(NYSE: PKS)

COMPANY ANALYSIS AND RESTRUCTURING PLAN

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EXECUTIVE SUMMARY

Overview

Six Flags, Inc. is paying the price for poor execution of an overly aggressive expansion strategy. As of December 1995, Six Flags owned and operated six theme parks, had 200 full-time employees, and generated revenues of \$41.5 million. By year-end 2000, the company had grown to 38 theme parks, employing over 3,000 full-time employees and generating a total of \$1,007.0 million in revenues. Today, Six Flags operates 30 parks with 2,370 full-time employees generating \$1,038 million in revenue. The company's aggressive acquisition strategy and extensive capital expenditure programs left Six Flags with a poorly organized, unintegrated portfolio of assets and a significant degree of financial leverage. The company's net interest expense grew from \$5.6 million in 1995 to \$224.8 million in 2000. In addition, the company's weakened financial position and geographic over-extension have left Six Flags poorly positioned to make the necessary investments in marketing, park maintenance and new-ride development. As a result, Six Flags' performance continues to deteriorate and its stock continues to languish.

The most dramatic drop in the stock price (from \$11.86 to \$5.06) occurred on August 13, 2002 after the company announced that it did not expect to meet its earnings goals due to declines in attendance at its parks. During the quarter ending June 30, 2002 revenues fell as a result of an 11% drop in attendance at its parks despite a 9.6% average increase in per capita spending. Six Flags' performance and its inability to delever its balance sheet have left the stock price extremely depressed.

Although the company is being penalized for its significant debt load, and a continued deterioration in performance would jeopardize the company's ability to service its current debt levels, the company is not really in danger of defaulting on its debt at this point.

Structure of this Paper

In this paper, we will take the perspective of an advisor to the Board and examine the root causes of the challenges facing Six Flags, Inc. and propose solutions. We begin with an overview of the amusement park industry and an examination of the macro-economic and competitive pressures faced by

Six Flags. Within this framework, we continue with a discussion of the history of Six Flags and its development, and an analysis of the strategic, operational, and corporate financing decisions made by management along the way. We then turn our attention to the company's management team and corporate governance structures. Next, we examine Six Flags' financial and operating performance, capital structure, and liquidity. Finally, we discuss the alternatives available to the company to address its current situation, and make a recommendation, including operational initiatives we believe are central to a successful turnaround for Six Flags.

Summary of Recommendations

In order to effect a successful turnaround, we believe Six Flags, Inc. should undertake the following changes:

- *Rationalize portfolio of theme parks.* Six Flags' aggressive acquisition strategy has resulted in a large, diverse portfolio of theme parks; however, in many cases, these parks serve overlapping geographic areas or are in highly competitive markets with several other competitors. Six Flags should strategically divest itself of selected parks, especially those with numerous local competitors and significant necessary capital requirements. The company has begun this process with the sale of their European and Cleveland, OH. parks, but we feel they have further to go. While obviously the most significant contributors to cash flow would generate the greatest sale proceeds, we believe the company should divest those parks which are attractive to local strategic competitors, but should retain their marquis parks.

- *Renew focus on new rides as key driver of growth.* The company's focus on acquisition of real estate left little capital for the development and installation of new rides. Six Flags must redirect their focus and their capital on developing new attractions for existing theme parks. Capital expenditures have declined significantly over the past five years as a result of cash flow constraints, and we believe the business is now suffering from the lack of investment. In 2005, management has forecasted increasing capital spending to 12% of revenue ($135 million), a figure more in line with competitor figures. On the year end conference call, management highlighted a major new roller coaster in Mexico City, a water-park addition in Chicago and an 11-acre themed entertainment section in New Jersey which are steps in the right direction.

- *Improve usage of national brand.* Six Flags is a valuable, nationally recognized brand, but the company does not always use the brand to great effect. Although the majority of the company's parks are clearly branded under the national brand, some are not (6 of 30 are not), and it is not clear what, if any, strategy drives this. In addition, we believe the brand has suffered some erosion over the last few years as the company has failed to reinvest in its parks and the development of new attractions. The Six Flags brand once had the power to drive incremental traffic by itself – the re-branding of four properties increased attendance and per capita spending 21.2% and 7.8%, respectively. Management needs to once again restore and harness this power.

- *Improve usage of licensed characters and content.* Six Flags has exclusive rights to certain characters owned by Warner Bros. and DC Comics, including Bugs Bunny and Superman. The company should feature these characters more prominently in national and regional marketing efforts. The licenses the company holds include the right to sell merchandise featuring the characters at the parks, and to use the characters in advertising, as walk-around characters and in theming for rides, attractions and retail outlets. Using these characters promotes increased attendance, supports higher ticket prices, increases lengths-of-stay and enhances in-park spending. Further, this intellectual property allows Six Flags to standardize the experience across parks and offer a differentiated experience from the smaller regional operator.

- *Enter into additional national marketing and promotional agreements.* Six Flags should strive to build its network of marketing and promotional agreements with consumer goods companies. Six Flags could make effective use of these agreements to improve their access to their target demographic. One of Six Flags' more underutilized assets is their platform as a promotional vehicle for consumer goods companies. Nascar racing venues and Football stadiums have successfully partnered with national and regional enterprises to help them advertise their brands. An incremental revenue stream of this nature would be very high margin and increase returns on capital across the parks.
- *Management and Governance.* While the primary rationale behind the company's acquisition strategy (economies of scale and diversification) has merit, there is concern over the Management team and the Board with regard to their scrutiny and accountability regarding the execution and integration of these acquisitions. Both the executives and directors of Six Flags are extremely entrenched with long-tem relationships amongst themselves. The addition of new executives and independent directors would increase management credibility and bring new fresh perspective to a stale team.

Summary of Financial Analysis and Valuation

The liquidation value of the company is not as large as the going-concern valuation. The difference is approximately $1 billion under our set of estimates and could be even larger. A more likely scenario is a sale of the company on a park-by-park basis, though grossing up a valuation on this foundation is not possible because we backed into the singular park numbers through the aggregate to begin with.

The going-concern valuation was not aimed toward large alterations of operational performance, specifically because we do not believe the operating model is fatally flawed. In other words, we view the company as a relatively valuable business, with clearly positive free cash flow, that has become extremely over-levered as a result of historical acquisitions. Additionally, the company's bankers have been incredibly flexible in their adaptation of the standing covenants, in order to help PKS out of its tough time.

We calculated free cash flows from operations on an unlevered basis, despite the appearance that interest flows through the projected Income Statement it does not factor into our FCF calculation. We discounted 2005E through 2009E back at the WACC, as described below. 2010E was our terminal year in which we actually used a multiple of EBITDA, to which we added any remaining NOL balance and then discounted back to present value. The NOL was factored out and Operating Income was tax affected for 2010 such that the tax shielding NOL was not considered into perpetuity beyond its simple tax value. As a going concern, we estimate the value of Six Flags, Inc. to be between $2.8 billion and $3.6 billion versus a current market value of approximately $2 billion.

INDUSTRY OUTLOOK AND COMPETITIVE ENVIRONMENT

Industry Overview and Definition

The amusement park industry involves the management of outdoor recreational sites to which visitors pay an entrance fee in order to access various leisure services, including mechanical or static attractions, exhibitions, shows, and restaurants. The industry is usually classified in two major segments: destination parks and regional parks.

Destination parks

Destination parks are designed mainly to attract visitors who experience the parks' attractions as part of an extended stay. Destination parks typically offer on-site lodging and may offer guests access to multiple parks and venues within a single entertainment complex. Guests of destination parks generally travel long distances in order to visit these parks. In addition, because guests travel significant differences to visit these parks and often stay on-site, destination parks tend to capture a significant portion of their guests' dining, entertainment and lodging budget for the duration of the guests' stay. However, because of their guest profile, destination parks are typically sensitive to broader economic cycles and the tourism industry. Significant competitors in the destination parks segment include Walt Disney and Universal Studios.

Regional parks

Regional parks typically attract visitors from the immediately surrounding area. Guests of regional parks tend to visit the park for a full day or some significant portion of a day. Like destination parks, regional parks may offer visitors access to multiple venues within a larger complex. However, because of the short-term nature of their guest's visits, regional parks rarely offer on-site lodging. Significant players in the regional parks segment include Six Flags, Cedar Fair, Busch Gardens and King's Island.

Amusement park sub-segments

Within these two market segments, amusement parks can be further broken down based on the type of entertainment they offer their visitors.

- *Amusement parks.* Amusement parks typically operate a number of mechanical attractions to entertain their guests.
- *Theme parks.* Theme parks offer their guests a broad array of mechanical attractions, shows and dining options based on a common theme.
- *Animal parks.* Animal parks, including zoos and aquariums, are centered on the exhibition of animal species.
- *Water parks:* Water parks provide water attractions, such as pools and water slides.

Six Flags participates in each of the above sub-segments with the majority of their business in the amusement park segment. Exhibit K provides summary statistics for each of the company's parks.

Customer Trends and Target Demographics

Theme parks seek to appeal to a number of broad segments of the population. As stated above, regional theme parks tend to appeal to regional visitors, who may visit the park for a day or a fraction thereof. In contrast, destination parks tend to draw visitors from across the country and internationally, and these guests tend to stay for a number of days in order to take advantage of the parks' offerings. As an industry, theme parks tend to earn more than 85% of revenues in the second and third quarters of each year. Peak attendance of theme parks tends to coincide with school summer vacations and winter and spring breaks. Thus, although parks hope to appeal broadly to the population, it is likely that their core customer base consists of teenager and adolescents and families with children.

Euromonitor estimates that young adults, defined as 15 - 29 year-olds, represent approximately 20.7% of the population of the United States in 2005. Families, defined as married couples w/ children, are estimated to represent approximately 24.1% of households. Although there is likely to be some overlap between these two groups, they still represent a significant proportion of U.S. households. The proportion of the population represented by these two groups is expected to be relatively stable over the next ten years.

The proportion of consumer expenditure captured by theme parks is a function both of leisure activities and of travel and tourism. U.S. consumer expenditure dedicated to leisure and recreation is expected to represent 8.9% of total consumer expenditure in 2005. Again, this expenditure number is projected to be relatively stable over the next ten years. However, U.S. holiday taking dropped from 93% of the population in 2000 to 87% in 2003. Much of this drop is attributed to the combined effects of fear of terrorism and a weakening economy. On average, over 35% of all travel in the United Stated takes place during the months of June, July and August. Approximately 36.5% of all U.S. travel in 2003 was attributed to leisure. Overall, travel expenditure is expected to improve as the threat of terrorism fades and the U.S. economy rebounds.

As the economy improves and U.S. consumer spending on travel recovers, Euromonitor estimates the U.S. theme parks market is expected to grow approximately 3.5% per year from 2004 to 2008. This growth is driven in part by an increase in admissions prices, as operators seek to offset the costs of upgrades in current facilities and acquisitions of new parks. Operators are also expected to continue to invest money in new rides and attractions, driving repeat customers. In addition, parks are seeking to increase their appeal to adults, with or without children, by creating new attractions geared to providing entertainment specifically for adults. Finally, theme parks are developing more strategic alliances with air carriers, hotels and other attraction providers, which are expected to drive revenues by attracting more visitors by offering a lower package rate. Although this last aspect is expected to drive a more noticeable increase in destination park revenues, it should have a positive effect on regional parks as well.

Industry Trends and Barriers to Entry

In 2004, theme park attendance in North America exhibited positive growth for the first time in over two years. Approximately 169.1 million guests came through the gates of the continent's top 50 parks. This represents growth of 4% over 2003 attendance, reversing two consecutive years of decline for the industry. The top 50 parks in the amusement park industry posted their strongest attendance numbers in 2000, with 175.1 million guests. However, the combined effects of the threat of terrorism and a weakening economy drove attendance down to 173.9 million in 2001, 170.8 million in 2002, and 162.7 million in 2003. The rebound in 2004 is credited to a broader rebound in travel and tourism and signs of life in the broader U.S. economy. New attractions at top parks also drove increased customer traffic. Attendance figures for the top 10 parks in 2004 are shown in the table below.

Park	Location	Attendance (MM)	Change (%)
Magic Kingdom	Lake Buena Vista, FL	15.2	8%
Disneyland	Anaheim, CA	13.4	5%
Epcot	Lake Buena Vista, FL	9.4	9%
Disney MGM Studios	Lake Buena Vista, FL	8.3	5%
Disney's Animal Kingdom	Lake Buena Vista, FL	7.8	7%
Universal Studios Orlando	Orlando, FL	6.7	14%
Islands Of Adventure / Universal Orlando	Orlando, FL	6.3	13%
Disney's California Adventure	Anaheim, CA	5.6	6%
Seaworld Florida	Orlando, FL	5.6	4%
Universal Studios Hollywood	Universal City, CA	5	8%

The characteristics of the amusement park entertainment industry are favorable for the current players in the industry and deter new entrants. The capital intensive nature of theme parks deters competitive investment. Potential competitors realize that, in most cases, existing demand is being serviced and that building a competing park will simply result in low returns on capital for both participants. Suppliers to the industry are fragmented and lack the power to extract excess returns from the value chain. Historically, customers have been relatively price inelastic, as evidenced by the ability of firms to raise revenue per capita annually and the fact that consumption has not been cyclical. However, in recent years, customer demand has become more sensitive to price and the business has more closely followed the performance of the overall economy. Rivalry among firms is not acute. Although there are several competitors in the industry, theme parks rarely compete head to head. Instead, in any given geography, theme parks largely compete with other forms of family entertainment for consumers' disposable income. With the competitive set defined so broadly there would appear to be many substitutes and this is technically the case. But, is there any true substitute to traveling 60 mph upside down with your hands above your head?

Theme Park Economics

Despite what might seem to be favorable industry characteristics the performance of individual firms within the industry has been mixed. The reason for divergence of operating results can be ascertained by analyzing the economics at the individual park level. An individual theme park exhibits massive operating leverage. The costs to build, maintain and run the rides and entertainment are largely independent of the number of guests attending the park. Consequently, operating performance is extremely sensitive to changes in the top line, with each dollar of revenue gained or lost representing $.90 cents of operating income. Theme park operators, aware of this dynamic, have tried to turn their properties into regional destination parks to increase customer throughput. In addition, properties located in climates that allow for year-round attendance are better positioned to leverage their fixed costs. Companies in the industry with the highest returns on capital are characterized by having the largest percentage of operating income and assets tied up in large, high-throughput parks in temperate climates. For example, Six Flags CFO Jim Dannhauser estimates that Cedar Fair derives two-thirds of total revenue from two parks (2/27/2004 – Knight Ridder/Tribune News Service – Sean Wood). Additionally, one of the two parks is Knott's Berry Farm, a large park located in sunny Southern California. Cedar Fair's high returns on capital reflect this concentration. Six Flags on the other hand, with a greater mix of park type, exhibits much lower returns on capital.

BUSINESS

Company Overview

Six Flags, Inc. is the largest regional theme park operator in the world, engaged solely in the theme park business. The 30 parks operated by the company had attendance during 2004 of approximately 33.5 million and generated $1,037 million in revenue, of which approximately 54% was derived from ticket sales. The company's parks include 14 of the 50 most highly attended theme parks in North America and the largest paid-admission theme park in Mexico. Six Flags' theme parks serve nine of the 10 largest metropolitan areas in the United States, and the company estimates that approximately two-thirds of the population of the continental United States live within a 150-mile radius of one of their parks.

The Six Flags parks are located in geographically diverse markets across North America and offer a complete family-oriented entertainment experience. The company's theme 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 merchandise outlets. In the aggregate, during 2004, Six Flag theme parks offered more than 1,150 rides, including over 150 roller coasters, making the company the leading provider of "thrill rides" in the industry.

Six Flags, Inc. holds exclusive long-term licenses for certain Warner Bros. and DC Comics characters, including Bugs Bunny, Daffy Duck, Batman, Superman and others. The company uses these characters to market its parks and to provide an enhanced family entertainment experience. The licenses include the right to sell merchandise featuring the characters at the parks, and to use the characters in advertising, as walk-around characters and in theming for rides, attractions and retail outlets. In addition to the "Six Flags" brand the company utilizes the licenses to create a consistent attraction across its parks.

History

The Tierco Group and Premier Parks

The company that is today's Six Flags began life as The Tierco Group, an Oklahoma City-based real estate development company that purchased a theme park on the outskirts of Oklahoma City called Frontier City, originally opened in 1958, in the early 1980s. By 1989, when Kieran Burke was appointed CEO, Tierco had divested all of its real estate holdings to focus on the amusement park business. In 1994, the company changed its name to Premier Parks and the next year acquired three properties from Funtime, bringing its total to six. Premier Parks went public in 1996 and shifted its growth spree into overdrive, acquiring four parks that year and three more in 1997, including Kentucky Kingdom, near Louisville, and Marine World, near San Francisco. In 1998, the company bought Six Flags Theme Parks from Time Warner and an investor group led by Boston Ventures for about $1.9 billion, including the assumption of $890 million in debt.

