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

FORM 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the quarterly period ended June 30, 2015 or

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the transition period from to

Commission file number: 1-13703

SIX FLAGS ENTERTAINMENT CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	**13-3995059** (I.R.S. Employer Identification No.)
924 Avenue J East, Grand Prairie, TX 75050 (Address of Principal Executive Offices, Including Zip Code)	**(972) 595-5000** (Registrant's Telephone Number, Including Area Code)

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

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

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

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: At July 17, 2015, Six Flags Entertainment Corporation had 94,775,172 outstanding shares of common stock, par value $0.025 per share.

SIX FLAGS ENTERTAINMENT CORPORATION
FORM 10-Q

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

- factors impacting attendance, such as local conditions, contagious diseases, events, disturbances and terrorist activities;
- recall of food, toys and other retail products sold at our parks;
- accidents occurring at our parks or other parks in the industry and adverse publicity concerning our parks or other parks in the industry;
- inability to achieve desired improvements and financial performance targets set forth in our aspirational goals;
- adverse weather conditions such as excess heat or cold, rain, and storms;
- general financial and credit market conditions;
- economic conditions (including customer spending patterns);
- changes in public and consumer tastes;
- construction delays in capital improvements or ride downtime;
- competition with other theme parks and entertainment alternatives;
- dependence on a seasonal workforce;
- unionization activities and labor disputes;
- laws and regulations affecting labor and employee benefit costs, including increases in state and federally mandated minimum wages, and healthcare reform;
- pending, threatened or future legal proceedings and the significant expenses associated with litigation;
- cyber security risks; and
- other factors described in "Item 1A. Risk Factors" set forth in our Annual Report on Form 10-K for the year ended December 31, 2014 (the "2014 Annual Report").

A more complete discussion of these factors and other risks applicable to our business is contained in "Part I, Item 1A. Risk Factors" of the 2014 Annual Report. All forward-looking statements in this report, or that are made on our behalf by our directors, officers or employees related to the information contained herein, apply only as of the date of this report or as of the date they were made. While we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will be realized and actual results could vary materially. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation, except as required by applicable law, to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

Available Information

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

* * * * *

As used herein, unless the context requires otherwise, the terms "we," "our," "Company," "Six Flags" and "SFEC" refer collectively to Six Flags Entertainment Corporation and its consolidated subsidiaries, and "Holdings" refers only to Six Flags Entertainment Corporation, without regard to its consolidated subsidiaries.

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SIX FLAGS ENTERTAINMENT CORPORATION
Condensed Consolidated Balance Sheets

(Amounts in thousands, except share data)	As of June 30, 2015 *(unaudited)*	As of December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 154,785	$ 73,884
Accounts receivable, net	91,430	58,823
Inventories	35,921	21,099
Prepaid expenses and other current assets	52,885	44,705
Deferred income taxes	113,031	102,413
Total current assets	448,052	300,924
Property and equipment, net:		
Property and equipment, at cost	1,852,006	1,797,617
Accumulated depreciation	(621,665)	(579,511)
Total property and equipment, net	1,230,341	1,218,106
Other assets:		
Debt issuance costs	24,577	19,062
Restricted-use investment securities	2,928	2,471
Deposits and other assets	4,224	4,750
Goodwill	630,248	630,248
Intangible assets, net of accumulated amortization of $13,472 and $12,214 as of June 30, 2015 and December 31, 2014, respectively	357,926	359,358
Total other assets	1,019,903	1,015,889
Total assets	$ 2,698,296	$ 2,534,919
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 62,720	$ 19,315
Accrued compensation, payroll taxes and benefits	24,460	37,463
Accrued insurance reserves	39,238	41,276
Accrued interest payable	19,555	19,542
Other accrued liabilities	40,852	36,176
Deferred income	148,985	71,598
Current portion of long-term debt	7,484	6,301
Total current liabilities	343,294	231,671
Noncurrent liabilities:		
Long-term debt	1,518,927	1,389,215
Other long-term liabilities	61,980	65,396
Deferred income taxes	183,817	187,197
Total noncurrent liabilities	1,764,724	1,641,808
Total liabilities	2,108,018	1,873,479
Redeemable noncontrolling interests	454,803	437,545
Stockholders' equity:		
Common stock, $0.025 par value, 140,000,000 shares authorized; 94,760,258 and 92,937,619 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively	2,369	2,323
Capital in excess of par value	1,018,304	983,317
Accumulated deficit	(822,107)	(702,116)
Accumulated other comprehensive loss, net of tax	(63,091)	(59,629)
Total stockholders' equity	135,475	223,895

Total liabilities and equity	$ 2,698,296	$ 2,534,919

See accompanying notes to unaudited condensed consolidated financial statements.

SIX FLAGS ENTERTAINMENT CORPORATION
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended	
(Amounts in thousands, except per share data)	**June 30, 2015**	**June 30, 2014**
Theme park admissions	$ 206,998	$ 205,428
Theme park food, merchandise and other	161,419	151,772
Sponsorship, licensing and other fees	13,676	15,543
Accommodations revenue	3,972	3,808
Total revenues	386,065	376,551
Operating expenses (excluding depreciation and amortization shown separately below)	132,771	126,531
Selling, general and administrative (including stock-based compensation of $4,408 and $5,740 in 2015 and 2014, respectively, and excluding depreciation and amortization shown separately below)	55,402	60,160
Costs of products sold	34,182	31,348
Depreciation	24,925	25,511
Amortization	657	665
Loss on disposal of assets	1,567	781
Gain on sale of investee	—	(10,031)
Interest expense	18,969	17,845
Interest income	(31)	(58)
Loss on debt extinguishment	6,557	—
Other income, net	(407)	(64)
Income before income taxes	111,473	123,863
Income tax expense	26,859	38,551
Net income	84,614	85,312
Less: Net income attributable to noncontrolling interests	(19,082)	(19,006)
Net income attributable to Six Flags Entertainment Corporation	$ 65,532	$ 66,306
Weighted-average number of common shares outstanding:		
Weighted-average common shares outstanding — basic:	94,834	95,224
Weighted-average common shares outstanding — diluted:	97,382	99,162
Net income per average common share outstanding:		
Net income per common share outstanding — basic:	$ 0.69	$ 0.70
Net income per common share outstanding — diluted:	$ 0.67	$ 0.67
Cash dividends declared per common share	$ 0.52	$ 0.47

See accompanying notes to unaudited condensed consolidated financial statements.

SIX FLAGS ENTERTAINMENT CORPORATION
Condensed Consolidated Statements of Operations
(Unaudited)

(Amounts in thousands, except per share data)	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Theme park admissions	$ 247,544	$ 240,138
Theme park food, merchandise and other	189,644	177,739
Sponsorship, licensing and other fees	25,118	23,721
Accommodations revenue	8,914	8,671
Total revenues	471,220	450,269
Operating expenses (excluding depreciation and amortization shown separately below)	216,133	208,159
Selling, general and administrative (including stock-based compensation of $26,715 and $11,099 in 2015 and 2014, respectively, and excluding depreciation and amortization shown separately below)	109,989	94,494
Costs of products sold	41,367	37,591
Depreciation	51,062	52,540
Amortization	1,315	1,330
Loss on disposal of assets	2,233	2,573
Gain on sale of investee	—	(10,031)
Interest expense	37,681	36,093
Interest income	(156)	(277)
Loss on debt extinguishment	6,557	—
Other income, net	(479)	(254)
Income before income taxes	5,518	28,051
Income tax (benefit) expense	(8,770)	3,940
Net income	14,288	24,111
Less: Net income attributable to noncontrolling interests	(19,082)	(19,006)
Net (loss) income attributable to Six Flags Entertainment Corporation	$ (4,794)	$ 5,105
Weighted-average number of common shares outstanding:		
Weighted-average common shares outstanding — basic:	94,347	95,091
Weighted-average common shares outstanding — diluted:	94,347	99,008
Net (loss) income per average common share outstanding:		
Net (loss) income per common share outstanding — basic:	$ (0.05)	$ 0.05
Net (loss) income per common share outstanding — diluted:	$ (0.05)	$ 0.05
Cash dividends declared per common share	$ 1.04	$ 0.94

See accompanying notes to unaudited condensed consolidated financial statements.

SIX FLAGS ENTERTAINMENT CORPORATION
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

(Amounts in thousands)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014
Net income	$ 84,614	$ 85,312
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustment [(1)]	(525)	1,077
Defined benefit retirement plan [(2)]	427	—
Change in cash flow hedging [(3)]	203	(875)
Other comprehensive income, net of tax	105	202
Comprehensive income	84,719	85,514
Less: Comprehensive income attributable to noncontrolling interests	(19,082)	(19,006)
Comprehensive income attributable to Six Flags Entertainment Corporation	$ 65,637	$ 66,508

(1) Foreign currency translation adjustment is presented net of tax benefit of $0.3 million and net of tax expense of $0.5 million for the three months ended June 30, 2015 and June 30, 2014, respectively.

(2) Defined benefit retirement plan is presented net of tax expense of $0.3 million for the three months ended June 30, 2015.

(3) Change in cash flow hedging is presented net of tax expense of $0.1 million and net of tax benefit of $0.5 million for the three months ended June 30, 2015 and June 30, 2014, respectively.

See accompanying notes to unaudited condensed consolidated financial statements.

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

(Amounts in thousands)	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Net income	$ 14,288	$ 24,111
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustment [(1)]	(3,269)	(442)
Defined benefit retirement plan [(2)]	285	—
Change in cash flow hedging [(3)]	(478)	(692)
Other comprehensive loss, net of tax	(3,462)	(1,134)
Comprehensive income	10,826	22,977
Less: Comprehensive income attributable to noncontrolling interests	(19,082)	(19,006)
Comprehensive (loss) income attributable to Six Flags Entertainment Corporation	$ (8,256)	$ 3,971

(1) Foreign currency translation adjustment is presented net of tax benefit of $1.8 million and $0.3 million for the six months ended June 30, 2015 and June 30, 2014, respectively.

(2) Defined benefit retirement plan is presented net of tax expense of $0.2 million for the six months ended June 30, 2015.

(3) Change in cash flow hedging is presented net of tax benefit of $0.3 million and $0.4 million for the six months ended June 30, 2015 and June 30, 2014, respectively.

See accompanying notes to unaudited condensed consolidated financial statements.

