



## MERLIN ENTERTAINMENTS GROUP

### Introduction:

Merlin Entertainments is a young, dynamic organisation which is rapidly developing its business operations across Europe. The Group is brand led and prides itself as being flexible and creative. Its success to date has also been underpinned by strong partnership arrangements with both public and private sectors and organisations such as Greenpeace.

In 1975 the first seeds of what eventually grew to become Merlin were sewn when a modest selection of historic tableau were unveiled in a new attraction christened The London Dungeon.

In March 2007 the Merlin Entertainments Group acquired The Tussauds Group making it the second largest visitor attractions operator after Disney. Merlin now owns 50 visitor attractions in 12 different countries worldwide under the following brands: LEGOLAND; SEA LIFE; GARDALAND; the Dungeons; Earth Explorer; Madame Tussauds; British Airways London Eye. The combined group welcomed approximately 30 million guests to its attractions in 2006 and employs around 13,000 members of staff during peak operating times.

### Vision and Value:

Merlin Entertainments Group is committed to becoming a leading name in location based, family entertainment. Through the passion of its team it delivers unique, memorable and rewarding experiences to millions of visitors across Europe. The brands, while being household names, will never fail to be distinctive, challenging and innovative. They will, in short, have attitude!

### What We Do:

Strongly defined brands with distinct personalities:

- **LEGOLAND parks** - Windsor (UK), Billund (Denmark), Gunzburg (Germany) and Carlsbad, California (US).
- **Gardaland** – Italy's number one theme park.
- **Sea Life** - 17 centers across the UK and Europe, including France - Disneyland Paris and a mobile aquarium in Dresden.
- **Seal Sanctuaries** - Gweek, Oban and Hunstanton.
- **The Dungeons** - London, Edinburgh, York, Hamburg. Visit the London Dungeon Shop for a true Horror Shopping experience!!
- **Earth Explorer** - Earth Explorer is an up-close and personal experience of what makes our amazing Earth tick, and what makes it roar, crack, erupt, tremble, howl, shudder, heave, freeze and boil. In this fascinating interactive adventure you feel the stupendous forces of nature at work.
- **Madame Tussauds** - six city centre attractions in London, New York, Amsterdam, Las Vegas, Shanghai and Hong Kong.
- **British Airways London Eye** - the world's tallest observation wheel located on the banks of the River Thames offering unrivalled views over London.

## **Merlin Attractions Management (MAML):**

Leverages real experience of running successful attractions across Europe and our belief and understanding of the importance of brands, with existing management expertise and structure, as well as adding to the overall company ROCE. It has provided consultancy and support to such companies as - Loch Lomond Shores, Wedgwood Visitor Centre; Tschibo Coffee Museum (Germany), RNLI.

## **Merlin Aquarium Projects:**

Merlin Aquarium Projects exists to help third parties develop their own Aquarium Projects from concept stage to opening and ongoing operational management.

## **History:**

**2007** - Merlin Entertainments Group, controlled by the Blackstone Group, and The Tussauds Group, controlled by Dubai International Capital LLC, announces a partnership of two rapidly growing businesses. The acquisition brings together 50 of the biggest brand names in the global theme park and attractions market and positions the combined Merlin Entertainments Group as the world's second largest visitor attractions operator after Disney.

The first LEGOLAND Discovery Centre, a new indoor interactive attraction, opens in Berlin in April 2007. In addition the first 'LEGOLAND Atlantis by SEA LIFE' opens in LEGOLAND Billund and launches a brand new concept, combining two of Merlin's most successful brands.

**2006** - Merlin Entertainments Group acquires Gardaland, Italy's number one theme park and ranked in the top three European theme parks. The park welcomes over 3 million guests each year and can offer accommodation onsite at the 247 room Gardaland Hotel Resort. This acquisition makes Merlin the number one visitor attractions operator in Europe and sixth in the world behind companies such as Disney and Universal Studios.