Six Flags Theme Parks

Six Flags Theme Parks had been founded by Dallas oil baron Angus Wynne, who felt that there was a consumer market for affordable, convenient, regional theme parks which were closer to people's homes. The company opened its first theme park, Six Flags Over Texas, in 1961 in Arlington, Texas. The park took its name from the six flags that had flown over the state during its history. The park consisted of six themed sections, one for each culture represented by the six flags. These countries were France, Spain, Mexico, the Republic of Texas, the Confederate States of America, and the United States of America. Six Flags Over Texas was the first amusement park to combine inventive theming with entertainment.

The Dallas-area park was followed by Six Flags Over Georgia, opened in 1967, and Six Flags Over Mid-America, opened in 1971, now called Six Flags St. Louis. The chain continued to grow with the acquisition of other parks, such as the Great Adventure Park and Safari in Jackson, New Jersey, and Great America in Gurnee, Illinois. In 1982 the company was bought by Bally Manufacturing, later Bally Entertainment, but was sold to New Jersey-based Wesray Capital Corp. five years later. Time Warner bought a stake in the business in 1991 and acquired the entire company in 1993. Time Warner then sold a 51% stake in Six Flags to Boston Ventures in 1995.

Six Flags, Inc.

With the Six Flags acquisition, Premier Parks gained eight theme parks, three water attractions, and a recognized national brand. The company now has worldwide ownership of the "Six Flags" brand name and has branded 24 of its parks as "Six Flags" parks, including 13 parks re-branded since the 1998 acquisition. Premier Parks also began expanding globally in 1998, purchasing a 94% interest in Walibi Parks, with six parks in Europe. The company later extended their holding in Walibi to 98%. In 1999 the company acquired Splashtown Water Park in Houston and went south of the border with the purchase of Mexico's largest theme park, Reino Aventura, now Six Flags Mexico. In addition, it acquired the White Water Atlanta park and Warner Bros. Movie World in Germany. In 2000 the company changed its name to Six Flags. It bought Montreal's La Ronde amusement park in 2001 and opened Warner Bros. Movie World in Spain in 2002. Two years later the company rethought its Europe expansion strategy and sold those operations for $200 million. The company also sold Six Flags Worlds of Adventure to rival Cedar Fair.

Park Partnership Agreement

As part of the 1998 Six Flags acquisition, the company assumed certain contractual obligations relating to the partnerships that own two Six Flags parks, Six Flags Over Texas and Six Flags Over Georgia including (i) minimum annual distributions of approximately $54 million to the LPs and (ii) minimum capital expenditures at each of the two parks. Cash flow from operations at the parks is used to satisfy these requirements first, before any funds are required from the company. The company also guaranteed the obligation to purchase a maximum number of 5% per year (accumulating to the extent not purchased in any given year) of the total limited partnership units outstanding at a previously agreed to price. This unit purchase obligation is essentially a put option held by the LPs of the partnerships. These obligations will continue until 2027. As of December 31, 2004, the company owned approximately 25.3% and 37.5%, respectively, of the limited partnership units in the Georgia and Texas partnerships. Because the company has not been required to repurchase any units since the 1998 acquisition, the potential purchase obligations for 2005 at both parks will aggregate approximately $215 million. In addition, AOL Time Warner (whom Six Flags purchased the partnerships interest from) guaranteed these obligations as part of the original Six Flags acquisition agreement.

The LP economic incentives are the following: LPs are guaranteed annual inflation adjusted distributions and a pre-set value for their shares. If partnership parks maintain superior EBITDA levels over any four-year period, the LPs shares are adjusted upward accordingly to reflect park performance with no limit on upside share appreciation. Thus LPs participate in upside share appreciation and have no downside. Time Warner is on the hook should the company, as the managing partner, not make these required distributions for whatever reason. If superior EBITDA were to result, it is possible, but not probable, that the LPs might put at least some of their shares back to the company. Deterrents to early LP share redemption are the annual distributions' favorable risk adjusted returns, potential share valuation upward adjustment, tax considerations, and the credit protection afforded by AOL Time Warner in a worst-case scenario. These partnerships were entered into by the parent company of Six Flags. Because the Credit Facility is located at the operating subsidiary there are restrictions on the up-streaming of cash to the parent to meet any unit purchase obligations. Because of the structure and the AOL Time Warner guarantee, we do not believe that this obligation to purchase units poses a realistic risk to the company.

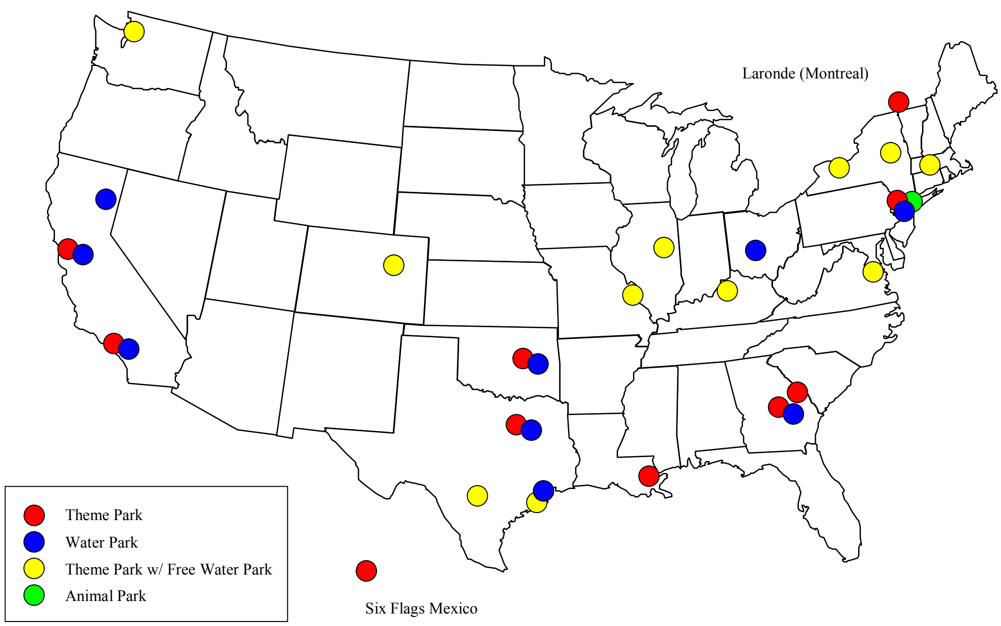
Strategy & Operations

Six Flags operates in geographically diverse markets in North America. In order to provide the flexibility required to respond to local conditions, the company views each park as a separate operating division, managed by a general manager. Each park has a local management team, which includes senior personnel responsible for operations and maintenance, marketing and promotion, human resources, finance and merchandising. Local advertising, ticket sales, community relations and hiring and training of personnel are the responsibility of individual park management. Each park's general manager reports to one of the company's regional Executive Vice Presidents, who, in turn, report directly to the CEO of the company. In addition, there is an Executive Vice President responsible for retail and in-park spending at all of the parks. Six Flags' parks are generally open daily from Memorial Day through Labor Day and during weekends prior to and following their regular seasons, often in conjunction with themed events, such as Hallowscream, Fright Fest, Oktoberfest and Holiday in the Park.

Six Flags' mix of theme park assets was a direct result of an affirmative company strategy. According to Tim O'Brien, senior editor at the trade publication Amusement Business, management "built its reputation on acquiring modest-sized parks and developing them into regional attractions." Two characteristics of Six Flags led management to believe they were better positioned than others to execute on this strategy. First, the Six Flags brand alone had historically proved powerful enough to drive incremental traffic. For example, in 1999 after acquiring Six Flags, Premier Parks re-branded four properties. One year later, attendance increased 21.2%, and per capita spending increased 7.8% (Premier Parks 1999 4th Quarter Earnings Release). In addition management commissioned a marketing study in 1999 that found that the Six Flags brand ranked first among teenagers, ahead of icons such as Nike and McDonalds (Daily Oklahoman – 7/5/2000 – Mike Strain). Second, Six Flags has the exclusive long-term licenses to characters from Warner Bros.' Looney Tunes and DC Comics properties. These characters include Bugs Bunny, Daffy Duck, Batman, Superman and others. Access to this intellectual property allowed Six Flags to standardize the experience across parks and offer a differentiated experience from the smaller regional operator. The strategy of transforming small local parks to regional destinations not only leveraged specific assets available only to Six Flags, but reflected the microeconomics of individual parks and the power of incremental revenues in boosting financial results.

"The company believes that its parks benefit from limited direct competition, since the combination of a limited supply of real estate appropriate for theme park development, high initial capital investment, long development lead-time and zoning restrictions provides each of our parks with a significant degree of protection from competitive new theme park openings." (2004 10-K) Management estimates that it would cost at least $200 million and would take a minimum of two years to construct a new regional theme park comparable to a Six Flags theme park.

Despite the operational benefits that accrued by aggregating theme parks under the Six Flags brand, the debt associated with the acquisition strategy limited management's ability to reinvest in the business. Although it is generally difficult to ascertain the "adequate" amount of a capital spending, an analysis of competitor spending patterns suggests a deficiency. For example, Anheuser Busch's Busch Gardens business spent approximately 13% of revenue on capital projects in the last two years. During the same period, Cedar Fair spent 12% of revenue. Six Flags, on the other hand, allocated only 10% of revenue during the period. The difference in capital spending as a percentage of PPE, net is even more dramatic. Busch Gardens averaged 12% for the last two years compared to approximately 5% for Six Flags. Under investing in capital projects negatively impacts operating performance because attendance growth is difficult to manage without new and exciting rides. Finally, the company has significantly reduced the proportion of capital investment it dedicates to developing new rides and attractions. Instead, Six Flags has dedicated it capital expenditures to improving "guest comfort," which translates in to improved landscaping and cleaner bathrooms. While these factors do contribute to a positive visitor experience, they do not drive significant attendance like the announcement of a new attraction.



Marketing

The company holds 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, Six Flags' international licenses with Warner Bros. include the Hanna-Barbera and Cartoon Network characters, including Yogi Bear, Scooby-Doo, Flintstones and others. The company uses these characters to market its parks and to provide an enhanced family entertainment experience. The licenses include the right to sell merchandise featuring the characters at the parks, and to use the characters in advertising, as walk-around characters and in theming for rides, attractions and retail outlets. Using these characters promotes increased attendance, supports higher ticket prices, increases lengths-of-stay and enhances in-park spending. Further, this intellectual property allows Six Flags to standardize the experience across parks and offer a differentiated experience from the smaller regional operator.

Cross-promotional agreements

In 2002, Six Flags announced a 10-year cross-promotional marketing agreement with Coca-Cola Enterprises. Under the terms of the deal, Coca-Cola became the exclusive soft drink provider in all Six Flags theme parks. In addition, the two companies promised unique promotional arrangements to benefit

Park customers. For example, Coca-Cola, provided special offers on Coke cans that provided discounts to Six Flags parks.

In January 2005, Six Flags signed its most comprehensive sponsorship deal with a food company. Six Flags announced that Conagra would provide the "Official Food for Playtime for Six Flags" at its 28 U.S. Parks. Under the partnership, consumers will find Conagra products at theme parks, while Conagra will provide promotions and Six Flags special offers to consumers in grocery stores across the U.S.

National advertising campaign

In 2004, in an effort to leverage its brand across otherwise un-integrated parks, Six Flags launched its first national ad campaign in seven years. The spots featured an energetic, old bus driver with oversized glasses who has become the company's mascot. Management and the industry have praised the buzz generated by the campaign with the ads scoring #1 in likeability in Ad Age's 2004 Quarterly survey and #2 in favorability and effectiveness in USA Today's Year-End Ad Tracks consumer poll. Investors have been less positive since performance has not reflected the success of the campaign and have expressed concern that capital should be allocated to investments at parks to improve guest comfort and new rides and attractions.

Pricing

Historically customer demand has been largely price inelastic. However, in 2002 management changed their pricing strategy. (See stock price chart.) Like many of its competitors, Six Flags has sought to counter shrinking attendance by increasing gate admissions prices. However, also like its competitors, the company has found it necessary to give significant discounts to season pass holders in order to maintain their core customer base. As a result, Six Flags has not been able to generate significant additional revenues from admissions. On the contrary, against the backdrop of an economic recession, Six Flags' customer base reacted poorly to reduced levels of discounting. In addition, Six Flags estimates that over 90% of visitors come from a 150-mile radius of any park. Rising gas prices in recent years have essentially increased the end-user cost of Six Flags' product. We conservatively estimate that doubling in gas prices has materially increased the cost per family to visit Six Flags' theme parks.

	Estimated Increase in Cost per Family							
	Miles From Park							
Cost per Gallon	**30**	**40**	**50**	**60**	**70**	**80**	**90**	**100**
$1.00	$2.14	$2.86	$3.57	$4.29	$5.00	$5.71	$6.43	$7.14
$2.00	$4.29	$5.71	$7.14	$8.57	$10.00	$11.43	$12.86	$14.29
Implied Px increase	$2.14	$2.86	$3.57	$4.29	$5.00	$5.71	$6.43	$7.14

*Assumes 14 miles/gallon fuel efficiency

MANAGEMENT AND GOVERNANCE

Executive Officers and Key Employees

Six Flags' management team has been with the company for many years, as outlined in the table below:

Executive Officers	Age	Years with Company	Current Position
Kieran E. Burke	47	16	Chairman, CEO, President, COO
James F. Dannhauser	52	10	CFO
John E. Bement	52	12	EVP/Retail
Hue W. Eichelberger	46	14	EVP/Eastern Region
Thomas J. Iven	46	13	EVP/Western Region
John Odum	47	29	EVP/Central Region
Brian Jenkins	43	9	SVP/Finance
Walter S. Hawrylak	57	6	SVP/Administration
Charles Salemi	40	8	SVP/Marketing
James M. Coughlin	53	7	General Counsel

Kieran Burke has been the Chairman of the board and the Chief Executive Officer since June 1994. He also took over the responsibilities of Chief Operating Officer in June 2004 due to the illness of the Gary Story, who resigned effective January 1, 2004 because of health reasons. Although Kieran Burke has added on the COO title to his CEO duties, Six Flags also asked John Odum, who is the EVP of central region, to head up North American Operations.

An interesting hire for Six Flags over the last few years was James Dannhauser as CFO. James was a director of the company since 1992 and previously had been a Managing Director at an Investment Bank. He took over the CFO title in 1995 and brought tremendous financial experience to the job.

Board of Directors

Four of the seven members of Six Flags' board of directors have been on the board for thirteen or more years. Five of the board members, Paul Biddelman, James Dannhauser, Michael Gellert, Francois Letaconnoux and Stanley Shuman, bring significant financial expertise from investment banking backgrounds. Interestingly, both James Dannhauser and Francois Letaconnoux have ties to the same investment banking firm, Lepercq, de NeuÖize & Co. Similarly, both Paul Biddelman and Michael Gellert held executive positions at Drexel Burnham and Lambert in the past. In addition, the CEO, Kieran Burke used to be a consultant to Drexel Burnham Lambert.

Name	Age	Years on Board	Position	Former Position
Paul A. Biddelman	58	13	Director	Former President, Hanseatic Corp.; Former MD at Drexel Burnham Lambert
Kieran E. Burke	46	16	Director, Chairman, CEO, President., COO	Former consultant to Drexel Burnham Lambert
James F. Dannhauser	51	13	Director, CFO	Former MD of Lepercq, de NeuÖize & Co. (investment bank)
Michael E. Gellert	72	16	Director	Former Chairman of Six Flags (1989-1994) and Trustee of Tierco, a business trust and the predecessor of the Six Flags; Prior executive positions at Drexel Burnham Lambert
Francois Letaconnoux	53	5	Director	President & CEO, Lepercq, de NeuÖize & Co.
Robert J. McGuire	67	2	Director	Former Police Commissioner of The City of New York, Chairman and CEO of Pinkerton's Inc. and President of Kroll Associates Inc.
Stanley S. Shuman	68	5	Director	Managing Director of Allen & Company, LLC (investment bank)

Board Committee Structure and Membership

Six Flags requires 100% membership independence on its three principal board committees: Audit, Compensation and Nominating & Corporate Governance. Six Flags' seven member board has four members that are deemed 'Independent' according to NYSE rules. Stanley Shuman used to be an independent director but he ceased to be so considered after his firm, Allen & Company, acted as financial advisor to Six Flags during the sale of the company's European operations. One of the interesting observations regarding this notion of the independence of the board is that Michael Gellert, who is deemed independent, was in fact the former chairman of Six Flags from 1989-1994.

