3 B.V.

(ii) Other bank loans and credits:

Other bank loans include a loan of dependent company Parque Biológico de Madrid, S.A., with an outstanding balance at 31 December 2018 of Euro 4,725 thousand (Euro 5,315 thousand on 30 September 2018), maturing in 2022 and at a variable annual interest rate of Euribor + 2,55 %. In addition, there is also a loan with an outstanding balance on 31 December 2018 of Euro 6,971 thousand (Euro 6,971 thousand on 30 September 2018), pertaining to dependent company Marineland Resort, S.A.S., and maturing in 2027 at a fixed annual interest rate of 3,8 %. Lastly, as a result of the acquisition and integration of the new company Event Park mentioned in note 5, this heading includes a loan of this Company with an outstanding balance on 31 December 2018 of Euro 1,751 thousand maturing in 2022 at a fixed annual interest rate of 1,76 % (Euro 1,751 thousand on 30 September 2018).

At 31 December and 30 September 2018, several Group companies have credit facilities amounting to a total Euro 57,249 and Euro 38,233 thousand, respectively. These credit facilities are extended on a yearly basis. The drawdowns made at 31 December 2018 are mainly a result of the seasonal nature of the Group's activity and the temporary cash requirements of some of the parks. Moreover, the syndicated loan includes a Revolving Credit Facility of Euro 200,000 thousand maturing in April 2022.

b) Other finance liabilities

Other finance liabilities in the attached consolidated financial balance sheet mainly include the contributions granted to the Spanish companies Mall Entertainment Centre Murcia, S.L., Mall Entertainment Centre Acuario Arroyomolinos, S.L. and Mall Entertainment Centre Temático Arroyomolinos, S.L.U. to the Portuguese company Lisboa Theme Mall Entertainment Centre, Single member company, LDA and to the English company Lakeside Mall Entertainment Centre Ltd. for an amount of Euro 6,562, Euro 7,370, Euro 4,000, Euro 2,200 and Euro 2,225 thousand, respectively, by the owners where they are executing the works of adaptation of these IECs. As a result of the adoption of IFRS 16, part of these contributions are reverted in the consolidation process due to the recognition of the lease liability of the IECs Mall Entertainment Center Murcia, S.L., Mall Entertainment Center Aquarius Arroyomolinos, S.L. and Mall Entertainment Center Temático Arroyomolinos, S.L.U. amounting to Euro 3,281, Euro 6,212 and Euro 3,967 thousand.

In addition, as a result of the business combination described in note 5, the amount of Euro 685 thousand is added to this heading (Euro 685 thousand on 30 September 2018) in relation to the consideration retained in the acquisition of Wet n'Wild Sydney Pty Ltd.

(15) Derivative financial instruments

Details of the derivative financial instruments included in the consolidated balance sheet under "Loans and borrowings" and "Other financial assets" at 31 December and 30 September 2018 are as follows:

	31.12.2018		
	Thousands of Euro		
	Current	**Non-current**	**Total**
Assets			
Interest rate hedges	838	-	**838**
Liabilities			
Interest rate hedges	270	-	**270**

	30.09.2018		
	Thousands of Euro		
	Current	**Non-current**	**Total**
Assets			
Interest rate hedges	838	-	**838**
Liabilities			
Interest rate hedges	259	-	**259**

a) Interest rate derivatives

Details of derivative financial instruments and their corresponding fair values at 31 December 2018, together with the outstanding notional amounts to which they are linked, are provided below. At 31 December 2018 the Group does not 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 Libor	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
National (thousands)	184,000 (Euro)	50,600 (USD)	50,600 (USD)
Interest payments	Six-monthly (31 March y 30 September)	Six-monthly (31 March y 30 September)	Six-monthly (31 March y 30 September)
Fair value of swap (thousands of Euro)	(270)	403	420
Accrued interest payable (thousands of Euro)	-	156	155
Total fair value (thousands of Euro)	(270)	403	420

The Group hedges against the risk of variations in the interest rate of the syndicated loan using Interest Rate Swaps (IRSs). These financial instruments have been classified as Level 2 in the 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.

At 31 December 2018, the Group has recognised, in the heading "Change in the fair value of interest rate derivatives " of the consolidated balance sheet a profit of Euro 25 thousand pertaining to the variation in fair value since the start of the year until 31 December 2018 both of the IRS in Euro and the one in USD (see note 20 e)).

Lastly, in the three-month period ended 31 December and 30 September 2018, these derivative instruments accrued interest income for the amount of Euro 311 and Euro 101 thousand, respectively, which are included in the "Finance Expenses" caption of the account, of consolidated results (see note 20 e)).

b) Sensitivity analysis

Details of the sensitivity analysis of the derivatives held by the Group at 31 December 2018 reporting date are as follows:

	Thousands of Euro		
	Result - (Expense)/ Income		
Sensitivity	**Spain**	**USA**	**Total**
+0,50 points (rise in the interest rate curve)	240	116	356
-0,50 points (decrease in the interest rate curve)	(240)	(116)	(356)

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 31 December 2018 will affect the Group's equity to the extent that market conditions, specifically the future interest rate curve, may change.

(16) Provisions

Details of non-current provisions at 31 December and 30 September 2018 and the main movements therein during the years then ended are as follows:

	Thousands of Euro		
	Provision for pensions and sundry items	Other provisions	Total
Balance at 30 September 2017	**479**	**10,411**	**10,890**
Provisions / Amounts used	11	(1,122)	(1,111)
Balance at 30 September 2018	**490**	**9,289**	**9,779**
Provisions	68	631	699
Amounts used / Reversals	(69)	(273)	(342)
Balance at 31 December 2018	**489**	**9,647**	**10,136**

The provision for pensions and similar commitments mainly comprises the amount accrued at 31 December and 30 September 2018 in respect of the remuneration payable to Group employees in Italy when they leave the Group (see note 21).

"Other provisions" at 31 December and 30 September 2018 also include a liability of Euro 5,295 thousand and Euro 5,222 thousand, respectively, to cover the Group's employment-related obligations to its US employees in connection with healthcare coverage and other items (see Note 21 b)). Likewise, an amount of Euro 875 thousand corresponding to provisions for litigation of the Leisure Parks component, S.A. (Spain), as well as an amount of Euro 434 thousand corresponding to the company Event Park GmbH (see note 5).

(17) Trade and other accounts payable

Details at 31 December and 30 September 2018 are as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Trade payables	43,531	69,328
Public Administrations (Note 18)	7,282	13,910
Personnel	16,283	18,663
Other current liabilities	20,950	23,596
	88,046	**125,497**

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 31 December and 30 September 2018, “Other non-trade debt” includes, among other items, debts from fixed asset acquisitions amounting to Euro 20,320 and Euro 23,185 thousand, respectively. These debts have maturities of less than 12 months and, in general, do not accrue interest.

At 31 December and 30 September 2018, the Group has supplier balances under reverse factoring amounting to Euro 14,637 and Euro 26,384 thousand, respectively. Of such balances under reverse factoring, at 31 December and 30 September 2018, Euro 10,859 and Euro 17,635 thousand respectively pertain to “Debts from purchases and service provisions” and the remainder to “Other non-trade debt”.

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 31 December and 30 September 2018 is as follows:

	Days	
	31.12.2018	**30.09.2018**
Average supplier payment period	50	42
Transactions paid ratio	49	41
Transactions payable ratio	63	47

	Amount (thousands of Euro)	
	31.12.2018	**30.09.2018**
Total payments made	44,215	118,364
Total payments outstanding	3,788	7,485

The payments to suppliers of the Spanish consolidated companies reflected in the above table are trade payables as they relate to goods and services. The Group takes the confirmation date to its suppliers as the payment date.

(18) Income tax

Details of balances with public entities at 31 December and 30 September 2018 are as follows:

	Thousands of Euro			
	31.12.2018		**30.09.2018**	
	Non-current	**Current**	**Non-current**	**Current**
Assets				
Deferred tax assets	30,562	-	25,281	-
Tax loss carryforwards	49,210	-	44,857	-
Withholdings and prepayments	-	-	-	588
Other items	-	2,680	-	-
	79,772	**2,680**	**70,138**	**588**
Liabilities				
Deferred tax liabilities	263,149	-	265,203	-
Income Tax	-	-	-	6,466
Personal income tax	-	2,915	-	2,495
Social Security, payable	-	2,344	-	2,682
Value added tax	-	(1,369)	-	4,954
Other items	-	3,122	-	3,581
	263,149	**7,013**	**265,203**	**20,178**

The Parent Company is the leading company in the tax consolidation group, in accordance with Law 27/2014 of 27 November on Corporate Income Tax, formed by the companies 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, en liquidación., Parque Biológico de Madrid, S.A.U., Mall Entertainment Centre Murcia, S.L.U., Mall Entertainment Arroyomolinos Centre, S.L.U., Mall Entertainment Centre Acuario Arroyomolinos, S.L.U., Indoor Entertainment Príncipe Pío, S.L.U., and Parques Reunidos Atlántica S.L.U. All other dependent companies have not been included within this tax group due to not having met the criteria established by Spanish tax regulations regarding the Consolidated Tax Return System.

As set forth in the legislation in force in Spain, taxes cannot be considered as definitively paid until the returns presented have been inspected by the tax authorities, or the statute of limitations of four years has passed. At 31 December 2018 the parent Company and the rest of its subsidiaries in Spain, with which it forms the tax consolidation group, have all main taxes applicable to them in the last four years open for review.

With regard to the US subgroup, the years 2003-2016 are open for review by federal and state tax authorities. As for the rest of the entities in the Group, all the years established by their respective local jurisdictions are open for review. In relation to the German entities, dated 5 February 2019, the company Event Park GmbH has received notice of the start of inspection proceedings in relation to the Income Tax and VAT for the years 2013-2016.

As a result, among others, of the different possible interpretations of the tax legislation in force in each country where the Group is present, additional liabilities resulting from a review might arise. In any event, the Directors of the parent Company consider that such liabilities, should they arise, would not affect the consolidated annual accounts in any significant manner.

In accordance with the Corporate Income Tax Law in Spain, and in other countries in which the Group operates, if pursuant to the laws applicable to calculate the taxable base of the companies, this were to be negative, it could be offset against positive income from tax periods ending in subsequent years in accordance with the tax legislation of each country (in the case of Spain, with no time limits). The offset will be made when presenting the Corporate Income Tax return, notwithstanding the powers of review that pertain to the tax authorities.

According to the estimate of the consolidated tax return for the year 2018 that the Parent Company expects to present, the tax consolidation group in Spain generated, during the three-month period ended 31 December 2018, consolidated negative tax bases pending compensation against possible tax future benefits, amounting to Euro 5,943 thousand.

Due to the change in the year-end of the Group mentioned in note 1, the tax base for the three-month period ended 31 December 2018, is significantly lower than the one traditionally achieved in a fiscal year by the tax consolidation group in Spain. In this sense, the Group's directors consider probable the existence of future fiscal profits sufficient for the compensation, in a minimum period of time and, in any case in a maximum of ten years, of this negative tax base generated in the current fiscal year. Therefore, the Parent, as head of the fiscal consolidation group, has recorded as tax asset deferred the tax credit generated by this negative tax base.

On the other hand, within the tax group of which the Parent Company is headquartered, certain companies have negative tax bases generated prior to their entry into that tax group and that can only be compensated with positive results generated individually. A breakdown of the same considering the estimated consolidated fiscal statement for the three-month period ended 2018 is

	Thousands of Euro					
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.**	**Parque Biológico de Madrid, S.A.U**	**Total**
1997	-	-	291	-	-	291
1998	-	698	210	-	-	908
1999	-	242	149	-	2	393
2000	-	267	443	-	13	723
2001	-	139	-	-	2,948	3,087
2002	-	2	-	-	-	2
2003	-	380	16	415	-	811
2005	-	9	15	2,042	-	2,066
2006	662	10	86	29,473	-	30,231
2010	-	-	-	-	2,568	2,568
2011	-	-	-	-	3,588	3,588
2012	-	-	-	-	2,616	2,616
2013	-	-	-	-	326	326
2014	-	-	-	-	852	852
2015	-	-	-	-	138	138
	662	**1,747**	**1,210**	**31,930**	**13,051**	**48,600**

as follows:

During the three-month period ended at 31 December 2018, the Spanish tax group has performed an analysis on the existence of sufficient estimated future tax profits to offset the aforementioned negative taxable bases, as well as other deferred tax assets. This analysis has shown that the Group has deferred tax assets recognised in the consolidated balance sheet as mentioned in paragraph b) of this note.

On 27 November 2014 Law 27/2014 on the corporate income tax applicable to Spanish companies, including a new regulatory text for this tax, was approved. The act repeals the previous recast text, Royal Legislative Decree 4/2004 of 5 March. Among the many novelties introduced by this new act, it establishes an offset limit of 70 % of the previous taxable base and eliminates the 18-year period for offsetting negative taxable bases, making it indefinite for tax periods commencing as of 1 October 2015. In addition, on 2 December 2016 Royal Decree 3/2016 introduces a transitory provision establishing a limit of 25 % on the offset of negative taxable bases for companies with a net business turnover in excess of 60 million.

On its part, the US subgroup at 31 December 2018 has federal and state negative tax bases, broken down as follows:

Thousands of Euro				Maturity	
Federal		State		Federal	State
Euro	Dollars	Euro	Dollars		
143,799	164,506	134,012	153,310	2028	2023

At 31 December and 30 September 2018, 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.

Finally, at 31 December 2018, Group companies in Germany, France, Denmark, Netherlands, Norway and Italy have the following negative tax loss carryforwards:

Thousands of Euro					
Germany	France	Denmark	Netherlands	Norway	Italy
6,568	25,909	7,228	16,481	2,378	2,794

At 31 December 2018, the Group companies in France, Denmark and the Netherlands have not posted tax loss carry forwards relating to their negative taxable bases given that their recoverability, based on future tax projections, is not likely over a reasonable period of time. On their part, the companies of the Group in Germany have partially posted tax loss carry forwards relating to negative taxable bases, given that their recoverability, based on future tax projections, is deemed likely.

On the other hand, the companies in Norway and Italy, due to the change in the year-end of the Group mentioned in note 1, and in line with what has happened in the Spanish tax group, have obtained a tax base that is significantly lower than which is traditionally achieved in an annual exercise. In this regard, the Group Management consider that there are likely to be sufficient future tax profits for the compensation, within a minimum period of time. Therefore, they have recorded the tax credit generated by these negative tax bases.

a) Reconciliation of the accounting result and the taxable base and the Corporate Income Tax expense/(income)

The Corporation Tax of each company included in the consolidation perimeter is calculated based on the economic or accounting result, obtained by the application of accounting principles generally accepted in each country, which does not necessarily coincide with the fiscal result, understood as the taxable basis of the tax. The different dependent foreign companies calculate the expense for corporation tax in accordance with their corresponding legislations and according to the tax rates in force in each country.

The reconciliation of the accounting result and the Corporate Income Tax expense is as follows:

	31.12.2018		30.09.2018	
	Thousands of Euro	%	Thousands of Euro	%
Profit before income tax	**(58,407)**		**16,602**	
Tax calculated at the applicable rate in Spain	14,602	(25%)	(4,151)	(25%)
Effect of permanent differences in Spain	3,197	(5%)	10,571	64%
Effect of tax credits	378	(1%)	378	2%
Consolidated adjustments and other permanent differences	(827)	1%	(1,869)	(11%)
Expenses at foreign subsidiaries and other adjustments	(4,725)	8%	(9,379)	(56%)
Consolidated tax income/(expense)	**12,625**	**(22%)**	**(4,450)**	**(27%)**

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 Euro	
	31.12.2018	30.09.2018
Italy	691	445
France	(218)	894
Spain	(8,300)	(596)
United States	(4,810)	(1,832)
Norway	577	1,002
Belgium	(64)	1,272
Rest of countries	(501)	3,265
	(12,625)	**4,450**

b) Recognised deferred tax assets and liabilities

The movement experienced in the years ended 31 December and 30 September 2018 by the heading "Deferred tax liabilities" of the accompanying consolidated statement of financial position, in which the assets and liabilities for income tax are presented offset deferred, is as follows:

	Thousands of Euro					
	Deferred tax assets		Deferred tax liabilities		Total	
	31.12.2018	30.09.2018	31.12.2018	30.09.2018	31.12.2018	30.09.2018
Opening balance	70,138	82,688	(265,203)	(278,099)	(195,065)	(195,411)
Exchange differences	585	1,021	835	(1,393)	1,420	(372)
Capitalisations / (cancellations)	9,049	(13,571)	1,219	14,289	10,268	718
Closing balance	**79,772**	**70,138**	**(263,149)**	**(265,203)**	**(183,377)**	**(195,065)**

i. Deferred tax assets

Details of deferred tax assets (including tax loss carryforwards) by geographical area at 31 December and 30 September 2018 are as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
United States	53,327	47,582
Spain	24,313	20,649
Germany	325	708
Rest of countries	1,807	1,199
	79,772	**70,138**

The deferred tax assets mentioned earlier have been recognised in the consolidated balance sheet insofar as the Directors of the parent Company have considered that, in accordance with the best estimate of the future results of the Group and the individual companies, as the case may be, including certain tax planning actions, the recovery of such assets is deemed likely.

Deferred tax assets are generated, mainly, from tax credits generated by negative taxable bases pending offset, the tax effect of financial expenses to be deducted in subsequent years, recognised provisions to be deducted in the year in which they are realised, as well as a result of difference that arise from the tax treatment of the amortisation of certain fixed assets. Additionally, deferred tax assets are recorded due to some differences between local accounting and consolidated accounting.

The deferred tax assets corresponding to the US subgroup include, fundamentally, the credits for losses to be offset from the subgroup, as well as other consolidation differences. In addition, deferred tax assets in Spain include Euro 10 million pertaining to the tax effect of non-deductible financial expenses, Euro 9,7 million in tax credits from tax loss carryforwards of the dependent companies Parque de Atracciones Madrid, S.A., and Parques de la Naturaleza Selwo, S.L., generated prior their entry in the Spanish tax consolidation group and Euro 1,8 million of tax credits for amortisation expenses whose deductibility has been Deferred tax liabilities, as well as other consolidation differences.

ii. Deferred tax liabilities

Details of deferred tax liabilities by geographical area at 31 December and 30 September 2018 are as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Spain	34,044	36,008
United States	108,137	107,811
Italy	59,581	59,615
Germany	20,473	20,872
France	15,685	15,480
Netherlands	5,395	5,370
Rest of countries	19,834	20,047
	263,149	**265,203**

At 31 December 2018, deferred tax liabilities include Euro 83,137 thousand (Euro 84,094 thousand at 30 September 2018) 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. This item also includes Euro 7,088 thousand (Euro 7,291 thousand at 30 September 2018) arising from the business combination to acquire Movie Park in Germany in 2010, Euro 4,417 thousand (Euro 4,441 thousand at 30 September 2018) derived from the business combination in 2012 for the acquisition of the Dutch park Slagharen, Euro 4.169 thousand derived from the business combination described in note 5 (Euro 4,204 thousand at 30 September 2018) as well as other amounts deriving from business combinations of US subsidiaries and the tax effect of other temporary differences totalling Euro 110,512 thousand due to the measurement of the property, plant and equipment and intangible assets of these companies (Euro 110,187 thousand at 30 September 2018).

In addition, deferred tax liabilities include the effect of the difference of Euro 47,636 thousand (Euro 47,954 thousand at 30 September 2018) 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 leases and other taxable temporary differences.

(19) Commitments and Contingencies

A summary of the types of guarantee per country, amounts, guarantor and beneficiary at 30 September 2018 is provided below:

Type	Country	Thousands of Euro 31.12.2018	Thousands of Euro 30.09.2018	Guarantor	Beneficiary
Arising from park operating agreement	Spain	2,782	2,782	Financial entities	Municipal entities
Social Security	Spain	23	23	Financial entities	Social Security
Counter-guarantees	Spain	1,006	1,006	Financial entities	Financial entities
Warner theme park licences	Spain	3,796	3,796	Financial entities	Warner Bros
Inherent to activity agreement	Italy	528	528	Financial entities	Several
Taxes	Norway	352	370	Financial entities	Municipal entities
Other	Norway	30	31	Financial entities	Several
Leases	Germany	773	1,293	Financial entities	Several
		9,266	**9,829**		

In addition, as mentioned in note 14, in order to guarantee fulfilment of the obligations arising from the syndicated loan, the Group has provided guarantees on the stocks and shares of certain Group companies. The Directors consider that no significant additional liabilities will be generated for the Group as a result of the aforementioned guarantees and sureties.

At 31 December and 30 September 2018, the Group has insurance policies to cover against the risk of damage to material property, loss of profit and civil liability, as well as employee obligations. The insured capital is deemed to be sufficient by the Directors of the parent Company, is sufficient to cover said assets and risks.

Occasionally, the Group is involved in legal actions regarding complaints arising from transactions in the ordinary course of business. At 31 December and 30 September 2018, there are legal contingencies relating to the Group's participation in certain legal proceedings, the result of which, in the opinion of the Management and legal advisers, individually or as a whole, would not have a significant adverse effect on the consolidated income statement of the Group.

(20) Income and expense

a) Ordinary income

The breakdown of the balance of this heading in the consolidated income statement is as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Tickets	40,833	312,286
Food services	16,008	128,345
Merchandising	4,486	34,371
Games and gaming machines	3,871	22,964
Parking	2,435	17,179
Sale of hotel packages	1,598	14,123
Subconcessions	2,254	13,737
Exclusivity	272	8,591
Events	1,580	7,983
Other income	3,518	23,510
	76,855	**583,089**

The breakdown of the Group's turnover, by geographical distribution is as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
United States	23,907	206,068
Spain	22,944	153,819
Italy	3,123	45,483
France	2,198	28,181
Norway	813	25,624
Germany	13,328	52,610
Belgium	2,900	19,101
Netherlands	5,445	28,312
Rest of countries	2,197	23,891
	76,855	**583,089**

b) Supplies

The breakdown of the balance of this heading in the consolidated income statement is as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Good and supplies purchased	5,951	47,991
Work carried out by other companies	1,913	14,338
Changes in inventories	905	3,719
	8,769	**66,048**

c) Other operating expenses

The breakdown of the heading "Other operating expenses" in the consolidated income statement is as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Advertising and propaganda	5,081	30,878
Leases and rental (note 9)	1,085	6,651
Utilities	7,652	35,322
Repairs and conservation	4,063	16,368
Taxes	2,732	11,474
Guarding, cleaning and gardening	2,187	10,912
Independent professional services	7,742	17,385
Insurance premiums	2,067	8,303
Other expenses	3,997	20,032
	36,606	**157,325**

Other expenses, at 31 December 2018, mainly includes royalties amounting to Euro 2,480 thousand (Euro 13,307 thousand on 30 September 2018).

d) Other results

Details of non-recurrent income and expenses included in the consolidated income statement are as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Indemnities paid to third parties	-	1,755
Other non-recurring income	-	(5,076)
Other non-recurring expenses	-	11,335
	-	**8,014**

Indemnities paid to third parties for the year ended 30 September 2018 primarily comprise those arising from workforce restructuring processes carried out in the parks and at the group´s headquarters.

Other non-recurring expenses for the year ended 30 September 2018 mainly include attorneys' and legal advice fees amounting to Euro 1,624 thousand, as well as consulting fees amounting to Euro 3,100 thousand related to expansion projects of the Group. On the other hand, expenses relating to the refurbishment of the US park in Miami following the hurricane of September 2017 amounting to Euro 871 thousand have been included. In addition, Euro 658 thousand for insurance penalties for certain claims and Euro 373 thousand for expenses related to the termination of the concession of Teleférico de Madrid and ensuing exit thereof from the scope of consolidation. On the other hand, the parent Company has posted expenses deemed definitively non-recoverable amounting to Euro 600 thousand as a result of the renegotiation of a management contract.

Other non-recurring income for the year ended 30 September 2018 mainly includes Euro 1,100 thousand from the favourable outcome of a resolution obtained in Slagharen (Netherlands) regarding a social security amount paid in previous years as well as the profit of Euro 1,048 thousand corresponding to the compensation for the damages suffered after Hurricane Irma in Miami.

e) Financial expenses

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

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Interest expenses	12,438	45,035
Interest rate derivative expenses	(311)	(101)
Change in the fair value of interest rate derivatives	25	(468)
	12,152	**44,466**

Financial expenses at 31 December and 30 September 2018 include interest on the syndicated loan amounting to Euro 6,453 thousand and Euro 21,979 thousand, respectively.

As mentioned in note 9, the financial expense caused by the contracts subject to IFRS 16 has amounted to Euro 2,081 thousand at 31 December 2018.

f) Foreign currency transactions

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

(21) Employee remuneration expenses

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

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Salaries and wages	31,663	141,355
Social Security	6,424	28,819
Severance pay	2,584	795
Other social expenses	703	4,807
	41,374	**175,776**

a) Employee Information

The average headcount of the Group at the end of the three-month period ended on 31 December and the year ended 30 September 2018, distributed by category, is as follows:

	Number	
	31.12.2018	**30.09.2018**
Board members	–	1
Senior management personnel	7	9
Management	49	53
Department directors	125	144
Other qualified personnel	177	187
Managers	819	788
Operating personnel	3,313	4,237
Administrative staff	389	457
Maintenance	626	724
Lifeguards and carers	1,352	1,843
	6,857	**8,443**

At 31 December and 30 September 2018, the distribution by gender of personnel and the members of the board of directors of the Parent is as follows:

	Number					
	31.12.2018			**30.09.2018**		
	Male	Female	Total	Male	Female	Total
Board members	7	2	9	8	2	10
Senior management personnel	4	3	7	5	3	8
Management	43	14	57	40	11	51
Department directors	78	40	118	92	52	144
Other qualified personnel	116	105	221	77	84	161
Managers	378	242	620	604	474	1,078
Operating personnel	857	1,441	2,298	2,018	2,775	4,793
Administrative staff	90	211	301	171	318	489
Maintenance	525	63	588	618	123	741
Lifeguards and carers	395	387	782	1,077	1,167	2,244
	2,493	**2,508**	**5,001**	**4,710**	**5,009**	**9,719**

For the three-month period ended 31 December and the year ended 30 September 2018, the Group employed 21 and 27 persons, respectively, with 33% disability or more.

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 financial statements as it considers that at 31 December and 30 September 2018, 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 2017 through an insurance policy compliant with the first additional provision of Royal Legislative Decree 1/2002 of 29 November, approving the revised Law on the Regulation of Pension Plans and Funds, and Royal Decree 1588/1999 of 15 October, approving the Regulation on the implementation of companies' pension obligations to employees and beneficiaries. Said policy is renewed every two years, and the next renewal is due on 31 December 2019.

The main actuarial assumptions used to update the policy for the three-month period ended on 31 December and the year ended on 30 September 2018 were as follows:

- The cumulative annual salary growth rate is 2%.
- 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.

At the three-month period ended on 31 December and the year ended on 30 September 2018, the value or mathematical provision of the policy arranged to insure retirement benefits amounted to Euro 6 thousand. This amount corresponds mainly to the premium paid to the insurer and its returns.

Obligations in the event of death or disability

The obligations in the event of death or disability have been insured and updated at 31 December and 30 September 2018 through an insurance policy compliant with the first additional provision of Royal Legislative Decree 1/2002 of 29 November, approving the revised Law on the Regulation of Pension Plans and Funds, and Royal Decree 1588/1999 of 15 October, approving the Regulation on the implementation of companies' pension obligations to employees and beneficiaries. For the three-month period ended 31 December 2018 has not paid any amount as net premium (for the year ended 30 September 2018 was Euro 54 thousand)

(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. For the three-month period ended 31 December 2018, the Group has not paid any amount to the insurer for this concept (Euro 30 thousand at 30 September 2018).

(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 16) include a liability accrued for this item at 31 December and 30 September 2018, 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 31 December and 30 September 2018 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 balance sheet at 31 December include Euro 3,799 thousand (Euro 3,709 thousand at 30 September 2018) and Euro 5,295 thousand (Euro 5,222 thousand at 30 September 2018), respectively, in connection with this subgroup's obligations in this connection.

c) Long-term incentive plan

In April 2016, prior to the Initial Public Offer, the Offer for Sale and the Admission to Trading (see note 1), the Single Shareholder Centaur Nederland, B.V., approved, for several Senior Executives of the Group and Board Directors of the Company, the implementation of a 2016-2020 long term incentive plan payable by way of Parent Company shares.

This Plan consists of two share delivery cycles, each with a measurement period of three years. At the start of each cycle, a number of shares is allocated to each beneficiary on the basis of his salary level, as well as the estimated compliance with conditions of permanence and estimated degree of achievement of certain financial targets. The first cycle (Cycle 2016/2019) began on 1 May 2016 (valuation date) and the second cycle (Cycle 2017/2020) began on 1 January 2017.

For the 2016/2019 Cycle, the Group has estimated a 100% compliance with the terms and conditions and, at the measurement date, it estimated that a total of 204,573 shares, with a weighted average fair value of Euro 14,75 per share, are to be delivered to Board Directors and executives. This fair value was determined on the basis of the trading price of the Company shares on the valuation date. At 31 December 2018, the Company re-estimated compliance with the terms and conditions for both cycles, resulting in 0% compliance for employees and management subjected to the Plan. For some Board Directors who benefit from the restricted stock unit’s incentive, the compliance is a 100% given that their objectives are not subject to a degree of compliance but to the mere acceptance of the position as Board Director.

The impact of this plan for the three-month period ended 31 December 2018 resulted in the recognition of an expense totalling Euro 94 thousand corresponding to the Board Director (expense of Euro 375 thousand at 30 September 2018), under the heading "Personnel expenses" of the income statement. The balancing entry has been recognised under other equity instruments (see note 13 (e)).

(22) Related Party Balances and Transactions

a) Related party balances and transactions

At the three-month period ended on 31 December and the year ended on 30 September 2018, balances and transactions with related parties only reflect the remuneration paid to Group Board Directors and senior management personnel.

b) Information on Board Directors of the Parent Company and Senior Executive personnel

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 the three-month period ended on 31 December and the year ended on 30 September 2018, is as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Fixed remuneration	442	1,449
Variable remuneration	72	108
Compensation	750	-
Other	127	10
	1,391	1,567

In relation to the previous remuneration, Euro 1,148 and 718 thousand for the three-month period ended on 31 December and the year ended on 30 September 2018, respectively, correspond to those received by members of Senior Management.

The remuneration received for the period ended 31 December and 30 September 2018, 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 Euro	
	31.12.2018	**30.09.2018**
Salaries and wages	569	1,989
Compensation	514	200
Insurance premiums	3	12
	1,086	**2,201**

At 31 December and 30 September 2018, the Company has no outstanding balances with the Board Directors nor Senior Management. At 31 December and 30 September 2018, the Company has not extended any advances to the Board 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 21.

The amount of the civil liability insurance of the Board Directors and Senior Management paid by the Company amounts to Euro 15 thousand for the three-month period ended on 31 December and Euro 64 thousand for the year ended on 30 September 2018.

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

At 31 December and 30 September 2018, the Parent's Board 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 Board Directors

The Board 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.

(23) Risk policy and management

Management of the risks to which the Group is exposed in the performance of its activities is one of the basic pillars of its effort to preserve the value of its assets and, consequently, the value of shareholders' investment. The risk management system is structured and defined for the achievement of the strategic and operational objectives of the Group.

The management of the Group's financial risk is centralised in the Corporate Financial Department. This Department has established the necessary mechanisms to control, according to the structure and financial position of the Group and the economic variables of the environment, the exposure to the changes in interest and currency rates, as well as the risks of credit and liquidity by resorting, if necessary, to occasional hedge transactions and establishing, if deemed necessary, the pertaining 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 of the 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.

For the three-month period ended 31 December 2018, 65% of revenues were generated in Euro and 31% in US dollars (56% and 35%, respectively, for the year ended 31 September 2018). 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 shows the impact that a movement of 5%-10% in US dollar value would have had on the consolidated P&L of the year:

	Millions of Euro	
	Result – (Expense) / Income	
	31.12.2018	**30.09.2018**
Appreciation of 5%	(0.8)	(0.4)
As % of consolidated result for the year	*1.9%*	(3.1%)
Devaluation of 5%	0.8	0.4
As % of consolidated result for the year	*(1.7%)*	2.8%
Appreciation of 10%	(1.8)	(0.8)
As % of consolidated result for the year	*4.1%*	(6.4%)
Devaluation of 10%	1.5	0.7
As % of consolidated result for the year	*(3.3%)*	5.3%

Credit risk

The main financial assets of the Group are cash and cash equivalents as well as trade and non-trade debtor. Generally, the Group deposits its cash and cash equivalents with a highly rated entity.

The Group does not have a significant concentration of credit risk with third parties since most of its revenue is paid in cash and the risk is distributed among a large number of customers with short collection periods. 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 31 December and 30 September 2018. The accompanying tables reflect the analysis of the maturities of financial assets at 31 December and 30 September 2018, was as follows:

	31.12.2018			
	Thousands of Euro			
	Less than 3 months	More than 6 months and less than 1 year	More than 1 year	Total
Non-current deposits and guarantees arranged	-	-	1,296	1,296
Trade debtors and other accounts receivable	24,378	-	-	24,378
	24,378	**-**	**1,296**	**25,674**

	30.09.2018			
	Thousands of Euro			
	Less than 3 months	More than 6 months and less than 1 year	More than 1 year	Total
Non-current deposits and guarantees arranged	-	-	1,368	1,368
Trade debtors and other accounts receivable	43,859	-	-	43,859
	43,859	**-**	**1,368**	**45,227**

Liquidity risk

The various acquisitions that have taken place in recent years have been carried out through appropriate financing 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 Financial Department performs a detailed monitoring of compliance with these commitments, in order to detect any potential risk of default thereof well in advance. In the event of such a risk being detected, the General Management is notified so that the appropriate decisions to correct the situation may be taken. As of 31 December and 30 September 2018, the Group has not identified any breach of the financial ratios committed with the financial entities with which the loans have been subscribed.

The 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 31 December and 30 September 2018 is shown below. These tables present an analysis of financial liabilities (including interest payable in the future) by remaining contractual maturity dates.

	31.12.2018					
	Thousands of Euro					
	Less than 1 month	From 2 to 3 months	From 4 months to 1 year	From 2 to 5 years	More than five years	Total
Financial liabilities with credit institutions						
Syndicated loan at floating interest rate	-	-	38,291	570,009	-	608,300
Revolving credit facility	-	-	-	63,738	-	63,738
Other loans at floating interest rate	-	-	1,181	3,543	-	4,724
Other loans at fixed interest rate	-	-	1,160	4,469	2,914	8,543
Financial lease creditors	-	-	20,514	100,525	481,388	602,427
Trade creditors and other accounts payable	-	43,531	-	-	-	43,531
	-	**43,531**	**61,146**	**742,284**	**484,302**	**1,331,263**

	30.09.2018					
	Thousands of Euro					
	Less than 1 month	From 2 to 3 months	From 4 months to 1 year	From 2 to 5 years	More than five years	Total
Financial liabilities with credit institutions						
Syndicated loan at floating interest rate	-	-	38,218	561,962	-	600,180
Other loans at floating interest rate	-	-	1,181	4,134	-	5,315
Other loans at fixed interest rate	-	-	1,153	4,443	3,125	8,721
Financial lease creditors	-	-	16,757	96,329	474,244	587,330
Trade creditors and other accounts payable	-	69,328	-	-	-	69,328
	-	**69,328**	**57,309**	**666,868**	**477,369**	**1,270,874**

Also, as detailed in note 14 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 31 December 2018.

Interest rate risk

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

In accordance with the reporting requirements of IFRS 7, the Group has performed sensitivity analysis on the possible interest rate fluctuations that might occur in the markets in which it operates. Based on such requirements, the Group estimates that an increase of 0,50 points in the reference interest rates of the syndicated loan would imply an increase in the financial expenses thereof of Euro 841 thousand for the three-month period ended 31 December 2018 (Euro 2,139 thousand for the year ended 30 September 2018). As mentioned note 15, the Group has interest rate swaps designed to mitigate the risk of fluctuations in the interest rate of this syndicated loan at 31 December 2018.

Operating risk – Brexit

Following the outcome of the referendum in the United Kingdom in favour of its exit from the European Union (Brexit) which final terms are pending of negotiation between the British Government and the European Union, the Group has analysed the possible impact that this situation could have on its results and has concluded that this will not be significant since the weight of the income in the total of the Group does not exceed 2%. In addition, from the operational point of view, the number of visitors should not be affected in a relevant way since these, fundamentally, are made up of residents of the country.

(24) 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 three-month period ended 31 December 2018 and the year ended 30 September 2018, the fees and expenses for which are as follows:

	31.12.2018			
	Thousands of Euro			
	KPMG Auditores, S.L.	**Other entities affiliated with KPMG International**	**Other auditors**	**Total**
Audit and other assurance services	228	373	43	644
Other services	-	15	-	15
	228	**388**	43	**659**

	30.09.2018			
	Thousands of Euro			
	KPMG Auditores, S.L.	**Other entities affiliated with KPMG International**	**Other auditors**	**Total**
Audit	278	530	46	854
Other assurance services	87	51	-	138
Other services	2	11	-	13
	367	**592**	46	**1,005**

Other services correspond, in the three-month period ended 31 December 2018, to the external verification service of the Non-Financial Information State included in the consolidated management report of the Group of which the Company is headquartered, as required by Law 11 / 2018, of 28 December, regarding non-financial information and diversity.