SIX FLAGS ENTERTAINMENT CORPORATION
Condensed Consolidated Statements of Equity
(Unaudited)

(Amounts in thousands, except share data)	Common stock Shares issued	Common stock Amount	Capital in excess of par value	Accumulated deficit	Accumulated other comprehensive loss	Total Equity
Balances at December 31, 2013	94,857,347	$ 2,371	$ 842,488	$ (438,825)	$ (32,697)	$ 373,337
Issuance of common stock	728,280	18	11,430	—	—	11,448
Stock-based compensation	—	—	11,099	—	—	11,099
Dividends declared to common stockholders	—	—	—	(89,407)	—	(89,407)
Repurchase of common stock	(183,958)	(5)	(1,354)	(6,232)	—	(7,591)
Employee stock purchase plan	18,983	1	628	—	—	629
Fresh start valuation adjustment for SFOT units purchased	—	—	—	5	—	5
Net income attributable to Six Flags Entertainment Corporation	—	—	—	5,105	—	5,105
Net other comprehensive loss, net of tax	—	—	—	—	(1,134)	(1,134)
Balances at June 30, 2014	95,420,652	$ 2,385	$ 864,291	$ (529,354)	$ (33,831)	$ 303,491
Balances at December 31, 2014	92,937,619	$ 2,323	$ 983,317	$ (702,116)	$ (59,629)	$ 223,895
Issuance of common stock	2,242,377	57	11,021	—	—	11,078
Stock-based compensation	—	—	26,715	—	—	26,715
Dividends declared to common shareholders	—	—	—	(97,757)	—	(97,757)
Repurchase of common stock	(439,322)	(11)	(3,513)	(17,712)	—	(21,236)
Employee stock purchase plan	19,584	—	764	—	—	764
Fresh start valuation adjustment for SFOG units purchased	—	—	—	272	—	272
Net loss attributable to Six Flags Entertainment Corporation	—	—	—	(4,794)	—	(4,794)
Net other comprehensive loss, net of tax	—	—	—	—	(3,462)	(3,462)
Balances at June 30, 2015	94,760,258	$ 2,369	$ 1,018,304	$ (822,107)	$ (63,091)	$ 135,475

See accompanying notes to unaudited condensed consolidated financial statements.

SIX FLAGS ENTERTAINMENT CORPORATION
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended	
(Amounts in thousands)	**June 30, 2015**	**June 30, 2014**
Cash flows from operating activities:		
Net income	$ 14,288	$ 24,111
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	52,377	53,870
Stock-based compensation	26,715	11,099
Interest accretion on notes payable	624	607
Loss on debt extinguishment	6,557	—
Amortization of debt issuance costs	2,383	2,381
Other, including loss on disposal of assets	1,964	(9,629)
Increase in accounts receivable	(33,082)	(39,549)
Increase in inventories, prepaid expenses and other current assets	(23,338)	(22,576)
Decrease in deposits and other assets	524	36
Increase in accounts payable, deferred income, accrued liabilities and other long-term liabilities	107,369	99,799
Increase (decrease) in accrued interest payable	13	(176)
Deferred income taxes	(11,506)	(2,662)
Net cash provided by operating activities	144,888	117,311
Cash flows from investing activities:		
Additions to property and equipment	(70,248)	(81,755)
Property insurance recoveries	173	410
Purchase of identifiable intangible assets	(29)	(49)
Purchase of restricted-use investments, net	(457)	(158)
Proceeds from sale of assets	51	127
Net cash used in investing activities	(70,510)	(81,425)
Cash flow from financing activities:		
Repayment of borrowings	(700,808)	(28,159)
Proceeds from borrowings	828,250	25,000
Payment of debt issuance costs	(9,993)	—
Payment of cash dividends	(98,190)	(89,536)
Proceeds from issuance of common stock	11,842	12,077
Stock repurchases	(21,236)	(7,591)
Purchase of redeemable noncontrolling interests	(1,552)	(19)
Net cash provided by (used in) financing activities	8,313	(88,228)
Effect of exchange rate on cash	(1,790)	274
Net increase (decrease) in cash and cash equivalents	80,901	(52,068)
Cash and cash equivalents at beginning of period	73,884	169,310
Cash and cash equivalents at end of period	$ 154,785	$ 117,242
Supplemental cash flow information		
Cash paid for interest	$ 34,661	$ 33,282
Cash paid for income taxes	$ 4,933	$ 6,338

See accompanying notes to unaudited condensed consolidated financial statements.

Six Flags Entertainment Corporation
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. General — Basis of Presentation

We own and operate regional theme, water and zoological parks and are the largest regional theme park operator in the world. Of the 18 parks we currently own or operate, 16 parks are located in the United States, one is located in Mexico City, Mexico and one is located in Montreal, Canada. We are also involved in the development of Six Flags-branded theme parks outside of North America.

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed, or omitted, pursuant to the rules and regulations of the SEC.

"Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" contains a discussion of our results of operations and our financial position and should be read in conjunction with the unaudited condensed consolidated financial statements and notes. The 2014 Annual Report includes additional information about us, our operations and our financial position, and should be referred to in conjunction with this Quarterly Report. The information furnished in this Quarterly Report reflects all normal and recurring adjustments that are, in the opinion of management, necessary to present a fair statement of the results for the periods presented.

Results of operations for the six months ended June 30, 2015 are not indicative of the results expected for the full year. In particular, our park operations contribute a substantial majority of their annual revenue during the period from Memorial Day to Labor Day each year, while expenses are incurred year round.

a. Consolidated U.S. GAAP Presentation

Our accounting policies reflect industry practices and conform to U.S. GAAP.

The unaudited condensed consolidated financial statements include our accounts and the accounts of our wholly owned subsidiaries. We also consolidate the partnerships that own Six Flags Over Texas ("SFOT") and Six Flags Over Georgia (including Six Flags White Water Atlanta) ("SFOG", and together with SFOT, the "Partnership Parks") as subsidiaries in our unaudited condensed consolidated financial statements, as we have determined that we have the power to direct the activities of those entities that most significantly impact the entities' economic performance and we have the obligation to absorb losses and receive benefits from the entities that can be potentially significant to these entities. The equity interests owned by non-affiliated parties in the Partnership Parks are reflected in the accompanying condensed consolidated balance sheets as redeemable noncontrolling interests. See Note 7 for further discussion.

b. Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases including net operating loss and other tax carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. We recorded a valuation allowance of $100.5 million and $97.3 million as of June 30, 2015 and December 31, 2014, respectively, due to uncertainties related to our ability to utilize some of our deferred tax assets, primarily consisting of certain state net operating loss and other tax carryforwards, before they expire. The valuation allowance was based on our estimates of taxable income by jurisdiction in which we operate and the period over which our deferred tax assets were recoverable. Our projected taxable income over the foreseeable future gives us comfort that we will be able to utilize all of our federal net operating loss carryforwards before they expire.

In determining the effective tax rate for interim periods, we consider the expected changes in our valuation allowance from current year originating or reversing timing differences between financial accounting and tax purposes and the taxable income or loss expected for the current year. For interim periods, we also account for the tax effect of significant non-recurring items in the period in which they occur as well as changes in the valuation allowance relating to a change in the assessment of the probability of utilization of the deferred income tax assets.

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

We classify interest and penalties attributable to income taxes as part of income tax expense. As of June 30, 2015 and December 31, 2014, we had no accrued interest and penalties liability.

Because we do not permanently reinvest foreign earnings, United States deferred income taxes have been provided on unremitted foreign earnings to the extent that such foreign earnings are expected to be taxable upon repatriation.

c. Long-Lived Assets

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

d. Derivative Instruments and Hedging Activities

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

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

Changes in the fair value of a derivative that is effective and that is designated and qualifies as a cash flow hedge are recorded in other comprehensive income (loss) until operations are affected by the variability in cash flows of the designated hedged item, at which point they are reclassified to interest expense. Changes in fair value of a derivative that is not designated as a hedge are recorded in other income (expense), net in the unaudited condensed consolidated statements of operations on a current basis. See Note 2 for further discussion.

e. Earnings (Loss) Per Common Share

Basic earnings (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period and the effect of all dilutive common stock equivalents using the treasury stock method. In periods for which there is a net loss, diluted loss per common share is equal to basic loss per common share, since the effect of including any common stock equivalents would be antidilutive.

The computation of diluted earnings per share excluded the effect of 304,000 and 179,000 antidilutive stock options for the three months ended June 30, 2015 and June 30, 2014. We incurred a net loss for the six months ended June 30, 2015, and therefore, diluted shares outstanding equaled basic shares outstanding. The computation of diluted earnings per share excluded the effect of 6,350,000 and 1,037,000 antidilutive stock options for the six months ended June 30, 2015 and June 30, 2014, respectively. Earnings per common share for the three and six months ended June 30, 2015 and June 30, 2014 was calculated as follows:

Six Flags Entertainment Corporation
Notes to Condensed Consolidated Financial Statements
(Unaudited)

	Three Months Ended		Six Months Ended	
(Amounts in thousands, except per share data)	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Net income (loss) attributable to Six Flags Entertainment Corporation	$ 65,532	$ 66,306	$ (4,794)	$ 5,105
Weighted-average common shares outstanding — basic:	94,834	95,224	94,347	95,091
Effect of dilutive stock options and restricted shares	2,548	3,938	—	3,917
Weighted-average common shares outstanding — diluted:	97,382	99,162	94,347	99,008
Earnings (loss) per share — basic:	$ 0.69	$ 0.70	$ (0.05)	$ 0.05
Earnings (loss) per share — diluted:	$ 0.67	$ 0.67	$ (0.05)	$ 0.05

f. Stock Benefit Plans

Pursuant to the Six Flags Entertainment Corporation Long-Term Incentive Plan (the "Long-Term Incentive Plan"), Holdings may grant stock options, stock appreciation rights, restricted stock, restricted stock units, unrestricted stock, deferred stock units, performance and cash-settled awards and dividend equivalents to select employees, officers, directors and consultants of Holdings and its affiliates. In May 2015, our stockholders approved an amendment to the Long-Term Incentive Plan that increased the number of shares available for issuance under the Long-Term Incentive Plan by 5,000,000 shares from 28,133,332 shares to 33,133,332 shares.

We recognize the fair value of each grant as compensation expense on a straight-line basis over the vesting period using the graded vesting terms of the respective grant. The fair value of stock option grants is estimated using the Black-Scholes option pricing valuation model. The fair value of stock, restricted stock units and restricted stock awards is the quoted market price of Holdings' stock on the date of grant.

During the year ended December 31, 2011, a performance award was established based on our goal to achieve Modified EBITDA of $500 million by 2015 (the "2015 Performance Award"). "Modified EBITDA" is defined as the Company's consolidated income (loss) from continuing operations: excluding the cumulative effect of changes in accounting principles; discontinued operations gains or losses; income tax expense or benefit; restructure costs or recoveries; reorganization items (net); other income or expense; gain or loss on early extinguishment of debt; equity in income or loss of investees; interest expense (net); gain or loss on disposal of assets; gain or loss on the sale of investees; amortization; depreciation; stock-based compensation; and fresh start accounting valuation adjustments. The results of operations for the year ended December 31, 2014 exceeded the threshold for a 2014 partial achievement award, resulting in the issuance of a partial achievement award in February 2015. The issuance of the remaining shares available under the 2015 Performance Award is contingent upon the achievement of the Modified EBITDA performance target in 2015 or a 2015 partial achievement award, both of which remain probable. If the target is achieved in 2015, an aggregate of 1,314,000 shares plus associated dividend equivalent rights ("DERs") would be issued to certain key employees. During the six months ended June 30, 2015, we recognized $15.8 million and $2.2 million in stock-based compensation expense related to the 2015 Performance Award and related DERs, respectively. In total, we have recognized $120.3 million and $16.4 million in stock-based compensation expense related to the 2015 Performance Award and related DERs, respectively, since we began recognizing stock-based compensation expense for this award during the third quarter of 2014. Based on the closing market price of Holdings' common stock on the last trading day of the quarter ended June 30, 2015, the total unrecognized compensation expense related to the 2015 Performance Award was $8.6 million, plus the remaining expense for the associated DERs, which will be approximately $2.0 million, that will be expensed over the remaining service period.