	Audit Committee	Compensation Committee	Nominating & Corporate Governance	Executive Committee
Independent				
Paul A. Biddelman	X	X		X
Michael E. Gellert	X	X	X	X
Francois Letaconnoux	X		X	
Robert J. McGuire		X	X	
Non-Independent:				
Kieran E. Burke				X
James F. Dannhauser				
Stanley S. Shuman				

DISCUSSION OF FINANCIAL CONDITION

Historical Performance

The table and discussion below provide a summary view of Six Flags' historical performance and some of the key drivers of trends:

Summary Historical Financial Statistics

($ in millions)	2000	2001	2002	2003	2004
Admissions (millions of people) (1)	NM	NM	35	35	33
Theme Park Admissions Revenue	545	571	584	572	556
Food, Merchandise and Other	462	475	475	476	482
Total Revenue	1,007	1,046	1,059	1,049	1,038
Operating Income	177	150	230	189	150
Interest Expense	232	230	231	215	196
EBITDA	369	358	378	334	302
Adjusted EBITDA (2)	369	358	335	293	259
Capex	334	160	146	101	108
Working Capital (EOY)	7	26	(2)	37	9
Total Debt (Including Preferred)	2,322	2,526	2,634	2,956	2,555
Summary Statistics:					
Admissions Revenue Growth		4.8%	2.2%	-2.0%	-2.8%
Food, Merchandise and Other Growth		2.8%	0.1%	0.2%	1.1%
Total Revenue Growth		3.9%	1.3%	-1.0%	-1.0%
Revenue per Admission	NM	NM	$ 30.29	$ 30.26	$ 30.99
Operating Margin	17.5%	14.3%	21.8%	18.0%	14.4%
EBITDA Margin	36.7%	34.2%	35.6%	31.9%	29.1%
Adjusted EBITDA Margin	36.7%	34.2%	31.6%	27.9%	24.9%
Capex/Sales %	33.2%	15.3%	13.8%	9.6%	10.4%
Working Capital/ Sales %	0.7%	2.4%	-0.2%	3.5%	0.9%
Total Debt/ Adjusted EBITDA	6.3x	7.1x	7.9x	10.1x	9.9x
Adjusted EBITDA/Interest	1.6x	1.6x	1.4x	1.4x	1.3x
(EBITDA-Capex)/Interest	0.2x	0.9x	0.8x	0.9x	0.8x

(1) 2000 and 2001 not comparable due to divestiture of parks in 2004 (2002-2004 restated).
(2) Adjusted for minority interest in Six Flags Over Texas and Six Flags Over Georgia.

Revenue

Total revenues have been essentially flat over the past five years as a result of decreasing attendance, offset by steady to increasing spending per capita. The following look at each year highlights this theme: The decrease in revenue in 2004 was primarily resulted from a 3.4% decrease in attendance partially offset by a 2.4% increase in per capita revenue. Management claimed the decrease in attendance was due to adverse weather in several markets and the continuing effects of a depressed economy. Total revenue in 2003 is actually misleading as the 1.0% decrease includes Six Flags New Orleans (which was acquired in August 2002) for the full year. Excluding the park from both years, revenue actually decreased by 2.3% driven by a 3.8% decrease in attendance and increase in per capita revenues by 1.6%. In 2002, revenue increased by 1.3% due to a decrease in attendance, more than offset in part an increase in total per capita spending.

Profitability

EBITDA margins have severely deteriorated at Six Flags over the past years decreasing from 37% to 29%. The decrease has been primarily related to increases in operating expenses, including a strategic initiative to enhance guest services generally, and increases in SG&A such as planned increases in advertising expense (the Mr. Six national ad campaign). Margins were further negatively impacted by pension and medical benefits, exchange rates movements, and increased insurance expenses.

Interest Expense

Over the five year period of from 2000 to 2004, interest expense decreased by approximately 16% due to Six Flags' lower cost of borrowing. These decreases are in spite of Six Flags' debt increasing by 10% from $2.3 billion to $2.6 billion, and the decrease in creditworthiness of the company resulting from depressed revenue and profitability.

Capital Expenditures

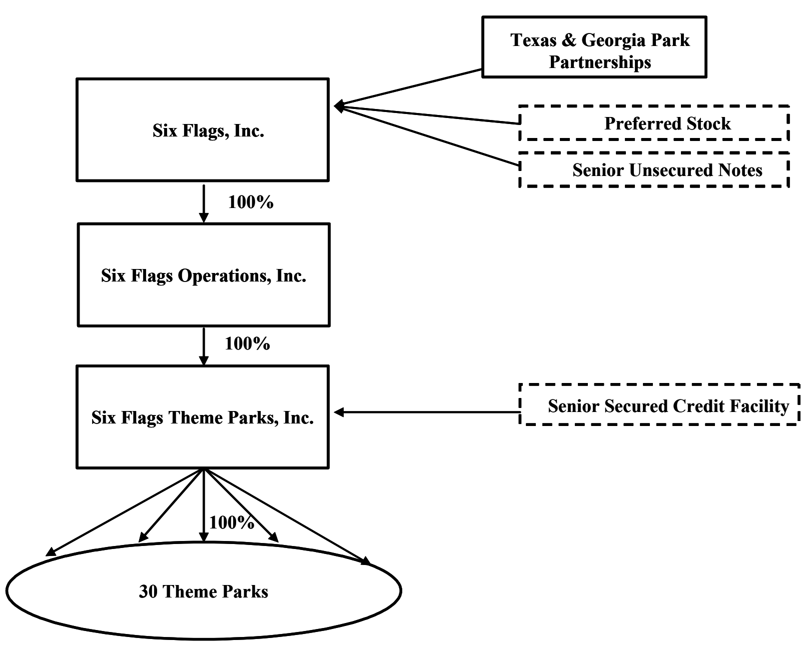
Capital expenditures have significantly declined over the past five years, although 2000 was an extreme level of spending related to the re-branding of numerous parks with the "Six Flags" name. Excluding 2000, capital expenditures still decreased by 33% from 2001 to 2004. The decrease is related to reduced cash flow because of high interest associated with the acquisition debt and the lower profit margins achieved at the parks.

Leverage

Six Flags' leverage (Total Debt/Adjusted EBITDA) has significantly increased as a result of both increasing debt and decreasing EBITDA. Of note is that this is not the leverage calculation used for the credit facility covenants. Because the credit facility is located at the operating subsidiary and the unsecured debt is at the holding company, only the senior secured debt is considered in the covenants.

Legal and Credit Organization

Six Flags Legal and Credit Structure



Capital Structure

Six Flags capital structure is relatively straightforward. It is important to realize that the PIERS are the first instrument to mature, a fact that is significant given the Preferred Shares are the junior security. Also note that the credit facility is secured 100% of the assets and equity of domestic parks excluding the Georgia and Texas LPs that are held at the Parent. In addition, the credit facility is secured by 65% of the assets and equity of international parks, namely Motreal and Mexico. In addition, the credit facility resides at a subsidiary below the holding company that issued the Senior Notes. As of December 31, 2004 Six Flags capital structure was as follows:

Capital Structure			
Equity			
Current Equity Price per Share			$4.13
Current Shares Outstanding			93.0
Current Equity Market Value			**384.2**
Debt			
	Book Value	**Price**	**Market Value**
Credit Facility			
Revolving Credit Facility	-	100.0%	-
Multi Currency Revolving Credit Facility	-	100.0%	-
Term Loan B	651.7	100.0%	651.7
Total Credit Facility	**651.7**		**651.7**
Senior Notes			
9 3/4% Senior Notes Due 2007	-	0.0%	-
9 1/2% Senior Notes Due 2009	-	96.5%	-
8 7/8% Senior Notes Due 2010	300.3	92.0%	276.3
9 3/4% Senior Notes Due 2013	388.0	90.0%	349.2
9 5/8% Senior Notes Due 2014	503.7	93.0%	468.4
4 1/2% Convertible Senior Notes due 2015	299.0	93.0%	278.1
	1,491.0		**1,371.9**
Preferred Shares			
PIERS	287.5	79.6%	228.9
Total Preference Shares	**287.5**		**228.9**
Total Debt	**2,430.2**		**2,252.5**
		Market Value of Total Capital	**2,636.8**

Ratings Analysis

Six Flags is currently rated B- / Caa1. Over the last two years, the ratings agencies have expressed concern over the company's increasing leverage and deteriorating performance. As a result, the company's ratings have steadily deteriorated since mid-2003.

	Moody's		Standard & Poor's	
Date	Action	Rating	Action	Rating
3/19/1998	Downgrade	B3		
1/17/2001			Upgrade	BB-
6/7/2002	Upgrade	B2		
7/22/2003			Negative Watch	BB-
10/27/2003			Downgrade	B+
5/11/2004	Downgrade	B3		
7/19/2004			Negative watch	B+
8/20/2004			Downgrade	B
11/11/2004	Downgrade	Caa1		
11/12/2004			Downgrade	B-

Ratio Analysis

Six Flags operating metrics are below those of their industry peers. Although margins are comparable, returns on capital (ROIC) are much lower at Six Flags. The reason for this is two-fold. First, debt-finance acquisitions burdened capital employed with goodwill. Second, both Busch Gardens and Cedar Fair generated a greater proportion of results generated from a fewer number of parks. Given the capital invested in each park, greater throughput per park would increase aggregate returns on capital. As discussed earlier, the relative capital spending patterns are unfavorable and might help explain the recent weakness in attendance.

Ratio Analysis

Six Flags, Inc.	2000	2001	2002	2003	2004	2005E	2006E	2007E	2008E	2009E
Operating Margin	17.5%	14.3%	21.8%	18.0%	14.4%	18.7%	21.7%	23.8%	24.8%	25.3%
EBITDA Margin	36.7%	34.2%	31.6%	27.9%	24.9%	28.2%	30.3%	31.8%	32.3%	32.4%
ROIC (NOPAT/IC)	2.8%	3.7%	5.6%	4.5%	4.5%	6.2%	7.7%	8.9%	9.7%	10.3%
EBITDA/interest	1.6	1.6	1.4	1.4	1.3	1.9	2.2	2.4	2.6	3.1
(EBITDA-Capex)/Int.	0.2	0.9	0.8	0.9	0.8	1.1	1.4	1.6	1.8	2.2
Capex/revenue	33.2%	15.3%	13.8%	9.6%	10.4%	12.1%	11.3%	10.7%	10.3%	10.0%
Capex/PPE, net	14.8%	6.9%	5.3%	4.8%	5.3%	6.7%	6.8%	6.8%	6.9%	6.9%
Revenue per capita	$0.00	$0.00	$30.29	$30.26	$30.99	$31.76	$32.40	$32.88	$33.21	$33.55

Busch Gardens	2002	2003	2004
Operating Margin	17.8%	17.6%	17.5%
EBITDA Margin	27.7%	27.1%	26.7%
ROIC (NOPAT/IC)	9.3%	9.5%	9.7%
Capex/revenue	8.4%	13.8%	13.3%
Capex/PPE, net	7.1%	12.1%	12.1%
Revenue per capita	$ 44.04	$ 47.10	$ 49.08

Cedar Fair	2002	2003	2004
Operating Margin	25.5%	25.7%	22.6%
EBITDA Margin	33.8%	34.5%	31.9%
ROIC (NOPAT/IC)	11.0%	11.2%	8.5%
Capex/revenue	11.0%	7.8%	14.0%
Capex/PPE, net	7.1%	5.1%	8.0%

Covenant Analysis

A thorough analysis of covenants and operating requirements can be found below and in the exhibits. However, there are several items worth highlighting. From a debt service perspective the credit agreement restricts the ability of subsidiaries that own the operating assets to dividend cash to the parent. Specifically, the assets are owned at Six Flags Theme Parks Inc. and the credit agreement uses a required fixed charge coverage ratio to restrict the amount of dividends paid to Six Flags Operations Inc. which would then be paid to Six Flags, Inc. Although there is some flexibility (Six Flags Theme Parks Inc. can dividend more than the Fixed Charge Ratio would allow if the entity is made whole by Six Flags, Inc. in no less than twelve months), Six Flags, Inc. is relatively constrained in its ability to service debt. Six Flags, Inc. does, however, have an independent source of cash flow with its ownership stake in Six Flags Over Texas and Six Flags Georgia. Company filings refer to these parks collectively as the Partnership Parks and we estimate that they generate approximately $60 million of EBITDA. They are owned by an SPE and excess funds are owned by Six Flags, Inc. With cash generating assets owned at different levels of the capital structure we had to estimate the amount of cash flow used to meet covenants for different instruments.

Liquidity Analysis

Six Flags is cash flow positive and is able to use cash flow operations to meet much of its capital requirements (excluding acquisitions). However, the company does have significant cash obligations as a result of its interest obligations on its highly leveraged balance sheet, the extreme capital intensity of the theme park business, preferred stock dividends and payments to the limited partners under the Texas and Georgia partnership agreements (although the cash flow from these parks has generally funded these distributions). Of note is that the annual preferred dividend of $20.8 million can be deferred or paid in stock at the option of the company.

Six Flags' business is highly seasonal with approximately 85% of revenue being generated in the second and third quarters. As a result, the company is highly dependent upon the $300.0 million working capital revolving credit portion of its Senior Credit Facility to fund off-season cash needs. While intra-quarter borrowings could certainly have been higher, quarter-end revolver balances were $154 million and $175 million at the end of Q1 in 2004 and 2003, respectively. To the extent the company was unable to borrow under the revolver due to a breach of covenants under the credit agreement they would be in a significant liquidity crunch. In order to ensure that the revolver is used for only seasonal working capital needs it must be paid down to a zero balance for at least 30 days each year.

Signs of Trouble

There were a number of factors that should have alerted management and investors to the troubles facing Six Flags. The most transparent indication of trouble is the company's share price. As mentioned earlier, the most dramatic drop in the stock price, from $11.86 to $5.06, occurred on August 13, 2002 after the company announced that it did not expect to meet its earnings goals due to declines in attendance at its parks. However, the stock had been drifting steadily down from a peak of over $40 since May 1999.

The company's disappointing sales numbers are also indicative of a troubling trend. Total attendance across Six Flags' parks, adjusted to reflect asset sales, dropped from 35.0 million visitors in 2002 to 33.5 million in 2004. Admissions revenue fell from $583.6 million to $556.1 million. This drop was partially offset by an increase in other revenue, mostly from the sale of food and drink in the parks, from $475.4 million to $481.6 million. Even more troubling than the actual numbers themselves, is management's attempt to dispel concern via communications with investors. The company's management team attempted to allay concerns about dropping attendance numbers by pointing to recently implemented increases in admissions ticket prices. However, Six Flags' business model is driven by high volumes of traffic, not by premium prices.

In addition, management consistently missed its own estimates for attendance and revenues, as outlined in the table below:

Year	Estimate 2002	Actual 2002	Estimate 2003	Actual 2003	Estimate 2004	Actual 2004
Attendance growth			3.8%	1.8%	2.5%	-3.4%
Per Cap revenue growth			1.3%	1.4%	2.0%	2.4%
Revenue growth	6%	0.8%	4.5%	0.5%	2.5%	-1.0%

Six Flags also experienced declining margins. Between 2002 and 2004, operating margins fell from 21.8% to 14.4%. In defense of their acquisitive growth strategy, Six Flags claimed that their strong national brand and long history of theme park management uniquely positioned them to purchase and turnaround underperforming parks. However, the company's deteriorating margins point to another story. The acquisitions simply contributed to the scale of the company's operations without enhancing operational efficiency.

As an example of the management's overly aggressive acquisition strategy we can look to Six Flags Ohio as a case study. In 2001, Six Flags operated a 520 acre theme park, campgrounds and hotel in Ohio. Adjacent to the park, Busch Gardens operated a 232 acre Sea World park. In January of 2001, Six Flags agreed to purchase the Sea World park from Busch Gardens for $110 million. Six Flags financed this and another transaction by selling $287.5 million of PIERS (preferred shares). The rationale behind the acquisition was that there were local economies of scale in managing and advertising the park available to Six Flags given their adjacent entertainment compound. Four years later Six Flags sold the entire complex (Sea World, Amusement Park and Hotel) to Cedar Fair for $145 million. Clearly the transaction destroyed value and is yet another sign that Six Flags was in trouble.

Shareholder Unrest

In September 2004, Dan Snyder, owner of the Washington Redskins, had acquired 8.15 million shares of Six Flags, or 8.76% of the shares outstanding. Mr. Snyder's public 13D filing, indicated that he would "seek to influence management and the board of directors to take steps to maximize stockholder value." and that Mr. Snyder "may encourage the company to maximize stockholder value through a possible merger, sale of the company's assets, consolidation, business combination or a recapitalization or refinancing." Later in the day, Bill Gates' Cascade Investments fund, which has had a position in the stock for over five years (at the time 11.5% of the shares outstanding), also issued a 13D filing, suggesting that it is no longer a passive investor. Cascade's filing indicated it wanted to discuss with management its "strategic decision-making" and the "recent financial and operating performance" at the company. Cascade also stated that it "may also approach other holders of PKS shares in order to discuss similar matters of mutual interest, including, but not limited to, the possibility of nominating a person to become a director."

In August 2004, Snyder and Bill Gates separately urged Six Flags to sell some of its U.S. theme parks or find a buyer for the whole operation. Snyder said in a January 2005 letter to the company that he was disappointed with its performance and that a continued investment in the company was not in his "best interest." Clearly the company took these urges and disappointments seriously as they completed the sale of 8 parks in April of 2004 (Europe and Cleveland) for gross proceeds of approximately $345 million.