The amounts detailed in the above table include the total fees for the three-month period ended 31 December 2018 and year ended 30 September 2018, irrespective of the date of invoice.

(25) Subsequent Events

On 8 January 2019, the Parent Company formalized the extension of the syndicated loan mentioned in Note 14 in an amount of Euro 300,000 thousand. This increase has generated an additional section (section B3) in said syndicated loan and has been granted under the same conditions of interest rate and maturity to the existing section B2. The aforementioned expansion has been used to finance the acquisition, completed on 16 January 2019, of the new covered water park "Tropical Islands" located in Germany. The Group Management consider that such financing will not have a significant effect on compliance with the covenant mentioned in note 14.

On 28 January 2019, the Board of Directors approved, at the proposal of the Appointments and Remuneration Committee, the appointment of José Díaz as the new CEO of Parques Reunidos.

On 30 January 2019, after compliance with the condition’s precedent established in the asset purchase agreement dated 24 July 2018, Nature Park GmbH acquired all the assets of the company Vogelpark Walsrode GmbH related to the bird park largest in the world, Vogelpark Walsrode.

On 14 February 2019, the Group has concluded the accounting for the business combination for the acquisition of Event Park GmbH, there being no differences with the breakdown in note 5 of these consolidated annual accounts. Also, as mentioned in note 18, dated 5 February 2019, the company has received notification of commencement of inspection actions in relation to Income Tax and VAT for the years 2013-2016. In addition, on the same date, this company has received notice of commencement of inspection actions in the field of Social Security and pension plans. Given the preliminary status of the actions, it is not possible to estimate the existence or not of future impacts that could result from these inspections. As of this date, it is not considered that significant impacts can be derived on the Group's financial statements derived from the outcome of said proceedings.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Details of Subsidiaries at 31 December 2018

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euro			
					Assets	Liabilities	Equity	Profit/(loss)
Parque de Atracciones Madrid, S.A.U.	(2)	KPMG	Amusement park	100%	1,511,229	1,923,152	(411,923)	(26,990)
Zoos Ibéricos, S.A.	(2)	KPMG	Zoo	100%	68,035	5,414	62,621	134
Leisure Parks, S.A.	(3)	KPMG	Water parks and cable cars	99,25%	96,304	22,220	74,084	(1,524)
Parques de la Naturaleza Selwo, S.L.	(3)	KPMG	Nature parks, botanical gardens and zoos	100%	11,846	29,662	(17,816)	(106)
Aquopolis Cartaya, S.L.U.	(3)	Unaudited	Water park	100%	2,203	851	1,352	(97)
Parque de Atracciones San Fernando de Henares, S.L.U.	(3)	Unaudited	Water park	100%	1,690	3,367	(1,677)	(179)
Madrid Theme Park Management, S.L.U.	(3)	KPMG	Amusement park	100%	133,178	81,964	51,214	(775)
Travelpark Viajes, S.L.U.	(3)	Unaudited	Bookings	100%	3,089	1,694	1,395	23
Parque Biológico de Madrid, S.A.U.	(3)	Unaudited	Nature parks, botanical gardens and zoos	100%	14,560	5,144	9,416	(5)
Parques Reunidos Valencia, S.A. en liquidación	Valencia	KPMG	In liquidation	100%	3,130	42	3,088	(23)
Gestión Parque de Animales Madrid, S.L.U.	(3)	KPMG	Management of Faunia	100%	8,615	7,291	1,324	(387)
Mall Entertainment Centre Murcia, S.L.U.	(3)	Unaudited	Theme park	100%	2,460	9,256	(6,796)	(5,766)
Mall Entertainment Centre Acuario Arroyomolinos, S.L.U.	(3)	Unaudited	Aquarium	100%	21,517	21,831	(314)	(228)
Mall Entertainment Centre Temático Arroyomolinos, S.L.U.	(3)	Unaudited	Theme Park	100%	14,532	14,622	(90)	(148)
Indoor Entertainment Centre Príncipe Pío, S.L.U.	Madrid	Unaudited	Without activity	100%	600	531	69	(1)
Parques Reunidos Atlántica, S.L.U.	Madrid	Unaudited	Without activity	100%	3	2	1	-
Lisbon Theme Mall Entertainment Centre, Unipessoal, LDA.	Portugal	Unaudited	Without activity	100%	4,109	4,074	35	(8)
Bobbejaanland B.V.B.A.	Belgium	KPMG	Amusement park	100%	202,673	104,950	97,723	(629)
Travel parks B.V.B.A.	Belgium	Unaudited	Bookings	100%	35	4	31	(3)
BO Sommarland AS	Norway	KPMG	Water park	100%	3,777	2,056	1,721	(292)
Tusenfryd AS	Norway	KPMG	Amusement park	100%	32,373	29,817	2,556	(2,446)
Parkferie AS	Norway	Unaudited	Bookings	100%	45	35	10	(2)
Centaur Holding France 1 S.A.	France	Unaudited	Holding company	100%	176,558	102,445	74,113	(682)
Centaur Holding France 2 S.A.	France	Unaudited	Holding company	100%	131,790	125	131,665	(11)
Delphinus S.A.	France	Unaudited	Holding company	100%	26,731	5,667	21,064	(11)
Marineland S.A.S.	France	KPMG	Marine park	100%	51,989	28,662	23,327	(4,148)
SCI Col Vert	France	Unaudited	Land owner	100%	2,690	2,688	2	1
LB Investissement S.A.	France	KPMG	Water park	100%	2,325	4,115	(1,790)	(394)
Travel parks S.A.S.	France	Unaudited	Bookings	100%	113	1,066	(953)	(23)
Marineland Resort, S.A.S.	France	Unaudited	Hotel management	100%	10,317	8,337	1,980	(354)
Centaur Holding Italy S.r.l.	Italy	Unaudited	Holding company	100%	156,490	65,337	91,153	(619)

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Details of Subsidiaries at 31 December 2018

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euro			
					Assets	Liabilities	Equity	Profit/(loss)
Parco della Standiana S.r.l.	Italy	KPMG (8)	Amusement park	100%	96,984	23,453	73,531	(2,228)
Travelmix S.r.l.	Italy	KPMG (8)	Bookings	100%	1,168	740	428	(109)
Travelparks Italy S.r.l.	Italy	Unaudited	Bookings	100%	129	16	113	9
Grant Leisure Group Limited	United Kingdom	KPMG	Zoo	100%	14,918	2,502	12,416	(5)
Real Live Leisure Company Limited	United Kingdom	KPMG	Aquarium	100%	5,535	976	4,559	(203)
Lakeside Mall Entertainment Centre Limited	United Kingdom	KPMG	Without activity	100%	5,432	5,452	(20)	(17)
Bon-Bon Land A/S	Denmark	KPMG	Amusement park	100%	16,812	1,464	15,348	(732)
Centaur Holding Denmark A/S	Denmark	Unaudited	Holding company	100%	34,299	107	34,192	(4)
BonBon Rejser Danmark A/S	Denmark	Unaudited	Bookings	100%	96	13	83	(5)
Centaur Nederland 2 B.V.	Netherlands	Unaudited	Holding company	100%	349,050	136,130	212,920	(548)
Centaur Holding Germany, GmbH.	Germany	Unaudited	Holding company	100%	35,742	40,698	(4,956)	(1,451)
Movie Park Germany GmbH	Germany	KPMG	Theme park	100%	31,334	15,863	15,471	2,047
Movie Park Germany Services GmbH.	Germany	Unaudited	Bookings	100%	484	433	51	-
Event Park GmbH	Germany	BDO	Amusement park	100%	12,087	7,307	4,780	(452)
Nature Park Germany GmbH	Germany	Unaudited	Without activity	100%	29	1	28	-
Centaur Nederland 3.B.V.	Netherlands	Unaudited	Holding company	100%	302,146	298	301,848	(6)
Pleasantville, B.V y sociedades dependientes (4)	Netherlands	BDO	(5)	100%	42,572	35,386	7,186	(1,164)
Centaur Holding US Inc. y sociedades dependientes (6)	United States	KPMG	(7)	100%	730,014	512,847	217,167	(17,222)

(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) Paseo de la Castellana 216, planta 16, 28046, Madrid.

(4) 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.), and Slagharen Crew B.V.

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

(6) 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 y Attractions Hawaii, LP.

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

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

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Details of Subsidiaries
30 September 2018

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euro			
					Assets	Liabilities	Equity	Profit/(loss)
Parque de Atracciones Madrid. S.A.U.	(2)	KPMG	Amusement park	100%	1,568,801	1,953,734	(384,933)	(86,146)
Zoos Ibéricos. S.A.	(2)	KPMG	Zoo	100%	69,412	6,605	62,807	2,790
Leisure Parks. S.A.	(3)	KPMG	Water parks and cable cars	99,25%	98,717	23,109	75,608	5,864
Parques de la Naturaleza Selwo. S.L.	(3)	KPMG	Nature parks, botanical gardens and zoos	100%	13,091	30,801	(17,710)	1,625
Aquopolis Cartaya. S.L.U.	(3)	Unaudited	Water park	100%	2,316	867	1,449	(18)
Parque de Atracciones San Fernando de Henares. S.L.U.	(3)	Unaudited	Water park	100%	2,232	3,730	(1,498)	(430)
Madrid Theme Park Management. S.L.U.	(3)	KPMG	Amusement park	100%	139,523	87,534	51,989	9,641
Travelpark Viajes. S.L.U.	(3)	Unaudited	Bookings	100%	3,023	1,651	1,372	151
Parque Biológico de Madrid. S.A.U.	(3)	Unaudited	Nature parks, botanical gardens and zoos	100%	15,378	5,957	9,421	(201)
Parques Reunidos Valencia. S.A. in liquidation	Valencia	KPMG	In liquidation	100%	3,446	335	3,111	621
Gestión Parque de Animales Madrid. S.L.U.	(3)	KPMG	Management of Faunia	100%	7,938	6,227	1,711	321
Mall Entertainment Centre Murcia. S.L.U.	(3)	Unaudited	Dormant company	100%	9,959	10,989	(1,030)	(1,082)
Mall Entertainment Centre Acuario Arroyomolinos. S.L.U.	(3)	Unaudited	Dormant company (9)	100%	19,751	19,837	(86)	(156)
Mall Entertainment Centre Temático Arroyomolinos. S.L.U.	(3)	Unaudited	Dormant company (9)	100%	5,478	5,421	57	(14)
Lisbon Theme Mall Entertainment Centre. Unipessoal. LDA.	Portugal	Unaudited	Dormant company (9)	100%	1,632	1,589	43	(19)
Plunimar. S.A.	Argentina	KPMG	Water park	100%	554	954	(400)	(782)
Bobbejaanland B.V.B.A.	Belgium	KPMG	Amusement park	100%	203,805	105,453	98,352	1,718
Travel parks B.V.B.A.	Belgium	Unaudited	Bookings	100%	72	39	33	(16)
BO Sommarland AS	Norway	KPMG	Water park	100%	3,418	1,360	2,058	1,176
Tusenfryd AS	Norway	KPMG	Amusement park	100%	34,879	29,566	5,313	3,146
Parkferie AS	Norway	Unaudited	Bookings	100%	100	87	13	(10)
Centaur Holding France 1 S.A.	France	Unaudited	Holding company	100%	176,573	101,778	74,795	(2,619)
Centaur Holding France 2 S.A.	France	Unaudited	Holding company	100%	131,795	119	131,676	(21)
Delphinus S.A.	France	Unaudited	Holding company	100%	26,411	5,336	21,075	(29)
Marineland S.A.S.	France	KPMG	Marine park	100%	58,729	31,255	27,474	(4,566)
SCI Col Vert	France	Unaudited	Land owner	100%	2,674	2,649	25	24
LB Investissement S.A.	France	KPMG	Water park	100%	2,514	3,910	(1,396)	(526)
Travel parks S.A.S.	France	Unaudited	Bookings	100%	157	1,086	(929)	(493)
Marineland Resort. S.A.S.	France	Unaudited	Hotel management	100%	11,228	8,895	2,333	(723)
Centaur Holding Italy S.r.l.	Italy	Unaudited	Holding company	100%	157,162	65,390	91,772	(1,312)
Parco della Standiana S.r.l.	Italy	KPMG (8)	Amusement park	100%	92,320	16,561	75,759	3,121

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Details of Subsidiaries
30 September 2018

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euro			
					Assets	Liabilities	Equity	Profit/(loss)
Travelmix S.r.l.	Italy	KPMG (8)	Bookings	100%	1,861	1,324	537	9
Travelparks Italy S.r.l.	Italy	Unaudited	Bookings	100%	117	12	104	43
Grant Leisure Group Limited	United Kingdom	KPMG	Zoo	100%	15,932	3,397	12,535	2,204
Real Live Leisure Company Limited	United Kingdom	KPMG	Aquariums	100%	6,179	1,372	4,808	503
Lakeside Mall Entertainment Centre Limited	United Kingdom	KPMG	(9)	100%	1,753	1,756	(4)	(4)
Bon-Bon Land A/S	Denmark	KPMG	Amusement park	100%	18,114	2,015	16,099	(425)
Centaur Holding Denmark A/S	Denmark	Unaudited	Holding company	100%	34,341	104	34,237	(10)
BonBon Rejser Danmark A/S	Denmark	Unaudited	Bookings	100%	163	75	89	(17)
Centaur Nederland 2 B.V.	Netherlands	Unaudited	Holding company	100%	354,319	140,852	213,468	18
Centaur Holding Germany. GmbH.	Germany	Unaudited	Holding company	100%	35,870	39,375	(3,505)	(688)
Movie Park Germany GmbH	Germany	KPMG	Theme park	100%	32,751	19,327	13,424	4,515
Movie Park Germany Services GmbH.	Germany	Unaudited	Bookings	100%	1,192	1,141	51	0
Centaur Nederland 3.B.V.	Netherlands	Unaudited	Holding company	100%	302,148	294	301,854	(31)
Pleasantville. B.V and subsidiaries (4)	Netherlands	BDO	(5)	100%	43,658	35,308	8,350	3,292
Centaur Holding US Inc. and subsidiaries (6)	United States	KPMG	(7)	100%	525,728	293,957	231,771	15,164

(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.

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(3) Paseo de la Castellana 216, planta 16, 28046, Madrid.

(4) 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.), and Slagharen Crew B.V.

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

(6) 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 y Attractions Hawaii, LP.

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

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

(9) Incorporation in the consolidated Group for the year ended 31 December 2018.

This appendix forms an integral part of note 1 to the consolidated financial statements for the three-months period ended at 31 December 2018, in conjunction with which it should be read.

Appendix II

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Segment Reporting
at 31 December and 30 September 2018

	Thousands of Euro									
	United States		Spain		Rest of the world		Head Office – Non-Operating		Total	
	31.12.2018	**30.09.2018**	**31.12.2018**	**30.09.2018**	**31.12.2018**	**30.09.2018**	**31.12.2018**	**30.09.2018**	**31.12.2018**	**30.09.2018**
Ordinary income	23,663	205,299	21,123	144,501	30,003	223,202	2,066	10,087	76,855	583,089
Supplies	(2,185)	(18,065)	(2,516)	(16,617)	(3,980)	(31,208)	(88)	(158)	(8,769)	(66,048)
Fixed expenses (a)	(26,550)	(117,719)	(13,981)	(66,813)	(30,084)	(120,225)	(7,365)	(28,344)	(77,980)	(333,101)
Amortisation and depreciation (b)	(6,833)	(50,101)	(4,581)	(3,641)	(5,980)	(28,619)	(17,810)	(29,318)	(35,204)	(111,679)
Variation in trade provisions	(243)	(8)	23	(1,827)	(1,288)	(610)	380	85	(1,128)	(2,360)
Other results	-	100	-	(977)	-	(2,940)	-	(4,197)	-	(8,014)
Profit / (loss) from the sale of subsidiaries	-	-	-	-	895	-	-	-	895	-
Operating profit / (loss)	**(12,148)**	**19,506**	**68**	**54,626**	**(10,434)**	**39,600**	**(22,817)**	**(51,845)**	**(45,331)**	**61,887**
Net financial expenses (c)	(1,744)	(7,246)	(937)	(5,503)	(4,447)	(13,861)	(5,948)	(18,675)	(13,076)	(45,285)
Pre-tax Profit / (Loss)	**(13,892)**	**12,260**	**(869)**	**49,123**	**(14,881)**	**25,739**	**(28,765)**	**(70,520)**	**(58,407)**	**16,602**
Income Tax	122	338	7,757	18,375	455	(6,971)	4,291	(16,192)	12,625	(4,450)
Profit / (loss) for the year	**(13,770)**	**12,598**	**6,888**	**67,498**	**(14,426)**	**18,768**	**(24,474)**	**(86,712)**	**(45,782)**	**12,152**
Non-controlling interests	-	-	(14)	44	-	-	-	-	(14)	44
Profit / (loss) for the year attributable to the shareholders of the Parent Company	**(13,770)**	**13,598**	**6,902**	**67,454**	**(14,426)**	**18,768**	**(24,474)**	**(86,712)**	**(45,768)**	**12,108**
Additions to PPE and intangible assets	6,001	46,528	2,259	34,674	10,462	45,342	11,136	4,977	29,858	131,521
Amortisation and depreciation (c)	(6,833)	(50,101)	(4,581)	(3,641)	(5,980)	(28,619)	(17,810)	(29,318)	(35,204)	(111,679)
Total assets	728,288	674,280	731,688	753,830	684,392	699,172	159,103	140,787	2,303,471	2,268,069
Total liabilities	94,753	168,727	235,866	248,810	88,075	91,455	829,055	663,596	1,247,749	1,172,588

(a) Includes the headings "Employee remuneration expenses" and "Other operating costs" in the consolidated income statement.
(b) Includes the headings "Amortisation expenses" and "Net impairment losses and disposal of non-current assets" in the consolidated income statement.
(c) Includes the headings "Financial Income", "Financial Expenses" and "Exchange differences" in the consolidated income statement.

This appendix forms an integral part of note 4 (u) to the consolidated financial statements for the three-months period ended at 31 December 2018, in conjunction with which it should be read.

Appendix III

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Detail of concession arrangements
At 31 December and 30 September 2018

Name of the park	Type of deed	Owner of contract	Owner of good	Term	Review of prices and rates	Early cancellation	Fee/revenues and review thereof	Reversion of installations
PARQUE DE ATRACCIONES DE MADRID	Public concession	PARQUE DE ATRACCIONES MADRID, S.A.U.	Municipal government of Madrid	Term ends: 5 October 2026.	Access rates are approved annually by the municipal government of Madrid. Increases in line with CPI are envisaged.	Early cancellation is envisaged in cases of (i) essential non-compliance by the concessionaire; (ii) bankruptcy of the concessionaire; (iii) destruction; (iv) mutual agreement; (v) abandonment; and (vi) withdrawal (bailout), in which case the indemnity is subject to the general framework.	Euro 0.138 per visitor (with a guaranteed minimum equal to 2,500,000 visitors). The fee for 2018 amounted to Euro 339,471.	The installations will revert to the council when the concession expires.
AQUÓPOLIS TORREVIEJA	"Lease agreement for the Hoya Grande estate". Lease agreement relating to a private property.	LEISURE PARKS, S.A.	Municipal government of Torrevieja	Term ends: 20 February 2032.	LEISURE PARKS is free to set the prices to access the park and the rest of services.	No clause is envisaged concerning early cancellation, and the agreement is subject to the general framework for contracts.	Euro 54,555 per year, reviewed in line with the CPI (last available revenue paid: Euro 58,565) until 20 February 2017. From that date on, the annual fee totals Euro 254,092 updated in line with CPI.	The installations will revert to the council when the concession expires.
AQUOPOLIS SEVILLA	"25-year administrative concession for the use of the site and facilities of Parque Acuático de Sevilla, owned by the municipality". Concession for the private use of a public good.	LEISURE PARKS, S.A.	Municipal government of Seville	Term ends: 18 May 2020.	LEISURE PARKS is free to set the prices to access the park and the rest of services, but these may not exceed the normal rates for this kind of establishment.	Early cancellation is envisaged in cases of (i) non-compliance by the concessionaire; (ii) mutual agreement; (iii) destruction of the facilities; (iv) abandonment or withdrawal by the concessionaire; and (v) inactivity of the facilities for a period of one year. No specific indemnities or penalties are established, except for compensation in the event of a new adjudication before the term ends.	Euro 31,200 per year reviewed in line with the CPI (last fee paid: Euro 53,405).	The installations will revert to the council when the concession expires.
AQUOPOLIS COSTA DORADA	"Agreement to build and operate under administrative	LEISURE PARKS, S.A.	Municipal government of Vila-Seca	Term ends: 31 December 2021.	The rates must be approved by the municipal government. Increases in	The municipal government is entitled to bail out from the concession early if this is justified by the public interest,	In 1998 a fee of Euro 102,000 per year was established, which was to be reviewed in	The installations will revert to the council when the

Appendix III

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Detail of concession arrangements
At 31 December and 30 September 2018

	concession a water park in Vila Seca i Salou". Administrative concession of works and services.				line with CPI are envisaged.	most notably for reasons of urban planning. The concessionaire will be duly compensated in accordance with the general framework, except in the case of fraud or criminal liability by the concessionaire.	line with the CPI (last fee paid: Euro 196,145).	concession expires.
AQUOPOLIS CARTAYA	"Administrative agreement for the installation of a 'water park' with sundry facilities (restaurant, etc.), and subsequent operation of the 'Malpica' site, in the adjacent common lot known as 'Playas de Cartaya'"	AQUOPOLIS CARTAYA, S.L.U.	Municipal government of Cartaya	Term ends: 15 March 2024.	No framework is specified.	The potential for bailout is provided in the event of non-compliance by the concessionaire; withdrawal of the concessionaire; the property ceases to be included in the public domain and for reasons of the public interest. The concessionaire will be compensated—where applicable—in accordance with the general framework.	Euro 12,000 per year reviewed in line with the CPI (latest fee paid: Euro 20,335).	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	"Assignment of use of a municipal site". This is a contract for the usage of a site owned by the municipality.	PARQUE DE ATRACCIONES SAN FERNANDO DE HENARES, S.L.U.	Municipal government of San Fernando de Henares	Term ends: 23 November 2019.	No specific restrictions are established for the contractor in relation to access rates.	Early termination is specifically provided in the event the fee is not paid for four months, or by mutual agreement or due to abandonment of the site.	Annual minimum of Euro 24,000 plus a variable fee in line with ticket office revenues. (latest fee paid: Euro 24,040).	The installations will revert to the council when the concession expires.

Appendix III

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Detail of concession arrangements
At 31 December and 30 September 2018

AQUOPOLIS VILLANUEVA DE LA CAÑADA	Right of surface occupation	LEISURE PARKS, S.A.	Municipal government of Villanueva de la Cañada	Term ends: 23 July 2026. On 14 February 2019, the extensión was approved by the Municipal Plenary until 23 July 2041. Pending of formalization.	No framework is specified.	Envisaged in the event of non-compliance by superficiary.	Euro 50,000 per year reviewed in line with CPI (latest fee paid: Euro 55,348).	The installations will revert to the council when the surface right expires.
ZOO-AQUARIUM DE MADRID	"Concession for the construction, maintenance and operation of a zoo in Madrid's Casa de Campo". Public concession.	ZOOS IBÉRICOS, S.A.	Municipal government of Madrid	Term ends: 18 April 2034.	The rates must be approved annually by the municipal government. Updates in line with CPI are envisaged.	Early cancellation is envisaged in cases of (i) essential non-compliance by the concessionaire; (ii) bankruptcy of the concessionaire; (iii) destruction; (iv) mutual agreement; (v) abandonment; and (vi) withdrawal (bailout), in which case the indemnity is subject to the general framework.	Euro 25,000 per year + 45,000 tickets per year. Paid in 2018: Euro 25,000.	The installations will revert to the council when the concession expires.
AQUOPOLIS CULLERA	"Lease agreement for municipal land to build and install a sports, water and amusement park"	LEISURE PARKS, S.A.	Municipal government of Cullera	Term ends: 31 December 2033.	No framework is specified,	Provision for termination in case of essential and continual non-compliance by the concessionaire,	Euro 3,000 per year reviewed in line with the CPI (latest fee paid: Euro 7,632),	The installations will revert to the council when the concession expires,
FAUNIA	"Concession for the use of the site known as 'Parque Biológico' in Plan Especial Norte, PAU,-4, Valdebernardo, Madrid".	PARQUE BIOLÓGICO DE MADRID, S.A.	Department of the Environment, Madrid regional government	Term ends: 22 July 2048.	No specific restriction is established for the concessionaire when it comes to setting access rates and service prices,	Envisaged in the event of non-compliance by concessionaire, while no cause is specified, in the event of it being terminated early due to causes imputable to the Administration, the concessionaire will be entitled to receive compensation (in	Last amount paid: Euro 1,049,866 (reviewable annually in line with CPI),	The installations will revert to the Madrid city council when the concession ends,

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Detail of concession arrangements
At 31 December and 30 September 2018

	Administrative concession of a public good.					accordance with the general framework),		
SELWO AVENTURA	"Agreement for the creation, installation and operation of an integrated park and establishment of right of surface occupation". Right of surface occupation	PARQUES DE LA NATURALEZA SELWO, S.L.	Municipal government of Estepona	Term ends: 08 February 2072.	No specific restriction is established for the concessionaire when it comes to setting access rates and service prices.	Due to non-compliance by the superficiary, especially in the event the park remains closed for six months.	Last amount paid: Euro 85,825 (to be reviewed annually in line with CPI+1%).	The installations will revert to Estepona municipal council.
SELWO MARINA	"Construction, execution of works and operation of a nature park in Benalmádena, and to operate the Benalmádena-Calamorro public transport cable car under a lease". Right of surface occupation	LEISURE PARKS, S.A.	Municipal government of Benalmádena	Term ends: 27 June 2075.	No specific restriction is established for the superficiary when it comes to setting access rates and service prices,	No framework is specified, so the general framework applies,	Latest fee paid: Euro 88,133), Fixed amount with a 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 nature park in Benalmádena, and to operate the Benalmádena-Calamorro public transport cable car under a lease". Public service lease.	LEISURE PARKS, S.A.	Municipal government of Benalmádena	Term ends: 27 June 2075.	Access rates for the cable car must be approved by the municipal government, Authorisation must be requested for any modification other than an increase in line with CPI.	No framework is specified, so the general framework applies.	Latest fee paid: Euro 172,265), Fixed amount with a fixed annual increase of 2,5%.	The installations will revert to Benalmádena municipal council.

This appendix forms an integral part of note 9 (a) to the consolidated financial statements for the three-months period ended at 31 December 2018, in conjunction with which it should be read.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Financial Liabilities by category at 31 December and 30 September 2018

	Thousands of Euro							
	31.12.2018							
	Non-current				Current			
	At amortised cost or cost				At amortised cost or cost			
	Book value	Fair Value	At fair value	Total	Net book value	Fair Value	At fair value	Total
Bank borrowings								
Floating rate								
Syndicated loan	526,755	608,014	-	526,755	22,902	26,435	-	22,902
(Arrangement expenses pending amortisation)	(5,844)	(5,844)	-	(5,844)	-	-	-	-
Other bank borrowings	10,926	10,926	-	10,926	86,818	86,818	-	86,818
IFRS 9 Adjustment	(4,000)	(4,000)	-	(4,000)	(2,500)	(2,500)	-	(2,500)
	527,837	609,096	-	527,837	107,220	110,753	-	107,220
Finance lease payables (see Note 9)	270,619	282,153	-	270,619	20,514	21,870	-	20,514
Other financial liabilities	14,772	14,772	-	14,772	24,958	24,961	-	24,958
	285,391	84,548	-	285,391	45,472	46,831	-	45,472
Trade and other accounts payable (see Note 17)								
Suppliers	-	-	-	-	43,531	43,531	-	43,531
Other accounts payable	-	-	-	-	44,515	44,515	-	44,515
	-	-	-	-	88,046	88,046	-	88,046
Hedge derivatives (Note 15)								
Arranged in non-organised markets	-	-	-	-	-	-	270	270
	-	-	-	-	-	-	270	270
Total financial liabilities	**813,228**	**906,021**	**-**	**813,228**	**240,738**	**245,630**	**270**	**241,008**

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Financial Liabilities by category at 31 December and 30 September 2018

	Thousands of Euro 30.09.2018							
	Non-current				Current			
	At amortised cost or cost				At amortised cost or cost			
	Book value	Fair Value	At fair value	Total	Net book value	Fair Value	At fair value	Total
Bank borrowings								
Floating rate								
Syndicated loan	523,867	559,809	-	523,867	22,777	24,340	-	22,777
(Arrangement expenses pending amortisation)	(6,145)	(6,145)	-	(6,145)	-	-	-	-
Other bank borrowings	11,703	11,703	-	11,703	10,451	10,451	-	10,451
	529,425	565,367	-	529,425	33,228	34,792	-	33,228
Finance lease payables (see Note 9)	237,573	250,845	-	237,573	16,757	18,114	-	16,757
Other financial liabilities	3,802	3,802	-	3,802	14,738	14,738	-	14,738
	241,375	254,647	-	241,375	31,495	32,852	-	31,495
Trade and other accounts payable (see Note 17)								
Suppliers					69,328	69,328	-	69,328
Other accounts payable	-	-	-	-	56,169	56,169	-	56,169
	-	-	-	-	125,497	125,497	-	125,497
Hedge derivatives (Note 15)								
Arranged in non-organised markets	-	-	-	-	-	-	259	259
	-	-	-	-	-	-	259	259
Total financial liabilities	**770,800**	**820,014**	**-**	**770,800**	**190,220**	**193,140**	**259**	**190,479**

This appendix forms an integral part of note 14 to the consolidated financial statements for the three-months period ended at 31 December 2018, in conjunction with which it should be read.

1. Business performance and situation of the Group

The Group's main financial figures are presented below, adjusted for comparable exchange rates so as to eliminate any effects that might distort the comparison between the three-month period ended 31 December and the period 2017. Accordingly, the most important performance rate of the Group is EBITDA defined as operating profit/(loss) minus amortisation and depreciation, net losses on impairment and disposals of non-current assets changes in trade provisions and other results. Including these, in addition, income and expenses considered as non-recurring according to the Group's internal policies. In this regard, the Group's EBITDA for the three-month period ended 31 December 2018 is as follows (million Euros):

	31.12.2018
Operating profit/loss	(45.3)
Amortisation expenses	26
Net impairment losses and sale of non-current assets	9,2
Changes in trade provisions	1,1
Gains / (losses) on disposal of group companies	(0,9)
Other expenses and income considered as non-recurring (*)	5,8
EBITDA	**(4,1)**

(*) Includes, according to the Group's internal policies, severance and other expenses for Senior Management in the amount of Euro 2,403 thousand and Euro 94 thousand for the long-term incentive plan, both included in the Personnel Expenses heading, as well as expenses for consultancy services amounting to Euro 3,347 thousand included in the heading Other operating expenses.

Likewise, for this, a perimeter of the homogeneous Group is shown. In this regard, the EBITDA contributed to the consolidated by the changes in the consolidation perimeter in the three-month period ended 31 December 2018. In this regard, the results contributed by the company acquired during the year Wet n'Wild Sydney, by the company sold during the year Plunimar, SA and by Event Park GmbH (Belantis) (acquired in the year ended 30 September 2018), as well as the result of the Teleférico de Rosales (included in the Leisure Parks, S.A. company) for both year, 2018 and 2017, since it was reverted to Madrid Council on 1 January 2018, are excluded.

The reconciliation for the three-month period ended 31 December 2018 is as follows:

€ MM	Income	EBITDA
Annual accounts for the three-month period ended 31 December 2018	**76.9**	**(4.1)**
Changes in consolidation perimeter	(4.2)	1.3
Comparable period 2018	**72.7**	**72.7**

Based on these criteria, hereunder, the table shows the group's main financial figures that have been harmonised for comparison purposes:

Group			
€ bn	2017	2018	Change
Visitors ('000)	**2.494**	**2.607**	**4.5%**
Total Income Per capita [(1)]	**27.4**	**27.9**	**1.7%**
Per capital ticket revenue	14.6	14.6	- %
Per capita internal consumption revenue	11.1	11.5	3.6%
Other income per capita	1.7	1.8	5.8%
Total income	**68.4**	**72.7**	**6.4%**
EBITDA	**(2.5)**	**(2.8)**	**(13.8%)**
%margin[(2)]	*(3.9%)*	*(3.9%)*	

Method of calculation:
(1) Total Income per capita = Total income *1000/Visitors
(2) % margin = EBITDA / Total income

During the three-month period ended 31 December 2018, the Group has achieved a positive performance driven by Halloween and Christmas events. Likewise, there was a growth of 13% in the sales of annual passes.

The overall impact of these circumstances was a 6.4% increase in income due to increase of 4.5% in visitor numbers compared with 2017 — an effect that is partly offset by the 1.7% increase in per capita income.

It is important to point out that incomes of this period represent only 13% of the year income of the Group.

2. Business performance by geographical area

Below is a comparison of the main figures by segment (geographical area):

Spain

For the three-month period ended 31 December 2018, Spanish parks logged significant growth compared with the previous year.

Spain			
€ bn	2017	2018	Change
Visitors ('000)	**1,038**	**1,020**	**(1.7%)**
Total Income Per capita [(1)]	**20.0**	**20.7**	**3.5%**
Per capital ticket revenue	11.0	11.3	2.7%
Per capita internal consumption revenue	8.4	8.9	5.9%
Other income per capita	0.6	0.5	(16.7%)
Total income	**20.8**	**21.1**	**1.7%**
EBITDA	**4.2**	**5.1**	**21.2%**
% margin [(2)]	*20.1%*	*24.0%*	

Method of calculation:
(1) Total Income per capita = Total income *1000/Visitors
(2) % margin = EBITDA / Total income.

The main drivers of this improvement (1.7% growth in income and 21.2% in EBITDA), in addition to an ongoing improvement in macroeconomic conditions in Spain, were:

- Good results in the off-season events (Halloween and Christmas), especially in Warner Park.
- Increase in the number of visitors (16% increase).
- Per capita income growth of 3.5%, which has offset the slight fall in the number of visitors.

This growth has more than offset the slow performance of the month of October. Likewise, EBITDA has been positively affected by the deferral of some expenses that will be recognized in the following periods.

Rest of Europe

The main magnitudes of the Rest of Europe segment are shown below:

Rest of Europe			
€ bn	2017	2018	Change
Visitors ('000)	**1,007**	**1,012**	**0.4%**
Total Income Per capita (1)	**27.2**	**27.6**	**2.0%**
Per capital ticket revenue	15.3	15.3	- %
Per capita internal consumption revenue	10.3	10.6	2.9%
Other income per capita	1.6	1.7	6.3%
Total income	**27.4**	**27.9**	**1.8%**
EBITDA	**2.6**	**2.1**	**(21.2%)**
% margin (2)	*9.6%*	*7.5%*	

Method of calculation:
(1) Total Income per capita = Total income *1000/Visitors
(2) % margin = EBITDA / Total income

With regard to the European segment, the total income improved compared with the previous year by 1.8%, driven by significant growth in of 1.4% in per capita revenue.

During the off-season, the results achieved exceed those of the previous year:

• Good results in the Central European parks (highlighting the new record reached by Movie Park on Halloween).

• Increase of income from events low season by 7%.

• Significant increase in the sale of annual passes that has reached a growth of 17%

However, EBITDA has been negatively affected by the weight of the type of parks opened during the season and the seasonality of the business.

United States

United States			
€ bn	2017	2018	Change
Visitors ('000)	**448**	**514**	**14.5%**
Total Income Per capita [(1)]	**41.3**	**41.9**	**1.5%**
Per capital ticket revenue	21.0	21.0	- %
Per capita internal consumption revenue	18.9	19.3	2.1%
Other income per capita	1.4	1.6	14.3%
Total income	**18.6**	**21.6**	**16.2%**
EBITDA	**(3.4)**	**(3.8)**	**(12.4%)**
% margin[(2)]	*(18.3%)*	*(17.7%)*	

Method of calculation:
(1) Total Income per capita = Total income *1000/Visitors
(2) % margin = EBITDA / Total income

The results shown in the United States segment are affected by the change in the financial year that has meant that, in this three-month closing period, the period taken by the US is two weeks longer than in the same period of the previous year. If we do not take into account this calendar effect, the results of the segment remain stable with respect to the previous year, with an improvement in EBITDA of 0.7 million euros.

Head Office – Non-Operating

Head Office – Non-Operating			
€ bn	2017	2018	Change
Total income	**1.6**	**2.1**	**29.6%**
EBITDA	**(5.9)**	**(6.1)**	**(4.2%)**

The EBITDA was affected by the increase of recurrent expenses at the headquarters to cope with the company's future growth and the costs associated with the search for new opportunities for expansion.

