

# **DIRTY DOZEN RESEARCH: NO AGENDA**



## **Six Flags**

**PKS - NYSE - \$15.38**

*Six Flags (PKS) An Accounting, Financial and Structural Analysis*

**January 3, 2002**

**NO RECOMMENDATION**

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## Six Flags PKS, NYSE (\$15.38)

### *Six Flags (PKS) An Accounting, Financial and Structural Analysis*

January 3, 2002

### No Recommendation

Issue	Data	Value	Data	Values	Ratios
Price	\$15.38	EPS TTM*	-1.36	PE TTM	NM
52W High	\$23.73	Est. EPS 12/01*	-0.75	PE 12/01	NM
52W Low	\$10.34	Est. EPS*	-0.52	PE 12/02	NM
Mkt. Cap	1,1421	Sales TTM	11.73	Pr/Sales	1.31
Shares Out	92.40	Cash Flow TTM	1.42	Pr/CashFlow	10.81
Float	49.9	Book Value	16.73	Pr/Book	0.92
Mo Volume	11.8	Div Rate	0.00	ROE TTM	-5.09
Daily Volume	0.59	% Institution Est. 01	90.82	LT Debt	1.44
Beta	1.75	No. Of Institutions	174	Sr. Debt Rating	B

\*Consensus Street EPS

### To our Friends and Clients:

*Six Flags (PKS), An Accounting, Financial and Structural Analysis* lifts the veil of accounting and financial issues of an extraordinarily complicated capital structure. Our report introduces a different style of Wall Street Research format. Our purpose is to analyze various issues relevant to an investor's potential decision regarding PKS securities, including common stock, debt and preferred issues. We do not recommend a purchase, hold or sell for any PKS security. We have included 6 scenarios: Revenues +2%, 0%, -3%, -6% and two post Sept 11 disaster 'event' scenarios. ALL scenarios for year over year purposes are pro forma with respect to the events surrounding Sept 11<sup>th</sup>, as if this tragedy did not occur, before taking into account a given scenarios assumptions. This Sept 11 pro forma adjustment, per management guidance, resulted in FY 02 revenue and EBITDA increases of approximately \$27.8M and \$16.8M respectfully. Each analyst and portfolio manager can choose his own scenario.

There are various Issues within the body of the report where factual information was not available to us. We have therefore reasonably speculated on certain issues to calculate observations. Our judgments may or may not be accurate. Readers are urged to make their conclusions separate from our study.

Our PKS report is written primarily for serious investors. Many institutions own large positions of various PKS securities, while others have shorted PKS common. For those investors who do not have the time to study each issue in depth, we suggest that these investors read the Observations that conclude each of our 37 Issues. Each Issue concludes with an Observation, not a Conclusion. Investors are also encouraged to focus on those issues most pertinent to their set of investment facts and circumstances for decision making purposes. We suggest, however, that the report be studied in depth because of the complexity of the Company's capital structure.

On the long side, 174 institutions own shares of PKS. On the short side, approximately 12.6% of the 49+ million share PKS common float been shorted. **Positive Bull Case observations are printed in green.** **Negative Bear Case observations are printed in red.** We urge each reader to conduct his/her own research. We have relied on SEC filings and management guidance to develop our 33 page comprehensive, linked, recalculating, and dynamic MS Excel PKS Master Model. Clients are encouraged to use their own judgment in assigning the weighted probability of scenario occurrence. We do not expect our readers to agree with each green and red observation.

We have discussed relevant issues normally not addressed in depth by Wall Street analysts and have analyzed +2,500 pages of PKS filings dating back to 1996. The PKS CFO has reviewed our 37 Issues and has helped us in certain cases decipher factual historical material contained within various SEC public filings. The Company did not comment on any financial nor forward looking projections, nor did the Company give us any information that is not in the public domain. We thank the Company for its guidance, feedback, and constructive criticisms. The Company and Dirty Dozen Research: No Agenda are in compliance with Rule FD 10B-5 in regards to the Company's clarifications of our 37 Issues. This report is best suited for color print, using Adobe Acrobat 4.0 or a higher version.