More recently, on April 22, 2005 Dan Snyder indicated in a public filing that he might be interested in buying some more or all of Six Flags. Snyder said he might also attempt to influence the company's board and management through a proxy fight to consider any of several options, including a merger, a sale of assets, a business combination, and recapitalization or refinancing. Investors speculate that Synder is attempting to put Six Flags or at least some of its assets into play.

DISCUSSION OF VALUATIONS

Assumptions

For the sake of argument, we applied Management's March 9th, 2005 press release statement that the company sees "expected attendance growth of approximately 5% and a per capita spending increase of approximately 2.5%" (Press Release March 9th, 2005). Though we strongly believe these numbers to be overestimated, we are more curious to see the flows from these numbers for the purposes of covenant evaluation and capital spending requirements. Additionally, we do not believe the discrepancies will be large enough to significantly alter the valuation. (For further consideration of Management's recent growth forecasts please see Exhibit L) From this base of 5% and 2.5%, we declined toward terminal value estimates of 2.5% and 1% for attendance and per capita spending, respectively, which aggregates to a total revenue growth rate of 3.53%.

Most of our assumptions tie expenses and forward balance sheet items to sales or a relevant application of balance sheet and income statement line items. We generally averaged the last few years of historical levels and applied these forward, with some alterations, as necessary. The assumptions page can be seen in Exhibit H. A digression from this practice is Other Expense on the Income Statement because the large number seen in 2004 "reflects both the $14.4 million write-off of the book value of our investment in the owner of the Madrid park we managed prior to November 2004 and related intangible assets…and the $13.5 million write-off of the remaining book value of certain assets replaced as part of our 2004 and 2005 capital programs or otherwise determined to no longer be useable in our business." [footnote to most recent 10K] In this case, we averaged the Other Expense as a percentage of Sales for the three years from 2001 to 2003.

Possibly the most important issue for consideration for the company as a whole, and the modeling extension of this, is the large and relatively fixed cost base. The company enjoys massive operating leverage. In other words, margins improve tremendously as we move forward in our model. Unfortunately for the company, these bases are not overly sensitive to downswings in the markets. This, coupled with the large amount of financial leverage, is the most obvious reason for the current troubling experiences.

Liquidation Value

As seen in Exhibit I the liquidation value of the company is not as large as the going-concern valuation. The difference is approximately $1 billion under our set of estimates and could be even larger. We do not believe that much of this is out of line with standard estimating procedures and a large percentage of the value arrives as tax benefits from losses on sales. The most questionable number is our estimation of sale values for PP&E. We believe that the land is likely worth a good amount, though we question the market absorption of the extra rides should the company go into liquidation.

A more likely scenario is a sale of the company on a park-by-park basis, though grossing up a valuation on this foundation is not possible because we backed into the singular park numbers through the aggregate to begin with.

Going Concern Valuation

As explained above, the going-concern valuation was not aimed toward large alterations of operational performance, specifically because we do not believe the operating model is fatally flawed. In other words, we view the company as a relatively valuable business, with clearly positive free cash flow, that has become extremely over-levered as a result of historical acquisitions. Additionally, the company's bankers have been incredibly flexible in their adaptation of the standing covenants, in order to help PKS out of its tough time.

Mechanically, we calculated free cash flows from operations on an unlevered basis, despite the appearance that interest flows through the projected Income Statement it does not factor into our FCF calculation. We discounted 2005E through 2009E back at the WACC, as described below. 2010E was our terminal year in which we actually used a multiple of EBITDA, to which we added any remaining NOL balance and then discounted back to present value. The NOL was factored out and Operating Income was tax affected for 2010 such that the tax shielding NOL was not considered into perpetuity beyond its simple tax value.

Valuation Ranges

	Discounted FCF	Discounted Terminal Value at EBITDA Multiple of:			Firm Value at EBITDA Multiple of:		
Discount Rate	**2005 - 2009**	**5.5 x**	**6.0 x**	**6.5 x**	**5.5 x**	**6.0 x**	**6.5 x**
7.5%	965.9	2,252.4	2,428.7	2,604.9	3,218.3	3,394.6	3,570.9
8.0%	952.0	2,200.7	2,373.0	2,545.2	3,152.7	3,324.9	3,497.2
8.5%	938.3	2,150.5	2,318.8	2,487.1	3,088.7	3,257.1	3,425.4
9.0%	924.9	2,101.6	2,266.1	2,430.6	3,026.5	3,191.0	3,355.5
9.5%	911.8	2,054.0	2,214.8	2,375.6	2,965.9	3,126.6	3,287.4
10.0%	899.0	2,007.8	2,164.9	2,322.1	2,906.8	3,063.9	3,221.1
10.5%	886.4	1,962.8	2,116.4	2,270.0	2,849.2	3,002.8	3,156.5

	Debt	Equity Value at EBITDA Multiple of:			Equity Value Per Share (a) at EBITDA Multiple of:		
Discount Rate	**12/30/2004**	**5.5 x**	**6.0 x**	**6.5 x**	**5.5 x**	**6.0 x**	**6.5 x**
7.5%	1,337.6	1,880.7	2,057.0	2,233.3	$20.22	$22.11	$24.00
8.0%	1,337.6	1,815.1	1,987.4	2,159.6	19.51	21.36	23.21
8.5%	1,337.6	1,751.2	1,919.5	2,087.8	18.82	20.63	22.44
9.0%	1,337.6	1,688.9	1,853.4	2,017.9	18.15	19.92	21.69
9.5%	1,337.6	1,628.3	1,789.1	1,949.8	17.50	19.23	20.96
10.0%	1,337.6	1,569.2	1,726.4	1,883.5	16.87	18.56	20.24
10.5%	1,337.6	1,511.7	1,665.3	1,818.9	16.25	17.90	19.55

	Equivalent Perpetuity Growth Rate at EBITDA Multiple of:			Terminal Value as a Percent of Firm Value		
Discount Rate	**5.5 x**	**6.0 x**	**6.5 x**	**5.5 x**	**6.0 x**	**6.5 x**
7.5%	1.1%	1.7%	2.1%	70.0%	71.5%	72.9%
8.0%	1.6%	2.2%	2.6%	69.8%	71.4%	72.8%
8.5%	2.1%	2.7%	3.1%	69.6%	71.2%	72.6%
9.0%	2.6%	3.2%	3.6%	69.4%	71.0%	72.4%
9.5%	3.1%	3.7%	4.1%	69.3%	70.8%	72.3%
10.0%	3.6%	4.2%	4.6%	69.1%	70.7%	72.1%
10.5%	4.1%	4.7%	5.1%	68.9%	70.5%	71.9%

We thought it best to provide a range of values for the company as seen above, considering the distressed effect PKS current equity value could have on the WACC calculation. Additionally, though the company is currently trading at a trailing TEV / EBITDA multiple larger than 10x, we lowered the multiple based on realistic assumptions about the direction of the business and reasonable terminal value growth rate estimates. The region labeled "Equivalent Perpetuity Growth Rate at EBITDA Multiple of:" provides a "backed into" calculation of what terminal growth percentage would be if we used 2010E FCF. In other words, the middle number ($2,266.1 million) in our "Discounted Terminal Value" range above is equivalent to growing our last year of cash flows at 3.2% and adding in the remaining NOL prior to discounting back to present value. We chose the middle value in each of the ranges as our valuation number for the company.

We did not manage the model in order to prevent the company from violating covenants in the future. While it may seem convenient that the company does not have trouble with any of its covenants in our model, we believe this is a function of friendly bankers rather than our manipulation of the model.

We decided that a bit more than 6% of sales in cash would be a good idea to keep on the balance sheet for PKS going forward. Though this is slightly larger than normal, it doesn't give us trouble with our covenants or capital spending and it provides us with a nice amount of "on balance sheet liquidity" for the times ahead. (For further discussion of our covenants and ratios please see the respective sections above)

A final note on the first year can been examined through the following table.

2005E Total Revenue Sensitivity

Visitor Growth	Average Per Capita Revenue							
	$29.00	**$29.50**	**$30.00**	**$30.50**	**$31.00**	**$31.50**	**$32.00**	**$32.50**
-4.0%	932.3	948.3	964.4	980.5	996.5	1,012.6	1,028.7	1,044.8
-2.5%	946.8	963.1	979.5	995.8	1,012.1	1,028.4	1,044.8	1,061.1
-1.0%	961.4	978.0	994.5	1,011.1	1,027.7	1,044.3	1,060.8	1,077.4
0.5%	975.9	992.8	1,009.6	1,026.4	1,043.3	1,060.1	1,076.9	1,093.7
2.0%	990.5	1,007.6	1,024.7	1,041.7	1,058.8	1,075.9	1,093.0	1,110.1
3.5%	1,005.1	1,022.4	1,039.7	1,057.1	1,074.4	1,091.7	1,109.1	1,126.4
5.0%	1,019.6	1,037.2	1,054.8	1,072.4	1,090.0	1,107.5	1,125.1	1,142.7
6.5%	1,034.2	1,052.0	1,069.9	1,087.7	1,105.5	1,123.4	1,141.2	1,159.0
8.0%	1,048.8	1,066.9	1,084.9	1,103.0	1,121.1	1,139.2	1,157.3	1,175.4
9.5%	1,063.3	1,081.7	1,100.0	1,118.3	1,136.7	1,155.0	1,173.3	1,191.7

Considering that we utilized Management's estimates of 2005E revenue growth the above table shows revenue sensitivities based on per capita spending and admissions growth. The relevant historical per capita revenue numbers are $30.29, $30.16 and $30.99 for 2002, 2003, 2004, respectively. This shows how sensitive revenue numbers are to the actual growth rates and, if combined with the above discussion about Management earnings misestimates, we can see the risk in these numbers.

The final large portion of our forward analysis is Interest Expense as presented in Exhibit G is a complicated calculation of interest expense, factored daily and based on estimated weighted average rates for the Credit Facility. This is the number that flows through the Income Statement and it is a page that allows us to run through the effects of various paydowns. Noticeable on this sheet is the seemingly early redemption of the PIERS. In fact, the term loan would be accelerated per the Credit Agreement, if the PIERS are not converted into common stock as of December 31, 2008. We assumed that the stock price will not be sufficient to support such a conversion. Consequently, we modeled the PIERS as being taken out in cash.

WACC: Finally, our weighted average cost of capital calculation (as seen in Exhibit F) is based first on an 85% multiple of lowest forward estimated EBITDA number. From here, we assign a coverage ratio of 2x which is higher than the median CCC rated bond according to S&P but we feel 2x is more reasonable for a distressed entity than 0.9x. From here the calculation runs on its own rhythm. The estimated interest rate for a CCC rated company comes from recent capital markets transactions and is used as a theoretical value in this calculation, should we delever and relever per WACC. The last bit is based on the beta of Cedar Fair, the company's closest comparable company. We believe this to be the best assumption since PKS is clearly distressed and its equity beta is likely not a stable consideration upon which to base a WACC calculation.

DISCUSSION OF ALTERNATIVES

In order to assess what we believe is the most prudent path for Six Flags to follow, we first identified the potential alternatives that the company has with regards to addressing its current financial and operating position. Below we discuss the pros and cons of each of these alternatives as well as some of the qualitative and quantitative consequences each poses.

Status Quo

Because the company is not currently in default of any of its debt, and has actually amended its senior credit facility, easing negative covenants, Management and the Board could continue to operate without any significant change. Further, the company feels less pressure since debt obligations are minimal until 2009 (subject to a refinancing constraint that could likely accelerate the PIERS to 2008), and, current availability under its revolving credit facility is $300 million (although it does have to be paid down for 30 days each year). Notwithstanding Six Flags' current liquidity and covenant compliance, a steady course strategy has significant risks. One major assumption of this course is that Six Flags will have continued access to the capital markets, providing the ability to refinance debt as it approaches maturity.

While capital market access has not been an historical issue for the company, recently declining operating performance and multiple amendments to the Facility covenants should serve to quell any demand for PKS new issues. Additionally, shareholder dissent is on the rise and the last refinancing was completed with the use of convertible securities as opposed to a new issue of notes. Of late, convertible notes have been the security of choice for over-levered companies looking for a refinancing reprieve. The equity backed securities have recently been acting as a supplement for such companies since credit spreads have begun to widen and capital markets have tightened their acceptable risk levels. In exchange for a lower interest rate, the company was forced to issue converts as a substitute for straight debt. In other words, we believe that the use of convertible securities signals that the capital markets would not accept new debt and forced the company to issue what is likely to become equity.

The second major risk under this strategy is the ability of the company to withstand continued decline in business, any significant shocks, and the long-tem impact of reduced capital expenditures. The tables below illustrate the projected free cash flows Six Flags will have available to invest in capital expenditures under various operating scenarios. Ultimately, management has recently forecasted admissions revenue growth of 5% and food and merchandise sales growth of 2.5%. The top line numbers are for management estimates in the first year and a tapering of the admissions growth across the forward years. Below is a sensitivity table of admissions growth with per capita spending growth held constant at 2%.

The results clearly show potential problems for the company going forward. Compounded with the analysis shown in Exhibit L in showing Management's propensity to mis-estimate growth numbers historically, the following does not present a promising picture for the company, especially considering the negative 3% growth in admissions last year. Essentially, if the company only manages a 2% growth in park admissions and a 2% growth in per capita spending, given their estimated $135 million CapEx and intent to pay the PIERS in cash, the bank account will hold only $5.3 million at the end of 2005. Further, cash will slip markedly negative in 2006 should growth remain at only 2%.

Ultimately, these rates are not of a magnitude that managers would normally wish to see as markers. Several years of negative admissions growth is not a positive foundation, though Management would likely argue that this erosion is the best case scenario for 5% growth as it is essentially coaxing customers back from their hiding places after September 11th. Finally, it is important to note that the duration of the negative numbers is not of as much concern as how quickly we view a negative cash balance.

Forward Cash Analysis	2004	2005E	2006E	2007E	2008E	2009E	2010E
Admissions Growth Rate		5.00%	4.50%	4.00%	3.00%	2.50%	2.50%
(Per Capita Spending held constant)							
Beginning Cash Balance		68.8	35.7	64.7	133.3	(33.9)	(241.3)
FCF + CapEx		293.3	355.2	394.5	418.9	431.7	311.9
Cash Available		**362.1**	**390.8**	**459.2**	**552.2**	**397.7**	**70.5**
Interest Expense		164.1	163.9	163.7	161.4	140.6	104.8
Preferred Dividends		20.8	20.8	20.8	20.8	-	-
Debt Principal Payments		6.5	6.4	6.4	269.0	363.5	300.3
Cash Available for CapEx		**170.7**	**199.7**	**268.3**	**101.1**	**(106.3)**	**(334.6)**
CapEx Estimate		135.0	135.0	135.0	135.0	135.0	135.0
End of Year Cash Balance	**68.8**	**35.7**	**64.7**	**133.3**	**(33.9)**	**(241.3)**	**(469.6)**

EOY Cash @ Admissions Growth of:	2004	2005E	2006E	2007E	2008E	2009E	2010E
-3.0%	68.8	(38.0)	(160.6)	(315.0)	(762.9)	(1,303.4)	(1,772.9)
-2.0%	68.8	(29.3)	(133.7)	(260.3)	(671.1)	(1,165.1)	(1,599.9)
-1.0%	68.8	(20.7)	(106.7)	(204.9)	(577.4)	(1,023.1)	(1,421.4)
0.0%	68.8	(12.0)	(79.4)	(148.8)	(481.9)	(877.2)	(1,237.3)
1.0%	68.8	(3.4)	(52.0)	(91.9)	(384.4)	(727.5)	(1,047.4)
2.0%	68.8	5.3	(24.3)	(34.3)	(285.0)	(573.7)	(851.4)
3.0%	68.8	13.9	3.4	24.1	(183.7)	(415.9)	(649.4)
4.0%	68.8	22.6	31.4	83.2	(80.3)	(253.9)	(441.0)
5.0%	68.8	31.2	59.6	143.0	25.0	(87.6)	(226.1)
6.0%	68.8	39.9	87.9	203.7	132.5	83.1	(4.6)

Of course it is important to note that the company could delay some of the PIERS dividends or hold back on CapEx however we firmly believe these to be weak arguments. The PIERS dividends will accrue to their maturity date only making the principal payments in 2008 even more dramatic. Further, pulling back CapEx in parks that have been losing customers is potentially detrimental to Management's forecasts and the likelihood that any of the forward forecasts are valid.

A company such as PKS, with a large amount of fixed cost base should not be ratcheting down CapEx in the face of a downturn, at least not when they are hoping for a recovery. Decreasing CapEx in 2001, when business dried up, was a solid idea, yet that is when we see record levels of spending. To attempt cost reduction through CapEx in the "turnaround" phase of an amusement park business is inviting another wave of attendance decreases.