During the three and six months ended June 30, 2015 and June 30, 2014, stock-based compensation expense consisted of the following:

	Three Months Ended		Six Months Ended	
(Amounts in thousands)	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Long-Term Incentive Plan	$ 4,369	$ 5,611	$ 26,601	$ 10,920
Employee Stock Purchase Plan	39	129	114	179
Total Stock-Based Compensation	$ 4,408	$ 5,740	$ 26,715	$ 11,099

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As of June 30, 2015, options to purchase approximately 6,350,000 shares of common stock of Holdings and approximately 16,000 shares of restricted stock or restricted stock units were outstanding under the Long-Term Incentive Plan and approximately 7,532,000 shares were available for future grant.

g. *Revenue Recognition*

We recognize revenue upon admission into our parks, provision of our services, or when products are delivered to our guests. Revenues are presented in the accompanying unaudited condensed consolidated statements of operations net of sales taxes collected from our guests and remitted to government taxing authorities. During 2013, we launched a membership program. In contrast to our season pass and other multi-use offerings that expire at the end of each operating season, the membership program continues on a month-to-month basis after the initial twelve-month membership term and can be canceled any time after the initial term pursuant to the terms of the membership program. Guests enrolled in the membership program can visit our parks an unlimited number of times anytime they are open as long as the guest remains enrolled in the membership program. For season pass, memberships in the initial twelve-month term and other multi-use admissions, we estimate a redemption rate based on historical experience and other factors and assumptions we believe to be customary and reasonable and recognize a pro-rata portion of the revenue as the guest attends our parks. We review the estimated redemption rate regularly and on an ongoing basis and revise it as necessary throughout the year. Amounts received for multi-use admissions in excess of redemptions are recognized in deferred income. For active memberships after the initial twelve-month term, we recognize revenue monthly as payments are received. As of June 30, 2015, deferred income was primarily comprised of (i) unredeemed season pass revenue, (ii) pre-sold single-day admissions revenue for the current operating season, (iii) unredeemed portions of the membership program that will primarily be recognized in 2015 and (iv) sponsorship revenue that will be recognized in 2015.

During 2014, we entered into two agreements to assist third parties in the planning, design, development and operation of Six Flags-branded theme parks outside of North America. Pursuant to these agreements, we agreed to provide exclusivity, brand licensing, and other services to assist in the design, development, and project management of Six Flags-branded theme parks, as well as initial and ongoing management services. Each significant deliverable qualifies as a separate unit of accounting. We recognize revenue under these agreements over the relevant service period of each unit of accounting based on its relative selling price, as determined by our best estimate of selling price. Our best estimate of selling price is established consistent with our overall pricing strategy and includes, but is not limited to, consideration of current market conditions, various risk factors and our required return and profit objectives. We review the service period of each unit of accounting on an ongoing basis and revise it as necessary throughout the year. Revisions to the relevant service periods of the units of accounting may result in revisions to revenue in future periods and are recognized in the period in which the change is identified.

h. *Accounts Receivable, Net*

Accounts receivable are reported at net realizable value and consist primarily of amounts due from guests for the sale of group outings and multi-use admission products, including season passes and the membership program. We are not exposed to a significant concentration of credit risk, however, based on the age of the receivables, our historical experience and other factors and assumptions we believe to be customary and reasonable, we do record an allowance for doubtful accounts. As of June 30, 2015 and December 31, 2014, we have recorded an allowance for doubtful accounts of $11.7 million and $6.3 million, respectively, which is primarily comprised of estimated defaults under our membership plans.

i. *Recent Accounting Pronouncements*

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"). The amendments in ASU 2014-09 provide for a single, principles-based model for revenue recognition that replaces the existing revenue recognition guidance. In July 2015, the FASB approved a one-year deferral of the effective date of ASU 2014-09. Therefore, the new guidance will be effective for annual and interim periods beginning on or after December 15, 2017 and will replace most existing revenue recognition guidance under U.S. GAAP when it becomes effective. It permits the use of either a retrospective or cumulative effect transition method and early adoption is permitted for annual periods beginning after December 15, 2016. We have not yet selected a transition method and are in the process of evaluating the effect this standard will have on our consolidated financial statements and related disclosures.

In April 2015, the FASB issued Accounting Standards Update No. 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-03"). The amendments in ASU 2015-03 require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. ASU 2015-03 is effective for annual and interim periods beginning on or after December 15, 2015. As of June 30, 2015, we have $24.6 million of net deferred financing costs that would be reclassified from a long-term asset to a reduction in the carrying amount of our debt.

2. Derivative Financial Instruments

In March 2012, we entered into a floating-to-fixed interest rate agreement (the "Interest Rate Cap Agreement") with a notional amount of $470.0 million in order to limit exposure to an increase in the London Interbank Offered Rate ("LIBOR") interest rate of the Term Loan B (see Note 4). Our Term Loan B borrowings bear interest based on LIBOR plus an applicable margin. The Interest Rate Cap Agreement capped the LIBOR component of the interest rate at 1.00%. Upon execution, we designated and documented the Interest Rate Cap Agreement as a cash flow hedge. The term of the Interest Rate Cap Agreement began in March 2012 and expired in March 2014.

In April 2014, we entered into three separate interest rate swap agreements (collectively, the "Interest Rate Swap Agreements") with an aggregate notional amount of $200.0 million to mitigate the risk of an increase in the LIBOR interest rate above the 0.75% minimum LIBOR rate in effect on the Term Loan B. The term of the Interest Rate Swap Agreements began in June 2014 and expires in December 2017. Upon execution, we designated and documented the Interest Rate Swap Agreements as cash flow hedges. The Interest Rate Swap Agreements will continue to mitigate risk in connection with the interest rate for the Amended and Restated Term Loan B (as defined in Note 4).

By utilizing a derivative instrument to hedge our exposure to LIBOR rate changes, we are exposed to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. To mitigate this risk, the hedging instrument is placed with counterparties that we believe pose minimal credit risk. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates, commodity prices, or currency exchange rates. We manage the market risk associated with the Interest Rate Swap Agreements by establishing and monitoring parameters that limit the types and degree of market risk that we may undertake. We hold and issue derivative instruments for risk management purposes only and do not utilize derivatives for trading or speculative purposes.

We record derivative instruments at fair value on our unaudited condensed consolidated balance sheets with the effective portion of all cash flow designated derivatives deferred in other comprehensive income and the ineffective portion, if any, recognized immediately in earnings. Our derivatives are measured on a recurring basis using Level 2 inputs. The fair value measurements of our derivatives are based on market prices that generally are observable for similar assets or liabilities at commonly quoted intervals. Derivative assets and derivative liabilities that have maturity dates equal to or less than twelve months from the balance sheet date are included in prepaid and other current assets and other accrued liabilities, respectively. Derivative assets and derivative liabilities that have maturity dates greater than twelve months from the balance sheet date are included in deposits and other assets and other long-term liabilities, respectively.

Derivative instruments recorded at fair value in our unaudited and audited condensed consolidated balance sheets as of June 30, 2015 and December 31, 2014, respectively, consisted of the following:

	Derivative Assets		Derivative Liabilities	
(Amounts in thousands)	**June 30, 2015**	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Derivatives Designated as Cash Flow Hedges				
Interest Rate Swap Agreements - Current	$ —	$ —	$ 1,285	$ 1,325
Interest Rate Swap Agreements - Noncurrent	—	599	231	—
	$ —	$ 599	$ 1,516	$ 1,325

As of June 30, 2015 and December 31, 2014, we held no derivatives not designated as hedging instruments.

Effective changes in the fair value of derivatives that are designated as hedges are recorded in accumulated other comprehensive income ("AOCI") on the condensed consolidated balance sheet when in qualifying relationships and are reclassified to interest expense when the forecasted transaction takes place. Ineffective changes, if any, and changes in the fair value of derivatives that are not designated as hedges are recorded directly in interest expense and other (income) expense, net, respectively.

Gains and losses, net of tax, on derivatives designated as cash flow hedges included in our unaudited condensed consolidated statements of operations for the three and six months ended June 30, 2015 and June 30, 2014 were as follows:

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Three Months Ended June 30, 2015 and June 30, 2014

	Loss Recognized in AOCI (Effective Portion)		Loss Reclassified from AOCI into Operations (Effective Portion)		Loss Recognized in Operations on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	
(Amounts in thousands)	2015	2014	2015	2014	2015	2014
Interest Rate Cap Agreement	$ —	$ —	$ —	$ —	$ —	$ —
Interest Rate Swap Agreements	(107)	(1,440)	(442)	—	—	—
Total	$ (107)	$ (1,440)	$ (442)	$ —	$ —	$ —

Six Months Ended June 30, 2015 and June 30, 2014

	Loss Recognized in AOCI (Effective Portion)		Loss Reclassified from AOCI into Operations (Effective Portion)		Loss Recognized in Operations on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	
(Amounts in thousands)	2015	2014	2015	2014	2015	2014
Interest Rate Cap Agreement	$ —	$ —	$ —	$ (301)	$ —	$ —
Interest Rate Swap Agreements	(1,672)	(1,440)	(883)	—	—	—
Total	$ (1,672)	$ (1,440)	$ (883)	$ (301)	$ —	$ —

As of June 30, 2015, approximately $1.6 million of unrealized losses associated with our Interest Rate Swap Agreements are expected to be reclassified from AOCI to operations during the next twelve months. Transactions and events expected to occur over the next twelve months that will necessitate reclassifying these unrealized losses to operations are the periodic interest payments that are required to be made on the Amended and Restated Term Loan B. For the six months ended June 30, 2015, no hedge ineffectiveness was recorded for the Interest Rate Swap Agreements.

3. Fair Value of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties. The following table and accompanying information present the estimated fair values and classifications of our financial instruments in accordance with FASB ASC Topic 820, *Fair Value Measurement*, as of June 30, 2015 and December 31, 2014:

	As of			
	June 30, 2015		December 31, 2014	
(Amounts in thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets (liabilities):				
Restricted-use investment securities	$ 2,928	$ 2,928	$ 2,471	$ 2,471
Interest Rate Swap Agreements assets	—	—	599	599
Interest Rate Swap Agreements liabilities	(1,516)	(1,516)	(1,325)	(1,325)
Long-term debt (including current portion)	(1,526,411)	(1,543,411)	(1,395,516)	(1,396,690)

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

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

respectively. Derivative assets and liabilities that have maturity dates greater than twelve months from the balance sheet date are included in deposits and other assets and other long-term liabilities, respectively. See Note 2 for additional information on our derivative instruments and related Company policies.

- The measurement of the fair value of long-term debt is based on market prices that generally are observable for similar liabilities at commonly quoted intervals and is considered a Level 2 fair value measurement.