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## **The Company**

Six Flags Inc. (PKS) is the largest regional theme park operator in the USA. FY 2000 attendance for all parks either owned/controlled, paid and complimentary, including Partnership Parks totaled 44.6M. This figure includes a full year's performance of Seattle, Montreal and Sea World Ohio. Attendance at all consolidated parks during 2000 was 37.74M. The business model is in many respects strategically simple, yet difficult from an operational and execution standpoint. Revenues are driven by attendance and incremental 'value added' expenditures, such as food, merchandise, & other spending upon park entry. This is a function of both attendance and per capita spending behavior. FY 2000 average PKS Park attendee admission revenue was \$11.74 per person combined with average per capita incremental revenue of \$9.96 per person. The average visitor spends about 8 – 10 hours per visit. Company theme parks are located in the 10 largest metropolitan centers comprising approximately two thirds of the nation's population. The business is mature, consolidating, and highly seasonal. Approximately +90% of the business occurs in the second and third quarters.

The Company's 29 domestic parks include (1) mid and large market regional parks, including non-destination locations that attract attendance largely from the surrounding (50-100 mile radius) area. Eight large market domestic parks include: Los Angeles (2), Chicago (1), New York and Philadelphia (1), New England (1), Marine World in the San Francisco market (1), Baltimore/Washington (1). Seven (Atlanta (2), Dallas (2)), & Houston (3) are major business destination markets. Fourteen parks are mid-market. The Company's 10 international parks, all acquired post 1997, are predominantly major destination markets. Only two locations (Metz France & Ypers Belgium) are mid-market parks. Six parks account for approximately 50% of total PKS EBITDA: Six Flags Great Adventure, (NY/NJ), Six Flags Great America (Chicago), Six Flags Magic Mountain (LA), Six Flags St Louis (St. Louis), Six Flags Siesta Texas (San Antonio) and Six Flags Mexico (Mexico City). From 1995 - 2000, worldwide theme park statistics report that attendance was up 1.96%, while aggregate growth of revenues increased 4.3%. The PKS business model seeks to outperform both industry attendance and revenue growth.

## ISSUES AND OBSERVATIONS

**Issue 1: PKS Stock Market Valuation** (Bull Case and Bear Cases are generally accepted Wall Street investment viewpoints. They are not necessarily the views of Dirty Dozen Research: No Agenda)

**The Bull Case** argues PKS common will appreciate to \$20/share. Per Q3 01 management guidance, the Bull Case anticipates the Company as stated will reduce capital expenditures from (\$175M) to (\$140M), virtually eliminate acquisitions, reducing 2001 acquisition costs from (\$132M) to nil in 2002. The net effect of this corporate repositioning is a projected cash savings of \$165-170M of cash spent, converting negative operational and investment (excludes financial) free cash-flow generation from (\$170M) in 2001 to Street estimates of positive \$75M - \$100M in 2002. Furthermore, the Company through the use of two untapped credit facilities has more than ample liquidity. The Bull Case believes that after two years of relatively flat inflation adjusted, or negative 'same park' revenue growth, including Q3 performance of (2.6%), and a worldwide recession, the Company will reverse course and organically grow revenues 2%. This result will allow the Company to potentially pay down or 'de-leverage' approximately \$46M in interest bearing debt, resulting in a year over year reduction of 1.8% of existing corporate debt (\$2.5B), that includes approximately \$279M 7.25% interest bearing preferred stock. The stock will rise.

**The Bear Case** argues that PKS free operating cash-flow will continue to languish while leverage continues to increase. A continued weak economy could necessitate additional use of convertible financing, thus further diluting shareholders. PKS missed Street EPS estimates during the past two years. During 2000, Street estimates fell from -\$0.11 to -\$0.85. This year consensus 2002 estimates have also steadily dropped from -\$0.11 to the current -\$0.52 cents. The Bear Case argues that PKS will likely again disappoint in 2002, as management has not made a strong case regarding revenue growth. The Bears argue that 'same park' revenues should remain negative (2.6%) in-line with recent performance and along with the deteriorating economy, the Company will do well in 2002 at -0.86, or roughly in-line with 2001 results. While there is little in the way of revenue up-side, Sept 11 is a proxy of what could occur to the top-line were further event(s) to occur during the Company's peak operating season. Wall Street has generally not modeled the reality of economic risk both at home and abroad. The Street and the Bull Case have largely ignored 'event' risk. The Bear Case also notes seasonality risk, demographic risk, and increased competition for the target youth market consumer pocketbook (Microsoft Xbox etc). Brand is ground zero in this competition, which is increasingly interdependent upon consumer intangible asset formation though interactive consumer time investment. This is not a Company strength given the seasonal nature of the business and the fixed/non interactive/low tech nature of many park rides. Finally, management is investment banking oriented and might again be tempted to make park acquisitions during 2002, further reducing Company liquidity and/or increasing leverage. The stock will fall.