Equity Holders

Management's attempts to maintain status quo will further be pressured from a consolidating interest in the company's equity. Over 40% of the company is now held among Bill Gates, Wallace R. Weitz & Company, Dan Snyder (owner of the Washington Redskins) and Fidelity. Importantly, Gates has issued statements that his interest will no longer be passive and speculation abounds that this group is looking to have a bit of influence on the company. With such a stake, it is hard to imagine otherwise.

Sale of Selected Assets

In pursuing a strategy to delever the balance sheet and to focus resources on assets with the greatest growth potential, management divested 8 parks in 2004 and used the proceeds of approximately $345 million to repay debt. The table below illustrates the key aspects of these sales:

Year of Sale	Asset	Buyer	Price	EBITDA Multiple	Stated Rationale
2004	Six Flags Worlds of Adventure (Cleveland, OH)	Cedar Fair	$ 145	8.5x	Exit highly competitive and difficult market. Park required significacnt capex.
2004	European Division (7 parks)	Palamon Capital Partners (UK private equity)	$ 200	9.0x	Less than 10% of cash flows. Core market is North America.

Pro forma for these divestitures, Six Flags operates 30 parks throughout North America. While geographic diversification is an important strategy to mitigate weather and regional economic risks, we believe there is additional opportunity for the company to sell certain assets and use the proceeds to delever. In particular, we believe the company can use the same rationale to divest assets as it did with its Cleveland park – divest parks in highly competitive and difficult markets. Exhibit K lists the properties with key operating, financial and competitive statistics for each. We have identified assets which we believe the company could seek to divest in order to delever its balance sheet to this level.

Park	Location	YOY Attendance (%)	Competitors	Rationale	2004 EBITDA (1)	Estimated Proceeds (2)
Six Flags Great America & Six Flags Hurricane Harbor	Chicago, IL	0%	King's Island, Cedar Point, Six Flags St. Louis	No growth, high competition, strategic buyers	$ 18.9	$ 169.9
Six Flags St. Louis	St. Louis, MO	-10%	Kings Island, Worlds of Fun, Cedar Point, Silver Dollar City, Six Flags Great America	Negative growth, high competition, strategic buyers	12.2	109.4
Six Flags America	Baltimore, MD	-10%	King's Dominion, Hershey Park, Busch Gardens	Negative growth, high competition, strategic buyers	10.9	97.7
Six Flags Fiesta Texas	San Antonio, TX	-6%	Sea World of Texas, Six Flags Astroworld, Six Flags Over Texas	Multiple parks in state, negative growth	13.2	118.7
Six Flags Kentucky Kingdom	Louisville, KY	N/A	King's Island, Holiday World	No growth, medium competition, strategic buyers	7.2	65.2
					Total	**$ 560.9**

(1) Estimate based on constant margins at all parks and published park revenue.
(2) Based on past divestiture multiple of 9.0x.

While the divestitures identified above would not reduce leverage to what we consider to be an optimal level of $1.3 billion, it would reduce debt by approximately $560 million which would increase free cash flow by approximately $56 million annually given the company's cost of debt. Assuming the assets are sold at Six Flags' existing valuation multiple, the equity valuation should increase due to the reduced interest obligations. A summary of the financial impact on the company is below:

Current PKS Valuation		
Shares Outstanding		93
Stock Price (1)		$4.13
Market Value of Equity	**$**	**384**
Total Debt (Book)	$	2,143
Preferred Stock (Book)		288
Less: Cash		(69)
Total Net Debt	**$**	**2,361**
Enterprise Value	**$**	**2,746**
D/C		86%
2004 Consolidated EBITDA		259
EV / EBITDA		**10.6x**

Pro Forma Valuation		
Current EBITDA	$	259
Less: Divested EBITDA		53
Pro Forma EBITDA	**$**	**206**
EV / EBITDA (1)		12.0x
Implied Enterprise Value	**$**	**2,469**
Pro Forma Net Debt	$	1,800
Implied Equity Value		669
Implied Share Price	**$**	**7.19**

(1) Assumes increase in valuation mulitple due to reduced leverage.

Recapitalization

Because of Six Flags' extremely depressed valuation, an equity recapitalization is not a viable option. As the table below shows, in order for the Six Flags to access enough equity capital to delever to a sustainable level, it would have to raise approximately three times its existing market capitalization. Additionally, while we have illustrated our estimated pro forma equity valuation there is no guarantee that the equity markets will value the newly capitalized company in such a favorable way. In fact, capital markets have historically reacted negatively depressing the value of the issuing entity.

Hypothetical Equity Recap		
Offer Price for New Equity (1)		$4.13
Target Proceeds		1,000
Implied New Shares Issued		**242**
Plus: Existing Shares		93
Pro Forma Shares		**335**
Equity Value Post Debt Repayment (2)	$	1,760
Implied Pro Forma Stock Price	**$**	**5.25**
Implied Market Cap		1,760
Pro Forma Debt		1,430
Implied Enterprise Value		3,190
2004 EBITDA		259
		12.3x

(1) Share price as of 4/22/05.
(2) Based on our DCF valuation assuming $1 bn debt paydown.

Bankruptcy

While Six Flags does not appear to be on the edge of bankruptcy, and we would not consider this a current alternative for setting the company on the right path, it is a worthwhile analysis to understand how each of the company's investors may view the risk. Exhibit J shows our best estimate of a waterfall in Chapter 11 if the goal is to reduce debt to our calculated optimal value of $1,337.6 million. We reduce the TEV from our DCF by $30 million to provide a conservative estimate of restructuring costs. We feel $30 million is a conservative estimate due to the relatively nice distribution of value that would result from such a bankruptcy. In other words, the fact that each class "theoretically" recovers more than 100% of its money through value distribution leads us to assume that PKS would file a prepackaged plan and the stay of protection would be relatively short.

To the extent that operating performance and profitability continue to diminish, the company's negative covenants under their senior credit facility may become an issue, though the banks have been extremely amenable in giving the company freedom to amend its covenants to provide additional cushion. According to Jim Dannhauser's comments at the end of Q1 2004, the bank covenants would be fine through 2004 and 2005 down to $245 and $275 million of EBITDA, respectively. In other words, the fact that the company has bankers on its side is a strong argument against the prospect that PKS will file within the year.

As is shown in Exhibit I, the company, and its owners have little incentive to liquidate. PKS is a value-creating operation based on our assumptions. As explained in the "Liquidation Analysis" section, we are not trained in tangible asset valuation techniques but we believe the percentage realization values are within reasonable limits.

Adjusting Exhibit I for bankruptcy liquidation would destroy value even more dramatically as we would be forced to account for fees that are not included in this table.

RECOMMENDATIONS

Given the various alternatives available to the company, we believe the company should pursue the sale of selected assets, using proceeds to reduce their debt load, and implement a number of operational improvements. Although the company could theoretically release significant value through bankruptcy proceedings, we do not feel this is a realistic outcome. Although the company is being penalized for its significant debt load, and a continued deterioration in performance would jeopardize the company's ability to service its current debt levels, the company is not really in danger of defaulting on its debt at this point. Thus, we are not comfortable that Six Flags would be able to file for bankruptcy in good faith.

We believe Six Flags, Inc. should undertake the following changes in order to affect a successful turnaround:

Strategy & Operations

Rationalize portfolio of theme parks.

Six Flags' aggressive acquisition strategy has resulted in a large, diverse portfolio of theme parks; however, in many cases, these parks serve overlapping geographic areas or are in highly competitive markets with several other competitors. Six Flags should strategically divest itself of selected parks, especially those with numerous local competitors and significant necessary capital requirements. The company has begun this process with the sale of their European and Cleveland, OH. parks, but we feel they have further to go. While obviously the most significant contributors to cash flow would generate the greatest sale proceeds, we believe the company should divest those parks which are attractive to local strategic competitors, but should retain their marquis parks.

Renew focus on new rides as key driver of growth.

The company's focus on acquisition of real estate left little capital for the development and installation of new rides. Six Flags must redirect their focus and their capital on developing new attractions for existing theme parks. Capital expenditures have declined significantly over the past five years as a result of cash flow constraints, and we believe the business is now suffering from the lack of investment. In 2005, management has forecasted increasing capital spending to 12% of revenue ($135 million), a figure more in line with competitor figures. On the year end conference call, management highlighted a major new roller coaster in Mexico City, a water-park addition in Chicago and an 11-acre themed entertainment section in New Jersey which are steps in the right direction.

Marketing

Improve usage of national brand.

Six Flags is a valuable, nationally recognized brand, but the company does not always use the brand to great effect. Although the majority of the company's parks are clearly branded under the national brand, some are not (6 of 30 are not), and it is not clear what, if any, strategy drives this. In addition, we believe the brand has suffered some erosion over the last few years as the company has failed to reinvest in its parks and the development of new attractions. The Six Flags brand once had the power to drive incremental traffic by itself – the re-branded of four properties led to a attendance increased 21.2% and 7.8% increase in attendance and per capita spending one year later. Management needs to once again restore and harness this power.

Improve usage of licensed characters and content.

Six Flags has exclusive rights to certain characters owned by Warner Bros. and DC Comics, including Bugs Bunny and Superman. The company should feature these characters more prominently in national and regional marketing efforts. The licenses the company holds include the right to sell merchandise featuring the characters at the parks, and to use the characters in advertising, as walk-around characters and in theming for rides, attractions and retail outlets. Using these characters promotes increased attendance, supports higher ticket prices, increases lengths-of-stay and enhances in-park spending. Further, this intellectual property allows Six Flags to standardize the experience across parks and offer a differentiated experience from the smaller regional operator.

Enter into additional national marketing and promotional agreements.

Six Flags should strive to build its network of marketing and promotional agreements with consumer goods companies. Six Flags could make effective use of these agreements to improve their access to their target demographic. One of Six Flags' more underutilized assets is their platform as a promotional vehicle for consumer goods companies. Nascar racing venues and Football stadiums have successfully partnered with national and regional enterprises to help them advertise their brands. An incremental revenue stream of this nature would be very high margin and increase returns on capital across the parks.

EXHIBITS

Exhibits

Going Concern Scenario

A. Balance Sheet
B. Cash Flow Statement
C. Revenue Roll -up
D. Income Statement
E. NOL Discount and Valuation Ranges
F. Capital Structure / WACC Calculation
G. Interest Roll-up
H. Assumptions

Liquidation Scenario

I. Liquidation schedule

Bankruptcy Scenario

J. Bankruptcy Waterfall

Miscellaneous

K. Schedule of Theme Park Properties
L. Management's Track Record of Missing Estimates
M. Debt Covenants

Exhibit A: Balance Sheet

Balance Sheet	2000	2001	2002	2003	2004	2005E	2006E	2007E	2008E	2009E	2010E
Cash and cash equivalents	43.0	53.5	41.6	98.2	68.8	74.1	79.0	83.4	86.8	89.9	93.0
Accounts receivable	40.8	35.5	41.5	27.8	22.4	26.9	28.7	30.3	31.4	32.6	33.8
Inventories	28.6	26.3	40.2	23.7	27.8	27.1	28.9	30.5	31.7	32.9	34.0
Prepaid expenses and other current assets	35.9	40.5	37.6	31.1	37.0	37.8	40.3	42.5	44.2	45.8	47.4
Restricted-use investment securities	12.8	-	75.1	317.9	134.5	-	-	-	-	-	-
Total current assets	**161.0**	**155.7**	**236.0**	**498.7**	**290.6**	**166.0**	**176.9**	**186.8**	**194.1**	**201.2**	**208.2**
Other assets:											
Debt issuance costs	47.0	45.5	51.8	55.1	50.3	45.6	40.9	36.2	31.5	26.8	22.1
Restricted-use investment securities	75.4	75.2	-	-	-	-	-	-	-	-	-
Deposits and other assets	56.9	32.1	35.1	28.1	46.5	46.5	46.5	46.5	46.5	46.5	46.5
Total other assets	**179.2**	**152.8**	**86.9**	**83.2**	**96.9**	**92.2**	**87.4**	**82.7**	**78.0**	**73.3**	**68.6**
Property and equipment, at cost	2,585.9	2,801.4	3,453.6	2,808.1	2,874.6	3,009.6	3,144.6	3,279.6	3,414.6	3,549.6	3,684.6
Less accumulated depreciation	(328.0)	(465.7)	(711.6)	718.1	854.6	1,003.7	1,151.9	1,299.2	1,445.6	1,591.3	1,736.2
Total property and equipment	**2,257.9**	**2,335.7**	**2,742.1**	**2,090.0**	**2,020.0**	**2,005.9**	**1,992.7**	**1,980.4**	**1,969.0**	**1,958.3**	**1,948.4**
Investments in theme parks	386.6	388.3	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	770.7	-	-	-	-	-	-	-
Intangible assets, net	1,206.6	1,213.7	1,300.0	1,240.2	1,234.7	1,234.7	1,234.7	1,234.7	1,234.7	1,234.7	1,234.7
Total assets	**4,191.3**	**4,246.1**	**4,365.0**	**4,682.8**	**3,642.2**	**3,498.7**	**3,491.8**	**3,484.6**	**3,475.8**	**3,467.5**	**3,460.0**
LIABILITIES and STOCKHOLDERS EQUITY											
Current liabilities:											
Accounts payable	45.3	33.1	45.4	28.8	25.8	26.7	28.5	30.1	31.2	32.4	33.5
Accrued compensation, payroll taxes, and benefits	24.4	12.6	15.7	7.8	8.7	10.7	10.6	10.5	10.4	10.4	10.4
Accrued insurance			6.9	21.2	22.8	24.6	26.2	27.6	28.8	29.8	30.8
Accrued interest payable	19.0	30.7	38.5	47.8	37.8	31.8	31.8	31.8	31.3	27.3	20.3
Other accrued liabilities	7.0	15.2	16.1	31.6	42.6	31.5	32.4	33.2	34.1	35.1	36.1
Deferred income	45.5	38.5	40.3	6.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4
Debt called for prepayment	-	-	-	301.2	123.1	-	-	-	-	-	-
Current portion of long-term debt	2.4	24.6	38.4	19.0	24.4	-	-	-	-	-	-
Total current liabilities	**143.6**	**154.8**	**201.2**	**463.9**	**294.5**	**134.7**	**138.8**	**142.6**	**145.2**	**144.3**	**140.6**
Long-term debt	2,319.9	2,222.4	2,315.2	2,354.2	2,125.1	2,136.2	2,129.8	2,123.4	1,854.4	1,491.0	1,190.7
Minority interest	-	-	71.1	64.8	60.9	56.9	52.8	48.6	44.2	39.7	35.0
Liabilities from discontinued operations	-	-	-	69.1	-	-	-	-	-	-	-
Other long-term liabilities	37.9	33.5	54.7	43.3	38.8	38.8	38.8	38.8	38.8	38.8	38.8
Deferred income taxes	144.9	109.9	83.0	44.3	14.5	15.1	33.2	65.9	108.3	164.5	240.1
Mandatorily redeemable preferred stock (redemption value of $287,500,000)	-	278.9	280.0	281.1	282.2	283.4	284.5	285.6	(0.8)	(0.1)	(0.1)
Total liabilities	**2,646.4**	**2,799.5**	**3,005.3**	**3,320.7**	**2,816.2**	**2,665.2**	**2,678.0**	**2,705.0**	**2,190.2**	**1,878.3**	**1,645.2**
Stockholders equity											
Preferred stock of $1.00 par value, 5,000,000shares authorized; 11,500 issued and outstanding											
Common stock of $.025 par value, 150,000,000 shares authorize	2.0	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Capital in excess of par value	1,725.9	1,744.1	1,747.3	1,747.4	1,750.8	1,750.8	1,750.8	1,750.8	1,750.8	1,750.8	1,750.8
Accumulated deficit	(128.9)	(211.0)	(338.7)	(422.4)	(909.1)	(928.9)	(918.8)	(883.7)	(832.0)	(736.0)	(606.8)
Deferred compensation	(5.4)	(7.0)	-	-	(2.7)	(2.0)	(1.3)	(0.5)	0.3	1.1	2.0
Accumulated other comprehensive income (loss)	(48.6)	(81.9)	(51.3)	34.7	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)	(15.2)
Total stockholders equity	**1,545.0**	**1,446.6**	**1,359.7**	**1,362.1**	**826.1**	**807.0**	**817.8**	**853.7**	**906.2**	**1,003.1**	**1,133.2**
Total liabilities and stockholders equity	**4,191.3**	**4,246.1**	**4,365.0**	**4,682.8**	**3,642.2**	**3,472.1**	**3,495.8**	**3,558.7**	**3,096.4**	**2,881.4**	**2,778.3**
Check - Cash Needs	0.0	-	-	-	-	26.6	(4.0)	(74.1)	379.4	586.1	681.6
FCF per Year						(26.6)	30.7	70.1	(453.5)	(206.7)	(95.5)
Working Capital	7.0	25.6	(2.0)	37.1	9.0	31.3	38.1	44.2	49.0	56.8	67.6