3. Foreseeable strategy and performance of the Group

The main action lines envisaged to achieve greater growth at the Group are as follows:

Organic growth

- Annual passes: increase sales of annual passes, attract a larger number of loyal customers and thereby reduce the impact of external factors.
- Commercial Licence agreements, which the Group currently operates over brands that are easily recognised in the market: Nickelodeon, Walking Dead, Star Trek, among others, that act as a clear enticement to visitors and will therefore continue operating in the future.
- Additionally, actions will be carried out via channel management and promotions improvements.
- Ticketing income: increase in this income based on the Dynamic Price strategy.
- Actions to boost consumption in the parks (restaurants and store).
- The Group remains committed to improving the offering by opening new attractions and incorporating new virtual reality technologies, as well as expanding existing attractions.
- Improvement in operating leverage.

Indoor Entertainment Centres: The opening of the Xanadu centres in Madrid between November and December 2018 has taken place.

Acquisitions: By acquiring the German park Belantis and Tropical Island in February 2018 and January 2019, and the Australian park Wet´n´Wild, in October 2018, the park has expanded its portfolio, as well as its worldwide presence. In this respect, the search continues for opportunities to acquire assets with potential for operational improvements that bolster the existing portfolio.

4. Research and Development

During the three-month period ended 31 December 2018, the Group continued to conduct internal R&D&I projects, mainly in the area of software applications as well as the new business model in shopping malls (Indoor Entertainment Centres).

5. Own Shares

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

6. Financial Instruments

The Group hedges against the risk of variations in the interest rate of the syndicated loan using Interest Rate Swaps (IRSs). These financial instruments have been classified as Level 2 in the 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.

At 31 December 2018, the Group has recognised, in the heading "Change in the fair value of interest rate derivatives" of the consolidated balance sheet a profit of Euro 25 thousand pertaining to the variation in fair value since the start of the year until 31 December 2018 both of the IRS in Euro and the one in USD.

Lastly, in the three-month period ended 31 December and 30 September 2018, these derivative instruments accrued interest income for the amount of Euro 311 and Euro 101 thousand, respectively, which are included in the "Finance Expenses" caption of the account, of consolidated results.

7. Subsequent events

On 8 January 2019, the Parent Company formalized the extension of the syndicated loan mentioned in Note 14 in an amount of Euro 300,000 thousand. This increase has generated an additional section (section B3) in said syndicated loan and has been granted under the same conditions of interest rate and maturity to the existing section B2. The aforementioned expansion has been used to finance the acquisition, completed on 16 January 2019, of the new covered water park "Tropical Islands" located in Germany. The Group's Directors consider that such financing will not have a significant effect on compliance with the covenant mentioned in note 14.

On 28 January 2019, the Board of Directors approved, at the proposal of the Appointments and Remuneration Committee, the appointment of José Díaz as the new CEO of Parques Reunidos.

On 30 January 2019, after compliance with the condition's precedent established in the asset purchase agreement dated 24 July 2018, Nature Park GmbH acquired all the assets of the company Vogelpark Walsrode GmbH related to the bird park largest in the world, Vogelpark Walsrode.

On 14 February 2019, the Group has concluded the accounting for the business combination for the acquisition of Event Park GmbH, there being no differences with the breakdown in note 5 of these consolidated annual accounts. Also, as mentioned in note 18, dated 5 February 2019, the company has received notification of commencement of inspection actions in relation to Income Tax and VAT for the years 2013-2016. In addition, on the same date, this company has received notice of commencement of inspection actions in the field of Social Security and pension plans. Given the preliminary status of the actions, it is not possible to estimate the existence or not of future impacts that could result from this inspection. As of this date, it is not considered that significant impacts can be derived on the Group's financial statements derived from the outcome of said proceedings.

8. Risk policy and management

Management of the risks to which the Group is exposed in the performance of its activities is one of the basic pillars of its effort to preserve the value of its assets and, consequently, the value of shareholders' investment. The risk management system is structured and defined for the achievement of the strategic and operational objectives of the Group.

The management of the Group's financial risk is centralised in the Corporate Financial Department. This Department has established the necessary mechanisms to control, according to the structure and financial position of the Group and the economic variables of the environment, the exposure to the changes in interest and currency rates, as well as the risks of credit and liquidity by resorting, if necessary, to occasional hedge transactions and establishing, if deemed necessary, the pertaining 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 of the 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.

For the three-month period ended 31 December 2018, 65% of revenues were generated in Euro and 31% in US dollars (56% and 35%, respectively, for the year ended 30 September 2018). 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 shows the impact that a movement of 5%-10% in US dollar value would have had on the consolidated P&L of the year:

	Millions of Euro	
	Result – (Expense) / Income	
	31.12.2018	**30.09.2018**
Appreciation of 5%	(0.8)	(0.4)
As % of consolidated result for the year	1.9%	(3.1%)
Devaluation of 5%	0.8	0.4
As % of consolidated result for the year	(1.7%)	2.8%
Appreciation of 10%	(1.8)	(0.8)
As % of consolidated result for the year	4.1%	(6.4%)
Devaluation of 10%	1.5	0.7
As % of consolidated result for the year	(3.3%)	5.3%

Credit risk

The main financial assets of the Group are cash and cash equivalents as well as trade and non-trade debtor. Generally, the Group deposits its cash and cash equivalents with a highly rated entity.

The Group does not have a significant concentration of credit risk with third parties since most of its revenue is paid in cash and the risk is distributed among a large number of customers with short collection periods.

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 31 December and 30 September 2018 are as follows. The accompanying tables reflect the analysis of the maturities of financial assets at 31 December and 30 September 2018.

	31.12.2018			
	Thousands of Euro			
	Less than 3 months	More than 6 months and less than 1 year	More than 1 year	Total
Non-current deposits and guarantees arranged	-	-	1,296	1,296
Trade debtors and other accounts receivable	24,378	-	-	24,378
	24,378	**-**	**1,296**	**25,674**

	30.09.2018			
	Thousands of Euro			
	Less than 3 months	More than 6 months and less than 1 year	More than 1 year	Total
Non-current deposits and guarantees arranged	-	-	1,368	1,368
Trade debtors and other accounts receivable	43,859	-	-	43,859
	43,859	**-**	**1,368**	**45,227**

Liquidity risk

The various acquisitions that have taken place in recent years have been carried out through appropriate financing 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 Financial Department performs a detailed monitoring of compliance with these commitments, in order to detect any potential risk of default thereof well in advance. In the event of such a risk being detected, the General Management is notified so that the appropriate decisions to correct the situation may be taken. At 31 December and 30 September 2018, the Group has not identified any breach of the financial ratios committed with the financial entities with which the loans have been subscribed.

The 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 31 December and 30 September 2018 is shown below. These tables present an analysis of financial liabilities (including interest payable in the future) by remaining contractual maturity dates.

	31.12.2018					
	Thousands of Euro					
	Less than 1 month	From 2 to 3 months	From 4 months to 1 year	From 2 to 5 years	More than five years	Total
Financial liabilities with credit institutions						
Syndicated loan at floating interest rate	-	-	38,291	570,009	-	608,300
Revolving credit facility	-	-	-	63,738	-	63,738
Other loans at floating interest rate	-	-	1,181	3,543	-	4,724
Other loans at fixed interest rate	-	-	1,160	4,469	2,914	8,543
Financial lease creditors	-	-	20,514	100,525	481,388	602,427
Trade creditors and other accounts payable	-	43,531	-	-	-	43,531
	-	**43,531**	**61,146**	**742,284**	**484,302**	**1,331,263**

	30.09.2018					
	Thousands of Euro					
	Less than 1 month	From 2 to 3 months	From 4 months to 1 year	From 2 to 5 years	More than five years	Total
Financial liabilities with credit institutions						
Syndicated loan at floating interest rate	-	-	38,218	561,962	-	600,180
Other loans at floating interest rate	-	-	1,181	4,134	-	5,315
Other loans at fixed interest rate	-	-	1,153	4,443	3,125	8,721
Financial lease creditors	-	-	16,757	96,329	474,244	587,330
Trade creditors and other accounts payable	-	69,328	-	-	-	69,328
	-	**69,328**	**57,309**	**666,868**	**477,369**	**1,270,874**

Also, the Group has credit lines that are not available for a significant amount. Therefore, the Group considers that the liquidity risk is adequately managed at 31 December 2018.

Interest rate risk

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

In accordance with the reporting requirements of IFRS 7, the Group has performed sensitivity analysis on the possible interest rate fluctuations that might occur in the markets in which it operates. Based on such requirements, the Group estimates that an increase of 0,50 points in the reference interest rates of the syndicated loan would imply an increase in the financial expenses thereof of Euro 841 thousand for the three-month period ended 31 December 2018 (Euro 2,139 thousand for the year ended 30 September 2018). As mention in note 15, the Group has interest rate swaps designed to mitigate the risk of fluctuations in the interest rate of this syndicated loan as 31 December 2018.

Operating risk – Brexit

Following the outcome of the referendum in the United Kingdom in favour of its exit from the European Union (Brexit) which final terms are pending of negotiation between the British Government and the European Union, the Group has analysed the possible impact that this situation could have on its results and has concluded that this will not be significant since the weight of the income in the total of the Group does not exceed 2%. In addition, from the operational point of view, the number of visitors should not be affected in a relevant way since these, fundamentally, are made up of residents of the country.

9. Dividend Policy

The Group has as its objective a distribution of dividends of between 20% and 30% of the Group's Net Profit, once the impact of non-recurring effects has been corrected.

10. Average supplier payment period

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 2018 is as follows:

	Days	
	31.12.2018	30.09.2018
Average supplier payment period	50	42
Transactions paid ratio	49	41
Transactions payable ratio	63	47

	Amount (Thousands of Euro)	
	31.12.2018	30.09.2018
Total payments made	44,215	118,364
Total payments outstanding	3,788	7,485

The data shown in the previous table regarding supplier payments refers to the Spanish group of companies belonging to the consolidated group and correspond to debts owed to the commercial creditors for goods and service. Likewise, the Group uses the transfer date as payment date as confirmation to all of its suppliers.

The group is currently making the necessary changes to of its internal process. What is more, in its payment terms policy subject to Law 15/2010, which establishes measures to combat late payment in commercial transactions with third parties in order to reduce the average payment period up to a maximum of thirty calendar, the limit currently established within regulations.

11. Non-financial information statement

See Annex "Non-Financial Information statement".

12. Other disclosures

The Annual Corporate Governance Report of Parques Reunidos is a part of this consolidated management report and available through the website www.parquesreunidos.com, and published as a Significant Disclosure in the CNMV website.

Non-financial information statement

Parques Reunidos Group

Interim financial year between 1 October and 31 December 2018

Index

1. INTRODUCTION

To draft this document, Act 11/2018 of 28 December, amending the Spanish Code of Commerce, was taken into account. In addition, the indicators and topics proposed by the Global Reporting Initiative (GRI) Standards and ISO 26000 International Standard were also considered.

This document refers to the 3-month financial year between 1 October 2018 and 31 December 2018.

The corporate social responsibility (CSR) actions carried out by Parques Reunidos Group during this interim financial year were, on one hand, a continuation of those already included in the CSR Report and the directors' report on the consolidated financial statements for the previous financial year (1 October 2017-30 September 2018) and, on the other, collaborations with NGOs and other institutions during the period and actions resulting therefrom performed by Fundación Parques Reunidos.

2. POLICIES AVAILABLE

Below is a summary of the policies at the company within the scopes considered in Act 11/2018, including a brief description of the commitments assumed, which are set out in the corresponding chapters.

SCOPES	POLICIES/COMMITMENTS	DESCRIPTION
Ethical principles	Code of Conduct	It includes the ethical principles and the principles of conduct that must guide all the actions carried out by all the staff of Parques Reunidos in Europe, including their internal relations and when they contact and communicate with customers, shareholders, suppliers, sponsors, associates and, in general, any persons or organisations in the social environment of the countries where they operate or are expected to operate.
Ethical principles	*Employee Handbook in the US*	It summarises the ethical principles, benefits and advantages for the employees, the staff policies and the employment policies applicable to the parks in the United States.
Ethical principles	*Equal Employment Opportunity and Open Door Policy*	It establishes the commitment by the Group's parks in the US to provide the same opportunities to employees and candidates, regardless of race, nationality, gender, sexual orientation, religion, social background, etc. It also includes the commitment to maintain a teamwork environment, where problems are discussed and resolved through cooperation and mutual respect.
Ethical principles	Code of conduct in the securities markets	It establishes the rules of conduct which must be observed by the company, its governing bodies and the people who carry out activities related to the securities markets.
Ethical principles	Charity donation policy in the United States	This policy forbids, in general, making direct economic donations to charity work.

Corporate social responsibility (CSR)	Corporate social responsibility policy	It establishes the basic guidelines and lines of action for the Group's corporate social responsibility, enabling it to formalise and specify this concept, notify this to the stakeholders and progressively integrate this into all the Group's operational systems and processes.
Risk control	Risk control policy	It defines the basic principles and general framework for managing and controlling all the risks to which the Group is exposed, including those related to legal and financial compliance reporting.
Financial data reporting	Internal control over financial reporting policy	This document defines the principles and lines of action establishing the bases and responsibilities for maintaining effective internal control over financial reporting.
Tax policy	Tax policy	This document establishes the Group's specific tax strategy and includes the processes and principles guiding this in its governance systems.
Communication	Procedure for managing internal information and corporate communication	It includes the guidelines enabling the company to appropriately treat the internal information and corporate communications, containing all the events and decisions which may have a significant influence on the share price and, ultimately, the communication made by the company once the internal information has been published.
Criminal risk prevention in Spain	Criminal risk prevention and compliance model	The model includes features such as a criminal risk map, general and specific control matrices and a criminal risk prevention and compliance manual.
Harassment	Anti-harassment protocol	This protocol establishes swift and fast action to protect the privacy, confidentiality and dignity of the persons affected by workplace or sexual harassment.
Environmental protection	Parques Reunidos' environmental policy	It includes the company's commitment to protect and preserve the environment by implementing customised environmental management programmes for each leisure park and based on continuous improvement.
Environmental protection	Energy saving and efficiency policy	This document includes energy saving as an essential feature for managing the company, defining an appropriate and efficient system to reduce energy usage and providing a procedure for identifying points of use to reduce this.
Customer satisfaction	Claims control and quality policy	To improve our service, each park shall have a procedure for collecting, analysing, assessing, responding and taking actions to correct the reasons for the claims.
Customer safety	Food safety policy	This policy is aimed at establishing the guidelines to ensure that the food and drinks served at Parques Reunidos Group's facilities to customers and employees are harmless

Occupational health and safety	Occupational health and safety policy	It establishes the company's commitment to carry out safe and healthy activities at its own facilities and those in its areas of influence as a way of protecting the integrity and health of employees and collaborators.
Supplier management	Purchasing policy	This document is aimed at establishing the minimum standards regulating the parks' purchasing function.
Company	Institutional relations policy	It establishes the rules governing the Group's relations and, consequently, those of its employees with the various authorities (national, regional and local) and other institutions (such as associations of parks and others) with which Parques Reunidos has a relationship as a result of its ordinary course of business.

3. GENERAL INFORMATION

3.1. COMPANY PROFILE

Parques Reunidos Group is one of the leading global operators of regional leisure parks. It began in Spain in 1967 with the name of Parque de Atracciones Casa de Campo de Madrid, S.A.

It currently manages a diversified portfolio of over 60 leisure parks in 12 countries in Europe, the Americas, Oceania and Middle East. The next diagram shows the locations of the Group's parks.

Figure 1. Locations of the Group's parks

Parques Reunidos Servicios Centrales S.A., the parent company of Parques Reunidos Group, located in Madrid, is a listed company in Spain since 29 April 2016.

Parques Reunidos manages its parks with leading brands in four of the sector's key segments:

37% water parks
30% leisure and theme parks
23% animal parks
10% other

With over 50 years of experience, Parques Reunidos is now the second-biggest leisure park operator in Europe, where it has the largest number of animal parks, and the eighth-largest in the world, where the company is the leader in water parks.

At the end of the period (31/12/2018), the Group had a total of 4,992 employees. See the breakdown in the chapter on staff management.

The Group's parks were visited by 2.8 million people during the three-month period. The Group's consolidated ordinary revenues amounted to 77 million euros at the end of the period. During the interim financial year, some of the Group's parks were closed (e.g. water parks) or were opened on weekends or specific dates (Christmas, Halloween, etc.).

Parques Reunidos' business model is based on operational excellence and safety, customer satisfaction, strict cost control and utmost attention to detail.

That model is applied to both the company's diversification and during its international expansion.

Parques Reunidos is a unique partner in the sector. Its vast experience enables it to provide different services as a result of its management capability, market purchasing, supplier knowledge and international negotiations; these factors lead to greater profitability.

In that sense, the company has proven that it can manage all types of parks and operate under well-known brands such as Warner and Nickelodeon.

Its business model is structured around three main areas:

- Management of own parks
- Management of third-party parks
- Consultancy services for park development, as an initial step prior to management

NEW PROJECTS DURING THE PERIOD

ATLANTIS AQUARIUM is the first interactive aquarium in Europe inspired by climate change

On 3 December 2018, Atlantis Aquarium, the first interactive aquarium in Europe, opened its doors in Madrid as the Group's innovative approach to combine technology, education and environmental awareness in a new aquarium concept that is more accessible and closer to the public.

It is the first indoor entertainment centre of Parques Reunidos Group meant for educational and environmental leisure, located at the Xanadú shopping mall in Madrid, with the aim of raising awareness among schoolchildren and families in the fight against ocean pollution.

The aquarium combines 20 marine ecosystems with interactive activities through touchscreens, virtual reality, augmented reality and knowledge challenges.

Parques Reunidos' first aquarium in an indoor complex such as Xanadú, in Madrid, is a pioneer in adopting the Community Directive on single-use plastics in Spain, aimed at raising public awareness about a real threat that is seriously affecting marine biodiversity and the whole food chain. In an effort to implement its responsible strategy from its very opening, Atlantis Aquarium will eliminate all 10 single-use plastic products that are most often found in the sea and on the beach, with the aim of contributing to the reduction of marine debris.

PARQUES REUNIDOS acquires TROPICAL ISLANDS, the world's largest indoor water park

On 16 January 2019, after obtaining the corresponding authorisations, the Group acquired the German indoor water park Tropical Islands, whose agreement was signed on 11 December 2018. It was the largest single-park acquisition in Parques Reunidos' history.

Tropical Islands is the world's largest indoor water park and rainforest covering an area of more than 600 has. of land.

The park offers a combination of water park and other leisure activities with different formats of lodging facilities. The indoor setting provides the park with year-round entertainment and accommodation.

Tropical Islands is located in a highly attractive growth market and in a catchment area with limited competition: at approximately 60 km south from Berlin and close to the cities of Dresden and Leipzig as well as to Poland and the Czech Republic.

PARQUES REUNIDOS inaugurates NICKELODEON ADVENTURE Madrid at INTU XANADÚ

In December 2018, Parques Reunidos opened the doors for Nickelodeon Adventure Madrid.

With an area of 6,000 m2, the park will offer an interactive and immersive experience featuring some of Nickelodeon's most popular characters such as SpongeBob SquarePants, PAW Patrol, the Teenage Mutant Ninja Turtles, and Dora the Explorer.

The centre also includes a birthday room themed after the Nickelodeon characters, an interactive area, a 4D cinema, and educational areas for school groups.

3.2. MISSION, VISION AND VALUES

<u>Mission</u>

The mission of Parques Reunidos and its Group companies is to offer a safe, healthy and educational leisure experience, as well as one that is committed to the environment. The aim is to bring happiness to the community, contributing to the professional and personal development of its employees. Last but not least, the company's goal is to generate value for its shareholders and investors.

<u>Vision</u>

Parques Reunidos aspires to maintain its status as a benchmark in the global leisure sector in which it stands out for providing a safe, educational and sustainable leisure experience.

<u>Values</u>

The Group's main values can be summed up in our “5 S” policy:

- SAFETY: Our basic priority is to take care of our customers, employees and the environment. This priority will not be reduced under any circumstance, for either economic or operational reasons.
- SERVICE: Our constant challenge is to fully satisfy our customers’ expectations. One of our tasks, particularly in the case of persons in positions of responsibility, is to assess the reactions of our customers and proactively to identify possible areas for improvement, as well as new opportunities. These actions will always be implemented while respecting ethical principles and the values of the society in which we operate, within the framework of sustainability.

- SALES: We are always developing new products and services that we consider are very valuable for our customers. Our main objective is for our customers to be fully informed at all times of all the terms and conditions of our products and services before they buy them. That is why we focus our efforts on providing flexible communication and information channels.
- SAVINGS: Cost savings and control are essential in all the areas to try to achieve the greatest economic efficiency at global level. Although this is a fundamental cornerstone, it will always be subject to compliance with the rest of the features that make up the Group's policies, based on ethical and upstanding behaviour. The savings policy provides Parques Reunidos with more sustainable daily operations and facilitates investments in the most advanced technologies that respect the environment.
- SMILE: The Group wants to involve its workers in improving the products and services, and promoting a respectful, integrating and discrimination-free work environment. The goal is that the employees at all Parques Reunidos' work centres can find space for professional and personal development and the visitors can enjoy their leisure. The aim is that both customers and staff feel satisfied, happy and committed to the company's objectives and values.

3.3. ETHICAL FRAMEWORK

To pursue its Mission, Vision and Values, Parques Reunidos relies on its Code of Conduct (approved on 31 March 2009 and revised in 2018), which is mandatory for all the Group's employees in Europe. In the United States the Employee Handbook, introduced in 2010, contains a full account of the ethical behaviour expected of members of staff.

Those documents list the rules relating to the conduct of all individuals within the company, covering relations with customers, shareholders, sponsors, associates and any other persons or organisations within their social sphere. They are rules which must be signed by everybody before signing their contract and with respect to which (as will be seen) certain actions are taken to facilitate and reinforce the dissemination and implementation. The rules include:

- Compliance with the laws, rules and regulations.
- Collaboration in eradicating unlawful or unethical behaviour.
- Respectful treatment of all the employees aimed at fostering an environment which facilitates honest and direct communication.
- Protection and correct use of the company's assets.
- Management of conflicts of interest.
- Protection of confidential information.
- Protection of the health, safety and wellbeing of workers, customers and collaborators.
- Environmental protection.

To improve knowledge about the Code of Conduct and Employee Handbook and foster their effective implementation, the employees receive copies of those documents (with acknowledgement of receipt) and have them at their disposal on the Intranet and in the Persons and Organisation (P&O) area.

Training is periodically given on them, making sure that the employees know about the company's ethical requirements and the tools available to them so that they can comply with those rules, for example the internal channels for doubts, queries or breaches of the Code of Conduct and Employee Handbook. In Europe, the seminars are scheduled for February 2019. In the United States, the latest training on such matters was given in October 2018.

During the three-month period, four whistleblowing reports were received through those channels: two of them from the parks in Europe (both related to mobbing) and the other two from the United States (related to workplace incidents: alleged unequal treatment and hostile behaviour). Investigations were carried out in all those cases to determine whether or not the reports were true and adopt the corresponding measures where applicable. Both in Europe (through the Monitoring Unit) and the United States (through the General Counsel and the Ethics Committee) the investigations concluded that there was no evidence of criminal conduct.

Apart from those four whistleblowing reports, no other alleged criminal conduct was reported during the period addressed by this document.

In Europe, the Group has a Crime Prevention Programme (CPP) approved by the Board of Directors; in Spain, this is notified to the employees when they join the company (with acknowledgement of receipt) and is the subject of specific training actions. The Programme is aimed at making sure that all the interactions between the employees, managers, customers and investors are governed by the company's values, ethics and good practices.

The CPP defines the main risks of unethical conduct applicable to Parques Reunidos' activity and proposes the necessary controls to detect and prevent this conduct.

The CPP has an internal whistleblowing channel open to all the European group, managed by the Monitoring Unit, which is the ultimate body responsible for the CPP and comprises the managers of the Finance, Legal Advice, P&O and Internal Audit areas. That body enables all the reports to be analysed by an appointed body (so that whistleblowers cannot be silenced) formed by top-level staff, which guarantees not only a high degree of independence but also the absence of retaliation against the whistleblower.

In the United States, Parques Reunidos companies have their own whistleblowing channel called the Team Member Hotline, which is a toll-free telephone number, managed by an external supplier. In view of whistleblowing reports on conduct which may be criminal or breaches of the ethical framework established by the Employee Handbook, the Ethics Committee, chaired by the General Counsel, meets and informs the headquarters in Spain every year of the reports received. In this case, the whistleblowing report is also made known to several senior managers.

Parques Reunidos continues with the CPP standardisation process and with the gradual adaptation to the specific features of the various European laws. In particular, it already has a mirror matrix adapted to the Belgian regulations and is currently developing an identical instrument for the Netherlands. Those matrices will be uploaded to the risk and control management software to execute the controls with the proper periodicity and effectively monitor the uploaded data.

In the United States division, a similar process is being designed to implement the instruments for disclosure and control of compliance with the company's ethical framework for the Wet'n'Wild Sydney park (Australia).

4. CORPORATE SOCIAL RESPONSIBILITY POLICY (CSRP)

Corporate social responsibility is fundamental in Parques Reunidos Group's business strategy. This ensures the company's long-term sustainability and reinforces stakeholder confidence.

The Corporate Social Responsibility Policy, approved by the Board of Directors on 7 February 2017, shows its commitment to ethical management and transparency.

The CSRP's objectives, also included in the Group's strategic objectives, are as follows:

- Guaranteeing the provision of quality, safe, sustainable and healthy services
- Encouraging and promoting education in the following:
    - Defence of the environment, biodiversity and sustainable development

- Understanding and conservation of animals and ecosystems
- Child protection and the defence of democratic principles

With the purpose of complying with the CSR related objectives, Parques Reunidos will adopt the following basic principles for application across the board:

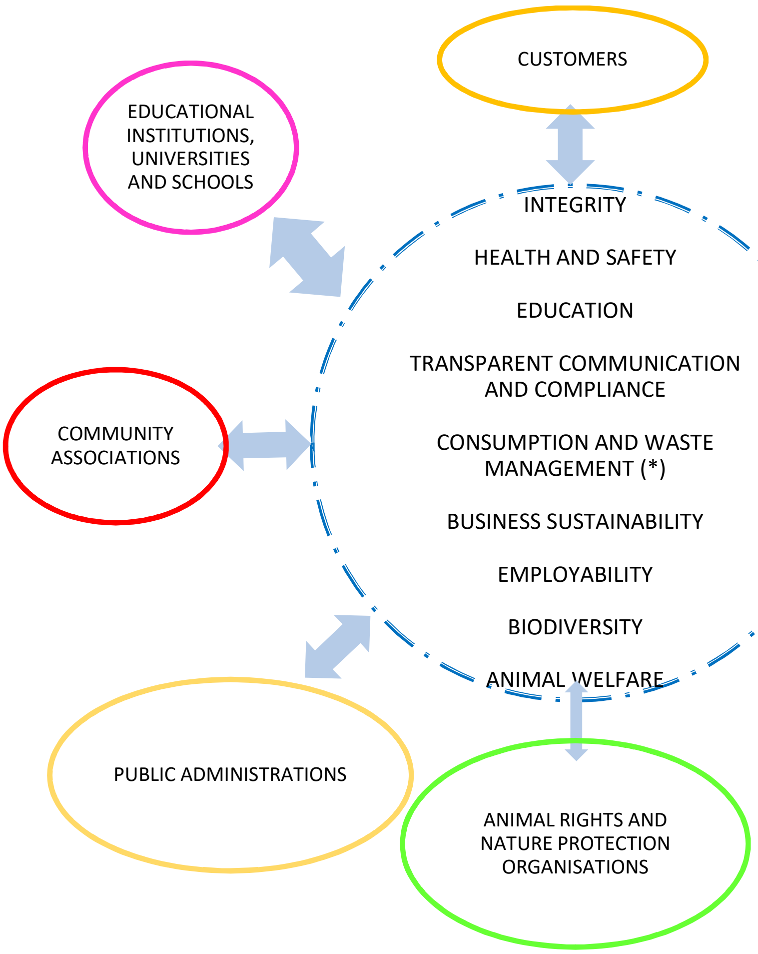
- In all territories in which they operate, they agree to adopt, in a supplementary and voluntary manner, all international rules and directives, where appropriate and sufficient legal procedures do not already exist.
- Monitor the protection and respect for fundamental and universally recognised Human Rights within the sphere of influence of the Group, guarantee non-complicity with their infringement and, where applicable, rectify any damages caused.
- Monitor the health and safety of the Group's employees and customers.
- Support free market practices, rejecting all type of illegal or fraudulent practice, implementing effective prevention mechanisms, vigilance and the sanction of irregularities. In particular, they undertake to report any practice of corruption that is discovered within the Group in any of the territories where it operates.
- Foster channels for communication and dialogue and foster the Group's relations with its shareholders, investors, employees, customers and, in general, all its stakeholders.
- Adopt advanced corporate governance practices in line with the generally accepted good governance recommendations on international markets.

4.1. MATERIALITY ANALYSIS

The Group analysed the topics which are particularly relevant in the social, environmental and good governance spheres and thus establish priorities which enables it to continue advancing in creating social, environmental and economic value while making sure that the stakeholders' needs are met and the business generates value.

Answers are given to the relevant topics throughout the document. If no information is reported, the reason for the omission is clearly explained.

The issues which may affect the various stakeholders have been established based on Parques Reunidos' experience:



(*) Since this report addresses only three months and, during that period, most of the parks are closed or open only on special occasions, the environmental topic corresponding to consumption and waste is not applicable.

5. CORPORATE GOVERNANCE

As a listed company, Parques Reunidos ensures transparency aligned with the practices defined under the Code of Good Governance for Listed Companies, approved by the Spanish Securities Market Commission (CNMV) in February 2015. Its objective is to provide appropriate and transparent management, to ensure value generation among companies, improved financial efficiency and reinforcement of investors' trust.

Parques Reunidos relies on the following bodies for its effective governance:

Position	Board of Directors
Non-Executive Chairman	Richard Golding
Chief Executive Officer	(*)
Independent directors	Nicolás Villén Jiménez
	Johan Svanstrom
	Ana Bolado Valle

	Jackie Kernaghan
Proprietary directors	Javier Fernández Alonso
	Colin Hall
	Mario Armero Montes
	Carlos Ortega Arias-Paz
Non-Member Secretary	Cristina Carro Werner
Non-Member Deputy Secretary	Gabriel Núñez Fernández

(*) On 4 October 2018, Parques Reunidos' Board of Directors accepted the resignation of Fernando Eiroa as Company CEO and Board Member. At the end of the period addressed by this report, no new member has joined.

Board's obligations

The Board of Directors is in charge of approving Company strategy and the measures necessary for putting it into practice. In addition, it is the body responsible for supervising and ensuring that the management team complies with the established objectives and respects the corporate purpose and company interests.

In addition, the Board must ensure that the company respects all laws and regulations in the course of its relations with the stakeholders, complies with its obligations and contracts in good faith, respects the uses and good practices of the sector, listed companies and the territories where it operates and observes any additional principles in relation to social responsibility which it may have accepted voluntarily.

It is also empowered for the approval and management of the Policy for the Control and Management of Risks, including tax affairs, and the periodic monitoring of internal information and control systems.

There are two committees, i.e. the Audit and Control Committee and the Appointments and Remunerations Committee, which act as the company's internal governance control mechanism and depend on the Board of Directors.

Audit and Control Committee

Its main responsibilities are as follows:

1. Oversee the efficacy of the company's internal control, internal audit function and risk management systems, including the tax ones, and discuss with the auditors any significant weaknesses in the internal control system detected during the audit, all of this without undermining its independence.
2. Periodically review the internal control and risk management systems on a regular basis to ensure that the main risks are properly identified, managed, quantified and reported, and make sure that such systems appropriately mitigate the risks within the policy framework which, where applicable, is defined by the Board of Directors.

5.1. CONTROL MECHANISMS

Since its listing in April 2016, Parques Reunidos has undertaken a number of projects to perfect, formalise and systematise its internal control framework, based on the standards required by the various stakeholders, with special attention to the requirements of the Spanish Securities Market Commission (CNMV).

The improvements to the internal control and risk management system are focused on four main areas:

1. The *Internal Control over Financial Reporting (ICFR)*: focused on ensuring the integrity of the financial information which the company supplies to the market.
2. The *Risk Control System (RCS)*, which includes areas of risk considered significant to the achievement of company objectives, with special attention to those of a strategic or operational nature.
   All the risks identified are included in the Corporate Risk Map, subject to periodic reviews by the management team.
3. The Criminal Risk Prevention Model aims to establish the procedures and internal control policies best suited for the prevention of criminal offences and, where applicable, to exempt the company from liability, under the terms of Constitutional Act 1/2015 of 30 March, amending the Spanish Criminal Code. The Company is currently harmonising this based on the specific features of all the European jurisdictions in which it operates.
4. The *Tax Risk Prevention Model*, aimed at mitigating tax risks.

Regarding all the defined risks, control mechanisms have been established in the various internal control frameworks mentioned above in order to reduce their impact and the likelihood of their occurrence. This includes the identification of the persons in charge of the controls.

The Internal Audit department will assist the Audit and Control Committee in its task of supervising the efficiency of internal control and risk management. This support will include the periodic review and assessment of the efficiency of internal control systems in place within the Group, contributing to the improvement of risk management processes.

6. CORRUPTION AND BRIBERY

Within the framework of the ethical behaviour established by the Company, formed by several policies and the CPP (created in Spain and whose global integration is being worked on), it is of major importance to minimise the risk of conduct which may constitute a crime related to corruption, in terms of both the public sector (bribery) and private sector.

Specifically, since the creation of the CPP and its implementation in 2011, as well as its update during the year ending 30 September 2017, the crimes of private corruption and bribery have been identified as those with a greater impact and probability of occurrence. That classification is due to the activity performed by Parques Reunidos and the nature of its relations with third parties.

Since the Group has a high degree of relocation, as it has various work centres with a high degree of autonomy and geographic dispersion, it is sometimes complicated or inadvisable to centralise certain operations.

Moreover, those centres carry out very specific activities (the Group has amusement and theme parks, water parks, animal parks -both sea and land animals-, cable cars, indoor leisure centres, etc.) which have very different needs and legal frameworks.

At the same time, all the leisure parks require, to a greater or lesser extent, authorisations granted by the public authorities for their construction or expansion or merely to carry out their activity. Moreover, many of them are government-owned or located in specially protected areas for historical or environmental reasons. In that way, the contact with the public authorities is constant and especially important for appropriately carrying out the business.

The management team conducted the corresponding analysis based on the impact and probability of occurrence in accordance with the activity and location for the mainly criminal risks faced by the company: of the 24 risks identified similar to the crimes envisaged in the Spanish criminal legislation, the risks related to corruption (private corruption) and bribery (public-sector corruption) were 3rd and 5th, respectively.

Based on that, Parques Reunidos reviewed and implemented policies aimed at:

- training employees in ethical behaviour,
- establishing procedures to avoid unethical behaviour, and
- establishing ways to uncover unlawful conduct and adopt the necessary measures to eradicate this.

In that sense, the Code of Conduct expressly refers to conflicts of interest, corruption and bribery. Furthermore, there are specific policies such as the Institutional Relations Policy, the Rules for Managing Invitations, the Rules for Managing VIP Passes and the Purchasing Policy, among others, which establish the procedures and protocols aimed at preventing conflicts of interest, the risk of private corruption acts and bribery.

As stated previously, those policies are integrated in the CPP which, although it was designed based on Spanish regulations, it is currently being adapted to the various laws of the countries where Parques Reunidos Group operates.

All those policies have been made available to all the employees and can be accessed through the intranet. Moreover, and closely related to the CPP, which is given to the employees in Spain when they join (and of which they acknowledge receipt), training is provided every year to the Company staff on crime risk prevention. That training is provided to all the European managers and to a large number of employees of Parques Reunidos. In particular, the trainees have been convened to attend several on-line seminars in February 2019.

Within the framework of the CPP, and from the day it was implemented, an internal whistleblowing channel was created, which has been made available to all the employees and to the third parties which collaborate with Parques Reunidos. Complaints about unlawful behaviour or behaviour which contravenes the Code of Conduct can be reported through the whistleblowing channel. That complaint, which can be anonymous, is received by all the members of the Monitoring Unit, which is the ultimate body responsible for the CPP and comprises the managers of the Finance, Legal Advice, P&O and Internal Audit areas. That Unit is in charge of deciding how to process the complaints depending on the content. During the three-month period, two complaints were received through this channel in Europe, none of which were related to this type of crime.

The efficacy of such measures is evidenced by the fact that in the last three periods, including the present one, no public or private corruption offences were processed.

In line with that stated for Spain and Europe, the Company drafted an Employee Handbook for the United States, which includes sections on regulatory compliance and ethical conduct as well as information about the internal whistleblowing channel. That document, which was revised in 2018, has been digitally signed by all the employees.

After conducting an in-depth analysis of the main risks which can take place at the Group as a result of the nature, impact and probability of occurrence, the General Management in the United States has decided to focus its efforts on implementing and controlling the policies regarding fraud, embezzlement and conflicts of interest with suppliers. As a result, it has not only implemented fund management policies but it has also established control mechanisms such as surveillance cameras in the cash areas, random audits and cash reconciliation analyses for each employee with access to them. Such audit and control tasks are carried out by members of the legal advice and human resource teams, the Chief Financial Officers and their teams, the Chief Operations Officers, the managers, etc. This means that top-level multidisciplinary staff are involved in executing such mechanisms.