**Table 1**  
**Valuation**

<b><u>VALUATION TABLE</u></b>	<b><u>Pro Forma/'AS IF' NO SEPT 11 Event</u></b>							
							<b>Unrelated</b>	<b>Related</b>
			<b>0%</b>	<b>+2%</b>	<b>(3%)</b>	<b>(6%)</b>	<b>Event 0%</b>	<b>Event 0%</b>
		<b>Scenario</b>	<b>Scenario</b>	<b>Scenario</b>	<b>Scenario</b>	<b>Scenario</b>	<b>Scenario</b>	<b>Scenario</b>
	<b><u>2000</u></b>	<b><u>2001 Est.</u></b>	<b><u>2002 Est.</u></b>	<b><u>2002 Est.</u></b>	<b><u>2002 Est.</u></b>	<b><u>2002 Est.</u></b>	<b><u>2002 Est.</u></b>	<b><u>2002 Est.</u></b>
Price/EBITDA (Hist.Yr-end/current)	3.73	3.71	3.55	3.44	3.87	3.99	3.78	6.73
Yr Ending Total Debt (MM)	2,322.3	2,191.3	2,158.2	2,145.5	2,197.7	2,213.8	2,231.1	2,404.1
Yr Ending Total Equity (MM)	1,545.0	1,455.6	1,425.1	1,450.6	1,369.4	1,351.3	1,340.2	1,099.4
Yr Ending Pref'd PIERS (MM)	0	278.8	279.6	279.6	279.6	279.6	279.6	279.6
Total Capital (MM)	3,867.3	3,925.6	3,862.9	3,875.7	3,846.8	3,844.6	3,850.9	3,783.1
Interest Expense-GAAP	(224,767)	(220,024)	(216,931)	(216,122)	(218,833)	(219,694)	(220,500)	(228,105)
Net Debt to Capital	60.05%	55.82%	55.87%	55.36%	57.13%	57.58%	57.94%	63.55%
Net Debt to Capital incl. Pref'd	60.05%	62.92%	63.11%	62.57%	64.40%	64.85%	65.20%	70.94%
Adj. EBITDA/Interest Expense	1.79	1.85	1.95	2.01	1.77	1.70	1.66	0.90
Adj. EBITDA/Cash Interest	2.17	2.17	2.48	2.57	2.25	2.16	2.10	1.13
EBITDA/Interest Expense	0.15	0.15	0.14	0.14	0.11	0.09	-0.07	-0.11
EBITDA/Cash Interest	0.18	0.17	0.18	0.18	0.14	0.12	-0.09	-0.14
EBIT/Interest Expense	0.84	0.74	0.82	0.87	0.67	0.61	0.70	0.00
EBIT/Cash Interest	1.02	0.87	1.04	1.11	0.85	0.78	0.88	-0.01
EBITDA Growth	15.75%	-2.51%	4.66%	7.81%	-4.01%	-7.08%	-1.87%	-44.85%
EBITDA Margin	36.67%	34.16%	34.84%	35.18%	32.94%	32.90%	33.78%	24.21%
Adjusted EBITDA Growth	10.81%	1.24%	3.90%	6.78%	-4.87%	-8.29%	-10.20%	-49.83%
Adjusted EBITDA Margin	39.97%	38.67%	39.14%	39.44%	36.95%	36.76%	34.98%	24.93%
Free Cash Flow Growth (FCFG)	NM	NM	NM	NM	NM	NM	NM	NM
Free Oper. CFG (No Invest/Acq.)	-10.74%	44.47%	-6.89%	-1.92%	-22.43%	-28.73%	-35.54%	-103.52%
Free Op. CFG (excludes timing)	7.69%	-4.87%	14.69%	20.81%	-4.46%	-12.21%	-20.61%	-104.33%
FCF Multiple (Price \$14.61/share)	NM	NM	19.05	16.14	43.71	91.80	NM	NM
FCF Yield (Price \$14.61/share)	NM	NM	5.25%	6.20%	2.29%	1.09%	-0.21%	-13.16%
Fixed Assets/Sales	2.24	2.24	2.17	2.13	2.24	2.31	2.24	2.86
CapX/Oper. CF (Pref'd Div excl.)	1.90	0.81	0.59	0.56	0.71	0.77	0.85	NM
Dep. & Amort/Total Oper. Exp.	17.06%	17.63%	17.67%	17.52%	17.66%	17.99%	17.81%	18.88%
Dep. & Amort/Oper. Expense (Excluding Int. & Deprec/Amort)	27.68%	28.11%	28.00%	27.59%	28.05%	28.92%	28.49%	31.71%
ROIC (Net Income/CapX)	-15.55%	-28.33%	-26.46%	-21.33%	-42.02%	-47.57%	-39.47%	-115.79%
Market Cap/EBITDA (Avg. Hist/Cur\$14.61/share)	4.90	3.71	3.55	3.44	3.87	3.99	3.78	6.73
Revenues (MM)	1,007.0	1,053.8	1,081.6	1,103.2	1,049.2	1,016.7	1,046.0	820.0
Revenue Growth	8.63%	4.65%	2.64%	4.69%	-0.44%	-3.52%	-0.75%	-22.19%
Net Inc (MM, excl. Pref, ExOrd)	(52.0)	(49.6)	(37.0)	(29.9)	(58.8)	(66.6)	(55.3)	(162.1)
Net Income Growth	-170.20%	4.58%	25.28%	39.78%	-18.65%	-34.33%	-11.46%	-226.98%
Basic EPS Excl'd ExOrd	-0.96	-0.85	-0.63	-0.55	-0.86	-0.95	-0.82	-1.98
EPS Growth	-74.55%	10.96%	26.31%	35.46%	-1.42%	-11.31%	3.12%	-132.89%