Exhibit B: Cash Flow Statement

Cash Flow Statement	2000	2001	2002	2003	2004	2005E	2006E	2007E	2008E	2009E	2010E
Net loss	(52.0)	(58.1)	(105.7)	(61.7)	(464.8)	1.0	31.0	56.0	72.5	96.0	129.2
D&A	180.0	199.8	151.8	145.5	151.4	149.2	148.2	147.3	146.4	145.6	144.9
Partnership and joint venture distributions	(11.8)	(21.5)	(15.7)	(42.3)	(41.6)	(42.8)	(44.1)	(45.4)	(46.8)	(48.2)	(49.6)
Minority interest in earnings	33.5	27.0	26.7	36.0	37.7	38.8	40.0	41.2	42.4	43.7	45.0
Non-cash compensation	12.6	8.6	9.3	0.1	0.6	0.7	0.7	0.8	0.8	0.8	0.9
Interest accretion on notes payable	30.7	34.2	37.8	10.2	0.5	-	-	-	-	-	-
Early extinguishment of debt	-	13.8	29.9	27.6	37.7	-	-	-	-	-	-
Cumulative change in accounting principle	-	-	61.1	-	-	-	-	-	-	-	-
Amortization of debt issuance costs	8.6	9.4	9.0	8.4	8.1	-	-	-	-	-	-
Loss on disposal of fixed assets/disc operations	10.1	4.2	4.4	46.0	284.7	-	-	-	-	-	-
Change in accounts receivable	(11.6)	5.4	(3.6)	1.7	5.5	(4.5)	(1.8)	(1.6)	(1.1)	(1.2)	(1.2)
Change in excess cash, inventories & prepaid expenses	(8.0)	(1.6)	2.1	10.0	(10.0)	(5.4)	(9.2)	(8.2)	(6.2)	(5.8)	(5.9)
Change in deposits & other assets	7.6	3.9	3.8	6.3	(10.0)	-	-	-	-	-	-
Change in accounts payable, deferred revenue, & other	(26.6)	(33.3)	4.1	4.2	15.7	(0.5)	10.0	9.7	8.9	8.6	7.9
Change in accrued interest payable	0.8	6.3	7.7	9.8	(10.0)	(6.0)	(0.0)	(0.0)	(0.4)	(4.0)	(6.9)
Deferred income tax benefit	2.2	(14.7)	(18.1)	(36.5)	27.6	0.6	18.1	32.7	42.4	56.2	75.6
Cash from operations	**176.2**	**183.3**	**204.5**	**165.2**	**33.2**	**131.1**	**192.9**	**232.3**	**258.8**	**291.7**	**339.8**
Capex	(334.2)	(160.3)	(146.2)	(100.6)	(107.5)	(135.0)	(135.0)	(135.0)	(135.0)	(135.0)	(135.0)
Capex of disc operations				(13.5)	(2.2)	-	-	-	-	-	-
Investment in theme parks	(23.7)	(7.1)	(23.9)	-	-	-	-	-	-	-	-
Acquisition of theme parks assets	-	(132.2)	-	(5.8)	-	-	-	-	-	-	-
Acquisition of theme park companies, net	0.1	-	(5.4)	-	-	-	-	-	-	-	-
Purchase of restricted-use investments	(18.2)	(7.1)	(469.9)	(317.9)	(134.5)	-	-	-	-	-	-
Maturities of restricted-use investments	39.0	20.1	470.0	75.1	317.9	134.5	-	-	-	-	-
Proceeds from sale of disc operations				-	314.5	-	-	-	-	-	-
Proceeds from sale of assets	-	2.5	4.0	0.2	13.0	-	-	-	-	-	-
Cash from investing	**(337.1)**	**(284.0)**	**(171.5)**	**(362.5)**	**401.1**	**(0.5)**	**(135.0)**	**(135.0)**	**(135.0)**	**(135.0)**	**(135.0)**
Repayment of LT debt	(316.4)	(708.7)	(711.2)	(706.4)	(1,146.5)	(136.4)	(6.4)	(6.4)	(269.0)	(363.5)	(300.3)
Proceeds from borrowing	403.0	574.4	702.8	1,008.9	716.5	-	-	-	-	-	-
Net cash proceeds from issuance of preferred stock	-	277.8	-	-	-	-	-	-	-	-	-
Net cash proceeds from issuance of common stock	3.6	1.3	0.9	-	-	-	-	-	-	-	-
Payment of Preferred cash dividends / Redemption	(23.3)	(22.8)	(20.8)	(20.8)	(20.8)	(20.8)	(20.8)	(20.8)	(308.3)	-	-
Payment of debt issuance costs	-	(10.7)	(24.6)	(17.3)	(13.5)	-	-	-	-	-	-
Cash from financing	**66.9**	**111.4**	**(53.0)**	**264.3**	**(464.3)**	**(157.2)**	**(27.3)**	**(27.2)**	**(577.3)**	**(363.5)**	**(300.3)**
Exchange rate impact	(1.2)	(0.1)	3.1	(0.2)	0.6	-	-	-	-	-	-
Net change in cash	(95.2)	10.6	(16.9)	66.9	(29.4)	(26.6)	30.7	70.1	(453.5)	(206.7)	(95.5)
Sources of cash before financing (adj for restr investments)	(181.65)	(113.73)	32.88	45.51	250.89	(3.90)	57.94	97.27	123.82	156.73	204.80
Cash interest paid	192.2	180.2	175.9	186.8	197.1						
Cash taxes paid	66.0	2.5	2.6	3.1	3.6						
Capex / revenue	33.2%	15.3%	13.8%	9.6%	10.4%	12.1%	11.3%	10.7%	10.3%	10.0%	9.6%

Exhibit C: Revenue Roll-up

Revenue Rollup	2000	2001	2002	2003	2004	2005E	2006E	2007E	2008E	2009E	2010E
Revenue:											
Visitors (millions)			35.0	34.6	33.5	35.2	36.7	38.2	39.4	40.3	41.4
Growth Rate				-1%	-3%	5%	4%	4%	3%	2%	2%
Per Capita Revenue			$30.29	$30.26	$30.99	$31.76	$32.40	$32.88	$33.21	$33.55	$33.88
Total revenue	**1,007.0**	**1,046.0**	**1,059.1**	**1,048.6**	**1,037.7**	**1,116.8**	**1,190.4**	**1,256.6**	**1,307.2**	**1,353.3**	**1,401.0**
Theme park admissions	544.8	571.0	583.6	572.2	556.1	611.5	651.8	688.0	715.8	741.0	767.1
Theme park food, merchandise and other	462.2	475.0	475.4	476.5	481.6	505.3	538.6	568.6	591.5	612.3	633.9
Average Ticket Price			$16.69	$16.51	$16.61	$17.39	$17.74	$18.01	$18.19	$18.37	$18.55
Average food, merchandise and other spend per visitor			$13.60	$13.75	$14.38	$14.37	$14.66	$14.88	$15.03	$15.18	$15.33
Growth Rate				-0.1%	2.4%	2.5%	2.0%	1.5%	1.0%	1.0%	1.0%

Exhibit D: Income Statement

Income Statement	2000	2001	2002	2003	2004	2005E	2006E	2007E	2008E	2009E	2010E
Revenue:											
Theme park admissions	544.8	571.0	583.6	572.2	556.1	611.5	651.8	688.0	715.8	741.0	767.1
Theme park food, merchandise and other	462.2	475.0	475.4	476.5	481.6	505.3	538.6	568.6	591.5	612.3	633.9
Total revenue	**1,007.0**	**1,046.0**	**1,059.1**	**1,048.6**	**1,037.7**	**1,116.8**	**1,190.4**	**1,256.6**	**1,307.2**	**1,353.3**	**1,401.0**
Operating costs and expenses:											
Operating expenses	376.1	408.3	406.7	424.3	445.7	466.6	488.5	511.4	535.4	560.5	586.8
Selling, general and administrative	166.0	188.5	188.9	206.1	203.0	201.0	199.0	197.0	195.0	195.0	195.0
Noncash compensation (primarily SG&A)	12.6	8.6	9.3	0.1	0.6	0.7	0.7	0.8	0.8	0.8	0.9
Costs of products sold	95.7	91.0	85.9	83.9	87.3	90.2	96.1	101.5	105.6	109.3	113.1
Depreciation	125.5	142.0	136.8	144.3	150.2	149.2	148.2	147.3	146.4	145.6	144.9
Amortization	54.5	57.8	1.1	1.2	1.2	-	-	-	-	-	-
Total operating costs and expenses	**830.3**	**896.2**	**828.7**	**859.9**	**888.1**	**907.6**	**932.5**	**957.9**	**983.2**	**1,011.2**	**1,040.6**
Income from operations	**176.7**	**149.7**	**230.4**	**188.7**	**149.6**	**209.2**	**257.9**	**298.7**	**324.1**	**342.1**	**360.4**
Operating Margin	*17.5%*	*14.3%*	*21.8%*	*18.0%*	*14.4%*	*18.7%*	*21.7%*	*23.8%*	*24.8%*	*25.3%*	*25.7%*
Interest expense	232.3	230.0	231.3	215.2	195.7	164.1	163.9	163.7	161.4	140.6	104.8
Interest income	(7.6)	(6.6)	(3.2)	(1.9)	(4.1)						
Minority interest in loss (earnings)	(11.8)	(21.5)	36.8	36.0	37.7	38.8	40.0	41.2	42.4	43.7	45.0
Early repurchase of debt	-	8.5	29.9	27.6	37.7						
Other expense	10.1	4.6	6.0	2.4	27.8	4.6	4.9	5.2	5.4	5.6	5.8
Total other expense (income)	**223.1**	**215.0**	**300.8**	**279.3**	**294.8**	**207.5**	**208.8**	**210.0**	**209.2**	**189.9**	**155.6**
Loss from continuing operations before i	**(46.3)**	**(65.3)**	**(70.4)**	**(90.6)**	**(145.3)**	**1.7**	**49.1**	**88.7**	**114.9**	**152.2**	**204.8**
Income tax expense (benefit)	5.6	(7.2)	(21.9)	(28.6)	32.0	0.6	18.1	32.7	42.4	56.2	75.6
Loss from continuing operations	**(52.0)**	**(58.1)**	**(48.5)**	**(62.1)**	**(177.2)**	**1.0**	**31.0**	**56.0**	**72.5**	**96.0**	**129.2**
Cumulative effect of a change in accountin	-	-	(61.1)	-	-						
Discontinued operations, net of tax benefit of $57,387,000 in 2004, tax benefit of $4,572,000 in 2003, and tax expense of $6,473,000 in 2004	-	-	3.8	0.3	(287.6)						
Net Income (Loss)	**(52.0)**	**(58.1)**	**(44.6)**	**(61.7)**	**(464.8)**	**1.0**	**31.0**	**56.0**	**72.5**	**96.0**	**129.2**
Weighted average number of common shares outstanding - basic and diluted	78.7	89.2	92.5	92.6	93.0	93.0	93.0	93.0	93.0	93.0	93.0
EPS	**($0.66)**	**($0.65)**	**($0.48)**	**($0.67)**	**($5.00)**	**$0.01**	**$0.33**	**$0.60**	**$0.78**	**$1.03**	**$1.39**
Consolidated EBITDA	**369.3**	**358.1**	**377.5**	**334.3**	**301.6**	**359.1**	**406.8**	**446.8**	**471.3**	**488.6**	**506.2**
Margin	*36.7%*	*34.2%*	*35.6%*	*31.9%*	*29.1%*	*32.1%*	*34.2%*	*35.6%*	*36.1%*	*36.1%*	*36.1%*
Free Cash Flow											
Operating Income	176.7	149.7	230.4	188.7	149.6	209.2	257.9	298.7	324.1	342.1	360.4
Taxes	-	-	-	-	-	-	-	-	-	-	133.0
NOPAT	111.5	149.7	230.4	188.7	149.6	209.2	257.9	298.7	324.1	342.1	227.4
+ Depreciation	125.5	142.0	136.8	144.3	150.2	149.2	148.2	147.3	146.4	145.6	144.9
+ Amortization	54.5	57.8	1.1	1.2	1.2	-	-	-	-	-	-
- Change in Working Capital		18.6	(27.5)	39.1	(28.1)	22.3	6.8	6.1	4.8	7.9	10.8
- Partnership and joint venture distributions	11.8	21.5	15.7	42.3	41.6	42.8	44.1	45.4	46.8	48.2	49.6
- CapEx	334.2	160.3	146.2	100.6	107.5	135.0	135.0	135.0	135.0	135.0	135.0
FCF	**(54.6)**	**149.2**	**233.9**	**152.2**	**180.0**	**158.3**	**220.2**	**259.5**	**283.9**	**296.7**	**176.9**

Exhibit E: NOL Discount and Valuation Ranges

NOL Rollup - Unlevered DCF	2000	2001	2002	2003	2004	2005E	2006E	2007E	2008E	2009E	2010E
NOL Rollup											
Opening NOL Balance					1,774.5	1,624.9	1,623.3	1,574.1	1,485.5	1,370.6	-
Less NOLs sold with Disc. Ops											
Income before Taxes					149.6	1.7	49.1	88.7	114.9	152.2	204.8
Less NOL					149.6	1.7	49.1	88.7	114.9	152.2	-
taxable Income					-	-	-	-	-	-	204.8
Taxes					-	-	-	-	-	-	75.6
Income After NOLs and Taxes					149.6	1.7	49.1	88.7	114.9	152.2	129.2
Ending NOL Balance					1,624.9	1,623.3	1,574.1	1,485.5	1,370.6	1,218.4	-

Valuation Ranges

Discount Rate	Discounted FCF 2005 - 2009	Discounted Terminal Value at EBITDA Multiple of: 5.5 x	6.0 x	6.5 x	Firm Value at EBITDA Multiple of: 5.5 x	6.0 x	6.5 x
7.5%	965.9	2,252.4	2,428.7	2,604.9	3,218.3	3,394.6	3,570.9
8.0%	952.0	2,200.7	2,373.0	2,545.2	3,152.7	3,324.9	3,497.2
8.5%	938.3	2,150.5	2,318.8	2,487.1	3,088.7	3,257.1	3,425.4
9.0%	924.9	2,101.6	2,266.1	2,430.6	3,026.5	3,191.0	3,355.5
9.5%	911.8	2,054.0	2,214.8	2,375.6	2,965.9	3,126.6	3,287.4
10.0%	899.0	2,007.8	2,164.9	2,322.1	2,906.8	3,063.9	3,221.1
10.5%	886.4	1,962.8	2,116.4	2,270.0	2,849.2	3,002.8	3,156.5

Discount Rate	Debt 12/30/2004	Equity Value at EBITDA Multiple of: 5.5 x	6.0 x	6.5 x	Equity Value Per Share (a) at EBITDA Multiple of: 5.5 x	6.0 x	6.5 x
7.5%	1,337.6	1,880.7	2,057.0	2,233.3	$20.22	$22.11	$24.00
8.0%	1,337.6	1,815.1	1,987.4	2,159.6	19.51	21.36	23.21
8.5%	1,337.6	1,751.2	1,919.5	2,087.8	18.82	20.63	22.44
9.0%	1,337.6	1,688.9	1,853.4	2,017.9	18.15	19.92	21.69
9.5%	1,337.6	1,628.3	1,789.1	1,949.8	17.50	19.23	20.96
10.0%	1,337.6	1,569.2	1,726.4	1,883.5	16.87	18.56	20.24
10.5%	1,337.6	1,511.7	1,665.3	1,818.9	16.25	17.90	19.55

Discount Rate	Equivalent Perpetuity Growth Rate at EBITDA Multiple of: 5.5 x	6.0 x	6.5 x	Terminal Value as a Percent of Firm Value 5.5 x	6.0 x	6.5 x
7.5%	1.1%	1.7%	2.1%	70.0%	71.5%	72.9%
8.0%	1.6%	2.2%	2.6%	69.8%	71.4%	72.8%
8.5%	2.1%	2.7%	3.1%	69.6%	71.2%	72.6%
9.0%	2.6%	3.2%	3.6%	69.4%	71.0%	72.4%
9.5%	3.1%	3.7%	4.1%	69.3%	70.8%	72.3%
10.0%	3.6%	4.2%	4.6%	69.1%	70.7%	72.1%
10.5%	4.1%	4.7%	5.1%	68.9%	70.5%	71.9%

Exhibit F: Capital Structure / WACC Calculation

Capital Structure

Equity			**Market Value**
Current Equity Price per Share (4/22/2005)			$4.13
Current Shares Outstanding (millions)			93.0
Current Equity Market Value			**384.2**

Debt	**Balance**	**Price**	**Market Value**
Credit Facility			
Revolving Credit Facility	-	100.0%	-
Multi Currency Revolving Credit Facility	-	100.0%	-
Term Loan B	651.7	100.0%	651.7
Total Credit Facility	**651.7**		**651.7**
Senior Notes			
9 3/4% Senior Notes Due 2007	-	0.0%	-
9 1/2% Senior Notes Due 2009	-	96.5%	-
8 7/8% Senior Notes Due 2010	300.3	92.0%	276.3
9 3/4% Senior Notes Due 2013	388.0	90.0%	349.2
9 5/8% Senior Notes Due 2014	503.7	93.0%	468.4
4 1/2% Convertible Senior Notes due 2015	299.0	93.0%	278.1
	1,491.0		**1,371.9**
Preferred Shares			
PIERS	287.5	79.6%	228.9
Total Preference Shares	**287.5**		**228.9**
Total Debt	**2,430.2**		**2,252.5**
Market Value of Total Capital	**2,636.8**		
Current D / E	5.86		

