

Six Flags Entertainment Corporation
2013 Annual Report and Form 10-K



***Memories
Made
Here!***

Six Flags Entertainment Corporation 2013 Annual Report and Form 10-K



Six Flags Entertainment Corporation

The global leader in regional theme parks

\$1.1 billion revenue

18 strategically located parks in North America

39,000 employees/1,900 full time

800 rides/130 coasters

26 million guests annually

Six Flags Park Locations

California

- Six Flags Discovery Kingdom, Vallejo
- Six Flags Magic Mountain, Valencia
- Six Flags Hurricane Harbor, Valencia

Georgia

- Six Flags Over Georgia, Austell
- Six Flags White Water Atlanta, Marietta

Illinois

- Six Flags Great America, Gurnee

Maryland

- Six Flags America, Largo

Massachusetts

- Six Flags New England, Agawam

Missouri

- Six Flags St. Louis, Eureka

New Jersey

- Six Flags Great Adventure & Safari, Jackson
- Six Flags Hurricane Harbor, Jackson

New York

- The Great Escape & Splashwater Kingdom, Queensbury
- Six Flags Great Escape Lodge & Indoor Waterpark, Queensbury

Texas

- Six Flags Fiesta Texas, San Antonio
- Six Flags Over Texas, Arlington
- Six Flags Hurricane Harbor, Arlington

Canada

- La Ronde, Montreal

Mexico

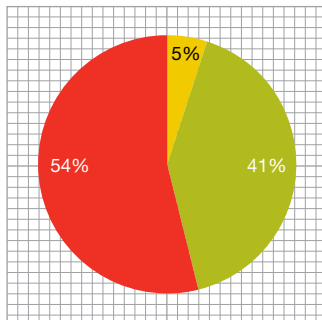
- Six Flags Mexico, Mexico City

Financial and Operational Highlights

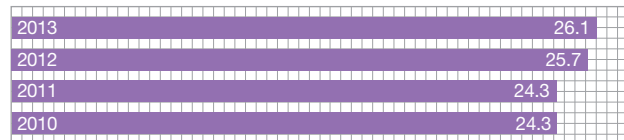
\$ in millions except stock price	2013 ¹	2012 ¹	2011 ¹	2010 ¹
Revenue	\$1,110	\$1,070	\$1,013	\$976
Adjusted EBITDA ²	\$404	\$383	\$350	\$295
Modified EBITDA ²	\$444	\$416	\$379	\$323
Net debt ³	\$1,231	\$776	\$726	\$784
Stock Price at December 31	\$36.82	\$30.60	\$20.62	\$13.60

- Admissions
- In-Park Sales
- Sponsorship, Licensing, & Accommodations

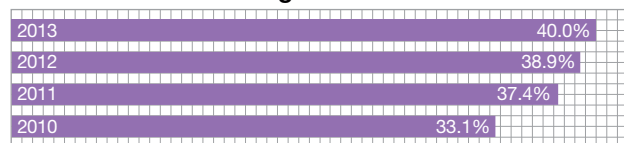
2013 Revenue Contribution



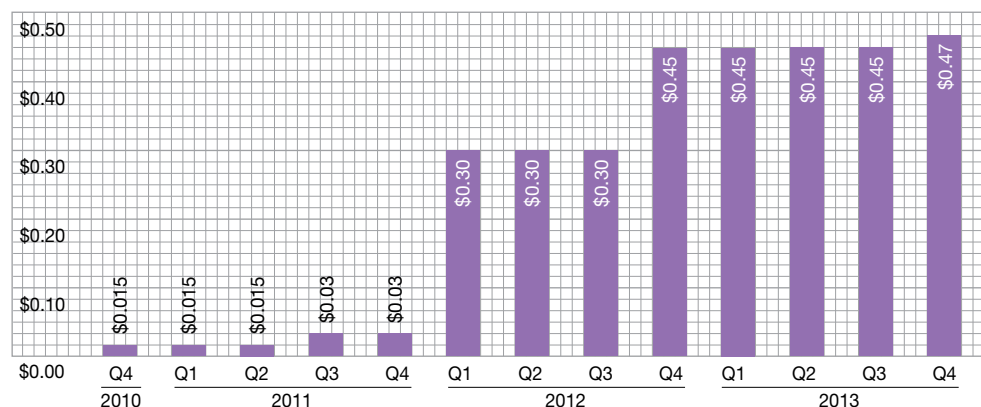
Attendance (in millions)



Modified EBITDA² Margin



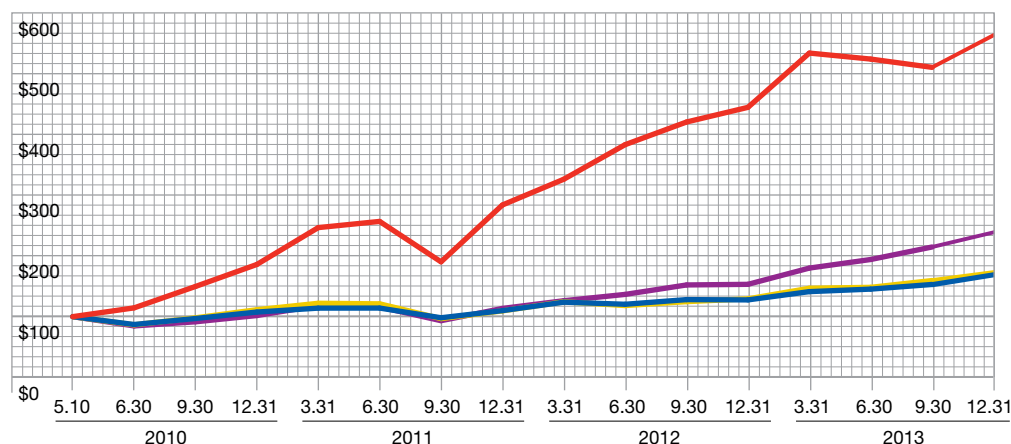
Quarterly Dividend Per Share



Comparison of 44-Month Cumulative Total Return*

- Six Flags Entertainment Corp.
- S&P 500
- S&P MidCap 400
- S&P Movies & Entertainment

*\$100 invested on May 10, 2010, in stock or index, including reinvestment of dividends. Fiscal year ending December 31.



Five-year historical data is not presented since we emerged from Chapter 11 bankruptcy on April 30, 2010, and the post-emergence stock performance of Six Flags is not comparable to the stock performance prior to our emergence.

The stock price on May 10, 2010 reflects the price of \$7.36 per share at which our new common stock was issued upon our emergence, after giving effect to both the June 2011 and June 2013 2-for-1 stock splits. The stock began trading on the NYSE on June 21, 2010, and it closed on that date at a price of \$9.12, after giving effect to both stock splits.

¹ Refer to footnote 1 on the page opposite the inside back cover of this report.

² The definition of Adjusted EBITDA and Modified EBITDA, and a reconciliation of these measures to U.S. GAAP financial measures, can be found opposite the inside back cover of this report and on our website at www.sixflags.com/investors.

³ Net debt equals reported debt less unrestricted cash.

“Every day we are creating unique and thrilling memories for our guests.”

It is hard to imagine a better place to invest, work or play than Six Flags. With our growing momentum and fourth consecutive year of record performance now behind us, we are looking forward to delivering new records in the future for our shareholders, guests and employees.

Our success starts with our team members, who are our number-one asset. Their innovative ideas keep Six Flags at the forefront of our industry and their contagious enthusiasm brings smiles to the 26 million guests who visit our parks every year. In 2013 they once again helped us achieve record financial results, deliver new marketable capital in every one of our 18 parks—including 3 new world-record rides—and receive the highest guest satisfaction ratings in the company’s 53-year history.

Every day we are creating unique and thrilling memories for our guests—after all, people never tire of having fun. Perhaps it is conquering a fear of heights with your best friend, the exhilaration of flying at top speeds with your child, a heart-warming Broadway-style show with your grandmother or the aroma of a funnel cake that creates that lasting memory. There is no doubt that each and every visit to Six Flags is special and unique.

As we head into 2014, our business strategy remains stable and focused. New world-record-breaking rides will rise and forever change the skylines of four of our parks, and we will also roll out new attractions in all the others. Our innovation will also include ongoing growth in several highly successful programs such as our Six Flags Membership Program, All Season Dining Pass, and biometrics park-entry system. In addition, we will make further investments in our culinary program and special events such as Fright Fest®, when our parks are turned into Halloween scare zones, and Holiday in the Park®, when we celebrate the winter holidays with millions of sparkling lights. Innovations such as these attract new guests, enrich their in-park experiences, and keep them returning to Six Flags time and time again.

For our shareholders, we take pride in the fact that our efforts over the last four years have delivered above-market returns including a 27 percent return on investment in 2013, a 56 percent return in 2012, and a 52 percent return in 2011. Our dividend yield, at close to 5 percent, remains among the highest in the U.S. market, and in 2013 we repurchased 14 percent of our outstanding shares—all while maintaining the lowest leverage ratio in the industry.

We remain optimistic about the future of Six Flags and look forward to many more years of generating attractive returns for our shareholders.

Thank you for your ongoing support of me, my colleagues and our company.

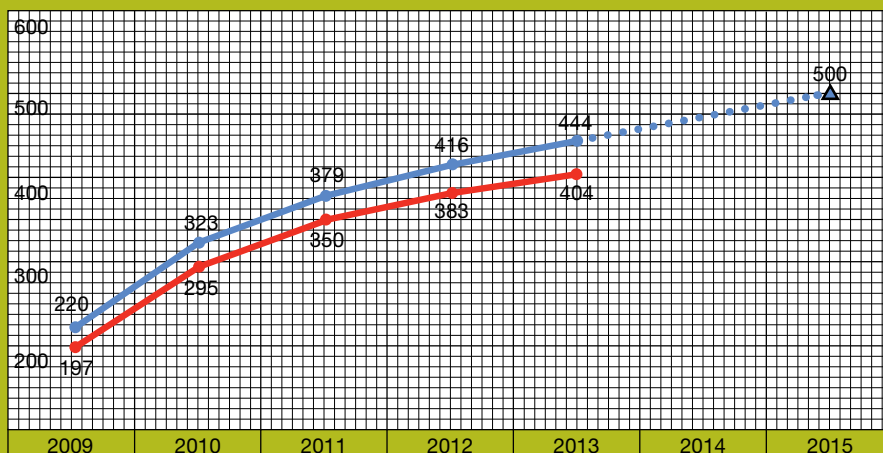


Jim Reid-Anderson
Chairman, President and
Chief Executive Officer
Six Flags Entertainment Corporation



Jim Reid-Anderson
 Chairman, President and CEO
 Six Flags Entertainment Corporation
 Photo location: Overlook at
 Six Flags Magic Mountain, California

Adjusted and Modified EBITDA¹ (\$ in millions)



The company has successfully grown profits through focused execution of its strategy and has a goal to generate \$500 million of Modified EBITDA¹ by 2015.

- Modified EBITDA Actual
- Adjusted EBITDA Actual
- ▲ Modified EBITDA Target for 2015

¹ The definition of Adjusted EBITDA and Modified EBITDA and a reconciliation of these two measures to U.S. GAAP financial measures can be found opposite the inside back cover of this report and on our website at www.sixflags.com/investors.

Our guests say it best when it comes to making memories

“Six Flags is the most amazing place on earth!”

Alyssa Shaw

“What I like best is CRAZY FUN. There is always something new going on—great rides, great food.”

Hope Pierce Green

“Fiesta Texas has the greatest rides and is the best season pass investment ever.”

Erminia Minnie Irlas Uviedo

Thrill Rides:

Laugh and scream as you experience the G-force of our exhilarating coasters.



Family Rides:

Build family bonds while sharing a new experience together.



Drop Rides:

Dare to tackle our stunning views and breathtaking drops.

"Loved X Flight, it was wonderful."

Mitzi Germinaro Doolen

"The slides are AWESOME!!!"

David Calvillo

"What I love about Six Flags is the friendly staff."

Tiffany Jean Mower

"Had a phenomenal 2013 season! See you next year Six Flags!"

Ross Ratliff

"Batman: MY FAVORITE RIDE EVER."

Taiya Patnode



Water Parks:

Cool down in our wave pools and exciting water slides.



Children's Rides:

Smile along with your children as they enjoy their own pint-sized thrills.



Steel Coasters:

Feel the rush of adrenaline as you drop and roll on our record-breaking coasters.



Our guests say it best when it comes to making memories

"I love Fright Fest and go every year. It is spooktacular."

Morgan Thompson

"I like the Christmas activities in the park because they are so family friendly."

Mandy Shuler Chaney

"Love Holiday in the Park!!"

Diamantina Sanchez

"Loved seeing more lights this year!"

Tish Caligiuri



Fright Fest®:

Add chills to your thrills when our parks are filled with ghouls, haunted houses and scary mazes.

Holiday in the Park®:

Warm up your holidays when our parks are sparkling with millions of lights.



Animals:

Learn about wild animals and enjoy them up close.



Shows and Entertainment:

Be dazzled by our live entertainment that includes Broadway-style shows, magicians and musicians.

"The thrills and rides take me back to my childhood."

Denise Pesola

"I am a season pass holder. I go once a week to the water park and I love it!! I also bought the

season food pass and it was the best thing I ever did—definitely worth it!!"

Judy Gough Soutar



New Arrivals:

Experience the arrival of new life and become exposed to new wonders of the world.

Culinary Services:

Enjoy our unique culinary options and catering services at one of our 2,000 food venues.



Games:

Test your skills and win a prize playing basketball or dozens of other games.





Senior Leadership

Front Row: **John Duffey**, CFO; **Jim Reid-Anderson**, Chairman, President and CEO; **Nancy Krejsa**, Senior VP Investor Relations and Corporate Communications; **Brett Petit**, Senior VP Marketing

Back Row: **Michael Israel**, CIO; **John Odum**, Senior VP Park Operations–East; **Tom Iven**, Senior VP Park Operations–West; **Lance Balk**, General Counsel;

David McKillips, Senior VP Corporate Alliances; **Walt Hawrylak**, Senior VP Administration; **John Bement**, Senior VP In-Park Services



Board of Directors

Front Row: **Richard W. Roedel**, **Jim Reid-Anderson**, **Usman Nabi**, **Charles A. Koppelman**

Back Row: **Kurt M. Cellar**, **John W. Baker**, **Stephen D. Owens**, **Jon L. Luther**

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

- Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
for the fiscal year ended December 31, 2013 or
- Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from _____ to _____
Commission File Number: 1-13703
-



SIX FLAGS ENTERTAINMENT CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

13-3995059
(I.R.S. Employer Identification No.)

924 Avenue J East
Grand Prairie, Texas
(Address of principal executive offices)

75050
(Zip Code)

Registrant's telephone number, including area code: **(972) 595-5000**

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.025 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1993. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a
smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

On the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the common stock of the registrant held by non-affiliates was approximately \$2,895.5 million based on the closing price (\$35.16) of the common stock on The New York Stock Exchange on such date. Shares of common stock beneficially held by each executive officer and director and one major stockholder have been excluded from this computation because these persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for any other purposes.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

On February 14, 2014, there were 94,890,602 shares of common stock, par value \$0.025, of the registrant issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the information required in Part III by Items 10, 11, 12, 13 and 14 are incorporated by reference to the registrant's proxy statement for the 2014 annual meeting of stockholders, which will be filed by the registrant within 120 days after the close of its 2013 fiscal year.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (the "Annual Report") and the documents incorporated herein by reference contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include all statements that are not historical facts and can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "may," "should," "could" and variations of such words or similar expressions. Forward-looking statements are based on our current beliefs, expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are, by their nature, subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. Therefore, we caution you that you should not rely on any of these forward-looking statements as statements of historical fact or as guarantees or assurances of future performance. These statements may involve risks and uncertainties that could cause actual results to differ materially from those described in such statements. These risks and uncertainties include, but are not limited to, statements we make regarding: (i) the adequacy of cash flows from operations, available cash and available amounts under our credit facilities to meet our future liquidity needs, (ii) our ability to roll out our capital enhancements in a timely and cost effective manner, (iii) our ability to improve operating results by implementing strategic cost reductions, and organizational and personnel changes without adversely affecting our business, and (iv) our operations and results of operations. Additional important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and include the following:

- factors impacting attendance, such as local conditions, contagious diseases, events, disturbances and terrorist activities;
- recall of food, toys and other retail products which we sell;
- accidents occurring at our parks or other parks in the industry and adverse publicity concerning our parks;
- inability to achieve desired improvements and financial performance targets set forth in our aspirational goals;
- adverse weather conditions such as excess heat or cold, rain, and storms;
- general financial and credit market conditions;
- economic conditions (including customer spending patterns);
- changes in public and consumer tastes;
- construction delays in capital improvements or ride downtime;
- competition with other theme parks and other entertainment alternatives;
- dependence on a seasonal workforce;
- unionization activities and labor disputes;
- laws and regulations affecting labor and employee benefit costs, including potential increases in state and federally mandated minimum wages, and healthcare reform;
- pending, threatened or future legal proceedings and the significant expenses associated with litigation;
- cyber security risks; and
- other factors described in "Item 1A. Risk Factors" included elsewhere in this Annual Report.

A more complete discussion of these factors and other risks applicable to our business is contained in "Item 1A. Risk Factors" included elsewhere in this Annual Report. All forward-looking statements in this report, or that are made on our behalf by our directors, officers or employees related to the information contained herein, apply only as of the date of this report or as of the date they were made. While we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will be realized and actual results could vary materially. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation, except as required by applicable law, to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

* * * * *

As used in this Annual Report, unless the context requires otherwise, the terms "we," "our," "Six Flags" and "SFEC" refer collectively to Six Flags Entertainment Corporation and its consolidated subsidiaries, and "Holdings" refers only to Six Flags Entertainment Corporation, without regard to its consolidated subsidiaries. As used herein, "SFI" means Six Flags, Inc. as a Debtor or prior to its name change to Six Flags Entertainment Corporation. As used herein, the "Company" refers collectively to SFI or Holdings, as the case may be, and its consolidated subsidiaries.

Looney Tunes characters, names and all related indicia are trademarks of Warner Bros., a division of Time Warner Entertainment Company, L.P. *Batman* and *Superman* and all related characters, names and indicia are copyrights and trademarks of DC Comics. *Cartoon Network* is a trademark of Cartoon Network. *Six Flags* and all related indicia are registered trademarks of Six Flags Theme Parks Inc.

PART I

ITEM 1. BUSINESS

Introduction

We are the largest regional theme park operator in the world based on the number of parks we operate. Of our 18 regional theme and water parks, 16 are located in the United States, one is located in Mexico City, Mexico and one is located in Montreal, Canada. Our U.S. theme parks serve each of the top 10 designated market areas, as determined by a survey of television households within designated market areas published by A.C. Nielsen Media Research in September 2013. Our diversified portfolio of North American theme parks serves an aggregate population of approximately 100 million people and 175 million people within a radius of 50 miles and 100 miles, respectively, with some of the highest per capita gross domestic product in the United States.

Our parks occupy approximately 4,500 acres of land, and we own approximately 1,100 acres of other potentially developable land. Our parks are located in geographically diverse markets across North America. Our parks generally offer a broad selection of state-of-the-art and traditional thrill rides, water attractions, themed areas, concerts and shows, restaurants, game venues and retail outlets, and thereby provide a complete family-oriented entertainment experience. In the aggregate, during 2013, our parks offered approximately 800 rides, including over 130 roller coasters, making us the leading provider of "thrill rides" in the industry.

In 1998, we acquired the former Six Flags Entertainment Corporation ("Former SFEC", a corporation that has been merged out of existence and that has always been a separate corporation from Holdings), which had operated regional theme parks under the Six Flags name for nearly forty years and established an internationally recognized brand name. We own the "Six Flags" brand name in the United States and foreign countries throughout the world. To capitalize on this name recognition, 16 of our parks are branded as "Six Flags" parks.

We hold exclusive long-term licenses for theme park usage throughout the United States (except the Las Vegas metropolitan area), Canada, Mexico and other countries of certain Warner Bros. and DC Comics characters. These characters include *Bugs Bunny*, *Daffy Duck*, *Tweety Bird*, *Yosemite Sam*, *Batman*, *Superman* and others. In addition, we have certain rights to use the Hanna-Barbera and Cartoon Network characters, including *Yogi Bear*, *Scooby-Doo*, *The Flintstones* and others. We use these characters to market our parks and to provide an enhanced family entertainment experience. Our licenses include the right to sell merchandise featuring the characters at the parks, and to use the characters in our advertising, as walk-around characters and in theming for rides, attractions and retail outlets. We believe using these characters promotes increased attendance, supports higher ticket prices, increases lengths-of-stay and enhances in-park sales.

We believe that our parks benefit from limited direct theme park competition. A limited supply of real estate appropriate for theme park development, substantial initial capital investment requirements, and long development lead-time and zoning restrictions provides each of our parks with a significant degree of protection from competitive new theme park openings. Based on our knowledge of the development of our own and other regional theme parks, we estimate it would cost \$300 million to \$500 million and would take a minimum of two years to construct a new regional theme park comparable to one of our major Six Flags-branded theme parks.

Chapter 11 Reorganization and Related Subsequent Events

On June 13, 2009, Six Flags, Inc. ("SFI") and certain of its domestic subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") (Case No. 9-12019) (the "Chapter 11 Filing"). SFI's subsidiaries that own interests in Six Flags Over Texas ("SFOT") and Six Flags Over Georgia (including Six Flags White Water Atlanta) ("SFOG" and together with SFOT, the "Partnership Parks") and the parks in Canada and Mexico were not debtors in the Chapter 11 Filing.

On April 30, 2010, the Bankruptcy Court entered an order confirming the Debtors' Modified Fourth Amended Joint Plan of Reorganization and the Debtors emerged from Chapter 11. Pursuant to the reorganization plan, all of SFI's common stock and other equity and debt securities were cancelled as of April 30, 2010. Also, on April 30, 2010, but after the reorganization plan became effective and prior to the issuance of securities under the reorganization plan, SFI changed its corporate name to Six Flags Entertainment Corporation ("Holdings"). On April 30, 2010, Holdings issued an aggregate of 109,555,556 shares of common stock at \$0.025 par value, as adjusted to reflect the two-for-one stock splits in June 2011 and June 2013. On June 21, 2010, Holdings' common stock commenced trading on the New York Stock Exchange under the symbol "SIX."

Also in connection with the emergence from Chapter 11 and in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 852, *Reorganizations*, we adopted fresh start accounting, pursuant to which the Company’s estimated fair value was allocated to its underlying assets and liabilities, which results in financial statements that are not comparable to financial statements for periods prior to emergence.

Description of Parks

The following chart summarizes key business information about our parks.

Name of Park and Location	Description	Designated Market Area and Rank*	Population Within Radius from Park Location	External Park Competition / Location / Approximate Distance
Six Flags America Largo, MD	515 acres—combination theme and water park and approximately 300 acres of potentially developable land	Washington, D.C. (8) Baltimore (27)	8.3 million—50 miles 14.2 million—100 miles	Kings Dominion / Doswell, VA (near Richmond) / 120 miles Hershey Park / Hershey, PA / 125 miles Busch Gardens / Williamsburg, VA / 175 miles
Six Flags Discovery Kingdom Vallejo, CA	135 acres—theme park plus marine and land animal exhibits	San Francisco / Oakland (6) Sacramento (20)	6.9 million—50 miles 11.9 million—100 miles	Aquarium of the Bay at Pier 39 / San Francisco, CA / 30 miles Academy of Science Center / San Francisco, CA / 30 miles California Great America / Santa Clara, CA / 60 miles Gilroy Gardens / Gilroy, CA / 100 miles Outer Bay at Monterey Bay Aquarium / Monterey, CA / 130 miles
Six Flags Fiesta Texas San Antonio, TX	216 acres—combination theme and water park	Houston (10) San Antonio (36) Austin (40)	2.5 million—50 miles 4.5 million—100 miles	Sea World of Texas / San Antonio, TX / 15 miles Schlitterbahn / New Braunfels, TX / 33 miles
Six Flags Great Adventure & Wild Safari / Six Flags Hurricane Harbor Jackson, NJ	2,200 acres—separately gated theme park/safari and water park and approximately 556 acres of potentially developable land	New York City (1) Philadelphia (4)	15.0 million—50 miles 29.8 million—100 miles	Hershey Park / Hershey, PA / 150 miles Dorney Park / Allentown, PA / 75 miles Morey's Piers Wildwood / Wildwood, NJ / 97 miles Coney Island / Brooklyn, NY / 77 miles
Six Flags Great America Gurnee, IL	304 acres—combination theme and water park and approximately 30 acres of potentially developable land	Chicago (3) Milwaukee (34)	9.4 million—50 miles 14.1 million—100 miles	Kings Island / Cincinnati, OH / 350 miles Cedar Point / Sandusky, OH / 340 miles Several water parks / Wisconsin Dells Area / 170 miles
Six Flags St. Louis Eureka, MO	503 acres—combination theme and water park and approximately 220 acres of potentially developable land	St. Louis (21)	2.9 million—50 miles 4.3 million—100 miles	Worlds of Fun / Kansas City, MO / 250 miles Silver Dollar City / Branson, MO / 250 miles Holiday World / Santa Claus, IN / 150 miles

Name of Park and Location	Description	Designated Market Area and Rank*	Population Within Radius from Park Location	External Park Competition / Location / Approximate Distance
Six Flags Magic Mountain / Six Flags Hurricane Harbor Valencia, CA	262 acres—separately gated theme park and water park on 250 acres and 12 acres, respectively	Los Angeles (2)	11.1 million—50 miles 18.9 million—100 miles	Disneyland Resort / Anaheim, CA / 60 miles Universal Studios Hollywood / Universal City, CA / 20 miles Knott's Berry Farm / Buena Park, CA / 50 miles Sea World of California / San Diego, CA / 150 miles Legoland / Carlsbad, CA / 130 miles Soak City USA / Buena Park, CA / 50 miles Raging Waters / San Dimas, CA / 50 miles
Six Flags Mexico Mexico City, Mexico	110 acres—theme park	N/A	18.3 million—50 miles 37.2 million—100 miles	Mexico City Zoo / Mexico City, Mexico / 14 miles Chapultepec / Mexico City, Mexico / 11 miles
Six Flags New England Agawam, MA	262 acres—combination theme and water park	Boston (7) Hartford / New Haven (30) Providence (53) Springfield (114)	3.7 million—50 miles 16.9 million—100 miles	Lake Compounce / Bristol, CT / 50 miles Canobie Lake Park / Salem, New Hampshire / 140 miles
Six Flags Over Georgia Austell, GA / Six Flags Whitewater Marietta, GA	352 acres—separately gated theme park and water park on 283 acres and 69 acres, respectively	Atlanta (9)	5.8 million—50 miles 8.9 million—100 miles	Georgia Aquarium / Atlanta, GA / 20 miles Carowinds / Charlotte, NC / 250 miles Alabama Adventure / Birmingham, AL / 160 miles Dollywood and Splash Country / Pigeon Forge, TN / 200 miles Wild Adventures / Valdosta, GA / 240 miles
Six Flags Over Texas / Six Flags Hurricane Harbor Arlington, TX	264 acres—separately gated theme park and water park on 217 and 47 acres, respectively	Dallas/Fort Worth (5)	6.7 million—50 miles 8.1 million—100 miles	Sea World of Texas / San Antonio, TX / 285 miles NRH2O Waterpark / North Richland Hills, TX / 13 miles The Great Wolf Lodge / Grapevine, TX / 17 miles Hawaiian Falls Waterpark / Mansfield, TX / 16 miles
La Ronde Montreal, Canada	146 acres—theme park	N/A	4.8 million—50 miles 6.1 million—100 miles	Quebec City Waterpark / Quebec City, Canada / 130 miles Canada's Wonderland / Vaughan, Ontario / 370 miles
The Great Escape and Splashwater Kingdom / Six Flags Great Escape Lodge & Indoor Waterpark Queensbury, NY	345 acres—combination theme and water park, plus 200 room hotel and 38,000 square foot indoor waterpark	Albany (58)	1.2 million—50 miles 3.5 million—100 miles	Darien Lake / Darien Center, NY / 311 miles

* Based on a September 28, 2013 survey of television households within designated market areas published by A.C. Nielsen Media Research.

Partnership Park Arrangements

In 1998, we acquired the former Six Flags Entertainment Corporation ("Former SFEC", a corporation that has been merged out of existence and that has always been a separate corporation from Holdings). In connection with our 1998 acquisition of Former SFEC, we guaranteed certain obligations relating to the Partnership Parks. These obligations continue until 2027, in the case of SFOG, and 2028, in the case of SFOT. Such obligations include (i) minimum annual distributions (including rent) of approximately \$67.3 million in 2014 (subject to cost of living adjustments in subsequent years) to the limited partners in the Partnerships Parks (based on our ownership of units as of December 31, 2013, our share of the distribution will be approximately \$29.2 million) and (ii) minimum capital expenditures at each park during rolling five-year periods based generally on 6% of park revenues. Cash flow from operations at the Partnership Parks is used to satisfy these requirements first, before any funds are required from us. We also guaranteed the obligation of our subsidiaries to annually purchase all outstanding limited partnership units to the extent tendered by the unit holders (the "Partnership Park Put").

After payment of the minimum distribution, we are entitled to a management fee equal to 3% of prior year gross revenues and, thereafter, any additional cash will be distributed first to management fee in arrears, repayment of any interest and principal on intercompany loans with any additional cash being distributed 95% to us, in the case of SFOG, and 92.5% to us, in the case of SFOT.

The agreed price for units tendered in the Partnership Park Put is based on a valuation of each of the respective Partnership Parks (the "Specified Price") that is the greater of (i) a valuation for each of the respective Partnership Parks derived by multiplying such park's weighted average four year EBITDA (as defined in the agreements that govern the partnerships) by a specified multiple (8.0 in the case of SFOG and 8.5 in the case of SFOT) and (ii) a valuation derived from the highest prices previously paid for the units of the Partnership Parks by certain entities. Pursuant to the valuation methodologies described in the preceding sentence, the Specified Price for the Partnership Parks, if determined as of December 31, 2013, is \$282.2 million in the case of SFOG and \$375.6 million in the case of SFOT. As of December 31, 2013, we owned approximately 30.5% and 53.1% of the Georgia limited partner interests and Texas limited partner interests, respectively. The remaining redeemable units of approximately 69.5% and 46.9% of the Georgia limited partner and Texas limited partner, respectively, represent an ultimate redemption value for the limited partnership units of approximately \$372.5 million. Our obligations with respect to SFOG and SFOT will continue until 2027 and 2028, respectively.

In connection with our acquisition of the Former SFEC, we entered into the Subordinated Indemnity Agreement with certain of the Company's entities, Time Warner and an affiliate of Time Warner, pursuant to which, among other things, we transferred to Time Warner (which has guaranteed all of our obligations under the Partnership Park arrangements) record title to the corporations which own the entities that have purchased and will purchase limited partnership units of the Partnership Parks, and we received an assignment from Time Warner of all cash flow received on such limited partnership units, and we otherwise control such entities. In addition, we issued preferred stock of the managing partner of the partnerships to Time Warner. In the event of a default by us under the Subordinated Indemnity Agreement or of our obligations to our partners in the Partnership Parks, these arrangements would permit Time Warner to take full control of both the entities that own limited partnership units and the managing partner. If we satisfy all such obligations, Time Warner is required to transfer to us the entire equity interests of these entities. We incurred \$19.4 million of capital expenditures at these parks during the 2013 season and intend to incur approximately \$18.3 million of capital expenditures at these parks for the 2014 season, an amount in excess of the minimum required expenditure. Cash flows from operations at the Partnership Parks will be used to satisfy the annual distribution and capital expenditure requirements, before any funds are required from us. The two partnerships generated approximately \$55.2 million of cash in 2013 from operating activities after deduction of capital expenditures and excluding the impact of short-term intercompany advances from or payments to SFI or Holdings, as the case may be. As of December 31, 2013 and 2012, we had total loans receivable outstanding of \$239.3 million from the partnerships that own the Partnership Parks. The proceeds from these loans were primarily used to fund the acquisition of Six Flags White Water Atlanta and to make capital improvements and distributions to the limited partners in prior years.

Pursuant to the 2013 annual offer, we did not purchase any units from the Georgia partnership and we purchased 0.18 units from the Texas partnership for approximately \$0.3 million in May 2013. With respect to the 2013 "put" obligations, no borrowing occurred. The \$300 million accordion feature on the Term Loan B under our \$1,135.0 million credit agreement (the "2011 Credit Facility") is available for borrowing for future "put" obligations if necessary.

Marketing and Promotion

We attract visitors through multi-media marketing and promotional programs for each of our parks. The programs are designed to enhance the Six Flags brand name and are tailored to address the different characteristics of our various markets and to maximize the impact of specific park attractions and product introductions. All marketing and promotional programs are

updated or completely changed each year to address new developments. These initiatives are supervised by our Senior Vice President, Marketing, with the assistance of our senior management and advertising and promotion agencies.

We also develop alliance, sponsorship and co-marketing relationships with well-known national, regional and local consumer goods companies and retailers to supplement our advertising efforts and to provide attendance incentives in the form of discounts. We also arrange for popular local radio and television programs to be filmed or broadcast live from our parks.

Group sales represented approximately 23%, 25%, and 28% of the aggregate attendance during the 2013, 2012 and 2011 seasons, respectively, at our parks. Each park has a group sales manager and a sales staff dedicated to selling multiple group sales and pre-sold ticket programs through a variety of methods, including online promotions, direct mail, telemarketing and personal sales calls.

During 2013 we launched a monthly membership program. Season pass and membership sales establish an attendance base in advance of the season, thus reducing exposure to inclement weather. In general, a season pass or membership guest contributes higher aggregate profitability to the Company over the course of a year compared to a single day ticket guest because a season pass or membership guest pays a higher ticket price and contributes to in-park guest spending over multiple visits. Additionally, guests enrolled in our membership program and season pass holders often bring paying guests and generate "word-of-mouth" advertising for the parks. During the 2013 season, season pass and membership attendance constituted approximately 48% of the total attendance at our parks. During the 2012 and 2011 seasons, season pass attendance constituted approximately 44% and 35%, respectively, of the total attendance at our parks.

We offer discounts on season pass and multi-visit tickets, tickets for specific dates and tickets to affiliated groups such as businesses, schools and religious, fraternal and similar organizations.

We also implement promotional programs as a means of targeting specific market segments and geographic locations not generally reached through group or retail sales efforts. The promotional programs utilize coupons, sweepstakes, reward incentives and rebates to attract additional visitors. These programs are implemented through online promotions, direct mail, telemarketing, direct response media, sponsorship marketing and targeted multi-media programs. The special promotional offers are usually for a limited time and offer a reduced admission price or provide some additional incentive to purchase a ticket.

Licenses

We have the exclusive right on a long-term basis to theme park usage of the Warner Bros. and DC Comics animated characters throughout the United States (except for the Las Vegas metropolitan area), Canada, Mexico and certain other countries. In particular, our license agreements entitle us to use, subject to customary approval rights of Warner Bros. and, in limited circumstances, approval rights of certain third parties, all animated, cartoon and comic book characters that Warner Bros. and DC Comics have the right to license, including Batman, Superman, Bugs Bunny, Daffy Duck, Tweety Bird and Yosemite Sam, and include the right to sell merchandise using the characters. In addition, certain Hanna-Barbera characters including Yogi Bear, Scooby-Doo and The Flintstones are available for our use at certain of our theme parks. In addition to annual license fees, we are required to pay a royalty fee on merchandise manufactured by or for us and sold that uses the licensed characters. Warner Bros. and Hanna-Barbera have the right to terminate their license agreements under certain circumstances, including if any persons involved in the movie or television industries obtain control of us or, in the case of Warner Bros., upon a default under the Subordinated Indemnity Agreement.

Park Operations

We currently operate in geographically diverse markets in North America. Each park is managed by a park president who reports to a senior vice president of the Company. The park presidents are responsible for all operations and management of the individual parks. Local advertising, ticket sales, community relations and hiring and training of personnel are the responsibility of individual park management in coordination with corporate support teams.

Each park president directs a full-time, on-site management team. Each management team includes senior personnel responsible for operations and maintenance, in-park food, beverage, merchandising and games, marketing and promotion, sponsorships, human resources and finance. Finance directors at our parks report to a corporate vice president of the Company, and with their support staff provide financial services to their respective parks and park management teams. Park management compensation structures are designed to provide financial incentives for individual park managers to execute our strategy and to maximize revenues and free cash flow.

Our parks are generally open daily from Memorial Day through Labor Day. In addition, most of our parks are open weekends prior to and following their daily seasons, often in conjunction with themed events, such as Fright Fest[®] and Holiday

in the Park[®]. Due to their location, certain parks have longer operating seasons. Typically, the parks charge a basic daily admission price, which allows unlimited use of all rides and attractions, although in certain cases special rides and attractions require the payment of an additional fee.

See Note 16 to the Consolidated Financial Statements included elsewhere in this Annual Report for information concerning revenues and long-lived assets by domestic and international categories.

Capital Improvements and Other Initiatives

We regularly make capital investments for new rides and attractions in our parks that, in total, approximate 9% of revenues annually. We purchase both new and used rides and attractions. In addition, on occasion we rotate rides among parks to provide fresh attractions. We believe that the selective introduction of new rides and attractions, including family entertainment attractions, is an important factor in promoting each of the parks in order to draw higher attendance and encourage longer visits, which can lead to higher in-park sales.

During 2013, we (i) added the world's tallest and fastest looping coaster at Six Flags Magic Mountain (Valencia, CA) and the world's tallest swing ride at Six Flags Over Texas (Arlington, TX); (ii) added a boomerang coaster at Six Flags St. Louis (Eureka, MO) and re-introduced the New Iron Rattler at Six Flags Fiesta Texas (San Antonio, TX); (iii) introduced the new Safari Off Road Adventure at Six Flags Great Adventure (Jackson, NJ); (iv) added a giant swing ride at Six Flags Over Georgia (Austell, GA); (v) added water slide complexes with drop capsules at Six Flags New England (Agawam, MA), Six Flags America (outside Washington, D.C.) and Six Flags Hurricane Harbor (Arlington, TX), a mat racer waterslide at Six Flags Hurricane Harbor (Jackson, NJ) as well as a twisting waterslide at Six Flags White Water Atlanta (Marietta, GA); (vi) added a spinning coaster at Six Flags Mexico (Mexico City, Mexico); and (vii) added a variety of family rides, shows and attractions at several parks, including La Ronde (Montreal, Canada), Six Flags Great America (Gurnee, IL), Six Flags Discovery Kingdom (Vallejo, CA), and The Great Escape (Queensbury, NY).