4. Long-Term Indebtedness

Credit Facility

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

On December 21, 2012, we entered into an amendment to the 2011 Credit Facility (the "2012 Credit Facility Amendment") that among other things, permitted us to (i) issue $800.0 million of senior unsecured notes (see *2021 Notes* below), (ii) use $350.0 million of the proceeds of the senior unsecured notes to repay the $72.2 million that was outstanding under the Term Loan A and $277.8 million of the outstanding balance of the Term Loan B, (iii) use the remaining $450.0 million of proceeds for share repurchases and other corporate matters, and (iv) reduce the interest rate payable on the Term Loan B by 25 basis points.

On December 23, 2013, we entered into an amendment to the 2011 Credit Facility (the "2013 Credit Facility Amendment") that reduced the overall borrowing rate on the Term Loan B by 50 basis points through (i) a 25 basis point reduction in the applicable margin from 3.00% plus LIBOR to 2.75% plus LIBOR and (ii) a 25 basis point reduction in the minimum LIBOR rate from 1.00% to 0.75%. Additionally, the 2013 Credit Facility Amendment permitted us to use up to $200.0 million of our excess cash on hand, over time, for general corporate purposes, including potential share repurchases.

On June 30, 2015, we amended and restated the 2011 Credit Facility (as amended by the 2012 Credit Facility Amendment and the 2013 Credit Facility Amendment, the "Amended and Restated Credit Facility"). The Amended and Restated Credit Facility is comprised of a $250.0 million revolving credit loan facility (the "Amended and Restated Revolving Loan") and a $700.0 million Tranche B Term Loan facility (the "Amended and Restated Term Loan B"). In connection with entering into the Amended and Restated Credit Facility, we repaid the outstanding Term Loan B and we recognized a loss on debt extinguishment of $6.6 million. The remaining proceeds from the Amended and Restated Credit Facility will be used for general corporate purposes, including share repurchases and payment of refinancing fees.

As of June 30, 2015, no advances under the Amended and Restated Revolving Loan were outstanding (excluding amounts reserved for letters of credit in the amount of $21.6 million). As of December 31, 2014, no advances under the Revolving Loan were outstanding (excluding amounts reserved for letters of credit in the amount of $20.8 million). Interest on the Amended and Restated Revolving Loan accrues at an annual rate of LIBOR plus an applicable margin with an unused commitment fee based on our senior secured leverage ratio. As of June 30, 2015, the Amended and Restated Revolving Loan unused commitment fee was 0.375%. The principal amount of the Amended and Restated Revolving Loan is due and payable on June 30, 2020.

The Term Loan A was fully repaid in 2012 and the Term Loan B was fully repaid on June 30, 2015. As of June 30, 2015, $700.0 million was outstanding under the Amended and Restated Term Loan B. As of December 31, 2014, $570.5 million was outstanding under the Term Loan B. Interest on the Amended and Restated Term Loan B accrues at an annual rate of LIBOR plus an applicable margin, with a 0.75% LIBOR floor, based on our consolidated leverage ratio. In March 2012, we entered into a floating-to-fixed interest rate agreement to limit exposure to an increase in the LIBOR interest rate on $470.0 million of the Term Loan B. The Interest Rate Cap Agreement capped the LIBOR component of the interest rate at 1.00%. The term of the Interest Rate Cap Agreement expired in March 2014. In April 2014, we entered into the Interest Rate Swap Agreements with a notional amount of $200.0 million to mitigate the risk of an increase in the LIBOR interest rate above the 0.75% minimum LIBOR rate in effect on the Term Loan B. The Interest Rate Swap Agreements continue to mitigate an increase in the LIBOR rate in effect on the Amended and Restated Term Loan B. See Note 2 for further discussion. As of June 30, 2015, the applicable interest rate on the Amended and Restated Term Loan B was 3.50%. Beginning on September 30, 2015, the Amended and Restated Term Loan B will become payable in equal quarterly installments of $1.8 million. All remaining outstanding principal of the Amended and Restated Term Loan B is due and payable on June 30, 2022.

Amounts outstanding under the Amended and Restated Credit Facility are guaranteed by Holdings, Six Flags Operations Inc. ("SFO") and certain of the domestic subsidiaries of SFTP (collectively, the "Loan Parties"). The Amended and Restated Credit Facility is secured by a first priority security interest in substantially all of the assets of the Loan Parties. The Amended and Restated Credit Facility agreement contains certain representations, warranties, affirmative covenants and financial covenants (specifically, (i) a minimum interest coverage covenant and (ii) a maximum senior leverage maintenance covenant). In addition, the Amended and Restated Credit Facility agreement contains restrictive covenants that, subject to certain exceptions, limit or restrict, among other things, the incurrence of indebtedness and liens, fundamental changes, restricted payments, capital expenditures, investments, prepayments of certain indebtedness, transactions with affiliates, changes in fiscal periods, modifications of certain documents, activities of the Company and SFO and hedging agreements, subject, in each case, to certain carve-outs.

2021 Notes

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

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

HWP Refinance Loan

On November 5, 2007, HWP Development LLC ("HWP") entered into a $33.0 million term loan (the "Refinance Loan"). Borrowings under the Refinance Loan bear interest at 6.72%. Monthly payments of principal and interest of $0.2 million are payable through November 1, 2017. On December 1, 2017, all unpaid principal and interest is due and payable. Due to significant early pre-payment penalties under the Refinance Loan, we do not currently intend to pre-pay the Refinance Loan prior to its scheduled maturity. HWP is subject to various covenants under the Refinance Loan that place certain restrictions limiting or prohibiting engaging in certain types of transactions. Pursuant to the Refinance Loan, HWP deposited into escrow $2.9 million and $2.5 million as of June 30, 2015 and December 31, 2014, respectively, and will make additional monthly deposits to cover annual amounts owed for insurance, taxes and furniture, fixture and equipment purchases.

Long-Term Indebtedness Summary

As of June 30, 2015 and December 31, 2014, long-term debt consisted of the following:

	As of	
(Amounts in thousands)	**June 30, 2015**	**December 31, 2014**
Amended and Restated Term Loan B	$ 700,000	$ —
Term Loan B	—	570,544
2021 Notes	800,000	800,000
HWP Refinance Loan	29,923	30,187
Net discount	(3,512)	(5,215)
Long-term debt and Short-term borrowings	1,526,411	1,395,516
Less current portion	(7,484)	(6,301)
Total long-term debt	$ 1,518,927	$ 1,389,215

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5. Accumulated Other Comprehensive Income (Loss)

The following table provides the changes in the composition of AOCI during the six months ended June 30, 2015:

(Amounts in thousands)	Cumulative Translation Adjustment	Cash Flow Hedges	Defined Benefit Plans	Income Taxes	Accumulated Other Comprehensive Income (Loss)
Balances at December 31, 2014	$ (12,198)	$ (726)	$ (52,585)	$ 5,880	$ (59,629)
Amounts reclassified from accumulated other comprehensive income (loss)	—	883	470	(533)	820
Current period other comprehensive income (loss) activity	(5,021)	(1,673)	—	2,412	(4,282)
Balances at June 30, 2015	$ (17,219)	$ (1,516)	$ (52,115)	$ 7,759	$ (63,091)

The Company had the following reclassifications out of accumulated other comprehensive income (loss) during the three and six months ended June 30, 2015 and June 30, 2014:

		Amount of Reclassification from AOCI			
		Three Months Ended		Six Months Ended	
Component of AOCI	Location of Reclassification into Income	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
		(Amounts in thousands)			
Amortization of loss on interest rate hedge	Interest expense	$ 442	$ —	$ 883	$ 301
	Income tax benefit	(174)	—	(348)	(118)
	Net of tax	$ 268	$ —	$ 535	$ 183
Amortization of deferred actuarial loss and prior service cost	Operating expenses	$ 235	$ —	$ 470	$ —
	Income tax benefit	(93)	—	(185)	—
	Net of tax	$ 142	$ —	$ 285	$ —
Total reclassifications		$ 410	$ —	$ 820	$ 183

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6. Commitments and Contingencies

Partnership Parks

On April 1, 1998, we acquired all of the capital stock of the former Six Flags Entertainment Corporation (a corporation that has been merged out of existence and that has always been a separate corporation from Holdings, "Former SFEC") for $976.0 million, paid in cash. In addition to our obligations under outstanding indebtedness and other securities issued or assumed in the Former SFEC acquisition, we also guaranteed certain contractual obligations relating to the Partnership Parks. Specifically, we guaranteed the obligations of the general partners of those partnerships to (i) make minimum annual distributions (including rent) of approximately $67.8 million in 2015 (subject to cost of living adjustments) to the limited partners in the Partnership Parks (based on our ownership of units as of June 30, 2015, our share of the distribution will be approximately $29.6 million) and (ii) make minimum capital expenditures at each of the Partnership Parks during rolling five-year periods, based generally on 6% of the Partnership Parks' revenues. Cash flow from operations at the Partnership Parks is used to satisfy these requirements first, before any funds are required from us. We also guaranteed the obligation of our subsidiaries to annually purchase all outstanding limited partnership units to the extent tendered by the unit holders (the "Partnership Park Put"). The agreed price for units tendered in the Partnership Park Put is based on a valuation of each of the respective Partnership Parks (the "Specified Price") that is the greater of (a) a valuation for each of the respective Partnership Parks derived by multiplying such park's weighted average four year EBITDA (as defined in the agreements that govern the partnerships) by a specified multiple (8.0 in the case of SFOG and 8.5 in the case of SFOT) and (b) a valuation derived from the highest prices previously paid for the units of the Partnership Parks by certain entities. Pursuant to the valuation methodologies described in the preceding sentence, the Specified Price for the Partnership Parks, if determined as of June 30, 2015 is $310.4 million in the case of SFOG and $378.7 million in the case of SFOT. As of June 30, 2015, we owned approximately 31.0% and 53.1% of the Georgia limited partner interests and Texas limited partner interests, respectively. Our obligations with respect to SFOG and SFOT will continue until 2027 and 2028, respectively.

In 2027 and 2028, we will have the option to purchase all remaining units in the Georgia limited partner and the Texas limited partner, respectively, at a price based on the Specified Price, increased by a cost of living adjustment. Pursuant to the 2015 annual offer, we did not purchase any units from the Texas partnership and we purchased 0.50 units from the Georgia partnership for approximately $1.6 million in May 2015. Pursuant to the 2014 annual offer, we did not purchase any units from the Georgia partnership and we purchased 0.0125 units from the Texas partnership for approximately $19,000 in May 2014. As we purchase additional units, we are entitled to a proportionate increase in our share of the minimum annual distributions. The maximum unit purchase obligations for 2016 at both parks will be approximately $392.0 million, representing approximately 69.0% of the outstanding units of SFOG and 46.9% of the outstanding units of SFOT. An additional $350.0 million of the Amended and Restated Term Loan B under the Amended and Restated Credit Facility is available for borrowing for future "put" obligations if necessary.