WACC Calculation	**2005E**	**2006E**	**2007E**	**2008E**	**2009E**	**2010E**
Forward EBITDA	314.7	361.2	399.7	422.9	438.7	454.8
Minimum Forward EBITDA * 985% (RWC)	267.5					
Minimum Interest Coverage	2.00x					
Current S&P Rating	CCC					
Median Coverage	0.90x					
Median Leverage	(0.01x)					
Desired Interest Coverage	2.00x					
Maximum Allowable Interest	133.8					
Estimated Interest Rate	10.0%					
Optimal Debt Level	1,337.6					
Optimal Equity	1,853.4					
Optimal D / E	0.72					
Optimal D / C	0.42					
Company Beta	1.86					
Unlevered Beta	0.57					
Relevered	0.83					
ke	10.9%					
WACC	9.0%					

Cedar Fair	
Beta	0.67
D / C	22.00%
E / C	78.00%
D / E	28.21%
Unlvd Beta	0.57

Exhibit G: Interest Roll-up

Debt Paydown Schedules / Interest Rollup	Maturity	2004	2005E	2006E	2007E	2008E	2009E	2010E
Credit Facility								
Revolving Credit Facility								
Outstanding		-	-	-	-	-	-	-
Principal Paydown								
Paydown Date								
Average Amount Out		36.9	39.7	42.3	44.7	46.5	48.1	49.8
Interest			2.2	2.3	2.4	2.5	2.6	2.7
Multi Currency Revolving Credit Facility								
Outstanding		-	-	-	-	-	-	-
Paydown Percentage								
Principal Paydown			-	-	-	-	-	-
Paydown Date								
Average Amount Out			-	-	-	-	-	-
Interest			-	-	-	-	-	-
Term Loan B								
Beginning Out			651.7	645.2	638.8	632.4	363.5	-
Ending Outstanding		651.7	645.2	638.8	632.4	363.5	-	-
Principal Paydown			6.5	6.4	6.4	269.0	363.5	-
Average Amount Out			649.3	642.8	636.4	592.5	211.4	-
Interest			35.5	35.2	34.8	32.4	11.6	-
8 7/8% Senior Notes Due 2010	**2/1/2010**							
Beginning Out			300.3	300.3	300.3	300.3	300.3	300.3
Ending Outstanding		300.3	300.3	300.3	300.3	300.3	300.3	-
Principal Paydown								300.3
Paydown Date								2/1/2010
Average Amount Out		300.3	300.3	300.3	300.3	300.3	300.3	26.3
Interest			26.7	26.7	26.7	26.7	26.7	2.3
9 3/4% Senior Notes Due 2013								
Outstanding		388.0	388.0	388.0	388.0	388.0	388.0	388.0
Principal Paydown								
Paydown Date								
Average Amount Out			388.0	388.0	388.0	388.0	388.0	388.0
Interest			37.8	37.8	37.8	37.8	37.8	37.8
9 5/8% Senior Notes Due 2014	**6/1/2014**							
Outstanding		503.7	503.7	503.7	503.7	503.7	503.7	503.7
Principal Paydown								
Paydown Date								
Average Amount Out			503.7	503.7	503.7	503.6	503.7	503.7
Interest			48.5	48.5	48.5	48.5	48.5	48.5
4 1/2% Convertible Senior Notes due 2015	**5/15/2015**							
Outstanding		299.0	299.0	299.0	299.0	299.0	299.0	299.0
Principal Paydown								
Paydown Date								
Average Amount Out			299.0	299.0	299.0	299.0	299.0	299.0
Interest			13.5	13.5	13.5	13.5	13.5	13.5
Preferred Income Equity Redeemable Shares (PIERS)	**8/15/2009**							
Beginning Out			287.5	287.5	287.5	287.5	-	-
Ending Outstanding		287.5	287.5	287.5	287.5	-	-	-
Principal Paydown						287.5		-
Paydown Date						12/31/2008		
Average Amount Out		287.5	287.5	287.5	287.5	287.5	-	-
Dividends			20.8	20.8	20.8	20.8	-	-
Total Debt Outstanding			2,136.2	2,129.8	2,123.4	1,854.4	1,491.0	1,190.7
Total Debt Repayment		-	6.5	6.4	6.4	269.0	363.5	300.3
Annual Interest Expense		-	164.1	163.9	163.7	161.4	140.6	104.8

Exhibit H: Assumptions

Assumptions	2000	2001	2002	2003	2004	2005E	2006E	2007E	2008E	2009E	2010E
Days in Year	366	365	365	365	366	365	365	365	366	365	365
Attendance Growth				-0.90%	-3.36%	5.00%	4.50%	4.00%	3.00%	2.50%	2.50%
Per Capita Spending				-0.09%	2.39%	2.50%	2.00%	1.50%	1.00%	1.00%	1.00%
Total Revenue Growth		4.81%	2.21%	-1.97%	-2.81%	7.62%	6.59%	5.56%	4.03%	3.52%	3.53%
Food (% of total Revenues)		45.90%	45.41%	44.89%	45.44%	45.25%	45.25%	45.25%	45.25%	45.25%	45.25%
Operating expenses (Growth Rate)		8.58%	-0.40%	4.33%	5.04%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%
Selling, general and administrative (Growth Rate)		13.57%	0.22%	9.10%	-1.51%	-1.00%	-1.00%	-1.00%	-1.00%	0.00%	0.00%
Noncash compensation (Growth Rate - primarily SG&A)		-31.53%	7.43%	-98.91%	536.63%	7.62%	6.59%	5.56%	4.03%	3.52%	3.53%
Costs of products sold (tied to Food Sales)		20.70%	19.16%	18.08%	17.62%	17.85%	17.85%	17.85%	17.85%	17.85%	17.85%
Depreciation (% of PPE)	5.56%	6.08%	4.99%	6.90%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%	7.44%
PPE, net	2,257.9	2,335.7	2,742.1	2,090.0	2,020.0	2,005.9	1,992.7	1,980.4	1,969.0	1,958.3	1,948.4
CapEx	334.2	160.3	146.2	100.6	107.5	135.0	135.0	135.0	135.0	135.0	135.0
Disposed of Assets											
Assets Held for Sale	-	-	-	770.7	-	-	-	-	-	-	-
Depreciation	125.5	142.0	136.8	144.3	150.2	149.2	148.2	147.3	146.4	145.6	144.9
Minority Interest	(11.8)	(21.5)	36.8	36.0	37.7	38.8	40.0	41.2	42.4	43.7	45.0
Growth rate						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other Expense	1.00%	0.44%	0.57%	0.23%	2.68%	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%
Excluded Park (min interest) EBITDA Percentage					9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Tax Rate	36.9%	36.9%	36.9%	36.9%	36.9%	36.9%	36.9%	36.9%	36.9%	36.9%	36.9%
Balance Sheet											
Cash and cash equivalents (% of Sales)	4.27%	5.12%	3.92%	9.36%	6.63%	6.64%	6.64%	6.64%	6.64%	6.64%	6.64%
Days in Receivables	14.8	12.4	14.3	9.7	7.9	8.8	8.8	8.8	8.8	8.8	8.8
Inventories	109.4	105.4	170.5	103.0	116.6	109.8	109.8	109.8	109.8	109.8	109.8
Prepaid expenses and other current assets (% of Ti	6.58%	7.08%	6.45%	5.43%	6.66%	6.18%	6.18%	6.18%	6.18%	6.18%	6.18%
Deposits and other assets (Growth Rate		-43.55%	9.37%	-19.97%	65.56%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debt issuance costs		1.5	(6.3)	(3.3)	4.7	4.7	4.7	4.7	4.7	4.7	4.7
LIABILITIES and STOCKHOLDERS EQUITY											
Accounts payable	173.4	132.6	192.8	125.0	108.2	108.2	108.2	108.2	108.2	108.2	108.2
Accrued compensation, payroll taxes, and benefits	13.64%	6.42%	7.90%	3.80%	4.25%	5.32%	5.32%	5.32%	5.32%	5.32%	5.32%
Accrued insurance	0.00%	0.00%	0.65%	2.02%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Accrued interest payable	8.18%	13.33%	16.65%	22.23%	19.32%	19.40%	19.40%	19.40%	19.40%	19.40%	19.40%
Other accrued liabilities	0.8%	1.7%	1.9%	3.7%	4.8%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Deferred income											
Debt called for prepayment	-	-	-	301.2	123.1	-	-	-	-	-	-
Minority interest		-	71.1	(6.3)	(3.9)	-	-	-	-	-	-
Liabilities from discontinued operations						-	-	-	-	-	-
Other long-term liabilities		(4.4)	21.2	(11.4)	(4.5)	-	-	-	-	-	-
Deferred income taxes	6.42%	4.71%	3.03%	2.12%	0.72%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%
Mandatorily redeemable preferred stock											
(redemption value of $287,500,000)		278.9	1.1	1.1	1.1	1.1	1.1	1.1	1.1	0.7	-
Total liabilities											
Common stock new issuance		0.3	0.0	-	0.0	-	-	-	-	-	-
Capital in excess of par value						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Deferred compensation		(1.6)	7.0	-	(2.7)	0.7	0.7	0.8	0.8	0.8	0.9
Accumulated other comprehensive income (loss) (Change)		(33.3)	30.6	85.9	(49.9)	-	-	-	-	-	-
Partnership and joint venture distributions	(11.8)	(21.5)	(15.7)	(42.3)	(41.6)	(42.8)	(44.1)	(45.4)	(46.8)	(48.2)	(49.6)
Minority Interest in earnings (partnership parks EBITDA add-back)			(43.0)	(41.7)	(43.0)	(44.3)	(45.7)	(47.0)	(48.4)	(49.9)	(51.4)
Percent Ownership of Minority Parks					34.8%	34.8%	34.8%	34.8%	34.8%	34.8%	34.8%
Minority Parks EBITDA					66.1	68.0	70.1	72.2	74.4	76.6	78.9
Growth rate						3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Exhibit I: Liquidation Value

Liquidation Analysis	12/31/2004	% Recovery	Value Realized	Loss on Sale	Tax Benefit
Cash and cash equivalents	68.8	100%	68.8	-	-
Accounts receivable	22.4	60%	13.5	9.0	3.3
Inventories	27.8	50%	13.9	13.9	5.1
Prepaid expenses and other current assets	37.0	10%	3.7	33.3	12.3
Restricted-use investment securities	134.5	100%	134.5	-	-
Total current assets	**290.6**		**234.4**	**56.2**	**20.7**
Other assets:					
Debt issuance costs	50.3	0%	-	50.3	18.6
Restricted-use investment securities	-	100%	-	-	-
Deposits and other assets	46.5	70%	32.6	14.0	5.2
Total other assets	**96.9**		**32.6**	**64.3**	**23.7**
Property and equipment, at cost	2,874.6	50%	1,437.3	1,437.3	530.4
Less accumulated depreciation	854.6	50%	427.3	427.3	157.7
Total property and equipment	**2,020.0**		**1,010.0**	**1,010.0**	**372.7**
Investments in theme parks	-	50%	-	-	-
Assets held for sale	-	50%	-	-	-
Intangible assets, net	1,234.7	0%	-	1,234.7	455.6
Total assets	**3,642.2**		**1,277.0**	**2,365.2**	**872.8**
Value from Disposed Assets	1,277.0				
Tax Benefit from Losses on Disposal	872.8				
Liquidation Value	**2,149.8**				
DCF Firm Value	**3,191.0**				

Six Flags is worth more as a Going Concern than in Liquidation

Exhibit J: Bankruptcy Waterfall

Bankruptcy Waterfall

Company Valuation	3,191.0
Less Restructuring / Bankruptcy Fees	30.0
Desired Debt Level	1,337.6
Equity Value	1,823.4
Share Price 93.04 million shares out	$19.92

	Debt Book Value	% Left on Books		% of Equity	Equity Value	Total Value	Total Value Recovery
Credit Facility							
Revolving Credit Facility	-	100.0%	-	0.0%	-	-	
Multi Currency Revolving Credit Facility	-	100.0%	-	0.0%	-	-	
Term Loan B	651.7	100.0%	651.7	0.0%	-	651.7	100.0%
Total Credit Facility	**651.7**		**651.7**		**-**	**651.7**	**100.0%**
Amount of Debt Left for Next Level			**685.8**				
Amount of Equity Left for Next Level					**1,823.4**		
Senior Notes							
9 3/4% Senior Notes Due 2007	-	46.0%	-	0.0%	-	-	
9 1/2% Senior Notes Due 2009	-	46.0%	-	0.0%	-	-	
8 7/8% Senior Notes Due 2010	300.3	46.0%	138.1	10.1%	183.6	321.8	107.1%
9 3/4% Senior Notes Due 2013	388.0	46.0%	178.5	13.0%	237.3	415.7	107.1%
9 5/8% Senior Notes Due 2014	503.7	46.0%	231.7	16.9%	308.0	539.7	107.1%
4 1/2% Convertible Senior Notes due 2015	299.0	46.0%	137.5	10.0%	182.8	320.4	107.1%
				50.0%			
	1,491.0		**685.8**		**911.7**	**1,597.5**	**107.1%**
Amount of Debt Left for Next Level			**(0.0)**				
Amount of Equity Left for Next Level					**911.7**		
Preferred Shares							
PIERS	287.5	0.0%	-	16.0%	291.7	291.7	101.5%
Total Preference Shares	**287.5**		-	16.0%			
Total Debt	**2,430.2**		**1,337.6**				
Amount of Equity Left for Next Level					**620.0**		
Equity							
Current Equity Price per Share (4/22/2005)	$4.13						
Current Shares Outstanding (millions)	93.0						
Current Equity Market Value	**384.2**						
Equity Allocation in Bankruptcy				**34.0%**	**620.0**	620.0	161.3%

Exhibit K Schedule of Theme Park Properties

Park	Type	Location	2004 Attendance (MM)	YoY Attendance Change (%)	Competitors	Revenue (%)	Estimated EBITDA ($MM) 2002	2003	2004	Average
`	Theme Park	Jackson, NJ	2.8	0%	Hershey Park, Dorney Park	8.80%	$ 29.44	$ 25.75	$ 22.76	$ 25.98
Six Flags Magic Mountain	Theme Park	Los Angeles, CA	2.7	-2%	Disney Land, Disney's CA Adventure, Universal Studios Hollywood, Knott's Berry Farm, Sea World of California, Legoland	8.40%	28.10	24.58	21.72	24.80
Six Flags Great America & Six Flags Hurricane Harbor	Combined Park	Chicago, IL	2.3	0%	King's Island, Cedar Point, Six Flags St. Louis	7.30%	24.42	21.36	18.88	21.55
Six Flags Mexico	Theme Park	Mexico City	N/A	N/A		6.90%	23.08	20.19	17.84	20.37
Six Flags Marine World	Theme Park	San Francisco, CA	1.5	-6%	Underwater World, Great America, Bonfante Gardens, Monterey Bay Aquarium	5.20%	17.40	15.21	13.45	15.35
Six Flags New England	Combined Park	Springfield, MA	1.5	-6%	Lake Compounce, The Great Escape (Six Flags)	5.10%	17.06	14.92	13.19	15.06
Six Flags Fiesta Texas	Combined Park	San Antonio, TX	1.4	-6%	Sea World of Texas, Six Flags Astroworld, Six Flags Over Texas	5.10%	17.06	14.92	13.19	15.06
Six Flags AstroWorld	Combined Park	Houston, TX	1.4	-6%	Sea World of Texas, Six Flags Fiesta Texas, Six Flags Over Texas, Six Flags New Orleans	4.90%	16.39	14.34	12.67	14.47
Six Flags St. Louis	Combined Park	St. Louis, MO	1.4	-10%	Kings Island, Worlds of Fun, Cedar Point, Silver Dollar City, Six Flags Great America	4.70%	15.72	13.75	12.15	13.88
Six Flags America	Combined Park	Baltimore, MD	1.2	-10%	King's Dominion, Hershey Park, Busch Gardens	4.20%	14.05	12.29	10.86	12.40
Six Flags Elitch Gardens	Combined Park	Denver, CO	1.1	-13%		4.10%	13.72	12.00	10.60	12.10
Six Flags Darien Lake	Combined Park	Buffalo, NY	1.3	-5%	Paramount Canada Wonderland Park	4.10%	13.72	12.00	10.60	12.10
Laronde	Theme Park	Montreal	1.2	8%	The Great Escape (Six Flags), Paramount Canada Wonderland	3.70%	12.38	10.83	9.57	10.92
Six Flags Over Texas	Theme Park	Arlington, TX	2.2	-4%	Sea World of Texas, Six Flags Fiesta Texas, Six Flags Astro World	3.30%	11.04	9.65	8.53	9.74
Six Flags Wild Safari	Animal Park	Jackson, NJ	N/A	N/A		3.00%	10.04	8.78	7.76	8.86
Six Flags Kentucky Kingdom	Combined Park	Louisville, KY	N/A	N/A	King's Island, Holiday World	2.80%	9.37	8.19	7.24	8.27
Six Flags Over Georgia	Theme Park	Atlanta, GA	2.0	4%	Carowinds, Visionland, Dollywood, Wild Adventures	2.70%	9.03	7.90	6.98	7.97
Wild Waves & Enchanted Village	Combined Park	Seattle, WA	N/A	N/A		2.20%	7.36	6.44	5.69	6.50
The Great Escape	Combined Park	Lake George, NY	N/A	N/A	Six Flags New England	2.10%	7.03	6.14	5.43	6.20
Six Flags Hurricane Harbor	Water Park	Jackson, NJ	N/A	N/A	Multiple local water parks	1.30%	4.35	3.80	3.36	3.84
Frontier City	Theme Park	Oklahoma City, OK	N/A	N/A	Six Flags Over Texas	1.30%	4.35	3.80	3.36	3.84
Six Flags New Oreleans	Theme Park	New Orleans, LA	N/A	N/A	Six Flags Houston, Dixie Landin' and Blue Bayou	1.20%	4.01	3.51	3.10	3.54
Six Flags Splashtown	Water Park	Houston, TX	N/A	N/A	Six Flags AstroWorld	1.20%	4.01	3.51	3.10	3.54
Six Flags Hurricane Harbor	Theme Park	Los Angeles, CA	N/A	N/A	Soak City USA, Raging Waters	1.00%	3.35	2.93	2.59	2.95
Wyandot Lake	Water Park	Columbus, OH	N/A	N/A	Kings Island, Cedar Point	1.00%	3.35	2.93	2.59	2.95
Six Flags Waterworld (Concord)	Water Park	Concord, CA	N/A	N/A		0.90%	3.01	2.63	2.33	2.66
Six Flags Waterworld (Sacramento)	Water Park	Sacramento, CA	N/A	N/A		0.90%	3.01	2.63	2.33	2.66
White Water Bay	Water Park	Oklahoma City, OK	N/A	N/A		0.80%	2.68	2.34	2.07	2.36
Six Flags Hurricane Harbor	Water Park	Arlington, TX	N/A	N/A		0.70%	2.34	2.05	1.81	2.07
Six Flags White Water	Water Park	Atlanta, GA	N/A	N/A	Sun Valley Beach, Atlanta Beach, Lake Lanier Islands	0.60%	2.01	1.76	1.55	1.77
American Adventures	Theme Park	Atlanta, GA	N/A	N/A		0.50%	1.67	1.46	1.29	1.48
						100.00%	$ 335	$ 293	$ 259	