Planned initiatives for 2014 include (i) adding the world's fastest wooden roller coaster with the world's tallest and steepest drop on a wooden roller coaster at Six Flags Great America (Gurnee, IL), the world's tallest vertical drop ride at Six Flags Great Adventure (Jackson, NJ) and the world's tallest swing ride at Six Flags New England (Agawam, MA); (ii) adding a new water park at Six Flags Over Georgia (Austell, GA) and re-introducing the New Medusa Steel Coaster at Six Flags Mexico (Mexico City, Mexico); (iii) introducing a new Mardi Gras area with a spinning coaster at Six Flags America (outside Washington, D.C.); (iv) refreshing the kids' areas at Six Flags Over Texas (Arlington, TX) and Six Flags Magic Mountain (Valencia, CA); (v) expanding the water park at Six Flags Fiesta Texas (San Antonio, TX); (vi) adding interactive water rides at Six Flags Discovery Kingdom (Vallejo, CA) and Six Flags St. Louis (Eureka, MO); (vii) adding a water slide complex at Six Flags Hurricane Harbor (Arlington, TX) and a drop box speed slide at Six Flags Hurricane Harbor (Valencia, CA); and (viii) adding a variety of rides, shows and attractions at several parks, including La Ronde (Montreal, Canada), The Great Escape (Queensbury, NY), Six Flags Hurricane Harbor (Jackson, NJ) and Six Flags White Water Atlanta (Marietta, GA).

In addition, as part of our overall capital improvements, we generally make capital investments in the food, retail, games and other in-park areas to increase per capita guest spending. We also make annual enhancements in the theming and landscaping of our parks in order to provide a more complete family-oriented entertainment experience. Each year we invest in our information technology infrastructure, which helps enhance our operational efficiencies. Capital expenditures are planned on an annual basis with most expenditures made during the off-season. Expenditures for materials and services associated with maintaining assets, such as painting and inspecting existing rides, are expensed as incurred and are not included in capital expenditures.

Also during 2014, we plan to continue (i) our targeted marketing strategies, including focusing on our breadth of product and value offerings and maintaining our focus on containing our operating expenses; (ii) improving and expanding upon our branded product offerings and guest-focused initiatives to continue driving guest spending growth, including our All Season Dining Pass program, which enables season pass holders to eat lunch and dinner any day they visit the park for one upfront payment; and (iii) growing sponsorship and international revenue opportunities.

Maintenance and Inspection

Rides are inspected at various levels and frequencies in accordance with manufacturer specification. Our rides are inspected daily during the operating season by our maintenance personnel. These inspections include safety checks, as well as regular maintenance, and are made through both visual inspection and test operations of the rides. Our senior management and the individual park personnel evaluate the risk aspects of each park's operation. Potential risks to employees and staff as well as to the public are evaluated. Contingency plans for potential emergency situations have been developed for each facility. During the off-season, maintenance personnel examine the rides and repair, refurbish and rebuild them where necessary. This process

includes x-raying and magnafluxing (a further examination for minute cracks and defects) steel portions of certain rides at high-stress points. We have approximately 800 full-time employees who devote substantially all of their time to maintaining the parks and our rides and attractions. We continue to utilize a computerized maintenance management system across all of our domestic parks.

In addition to our maintenance and inspection procedures, third-party consultants are retained by us or our insurance carriers to perform an annual inspection of each park and all attractions and related maintenance procedures. The results of these inspections are reported in written evaluation and inspection reports, as well as written suggestions on various aspects of park operations. In certain states, state inspectors also conduct annual ride inspections before the beginning of each season. Other portions of each park are subject to inspections by local fire marshals and health and building department officials. Furthermore, we use Ellis & Associates as water safety consultants at our water parks in order to train life guards and audit safety procedures.

Insurance

We maintain insurance of the types and in amounts that we believe are commercially reasonable and that are available to businesses in our industry. We maintain multi-layered general liability policies that provide for excess liability coverage of up to \$100.0 million per occurrence. For incidents arising after November 15, 2003 but prior to December 31, 2008, our self-insured retention is \$2.5 million per occurrence (\$2.0 million per occurrence for the twelve months ended November 15, 2003 and \$1.0 million per occurrence for the twelve months ended November 15, 2002) for our domestic parks and a nominal amount per occurrence for our international parks. For incidents arising after November 1, 2004 but prior to December 31, 2008, we have a one-time additional \$0.5 million self-insured retention, in the aggregate, applicable to all claims in the policy year. For incidents arising on or after December 31, 2008, our self-insured retention is \$2.0 million, followed by a \$0.5 million deductible per occurrence applicable to all claims in the policy year for our domestic parks and our park in Canada and a nominal amount per occurrence for our park in Mexico. Defense costs are in addition to these retentions. Our general liability policies cover the cost of punitive damages only in certain jurisdictions. Based upon reported claims and an estimate for incurred, but not reported claims, we accrue a liability for our self-insured retention contingencies. For workers' compensation claims arising after November 15, 2003, our deductible is \$0.75 million (\$0.5 million deductible for the period from November 15, 2001 to November 15, 2003). We also maintain fire and extended coverage, business interruption, terrorism and other forms of insurance typical to businesses in this industry. The all peril property coverage policies insure our real and personal properties (other than land) against physical damage resulting from a variety of hazards. Additionally, we maintain information security and privacy liability insurance in the amount of \$10.0 million with a \$0.25 million self-insured retention per event.

The majority of our current insurance policies expire on December 31, 2014. We generally renegotiate our insurance policies on an annual basis. We cannot predict the level of the premiums that we may be required to pay for subsequent insurance coverage, the level of any self-insurance retention applicable thereto, the level of aggregate coverage available or the availability of coverage for specific risks.

Competition

Our parks compete directly with other theme parks, water and amusement parks and indirectly with all other types of recreational facilities and forms of entertainment within their market areas, including movies, sports attractions and vacation travel. Accordingly, our business is and will continue to be subject to factors affecting the recreation and leisure time industries generally, such as general economic conditions and changes in discretionary consumer spending habits. See "Item 1A. Risk Factors." Within each park's regional market area, the principal factors affecting direct theme park competition include location, price, the uniqueness and perceived quality of the rides and attractions in a particular park, the atmosphere and cleanliness of a park and the quality of its food and entertainment.

Seasonality

Our operations are highly seasonal, with approximately 80% of park attendance and revenues occurring in the second and third calendar quarters of each year, with the most significant period falling between Memorial Day and Labor Day.

Environmental and Other Regulations

Our operations are subject to federal, state and local environmental laws and regulations including laws and regulations governing water and sewer discharges, air emissions, soil and groundwater contamination, the maintenance of underground and above-ground storage tanks and the disposal of waste and hazardous materials. In addition, our operations are subject to other local, state and federal governmental regulations including, without limitation, labor, health, safety, zoning and land use and minimum wage regulations applicable to theme park operations, and local and state regulations applicable to restaurant

operations at each park. Finally, certain of our facilities are subject to laws and regulations relating to the care of animals. We believe that we are in substantial compliance with applicable environmental and other laws and regulations and, although no assurance can be given, we do not foresee the need for any significant expenditures in this area in the near future.

Portions of the undeveloped areas at certain of our parks are classified as wetlands. Accordingly, we may need to obtain governmental permits and other approvals prior to conducting development activities that affect these areas, and future development may be prohibited in some or all of these areas. Additionally, the presence of wetlands in portions of our undeveloped land could adversely affect our ability to dispose of such land and/or the price we receive in any such disposition.

Employees

As of December 31, 2013, we employed approximately 1,900 full-time employees, and over the course of the 2013 operating season we employed approximately 39,000 seasonal employees. In this regard, we compete with other local employers for qualified students and other candidates on a season-by-season basis. As part of the seasonal employment program, we employ a significant number of teenagers, which subjects us to child labor laws.

Approximately 19.3% of our full-time and approximately 12.4% of our seasonal employees are subject to labor agreements with local chapters of national unions. These labor agreements expire in December 2014 (Six Flags Magic Mountain and one union at Six Flags Great Adventure), January 2015 (Six Flags Over Texas, Six Flags St. Louis and the other union at Six Flags Great Adventure), December 2015 (Six Flags Discovery Kingdom) and December 2016 (Six Flags Over Georgia). The labor agreements for La Ronde expire in various years ranging from December 2015 through December 2020. We consider our employee relations to be good.

Executive Officers and Certain Significant Employees

The following table sets forth the name of the members of the Company's senior leadership team, the position held by such officer and the age of such officer as of the date of this report. The officers of the Company are generally elected each year at the organizational meeting of Holdings' Board of Directors, which follows the annual meeting of stockholders, and at other Board of Directors meetings, as appropriate.

Name	Age	Title
James Reid-Anderson*	54	Chairman, President and Chief Executive Officer
John M. Duffey*	53	Chief Financial Officer
Lance C. Balk*	56	General Counsel
John Bement	61	Senior Vice President, In-Park Services
Walter S. Hawrylak*	66	Senior Vice President, Administration
Michael S. Israel	47	Senior Vice President and Chief Information Officer
Tom Iven	55	Senior Vice President, Park Operations—West Coast
Nancy A. Krejsa	55	Senior Vice President, Investor Relations and Corporate Communications
David McKillips	42	Senior Vice President, Corporate Alliances
John Odum	56	Senior Vice President, Park Operations—East Coast
Brett Petit*	50	Senior Vice President, Marketing
Leonard A. Russ*	40	Vice President and Chief Accounting Officer

* Executive Officers

James Reid-Anderson was named Chairman, President and Chief Executive Officer of Six Flags in August 2010. Prior to joining Six Flags, Mr. Reid-Anderson was an adviser to Apollo Management L.P., a private equity investment firm, commencing January 2010, and from December 2008 to March 2010 was an adviser to the managing board of Siemens AG, a worldwide manufacturer and supplier of electronics and electrical engineering in the industrial, energy and healthcare sectors. From May through November 2008, Mr. Reid-Anderson was a member of Siemens AG's managing board and Chief Executive Officer of Siemens' Healthcare Sector, and from November 2007 through April 2008 he was the Chief Executive Officer of Siemens' Healthcare Diagnostics unit. Prior to the sale of the company to Siemens, Mr. Reid-Anderson served as Chairman, President and Chief Executive Officer of Dade Behring Holdings, Inc., a company that manufactured testing equipment and supplies for the medical diagnostics industry, which he joined in August 1996. Mr. Reid-Anderson previously held roles of increasing importance at PepsiCo, Grand Metropolitan (now Diageo) and Mobil. Mr. Reid-Anderson is a fellow of the U.K.

Association of Chartered Certified Accountants and holds a Bachelor of Commerce (Honor) degree from the University of Birmingham, U.K.

John M. Duffey was named Chief Financial Officer of Six Flags in September 2010 and is responsible for the finance and information technology functions in the company. Mr. Duffey previously served as Executive Vice President and Chief Integration Officer of Siemens Healthcare Diagnostics from November 2007 to January 2010, and was responsible for leading the integration of Siemens Medical Solutions Diagnostics and Dade Behring. Prior to Dade Behring's acquisition by Siemens AG, from 2001 to November 2007, Mr. Duffey served as the Executive Vice President and Chief Financial Officer of Dade Behring Inc., where he negotiated and led the company through a debt restructuring and entry into the public equity market. Prior to joining Dade Behring, Mr. Duffey was with Price Waterhouse in the Chicago and Detroit practice offices as well as the Washington D.C. National Office. Mr. Duffey holds a B.A. degree in Accounting from Michigan State University.

Lance C. Balk was named General Counsel of Six Flags in September 2010. Mr. Balk previously served as Senior Vice President and General Counsel of Siemens Healthcare Diagnostics from November 2007 to January 2010. Prior to Dade Behring's acquisition by Siemens AG, he served in the same capacity at Dade Behring Inc. from May 2006 to November 2007. In these roles Mr. Balk was responsible for global legal matters. Before joining Dade Behring, Mr. Balk was a partner at the law firm Kirkland & Ellis LLP, where he co-founded the firm's New York corporate and securities practices. Mr. Balk holds a J.D. and an M.B.A. from the University of Chicago, and a B.A. degree in Philosophy from Northwestern University.

John Bement was named Senior Vice President, In-Park Services for Six Flags in January 2006 and is responsible for food, retail, games, rentals, parking and other services offered throughout the 18 parks. Mr. Bement began his career with Six Flags in 1967 as a seasonal employee and became full-time in 1971. He held a number of management positions at several parks including Six Flags Over Texas, Six Flags Magic Mountain, and Six Flags Great Adventure before being named Park President at Six Flags Over Georgia in 1993. In 1998, Mr. Bement was promoted to Executive Vice President of the Western Region, a post held until 2001, when he was named Executive Vice President of In-Park Services. In 2006 Mr. Bement was named Senior Vice President, and in his current role, is responsible for in-park revenues for all Six Flags properties.

Walter S. Hawrylak was named Senior Vice President, Administration of Six Flags in June 2002 and is responsible for Human Resources, Benefits, Training, Risk Management, Safety and Insurance. He joined Six Flags in 1999 bringing a rich background in the theme park industry. He previously worked for Sea World, Universal Studios and Wet N Wild where he has held a variety of positions ranging from Director of Finance to General Manager to CFO. Mr. Hawrylak holds a B.A. degree in Accounting from Ohio Northern University. Mr. Hawrylak is a CPA and started his career in public accounting.

Michael S. Israel was named Chief Information Officer of Six Flags in April 2006 and is responsible for managing and updating the Company's Information Systems infrastructure. Mr. Israel began his career in technology sales and in 1998 became Chief Operating Officer for AMC Computer Corp.—a high-end, solutions-based systems integration consulting firm, and then served as a consultant at Financial Security Assurance from October 2004 to April 2006. Prior to this, he was Vice President of Word Pro's Business Systems for eight years. Mr. Israel holds an M.B.A. from St. John's University and a Bachelors of Business Administration degree in Marketing from The George Washington University. He also participated in the MIT Executive Program in Corporate Strategy.

Tom Iven was named Senior Vice President, Park Operations for Six Flags' West Coast parks in May 2010. Mr. Iven began his career at Six Flags in 1976 as a seasonal employee and became a full-time employee in 1981. He held a number of management positions within several parks including Six Flags Magic Mountain and Six Flags Over Texas before being named General Manager of Six Flags St. Louis in 1998. In 2001, Mr. Iven was promoted to Executive Vice President, Western Region comprised of 17 parks, a post he held until 2006 when he was named Senior Vice President. In his current role, Mr. Iven is responsible for managing all operating functions for Six Flags' eight Western parks as well as oversight of Engineering and the Project Management Office, overseeing operating efficiency programs for all 18 parks in the Six Flags portfolio. Mr. Iven holds a B.S. degree from Missouri State University.

Nancy A. Krejsa was named Senior Vice President, Investor Relations and Corporate Communications at Six Flags in October 2010 and is responsible for investor relations, corporate communications, public relations and international strategy. Ms. Krejsa previously served as Senior Vice President, Strategy and Communications for Siemens Healthcare Diagnostics from November 2007 to September 2010. Prior to Siemens' acquisition of Dade Behring, Ms. Krejsa was responsible for Corporate Communications and Investor Relations for Dade Behring. Ms. Krejsa joined Dade Behring in 1994 and held a number of Financial and Operational roles at Dade Behring, including Assistant Controller, Treasurer and Vice President of U.S. Operations. Prior to joining Dade Behring, Ms. Krejsa held a number of financial management positions at American Hospital Supply and Baxter International, including Vice President, Controller of the \$5 billion Hospital Supply Distribution business. Ms. Krejsa has a B.S. in Finance from Indiana University and an M.B.A. in Accounting from DePaul University.

David McKillips was named Senior Vice President, Corporate Alliances of Six Flags in September 2010 and is responsible for managing corporate sponsorships, media networks and licensed promotions. Mr. McKillips has 18 years of experience in the entertainment and theme park industry, specializing in promotion, sponsorship and consumer product licensing sales. In his current role, Mr. McKillips oversees the company's local, national and international sponsorship and media sales teams. Prior to joining Six Flags, from November 1997 to April 2006, Mr. McKillips served as Vice President of Advertising & Custom Publishing Sales for DC Comics, a division of Warner Bros. Entertainment and home to some of the world's most iconic superheroes, including Superman, Batman and Wonder Woman. He started his career with Busch Entertainment, serving roles within the operations, entertainment, group sales and promotions departments at Sea World in Orlando, Florida and then at Sesame Place in Langhorne, Pennsylvania, as Manager of Promotions. Mr. McKillips holds a B.A. degree in Speech Communication from the University of Georgia.

John Odum was named Senior Vice President, Park Operations for Six Flags' East Coast parks in May 2010. Mr. Odum began his career with Six Flags in 1974 where he held multiple supervisory and management positions within the areas of Entertainment, Rides, Park Services, Security, Admissions, Food Service, Merchandise, Games & Attractions and Finance. Additionally, Mr. Odum has served as the Park President in St. Louis, San Antonio and Atlanta. In 2003, he moved into an Executive Vice President role overseeing all operations for the 10 central division parks while also assuming company-wide responsibilities for the Maintenance/Engineering Division and Capital Spending administration. In his current role, Mr. Odum is responsible for managing all operating functions for Six Flags' 10 East Coast parks as well as the oversight of Operations, Entertainment and Design for all 18 parks in the Six Flags portfolio. Mr. Odum holds a B.S. in Business Management from Presbyterian College.

Brett Petit was named Senior Vice President, Marketing of Six Flags in June 2010. Mr. Petit has 30 years in the theme and water park industry, managing marketing strategy for more than 65 different theme parks, water parks and family entertainment centers across the country. In his role, he oversees all aspects of marketing strategy, advertising, promotions, group sales and online marketing. Prior to joining Six Flags, Mr. Petit served from March 2007 to June 2010 as Senior Vice President of Marketing & Sales for Palace Entertainment, an operator of theme parks and attractions with 38 locations hosting 14 million visitors. Before that, he worked 12 years as Senior Vice President of Marketing for Paramount Parks with over 12 million visitors and spent 13 years with Busch Entertainment Theme Parks as Marketing Vice President and Director of Sales. Mr. Petit holds a B.A. from University of South Florida.

Leonard A. Russ was named Vice President and Chief Accounting Officer of Six Flags in October 2010 and is responsible for overseeing the Company's accounting function and the finance functions of the West Coast parks. Mr. Russ began his career at Six Flags in 1989 as a seasonal employee and became a full-time employee in 1995. He held a number of management positions within the Company before being named Director of Internal Audit in 2004. In 2005, Mr. Russ was promoted to Controller, a position he held until being promoted to Chief Accounting Officer. Mr. Russ holds a Bachelor of Business Administration degree in Accounting from the University of Texas at Arlington.

Available Information

Copies of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, are available free of charge through our website at www.sixflags.com/investors. References to our website in this Annual Report are provided as a convenience and do not constitute an incorporation by reference of the information contained on, or accessible through, the website. Therefore, such information should not be considered part of this Annual Report. These reports, and any amendments to these reports, are made available on our website as soon as reasonably practicable after we electronically file such reports with, or furnish them to, the United States Securities and Exchange Commission (the "SEC"). Copies are also available, without charge, by sending a written request to Six Flags Entertainment Corporation, 924 Avenue J East, Grand Prairie, TX 75050, Attn: Investor Relations.

Our website, www.sixflags.com/investors, also includes items related to corporate governance matters including the charters of our Audit Committee, Nominating and Corporate Governance Committee and Compensation Committee, our Corporate Governance Principles, our Code of Business Conduct and our Code of Ethics for Senior Management. Copies of these materials are also available, without charge, by sending a written request to Six Flags Entertainment Corporation, 924 Avenue J East, Grand Prairie, TX 75050, Attn: Investor Relations.

ITEM 1A. RISK FACTORS

Set forth below are the principal risks that we believe are material to our business and should be considered by our security holders. We operate in a continually changing business environment and, therefore, new risks emerge from time to

time. This section contains forward-looking statements. For an explanation of the qualifications and limitations on forward-looking statements, see "Cautionary Note Regarding Forward-Looking Statements."

Risks Relating to Our Business

General economic conditions throughout the world may have an adverse impact on our business, financial condition or results of operations.

Difficult economic conditions and recessionary periods may have an adverse impact on our business and our financial condition. Negative economic conditions, coupled with high volatility and uncertainty as to the future global economic landscape, has had and continues to have a negative effect on consumers' discretionary income and consumer confidence. A decrease in discretionary spending due to decreases in consumer confidence in the economy or us, a continued economic slowdown or further deterioration in the economy, could adversely affect the frequency with which guests choose to visit our parks and the amount that our guests spend when they visit. The actual or perceived weakness in the economy could also lead to decreased spending by our guests. Both attendance and total per capita spending at our parks are key drivers of our revenue and profitability, and reductions in either could materially adversely affect our business, financial condition and results of operations.

Additionally, difficult economic conditions throughout the world could impact our ability to obtain supplies, services and credit as well as the ability of third parties to meet their obligations to us, including, for example, payment of claims by our insurance carriers and/or the funding of our lines of credit.

Our growth strategy may not achieve the anticipated results.

Our future success will depend on our ability to grow our business, including through capital investments to improve existing parks, rides, attractions and shows, as well as in-park services and product offerings. Our growth and innovation strategies require significant commitments of management resources and capital investments and may not grow our revenues at the rate we expect or at all. As a result, we may not be able to recover the costs incurred in developing our new projects and initiatives or to realize their intended or projected benefits, which could materially adversely affect our business, financial condition or results of operations.

We may not obtain the desired improvements in operational and financial performance established in our aspirational goals, including those related to Project 500.

From time to time we establish aspirational goals for our operational and financial performance, including the "Project 500" goal established in mid-2011 to achieve Modified EBITDA of \$500 million by 2015. We may seek to reach our aspirational goals through programs targeted at our key revenue drivers, marketing programs, pricing programs, operational changes and process improvements that are intended to increase revenue, reduce costs and improve our operational and financial performance. There is no assurance that these programs, changes and improvements will be successful or that we will achieve our aspirational goals at all or in the timeframe in which we seek to achieve them.

The theme park industry competes with numerous entertainment alternatives and such competition may have an adverse impact on our business, financial condition or results of operations.

Our parks compete with other theme, water and amusement parks and with other types of recreational facilities and forms of entertainment, including movies, home entertainment options, sports attractions, restaurants and vacation travel. Our business is also subject to factors that affect the recreation and leisure time industries generally, such as general economic conditions, including relative fuel prices, and changes in consumer spending habits. The principal competitive factors of a park include location, price, the uniqueness and perceived quality of the rides and attractions, the atmosphere and cleanliness of the park and the quality of its food and entertainment. If we are unable to compete effectively against entertainment alternatives or on the basis of principal competitive factors of the park, our business, financial condition or results of operations may be adversely affected.

We could be adversely affected by changes in consumer tastes and preferences for entertainment and consumer products.

The success of our parks depends substantially on consumer tastes and preferences that can change in often unpredictable ways and on our ability to ensure that our parks meet the changing preferences of the broad consumer market. We carry out research and analysis before acquiring new parks or opening new rides or attractions and often invest substantial amounts before we learn the extent to which these new parks and new rides or attractions will earn consumer acceptance. If visitor volumes at our parks were to decline significantly or if new rides and entertainment offerings at our parks do not achieve

sufficient consumer acceptance, revenues and margins may decline. Our results of operations may also be adversely affected if we fail to retain long term customer loyalty or provide satisfactory customer service.

Adverse weather conditions—bad weather can adversely impact attendance at our parks.

Because most of the attractions at our theme parks are outdoors, attendance at our parks is adversely affected by bad weather and forecasts of bad weather. The effects of bad weather on attendance can be more pronounced at our water parks. Bad weather and forecasts of bad or mixed weather conditions can reduce the number of people who come to our parks, which negatively affects our revenues. We believe that our operating results in certain years were adversely affected by abnormally hot, cold and/or wet weather in a number of our major U.S. markets. In addition, since a number of our parks are geographically concentrated in the eastern portion of the United States, a weather pattern that affects that area could adversely affect a number of our parks. Also, bad weather and forecasts of bad weather on weekend days have greater negative impact than on weekdays because weekend days are typically peak days for attendance at our parks.

Our operations are seasonal.

Our operations are seasonal. Approximately 80% of our annual park attendance and revenue occurs during the second and third calendar quarters of each year. As a result, when conditions or events described in the above risk factors occur during the operating season, particularly during the peak months of July and August, there is only a limited period of time during which the impact of those conditions or events can be mitigated. Accordingly, such conditions or events may have a disproportionately adverse effect on our revenues and cash flow. In addition, most of our expenses for maintenance and costs of adding new attractions are incurred when the parks are closed in the mid to late autumn and winter months. For this reason, a sequential quarter-to-quarter comparison is not a good indication of our performance or of how we will perform in the future.

Local conditions, events, natural disasters, disturbances, contagious diseases and terrorist activities can adversely impact park attendance.

Lower attendance at our parks may be caused by various local conditions, events, weather, contagious diseases, or natural disasters. In addition, since some of our parks are near major urban areas and appeal to teenagers and young adults, there may be disturbances at one or more parks which could negatively affect our image. This may result in a decrease in attendance at the affected parks.

Terrorist alerts and threats of future terrorist activities may adversely affect attendance at our parks. We cannot predict what effect any further terrorist activities that may occur in the future may have on our business, financial condition or results of operations.

There is a risk of accidents occurring at our parks or competing parks which may reduce attendance and negatively impact our operations.

Our brand and our reputation are among our most important assets. Our ability to attract and retain customers depends, in part, upon the external perceptions of the Company, the quality and safety of our parks, services and rides, and our corporate and management integrity. While we carefully maintain the safety of our rides, there are inherent risks involved with these attractions. An accident or an injury (including water-borne illnesses on water rides) at any of our parks or at parks operated by competitors, particularly an accident or injury involving the safety of guests and employees, that receive media attention, could negatively impact our brand or reputation, cause loss of consumer confidence in the Company, reduce attendance at our parks, and negatively impact our results of operations. The considerable expansion in the use of social media over recent years has compounded the impact of negative publicity. If any such incident occurs during a time of high seasonal demand, the effect could disproportionately impact our results of operations for the year.

Our insurance coverage may not be adequate to cover all possible losses that we could suffer and our insurance costs may increase.

Although we maintain various safety and loss prevention programs and carry property and casualty insurance to cover certain risks, our insurance policies do not cover all types of losses and liabilities. There can be no assurance that our insurance will be sufficient to cover the full extent of all losses or liabilities for which we are insured. In addition, the majority of our current insurance policies expire on December 31, 2014, and we cannot guarantee that we will be able to renew our current insurance policies on favorable terms, or at all. In addition, if we or other theme park operators sustain significant losses or make significant insurance claims, then our ability to obtain future insurance coverage at commercially reasonable rates could be materially adversely affected. If our insurance coverage is not adequate, or we become subject to damages that cannot be

law be insured against, such as punitive damages or certain intentional misconduct by our employees, this could adversely affect our financial condition or results of operations.

If we are not able to fund capital expenditures and invest in future attractions and projects in our parks, our revenues could be negatively impacted.

Because a principal competitive factor for a theme park is the uniqueness and perceived quality of its rides and attractions, we need to make continued capital investments through maintenance and the regular addition of new rides and attractions. A key element for our revenue growth is strategic capital spending on such investments. Our ability to fund capital expenditures will depend on our ability to generate sufficient cash flow from operations and to raise capital from third parties. We cannot provide assurance that our operations will be able to generate sufficient cash flow to fund such costs, or that we will be able to obtain sufficient financing on adequate terms, or at all, which could cause us to delay or abandon certain projects or plans. In addition, any construction delays or ride downtime can adversely affect our attendance and our ability to realize revenue growth.

We may be unable to purchase or contract with third-party manufacturers for our theme park rides and attractions.

We may be unable to purchase or contract with third parties to build high quality rides and attractions and to continue to service and maintain those rides and attractions at competitive or beneficial prices, or to provide the replacement parts needed to maintain the operation of such rides. In addition, if our third-party suppliers' financial condition deteriorates or they go out of business, we may not be able to obtain the full benefit of manufacturer warranties or indemnities typically contained in our contracts, or may need to incur greater costs for the maintenance, repair, replacement or insurance of these assets.

Our leases contain default provisions that, if enforced or exercised by the landlord, could significantly impact our operations at those parks.

Certain of our leases permit the landlord to terminate the lease if there is a default under the lease, including, for example, our failure to pay rent, utilities and applicable taxes in a timely fashion or to maintain certain insurance. If a landlord were to terminate a lease, it would halt our operations at that park and, depending on the size of the park, could have a negative impact on our financial condition and results of operations. In addition, any disputes that may result from such a termination may be expensive to pursue and may divert money and management's attention from our other operations and adversely affect our business, financial condition or results of operations.

Product recalls, product liability claims and associated costs could adversely affect our reputation and our financial condition.

We sell food, toys and other retail products, the sale of which involves legal and other risks. We may need to recall food products if they become contaminated, and we may need to recall toys, games or other retail merchandise if there is a design or product defect. Even though we are resellers of food and retail merchandise, we may be liable if the consumption or purchase of any of the products we sell causes illness or injury. A recall could result in losses due to the cost of the recall, the destruction of product and lost sales due to the unavailability of product for a period of time. A significant food or retail product recall could also result in adverse publicity, damage to our reputation and loss of consumer confidence in our parks, which could have a material adverse effect on our business, financial condition or results of operations.

Cyber security risks and the failure to maintain the integrity of internal or guest data could expose us to data loss, litigation and liability, and our reputation could be significantly harmed.

We collect and retain large volumes of internal and guest data, including credit card numbers and other personally identifiable information, for business purposes, including for transactional or target marketing and promotional purposes, and our various information technology systems enter, process, summarize and report such data. We also maintain personally identifiable information about our employees. The integrity and protection of our guest, employee and Company data is critical to our business and our guests and employees have a high expectation that we will adequately protect their personal information. The regulatory environment, as well as the requirements imposed on us by the credit card industry, governing information, security and privacy laws is increasingly demanding and continue to evolve. Maintaining compliance with applicable security and privacy regulations could adversely impact our ability to market our parks, products and services to our guests. In addition, such compliance measures, as well as protecting our guests from consumer fraud, could increase our operating costs. Furthermore, a penetrated or compromised data system or the intentional, inadvertent or negligent release or disclosure of data could result in theft, loss, fraudulent or unlawful use of guest, employee or Company data which could harm our reputation, disrupt our operations, or result in remedial and other costs, fines or lawsuits.

Adverse litigation judgments or settlements resulting from legal proceedings in which we may be involved in the normal course of our business could adversely affect our financial condition or results of operations.

We are subject to allegations, claims and legal actions arising in the ordinary course of our business, which may include claims by third parties, including guests who visit our parks, our employees or regulators. The outcome of these proceedings cannot be predicted. If any of these proceedings is determined adversely to us, we receive a judgment, a fine or a settlement involving a payment of a material sum of money, or injunctive relief is issued against us, our business, financial condition and results of operations could be materially adversely affected. Litigation can also be expensive, lengthy and disruptive to normal business operations, including to our management due to the increased time and resources required to respond to and address the litigation.

Additionally, from time to time, animal activist and other third-party groups may make negative public statements about us or bring claims before government agencies or lawsuits against us. Such claims and lawsuits sometimes are based on allegations that we do not properly care for some of our featured animals. On other occasions, such claims and/or lawsuits are specifically designed to change existing law or enact new law in order to impede our ability to retain, exhibit, acquire or breed animals. While we seek to comply with all applicable federal and state laws and vigorously defend ourselves in any lawsuits, there are no assurances as to the outcome of future claims and lawsuits that could be brought against us. An unfavorable outcome in any legal proceeding could have a material adverse effect on our business, financial condition and results of operations. In addition, associated negative publicity could adversely affect our reputation, financial condition and results of operations.

Our intellectual property rights are valuable, and any inability to protect them could adversely affect our business.

Our intellectual property, including our trademarks and domain names and other proprietary rights, constitutes a significant part of our value. To protect our intellectual property rights, we rely upon a combination of trademark, trade secret and unfair competition laws of the United States and other countries, as well as contract provisions and third-party policies and procedures governing internet/domain name registrations. However, there can be no assurance that these measures will be successful in any given case, particularly in those countries where the laws do not protect our proprietary rights as fully as in the United States. We may be unable to prevent the misappropriation, infringement or violation of our intellectual property rights, breach of any contractual obligations to us, or independent development of intellectual property that is similar to ours, any of which could reduce or eliminate any competitive advantage we have developed, adversely affect our revenues or otherwise harm our business.

We may be subject to claims for infringing the intellectual property rights of others, which could be costly and result in the loss of intellectual property rights.

We cannot be certain that we do not and will not infringe the intellectual property rights of others. We have been in the past, and may be in the future, subject to litigation and other claims in the ordinary course of our business based on allegations of infringement or other violations of the intellectual property rights of others. Regardless of their merits, intellectual property claims can divert the efforts of our personnel and are often time-consuming and expensive to litigate or settle. In addition, to the extent claims against us are successful, we may have to pay substantial money damages or discontinue, modify, or rename certain products or services that are found to be in violation of another party's rights. We may have to seek a license (if available on acceptable terms, or at all) to continue offering products and services, which may increase our operating expenses.

Increased labor costs and employee health and welfare benefits may reduce our results of operations.

Labor is a primary component in the cost of operating our business. We devote significant resources to recruiting and training our managers and employees. Increased labor costs due to competition, increased minimum wage or employee benefit costs or otherwise, would adversely impact our operating expenses. The Patient Protection and Affordable Care Act of 2010 and the amendments thereto contain provisions which could impact our future healthcare costs. While the legislation's ultimate impact is not yet known, we currently anticipate these changes will not significantly increase our operating costs. Our results of operations are also substantially affected by costs of retirement, including as a result of macro-economic factors beyond our control, such as declines in investment returns on pension plan assets and changes in discount rates used to calculate pension and related liabilities.

Additionally, we contribute to multiple defined benefit multiemployer pension plans on behalf of our collectively bargained employees of Six Flags Great Adventure LLC. If we were to cease contributing to or otherwise incur a withdrawal from any such plans, we could be obligated to pay withdrawal liability assessments based on the underfunded status (if any) of such plans at the time of the withdrawal. The amount of any multiemployer pension plan underfunding can fluctuate from year

to year, and thus there is a possibility that the amount of withdrawal liability that we could incur in the future could be material, which could materially adversely affect our financial condition.

Unionization activities or labor disputes may disrupt our operations and affect our profitability.

As of December 31, 2013, approximately 19.3% of our full-time and approximately 12.4% of our seasonal employees are subject to labor agreements with local chapters of national unions. We have collective bargaining agreements in place for certain employees at Six Flags Over Georgia, Six Flags Magic Mountain, Six Flags Great Adventure, Six Flags Over Texas, Six Flags St. Louis, Six Flags Discovery Kingdom and La Ronde. New unionization activity or a labor dispute involving our employees could disrupt our operations and reduce our revenues, and resolution of unionization activities or labor disputes could increase our costs. Litigation relating to employment and/or wage and hour disputes could also increase our operating expenses. Such disrupted operations, reduced revenues or increased costs could have a material adverse effect on our financial condition and results of operations.

We depend on a seasonal workforce, many of whom are paid at minimum wage.

Our park operations are dependent in part on a seasonal workforce, many of whom are paid at minimum wage. We manage seasonal wages and the timing of the hiring process to ensure the appropriate workforce is in place for peak and low seasons. We cannot guarantee that material increases in the cost of securing our seasonal workforce will not occur in the future. Increased state or federal minimum wage requirements, seasonal wages or an inadequate workforce could have an adverse impact on our results of operations. We anticipate that the recent increases to the minimum wage will increase our salary, wage and benefit expenses in 2014 and future years and further legislative changes could continue to negatively impact these expenses in the future.

Our operations and our ownership of property subject us to environmental, health and safety and other regulations, which create uncertainty regarding future expenditures and liabilities.

Our operations involve wastewater and stormwater discharges and air emissions, and as a result are subject to environmental, health and safety laws, regulations and permitting requirements. These requirements are administered by the U.S. Environmental Protection Agency and the states and localities where our parks are located (and can also often be enforced through citizen suit provisions), and include the requirements of the Clean Water Act and the Clean Air Act. Our operations also involve maintaining underground and aboveground storage tanks, and managing and disposing of hazardous substances, chemicals and materials and are subject to federal, state and local laws and regulations regarding the use, generation, manufacture, storage, handling and disposal of these substances, chemicals and materials, including the Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). A portion of our capital expenditures budget is intended to ensure continued compliance with environmental, health and safety laws, regulations and permitting requirements. In the event of contamination or injury as a result of a release of or exposure to regulated materials, we could be held liable for any resulting damages. For example, pursuant to CERCLA, past and current owners and operators of facilities and persons arranging for disposal of hazardous substances may be held strictly, jointly and severally liable for costs to remediate releases and threatened releases of hazardous substances. The costs of investigation, remediation or removal of regulated materials may be substantial, and the presence of those substances, or the failure to remediate property properly, may impair our ability to use, transfer or obtain financing regarding our property. Our activities may be affected by new legislation or changes in existing environmental, health and safety laws. For example, the state or federal government having jurisdiction over a given area may enact legislation and the U.S. Environmental Protection Agency or applicable state entity may propose new regulations or change existing regulations that could require our parks to reduce certain emissions or discharges. Such action could require our parks to install costly equipment or increase operating expenses. We may be required to incur costs to remediate potential environmental hazards, mitigate environmental risks in the future, or comply with other environmental requirements.

We also are subject to federal and state laws which prohibit discrimination and other laws regulating the design and operation of facilities, such as the Americans With Disabilities Act. Compliance with these laws and regulations can be costly and increase our exposure to litigation and governmental proceedings, and a failure or perceived failure to comply with these laws could result in negative publicity that could harm our reputation, which could adversely affect our business.

We may not be able to attract and retain key management and other key employees.

Our employees, particularly our key management, are vital to our success and difficult to replace. We may be unable to retain them or to attract other highly qualified employees, particularly if we do not offer employment terms competitive with

the rest of the market. Failure to attract and retain highly qualified employees, or failure to develop and implement a viable succession plan, could result in inadequate depth of institutional knowledge or skill sets, adversely affecting our business.

We may not realize the benefits of acquisitions or other strategic initiatives.

Our business strategy may include selective expansion, both domestically and internationally, through acquisitions of assets or other strategic initiatives, such as joint ventures, that allow us to profitably expand our business and leverage our brand. The success of our acquisitions depends on effective integration of acquired businesses and assets into our operations, which is subject to risks and uncertainties, including realization of anticipated synergies and cost savings, the ability to retain and attract personnel, the diversion of management's attention from other business concerns, and undisclosed or potential legal liabilities of acquired businesses or assets. Additionally, any international transactions are subject to additional risks, including the impact of economic fluctuations in economies outside of the United States, difficulties and costs of staffing and managing foreign operations due to distance, language and cultural differences, as well as political instability and a lesser degree of legal protection in certain jurisdictions, currency exchange fluctuations and potentially adverse tax consequences of overseas operations. If we do not realize the benefits of such transactions, it could have an adverse effect on our financial condition.

Risks Related to Our Indebtedness and Common Stock

A portion of our cash flow is required to be used to fund our substantial monetary obligations.