In connection with our acquisition of the Former SFEC, we entered into the Subordinated Indemnity Agreement with certain of the Company's entities, Time Warner and an affiliate of Time Warner, pursuant to which, among other things, we transferred to Time Warner (which has guaranteed all of our obligations under the Partnership Park arrangements) record title to the corporations which own the entities that have purchased and will purchase limited partnership units of the Partnership Parks, and we received an assignment from Time Warner of all cash flow received on such limited partnership units, and we otherwise control such entities. In addition, we issued preferred stock of the managing partner of the partnerships to Time Warner. In the event of a default by us under the Subordinated Indemnity Agreement or of our obligations to our partners in the Partnership Parks, these arrangements would permit Time Warner to take full control of both the entities that own limited partnership units and the managing partner. If we satisfy all such obligations, Time Warner is required to transfer to us the entire equity interests of these entities.

We incurred $22.0 million of capital expenditures at these parks during the 2014 season and intend to incur approximately $20.0 million of capital expenditures at these parks for the 2015 season, an amount in excess of the minimum required expenditure. Cash flows from operations at the Partnership Parks will be used to satisfy the annual distribution and capital expenditure requirements, before any funds are required from us. The Partnership Parks generated approximately $58.4 million of cash in 2014 from operating activities after deduction of capital expenditures and excluding the impact of short-term intercompany advances from or payments to Holdings. As of June 30, 2015 and December 31, 2014, we had total loans receivable outstanding of $239.3 million from the partnerships that own the Partnership Parks, primarily to fund the acquisition of Six Flags White Water Atlanta and to make capital improvements and distributions to the limited partners in prior years.

Insurance

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

The majority of our current insurance policies expire on December 31, 2015. We generally renegotiate our insurance policies on an annual basis. We cannot predict the level of the premiums that we may be required to pay for subsequent insurance coverage, the level of any self-insurance retention applicable thereto, the level of aggregate coverage available or the availability of coverage for specific risks.

Litigation

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

On March 1, 2007, Safety Braking Corporation, Magnetar Technologies Corp. and G&T Conveyor Co. filed a Complaint for Patent Infringement (the "Patent Complaint") in the United States District Court for the District of Delaware naming Holdings, SFTP, and certain of our other subsidiaries as defendants, along with other industry theme park owners and operators. The Patent Complaint alleges that we are liable for direct or indirect infringement of United States Patent No. 5,277,125 because of our ownership and/or operation of various theme parks and amusement rides. The Patent Complaint sought damages and injunctive relief. On July 8, 2008, the Court entered a Stipulation and Order of Dismissal of Safety Braking Corporation, leaving only Magnetar Technologies Corp. and G&T Conveyor Co. as plaintiffs. We required the manufacturers of the amusement rides that we believed may be impacted by this case to honor their indemnification obligations with respect to this case and tendered the defense of this case to certain of the ride manufacturers. The patent expired in October 2012. In January 2013, the defendants moved for summary judgment that United States Patent No. 5,277,125 was invalid on four separate grounds, that damages for certain rides were barred by the doctrine of laches and/or by the patent owner's failure to mark the patent number on products embodying the patented invention, and that certain rides do not infringe the patent. The plaintiffs moved for summary judgment that certain rides do infringe. On February 7, 2014, the Magistrate Judge issued an order on defendants' motions for summary judgment, recommending that United States Patent No. 5,277,125 be held invalid on the four separate grounds advanced by the defendants, and that certain rides would not infringe even if the patent was not invalid. On July 24, 2014, the District Court entered an order adopting the Magistrate Judge’s recommendations in full. On August 27, 2014, the plaintiffs filed a notice of appeal with the United States Court of Appeals for the Federal Circuit. On April 17, 2015, the Court of Appeals issued an order affirming the District Court’s decision in all respects.

On January 6, 2009, a civil action against us was commenced in the State Court of Cobb County, Georgia. The plaintiff sought damages for personal injuries, including an alleged brain injury, as a result of an altercation with a group of individuals on property adjacent to SFOG on July 3, 2007. Certain of the individuals were employees of the park, but were off-duty and not acting within the course or scope of their employment with SFOG at the time the altercation occurred. The plaintiff, who had exited the park, claimed that we were negligent in our security of the premises. Four of the individuals who allegedly participated in the altercation were also named as defendants in the litigation. Our motion for summary judgment was denied by the trial court on May 19, 2011. Pursuant to the trial that concluded on November 20, 2013, the jury returned a verdict in favor of the plaintiff for $35.0 million. The jury allocated 92% of the verdict against Six Flags and the judgment was entered on February 11, 2014. A notice of appeal was filed on September 19, 2014, which our insurers are pursuing on Six Flags' and the insurers' behalf, and on October 2, 2014, the plaintiff filed a notice of cross appeal. We have paid the full amount of our $2.5 million self-insurance retention to our insurers.

On June 27, 2012, Wishtoyo Foundation and its Ventura Coastkeeper program, Los Angeles Coastkeeper d/b/a Santa Monica Baykeeper, and Friends of the Santa Clara River, all non-profit corporations, filed a complaint against Holdings, SFTP and Magic Mountain LLC in the United States District Court for the Central District of California seeking declaratory and injunctive relief and civil penalties under, among others, the Federal Water Pollution Control Act (more commonly known as the Clean Water Act). The plaintiffs allege that Six Flags Magic Mountain discharged water in violation of its water discharge permits into the Santa Clara River. In January 2015, the parties to the lawsuit entered into a consent decree to settle the lawsuit, and on March 26, 2015, the consent decree was approved and entered by the District Court.

On July 3, 2012, a civil action was commenced against us in the Superior Court of Solano County, California. The plaintiffs sought damages for personal injuries when a guest at Six Flags Discovery Kingdom jumped on a swinging gate arm that entered a passing tram carrying the plaintiffs on July 3, 2010. We have previously expensed the full amount of our $2.5 million self-insurance retention plus estimated litigation costs in connection with this incident. On October 24, 2014, the litigation was dismissed without prejudice, with respect to one of the plaintiffs, a minor, who may reinstate the lawsuit at any time prior to two years following the date such plaintiff reaches the age of majority. In January 2015, an agreement was reached to settle the lawsuit with the remaining plaintiffs.

Tax and Other Contingencies

As of June 30, 2015, we had a nominal amount of accrued liabilities for tax and other indemnification contingencies related to certain parks sold in previous years that could be recognized as recovery of losses in the future if such liabilities are not requested to be paid. As of December 31, 2014, we had accrued liabilities for tax and other indemnification contingencies of $0.4 million.

7. Noncontrolling Interests, Partnerships and Joint Ventures

Redeemable Noncontrolling Interests

Redeemable noncontrolling interests represent the non-affiliated parties' share of the assets of the Partnership Parks that are less than wholly-owned: SFOT, SFOG and Six Flags White Water Atlanta, which is owned by the partnership that owns SFOG.

The following table presents a rollforward of redeemable noncontrolling interests in the Partnership Parks:

(Amounts in thousands)

Balance at December 31, 2014	$	437,545
Purchase of redeemable units		(1,552)
Fresh start accounting fair market value adjustment for purchased units		(272)
Net income attributable to noncontrolling interests		19,082
Balance at June 30, 2015	$	454,803

See Note 6 for a description of the partnership arrangements applicable to the Partnership Parks, the accounts of which are included in the accompanying unaudited condensed consolidated financial statements. The redemption value of the partnership units as of June 30, 2015 and December 31, 2014 was approximately $392.0 million and $393.6 million, respectively.

Other

During the third quarter of 2012, our interest in dick clark productions, inc. ("DCP") was sold to a third party. In connection with the sale, a portion of the proceeds remained in escrow pending the resolution of certain items. Due to the contingent nature of the amounts that remained in escrow, we did not record a receivable for the additional proceeds and these amounts were not included in our calculation of the gain we recognized upon the sale of DCP during 2012. In June 2014, all of these items were favorably resolved and, as such, we received $10.0 million of additional proceeds and recognized the incremental gain on the sale of DCP.

Six Flags Entertainment Corporation
Notes to Condensed Consolidated Financial Statements
(Unaudited)

8. Business Segments

We manage our operations on an individual park location basis, including operations from parks owned, managed and branded. Discrete financial information is maintained for each park and provided to our corporate management for review and as a basis for decision making. The primary performance measures used to allocate resources are Park EBITDA (defined as park-related operating earnings, excluding the impact of interest, taxes, depreciation, amortization and any other non-cash income or expenditures) and Park Free Cash Flow (defined as Park EBITDA less park-related capital expenditures). Primarily all of our parks provide similar products and services through a similar process to the same class of customer through a consistent method. We also believe that the parks share common economic characteristics. Based on these factors, we have only one reportable segment—theme parks.

The following table presents segment financial information and a reconciliation of net income to Park EBITDA. Park level expenses exclude all non-cash operating expenses, principally depreciation and amortization and all non-operating expenses.

	Three Months Ended		Six Months Ended	
(Amounts in thousands)	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Net income	$ 84,614	$ 85,312	$ 14,288	$ 24,111
Interest expense, net	18,938	17,787	37,525	35,816
Income tax expense (benefit)	26,859	38,551	(8,770)	3,940
Depreciation and amortization	25,582	26,176	52,377	53,870
Corporate expenses	9,030	9,481	23,442	20,941
Stock-based compensation	4,408	5,740	26,715	11,099
Non-operating park level expense (income), net:				
Loss on disposal of assets	1,567	781	2,233	2,573
Gain on sale of investee	—	(10,031)	—	(10,031)
Loss on debt extinguishment	6,557	—	6,557	—
Other income, net	(407)	(64)	(479)	(254)
Park EBITDA	$ 177,148	$ 173,733	$ 153,888	$ 142,065

All of our owned or managed parks are located in the United States with the exception of one park in Mexico City, Mexico and one park in Montreal, Canada. We also have revenue and expenses related to the development of Six Flags-branded theme parks outside of North America. The following information reflects our long-lived assets (which consists of property and equipment and intangible assets), revenues and loss before income taxes by domestic and foreign categories as of or for the six months ended June 30, 2015 and June 30, 2014:

	Domestic	Foreign	Total
2015		*(Amounts in thousands)*	
Long-lived assets	$ 2,131,692	$ 86,823	$ 2,218,515
Revenues	427,267	43,953	471,220
(Loss) income before income taxes	(365)	5,883	5,518
2014			
Long-lived assets	$ 2,145,233	$ 105,930	$ 2,251,163
Revenues	405,637	44,632	450,269
Income before income taxes	22,758	5,293	28,051

Six Flags Entertainment Corporation
Notes to Condensed Consolidated Financial Statements
(Unaudited)

9. Pension Benefits

We froze our pension plan effective March 31, 2006, pursuant to which most participants no longer earned future pension benefits. Effective February 16, 2009, the remaining participants in the pension plan no longer earned future benefits. The following summarizes our pension costs during the three and six months ended June 30, 2015 and June 30, 2014:

	Three Months Ended		Six Months Ended	
(Amounts in thousands)	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Service cost	$ 600	$ 400	$ 1,200	$ 800
Interest cost	2,301	2,439	4,601	4,878
Expected return on plan assets	(3,356)	(3,189)	(6,711)	(6,379)
Amortization of net actuarial loss	235	—	470	—
Total net periodic benefit	$ (220)	$ (350)	$ (440)	$ (701)

Weighted-Average Assumptions Used To Determine Net Cost

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Discount rate	3.80%	4.70%	3.80%	4.70%
Rate of compensation increase	N/A	N/A	N/A	N/A
Expected return on plan assets	7.25%	7.50%	7.25%	7.50%

Employer Contributions

During the six months ended June 30, 2015 and June 30, 2014, we made pension contributions of $3.0 million.