(1) Source: Stifel, Nicolaus research, August 10, 2004

Exhibit L: Management's Track Record of Missing Estimates

Year	Estimate 2002	Actual 2002	Estimate 2003	Actual 2003	Estimate 2004	Actual 2004
Attendance growth			3.8%	1.8%	2.5%	-3.4%
Per Cap revenue growth			1.3%	1.4%	2.0%	2.4%
Revenue growth	6%	0.8%	4.5%	0.5%	2.5%	-1.0%

Exhibit M: Debt Covenants

Amended and Restated Credit Agreement

Agreement dated 7/8/2002 – 10Q for period ending 6/30/2002
Amended 11/25/2003 – 8K dated 12/2/2003
Amended 3/26/2004 – S-4 dated 6/1/2004
Amended 11/4/2004 – 8K dated 11/15/2004

Primary Borrower: Six Flags Theme Parks Inc.
Secured: Six Flags Operations Inc., Six Flags Theme Parks Inc., The Foreign Subsidiary Borrowers – essentially all the equity and assets of the organization except Six Flags Over Texas, Six Flags Georgia and 35% of the Mexico and Montreal operations (if foreign operations grant a security interest greater than 65% to US denominated debt they must pay US taxes)
Interest Payment Dates: Last day of March, June, September, December
Principal Due: Staggered

Covenants: See text.

8 7/8% Senior Notes due 2010

Indenture dated 2/11/2002 – Exhibit 4(n) on Form 10-K for year ended 12/31/2001

Issuing entity: Six Flags, Inc.
Interest Payment Dates: February 1st and August 1st
Principal Due: February 1st, 2010

Covenants:

- Restrictions on future indebtedness
  - Company and Restricted Subsidiaries may only incur Indebtedness or issue Preferred Shares if pro-forma (after issuance) Debt to Cash Flow Ratio is no greater than **6:1**.
  - Company shall not incur Indebtedness that is contractually subordinated to any other Indebtedness unless such Indebtedness is also subordinated to the Notes.
- Restrictions on future indebtedness do not apply:
  - Credit Facilities totaling to **$1.5 billion**.
  - Additional Indebtedness under Credit Facilities (including Letters of Credit) may be incurred only to the extent that outstanding balance is reduced to $1.0 million or less for 30 consecutive days in each fiscal year.
  - Hedging Obligations used to swap floating for fixed interest rate obligations.
- Dividends
  - Company not allowed to pay dividends on account of any Equity Interest.
- Asset Sales
  - Must receive fair value as deemed by Board of Directors
  - Must receive at least 75% of proceeds in cash (assumed liabilities deemed to be cash)
- Liens
  - Company and Restricted Subsidiaries shall not permit liens securing trade payables, Attributable Debt or Indebtedness. Permitted Liens – liens that existed prior to Indenture

Legal Terms:

- **Debt to Cash Flow Ratio** – Ratio of Consolidated Indebtedness to Consolidated Cash Flow for trailing for quarters – presented pro-forma assuming all asset sales and acquisitions occurred at beginning of period.
- **Consolidated Indebtedness** – Total Indebtedness and Attributable Debt of Hold Co and Restricted Subsidiaries PLUS Indebtedness and Attributable Debt that has been guaranteed PLUS liquidation value of Disqualified Stock and Preferred Stock.
- **Consolidated Cash Flow** – Net Income PLUS provision for taxes PLUS Consolidated Interest Expense PLUS depreciation, amortization and other non-cash expenses MINUS non-cash items

that increased Net Income. Consolidated Cash Flow will include 100% of cash distributions to the Company from Co-Venture Partnerships.

- **Indebtedness** – Bank debt PLUS Bonds, Letters of Credit PLUS Capital Lease Obligations PLUS deferred or unpaid purchase price of any property PLUS Hedging Obligations (except interest rate swaps) that are on B/S. Indebtedness shall NOT include obligations under the Partnership Parks Agreements, Marine World Agreements or the Subordinated Indemnity Agreement except to the extent such obligations are guaranteed.
- **Attributable Debt** – Present value (discounted at rate implied in transaction) of net rental payments in sale leaseback transaction.

9 5/8% Senior Notes due 2014

Indenture dated 2/2/2001 – Exhibit 4(j) on Form 10-K for year ended 12/31/2000

Issuing Entity: Six Flags, Inc.
Interest Payment Dates: June 1st and December 1st
Principal Due: June 1st, 2014

<u>Covenants:</u>

- Restrictions on future indebtedness
  - Company and Restricted Subsidiaries may only incur Indebtedness or issue Preferred Shares if pro-forma (after issuance) Debt to Cash Flow Ratio is no greater than **6:1**.
  - Company shall not incur Indebtedness that is contractually subordinated to any other Indebtedness unless such Indebtedness is also subordinated to the Notes
- Restrictions on future indebtedness do not apply:
  - Credit Facilities totaling to **$1.5 billion**.
  - Additional Indebtedness under Credit Facilities (including Letters of Credit) may be incurred only to the extent that outstanding balance is reduced to $1.0 million or less for 30 consecutive days in each fiscal year.
  - Hedging Obligations used to swap floating for fixed interest rate obligations.
- Dividends
  - Company not allowed to pay dividends on account of any Equity Interest.
- Asset Sales
  - Must receive fair value as deemed by Board of Directors
  - Must receive at least 75% of proceeds in cash (assumed liabilities deemed to be cash)
- Liens
  - Company and Restricted Subsidiaries shall not permit liens securing trade payables, Attributable Debt or Indebtedness. Permitted Liens – liens that existed prior to Indenture

<u>Legal Terms:</u>

- **Debt to Cash Flow Ratio** – Ratio of Consolidated Indebtedness to Consolidated Cash Flow for trailing for quarters – presented pro-forma assuming all asset sales and acquisitions occurred at beginning of period.
- **Consolidated Indebtedness** – Total Indebtedness and Attributable Debt of Hold Co and Restricted Subsidiaries PLUS Indebtedness and Attributable Debt that has been guaranteed PLUS liquidation value of Disqualified Stock and Preferred Stock.
- **Consolidated Cash Flow** – Net Income PLUS provision for taxes PLUS Consolidated Interest Expense PLUS depreciation, amortization and other non-cash expenses MINUS non-cash items that increased Net Income. Consolidated Cash Flow will include 100% of cash distributions to the Company from Co-Venture Partnerships.
- **Indebtedness** – Bank debt PLUS Bonds, Letters of Credit PLUS Capital Lease Obligations PLUS deferred or unpaid purchase price of any property PLUS Hedging Obligations (except interest rate swaps) that are on B/S. Indebtedness shall NOT include obligations under the Partnership Parks

Agreements, Marine World Agreements or the Subordinated Indemnity Agreement except to the extent such obligations are guaranteed.

- **Attributable Debt** – Present value (discounted at rate implied in transaction) of net rental payments in sale leaseback transaction.

4.5% Convertible Senior Notes Due 2015

Indenture dated 6/30/1999 – Attached to 8-K dated 7/22/1999
Second Supplemental Indenture dated 11/16/2004 – Attached to 8-K dated 11/22/2004

Issuing Entity: Six Flags, Inc.
Interest Payment Dates: May 15^{th} and November 15th
Principal Due: 5/15/2015
Conversion: 157.4803 equivalent to share Px of $6.35 (Additional shares will be issued upon Change of Control according to schedule presented in Second Supplemental Indenture)

Covenants:
Fundamental Change – If a Fundamental Change occurs prior to maturity Company shall be required to redeem outstanding Notes.

Legal Terms:

- **Fundamental Change**
    - Consummation of transaction that results in 35% of voting power aggregated by one person
    - First day on which Majority of Board of Directors are not Continuing Directors
    - Liquidation of Dissolution
    - Termination of trading of Common Stock

9 ¾% Senior Notes due 2013

Indenture dated 4/16/2003 – Exhibit 4.1 on Form S-4 filed 6/9/2003

Issuing Entity: Six Flags, Inc.
Interest Payment Dates: April 15^{th} and October 15th
Principal Due: April 15^{th}, 2013

Covenants:

- Restrictions on future indebtedness
    - Company and Restricted Subsidiaries may only incur Indebtedness or issue Preferred Shares if pro-forma (after issuance) Debt to Cash Flow Ratio is no greater than **6:1**.
    - Company shall not incur Indebtedness that is contractually subordinated to any other Indebtedness unless such Indebtedness is also subordinated to the Notes
- Restrictions on future indebtedness do not apply:
    - Credit Facilities totaling to **$1.5 billion**.
    - Additional Indebtedness under Credit Facilities (including Letters of Credit) may be incurred only to the extent that outstanding balance is reduced to $1.0 million or less for 30 consecutive days in each fiscal year.
    - Hedging Obligations used to swap floating for fixed interest rate obligations.
- Dividends
    - Company not allowed to pay dividends on account of any Equity Interest.
- Asset Sales
    - Must receive fair value as deemed by Board of Directors

    - Must receive at least 75% of proceeds in cash (assumed liabilities deemed to be cash)
- Liens
    - Company and Restricted Subsidiaries shall not permit liens securing trade payables, Attributable Debt or Indebtedness. Permitted Liens – liens that existed prior to Indenture

Legal Terms:
- **Debt to Cash Flow Ratio** – Ratio of Consolidated Indebtedness to Consolidated Cash Flow for trailing for quarters – presented pro-forma assuming all asset sales and acquisitions occurred at beginning of period.
- **Consolidated Indebtedness** – Total Indebtedness and Attributable Debt of Hold Co and Restricted Subsidiaries PLUS Indebtedness and Attributable Debt that has been guaranteed PLUS liquidation value of Disqualified Stock and Preferred Stock.
- **Consolidated Cash Flow** – Net Income PLUS provision for taxes PLUS Consolidated Interest Expense PLUS depreciation, amortization and other non-cash expenses MINUS non-cash items that increased Net Income. Consolidated Cash Flow will include 100% of cash distributions to the Company from Co-Venture Partnerships.
- **Indebtedness** – Bank debt PLUS Bonds, Letters of Credit PLUS Capital Lease Obligations PLUS deferred or unpaid purchase price of any property PLUS Hedging Obligations (except interest rate swaps) that are on B/S. Indebtedness shall NOT include obligations under the Partnership Parks Agreements, Marine World Agreements or the Subordinated Indemnity Agreement except to the extent such obligations are guaranteed.
- **Attributable Debt** – Present value (discounted at rate implied in transaction) of net rental payments in sale leaseback transaction.

PIERS – 7 ¼% Convertible Preferred Stock – Each Pier is equivalent to 1/100th of Preferred Stock
Prospectus dated 6/18/1999

Issuing entity: Six Flags, Inc
Dividend payment dates: February 15th, May 15th, August 15th, November 15th
Mandatory redemption (higher of cash or shares): August 15th, 2009
Conversion rate: 1.1990 common shares per Pier – Equivalent to $20.85 per share
Liquidation Preference: $25.00 per share

Covenants
- If six quarterly dividends are accrued and unpaid, then holders of Convertible Preferred Stock will be able to elect two directors at the next annual meeting. Each share of Convertible Preferred Stock will be entitled to 100 vote (1 vote per Pier)

Bibliography

Information regarding debt instruments and credit agreements

Obligation	Debt Instrument	Document	Date
Asset Purchase Agreement - Registrant and Cedar Fair L.L.P.		10Q	3/31/2004
Share Purchase Agreement - Registrant, Premier International Holdings, Inc., Walibi Holding LLC and Star Parks Belgium Holdco S.A.		10Q	3/31/2004
Certificate of Designation, Rights & Preference for 7.5% Mandatorily Convertible Preferred Stock		Form S-3	3/26/1998
Certificate of Designation, Rights & Preference for 7.25% Convertible Preferred Stock		10Q	6/30/2000
Indenture, dated 2/2/2001, Registrant and Bank of New York	9 1/2% Senior Notes due 2009	10K	12/31/2000
Indenture, dated 2/11/2002, Registrant and Bank of New York	8 7/8% Senior Notes due 2010	10K	12/31/2001
Indenture, dated 4/16/2003, Registrant and Bank of New York	9 3/4% Senior Notes due 2013	S-4	6/9/2003
Indenture, dated 12/5/2003, Registrant and Bank of New York	9 5/8% Senior Notes due 2014	S-4	2/6/2004
Indenture, dated 6/30/1999, Registrant and Bank of New York	"Debt Securities"	8K	7/2/1999
Second Supplemental Indenture, dated 11/19/2004, Registrant and Bank of New York	4 1/2% Convertible Senior Notes due 2015	8K	11/22/2004
Amended and Restated Credit Agreement, dated 7/8/2002		10Q	6/30/2002
First Amendment, dated 11/25/2003		8K	12/2/2003
Optional Increase Amendment, dated 1/14/2004		8K	12/2/2003
Third Amendment, dated 3/26/2004		S-4	6/1/2004
Fourth Amendment, dated 11/4/2004		8K	11/15/2004

Additional documents utilized for research

1 Theme Parks in the USA, Euromonitor, October 2004
2 Consumer Lifestyles in the US, Euromonitor, December, 2004
3 Bear Stearns Equity Research, 3/10/05
4 Bear Stearns Equity Research, 9/1/04
5 Stifel Nicolaus Equity Research, 3/10/04
6 Stifel Nicolaus Equity Research, 8/10/04
7 Stifel Nicolaus Equity Research, 10/15/04
8 Prudential Equity Research, Equity Research 4/07/05
9 Prudential Equity Research, Equity Research 9/04/04
10 Friedman Billings Fixed Income Research, 3/11/05
11 Dirty Dozen Research, 1/3/02
12 Six Flags, Inc. 4th Quarter 2004 and Year-End Earnings Conference Call Transcript
13 Six Flags, Inc. 3rd Quarter 2004 and Year-End Earnings Conference Call Transcript
14 Six Flags, Inc. 2nd Quarter 2004 and Year-End Earnings Conference Call Transcript
15 Six Flags, Inc. 1st Quarter 2004 and Year-End Earnings Conference Call Transcript
16 Six Flags 1999 Annual Report to Shareholders
17 Six Flags 2000 Annual Report to Shareholders
18 Six Flags 2001 Annual Report to Shareholders
19 Six Flags 2002 Annual Report to Shareholders
20 Six Flags 2003 Annual Report to Shareholders
21 Six Flags Press Release, March 9th, 2005