Reconciliation of Net Income (Loss) to Adjusted EBITDA

The following table sets forth a reconciliation of net income (loss) to Adjusted EBITDA for the periods shown (in thousands)

	Twelve Months Ended December 31			
	2012 Successor	2011 Successor	2010 Combined[1]	2009 Predecessor
Net income (loss)	$ 391,113	$ 13,145	$ 633,790	$(194,095)
(Income) loss from discontinued operations	(7,273)	(1,201)	(9,194)	34,007
Income tax (benefit) expense	(172,228)	(8,065)	123,825	2,902
Restructure (recovery) costs	(47)	25,086	37,417	–
Reorganization items, net	2,168	2,455	(811,994)	101,928
Other expense, net	612	73	154	17,304
Loss on debt extinguishment	587	46,520	18,493	–
Equity in loss (income) of investee	2,222	3,111	778	(3,122)
Interest expense, net	46,624	65,217	127,976	105,435
Loss on disposal of assets	8,105	7,615	13,650	11,135
Gain of sale of investee	(67,319)	–	–	–
Amortization	15,648	18,047	12,336	972
Depreciation	132,397	150,952	151,688	140,735
Stock-based compensation	62,875	54,261	19,386	2,597
Impact of fresh start valuation adjustments[2]	993	1,535	4,562	–
Modified EBITDA[3]	416,477	378,751	322,867	219,798
Third party interest in EBITDA of certain operations[4]	(33,848)	(28,417)	(27,826)	(22,599)
Adjusted EBITDA[3]	$ 382,629	$350,334	$ 295,041	$ 197,199

[1] In connection with the company's emergence from Chapter 11 on April 30, 2010 and the application of fresh start reporting upon emergence in accordance with FASB ASC Topic 852, "Reorganizations", the results for the twelve-month periods, ended December 31, 2012 and 2011, and the eight-month period ended December 31, 2010, respectively (the company is referred to during such periods as the "Successor") and the results for the four-month period ended April 30, 2010 and the twelve-month period ended December 31, 2009, respectively (the company is referred to during such period as the "Predecessor") are presented separately. This presentation is required by United States generally accepted accounting principles ("GAAP"), as the Successor is considered to be a new entity for financial reporting purposes, and the results of the Successor reflect the application of fresh start reporting. Accordingly, the company's financial statements after April 30, 2010 are not comparable to its financial statements for any period prior to its emergence from Chapter 11. For illustrative purposes in this annual report, the company has combined the Successor and Predecessor results to derive combined results for the twelve-month period ended December 31, 2010. However, because of various adjustments to the consolidated financial statements in connection with the application of fresh start reporting, including asset valuation adjustments and liability adjustments, the results of operations for the Successor are not comparable to those of the Predecessor. The financial information accompanying this annual report provides the Successor and the Predecessor GAAP results for the applicable periods, along with the combined results described above. The company believes that subject to consideration of the impact of fresh start reporting, the combined results provide meaningful information about revenues and costs, which would not be available if the twelve-month period ended December 31, 2010 was not combined to accommodate analysis.

[2] Amounts recorded as valuation adjustments and included in reorganization items for the month of April 2010 that would have been included in Modified EBITDA and Adjusted EBITDA, had fresh start accounting not been applied. Balance consists primarily of discounted insurance reserves that will be accreted through the statement of operations each quarter through 2018.

[3] "Modified EBITDA," a non-GAAP measure, is defined as the company's consolidated income (loss) from continuing operations: (i) excluding the cumulative effect of changes in accounting principles, discontinued operations gains or losses, income tax expense or benefit, restructure costs or recoveries, reorganization items (net), other income or expense, gain or loss on early extinguishment of debt, equity in income or loss of investees, interest expense (net), gain or loss on disposal of assets, gain or loss on the sale of investees, amortization, depreciation, stock-based compensation, and fresh start accounting valuation adjustments. The company believes that Modified EBITDA is useful to investors, equity analysts and rating agencies as a measure of the company's performance. The company believes that Modified EBITDA is a measure that can be readily compared to other companies, and the company uses Modified EBITDA in its internal evaluation of operating effectiveness and decisions regarding the allocation of resources. Modified EBITDA is not defined by GAAP and should not be considered in isolation or as an alternative to net income (loss), income (loss) from continuing operations, net cash provided by (used in) operating, investing and financing activities or other financial data prepared in accordance with GAAP or as an indicator of the company's operating performance. Modified EBITDA as defined herein may differ from similarly titled measures presented by other companies. "Adjusted EBITDA," a non-GAAP measure, is defined as Modified EBITDA minus the interests of third parties in the Adjusted EBITDA of properties that are less than wholly owned (consisting of Six Flags Over Georgia, Six Flags White Water Atlanta, Six Flags Over Texas, and Six Flags Great Escape Lodge & Indoor Waterpark (the "Lodge")) plus the company's interest in the Adjusted EBITDA of dick clark productions, inc., which was sold in September 2012. The company believes that Adjusted EBITDA provides useful information to investors regarding the company's operating performance and its capacity to incur and service debt and fund capital expenditures. Adjusted EBITDA is approximately equal to "Parent Consolidated Adjusted EBITDA" as defined in the company's secured credit agreement, except that Parent Consolidated Adjusted EBITDA excludes Adjusted EBITDA from equity investees that is not distributed to the company in cash on a net basis and has limitations on the amounts of certain expenses that are excluded from the calculation. Adjusted EBITDA is not defined by GAAP and should not be considered in isolation or as an alternative to net income (loss), income (loss) from continuing operations, net cash provided by (used in) operating, investing and financing activities or other financial data prepared in accordance with GAAP or as an indicator of the company's operating performance. Adjusted EBITDA as defined herein may differ from similarly titled measures presented by other companies.

[4] Represents interests of third parties in the Adjusted EBITDA of Six Flags Over Georgia, Six Flags Over Texas, Six Flags White Water Atlanta and the Lodge, plus the Company's interest in the Adjusted EBITDA of dick clark productions, inc., which are less than wholly owned. The company sold its interest in dick clark productions, inc. in September 2012.