Whenever some form of misconduct is suspected, the person must inform the party responsible for the Group's legal advice in the United States (General Counsel) so that the latter can start the pertinent investigation and adopt the necessary measures. Such conduct can also be reported through the internal whistleblowing channel (Hotline), managed by an external company, where all the employees can notify the General Counsel anonymously. In the event that criminal behaviour is detected, the measures to be adopted are shared with the managers with the aim of identifying vulnerabilities and improving processes and, therefore, they can (i) detect similar conduct which may be taking place at other leisure parks; (ii) detect vulnerabilities; and (i) share potential actions for improvement and reinforcement.

In that sense, no conduct regarding employee corruption or bribery was disclosed in the last four financial years in any of the countries where the Group operates.

In the last few years, as a result of the numerous scandals in which charity donations were diverted in the United States the Company has established a policy which, as a general rule, forbids making direct financial donations to charity work (in this way, any exceptions must be expressly authorised and made with the pertinent guarantees). For such purposes, very strict rules have been established regarding the possibility of the Company being used as a platform for charity campaigns in the United States. Specifically, that policy forbids collecting cash donations inside the leisure parks and only allows this to be made through the digital platform controlled by the IT department, which is answerable to the headquarters, after prior control from the Group's US headquarters regarding the beneficiary organisations and the activities that they foster.

During the three-month financial year, Fundación Parques Reunidos collaborated with NGOs by providing economic contributions to Consejo Superior de Investigaciones Científicas (CSIC); BRINZAL Association; Save The Rhino International; and La Valleé Des Singes (Gorilla EEP Conservation Programme).

Although Parques Reunidos is not a liable party under the Money Laundering Act, the criminal risk map identifies it with a low inherent risk since sometimes, because of the business's own operations, it accepts cash payments exceptionally and in a limited way (in general, from tour operators, commercial collaborators, etc.). The following money laundering situations were identified as potential risk events: (i) cash payments at the parks' ticket offices for amounts higher than those established without complying with the legal obligations; and (ii) collection of the takings in cash and not declared by the intermediaries when selling tickets to the parks. The related controls, in accordance with that envisaged in the matrix, are as follows: (i) Parques Reunidos Group has arranged statutory financial audit services for the companies obligated to an audit (including a review of the information systems' security) and reviews of the consolidated financial information; and (ii) the sales people have been informed of the obligation that the customers must pay by transfer and of the limit to make or accept cash collections/payments of over 1,000 euros.

7. PARQUES REUNIDOS SPIRIT

The evolution of Parques Reunidos Group over its 50-year history has always had one common theme: its commitment to society.

Parques Reunidos Spirit is represented in all CSR activities undertaken by both Parques Reunidos Foundation and the group's over 60 parks.

The parks offer a wide range of educational and entertainment experiences which allow families to enjoy quality leisure time. The younger members of the family as well as nature are the protagonists, not only in the parks themselves but also in the programmes which specify its commitment.

7.1. ACTIONS DIRECTED AT CHILDREN AND SOCIETY

Child welfare and the family sphere are fundamental to Parques Reunidos Spirit and the work the company performs through its parks and the Foundation. The company's biggest fans are children and it owes its success to their enthusiasm.

Parques Reunidos collaborates with associations that are active in all areas of family assistance and fully supports their commitment to children's lives. The entire parks network, to a greater or lesser degree, dedicates a significant part of their work to CSR in the support of good causes, such as assistance to children in hospital or those suffering serious illnesses and support to their families. In addition, the company collaborates with associations offering support and social inclusion to persons affected by serious illness or uncommon conditions.

COLLABORATIONS

Make A Wish Foundation

Since 2012, Fundación Parques Reunidos has had a collaboration agreement with the Make a Wish Foundation, which devotes its efforts to making dreams come true for children with chronic illnesses. The Foundation collaborates with the Make a Wish Foundation at a global level in all its parks.

On 5 and 6 October 2018, the Zoo Aquarium in Madrid and Faunia received Irene, a girl whose dream was to see the animals in those parks and interact with them. Thanks to the collaboration with the Make a Wish Foundation, Irene's dream came true big time: she saw the pandas in the Madrid Zoo, visited the dolphinarium, bathed with the fur seals in Faunia and enjoyed a polar trip with the penguins.

During the period, actions were also carried out within this collaboration framework at Movie Park (Germany), where tickets for the park were donated to children in hospital in the city of Bottrop.

Miami Seaquarium (USA): Making wishes come true for children with disabilities

Thanks to the Wish Book programme of the Miami Herald and Miami Seaquarium, 13-year-old Valentina, who suffers from spina bifida, had the opportunity to visit the water park with her family and friends. Miami Seaquarium provided a medicalised vehicle for Valentina so that she could enjoy a VIP visit during which she saw the sea lions and dolphins.

Fundación Pequeño Deseo

Fundación Pequeño Deseo aims to make wishes come true for children with a chronic illness or poor prognosis; its only objective is to provide them with happiness so that this can be shared with their loved ones and help them feel better mentally, slightly mitigating the exhaustion caused by the illness on both the children and their family.

On 17 October, Fundación Parques Reunidos and Fundación Pequeño Deseo signed a framework agreement to make wishes come true for such children. Laura loves the animals at Faunia and, thanks to the collaboration between Fundación Pequeño Deseo and Fundación Parques Reunidos, she was able to go on a very special visit to Faunia and participate in one of the bird shows together with her family.

Fundación Aladina

Fundación Aladina seeks to improve the lives of children and adolescents with cancer and provide support to their family.

In December 2018, Fundación Parques Reunidos signed a framework agreement to collaborate with this foundation aimed at combining efforts and improving, as far as possible by both foundations, the lives of such children and adolescents.

FarmAventura

The FarmAventura project combines, for the second year running, the efforts of the Foundation for Biomedical Research at the Gregorio Marañón Hospital (FIBHGM) with the Pharmacy Services of the hospital, and enjoys the collaboration of Parques Reunidos Foundation via the Zoo Aquarium in Madrid and Faunia to incentivise and encourage children to take their prescribed medication through games and visits to the parks which allow them to get to know their favourite animals.

Sureste hospital

On 27 December, on occasion of the annual Christmas party at Sureste University Hospital in Madrid, two Looney Tunes characters travelled from Parque Warner to Arganda del Rey to visit the children in the paediatric oncology section. Tweety and Daffy Duck visited the rooms together with one of the Three Wise Men, Melchior, and gave out presents that Parques Reunidos Foundation had donated previously to the hospital.

Kennywood (USA): Collaboration with Vitalant

Vitalant is the biggest and one of the oldest non-profit organisations focusing on providing blood products and services in the United States. It provides medicine services comprising transfusions to around 1,000 hospitals and healthcare partners across 40 states.

Kennywood donated 500 tickets for the park's Holiday Lights festival to sponsor the blood donation campaigns carried out by Vitalant in November and December.

<u>FREE TICKETS</u>

During the three-month period, the company gave away free tickets to several parks in Spain to people with disabilities belonging to Fundación Masnatur, to the participants in the children cancer research charity race organised by Asociación Pablo Ugarte and to the blood donors of Ramón y Cajal Hospital.

Also during the three-month period, free tickets to the parks were given away in Europe to hospitalised children and people with chronic or severe illness through several support organisations and not-for-profit institutions. At Blackpool Zoo, the company collaborated with Donna's Dream House to provide visits for terminally ill children and their family, and it provided encounters between animals and the terminally ill from Trinity Hospice and Derian House Children's Hospice. At Movie Park, the company collaborated with Marienhospital in Bottrop by giving away tickets and providing gifts to the hospitalised children.

The US parks also donated tickets during this period. At Dutch Wonderland, for every 166 season tickets sold during Giving Tuesday, one ticket was donated for 2019 to the Schreiber Center for Pediatric Development, a not-for-profit institution located in Lancaster (USA) which provides educational services and therapy programmes for young and very young children and adolescents with disabilities or developmental delays.

MERCHANDISE DONATIONS

Between October and December 2018, several merchandise donations were made in Spain from the stores of the groups parks to several NGOs, not-for-profit institutions, hospitals and foundations operating in Madrid and throughout Spain to provide support to the families affected by the illnesses of their younger members or others with special needs.

The donations were channelled through the following institutions:

- Menudos Corazones
- Asión
- Niño Jesús Hospital
- Archicofradía de Jesús de Medinaceli
- ONG Edificando
- Fundación Diversitas
- CEAR (Spanish Commission for Aid to Refugees)
- Gregorio Marañón Hospital
- Fundación Talita
- Mensajeros de la Paz
- Infanta Elena University Hospital
- Fundación Masnatur
- Cáritas
- Fundación Soñar Despierto

7. 2. SOCIAL INCLUSION ACTIONS

The Group devotes considerable efforts to providing support to the most vulnerable families and groups so that they can also enjoy the parks, fostering equal opportunities among low-income households and including families and groups at risk of social exclusion.

It collaborates with local, national and even international associations and foundations to contribute to the benefit and wellbeing of the communities where it is present and provide resources to facilitate access to the parks.

During the three-month period, a group of children belonging to the Safari Choir visited Parque Warner, organised by Fundación Nzuri Daima.

Other European parks also fostered equal opportunities to enjoy the parks during this period by collaborating with several foundations and not-for-profit organisations. At Slagharen, collaboration continued with Nationaal Fonds Kinderhulp, which contributes to child support for children and youngsters living in poverty aged between 0 and 21. Blackpool collaborated by donating tickets to the Fostering Solutions organisation, which provides support to foster children while they adapt to their new families and lives. As in the previous period, Movie Park continued to provide support to refugees by enabling them to visit the park.

Another significant project in the US was the Toys for Tots campaign, which invited the parks' visitors to bring new unopened toys and donate them to poorer children. In exchange, the donors aged under 13 received a free ticket to the park. At Dutch Wonderland, a total of 500 toys were collected. That campaign was replicated at Miami Seaquarium and Kennywood. At the latter, tickets were donated for the summer of 2019.

Other actions included Dutch Wonderland's participation in a television fundraising marathon for the Salvation Army by donating 160 tickets for the 2019 season. Miami Seaquarium collaborated with the Hispanic American Firefighters' Association (HAFA) and the Miami-Dade County Fire Rescue to celebrate the park's 25th anniversary together with around 600 students with special needs.

In that regard, Parque Warner received an award in December 2018 from the Plena Inclusión NGO for its contribution to the social inclusion of people with intellectual or developmental disabilities. That recognition reinforces the inclusive work carried out by Parque Warner which, in addition to fostering the employability of people with disabilities, has been a pioneer in adapting its facilities to cognitive accessibility and preparing the park's guidebooks for easy reading so that the groups with disabilities can enjoy their leisure.

7.3. EDUCATION AND RAISING AWARENESS

While all the parks in the Group engage in actions to promote awareness on the sustainable use of resources, the animal parks in particular have a special duty to educate the public. The opportunity to approach the animals under their care as well as the workshops, lectures on their way of life and the threats they face, can have a decisive impact on visitors, who will in this way come to understand the need to actively contribute to preserving biodiversity.

A visit to any of the animal parks is designed as an educational experience. During the route, the visitor will enjoy direct contact with the animals, access to lectures and information via the species description posters and other materials which contribute to raising awareness on the conservation of biodiversity. In addition, the parks organise educational visits, exhibitions, short courses, workshops and summer camps for children, etc.

Libera project

Within the framework of the project "Libera, nature without waste", this initiative was promoted by SEO/BirdLife in alliance with Ecoembes, and aims to combat the waste scattered around the natural spaces in Spain.

On 27 October 2018, a group of employees from Selwo Marina in Malaga joined the "1m2 for beaches and seas" initiative, devoting one morning to collect the waste in the Benalmádena beaches.

Likewise, the Selwo Marina employees began a waste collection campaign on 19 December 2018 to join the "1m2 for the countryside, forests and hills" initiative, as the employees of the Madrid headquarters did in June 2018.

Other projects

- Celebration of "World Days"
    - The parks in Spain, the rest of Europe and the US celebrate the world days related to the environment such as: (i) wetlands day, (ii) migratory bird day and (iii) environment day, all of them with the aim of raising society's awareness of the value of fauna, flora and the environment in general.
    - The World Migratory Bird Day was celebrated on 5 October.
- Collaboration with the Spanish Autonomous Organisation of National Parks (OAPN) to organise an exhibition of the national parks at the Zoo.

- Ecolabel recycled serviettes. At all the Spanish parks since 2017. Movie Park (Germany), Slagharen (Netherlands), Marineland (France) and Bobbejaanland (Belgium) also use them.

7.4. BIODIVERSITY AND RESEARCH

7.4.1. Biodiversity projects

Parques Reunidos Group works on numerous projects designed to protect biodiversity and the most vulnerable ecosystems. Of all these, perhaps the most important are the on-site conservation projects, i.e. the programmes for the reintroduction or protection of species carried out in the places of origin, where the problems for biodiversity are most acute.

CBD-Hábitat: Project for the conservation of the monk seal in Mauritania

Parques Reunidos Foundation, in collaboration with the CBD-Hábitat Foundation, carries out an annual programme to protect the monk seal on the Cap Blanc Peninsula in Mauritania. Their work is combined with education and awareness programmes related to the species at various Parques Reunidos zoos and aquariums.

This programme, the longest running at the Foundation, developed in collaboration with the CBD-Hábitat Foundation, has contributed to significantly increasing the population of the species.

There are three main lines of action:

1. The protection of the colony through the "Seal Coast" reserve.
2. The assistance to the neighbouring communities, education and awareness programmes for schools and local fisherman.
3. Permanent monitoring of the colony itself.

The monk seal colony at Cap Blanc has grown from around a hundred individuals in 1998 to more than 330 today, representing half of the world population of this species.

Since May 2018, Faunia has hosted the exhibition "The return of the Monk Seal", which was officially opened by Queen Sofia of Spain, as a prime example of the action by Parques Reunidos Foundation to raise awareness of the need to fight for the future of endangered species.

Collaboration with the Brinzal Association for the recovery, rehabilitation and reintroduction of nocturnal birds of prey

The Foundation maintains a collaboration agreement with Brinzal, a non-profit organisation devoted to the study and defence of the environment and the conservation and recovery of indigenous protected species, especially nocturnal birds of prey. Brinzal runs a recovery and rehabilitation centre for these animals at Casa de Campo in Madrid.

Since the start of the collaboration with Parques Reunidos in 2017, care has been provided to 3,872 wild animals with a successful rehabilitation rate of nearly 56%.

As part of this collaboration, the Zoo Aquarium in Madrid moved two royal owls born at its facilities to the Brinzal recovery centre. One of them is now in its final recovery phase prior to release into the wild. This will happen as soon as its physical condition and aptitude have been checked.

Along with the direct conservation work, the Madrid animal parks promote educational workshops for children and short courses aimed at raising public awareness on biodiversity.

***Other projects which continued during this** interim financial year*

- On-site koala conservation project
- White-footed tamarin international conservation programme in Colombia
- Collaboration with the CPSG (Conservation Planning Specialist Group) programme of the International Union for Conservation of Nature (IUCN)
- Collaboration with the Save the Rhino Foundation
- Collaboration with the on-site Komodo dragon conservation project
- Collaboration with the Save the African Penguin Chick project
- Red Panda EEP Guardian Programme
- Collaboration with the Madras Crocodile Bank Trust
- Gorilla EEP Conservation Programme
- Autochthonous tortoise conservation project, in collaboration with CITES, FIEB and UCM
- Support to breeding programmes for endangered Iberian species carried out by Spanish public bodies
- Great Bustard Group

7.4.2. Participation in research projects

Research, together with education and the raising of awareness, is a key component of Parques Reunidos Spirit in its support of biodiversity.

Both the Foundation and the Group's animal parks actively participate in research projects, in collaboration with various zoological organisations, museums and universities.

The various areas of research that are covered not only contribute to improve the design of the facilities and the development of more efficient animal care and handling techniques, but are also vitally important to the application of veterinary and breeding procedures at zoological institutions aimed at the reintroduction and care of species back into their natural habits.

Research project on the reproduction of the giant panda

The most significant research project for Parques Reunidos is the one dedicated to the reproduction of the giant panda, in which the Zoo Aquarium in Madrid annually collaborates, along with the National Institute of Agriculture and Food Research & Technology (INIA), the Chengdu Reproduction Center (China) and the Veterinary Medicine School of Madrid Complutense University.

The research conducted by the Zoo Aquarium in Madrid which began in 1982, has turned the institute into one of the leading animal parks worldwide in terms of successful reproduction of this greatly endangered species. In September 2007, a new reproductive pair arrived at the centre (Hua Zui Ba and Bing Xing), which represented a new step forward in the Cooperation, Conservation and Research of Giant Pandas in the West.

Following the successful return of the panda Xing Bao to Chengdu (China) last year, the Zoo Aquarium in Madrid now houses three specimens. Since the start of its collaboration, there have been 4 panda births at the Zoo Aquarium in Madrid, highlighting the birth and complicated breeding of the twins Po and De De in 2010.

Collaboration with Barcelona Autónoma University (UAB)

Initially, the collaboration between Parques Reunidos Group and UAB was undertaken to define the wellbeing indicators for bottle nose dolphins to establish their basic behavioural data with the aim of determining parameters related to their handling, care, reproduction and training to provide advice to the administrations in the absence of specific EU legislation.

At the Group's parks (Zoo Aquarium in Madrid, Marineland, Selwo Marina and Costa Dorada), through the agreement signed by the Foundation, quality standards were developed for the care of these animals thanks to the work conducted by one of the most prestigious research groups in this area.

The study conducted by expert biologists and veterinarians from the Zoo Animal Welfare Education Centre (ZAWEC) of UAB, the Centre for Research and Conservation of the Antwerp Zoo Society and the Zoo Aquarium in Madrid tries to identify the individual personalities of the bottle nose dolphins through personality tests performed by the keepers. That method is aimed at providing tools for keepers and trainers to help them improve reproduction rates, arrange compatible and stable social groups and better interpret the response of the animals to changes in their environment.

During 2018 and the period addressed by this report, the results were reviewed together with each park's staff. The results seem to indicate that the evaluation of the behaviour of the bottle nose dolphins conducted by keepers familiar to them may well produce useful indicators for assessing their personality. Once that process is completed, improvement measures will be implemented in line with the recommendations arising from those studies, whose results are expected to be published.

Research at a global level through Parques Reunidos Foundation

- Participation in a research programme on the herpes virus in elephants, coordinated by the European Association of Zoos and Aquaria (EAZA).
- Participation in beach restoration project for the nests of the Loggerhead sea turtle at the Cabo de Gata-Níjar Natural Park (Almería, Spain), in collaboration with the Andalucía Regional Council and the Doñana Biological Station (CSIC).
- Collaboration with the Veterinary Medicine School of Madrid Complutense University on various lines of research at the animal parks of the Group, as well as professional cooperation in the technical and consultancy spheres of veterinary practice.
- Collaboration with the Veterinary Medicine School of Madrid Complutense University on various lines of research at the animal parks of the Group, as well as professional cooperation in the technical and consultancy spheres of veterinary practice.
- Study of sleep and cerebral activity among dolphins and manatees in collaboration with Zoo Aquarium in Madrid, Faunia and Madrid Autónoma University.
- Study of evoked potentials in manatees (neurophysiological examination which assesses the auditory, visual, somatosensorial system's functions and its tracts through responses caused by a known and standardised stimulus) in collaboration with Faunia and Alcalá de Henares University.

8. ENVIRONMENTAL MANAGEMENT

For Parques Reunidos Group, the caring and conservation of the environment is a fundamental value. The principles adopted by the Group in relation to the environment through its policies influence all lines of business and countries in which it operates.

If any of the places where Parques Reunidos operates requires special natural protection according to the legislation in each case, the Group adopts the necessary measures to guarantee the protection of those spaces.

To do this, it carries out its activities by taking into account environmental protection in accordance with the principles established in its environmental policy.

As established in its Environmental Management Policy, the company's commitment to protect and preserve the environment is guaranteed by implementing customised environmental management programmes for each leisure park which must be observed by all the workers.

Therefore, Parques Reunidos undertakes to comply with and maintain the environmental quality standards, the applicable local and national legislations and provisions, and any other pertinent international environmental and waste management regulations. For such purpose, Parques Reunidos works to:

- ensure that all the products, processes and activities comply with the environmental regulations agreed by the company;
- ensure that the delivery methods, storage conditions and collection/elimination mechanisms strictly comply with the company's regulations and those stated above;
- monitor and audit the processes and products from source (i.e. factories and manufacturers) to completion/elimination, making sure that the regulations are complied with at all times;
- monitor and conduct quality tests on the air, on the underground, sea and surface water, and on the noise levels to make sure that those established in the company's and authorities' regulations are not exceeded;
- ensure that all the processes are sustainable;
- ensure that the environmental policy and goals are known at all the facilities;
- continually improve the environmental management systems through periodic audits, measurements and monitoring work; and
- ensure that the preventive and corrective actions conform to each circumstance.

The company's Environmental Policy is currently being reviewed to expressly include its commitment to the precautionary principle. In that sense, the company has environmental liability insurance which enables it to face potential environmental risks at its parks both in Europe and the US, including civil liability for pollution, cleaning costs and expenses arising from accidents, among other types of coverage.

Parques Reunidos' environmental model is based on the principles of continuous improvement of environmental performance, establishing a common framework of action which allows the coordination of the various centres. As part of the management model, monitoring and measurement of all the identified environmental aspects will be conducted, including electricity consumption, water resources and the generation and management of waste associated with each activity. Likewise, the Group performs monitoring audits, both internal and external, for the purpose of detecting opportunities for improvement within the organisation. Those audits look at key issues such as energy consumption, waste management and water catchment and discharges resulting from its activity.

Within the framework of environmental management, the Group has also established a procedure for the record and classification of the environmental incidents which may occur at its facilities. The analysis of such cases enables the establishment of prevention and correction measures.

8.1. MANAGEMENT OF ETHICAL AND SUSTAINABLE CONSUMPTION

The optimisation of consumption and energy efficiency are principles which Parques Reunidos consider key to the daily activity of their facilities.

As part of the process of continuous improvement, the Group conducts energy audits at various parks, which help to identify the factors, which directly influence energy consumption (water resources, electricity, etc.) as well as the possibilities for savings, taking into account the technical-economic viability of their implementation.

In terms of the use of water resources, Parques Reunidos relies on a rational use based on optimization, as well as the employment of recycled and reused water from tertiary sources and rainwater.

Most of the Group's parks were closed during the period 1 october 2018-31 december 2018, so the electricity consumption data are not considered to be significant since, for example, the water parks which used the largest amount of water resources were closed in the fourth quarter of 2018. The Group will report the water and electricity consumption indices in the forthcoming full year.

In relation to electricity consumption, Group policy establishes annual savings objectives, involving the application of management methods together with systems and technology for the optimisation of consumption at its facilities. In this way, at least 50% of the electrical power consumed at parks in Spain comes from renewable sources.

In addition, the Group relies on the use of technology which employs renewable energy sources, such as solar, thermal or photovoltaic facilities, as installed at Parque Warner, Parque de Atracciones in Madrid, Marineland and Malibu Norcross, or the use of biomass as a fuel at the Zoo Aquarium in Madrid.

8.2. ENCOURAGING VISITORS TO REUSE AND RECYCLE

Parques Reunidos promotes initiatives focusing on the minimisation, separation, reuse and recycling of generated waste. One objective is to involve customers through activities directed towards, for example, properly separating rubbish, the use of biodegradable products, responsible consumption and participation in various environmental awareness campaigns.

In addition to the information and awareness campaigns, all parks, and specially their restaurant areas, employ products manufactured with recycled and/or biodegradable materials (for example napkins), and have started to withdraw plastic products (lids, straws, glasses, etc.). Along with the projects already in place, work is underway for implementation of additional programmes to improve environmental performance. They include recycling PET plastic bottles and cans and implementing the use of disposable and compostable material.

At parks in both Europe and the USA, programmes for environmental awareness and correct recycling are actively promoted. In the case of parks such as Dutch Wonderland, Idlewild, Lake Compounce, Miami Seaquarium and Raging Water in Los Angeles and San José, an understanding of recycling is included within employee training courses, and sometimes even within the welcome programmes for park visitors.

The Group is currently working on implementing a global environmental performance monitoring system, including the definition and reporting of relevant indicators which are consistent, comparable and reliable to comply with the European Commission's directives on this matter and the Global Reporting Initiative (GRI) standards. Therefore, the Group undertakes to include those environmental performance indicators (consumption and waste) in the report for the forthcoming year.

9. STAFF MANAGEMENT

Based on the ethical principles of the Code of Conduct in Europe and the Employee Handbook in the USA, the company has established a series of programmes and employment policies focused on caring for individuals and creating working environments which promote respect, health, safety and wellbeing at work along with equal opportunities.

One of the main risks associated with people management is the difficulty in attracting young talent to top positions at the parks, especially in the areas with fast economic growth. In that sense, we are designing actions focused on attracting talent which, in turn, will lead us to design more innovative people management policies which conform to the current recruiting needs.

At the end of the period (31 December 2018), the Group had a total of 4,992 employees. Below are the indicators characterising the Group's employees in terms of age, gender, disability, professional category, etc. at 31 December 2018 and the number of lay-offs formalised in the fourth quarter of 2018, the period addressed by this document.

	WOMEN	MEN	Total
No. of employees at 31/12/2018	2,506	2,486	**4,992**

Table 1. Total Group employees. Breakdown by gender

PROFESSIONAL CATEGORY	WOMEN	MEN	Total general
Senior Managers	17	47	64
Managers	40	78	118
Other qualified staff	105	116	221
Officers	242	378	620
Operating staff	1,441	857	2,298
Administrative staff	211	90	301
Maintenance staff	63	525	588
Lifeguards and keepers	387	395	782
TOTAL general	**2,506**	**2,486**	**4,992**

Table 2. Total employees. Breakdown by professional category

COUNTRY	WOMEN	MEN	Total general
Australia	231	186	417
Belgium	18	32	50
Denmark	10	12	22
UK	74	70	144
France	87	98	185
Germany	54	126	180
Italy	142	103	245
Netherlands	257	178	435
Norway	13	28	41

Spain	779	677	1,456
United States	841	976	1,817
TOTAL general	**2,506**	**2,486**	**4,992**

Table 3. Total Group employees. Breakdown by country

AGE RANGE	WOMEN	MEN	Total general
< 25 years	898	783	1,681
> 45 years	560	739	1,299
Between 25 and 45 years	1,048	964	2,012
TOTAL general	**2,506**	**2,486**	**4,992**

Table 4. Total Group employees. Breakdown by age

% EMPLOYEES at 31/12/2018	WOMEN	MEN	Total general
% Permanent	27.90%	33.61%	61.52%
% Seasonal	22.30%	16.19%	38.48%
TOTAL general	**50.20%**	**49.80%**	**100.00%**

Table 5. Type of contract. Breakdown by gender

TYPE	< 25 years	Between 25 and 45 years	> 45 years
Permanent	12.42%	28.33%	20.77%
Seasonal	21.25%	11.98%	5.25%
TOTAL general	**33.67%**	**40.30%**	**26.02%**

Table 6. Type of contract. Breakdown by age

PROFESSIONAL CATEGORY	PERMANENT	SEASONAL	Total general
Senior Managers	64		64
Managers	118		118
Other qualified staff	206	15	221
Officers	563	57	620
Operating staff	966	1,332	2,298
Administrative staff	252	49	301
Maintenance staff	463	125	588
Lifeguards and keepers	439	343	782
TOTAL general	**3,071**	**1,921**	**4,992**

Table 7. Type of contract. Breakdown by professional category

At 31/12/2018	MEN	WOMEN	TOTAL
No. of lay-offs	41	48	89

Table 8. Lay-offs at end of period. Breakdown by gender

At 31/12/2018	Under 25 years	Between 25 and 40 years	Over 40 years	TOTAL
No. of lay-offs	51	28	10	89

Table 9. Lay-offs at end of period. Breakdown by age

At 31/12/2018	NO. OF LAY-OFFS
Senior Managers	4
Managers	3
Other qualified staff	3
Operating staff	74
Administrative staff	5
TOTAL	**89**

Table 10. Lay-offs at end of period. Breakdown by professional category

Employees with a disability of higher than 33% at 31/12/2018	
TOTAL (*)	**53**

Table 11. Employees with disabilities

(*) Not including the US parks since the legislation forbids asking about these circumstances since this is considered to be potentially discriminatory

In this last period, the Group continued fostering stable employment for people with disabilities and began projects which will continue in 2019 to ensure stable employment for such people and to mainstream internal disabilities.
Since there is a low employment level in this quarter, the average remuneration broken down by gender, age and professional category is not a significant amount.

	Data from 01/10/2018 to 31/12/2019
Average remuneration for directors	€26,944
Average remuneration for managers	€51,363

Table 12. Average remuneration in the interim financial year

The average remuneration for directors takes into account the amounts received as a director and as a member of any of the permanent committees.

The variable remuneration for senior managers was not taken into account since they did not receive any amount in this quarter.

The total remuneration for both directors and senior managers is shown in the Annual Corporate Governance Report (sections C.1.13. and C.1.14).

There is a need to work on providing the salary gap data referring to the full year and, in this sense, we are establishing the necessary internal mechanisms to work on the gross salary gap by gender and on the adjusted salary gap by gender.

9.1. TRAINING, TALENT MANAGEMENT AND MOBILITY

The personal and professional development of individual members of staff is a key factor in achieving the objectives of the organisation and positioning against the competition.

During the interim financial year, Parques Reunidos invested more than 14,000 hours in the training of its employees, adapting to all types of formats: providing online programmes for those with greater difficulties in access, encouraging teamwork with attendance training courses, respecting their work-life balance needs and generally making use of all available technological developments to promote the acquisition of skills and knowledge on the part of company employees and fostering workplace training to ensure better performance and less stress for employees on their first day, thus ensuring better customer service by all our professionals.

Within the training policies, special importance has been given to health and safety issues and language education, chiefly in English, to promote the internationalisation of Parques Reunidos Group and encourage opportunities for the mobility of its employees. The figures demonstrate the Group's commitment to providing quality employment and the care and attention for its team via constant training.

As can be seen in the next chart, Parques Reunidos devotes considerable efforts to training the operating staff at the parks and those with less formal education to provide them with the necessary tools to carry out their work. The training of the operating staff at the parks will improve customer service and, consequently, provide a better experience to the visitors at our parks.

Professional category	Training hours
Total senior managers	790
Total managers	2,105
Total technical staff	1,290
Other administrative staff	550
Total operating staff	9,783
TOTAL	**14,518**

Table 13. Training hours. Breakdown by professional category

As an employer, the company has the responsibility to facilitate mobility and access to positions with different responsibilities for all members of its team. Promotion and internal mobility are common within the Group’s parks, a practice made possible by encouraging training and growth in technical and inter-disciplinary skills.

In addition, Parques Reunidos Group provides opportunities for developing an international career. For this reason, we have a special interest in intercultural training and, especially, language courses.

With the objective of adapting to this international employment sphere, during the period a worldwide evaluation of work positions was undertaken to provide the company with an organisation that fits its needs. That work involved renaming the various positions, in order to adapt to a more competitive and globalised international environment. That process will be completed in 2019 after assessing the positions in the USA and those pending in Europe.

In connection with that job assessment and with the aim of fostering culture integration and the safety awareness at the organisation, health and safety performance has a significant weight when defining the objectives related to each job description.

9.2. EMPLOYABILITY

The company contributes to the improvement of employment opportunities for university students, who may obtain their first job opportunities through the company, or citizens at risk of social exclusion, who can access different job openings through related associations.

In the first case, various work centres have collaboration agreements with a number of universities and training centres, offering courses related to our parks' activities.

In Spain, the company collaborates with the following universities: Universidad Complutense de Madrid, Universidad Autónoma de Madrid, Universidad de Alcalá de Henares, Universidad de Navarra, Universidad Pontificia de Comillas, Universidad de Salamanca, Universidad de Santiago de Compostela. In general, the Group collaborates with other universities close to our parks.

The training centres which we collaborate with include Campus Superior de Formación, Centro de Formación de Auxiliares de Madrid, Centro Profesional de Oficios, Escuela de Formación del Corredor de Henares, Eurocultum, EFA Oretana and ISED.

The water parks in the United Kingdom and France also collaborate with local universities, including Stirling, Blackpool, Lancaster's Fylde College and Lancashire in the UK, as well as Nice-Sophia Antipolis and Monaco International.

In addition, Parques Reunidos collaborates with training institutes to encourage the entrance into employment and inclusion in our selection processes of students with related studies who show an interest in professional opportunities in our sector, thereby encouraging access to the labour market for young people.

In regard to assistance for people at risk of social exclusion, during the 2017/2018 year, Parque de Atracciones in Madrid worked alongside the Salesian Pinardi Social Platforms Federation on the project entitled "First Professional Experience". The project provides training and employment opportunities at Parques Reunidos Group to young people from this social background. In 2018, 80% of the young people signing up for work experience went on to accept a contract with Parques Reunidos, which proves the great success of the programme.

In that respect, talks were held with other foundations, which will be materialised in 2019 through work placements for people with intellectual disabilities recognised by the Spanish Ministry of Education, Culture and Sports.

This type of work experience is not limited to Spain; it is also reproduced practically at all the other parks in their catchment areas. For example, Tusenfryd (Norway) makes annual presentations at local schools with the aim of providing knowledge about the Group's activity and offering our facilities so that they can have a first work experience in a unique environment. Such activities are carried out with maximum respect to diversity.

In that sense, Parques Reunidos Servicios Centrales recently signed the EU Diversity Charter, whereby it voluntarily undertakes to comply with the fundamental principles of equality; respect for the right to include all types of people, regardless of their diverse profiles, in the workplace and in society; acknowledgement of the benefits of including cultural, demographic and social diversity in the organisation; and the implementation of specific policies to foster a prejudice-free work environment in terms of employment, training and promotion, in addition to the fostering of programmes to not discriminate disadvantageous groups. At local level, some of the parks have also signed that Charter, as in the case of Movie Park in Bottrop, Germany, reinforcing the commitment undertaken by Parques Reunidos Group in its Code of Conduct.

In the United States, most of the parks have contacts with local high schools, community colleges and universities which are naturally a major source of recruitment providing seasonal employees. This provides the students who live in the parks' catchment areas their first employment experience.

9.3. WORK ORGANISATION

Each park or work centre of Parques Reunidos Group organises its work schedule based on the specific needs of each activity and in line with the local employment legislation. Therefore, it envisages the service shifts, the hiring of permanent seasonal employees during the peak periods, the compensation for working on bank holidays by providing days off, etc. Overtime is not usually used, except in exceptional cases.

Regarding the work-life balance, the collective bargaining agreements applicable to Parques Reunidos Group, the equality plans in force and/or the internal policies contain and focus on the actual work-life balance related to family and professional needs, including measures such as teleworking, flexible work entry and exit times which provide a more appropriate organisation that enables the workers to deal with family needs, intensive work schedules so that they can leave earlier, remunerated days off for personal matters, etc. In that sense, the company is working on implementing measures to enable employees to disconnect from work as a way of ensuring their right to a work-life balance.

9.4. OCCUPATIONAL HEALTH AND SAFETY

Parques Reunidos believes health and safety at work to be essential in all activities undertaken. The company is also fully aware that the issue needs to be addressed in practice, not just as a mere declaration of principles. In fact, all the employees at the Group's parks are covered by an occupational safety system based on the prevailing legislation in each case.

With the aim of consolidating a genuine safety culture, the company promotes the exercise of leadership and a visible commitment at all levels of the organisation.

For such purpose, both at its facilities and within its spheres of influence, the company works on two fundamental issues:

1. Quality ongoing training on occupational risks and safety measures, throughout the value chain.
2. The promotion of a proactive safety-based culture across the board via the following:
    - Firm, visible and committed leadership.
    - The exchange of good practices between the parks.
    - The promotion of behaviour that respects of occupational health.
    - The promotion of the integration of risk prevention in all areas including technical processes, the organisation of work and conditions under which it is performed, together with the Group's organisational structure.

- The belief that activities aimed at improving working conditions have the same importance as other operational or management considerations.
- An eagerness to achieve effective prevention of the occupational risks inherent to the activity.
- An adequate identification, assessment and efficient control of work-related risks.
- The correct adaptation of employees to their work through health monitoring, ongoing training and participation.
- The provision of suitable and necessary resources to ensure a safe and healthy work environment.

As an essential factor in occupational health and safety management, a system of recording, investigating and monitoring the incidents occurring at the facilities has been established. The aim is to analyse the causes and define preventive and corrective measures to minimise or eliminate potential damage to health.

Although the number occupational accidents is available (5 in EE.UU. and 27 in Europe; total: 32), they have not been classified into standard categories among the world's parks at the end of this period. We are currently working on creating a global system that will have standardised data and consistent information regarding the hours worked at each work centre, so that the accident and absenteeism rates will be reported in the forthcoming full year.

Another continuous improvement tool is the performance of safety audits, both internal and external, with the aim of detecting opportunities for improvement within the organisation.

In addition, Parques Reunidos looks to involve its suppliers, customers and visitors in its firm commitment to the effective prevention of occupational risks which may derive from its activity.

The Health, Safety and Environment Committee: the Management Team's commitment

During the last year, the company created the Health, Safety and Environment Committee for Europe, which is a forum where members from the Group's top management meet to monitor these issues and make decisions. The aim is to ensure that the management's review becomes a continuous improvement tool. The Committee's first meeting was in October 2018.