We must satisfy the following obligations with respect to the Partnership Parks:

- We must make annual distributions to our partners in the Partnership Parks, which will amount to approximately \$67.3 million million in 2014 (based on our ownership of units as of December 31, 2013, our share of the distribution will be approximately \$29.2 million), with similar amounts (adjusted for changes in cost of living) payable in future years.
- We must spend a minimum of approximately 6% of each of the Partnership Parks' annual revenues over specified periods for capital expenditures.
- Each year we must offer to purchase all outstanding limited partnership units from our partners in the Partnership Parks. The remaining redeemable units of the Georgia limited partner and Texas limited partner, respectively, represent an ultimate redemption value for the limited partnership units of approximately \$372.5 million as of December 31, 2013. As we purchase additional units, we are entitled to a proportionate increase in our share of the minimum annual distributions. In future years, we may need to incur indebtedness under the 2011 Credit Facility to satisfy such unit purchase obligations.

We expect to use cash flow from the operations at the Partnership Parks to satisfy all or part of our annual distribution and capital expenditure obligations with respect to these parks before we use any of our other funds. The two partnerships generated approximately \$55.2 million of cash in 2013 from operating activities after deduction of capital expenditures and excluding the impact of short-term intercompany advances from or repayments to us. As of December 31, 2013 and 2012, we had loans outstanding of \$239.3 million to the partnerships that own the Partnership Parks, primarily to fund the acquisition of Six Flags White Water Atlanta, working capital in prior years and capital improvements. The obligations relating to SFOG continue until 2027 and those relating to SFOT continue until 2028. In the event of a default by us under the Subordinated Indemnity Agreement or of our obligations to our partners in the Partnership Parks, these arrangements would permit Time Warner to take full control of both the entities that own limited partnership units and the managing partner. and we would lose control of the Partnership Parks. In addition, such a default could trigger an event of default under the 2011 Credit Facility. For more information regarding the Subordinated Indemnity Agreement, see "Business—Partnership Park Arrangements."

The vast majority of our capital expenditures in 2014 and beyond will be made on a discretionary basis, although such expenditures are important to the parks' ability to sustain and grow revenues. We spent \$101.9 million on capital expenditures for all of our continuing operations in the 2013 calendar year. Our business plan includes targeted annual capital spending of approximately 9% of revenues. We may not, however, achieve our targeted rate of capital spending, which may cause us to spend in excess of, or less than, our anticipated rate.

Our indebtedness under the 2011 Credit Facility and our other obligations could have important negative consequences to us and investors in our securities. These include the following, which could materially adversely affect our business, financial condition or results of operations:

- We may not be able to satisfy all of our obligations, including, but not limited to, our obligations under the instruments governing our outstanding debt, which may cause a cross-default or cross-acceleration on other debt we may have incurred.
- We could have difficulties obtaining necessary financing in the future for working capital, capital expenditures, debt service requirements, refinancing or other purposes.
- We could have difficulties obtaining additional financing to fund our annual Partnership Park obligations if the amount of the 2011 Credit Facility is insufficient.
- We will have to use a significant part of our cash flow to make payments on our debt and to satisfy the other obligations set forth above, which may reduce the capital available for operations and expansion.
- Adverse economic or industry conditions may have more of a negative impact on us.

We cannot be sure that cash generated from our parks will be as high as we expect or that our expenses will not be higher than we expect. Because a portion of our expenses are fixed in any given year, our operating cash flows are highly dependent on revenues, which are largely driven by attendance levels, in-park sales and sponsorship and licensing activity. A lower amount of cash generated from our parks or higher expenses than expected, when coupled with our debt obligations, could adversely affect our ability to fund our operations.

The instruments governing our indebtedness include financial and other covenants that will impose restrictions on our financial and business operations.

The instruments governing our indebtedness restrict our ability to, among other things, incur additional indebtedness, incur liens, make investments, sell assets, pay dividends, repurchase stock or engage in transactions with affiliates. In addition, the 2011 Credit Facility contains financial covenants that will require us to maintain a minimum interest coverage ratio and a maximum senior secured leverage ratio. These covenants may have a material impact on our operations. If we fail to comply with the covenants in the 2011 Credit Facility or the indenture governing the senior unsecured notes and are unable to obtain a waiver or amendment, an event of default would result under the applicable debt instrument.

Events beyond our control, such as weather and economic, financial and industry conditions, may affect our ability to continue meeting our financial covenant ratios under the 2011 Credit Facility. The need to comply with these financial covenants and restrictions could limit our ability to execute our strategy and expand our business or prevent us from borrowing more money when necessary.

The 2011 Credit Facility and the indenture governing the senior unsecured notes also contain other events of default customary for financings of these types, including cross defaults to certain other indebtedness, cross acceleration to other indebtedness and certain change of control events. If an event of default were to occur, the lenders under the 2011 Credit Facility could declare outstanding borrowings under the 2011 Credit Facility immediately due and payable and the holders of senior unsecured notes could elect to declare the notes to be due and payable, together with accrued and unpaid interest. We cannot provide assurance that we would have sufficient liquidity to repay or refinance such indebtedness if it was accelerated upon an event of default. In addition, an event of default or declaration of acceleration under the 2011 Credit Facility could also result in an event of default under other indebtedness.

We can make no assurances that we will be able to comply with these restrictions in the future or that our compliance would not cause us to forego opportunities that might otherwise be beneficial to us.

We may be unable to service our indebtedness.

Our ability to make scheduled payments on and to refinance our indebtedness, including the 2011 Credit Facility and the senior unsecured notes, depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors beyond our control, including the availability of financing in the banking and capital markets. We cannot provide assurance that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to service our debt, including the senior unsecured notes, to refinance our debt or to fund our other liquidity needs. If we are unable to meet our debt obligations or to fund our other liquidity needs, we may be forced to reduce or delay scheduled expansion and capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt, including the senior unsecured notes, which could cause us to default on our debt obligations and impair our liquidity. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants which could further restrict our business operations. If we are required to dispose of material assets or operations or restructure our debt to meet our debt service and other obligations, we cannot provide assurance that the terms of any such transaction will be satisfactory to us or if, or how soon, any such transaction could be completed.

The market price of Holdings' common stock may be volatile, which could cause the value of an investment in Holdings' common stock to decline.

The ownership in Holdings' common stock is slightly concentrated, which might limit the liquidity of the market for Holdings' common stock. We can give no assurances about future liquidity in the trading market for Holdings' common stock. If there is limited liquidity in the trading market for Holdings' common stock, a sale of a large number of shares of Holdings' common stock could be adversely disruptive to the market price of Holdings' common stock.

Numerous factors, including many over which we have no control, may have a significant impact on the market price of Holdings' common stock. These risks include those described or referred to in this "Risk Factors" section and in other documents incorporated herein by reference as well as, among other things:

- Our operating and financial performance and prospects;
- Our ability to repay our debt;
- Our access to financial and capital markets to refinance our debt or replace the existing credit facilities;
- Investor perceptions of us and the industry and markets in which we operate;
- Our dividend policy;
- Our stock repurchase program;
- Future sales of equity or equity-related securities;
- Changes in earnings estimates or buy/sell recommendations by analysts; and
- General financial, domestic, economic and other market conditions.

Changes in our credit ratings could adversely affect the price of Holdings' common stock.

Credit rating agencies continually review their ratings for the companies they follow including our company. Upon our emergence from bankruptcy the rating agencies evaluated our new credit facilities. Moody's Investors Service and Standard & Poor's provided an initial corporate family rating of B2 and B, respectively. In November 2010, Moody's upgraded our credit rating to B1 and Standard & Poor's upgraded our credit rating to B+. In February 2011, Standard & Poor's increased our credit rating to BB-. In November 2011, Standard & Poor's updated our credit rating to BB. In connection with the issuance of the senior unsecured notes in December 2012, Moody's assigned a B3 rating to the notes, upgraded our credit facility rating to Ba2, and affirmed our B1 corporate family rating. Standard & Poor's assigned a BB- rating to the notes and affirmed our BB corporate credit rating. In May 2013, Moody's affirmed the B3 rating on the senior unsecured notes, the Ba2 rating on the credit facility and our B1 corporate family rating. Both rating agencies have placed our ratings on "stable outlook." We cannot provide assurance that our ratings will not experience a negative change in the future. A negative change in our ratings or the perception that such a change might occur could adversely affect the market price of Holdings' common stock.

Various factors could affect Holdings' ability to sustain its dividend.

Holdings' ability to pay a dividend on its common stock or sustain it at current levels is subject to our ability to generate sufficient cash flow to pay dividends. In addition, our debt agreements contain certain limitations on the amount of cash we are permitted to distribute to our stockholders by way of dividend or stock repurchase. Lastly, a portion of our indebtedness bears interest at a floating rate and substantial increases in interest rates could limit the amount of cash we have available to pay dividends.

Holdings is a holding company and is dependent on dividends and other distributions from its subsidiaries.

Holdings is a holding company and substantially all of its operations are conducted through direct and indirect subsidiaries. As a holding company, it has no significant assets other than its equity interests in its subsidiaries. Accordingly, Holdings is dependent on dividends and other distributions from its subsidiaries to meet its obligations including the obligations under the 2011 Credit Facility, Holdings' \$800.0 million of 5.25% senior unsecured notes due January 15, 2021 (the "2021 Notes"), and to pay the dividend on Holdings' common stock. If these dividends and other distributions are not sufficient for Holdings to meet its financial obligations, or not available to Holdings due to restrictions in the instruments governing our indebtedness, it could cause Holdings to default on our debt obligations, which would impair our liquidity and adversely affect our financial condition and our business. We had \$169.3 million of cash and cash equivalents on a consolidated basis at December 31, 2013, of which \$9.9 million was held at Holdings.

Provisions in Holdings' corporate documents and the law of the State of Delaware as well as change of control provisions in certain of our debt and other agreements could delay or prevent a change of control, even if that change would be beneficial to stockholders, or could have a materially negative impact on our business.

Certain provisions in Holdings' Restated Certificate of Incorporation, the 2011 Credit Facility and the indenture governing the senior unsecured notes may have the effect of deterring transactions involving a change in control of us, including transactions in which stockholders might receive a premium for their shares.

Holdings' Certificate of Incorporation provides for the issuance of up to 5,000,000 shares of preferred stock with such designations, rights and preferences as may be determined from time to time by Holdings' Board of Directors. The authorization of preferred shares empowers Holdings' Board of Directors, without further stockholder approval, to issue preferred shares with dividend, liquidation, conversion, voting or other rights that could adversely affect the voting power or other rights of the holders of the common stock. If issued, the preferred stock could also dilute the holders of Holdings' common stock and could be used to discourage, delay or prevent a change of control of us.

Holdings is also subject to the anti-takeover provisions of the Delaware General Corporation Law, which could have the effect of delaying or preventing a change of control in some circumstances. All of the foregoing factors could materially adversely affect the price of the common stock.

The 2011 Credit Facility contains provisions pursuant to which it is an event of default if any "person" becomes the beneficial owner of more than 35% of the common stock. This could deter certain parties from seeking to acquire us and if any "person" were to become the beneficial owner of more than 35% of the common stock, we may not be able to repay such indebtedness.

We have the exclusive right to use certain Warner Bros. and DC Comics characters in our theme parks in the United States (except in the Las Vegas metropolitan area), Canada, Mexico and certain other countries. Warner Bros. can terminate these licenses under certain circumstances, including the acquisition of us by persons engaged in the movie or television industries. This could deter certain parties from seeking to acquire us.

ITEM 1B. UNRESOLVED STAFF COMMENTS

We have received no written comments regarding our periodic or current reports from the staff of the SEC that were issued 180 days or more preceding the end of our 2013 fiscal year and that remain unresolved.

ITEM 2. PROPERTIES

Set forth below is a brief description of our material real estate as of December 31, 2013. See also "Business—Description of Parks."

- Six Flags America, Largo, Maryland—515 acres (owned)
- Six Flags Discovery Kingdom, Vallejo, California—135 acres (owned)
- Six Flags Fiesta Texas, San Antonio, Texas—216 acres (owned)
- Six Flags Great Adventure & Wild Safari and Hurricane Harbor, Jackson, New Jersey—2,200 acres (owned)
- Six Flags Great America, Gurnee, Illinois—304 acres (owned)
- Six Flags Hurricane Harbor, Arlington, Texas—47 acres (owned)
- Six Flags Hurricane Harbor, Valencia, California—12 acres (owned)
- Six Flags Magic Mountain, Valencia, California—250 acres (owned)
- Six Flags Mexico, Mexico City, Mexico—110 acres (occupied pursuant to concession agreement) ⁽¹⁾
- Six Flags New England, Agawam, Massachusetts—262 acres (substantially all owned)
- Six Flags Over Georgia, Austell, Georgia—283 acres (leasehold interest) ⁽²⁾
- Six Flags Over Texas, Arlington, Texas—217 acres (leasehold interest) ⁽²⁾
- Six Flags St. Louis, Eureka, Missouri—503 acres (owned)
- Six Flags White Water Atlanta, Marietta, Georgia—69 acres (owned) ⁽³⁾
- La Ronde, Montreal, Canada—146 acres (leasehold interest) ⁽⁴⁾
- The Great Escape, Queensbury, New York—345 acres (owned)

(1) The concession agreement is with the Federal District of Mexico City. The agreement expires in 2017 but negotiations regarding the extension of the concession agreement are ongoing.

(2) Lessor is the limited partner of the partnership that owns the park. The SFOG and SFOT leases expire in 2027 and 2028, respectively, at which time we have the option to acquire all of the interests in the respective lessor that we have not previously acquired.

(3) Owned by the Georgia partnership.

(4) The site is leased from the City of Montreal. The lease expires in 2065.

In addition to the foregoing, we also lease office space and a limited number of rides and attractions at our parks. See Note 15 to the Consolidated Financial Statements included elsewhere in this Annual Report for a discussion of lease

commitments. We consider our properties to be well maintained, in good condition and adequate for their present uses and business requirements. We have granted to our lenders under the 2011 Credit Facility agreement, a mortgage on substantially all of our owned United States properties.

ITEM 3. LEGAL PROCEEDINGS

The nature of the industry in which we operate tends to expose us to claims by guests, generally for injuries. Accordingly, we are party to various legal actions arising in the normal course of business, including the proceedings discussed below.

On March 1, 2007, Safety Braking Corporation, Magnetar Technologies Corp. and G&T Conveyor Co. filed a Complaint for Patent Infringement (the "Patent Complaint") in the United States District Court for the District of Delaware naming SFI, SFTP, and certain of our other subsidiaries as defendants, along with other industry theme park owners and operators. The Patent Complaint alleges that we are liable for direct or indirect infringement of United States Patent No. 5,277,125 because of our ownership and/or operation of various theme parks and amusement rides. The Patent Complaint seeks damages and injunctive relief. On July 8, 2008, the Court entered a Stipulation and Order of Dismissal of Safety Braking Corporation. Thus, as of that date, only Magnetar Technologies Corp. and G&T Conveyor Co. remain as plaintiffs. We have contacted the manufacturers of the amusement rides that we believe may be impacted by this case, requiring such manufacturers to honor their indemnification obligations with respect to this case. We tendered the defense of this matter to certain of the ride manufacturers. The patent expired in October 2012. Fact and expert discovery has concluded and summary judgment motions were filed in January 2013. The defendants moved for summary judgment that United States Patent No. 5,277,125 was invalid on four separate grounds, that damages for certain rides were barred by the doctrine of laches and/or by the patent owner's failure to mark the patent number on products embodying the patented invention, and that certain rides do not infringe the patent. The plaintiffs moved for summary judgment that certain rides do infringe. On February 7, 2014, the Magistrate Judge issued an order on defendants' motions for summary judgment, recommending that United States Patent No. 5,277,125 be held invalid on the four separate grounds advanced by the defendants, and that certain rides would not infringe even if the patent was not invalid.

On January 6, 2009, a civil action against us was commenced in the State Court of Cobb County, Georgia. The plaintiff sought damages for personal injuries, including an alleged brain injury, as a result of an altercation with a group of individuals on property adjacent to SFOG on July 3, 2007. Certain of the individuals were employees of the park but were off-duty and not acting within the course or scope of their employment with SFOG at the time the altercation occurred. The plaintiff, who had exited the park, claims that we were negligent in our security of the premises. Four of the individuals who allegedly participated in the altercation are also named as defendants in the litigation. Our motion for summary judgment was denied by the trial court on May 19, 2011. Pursuant to the trial that concluded on November 20, 2013, the jury returned a verdict in favor of the plaintiff for \$35 million. The jury allocated 92% of the verdict against Six Flags and the judgment was entered on February 11, 2014. In conjunction with our insurers, we intend to vigorously challenge the verdict in both post-trial motions and an appeal, which our insurers are pursuing the appeal on Six Flags' and the insurers' behalf. We have reserved the full amount of our \$2.5 million self-insurance retention, net of expected insurance recoveries, plus estimated litigation costs in connection with this incident.

On July 3, 2012, a civil action was commenced against us in the Superior Court of Solano County, California. The plaintiffs sought damages for personal injuries when a guest at Six Flags Discovery Kingdom jumped on a swinging gate arm that entered a passing tram carrying the plaintiffs on July 3, 2010. We have reserved the full amount of our \$2.5 million self-insurance retention plus estimated litigation costs in connection with this incident.

On July 19, 2013, an accident occurred on a ride at our park in Arlington, Texas, in which a fatality occurred. Utilizing both internal and external experts, we completed the investigation of the accident and concluded that there was no mechanical failure of the ride. On September 10, 2013, a civil action against us was commenced in the District Court of Tarrant County, Texas in connection with the incident seeking monetary damages. On October 4, 2013, we filed an answer denying the claims. On October 14, 2013, the plaintiffs filed an amended complaint naming Gerstlauer Amusement Rides, GmbH, the ride manufacturer, as a co-defendant in the lawsuit. We intend to vigorously defend the action. On February 14, 2014, we filed a cross action against Gerstlauer Amusement Rides, GmbH seeking statutory indemnity. We have reserved the full amount of our \$2.5 million self-insurance retention, net of expected insurance recoveries, plus estimated litigation costs in connection with this incident.

We are party to various other legal actions, including intellectual property disputes and employment and/or wage and hour litigation, arising in the normal course of business. We do not expect to incur any material liability by reason of such actions.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Holdings' common stock trades on the New York Stock Exchange under the symbol "SIX."

On May 5, 2011 and May 8, 2013, Holdings' Board of Directors approved two-for-one stock splits of Holdings' common stock effective in the form of a stock dividend of one share of common stock for each outstanding share of common stock. The record dates for the stock splits were June 15, 2011 and June 12, 2013, respectively. The additional shares of common stock in connection with the stock splits were distributed on June 27, 2011 and June 26, 2013, respectively. In accordance with the provisions of our stock benefit plans and as determined by Holdings' Board of Directors, the number of shares available for issuance, the number of shares subject to outstanding equity awards and the exercise prices of outstanding stock option awards were adjusted to equitably reflect the effect of these two-for-one stock splits. All share and per share amounts presented in this Annual Report have been retroactively adjusted to reflect these stock splits.

The table below presents the high and low sales price of our common stock and the quarterly dividend paid per share of common stock during the years ended December 31, 2013 and 2012:

	Sales Price Per Share		Dividends Declared Per Share
	High	Low	
2014			
First Quarter (through February 14, 2014)	\$ 38.00	\$ 33.96	\$ 0.47
2013			
Fourth Quarter	\$ 38.90	\$ 31.86	\$ 0.47
Third Quarter	\$ 37.90	\$ 32.73	\$ 0.45
Second Quarter	\$ 40.31	\$ 34.64	\$ 0.45
First Quarter	\$ 36.34	\$ 30.50	\$ 0.45
2012			
Fourth Quarter	\$ 32.48	\$ 26.60	\$ 0.45
Third Quarter	\$ 31.18	\$ 26.24	\$ 0.30
Second Quarter	\$ 27.12	\$ 21.56	\$ 0.30
First Quarter	\$ 24.52	\$ 20.22	\$ 0.30

Holders of Record

As of February 14, 2014, there were approximately 63 stockholders of record of Holdings' common stock. This does not reflect holders who beneficially own common stock held in nominee or street name.

Increase in Quarterly Dividends

In November 2013, Holdings' Board of Directors increased the quarterly cash dividend from \$0.45 per share of common stock to \$0.47 per share.

The amount and timing of any future dividends payable on Holdings' common stock are within the sole discretion of Holdings' Board of Directors. Holdings' Board of Directors currently anticipates continuing to pay cash dividends on Holdings' common stock on a quarterly basis. However, the declaration and amount of any future dividends depend on various factors including the Company's earnings, cash flows, financial condition and other factors. Furthermore, the 2011 Credit Facility and the indenture governing the senior unsecured notes include certain limitations on Holdings' ability to pay dividends. For more information, see "Management's Discussion and Analysis — Liquidity and Capital Resources of Financial Condition and Results of Operations" in Item 7 of this Annual Report and Note 8 to the Consolidated Financial Statements in Item 8 of this Annual Report.

Issuer Purchases of Equity Securities

On January 3, 2012, Holdings' Board of Directors approved a new stock repurchase program that permitted Holdings to repurchase up to \$250.0 million in shares of Holdings' common stock over a four-year period (the "Second Stock Repurchase

Plan"). Under the Second Stock Repurchase Plan, during the year ended December 31, 2012, Holdings repurchased an aggregate of 8,499,000 shares at a cumulative price of approximately \$232.0 million. As of January 4, 2013, Holdings had repurchased an additional 578,000 shares at a cumulative price of approximately \$18.0 million and an average price per share of \$31.16 to complete the permitted repurchases under the Second Stock Repurchase Plan.

On December 11, 2012, Holdings' Board of Directors approved a new stock repurchase program that permitted Holdings to repurchase up to \$500.0 million in shares of Holdings' common stock over a three-year period (the "Third Stock Repurchase Plan"). As of December 31, 2013, Holdings had repurchased 14,775,000 shares at a cumulative price of approximately \$500.0 million and an average price per share of \$33.84 to complete the permitted repurchases under the Third Stock Repurchase Plan.

On November 20, 2013, Holdings' Board of Directors approved a new stock repurchase program that permits Holdings to repurchase up to \$500.0 million in shares of Holdings' common stock (the "Fourth Stock Repurchase Plan"). As of February 14, 2014, Holdings has repurchased 154,000 shares at a cumulative price of approximately \$5.6 million and an average price per share of \$36.10 under the Fourth Stock Repurchase Plan.

The following table sets forth information regarding purchases of Holdings' common stock during the three-month period ended December 31, 2013:

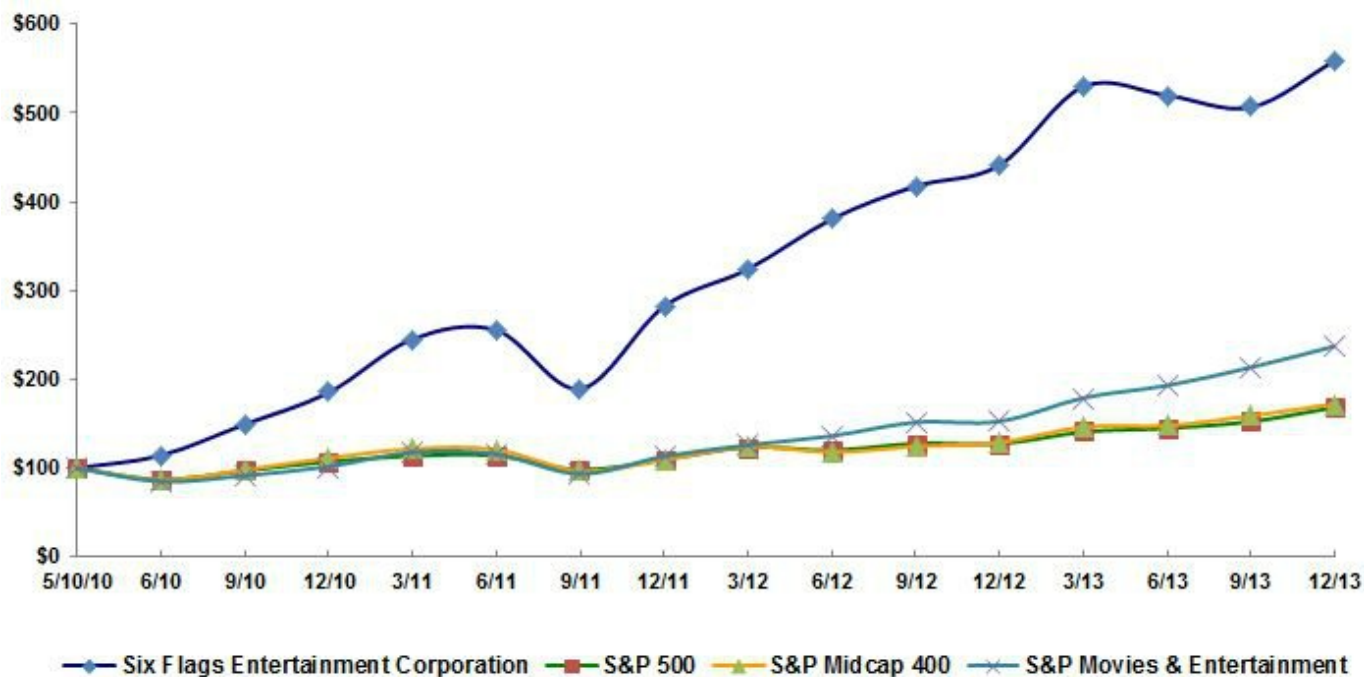
	Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
Month 1	October 1 - October 31	—	\$ —	—	\$ 14,370,000
Month 2	November 1 - November 30	400,000	\$ 37.37	400,000	\$ 499,427,000
Month 3	December 1 - December 31	139,000	\$ 35.98	139,000	\$ 494,434,000
		<u>539,000</u>	<u>\$ 37.01</u>	<u>539,000</u>	<u>\$ 494,434,000</u>

Performance Graph

The following graph shows a comparison of the forty-four month cumulative total stockholder return on Holdings' common stock (assuming all dividends were reinvested), The Standard & Poor's ("S&P") 500 Stock Index, The S&P Midcap 400 Index and The S&P Entertainment Movies & Entertainment Index. The stock price performance shown in the graph is not necessarily indicative of future price performance.

COMPARISON OF 44 MONTH CUMULATIVE TOTAL RETURN*

Among Six Flags Entertainment Corporation, the S&P 500 Index, the S&P Midcap 400 Index, and the S&P Movies & Entertainment Index



* \$100 invested on 5/10/10 in stock or 4/30/10 in index, including reinvestment of dividends.
Fiscal year ending December 31.

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	5/10/2010	12/31/2010	12/31/2011	12/31/2012	12/31/2013
Six Flags Entertainment Corporation	\$ 100.00	\$ 185.11	\$ 282.11	\$ 441.34	\$ 558.90
S&P 500	\$ 100.00	\$ 107.48	\$ 109.76	\$ 127.32	\$ 168.56
S&P Midcap 400	\$ 100.00	\$ 111.34	\$ 109.41	\$ 128.97	\$ 172.18
S&P Movies & Entertainment	\$ 100.00	\$ 101.83	\$ 113.38	\$ 152.66	\$ 237.48

ITEM 6. SELECTED FINANCIAL DATA

The following financial data is derived from our audited financial statements. You should review this information in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of this Annual Report and the historical financial statements and related notes contained in this Annual Report.

Upon emergence from Chapter 11, we adopted fresh start reporting which resulted in our Company becoming a new entity for financial reporting purposes. Accordingly, consolidated financial data on or after May 1, 2010 is not comparable to the consolidated financial data prior to that date.

Our audited financial statements included herein and the following selected historical financial data for the five-year period ended on that date reflect the effects of our reclassification of parks not in operation subsequent to our emergence from Chapter 11 as discontinued operations.

As used in this Annual Report, "Successor" refers to Holdings as of April 30, 2010, the date the debtors emerged from Chapter 11 restructuring, and "Predecessor" refers to SFI together with its consolidated subsidiaries prior to that date.

	Successor				Predecessor	
	Year Ended December 31,			Eight Months Ended December 31,	Four Months Ended April 30,	Year Ended December 31,
	2013	2012	2011	2010	2010	2009
<i>(Amounts in thousands, except per share data)</i>						
Statement of Operations Data:						
Theme park admissions	\$ 602,204	\$ 576,708	\$ 541,744	\$ 452,189	\$ 59,270	\$ 482,670
Theme park food, merchandise and other	448,547	437,382	413,844	348,552	52,054	374,685
Sponsorship, licensing and other fees	42,179	39,977	42,380	37,877	11,259	41,577
Accommodations revenue	17,000	16,265	15,206	9,194	5,494	—
Total revenue	1,109,930	1,070,332	1,013,174	847,812	128,077	898,932
Operating expenses (excluding depreciation and amortization shown separately below)	417,482	411,679	397,874	292,550	115,636	413,817
Selling, general and administrative (excluding depreciation and amortization shown separately below)	189,218	225,875	215,059	142,079	47,608	192,618
Costs of products sold	86,663	80,169	77,286	66,965	12,132	75,296
Depreciation and amortization	128,075	148,045	168,999	118,349	45,675	141,707
Loss on disposal of assets	8,579	8,105	7,615	11,727	1,923	11,135
Gain on sale of investee	—	(67,319)	—	—	—	—
Interest expense, net	74,145	46,624	65,217	53,842	74,134	105,435
Equity in loss (income) of investee	—	2,222	3,111	1,372	(594)	(3,122)
Loss on debt extinguishment, net	789	587	46,520	18,493	—	—
Other expense (income), net	1,234	612	73	956	(802)	17,304
Restructure (recovery) costs, net	—	(47)	25,086	37,417	—	—
Income (loss) from continuing operations before reorganization items, income taxes and discontinued operations	203,745	213,780	6,334	104,062	(167,635)	(55,258)
Reorganization items, net	(180)	2,168	2,455	7,479	(819,473)	101,928
Income (loss) from continuing operations before income taxes, and discontinued operations	203,925	211,612	3,879	96,583	651,838	(157,186)
Income tax expense (benefit)	47,601	(184,154)	(8,065)	11,177	112,648	2,902
Income (loss) from continuing operations before discontinued operations	156,324	395,766	11,944	85,406	539,190	(160,088)
Income (loss) from discontinued operations	549	7,273	1,201	(565)	9,759	(34,007)
Net income (loss)	156,873	403,039	13,145	84,841	548,949	(194,095)
Net income attributable to noncontrolling interests	(38,321)	(37,104)	(35,805)	(34,788)	(76)	(35,072)
Net income (loss) attributable to Six Flags Entertainment Corporation	\$ 118,552	\$ 365,935	\$ (22,660)	\$ 50,053	\$ 548,873	\$ (229,167)
Net income (loss) applicable to Six Flags Entertainment Corporation common stockholders	\$ 118,552	\$ 365,935	\$ (22,660)	\$ 50,053	\$ 548,873	\$ (245,509)

	Successor				Predecessor	
	Year Ended December 31,			Eight Months Ended December 31,	Four Months Ended April 30,	Year Ended December 31,
	2013	2012	2011	2010	2010	2009
<i>(Amounts in thousands, except per share data)</i>						
Amounts applicable to Six Flags Entertainment Corporation common stockholders:						
Income (loss) from continuing operations	\$ 118,003	\$ 358,662	\$ (23,861)	\$ 50,618	\$ 539,114	\$ (211,502)
Income (loss) from discontinued operations	549	7,273	1,201	(565)	9,759	(34,007)
Net income (loss)	<u>\$ 118,552</u>	<u>\$ 365,935</u>	<u>\$ (22,660)</u>	<u>\$ 50,053</u>	<u>\$ 548,873</u>	<u>\$ (245,509)</u>
Weighted-average common shares outstanding ⁽¹⁾ :						
Weighted average common shares outstanding—basic:	96,940	107,684	110,150	110,600	98,054	97,720
Weighted average common shares outstanding—diluted:	100,371	110,936	110,150	110,600	98,054	97,720
Net income (loss) per average common share outstanding—basic ⁽¹⁾ :						
Income (loss) from continuing operations applicable to Six Flags Entertainment Corporation common stockholders	\$ 1.21	\$ 3.33	\$ (0.22)	\$ 0.46	\$ 5.50	\$ (2.16)
Income (loss) from discontinued operations applicable to Six Flags Entertainment Corporation common stockholders	0.01	0.07	0.01	(0.01)	0.10	(0.35)
Net income (loss) applicable to Six Flags Entertainment Corporation common stockholders	<u>\$ 1.22</u>	<u>\$ 3.40</u>	<u>\$ (0.21)</u>	<u>\$ 0.45</u>	<u>\$ 5.60</u>	<u>\$ (2.51)</u>
Net income (loss) per average common share outstanding—diluted ⁽¹⁾ :						
Income (loss) from continuing operations applicable to Six Flags Entertainment Corporation common stockholders	\$ 1.17	\$ 3.23	\$ (0.22)	\$ 0.46	\$ 5.50	\$ (2.16)
Income (loss) from discontinued operations applicable to Six Flags Entertainment Corporation common stockholders	0.01	0.07	0.01	(0.01)	0.10	(0.35)
Net income (loss) applicable to Six Flags Entertainment Corporation common stockholders	<u>\$ 1.18</u>	<u>\$ 3.30</u>	<u>\$ (0.21)</u>	<u>\$ 0.45</u>	<u>\$ 5.60</u>	<u>\$ (2.51)</u>
Cash dividends declared per common share ⁽¹⁾	<u>\$ 1.82</u>	<u>\$ 1.35</u>	<u>\$ 0.09</u>	<u>\$ 0.015</u>	<u>\$ —</u>	<u>\$ —</u>

(1) All Successor share and per share amounts have been retroactively adjusted to reflect Holdings' two-for-one stock splits in June 2011 and June 2013, as described in Note 12 to the Consolidated Financial Statements included elsewhere in this Annual Report.

	Successor				Predecessor
	December 31,				December 31,
	2013	2012	2011	2010	2009
<i>(Amounts in thousands)</i>					
Balance Sheet Data:					
Cash and cash equivalents ⁽¹⁾	\$ 169,310	\$ 629,208	\$ 231,427	\$ 187,061	\$ 164,830
Total assets	2,607,814	3,056,391	2,648,178	2,733,253	2,907,652
Total long-term debt (excluding current maturities) ⁽²⁾	1,394,334	1,398,966	921,940	938,195	1,966,754
Total debt ⁽²⁾	1,400,603	1,405,206	957,236	971,154	2,406,580
Redeemable noncontrolling interests	437,569	437,941	440,427	441,655	355,933
Mandatorily redeemable preferred stock (represented by the PIERS)	—	—	—	—	306,650
Stockholders' equity (deficit)	373,337	884,732	763,478	863,708	(584,174)
Noncontrolling interests ⁽³⁾	—	3,934	3,670	4,455	—

(1) Excludes restricted cash.

(2) Includes debt classified in liabilities subject to compromise at December 31, 2009.

(3) Reflects impact of the FASB ASC 810 adoption on January 1, 2010. See Note 6 to the Consolidated Financial Statements included elsewhere in this Annual Report.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Significant components of the Management's Discussion and Analysis of Financial Condition and Results of Operations section include:

- *Overview.* The overview section provides a summary of Six Flags and the principal factors affecting our results of operations.
- *Critical Accounting Policies.* The critical accounting policies section provides detail with respect to accounting policies that are considered by management to require significant judgment and use of estimates and that could have a significant impact on our financial statements.
- *Recent Events.* The recent events section provides a brief description of recent events occurring in our business.
- *Results of Operations.* The results of operations section provides an analysis of our results for the years ended December 31, 2013, 2012 and 2011 and a discussion of items affecting the comparability of our financial statements.
- *Liquidity, Capital Commitments and Resources.* The liquidity, capital commitments and resources section provides a discussion of our cash flows for the year ended December 31, 2013 and our outstanding debt and commitments existing as of December 31, 2013.
- *Market Risks and Security Analyses.* We are principally exposed to market risk related to interest rates and foreign currency exchange rates, which are described in the market risks and security analyses section.
- *Recently Issued Accounting Pronouncements.* This section provides a discussion of recently issued accounting pronouncements applicable to Six Flags, including a discussion of the impact or potential impact of such standards on our financial statements when applicable.

The following discussion and analysis contains forward-looking statements relating to future events or our future financial performance, which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements. Please see the discussion regarding forward-looking statements included under the caption "Cautionary Note Regarding Forward-Looking Statements" and "Item 1A. Risk Factors" for a discussion of some of the uncertainties, risks and assumptions associated with these statements.

The following discussion and analysis presents information that we believe is relevant to an assessment and understanding of our consolidated financial position and results of operations. This information should be read in conjunction with the Consolidated Financial Statements and the notes thereto included elsewhere in this Annual Report.

Overview

We are the largest regional theme park operator in the world based on the number of parks we operate. Of our 18 regional theme and water parks, 16 are located in the United States, one is located in Mexico City, Mexico and one is located in Montreal, Canada. Our parks are located in geographically diverse markets across North America and they generally offer a broad selection of state-of-the-art and traditional thrill rides, water attractions, themed areas, concerts and shows, restaurants, game venues and retail outlets, thereby providing a complete family-oriented entertainment experience. We work continuously to improve our parks and our guests' experiences and to meet our guests' evolving needs and preferences.

Our revenue is primarily derived from (i) the sale of tickets for entrance to our parks (which accounted for 54.3% of total revenues during the year ended December 31, 2013), (ii) the sale of food and beverages, merchandise, games and attractions, parking and other services inside our parks and (iii) sponsorship, licensing and other fees. Revenues from ticket sales and in-park sales are primarily impacted by park attendance. Revenues from sponsorship, licensing and other fees can be impacted by the term, timing and extent of services and fees under these arrangements, which can result in fluctuations from year to year. During 2013, our park earnings before interest, tax expense, depreciation and amortization ("Park EBITDA") improved as a result of increased revenues due to growth of approximately 1.6% in attendance and 2.1% in total revenue per capita (representing total revenue divided by total attendance). Our cash operating costs increased primarily as a result of (i) increases in salaries, wages and benefits resulting from an increase in operating days during the year ended December 31, 2013 relative to the year ended December 31, 2012, (ii) our assumption of the operations of many in-park concessions that were previously operated by third parties and (iii) the increase in the costs associated with ongoing litigation, including the \$3.0 million reserve for estimated litigation costs, net of expected insurance recoveries, related to the accident at our park in Arlington, Texas. These

cost increases were partially offset by (i) reduced employee incentive and benefit costs, (ii) reduced operating tax expenses and (iii) reduced worker's compensation claims.

Our principal costs of operations include salaries and wages, employee benefits, advertising, third party services, repairs and maintenance, utilities and insurance. A large portion of our expenses is relatively fixed as our costs for full-time employees, maintenance, utilities, advertising and insurance do not vary significantly with attendance.