## Valuation Arguments – Bull Case and Bear Case

1. With approximately 92 million shares outstanding, PKS common stock is fairly valued at approximately 12 - 15 times FY 02 anticipated \$75 - \$100 million of Street estimated positive cash-flow. Today's share prices are justified in the \$14 - \$15 range. The Company will meet Street expectations and generate positive free cash-flow.
2. Free cash-flow generation of \$75 - \$100 million in 2002 is overly optimistic. Assuming that the top line is flat with 2001 and pro forma with respect to the Sept 11 effect, we estimate free cash-flow generation of \$70M, with \$33M available to 'de-leverage'. If 'same park' performance remains negative, the top line is off (3%), we estimate free cash-flow generation of \$30.5M, and no (\$6.5M) free-cash available to de-leverage. The Street multiple times cash-flow does not reflect the Company's capacity to de-leverage.
3. FY 00 Total Debt/Capital was 60%. The FY 02 ratio is estimated at 55.8%. This decrease is meaningful.
4. Debt/Capital may be considered to be a misleading ratio. Debt/Capital including preferred actually increases from 60% to 63.1% between 2001 and 2002. This ratio is meaningful and increases, because there was no debt grade preferred in FY 2000.
5. Total Interest Expense using our 0% pro forma Sept 11 scenario is estimated to drop from (\$224.8M) in 2000 to (\$216.9) in 2002.
6. Total FY 02 Interest Expense contains little volatility as the Company cannot realistically begin de-leveraging until late 2Q 02 at the earliest. FY 02 Interest Expense in a negative (3%) top line pro forma Sept 11 scenario is projected at (\$218.8M), not materially different from FY 01's (\$220.0M).
7. Projected positive Free Cash-Flow Generation creates a Bull Case de-leveraging event. Adjusted EBITDA/Interest Expense will increase from our estimated 1.85 to 1.95 between 2001 and 2002. Adjusted EBITDA/Cash Interest will increase from 2.17 to 2.48, thus validating the de-leveraging Bull Argument.
8. If sales are off (3%), Adjusted EBITDA/Interest Expense will actually fall from 2.17 to 1.77, not accounting for projected FY 02 interest re Preferred Dividends of \$20.8M. At this sales level, de-leveraging is difficult at best.
9. 2002 Free Cash-Flow is estimated to yield 5.25%. This yield will increase going forward as the Company continues to de-leverage as cash conservation initiatives, notably reduced capital expenditures, take hold.
10. If the top line is off (3%), there will be no free cash flow, hence no free cash flow yield.
11. Market Cap/EBITDA was 4.90 in 2000. Today's ratio has dropped to 3.55. The stock is undervalued, as the Street is projecting EBITDA expansion.
12. The historical Market Cap/EBITDA multiple is misleading. The multiple was too high as share prices were inflated due to unrealistic expectations regarding 'same park' revenue growth, free cash-flow capacity, and overall level of Company leverage.
13. PKS Common will rise to its intrinsic book value of \$16.73.
14. Book value is not an important ratio for a highly leveraged company.
15. We estimate Ending FY 01 LT Debt of 2.19B, down from Ending FY 00 LT Debt of 2.32B. Estimated Ending FY 02 LT Debt is 2.16B. The Company is heading in the right direction.
16. LT Debt should include the PIERS Preferred issuance, which bears interest at 7.25%. If pro forma Sept 11 FY 02 top line is off (3%), Total Estimated LT Debt Ending FY 01 of 2.47B will increase to 2.48B Ending FY 02.
17. Positive Cash-Flow, cash and cash equivalents of \$123.5M as of Nov 9<sup>th</sup> 01, and \$600M of remaining Credit Facility access is ample liquidity. PKS will not require further financing, nor increase shares outstanding.
18. Liquidity is under increasing pressure; PKS will refinance debt if rates continue to fall and issue convertible debt to cover interest payments on growing debt burden due to a lack of free cash-flow generation. Other liquidity factors include a possible tightening of credit facility covenants, a currently un-tapped \$300M facility that requires a zero balance for 30 consecutive days each year, and a \$9M/quarter contraction of the overall credit facility that began in Q4 01, accelerating to \$36M/quarter in Q4 02.
19. Net Loss is estimated to shrink 40% between 2001 and 2002.
20. Under the pro forma Sept 11 (3%) top line growth scenario, FY 02 Net Income is estimated to decrease (18.6%).
21. The Company has ample access to Capital through its Credit Facility.
22. The business remains Capital intensive, especially as the Company has added several new parks recently. However, equity continues to contract, forcing PKS to increasingly capitalize the Company with costly debt.
23. Return on Invested Capital (ROIC) is improving and the cost of capital is decreasing.
24. The Company's cost of capital in terms of Treasury Spreads continues to increase. The Company has not produced measurable ROIC in many years. There is no indication this performance will lend itself to comparative measurement in the intermediate future.