Merlin opens a new SEA LIFE centre in Munich, launches the Loch Lomond Aquarium, developed and operated by Merlin on behalf of Scottish Enterprise, and acquires the Aquatica water park in Milan, Italy.

**2005** - Merlin and the four LEGOLAND Parks combine under Merlin management following the acquisition of both companies by US Venture Capital giants Blackstone Capital Partners. With 12 million visitors the new Merlin Entertainments Group becomes the second largest visitor attraction business in Europe with Europe's 2<sup>nd</sup> and 3<sup>rd</sup> largest attraction brands – Sea Life and LEGOLAND - and the 9<sup>th</sup> largest operator in the world.

Amsterdam Dungeon opens, along with a new Sea Life centre in Konigswinter, Germany.

**2004** - Sea Life Centers open in Oberhausen and Dresden along with the opening of Earth Explorer in Belgium and Pirates Adventure Golf in Weymouth. The biggest Sea Life centre so far opens in 2004 in Oberhausen, Germany and Sea Life Actuel (mobile aquarium) moves from Dortmund and is opening in Dresden.

**Earth Explorer.** An exciting, educational voyage of discovery for all ages, Earth Explorer involves you totally. You will see and feel how the four natural forces of earth, wind, fire and water have shaped our world, and how they continue to influence our daily lives.

**Adventure Golf.** A golfing phenomenon that has swept the US from coast to coast has now arrived in Dorset. The county's first Adventure Golf course opens in the spring alongside Weymouth Sea Life Park in Lodmoor Country Park in Weymouth.

**Second Management Buyout.** In February 2004 Merlin Entertainments completes a £72.5 million secondary management buyout, backed by Hermes Private Equity, from funds advised by Apex Partners and JPMorgan Partners.

**2003** - Sea Life in Speyer and Berlin. Merlin opens two more Sea Life Centres in Germany; one in Speyer and the other in the high profile Domaquaree development shopping centre in the centre of Berlin.

**2002** - First Sea Life in Scandinavia is launched. Merlin opens the first Sea Life Centre in Finland in the country's biggest theme park the Linnanmaki Amusement Park in Helsinki, in a joint venture with the Park's owners.

**World's first mobile Aquarium.** Merlin unveils with the world's first large-scale mobile aquarium, a 1000 m<sup>2</sup> development sited - in the first instance - in Dortmund. After 18 months to two years the entire Centre, right down to its ocean tank and walkthrough tunnel, can be swiftly disassembled and relocated to another city.

**2001** - Disneyland partnership! Merlin becomes the first outside leisure operator to be invited to develop an attraction within a Disney resort, and duly opens. Sea Life Val D'Europe in a new commercial centre on the Disneyland resort on the outskirts of Paris.

Scotland gets its first Dungeon which opens in Edinburgh.

Restructuring continues and Merlin is re-financed with fresh investment from Germany's Hypo Vereinsbank, and in order to focus on its larger, core units, sells the four small-scale Sea Life aquariums in Rhyl, Weston-Super-Mare, Portsmouth and Tynemouth.

**2000** - First Overseas Dungeon. Merlin begins a strategic expansion of its Dungeons brand with the opening of the Hamburg Dungeon...also the first Dungeon outside the UK.

**Attraction Management Launched.** The company launches a new division, Merlin Attractions Management, making its executive skills accessible to other businesses. A new £4.5 million visitor centre at the world famous Wedgwood pottery factory in Stoke becomes its first client.

**1999- Merlin begins!** Merlin is formed when the management team of the attractions arm of London-based leisure company Vardon leads a management buyout of the division, aided by venture capitalists Apax Partners & Co Ventures Ltd and the Bank of Scotland.

**Facts:**

- 50 attractions in 12 countries
- The Merlin Group is the number one visitor attractions operator in Europe and second in the world
- The combined Merlin Entertainments Group, with The Tussauds Group, welcomed 30 million visitors in 2006. (compared to 5million in 2001)
- Employs up to 13,000 staff during peak season
- Further information on the Merlin Entertainments Group can be found on their website [www.merlinentertainments.biz](http://www.merlinentertainments.biz)

## **Merlin People – Overview:**

Merlin's corporate and brand philosophies reflect the passions and skills of its employees. The Merlin team is one of the most dynamic, forceful and innovative workforces in this or any industry.