Among other duties, the Committee is responsible for analysing safety and environment related incidents (regarding both employees and visitors); the monitoring of action plans deriving from audits, inspections etc.; the analysis of critical issues related to health and safety and/or the environment; the allocation of resources, etc.

With the establishment of this Committee, Parques Reunidos looks to present and promote a proactive culture, and consolidate occupational health and safety and the protection of the environment, as strategic values within the organisation.

1st Safety Leadership Programme

Parques Reunidos fosters the exercise of leadership and visible commitment as fundamental practices to the consolidation of an authentic safety culture. In addition, the company aims to ensure that all employees are aware of the absolute commitment of the organisation's management in this area.

With this in mind, the 1st Safety Leadership Programme was launched during the year, an initiative which has the direct involvement of the Executive Committee, demonstrating a specific commitment to this issue.

The project aims to provide guidelines to assist in identifying and applying a series of leadership skills and to raise awareness about the importance of involvement and visible commitment on the part of managers, officers and supervisors as a crucial factor in establishing safe behaviour.

The first phase of the Safety Leadership Programme was directed at the members of the Executive Committee; subsequent sessions will see the attendance of other management levels and operational staff from the rest of the Group. Specifically, during the year two further sessions were held, one for the managers of the parks in Spain and the other for the second and third management and operational levels of Parques Reunidos Servicios Centrales, the Group's parent company.

The Group is currently working on implementing a global reporting system to share the reactive and proactive occupational health and safety performance indicators, establish objectives and monitor their performance as a Group.

9.5. EMPLOYMENT PRACTICES AND SOCIAL DIALOGUE

In general, and apart from certain exceptions, the Group employees enjoy ample legal representation, whether through individual representatives appointed by the company employees themselves via union elections or through union representation.

In Spain, depending on the size of the company workforce or work centre, the workers' representatives chosen by the employees create workers' committees comprising several members or workers' delegates.

In this way, the Group companies have set up numerous Joint Committees to periodically address a range of employment issues (for example, Joint Committees for the interpretation of the Collective Agreements, Training Committees, Social Canteen Committees, etc.).

In general, they are permanent and stable bodies which must represent the corporate and the social component and whose duties are freely allocated by the negotiating parties. The meetings are held periodically (half-yearly, quarterly, etc.) or at the request of one party with greater frequency when day-to-day needs are required.

100% of Group employees are subject to its own collective bargaining agreement, that of the activity they perform or the employment legislation in each country.

9.6. EQUALITY

The Code of Conduct and the Employee Handbook lay down that everyone who works at Parques Reunidos Group must be treated with the maximum dignity and respect and may in no way be forced to suffer either physically or mentally as a result of their work. Moreover, they establish that no employee can be discriminated against, among other reasons, due to race, colour, gender, sexual orientation, marital status, pregnancy, religion, political opinion, nationality, ethnic background, social origin, social condition, disability, age or union membership.

Those principles govern the employment policy of the Group, as well as all collective agreements and company contracts, guaranteeing the principle of non-discrimination based on gender or other conditions related to the type of contract and the conditions inherent to it.

Among the equality practices implemented, some European parks, for example those in the UK and Spain, have Equal Opportunity Plans in place designed to promote equality for men and women. For this purpose they have specific measures in place with regard to recruitment, training and the prevention of harassment. Those plans are published and actively circulated among staff.

In Spain, the collective bargaining arranged in 2018 include a clause agreed with the workers' legal representation establishing the commitment to create an equality committee in 2019 and draft and equality plan.

In Europe and the United States, the company has published its policies, stating its firm commitment to this matter (the Code of Conduct in Europe and the Equal Employment Opportunity Policy in the United States).

Among the measures proposed to foster equal treatment and opportunity between men and women are the following:

a) Recruitment:

Guarantee the principles of non-discrimination for reasons of gender based on the type of contract or working hours, so that the rights included will be applied equally to people working on permanent, part-time and full-time contracts.

b) Harassment prevention:

- As the guarantor of the occupational health and safety of its workers, the company has the objective to foster a healthy work environment by adopting measures to make sure that the services provided do not lead to mental or physical injuries.

  Such preventive measures are designed to implement organisational solutions which enhance transparency and participation as well as types of conduct which foster respect and tolerance, with the aim of preventing the risk of sexual harassment. To that end, the company actively fosters knowledge of the Code of Conduct even through the collective bargaining, either by including the penalty for non-compliance in the disciplinary system (Aquópolis Cullera collective bargaining agreement) or by establishing monitoring mechanisms regarding compliance (Parque Warner collective bargaining agreement).

- Based on the applicable regulations in each country where it operates, the company seeks to establish simple, impartial, clear and flexible procedures for submitting complaints or claims, creating the appropriate internal levels of intermediation and/or arbitration and in all cases guaranteeing and respecting the rights of the persons involved in the procedure. At the same time, and until the issue is resolved, the victim will be separated temporarily from the alleged offender, without this representing a substantial modification to the working conditions of the person suffering the harassment.
- Workplace harassment will be penalised by the company so that it does not take place or it can be corrected.
- The action protocol is publicised on the company's intranet as an internal policy called “Action protocol in the event of harassment". In the United States, the action protocol is described in the "Team member relations and open door policy".

10. RELATIONS WITH SHAREHOLDERS AND INVESTORS

Since the initial public offering in April 2016, Parques Reunidos has maintained a commitment to transparency with its shareholders. It informs them regularly of its activities through the Significant Events published on the CNMV's website (www.cnmv.es) and on the Company's corporate website (www.parquesreunidos.com). In that sense, the CSRP establishes a number of principles guiding the company’s actions with respect to its shareholders and investors.

Through its website, Parques Reunidos provides updated information in both Spanish and English about the Significant Events notified to the CNMV, the documents related to the convening and holding of the annual general meeting and the press releases of interest to shareholders and investors. All the Group’s relevant information, presentations and legal, economic and financial and corporate governance documents are available to the public on the corporate website.

In addition, the company has made available to its shareholders, institutional investors and the markets in general a direct communication channel via e-mail (investor@parquesreunidos.com) with the main objective of serving as an open, permanent and transparent communication channel with all the company’s shareholders and investors.

During the year, the Investor Relations department at Parques Reunidos channelled the communication with shareholders, institutional investors, proxy advisors and the markets in general, enabling them to exercise their rights and ensuring equal treatment among them to avoid discriminatory situations. The information was provided continuously and not only as a result of holding the annual general meeting.

Parques Reunidos also organised road shows with analysts and institutional investors to inform about its business performance.

The company also attended events organised by investment banks to meet with institutional investors. Parques Reunidos also organised telephone meetings in which its management team told analysts and institutional investors about the main features of its financial results and provided them with a trading update. At those meetings, Parques Reunidos dealt with the requests for information, particularly taking into account the rules on how to treat inside information and market abuse, the relations with shareholders and the markets, and the other rules envisaged in the applicable regulations and in the Group's internal regulations.

11. RELATIONS WITH CUSTOMERS

Parques Reunidos has established a number of policies on facility safety, food safety and customer complaints, all of which are designed to offer the best possible service to visitors.

The Group's commitment to provide safe leisure begins with the design of the activities and functioning of the rides, and is maintained through strict operational and maintenance procedures, together with clear and precise information for the visitor.

All Group companies guarantee that the rides are subject to periodic internal and external audits, that appropriate mechanisms are in place in the event of incidents and that visitors have communication channels available for all their complaints and suggestions.

In accordance with the principle of continuous improvement, all incidents related to visitors are recorded and reviewed. Since most of the parks were closed during this interim financial year, the visitor accident rates at the parks is not considered to be significant. They will be provided in the forthcoming report on the full year.

Furthermore, all parks in Europe and a majority of those in the USA were internally audited during 2018 by independent safety experts.

With the aim of guaranteeing compliance with the applicable technical standards in relation to the design and maintenance of our facilities, all Group rides have been submitted to an external inspection by accredited independent bodies. Those inspections are performed at least once a year.

Parques Reunidos is also an active member of the IAAPA (International Association of Amusement Parks and Attractions), an international not-for-profit organisation with over 5,600 amusement-industry members (amusement, theme and water parks, family entertainment centres, animal parks, museums, manufacturers, etc.) in more than 100 countries worldwide. The organisation helps its members improve their efficiency, safety, profitability and marketing while maintaining the highest possible professional standards in the industry throughout the world.

Aware of the importance of safety, Parques Reunidos continues to work towards the standardisation of procedures at all the various parks, and the communication and sharing of good practices, which may contribute to the safety of our visitors.

11.1. FOOD SAFETY

Parques Reunidos has a Food Safety Policy in place which addresses three principles:

1. **Integration:** To be included in all tasks involving food products.
2. **Prevention:** All possible sources of risk must be eliminated.
3. **Participation:** Employee participation in the design and implementation of safety plans must be fostered.

The Group applies the internationally recognised Hazard Analysis and Critical Control Points (HACCP) system to guarantee the safety of food products. In addition, we use food safety manuals, which provide detailed information on safety risks and food hygiene.

All food and drink sales points are audited by specialist inspectors at least once a year.

11.2. OBJECTIVE AND TRANSPARENT INFORMATION

In full compliance with applicable legislation, Parques Reunidos is governed by a Communication Transparency Policy in relation to the content and prices of all its products and services available to the consumer, which may be consulted on various formats: on the website of each facility, via the customer service telephone line or at the park itself. This practice also includes all promotional offers.

Price transparency does not only affect the visitors of the park, but also applies to any intermediary ticket sellers, who receive an official notification of all prices every year.

In Spain, where the headquarters are based, Parques Reunidos Group is a member of the Spanish Advertisers' Association (AEA *Asociación Española de Anunciantes*), a professional non-profit organisation which represents company advertisers and oversees ethical and responsible advertising. That association defends the freedom of communication, dialogue and fair competition.

11.3. CLAIMS MANAGEMENT

Parques Reunidos also has a Claims Control Policy in place which establishes a clear procedure for receipt, analysis, assessment, action and response to the customer.

In every park in Europe, there is a quality coordinator who is responsible for those functions. Additionally, the quality committee analyses the claims and suggestions and monitors the customer satisfaction indexes provided by visitors.

Accordingly, Parques Reunidos also provides its customers with a number of options to channel their claims or suggestions, both physical and online:

- ✓ Official claims book, according to the legislation in each country.
- ✓ Online claims and suggestions form, available on the website of each park.
- ✓ Social media: Facebook, Twitter, etc.
- ✓ Official blog of each park.
- ✓ Suggestion sheets or books, available at parks.
- ✓ Evaluation questionnaires, available at different points around the parks.

In addition to the above, a questionnaire is sent out to all customers who buy tickets online, resulting in a quality index which measures the satisfaction level of customers during the 24 hours following their visit.
Those indicators allow each park to analyse their situation and establish new goals and specific satisfaction objectives for the future. Those indicators are managed at a local level, at each park. The Group is currently working on implementing a global reporting system to share the consolidated indicators in this area and monitor their performance as a Group.

11.4. DATA PRIVACY PROTECTION

The Parque Reunidos Group collects and processes a high volume of personal data, originating from the millions of visitors who attend their parks, the suppliers and contractors with whom they have dealings, as well as the employees of the Group companies.

Aware of the great responsibility involved in processing such data and information, the company has always been fully committed to strict compliance with all legislation regarding personal data protection.

Since 2011, the company has hired an external firm specializing in data protection to conduct a biennial audit of all its centres in Spain.

In Europe, there is a Data Protection Manual which is mandatory for all the parks in Spain and the rest of Europe. This provides a clear and simple account of the directives that parks must follow in the course of their activity, giving special emphasis to the areas which require particular care, such as gathering of personal data through websites, processing data to send out sales information through electronic means or telecommunications, the use of photographs or videos taken in the parks, processing personal data of minors, etc.

In the USA, the vulnerability of information security is evaluated monthly, both via internal controls performed by employees as well as external checks conducted by a specialist company. Daily and weekly alerts are also generated for review purposes.

The General Data Protection Regulation (GDPR), which has been in application since 25 May 2018, has resulted in profound changes in European data protection legislation and has increased the number of obligations required of companies in regard to this issue, as well as the resources and measures they need to employ to ensure that all information is collected and processed in a manner offering maximum security to the data subject. For this reason, Parques Reunidos Group has been working constantly throughout the year to effectively implement the aforementioned EU regulation.

During this interim financial year, Parques Reunidos Group did not receive any claims or disciplinary sanctions with regard to data protection and privacy issues.

12. RELATIONS WITH SUPPLIERS

The policies regarding suppliers establish selection criteria based on the efficiency, quality and reliability of the products and services, which are based on the commitments defined under the Group's Code of Conduct and the Employee Handbook for the interactions with the value chain and the purchasing relations with suppliers. The criteria established for the purchasing processes include the following:

- Security in terms of strict compliance with current regulations. The specific requirements of each product are taken into account.
- Solvency: we work with suppliers with sufficient capability to undertake the necessary investments (machinery, advertising posters, image, etc.) or accept the established payment terms.
- Experience and a proven market track record.
- Reputation will determine the Group's choice of clearly recognisable and renowned market brands, which generate trust among our visitors.
- Service: suppliers with the capability to offer a maintenance service and goods delivery, at least at a nationwide level.
- Value for money: to be the most competitive in the market.
- Flexibility of suppliers who are capable of adapting to seasonal business needs, responding to peak periods such as summer holidays and weekends when some suppliers might otherwise reduce activity.

Parques Reunidos ensures local employability and continuing relations with local suppliers as a way of generating and maintaining wealth in the areas where it operates.

In the case of suppliers of the articles available in the park shops which are not based in the EU, extra care is taken to ensure that such products meet the officially accredited standards.

In the case of EU suppliers, it is essential to ensure that they are authorised to sell or manufacture any licensed products they may provide.

The selection of games suppliers is via tender and an in-depth analysis of the bid, taking into account the aforementioned criteria, with an emphasis on legal requirements and the safety of the products and equipment. Parques Reunidos also expects its suppliers to share and collaborate with its firm commitment to the effective prevention of occupational risks which might arise from their activities.

In the event of service suppliers executing work within the park installations, efficient and effective coordination is essential for both operational and safety reasons and the company will always focus on control of all possible interactions involved in such activity. For that purpose, a range of control and supervision mechanisms are in place regarding such procedures, in order to ensure that safety standards in the execution of work by external suppliers are in line with company requirements, which will go beyond minimum legal standards in all cases.

The Group is reviewing the current Purchasing Policy to take into account social, equality and environmental issues and well as the mechanisms for auditing and monitoring the results.

13. TAX INFORMATION

Earnings by country

The pre-tax earnings in euros obtained in the period ending 31 December 2018 by the companies in Parques Reunidos Group, aggregated by country, was as follows:

(thousands of euros)	PRE-TAX EARNINGS
BELGIUM	(631)
DENMARK	(740)
FRANCE	(5,621)
GERMANY	1,011
ITALY	(3,690)
NETHERLANDS	(1,720)
NORWAY	(3,418)
PORTUGAL	(8)
SPAIN	(27,618)
UNITED KINGDOM	(519)
UNITED STATES	(22,499)

Income tax by country

The direct taxes (on income, not accrued) paid by the Group companies in the tax period was as follows:

(thousands of euros)	CASH-OUT FOR DIRECT TAXES
BELGIUM	
DENMARK	
FRANCE	
GERMANY	40
ITALY	
NETHERLANDS	
NORWAY	7
PORTUGAL	
SPAIN	6,045
UNITED KINGDOM	(72)
UNITED STATES	

Public subsidies received

The Group companies did not receive any public subsidies during the period.

14. EQUIVALENTS TO ACT 11/2018 AND RELATIONSHIP WITH THE GRI INDICATORS

Information required by the Non-Financial Information Act	Relationship with the GRI indicators (guidance)	Report page number
General information		
Business model		
Brief description of the group's business model (business environment and organisation)	102-2 Activities, brands, products and services	Pages 5-6
	102-7 Size of organisation	Page 6
Geographical presence	102-3 Location of headquarters	Page 6
	102-4 Location of operations	Page 5
	102-6 Markets served	Page 5
Objectives and strategies of the organisation	102-14 Statement from senior decision-maker (vision and strategy related to the management of economic, social and environmental impacts)	Pages 7-10
Main factors and trends which affect future performance	102-15 Key impacts, risks, and opportunities	Pages 7-10
General		
The report mentions the framework for the national, European or international reporting used for selecting the key non-financial results indicators included in each section	102-54 Claims of reporting in accordance with the GRI Standards	Pages 39-45

Information required by the Non-Financial Information Act	Relationship with the GRI indicators (guidance)	Report page number
Environmental matters		
General information		
A description of the **policies** applied by the group regarding such matters, which must include the due diligence procedures applied for identifying, assessing, preventing and mitigating the significant risks and impacts and those for verification and control, including the measures adopted.	103-2 The management approach and its components	Pages 20-25
The **results of such policies**, which must also include the key pertinent non-financial results **indicators** to monitor and assess the progress and favour the comparison between companies and sectors, in accordance with the benchmark national, European or international frameworks used in each matter. If the group of companies does not apply any policy to any of the matters envisaged in the consolidated non-financial statement, it must provide a clear explanation, justifying the reasons for this.	103-2 The management approach and its components 103-3 Evaluation of the management approach	This does not apply because it is not material for Parques Reunidos these 3 months period. See page 11

The **main risks** related to these matters in connection with the group's activities, including, when pertinent and proportional, the commercial relations, products or services which may have negative effects on those areas, and how the group manages such risks, explaining the **procedures used to detect and evaluate them** in accordance with the benchmark national, European or international frameworks used in each matter. Information must be included about the **impacts** which are detected, providing their breakdown, in particular regarding the **short-, medium- and long-term risks**.	102-15 Key impacts, risks, and opportunities	Pages 20-25
Detailed information		
Detailed general information		
Regarding the current and foreseeable effects of the company's activities on the environment and, where applicable, on health and safety	-	Pages 22-23
Regarding the environmental certification or evaluation procedures	-	Pages 22-23
Regarding the resources devoted to environmental protection	-	Page 23
Regarding the use of the precautionary principle	102-11 Precautionary principle or approach	Page 23
Regarding the amount of provisions and guarantees for environmental risks	-	Page 23
Pollution		
Measures to prevent, reduce or repair emissions which seriously affect the environment, taking into account any form of air pollution specific to an activity, including noise and light pollution.	305-5 Reduction of GHG emissions 305-6 Emissions of ozone-depleting substances (ODS) 305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	This does not apply because it is not material for Parques Reunidos
Circular economy and waste prevention and management		
Prevention, recycling and reuse measures, other forms of waste recovery and elimination, and actions to combat food waste	301-2 Recycled input materials used 301-3 Reclaimed products and their packaging materials 303-3 Water recycled and reused 306-1 Water discharge by quality and destination 306-2 Significant spills	This does not apply because it is not material for Parques Reunidos. See note in page 11
Sustainable resource use		
Water consumption and water supply in accordance with the local limits	303-1 Water withdrawal by source 303-2 Water sources significantly affected by withdrawal of water	This does not apply because it is not material for Parques Reunidos. See note in page 11
Consumption of raw materials and measures adopted to improve the efficiency of their use	301-1 Materials used by weight or volume	
Direct and indirect energy consumption	302-1 Energy consumption within the organisation 302-2 Energy consumption outside of the organisation	
Measures adopted to improve energy efficiency	302-4 Reduction of energy consumption 302-5 Reductions in energy requirements of products and services	
Use of renewable energy	302-1 Energy consumption within the organisation	

Climate change		
The main greenhouse gas emission elements generated as a result of the company's activities, including the use of the goods and services produced	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions	This does not apply because it is not material for Parques Reunidos
Measures adopted to adapt to the consequences of climate change	201-2 Financial implications and other risks and opportunities due to climate change	
Medium- and long-term reduction goals established voluntarily to reduce GHG and the means implemented for such purpose	305-5 Reduction of GHG emissions	
Protection of biodiversity		
Measures adopted to preserve or restore biodiversity	304-3 Habitats protected or restored	Pages 20-22
Impacts caused by activities or operations in protected areas	304-2 Significant impacts of activities, products, and services on biodiversity	Page 22
Information required by the Non-Financial Information Act	**Relationship with the GRI indicators (guidance)**	**Report page number**
Social and staff matters		
General information		
A description of the **policies** applied by the group regarding such matters, which must include the due diligence procedures applied for identifying, assessing, preventing and mitigating the significant risks and impacts and those for verification and control, including the measures adopted.	103-2 The management approach and its components	Pages 25-34
The **results of such policies**, which must also include the key pertinent non-financial results **indicators** to monitor and assess the progress and favour the comparison between companies and sectors, in accordance with the benchmark national, European or international frameworks used in each matter. If the group of companies does not apply any policy to any of the matters envisaged in the consolidated non-financial statement, it must provide a clear explanation, justifying the reasons for this.	103-2 The management approach and its components 103-3 Evaluation of the management approach	Pages 25-34
The **main risks** related to these matters in connection with the group's activities, including, when pertinent and proportional, the commercial relations, products or services which may have negative effects on those areas, and how the group manages such risks, explaining the **procedures used to detect and evaluate them** in accordance with the benchmark national, European or international frameworks used in each matter. Information must be included about the **impacts** which are detected, providing their breakdown, in particular regarding the **short-, medium- and long-term risks**.	102-15 Key impacts, risks, and opportunities	Pages 34-38
Detailed information		
Employment		
Total number and breakdown of employees based on diversity criteria (gender, age, country, etc.)	102-8 Information on employees and other workers 405-1 Diversity of governance bodies and employees	Pages 25-26; 11-12

Total number and breakdown of types of employment contract, annual average for permanent, seasonal and part-time contracts by gender, age and professional category	102-8 Information on employees and other workers	Page 26
Number of lay-offs by gender, age and professional category	-	Pages 27
Average remuneration and performance broken down by gender, age and professional category or equal value	-	Page 27-28
Salary gap, remuneration for same jobs or average for the company	405-2 Ratio of basic salary and remuneration of women to men	Page 28
Average remuneration for directors and managers, including variable remuneration, per diems and indemnities. Payment to long-term savings plans and any other contributions broken down by gender	201-3 Defined benefit plan obligations and other retirement plans	Page 27-28
Implementation of policies to disconnect from work	-	Page 30
Employees with disabilities	405-1 Diversity of governance bodies and employees	Page 27
Work organisation		
Work schedule organisation	-	Page 30
Absent hours	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 31
Measures to facilitate work-life balance and foster co-responsibility of both parents	-	Page 30
Health and safety		
Occupational health and safety conditions	403-3 Workers with high incidence or high risk of diseases related to their occupation	Pages 30-32
Occupational accidents, in particular their frequency and seriousness, and occupational illnesses, broken down by gender.	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 31
Social relations		
Organisation of the social dialogue, including procedures to inform and consult the staff and negotiate with them	102-43 Approach to stakeholder engagement 402-1 Minimum notice periods regarding operational changes 403-1 Workers representation in formal joint management–worker health and safety committees	Page 32
Percentage of employees covered by a collective bargaining agreement by country	102-41 Collective bargaining agreements	Page 32
The assessment of the collective bargaining agreements, particularly in the area of occupational health and safety	403-4 Health and safety topics covered in formal agreements with trade unions	Page 32

Training		
The training policies implemented	404-2 Programmes for upgrading employee skills and transition assistance programmes	Pages 28-29
The total training hours by professional category	404-1 Average hours of training per year per employee	Page 28
Universal access for people with disabilities		
Universal access for people with disabilities	-	Page 19; 27-28
Equality		
Measures adopted to foster equal treatment and opportunity between men and women	-	Pages 32-34
Equality plans (Chapter III of Constitutional Act 3/2007 of 22 March, governing the effective equality of women and men), measures adopted to foster employment, anti-harassment protocols based on gender, integration and universal accessibility for people with disabilities	-	Pages 32-34
The policies against all types of discrimination and, where applicable, diversity management	406-1 Incidents of discrimination and corrective actions taken	Pages 9; 32-34

Information required by the Non-Financial Information Act	**Relationship with the GRI indicators (guidance)**	**Report page number**
Fight against corruption and bribery		
General information		
A description of the **policies** applied by the group regarding such matters, which must include the due diligence procedures applied for identifying, assessing, preventing and mitigating the significant risks and impacts and those for verification and control, including the measures adopted.	103-2 The management approach and its components	Pages 13-15
The **results of such policies**, which must also include the key pertinent non-financial results **indicators** to monitor and assess the progress and favour the comparison between companies and sectors, in accordance with the benchmark national, European or international frameworks used in each matter. If the group of companies does not apply any policy to any of the matters envisaged in the consolidated non-financial statement, it must provide a clear explanation, justifying the reasons for this.	103-2 The management approach and its components 103-3 Evaluation of the management approach	Pages 13-15
The **main risks** related to these matters in connection with the group's activities, including, when pertinent and proportional, the commercial relations, products or services which may have negative effects on those areas, and how the group manages such risks, explaining the **procedures used to detect and evaluate them** in accordance with the benchmark national, European or international frameworks used in each matter. Information must be included about the **impacts** which are detected, providing their breakdown, in particular regarding the **short-, medium- and long-term risks**.	102-15 Key impacts, risks, and opportunities	Pages 13-15

Detailed information		
Measures adopted to prevent corruption and bribery	102-16 Values, principles, standards, and norms of behaviour 102-17 Mechanisms for advice and concerns about ethics 205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken	Pages 7-9; 12-15
Measures to fight money laundering	102-16 Values, principles, standards, and norms of behaviour 102-17 Mechanisms for advice and concerns about ethics	Page 15
Contributions to foundations and non-profit organisations	201-1 Direct economic value generated and distributed	Pages 16-22

Information required by the Non-Financial Information Act	**Relationship with the GRI indicators (guidance)**	**Report page number**
Company information		
General information		
A description of the **policies** applied by the group regarding such matters, which must include the due diligence procedures applied for identifying, assessing, preventing and mitigating the significant risks and impacts and those for verification and control, including the measures adopted.	103-2 The management approach and its components	Pages 34-38
The **results of such policies**, which must also include the key pertinent non-financial results **indicators** to monitor and assess the progress and favour the comparison between companies and sectors, in accordance with the benchmark national, European or international frameworks used in each matter. If the group of companies does not apply any policy to any of the matters envisaged in the consolidated non-financial statement, it must provide a clear explanation, justifying the reasons for this.	103-2 The management approach and its components 103-3 Evaluation of the management approach	Pages 34-38
The **main risks** related to these matters in connection with the group's activities, including, when pertinent and proportional, the commercial relations, products or services which may have negative effects on those areas, and how the group manages such risks, explaining the **procedures used to detect and evaluate them** in accordance with the benchmark national, European or international frameworks used in each matter. Information must be included about the **impacts** which are detected, providing their breakdown, in particular regarding the **short-, medium- and long-term risks**.	102-15 Key impacts, risks, and opportunities	Pages 8-9; 34-38

Detailed information		
Company commitments to sustainable development		
The impact of the company's activity on employment and local development	413-1 Operations with local community engagement, impact assessments, and development programmes	Pages 16-20; 34-35
The impact of the company's activity on the local population and the territory	413-1 Operations with local community engagement, impact assessments, and development programmes	Page 16-22
The relations maintained with the players of local communities and the type of dialogue with them	102-43 Approach to stakeholder engagement	Page 11
The association or sponsorship actions	-	Pages 16-22
Subcontracting and suppliers		
The inclusion of social, gender equality and environmental issues on the purchasing policy	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria	Page 37-38
Consideration of the relations with suppliers and subcontractors regarding their social and environmental responsibility	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria	Page 37-38
Supervision and audit systems and their results	308-2 Negative environmental impacts in the supply chain and actions taken 414-2 Negative social impacts in the supply chain and actions taken	Page 37-38
Consumers		
Health and safety measures for consumers	416-1 Assessment of the health and safety impacts of product and service categories	Pages 34-35
Claims systems, complaints received and how they are resolved	102-43 Approach to stakeholder engagement 102-44 Key topics and concerns raised 418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	Pages 35-36
Tax information		
The earnings by country	201-1 Direct economic value generated and distributed	Page 38
The income tax paid	201-1 Direct economic value generated and distributed	Page 38
The public subsidies received	201-4 Financial assistance received from government	Page 38

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Pº de la Castellana, 259 C
28046 Madrid

Independent Assurance Report on the Consolidated Non-Financial Information Statement of Parques Reunidos Servicios Centrales, S.A. and its subsidiaries for the three months ended 31 December 2018

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

To the shareholders of Parques Reunidos Servicios Centrales, S.A.:

Pursuant to article 49 of the Spanish Code of Commerce, we have provided limited assurance on the consolidated Non-Financial Information Statement (hereinafter NFIS) for the three months ended 31 December 2018, of Parques Reunidos Servicios Centrales, S.A. (hereinafter the "Company") and its subsidiaries (hereinafter the "Group") which forms part of the Group's 2018 consolidated Directors' Report.

The contents of the consolidated Directors' Report includes additional information to that required by prevailing mercantile legislation on non-financial information which it is not possible to provide assurance. In this regard, our assurance work was limited only to providing assurance on the information contained in section 14"Equivalents to Act 11/2018 and relationship with the GRI indicators" of the accompanying the consolidated Directors´ Report.

Directors' responsibilities

The Company's Board of Directors is responsible for the preparation and presentation of the NFIS included in the Group's Consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), in accordance with that mentioned for each subject in section 14"Equivalents to Act 11/2018 and relationship with the GRI indicators" of said Consolidated Directors' Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Company's directors are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the NFIS was obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed that refers exclusively to the year 2018. The data for previous years were not subject to the assurance foreseen in the mercantile legislation in force.

We conducted our review engagement in accordance with International Standard on Assurance Engagements, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Performance Guide on assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units and responsible areas of the Group that participated in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS and in the application of certain analytical procedures and sample review testing described below:

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these questions and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS based on the materiality analysis performed by the Group y described in section 4.1."Materiality analysis" considering the content required in prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the Non-Financial Information Statement for the three months ended 31 December 2018.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS.

- Corroboration, through sample testing, of the information relative to the content of the NFIS for the three months ended 31 December 2018 and whether it has been adequately compiled based on data provided by internal and external information sources or third party reports.
- Procurement of a representation letter from the Society´s Directors and management

Basis of the qualified conclusion

The NFIS included in the Consolidated Directors´ Report does not include the information regarding the contents established by the mercantile legislation in relation to average remunerations and performance broken down by gender, age and professional category or equal value, the gender pay gap, the number of absent hours, occupational accidents rates, in particular their frequency and severity, broken down by gender and the complaints received by the visitors and its resolution.

Conclusion

Based on the assurance procedures performed and the evidence obtained, except for the effect of the matter described in the paragraph "Basis of the qualified conclusion", nothing has come to our attention that causes us to believe that the NFIS of Parques Reunidos Servicios Centrales, S.A. and its subsidiaries for the three months ended 31 December 2018 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and the content of the selected GRI Standards, in accordance with that mentioned for each subject area in section 14"Equivalents to Act 11/2018 and relationship with the GRI indicators" included in the Consolidated Directors' Report.

Use and distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed)

Patricia Reverter Guillot

26 February 2019

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Authorisation for Issue of the Consolidated Financial Statements and Directors' Consolidated Report for the three-month period ended 31 December 2018

At their meeting held on 26 February 2019, pursuant to the requirements of article 253.2 of the Revised Spanish Companies Law and article 37 of the Spanish Code of Commerce, the Board Directors of Parques Reunidos Servicios Centrales, S.A. authorised for issue the consolidated financial statements and consolidated directors’ report for the period from 1 October 2018 to 31 December 2018. The consolidated financial statements comprise the documents that precede this certification.

Signed:

Mr. Richard T. W. S. Golding
(Chairman)

Mr. José Díaz Gómez
(Managing Director)

Mr. Nicolás Villén Jiménez
(Member)

Mr. Dag Erik Johan Svanstrom
(Member)

Mr. Javier Fernández Alonso
(Member)

Mr. Colin Hall
(Member)

Ms. Ana Bolado Valle
(Member)

Mr. Mario Armero Montes
(Member)

Mr. Carlos Ortega Arias-Paz
(Member)

Ms. Jackie Kernaghan
(Member)

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Authorisation for Issue of the Consolidated Financial Statements and Directors' Consolidated Report for the three-month period ended 31 December 2018

It is expressly stated that Mr. Colin Hall has not signed these annual accounts given that he was absent due to justified and reasonable circumstances and reasons, unrelated to the performance of the Company, having, on the other hand, and to the sole purposes of leaving precise record of it, declared his responsibility as director and voted in favor of the drafting of the present annual accounts (including the management report) and to the proposal for the application of the results, by virtue of special power of attorney granted for this board of directors' meeting of 26 February 2019 to another member of the board of directors, containing precise voting instructions.

Parques Reunidos Servicios Centrales, S.A. and Subsidiaries

Authorisation for Issue of the Consolidated Financial Statements and Directors' Consolidated Report for the three-month period ended 31 December 2018

STATEMENT

In accordance with article 253.3 of the Corporate Enterprises Act ("*Ley de Sociedades de Capital*") it is hereby stated that Mr. Colin Hall has not signed the present Consolidated Annual Accounts and Consolidated Management Report for the financial year commenced on 1 October 2018 and ended on 31 December 2018, given that he was absent at the moment of the signature of these documents due to justified and reasonable circumstances and reasons, unrelated to the performance of the Company, having declared in any case Mr. Colin Hall, by means of the relevant proxy letter with precise voting instructions, that he completely agrees with the full content of the mentioned documents, declaring his total conformity with them.

____

Ms. Cristina Carro Werner
Secretary (non-member) to the Board of Directors
Parques Reunidos Servicios Centrales, S.A.

Parques Reunidos Servicios Centrales, S.A.

Annual Accounts

For the three-month period ended 31 December 2018

Directors' Report

For the three-month period ended 31 December 2018

(With Independent Auditor's Report Thereon)

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

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

Independent Auditor's Report on the Annual Accounts

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

To the Shareholders of Parques Reunidos Servicios Centrales, S.A.

Report on the Annual Accounts

Opinion

We have audited the annual accounts of Parques Reunidos Servicios Centrales, S.A. (the "Company"), which comprise the balance sheet at 31 December 2018, and the income statement, statement of changes in equity and statement of cash flows for the three-month period then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2018, and of its financial performance and its cash flows for the three-month period then ended in accordance with the applicable financial reporting framework (specified in note 2 (a) to the accompanying annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Accounts section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the annual accounts in Spain pursuant to the legislation regulating the audit of accounts. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Recoverable amount of investments in Group companies
(See notes 2 (d), 4 (d), 9, 10 and 17(a))</th></tr>
<tr><td>Key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>As described in the notes to the annual accounts, at 31 December 2018 the Company has recognised non-current investments in Group companies and associates totalling Euros 1,468,966 thousand.

The recoverable amount of these investments is determined by Group Management, with assistance from independent experts, based on a calculation of the present value of the future cash flows therefrom applying valuation techniques, which entails the use of estimates. Management also uses, as a basis for this calculation, the projections approved by the Board of Directors.

Due to the complexity of the calculation of the recoverable amount, the high level of judgement when estimating the key assumptions and the associated uncertainty, as well as the significance of the carrying amount of these investments, the process of measuring these assets has been considered a key audit matter.</td><td>Our audit procedures included the following:

• understanding the control environment and assessing the design and implementation of the most relevant controls established by Company Management with respect to the process of estimating the recoverable amount of investments in Group companies;
• evaluating the criteria used by Company Management in identifying indications of impairment of investments in Group companies;
• assessing, with our specialists, the methodology and assumptions used by Company Management in estimating the recoverable amount of investments in Group companies;
• comparing the forecasts of the main variables in the financial projections estimated in prior years with the actual data obtained;
• contrasting the information contained in the model for calculating the recoverable amount with the projections for the Group approved by the Board of Directors;
• analysing the sensitivity of the estimated recoverable amount to changes in the relevant assumptions and judgements, such as the discount rate, the expected future growth rate and future cash flows.

We also assessed whether the information disclosed in the annual accounts meets the requirements of the financial reporting framework applicable to the Company.</td></tr>
</table>

Other Information. Directors' Report

Other information solely comprises the directors' report for the three-month period ended 31 December 2018, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not encompass the directors' report. Our responsibility as regards the content of the directors' report is defined in the legislation regulating the audit of accounts, which establishes two different levels:

a) A specific level applicable to the non-financial information statement and to certain information included in the Annual Corporate Governance Report, as defined in article 35.2. b) of Audit Law 22/2015, which consists solely of verifying that this information has been provided in the directors' report, or where applicable, that the directors' report makes reference to the separate report on non-financial information, as provided for in legislation, and if not, to report on this matter.

b) A general level applicable to the rest of the information included in the directors' report, which consists of assessing and reporting on the consistency of this information with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned accounts and without including any information other than that obtained as evidence during the audit. Also, assessing and reporting on whether the content and presentation of this part of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have verified that the directors' report includes a reference stating that the information mentioned in a) above is presented in the consolidated directors' report of the Parques Reunidos Group to which the Company belongs; that the information from the ACGR, mentioned above, is included in the directors' report; that the rest of the information contained in the directors' report is consistent with that disclosed in the annual accounts for the three-month period ended 31 December 2018; and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibilities for the Annual Accounts

The Company's Directors are responsible for the preparation of the accompanying annual accounts in such a way that they give a true and fair view of the equity, financial position and financial performance of the Company in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Company's Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Company's audit committee is responsible for overseeing the preparation and presentation of the annual accounts.