Critical Accounting Policies

The process of preparing our consolidated financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Critical accounting estimates are fundamental to the portrayal of both our financial condition and results of operations and often require difficult, subjective and complex estimates and judgments. These estimates and judgments are based on historical experience, future expectations and other factors and assumptions we believe to be reasonable under the circumstances. Results may differ significantly from these estimates. The most significant estimates and judgments are reviewed on an ongoing basis and revised when necessary. The following discussion addresses the items we have identified as our critical accounting estimates. See Note 3 to the Consolidated Financial Statements included elsewhere in this Annual Report for further discussion of these and other accounting policies.

Property and Equipment

Property and equipment additions are recorded at cost and the carrying value is depreciated on a straight-line basis over the estimated useful lives of those assets. Changes in circumstances such as technological advances, changes to our business model or changes in our capital strategy could result in the actual useful lives differing from our estimates. In those cases in which we determine that the useful life of property and equipment should be shortened, we depreciate the remaining net book value in excess of the salvage value over the revised remaining useful life, thereby increasing depreciation expense evenly through the remaining expected life.

Valuation of Long-Lived Assets

Long-lived assets totaled \$2,224.0 million as of December 31, 2013, consisting of property and equipment (\$1,231.7 million), goodwill (\$630.2 million) and other intangible assets (\$362.1 million).

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if indicators are identified that an asset may be impaired. We identify our reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. We then determine the fair value of each reporting unit and compare it to the carrying amount of the reporting unit. We are a single reporting unit. For each year, the fair value of the single reporting unit exceeded our carrying amount (based on a comparison of the market price of our common stock to the carrying amount of our stockholders' equity (deficit)). Accordingly, no impairment has been required.

If the fair value of the reporting unit were to be less than the carrying amount, we would compare the implied fair value of the reporting unit goodwill with the carrying amount of the reporting unit goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit to all of the assets (recognized and unrecognized) and liabilities of the reporting unit in a manner similar to a purchase price allocation. The residual fair value after this allocation is the implied fair value of the reporting unit goodwill.

We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or group of assets, generally at the park level, to future net cash flows expected to be generated by the asset or group of assets. If such assets are not considered to be fully recoverable, any impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Accounting for Income Taxes

As part of the process of preparing consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves us estimating our actual current tax exposure together with assessing temporary differences resulting from differing treatment of items, such as depreciation periods for our property and equipment and recognition of our deferred revenue, for tax and financial accounting purposes. These differences result in

deferred tax assets and liabilities, which are included in our consolidated balance sheet. We must then assess the likelihood that our deferred tax assets (primarily net operating loss carryforwards) will be recovered by way of offset against taxable income. To the extent we believe that recovery is not likely, we must establish a valuation allowance. To the extent we establish a valuation allowance or increase or decrease this allowance in a period, we must reflect such amount as income tax expense or benefit in the consolidated statements of operations.

Significant management judgment is required in determining our provision or benefit for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. We have recorded a valuation allowance of \$190.3 million and \$177.4 million as of December 31, 2013 and 2012, respectively, due to uncertainties related to our ability to utilize some of our deferred tax assets, primarily consisting of certain net operating loss carryforwards and tax credits, before they expire. The valuation allowance as of December 31, 2013 and 2012 is primarily related to state net operating loss carryforwards that cannot be used because we no longer have operations in the states where they were generated. In the event that actual results differ from these estimates or we adjust these estimates in future periods, we may need to increase or decrease our valuation allowance which could materially impact our consolidated financial position and results of operations.

Variables that will impact whether our deferred tax assets will be utilized prior to their expiration include, among other things, attendance, per capita spending and other revenues, capital expenditures, levels of debt, interest rates, operating expenses, sales of assets, and changes in state or federal tax laws. In determining the valuation allowance we do not consider, and under generally accepted accounting principles cannot consider, the possible changes in state or federal tax laws until the laws change. To the extent we reduce capital expenditures, our future accelerated tax deductions for our rides and equipment will be reduced, and our interest expense deductions would decrease as the debt balances are reduced by cash flow that previously would have been utilized for capital expenditures. Increases in capital expenditures without corresponding increases in net revenues would reduce short-term taxable income and increase the likelihood of additional valuation allowances being required as net operating loss carryforwards expire prior to their utilization. Conversely, increases in revenues in excess of operating expenses would reduce the likelihood of additional valuation allowances being required as the short-term taxable income would increase the utilization of net operating loss carryforwards prior to their expiration. See Note 3(p) to the Consolidated Financial Statements included elsewhere in this Annual Report. Due to an increase in our profitability, we are able to project future taxable income and further assess our valuation allowance.

Revenue Recognition

We recognize revenue upon admission into our parks, provision of our services, or when products are delivered to our guests. Revenues are presented in the accompanying consolidated statements of operations net of sales taxes collected from our guests and remitted to government taxing authorities. During 2013, we launched a membership program. In contrast to our season pass and other multi-use offerings that expire at the end of each operating season, the membership program does not expire. It automatically renews on a month-to-month basis after the initial twelve-month membership term, and can be canceled anytime after the initial term. Guests enrolled in the membership program can visit our parks an unlimited number of times anytime they are open as long as the guest remains enrolled in the membership program. For season pass, membership and other multi-use admissions, we estimate a redemption rate based on historical experience and other factors and assumptions we believe to be customary and reasonable and recognize a pro-rata portion of the revenue as the guest attends our parks. We review the estimated redemption rate regularly and on an ongoing basis and revise it as necessary throughout the year. Amounts received for multi-use admissions in excess of redemptions are recognized in deferred revenue. As of December 31, 2013, deferred revenue was primarily comprised of (i) advance sales of season pass and other admissions for the 2014 operating season, (ii) the unredeemed portion of the initial term of the membership program that will be recognized in 2014, (iii) sponsorship revenue that will be recognized in 2014 and (iv) a nominal amount for the remaining unredeemed season pass revenue and pre-sold single-day admissions revenue for the 2013 operating season that was redeemed through the completion of the 2013 operating season, which ended the first week of 2014.

Recent Events

On December 21, 2012, Holdings issued \$800.0 million of 5.25% senior unsecured notes due January 15, 2021 (the "2021 Notes"). Also, on December 21, 2012, we entered into an amendment to the 2011 Credit Facility (the "2012 Credit Facility Amendment") that among other things, permitted us to (i) issue the 2021 Notes, (ii) use \$350.0 million of the proceeds of the 2021 Notes issuance to repay the \$72.2 million that was outstanding under the Tranche A Term Loan facility (the "Term Loan A") and \$277.8 million of the outstanding balance of the Tranche B Term Loan facility (the "Term Loan B"), (iii) use the remaining \$450.0 million of proceeds from the 2021 Notes issuance for share repurchases and other corporate matters, and (iv) reduce the interest rate payable on the Term Loan B by 25 basis points. In connection with the 2012 Credit Facility

Amendment, the issuance of the 2021 Notes and the repayment of the Term Loan A and a portion of the Term Loan B, we recorded a \$0.6 million loss on debt extinguishment for the year ended December 31, 2012.

On May 8, 2013, Holdings' Board of Directors approved a two-for-one stock split of Holdings' common stock effective in the form of a stock dividend of one share of common stock for each outstanding share of common stock. The record date for the stock split was June 12, 2013. The additional shares of common stock in connection with the stock split were distributed on June 26, 2013. In accordance with the provisions of our stock benefit plans and as determined by Holdings' Board of Directors, the number of shares available for issuance, the number of shares subject to outstanding equity awards and the exercise prices of outstanding stock option awards were adjusted to equitably reflect the effect of the two-for-one stock split.

On December 23, 2013, we entered into an amendment to the 2011 Credit Facility (the "2013 Credit Facility Amendment") that reduced the overall borrowing rate on the Term Loan B by 50 basis points through (i) a 25 basis point reduction in the applicable margin from 3.00% plus LIBOR to 2.75% plus LIBOR and (ii) a 25 basis point reduction in the minimum LIBOR rate from 1.00% to 0.75%. Additionally, the 2013 Credit Facility Amendment permits us to use up to \$200.0 million of our excess cash on hand, over time, for general corporate purposes, including potential share repurchases. In connection with this amendment, we capitalized \$2.4 million of debt issuance costs directly associated with the issuance of the amendment and recorded a \$0.8 million loss on debt extinguishment as portions of the Term Loan B were retired and subsequently repurchased by certain lenders.

During the year ended December 31, 2013, we acquired the noncontrolling equity interests held by non-affiliated parties in HWP Development, LLC ("HWP"). Prior to the acquisition, our ownership interest in the HWP joint venture was approximately 49%. See Notes 3(a) and 6 to the Consolidated Financial Statements included elsewhere in this Annual Report for further discussion.

One of our fundamental business goals is to generate superior returns for our stockholders over the long term. As part of our strategy to achieve this goal, we have declared and paid quarterly cash dividends each quarter beginning with the fourth quarter of 2010. Holdings' Board of Directors has since increased the quarterly cash dividend multiple times. In February 2012, the quarterly cash dividend was raised from \$0.03 per share of common stock to \$0.30 per share of common stock. In October 2012, the quarterly cash dividend was raised from \$0.30 per share of common stock to \$0.45 per share of common stock. In November 2013, the quarterly cash dividend was further raised from \$0.45 per share of common stock to \$0.47 per share of common stock.

On December 11, 2012, Holdings' Board of Directors approved the Third Stock Repurchase Plan, which permitted Holdings to repurchase up to \$500.0 million in shares of Holdings' common stock over a three-year period. As of December 31, 2013, Holdings had repurchased 14,775,000 shares at a cumulative price of approximately \$500.0 million and an average price per share of \$33.84 to complete the permitted repurchases under the Third Stock Repurchase Plan. On November 20, 2013, Holdings' Board of Directors approved the Fourth Stock Repurchase Plan, which permits Holdings to repurchase up to \$500.0 million in shares of Holdings' common stock. As of February 18, 2014, Holdings has repurchased 154,000 shares at a cumulative price of approximately \$5.6 million and an average price per share of \$36.10 under the Fourth Stock Repurchase Plan.

Results of Operations

The following table sets forth summary financial information for the years ended December 31, 2013, 2012 and 2011:

	Year Ended December 31,			Percentage Changes	
	2013	2012	2011	2013 vs 2012	2012 vs 2011
<i>(Amounts in thousands, except per capita data)</i>					
Total revenue	\$ 1,109,930	\$ 1,070,332	\$ 1,013,174	4 %	6 %
Operating expenses	417,482	411,679	397,874	1 %	3 %
Selling, general and administrative	189,218	225,875	215,059	(16)%	5 %
Cost of products sold	86,663	80,169	77,286	8 %	4 %
Depreciation and amortization	128,075	148,045	168,999	(13)%	(12)%
Loss on disposal of assets	8,579	8,105	7,615	6 %	6 %
Gain on sale of investee	—	(67,319)	—	N/M	N/M
Interest expense, net	74,145	46,624	65,217	59 %	(29)%
Equity in loss of investee	—	2,222	3,111	N/M	(29)%
Loss on debt extinguishment	789	587	46,520	34 %	N/M
Other expense, net	1,234	612	73	102 %	N/M
Restructure (recovery) costs, net	—	(47)	25,086	N/M	N/M
Income from continuing operations before reorganization items and income taxes	203,745	213,780	6,334	(5)%	3,275 %
Reorganization items, net	(180)	2,168	2,455	(108)%	(12)%
Income from continuing operations before income taxes	203,925	211,612	3,879	(4)%	5,355 %
Income tax expense (benefit)	47,601	(184,154)	(8,065)	(126)%	N/M
Income from continuing operations	\$ 156,324	\$ 395,766	\$ 11,944	(61)%	3,214 %
Other Data:					
Attendance	26,149	25,735	24,295	2 %	6 %
Total revenue per capita	\$ 42.45	\$ 41.59	\$ 41.70	2 %	— %

Year Ended December 31, 2013 vs. Year Ended December 31, 2012

Revenue

Revenue for the year ended December 31, 2013 totaled \$1,109.9 million, a 4% increase compared to \$1,070.3 million for the year ended December 31, 2012. The increase in revenue was primarily attributable to an \$0.86, or 2%, increase in total revenue per capita, which is calculated as total revenue divided by total attendance, as well as a 2% increase in attendance. The increase in attendance was primarily driven by increased season pass unit sales and sales of our new membership program, which was launched in 2013, as well as the successful introduction and marketing of our strong 2013 lineup of new rides and attractions. The increase in attendance includes the adverse impact of cooler temperatures and increased precipitation, and the accident that occurred at our park in Arlington, Texas. Total per capita guest spending, which excludes sponsorships, licensing, Six Flags Great Escape Lodge & Indoor Waterpark accommodations and other fees, increased \$0.77, or 2%, to \$40.18 during the year ended December 31, 2013 from \$39.41 during the year ended December 31, 2012. During the year ended December 31, 2012, we received business interruption insurance proceeds from a claim relating to Hurricane Irene totaling \$3.0 million. Excluding the insurance proceeds benefit, total guest spending per capita increased \$0.89, or 2%, during the year ended December 31, 2013.

Admissions revenue per capita increased \$0.62, or 3%, during the year ended December 31, 2013 relative to the year ended December 31, 2012. The increase in admissions revenue per capita was primarily driven by higher pricing, including reduced discounts and strong sales of our premium-priced gold season passes and memberships, partially offset by (i) continued increases in the season pass and membership attendance mix, which lowers admission revenue per capita but increases overall admissions revenue and (ii) the ticket-related portion of the Hurricane Irene insurance proceeds received in the prior year. Non-admissions per capita guest spending increased \$0.15, or 1%, during the year ended December 31, 2013 relative to the year ended December 31, 2012, primarily as a result of increased food, beverage and Flash Pass sales partially offset by the increase in season pass and membership attendance mix, a reduction in parking revenue due to the strong sales of our premium-priced gold season passes and memberships, which include parking, as well as the non-admissions related portion of the Hurricane Irene insurance proceeds received in the prior year. Excluding the insurance proceeds benefit, admissions revenue per capita increased \$0.68, or 3%, and non-admissions revenue per capita guest spending increased \$0.21, or 1%.

Operating expenses

Operating expenses for the year ended December 31, 2013 increased \$5.8 million, or 1%, relative to the year ended December 31, 2012. The increase in operating expenses was primarily driven by (i) a \$3.0 million increase in repair and maintenance, utility and rent costs, (ii) a \$2.7 million increase in salaries, wages and benefits resulting from an increase in operating days during the year ended December 31, 2013 relative to the year ended December 31, 2012 and our assumption of the operations of many in-park concessions that were previously operated by third parties and (iii) an expense reduction of \$1.0 million in the prior year related to the favorable settlement of potential claims at two of our parks. These increases were partially offset by a \$1.3 million reduction in operating tax expenses.

Selling, general and administrative expenses

Selling, general and administrative expenses for the year ended December 31, 2013 decreased \$36.7 million, or 16%, compared to the year ended December 31, 2012, primarily as a result of a \$42.2 million reduction in salaries, wages and benefits, primarily related to reduced stock-based compensation as well as a \$1.4 million reduction in consulting services. These reductions were partially offset by a \$4.5 million increase in our reserves for ongoing litigation, which includes the \$3.0 million reserve related to the accident that occurred at our park in Arlington, Texas, and a \$2.2 million decrease resulting from the favorable settlement of an old property claim and proceeds received from a class action settlement, both of which occurred in the prior year.

Cost of products sold

Cost of products sold for the year ended December 31, 2013 increased \$6.5 million, or 8%, compared to the year ended December 31, 2012, primarily as a result of the increased costs related to our assumption of operations of many in-park concessions that were previously operated by third parties as well as increased food, beverage, retail and games sales.

Depreciation and amortization expense

Depreciation and amortization expense for the year ended December 31, 2013 decreased \$20.0 million, or 13%, compared to the year ended December 21, 2012. The continued reduction in depreciation and amortization expense is primarily the result of annual depreciation expense outpacing annual capital expenditures in recent years. Additionally, certain property and equipment became fully amortized or depreciated during 2012, which also contributed to the reduction in depreciation and amortization expense during the year ended December 31, 2013.

Loss on disposal of assets

Loss on disposal of assets increased by \$0.5 million, or 6%, for the year ended December 31, 2013 relative to the year ended December 31, 2012, as a result of the disposal of assets during the current year in conjunction with the implementation of our ongoing capital program.

Gain on sale of investee

We recognized a \$67.3 million gain on the sale of an investee in conjunction with the sale of our interest in dick clark productions, inc. ("DCP") in September 2012. The \$2.2 million equity in loss of investee for the year ended December 31, 2012 included our portion of the loss of DCP prior to the sale of our interest. See Note 6 to the Consolidated Financial Statements included elsewhere in this Annual Report for further discussion.

Interest expense, net

Interest expense, net increased \$27.5 million, or 59%, for the year ended December 31, 2013 relative to the year ended December 31, 2012 as a result of the incremental interest on a higher debt balance outstanding as a result of the 2021 Notes that were issued in December 2012.

Loss on debt extinguishment

The \$0.8 million loss on debt extinguishment for the year ended December 31, 2013 was recognized in conjunction with the 2013 Credit Facility Amendment. The \$0.6 million loss on debt extinguishment for the year ended December 31, 2012 was recognized on the repayment in full and termination of the \$72.2 million Term Loan A and the partial repayment of \$277.8 million of the Term Loan B in conjunction with the 2012 Credit Facility Amendment. See Note 8 to the Consolidated Financial Statements included elsewhere in this Annual Report for further discussion.

Income tax expense (benefit)

Income tax expense increased \$231.8 million, or 126%, for the year ended December 31, 2013 compared to the year ended December 31, 2012 primarily as a result of the release of our valuation allowance that we had on certain of our deferred tax assets prior to 2012. We released the valuation allowance in 2012 because the taxable income generated in 2012 and our future taxable income projections showed utilization of the majority of our federal net operating loss ("NOL") carryforwards and partial utilization of our state NOL carryforwards before they expired. As a result, we believed that it was more likely than not that we would utilize our deferred tax assets prior to their expiration. As of December 31, 2013, we estimate we had approximately \$0.8 billion of NOL carryforwards for federal income tax purposes and \$5.0 billion of NOL carryforwards for state income tax purposes.

Year Ended December 31, 2012 vs. Year Ended December 31, 2011

Revenue

Revenue in 2012 totaled \$1,070.3 million compared to \$1,013.2 million in 2011, representing a 6% increase. The increase in revenues is attributable to a 1.4 million (6%) increase in attendance, partially offset by an \$0.11 (0%) decrease in total revenue per capita primarily related to a significantly higher mix of season pass attendance, the negative exchange rate impact on revenue at our parks located in Mexico City and Montreal and decreased sponsorship revenues. The increase in attendance was driven by our strategy to increase season pass sales and the successful marketing of our new rides and attractions. Per capita guest spending increased \$0.08 (0%) to \$39.41 in 2012 from \$39.33 in the prior year. In the first quarter of 2012, we received business interruption insurance proceeds from a claim relating to Hurricane Irene totaling \$3.0 million. Excluding the insurance proceeds benefit and the unfavorable foreign currency exchange rate impacts, total guest spending per capita increased \$0.16 (0%).

Admissions revenue per capita increased \$0.11 (0%) in 2012 compared to the prior year, and primarily reflects a 6% increase in attendance (largely due to season pass visitation, which lowers per capita spending but increases overall admissions revenue), that was partially offset by (i) increased prices and reduced discounts and (ii) the ticket-related portion of the Hurricane Irene insurance proceeds in the prior year period. The increase in attendance drove increased revenues from food and beverage, rentals, retail, parking and other guest services, but the increased mix of season pass attendance and the negative foreign currency exchange rate impact related to our parks in Mexico City and Montreal resulted in a \$0.04 (0%) decrease in non-admissions per capita guest spending in 2012, including the non-admission portion of the insurance proceeds. The non-admissions per capita spending was negatively impacted by \$0.10 of foreign currency exchange fluctuation at our parks in Mexico City and Montreal.

Operating expenses

Operating expenses for 2012 increased \$13.8 million (3%) compared to operating expenses in 2011. This increase was primarily driven by increases in (i) salaries, wages and benefits (\$13.8 million), and (ii) an increase in operating tax expense primarily related to a refund that was received in 2011 (\$1.6 million), offset by a favorable exchange rate impact at our parks in Mexico City and Montreal (\$1.6 million).

Selling, general and administrative expenses

Selling, general and administrative expenses for 2012 increased \$10.8 million (5%) compared to 2011. The increase primarily reflects an increase in salaries, wages and benefits (\$16.0 million) primarily related to an (\$8.6 million) increase in stock-based compensation, partially offset by (i) reduced insurance costs (\$2.2 million), (ii) the favorable settlement of an old property claim (\$1.3 million), (iii) a decrease in advertising expense (\$0.7 million) and (iv) a favorable exchange rate impact at our parks in Mexico City and Montreal (\$0.6 million).

Costs of products sold

Costs of products sold in 2012 increased \$2.9 million (4%) compared to 2011, primarily due to increased revenues in food and beverage and retail partially offset by a favorable exchange rate impact at our parks in Mexico City and Montreal. As a percentage of our in-park guest spending (excluding the Six Flags Great Escape Lodge and Indoor Waterpark), cost of products sold decreased in 2012 compared to 2011.

Depreciation and amortization expense

Depreciation and amortization expense for 2012 decreased \$21.0 million (12%) compared to 2011. The decrease in depreciation and amortization expense is attributable to assets that were fully depreciated and amortized in 2012 as compared to 2011.

Loss on disposal of assets

Loss on disposal of assets increased by \$0.5 million in 2012 compared to 2011 primarily related to the loss associated with the transfer to an unrelated third party of our killer whale formerly located at Six Flags Discovery Kingdom, partially offset by a gain recognized from insurance proceeds received in the first quarter of 2012 for certain assets at our East Coast parks damaged by Hurricane Irene during the third quarter of 2011.

Gain on sale of investee

Gain on sale of investee for 2012 of \$67.3 million was related to the sale of our interest in DCP.

Interest expense, net

Interest expense, net, for 2012 decreased \$18.6 million (29%) compared to 2011, primarily reflecting reduced interest rates resulting from the December 2011 debt refinancing transaction, partially offset by increased interest expense resulting from the 2021 Notes issuance that closed in December 2012.

Equity in loss of investee

The \$0.9 million decrease in equity in loss of investee in 2012 compared to 2011 is attributable to selling our interest in DCP in September 2012.

Loss on debt extinguishment

The \$0.6 million loss on debt extinguishment in 2012 was recognized on the repayment in full and termination of the \$72.2 million Term Loan A and the partial repayment of \$277.8 million of the Term Loan B during the 2012 Credit Facility Amendment. The \$46.5 million loss on debt extinguishment in 2011 was primarily the result of the repayment in full and termination of the \$950.0 million senior term loan from the prior facility and the termination of the TW Loan in December 2011 in conjunction with the 2011 Credit Facility.

Restructure recovery (costs)

During 2012 we recovered the remaining restructure costs that were accrued in 2011. During 2011, restructure costs incurred were attributable to a \$23.7 million settlement reached with our former Executive Vice President and Chief Financial Officer in May 2011. During 2011, we recorded \$25.1 million of restructuring charges for the aforementioned settlement and related costs after consideration of amounts previously accrued.

Reorganization items, net

During 2012 and 2011, we incurred \$2.2 million and \$2.5 million, respectively, of reorganization items for costs and expenses directly related to the reorganization including fees associated with advisors to the Debtors, certain creditors and the creditors' committee. As of December 31, 2012 all of our Chapter 11 cases are closed and there should be minimal reorganization costs, if any, in future periods.

Income tax (benefit) expense

Income tax benefit was \$184.2 million in 2012 and \$8.1 million for 2011. The 2012 benefit was the result of the release of our valuation allowance that we had on certain of our deferred tax assets. We released the valuation allowance because of our 2012 taxable income generated and our future taxable income projections showed utilization of the majority of our federal net operating loss ("NOL") carryforwards and partial utilization of our state NOL carryforwards before they expired. As a result, we believe that it is more likely than not that we will utilize our deferred tax assets prior to their expiration. The benefit in 2011 was primarily related to reflecting the utilization of NOL carryforwards during 2011. At December 31, 2012, we estimate we had approximately \$0.9 billion of NOL carryforwards for federal income tax purposes and \$4.7 billion of NOL carryforwards for state income tax purposes.

Liquidity, Capital Commitments and Resources

General

Our principal sources of liquidity are cash generated from operations, funds from borrowings and existing cash on hand. Our principal uses of cash include the funding of working capital obligations, debt service, investments in parks (including capital projects), common stock dividends, payments to our partners in the Partnership Parks and common stock repurchases. During the years ended December 31, 2013, 2012 and 2011, Holdings paid \$176.2 million, \$148.3 million and \$9.8 million, respectively, in cash dividends on its common stock. In February 2012, Holdings' Board of Directors increased the quarterly cash dividend from \$0.03 per share of common stock to \$0.30 per share. In October 2012, Holdings' Board of Directors further increased the quarterly cash dividend from \$0.30 per share of common stock to \$0.45 per share. In November 2013, Holdings' Board of Directors again increased the quarterly cash dividend from \$0.45 per share of common stock to \$0.47 per share of common stock. The amount and timing of any future dividends payable on Holdings' common stock are within the sole discretion of Holdings' Board of Directors. Based on (i) our current number of shares outstanding and (ii) estimates of share repurchases, restricted stock vesting and option exercises, we currently anticipate paying approximately \$185.0 million in cash dividends on our common stock during the 2014 calendar year.

In February 2011, we initiated a stock repurchase program that permitted Holdings to repurchase up to \$60 million in shares of Holdings' common stock over a three-year period (the "First Stock Repurchase Plan"). Under the First Stock Repurchase Plan, during the twelve months ended December 31, 2011, Holdings repurchased an aggregate of 3,235,000 shares at a cumulative price of approximately \$60.0 million. The small amount of remaining shares that were permitted to be repurchased under the First Stock Repurchase Plan were repurchased in January 2012.

On January 3, 2012, Holdings' Board of Directors approved a new stock repurchase program that permitted Holdings to repurchase up to \$250.0 million in shares of Holdings' common stock over a four-year period (the "Second Stock Repurchase Plan"). During the twelve months ended December 31, 2012, Holdings repurchased an aggregate of 8,499,000 shares at a cumulative price of approximately \$232.0 million under the Second Stock Repurchase Plan. As of January 4, 2013, Holdings had repurchased an additional 578,000 shares at a cumulative price of approximately \$18.0 million and an average price per share of \$31.16 to complete the permitted repurchases under the Second Stock Repurchase Plan.

On December 11, 2012, Holdings' Board of Directors approved a new stock repurchase program that permitted Holdings to repurchase up to \$500.0 million in shares of Holdings' common stock over a three-year period (the "Third Stock Repurchase Plan"). As of December 31, 2013, Holdings has repurchased 14,775,000 shares at a cumulative price of approximately \$500.0 million and an average price per share of \$33.84 to complete the permitted repurchases under the Third Stock Repurchase Plan.

On November 20, 2013, Holdings' Board of Directors approved a new stock repurchase program that permits Holdings to repurchase up to \$500.0 million in shares of Holdings' common stock (the "Fourth Stock Repurchase Plan"). As of February 14, 2014, Holdings has repurchased 154,000 shares at a cumulative price of approximately \$5.6 million and an average price per share of \$36.10 under the Fourth Stock Repurchase Plan.

All of the foregoing share and per share amounts have been adjusted to reflect the 2011 Stock Split and the 2013 Stock Split.

Based on historical and anticipated operating results, we believe that cash flows from operations, available unrestricted cash and amounts available under the 2011 Credit Facility will be adequate to meet our liquidity needs, including any anticipated requirements for working capital, capital expenditures, common stock dividends, scheduled debt service, obligations under arrangements relating to the Partnership Parks and discretionary common stock repurchases. Additionally, based on our current federal net operating loss carryforwards, we believe we will continue to pay minimal cash taxes for the next three to four years.

Our current and future liquidity is greatly dependent upon our operating results, which are driven largely by overall economic conditions as well as the price and perceived quality of the entertainment experience at our parks. Our liquidity could also be adversely affected by a disruption in the availability of credit as well as unfavorable weather, contagious diseases, such as swine or avian flu, accidents or the occurrence of an event or condition at our parks, including terrorist acts or threats inside or outside of our parks, negative publicity or significant local competitive events, that could significantly reduce paid attendance and, therefore, revenue at any of our parks. While we work with local police authorities on security-related precautions to prevent certain types of disturbances, we can make no assurance that these precautions will be able to prevent these types of occurrences. However, we believe that our ownership of many parks in different geographic locations reduces the effects of adverse weather and these other types of occurrences on our consolidated results. If such an adverse event were to

occur, we may be unable to borrow under the \$200.0 million revolving loan facility (the "Revolving Loan") portion of the 2011 Credit Facility or be required to repay amounts outstanding under the 2011 Credit Facility and/or may need to seek additional financing. In addition, we expect that we may be required to refinance all or a significant portion of our existing debt on or prior to maturity and potentially seek additional financing. The degree to which we are leveraged could adversely affect our ability to obtain any additional financing. See "Cautionary Note Regarding Forward-Looking Statements" and "Item 1A. Risk Factors" included elsewhere in this Annual Report.

As of December 31, 2013, our total indebtedness, net of discount, was approximately \$1,400.6 million. Based on (i) non-revolving credit debt outstanding on that date, (ii) anticipated levels of working capital revolving borrowings during 2014, (iii) estimated interest rates for floating-rate debt, and (iv) the 2021 Notes, we anticipate annual cash interest payments of approximately \$65.0 million during both 2014 and 2015. Under the 2011 Credit Facility, approximately 96% of the amount outstanding under the Term Loan B is not due until 2018.

As of December 31, 2013, we had approximately \$169.3 million of unrestricted cash and \$181.2 million available for borrowing under the Revolving Loan. Our ability to borrow under the Revolving Loan is dependent upon compliance with certain conditions, including a maximum senior leverage maintenance covenant, a minimum interest coverage covenant and the absence of any material adverse change in our business or financial condition. If we were to become unable to borrow under the Revolving Loan, and we failed to meet our projected results from operations significantly, we might be unable to pay in full our off-season obligations. A default under the Revolving Loan could permit the lenders under the 2011 Credit Facility to accelerate the obligations thereunder. The Revolving Loan expires on December 20, 2016. The terms and availability of the 2011 Credit Facility and other indebtedness are not affected by changes in the ratings issued by rating agencies in respect of our indebtedness. For a more detailed description of our indebtedness, see Note 8 to the Consolidated Financial Statements included elsewhere in this Annual Report.

We currently plan on spending approximately 9% of revenues on capital expenditures during the 2014 calendar year.

During the year ended December 31, 2013, net cash provided by operating activities before reorganization items was \$369.0 million. Net cash used in investing activities during the year ended December 31, 2013 was \$102.3 million, consisting primarily of capital expenditures. Net cash used in financing activities during the year ended December 31, 2013 was \$725.1 million, primarily attributable to stock repurchases totaling \$523.6 million, the payment of \$176.2 million in cash dividends and distributions of \$37.5 million to our noncontrolling interests. These uses of cash were partially offset by \$30.9 million in proceeds from the exercise of stock options. The source of the funds for the majority of the stock repurchases was from the issuance of the 2021 Notes.

Since our business is both seasonal in nature and involves significant levels of cash transactions, our net operating cash flows are largely driven by attendance and per capita spending levels because much of our cash-based expenses are relatively fixed and do not vary significantly with either attendance or per capita spending. These cash-based operating expenses include salaries and wages, employee benefits, advertising, third party services, repairs and maintenance, utilities and insurance.

Long-Term Debt

Our total debt as of December 31, 2013 was \$1,400.6 million, which included \$800.0 million of the 2021 Notes, \$569.9 million outstanding under the 2011 Credit Facility and \$30.7 million outstanding under the HWP Refinance Loan. See Note 8 to the Consolidated Financial Statements included elsewhere in this Annual Report for further information on our debt obligations.

Partnership Park Obligations

We guarantee certain obligations relating to the Partnership Parks. These obligations include (i) minimum annual distributions (including rent) of approximately \$67.3 million in 2014 (subject to cost of living adjustments in subsequent years) to the limited partners in the Partnerships Parks (based on our ownership of units as of December 31, 2013, our share of the distribution will be approximately \$29.2 million), (ii) minimum capital expenditures at each park during rolling five-year periods based generally on 6% of park revenues, (iii) an annual offer to purchase all outstanding limited partnership units at the Specified Price to the extent tendered by the unit holders, which annual offer must remain open from March 31 through late April of each year, and any limited partnership interest tendered during such time period must be fully paid for no later than May 15th of that year, (iv) making annual ground lease payments and (v) either (a) purchasing all of the outstanding limited partnership interests in the Partnership Parks through the exercise of a call option upon the earlier of the occurrence of certain specified events and the end of the term of the partnerships that hold the Partnership Parks in 2027 (in the case of Georgia) and 2028 (in the case of Texas), or (b) causing each of the partnerships that hold the Partnership Parks to have no indebtedness and to meet certain other financial tests as of the end of the term of such partnership. See Note 15 to Consolidated Financial Statements included elsewhere in this Annual Report for additional information.

After payment of the minimum distribution, we are entitled to a management fee equal to 3% of prior year gross revenues and, thereafter, any additional cash will be distributed first to management fee in arrears, repayment of any interest and principal on intercompany loans with any additional cash being distributed 95% to us, in the case of SFOG, and 92.5% to us, in the case of SFOT.

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

We had guaranteed the payment of a \$32.2 million construction term loan incurred by HWP Development LLC ("HWP") for the purpose of financing the construction and development of a hotel and indoor water park located adjacent to The Great Escape theme park in Queensbury, New York, which opened in February 2006. On November 5, 2007, we refinanced the loan with a \$33.0 million term loan (the "Refinance Loan") (\$30.7 million and \$31.1 million of which was outstanding as of December 31, 2013 and 2012, respectively), the proceeds of which were used to repay the existing loan. In connection with the refinancing, we provided a limited guarantee of the loan, which would become operative under certain limited circumstances, including the voluntary bankruptcy of HWP or its managing member. As additional security for the Refinance Loan, we provided a \$1.0 million letter of credit. During the year ended December 31, 2013, we acquired the minority equity interests held by non-affiliated parties in HWP.

Contractual Obligations

Set forth below is certain information regarding our debt, lease and purchase obligations as of December 31, 2013:

<i>(Amounts in thousands)</i>	Payment Due by Period				
	2014	2015 - 2016	2017 - 2018	2019 and beyond	Total
Long term debt — including current portion ⁽¹⁾	\$ 6,269	\$ 12,709	\$ 588,061	\$ 800,000	\$ 1,407,039
Interest on long-term debt ⁽²⁾	65,283	129,719	124,735	105,000	424,737
Real estate and operating leases ⁽³⁾	6,141	12,116	9,704	151,286	179,247
Purchase obligations ⁽⁴⁾	126,312	8,600	8,300	8,000	151,212
Total	\$ 204,005	\$ 163,144	\$ 730,800	\$ 1,064,286	\$ 2,162,235

- (1) Payments are shown at principal amount. See Note 8 to the Consolidated Financial Statements included elsewhere in this Annual Report for further discussion on long-term debt.
- (2) See Note 8 to the Consolidated Financial Statements included elsewhere in this Annual Report for further discussion on long-term debt. Amounts shown reflect variable interest rates in effect at December 31, 2013.
- (3) Assumes for lease payments based on a percentage of revenues, future payments at 2013 revenue levels. Also does not give effect to cost of living adjustments. Obligations not denominated in U.S. Dollars have been converted based on the exchange rates existing on December 31, 2013.
- (4) Represents obligations as of December 31, 2013 with respect to insurance, inventory, media and advertising commitments, computer systems and hardware, estimated annual license fees to Warner Bros. (through 2020) and new rides and attractions. Of the amount shown for 2014, approximately \$76.1 million represents capital items. The amounts in respect of new rides and attractions were computed as of December 31, 2013 and include estimates by us of costs needed to complete such improvements that, in certain cases, were not legally committed at that date. Amounts shown do not include obligations to employees that cannot be quantified as of December 31, 2013, which are discussed below. Amounts shown also do not include purchase obligations existing at the individual park-level for supplies and other miscellaneous items. None of the park-level obligations are individually material.

Other Obligations

During the years ended December 31, 2013, 2012 and 2011, we made contributions to our defined benefit pension plan of \$6.0 million, \$6.1 million and \$3.7 million, respectively. To control increases in costs, our pension plan was "frozen" effective March 31, 2006, pursuant to which participants (excluding certain union employees whose benefits have subsequently been frozen) no longer continue to earn future pension benefits. We expect to make contributions of approximately \$6.0 million in 2014 to our pension plan based on the 2013 actuarial valuation. We plan to make a contribution to our 401(k) plan in 2014, and our estimated expense for employee health insurance for 2014 is \$13.8 million. See Note 13 to the Consolidated Financial Statements included elsewhere in this Annual Report for more information on our pension benefit plan.

The vast majority of our capital expenditures in 2014 and beyond will be made on a discretionary basis. We plan on spending approximately 9% of revenues on capital expenditures during the 2014 calendar year.

We maintain insurance of the type and in amounts that we believe is commercially reasonable and that is available to businesses in our industry. See "Insurance" under "Item 1. Business." Our insurance premiums and self-insurance retention levels have remained relatively constant during the three-year period ending December 31, 2013. We cannot predict the level of the premiums that we may be required to pay for subsequent insurance coverage, the level of any self-insurance retention applicable thereto, the level of aggregate coverage available or the availability of coverage for specific risks.

We are party to various legal actions arising in the normal course of business. See "Legal Proceedings" and Note 15 to the Consolidated Financial Statements included elsewhere in this Annual Report for information on certain significant litigation.

We may from time to time seek to retire our outstanding debt through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on the prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Market Risks and Sensitivity Analyses

Like other companies, we are exposed to market risks relating to fluctuations in interest rates and currency exchange rates. The objective of our financial risk management is to minimize the negative impact of interest rate and foreign currency exchange rate fluctuations on our operations, cash flows and equity. We do not acquire market risk sensitive instruments for trading purposes.

In March 2012, we entered into a floating-to-fixed interest rate agreement with a notional amount of \$470.0 million in order to limit exposure to an increase in the LIBOR interest rate of the Term Loan B (see Note 8 to the Consolidated Financial Statements included elsewhere in this Annual Report). Our Term Loan B borrowings bear interest on LIBOR plus an applicable margin. The interest rate agreement capped the LIBOR component of the interest rate at 1.00%. The term of the agreement began in March 2012 and expires in March 2014. Upon executing the agreement, we designated and documented the interest rate agreement as a cash flow hedge.

The following analysis presents the sensitivity of the market value, operations and cash flows of our market-risk financial instruments to hypothetical changes in interest rates as if these changes occurred as of December 31, 2013. The range of potential change in the market chosen for this analysis reflects our view of changes that are reasonably possible over a one-year period. Market values are the present values of projected future cash flows based on the interest rate assumptions. These forward-looking disclosures are selective in nature and only address the potential impacts from financial instruments. They do not include other potential effects which could impact our business as a result of these changes in interest and foreign currency exchange rates.