10. Stock Repurchase Plans

On November 20, 2013, Holdings announced that its Board of Directors approved a new stock repurchase program that permits Holdings to repurchase up to $500.0 million in shares of Holdings' common stock over a four-year period (the "November 2013 Stock Repurchase Plan"). As of July 17, 2015, Holdings had repurchased 5,753,000 shares at a cumulative price of approximately $222.2 million and an average price per share of $38.62 under the November 2013 Stock Repurchase Plan, leaving approximately $277.8 million for permitted repurchases.

The timing of share repurchases is limited by the covenants in the Amended and Restated Credit Facility and the 2021 Notes. The net proceeds from the Amended and Restated Credit Facility will be used primarily for share repurchases. We will continue to evaluate the share repurchase limits per the covenants on an on-going basis to determine our ability to utilize the remaining amount authorized for share repurchases. See Note 4 for further discussion.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis contains forward-looking statements that are based on our current beliefs, expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are, by their nature, subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results could differ materially from those anticipated in these forward-looking statements. Please see the discussion regarding forward-looking statements included under the caption "Cautionary Note Regarding Forward-Looking Statements" included elsewhere in this Quarterly Report on Form 10-Q (the "Quarterly Report") and "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2014 (the "2014 Annual Report") for further discussion of the uncertainties, risks and assumptions associated with these statements.

The following discussion and analysis presents information that we believe is relevant to an assessment and understanding of our consolidated financial position and results of operations. This information should be read in conjunction with our unaudited condensed consolidated financial statements, and the notes thereto, and other financial data included elsewhere in this Quarterly Report. The following information should also be read in conjunction with our audited consolidated financial statements, and the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2014 Annual Report.

Overview

General

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

The results of operations for the six months ended June 30, 2015 and June 30, 2014 are not indicative of the results expected for the full year. In particular, our park operations generate a significant majority of their annual revenue during the period from Memorial Day to Labor Day each year while expenses are incurred year round.

Our revenue is primarily derived from (i) the sale of tickets for entrance to our parks (which accounted for approximately 53% of total revenues during the six months ended June 30, 2015 and June 30, 2014), (ii) the sale of food and beverages, merchandise, games and attractions, parking and other services inside our parks and (iii) sponsorship, licensing and other fees, including revenue earned under international development contracts. Revenues from ticket sales and in park sales are primarily impacted by park attendance. Revenues from sponsorship, licensing and other fees can be impacted by the term, timing and extent of services and fees under these arrangements, which can result in fluctuations from year to year. During the first six months of 2015, our park earnings before interest, taxes, depreciation and amortization ("Park EBITDA") improved primarily as a result of revenue growth partially offset by an increase in cash operating costs. The increase in revenue was primarily driven by a 9% increase in attendance, partially offset by a 4% decrease in total revenue per capita (representing total revenue divided by total attendance) and the negative foreign currency impact related to the weaker Mexican Peso and Canadian Dollar. Our cash operating costs increased primarily as a result of (i) increased salary, wage and benefit expense, (ii) an increase in repair and maintenance costs, (iii) an increase in operating taxes and (iv) increased costs related to our international development contracts. These increases in cash operating costs were partially offset by reduced advertising and insurance expenses and the favorable foreign currency impact related to the weaker Mexican Peso and Canadian Dollar.

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

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of the financial statements and the reported amounts of revenues and expenses earned and incurred during the reporting period. Critical accounting estimates are fundamental to the portrayal of both our financial condition and results of operations and often require difficult, subjective and complex estimates and judgments. We evaluate our estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which we believe to be reasonable under the circumstances. We adjust such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in these estimates resulting from the continuing changes in the economic environment will be reflected in the financial statements in future periods. With respect to our critical accounting policies and estimates, there have been no material developments or changes from the policies and estimates discussed in our 2014 Annual Report.

Results of Operations

Three Months Ended June 30, 2015 Compared to Three Months Ended June 30, 2014

The following table sets forth summary financial information for the three months ended June 30, 2015 and June 30, 2014:

	Three Months Ended		
(Amounts in thousands, except per capita data)	June 30, 2015	June 30, 2014	Percentage Change (%)
Total revenue	$ 386,065	$ 376,551	3 %
Operating expenses	132,771	126,531	5 %
Selling, general and administrative	55,402	60,160	(8)%
Costs of products sold	34,182	31,348	9 %
Depreciation and amortization	25,582	26,176	(2)%
Loss on disposal of assets	1,567	781	101 %
Gain on sale of investee	—	(10,031)	N/M
Interest expense, net	18,938	17,787	6 %
Loss on extinguishment of debt	6,557	—	N/M
Other income, net	(407)	(64)	536 %
Income before income taxes	111,473	123,863	(10)%
Income tax expense	26,859	38,551	(30)%
Net income	84,614	85,312	(1)%
Less: Net income attributable to noncontrolling interests	(19,082)	(19,006)	— %
Net income attributable to Six Flags Entertainment Corporation	$ 65,532	$ 66,306	(1)%
Other Data:			
Attendance	8,866	8,167	9 %
Total revenue per capita	$ 43.54	$ 46.10	(6)%

Revenue

Revenue for the three months ended June 30, 2015 totaled $386.1 million, an increase of $9.5 million, or 3%, compared to $376.6 million for the three months ended June 30, 2014. The increase in revenue is primarily attributable to a 9% increase in attendance, partially offset by a $2.56, or 6%, decrease in total revenue per capita, calculated as total revenue divided by total attendance. Per capita guest spending, which excludes sponsorship, licensing, Six Flags Great Escape Lodge & Indoor Waterpark accommodations and other fees, decreased to $41.55 during the three months ended June 30, 2015 from $43.73 during the three months ended June 30, 2014. Per capita guest spending was adversely impacted by (i) a higher mix of season pass holder and member attendance, which puts downward pressure on per capita spending, and (ii) the continued weakening of the Mexican Peso and the Canadian Dollar, which have weakened versus the U.S. dollar by approximately 18% and 13%, respectively, compared to the second quarter of 2014.

Admissions revenue per capita decreased $1.80, or 7%, during the three months ended June 30, 2015 relative to the comparable period in the prior year. The decrease in admissions revenue per capita was primarily driven by the higher mix of season pass holder and member attendance and the adverse impact of the foreign currency translation. Additionally, we saw increased attendance from guests on membership plans who have remained members following the initial twelve-month term and continue to pay their membership fees on a month-to-month basis, which put downward pressure on admissions revenue per capita compared to the three months ended June 30, 2014. Non-admissions per capita guest spending decreased $0.38, or 2%, during the three months ended June 30, 2015 relative to the comparable period in the prior year primarily as a result of the higher percentage of season pass holder and member attendance previously discussed and the adverse impact of the weakened Mexican Peso and Canadian Dollar. The decrease in non-admissions per capita guest spending was partially offset by the continued success of our All-Season Dining Pass.

Operating Expenses

Operating expenses for the three months ended June 30, 2015 increased $6.2 million, or 5%, relative to the comparable period in the prior year primarily as a result of (i) a $4.9 million increase in salaries, wages and benefits primarily related to increases in the minimum wage rates at many of our parks as well as an increase in medical insurance costs, and (ii) a $2.2 million increase in repairs and maintenance costs. These increases were partially offset by the continued weakening of the Mexican Peso and Canadian Dollar, which favorably impacts expenses.

Selling, general and administrative expenses

Selling, general and administrative expenses for the three months ended June 30, 2015 decreased $4.8 million, or 8%, compared to the three months ended June 30, 2014 primarily as a result of (i) a $1.0 million decrease in salaries, wages and benefits primarily related to a $1.3 million reduction in stock-based compensation expenses, primarily related to the impact of the change in Holdings' stock price on the non-cash compensation recognized for the 2015 Performance Award, which we began accruing during 2014 upon the determination that achievement of the 2015 Performance Award was probable, (ii) a $2.6 million reduction in insurance and advertising expenses, (iii) a $1.1 million decrease in legal, audit and consulting services, and (iv) the continued weakening of the Mexican Peso and Canadian Dollar, which favorably impacts expenses.

Cost of products sold

Cost of products sold in the three months ended June 30, 2015 increased $2.8 million, or 9%, compared to the three months ended June 30, 2014 primarily due to increased food and merchandise sales. Cost of products sold as a percentage of non-admission revenue for the three months ended June 30, 2015 increased relative to the comparable period in the prior year primarily as a result of product mix, including the impact of royalty costs and of a reduction in parking revenue due to the strong sales of our premium-priced gold season passes and memberships, which include parking.

Depreciation and amortization expense

Depreciation and amortization expense for the three months ended June 30, 2015 decreased $0.6 million, or 2%, compared to the three months ended June 30, 2014. The reduction in depreciation and amortization expense is primarily due to certain property and equipment that became fully depreciated or that was retired during 2014, partially offset by asset additions made in conjunction with our ongoing capital program.

Loss on disposal of assets

Loss on disposal of assets for the three months ended June 30, 2015 increased $0.8 million compared to the same period in the prior year primarily as a result of insurance proceeds received in the prior year that offset the disposal of assets in prior periods. Additionally, relative to the prior year, we disposed of more assets during the current period in conjunction with our ongoing capital program.

Gain on sale of investee

During the three months ended June 30, 2014, the favorable resolution of certain items pertaining to the sale of our interest in DCP in September 2012 resulted in the recognition of a $10.0 million gain on sale of investee for amounts previously held in escrow. See Note 7 to the unaudited condensed consolidated financial statements included in this Quarterly Report for further discussion.

Interest expense, net

Interest expense, net increased $1.2 million, or 6%, for the three months ended June 30, 2015 relative to the comparable period in the prior year as a result of the incremental interest incurred on a higher debt balance outstanding during the current quarter as a result of borrowings under the Revolving Loan.

Loss on debt extinguishment

On June 30, 2015, we amended and restated the 2011 Credit Facility to, among other things, increase the amounts borrowed under the Term Loan B and the amount available under the Revolving Loan. In conjunction with amending and restating the 2011 Credit Facility, we recognized a loss on debt extinguishment of $6.6 million. See Note 4 to the unaudited condensed consolidated financial statements included in this Quarterly Report for further discussion.

Income Tax Expense

Income tax expense was $26.9 million for the three months ended June 30, 2015 compared to $38.6 million for the three months ended June 30, 2014. The change in income tax expense is primarily the result of a current period discrete benefit resulting from a change in accounting method for federal income tax purposes related to recoverable bankruptcy costs.