<b>FY 2002 Scenarios</b>			2002 Est.	2002 Est.	2002 Est.	2002 Est.	2002 Est.	2002 Est.	
			Includes	Pro-forma NO	Pro-forma NO	Pro-forma NO	Pro-forma NO	Unrelated	Related
			Sept 11	Sept 11 Event	Sept 11 Event	Sept 11 Event	Sept 11 Event	Sept 11 Event	Sept 11 Event
	FY 1999 Act	FY 2000 Act	FY 2001 Est.	0% Revenue	+2% Revenue	(3%) Revenue	(6%) Revenue	Beg Q2 Event	Beg Q2 Event
<b>Total Revenue</b>	<b>926,984</b>	<b>1,006,981</b>	<b>1,053,845</b>	<b>1,081,617</b>	<b>1,103,250</b>	<b>1,049,169</b>	<b>1,016,720</b>	<b>1,045,972</b>	<b>820,005</b>
<b>Adjusted EBITDA (incl. Partnership Parks)</b>	<b>363,219</b>	<b>402,496</b>	<b>407,492</b>	<b>423,397</b>	<b>435,101</b>	<b>387,651</b>	<b>373,715</b>	<b>365,917</b>	<b>204,432</b>
<b>EBITDA</b>	<b>319,031</b>	<b>369,289</b>	<b>360,017</b>	<b>376,793</b>	<b>388,147</b>	<b>345,568</b>	<b>334,518</b>	<b>353,295</b>	<b>198,546</b>
Partnership Park Distributions & Mgmt Fee	17,656	33,581	32,182	30,599	31,096	24,170	20,067	(15,252)	(25,894)
Capital Expenditures	(391,655)	(334,226)	(175,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)
Theme Park Investment & Acquisition	(329,463)	(23,582)	(139,209)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Net Interest Expense - GAAP	(169,441)	(224,767)	(220,024)	(216,931)	(216,122)	(218,833)	(219,694)	(220,500)	(228,105)
<b>Non Cash (Discount Bond) Interest Expense</b>	<b>27,671</b>	<b>30,495</b>	<b>33,608</b>	<b>37,038</b>	<b>37,038</b>	<b>37,038</b>	<b>37,038</b>	<b>37,038</b>	<b>37,038</b>
Non Cash Amortization of Bond Issuance Costs	6,755	8,573	9,371	9,468	9,468	9,468	9,468	9,468	9,468
Pymt Debt Issuance Costs (Extraordinary Loss)	0	0	(8,529)	0	0	0	0	0	0
Preferred Dividends	(23,288)	(23,288)	(26,293)	(20,844)	(20,844)	(20,844)	(20,844)	(20,844)	(20,844)
<b>Free Cash Flow Generation/(Usage)</b>	<b>(542,734)</b>	<b>(163,925)</b>	<b>(133,878)</b>	<b>70,123</b>	<b>82,783</b>	<b>30,567</b>	<b>14,553</b>	<b>(2,796)</b>	<b>(175,792)</b>
Free Cash-Flow Available to Pay Down Debt	(570,405)	(194,420)	(167,485)	33,085	45,745	(6,471)	(22,485)	(39,833)	(212,829)
Free Oper.Cash-Flow (99&00 Actual, FY 01 Est.)	197,349	176,161	254,507	236,967	249,627	197,411	181,397	164,048	(8,948)
Free Op Cash-Flow (excludes timing differences, EBITDA+Partnership \$distrib less cash interest)	201,672	217,171	206,624	236,967	249,627	197,411	181,397	164,048	(8,948)
Financing Cash Flows-excluding Pref'd dividends	72,774	90,237	148,704						
Maturity Restricted Use Invest, Asset Sales, Fx	211,834	19,545	15,099						
Actual/Estimated Change \$Cash/Cash Equivalent	(262,447)	(95,153)	54,963	70,123	82,783	30,567	14,553	(2,796)	(175,792)