As of December 31, 2013, we had total debt of \$1,400.6 million, of which \$1,300.7 million represents fixed-rate debt, after giving effect to the floating-to-fixed interest rate agreement that we put in place in March 2012 (see Note 7 to the Consolidated Financial Statements included elsewhere in this Annual Report). The remaining \$99.9 million balance represents floating-rate debt. For fixed-rate debt, interest rate changes affect the fair market value but do not impact book value, operations or cash flows. Conversely, for floating-rate debt, interest rate changes generally do not affect the fair market value but do impact future operations and cash flows, assuming other factors remain constant.

Assuming other variables remain constant (such as foreign exchange rates and debt levels), the pre-tax operating and cash flow impact resulting from a one percentage point increase in interest rates would be approximately \$1.1 million. See Note 8 to the Consolidated Financial Statements included elsewhere in this Annual Report for information on interest rates under our debt agreements.

Recently Issued Accounting Pronouncements

In January 2013, the FASB issued Accounting Standards Update No. 2013-01, *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities* ("ASU 2013-01"). The amendments in ASU 2013-01 clarify that the disclosure requirements of ASU 2011-11 are limited to derivatives, including bifurcated embedded derivatives, repurchase and reverse repurchase agreements, and securities borrowing and lending transactions that are either offset in the statement of financial position or subject to an enforceable master netting arrangement or similar agreement. ASU 2013-01 is effective retrospectively for annual periods beginning on or after January 1, 2013. The adoption of these new accounting rules did not have a material effect on our financial condition, results of operations or cash flows.

In February 2013, the FASB issued Accounting Standards Update No. 2013-02, *Comprehensive Income - Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* ("ASU 2013-02"). The amendments in ASU 2013-02 require that entities report, either on their income statement or in a footnote to their financial statements, the effects on earnings from items that are reclassified out of other comprehensive income. The new accounting rules were effective beginning in the first quarter of 2013. The adoption of these new accounting rules did not have a material effect on our financial condition, results of operations or cash flows.

In February 2013, the FASB issued Accounting Standards Update No. 2013-04, *Obligations Resulting from Joint and Several Liability Arrangements for which the Total Amount of the Obligation Is Fixed at the Reporting Date* ("ASU 2013-04"). The amendments in ASU 2013-04 provide guidance for the recognition, measurement, and disclosure of obligations resulting from joint and several liability arrangements from which the total amount of the obligation within the scope of this guidance is fixed at the reporting date. ASU 2013-04 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. We do not anticipate a material impact to our financial position, results of operations or cash flows as a result of this change.

In March 2013, the FASB issued Accounting Standards Update No. 2013-05, *Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity* ("ASU 2013-05"). The amendments in ASU 2013-05 address the accounting for the cumulative translation adjustment when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a foreign subsidiary or group of assets. ASU 2013-05 is effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2013. We do not anticipate a material impact to our financial position, results of operations or cash flows as a result of this change.

In July 2013, the FASB issued Accounting Standards Update No. 2013-10, *Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes* ("ASU 2013-10"). The amendments in ASU 2013-10 permit the Fed Funds Effective Swap Rate to be used as a U.S. benchmark interest rate for hedge accounting purposes under U.S. GAAP. ASU 2013-10 is effective prospectively for qualifying new or redesigned hedging relationships entered into on or after July 17, 2013. We do not anticipate a material impact to our financial position, results of operations or cash flows as a result of this change.

In July 2013, the FASB issued Accounting Standards Update No. 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* ("ASU 2013-11"). The amendments in ASU 2013-11 provide guidance on the financial statement presentation of unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. ASU 2013-11 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. We will reflect the impact of these amendments beginning with our Quarterly Report on Form 10-Q for the period ending March 31, 2014. We do not anticipate that the adoption of this pronouncement will result in a material impact to our financial position, results of operations or cash flows.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations — Market Risks and Sensitivity Analyses" of this Annual Report is incorporated by reference into this Item 7A.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

**SIX FLAGS ENTERTAINMENT CORPORATION
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Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control—Integrated Framework (1992)*, our management concluded that our internal control over financial reporting was effective as of December 31, 2013.

The effectiveness of our internal control over financial reporting as of December 31, 2013 has been audited by KPMG LLP, the independent registered public accounting firm that audited our financial statements included herein, as stated in their report which is included herein.

/s/ JAMES REID-ANDERSON

James Reid-Anderson
President and Chief Executive Officer

/s/ JOHN M. DUFFEY

John M. Duffey
Executive Vice President and Chief Financial Officer

February 19, 2014

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Six Flags Entertainment Corporation:

We have audited the accompanying consolidated balance sheets of Six Flags Entertainment Corporation and subsidiaries (the Company) as of December 31, 2013 and 2012, and the related consolidated statements of operations, equity, comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2013. We also have audited the Company's internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and 2012, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

KPMG LLP

Dallas, Texas
February 19, 2014

SIX FLAGS ENTERTAINMENT CORPORATION
Consolidated Balance Sheets

(Amounts in thousands)	December 31,	
	2013	2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 169,310	\$ 629,208
Accounts receivable, net	51,609	29,523
Inventories	22,172	22,280
Prepaid expenses and other current assets	39,006	37,490
Deferred income taxes	71,761	44,973
Total current assets	<u>353,858</u>	<u>763,474</u>
Property and equipment, net:		
Property and equipment, at cost	1,716,975	1,635,190
Accumulated depreciation	(485,292)	(380,561)
Total property and equipment	<u>1,231,683</u>	<u>1,254,629</u>
Other assets:		
Debt issuance costs	23,821	26,043
Restricted-use investment securities	1,823	1,218
Deposits and other assets	4,268	4,214
Goodwill	630,248	630,248
Intangible assets, net of accumulated amortization	362,113	376,565
Total other assets	<u>1,022,273</u>	<u>1,038,288</u>
Total assets	<u>\$ 2,607,814</u>	<u>\$ 3,056,391</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 24,464	\$ 23,580
Accrued compensation, payroll taxes and benefits	29,277	35,949
Accrued insurance reserves	50,771	35,369
Accrued interest payable	19,598	2,359
Other accrued liabilities	25,988	25,663
Deferred income	60,443	52,703
Current portion of long-term debt	6,269	6,240
Total current liabilities	<u>216,810</u>	<u>181,863</u>
Noncurrent Liabilities:		
Long-term debt	1,394,334	1,398,966
Other long-term liabilities	39,934	76,398
Deferred income taxes	145,830	72,557
Total noncurrent liabilities	<u>1,580,098</u>	<u>1,547,921</u>
Total liabilities	<u>1,796,908</u>	<u>1,729,784</u>
Redeemable noncontrolling interests	437,569	437,941
Stockholders' equity:		
Preferred stock, \$1.00 par value	—	—
Common stock, \$0.025 par value, 140,000,000 shares authorized and 94,857,347 and 107,637,524 shares issued and outstanding at December 31, 2013 and December 31, 2012, respectively ⁽¹⁾	2,371	1,345
Capital in excess of par value	842,488	904,713
(Accumulated deficit) retained earnings	(438,825)	27,775
Accumulated other comprehensive loss, net of tax	(32,697)	(49,101)
Total Six Flags Entertainment Corporation stockholders' equity	<u>373,337</u>	<u>884,732</u>
Noncontrolling interests	—	3,934
Total equity	<u>373,337</u>	<u>888,666</u>
Total liabilities and equity	<u>\$ 2,607,814</u>	<u>\$ 3,056,391</u>

(1) Issued and outstanding stock amounts as of December 31, 2012 have been retroactively adjusted to reflect Holdings' two-for-one stock split in June 2013, as described in Note 12 to the Consolidated Financial Statements.

See accompanying notes to Consolidated Financial Statements.

SIX FLAGS ENTERTAINMENT CORPORATION
Consolidated Statements of Operations

	Year Ended December 31,		
	2013	2012	2011
<i>(Amounts in thousands, except per share data)</i>			
Theme park admissions	\$ 602,204	\$ 576,708	\$ 541,744
Theme park food, merchandise and other	448,547	437,382	413,844
Sponsorship, licensing and other fees	42,179	39,977	42,380
Accommodations revenue	17,000	16,265	15,206
Total revenue	1,109,930	1,070,332	1,013,174
Operating expenses (excluding depreciation and amortization shown separately below)	417,482	411,679	397,874
Selling, general and administrative (including stock-based compensation of \$27,034, \$62,875 and \$54,261 in 2013, 2012 and 2011, respectively, and excluding depreciation and amortization shown separately below)	189,218	225,875	215,059
Costs of products sold	86,663	80,169	77,286
Depreciation	113,682	132,397	150,952
Amortization	14,393	15,648	18,047
Loss on disposal of assets	8,579	8,105	7,615
Gain on sale of investee	—	(67,319)	—
Interest expense	75,044	47,444	66,214
Interest income	(899)	(820)	(997)
Equity in loss of investee	—	2,222	3,111
Loss on debt extinguishment	789	587	46,520
Other expense, net	1,234	612	73
Restructure (recovery) costs, net	—	(47)	25,086
Income from continuing operations before reorganization items, income taxes and discontinued operations	203,745	213,780	6,334
Reorganization items, net	(180)	2,168	2,455
Income from continuing operations before income taxes and discontinued operations	203,925	211,612	3,879
Income tax expense (benefit)	47,601	(184,154)	(8,065)
Income from continuing operations before discontinued operations	156,324	395,766	11,944
Income from discontinued operations	549	7,273	1,201
Net income	156,873	403,039	13,145
Net income attributable to noncontrolling interests	(38,321)	(37,104)	(35,805)
Net income (loss) attributable to Six Flags Entertainment Corporation	<u>\$ 118,552</u>	<u>\$ 365,935</u>	<u>\$ (22,660)</u>
Amounts attributable to Six Flags Entertainment Corporation:			
Income (loss) from continuing operations	\$ 118,003	\$ 358,662	\$ (23,861)
Income from discontinued operations	549	7,273	1,201
Net income (loss)	<u>\$ 118,552</u>	<u>\$ 365,935</u>	<u>\$ (22,660)</u>
Weighted-average common shares outstanding ⁽¹⁾ :			
Weighted average common shares outstanding—basic:	96,940	107,684	110,150
Weighted average common shares outstanding—diluted:	100,371	110,936	110,150
Net income (loss) per average common share outstanding—basic ⁽¹⁾ :			
Income (loss) from continuing operations attributable to Six Flags Entertainment Corporation common stockholders	\$ 1.21	\$ 3.33	\$ (0.22)
Income from discontinued operations attributable to Six Flags Entertainment Corporation common stockholders	0.01	0.07	0.01
Net income (loss) attributable to Six Flags Entertainment Corporation common stockholders	<u>\$ 1.22</u>	<u>\$ 3.40</u>	<u>\$ (0.21)</u>
Net income (loss) per average common share outstanding—diluted ⁽¹⁾ :			
Income (loss) from continuing operations attributable to Six Flags Entertainment Corporation common stockholders	\$ 1.17	\$ 3.23	\$ (0.22)
Income from discontinued operations attributable to Six Flags Entertainment Corporation common stockholders	0.01	0.07	0.01
Net income (loss) attributable to Six Flags Entertainment Corporation common stockholders	<u>\$ 1.18</u>	<u>\$ 3.30</u>	<u>\$ (0.21)</u>
Cash dividends declared per common share ⁽¹⁾	\$ 1.82	\$ 1.35	\$ 0.09

(1) All 2011 and 2012 share and per share amounts have been retroactively adjusted to reflect Holdings' two-for-one stock split in June 2013, as described in Note 12 to the Consolidated Financial Statements.

See accompanying notes to Consolidated Financial Statements.

SIX FLAGS ENTERTAINMENT CORPORATION
Consolidated Statements of Comprehensive Income (Loss)

<i>(Amounts in thousands)</i>	Years Ended December 31,		
	2013	2012	2011
Net income	\$ 156,873	\$ 403,039	\$ 13,145
Other comprehensive income (loss), net of tax in 2013 and 2012:			
Foreign currency translation adjustment ⁽¹⁾	(1,341)	4,516	(9,154)
Defined benefit retirement plan ⁽²⁾	17,427	(3,204)	(36,566)
Change in cash flow hedging ⁽³⁾	318	(501)	—
Other comprehensive income (loss), net of tax in 2013 and 2012	16,404	811	(45,720)
Comprehensive income (loss)	173,277	403,850	(32,575)
Comprehensive income attributable to noncontrolling interests	(38,321)	(37,104)	(35,805)
Comprehensive income (loss) attributable to Six Flags Entertainment Corporation	\$ 134,956	\$ 366,746	\$ (68,380)

- (1) Foreign currency translation adjustment presented net of tax benefit of \$0.7 million and net of tax expense of \$2.4 million for the years ended December 31, 2013 and 2012, respectively.
- (2) Defined benefit retirement plan is presented net of tax expense of \$11.5 million and net of tax benefit of \$2.1 million for the years ended December 31, 2013 and 2012, respectively.
- (3) Change in cash flow hedging is reported net of tax expense of \$0.2 million and net of tax benefit of \$0.3 million for the years ended December 31, 2013 and 2012, respectively.

See accompanying notes to Consolidated Financial Statements.

SIX FLAGS ENTERTAINMENT CORPORATION
Consolidated Statements of Equity

	Common stock ⁽¹⁾		Capital in excess of par value	Retained earnings (accumulated deficit)	Accumulated other comprehensive loss	Total Six Flags Entertainment Corporation	Noncontrolling interests	Total
	Shares issued	Amount						
<i>(Amounts in thousands, except share data)</i>								
Balances at December 31, 2010	111,456,436	\$ 697	\$ 818,799	\$ 48,404	\$ (4,192)	\$ 863,708	\$ 4,455	\$ 868,163
Issuance of common stock	1,023,246	13	9,109	—	—	9,122	—	9,122
Stock-based compensation	—	—	28,479	—	—	28,479	—	28,479
Dividends declared to common shareholders	—	—	—	(9,929)	—	(9,929)	—	(9,929)
Repurchase of common stock	(3,234,746)	(26)	(23,772)	(36,200)	—	(59,998)	—	(59,998)
Two-for-one common stock split	—	682	(682)	—	—	—	—	—
Employee stock purchase plan	38,834	—	578	—	—	578	—	578
Fresh start valuation adjustment for SFOT units purchased	—	—	—	280	—	280	—	280
Net loss	—	—	—	(22,660)	—	(22,660)	—	(22,660)
Net other comprehensive loss	—	—	—	—	(45,720)	(45,720)	—	(45,720)
Purchase of HWP ownership interests	—	—	(399)	17	—	(382)	(602)	(984)
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	(183)	(183)
Balances at December 31, 2011	109,283,770	\$ 1,366	\$ 832,112	\$ (20,088)	\$ (49,912)	\$ 763,478	\$ 3,670	\$ 767,148
Issuance of common stock	4,023,232	50	39,983	9	—	40,042	—	40,042
Issuance of restricted stock units	2,786,720	35	31,311	—	—	31,346	—	31,346
Stock-based compensation	—	—	62,556	—	—	62,556	—	62,556
Dividends declared to common shareholders	—	—	—	(149,111)	—	(149,111)	—	(149,111)
Repurchase of common stock	(8,498,568)	(106)	(62,455)	(169,423)	—	(231,984)	—	(231,984)
Employee stock purchase plan	42,370	—	1,206	—	—	1,206	—	1,206
Fresh start valuation adjustment for SFOG and SFOT units purchased	—	—	—	453	—	453	—	453
Net income	—	—	—	365,935	—	365,935	—	365,935
Net other comprehensive income, net of tax	—	—	—	—	811	811	—	811
Net income attributable to noncontrolling interest	—	—	—	—	—	—	264	264
Balances at December 31, 2012	107,637,524	\$ 1,345	\$ 904,713	\$ 27,775	\$ (49,101)	\$ 884,732	\$ 3,934	\$ 888,666
Issuance of common stock	2,700,793	63	29,706	—	—	29,769	—	29,769
Forfeiture of restricted stock units	(9,720)	—	—	—	—	—	—	—
Stock-based compensation	—	—	26,829	—	—	26,829	—	26,829
Dividends declared to common shareholders	—	—	—	(175,989)	—	(175,989)	—	(175,989)
Repurchase of common stock	(15,507,348)	(235)	(113,997)	(409,357)	—	(523,589)	—	(523,589)
Two-for-one common stock split	—	1,197	(1,197)	—	—	—	—	—
Employee stock purchase plan	36,098	1	1,295	—	—	1,296	—	1,296
Fresh start valuation adjustment for SFOT units and HWP ownership interests purchased	—	—	—	84	—	84	—	84
Net income	—	—	—	118,552	—	118,552	—	118,552
Net other comprehensive income, net of tax	—	—	—	—	16,404	16,404	—	16,404
Purchase of HWP ownership interests	—	—	(4,861)	110	—	(4,751)	(4,803)	(9,554)
Net income attributable to noncontrolling interest	—	—	—	—	—	—	869	869
Balances at December 31, 2013	<u>94,857,347</u>	<u>\$ 2,371</u>	<u>\$ 842,488</u>	<u>\$ (438,825)</u>	<u>\$ (32,697)</u>	<u>\$ 373,337</u>	<u>\$ —</u>	<u>\$ 373,337</u>

(1) All 2011 and 2012 common stock amounts have been retroactively adjusted to reflect Holdings' two-for-one common stock split in June 2013, as described in Note 12 to the Consolidated Financial Statements.

See accompanying notes to Consolidated Financial Statements.

SIX FLAGS ENTERTAINMENT CORPORATION
Consolidated Statements of Cash Flows

<i>(Amounts in thousands)</i>	Year Ended December 31,		
	2013	2012	2011
Cash flow from operating activities:			
Net income	\$ 156,873	\$ 403,039	\$ 13,145
Adjustments to reconcile net income to net cash provided by operating activities before reorganization activities:			
Depreciation and amortization	128,075	148,045	168,999
Reorganization items, net	(180)	2,168	2,455
Stock-based compensation	27,034	62,875	54,261
Interest accretion on notes payable	1,252	1,201	1,870
Loss on debt extinguishment	789	587	46,520
Amortization of debt issuance costs	4,285	2,411	7,751
Other, including loss on disposal of assets	10,320	8,247	7,168
Gain on sale of investee	—	(67,319)	—
(Increase) decrease in accounts receivable	(22,146)	(10,497)	844
Increase in inventories, prepaid expenses and other current assets	(2,062)	(2,352)	(549)
Decrease in deposits and other assets	473	5,439	6,151
Increase in accounts payable, deferred income, accrued liabilities and other long-term liabilities	12,147	12,455	817
Increase (decrease) in accrued interest payable	17,239	1,288	(2,342)
Deferred income tax expense (benefit)	34,915	(194,167)	(14,701)
Net cash provided by operating activities before reorganization activities	369,014	373,420	292,389
Net cash used in reorganization activities	(332)	(1,788)	(17,452)
Total net cash provided by operating activities	368,682	371,632	274,937
Cash flow from investing activities:			
Additions to property and equipment	(101,853)	(99,989)	(91,680)
Property insurance recovery	—	1,494	536
Purchase of identifiable intangible assets	(75)	—	—
Acquisition of theme park assets	—	—	(25)
Purchase of restricted-use investments	(621)	(706)	—
Maturities of restricted-use investments	16	—	2,425
Proceeds from sale of DCP	—	69,987	—
Proceeds from sale of assets	230	1,557	216
Net cash used in investing activities	(102,303)	(27,657)	(88,528)
Cash flow from financing activities:			
Repayment of borrowings	(6,276)	(353,230)	(959,412)
Proceeds from borrowings	—	800,000	934,400
Payment of debt issuance costs	(2,660)	(16,878)	(16,584)
Net proceeds from issuance of common stock	30,860	40,929	9,700
Stock repurchases	(523,589)	(231,984)	(59,998)
Payment of cash dividends	(176,171)	(148,286)	(9,791)
Purchase of HWP ownership interests	(9,554)	—	(984)
Purchase of redeemable noncontrolling interest	(288)	(2,033)	(948)
Noncontrolling interest distributions	(37,452)	(36,840)	(35,988)
Net cash (used in) provided by financing activities	(725,130)	51,678	(139,605)
Effect of exchange rate on cash	(1,147)	2,128	(2,438)
(Decrease) increase in cash and cash equivalents	(459,898)	397,781	44,366
Cash and cash equivalents at beginning of period	629,208	231,427	187,061
Cash and cash equivalents at end of period	\$ 169,310	\$ 629,208	\$ 231,427
Supplemental cash flow information			
Cash paid for interest	\$ 52,268	\$ 42,545	\$ 58,935
Cash paid for income taxes	\$ 13,768	\$ 9,435	\$ 7,945

See accompanying notes to Consolidated Financial Statements.

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements

1. Description of Business

We own and operate regional theme, water and zoological parks and are the largest regional theme park operator in the world. Of the 18 parks we currently own or operate, after giving effect to disposition of parks discussed herein, 16 parks are located in the United States, one park is located in Mexico City, Mexico and one park is located in Montreal, Canada.

On April 1, 1998, we acquired the former Six Flags Entertainment Corporation ("Former SFEC", a corporation that has been merged out of existence and that has always been a separate corporation from Holdings), which had operated regional theme parks under the Six Flags name for nearly 40 years, and established an internationally recognized brand name. We own the "Six Flags" brand name in the United States and foreign countries throughout the world. To capitalize on this name recognition, 16 of our current parks are branded as "Six Flags" parks.

2. Chapter 11 Reorganization

On June 13, 2009, Six Flags, Inc. ("SFI") and certain of its domestic subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") (Case No. 9-12019) (the "Chapter 11 Filing"). SFI's subsidiaries that own interests in Six Flags Over Texas ("SFOT") and Six Flags Over Georgia (including Six Flags White Water Atlanta) ("SFOG" and together with SFOT, the "Partnership Parks") and the parks in Canada and Mexico were not debtors in the Chapter 11 Filing.

On April 30, 2010, the Bankruptcy Court entered an order confirming the Debtors' Modified Fourth Amended Joint Plan of Reorganization and the Debtors emerged from Chapter 11. Pursuant to the reorganization plan, all of SFI's common stock and other equity and debt securities were canceled as of April 30, 2010. Pursuant to the reorganization plan, all of SFI's common stock and other equity and debt securities were canceled as of April 30, 2010. Also on April 30, 2010, but after the reorganization plan became effective and prior to the issuance of securities under the reorganization plan, SFI changed its corporate name to Six Flags Entertainment Corporation ("Holdings"). On April 30, 2010, Holdings issued an aggregate of 109,555,556 shares of common stock at \$0.025 par value, as adjusted to reflect the two-for-one stock splits in June 2011 and June 2013. In conjunction with the emergence from Chapter 11 and in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 852, *Reorganizations* ("FASB ASC 855"), we adopted fresh start accounting, pursuant to which the Company's estimated fair value was allocated to its underlying assets and liabilities, which results in financial statements that are not comparable to financial statements for periods prior to emergence.

FASB ASC 852 requires separate disclosure of reorganization items such as realized gains and losses from the settlement of liabilities subject to compromise, provisions for losses resulting from the reorganization of the business, as well as professional fees directly related to the process of reorganizing the Debtors under the Bankruptcy Code. The Debtors' reorganization items consisted of the following during the years ended December 31, 2013, 2012 and 2011:

<i>(Amounts in thousands)</i>	Year Ended December 31,		
	2013	2012	2011
(Recoveries) costs and expenses directly related to the reorganization	\$ (180)	\$ 2,168	\$ 2,455

Costs and expenses directly related to the reorganization primarily include professional fees associated with advisors to the Debtors, certain creditors and the creditors' committee.

Net cash paid for reorganization items, constituting professional fees and finance fees, totaled \$0.3 million, \$1.8 million and \$17.5 million for the years ended December 31, 2013, 2012 and 2011, respectively.

3. Summary of Significant Accounting Policies

(a) Basis of Presentation

The Consolidated Financial Statements include our accounts and the accounts of our wholly owned subsidiaries. We also consolidate the partnerships that own the Partnership Parks, as we have determined that we have the power to direct the activities of those entities that most significantly impact the entities' economic performance and we have the obligation to absorb losses and receive benefits from the entities that can be potentially significant to these entities. The equity interests owned by non-affiliated parties in the Partnership Parks are reflected in the accompanying consolidated balance sheets as redeemable noncontrolling interests. On September 30, 2013, we acquired the noncontrolling equity interests held by non-

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

affiliated parties in HWP Development, LLC ("HWP"), with the exception of a nominal amount retained by a non-affiliated party that we subsequently acquired on December 31, 2013. Prior to the acquisition, we consolidated HWP as a subsidiary as we had the power to direct the activities that most significantly impacted HWP's economic performance and we had the obligation to absorb losses and receive benefits from HWP that could have been significant to HWP. The equity interests in HWP owned by non-affiliated parties prior to the acquisition were reflected in the accompanying consolidated balance sheet as noncontrolling interest. The portion of earnings or loss from each of the entities attributable to non-affiliated parties is reflected as net income (loss) attributable to noncontrolling interests in the accompanying consolidated statements of operations. See Note 6 for further discussion.

Intercompany transactions and balances have been eliminated in consolidation.

(b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. We evaluate our estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which we believe to be reasonable under the circumstances. We adjust such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

(c) Fair Value Measurement

FASB ASC 820, Fair Value Measurements and Disclosures ("FASB ASC 820"), defines fair value as the exchange prices that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The guidance also specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. In accordance with FASB ASC 820, these two types of inputs have created the following fair value hierarchy:

- *Level 1:* quoted prices in active markets for identical assets;
- *Level 2:* inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument; and
- *Level 3:* inputs to the valuation methodology are unobservable for the asset or liability.

This hierarchy requires the use of observable market data when available. See Note 10 for disclosure of methods and assumptions used to estimate the fair value of financial instruments by classification.

(d) Cash Equivalents

Cash equivalents were not significant as of December 31, 2013. Cash equivalents of \$495.0 million as of December 31, 2012, consisted of short-term highly liquid investments with a remaining maturity as of purchase date of three months or less, which are readily convertible into cash. For purposes of the consolidated statements of cash flows, we consider all highly liquid debt instruments with remaining maturities as of their purchase date of three months or less to be cash equivalents.

(e) Inventories

Inventories are stated at weighted average cost or market value and primarily consist of products for resale including merchandise and food and miscellaneous supplies. Products are removed from inventory at weighted average cost. We have recorded a valuation allowance for slow moving inventory of \$1.2 million and \$0.7 million as of December 31, 2013 and 2012, respectively.

(f) Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets include \$21.5 million and \$23.0 million of spare parts inventory for existing rides and attractions as of December 31, 2013 and 2012, respectively. These items are expensed as the repair or maintenance of rides and attractions occur.

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

(g) Advertising Costs

Production costs of commercials and programming are charged to operations in the year first aired. The costs of other advertising, promotion, and marketing programs are charged to operations when incurred with the exception of direct-response advertising which is charged to the period it will benefit. As of December 31, 2013 and 2012, we had \$1.6 million and \$1.4 million in prepaid advertising, respectively. The amounts capitalized are included in prepaid expenses.

Advertising and promotions expense was \$61.2 million, \$61.5 million and \$62.5 million during the years ended December 31, 2013, 2012 and 2011, respectively.

(h) Debt Issuance Costs

We capitalize costs related to the issuance of debt. In connection with the amendment of our 2011 Credit Facility in December 2013, we capitalized \$2.4 million of debt issuance costs directly associated with the issuance of the amendment. The amortization of such costs is recognized as interest expense using the interest method over the term of the respective debt issue. Amortization related to deferred debt issuance costs was \$4.3 million, \$2.4 million and \$7.8 million for the years ended December 31, 2013, 2012 and 2011, respectively.

(i) Property and Equipment

Property and equipment additions are recorded at cost and the carrying value is depreciated using the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged directly to expense as incurred, while betterments and renewals are generally capitalized as property and equipment. When an item is retired or otherwise disposed of, the cost and applicable accumulated depreciation are removed and the resulting gain or loss is recognized.

The estimated useful lives of the assets are as follows:

Rides and attractions	5 - 25 years
Land improvements	10 - 15 years
Buildings and improvements	Approximately 30 years
Furniture and equipment	5 - 10 years

(j) Goodwill and Intangible Assets

The following table reflects our intangible assets and accumulated amortization:

<i>(Amounts in thousands)</i>	December 31,	
	2013	2012
<i>Indefinite-lived intangible assets:</i>		
Trade names, trademarks and other	\$ 344,075	\$ 344,000
Accumulated amortization	—	—
Total indefinite-lived intangible assets	<u>\$ 344,075</u>	<u>\$ 344,000</u>
<i>Finite-lived intangible assets:</i>		
Third party licensing rights	\$ 24,361	\$ 24,361
Accumulated amortization	(8,809)	(6,407)
Total third party licensing rights	<u>\$ 15,552</u>	<u>\$ 17,954</u>
Sponsorship agreements	\$ —	\$ 43,000
Accumulated amortization	—	(31,273)
Total sponsorship agreements	<u>\$ —</u>	<u>\$ 11,727</u>
Other identifiable intangibles	\$ 3,346	\$ 3,576
Accumulated amortization	(860)	(692)
Total other identifiable intangibles	<u>\$ 2,486</u>	<u>\$ 2,884</u>
Total finite-lived intangible assets, cost	<u>\$ 27,707</u>	<u>\$ 70,937</u>
Total accumulated amortization	<u>(9,669)</u>	<u>(38,372)</u>
Total finite-lived intangible assets, net	<u>\$ 18,038</u>	<u>\$ 32,565</u>
<i>Total intangible assets, net</i>	<u><u>\$ 362,113</u></u>	<u><u>\$ 376,565</u></u>

Our intangible assets with identifiable useful lives are amortized on a straight-line basis over their estimated useful lives. We expect that amortization expense on our existing intangible assets subject to amortization will average approximately \$2.6 million over each of the next five years. The weighted average useful life of the third party licensing rights is 10 years.

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

(k) Valuation of Long-Lived Assets

Long-lived assets totaled \$2,224.0 million as of December 31, 2013, consisting of property and equipment (\$1,231.7 million), goodwill (\$630.2 million) and other intangible assets (\$362.1 million). With our adoption of fresh start accounting upon emergence, assets were revalued based on the fair values of long-lived assets.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if indicators are identified that an asset may be impaired. We identify our reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. We then determine the fair value of each reporting unit and compare it to the carrying amount of the reporting unit. We are a single reporting unit. For each year, the fair value of the single reporting unit exceeded our carrying amount (based on a comparison of the market price of our common stock to the carrying amount of our stockholders' equity (deficit)). In September 2012, the FASB amended FASB ASC 350 which permits entities to perform a qualitative analysis on indefinite-lived intangible assets to determine if it is more likely than not that the asset is impaired. We adopted this amendment in September 2012 and have performed a qualitative analysis on our indefinite-lived trade name intangible as of December 31, 2013. Based on the results of our qualitative analysis, we determined that it was more likely than not that our trade name was not impaired. Accordingly, no impairment was required on our goodwill or indefinite-lived intangible assets.

If the fair value of the reporting unit were to be less than the carrying amount, we would compare the implied fair value of the reporting unit goodwill with the carrying amount of the reporting unit goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit to all of the assets (recognized and unrecognized) and liabilities of the reporting unit in a manner similar to a purchase price allocation. The residual fair value after this allocation is the implied fair value of the reporting unit goodwill.

We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or group of assets to future net cash flows expected to be generated by the asset or group of assets. If such assets are not considered to be fully recoverable, any impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

(l) Revenue Recognition

We recognize revenue upon admission into our parks, provision of our services, or when products are delivered to our guests. Revenues are presented in the accompanying consolidated statements of operations net of sales taxes collected from our guests and remitted to government taxing authorities. During 2013, we launched a membership program. In contrast to our season pass and other multi-use offerings that expire at the end of each operating season, the membership program does not expire. It automatically renews on a month-to-month basis after the initial twelve-month membership term, and can be canceled anytime after the initial term. Guests enrolled in the membership program can visit our parks an unlimited number of times anytime they are open as long as the guest remains enrolled in the membership program. For season pass, membership and other multi-use admissions, we estimate a redemption rate based on historical experience and other factors and assumptions we believe to be customary and reasonable and recognize a pro-rata portion of the revenue as the guest attends our parks. We review the estimated redemption rate regularly and on an ongoing basis and revise it as necessary throughout the year. Total sales of multi-use admissions in excess of redemptions are recognized in deferred revenue. As of December 31, 2013, deferred revenue was primarily comprised of (i) advance sales of season pass and other admissions for the 2014 operating season, (ii) the unredeemed portion of the initial term of the membership program that will be recognized in 2014, (iii) sponsorship revenue that will be recognized in 2014 and (iv) a nominal amount for the remaining unredeemed season pass revenue and pre-sold single-day admissions revenue for the 2013 operating season that will be redeemed throughout the completion of the 2013 operating season during the first week of 2014.

(m) Accounts Receivable, Net

Accounts receivable are reported at net realizable value and consist primarily of amounts due from guests for the sale of multi-use admission products, including season passes and the membership program. We are not exposed to a significant concentration of credit risk, however, based on the age of the receivables, our historical experience and other factors and assumptions we believe to be customary and reasonable, we do record an allowance for doubtful accounts. As of December 31, 2013, 2012 and 2011, the allowance for doubtful accounts and the related bad debt expense were not significant.

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

(n) Derivative Instruments and Hedging Activities

We account for derivatives and hedging activities in accordance with FASB ASC Topic 815, Derivatives and Hedging ("FASB ASC 815"). This accounting guidance establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires an entity to recognize all derivatives as either assets or liabilities in the consolidated balance sheet and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as a hedge for accounting purposes. The accounting for changes in the fair value of a derivative (e.g., gains and losses) depends on the intended use of the derivative and the resulting designation.

We formally document all relationships between hedging instruments and hedged items, as well as our risk-management objective and our strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as cash-flow hedges to forecasted transactions. We also assess, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

Changes in the fair value of a derivative that is effective and that is designated and qualifies as a cash-flow hedge are recorded in other comprehensive income (loss), until operations are affected by the variability in cash flows of the designated hedged item. Changes in fair value of a derivative that is not designated as a hedge are recorded in other expense in our consolidated statements of operations on a current basis.

(o) Commitments and Contingencies

We are involved in various lawsuits and claims that arise in the normal course of business. Amounts associated with lawsuits or claims are reserved for matters in which it is believed that losses are probable and can be reasonably estimated. In addition to matters in which it is believed that losses are probable, disclosure is also provided for matters in which the likelihood of an unfavorable outcome is at least reasonably possible but for which a reasonable estimate of loss or range of loss is not possible. Legal fees are expensed as incurred. See Note 15 for further discussion.

(p) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases including net operating loss and other tax carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. We recorded a valuation allowance of \$190.3 million and \$177.4 million and as of December 31, 2013 and 2012, respectively, due to uncertainties related to our ability to utilize some of our deferred tax assets, primarily consisting of certain state net operating loss and other tax carryforwards, before they expire. The valuation allowance was based on our estimates of taxable income by jurisdiction in which we operate and the period over which our deferred tax assets were recoverable. During the fourth quarter of 2012, we determined that the valuation allowance against our federal net operating losses was no longer required because of the significant amount of net income that we generated in 2012. Our 2012 results, coupled with our projected taxable income over the foreseeable future, gave us comfort that we would be able to utilize all of our federal net operating loss carryforwards before they expire. See Note 11.

Our liability for income taxes is finalized as auditable tax years pass their respective statutes of limitation in the various jurisdictions in which we are subject to tax. However, these jurisdictions may audit prior years for which the statute of limitations is closed for the purpose of making an adjustment to our taxable income in a year for which the statute of limitations has not closed. Accordingly, taxing authorities of these jurisdictions may audit prior years of the group and its predecessors for the purpose of adjusting net operating loss carryforwards to years for which the statute of limitations has not closed.

We classify interest and penalties attributable to income taxes as part of income tax expense. As of December 31, 2013, we had no accrued interest and penalties liability.

Beginning in 2006, we no longer permanently reinvested foreign earnings, therefore, United States deferred income taxes have been provided on foreign earnings.

(q) Earnings (Loss) Per Common Share

Basic earnings (loss) per common share is computed by dividing net income (loss) applicable to Holdings' common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

common share is computed by dividing net income (loss) applicable to Holdings' common stockholders by the weighted average number of common shares outstanding during the period and the effect of all dilutive common stock equivalents. In periods where there is a net loss, diluted loss per common share is equal to basic loss per common share, since the effect of including any common stock equivalents would be antidilutive. Computations for basic and diluted earnings (loss) per share were retroactively adjusted to reflect the 2011 Stock Split and the 2013 Stock Split described in Note 12. See Note 14 for further discussion of earnings (loss) per common share.

(r) Stock Benefit Plans

Pursuant to the Six Flags Entertainment Corporation Long-Term Incentive Plan (the "Long-Term Incentive Plan"), Holdings may grant stock options, stock appreciation rights, restricted stock, restricted stock units, unrestricted stock, deferred stock units, performance and cash-settled awards and dividend equivalents (collectively, "Awards") to select employees, officers, directors and consultants of Holdings and its affiliates. The Long-Term Incentive Plan originally provided for the issuance of no more than 19,333,332 shares of common stock of Holdings, as adjusted to reflect the 2011 Stock Split and the 2013 Stock Split. In May 2012, our stockholders approved an amended and restated Long-Term Incentive Plan that, among other things, increased the number of shares available for issuance under the Long-Term Incentive Plan to 28,133,332, as adjusted to reflect the 2013 Stock Split.

During the years ended December 31, 2013, 2012 and 2011, stock-based compensation expense related to the Long-Term Incentive Plan was \$26.8 million, \$62.6 million and \$54.1 million, respectively.

As of December 31, 2013, options to purchase approximately 7,910,000 shares of common stock of Holdings and approximately 351,000 shares of restricted stock or restricted stock units were outstanding under the Long-Term Incentive Plan and approximately 5,083,000 shares were available for future grant.

Stock Options

Options granted under the Long-Term Incentive Plan are designated as either incentive stock options or non-qualified stock options. Options are generally granted with an exercise price equal to the fair market value of the common stock of Holdings on the date of grant. While certain stock options are subject to acceleration in connection with a change in control, options are generally cumulatively exercisable in four equal annual installments commencing one year after the date of grant with a ten-year term. Generally, the unvested portion of stock option awards is forfeited upon termination of employment. Stock option compensation is recognized over the vesting period using the graded vesting terms of the respective grant.

The estimated fair value of the majority of our options granted was calculated using the Black-Scholes option pricing valuation model. This model takes into account several factors and assumptions. The risk-free interest rate is based on the yield on U.S. Treasury zero-coupon issues with a remaining term equal to the expected term assumption at the time of grant. The simplified method was used to calculate the expected term (estimated period of time outstanding) because our historical data from our pre-confirmation equity grants is not representative or sufficient to be used to develop an expected term assumption. Expected volatility of options granted prior to 2013 was based on the historical volatility of similar companies' common stock for a period equal to the stock option's expected term, calculated on a daily basis. Expected volatility of options granted in 2013 was based two-thirds on the historical volatility of similar companies' common stock and one-third on our historical volatility for a period equal to the stock option's expected term, calculated on a daily basis. The expected dividend yield is based on expected dividends for the expected term of the stock options. The fair value of stock options on the date of grant is expensed on a straight line basis over the requisite service period of the graded vesting term as if the award was, in substance, multiple awards.