Results of Operations

Six Months Ended June 30, 2015 Compared to Six Months Ended June 30, 2014

The following table sets forth summary financial information for the six months ended June 30, 2015 and June 30, 2014:

(Amounts in thousands, except per capita data)	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	Percentage Change (%)
Total revenue	$ 471,220	$ 450,269	5 %
Operating expenses	216,133	208,159	4 %
Selling, general and administrative	109,989	94,494	16 %
Costs of products sold	41,367	37,591	10 %
Depreciation and amortization	52,377	53,870	(3)%
Loss on disposal of assets	2,233	2,573	(13)%
Gain on sale of investee	—	(10,031)	N/M
Interest expense, net	37,525	35,816	5 %
Loss on extinguishment of debt	6,557	—	N/M
Other income, net	(479)	(254)	89 %
Income before income taxes	5,518	28,051	(80)%
Income tax (benefit) expense	(8,770)	3,940	(323)%
Net income	14,288	24,111	(41)%
Less: Net income attributable to noncontrolling interests	(19,082)	(19,006)	— %
Net (loss) income attributable to Six Flags Entertainment Corporation	$ (4,794)	$ 5,105	(194)%
Other Data:			
Attendance	10,436	9,555	9 %
Total revenue per capita	$ 45.15	$ 47.12	(4)%

Revenue

Revenue for the six months ended June 30, 2015 totaled $471.2 million, an increase of $21.0 million, or 5%, compared to $450.3 million for the six months ended June 30, 2014. The increase in revenue is primarily attributable to a 9% increase in attendance, partially offset by a $1.97, or 4%, decrease in total revenue per capita, calculated as total revenue divided by total attendance. Per capita guest spending, which excludes sponsorship, licensing, Six Flags Great Escape Lodge & Indoor Waterpark accommodations and other fees, decreased to $41.89 during the six months ended June 30, 2015 from $43.75 during the six months ended June 30, 2014. The decrease in per capita guest spending was primarily driven by the substantially higher mix of season pass holder and member attendance, which puts downward pressure on per capita spending, as well as the continued weakening of the Mexican Peso and Canadian Dollar. Relative to the first half of 2014, the Mexican Peso and Canadian Dollar have weakened versus the U.S. Dollar by approximately 16% and 13%, respectively.

Admissions revenue per capita decreased $1.41, or 6%, during the six months ended June 30, 2015 relative to the comparable period in the prior year. The decrease in admissions revenue per capita was primarily driven by the substantially higher mix of season pass holder and member attendance as well as the adverse impact of the foreign currency translation. The increase in season pass holder and member attendance mix is the result of strong incremental season pass and membership sales relative to the comparable period in the prior year. On a year to date basis, these reductions in admissions revenue per capita were partially offset by the continued growth in the number of guests on membership plans who have remained members following the initial twelve-month term and continue to pay their membership fees on a month-to-month basis, which allows us to record their revenue on the lower attendance base. Non-admissions per capita guest spending decreased $0.45, or 2%, during the six months ended June 30, 2015 relative to the comparable period in the prior year primarily as a result of the higher percentage of season pass holder and member attendance previously discussed and to a lesser extent the adverse impact of the weakened Mexico Peso and the weakened Canadian Dollar. Additionally, non-admissions per capita guest spending decreased as a result of strong sales of our premium-priced gold season passes and memberships, which include parking.

Operating Expenses

Operating expenses for the six months ended June 30, 2015 increased $8.0 million, or 4%, relative to the comparable period in the prior year primarily as a result of (i) a $7.0 million increase in salaries, wages and benefits primarily related to increases in the minimum wage rates at many of our parks, an increase in seasonal labor resulting from the expansion of our Holiday in the Park events, which extended the 2014 operating season of multiple parks into the first week of 2015, as well as an increase in medical insurance costs, and (ii) a $3.0 million increase in repairs and maintenance costs. These increases were partially offset by the continued weakening of the Mexican Peso and Canadian Dollar, which favorably impacts expenses.

Selling, general and administrative expenses

Selling, general and administrative expenses for the six months ended June 30, 2015 increased $15.5 million, or 16%, compared to the six months ended June 30, 2014 primarily as a result of (i) an $18.5 million increase in salaries, wages and benefits primarily related to a $15.6 million increase in stock-based compensation expenses resulting from the non-cash compensation costs related to the 2015 Performance Award, which we began accruing during 2014 upon the determination that achievement of the 2015 Performance Award was probable, (ii) a $1.5 million increase in property and other taxes, and (iii) an increase of $0.4 million of costs associated with our international development contracts, which began during 2014. These increases were partially offset by a $3.8 million reduction in insurance and advertising costs coupled with the continued weakening of the Mexican Peso and Canadian Dollar, which favorably impacts expenses.

Cost of products sold

Cost of products sold in the six months ended June 30, 2015 increased $3.8 million, or 10%, compared to the six months ended June 30, 2014 primarily as a result of the increase in food and merchandise sales. Cost of products sold as a percentage of non-admission revenue for the six months ended June 30, 2015 increased relative to the comparable period in the prior year primarily as a result of product mix, including the impact of royalty costs and of a reduction in parking revenue due to the strong sales of our premium-priced gold season passes and memberships, which include parking.

Depreciation and amortization expense

Depreciation and amortization expense for the six months ended June 30, 2015 decreased $1.5 million, or 3%, compared to the six months ended June 30, 2014. The reduction in depreciation and amortization expense is primarily due to certain property and equipment that became fully depreciated or that was retired during 2014, partially offset by asset additions made in conjunction with our ongoing capital program.

Loss on disposal of assets

Loss on disposal of assets for the six months ended June 30, 2015 decreased $0.3 million, or 13%, compared to the same period in the prior year primarily as a result of the disposal of fewer assets in conjunction with the execution of our ongoing capital program during the current year relative to the prior year.

Gain on sale of investee

During the three months ended June 30, 2014, the favorable resolution of certain items pertaining to the sale of our interest in DCP in September 2012 resulted in the recognition of a $10.0 million gain on sale of investee for amounts previously held in escrow. See Note 7 to the unaudited condensed consolidated financial statements included in this Quarterly Report for further discussion.

Interest expense, net

Interest expense, net increased $1.7 million, or 5%, for the six months ended June 30, 2015 relative to the comparable period in the prior year as a result of the incremental interest incurred on a higher debt balance outstanding during the current quarter as a result of borrowings under the Revolver Loan.

Loss on debt extinguishment

On June 30, 2015, we amended and restated the 2011 Credit Facility to, among other things, increase the amounts borrowed under the Term Loan B and the amount available under the Revolving Loan. In conjunction with the amending and restating of the 2011 Credit Facility, we recognized a loss on debt extinguishment of $6.6 million. See Note 4 to the unaudited condensed consolidated financial statements included in this Quarterly Report for further discussion.

Income Tax (Benefit) Expense

Income tax benefit was $8.8 million for the six months ended June 30, 2015 compared to income tax expense of $3.9 million for the six months ended June 30, 2014. The change in income tax expense is primarily the result of a current period discrete benefit resulting from a change in accounting method for federal income tax purposes related to recoverable bankruptcy costs.

Liquidity, Capital Commitments and Resources

On an annual basis, our principal sources of liquidity are cash generated from operations, funds from borrowings and existing cash on hand. Our principal uses of cash include the funding of working capital obligations, debt service, investments in parks (including capital projects), common stock dividends, payments to our partners in the Partnership Parks and common stock repurchases.

In November 2013, Holdings' Board of Directors increased the quarterly cash dividend from $0.45 per share of common stock to $0.47 per share of common stock. In October 2014, Holdings' Board of Directors approved an 11% increase in the quarterly cash dividend from $0.47 per share of common stock to $0.52 per share of common stock. During the six months ended June 30, 2015 and June 30, 2014, Holdings paid $98.2 million and $89.5 million, respectively, in cash dividends on its common stock. The amount and timing of any future dividends payable on Holdings' common stock are within the sole discretion of Holdings' Board of Directors. Based on (i) the current number of shares outstanding and (ii) estimates of share repurchases, restricted stock vesting and option exercises, we currently anticipate paying approximately $196.0 million in total cash dividends for the 2015 calendar year.

On November 20, 2013, Holdings announced that its Board of Directors approved a stock repurchase program that permits Holdings to repurchase up to $500.0 million in shares of Holdings' common stock over a four-year period (the "November 2013 Stock Repurchase Plan"). As of July 17, 2015, Holdings had repurchased 5,753,000 shares at a cumulative price of approximately $222.2 million and an average price per share of $38.62 under the November 2013 Stock Repurchase Plan, leaving approximately $277.8 million for permitted repurchases.

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

Our current and future liquidity is greatly dependent upon our operating results, which are driven largely by overall economic conditions as well as the price and perceived quality of the entertainment experience at our parks. Our liquidity could also be adversely affected by a disruption in the availability of credit as well as unfavorable weather, contagious diseases, such as Ebola or swine or avian flu, accidents or the occurrence of an event or condition at our parks, including terrorist acts or threats inside or outside of our parks, negative publicity or significant local competitive events, which could significantly reduce paid attendance and revenue related to that attendance at any of our parks. While we work with local police authorities on security-related precautions to prevent certain types of disturbances, we can make no assurance that these precautions will be able to prevent these types of occurrences. However, we believe that our ownership of many parks in different geographic locations reduces the effects of adverse weather and these other types of occurrences on our consolidated results. If such an adverse event were to occur, we may be unable to borrow under the Amended and Restated Revolving Loan or may be required to repay amounts outstanding under the Amended and Restated Credit Facility and/or may need to seek additional financing. In addition, we expect that we may be required to refinance all or a significant portion of our existing debt on or prior to maturity and potentially seek additional financing. The degree to which we are leveraged could adversely affect our ability to obtain any additional financing. See "Cautionary Note Regarding Forward-Looking Statements" and "Item 1A. Risk Factors" in the 2014 Annual Report.

On June 30, 2015, we entered into the Amended and Restated Credit Facility, which is comprised of the $250.0 million Amended and Restated Revolving Loan and the $700.0 million Amended and Restated Term Loan B. In connection with entering into the Amended and Restated Credit Facility, we repaid the outstanding Term Loan B and we recognized a loss on debt extinguishment of $6.6 million. The remaining proceeds from the Amended and Restated Credit Facility will be used for general corporate purposes, including share repurchases and payment of refinancing fees.

As of June 30, 2015, our total indebtedness, net of discount, was approximately $1,526.4 million. Based on (i) non-revolving credit debt outstanding on that date, (ii) anticipated levels of working capital revolving borrowings during 2015 and 2016, (iii) estimated interest rates for floating-rate debt and (iv) the 2021 Notes, we anticipate annual cash interest payments of approximately $70 million and $74 million during 2015 and 2016, respectively. Under the Amended and Restated Credit Facility, approximately 94% of the amount outstanding under the Amended and Restated Term Loan B is not due until 2022.