It is characterised by:

- strong opinions - and the resolve to express those opinions forcefully at the highest levels.
- commitment - to doing everything it does as well as it *can* be done.
- innovation - determination to constantly push back the barriers, to find new and creative ways of delivering an even better experience for the visitor.
- combative - resolve to take on competitors regardless of relative size. The bigger they are...!
- enthusiasm - borne of a genuine passion for the brands and their respective activities

### **Nick Varney (Chief Executive, Merlin Entertainments Group)**

Nick began his career in consumer goods marketing, moving to visitor attractions in 1991 as the Marketing Director of Tussauds owned Alton Towers. During his time at the park, Nick transformed its marketing and contributed to three record seasons in succession. Subsequently promoted to the Group marketing role, he oversaw the launch of Port Aventura in Spain and set new strategies for the Madame Tussauds business in London and Amsterdam.

He joined Vardon Attractions in 1995 as Managing Director, joining the Vardon plc board in 1997. He led the development of the SEA LIFE and Dungeon brands and the company's move into the German market, where it is now the number one operator. In 1999 Nick and the senior management team completed the successful buyout of Vardon Attractions to form Merlin Entertainments Group Limited.

Since then he has overseen the exciting and rapid expansion of the Group, the tertiary buy-out backed by Blackstone in 2005 and the subsequent acquisitions of LEGOLAND theme park chain in August 2005 and Italy's Gardaland park in November 2006.

### **Andrew Carr (Chief Financial Officer)**

Andrew is a chartered accountant who trained with KPMG in London and Sydney, Australia. Head of regional Corporate Finance Department for KPMG from 1994 to 1996, he joined Vardon plc, playing a key role in the management buyout that created Merlin Entertainments Group in 1999, and the subsequent sale of eight of Merlin's smaller businesses. Since this time he has been instrumental in raising new equity and debt finance and in the acquisitions of LEGOLAND and Gardaland.

### **Peter Phillipson (Non-executive Chairman)**

Peter joins the Merlin Entertainments Group as Non-executive Chairman. His previous role was as Chief Executive for The Tussauds Group prior to its acquisition in March 2007.

### **Mark Fisher (Executive Director OBG)**

A graduate in Recreation Management, prior to joining Merlin, Mark worked for the Tussauds Group as European Sales Executive responsible for Madame Tussauds, Rock Circus and Warwick Castle. He later became Business Development Manager for Alton Towers, before moving to Merlin in 1995 as Sales Controller, to set up the Group Trade Sales function. He was then appointed Marketing and Sales Director in 1998, and was responsible for the marketing of all the Group's businesses. With the groups' restructuring in 2002 Mark was appointed Marketing Director for the New Development Group. In October 2003 he was appointed in the Group Board as Executive Director for the Operating Business Group responsible for operations and marketing for all of Merlin's existing estate.

### **Johannes Mock (Executive Director- Site Search)**

Johannes joined Vardon in 1996 as Operations Manager at Timmendorfer Sea Life Centre. He was promoted to General Manager of the Hamburg Dungeon in 1999 to manage the attraction through launch and subsequent operations.

He is now responsible for identifying development opportunities in the German Market. He was appointed to Merlin Executive in February 2001. In 2002 Johannes was appointed Development Director for Germany recognising the investment commitment Merlin has in the German Market. . In October 2003 he was promoted to Executive Director and appointed to the Group Board, responsible for all site searches in Europe and overseeing Merlin's corporate affairs in Germany.