In August 2011, stock option grants were made to the vast majority of full-time employees. Given the then current share limitations of the Long-Term Incentive Plan, certain of the option grants to officers were made contingent upon stockholder approval of an amendment to the plan increasing the number of available shares. This increase in the number of available shares received overwhelming stockholder approval at the May 2012 annual stockholders meeting, satisfying the stockholder approval contingency of such options. The accounting measurement date for these grants was May 2, 2012. At that date, the strike prices of the options were less than the prevailing trading price for the underlying shares, and as such the options were valued as in-the-money options. Due to limitations in the Black-Scholes model related to options treated as in-the-money, we elected to value the options using the Hull-White I lattice model with a simplified assumption for the early settlement to value these options. The inherent advantage of Hull-White I lattice model relative to the Black-Scholes model is that option exercises are modeled as being dependent on the evolution of the stock price and not solely on the amount of time that has passed since the grant date. The Hull-White I lattice model uses all of the same assumptions as the Black-Scholes model and also assumes a post-vesting cancellation rate, which treats a cancelled option as (i) exercised immediately if it is in-the-money or (ii) worthless if it is out-of-the-money. The post-vesting cancellation rate assumption that was used in the valuation of these options was 0%.

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

The following weighted-average assumptions were utilized in the Black-Scholes model for the stock options granted during the years ended December 31, 2013, 2012 and 2011:

	December 31, 2013		December 31, 2012		December 31, 2011	
	CEO	Employees	CEO	Employees	CEO	Employees
Risk-free interest rate	1.20%	2.03%	1.08%	1.08%	—%	1.68%
Expected life (in years)	6.25	6.25	6.25	6.25	0	6.25
Expected volatility	39.21%	38.98%	44.23%	44.14%	—%	43.68%
Expected dividend yield	5.24%	5.08%	4.51%	3.48%	—%	0.65%

The following table summarizes option activity for the year ended December 31, 2013:

<i>(Amounts in thousands, expect per share data)</i>	Shares	Weighted Avg. Exercise Price (\$)	Weighted Avg. Remaining Contractual Term	Aggregate Intrinsic Value (\$)
Balance at December 31, 2012	9,436	\$ 15.04		
Granted	1,244	\$ 34.30		
Exercised	(2,486)	\$ 11.98		
Canceled or exchanged	—	\$ —		
Forfeited	(283)	\$ 18.56		
Expired	(1)	\$ 15.86		
Balance at December 31, 2013	<u>7,910</u>	\$ 18.90	7.73	\$ 141,747
Vested and expected to vest at December 31, 2013	<u>7,615</u>	\$ 18.86	7.73	\$ 136,727
Options exercisable at December 31, 2013	<u>1,692</u>	\$ 14.85	7.26	\$ 37,173

The weighted average grant date fair value of the options granted during the years ended December 31, 2013, 2012 and 2011 was \$7.78, \$8.07 and \$6.91, respectively.

The total intrinsic value of options exercised for the years ended December 31, 2013, 2012 and 2011 was \$57.1 million, \$68.0 million and \$6.9 million, respectively. The total fair value of options that vested during the years ended December 31, 2013, 2012 and 2011 was \$18.0 million, \$15.7 million and \$10.3 million, respectively.

As of December 31, 2013, there was \$16.4 million of total unrecognized compensation expense related to option awards, which is expected to be recognized over a weighted-average period of 2.68 years.

Cash received from the exercise of stock options during the years ended December 31, 2013, 2012 and 2011 was \$29.8 million, \$40.0 million and \$9.1 million, respectively.

Stock, Restricted Stock and Restricted Stock Units

Stock, restricted stock and restricted stock units granted under the Long-Term Incentive Plan may be subject to transfer and other restrictions as determined by the compensation committee of Holdings' Board of Directors. Generally, the unvested portion of restricted stock and restricted stock unit awards is forfeited upon termination of employment. The fair value of stock, restricted stock and restricted stock unit awards on the date of grant is expensed on a straight line basis over the requisite service period of the graded vesting term as if the award was, in substance, multiple awards.

During the year ended December 31, 2011, approximately 10,000 shares of stock were granted to our Chief Executive Officer as part of his 2010 bonus award. In addition to the restricted stock awards granted, during the year ended December 31, 2010 a performance award was established that, based on the EBITDA performance of the Company in 2010 and 2011, resulted in an additional 2,912,000 shares of restricted stock units being granted to certain key employees in February 2012. Such restricted stock units were unvested when granted and originally scheduled to vest upon the completion of the Company's 2012 audit if the EBITDA performance target for 2012 was achieved. Since as of December 2012 it was clear that the Company would exceed the performance target for 2012, Holdings' Board of Directors determined it was in the best interest of the Company to accelerate the vesting of the award by a couple of months to a December 24, 2012 vesting date thereby potentially creating significant tax savings for the individuals that received the award. As of December 31, 2012, all of the compensation expense related to this award had been recognized. In September 2012, our Chief Operating Officer retired and upon his retirement, 82,000 of these shares of restricted stock units were forfeited.

During the year ended December 31, 2011, an additional performance award was established based on our goal to achieve Modified EBITDA of \$500 million by 2015. The aggregate payout under the performance award to key employees if the target is achieved in 2015 would be 2,650,000 shares but could be more or less depending on the level of achievement and the timing

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Notes to Consolidated Financial Statements (Continued)

thereof. There has been no stock-based compensation expense recorded for this performance award because it was not deemed probable that we would achieve the specified performance targets as of December 31, 2013. Based on the closing market price of Holdings' common stock on the last trading day of the quarter ended December 31, 2013, the total unrecognized compensation expense related to this award at target achievement in 2015 is \$97.6 million that will be expensed over the service period if it becomes probable of achieving the performance condition. We will continue to evaluate the probability of achieving the performance condition going forward and record the appropriate expense if necessary.

The following table summarizes stock, restricted stock and restricted stock unit activity for the year ended December 31, 2013:

<i>(Amounts in thousands, except per share amounts)</i>	Shares	Weighted Average Grant Date Fair Value Per Share (\$)
Balance at December 31, 2012	694	\$ 9.73
Granted	19	\$ 38.26
Vested	(352)	\$ 10.20
Forfeited	(10)	\$ 8.12
Canceled	—	\$ —
Non-vested balance at December 31, 2013	<u>351</u>	<u>\$ 10.84</u>

The weighted average grant date fair value per share of stock awards granted during the years ended December 31, 2013, 2012 and 2011 was \$38.26, \$22.92 and \$17.57, respectively.

The total grant date fair value of the stock awards granted during the years ended December 31, 2013, 2012 and 2011 was \$0.7 million, \$67.3 million and \$0.8 million, respectively. The total fair value of stock awards that vested during the years ended December 31, 2013, 2012 and 2011 was \$3.6 million, \$68.5 million and \$4.2 million, respectively.

As of December 31, 2013, there was \$0.8 million of total unrecognized compensation expense related to restricted stock and restricted stock unit awards, which is expected to be recognized over a weighted-average period of 0.58 years.

Deferred Share Units

Non-employee directors can elect to receive the value of their annual cash retainer as a deferred share unit award (DSU) under the Long-Term Incentive Plan whereby the non-employee director is granted DSUs in an amount equal to such director's annual cash retainer divided by the closing price of Holdings' common stock on the date of the annual stockholders meeting. Each DSU represents the Company's obligation to issue one share of common stock and the shares are delivered approximately thirty days following the cessation of the non-employee director's service as a director of the Company.

DSUs vest quarterly consistent with the manner in which non-employee directors' cash retainers are paid. The fair value of the DSUs on the date of grant is expensed on a straight line basis over the requisite service period of the graded vesting term as if the award was, in substance, multiple awards.

During the years ended December 31, 2013 and 2012, approximately 3,000 and 5,000, respectively, DSUs were granted at a weighted-average grant date fair value of \$38.26 and \$24.20, respectively, per unit. The total grant date fair value of DSUs granted during the years ended December 31, 2013 and 2012, was \$0.1 million. During the year ended December 31, 2011, no DSUs were granted.

As of December 31, 2013, there was no unrecognized compensation expense related to the outstanding DSUs.

Dividend Equivalent Rights

On February 8, 2012, Holdings' Board of Directors granted dividend equivalent rights (DERs) to holders of unvested stock options. As of February 8, 2012, approximately 10.0 million unvested stock options were outstanding. As stockholders are paid cash dividends, the DERs will accrue dividends which will be distributed to stock option holders upon the vesting of their stock option award. Holdings will distribute the accumulated accrued dividends pursuant to the DERs in either cash or shares of common stock. Generally, holders of stock options for fewer than 1,000 shares of stock will receive their accumulated accrued dividends in cash. Generally, holders of stock options for 1,000 shares of stock or greater will receive their accumulated accrued dividends in shares of common stock. In addition, Holdings' Board of Directors granted similar DERs payable in shares of common stock if and when any shares are granted under the stock-based compensation performance award program based on the EBITDA performance of the Company in 2012 - 2015. In August 2012, Holdings' Board of Directors granted approximately 2.0 million additional options to the majority of the full-time employees of the Company as well as DERs in connection with

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Notes to Consolidated Financial Statements (Continued)

such options. During the twelve months ended December 31, 2013, Holdings' Board of Directors granted approximately 1.2 million additional options to the majority of full-time employees of the Company as well as DERs in connection with such options.

The DER grants to participants with 1,000 or more unvested stock options and the DER grants related to the performance award were granted contingent upon stockholder approval at the Company's 2012 Annual Meeting of Stockholders of the Company's proposal to amend the Long-Term Incentive Plan to increase the number of shares for issuance under the Long-Term Incentive Plan from 19,333,332 to 28,133,332. On May 2, 2012, our stockholders approved the Long-Term Incentive Plan amendment to increase the number of shares available for issuance. We recorded \$7.6 million and \$6.1 million of stock-based compensation for the DER grants during the years ended December 31, 2013 and 2012, respectively.

Employee Stock Purchase Plan

On September 15, 2010 and subject to stockholder approval, Holdings' Board of Directors adopted the Six Flags Entertainment Corporation Employee Stock Purchase Plan (the "ESPP") under Section 423 of the Internal Revenue Code. On May 4, 2011, our stockholders approved the ESPP and the ESPP became effective. The ESPP allows eligible employees to purchase Holdings' common stock at 90% of the lower of the market value of the common stock at the beginning or end of each successive six-month offering period. Amounts accumulated through participants' payroll deductions ("purchase rights") are used to purchase shares of common stock at the end of each purchase period. Pursuant to the ESPP, no more than 2,000,000 shares of common stock of Holdings may be issued, as adjusted to reflect the 2011 Stock Split and the 2013 Stock Split. Holdings' common stock may be issued by either authorized and unissued shares, treasury shares or shares purchased on the open market. As of December 31, 2013, we had 1,883,000 shares available for purchase pursuant to the ESPP.

For the ESPP six-month offering periods ended June 30, 2013 and December 31, 2013, stock-based compensation related to the purchase rights was calculated as the difference between the cost to purchase Holdings' common stock at 90% of the market value of the common stock at the beginning of the six-month offering periods and the cost to purchase Holdings' common stock at the market value of the common stock at the end of the six-month offering periods.

During the years ended December 31, 2013, 2012 and 2011, we recognized \$0.2 million, \$0.3 million and \$0.2 million of stock-based compensation expense relating to the ESPP, respectively.

As of December 31, 2013 and 2012, no purchase rights were outstanding under the ESPP. The total intrinsic value of purchase rights exercised during the years ended December 31, 2013, 2012 and 2011 was \$0.2 million, \$0.3 million and \$0.2 million, respectively.

(s) Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss), changes in the foreign currency translation adjustment, changes in the fair value of derivatives that are designated as hedges and changes in the net actuarial gains (losses) and amortization of prior service costs on our defined benefit retirement plan.

(t) Redeemable Noncontrolling Interest

We record the carrying amount of our redeemable noncontrolling interests at their fair value at the date of issuance. We recognize the changes in their redemption value immediately as they occur and adjust the carrying value of these redeemable noncontrolling interests to equal the redemption value at the end of each reporting period, if greater than the redeemable noncontrolling interest carrying value. This method would view the end of the reporting period as if it were also the redemption date for the redeemable noncontrolling interests. We conduct an annual review to determine if the fair value of the redeemable units is less than the redemption amount. If the fair value of the redeemable units is less than the redemption amount, there would be a charge to earnings per share allocable to common stockholders. The redemption amount at the end of each reporting period did not exceed the fair value of the redeemable units.

(u) Reclassifications

Reclassifications have been made to certain amounts reported in 2012 and 2011 to conform to the 2013 presentation.

(v) Recent Accounting Pronouncements

In January 2013, the FASB issued Accounting Standards Update No. 2013-01, *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities* ("ASU 2013-01"). The amendments in ASU 2013-01 clarify that the disclosure requirements of ASU 2011-11 are limited to derivatives, including bifurcated embedded derivatives, repurchase and reverse repurchase

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Notes to Consolidated Financial Statements (Continued)

agreements, and securities borrowing and lending transactions that are either offset in the statement of financial position or subject to an enforceable master netting arrangement or similar agreement. ASU 2013-01 is effective retrospectively for annual periods beginning on or after January 1, 2013. The adoption of these new accounting rules did not have a material effect on our financial condition, results of operations or cash flows.

In February 2013, the FASB issued Accounting Standards Update No. 2013-02, *Comprehensive Income - Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* ("ASU 2013-02"). The amendments in ASU 2013-02 require that entities report, either on their income statement or in a footnote to their financial statements, the effects on earnings from items that are reclassified out of other comprehensive income. The new accounting rules were effective beginning in the first quarter of 2013. The adoption of these new accounting rules did not have a material effect on our financial condition, results of operations or cash flows.

In February 2013, the FASB issued Accounting Standards Update No. 2013-04, *Obligations Resulting from Joint and Several Liability Arrangements for which the Total Amount of the Obligation Is Fixed at the Reporting Date* ("ASU 2013-04"). The amendments in ASU 2013-04 provide guidance for the recognition, measurement, and disclosure of obligations resulting from joint and several liability arrangements from which the total amount of the obligation within the scope of this guidance is fixed at the reporting date. ASU 2013-04 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. We do not anticipate a material impact to our financial position, results of operations or cash flows as a result of this change.

In March 2013, the FASB issued Accounting Standards Update No. 2013-05, *Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity* ("ASU 2013-05"). The amendments in ASU 2013-05 address the accounting for the cumulative translation adjustment when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a foreign subsidiary or group of assets. ASU 2013-05 is effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2013. We do not anticipate a material impact to our financial position, results of operations or cash flows as a result of this change.

In July 2013, the FASB issued Accounting Standards Update No. 013-10, *Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes* ("ASU 2013-10"). The amendments in ASU 2013-10 permit the Fed Funds Effective Swap Rate to be used as a U.S. benchmark interest rate for hedge accounting purposes under U.S. GAAP. ASU 2013-10 is effective prospectively for qualifying new or redesigned hedging relationships entered into on or after July 17, 2013. We do not anticipate a material impact to our financial position, results of operations or cash flows as a result of this change.

In July 2013, the FASB issued Accounting Standards Update No. 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* ("ASU 2013-11"). The amendments in ASU 2013-11 provide guidance on the financial statement presentation of unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. ASU 2013-11 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. We will reflect the impact of these amendments beginning with our Quarterly Report on Form 10-Q for the period ending March 31, 2014. We do not anticipate that the adoption of this pronouncement will result in a material impact to our financial position, results of operations or cash flows.

4. Disposition of Theme Parks

The Consolidated Financial Statements as of and for all periods presented reflect the assets, liabilities and results of operations of the parks we no longer operate as discontinued operations. As of December 31, 2013 and 2012, there were no assets or liabilities held for sale related to any of our parks that had been sold, excluding contingent liabilities discussed in Note 15.

The following are components of the net results of discontinued operations for the indicated periods:

	Year Ended December 31,		
	2013	2012	2011
<i>(Amounts in thousands)</i>			
Decrease in contingent liabilities from sale indemnities	\$ 549	\$ 7,273	\$ 1,201
Income from discontinued operations	\$ 549	\$ 7,273	\$ 1,201

Our long-term debt is not directly associated with discontinued operations, and we have not allocated a portion of our interest expense to the discontinued operations.

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements

5. Property and Equipment

As of December 31, 2013 and 2012, property and equipment was classified as follows:

<i>(Amounts in thousands)</i>	December 31,	
	2013	2012
Land	\$ 227,335	\$ 227,202
Land improvements	177,654	166,280
Buildings and improvements	264,853	256,967
Rides and attractions	857,426	809,006
Equipment	189,707	175,735
Property and equipment, at cost	1,716,975	1,635,190
Accumulated depreciation	(485,292)	(380,561)
Property and equipment, net	\$ 1,231,683	\$ 1,254,629

6. Noncontrolling Interests, Partnerships and Joint Ventures

Redeemable Noncontrolling Interests

Redeemable noncontrolling interests represents the non-affiliated parties' share of the assets of the three parks that are less than wholly-owned, including SFOT and SFOG (including Six Flags White Water Atlanta which is owned by the partnership that owns SFOG).

The following table presents a rollforward of redeemable noncontrolling interests in SFOT and SFOG:

<i>(Amounts in thousands)</i>	
Balance at December 31, 2011	\$ 440,427
Fresh start accounting fair market value adjustment for purchased units	(453)
Purchases of redeemable units of SFOT and SFOG	(2,033)
Net income attributable to noncontrolling interests	36,840
Distributions to noncontrolling interests	(36,840)
Balance at December 31, 2012	437,941
Fresh start accounting fair market value adjustment for purchased units	(84)
Purchases of redeemable units of SFOT	(288)
Net income attributable to noncontrolling interests	37,452
Distributions to noncontrolling interests	(37,452)
Balance at December 31, 2013	\$ 437,569

See Note 15 for a description of the partnership arrangements applicable to SFOT and SFOG. The redemption value of the partnership units as of December 31, 2013 and 2012 was approximately \$372.5 million and \$348.2 million, respectively.

Noncontrolling Interests

Noncontrolling interests represent the non-affiliated parties' share of the assets of HWP. On September 30, 2013, we acquired the minority equity interests held by non-affiliated parties in HWP, with the exception of a nominal amount retained by a non-affiliated party that we subsequently acquired on December 31, 2013. As of December 31, 2013, HWP was a wholly owned subsidiary. As of December 31, 2012, our ownership interest in the HWP joint venture was approximately 49.0%. The following table presents a rollforward of noncontrolling interests in HWP:

<i>(Amounts in thousands)</i>	
Balance at December 31, 2011	\$ 3,670
Net income attributable to noncontrolling interests	264
Balance at December 31, 2012	3,934
Net income attributable to noncontrolling interests	869
Purchase of ownership interests	(4,693)
Fresh start accounting fair market value adjustment for purchased ownership interests	(110)
Balance at December 31, 2013	\$ —

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

Other

During the third quarter of 2012, the venture (of which we held a 39.2% interest) that owned dick clark productions, inc. ("DCP") sold DCP to a third party. We received approximately \$70.0 million for our portion of the proceeds from the sale on October 1, 2012 and we received an additional \$0.3 million in January 2013 related to the sale of another small investment that was owned by the venture. In connection with the sale, our license to use properties from the DCP library in our parks was terminated. During the year ended December 31, 2012, we recorded a gain of approximately \$67.3 million after recovering our \$2.5 million investment and \$0.5 million related to the license that allowed us to air DCP shows at our parks. A portion of the sale proceeds are being held in escrow pending resolution of certain items related to the sale. If all of these items result in favorable outcomes, we would receive up to \$10 million of additional proceeds from the sale. We have not recorded a receivable for any of these additional amounts due to their contingent nature.

7. Derivative Financial Instruments

In March 2012, we entered into a floating-to-fixed interest rate agreement with a notional amount of \$470.0 million in order to limit exposure to an increase in the LIBOR interest rate of the Term Loan B (see Note 8). Our Term Loan B borrowings bear interest based on LIBOR plus an applicable margin. The interest rate agreement capped the LIBOR component of the interest rate at 1.00%. The term of the agreement began in March 2012 and expires in March 2014. Upon executing the agreement, we designated and documented the interest rate agreement as a cash flow hedge.

As of December 31, 2013, approximately \$0.3 million of unrealized losses associated with our interest rate contract derivative instrument is expected to be reclassified from AOCI to operations during the next twelve months. Transactions and events expected to occur over the next twelve months that will necessitate reclassifying these unrealized losses to operations are the periodic interest payments that are required to be made on the Term Loan B. For the year ended December 31, 2013, a nominal amount of hedge ineffectiveness was recorded for the interest rate agreement.

8. Long-Term Indebtedness

2011 Credit Facility

On December 20, 2011, we entered into a \$1,135.0 million credit agreement (the "2011 Credit Facility") with several lenders including Wells Fargo Bank National Association, as administrative agent and related loan and security documentation agents. The 2011 Credit Facility was comprised of a 5-year \$200.0 million revolving credit loan facility (the "Revolving Loan"), a 5-year \$75.0 million Tranche A Term Loan facility ("Term Loan A") and a 7-year \$860.0 million Tranche B Term Loan facility ("Term Loan B" and together with the Term Loan A, the "Term Loans"). In certain circumstances, the Term Loan B could be increased by \$300.0 million. The proceeds from the \$935.0 million Term Loans were used, along with \$15.0 million of existing cash, to retire the \$950.0 million senior term loan from the prior facility. Interest on the 2011 Credit Facility accrues based on pricing rates corresponding with SFTP's senior secured leverage ratios as set forth in the credit agreement.

On December 21, 2012, we entered into an amendment to the 2011 Credit Facility (the "2012 Credit Facility Amendment") that among other things, permitted us to (i) issue \$800 million of senior unsecured notes, (ii) use \$350.0 million of the proceeds of the senior unsecured notes to repay the \$72.2 million that was outstanding under the Term Loan A and \$277.8 million of the outstanding balance of the Term Loan B, (iii) use the remaining \$450.0 million of proceeds for share repurchases and other corporate matters, and (iv) reduced the interest rate payable on the Term Loan B by 25 basis points.

On December 23, 2013, we entered into an amendment to the 2011 Credit Facility (the "2013 Credit Facility Amendment") that reduced the overall borrowing rate on the Term Loan B by 50 basis points through (i) a 25 basis point reduction in the applicable margin from 3.00% plus LIBOR to 2.75% plus LIBOR and (ii) a 25 basis point reduction in the minimum LIBOR rate from 1.00% to 0.75%. Additionally, the 2013 Credit Facility Amendment permits us to use up to \$200.0 million of our excess cash on hand, over time, for general corporate purposes, including potential share repurchases. In connection with the 2013 Credit Facility Amendment, we capitalized \$2.4 million of debt issuance costs directly associated with the issuance of the amendment. Additionally, we recorded a \$0.8 million loss on debt extinguishment for the year ended December 31, 2013 as portions of the Term Loan B were retired and subsequently repurchased by certain lenders as a part of the amendment.

As of December 31, 2013 and 2012, no advances under the Revolving Loan were outstanding (excluding letters of credit in the amount of \$18.8 million and \$18.2 million, respectively). Interest on the Revolving Loan accrues at an annual rate of LIBOR plus an applicable margin with an unused commitment fee based on our senior secure leverage ratio. As of

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Notes to Consolidated Financial Statements (Continued)

December 31, 2013 and 2012, the Revolving Loan unused commitment fee was 0.375% and 0.500%, respectively. The principal amount of the Revolving Loan is due and payable on December 20, 2016.

As of December 31, 2012, the Term Loan A had been fully repaid. Prior to repayment, interest on the Term Loan A accrued at an annual rate of LIBOR plus an applicable margin based on our senior secured leverage ratio.

As of December 31, 2013 and 2012, \$576.4 million and \$582.2 million, respectively, was outstanding under the Term Loan B. Interest on the Term Loan B accrues at an annual rate of LIBOR plus an applicable margin, with a 0.75% LIBOR floor, based on our senior secure leverage ratio. In March 2012, we entered into a floating-to-fixed interest rate agreement to limit exposure to an increase in the LIBOR interest rate on \$470.0 million of the Term Loan B. The interest rate agreement capped the LIBOR component of the interest rate at 1.00% (see Note 7). As of December 31, 2013 and 2012, the applicable interest rate on the Term Loan B was 3.50% and 4.00%, respectively. As of March 31, 2013, the Term Loan B began amortizing in quarterly installments of \$1.5 million. All remaining outstanding principal will be due and payable on December 20, 2018.

Amounts outstanding under the 2011 Credit Facility are guaranteed by Holdings, SFO and certain of the domestic subsidiaries of SFTP (collectively, the "Loan Parties"). The 2011 Credit Facility is secured by first priority liens upon substantially all existing and after-acquired assets of the Loan Parties. The 2011 Credit Facility agreement contains certain representations, warranties and affirmative covenants, including minimum interest coverage and a maximum senior leverage maintenance covenant. In addition, the 2011 Credit Facility agreement contains restrictive covenants that, subject to certain exceptions, limit or restrict, among other things, the ability of the Loan Parties to incur indebtedness, create liens, engage in mergers, consolidations and other fundamental changes, make investments or loans, engage in transactions with affiliates, pay dividends, make capital expenditures and repurchase capital stock. The 2011 Credit Facility agreement contains certain events of default, including payment, breaches of covenants and representations, cross defaults to other material indebtedness, judgment, and changes of control and bankruptcy events of default.

2021 Notes

On December 21, 2012, Holdings issued \$800.0 million of 5.25% senior unsecured notes due January 15, 2021 (the "2021 Notes"). The proceeds from the 2021 Notes were used to repay the \$72.2 million that was outstanding under the Term Loan A and to repay \$277.8 million of the outstanding balance of the Term Loan B. The remaining proceeds were used for share repurchases. Interest payments of \$21.0 million are due semi-annually on January 15 and July 15 (except in 2013 when we only made one interest payment of \$22.3 million on July 15 and in 2021 when we will only make one payment of \$21.0 million on January 15).

The 2021 Notes are guaranteed by the Loan Parties. The 2021 Notes contain restrictive covenants that, subject to certain exceptions, limit or restrict, among other things, the ability of the Loan Parties to incur additional indebtedness, create liens, engage in mergers, consolidations and other fundamental changes, make investments, engage in transactions with affiliates, pay dividends and repurchase capital stock. The 2021 Notes contain certain events of default, including payment, breaches of covenants and representations, cross defaults to other material indebtedness, judgment, and changes of control and bankruptcy events of default.

In connection with the 2012 Credit Facility Amendment, the issuance of the 2021 Notes and the repayment of the Term Loan A and a portion of the Term Loan B, we recorded a \$0.6 million loss on debt extinguishment for the year ended December 31, 2012.

HWP Refinance Loan

On November 5, 2007, HWP entered into a \$33.0 million term loan (the "Refinance Loan") retiring (i) the \$31.0 million construction-term loan with Marshall Investments Corporation incurred December 17, 2004 and (ii) the term loan and revolving line of credit with BankFirst incurred April 20, 2006. Borrowings under the Refinance Loan bear interest at 6.72%. Monthly payments of principal and interest of \$0.2 million are payable through November 1, 2017. On December 1, 2017, all unpaid principal and interest is due and payable. Due to significant early pre-payment penalties under the Refinance Loan, we do not currently intend to pre-pay the Refinance Loan prior to its scheduled maturity. HWP is subject to various covenants under the Refinance Loan that place certain restrictions limiting or prohibiting engaging in certain types of transactions. Pursuant to the Refinance Loan, HWP deposited into escrow \$1.8 million and \$1.2 million as of December 31, 2013 and 2012, respectively, and will make additional monthly deposits to cover annual amounts owed for insurance, taxes and furniture, fixture and equipment purchases.

In connection with the issuance of the Refinance Loan, Holdings and the other joint venture partners provided a limited guarantee of the Refinance Loan, which becomes operative under certain limited circumstances, including the voluntary bankruptcy of HWP or its managing member and other specified events of default. As additional security for the Refinance

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Notes to Consolidated Financial Statements (Continued)

Loan, we also provided a \$1.0 million letter of credit to secure the Refinance Loan. During the year ended December 31, 2013, we acquired the minority equity interests held by non-affiliated parties in HWP.

As a result of the Chapter 11 Filing, the Refinance Loan lender was permitted to accelerate payment thereof and therefore we classified the balance in current portion of long-term debt on the consolidated balance sheets. In July 2012, we received a waiver from the Refinance Loan lender and have reclassified the long-term portion of the Refinance Loan to long-term debt on the 2013 and 2012 consolidated balance sheet.

Long-Term Indebtedness Summary

As of December 31, 2013 and 2012, long-term debt consisted of the following:

<i>(Amounts in thousands)</i>	December 31,	
	2013	2012
Term Loan B	576,366	582,187
2021 Notes	800,000	800,000
HWP Refinance Loan	30,673	31,128
Net discount	(6,436)	(8,109)
Long-term debt	1,400,603	1,405,206
Less current portion	(6,269)	(6,240)
Total long-term debt	<u>\$ 1,394,334</u>	<u>\$ 1,398,966</u>

As of December 31, 2013, annual maturities of long-term debt, assuming no acceleration of maturities, were as follows:

<i>(Amounts in thousands)</i>	
Year ending December 31:	
2014	\$ 6,269
2015	6,339
2016	6,370
2017	34,983
2018	553,078
Thereafter	800,000
	<u>\$ 1,407,039</u>

9. Selling, General and Administrative Expenses

Selling, general and administrative expenses comprised the following for the years ended December 31, 2013, 2012 and 2011:

<i>(Amounts in thousands)</i>	Year Ended December 31,		
	2013	2012	2011
Park	\$ 121,735	\$ 118,162	\$ 118,887
Corporate	67,483	107,713	96,172
Total selling, general and administrative expenses	<u>\$ 189,218</u>	<u>\$ 225,875</u>	<u>\$ 215,059</u>

Selling, general and administrative expense includes stock-based compensation of \$27.0 million, \$62.9 million and \$54.3 million for the years ended December 31, 2013, 2012 and 2011, respectively.

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

10. Fair Value of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties. The following table and accompanying information present the estimated fair values and classifications of our financial instruments in accordance with FASB ASC Topic 820, *Fair Value Measurement*, as of December 31, 2013 and 2012:

<i>(Amounts in thousands)</i>	December 31,			
	2013		2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets (liabilities):				
Restricted-use investment securities	\$ 1,823	\$ 1,823	\$ 1,218	\$ 1,218
Derivative instruments	—	—	32	32
Long-term debt (including current portion)	(1,400,603)	(1,384,603)	(1,405,206)	(1,410,255)

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- The carrying values of cash and cash equivalents, accounts receivable, notes receivable, accounts payable, and accrued liabilities approximate fair value because of the short maturity of these instruments.
- Restricted-use investment securities consist of interest bearing bank accounts for which their carrying value approximates their fair value because of their short term maturity. The measurement of restricted-use investment securities is considered a Level 2 fair value measurement.
- The fair value of derivative assets is based on market prices that generally are observable for similar assets at commonly quoted intervals and are considered Level 2 fair value measurements. Derivative assets that have maturity dates equal to or less than twelve months from the balance sheet date are included in prepaid and other current assets. Derivative assets that have maturity dates greater than twelve months from the balance sheet date are included in deposits and other assets. See Note 7 for additional information on our derivative instruments and related policies.
- The fair value of long-term debt is based on market prices that generally are observable for similar liabilities at commonly quoted intervals and are considered Level 2 fair value measurements.

11. Income Taxes

The following table summarizes the components of income tax expense (benefit) from continuing operations for the years ended December 31, 2013, 2012 and 2011:

<i>(Amounts in thousands)</i>	Current	Deferred	Total
2013:			
U.S. federal	\$ —	\$ 39,077	\$ 39,077
Foreign	9,868	(1,123)	8,745
State and local	2,818	(3,039)	(221)
Income tax expense	\$ 12,686	\$ 34,915	\$ 47,601
2012:			
U.S. federal	\$ —	\$ (193,457)	\$ (193,457)
Foreign	6,281	1,181	7,462
State and local	3,732	(1,891)	1,841
Income tax expense (benefit)	\$ 10,013	\$ (194,167)	\$ (184,154)
2011:			
U.S. federal	\$ —	\$ (13,063)	\$ (13,063)
Foreign	6,716	(599)	6,117
State and local	(80)	(1,039)	(1,119)
Income tax expense (benefit)	\$ 6,636	\$ (14,701)	\$ (8,065)

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Notes to Consolidated Financial Statements (Continued)

Recorded income tax expense (benefit) allocated to income from continuing operations differed from amounts computed by applying the U.S. federal income tax rate of 35% to income before income taxes as a result of the following:

<i>(Amounts in thousands)</i>	Year Ended December 31,		
	2013	2012	2011
Computed "expected" federal income tax expense	\$ 71,374	\$ 74,064	\$ 1,358
Change in valuation allowance	13,144	(246,469)	(9,283)
Effect of state and local income taxes, net of federal tax benefit	(144)	1,196	685
Effect of noncontrolling interest income distribution	(13,412)	(12,986)	(12,532)
Nondeductible compensation	2,265	805	11,654
Effect of foreign income taxes	(1,495)	958	308
Effect of foreign earnings earned and remitted in the same year	195	1,446	—
Effect of foreign tax credits	(17,387)	—	—
Reorganization items and fresh start accounting adjustments, net	—	759	859
Other, net	(6,939)	(3,927)	(1,114)
Income tax expense (benefit)	\$ 47,601	\$ (184,154)	\$ (8,065)

In prior periods, a deduction was taken for foreign taxes paid to other jurisdictions. The Company has elected to amend the 2011 and 2012 tax returns to take a Foreign Tax Credit in lieu of that deduction. This resulted in a net increase to deferred tax assets.

In connection with emergence from Chapter 11, the Company's prepetition debt securities, primarily the prepetition notes issued by SFI and SFO, were extinguished. Absent an exception, a debtor recognizes cancellation of debt income ("CODI") upon discharge of its outstanding indebtedness for an amount of consideration that is less than its adjusted issue price. The Internal Revenue Code ("IRC") provides that a debtor in a bankruptcy case may exclude CODI from income but must reduce certain of its tax attributes by the amount of any CODI realized as a result of the consummation of a plan of reorganization. The amount of CODI realized by a taxpayer is the adjusted issue price of any indebtedness discharged less the sum of (i) the amount of cash paid, (ii) the issue price of any new indebtedness issued and (iii) the fair market value of any other consideration, including equity, issued. As a result of the market value of our equity upon emergence from Chapter 11 bankruptcy proceedings, we were able to retain a significant portion of our federal NOLs and state NOLs (collectively, the "Tax Attributes") after reduction of the Tax Attributes for CODI realized on emergence from Chapter 11. As a result of emergence from Chapter 11, the Company's NOLs were reduced by approximately \$804.8 million of CODI.

Sections 382 and 383 of the IRC provide an annual limitation with respect to the ability of a corporation to utilize its Tax Attributes, as well as certain built-in-gains, against future U.S. taxable income in the event of a change in ownership. The Company's emergence from Chapter 11 is considered a change in ownership for purposes of Section 382 of the IRC. The limitation under the IRC is based on the value of the corporation as of the emergence date. The Company's estimated annual limitation of approximately \$32.5 million is available for each of the next 18 years plus an additional estimated \$696 million of built-in-gains which should become available to the Company from the period 2011 through 2015, on the amount of NOL carryforwards it may use in the future. Those limitation amounts accumulate for future use to the extent they are not utilized in a given year. As a result, our future U.S. taxable income may not be fully offset by the Tax Attributes if such income exceeds our annual limitation, and we may incur a tax liability with respect to such income. In addition, subsequent changes in ownership for purposes of the IRC could further diminish the Company's Tax Attributes.

Substantially all of our future taxable temporary differences (deferred tax liabilities) relate to the different financial accounting and tax depreciation methods and periods for property and equipment (20 to 25 years for financial reporting purposes and 7 to 12 years for tax reporting purposes) and intangibles. Our net operating loss carryforwards, alternative minimum tax credits, accrued insurance expenses and deferred compensation amounts represent future income tax benefits (deferred tax assets). The following table summarizes the components of deferred income tax assets and deferred tax liabilities as of December 31, 2013 and 2012:

<i>(Amounts in thousands)</i>	December 31,	
	2013	2012
Deferred tax assets	\$ 544,466	\$ 561,216
Less: Valuation allowance	190,288	177,353
Net deferred tax assets	354,178	383,863
Deferred tax liabilities	428,247	411,447
Net deferred tax liability	\$ 74,069	\$ 27,584

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Notes to Consolidated Financial Statements (Continued)

<i>(Amounts in thousands)</i>	December 31,	
	2013	2012
Deferred tax assets:		
Federal net operating loss carryforwards	\$ 241,712	\$ 288,675
State net operating loss carryforwards	196,814	180,777
Foreign tax credits	17,387	—
Alternative minimum tax credits	6,591	6,591
Accrued insurance, pension liability and other	81,962	85,173
Total deferred tax assets	\$ 544,466	\$ 561,216
Deferred tax liabilities:		
Property and equipment	\$ 299,633	\$ 287,992
Intangible assets and other	128,614	123,455
Total deferred tax liabilities	\$ 428,247	\$ 411,447

In addition to the net operating losses recognized under financial accounting principles and included in deferred income tax assets in the above table, as of December 31, 2013, we had approximately \$144.3 million of income tax deductions related to share-based payments that are in excess of the amount recognized in the accompanying financial statements. When these benefits are realized in our tax returns as a reduction of taxes that otherwise would have been required to be paid in cash, then, in accordance with ASC 718, we will recognize these excess benefits as an increase in additional paid in capital on an after-tax basis, which at current income tax rates would approximate \$56.6 million. We use tax law ordering when determining when excess tax benefits have been realized.

As of December 31, 2013 and 2012, we had approximately \$0.8 billion and \$0.9 billion, respectively, of net operating loss carryforwards available for U.S. federal income tax purposes that expire through 2029 and \$5.0 billion and \$4.7 billion, respectively, of net operating loss carryforwards available for state income tax purposes that expire through 2032. We have recorded a valuation allowance of \$190.3 million and \$177.4 million as of December 31, 2013 and 2012, respectively, due to uncertainties related to our ability to utilize some of our deferred tax assets before they expire. The valuation allowance at December 31, 2013 and December 31, 2012 was based on our inability to use state deferred tax assets related to NOLs that were generated in states where we no longer do business or where we have consistently not generated taxable income. As of December 31, 2013 and 2012, we had approximately \$6.6 million of alternative minimum tax credits that have no expiration date.