Auditor's Responsibilities for the Audit of the Annual Accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Directors.

- Conclude on the appropriateness of the Company's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the audit committee of Parques Reunidos Servicios Centrales, S.A. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Company's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated to the audit committee of the Company, we determine those that were of most significance in the audit of the annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

Additional Report to the Audit Committee

The opinion expressed in this report is consistent with our additional report to the audit committee of Parques Reunidos Servicios Centrales, S.A. dated 26 February 2019.

Contract Period

We were appointed as auditor of the Group by the shareholders at the extraordinary general meeting on 4 October 2018 for the three-month period ended 31 December 2018.

Previously, we were appointed for a period of seven years, by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 30 September 2012.

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors (“ROAC”) with No. S0702

(*Signed on original in Spanish*)

Gustavo Rodríguez Pereira

On the Spanish Official Register of Auditors (“ROAC”) with No. 17564

26 February 2019

Parques Reunidos Servicios Centrales, S.A.

Annual Accounts and Directors' Report
of the three-month period ended
31 December 2018

(With 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.

Balance Sheets for the three-month period ended 31 December 2018

and for the year ended 30 September 2018

(Thousands of Euro)

Assets	*Note*	*31.12.2018*	*30.09.2018*
Intangible fixed assets	**5**	**4,017**	**4,365**
Development		1,369	1,499
Industrial property		-	5
Computer software		2,648	2,861
Tangible fixed assets	**6**	**6,010**	**5,998**
Land and buildings		314	324
Technical installations and other items		2,779	2,786
Property, plant and equipment under construction		2,917	2,888
Non-current investments in Group companies and associates		**1,468,966**	**1,460,160**
Equity instruments	**9**	333,148	333,148
Loans to group companies	**10 and 17 (a)**	1,063,375	1,053,875
Other financial assets	**10 and 17 (a)**	72,443	73,137
Non-current investments	**10**	**4**	**4**
Deferred tax assets	**15**	**1,936**	**199**
Total non-current assets		**1,480,933**	**1,470,726**
Trade debtors and other accounts receivable		**179,240**	**185,845**
Trade receivables	**10**	1,517	2,008
Trade receivables with group companies	**10 and 11(b)**	175,363	182,724
Personnel	**10**	92	89
Public entities, other	**15**	2,268	1,024
Current investments in Group companies and associates	**10 and 17 (a)**	**628,915**	**629,939**
Loans to group companies		627,395	628,419
Other financial assets		1,520	1,520
Current financial assets	**10 and 11 (a)**	**364**	**363**
Prepayments for current assets		**759**	**823**
Cash and cash equivalents	**4 (f)**	**11,650**	**14,729**
Total current assets		**820,928**	**831,699**
Total assets		**2,301,861**	**2,302,425**

The accompanying notes form an integral part of the annual accounts for the three-month period ended 31 December 2018.

Parques Reunidos Servicios Centrales, S.A.

Balance Sheets for the three-month period ended 31 December 2018

and for the year ended 30 September 2018

(Thousands of Euro)

Equity and Liabilities	*Note*	*31.12.2018*	*30.09.2018*
Equity	**12**	**1,594,263**	**1,579,513**
Capital		40,371	40,371
Share premium		1,327,528	1,327,528
Reserves		142,086	142,086
Prior periods profit and loss		58,474	-
Other shareholder contributions		10,148	10,148
Other equity instruments		1,000	906
Result for the year		14,656	58,474
Total net equity		**1,594,263**	**1,579,513**
Non-current payables		**313,706**	**313,435**
Loans and borrowings	**13**	313,706	313,435
Derivatives	**13**	-	-
Group companies and associates, non-current	**13 and 17 (a)**	**147,402**	**141,783**
Total non-current liabilities		**461,108**	**455,218**
Current payables		**18,804**	**18,232**
Loans and borrowings	**13**	18,534	17,973
Derivatives	**13**	270	259
Trade creditors and other accounts payable		**227,686**	**249,462**
Suppliers	**13**	2,332	2,876
Suppliers, group companies and short term associates	**13 and 17 (a)**	218,685	231,321
Other creditors	**13**	1,234	1,418
Current tax liabilities	**15**	-	5,865
Public entities, other	**15**	859	3,309
Personnel (salaries payable)	**13**	2,357	1,941
Other current liabilities	**13**	2,219	2,732
Total current liabilities		**246,490**	**267,694**
Total equity and liabilities		**2,301,861**	**2,302,425**

The accompanying notes form an integral part of the annual accounts for the three-month period ended 31 December 2018.

Parques Reunidos Servicios Centrales, S.A.

Income Statements

for the three-month period ended 31 December 2018

and for the year ended on 30 September 2018

(Thousands of Euro)

	Note	*31.12.2018*	*30.09.2018*
Revenue	**16 (a)**	**25,210**	**95,482**
Services rendered		715	4,400
Financial income from holding activity		24,495	91,082
Work done by the company for its assets		**308**	**1,116**
Other operating income	**16 (b)**	**5,147**	**27,424**
Non-trading and other operating income		5,147	27,424
Personnel expenses	**16 (c)**	**(4,839)**	**(12,811)**
Salaries and wages		(4,452)	(11,041)
Employee benefits expense		(387)	(1,770)
Other operating expenses		**(2,566)**	**(10,757)**
External services	**16 (d)**	(2,929)	(8,881)
Taxes		(17)	(25)
Impairment losses from trading activities	**11 (b)**	380	(1,851)
Amortisation and depreciation	**5 and 6**	**(686)**	**(2,768)**
Impairment and Losses from tangible and intangible assets		**-**	**-**
Other P&L	**16 (e)**	**-**	**(2,635)**
Operating result		**22,574**	**95,051**
Financial income		**1**	**2**
Marketable securities and other financial instruments			
Other		1	2
Financial expenses	**13**	**(4,523)**	**(17,041)**
Group companies and associates	**17 (a)**	(1,746)	(6,143)
Other		(2,777)	(10,898)
Change in fair value of financial instruments	**14**	**(11)**	**176**
Exchange differences		**(317)**	**8**
Net financial income/loss		**(4,850)**	**(16,855)**
Profit before income tax		**17,724**	**78,196**
Income tax	**15**	**(3,068)**	**(19,722)**
Result for the year		**14,656**	**58,474**

The accompanying notes form an integral part of the annual accounts for the three-month period ended 31 December 2018.

Parques Reunidos Servicios Centrales, S.A.

Statements of Changes in Equity

for the three-month period ended 31 December 2018

and for the year ended on 30 September 2018

A) Statements of recognised Income and Expenses

for the three-month period ended 31 December 2018

and for the year ended 30 September 2018

(Thousands of Euro)

	Note	31.12.2018	30.09.2018
Profit for the year		**14,656**	**58,474**
Income and expense recognised directly in equity		-	-
Amounts transferred to the income statement		-	-
Total recognised income and expense		**14,656**	**58,474**

The accompanying notes form an integral part of the annual accounts for the three-month period ended 31 December 2018.

Parques Reunidos Servicios Centrales, S.A.

Statements of Changes in Equity

for the three-month period ended 31 December 2018

and for the year ended 30 September 2018

B) Total Statements of Changes in Equity for the three-month period ended 31 December 2018

and for the year ended 30 September 2018

(Thousands of Euro)

	Share Capital	Share premium	Reserves	Prior periods profit and loss	Other shareholder contributions	Other equity instruments	Result for the year	Total
Balance at 30 September 2017	**40,371**	**1,327,528**	**88,509**	**-**	**10,148**	**531**	**73,577**	**1,540,664**
Recognised income and expense	-	-	-	-	-	-	58,474	58,474
Transactions with shareholders or owners								
Distribution of 2016 profits	-	-	73,577	-	-	-	(73,577)	-
Share based payments	-	-	(20,000)	-	-	-	-	(20,000)
Other movements	-	-	-	-	-	375	-	375
Balance at 30 September 2018	**40,371**	**1,327,528**	**142,086**	**-**	**10,148**	**906**	**58,474**	**1,579,513**
Recognised income and expense	-	-	-	-	-	-	14,656	14,656
Transactions with shareholders or owners								
Distribution of 2017 profits	-	-	-	58,474	-	-	(58,474)	-
Distribution of dividends	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	94	-	94
Balance at 31 December 2018	**40,371**	**1,327,528**	**142,086**	**58,474**	**10,148**	**1,000**	**14,656**	**1,594,263**

The accompanying notes form an integral part of the annual accounts for the three-month period ended 31 December 2018.

Parques Reunidos Servicios Centrales, S.A.

Cash Flow Statements

for the three-month period ended 31 December 2018

and for the year ended 30 September 2018

(Thousands of Euro)

	Note	31.12.2018	30.09.2018
Cash flows from operating activities			
Profit of the year before taxes		**17,724**	**78,196**
Adjustments for:			
Amortisation and depreciation	5 & 6	686	2,768
Impairment losses on trade receivables	11 (b)	(380)	1,851
Profit/loss on retirements and disposals		-	-
Financial income	10 and 16 (a)	(24,496)	(91,084)
Financial expenses		4,523	17,041
Exchange differences		317	(8)
Change in fair value on financial instruments	14	11	(176)
Other income and expenses		308	(1,116)
Changes in working capital			
Trade and other receivables		8,234	(5,859)
Other current assets		1,239	(663)
Trade and other payables		(20,112)	34,065
Other cash flows from operating activities			
Payment of interest		(2,517)	(9,640)
Income tax payments	15	(6,045)	(5,982)
Cash flows from operating activities		**(20,508)**	**19,393**
Cash flows from investing activities			
Payments for investments			
Group companies and associates		(322)	(46,211)
Intangible fixed assets	5	277	(274)
Tangible fixed assets	6	(832)	(2,450)
Proceeds from sale of investments			
Other financial assets		15,318	1,291
Cash flows from investing activities		**14,441**	**(47,644)**
Cash flows from financing activities			
Proceeds / (payments) for financial liability instruments			
Loans and borrowings		2,988	(13,800)
Dividend payments and remuneration on other equity instruments			
Dividends	12	-	(20,000)
Cash flows from financing activities		**2,988**	**(33,800)**
Net Increase/Decrease in cash and cash equivalents		**(3,079)**	**(62,051)**
Cash and cash equivalents at beginning of year		14,729	76,780
Cash and cash equivalents at year end		11,650	14,729

The accompanying notes form an integral part of the annual accounts for the three-month period ended 31 December 2018.

(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 2010 and 30 March 2010, the agreements of conversion to public limited company and of modification of the company name to the current one, were formalised respectively in public deeds.

On March 2007, the Company acquired the leisure group Parques Reunidos, and its activity began with that acquisition.

In 23 March 2007, its Single Shareholder approved the modification of the articles of association of the Company, establishing the closing date of its financial year on 30 September of each year. Nevertheless, at its Ordinary General Shareholders' Meeting on 21 March 2018, the decision was made to modify the Company's Bylaws in their article regarding the fiscal year, by establishing the closing date of 31 December for each year. For the correct implementation of the aforementioned change, it was also agreed that the fiscal year started on 1 October 2018 will have an irregular duration and will end on 31 December 2018.

Its registered office is located at Paseo de la Castellana 216,16th floor, Madrid. Since 29 April 2016, the Company's shares have been listed in the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia.

The Company's corporate purpose, according to its bylaws, is as follows:

- The promotion, development, construction, installation, and operation of all kinds of businesses and sports and leisure activities, on its own property or on lease, surface right, administrative concession and any other form of assignment of right of use.

- Providing management services, administration, or consultancy services related to the development, strategic growth, and planning of investments to companies in which the Company holds an equity interest, directly or indirectly.

- Advisory services to companies in which the Company holds (directly or indirectly) a share interest, such advice being related to potential investments or acquisitions in the domestic or international market in the sector of management and operation of any kind or any other Sector corresponding to a related activity, antecedent, consequent or in any way related to the aforementioned.

- The holding, administration, acquisition and disposal of transferable securities and corporate shares of companies.

The main activity of the Company, as the head of the group, consists of the acquisition, holding and disposal of shares, as well as the provision of centralised management services to all entities of the group, including the financing of group companies.

The Company has holdings in subsidiaries. Information related to the interests of the Group companies is presented in note 9. As a consequence, the Company is the parent of a group of companies in accordance with current legislation and is obliged to prepare consolidated annual accounts. The Company prepares these consolidated annual accounts in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS - EU) and other provisions of the applicable financial reporting framework.

On 26 February 2019, the Directors have formulated the consolidated annual accounts of Parques Reunidos Servicios Centrales, S.A. and subsidiaries for the three-month period ended 31 December 2018 (27 November 2018 for the year ended 30 September 2018), which show consolidated loss of Euro 45,782 thousand (profit of Euro 12,152 thousand according to the restated annual accounts for the year ended 30 September 2018) and a consolidated net worth of Euro 1,055,722 thousand (Euro 1,095,481 thousand

(It continues)

according to the restated annual accounts for the year ended 30 September 2018). The consolidated annual accounts will be deposited in the Mercantile Register of Madrid.

Due to the nature of the activities performed by the Group, there is a significant seasonality in its operations, affecting to the interpretation of the annual accounts for the three-month period ended 31 December 2018, when compared with the annual accounts for the year ended 30 September 2018. This seasonality is caused by the significant reduction of visits to the parks of the Group during Autumn and Winter due to the weather conditions and by the closing of several parks of the Group during such period, which implies that sales and results of the three-month period are significantly lower than those of the annual year ended 30 September 2018.

Flotation on the Stock Market

Since 29 April 2016, the shares of Parques Reunidos Servicios Centrales, S.A., have been admitted to official trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, with no restrictions on the free transfer thereof. As a result of the Stock Market flotation described below, the Company no longer has single shareholder status.

Said flotation was carried out as follows:

a) A capital increase for Euro 525,000 thousand through the issue of 33,870,968 ordinary shares of Euro 0.50 per value each and a share premium of Euro 15 each. The new shares were sold via a subscription offer (see note 12 (a)) for a price of Euro 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 Euro 15.5 each, raising a total amount of Euro 75,175 thousand.

The information prospectus on the Initial Public Offer, the Offer for Sale and the Admission to Trading of the abovementioned shares was approved by the National Securities Market Commission on 20 April 2016. In addition, the capital increase was approved by the then Single Shareholder on 27 April 2016 and entered in the Madrid 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 Euro 15.5 per share, with the new shares admitted to trading on 29 April 2016. Consequently, on 30 September 2016, the shares of the Company were admitted for trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia.

Within the framework of the aforementioned process, Morgan Stanley & Co. International PLC and Deutsche Bank AG, London Branch were appointed global coordinators. The total expense for these issues amounted to Euro 21,244 thousand, of which Euro 18,425 thousand (without considering the tax impact) was allocated to the public subscription offer and, therefore, recognised directly in consolidated equity and the remaining Euro 2,819 thousand was allocated to the public offering and, therefore, recognised in the consolidated income statement.

Lastly, using the proceeds of the initial public offering, the Group restructured its financial debt, and arranged a further syndicated loan (see note 13 (a)).

(2) Bases for presentation

(a) True and fair view

The annual accounts have been prepared on the basis of the accounting records of the Company in accordance with prevailing legislation and the Spanish General Chart of Accounts to give a true and fair view of the equity and financial position at 31 December 2018 and results of operations, changes in equity, and cash flows for the year then ended.

(It continues)

The Company's Directors expect the annual financial statements of the year ended 31 December 2018, prepared on 26 February 2019, will be approved at the General Shareholders' Meeting without modification.

(b) Comparison of information

The annual accounts are presented, for comparative purposes, with each of the balance sheet items, the profit and loss account, the statement of changes in net equity, the statement of cash flows and the Notes, in addition to the figures for the financial year ended 31 December 2018, those corresponding to 30 September, 2018, which were part of the annual accounts for the previous financial year ended 30 September 2018 and which are pending approval by the General Shareholders Meeting.

According to the minutes of the General Shareholders Meeting on 31 March 2018, as mentioned in note 1, the date of closing of the financial year of the Company has been changed to 31 December of each year (previously 30 September). Therefore, the annual accounts ended at 31 December 2018 correspond to a three-month financial year.

Because the figures in the profit and loss account, the statement of changes in net equity, the statement of cash flows and the Notes correspond to a three-month year, they are not directly comparable with those of the previous year, which comprised twelve months.

(c) Functional and presentation currency

The figures disclosed in the annual accounts are expressed in thousands of Euro, the Company's functional and presentation currency, rounded off to the nearest thousand.

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

In preparing the annual accounts, estimates have been made by the directors of the Company to assess some of the assets, liabilities, income, expenses, and commitments that have been recorded. Basically, these estimates refer to the evaluation of possible impairment losses of its main non-current assets, consisting of investments in subsidiaries and receivables from group companies.

To the extent that there are indications of impairment of investments in subsidiaries, the Company tests, with the help of an independent expert, for impairment of such investments. The recoverable amount is the higher of fair value less costs to sell and value in use. Based on the foregoing, the Company 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.

Given that the Company has holdings in companies that are in turn holding entities of a larger subgroup, in assessing the impairment of its investments, the Company has calculated the cash flows of the subgroup of which each investee is dominant. In this way, the flows of these subgroups are composed of the aggregation of the flows of each Cash Generating Unit (CGU) as defined in the consolidated annual accounts of the Company, that is, each individual park. In this sense, for both components whose parks are owned and operated through concession or lease contracts, cash flow discount calculations are based on business plans (composed of the budget for 2018 and projections for the period 2019-2022) of each park, approved by the management.

The main components of such business plan are the projections of income, operating expenses and CAPEX, which reflect the best estimates available on the expected performance for the Group as a whole and that is transferred to the projections for each of the Group's parks. In this regard, the key business assumption and main management variable used by the Group is the EBITDA, defined as operating profit / (loss) less depreciations and amortizations, impairment, net losses on impairment

(It continues)

and disposal of non-current assets, change in trade provisions, profit / (losses) on the disposal of subsidiaries and other results, which is the main figures used by the Group to supervise its business performance.

The Company has drawn up EBITDA projections for the next five years on the basis of past experience, the estimated growth of the sector in each of the countries, taking into account any differences between forecasts made in previous years and the actual figures and the specific prospects of each park. In this respect, according to the its degree of fulfilment and future expectations, the Company updates its business plan periodically.

In the case of concession agreements, the projections included in the calculation of the cash flows have been made until the date of termination of the concession agreement, plus an additional extension of between 20 and 30 years. In the case of operating lease agreements, the projections are made up to the end of the contract, including additional extensions up to 20 years. The additional periods considered are similar to the last real period and they are based on past experience, which points to the likelihood of renewal of such contracts.

With regard to wholly-owned parks, the projections have been made, as a general rule, for a period of five years. However, in those cases in which this period does not allow a normalization of EBITDA, it has been considered to extend this term to a maximum of ten years of projection. From that moment, the cash flows consider a terminal value calculated at a growth rate in perpetuity. In the case of concession or lease agreements, as of the fifth year the cash flows are extrapolated until the end of the agreement term (plus any additional extensions considered) at a constant growth rate except for those specific cases in which an expansion CAPEX allows to project growths above the constant growth rate .The growth rates used are in line with the average long term growth rate for the sector and take into consideration the long term prospects for inflation and gross domestic product for each of the countries in which the parks are located (source: European Central Bank and International Monetary Fund). In the case of the US parks, the terminal value has been calculated using the EBITDA multiples method. Likewise, in the case of the US parks, the calculations of the recoverable value have been performed by an independent expert.

The main assumptions used to estimate the recoverable value were:

- Average compound annual growth of EBITDA of 7.6% at 31 December 2018. 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 generally estimated at up 30% of annual EBITDA. When significant investments in new attractions are projected, the CAPEX increase is higher.

In the case of the impairment test that the Company has in the North American subgroup (USA), headed by the Dutch company Centaur Nederland 3 BV, the current value of the cash flows, prepared in US dollars, is translated to Euro, using the year-end exchange rate. In all other cases, cash flows have been determined directly in Euro irrespective of the functional currency of the country in which each component is located.

Although estimates are calculated by the Company's directors based on the best information available at each financial year end, future events may require changes to these estimates in subsequent years. Any effect on the consolidated annual accounts of adjustments to be made in subsequent years would be recognised prospectively.

(It continues)

(3) Appropriation of Profits

The appropriation of the Parent's Euro 58,473,783.97 profit for the year ended 30 September 2018, proposed by the Directors and pending approval at the General Shareholder's Meeting, consisted of transferring to voluntary reserves an amount of Euro 38,473,783.97, and paying a dividend of Euro 20,000,000.

The proposal for the distribution of the profit for the year ended 31 December 2018, amounting to Euro 14,656,129.06, proposed by the Directors and pending approval by the General Shareholders' Meeting, consists of their full transfer to voluntary reserves.

(4) Significant Accounting Policies

In preparing its abridged annual financial statements for the year ended 31 December 2018, the Company has applied the main recording and valuation criteria in accordance with the Spanish Chart of Accounts, as follows:

(a) Intangible assets

Intangible assets are initially recognised at cost of acquisition or development and subsequently measured at cost less accumulated amortisation and impairment.

- Industrial property Straight-line depreciation over a period of up to 5 years.
- Computer software is measured at acquisition cost and amortised on a straight-line basis over 4 years. Computer software maintenance costs are charged as expenses when incurred.
- The Company capitalises development expenses incurred by specific projects for each activity that meets the following conditions:
  - Costs are clearly allocated, assigned and timed for each project.
  - There is evidence of the project's technical success and economic-commercial feasibility.

  The Company reviews the residual value, useful life and amortisation method for intangible assets (over a period of up to 5 years). If there are doubts as to the technical success or economic profitability of the project, then the amounts booked in respect of these assets are recognised directly in the income statement of the year.

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

The Company measures and determines impairment to be recognised or reversed based on the criteria in section (b) of this note.

(b) Tangible fixed assets

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

Property, plant and equipment are depreciated by allocating the depreciable amount of the asset on a systematic basis over its useful life. The depreciable amount is the cost of an asset, less its residual value. The Company determines the depreciation charge separately for each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and with a useful life that differs from the remainder of the asset.

(It continues)

The Company 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.

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, installations and equipment	10 to 18
Furniture and fixtures	15
Information technology equipment	4
Other tangible fixed assets	10 to 15

Subsequent to initial recognition of the asset, only the costs incurred which increase capacity or productivity or which lengthen the useful life of the asset are capitalised. The carrying amount of parts that are replaced is derecognised. Costs of day-to-day servicing are recognised in profit and loss as incurred.

The Company 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 recoverable amount is the higher of the fair value less costs to sell and the value in use.

Impairment losses are recognised in profit or loss. A reversal of an impairment loss is recognised in the income statement. The increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

After an impairment loss or reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the asset is adjusted in future periods based on its new carrying amount.

However, if the specific circumstances of the assets indicate an irreversible loss, this is recognised directly in losses on the disposal of fixed assets in the income statement.

(c) Leases

The Company has been assigned, as lessee, the right to use certain assets under lease agreements. The Company 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 at the start of the lease period, otherwise they are classified as operating leases.

All leases arranged by the Company are classified as 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.

(d) 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.

(It continues)

Financial instruments are classified into different categories based on the nature of the instruments and the Company's intentions on initial recognition.

A financial asset and a financial liability are offset only when the Company 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) *Investments and Trade receivables*

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.

(ii) *Investments held to maturity*

Investments held to maturity correspond to bank deposits arranged by the Company. They entail a fixed maturity date, fixed or determinable collection amounts and the Company has the effective intention and capacity to hold them to maturity. The measurement criteria applicable to financial instruments classified in this category are those applicable to loans and receivables.

Some of these investments are classified under cash and cash equivalents in accordance with the criteria defined in section (f) of this note.

(iii) *Investments in Group companies*

Group companies are those over which the Company, either directly, or indirectly through subsidiaries, exercises control as defined in article 42 of the Spanish Code of Commerce, or when the companies are controlled by one or more individuals or entities acting jointly or under the same management through agreements or statutory clauses.

Control is the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities. In assessing control, potential voting rights held by the Company or other entities that are exercisable or convertible at the end of each reporting period are considered.

Investments in Group companies, associates and jointly controlled entities are initially recognised at cost, which is equivalent to the fair value of the consideration given. The cost of investments in Group companies acquired before 1 January 2010 includes any transaction costs incurred.

(iv) *Deposits*

Deposits as a result of the lease contracts are recorded at their nominal value since the difference between that and fair value is not significant.

(v) *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 Company has substantially transferred all the risks and rewards of ownership.

(vi) *Impairment of financial assets*

A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is

(It continues)

objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company recognises impairment of loans and receivables when a reduction or delay is incurred in the estimated future cash flows, due to debtor insolvency.

In the event of signs of impairment, the Company conducts impairment tests on holdings in group companies. Impairment in investments in group companies is calculated as the difference between the (higher) carrying amount of the investment and its recoverable amount, the latter of which is understood as the higher of the asset's value in use and fair value less costs to sell.

In subsequent years, reversals of impairment losses in the form of increases in the recoverable amount are recognised, up to the limit of the carrying amount that would have been determined for the investment if no impairment loss had been recognised. The loss or impairment reversal is recognised in the income statement.

(vii) *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.

(viii) *Derecognition and modifications of financial liabilities*

The Company 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 Company 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 Company 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.

The Company renewed its syndicated loan during 2017, establishing that there has been no substantial modification in the liability (Note 13 (a))

The Company has contracted with various financial institutions to confirm payment management to suppliers. The Company 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 Company has only ceded the payment management to financial institutions, maintaining itself as the primary obligor to the payment of debts to commercial creditors.

(ix) *Derivative financial instruments and hedge accounting*

(It continues)

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 Company arranged interest rate swaps for its syndicated loans (see note 14).

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.

(e) Own equity instruments held by the Company

Capital increases are recognised in equity, provided they have been registered in the Companies Register prior to preparing the annual financial statements. Otherwise, they are presented under the heading "Current payables" of the balance sheet. Transaction costs related to own equity instruments, including issue costs related to a business combination, are accounted for as a deduction from reserves, net of any tax effect.

(f) 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.

(g) Foreign currency transactions and balances

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.

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.

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

(h) Income from services rendered

Income and expenses are recognised on an accrual basis, irrespective of collections and payments. Income is measured at the fair value of the consideration received, less discounts and tax.

Given the Company's purpose as a holding company, both the dividends and other income derived from financing granted to investee companies, as well as the revenue obtained for the sale of the investments, as long as it is not manifested in the removal of dependent companies, multi-group companies or associated companies, constitute the "net revenues" of the profit and loss account.

The interest received on financial assets is recognised using the effective interest rate method, and dividends when the shareholder's right to receive them is declared. In any event, the interest and dividends on financial assets accrued after the acquisition date are recognised as income in the income statement.

(It continues)

(i) Income tax

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

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.

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.

The Parent has availed of the tax regime applicable to groups of Spanish companies as permitted by Law 27/2014 of 27 November, and it is the parent of the tax group (see note 15).

In addition to the factors to be considered for individual taxation, set out previously, the following factors are taken into account when determining the accrued income tax expense for the companies forming the consolidated tax group:

- Temporary and permanent differences arising from the elimination of profits and losses on transactions between Group companies, derived from the process of determining consolidated taxable income.

- Deductions and credits corresponding to each company forming the consolidated tax group. For these purposes, deductions and credits are allocated to the company that carried out the activity or obtained the profit necessary to obtain the right to the deduction or tax credit.

Temporary differences arising from the elimination of profits and losses on transactions between tax group companies are allocated to the company which recognised the profit/loss and are valued using the tax rate of that company.

A reciprocal credit and debit arises between the companies that contribute tax losses to the consolidated Group and the rest of the companies that offset those losses. Where a tax loss cannot be offset by the other consolidated Group companies, these tax credits for loss carryforwards are recognised as deferred tax assets, considering the tax group as a taxable entity for their recovery.

The Parent of the Group records the total consolidated income tax payable (recoverable) with a debit (credit) to receivables (payables) from/to Group companies and associates.

The amount of the debt (credit) relating to the subsidiaries is recognised with a credit (debit) to payables (receivables) to/from Group companies and associates.

(i) Recognition of deferred tax liabilities

The Company 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.

(ii) Recognition of deferred tax assets

The Company recognises deferred tax assets provided that it is likely that sufficient taxable profits will be obtained in the future to offset those items, or when tax legislation allows for the future conversion of deferred tax assets into an enforceable credit in respect of the Public Administration.

(It continues)

The Company recognises the conversion of a deferred tax asset into a receivable from the Public Administration, when this is required pursuant to the tax laws in force. For this purpose, the withdrawal of the deferred tax asset is recorded, booked to expense for deferred profits tax and the account receivable with payment to the profits tax on current profits. Likewise, the Company recognises the exchange of a deferred tax asset for public debt securities, when the ownership of these is acquired.

The Company records the payment obligation derived from the financial contribution as operating expense with payment to the debts with Public Administration when it is accrued pursuant to the Corporate Income Tax Act.

However, assets arising 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.

It is considered probable that the Company 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.

To the contrary it is considered probable that the Company has sufficient taxable profits to recover the deferred tax assets, as long as there are temporary taxable differences in sufficient quantity, related with the same tax authority and referring to the same obligated party, the reversal of which is expected in the same FY in which the reversal of the deductible temporary difference is predicted or in FYs in which a tax loss, derived due to a deductible temporary difference, can be compensated by prior or subsequent profits.

The Company records the deferred tax assets that have not been recognised due to exceeding the recovery period of ten years, to the extent that the future recovery period does not exceed ten years counting from the date of closing of the FY or when there are temporary taxable differences in sufficient quantity.

The Company recognises deferred tax assets not previously recognised because they were not expected to be utilised within the ten-year recovery period, in as much as the future reversal period does not exceed ten years from the end of the reporting period or when there are sufficient taxable temporary differences.

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

(iii) <u>Measurement of deferred tax assets and liabilities</u>

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 Company 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 Company 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.

(It continues)

(iv) Offset and classification

The Company 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.

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

(j) Provisions

(i) *General Criteria*

Provisions are recognised when the Company has a current obligation, whether legal, contractual, implicit or tacit, as a result of a past event; there is likely to be an outflow of resources requiring future profits to cancel the obligation; and it is possible to reliably estimate the amount of the obligation.

The financial effect of provisions, where applicable, is recognised as finance expenses in the income statement. Moreover, provisions do not include the tax effect, or estimated profits on asset disposals or withdrawals.

(ii) *Provisions for redundancy benefits and restructuring*

Termination benefits for involuntary redundancies or restructuring processes are recognised when the Company has 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.

(k) Defined benefit plans

The Company 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.

The Company recognises 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. Income or expense related to defined benefit plans is recognised as employee benefits.

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.

(l) Defined contribution plans

The Company recognises the contributions payable to a defined contribution plan in exchange for a service when an employee has rendered service to the Company. 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 Company 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.

(It continues)

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.

(m) Share-based payments for services

The Company 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 Company 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 Company 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 Company 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, 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 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 Company. 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 Company. The Parent has estimated the

(It continues)

total obligation derived from these plans and the part of this obligation accrued at 31 December 2018 and 30 September 2018 based on the extent to which the conditions for receipt have been met (see note 18 (b)).

(n) Classification of assets and liabilities as current and non-current

The Company 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 Company'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 Company 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.

(o) Transactions between Group companies

Transactions between Group companies are recognised at the fair value of the consideration given or received. The difference between this value and the amount agreed is recognised in line with the underlying economic substance of the transaction.

Additionally, transfer prices are sufficiently documented, so the Company Directors do not consider that significant risks exist in this connection that could lead to material liabilities in the future.

(p) Assets and liabilities of an environmental nature

At 31 December and 30 September 2018, the Company 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 31 December 2018.

(It continues)

(5) Intangible assets

The movement in the various components of property, plant and equipment and the related accumulated amortisation was the following:

	Balance at 30.09.17	Additions	Transfers	Balance at 30.09.18	Additions	Disposals	Balance at 31.12.18
Cost							
Development	**1,828**	522	107	**2,457**	-	34	**2,491**
Industrial property	**98**	-	-	**98**	-	-	**98**
Computer software	**11,037**	868	426	**12,331**	31	169	**12,531**
	12,963	1,390	533	**14,886**	31	203	**15,120**
Amortisation							
Development	**(406)**	(552)	-	**(958)**	(164)	-	**(1,122)**
Industrial property	**(72)**	(21)	-	**(93)**	(5)	-	**(98)**
Computer software	**(7,650)**	(1,820)	-	**(9,470)**	(413)	-	**(9,883)**
	(8,128)	(2,393)	-	**(10,521)**	(582)	-	**(11,103)**
Net book value	**4,835**	**(1,003)**	**533**	**4,365**	**(551)**	**203**	**4,017**

The additions during the three-month period ended on 31 December 2018 and the year ended on 30 September 2018 primarily reflect the costs incurred in developing leisure parks in shopping centres (IECs o Indoor Entertainment Centers) and acquisitions of computer software as part of the upgrading and renovation of the Company's IT systems.

Details, by category, of fully amortised intangible assets at 31 December and 30 September 2018 are as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Development	174	174
Industrial property	16	16
Computer software	6,653	5,746
	6,843	**5,936**

(It continues)

(6) Tangible fixed assets

The movement in the various components of property, plant and equipment and the related accumulated depreciation was the following:

	Thousands of Euro						
	Balance at 30.09.17	Additions	Transfers	Balance at 30.09.18	Additions	Transfers	Balance at 31.12.18
Cost							
Constructions	**691**	-	-	**691**	-	-	**691**
Machinery, installations and equipment	**2,623**	1,261	97	**3,981**	83	1	**4,065**
Furniture and fixtures	**176**	-	-	**176**	-	-	**176**
Information technology equipment	**3,771**	61	7	**3,839**	-	3	**3,842**
Other tangible fixed assets	**1**	-	-	**1**	-	-	**1**
Property, plant and equipment under construction	**1,220**	2,305	(637)	**2,888**	236	(207)	**2,917**
	8,482	3,627	(533)	**11,576**	319	(203)	**11,692**
Amortisation							
Constructions	**(327)**	(40)	-	**(367)**	(10)	-	**(377)**
Machinery, installations and equipment	**(1,249)**	(191)	-	**(1,440)**	(71)	-	**(1,511)**
Furniture and fixtures	**(153)**	(6)	-	**(159)**	(1)	-	**(160)**
Information technology equipment	**(3,473)**	(138)	-	**(3,611)**	(22)	-	**(3,633)**
Other tangible fixed assets	**(1)**	-	-	**(1)**	-	-	**(1)**
	(5,203)	(375)	-	**(5,578)**	(104)	-	**(5,682)**
Net book value	**3,279**	**3,252**	**(533)**	**5,998**	**215**	**(203)**	**6,010**

The additions during the three-month period ended on 31 December 2018 and the year ended on 30 September 2018, basically include, the development of new business ideas and group projects for the opening of new entertainment centers that are in progress, as well as the activation of the expenses that contribute to the development of said projects.

Details, by category, of fully amortised intangible assets at 31 December and 30 September 2018 are as follows:

	Thousands of Euro	
	31.12.2018	30.09.2018
Machinery, installations and equipment	760	755
Furniture and fixtures	133	113
Information technology equipment	3,452	3,407
Other property, plant and equipment	1	1
	4,346	**4,276**

The Company takes out insurance policies to cover the possible risks affecting its property, plant and equipment. The Parent's directors consider that these policies are sufficient to cover the risks inherent in the Company’s activity at 31 December 2018.

(It continues)

(7) Operating Leases - Lessee

The Company has signed operating lease agreements for vehicles and office buildings.

Operating lease expenses totalled Euro 176 thousand and Euro 659 thousand for the three-month period ended on 31 December 2018 and the year ended on 30 September 2018, respectively (see note 16 (d)).

The most significant operating lease agreement refers to the Company's main office building in which it conducts its business in Madrid. Said agreement was signed on 26 July 2016 and ends on 30 June 2021, and entails two five-year extensions unless otherwise indicated by the lessee. The annual rent amounts to Euro 539 thousand plus community charges.

At 31 December and 30 September 2018, future minimum lease payments under non-cancellable operating leases are as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Up to one year	760	782
One to five years	1,159	1,364
	1,919	**2,146**

(8) Risk Management Policy

Management of the risks to which the Company 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 Company.

The management of the Group's financial risks is centralised on the Corporate Financial Management. Management has established the necessary mechanisms to control said risks, depending on the Group's structure and financial position and the economic variables of the environment, as well as the risk of exposure to changes in interest rates and exchange rates, plus credit and liquidity risk, 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.

(i) *Credit risk*

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

The Company does not have a significant concentration of third-party credit risk. In relation to the balances with group companies, the Corporate Financial Management controls them by both their origin (commercial transactions, fiscal consolidation, cash pooling, etc.) and the ability of debtors to meet commitments, evaluating the recovery of the balances receivable from group companies together with the business they represent.

The Company considers that the exposure to credit risk of its financial assets at 31 December 2018 is not material.

(It continues)

(ii) *Liquidity risk*

The syndicated loan signed in 2016 and reviewed in February 2017 (Note 13 (a)) entails the fulfilment of certain commitments with the financial entities that facilitate such financing, so monitoring compliance with them is a very important task for the Company.