**James Burleigh (Business Services Director)**

A graduate in Hotel and Catering from Huddersfield University, James Burleigh has over ten years experience in the Leisure Industry having worked with Cunard Hotels and Cruise ships as their Group Purchasing Manager and joined Vardon PLC as Head of Purchasing in 1993. After working for the Attractions Division for five years, he became Merlin's Head of Commercial Services in 2000 and had overall responsibility for the Group's catering, retail and purchasing activity. In 2003 James was appointed into Business Services Director.

**Gordon W Mutton (Operation's Director)**

With over 20 years in Leisure Management, Gordon started his career with Grand Metropolitan and then moved to First Leisure Corporation and rose to the position of General Manager operating large multi-faceted businesses within their resorts division. Gordon moved into the visitor attraction arena with Sea Life, in 1992. He was been Operations Director of the Sea Life attractions and was primarily responsible for the business performance and development strategies of 15 attractions in 8 European countries. With the groups' restructuring in 2002 Gordon is responsible for all Merlin's group operating businesses.

**Chris Scurrah (Development Director)**

Chris joined Merlin's Sea Life network as an attraction manager at Brighton Sea Life Centre in 1993. In 1995 he took charge of the development and management of a new Sea Life attraction in Blankenberge. Since then, Chris' role in business development has led him to many European countries whilst researching possible locations for the expansion of Merlin's brands. He has overseen the successful development and launch of two Sea Life centres in Germany; a private/public partnership Nature Museum in the south of Germany; a Dungeon in Hamburg, a Sea Life Centre in Val d' Europe (Disneyland Paris) and a Dungeon in Edinburgh.

**Grant Stenhouse (Project Development Director)**

Grant is a marine biologist who joined the Sea Life network in 1982 as manager designate of the first Sea Life Centre in Oban. For the next 8 years he was directly involved in the development and operation of both existing and new Sea Life Centres including the Project championing of 4 new build projects. He was appointed to Head of Biological Services in 1991, where he was responsible for all display related matters including conservation, and the design, development, stocking and ongoing maintenance of the wide ranging living displays and associated life support systems throughout the Group' s Sea Life attractions. In 2003 Grant was appointed Project Development Director for the New Development Group where he is responsible for all Merlin's New Developments

**Christine Dure-Smith (Financial Controller - Operating Business Group)**

Christine is a Chartered Accountant trained with BDO Southampton, where she specialized in corporation tax. She joined the company as UK Management Account in March 1995, appointed to Merlin's Executive Committee in 1997. She also supported the management buy out from Vardon PLC. She is responsible for the day to day management of the finance function

**Lesley Lloyd-Steer (Head of Personnel)**

A graduate in Business Studies from the University of South Glamorgan, specializing in Personnel Management, Lesley is also an affiliate member of the Chartered Institute of Personnel and Development. She has more than 20 years personnel and training experience in the retail and catering field, including Marks & Spencer (5 years) and Asda (2 years). She left McDonalds Restaurants Limited in June 2000 (after working there for 11 years) to join Merlin as Head of Human Resources.

**Mike Stephenson (Business Development Manager)**

Mike Graduated as a Marine Biologist in 1989 and joined the Sea Life Network the same year.

Following varied posts within the company he became the General Manager at the Blackpool Sea Life Centre.

He then moved to Spain where he set up and operated the Benalmadena Sea Life Centre. In 2000 he was appointed General Manager responsible to set up and operate the Paris Sea Life Centre located in Disneyland Paris. He took over the Attraction Management division in May 2003.

**Steve Shears (Head of Corporate Development)**

Steve heads up Corporate Development. After 8 years with the Royal Navy he joined KPMG, training as a chartered accountant in the UK and on secondment in Switzerland. On qualifying, he joined Merlin to set up the Corporate Finance and Business Development function. He has worked on every new development since Merlin's inception, and played a key role in negotiating joint venture operations in Finland, Belgium and the UK. He has also been heavily involved in Merlin's management contracts business, and produced business plans for 1 million-plus visitor attractions. Steve was promoted Head of Corporate Development in 2003 with responsibility for developing the Mobile Attractions concept, introducing second gates such as Pirate Adventure Golf, and continuing his role in acquisition work.