The change in valuation allowance attributable to income from continuing operations, discontinued operations and other comprehensive loss and equity is presented below:

<i>(Amounts in thousands)</i>	Year Ended December 31,		
	2013	2012	2011
Continuing operations	\$ 13,144	\$ (246,469)	\$ (9,283)
Discontinued operations	(209)	(2,763)	(457)
Changes in other comprehensive loss and equity	—	—	16,226
Total change in valuation allowance	\$ 12,935	\$ (249,232)	\$ 6,486

Our unrecognized tax benefit as of December 31, 2013 and 2012 was \$43.9 million. There were no additions or reductions to this unrecognized tax benefit during 2013.

12. Preferred Stock, Common Stock and Other Stockholders' Equity (Deficit)

Common Stock

As of December 31, 2013, the number of authorized shares of common stock was 140,000,000 shares, of which 94,857,347 shares were outstanding, 5,083,000 shares were reserved for future issuance through our Long-Term Incentive Plan, and 1,883,000 shares were reserved for future issuance through our Employee Stock Purchase Plan (the "ESPP"). Pursuant to the ESPP, Holdings' common stock may be issued by either authorized and unissued shares, treasury shares or shares purchased on the open market.

On May 5, 2011 and May 8, 2013, Holdings' Board of Directors approved two-for-one stock splits of Holdings' common stock effective in the form of a stock dividend of one share of common stock for each outstanding share of common stock. The record dates for the 2011 Stock Split and 2013 Stock Split were June 15, 2011 and June 12, 2013, respectively. The additional shares of common stock in connection with the 2011 Stock Split and the 2013 Stock Split were distributed on June 27, 2011 and June 26, 2013, respectively. In accordance with the provisions of our stock benefit plans and as determined by Holdings' Board

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Notes to Consolidated Financial Statements (Continued)

of Directors, the number of shares available for issuance, the number of shares subject to outstanding equity awards and the exercise prices of outstanding stock option awards were adjusted to equitably reflect the effect of the 2011 Stock Split and the 2013 Stock Split. All share and per share amounts presented in the consolidated financial statements and Notes have been retroactively adjusted to reflect the 2011 Stock Split and the 2013 Stock Split.

On February 24, 2011, Holdings' Board of Directors approved a stock repurchase program that permitted Holdings to repurchase up to \$60.0 million in shares of Holdings' common stock over a three-year period (the "First Stock Repurchase Plan"). Under the First Stock Repurchase Plan, during the twelve months ended December 31, 2011, Holdings repurchased an aggregate of 3,235,000 shares at a cumulative price of approximately \$60.0 million. The small amount of remaining shares that were permitted to be repurchased under the First Stock Repurchase Plan were repurchased in January 2012.

On January 3, 2012, Holdings' Board of Directors approved a new stock repurchase program that permitted Holdings to repurchase up to \$250.0 million in shares of Holdings' common stock over a four-year period (the "Second Stock Repurchase Plan"). Under the Second Stock Repurchase Program, during the year ended December 31, 2012, Holdings repurchased an aggregate of 8,499,000 shares at a cumulative price of approximately \$232.0 million. As of January 4, 2013, Holdings had repurchased an additional 578,000 shares at a cumulative price of approximately \$18.0 million and an average price per share of \$31.16 to complete the permitted repurchases under the Second Stock Repurchase Plan.

On December 11, 2012, Holdings' Board of Directors approved a new stock repurchase program that permitted Holdings to repurchase up to \$500.0 million in shares of Holdings' common stock over a three-year period (the "Third Stock Repurchase Plan"). As of December 31, 2013, Holdings had repurchased 14,775,000 shares at a cumulative price of approximately \$500.0 million and an average price per share of \$33.84 to complete the permitted repurchases under the Third Stock Repurchase Plan.

On November 20, 2013, Holdings' Board of Directors approved a new stock repurchase program that permits Holdings to repurchase up to \$500.0 million in shares of Holdings' common stock (the "Fourth Stock Repurchase Plan"). As of February 14, 2014, Holdings has repurchased 154,000 shares at a cumulative price of approximately \$5.6 million and an average price per share of \$36.10 under the Fourth Stock Repurchase Plan.

During the years ended December 31, 2013, 2012 and 2011, Holdings' Board of Directors declared and paid quarterly cash dividends per share of common stock as follows:

	Dividends Paid Per Share
2013:	
Fourth Quarter	\$ 0.470
Third Quarter	\$ 0.450
Second Quarter	\$ 0.450
First Quarter	\$ 0.450
2012:	
Fourth Quarter	\$ 0.450
Third Quarter	\$ 0.300
Second Quarter	\$ 0.300
First Quarter	\$ 0.300
2011:	
Fourth Quarter	\$ 0.030
Third Quarter	\$ 0.030
Second Quarter	\$ 0.015
First Quarter	\$ 0.015

Preferred Stock

The number of authorized shares of preferred stock was 5,000,000 as of December 31, 2013. No shares of preferred stock were outstanding or reserved for future issuance. The authorization of preferred shares empowers Holdings' Board of Directors, without further stockholder approval, to issue preferred shares with dividend, liquidation, conversion, voting or other rights which could adversely affect the voting power or other rights of the holders of Holdings' common stock. If issued, the preferred stock could also dilute the holders of Holdings' common stock and could be used to discourage, delay or prevent a change of control of us.

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Notes to Consolidated Financial Statements (Continued)

Accumulated Other Comprehensive (Loss) Income

The balances for each component of accumulated other comprehensive (loss) income are as follows:

	Currency Translation Adjustment	Cash Flow Hedges	Defined Benefit Plans	Income Taxes	Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2010	\$ 2,539	\$ —	\$ (6,731)	\$ —	\$ (4,192)
Net current period change	(9,154)	—	(36,566)	—	(45,720)
Balance as of December 31, 2011	\$ (6,615)	\$ —	\$ (43,297)	\$ —	\$ (49,912)
Net current period change	6,953	(865)	(4,627)	(269)	1,192
Amounts reclassified from AOCI	—	37	(666)	248	(381)
Balance as of December 31, 2012	\$ 338	\$ (828)	\$ (48,590)	\$ (21)	\$ (49,101)
Net current period change	(2,048)	(31)	29,646	(11,039)	16,528
Amounts reclassified from AOCI	—	558	(761)	79	(124)
Balance as of December 31, 2013	\$ (1,710)	\$ (301)	\$ (19,705)	\$ (10,981)	\$ (32,697)

The Company had the following reclassifications out of accumulated other comprehensive income (loss) during the years ended December 31, 2013 and 2012:

Component of AOCI	Location of Reclassification into Income	Amount of Reclassification from AOCI	
		Year Ended December 31, 2013	2012
		<i>(Amounts in thousands)</i>	
Amortization of loss on interest rate hedge	Interest expense	\$ (558)	\$ (37)
	Income tax benefit	219	15
	Net of tax	\$ (339)	\$ (22)
Amortization of deferred actuarial loss and prior service cost	Operating expenses	\$ 761	\$ 666
	Income tax benefit	(298)	(263)
	Net of tax	\$ 463	\$ 403
Total reclassifications		\$ 124	\$ 381

13. Pension Benefits

As part of the acquisition of Former SFEC, we assumed the obligations related to the SFTP Defined Benefit Plan (the "SFTP Benefit Plan"). The SFTP Benefit Plan covered substantially all of SFTP's employees. During 1999, the SFTP Benefit Plan was amended to cover substantially all of our domestic full-time employees. During 2004, the SFTP Benefit Plan was further amended to cover certain seasonal workers, retroactive to January 1, 2003. The SFTP Benefit Plan permits normal retirement at age 65, with early retirement at ages 55 through 64 upon attainment of 10 years of credited service. The early retirement benefit is reduced for benefits commencing before age 62. Plan benefits are calculated according to a benefit formula based on age, average compensation over the highest consecutive five-year period during the employee's last ten years of employment and years of service. The SFTP Benefit Plan assets are invested primarily in equity and fixed income securities, as well as alternative investments, such as hedge funds. The SFTP Benefit Plan does not have significant liabilities other than benefit obligations. Under our funding policy, contributions to the SFTP Benefit Plan are determined using the projected unit credit cost method. This funding policy meets the requirements under the Employee Retirement Income Security Act of 1974.

We froze our pension plan effective March 31, 2006, pursuant to which most participants no longer earned future pension benefits. Effective February 16, 2009, the remaining participants in the pension plan no longer earned future benefits.

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Notes to Consolidated Financial Statements (Continued)

Obligations and Funded Status

The following table sets forth the change in our benefit plan obligation and fair value of plan assets:

<i>(Amounts in thousands)</i>	Year Ended December 31,		
	2013	2012	2011
Change in benefit obligation:			
Beginning balance	\$ 235,502	\$ 218,806	\$ 183,048
Interest cost	8,836	9,226	9,741
Actuarial (gain) loss	(25,368)	14,616	32,385
Benefits paid	(7,157)	(7,146)	(6,368)
Benefit obligation at end of period	\$ 211,813	\$ 235,502	\$ 218,806
Change in fair value of plan assets:			
Beginning balance	\$ 164,048	\$ 146,630	\$ 143,818
Actual return on assets	15,068	19,648	6,480
Employer contributions	6,000	6,075	3,750
Administrative fees	(1,253)	(1,159)	(1,050)
Benefits paid	(7,157)	(7,146)	(6,368)
Fair value of plan assets at end of period	\$ 176,706	\$ 164,048	\$ 146,630

Employer contributions and benefits paid in the above table include only those amounts contributed directly to, or paid directly from, plan assets. The accumulated benefit obligation for the SFTP Benefit Plan as of December 31, 2013 and 2012 was \$211.8 million and \$235.5 million, respectively. We use December 31 as our measurement date.

As of December 31, 2013 and 2012, the SFTP Benefit Plan's projected benefit obligation exceeded the fair value of SFTP Benefit Plan assets resulting in the SFTP Benefit Plan being underfunded, which we recognized in other long-term liabilities in our consolidated balance sheets. The following is a reconciliation of the SFTP Benefit Plan funded status to the amounts recognized in our consolidated balance sheets as of December 31, 2013 and 2012:

<i>(Amounts in thousands)</i>	December 31,	
	2013	2012
Fair value of plan assets	\$ 176,706	\$ 164,048
Benefit obligation	(211,813)	(235,502)
Funded status (deficit)	\$ (35,107)	\$ (71,454)
Other long-term liabilities	\$ (35,107)	\$ (71,454)

The weighted average assumptions used to determine benefit obligations are as follows:

	December 31,	
	2013	2012
Discount rate	4.70%	3.85%
Rate of compensation increase	N/A	N/A

Net periodic benefit cost and other comprehensive income (loss)

The following table sets forth the components of net periodic benefit cost and other comprehensive income (loss):

<i>(Amounts in thousands)</i>	Year Ended December 31,		
	2013	2012	2011
Net periodic benefit cost:			
Service cost	\$ 1,200	\$ 1,150	\$ 1,050
Interest cost	8,836	9,226	9,741
Expected return on plan assets	(12,258)	(10,982)	(10,662)
Amortization of net actuarial loss	761	666	—
Total net periodic benefit cost	\$ (1,461)	\$ 60	\$ 129
Other comprehensive loss:			
Current year actuarial gain (loss)	\$ 28,885	\$ (5,293)	\$ (36,566)
Total other comprehensive loss	\$ 28,885	\$ (5,293)	\$ (36,566)

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Notes to Consolidated Financial Statements (Continued)

As of December 31, 2013 and 2012, we have recorded \$29.1 million (including tax expense of \$9.4 million) and \$46.5 million (net of tax benefit of \$2.1 million) in accumulated other comprehensive loss in our consolidated balance sheets, respectively.

We estimated that no amounts will be amortized from accumulated other comprehensive loss into net periodic benefit cost in 2014.

The weighted average assumptions used to determine net costs are as follows:

	Year Ended December 31,		
	2013	2012	2011
Discount rate	3.85%	4.30%	5.40%
Rate of compensation increase	N/A	N/A	N/A
Expected return on plan assets	7.50%	7.50%	7.50%

The discount rate assumption was developed based on high-quality corporate bond yields as of the measurement date. High quality corporate bond yield indices on over 500 AA high grade bonds are considered when selecting the discount rate.

The return on plan assets assumption was developed based on consideration of historical market returns, current market conditions, and the SFTP Benefit Plan's past experience. Estimates of future market returns by asset category are reflective of actual long-term historical returns. Overall, it was projected that the SFTP Benefit Plan could achieve a 7.50% net return over time based on a consistent application of the existing asset allocation strategy and a continuation of the SFTP Benefit Plan's policy of monitoring manager performance.

Description of Investment Committee and Strategy

The Committee is responsible for managing the investment of SFTP Benefit Plan assets and ensuring that the SFTP Benefit Plan's investment program is in compliance with all provisions of ERISA, other relevant legislation, related SFTP Benefit Plan documents and the Statement of Investment Policy. The Committee has retained several mutual funds, commingled funds and/or investment managers to manage SFTP Benefit Plan assets and implement the investment process. The investment managers, in implementing their investment processes, have the authority and responsibility to select appropriate investments in the asset classes specified by the terms of the applicable prospectus or other investment manager agreements with the SFTP Benefit Plan.

The primary financial objective of the SFTP Benefit Plan is to secure participant retirement benefits. As such, the key objective in the SFTP Benefit Plan's financial management is to promote stability and, to the extent appropriate, growth in funded status. Other related and supporting financial objectives are also considered in conjunction with a comprehensive review of current and projected SFTP Benefit Plan financial requirements.

The assets of the fund are invested to achieve the greatest reward for the SFTP Benefit Plan consistent with a prudent level of risk. The asset return objective is to achieve, as a minimum over time, the passively managed return earned by market index funds, weighted in the proportions outlined by the asset class exposures in the SFTP Benefit Plan's long-term target asset allocation.

The SFTP Benefit Plan's portfolio may be allocated across several hedge fund styles and strategies.

Plan Assets

The target allocations for plan assets are 18% domestic equity securities, 47% fixed income securities, 14% international equity securities, and 21% alternative investments. Equity securities primarily include investments in large-cap companies located in the United States and abroad. Fixed income securities include bonds and debentures issued by domestic and foreign private and governmental issuers. Alternative investments are comprised of hedge fund of funds.

The fair value of plan assets was \$176.7 million and \$164.0 million as of December 31, 2013 and 2012, respectively. The expected long term rate of return on these plan assets was 7.50% in 2013, 2012 and 2011. The following table presents the categories of our plan assets and the related levels of inputs in the fair value hierarchy, as defined in Note 3(c), used to determine the fair value:

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

Fair Value Measurements as of December 31, 2013				
(Amounts in thousands)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
ASSET CATEGORY:				
Equity Securities:				
Large-Cap Disciplined Equity ^(a)	\$ 35,446	\$ 35,446	\$ —	\$ —
Small/Mid-Cap Equity ^(a)	5,668	5,668	—	—
International Equity ^(b)	25,753	25,753	—	—
Fixed Income:				
Long Duration Fixed Income ^(c)	67,298	67,298	—	—
High Yield ^(d)	8,764	8,764	—	—
Emerging Markets Debt ^(e)	6,583	6,583	—	—
Alternatives:				
Hedge Fund of Funds ^(f)	9,519	—	—	9,519
Cash ^(g)	8,867	8,867	—	—
Other Investments ^(h)	8,808	8,808	—	—
Fair Value of Plan Assets	\$ 176,706	\$ 167,187	\$ —	\$ 9,519

Fair Value Measurements as of December 31, 2012				
(Amounts in thousands)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
ASSET CATEGORY:				
Equity Securities:				
Large-Cap Disciplined Equity ^(a)	\$ 37,942	\$ 37,942	\$ —	\$ —
Small/Mid-Cap Equity ^(a)	9,212	9,212	—	—
International Equity ^(b)	21,618	21,618	—	—
Fixed Income:				
Long Duration Fixed Income ^(c)	46,084	46,084	—	—
Core Fixed Income ^(c)	3,081	3,081	—	—
High Yield ^(d)	6,145	6,145	—	—
Emerging Markets Debt ^(e)	4,638	4,638	—	—
Alternatives:				
Hedge Fund of Funds ^(f)	22,618	—	—	22,618
Cash ^(g)	4,510	4,510	—	—
Other Investments ^(h)	8,200	8,200	—	—
Fair Value of Plan Assets	\$ 164,048	\$ 141,430	\$ —	\$ 22,618

- (a) These categories are comprised of mutual funds actively traded on the registered exchanges or over the counter markets. The mutual funds are invested in equity securities of U.S. issuers.
- (b) This category consists of mutual funds invested primarily in equity securities (common stocks, securities that are convertible into common stocks, preferred stocks, warrants and rights to subscribe to common stocks) of non-U.S. issuers purchased in foreign markets. The mutual funds are actively traded on U.S. or foreign registered exchanges, or the over-the-counter markets.
- (c) The assets are comprised of mutual funds which are actively traded on the registered exchanges. The mutual funds are invested primarily in high quality government and corporate fixed income securities, as well as synthetic instruments or derivatives having economic characteristics similar to fixed income securities.
- (d) The high yield portion of the fixed income portfolio consists of mutual funds invested primarily in fixed income securities that are rated below investment grade. The mutual funds are actively traded on the registered exchanges.
- (e) The emerging debt portion of the portfolio consists of mutual funds primarily invested in the debt securities of government, government-related and corporate issuers in emerging market countries and of entities organized to restructure outstanding debt of such issuers. The mutual funds are actively traded on the registered exchanges.
- (f) Hedge Fund of Funds consists primarily of investments in underlying hedge funds. Management of the hedge funds has the ability to choose and combine hedge funds in order to target the fund's return objectives. Individual hedge funds hold their assets primarily in investment funds and engage in investment strategies that include temporary or dedicated directional market exposures.
- (g) Cash held at year end was to be used to purchase equity based securities in January 2014 and 2013.
- (h) This category is comprised of an investment in a common collective trust with the underlying assets invested in asset-backed securities, money market funds, corporate bonds and bank notes. The underlying assets are actively traded on the registered exchanges.

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

The following table represents a rollforward of the December 31, 2013 and 2012 balances of our plan assets that are valued using Level 3 inputs:

<i>(Amounts in thousands)</i>	Hedge Fund of Funds
Balance as of December 31, 2011	\$ 21,596
Actual return on plan assets:	
Relating to assets still held at the reporting date	1,022
Balance as of December 31, 2012	22,618
Actual return on plan assets:	
Relating to assets still held at the reporting date	446
Relating to assets sold during the period	181
Purchases, sales and settlements, net	(13,726)
Balance as of December 31, 2013	<u>\$ 9,519</u>

Expected Cash Flows

The following table summarizes expected employer contributions and future benefit payments:

<i>(Amounts in thousands)</i>	
Expected contributions to plan trusts	
2014	\$ 6,000
Total expected contributions	<u>\$ 6,000</u>
Expected benefit payments:	
2014	\$ 8,460
2015	8,975
2016	9,450
2017	9,894
2018	10,610
2019 - 2023	59,633
Total expected benefit payments	<u>\$ 107,022</u>

14. Earnings (Loss) Per Common Share

Basic earnings (loss) per common share is computed by dividing net income (loss) attributable to Holdings' common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per common share is computed by dividing net income (loss) attributable to Holdings' common stockholders by the weighted average number of common shares outstanding during the period and the effect of all dilutive common stock equivalents. In periods where there is a net loss, diluted loss per common share is equal to basic loss per common share, since the effect of including any common stock equivalents would be antidilutive. These computations have been retroactively adjusted to reflect the 2011 Stock Split and the 2013 Stock Split as described in Note 12.

For the years ended December 31, 2013 and 2012, the computation of diluted earnings per share included the effect of 3.4 million and 3.3 million dilutive stock options and restricted stock units, respectively, and excluded the effect of 1.2 million and 1.9 million antidilutive stock options, respectively. Earnings per common share for the years ended December 31, 2013 and 2012 was calculated as follows:

<i>(Amounts in thousands, except per share amounts)</i>	For the year ended December 31,	
	2013	2012
Net income attributable to Six Flags Entertainment Corporation common stockholders	<u>\$ 118,552</u>	<u>\$ 365,935</u>
Weighted average common shares outstanding—basic	96,940	107,684
Effect of dilutive stock options and restricted stock units	3,431	3,252
Weighted average common shares outstanding—diluted	<u>100,371</u>	<u>110,936</u>
Earnings per share—basic	\$ 1.22	\$ 3.40
Earnings per share—diluted	\$ 1.18	\$ 3.30

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Notes to Consolidated Financial Statements

For the year ended December 31, 2011, we incurred a net loss and therefore diluted shares outstanding equaled basic shares outstanding as the computation of diluted shares outstanding excluded the effect of 11.4 million antidilutive stock options.

These share amounts have been retroactively adjusted to reflect the 2011 Stock Split and the 2013 Stock Split as described in Note 12.

15. Commitments and Contingencies

Partnership Parks

On April 1, 1998, we acquired all of the capital stock of Former SFEC for \$976.0 million, paid in cash. In addition to our obligations under outstanding indebtedness and other securities issued or assumed in the Former SFEC acquisition, we also guaranteed certain contractual obligations relating to the Partnership Parks. Specifically, we guaranteed the obligations of the general partners of those partnerships to (i) make minimum annual distributions (including rent) of approximately \$67.3 million in 2014 (subject to cost of living adjustments) to the limited partners in the Partnership Parks (based on our ownership of units as of December 31, 2013, our share of the distribution will be approximately \$29.2 million) and (ii) make minimum capital expenditures at each of the Partnership Parks during rolling five-year periods, based generally on 6% of the Partnership Parks' revenues. Cash flow from operations at the Partnership Parks is used to satisfy these requirements first, before any funds are required from us. We also guaranteed the obligation of our subsidiaries to annually purchase all outstanding limited partnership units to the extent tendered by the unit holders (the "Partnership Park Put"). The agreed price for units tendered in the Partnership Park Put is based on a valuation of each of the respective Partnership Parks (the "Specified Price") that is the greater of (a) a valuation for each of the respective Partnership Parks derived by multiplying such park's weighted average four year EBITDA (as defined in the agreements that govern the partnerships) by a specified multiple (8.0 in the case of SFOG and 8.5 in the case of SFOT) and (b) a valuation derived from the highest prices previously paid for the units of the Partnership Parks by certain entities. Pursuant to the valuation methodologies described in the preceding sentence, the Specified Price for the Partnership Parks, if determined as of December 31, 2013, is \$282.2 million in the case of SFOG and \$375.6 million in the case of SFOT. As of December 31, 2013, we owned approximately 30.5% and 53.1% of the Georgia limited partner interests and Texas limited partner interests, respectively. The remaining redeemable units of approximately 69.5% and 46.9% of the Georgia limited partner and Texas limited partner, respectively, represent an ultimate redemption value for the limited partnership units of approximately \$372.5 million. Our obligations with respect to SFOG and SFOT will continue until 2027 and 2028, respectively.

In 2027 and 2028, we will have the option to purchase all remaining units in the Georgia limited partner and the Texas limited partner, respectively, at a price based on the Specified Price, increased by a cost of living adjustment. As we purchase additional units, we are entitled to a proportionate increase in our share of the minimum annual distributions. Pursuant to the 2013 annual offer, we did not purchase any units from the Georgia partnership and we purchased 0.18 units from the Texas partnership for approximately \$0.3 million in May 2013. The \$300 million accordion feature on the Term Loan B under the 2011 Credit Facility is available for borrowing for future "put" obligations if necessary.

In connection with our acquisition of the Former SFEC, we entered into the Subordinated Indemnity Agreement with certain of the Company's entities, Time Warner and an affiliate of Time Warner, pursuant to which, among other things, we transferred to Time Warner (which has guaranteed all of our obligations under the Partnership Park arrangements) record title to the corporations which own the entities that have purchased and will purchase limited partnership units of the Partnership Parks, and we received an assignment from Time Warner of all cash flow received on such limited partnership units, and we otherwise control such entities. In addition, we issued preferred stock of the managing partner of the partnerships to Time Warner. In the event of a default by us under the Subordinated Indemnity Agreement or of our obligations to our partners in the Partnership Parks, these arrangements would permit Time Warner to take full control of both the entities that own limited partnership units and the managing partner. If we satisfy all such obligations, Time Warner is required to transfer to us the entire equity interests of these entities. We incurred \$19.4 million of capital expenditures at these parks during the 2013 season and intend to incur approximately \$18.3 million of capital expenditures at these parks for the 2014 season, an amount in excess of the minimum required expenditure. Cash flows from operations at the Partnership Parks will be used to satisfy the annual distribution and capital expenditure requirements, before any funds are required from us. The two partnerships generated approximately \$55.2 million of cash in 2013 from operating activities after deduction of capital expenditures and excluding the impact of short-term intercompany advances from or payments to SFI or Holdings, as the case may be. As of December 31, 2013 and 2012, we had total loans receivable outstanding of \$239.3 million from the partnerships that own the Partnership Parks, primarily to fund the acquisition of Six Flags White Water Atlanta, and to make capital improvements and distributions to the limited partners.

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

Operating Leases

We lease under long-term leases the sites of Six Flags Mexico, La Ronde and a small parcel near Six Flags New England. In certain cases, rent is based upon a percentage of the revenues earned by the applicable park. For the years ended December 31, 2013, 2012 and 2011, we recognized approximately \$6.5 million, \$6.0 million, and \$5.7 million, respectively, of rental expense under these rent agreements.

Total rental expense from continuing operations, including office space and park sites, was approximately \$13.2 million, \$12.1 million and \$11.9 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Future minimum obligations under non-cancelable operating leases, including site leases, as of December 31, 2013, are summarized as follows:

(Amounts in thousands)

Year ending December 31,	
2014	\$ 6,141
2015	6,055
2016	6,061
2017	5,969
2018	3,735
2019 and thereafter	151,286
Total	<u>\$ 179,247</u>

License Agreements

We are party to a license agreement pursuant to which we have the exclusive right on a long term basis to theme park use in the United States and Canada (excluding the Las Vegas, Nevada metropolitan area) of all animated, cartoon and comic book characters that Warner Bros. and DC Comics have the right to license for such use. The license fee is subject to periodic scheduled increases and is payable on a per-theme park basis.

In November 1999, we entered into license agreements (collectively, the "International License Agreements") pursuant to which we have the exclusive right on a long term basis to theme parks use in Europe, Central and South America of all animated, cartoon and comic book characters that Warner Bros., DC Comics and the Cartoon Network have the right to license for such use. Under the International License Agreements, the license fee is based on specified percentages of the gross revenues of the applicable parks.

Insurance

We maintain insurance of the type and in amounts that we believe is commercially reasonable and that is available to businesses in our industry. We maintain multi-layered general liability policies that provide for excess liability coverage of up to \$100.0 million per occurrence. For incidents arising after November 15, 2003 but prior to December 31, 2008, our self-insured retention is \$2.5 million per occurrence (\$2.0 million per occurrence for the twelve months ended November 15, 2003 and \$1.0 million per occurrence for the twelve months ended November 15, 2002) for our domestic parks and a nominal amount per occurrence for our international parks. For incidents arising after November 1, 2004 but prior to December 31, 2008, we have a one-time additional \$0.5 million self-insured retention, in the aggregate, applicable to all claims in the policy year. For incidents arising on or after December 31, 2008, our self-insured retention is \$2.0 million, followed by a \$0.5 million deductible per occurrence applicable to all claims in the policy year for our domestic parks and our park in Canada and a nominal amount per occurrence for our park in Mexico. Our deductible after November 15, 2003 is \$0.75 million for workers' compensation claims (\$0.5 million deductible for the period from November 15, 2001 to November 15, 2003). Defense costs are in addition to these retentions. Our general liability policies cover the cost of punitive damages only in certain jurisdictions. Based upon reported claims and an estimate for incurred, but not reported claims, we accrue a liability for our self-insured retention contingencies. For workers' compensation claims arising after November 15, 2003, our deductible is \$0.75 million (\$0.5 million deductible for the period from November 15, 2001 to November 15, 2003). We also maintain fire and extended coverage, business interruption, terrorism and other forms of insurance typical to businesses in this industry. The all peril property coverage policies insure our real and personal properties (other than land) against physical damage resulting from a variety of hazards. Additionally, we maintain information security and privacy liability insurance in the amount of \$10.0 million with a \$0.25 million self-insured retention per event.

The majority of our current insurance policies expire on December 31, 2014. We cannot predict the level of the premiums that we may be required to pay for subsequent insurance coverage, the level of any self-insurance retention applicable thereto, the level of aggregate coverage available or the availability of coverage for specific risks.

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

Capital Expenditures

The vast majority of our capital expenditures in 2014 and beyond will be made on a discretionary basis.

Litigation

We are party to various legal actions arising in the normal course of business, including the cases discussed below. Matters that are probable of unfavorable outcome to us and which can be reasonably estimated are accrued. Such accruals are based on information known about the matters, our estimate of the outcomes of such matters and our experience in contesting, litigating and settling similar matters. None of the actions are believed by management to involve amounts that would be material to our consolidated financial position, results of operations or liquidity after consideration of recorded accruals.

On March 1, 2007, Safety Braking Corporation, Magnetar Technologies Corp. and G&T Conveyor Co. filed a Complaint for Patent Infringement (the "Patent Complaint") in the United States District Court for the District of Delaware naming SFI, SFTP, and certain of our other subsidiaries as defendants, along with other industry theme park owners and operators. The Patent Complaint alleges that we are liable for direct or indirect infringement of United States Patent No. 5,277,125 because of our ownership and/or operation of various theme parks and amusement rides. The Patent Complaint seeks damages and injunctive relief. On July 8, 2008, the Court entered a Stipulation and Order of Dismissal of Safety Braking Corporation. Thus, as of that date, only Magnetar Technologies Corp. and G&T Conveyor Co. remain as plaintiffs. We have contacted the manufacturers of the amusement rides that we believe may be impacted by this case, requiring such manufacturers to honor their indemnification obligations with respect to this case. We tendered the defense of this matter to certain of the ride manufacturers. The patent expired in October 2012. Fact and expert discovery has concluded and summary judgment motions were filed in January 2013. The defendants moved for summary judgment that United States Patent No. 5,277,125 was invalid on four separate grounds, that damages for certain rides were barred by the doctrine of laches and/or by the patent owner's failure to mark the patent number on products embodying the patented invention, and that certain rides do not infringe the patent. The plaintiffs moved for summary judgment that certain rides do infringe. On February 7, 2014, the Magistrate Judge issued an order on defendants' motions for summary judgment, recommending that United States Patent No. 5,277,125 be held invalid on the four separate grounds advanced by the defendants, and that certain rides would not infringe even if the patent was not invalid.

On January 6, 2009, a civil action against us was commenced in the State Court of Cobb County, Georgia. The plaintiff sought damages for personal injuries, including an alleged brain injury, as a result of an altercation with a group of individuals on property adjacent to SFOG on July 3, 2007. Certain of the individuals were employees of the park but were off-duty and not acting within the course or scope of their employment with SFOG at the time the altercation occurred. The plaintiff, who had exited the park, claims that we were negligent in our security of the premises. Four of the individuals who allegedly participated in the altercation are also named as defendants in the litigation. Our motion for summary judgment was denied by the trial court on May 19, 2011. Pursuant to the trial that concluded on November 20, 2013, the jury returned a verdict in favor of the plaintiff for \$35 million. The jury allocated 92% of the verdict against Six Flags and the judgment was entered on February 11, 2014. In conjunction with our insurers, we intend to vigorously challenge the verdict in both post-trial motions and an appeal, which our insurers are pursuing on Six Flags' and the insurers' behalf. We have reserved the full amount of our \$2.5 million self-insurance retention, net of expected insurance recoveries, plus estimated litigation costs in connection with this incident.

We terminated Jeffrey R. Speed, our former Executive Vice President and Chief Financial Officer, from his employment with us, without cause, as that term is defined in Mr. Speed's employment agreement with us, effective October 6, 2010. On or about September 2, 2010, Mr. Speed filed with the American Arbitration Association a Statement of Claim and Demand for Arbitration against Holdings, SFI, SFO and SFTP, as Respondents. Mr. Speed's arbitration action asserted various claims relating to and arising out of his employment agreement with us. In April 2011, the arbitrator issued an interim award finding in favor of certain of Mr. Speed's claims and denying others. The amount of the award was \$23.7 million, plus interest and attorney's fees. In May 2011, we reached a settlement with Mr. Speed. The terms of the settlement are confidential and we recorded a \$25.1 million restructuring charge to reflect the full settlement and related costs after consideration of amounts previously accrued.

On July 3, 2012, a civil action was commenced against us in the Superior Court of Solano County, California. The plaintiffs sought damages for personal injuries when a guest at Six Flags Discovery Kingdom jumped on a swinging gate arm that entered a passing tram carrying the plaintiffs on July 3, 2010. We have reserved the full amount of our \$2.5 million self-insurance retention plus estimated litigation costs in connection with this incident.

On July 19, 2013, an accident occurred on a ride at our park in Arlington, Texas, in which a fatality occurred. Utilizing both internal and external experts, we completed the investigation of the accident and concluded that there was no mechanical failure of the ride. On October 4, 2013, we filed an answer denying the claims. On September 10, 2013, a civil action against us

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

was commenced in the District Court of Tarrant County, Texas in connection with the incident seeking monetary damages. On October 14, 2013, the plaintiffs filed an amended complaint naming Gerstlauer Amusement Rides, GmbH, the ride manufacturer, as a co-defendant in the lawsuit. We intend to vigorously defend the action. On February 14, 2014, we filed a cross action against Gerstlauer Amusement Rides, GmbH seeking statutory indemnity. We have reserved the full amount of our \$2.5 million self-insurance retention, net of expected insurance recoveries, plus estimated litigation costs in connection with this incident.

HWP Guarantee

We guaranteed the payment of a \$32.2 million construction term loan incurred by HWP for the purpose of financing the construction and development of a hotel and indoor water park project located adjacent to The Great Escape theme park in Queensbury, New York, which opened in February 2006. On November 5, 2007, the loan was refinanced with the \$33.0 million Refinance Loan and the proceeds were used to repay the existing loan. In connection with the refinancing, Holdings and the other joint venture partners provided a limited guarantee of the Refinance Loan, which would become operative under certain limited circumstances, including the voluntary bankruptcy of HWP or its managing member. As additional security for the Refinance Loan, we provided a \$1.0 million letter of credit. On September 30, 2013, we acquired the minority equity interests held by non-affiliated parties in HWP, with the exception of a nominal amount retained by a non-affiliated party that we subsequently acquired on December 31, 2013. As of December 31, 2013, HWP was a wholly owned subsidiary.

Tax and other contingencies

As of December 31, 2013 and 2012, we had accrued liabilities for tax and other indemnification contingencies of \$0.4 million and \$0.5 million, respectively, related to certain parks sold in previous years that could be recognized as recovery losses from discontinued operations in the future if such liabilities are not requested to be paid. During 2012, we closed two large claims related to parks that we no longer own and we recognized approximately \$7.3 million as a recovery of losses from discontinued operations as those liabilities were not going to be paid.

16. Business Segments

We manage our operations on an individual park location basis. Discrete financial information is maintained for each park and provided to our corporate management for review and as a basis for decision making. The primary performance measures used to allocate resources are park earnings before interest, tax expense, depreciation and amortization (Park EBITDA) and Park Free Cash Flow (Park EBITDA less park capital expenditures). All of our parks provide similar products and services through a similar process to the same class of customer through a consistent method. We also believe that the parks share common economic characteristics. As such, we have only one reportable segment—theme parks.

The following table presents segment financial information and a reconciliation of the primary segment performance measure to income from continuing operations before income taxes. Park level expenses exclude all non-cash operating expenses, principally depreciation and amortization and all non-operating expenses.

<i>(Amounts in thousands)</i>	Year Ended December 31,		
	2013	2012	2011
Theme park revenues	\$ 1,109,930	\$ 1,070,332	\$ 1,013,174
Theme park cash expenses	(625,880)	(610,010)	(594,047)
Aggregate park EBITDA	484,050	460,322	419,127
Equity in income of investee—EBITDA	—	5,520	10,027
Corporate expenses	(40,449)	(44,838)	(41,911)
Stock-based compensation	(27,034)	(62,875)	(54,261)
Other expense, net	(1,234)	(612)	(73)
Loss on disposal of assets	(8,579)	(8,105)	(7,615)
Gain on sale of investee	—	67,319	—
Loss on debt extinguishment	(789)	(587)	(46,520)
Restructure recovery (costs)	—	47	(25,086)
Reorganization items, net	180	(2,168)	(2,455)
Equity in loss of investee—depreciation and other expense	—	(7,742)	(13,138)
Depreciation and amortization	(128,075)	(148,045)	(168,999)
Interest expense	(75,044)	(47,444)	(66,214)
Interest income	899	820	997
Income from continuing operations before reorganization items and income taxes	<u>\$ 203,925</u>	<u>\$ 211,612</u>	<u>\$ 3,879</u>

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

All of our parks are located in the United States with the exception of one park in Mexico City, Mexico and one park in Montreal, Canada. The following information reflects our long-lived assets (which consists of property and equipment and intangible assets), revenues and income (loss) from continuing operations by domestic and foreign categories as of and for the years ended December 31, 2013, 2012 and 2011:

<i>(Amounts in thousands)</i>	Domestic	Foreign	Total
As of and for the year ended December 31, 2013			
Long-lived assets	\$ 2,119,529	\$ 104,515	\$ 2,224,044
Revenues	989,509	120,421	1,109,930
Income from continuing operations before income taxes	182,736	21,189	203,925
As of and for the year ended December 31, 2012			
Long-lived assets	\$ 2,151,771	\$ 109,671	\$ 2,261,442
Revenues	956,732	113,600	1,070,332
Income from continuing operations before income taxes	193,028	18,584	211,612
As of and for the year ended December 31, 2011			
Long-lived assets	\$ 2,209,597	\$ 105,036	\$ 2,314,633
Revenues	904,453	108,721	1,013,174
(Loss) income from continuing operations before income taxes	(14,478)	18,357	3,879

17. Restructure (Recovery) Costs

During 2010, the Company experienced significant changes in its senior management and Holdings' Board of Directors. We implemented a series of initiatives to reduce costs which included workforce reductions and contract terminations related to our new strategic direction. During the year ended December 31, 2011, we recorded \$25.1 million in restructure costs for the settlement with our former CFO in May 2011 (see Note 15). During the year ended December 31, 2012 we reversed the remaining amount of less than \$0.1 million that was accrued for the settlement of our former CFO as a restructure recovery.

For the years ended December 31, 2013 and 2012, we did not incur any cash expenditures related to these restructure costs. For the year ended December 31, 2011, we incurred \$31.7 million in cash expenditures related to these restructure costs.

As of December 31, 2013 and 2012, we had no accrued liabilities in our consolidated balance sheets related to restructure costs.

18. Immaterial Correction of an Error

In conjunction with the preparation of our 2013 income tax provision, we determined an immaterial correction was needed related to the inclusion of a deferred tax asset related to the accumulated foreign earnings timing difference that was inadvertently included in the reversal of the valuation allowance. The foreign earnings timing difference should have continued to be fully reserved through the valuation allowance. Additionally, it was determined that the allocation of the reversal of the valuation allowance to other comprehensive income should have been allocated to income tax expense (benefit) on the consolidated statement of operations as opposed to accumulated other comprehensive income on the consolidated balance sheet.