The Corporate Financial Department closely monitors the fulfilment of these commitments, in order to detect any potential risk of default thereof well in advance. In the event of such a risk being detected, the General Management is notified so that the appropriate decisions to correct the situation may be taken. As of 31 December 2018, the Group has not identified any breach of the financial ratios committed with the financial entities with which the loans have been subscribed.

On the other hand, the Company has to face payments derived, mainly, from the usual commercial operations in the development of its activity. The expected results for the coming years, as well as the mechanisms available in the Group of which it is the dominant company (such as cash pooling) guarantee the provision of sufficient cash to ensure liquidity and to meet all payment commitments. Also, as detailed in note 13 of this report, the Company has credit lines available for a significant amount.

Therefore, the Group considers that the liquidity risk is adequately managed as of 31 December 2018.

(iii) *Market risk*

The main market risks to which the Company is exposed are the risk of interest rate, exchange rate and other price risks.

The Company is exposed, in relation to its financial assets, to fluctuations in interest rates that could have an adverse effect on its results and cash flows. However, the Company substantially mitigates this risk to the extent that the interest-bearing financial assets are Group companies.

In relation to financial liabilities, mainly the syndicated loan, the Company is exposed to the variability of interest rates. However, as indicated in note 14, the Company has entered into an interest rate swap agreement, designed to hedge the interest rate risk of the syndicated loan held as of 31 December 2018.

In relation to exchange rate risk, the Company is exposed to the effect that this may entail in the calculation of the cash flows of investments with currencies other than the euro in relation to impairment tests. In this connection, the risk is mitigated to the extent that countries outside the Euro Area where the Parques Group operates historically maintain stable exchange rates.

In relation to price risk, the Company is exposed to the impact that a significant fall in sales of the companies of the Parques Reunidos Group may entail in the income from services rendered to group companies (see note 16 (b)) because These revenues depend on the volume of sales of the same, which have a stable behaviour. In this sense, the Parques Reunidos Group applies policies aimed at increasing revenues in all branches and maximizing profitability in the parks.

(It continues)

(9) Investments in Equity Instruments of Group Companies

The detail and movement of the cost of investments in equity instruments of group companies is as follows:

Investment	Balance at 30.09.17	Additions	Disposals	Balance at 30.09.18	Additions	Disposals	Balance at 31.12.18
Centaur Nederland 3 B.V.	270,446	-	-	270,446	-	-	270,446
Parque de Atracciones Madrid, S.A.U.	58,319	-	-	58,319	-	-	58,319
Marineland Resort S.A.S.	4,000	-	-	4,000	-	-	4,000
Mall Entertainment Centre Murcia, S.L.U.	76	-	-	76	-	-	76
Mall Entertainment Centre Acuario Arroyomolinos, S.L.	76	-	-	76	-	-	76
Mall Entertainment Centre Temático Arromolinos, S.L.	76	-	-	76	-	-	76
Lisbon Theme Mall Entertainment Centre, Unipessoal LDA	76	-	-	76	-	-	76
Sociedad Lakeside Mall Entertainment Centre Limited	1	-		1	-		1
Indoor Entertainment Príncipe Pio, S.L.U.	-	75	-	75	-	-	75
Parques Reunidos Atlántica, S.L.U.	-	3	-	3	-	-	3
	333,070	**78**	**-**	**333,148**	**-**	**-**	**333,148**

The additions during the three-month period ended on 31 December 2018 and the year ended on 30 September 2018 correspond to the establishment of various companies whose purpose is the operation of leisure areas within shopping centres. In 2018, the company Indoor Entertainment Príncipe Pío, S.L.U., was established with a share capital of Euro 75 thousand, and the company Parques Reunidos Atlántica, S.L.U., was established with a share capital of Euro 3 thousand.

The Company has carried out impairment tests on Parque de Atracciones de Madrid, S.A.U., Centaur Nederland 3 B.V. and Marineland Resort, S.A.S. In this connection, the recoverable value exceeds the book value of the investment, so no valuation adjustments have been made for impairment.

The discount rate used by the Company in the context of the impairment test of its participants is between 8.18% and 10,22% before the tax effect. In order to calculate the aforementioned rate, the Company uses the Capital Asset Pricing Model (CAPM) methodology applied to the capital structure obtained from a number of comparable companies listed on the market and adjusted both by the risk free rate of the country where each subsidiary is operating, as per the specific premium associated with each of them. The remaining key assumptions considered in the impairment tests are detailed in note 2 (d).

The information related to the equity shares in group companies presented in Annex I.

(It continues)

(10) Financial Assets by Category

The classification of the financial assets by category, except for the investments in subsidiaries, at 31 December and 30 September 2018, is as follows:

	Thousands of Euro					
	At amortised cost or cost					
	31.12.2018			30.09.2018		
	Non-current	Current	Total	Non-current	Current	Total
Investments and Trade receivables						
Loans to group companies (note 17 (a))	1,063,375	627,395	1,690,770	1,053,875	628,419	1,682,294
Other receivables from group companies (Note 17 (a))	72,443	1,520	73,963	73,137	1,520	74,657
Deposits	4	364	368	4	363	367
Trade debtors and other accounts receivable						
Clients from sales and provision of service	-	1,517	1,517	-	2,008	2,008
Trade receivables – group (note 17 (a))	-	175,363	175,363	-	182,724	182,724
Personnel	-	92	92	-	89	89
	1,135,822	806,251	1,942,073	1,127,093	815,046	1,942,139
Total financial assets	**1,135,822**	**806,251**	**1,942,073**	**1,127,016**	**815,123**	**1,942,139**

The carrying amount of financial assets at 31 December and 30 September 2018, does not differ significantly from their fair value.

The amount of finance income on the income statement relating to financial assets with third-parties in the three-month period ended on 31 December 2018 and the year ended on 30 September 2018 amounts to Euro 1 thousand and Euro 2 thousand, respectively. The financial income from the holding activity is included in net revenue (see note 16 (a)).

(11) Investments and Trade Receivables

(a) Current financial assets

At 31 December and 30 September 2018 this item of the statement of financial position primarily comprised deposits.

(b) Trade debtors and other accounts receivable

The detail of trade debtors and other accounts receivable, is as follows:

	Thousands of Euro	
	31.12.2018	30.09.2018
Company (note 17 (a))		
Current and non-current payables	1,690,770	1,682,294
Clients	175,363	182,724
Not related		
Clients	1,517	2,008
Personnel	92	89
	1,867,742	**1,867,115**

(It continues)

The Company register a provision amounting to Euro 1,131 thousand (Euro 1,521 thousand as of September 30, 2018) and whose movement during the year was a provision of Euro 860 thousand, a reversal of Euro 1,240 thousand and an application of Euro 10 thousand were made (Euro 1,238 thousand of provision and a reversal of Euro 7 thousand in 30 September 2018).

(12) Equity

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

(a) Capital

As of 31 December and 30 September of 2018, the share capital of Parques Reunidos Servicios Centrales, S.A., is represented by 80,742,044 ordinary shares represented by book entries of Euro 0.5 of nominal value each, belonging to a sole class and series. All shares are fully subscribed and paid-in and grant their holders the same political and economic rights.

As indicated in note 1, the Company'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 el 0,75% of the share capital at 31 December 2018 (0,84% % at 30 September 2018).

According to the aforementioned public information, the most significant shareholdings (more than 10%) at 31 December 2018 are as follows:

	%
Corporación Financiera Alba, S.A.	20,01
Groupe Bruxelles Lambert (GBL)	20,99

(b) Share premium

The share premium is non-restricted, except when, as a result of its distribution, the net equity should fall below the share capital.

In the context of the IPO carried out in April 2016, a capital increase occurred, and the share premium existing at that moment of Euro 819,463 thousand was increased by an amount of Euro 508,065 thousand.

(c) Legal reserve

At 31 December and 30 September 2018, legal reserves stood at Euro 10,189. That 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 31 December 2018 the Company has appropriated this reserve above the minimum limit established in the revised law of the Capital Companies Act.

(It continues)

(d) Voluntary reserve

Voluntary reserves are distributable provided that equity does not fall below share capital as a result of its distribution.

On 21 March 2018 the General Meeting of Shareholders approved the distribution of dividends amounting to Euro 20 million, which was settled in July 2018.

(e) Other shareholder contributions

This heading includes mainly the Exit Bonuses received by members of the Group's management team and a certain number of employees in management positions, which the then Sole Shareholder (Centaur Nederland, B.V.) accepted before the Company's IPO mentioned in note 1.

(f) Other equity instruments

This item reflects the increase in equity resulting from the share-based payment plan detailed in note 4 (m). At 31 December 2018, an amount of Euro 94 thousand (Euro 375 thousand at 30 September 2018) was recognised in connection with the first and second cycles (2016-2019 and 2017-2020) of the long-term incentive plan (see Note 18 (b)).

(13) Financial liabilities

The classification of financial liabilities by categories and classes is as follows:

	Thousands of Euro							
	31.12.2018				30.09.2018			
	Limit	Current	Non-current	Total	Limit	Current	Non-current	Total
At amortised cost:								
Syndicated loan	345,000	13,800	317,400	331,200	345,000	13,800	317,400	331,200
Revolving credit facility	200,000	2,000	-	2,000	200,000	-	-	-
Credit policies arranged	-	1,746	-	1,746				
Interests outstanding	6,750	988	-	988	-	4,173	-	4,173
Transaction costs	-	-	(3,694)	(3,694)	-	-	(3,965)	(3,965)
	551,750	**18,534**	**313,706**	**332,240**	**545,000**	**17,973**	**313,435**	**331,408**
Valued at fair value:								
Derivative financial instruments (note 14)	-	270	-	270	-	259	-	259
	551,750	**18,804**	**313,706**	**332,510**	**545,000**	**18,232**	**313,435**	**331,667**
Trade creditors and other accounts payable								
Suppliers	-	2,332	-	2,332	-	2,876	-	2,876
Suppliers, related entities (note 17 (a))	-	218,685	147,402	366,087	-	231,321	141,783	373,104
Other creditors	-	1,234	-	1,234	-	1,418	-	1,418
Personnel	-	2,357	-	2,357	-	1,941	-	1,941
Other	-	2,219	-	2,219	-	2,732	-	2,732
	-	**226,827**	**147,402**	**374,229**	**-**	**240,288**	**141,783**	**382,071**

Trade and other payables are measured at amortised cost or cost, which does not differ substantially from fair value. The syndicated loan is measured at amortised cost, its fair value at 31 December and 30 September 2018 being estimated at Euro 346,353 thousand and Euro 330,234 thousand, respectively.

(It continues)

The amount of finance expenses in the income statement at 31 December and 30 September 2018, is as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Financial expenses based on amortised costs	4,523	17,041
Total	**4,523**	**17,041**

a) Loans and borrowings

On 1 April 2016 the Company and its subsidiary in the US subgroup Festival Fun Parks, LLC enter into, as joint and several borrowers and guarantors, a new syndicated loan with Banco Santander, S.A. (as the agent bank). This funding was used (i) for the repayment of the previous syndicated loan (entered into in 2014), the bonds of the US subgroup and the GE Capital 2011 revolving credit, which were repaid in full using the cash obtained from this financing as well as that obtained from the Initial Public Offering (see Note 1) and (ii) towards the payment of fees, commissions and expenses associated with this financing. Furthermore, on that date the current revolving credit facility was signed to finance the Group's working capital requirements (including the permitted investments in capex and business acquisitions).

On 13 February 2017, the Company agreed to renew this syndicated loan, implying a reduction of up to 40 basis points in the applicable interest rate spread and an extension of up to 11 months in the maturity schedule thereof, depending on the tranche.

The loan, whose total amount as of 31 December 2018 amounts to Euro 613,396 thousand (Euro 546,644 thousand at 30 September 2018), consists of four tranches that have been taken by the Company (two tranches in Euro) and Festival Fun Parks, LLC (two tranches in US dollars) and a revolving credit line (multi-currency) available to both companies. The amount as of 31 December 2018 of the tranches taken by Festival Fun Parks, LLC amounts to Euro 218,457 thousand (Euro 215,444 thousand at 30 September 2018) and the drawdown of the revolving credit facility came to Euro 61,739 thousand (without the drawdowns made to 30 September 2018). A detail of the tranches of the loan taken by the Company, as of 31 December and 30 September 2018, is as follows:

					31.12.2018	
					Thousands of Euro	
Tranche	Year of maturity	Nominal rate	Effective interest rate	Limit in original currency	Undrawn	Drawn down
Tranche A2 (Euro)	Apr 2022	Euribor 6 months + 2.10%	2.24%	124,200	-	124,200
Tranche B2 (Euro)	May 2022	Euribor 6 months + 2.85%	3.10%	207,000	-	207,000
Revolving facility (multi-currency)	Apr 2022	6 month Libor/Euribor + 2.10%	3.40%	200,000	198,000	2,000
					198,000	**333,200**

(It continues)

Tranche	Year of maturity	Nominal rate	Effective interest rate	Limit in original currency	30.09.2018 Thousands of Euro Undrawn	Drawn down
Tranche A2 (Euro)	Apr 2022	Euribor 6 months + 2.5%	2.24%	138.000	-	138,000
Tranche B2 (Euro)	May 2022	Euribor 6 months + 3.25%	3.10%	207.000	-	207,000
Revolving facility (multi-currency)	Apr 2022	6 month Libor/Euribor + 2.10%	3.40%	200.000	200,000	-
					200,000	**345,000**

At 31 December and 30 September 2018 there were no restrictions on drawdowns of the revolving credit facilities.

The agreement establishes a partial repayment schedule of tranche A2, namely repayment of 10% of the principal on 31 May each year from 2018 until 2021 and repayment of the remaining 60% in April 2022. The entire principal of tranche B2 is to be settled in a single repayment on 31 May 2022. Lastly, revolving credit draw-downs must be repaid in their entirety on 30 September of each year.

Non-current loans and borrowings at 31 December and 30 September 2018 mature as follows:

	31.12.2018 Thousands of Euro 2020	2021	2022	2023 y siguientes	Total
Syndicated loan	13,800	13,800	289,800	-	317,400
	13,800	**13,800**	**289,800**	**-**	**317,400**

	30.09.2018 Thousands of Euro 19/20	20/21	21/22	2022	2023 and thereafter	Total
Syndicated loan	13,800	13,800	289,800	-	-	317,400
	13,800	**13,800**	**289,800**	**-**	**-**	**317,400**

Under the syndicated loan agreement, every six months 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 Corporate Financial Department carries out a detailed follow-up of compliance with such financial ratios, in order to enable early detection of any potential risk of non-compliance. In each half since the signing of the agreement and both 30 September 2018 and 31 December 2018, the Directors of the Company have confirmed compliance with the following covenant:

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

(It continues)

In order to guarantee fulfilment of the obligations arising from the syndicated loan, the lender entities were provided with the following guarantees:

- Personal, joint and several guarantee by Parques Reunidos Servicios Centrales, S.A. and Festival Fun Parks, LLC (including pledge on the shares of the latter). This guarantee is enforceable as soon as any such guarantors should fail to fulfil the commitments of amortisation of principal or payment of interest for the debt tranches drawn down by each. At 30 September 2018, both guarantors are current with the payments and therefore the guarantee has not been enforced and, therefore, the Company has not had to recognise an additional liability pertaining to the debt of Festival Fun Parks, LLC.

- Pledge on the 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, S.L.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, the following subsidiaries have furnished a personal guarantee: 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 and Centaur Nederland 3 B.V.

b) 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 Company is as follows:

	Days	
	31.12.2018	**30.09.2018**
Average supplier payment period	45	40
Transactions paid ratio	41	40
Transactions payable ratio	75	35

	Amount (Thousands of Euro)	
	31.12.2018	**30.09.2018**
Total payments made	7.246	27,519
Total payments outstanding	1.017	1,090

The payments to suppliers reflected in the above table are trade payables as they relate to goods and services. The Company takes the confirmation date to its suppliers as the payment date.

(It continues)

(14) Derivative financial instruments

The Company uses interest rate swaps (IRS or fixed rate swaps) to hedge the risk of variations in interest rates on its syndicated loan (see note 13). Details of derivative financial instruments and their corresponding fair values at 31 December 2018, together with the outstanding notional amounts to which they are linked, are provided below. At 31 December 2018 the Company does not apply hedge accounting to these derivatives.

Instrument	Interest rate swap
Fixed interest payable	-0.064%
Variable interest receivable	6-month Euribor
Date arranged	25/05/2016
Start of hedge	30/06/2016
Expiry date	30/06/2019
Notional (thousands)	184,000 (Euro)
Interest payments	Half-yearly (31 March and 30 September)
Fair value of swap (thousands of Euro)	270

With IRS, interest rates are interchanged so that the Company 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 Company discounts cash flows based on implicit rates determined through the Euro interest rate curves depending on market conditions at the measurement date.

The amount recognised in the 2018 income statement, due to the change in fair value from the 1 October 2018 through 31 December 2018, amounts to profit of Euro 11 thousand (a positive amount of Euro 176 thousand at 30 September 2018), recognised under the heading "Changes in fair value of financial instruments" in the accompanying income statement.

(It continues)

(15) Tax situation

Details of balances with public entities at 31 December and 30 September 2018 are as follows:

	Thousands of Euro			
	31.12.2018		30.09.2018	
	Non-current	Current	Non-current	Current
Assets				
Deferred tax assets	1,936	-	199	-
Current tax	-	1,735	-	-
Value added tax	-	527	-	976
Personal income tax	-	-	-	45
Social Security	-	6	-	3
	1,936	**2,268**	**199**	**1,024**
Liabilities				
Current tax	-	-	-	5,865
Value added tax	-	488	-	2,921
Personal income tax	-	226	-	238
Social Security	-	145	-	150
	-	**859**	**-**	**9,174**

Pursuant to the revised text approved by Royal Decree Law 27/2014, of 27 November, the Company 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 de 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.,Parque Biológico de Madrid, S.A.U., Parques Reunidos Valencia S.A, Mall Entertainment Centre Murcia, S.L.U, Mall Entertainment Center Temático Arroyomolinos, S.L.U y Mall Entertainment Centre Acuario Arroyomolinos, S.L.U., Indoor Entertainment Príncipe Pío, S.L.U. y Parques Reunidos Atlántica, S.L.U.

The profits, determined in according with the tax legislation, are subject to a tax of 25% on the base. The corporate income tax at 31 December 2018 generated accounts receivable and accounts payable from other companies in the tax consolidation for Euro 88 thousand and Euro 6,401 thousand, respectively (Euro 6,778 thousand and Euro 20,550 thousand, respectively, at 30 September 2018) which are included in the balances with Group companies (see note 17 (a)).

In accordance with legislation in force in Spain, taxes cannot be considered definitive until they have been inspected and agreed by the taxation authorities or before the inspection period of four years has elapsed. At 31 December 2018 the Company 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.

Due to the treatment permitted by fiscal legislation of certain transactions in each country in which the Company operates, additional tax liabilities could arise in the event of an inspection. In any case, the Company'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 Corporate Income Tax Law and pursuant to regulations determining companies' taxable income, losses declared may be carried forward to be offset against future profits indefinitely, the amount being distributed as deemed appropriate. Losses are offset when the tax returns are filed, without prejudice to the taxation authorities' power of inspection.

In accordance with the corporate income tax returns filed by the companies within the tax group and the estimated consolidated tax return for the three-month period ended on 31 December 2018 and the year

(It continues)

ended on 30 September 2018, neither the Company nor the tax group have tax loss carryforwards to be offset against future profits subsequent to the date of entry of each of the companies into the consolidated tax group. However, the group generated negative tax bases in the year amounting to Euro 5,943 thousand that may be offset in the future

Moreover, tax loss carry forwards generated by members of the consolidated tax group prior to the entry of each company into the group at 31 December and 30 September 2018 amount to Euro 48,600 thousand (none of which is contributed by the Company).

Law 27/2014 on corporate income tax applicable to Spanish companies was approved on 27 November 2014 and introduces completely new legislation. The Law revokes the revised Royal Legislative Decree 4/2004 of 5 March 2004. The numerous developments contained in this new legislation include a limit of 70% of previous taxable income is established for offsetting carryforwards and the 18-year period for offsetting tax loss carryforwards is replaced by an indefinite period for tax periods starting on or after 1 October 2015. Moreover, on December 2, 2016 Royal Decree 3/2016 introduces a transitory disposition that has established a new limit of a 25% to the offsetting of the carry forwards. This new limit applies to those companies with net revenue higher than 60 million.

Due to the treatment permitted by fiscal legislation of certain transactions, accounting profit or loss differs from the taxable income or tax loss. The reconciliation of the accounting loss with the taxable income that the tax group expects to declare after approval of the annual financial statements is as follows:

	31.12.2018	**30.09.2018**
	Income statement	**Income statement**
Profit before income tax	17,724	78,196
Permanent differences	496	944
Taxable accounting income/(loss)	18,220	79,140
Temporary differences	1,005	(114)
Taxable income/(Tax loss) of the Parent	19,225	79,026
Tax losses contributed by companies forming part of the tax group	(25,167)	(53,333)
Aggregate taxable income/(tax loss)	(5,942)	25,693
Offset of tax loss carryforwards	-	(1,513)
Consolidated taxable income/(tax loss)	(5,942)	24,180
Gross tax at 25%	(1,486)	6,045
Deductions	(24)	(180)
Withholding	(8)	-
Income tax payable	**(1,518)**	**5,865**

(It continues)

Permanent differences at 31 December and 30 September 2018 include non-deductible expenses from gifts and penalties, as well as the non-deductible expense in connection with the share-based payment plan (Note 16 (c)).

The relationship between the income tax expense and profit is as follows:

	Thousands of Euro	
	31.12.2018	30.09.2018
Profit for the year before tax	17,724	78,196
Tax at 25 %	4,431	19,549
Non-deductible expenses	124	207
Expense due to reduction of deferred tax assets	-	29
Tax effect of offsetting tax loss carryforwards	(1,486)	-
Prior years adjustments	-	57
Other	(1)	(120)
Income tax expense	**3,068**	**19,722**

Details of the income tax expense for the three-month period ended on 31 December 2018 and the year ended on 30 September 2018 are as follows:

	Thousands of Euro	
	31.12.2018	30.09.2018
Current tax		
Present year	4,805	19,636
Deferred tax		
Origin and reversal of temporary differences	(1,737)	29
Prior years adjustments	-	57
	3,068	**19,722**

Details of deferred tax assets and liabilities by type of asset and liability are as follows:

	Thousands of Euro			
	31.12.2018		30.09.2018	
	Temporary difference	Tax effect	Temporary difference	Tax effect
Assets	**798**	**199**	**912**	**228**
Financial expenses	1,033	258	-	-
Negative consolidated taxable income	5,942	1,486	-	-
Amortisation and depreciation	(28)	(7)	(114)	(29)
Total	**7,745**	**1,936**	**798**	**199**

(It continues)

Due to the change in the year-end closing of the Company mentioned in note 1, the tax base for the three-month year ended 31 December 2018 is significantly lower than the one traditionally achieved in a full financial year by the tax consolidation group that the Company heads. In this respect, the Company's Directors consider likely the existence of sufficient future taxable profit for the offset, in a minimum period of time and, in any case, in a maximum of ten years, of said tax losses generated in the current financial year. Therefore, the Company, as the head of the tax consolidation group, has recorded as a deferred tax asset the tax credit generated by said tax losses.

(16) Income and expense

(a) Revenue

A detail of revenue is as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Income from services rendered to Group companies (note 17)	151	1,943
Income from management services rendered to third parties	564	2,457
Financial income from holding activity (note 17)	24,495	91,082
	25,210	**95,482**

Income from services rendered to third parties was generated in US dollars. The rest of income was generated entirely in Spain and in Euro.

(b) Other operating income

The composition of this line item in the income statement is as follows:

	Thousands of Euro	
	31.12.2018	**30.09.2018**
Services rendered to Group companies (note 17)	4,998	24,100
Income from patronage and exclusivity with third parties	32	2,832
Other income with Group companies (note 17)	117	492
	5,147	**27,424**

"Services rendered to group companies" includes:

- Invoicing to other Group companies of costs incurred by the Company pursuant to the contracts signed between them for the provision of centralised services. Such costs are charged with a margin of 6%.
- Fees billed by the Company in relation to exploitation and use by the Group companies of the intangibles which are property of Parques Reunidos Servicios Centrales, S.A. In this sense, the Company signed with those Group companies the corresponding contracts based on which the Company charges annually a fee. These fees include a margin of 4%.
- Within these services, it is included, reducing this income, the expenses billed to the Company from the Group companies in Spain in relation to sponsorship and marketing services.

Income from patronage and exclusivity with third parties relates to sponsorship and advertising of third party trademarks in the Spanish parks.

(It continues)

The breakdown by geographical market of "services rendered to companies of the group" and "Other income with group companies" is the following:

	Thousands of Euro	
	31.12.2018	30.09.2018
Spain	2,301	9,339
United States	341	1,176
France	257	1,812
Belgium	225	1,200
Italy	389	2,856
Norway	189	1,706
United Kingdom	141	846
Denmark	72	518
Germany	799	3,274
Argentina	39	140
Netherlands	362	1,725
	5,115	**24,592**

(c) Personnel expenses

A detail of personnel expenses is as follows:

	Thousands of Euro	
	31.12.2018	30.09.2018
Salaries and wages		
Salaries and wages	2,202	9,797
Severance pay	2,156	869
Share based payments (note 18 (b))	94	375
	4,452	11,041
Employee benefits expense		
Social Security	350	1,397
Other social expenses	37	373
	387	1,770
	4,839	**12,811**

(d) External services

A detail of external services for the years ended 31 December and 30 September 2018 is as follows:

	Thousands of Euro	
	31.12.2018	30.09.2018
Leases (note 7)	176	659
Repairs and conservation	195	781
Independent professional services	1,125	2,378
Transportation	5	9
Insurance premiums	118	334
Bank charges	433	1,597
Advertising and publicity	537	1,444
Utilities	10	29
Other services	330	1,650
	2,929	**8,881**

(It continues)

Other services, mainly travel expenses for the amount of Euro 150 and Euro 896 thousand, corresponding to the three-month year ended 31 December 2018 and the full financial year ended 30 September 2018, respectively.

(e) Other P&L

At 30 September 2018, included various expenses, considered as non-recurring and mainly related to projects carried out by the Business Development Department.

(17) Related Party Transactions and Balances

(a) Related party balances and transactions

At 31 December and 30 September 2018, balances and transactions with related parties are shown in Appendix II.

The conditions of the transaction with related parties are equivalent to those made at market conditions. Services are normally negotiated with related parties on a margin over cost basis, applying market margins.

a. Loans

A summary of the main characteristics of loans granted to Group companies as of 31 December and September 2018, is as follows:

						Thousands of Euro			
						31.12.2018		30.09.2018	
Type	**Original currency**	**% Type of interest (1)**	**Initial date**	**Expiry date**	**Nominal value (thousand)**	**Non current**	**Current**	**Non current**	**Current**
Profit Participating Loans									
Parque de Atracciones Madrid, S.A.U.	Euro	(2)	Sept 13	March 19	351,079	-	624,526	-	610,247
Parque de Atracciones Madrid, S.A.U.	Euro	(3)	Sept 13	Feb 20	130,336	231,549	-	226,263	-
						231,549	**624,526**	**226,263**	**610,247**

(1) The variable interest rate corresponds to the applied at 31 December and 30 September 2018. Interest accrued each year are not settled but capitalised in the amount of the debt.

(2) Fixed interest of 6.188% plus variable interest depending on the EBITDA of Parque de Atracciones Madrid, S.A.U. being 0% (3) up to Euro 10 million, 2.968% up to Euro 20 million and 5.937% above Euro 20 million.

(4) Fixed interest of 6.188% plus variable interest depending on the EBITDA of Parque de Atracciones Madrid, S.A.U. being 0% (5) up to Euro 10 million, 2.9529% up to Euro 20 million and 5.90575% above Euro 20 million.

The EBITDA of Parque de Atracciones Madrid, S.A.U. for the purposes of these contracts is defined as the operating profit less amortization and depreciation in accordance with its audited accounts annual.

(It continues)

Furthermore, during 2016, after completing the IPO and refinancing (see Notes 1 and 13, respectively), the Company transferred the funds obtained to its subsidiary Parque de Atracciones Madrid, S.A.U. in order for the latter to be able to cancel the syndicated loan that it maintained. As of 31 December, and 30 September 2018, the balance of that loan totals Euro 795,128 (Euro 758,302 thousand of the principal plus Euro 3,613 thousand due to interest accrued at 31 December 2018 and Euro 15,014 thousand due to interest accrued at 30 September 2018 and Euro 18,199 thousand due to interest accrued at 30 September 2017) and Euro 791,515 thousand, respectively. Accrues interest at an annual rate less than 2% in 2018 and 2.4% in 2017. For this same reason, the Company transferred the funds obtained to cancel the tranche of the syndicated loan granted in dollars (Euro 13,191).

Moreover, as of that moment, the Company has become the company that manages the cash pooling maintained by the Parques Reunidos Group companies in Spain. The interest accrued during the three-month period ended on 31 December 2018 associated with the management of cash pooling amounted to Euro 1,746 thousand (Euro 6,143 thousand for the year ended on 30 September 2018).

Moreover, the Company maintained loans with subsidiaries as follows:

						Thousands of euro			
						31.12.2018		30.09.2018	
Subsidiary	Original Currency	Type of interest	Initial Date	Expiry Date	Nominal value (thousand)	Non current	Current	Non current	Current
Marineland S.A.S.	Euro	Euribor+1,75 %	sep-13	jul-20	9.300	9,672	-	9.634	-
Marineland S.A.S.	Euro	Euribor+2,10 %	abr-18	apr-19	2.700	-	2,731	-	2.716
Centaur Holding Germany GmbH	Euro	Euribor+3,75 %	feb-18	feb-28	25.418	26,233	-	25.997	-
Centaur Holding Germany GmbH	Euro	Euribor+2,35 %	jul-18	jul-19	77	-	77	-	77
Centaur Holding Germany GmbH	Euro	Euribor+2,35 %	nov-18	nov-20	322	323	-	-	-
Festival Fun Parks LLC	USD	Libor+2,35%	sep-18	oct-18	15.278	-	-	-	15.318
Lakeside Mall Entertainment Centre Limited	Euro	Euribor+2,10 %	mar-18	mar-19	60	-	61	-	61
Centaur Nederland 2 BV	Euro	Euribor+3,75 %	apr-18	jan-28	215	268	-	266	-
Centaur Nederland 3 BV	Euro	Euribor+3,75 %	jan-18	jan-28	171	202	-	200	-
						36,698	**2,869**	**36.097**	**18.172**

The amount included in Credits granted in the balance sheet as of 31 December and 30 September 2018 includes accrued interest, which matures on the same date as the principal.

The credit arrangement agreed with Festival Fun Parks LLC was cancelled on 4 October 2018, resulting in the repayment of the principal and interest pending at that date.

b. Other receivables

The heading "Financial assets, Group Companies" of the accompanying balance sheet includes a receivable pursuant to a payment plan arranged with the subsidiary of the US sub-group to pay various management fee invoices amounting to a total of Euro 7,946 thousand (Euro 7,946 thousand at 30 September 2018). Said payment plan determines the annual payment of invoices corresponding to the fifth year prior to the year underway. At 31 December and 30 September 2018, said current receivable amounts to Euro 1,520.

(It continues)

Moreover, the heading mentioned in the previous paragraph also includes long-term payables and receivables at 31 December 2018, in the amounts of Euro 66,017 thousand and Euro 147,402 thousand, respectively (Euro 66,711 thousand and Euro 141,783 thousand at 30 September 2018), corresponding to the cumulative balance generated by taxable incomes offset between companies belonging to the consolidated tax group which the Company heads.

The rest of current payables to and receivables from Group companies originate mainly from the normal commercial transactions between the Company and the other Group companies. The balances with these companies accrue an annual market interest.

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

The remuneration received by the directors as members of the Company's board of directors, including those who are also members of senior management during the three-month period ended 31 December 2018 and the year ended 30 September 2018, was as follows:

	Thousands of Euro	
	31.12.2018	30.09.2018
Fixed remuneration	442	1,449
Variable remuneration	72	108
Compensation	750	-
Other	127	10
	1,391	1,567

In relation to the previous remuneration, Euro 1,148 and 718 thousand at 31 December and 30 September 2018, respectively, correspond to those received by members of senior management.

The remuneration received in the three-month period ended on 31 December 2018 and the year ended on 30 September 2018 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 Euro	
	31.12.2018	30.09.2018
Salaries and wages	461	1,702
Compensation	514	200
Insurance premiums	-	1
	975	1,903

At 31 December and 30 September 2018, the Company has no credit balances with Senior Management At 31 December and 30 September 2018 the Company 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 18.

The amount of the civil liability insurance of the Directors and Senior Management paid by the Company as Parent of the Group amounts to Euro 40 thousand at 31 December 2018 (Euro 64 thousand at 30 September 2018).

(It continues)

(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

During three-month period ended on 31 December 2018 and the year ended on 30 September 2018 the Parent's directors and their related parties did not carry out any transactions other than ordinary business with the Company 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.

(18) Employee Information

The average headcount of the Company at 31 December and 30 September 2018, distributed by category, is as follows:

	Number	
	31.12.2018	30.09.2018
Board members	-	1
Senior management personnel	6	8
Department directors	27	29
Other qualified personnel	55	44
Administrative staff	33	40
	121	**122**

At 31 December and 30 September 2018, the distribution by gender of personnel and the members of the board of directors of the Parent is as follows:

	Number					
	31.12.2018			30.09.2018		
	Female	Male	Total	Female	Male	Total
Board members	2	7	9	2	8	10
Senior management personnel	3	3	6	3	4	7
Department directors	10	17	27	9	21	30
Other qualified personnel	25	29	54	27	28	55
Administrative staff	19	14	33	17	14	31
	59	**70**	**129**	**58**	**75**	**133**

During the three-month year ended 31 December 2018 and the full year ended 30 September 2018, the Company had two employees with a disability of greater than or equal to 33%, in each of those years.

(a) Employee benefits under defined benefit plans and other employee benefits

- Defined benefit plans

The Company 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 Company has not recorded any provision or asset deriving from these commitments in its consolidated annual accounts as it considers that the present value of these defined benefit obligations does not differ significantly from the fair value of the plan assets.

(It continues)

- Defined contribution plans

The Company 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 Company makes annual contributions in the form of the policy premium payments. The amount of these contributions is determined each year by the Company. In 2018, the Company has made policy premium payments to the insurance company in this connection for an amount of Euro 30 thousand.

(b) Long-term incentive plan

In April 2016, prior to the public offering for the 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 several of the Company's executives and directors, payable in shares of the Company.

This Plan consists of two share delivery cycles, each with a measurement period of three years. At the start of each cycle, a number of shares is allocated to each beneficiary on the basis of his salary level, as well as the estimated compliance with conditions of permanence and estimated degree of achievement of certain financial targets. The first cycle (Cycle 2016/2019) began on 1 May 2016 (valuation date) and the second cycle (Cycle 2017/2020) began on 1 January 2017.

At 31 December and 30 September 2018, the Company re-estimated compliance with the terms and conditions for both cycles, resulting in 0% compliance for employees and 100% compliance for Directors.

The impact of this plan during three-month period ended on 31 December 2018 resulted in the recognition of an expense totalling Euro 94 thousand corresponding to the Directors and senior executives of the Company (expense of Euro 375 thousand during the year ended on 30 September 2018), under the heading "Personnel expenses" of the income statement (Note 16 (c)). The balancing entry has been recognised under other own equity instruments (see note 12 (f)).

(19) 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 Company during 31 de December and 30 September 2018, the fees and expenses for which are as follows:

	Thousand euro					
	31.12.2018			30.09.2018		
	KPMG Auditores, S.L.	Other entities affiliated with KPMG International	Total	KPMG Auditores, S.L.	Other entities affiliated with KPMG International	Total
Audit and other assurance services	10	-	10	27	-	27
Other services	-	15	15	-	11	11
	10	**15**	**25**	**27**	**11**	**38**

Other services corresponded, in the three-month year ended 31 December 2018, to the external verification service of the Non-Financial Information Statement included in the consolidated annual report of the Group that the Company heads, and which is necessary according to Act 11/2018, of 28 December, on non-financial information and diversity. In addition, for the full year ended 30 September 2018, other services corresponded to advice on the Crime Prevention Model implemented by the Company.

(It continues)

The amounts detailed in the above table include the total fees for the three-month period ended on 31 December 2018 and for the year ended on 30 September 2018, irrespective of the date of invoice.

(20) Other contingent liabilities

As of 31 December and 30 September 2018, the Company had provided bank guarantees for the normal course of business in the amounts of Euro 1,035 thousand. The Company does not expect a material liability to arise as a result of these guarantees.

(21) Subsequent Events

On 8 January 2019, the Company formalised the extension of the syndicated loan mentioned in note 13 for an amount of Euro 300,000 thousand. That extension has generated an additional tranche (Tranche B3) in that syndicated loan and has been granted under the same interest rate and expiry conditions as the existing tranche B2. Said extension was earmarked for the acquisition financing, completed on 16 January 2019, of the new indoor water park "Tropical Islands", located in Germany. Directors of the Group understand that this financing would not have a significant impact on the covenant refer on Note 13.