As of June 30, 2015, we had approximately $154.8 million of unrestricted cash and $228.4 million available for borrowing under the Amended and Restated Revolving Loan. Our ability to borrow under the Amended and Restated Revolving Loan is dependent upon compliance with certain conditions, including a maximum senior leverage maintenance covenant, a minimum interest coverage covenant and the absence of any material adverse change in our business or financial condition. If we were to become unable to borrow under the Amended and Restated Revolving Loan, and we failed to meet our projected results from operations significantly, we might be unable to pay in full our off-season obligations. A default under the Amended and Restated Revolving Loan could permit the lenders under the Amended and Restated Credit Facility to accelerate the obligations thereunder. The Amended and Restated Revolving Loan expires on June 30, 2020. The terms and availability of the Amended and Restated Credit Facility and other indebtedness are not affected by changes in the ratings issued by rating agencies in respect of our indebtedness. For a more detailed description of our indebtedness, see Note 4 to the unaudited condensed consolidated financial statements included in this Quarterly Report.

We currently plan on spending approximately 9% of annual revenues on capital expenditures during the 2015 calendar year.

During the six months ended June 30, 2015, net cash provided by operating activities was $144.9 million. Net cash used in investing activities during the six months ended June 30, 2015 was $70.5 million, consisting primarily of $70.2 million in capital expenditures. Net cash provided by financing activities during the six months ended June 30, 2015 was $8.3 million, primarily attributable to the net amounts received from refinancing the 2011 Credit Facility, partially offset by the payment of $98.2 million in cash dividends and the repurchase of shares of Holdings' common stock totaling $21.2 million.

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

Contractual Obligations

Since December 31, 2014, there have been no material changes to the contractual obligations of the company, outside the ordinary course of the company's business, except with respect to the Amended and Restated Credit Facility as described in Note 4 to the unaudited condensed consolidated financial statements contained in this Quarterly Report. Set forth below is certain updated information regarding our debt obligations as of June 30, 2015:

	Payment Due by Period				
(Amounts in thousands)	2015	2016-2017	2018-2019	2020 and beyond	Total
Long term debt — including current portion (1)	$ 3,714	$ 43,709	$ 14,000	$ 1,468,500	$ 1,529,923
Interest on long-term debt (2)	34,788	137,467	131,224	120,651	424,130

(1) Payments are shown at principal amount. See Note 4 to the consolidated financial statements included elsewhere in this Quarterly Report for further discussion on long-term debt.

(2) See Note 4 to the consolidated financial statements included elsewhere in this Quarterly Report for further discussion on long-term debt. Amounts shown reflect variable interest rates in effect at June 30, 2015.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of June 30, 2015, there have been no material changes in our market risk exposure from that disclosed in the 2014 Annual Report. For a discussion of our market risk exposure, please see "Item 7A. Quantitative and Qualitative Disclosure About Market Risk" contained in the 2014 Annual Report.

ITEM 4. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation, as of June 30, 2015, of the effectiveness of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) or 15(d)-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of the end of such period, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting, as such term is defined under Rule 13a-15(f) or 15(d)-15(f) promulgated under the Exchange Act, that occurred during our fiscal quarter ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The nature of the industry in which we operate tends to expose us to claims by guests, generally for injuries. Accordingly, we are party to various legal actions arising in the normal course of business. Historically, the great majority of these claims have been minor. Although we believe that we are adequately insured against guests' claims, if we become subject to damages that cannot by law be insured against, such as punitive damages or certain intentional misconduct by employees, there may be a material adverse effect on our operations.

Certain legal proceedings in which we are involved are discussed in Item 3 of the 2014 Annual Report and in Note 6 to the unaudited condensed consolidated financial statements contained in this Quarterly Report. Except as set forth below, there were no material developments concerning our legal proceedings during the quarter ended June 30, 2015.

On March 1, 2007, Safety Braking Corporation, Magnetar Technologies Corp. and G&T Conveyor Co. filed a Complaint for Patent Infringement (the "Patent Complaint") in the United States District Court for the District of Delaware naming Holdings, SFTP, and certain of our other subsidiaries as defendants, along with other industry theme park owners and operators. The Patent Complaint alleges that we are liable for direct or indirect infringement of United States Patent No. 5,277,125 because of our ownership and/or operation of various theme parks and amusement rides. The Patent Complaint sought damages and injunctive relief. On July 8, 2008, the Court entered a Stipulation and Order of Dismissal of Safety Braking Corporation, leaving only Magnetar Technologies Corp. and G&T Conveyor Co. as plaintiffs. We required the manufacturers of the amusement rides that we believed may be impacted by this case to honor their indemnification obligations with respect to this case and tendered the defense of this case to certain of the ride manufacturers. The patent expired in October 2012. In January 2013, the defendants moved for summary judgment that United States Patent No. 5,277,125 was invalid on four separate grounds, that damages for certain rides were barred by the doctrine of laches and/or by the patent owner's failure to mark the patent number on products embodying the patented invention, and that certain rides do not infringe the patent. The plaintiffs moved for summary judgment that certain rides do infringe. On February 7, 2014, the Magistrate Judge issued an order on defendants' motions for summary judgment, recommending that United States Patent No. 5,277,125 be held invalid on the four separate grounds advanced by the defendants, and that certain rides would not infringe even if the patent was not invalid. On July 24, 2014, the District Court entered an order adopting the Magistrate Judge’s recommendations in full. On August 27, 2014, the plaintiffs filed a notice of appeal with the United States Court of Appeals for the Federal Circuit. On April 17, 2015, the Court of Appeals issued an order affirming the District Court’s decision in all respects.

ITEM 1A. RISK FACTORS

There have been no material changes to the principal risks that we believe are material to our business, results of operations and financial condition, from the risk factors previously disclosed in the 2014 Annual Report. For a discussion on these risk factors, please see "Item 1A. Risk Factors" contained in the 2014 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On November 20, 2013, Holdings announced that its Board of Directors approved a stock repurchase program that permits Holdings to repurchase up to $500.0 million in shares of Holdings' common stock over a four-year period (the "November 2013 Stock Repurchase Plan"). As of July 17, 2015, Holdings had repurchased 5,753,000 shares at a cumulative price of approximately $222.2 million and an average price per share of $38.62 under the November 2013 Stock Repurchase Plan, leaving approximately $277.8 million for permitted repurchases.

The following table sets forth information regarding purchases of Holdings' common stock during the three months ended June 30, 2015 under the November 2013 Stock Repurchase Plan:

	Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
Month 1	April 1 - April 30	35,900	$ 47.28	35,900	$ 288,900,000
Month 2	May 1 - May 31	224,449	49.07	224,449	277,887,000
Month 3	June 1 - June 30	996	47.35	996	277,840,000
		261,345	$ 48.81	261,345	$ 277,840,000

ITEM 5. OTHER INFORMATION

The Annual Meeting of Stockholders of Holdings was held on May 6, 2015, at which our stockholders approved the Long-Term Incentive Plan as amended to increase the number of shares available for issuance under the plan by 5,000,000 shares from 28,133,332 shares to 33,133,332 shares.

The foregoing description of the Long-Term Incentive Plan as amended is qualified by reference to the Long-Term Incentive Plan, which was filed as Appendix A to the Proxy Statement of Holding filed with respect to the Annual Meeting of Stockholders.

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ITEM 6. EXHIBITS

Exhibit 10.1	$950,000,000 Amended and Restated Credit Agreement , dated as of June 30, 2015, among the Company, SFO and SFTP and several lenders, Wells Fargo Bank, National Association, as administrative agent, an issuing lender and a swingline lender, Wells Fargo Securities, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint lead arrangers, Barclays Bank PLC, JPMorgan Chase Bank, N.A., Compass and HSBC Bank USA, National Association, as co-documentation agents, Bank of America, N.A. and Goldman Sachs Bank USA, as co-syndication agents, and Wells Fargo Securities, LLC, Barclays Bank PLC, Goldman Sachs Bank USA, JPMorgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint bookrunners - incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) dated June 30, 2015, filed on July 1, 2015
Exhibit 10.2	Amended and Restated Guarantee and Collateral Agreement, dated as of June 30, 2015, among the Company, SFO and SFTP, the other grantors party thereto, and Wells Fargo Bank, National Association, as administrative agent - incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K (File No. 001-13703) dated June 30, 2015, filed on July 1, 2015
Exhibit 10.3†	Six Flags Entertainment Corporation Long-Term Incentive Plan-incorporated by reference to Appendix A to Registrant's Definitive Proxy Statement (File No. 001-13703) filed on March 24, 2015
Exhibit 31.1*	Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2*	Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32.1*	Certification of Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32.2*	Certification of Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 101.INS**	XBRL Instance Document
Exhibit 101.SCH**	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB**	XBRL Taxonomy Extension Labels Linkbase Document
Exhibit 101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

** Furnished herewith

† Management contract or compensatory plan

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	SIX FLAGS ENTERTAINMENT CORPORATION
	(Registrant)
Date: July 22, 2015	/s/ James Reid-Anderson
	James Reid-Anderson
	Chairman, President and Chief Executive Officer
Date: July 22, 2015	/s/ John M. Duffey
	John M. Duffey
	Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	$950,000,000 Amended and Restated Credit Agreement , dated as of June 30, 2015, among the Company, SFO and SFTP and several lenders, Wells Fargo Bank, National Association, as administrative agent, an issuing lender and a swingline lender, Wells Fargo Securities, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint lead arrangers, Barclays Bank PLC, JPMorgan Chase Bank, N.A., Compass and HSBC Bank USA, National Association, as co-documentation agents, Bank of America, N.A. and Goldman Sachs Bank USA, as co-syndication agents, and Wells Fargo Securities, LLC, Barclays Bank PLC, Goldman Sachs Bank USA, JPMorgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint bookrunners - incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 001-13703) dated June 30, 2015, filed on July 1, 2015
10.2	Amended and Restated Guarantee and Collateral Agreement, dated as of June 30, 2015, among the Company, SFO and SFTP, the other grantors party thereto, and Wells Fargo Bank, National Association, as administrative agent - incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K (File No. 001-13703) dated June 30, 2015, filed on July 1, 2015
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31.2*	Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

** Furnished herewith

† Management contract or compensatory plan

Exhibit 31.1

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

I, James Reid-Anderson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Six Flags Entertainment Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 22, 2015

/s/ James Reid-Anderson

James Reid-Anderson
Chairman, President and Chief Executive Officer

Exhibit 31.2

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

I, John M. Duffey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Six Flags Entertainment Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 22, 2015

/s/ John M. Duffey

John M. Duffey
Executive Vice President and Chief Financial Officer

Exhibit 32.1

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

I, James Reid-Anderson, as Chief Executive Officer of Six Flags Entertainment Corporation (the "Company") certify, pursuant to 18 U.S.C. § 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the accompanying quarterly report on Form 10-Q for the period ending June 30, 2015 as filed with the U.S. Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 22, 2015

/s/ James Reid-Anderson

James Reid-Anderson
Chairman, President and Chief Executive Officer

Exhibit 32.2

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

I, John M. Duffey, as Chief Financial Officer of Six Flags Entertainment Corporation (the "Company") certify, pursuant to 18 U.S.C. § 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the accompanying quarterly report on Form 10-Q for the period ending June 30, 2015 as filed with the U.S. Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 22, 2015

/s/ John M. Duffey

John M. Duffey
Executive Vice President and Chief Financial Officer