We have adjusted our consolidated financial statements as of and for the year ended December 31, 2012 to appropriately reflect the change in income tax expense and deferred income taxes. The impact of these adjustments is limited to the fourth quarter of 2012 and does not impact prior interim financial statements. All financial information included in the notes to the consolidated financial statements impacted by the below adjustments have been revised as applicable.

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

The following tables present the effect of these adjustments on our consolidated financial statements as of and for the year ended December 31, 2012:

Consolidated Balance Sheet as of December 31, 2012

<i>(Amounts in thousands)</i>	As Reported	Adjustments	As Revised
Liabilities			
Deferred income taxes	\$ 65,070	\$ 7,487	\$ 72,557
Total noncurrent liabilities	1,540,434	7,487	1,547,921
Total liabilities	1,722,297	7,487	1,729,784
Equity			
Retained earnings	\$ 15,849	\$ 11,926	\$ 27,775
Accumulated other comprehensive loss, net of tax	(29,688)	(19,413)	(49,101)
Total Six Flags Entertainment Corporation stockholders' equity	892,219	(7,487)	884,732
Total equity	896,153	(7,487)	888,666

Consolidated Statement of Operations for the Year Ended December 31, 2012

<i>(Amounts in thousands, except per share data)</i>	As Reported	Adjustments	As Revised
Components of net income			
Income tax expense (benefit)	\$ (172,228)	\$ (11,926)	\$ (184,154)
Income from continuing operations before discontinued operations	383,840	11,926	395,766
Net income	391,113	11,926	403,039
Net income attributable to Six Flags Entertainment Corporation	354,009	11,926	365,935
Amounts attributable to Six Flags Entertainment Corporation			
Income from continuing operations	\$ 346,736	\$ 11,926	\$ 358,662
Income from discontinued operations	7,273	—	7,273
Net income	<u>\$ 354,009</u>	<u>\$ 11,926</u>	<u>\$ 365,935</u>
Net income per average common share outstanding - basic			
Income from continuing operations attributable to Six Flags Entertainment Corporation common stockholders	\$ 3.22	\$ 0.11	\$ 3.33
Income from discontinued operations attributable to Six Flags Entertainment Corporation common stockholders	0.07	—	0.07
Net income attributable to Six Flags Entertainment Corporation common stockholders	<u>\$ 3.29</u>	<u>\$ 0.11</u>	<u>\$ 3.40</u>
Net income per average common share outstanding - diluted			
Income from continuing operations attributable to Six Flags Entertainment Corporation common stockholders	\$ 3.12	\$ 0.11	\$ 3.23
Income from discontinued operations attributable to Six Flags Entertainment Corporation common stockholders	0.07	—	0.07
Net income attributable to Six Flags Entertainment Corporation common stockholders	<u>\$ 3.19</u>	<u>\$ 0.11</u>	<u>\$ 3.30</u>

Consolidated Statement of Comprehensive Income for the Year Ended December 31, 2012

<i>(Amounts in thousands)</i>	As Reported	Adjustments	As Revised
Components of comprehensive income			
Net income	\$ 391,113	\$ 11,926	\$ 403,039
Foreign current translation adjustment	6,835	(2,319)	4,516
Defined benefit retirement plan	13,890	(17,094)	(3,204)
Change in cash flow hedging	(501)	—	(501)
Other comprehensive income, net of tax	20,224	(19,413)	811
Comprehensive income	411,337	(7,487)	403,850
Comprehensive income attributable to Six Flags Entertainment Corporation	374,233	(7,487)	366,746

SIX FLAGS ENTERTAINMENT CORPORATION
Notes to Consolidated Financial Statements (Continued)

Consolidated Statement of Cash Flows for the Year Ended December 31, 2012

<i>(Amounts in thousands)</i>	As Reported	Adjustments	As Revised
Cash flow from operating activities			
Net income	\$ 391,113	\$ 11,926	\$ 403,039
Deferred income tax benefit	(182,241)	(11,926)	(194,167)

19. Quarterly Financial Information (Unaudited)

Following is a summary of the unaudited interim results of operations for the years ended December 31, 2013, 2012 and 2011:

<i>(Amounts in thousands)</i>	Year Ended December 31, 2013			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenue	\$ 87,521	\$ 363,701	\$ 504,520	\$ 154,188
Net (loss) income attributable to Six Flags Entertainment Corporation common stockholders	(62,527)	47,361	120,403	13,315
Net (loss) income per weighted average common share outstanding:				
Basic	\$ (0.61)	\$ 0.49	\$ 1.27	\$ 0.14
Diluted	(0.61)	0.47	1.22	0.13

<i>(Amounts in thousands)</i>	Year Ended December 31, 2012			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenue	\$ 66,358	\$ 374,912	\$ 485,143	\$ 143,919
Net (loss) income attributable to Six Flags Entertainment Corporation common stockholders	(115,109)	72,265	253,025	155,754
Net (loss) income per weighted average common share outstanding:				
Basic	\$ (1.05)	\$ 0.67	\$ 2.37	\$ 1.46
Diluted	(1.05)	0.64	2.23	1.40

All per share amounts have been retroactively adjusted to reflect the 2011 Stock Split and the 2013 Stock Split as described in Note 12.

We operate a seasonal business. In particular, our theme park operations contribute most of their annual revenue during the period from Memorial Day to Labor Day each year.

In the fourth quarter of 2012, we reduced our income tax valuation allowance which materially impacted the net income for that quarter. See Note 11.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

We have had no disagreements with our independent registered public accounting firm on any matter of accounting principles or practices or financial statement disclosure.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation, as of December 31, 2013, of the effectiveness of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) or 15(d)-15(e) promulgated under the Exchange Act. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of the end of such period, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Management's Report on Internal Control Over Financial Reporting included in Item 8 of this Annual Report is incorporated by reference herein.

Changes in Internal Control Over Financial Reporting During the Quarter Ended December 31, 2013

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2013 that have materially affected, or are reasonable likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item regarding our executive officers is provided in "Item 1. Business — Executive Officers and Certain Significant Employees" of this Annual Report. The information required by this item concerning our directors, compliance with Section 16 of the Exchange Act, our code of ethics and other corporate governance information is incorporated by reference to the information set forth in the sections entitled "Proposal 1: Election of Directors," "Section 16(a) Beneficial Ownership Reporting Compliance" and "Corporate Governance" in our Proxy Statement for our 2014 annual meeting of stockholders to be filed with the SEC not later than 120 days after the fiscal year ended December 31, 2013 (the "2014 Proxy Statement").

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference to the information set forth in the sections entitled "2013 Non-Employee Director Compensation," "Executive Compensation," "Corporate Governance" and "Compensation Committee Report" in the 2014 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item concerning security ownership of certain beneficial owners and management is incorporated by reference to the information set forth in the section entitled "Security Ownership of Certain Beneficial Owners and Management" in the 2014 Proxy Statement.

Equity Compensation Plan Information

The following table contains information as of December 31, 2013 regarding shares of common stock that may be issued under equity compensation plans approved by our stockholders (Employee Stock Purchase Plan and Long-Term Incentive Plan).

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	7,910,000 ⁽¹⁾	\$ 18.90 ⁽²⁾	6,966,000 ⁽³⁾
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	7,910,000	\$ 18.90	6,966,000

(1) Excludes restricted stock units outstanding under the Company's Long-Term Incentive Plan and rights outstanding under the Company's Employee Stock Purchase Plan. We are unable to ascertain with specificity the number of securities to be issued upon exercise of outstanding rights under the Company's Employee Stock Purchase Plan.

(2) The determination of the weighted-average exercise price excludes outstanding rights under the Company's Employee Stock Purchase Plan and restricted stock units under the Company's Long-Term Incentive Plan.

(3) Consists of 1,883,000 shares reserved for issuance under the Company's Employee Stock Purchase Plan and 5,083,000 shares reserved for issuance under the Long-Term Incentive Plan. The Employee Stock Purchase Plan allows eligible employees to purchase shares at 90% of the lower of the fair market value on the first or last trading day of each six month offering period. Shares available for issuance under the Long-Term Incentive Plan can be granted pursuant to stock options, stock appreciation rights, restricted stock or units, performance units, performance shares and any other stock based award selected by the committee.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference to the information set forth in the sections entitled "Transactions with Related Persons" and "Corporate Governance — Independence" in the 2014 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated by reference to the information set forth in the section entitled "Audit, Audit-Related and Tax Fees" in the 2014 Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) and (2) Financial Statements and Financial Statement Schedules

The following Consolidated Financial Statements of Six Flags Entertainment Corporation and its subsidiaries, the notes thereto, the related report thereon of the independent registered public accounting firm, and financial statement schedules are filed under Item 8 of this Annual Report:

Management's Report on Internal Control Over Financial Reporting	41
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Certain schedules for which provision is made in the applicable accounting regulations of the SEC have been omitted because they either are not required under the related instructions, are inapplicable, or the required information is shown in the financial statements or notes thereto.

(a)(3) Exhibits

See Exhibit Index

(b) Exhibits

See Item 15(a)(3) above.

Neither Six Flags Entertainment Corporation, nor any of its consolidated subsidiaries, has outstanding any instrument with respect to its long-term debt, other than those filed as an exhibit to this Annual Report, under which the total amount of securities authorized exceeds 10% of the total assets of Six Flags Entertainment Corporation and its subsidiaries on a consolidated basis. Six Flags Entertainment Corporation hereby agrees to furnish to the SEC, upon request, a copy of each instrument that defines the rights of holders of such long-term debt that is not filed or incorporated by reference as an exhibit to this Annual Report.

Six Flags Entertainment Corporation will furnish any exhibit upon the payment of a reasonable fee, which fee will be limited to Six Flags Entertainment Corporation's reasonable expenses in furnishing such exhibit.

EXHIBIT INDEX

Exhibit Number	Exhibit Description
2.1	Modified Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, as confirmed by the Bankruptcy Court on April 29, 2010—incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on May 3, 2010.
3.1	Restated Certificate of Incorporation of Six Flags Entertainment Corporation, as amended—incorporated by reference to Exhibit 3.1 to Registrant's Quarterly Report on Form 10-Q (File No. 001-13703) for the quarter ended June 30, 2011.
3.2	Amended and Restated Bylaws of Six Flags Entertainment Corporation—incorporated by reference to Exhibit 3.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on May 14, 2010.
4.1	Registration Rights Agreement, dated as of April 30, 2010, between Six Flags Entertainment Corporation and certain holders of Common Stock—incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on May 3, 2010.
4.2	Indenture, dated as of December 21, 2012, among Six Flags Entertainment Corporation, the guarantors party thereto and U.S. Bank National Association, as trustee—incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on December 21, 2012.
4.3	Form of 5.25% Senior Note due 2021—incorporated by reference to Exhibit 4.2 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on December 21, 2012.
10.1	† Employment Agreement between Six Flags, Inc. and Mark Shapiro, dated April 1, 2009—incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on April 13, 2009.
10.2	† Employment Agreement between Six Flags, Inc. and Jeffrey Speed, dated April 1, 2009—incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on April 13, 2009.
10.3	† Employment Agreement between Six Flags, Inc. and Louis Koskovolis, dated April 1, 2009—incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on April 13, 2009.
10.4	† Employment Agreement between Six Flags, Inc. and Mark Quenzel, dated April 1, 2009—incorporated by reference to Exhibit 10.4 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on April 13, 2009.
10.5	† Employment Agreement between Six Flags, Inc. and Andrew Schleimer, dated April 1, 2009—incorporated by reference to Exhibit 10.5 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on April 13, 2009.
10.6	† Employment Agreement between Six Flags, Inc. and Michael Antinoro, dated April 1, 2009—incorporated by reference to Exhibit 10.6 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on April 13, 2009.
10.7	Promissory Note, dated May 15, 2009, by and among SFOG Acquisition A, Inc., SFOG Acquisition B, L.L.C., SFOT Acquisition I, Inc., and SFOT Acquisition II, Inc., as borrowers, and TW-SF LLC, as lender—incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended June 30, 2009.
10.8	Guarantee Agreement, dated as of May 15, 2009, by and among Six Flags, Inc., Six Flags Operations Inc., Six Flags Theme Parks Inc. and TW-SF LLC—incorporated by reference to Exhibit 10.2 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended June 30, 2009.
10.9	Plan Support Agreement, dated June 13, 2009, among Six Flags, Inc., Six Flags Operations Inc., Six Flags Theme Parks Inc., Astroworld GP LLC, Astroworld LP, Astroworld LP LLC, Fiesta Texas Inc., Funtime, Inc., Funtime Parks, Inc., Great America LLC, Great Escape Holding Inc., Great Escape Rides L.P., Great Escape Theme Park L.P., Hurricane Harbor GP LLC, Hurricane Harbor LP, Hurricane Harbor LP LLC, KKI, LLC, Magic Mountain LLC, Park Management Corp., PP Data Services Inc., Premier International Holdings Inc., Premier Parks of Colorado Inc., Premier Parks Holdings Inc., Premier Waterworld Sacramento Inc., Riverside Park Enterprises Inc., SF HWP Management LLC, SFJ Management Inc., SFRCC Corp., Six Flags America LP, Six Flags America Property Corporation, Six Flags Great Adventure LLC, Six Flags Great Escape L.P., Six Flags Services Inc., Six Flags Services of Illinois, Inc., Six Flags St. Louis LLC, South Street Holdings LLC, Stuart Amusement Company, JPMorgan Chase Bank, N.A., Beach Point Capital Management LP, DK Acquisition Partners, L.P., Eaton Vance Management & Boston Management and Research, Sankaty Advisors, LLC, SPCP Group, LLC, Grand Central Asset Trust, SIL Series, Taconic Market Dislocation Master Fund II L.P., Taconic Market Dislocation Fund II L.P., Taconic Capital Partners 1.5 L.P. and Taconic Opportunity Fund L.P.—incorporated by reference to Exhibit 10.3 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended June 30, 2009.

Exhibit Number	Exhibit Description
10.10	Amendment No. 3 to the Subordinated Indemnity Agreement, dated as of April 13, 2004, among Six Flags Operations Inc., Six Flags Theme Parks Inc., SFOG II, Inc., SFT Holdings, Inc., Time Warner Inc., Time Warner Entertainment Company, L.P., TW-SPV Co., Six Flags, Inc. and GP Holdings Inc.—incorporated by reference to Exhibit 10.4 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended June 30, 2009.
10.11	Amendment No. 4 to the Subordinated Indemnity Agreement, dated as of December 8, 2006, among Six Flags Operations Inc., Six Flags Theme Parks Inc., SFOG II, Inc., SFT Holdings, Inc., Time Warner Inc., Time Warner Entertainment Company, L.P., TW-SPV Co., Six Flags, Inc. and GP Holdings Inc.—incorporated by reference to Exhibit 10.5 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended June 30, 2009.
10.12	Amendment No. 5 to the Subordinated Indemnity Agreement, dated as of April 2, 2007, among Six Flags Operations Inc., Six Flags Theme Parks Inc., SFOG II, Inc., SFT Holdings, Inc., Time Warner Inc., Warner Bros. Entertainment Inc., TW-SPV Co., Six Flags, Inc. and GP Holdings Inc.—incorporated by reference to Exhibit 10.6 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended June 30, 2009.
10.13	Amendment No. 6 to the Subordinated Indemnity Agreement, dated as of May 15, 2009, among Six Flags Operations Inc., Six Flags Theme Parks Inc., SFOG II, Inc., SFT Holdings, Inc., Historic TW Inc., Time Warner Entertainment Company, L.P., TW-SPV Co., Six Flags, Inc. and GP Holdings Inc.—incorporated by reference to Exhibit 10.7 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended June 30, 2009.
10.14	† Six Flags Entertainment Corporation Long-Term Incentive Plan—incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on May 3, 2010.
10.15	† Amended and Restated Employment Agreement, dated as of April 1, 2010, among Six Flags, Inc., Six Flags Operations Inc., Six Flags Theme Parks Inc. and Mark Shapiro—incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on May 3, 2010.
10.16	† Amendment No. 1 to Employment Agreement, dated as of April 1, 2010, among Six Flags, Inc., Six Flags Operations Inc., Six Flags Theme Parks Inc. and Jeff Speed—incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on May 3, 2010.
10.17	† Amendment No. 1 to Employment Agreement, dated as of April 1, 2010, among Six Flags, Inc., Six Flags Operations Inc., Six Flags Theme Parks Inc. and Louis Koskovich—incorporated by reference to Exhibit 10.4 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on May 3, 2010.
10.18	† Amendment No. 1 to Employment Agreement, dated as of April 1, 2010, among Six Flags, Inc., Six Flags Operations Inc., Six Flags Theme Parks Inc. and Andrew Schleimer—incorporated by reference to Exhibit 10.6 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on May 3, 2010.
10.19	† Amendment No. 1 to Employment Agreement, dated as of April 1, 2010, among Six Flags, Inc., Six Flags Operations Inc., Six Flags Theme Parks Inc. and Andrew Schleimer—incorporated by reference to Exhibit 10.6 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on May 3, 2010.
10.20	† Employment Agreement, dated as of May 11, 2010, by and between Alexander Weber, Jr. and Six Flags Entertainment Corporation—incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on May 14, 2010.
10.21	First Lien Credit Agreement, dated as of April 30, 2010, among Six Flags Entertainment Corporation, Six Flags Operations Inc., Six Flags Theme Parks Inc., as Borrower, the Several Lenders from Time to Time Parties Hereto, Bank of America, N.A. and Barclays Capital, as Co-Syndication Agents, Deutsche Bank Securities Inc. and Goldman Sachs Lending Partners LLC, as Co-Documentation Agents, and JPMorgan Chase Bank, N.A., as Administrative Agent—incorporated by reference to Exhibit 10.1 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended March 31, 2010.
10.22	First Lien Guarantee and Collateral Agreement, dated as of April 30, 2010, among Six Flags Entertainment Corporation, Six Flags Operations Inc. and each of the current and future direct and indirect domestic subsidiaries of Six Flags Theme Parks Inc., and JPMorgan Chase Bank, N.A., as Administrative Agent—incorporated by reference from Exhibit 10.2 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended March 31, 2010.
10.23	Second Lien Credit Agreement, dated as of April 30, 2010, among Six Flags Entertainment Corporation, Six Flags Operations Inc., Six Flags Theme Parks Inc., as Borrower, the Several Lenders from Time to Time Parties Hereto, Goldman Sachs Lending Partners LLC, as Syndication Agent, Goldman Sachs Lending Partners LLC, as Documentation Agent, and Goldman Sachs Lending Partners LLC, as Administrative Agent—incorporated by reference to Exhibit 10.3 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended March 31, 2010.
10.24	Second Lien Guarantee and Collateral Agreement, dated as of April 30, 2010, among Six Flags Entertainment Corporation, Six Flags Operations Inc. and each of the current and future direct and indirect domestic subsidiaries of Six Flags Theme Parks Inc., and Goldman Sachs Lending Partners LLC, as Administrative Agent—incorporated by reference to Exhibit 10.4 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended March 31, 2010.

Exhibit Number	Exhibit Description
10.25	Multiple Draw Term Credit Agreement, dated as of April 30, 2010, among SFOG Acquisition A, Inc., SFOG Acquisition B, L.L.C., SFOT Acquisition I, Inc. and SFOT Acquisition II, Inc., and TW-SF LLC—incorporated by reference to Exhibit 10.5 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended March 31, 2010.
10.26	Guarantee Agreement, dated as of April 30, 2010, made by Six Flags Entertainment Corporation, Six Flags Operations Inc., Six Flags Theme Parks Inc. and each of the other signatories hereto, in favor of TW-SF LLC—incorporated by reference to Exhibit 10.6 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended March 31, 2010.
10.27	Amendment No. 7 to the Subordinated Indemnity Agreement, dated as of April 30, 2010, among Six Flags Operations Inc., Six Flags Theme Parks Inc., SFOG II, Inc., SFT Holdings, Inc., Historic TW Inc., Warner Bros. Entertainment Inc., TW-SPV Co., Six Flags Entertainment Corporation, the other subsidiaries of Six Flags Entertainment Corporation and GP Holdings Inc.—incorporated by reference from Exhibit 10.7 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended March 31, 2010.
10.28	† Form of Indemnity Agreement—incorporated by reference to Exhibit 10.8 to Registrant's Form 10-Q (File No. 001-13703) for the quarter ended March 31, 2010.
10.29	† Form of Restricted Stock Unit Agreement Pursuant to the Six Flags Entertainment Corporation Long-Term Incentive Plan—incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on August 11, 2010.
10.30	† Form of Non-Qualified Stock Option Agreement and Dividend Equivalent Rights Award pursuant to the Six Flags Entertainment Corporation Long-Term Incentive Plan—incorporated by reference to Exhibit 10.30 to Registrant's Annual Report on Form 10-K (File No. 001-13703) for the year ended December 31, 2012.
10.31	† Employment Agreement, dated August 12, 2010, by and between James Reid-Anderson and Six Flags Entertainment Corporation—incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on August 18, 2010.
10.32	† Restricted Shares Agreement Pursuant to the Six Flags Entertainment Corporation Long-Term Incentive Plan, between James Reid-Anderson and Six Flags Entertainment Corporation, dated August 12, 2010—incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on August 18, 2010.
10.33	† Nonqualified Stock Option Agreement Pursuant to the Six Flags Entertainment Corporation Long-Term Plan, between James Reid-Anderson and Six Flags Entertainment Corporation, dated August 12, 2010—incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on August 18, 2010.
10.34	† Amendment No. 1 to Employment Agreement, by and between Al Weber, Jr. and Six Flags Entertainment Corporation, dated May 11, 2010, dated September 7, 2010—incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on September 13, 2010.
10.35	† Employment Agreement, dated September 7, 2010, by and between John M. Duffey and Six Flags Entertainment Corporation—incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on September 13, 2010.
10.36	† Employment Agreement, dated September 7, 2010, by and between Lance C. Balk and Six Flags Entertainment Corporation—incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on September 13, 2010.
10.37	† Six Flags Entertainment Corporation Employee Stock Purchase Plan—incorporated by reference to Exhibit 99.1 to Registrant's Registration Statement on Form S-8 (Reg. No. 333-170584) filed on November 12, 2010.
10.38	First Amendment to First Lien Credit Agreement, dated as of December 3, 2010, among Six Flags Entertainment Corporation, Six Flags Operations Inc., Six Flags Theme Parks Inc., as borrower, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, and J.P. Morgan Securities LLC, as sole lead arranger and sole bookrunner—incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on December 6, 2010.
10.39	First Amendment, dated December 3, 2010, to (i) the Guarantees Agreement, dated as of April 30, 2010, among Six Flags Entertainment Corporation, Six Flags Operations Inc., Six Flags Theme Parks Inc., each of the other signatories thereto, and TW-SF LLC, and (ii) the Multiple Draw Term Credit Agreement, dated as of April 30, 2010, among SFOG Acquisition A, Inc., SFOG Acquisition B, L.L.C., SFOT Acquisition I, Inc., and SFOT Acquisition II, Inc., and TW-SF LLC—incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on December 6, 2010.

Exhibit Number	Exhibit Description
10.40 †	Employment Agreement, dated November 29, 2010, by and between Walter S. Hawrylak and Six Flags Entertainment Corporation—incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703), filed on December 7, 2010.
10.41 †	Employment Agreement, dated November 29, 2010, by and between Brett Petit and Six Flags Entertainment Corporation—incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on December 7, 2010.
10.42 †	Amendment No. 1 to Employment Agreement, dated March 7, 2011, by and between James Reid-Anderson and Six Flags Entertainment Corporation—incorporated by reference to Exhibit (10)(jjjj) to Registrant's Annual Report on Form 10-K (File No. 001-13703) for the year ended December 31, 2010.
10.43 †	Form of Amendment by and between Six Flags Entertainment Corporation and Certain Executives—James Reid-Anderson, Al Weber, Jr., John M. Duffey and Lance C. Balk—incorporated by reference to Exhibit (10)(kkkk) to Registrant's Annual Report on Form 10-K (File No. 001-13703) for the year ended December 31, 2010.
10.44 †	Form of Project 350 Performance Award Under Six Flags Entertainment Corporation Long-Term Incentive Plan—incorporated by reference to Exhibit (10)(llll) to Registrant's Annual Report on Form 10-K (File No. 001-13703) for the year ended December 31, 2010.
10.45 †	Amendment No. 1 to the Six Flags Entertainment Corporation Long-Term Incentive Plan—incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on May 5, 2011.
10.46 †	Project 500 Program Overview—incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on September 1, 2011.
10.47 †	Project 500 Program Form of Award Agreement and appendix listing Project 500 Awards to Executive Officers—incorporated by reference to Exhibits 10.2 and 99.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on September 1, 2011.
10.48 †	Director Deferral Election—incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on September 1, 2011.
10.49	\$1,135,000,000 Credit Agreement, dated as of December 20, 2011, among Six Flags Entertainment Corporation, Six Flags Operations Inc., Six Flags Theme Parks Inc., the several lenders from time to time parties thereto, Wells Fargo Bank, N. A., as Administrative Agent, an Issuing Lender and a Swing Line Lender, Wells Fargo Securities, LLC, as Lead Arranger, Bank of America, N.A., JPMorgan Chase Bank, N.A. and Barclays Bank plc, as Co-Documentation Agents, Goldman Sachs Bank USA and Deutsche Bank Securities Inc., as Co-Syndication Agents, and Wells Fargo Securities, LLC, Goldman Sachs Bank USA, Deutsche Bank Securities Inc., Bank of America, N.A., JPMorgan Chase Bank, N.A. and Barclays Capital, as Joint Bookrunners—incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on December 20, 2011.
10.50	Guarantee and Collateral Agreement, dated as of December 20, 2011, by Six Flags Entertainment Corporation, Six Flags Operations Inc., Six Flags Theme Parks Inc. and each of the other signatories thereto, as Grantors, in favor of Wells Fargo Bank, N. A., as Administrative Agent, for the banks and other financial institutions or entities from time to time parties to the \$1,135,000,000 Credit Agreement dated as of December 20, 2011—incorporated by reference to Exhibit 10.51 to Registrant's Annual Report on Form 10-K (File No. 001-13703) for the year ended December 31, 2011.
10.51 †	Form of Executive Officer Restricted Stock Unit Agreement pursuant to the Project 350 Performance Award granted under the Six Flags Entertainment Corporation Long-Term Incentive Plan—incorporated by reference to Exhibit 10.53 to Registrant's Annual Report on Form 10-K (File No. 001-13703) for the year ended December 31, 2011.
10.52 †	James Reid-Anderson Restricted Stock Unit Agreement pursuant to the Project 350 Performance Award granted under the Six Flags Entertainment Corporation Long-Term Incentive Plan—incorporated by reference to Exhibit 10.54 to Registrant's Annual Report on Form 10-K (File No. 001-13703) for the year ended December 31, 2011.
10.53 †	Form of Dividend Equivalent Rights Award for Project 500—incorporated by reference to Exhibit 10.55 to Registrant's Annual Report on Form 10-K (File No. 001-13703) for the year ended December 31, 2011.
10.54 †	Form of Amendment to Employment Agreement by and between Six Flags Entertainment Corporation and Certain Executives—Walter S. Hawrylak and Brett Petit—incorporated by reference to Exhibit 10.5 to Registrant's Quarterly Report on Form 10-Q (File No. 001-13703) for the quarter ended March 31, 2012.
10.55 †	Project 500 Program Amended and Restated Overview—incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on May 11, 2012.

Exhibit Number	Exhibit Description
10.56	† Project 500 Program Amended and Restated Award Agreement—incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on May 11, 2012.
10.57	† Supplemental 401(k) Plan—incorporated by reference to Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q (File No. 001-13703) for the quarter ended June 30, 2012.
10.58	Form of First Amendment to Credit Agreement by and among Six Flags Entertainment Corporation, Six Flags Operations Inc., Six Flags Theme Parks Inc., the Subsidiary Guarantors listed on the signature pages thereto, Wells Fargo Bank, National Association, as administrative agent, and several lenders (without exhibits)—incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) filed on December 5, 2012.
10.59	† Amendment No. 1 to Employment Agreement, dated August 16, 2013, by and between John M. Duffey and Six Flags Entertainment Corporation—incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q (File No. 001-13703) for the quarter ended September 30, 2013
10.60	* Second Amendment to Credit Agreement, dated as of December 23, 2013, by and among Six Flags Entertainment Corporation, Six Flags Operations Inc., Six Flags Theme Parks Inc., the Subsidiary Guarantors listed on the signature pages thereto, Wells Fargo Bank, National Association, as administrative agent, and several lenders (without exhibits)
10.61	*† Form of Director Deferred Share Unit Agreement pursuant to the Six Flags Entertainment Corporation Long-Term Incentive Plan
12.1	* Computation of Ratio of Earnings to Fixed Charges.
21.1	* Subsidiaries of the Registrant.
23.1	* Consent of Independent Registered Public Accounting Firm.
31.1	* Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	* Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	* Certification of Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	* Certification of Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	** XBRL Instance Document
101.SCH	** XBRL Taxonomy Extension Schema Document
101.CAL	** XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	** XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	** XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	** XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

** Furnished herewith

† Management contract or compensatory plan

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Six Flags Entertainment Corporation:

We consent to the incorporation by reference in the registration statements (Nos. 333-167215, 333-168632, 333-170584, 333-181114, and 333-175049) on Forms S-3 and S-8 of Six Flags Entertainment Corporation of our report dated February 19, 2014, with respect to the consolidated balance sheets of Six Flags Entertainment Corporation as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for each of the years in the three-year period ended December 31, 2013, and the effectiveness of internal control over financial reporting as of December 31, 2013, which report appears in the December 31, 2013 annual report on Form 10-K of Six Flags Entertainment Corporation.

KPMG LLP

Dallas, Texas
February 19, 2014

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER,
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James Reid-Anderson, certify that:

1. I have reviewed this annual report on Form 10-K of Six Flags Entertainment Corporation;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2014

/s/ JAMES REID-ANDERSON

James Reid-Anderson
President and Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER,
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John M. Duffey, certify that:

1. I have reviewed this annual report on Form 10-K of Six Flags Entertainment Corporation;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2014

/s/ JOHN M. DUFFEY

John M. Duffey
Executive Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER,
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Six Flags Entertainment Corporation (the "Company") on Form 10-K for the fiscal year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Reid-Anderson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted by § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2014

/s/ JAMES REID-ANDERSON

James Reid-Anderson
President and Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER,
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Six Flags Entertainment Corporation (the "Company") on Form 10-K for the fiscal year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John M. Duffey, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted by § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2014

/s/ JOHN M. DUFFEY

John M. Duffey
Executive Vice President and Chief Financial Officer

The following table sets forth a reconciliation of net income (loss) to Adjusted EBITDA for the periods shown (in thousands)	Twelve Months Ended December 31,				
	2013 Successor	2012 Successor	2011 Successor	2010 Combined ¹	2009 Predecessor
Net income (loss)	\$156,873	\$ 403,039	\$ 13,145	\$ 633,790	\$(194,095)
(Income) loss from discontinued operations	(549)	(7,273)	(1,201)	(9,194)	34,007
Income tax expense (benefit)	47,601	(184,154)	(8,065)	123,825	2,902
Restructure (recovery) costs	–	(47)	25,086	37,417	–
Reorganization items, net	(180)	2,168	2,455	(811,994)	101,928
Other expense, net	1,234	612	73	154	17,304
Loss on debt extinguishment	789	587	46,520	18,493	–
Equity in loss (income) of investee	–	2,222	3,111	778	(3,122)
Interest expense, net	74,145	46,624	65,217	127,976	105,435
Loss on disposal of assets	8,579	8,105	7,615	13,650	11,135
Gain of sale of investee	–	(67,319)	–	–	–
Amortization	14,393	15,648	18,047	12,336	972
Depreciation	113,682	132,397	150,952	151,688	140,735
Stock-based compensation	27,034	62,875	54,261	19,386	2,597
Impact of fresh start valuation adjustments ²	594	993	1,535	4,562	–
Modified EBITDA ³	444,195	416,477	378,751	322,867	219,798
Third party interest in EBITDA of certain operations ⁴	(40,083)	(33,848)	(28,417)	(27,826)	(22,599)
Adjusted EBITDA ³	\$404,112	\$ 382,629	\$350,334	\$ 295,041	\$ 197,199

¹ In connection with the company's emergence from Chapter 11 on April 30, 2010 and the application of fresh start reporting upon emergence in accordance with FASB ASC Topic 852, "Reorganizations", the results for the twelve-month periods ended December 31, 2013, 2012 and 2011, and the eight-month period ended December 31, 2010, respectively (the company is referred to during such periods as the "Successor") and the results for the four-month period ended April 30, 2010 and the twelve-month period ended December 31, 2009, respectively (the company is referred to during such period as the "Predecessor") are presented separately. This presentation is required by United States generally accepted accounting principles ("GAAP"), as the Successor is considered to be a new entity for financial reporting purposes, and the results of the Successor reflect the application of fresh start reporting. Accordingly, the company's financial statements after April 30, 2010 are not comparable to its financial statements for any period prior to its emergence from Chapter 11.

² Amounts recorded as valuation adjustments and included in reorganization items for the month of April 2010 that would have been included in Modified EBITDA and Adjusted EBITDA, had fresh start

³ "Modified EBITDA", a non-GAAP measure, is defined as the Company's consolidated income (loss) from continuing operations: excluding the cumulative effect of changes in accounting principles, discontinued operations gains or losses, income tax expense or benefit, restructure costs or recoveries, reorganization items (net), other income or expense, gain or loss on early extinguishment of debt, equity in income or loss of investees, interest expense (net), gain or loss on disposal of assets, gain or loss on the sale of investees, amortization, depreciation, stock-based compensation, and fresh start accounting valuation adjustments. The Company believes that Modified EBITDA is useful to investors, equity analysts and rating agencies as a measure of the Company's performance. The Company believes that Modified EBITDA is a measure that can be readily compared to other companies, and the Company uses Modified EBITDA in its internal evaluation of operating effectiveness and decisions regarding the allocation of resources. Modified EBITDA is not defined by GAAP and should not be considered in isolation or as an alternative to net income (loss), income (loss) from continuing operations, net cash provided by (used in) operating, investing and financing activities or other financial data prepared in accordance with GAAP or as an indicator of the Company's operating performance. Modified EBITDA as defined herein may differ from similarly titled measures presented by other companies.

⁴ Represents interests of third parties in the Adjusted EBITDA of Six Flags Over Georgia, Six Flags Over Texas, Six Flags White Water Atlanta and the Lodge, plus the Company's interest in the Adjusted EBITDA of dick clark productions, inc., which were less than wholly

owned. For illustrative purposes in this annual report, the company has combined the Successor and Predecessor results to derive combined results for the twelve-month period ended December 31, 2010. However, because of various adjustments to the consolidated financial statements in connection with the application of fresh start reporting, including asset valuation adjustments and liability adjustments, the results of operations for the Successor are not comparable to those of the Predecessor. The financial information accompanying this annual report provides the Successor and the Predecessor GAAP results for the applicable periods, along with the combined results described above. The company believes that subject to consideration of the impact of fresh start reporting, the combined results provide meaningful information about revenues and costs, which would not be available if the twelve-month period ended December 31, 2010 was not combined to accommodate analysis.

accounting not been applied. Balance consists primarily of discounted insurance reserves that will be accreted through the statement of operations each quarter through 2018.

"Adjusted EBITDA", a non-GAAP measure, is defined as Modified EBITDA minus the interests of third parties in the Adjusted EBITDA of properties that are less than wholly owned (consisting of Six Flags Over Georgia, Six Flags White Water Atlanta, Six Flags Over Texas, and Six Flags Great Escape Lodge & Indoor Waterpark (the "Lodge") of which the Company purchased the noncontrolling interests from its partners in the Lodge in 2013) plus the Company's interest in the Adjusted EBITDA of dick clark productions, inc., which was sold in September 2012. The Company believes that Adjusted EBITDA provides useful information to investors regarding the Company's operating performance and its capacity to incur and service debt and fund capital expenditures. Adjusted EBITDA is approximately equal to "Parent Consolidated Adjusted EBITDA" as defined in the Company's secured credit agreement, except that Parent Consolidated Adjusted EBITDA excludes Adjusted EBITDA from equity investees that is not distributed to the Company in cash on a net basis and has limitations on the amounts of certain expenses that are excluded from the calculation. Adjusted EBITDA is not defined by GAAP and should not be considered in isolation or as an alternative to net income (loss), income (loss) from continuing operations, net cash provided by (used in) operating, investing and financing activities or other financial data prepared in accordance with GAAP or as an indicator of the Company's operating performance. Adjusted EBITDA as defined herein may differ from similarly titled measures presented by other companies.

owned. The Company purchased the noncontrolling interests from its partners in the Lodge in 2013 and sold its interest in dick clark productions, inc. in September 2012.

Company Description

With \$1.1 billion in revenue and 18 parks across the United States, Mexico and Canada, Six Flags Entertainment Corporation is the largest regional theme park company in the world. Hundreds of millions of people have trusted Six Flags to offer affordable, value-packed thrills, record-shattering roller coaster rides and special events like summer concerts, Fright Fest® and Holiday in the Park®. Six Flags' wide array of entertainment attracts families, teens, tweens and thrill seekers alike.

Six Flags Headquarters

924 Avenue J East
Grand Prairie, Texas 75050
972-595-5000

Annual Meeting of Stockholders

Six Flags Entertainment Corporation's Annual Meeting of Stockholders will be held on May 7, 2014, at The Roosevelt Hotel, 45 East 45th Street, New York, NY, at 3:00 p.m. EDT. Stockholders of record on March 13, 2014, are entitled to attend.

Stock Transfer Agent and Registrar

For information or assistance regarding individual stock records or dividends, contact your broker or the Company's transfer agent, Computershare.

Computershare Contact Information

You may contact Investor Services at Computershare by dialing 1-800-662-7232 or by visiting Computershare's website at: www.computershare.com/investor.

Stock Exchange Listing

The Company's common stock is listed on the New York Stock Exchange under the ticker symbol SIX. Current trading volume and share price data can be found in the financial section of most daily newspapers and online at www.sixflags.com/investors.

Independent Registered Public Accounting Firm

KPMG LLP
717 North Harwood Street
Suite 3100
Dallas, Texas 75201-6585

Form 10-K and Other Reports

Six Flags Entertainment Corporation's annual report, Form 10-K and other SEC filings are available online at www.sixflags.com/investors. Stockholders may receive, without charge, copies of Six Flags Entertainment Corporation's financial information by contacting Investor Relations.

Investor Relations

Persons seeking information about Six Flags are encouraged to visit us online at www.sixflags.com/investors. The Company provides a variety of information about its business on its website. You may also contact:

Nancy Krejsa
Senior Vice President
Investor Relations and Corporate Communications
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