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.

Filed at the Madrid Mercantile Register in volume 11.961, Sheet. 90,
Section 8, page number M -188.007, entry number 9
Tax identification number (N.I.F). B-78510153

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) 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 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) <u>Personnel expenses</u>

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) <u>External services</u>

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

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	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

					Thousands of Euro			
Name	Registered office	Auditor	Activity	Percentage ownership (1)	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.

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)
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

					Thousands of Euro			
Name	Registered office	Auditor	Activity	Percentage ownership (1)	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.

____

Ms. Cristina Carro Werner
Secretary (non-member) to the Board of Directors
Parques Reunidos Servicios Centrales, S.A.