<b>Total Revenue</b>	<b>926,984</b>	<b>1,006,981</b>	<b>1,053,845</b>	<b>1,081,617</b>	<b>1,103,250</b>	<b>1,049,169</b>	<b>1,016,720</b>	<b>1,045,972</b>	<b>820,005</b>
Other Income (mainly changes Partnership Equity)	22,629	1,714	20,582	22,022	22,819	19,019	17,643	16,709	2,230
Total Operational Exp (excl Deprec, Amort, & Int)	620,678	650,276	702,089	713,085	723,569	711,861	690,463	700,938	629,719
Depreciation & Amortization	154,264	179,989	197,364	199,668	199,668	199,668	199,668	199,668	199,668
Total Interest Expense	<u>169,441</u>	<u>224,767</u>	<u>220,024</u>	<u>216,931</u>	<u>216,122</u>	<u>218,833</u>	<u>219,694</u>	<u>220,500</u>	<u>228,105</u>
Income Before Taxes	5,230	(46,337)	(45,050)	(26,045)	(13,291)	(62,175)	(75,461)	(58,426)	(235,258)
<b>Income After Taxes</b>	<b>(19,230)</b>	<b>(51,959)</b>	<b>(49,578)</b>	<b>(37,047)</b>	<b>(29,857)</b>	<b>(58,827)</b>	<b>(66,601)</b>	<b>(55,260)</b>	<b>(162,110)</b>
<b>Cash Interest Paid (not including Preferred)</b>	<b>(135,015)</b>	<b>(185,699)</b>	<b>(185,575)</b>	<b>(170,425)</b>	<b>(169,617)</b>	<b>(172,327)</b>	<b>(173,188)</b>	<b>(173,995)</b>	<b>(181,600)</b>
<b>FreeCash Available for Debt reduction</b>	<b>(570,405)</b>	<b>(194,420)</b>	<b>(158,956)</b>	<b>33,085</b>	<b>45,745</b>	<b>(6,471)</b>	<b>(22,485)</b>	<b>(39,833)</b>	<b>(212,829)</b>
<b>Beginning LT Debt</b>	<b>(2,064,189)</b>	<b>(2,204,988)</b>	<b>(2,322,313)</b>	<b>(2,191,267)</b>	<b>(2,191,267)</b>	<b>(2,191,267)</b>	<b>(2,191,267)</b>	<b>(2,191,267)</b>	<b>(2,191,267)</b>
<b>Ending LT Debt (Not incl. \$278.6M PIERS)</b>	<b>(2,204,988)</b>	<b>(2,322,313)</b>	<b>(2,191,267)</b>	<b>(2,158,182)</b>	<b>(2,145,522)</b>	<b>(2,197,738)</b>	<b>(2,213,752)</b>	<b>(2,231,100)</b>	<b>(2,404,096)</b>
<b>Average Quarterly LT Debt</b>	<b>(2,134,589)</b>	<b>(2,263,651)</b>	<b>(2,293,300)</b>	<b>(2,281,185)</b>	<b>(2,272,680)</b>	<b>(2,301,184)</b>	<b>(2,310,235)</b>	<b>(2,318,718)</b>	<b>(2,398,691)</b>
<b>Pri/Bas EPS Ex. XOrd</b>	<b>-0.55</b>	<b>-0.96</b>	<b>-0.85</b>	<b>-0.63</b>	<b>-0.55</b>	<b>-0.86</b>	<b>-0.95</b>	<b>-0.82</b>	<b>-1.98</b>
Extraordinary Item	(11,296)	0	(8,529)	0	0	0	0	0	0
Pri/Bas EPS In. XOrd	-0.69	-0.96	-0.95	-0.63	-0.55	-0.86	-0.95	-0.82	-1.98
Primary/Basic Avg Sh	77,656	78,735	89,157	92,314	92,314	92,314	92,314	92,314	92,314
Common Dividends/Shr	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dilution Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Diluted Average Shs.	77,656	82,002	96,480	106,453	106,453	106,453	106,453	106,453	106,453
Dilutd EPS Excl XOrd	-0.55	-0.92	-0.51	-0.35	-0.28	-0.55	-0.63	-0.52	-1.52
Dilutd EPS Incl XOrd	-0.69	-0.92	-0.60	-0.35	-0.28	-0.55	-0.63	-0.52	-1.52