Furthermore, on 28 January 2019, the Board of Directors approved the appointment of the new Chief Executive Officer of the Group.

(It continues)

Parques Reunidos Servicios Centrales, S.A.

Details of Subsidiaries at 31 December 2018

					Thousands of Euro			
Name	Registered office	Auditor	Activity	Percentage ownership (1)	Assets	Liabilities	Equity	Profit/(loss)
Parque de Atracciones Madrid, S.A.U.	(2)	KPMG	Amusement park	100%	1,511,229	1,923,152	(411,923)	(26,990)
Zoos Ibéricos, S.A.	(2)	KPMG	Zoo	100%	68,035	5,414	62,621	134
Leisure Parks, S.A.	(3)	KPMG	Water parks and cable cars	99,25%	96,304	22,220	74,084	(1,524)
Parques de la Naturaleza Selwo, S.L.	(3)	KPMG	Nature parks, botanical gardens and zoos	100%	11,846	29,662	(17,816)	(106)
Aquopolis Cartaya, S.L.U.	(3)	Unaudited	Water park	100%	2,203	851	1,352	(97)
Parque de Atracciones San Fernando de Henares, S.L.U.	(3)	Unaudited	Water park	100%	1,690	3,367	(1,677)	(179)
Madrid Theme Park Management, S.L.U.	(3)	KPMG	Amusement park	100%	133,178	81,964	51,214	(775)
Travelpark Viajes, S.L.U.	(3)	Unaudited	Bookings	100%	3,089	1,694	1,395	23
Parque Biológico de Madrid, S.A.U.	(3)	Unaudited	Nature parks, botanical gardens and zoos	100%	14,560	5,144	9,416	(5)
Parques Reunidos Valencia, S.A. en liquidación	Valencia	KPMG	In liquidation	100%	3,130	42	3,088	(23)
Gestión Parque de Animales Madrid, S.L.U.	(3)	KPMG	Management of Faunia	100%	8,615	7,291	1,324	(387)
Mall Entertainment Centre Murcia, S.L.U.	(3)	Unaudited	Theme Park	100%	2,460	9,256	(6,796)	(5,766)
Mall Entertainment Centre Acuario Arroyomolinos, S.L.U.	(3)	Unaudited	Aquariums	100%	21,517	21,831	(314)	(228)
Mall Entertainment Centre Temático Arroyomolinos, S.L.U.	(3)	Unaudited	Theme Park	100%	14,532	14,622	(90)	(148)
Lisbon Theme Mall Entertainment Centre, Unipessoal, LDA.	Portugal	Unaudited	Without activity	100%	4,109	4,074	35	(8)
Bobbejaanland, B.V.B.A.	Belgium	KPMG	Amusement park	100%	202,673	104,950	97,723	(629)
Travel parks, B.V.B.A.	Belgium	Unaudited	Bookings	100%	35	4	31	(3)
BO Sommarland, AS	Norway	KPMG	Water park	100%	3,777	2,056	1,721	(292)
Tusenfryd, AS	Norway	KPMG	Amusement park	100%	32,373	29,817	2,556	(2,446)
Parkferie, AS	Norway	Unaudited	Bookings	100%	45	35	10	(2)
Centaur Holding France 1, S.A.	France	Unaudited	Holding company	100%	176,558	102,445	74,113	(682)
Centaur Holding France 2, S.A.	France	Unaudited	Holding company	100%	131,790	125	131,665	(11)
Delphinus, S.A.	France	Unaudited	Holding company	100%	26,731	5,667	21,064	(11)
Marineland, S.A.S.	France	KPMG	Marine park	100%	51,989	28,662	23,327	(4,148)
SCI Col Vert	France	Unaudited	Land owner	100%	2,690	2,688	2	1
LB Investissement, S.A.	France	KPMG	Water park	100%	2,325	4,115	(1,790)	(394)
Travel parks, S.A.S.	France	Unaudited	Bookings	100%	113	1,066	(953)	(23)
Marineland Resort, S.A.S.	France	Unaudited	Hotel management	100%	10,317	8,337	1,980	(354)
Centaur Holding Italy, S.r.l.	Italy	Unaudited	Holding company	100%	156,490	65,337	91,153	(619)
Parco della Standiana, S.r.l.	Italy	KPMG (8)	Amusement park	100%	96,984	23,453	73,531	(2,228)

This appendix forms an integral part of note 9 of the annual accounts for the fiscal year of three months ending 31 December 2018, in conjunction with which it should be read.

Parques Reunidos Servicios Centrales, S.A.

Details of Subsidiaries
at 31 December 2018

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euro Assets	Liabilities	Equity	Profit/(loss)
Travelmix, S.r.l.	Italy	KPMG (8)	Bookings	100%	1.168	740	428	(109)
Travelparks Italy, S.r.l.	Italy	Unaudited	Bookings	100%	129	16	113	9
Grant Leisure Group Limited	United Kingdom	KPMG	Zoo	100%	14.918	2.502	12.416	(5)
Real Live Leisure Company Limited	United Kingdom	KPMG	Aquariums	100%	5.535	976	4.559	(203)
Lakeside Mall Entertainment Centre Limited	United Kingdom	KPMG	Without activity	100%	5.432	5.452	(20)	(17)
Bon-Bon Land, A/S	Denmark	KPMG	Amusement park	100%	16.812	1.464	15.348	(732)
Centaur Holding Denmark, A/S	Denmark	Unaudited	Holding company	100%	34.299	107	34.192	(4)
BonBon Rejser Danmark, A/S	Denmark	Unaudited	Bookings	100%	96	13	83	(5)
Centaur Nederland, 2 B.V.	Netherlands	Unaudited	Holding company	100%	349.050	136.130	212.920	(548)
Centaur Holding Germany, GmbH.	Germany	Unaudited	Holding company	100%	35.742	40.698	(4.956)	(1.451)
Movie Park Germany, GmbH	Germany	KPMG	Theme park	100%	31.334	15.863	15.471	2.047
Movie Park Germany Services, GmbH.	Germany	Unaudited	Bookings	100%	484	433	51	-
Centaur Nederland 3, B.V.	Netherlands	Unaudited	Holding company	100%	302.146	298	301.848	(6)
Pleasantville, B.V y sociedades dependientes (4)	Netherlands	BDO	(5)	100%	42.572	35.386	7.186	(1.164)
Centaur Holding US Inc. y sociedades dependientes (6)	United States	KPMG	(7)	100%	730.014	512.847	217.167	(17.222)
Indoor Entertainment Príncipe Pio, S.L.U.	(3)	Unaudited	Without activity	100%	600	531	69	(1)
Parques Reunidos Atlántica, S.L.U.	(3)	Unaudited	Without activity	100%	3	2	1	-
Event Park GmbH	Germany	BDO	Amusement park	100%	12.087	7.307	4.780	(452)
Nature Park Germany GmbH	Germany	Unaudited	Without activity	100%	29	1	28	-

(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) Paseo de la Castellana 216, planta 16, 28046, Madrid.

(4) This includes the figures reflecting the assets, liabilities, equity and profit or loss of the consolidated subgroup formed by Pleasantville, B.V., Attractie-en Vakantiepark Slagharen B.V. (previously called Shetland Ponypark Slagharen B.V.), y Slagharen Crew B.V.

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

(6) 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 y Attractions Hawaii, LP.

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

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

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Parques Reunidos Servicios Centrales, S.A.

Details of Subsidiaries at 30 September 2018

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euro			
					Assets	Liabilities	Equity	Profit/(loss)
Parque de Atracciones Madrid, S.A.U.	(2)	KPMG	Amusement park	100%	1.568.801	1.953.734	(384.933)	(86.146)
Zoos Ibéricos, S.A.	(2)	KPMG	Zoo	100%	69.412	6.605	62.807	2.790
Leisure Parks, S.A.	(3)	KPMG	Water parks and cable cars	99,25%	98.717	23.109	75.608	5.864
Parques de la Naturaleza Selwo, S.L.	(3)	KPMG	Nature parks, botanical gardens and zoos	100%	13.091	30.800	(17.710)	1.625
Aquopolis Cartaya, S.L.U.	(3)	Unaudited	Water park	100%	2.316	867	1.449	(18)
Parque de Atracciones San Fernando de Henares, S.L.U.	(3)	Unaudited	Water park	100%	2.232	3.730	(1.498)	(430)
Madrid Theme Park Management, S.L.U.	(3)	KPMG	Amusement park	100%	139.523	87.534	51.989	9.641
Travelpark Viajes, S.L.U.	(3)	Unaudited	Bookings	100%	3.023	1.651	1.372	151
Parque Biológico de Madrid, S.A.U.	(3)	Unaudited	Nature parks, botanical gardens and zoos	100%	15.378	5.957	9.421	(201)
Parques Reunidos Valencia, S.A. in liquidation	Valencia	KPMG	In liquidation	100%	3.446	335	3.111	621
Gestión Parque de Animales Madrid, S.L.U.	(3)	KPMG	Management of Faunia	100%	7.938	6.227	1.711	321
Mall Entertainment Centre Murcia, S.L.U.	(3)	Unaudited	Dormant company	100%	9.959	10.989	(1.030)	(1.082)
Mall Entertainment Centre Acuario Arroyomolinos, S.L.U.	(3)	Unaudited	(9)	100%	19.751	19.837	(86)	(156)
Mall Entertainment Centre Temático Arroyomolinos, S.L.U.	(3)	Unaudited	(9)	100%	5.478	5.421	57	(14)
Lisbon Theme Mall Entertainment Centre, Unipessoal, LDA.	Portugal	Unaudited	(9)	100%	1.632	1.589	43	(19)
Plunimar, S.A.	Argentina	KPMG	Water park	100%	554	954	(400)	(782)
Bobbejaanland B.V.B.A.	Belgium	KPMG	Amusement park	100%	203.805	105.453	98.352	1.718
Travel parks B.V.B.A.	Belgium	Unaudited	Bookings	100%	72	38	33	(16)
BO Sommarland AS	Norway	KPMG	Water park	100%	3.418	1.360	2.058	1.176
Tusenfryd AS	Norway	KPMG	Amusement park	100%	34.879	29.566	5.313	3.146
Parkferie AS	Norway	Unaudited	Bookings	100%	100	87	13	(10)
Centaur Holding France 1 S.A.	France	Unaudited	Holding company	100%	176.573	101.778	74.795	(2.619)
Centaur Holding France 2 S.A.	France	Unaudited	Holding company	100%	131.795	119	131.676	(21)
Delphinus S.A.	France	Unaudited	Holding company	100%	26.411	5.336	21.075	(29)
Marineland S.A.S.	France	KPMG	Marine park	100%	58.729	31.255	27.474	(4.566)
SCI Col Vert	France	Unaudited	Land owner	100%	2.674	2.649	25	24
LB Investissement S.A.	France	KPMG	Water park	100%	2.514	3.910	(1.396)	(526)
Travel parks S.A.S.	France	Unaudited	Bookings	100%	157	1.086	(929)	(493)
Marineland Resort, S.A.S.	France	Unaudited	Hotel management	100%	11.228	8.895	2.333	(723)
Centaur Holding Italy S.r.l.	Italy	Unaudited	Holding company	100%	157.162	65.390	91.772	(1.312)
Parco della Standiana S.r.l.	Italy	KPMG (8)	Amusement park	100%	92.320	16.561	75.759	3.121

This appendix forms an integral part of note 9 of the annual accounts for the fiscal year of three months ending 31 December 2018, in conjunction with which it should be read.

Parques Reunidos Servicios Centrales, S.A.

Details of Subsidiaries at 30 September 2018

Name	Registered office	Auditor	Activity	Percentage ownership (1)	Thousands of Euro			
					Assets	Liabilities	Equity	Profit/(loss)
Travelmix, S.r.l.	Italy	KPMG (8)	Bookings	100%	1,861	1,324	537	9
Travelparks Italy, S.r.l.	Italy	Unaudited	Bookings	100%	117	12	104	43
Grant Leisure Group Limited	United Kingdom	KPMG	Zoo	100%	15,932	3,397	12,535	2,204
Real Live Leisure Company Limited	United Kingdom	KPMG	Aquariums	100%	6,179	1,371	4,808	503
Lakeside Mall Entertainment Centre Limited	United Kingdom	KPMG	(9)	100%	1,753	1,757	(4)	(4)
Bon-Bon Land, A/S	Denmark	KPMG	Amusement park	100%	18,114	2,015	16,099	(425)
Centaur Holding Denmark, A/S	Denmark	Unaudited	Holding company	100%	34,341	104	34,237	(10)
BonBon Rejser Danmark, A/S	Denmark	Unaudited	Bookings	100%	163	74	89	(17)
Centaur Nederland, 2 B.V.	Netherlands	Unaudited	Holding company	100%	354,319	140,851	213,468	18
Centaur Holding Germany, GmbH.	Germany	Unaudited	Holding company	100%	35,870	39,375	(3,505)	(688)
Movie Park Germany, GmbH	Germany	KPMG	Theme park	100%	32,751	19,327	13,424	4,515
Movie Park Germany Services, GmbH.	Germany	Unaudited	Bookings	100%	1,192	1,141	51	0
Centaur Nederland 3, B.V.	Netherlands	Unaudited	Holding company	100%	302,148	294	301,854	(31)
Pleasantville, B.V y sociedades dependientes (4)	Netherlands	BDO	(5)	100%	43,658	35,308	8,350	3,292
Centaur Holding US Inc. y sociedades dependientes (6)	United States	KPMG	(7)	100%	525,728	293,957	231,771	15,164
Indoor Entertainment Príncipe Pio, S.L.U.	(3)	Unaudited	(9)	100%	188	118	70	(5)
Parques Reunidos Atlántica, S.L.U.	(3)	Unaudited	(9)	100%	3	2	1	(2)
Event Park GmbH	Germany	BDO	(9)	100%	13,223	7,991	5,232	1,814
Nature Park Germany GmbH	Germany	Unaudited	(9)	100%	28	-	28	-

(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) Paseo de la Castellana 216, floor 16, 28046, Madrid

(4) This 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.

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

(6) 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.

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

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

(9) Incorporation in the consolidated Group during 2018.

This appendix forms an integral part of note 9 to the consolidated annual accounts for 2018, in conjunction with which it should be read.

Parques Reunidos Servicios Centrales, S.A.

Detail of balances and transactions with related parties
31 December 2018

	Thousands of Euro						
	Balances				Transactions		
	Debtors		Creditors		Income		Expenses
	Long term debtors	Trade debtors	Long term creditors	Short term creditors	Services rendered	Financial income	Financial expenses
Aquopolis Cartaya, S.L.	100	21	-	(611)	14	-	3
Bobbejaanland, BVBA	-	1,490	-	-	225	-	-
Bonbon Land, A/S	-	679	-	-	70	-	-
Bonbon RejserDanmark, A/S	-	11	-	-	2	-	-
BØ Sommarland, A/S	6,426	1,814	-	-	294	-	-
Centaur Holding Germany, Gmbh	268	-	-	-	-	2	-
Centaur Holding United States Inc.	201	-	-	-	-	2	-
Centaur Nederland 2, B.V.	-	461	-	-	40	-	-
Centaur Nederland 3, B.V.	683	643	-	(958)	190	-	15
Event Park, GmbH	-	682	-	-	96	-	-
Festival Fun Park LLC, DBA	-	2,268	-	-	82	-	-
Gestión Parque de Animales Madrid, S.L.	-	247	-	-	31	-	-
Grant Leisure, Ltd.	21,195	4,472	-	(70,163)	340	451	676
Indoor Entertainment Príncipe Pío, S.L.U.	-	1,487	-	-	56	-	-
Lakeside Mall Entertainment Center Limited	18,358	1,077	-	(56,462)	1,001	-	180
LB Investissement, S.A.	-	7,498	(130)	(4)	12	44	-
Leisure Parks, S.A.	-	2,802	(462)	(3)	23	10	-
Lisbon Theme Mall Entertainment Centre, Unipessoal, LDA	-	5,623	(55)	(1)	7	16	-
Madrid Theme Park Management, S.L.	9,673	4,750	-	-	198	52	-
Mall Entertainment Centre Acuario Arroyomolinos, S.L.	-	185	-	-	24	-	-
Mall Entertainment Centre Murcia, S.L.U.	-	3,066	-	-	621	-	-
Mall Entertainment Centre Temático Arroyomolinos, S.L.	-	169	-	(7)	33	-	-
Marineland, S.A.S.	26,556	1,114	-	-	-	238	-
Marineland Resort, S.A.S.	-	835	-	-	145	-	-
Movie Park Germany, GmbH	-	155	-	(2,189)	-	-	-
Movie Park Germany Services, GmbH	-	462	-	-	-	8	-
Palace Entertainment Holdings, LLC	-	5,210	-	(255)	335	-	-
Parco Della Standiana, S.r.l.	-	26	-	-	2	-	-
Parkferie, A/S	-	43	(471)	(1,114)	-	-	4
Parque Biológico de Madrid	5,906	-	-	(8,745)	-	-	10
Parques Reunidos Atlántica, S.L.U.	-	72	(1,597)	(2,614)	68	-	21
Parques Reunidos Valencia, S.A.	1,026,677	752,026	(143,669)	(6,021)	364	23,671	597
Parques de la Naturaleza Selwo, S.L.	-	60	(1,015)	(4)	13	-	4
Parque de Atracciones Madrid, S.A.U.	-	39	-	-	39	-	-
Parque de Atracciones San Fernando, S.A.	-	2,110	-	-	362	-	-
Plunimar, S.A.	-	324	-	-	45	-	-
Shetland Ponypark Slagharen, B.V.	-	452	-	-	55	-	-
The Real Live Leisure Comp., Ltd.	552	41	-	(2,185)	28	-	11
Travelmix, S.r.l	-	30	-	-	5	-	-
Travelpark Viajes, S.L.	-	2	-	-	2	-	-
Travelpark, S.A.S.	-	1,415	-	-	149	-	-
Travelpark, B.V.B.A.	19,223	293	-	(67,349)	295	-	225
Tusenfryd, A/S	-	3	(1)	-	-	-	-
Zoos Ibéricos, S.A.	-	121	(2)	-	-	1	-
	1,135,818	**804,278**	**(147,402)**	**(218,685)**	**5,266**	**24,495**	**1,746**
	nota 17 (a)	nota 11 (b)	nota 13	nota 13	nota 16 (a)/(b)	nota 16 (a)	nota 17 (a)

This appendix forms an integral part of note 17 of the consolidated annual accounts of the fiscal year of three months ending 31 December 2018, in conjunction with which it should be read.

Parques Reunidos Servicios Centrales, S.A.

Detail of balances and transactions with related parties
30 September 2018

	Thousands of Euro						
	Balances				Transactions		
	Debtors		Creditors		Income		Expenses
	Long term debtors	Trade debtors	Long term creditors	Short term creditors	Services rendered	Financial income	Financial expenses
Aquopolis Cartaya, S.L.	133	141	-	(1,052)	68	-	10
Bobbejaanland, BVBA	-	1,261	-	-	1,191	-	-
Bonbon Land, A/S	-	598	-	-	509	7	-
Bonbon RejserDanmark, A/S	-	10	-	-	10	-	-
BØ Sommarland, A/S	-	430	-	-	420	-	-
Centaur Holding Germany, Gmbh	25,997	1,114	-	-	-	578	-
Centaur Holding United States Inc.	6,426	1,520	-	-	1,174	208	-
Centaur Nederland 2, B.V.	266	-	-	-	-	6	-
Centaur Nederland 3, B.V.	200	-	-	-	-	4	-
Event Park, GmbH	-	685	-	-	685	-	-
Festival Fun Park LLC, DBA	-	15,318	-	-	-	40	-
Gestión Parque de Animales Madrid, S.L.	814	2,324	-	(3,553)	886	-	73
Grant Leisure, Ltd.	-	617	-	-	585	-	-
Indoor Entertainment Príncipe Pío, S.L.U.	-	116	(2)	-	341	1	-
Lakeside Mall Entertainment Center Limited	-	1,661	-	-	587	1	-
LB Investissement, S.A.	-	216	-	-	216	-	-
Leisure Parks, S.A.	21,667	5,102	-	(75,148)	1,516	1,784	2,571
Lisbon Theme Mall Entertainment Centre, Unipessoal, LDA	-	1,434	-	-	236	-	-
Madrid Theme Park Management, S.L.	18,496	5,860	-	(59,331)	4,248	-	554
Mall Entertainment Centre Acuario Arroyomolinos, S.L.	-	10,076	(54)	(3)	487	78	-
Mall Entertainment Centre Murcia, S.L.U.	-	2,790	(368)	(3)	124	17	-
Mall Entertainment Centre Temático Arroyomolinos, S.L.	-	3,326	(6)	(1)	299	4	-
Marineland, S.A.S.	9,634	4,526	-	-	1,410	167	-
Marineland Resort, S.A.S.	-	161	-	-	161	-	-
Movie Park Germany, GmbH	-	2,435	-	(7)	2,327	3	-
Movie Park Germany Services, GmbH	-	137	-	-	137	-	-
Palace Entertainment Holdings, LLC	-	195	-	(2,150)	1	-	-
Parco Della Standiana, S.r.l.	-	4,865	-	(210)	2,459	-	-
Parkferie, A/S	-	24	-	-	24	-	-
Parque Biológico de Madrid	-	43	(461)	(620)	-	15	-
Parques Reunidos Atlántica, S.L.U.	-	2	(1)	-	-	-	-
Parques Reunidos Valencia, S.A.	5,914	-	-	(8,211)	-	-	49
Parques de la Naturaleza Selwo, S.L.	-	464	(1,562)	(3,402)	232	-	105
Parque de Atracciones Madrid, S.A.U.	1,017,778	738,484	(138,376)	(5,746)	1,187	88,168	1,831
Parque de Atracciones San Fernando, S.A.	-	124	(953)	(532)	48	1	-
Plunimar, S.A.	-	864	-	-	140	-	-
Shetland Ponypark Slagharen, B.V.	-	1,748	-	-	1,723	-	-
The Real Live Leisure Comp., Ltd.	-	278	-	-	261	-	-
Travelmix, S.r.l	-	398	-	-	398	-	-
	1,127,012	**812,663**	**(141,783)**	**(231,321)**	**26,535**	**91,082**	**6,143**
	nota 17 (a)	nota 11 (b)	nota 13	nota 13	nota 16 (a)/(b)	nota 16 (a)	nota 17 (a)

This appendix forms an integral part of note 17 of the consolidated annual accounts of the fiscal year of three months ending 31 December 2018, in conjunction with which it should be read.

Parques Reunidos Servicios Centrales, S.A.

Director's report

Three-month period ended 31 December 2018

1 Business performance and situation of the Group.

The evolution of the businesses and situation of the Company, as head of the consolidated Group, is directly linked to the evolution of its subsidiaries.

The Group's main financial figures are presented below, adjusted for comparable exchange rates so as to eliminate any effects that might distort the comparison between the three-month period ended 31 December and the period 2017.

The main performance ratio used by the Group is EBITDA defined as operating profit/(loss) minus amortisation expenses, net impairment losses and sale of non-current assets minus valuation of traffic provisions and minus other results. Including these, in addition, income and expenses considered as non-recurring according to the Group's internal policies. In this regard, the Group's EBITDA for the three-month period ended 31 December 2018 and the year ended 30 September 2018 was as follows:

	31.12.2018
Operating profit/loss	(45,3)
Amortisation expenses	26
Net impairment losses and sale of non-current assets	9,2
Traffic provisions	1,1
Other results	(0,9)
Benefits / Losses on the sale of subsidiaries	5,8
Other expenses and income considered as non-recurring (*)	(4,1)
EBITDA	**(45,3)**

(*) Includes, according to the Group's internal policies, severance expenses for senior management in the amount of Euro 2,403 thousand and Euro 94 thousand for the long-term incentive plan, both included in the Employee Expenses heading, as well as expenses for consultancy services amounting to Euro 3,347 thousand included in the heading Other operating expenses.

Likewise, for this, a perimeter of the homogeneous Group is shown. In this regard, the EBITDA contributed to the consolidated by the changes in the consolidation perimeter in the three-month period ended 31 December 2018. In this regard, the results contributed by the company acquired during the year Wet n'Wild Sydney, by the company sold during the year Plunimar, SA and by Event Park GmbH (Belantis) (acquired in the year ended 30 September 2018), as well as the result of the Teleférico de Rosales (included in the Leisure Parks, S.A. company) for both year, 2018 and 2017, since it was reverted to Madrid Council on 1 January 2018, are excluded..

The reconciliation for the three-month period ended 31 December 2018 is as follows:

€ MM	Income	EBITDA
Annual accounts for the three-month period ended 31 December 2018	**76.9**	**(4.1)**
Changes in consolidation perimeter	(4.2)	1.3
Comparable period 2018	**72.7**	**72.7**

Based on these criteria, hereunder, the table shows the group's main financial figures that have been harmonised for comparison purposes:

Group			
€ bn	2017	2018	Change
Visitors ('000)	**2.494**	**2.607**	**4.5%**
Total Income Per capita (1)	**27.4**	**27.9**	**1.7%**
Per capital ticket revenue	14.6	15.7	0.6%
Per capita internal consumption revenue	11.5	11.7	3.5%
Other income per capita	1.8	1.8	0.6%
Total income	**68.4**	**72.7**	**6.4%**
EBITDA	**(2.5)**	**(2.8)**	**(13.8%)**
%margin(2)	*(3.9%)*	*(3.9%)*	

Method of calculation:
(1) Total Income per capita = Total income *1000/Visitors
(2) % margin = EBITDA / Total income

During the three-month period ended 31 December 2018, the Group has achieved a positive performance driven by Halloween and Christmas events. Likewise, there was a growth of 13% in the sales of annual passes.

The overall impact of these circumstances was a 6.4% increase in income due to increase of 4.5% in visitor numbers compared with 2017 — an effect that is partly offset by the 1.7% increase in per capita income.

2 Research and development.

During fiscal year of three months ended 31 December 2018, the Company continued developing research and development projects internally in the area of computer applications, as well as in the new business model in shopping centers (Mall Entertainment Centers) and management contracts.

3 Own shares.

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

4 Financial Instruments.

To hedge against the risk of interest rate fluctuations in the syndicated loan, in 2016 the Group arranged interest rate swaps (IRS).

The Group has designated the hedge operations pertaining to 31 December 2018, having performed the pertaining prospective and retrospective effectiveness tests. As a result, hedges are ineffective in the tranches in both US dollars and Euro. These transactions are designed to hedge against fluctuations in the Euribor floating rate (for tranches in Euro) and Libor floating rate (for tranches in USD) of the funding being hedged.

The negative amount recorded on the P&L accounts at 31 December 2018 amounts to Euro 11 thousand under "Changes in the fair value of interest rate derivatives" in the income statement for 2018.

5 Subsequent events.

On 8 January 2019, the Company formalised the extension of the syndicated loan mentioned in note 13 for an amount of Euro 300,000 thousand. That extension has generated an additional tranche (Tranche B3) in that syndicated loan and has been granted under the same interest rate and expiry conditions as the existing tranche

B2. Said extension was earmarked for the acquisition financing, completed on 16 January 2019, of the new indoor water park "Tropical Island", located in Germany. Directors of the Group understand that this financing would not have a significant impact on the covenant refer on Note 13.

Furthermore, on 28 January 2019, the Board of Directors approved the appointment of the new Chief Executive Officer of the Group.

6 Risk policy and management.

Management of the risks to which the Company 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 Company.

The management of the Group's financial risks is centralised on the Corporate Financial Management. Management has established the necessary mechanisms to control said risks, depending on the Group's structure and financial position and the economic variables of the environment, as well as the risk of exposure to changes in interest rates and exchange rates, plus credit and liquidity risk, 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.

(i) *Credit risk*

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

The Company does not have a significant concentration of third-party credit risk. In relation to the balances with group companies, the Corporate Financial Management controls them by both their origin (commercial transactions, fiscal consolidation, cash pooling, etc.) and the ability of debtors to meet commitments, evaluating the recovery of the balances receivable from group companies together with the business they represent.

The Company considers that the exposure to credit risk of its financial assets at 31 Demeber 2018 is not material.

(ii) *Liquidity risk*

The syndicated loan signed in 2016 and reviewed in February 2017 (Note 13 (a)) entails the fulfilment of certain commitments with the financial entities that facilitate such financing, so monitoring compliance with them is a very important task for the Company.

The Corporate Financial Department closely monitors the fulfilment of these commitments, in order to detect any potential risk of default thereof well in advance. In the event of such a risk being detected, the General Management is notified so that the appropriate decisions to correct the situation may be taken. As of 31 December 2018, the Group has not identified any breach of the financial ratios committed with the financial entities with which the loans have been subscribed.

On the other hand, the Company has to face payments derived, mainly, from the usual commercial operations in the development of its activity. The expected results for the coming years, as well as the mechanisms available in the Group of which it is the dominant company (such as cash pooling) guarantee the provision of sufficient cash to ensure liquidity and to meet all payment commitments. Also, as detailed in note 13 of this report, the Company has credit lines available in a significant amount.

Therefore, the Group considers that the liquidity risk is adequately managed as of 30 December 2018.

(iii) *Market risk*

The main market risks to which the Company is exposed are the risk of interest rate, exchange rate and other price risks.

The Company is exposed, in relation to its financial assets, to fluctuations in interest rates that could have an adverse effect on its results and cash flows. However, the Company substantially mitigates this risk to the extent that the interest-bearing financial assets are Group companies.

In relation to financial liabilities, mainly the syndicated loan, the Company is exposed to the variability of interest rates. However, as indicated in note 14, the Company has entered into an interest rate swap agreement, designed to hedge the interest rate risk of the syndicated loan held as of 31 December 2018.

In relation to exchange rate risk, the Company is exposed to the effect that this may entail in the calculation of the cash flows of investments with currencies other than the euro in relation to impairment tests. In this connection, the risk is mitigated to the extent that countries outside the Euro Area where the Parques Group operates historically maintain stable exchange rates.

In relation to price risk, the Company is exposed to the impact that a significant fall in sales of the companies of the Parques Reunidos Group may entail in the income from services rendered to group companies (see note 16 (b)) because These revenues depend on the volume of sales of the same, which have a stable behaviour. In this sense, the Parques Reunidos Group applies policies aimed at increasing revenues in all branches and maximizing profitability in the parks.

7 Dividend Policy.

The company's objective is to distribute dividends of between 20% and 30% of the Group's Net Profit, once the impact of non-recurring effects has been eliminated.

8 Average supplier payment period.

Pursuant to Act 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 31 December 2018 is as follows:

	Days
Average supplier payment period	45
Transactions paid ratio	41
Transactions payable ratio	75
	Amount (thousands of Euro)
Total payments made	7.246
Total payments outstanding	1.017

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

The data shown in the previous table regarding supplier payments refers to the Spanish group of companies belonging to the consolidated group and correspond to debts owed to the commercial creditors for goods and services. Likewise, the Group uses the transfer date as payment date as confirmation to all of its suppliers.

The group is currently making the necessary changes to of its internal processes. What is more, in its payment terms policy subject to Law 15/2010, which establishes measures to combat late payment in commercial transactions with third parties to reduce the average payment period up to a maximum of thirty calendar, the limit currently established within regulations.

9 Other aspects

Given the activity of the Group, it has no responsibilities, expenses, assets, provisions or contingencies of an environmental nature that are significant in relation to the equity, financial situation and results thereof.

Fixed asset investments are the main assets of the Group, and the risks thereof have been appropriately covered on the basis of the experience in this type of business accumulated over recent years.

As for Social Corporate Responsibility, the Parent Company of the Group Parques Reunidos Servicios Centrales, S.A. carries out its activity with the aim of becoming a role model in terms of responsible conduct, creating shared value at an economic, social and environmental level wherever it is present.

One of the fundamental cornerstones supporting this commitment is the Fundación Parques Reunidos (the "Foundation"), created in 2010. The Foundation is a private non-profit organization whose purposes can be summarized as the defense of the environment and biodiversity, the promotion of sustainable development and sustainable use of resources, the conservation of the natural heritage (particularly regarding endangered species and those threatened with extinction), the protection of children and the defense of the democratic principles of encouragement of tolerance and values, focusing its efforts on social awareness of such matters.

Thus, since its creation, the Foundation has taken part in many programs of research, reproduction and conservation of animal species, either of its own accord or in collaboration with other national and international bodies and organizations. In addition, it has taken part in many actions mainly addressing children at risk of social exclusion or with serious health problems.

In addition to the Foundation, Parques Reunidos has a number of policies applicable to all its activities, designed, on the one hand, to meet its absolute commitment to guarantee sustainability and conservation of the environment in all its facilities, ensuring compliance with standards of quality and regulation – Environmental Policy; Energy Savings and Efficiency Policy, etc. – and, on the other hand, to encourage ethical conduct – Mission, Vision and Values Policy; Code of Conduct, etc.

10 Other disclosures.

The Annual Corporate Governance Report of Parques Reunidos is a part of this consolidated management report and available through the website www.parquesreunidos.com, and published as a Significant Disclosure in the CNMV website.

On the other hand, the Non-Financial Information State corresponding to Parques Reunidos Servicios Centrales, S.A. that should form part of the management report of the Company in accordance with Act 11/2018, of 28 December, is not presented as a section of this management report because said information is included in the consolidated management report of Parques Reunidos Servicios Centrales, SA and subsidiaries for the three months period ended December 31, 2018, attached to the consolidated annual accounts that will be deposited together with said consolidated management report in the Mercantile Registry of Madrid and that they have been verified by KPMG Asesores SL, in their capacity as independent provider of verification services, in accordance with the aforementioned Act 11/2018.

Parques Reunidos Servicios Centrales, S.A.

Authorisation for Issue of the Annual Accounts and Directors' Report for the three-month period ended 31 December 2018

At their meeting held on 26 February 2019, 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 Annual Accounts and Directors' Report for the period from 1 October 2018 to 31 December 2018. The Annual Accounts comprise the documents that precede this certification.

Signed:

Mr. Richard T. W. S. Golding
(Chairman)

Mr. José Díaz Gómez
(Managing director)

Mr. Nicolás Villén Jiménez
(Member)

Mr. Dag Erik Johan Svanstrom
(Member)

Mr. Javier Fernández Alonso
(Member)

Mr. Colin Hall
(Member)

Ms. Ana Bolado Valle
(Member)

Mr. Mario Armero Montes
(Member)

Mr. Carlos Ortega Arias-Paz
(Member)

Ms. Jackie Kernaghan
(Member)

Parques Reunidos Servicios Centrales, S.A.

Authorisation for Issue of the Annual Accounts and

Directors' Report for the three-month period ended 31 December 2018

It is expressly stated that Mr. Colin Hall has not signed these annual accounts given that he was absent due to justified and reasonable circumstances and reasons, unrelated to the performance of the Company, having, on the other hand, and to the sole purposes of leaving precise record of it, declared his responsibility as director and voted in favor of the drafting of the present annual accounts (including the management report) and to the proposal for the application of the results, by virtue of special power of attorney granted for this board of directors' meeting of 26 February 2019 to another member of the board of directors, containing precise voting instructions.

Parques Reunidos Servicios Centrales, S.A.

Authorisation for Issue of the Annual Accounts and

Directors' Report for the three-month period ended 31 December 2018

STATEMENT

In accordance with article 253.3 of the Corporate Enterprises Act ("Ley de Sociedades de Capital") it is hereby stated that Mr. Colin Hall has not signed the present Annual Accounts and Management Report of the Company for the financial year commenced on 1 October 2018 and ended on 31 December 2018, given that he was absent at the moment of the signature of these documents due to justified and reasonable circumstances and reasons, unrelated to the performance of the Company, having declared in any case Mr. Colin Hall, by means of the relevant proxy letter with precise voting instructions, that he completely agrees with the full content of the mentioned documents, declaring his total conformity with them.

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Ms. Cristina Carro Werner
Secretary (non-member) to the Board of Directors
Parques Reunidos Servicios Centrales, S.A.

DECLARATION OF DIRECTORS' RESPONSIBILITY

The members of the Board of Directors of Parques Reunidos Servicios Centrales, S.A. ("**Parques Reunidos**" or the "**Company**") on its meeting held on 26 February 2019, and according to article 118 of the reinstated text of the Spanish Securities Markets Act approved by Royal Legislative Decree 4/2015 of 23 October as well as to article 8 b) of Royal Decree 1362/2007, of 19 October, declare that, as far as they are aware, the individual Annual Accounts of the Company, as well as the consolidated ones with its dependent companies, corresponding to the financial year ended 31 December 2018, drawn up by the Board of Directors on the referred meeting of 26 February 2019 and prepared in accordance with the applicable accounting principles, offer a true and fair image of the equity, the financial situation and the results of the Company and the companies within the consolidation taken as a whole, and the complementary management reports of the individual and consolidated Annual Accounts include an accurate analysis of the business evolution and results and of the position of Parques Reunidos and the companies within the consolidation taken as a whole, together with the main risks and uncertainties which they face.

Madrid, 26 February 2019

Mr José Díaz Gómez CEO	Mr Richard Golding Chairman
Mr Javier Fernández Alonso Director	Mr Johan Svanstrom Director
Mr Nicolás Villén Jiménez Director	Mr Colin Hall Director
Ms Ana Bolado Valle Director	Mr Carlos Ortega Arias-Paz Director
Ms Jackie Kernaghan Director	Mr Mario Armero Montes Director