## Issue 2: Q3 2001 Conference Call and Financial Highlights – Nov 9, 2001

PKS management conveyed a resolve to generate positive free cash flow. This corporate objective is a material change of direction from past policies that generated substantial negative cash flow and increased debt. **The Company is entering the protracted off-season in a highly seasonal business, during a period of large necessary capital expenditures.** Company management recently revised FY 01 guidance from earlier guidance, discussing a system-wide \$30-35M FY 01 shortfall in incremental EBITDA. Management did not provide guidance with respect to FY 02 revenue or EBITDA, but did attribute a FY 01 shortfall of \$25-30M in revenue to Sept 11<sup>th</sup>. Guidance anticipates capital expenditures (CapX) of (\$175M) for FY 01 and (\$140M) for FY 02. The Company estimated stated cash on hand of \$123.5M should see it through year-end without further tapping its credit facilities. Guidance of net cash interest was estimated at (\$185) million for FY 2001. The Company projects little or no expenditures for Theme Park Acquisitions. Management stated, when the opportunity presents itself, that it would aggressively refinance existing debt in order to reduce the weighted average interest cost. **Of concern is the real interest cost net of inflation, which may continue to increase. Management stated the weighted cost of debt dropped 13 basis points during the Q4 from Q3. This figure is considerably less in comparison to interest rate declines experienced in the broader credit markets.**

Management made a strong case that the Company has ample short-term liquidity, \$723.5M if the two currently untapped credit facilities are utilized. However, no mention was made of the potentially tightening financial covenant ratios contained within the credit facility agreement on a forward-looking basis; the most closely followed being the Consolidated Leverage Ratio (Consolidated Debt/Consolidated EBITDA), which is estimated to contract in Q3 02 to 3.5:1 from 4:1 today. Additionally, the credit facilities begin contracting \$9M/quarter beginning Q4 01 and \$36M/quarter beginning Q4 02. Terms include the conditions surrounding \$300M of untapped credit facilities includes full payment for 30 consecutive days each year.

The nature of park operations in the third quarter is that all parks are open every day for business through Labor Day, thereafter on off-season 3-day weekend operations through the end of September. This year there were 12 days of weekend operations post Labor Day (not including a few parks that were open 7 days), 9 of which were directly impacted by Sept 11. Management stated the season post Sept 11 historically accounts for 15% of Company top line. Thus, 9 out of 73 Q3 business days were impacted by Sept 11. **We do not know whether 9 post Sept 11 affected days and Europe (12% of sales) entirely explain the FY \$30-35M EBITDA shortfall. The Company does not provide individual park performance on a same park sales basis, year over year, citing competitive reasons. Thus, investors do not have an idea which parks are doing well, and which parks are not performing to expectations. Management stated that the last two weeks in October returned to a normal seasonal operating environment. Additional shortfall might reside in early October. The CFO stated that Sept 11 resulted in a (26%) reduction in anticipated Q3 business post Sept 11. Assuming late season weekend attendance is a proxy for average Q3 park attendance, Sept 11 reduced Q3 gross revenues approximately \$18M and EBITDA of approximately \$11-12M if historical margins are considered reliable. We do not know the percentage of lost sales that may have been permanent vs. deferred sales. A 26% drop in short-term PKS revenues/EBITDA appears to be a stronger volatility component than historical experience.** This issue was not discussed in the Q3 conference call.

Without discussing specifics, management gave a sense that business had recovered modestly in the last half of October (Q4) and was in line with original pre Sept 11 expectations for this period. Investors now have a proxy for an unrelated event (Sept 11) and its affect on park attendance. System-wide Q3 revenues increased +4.45% while Q3 YTD revenue increased +4.79%. **Given this year's steady economic slow-down, both domestic and international, the post Sept 11 environment appears to be worse than FY 2000. The Company stated that the net economic operational expense impact of Sept 11 on a forward-looking basis was negligible. Specifically, increased insurance costs as a result of Sept 11 would be entirely offset by decreased marketing expenses associated with the economic downturn. Additionally, management stated park security was outstanding and not expected to materially change as a result of Sept 11.**

Finally, management did not address the following critical issues: First, the large year over year increase in both basic and diluted average shares outstanding and the associated EPS challenges this presents. Second, significant strategic vision related to 'same park' revenue growth outside of the usual incremental tactical park activity. Third, the increasing competition for customers, specifically as it relates to the growth occurring in the electronic gaming industry.

**Observations:** Management attributed poor Q3 performance, relative to prior guidance, to both Sept 11 and European operations. The reduction in EBITDA in part could also be attributed to a decline in domestic 'same park' revenues,

partially offset by new park revenue inclusion in the current period, strong performance in partnership parks, and a modest rebound (vs. Q2) in European park performance. Management is intent on 'de-leveraging' the Company, which will require a focus on free cash flow. Management intends to significantly reduce CapX and largely curtail acquisitions unless an unusual 'one-off' opportunity presents itself. Management may be able to control these cash 'levers'. While the Company has ample liquidity in the short-term, this liquidity may be conditional and not without risk, especially given the established increase in volatility of revenues/EBITDA in light of Sept 11. No convincing arguments were made that suggest material strategic or tactical revenue and/or expense initiatives that are in the pipeline. Given the somewhat disappointing 'same park' performance for the past three years, significant positive free cash flow generation will be welcome in 2002, if it occurs. This concern is magnified in light of the worldwide economic downturn and potential further Sept 11 style events de-stabilizing consumer confidence moving forward. Management indicated future capital structure financing activity, which could entail significant one times costs, may be necessary during 2002.

### Issue 3: FY 2002 Free Cash-Flow Outlook

The Company's recent free cash-flow focus might be considered to be contrary to Company's stated business model; acquiring major market assets where both building top line and/or margin improvement are paramount. The Company's gross free cash-flow generation per our model was approximately (\$841M) or (\$543M), (\$164M), and (\$134M) for 1999, 2000, and 2001 (Q4 est.) respectfully. Much of the negative free cash-flow can be attributed to numerous park acquisitions, partnership park investment, and a healthy CapX budget over this time period. The Company has had to work hard during this time period to finance these deficits, predominantly raising capital through numerous debt issuances, issuance of additional common stock, and through the expanded use of the credit facility. The actual change in cash and cash equivalents was (\$262M) in 1999, (\$95M) in 2000, and Q3 2001 YTD +81M. Despite extensive financing activity, a significant cash run-off of approximately (\$276M) has taken place over nearly the last three years/11 quarters.

The Company's free operating cash-flow generation over the 1999-2001 time period is a meaningful insight into the current realities of corporate capital structure. Our model ignores timing differences and one-time gain/loss items often found within the statement of cash flows. The precise calculation is Company EBITDA, plus partnership park cash distributions, less cash interest expense. For 1999, 2000, and 2001 (est. Q4) we calculate free operating cash-flow of approximately \$202M, \$217M, and \$207M respectfully. The Company has significantly expanded park operations over this three-year period, spending approximately (\$492M) in theme park investment and acquisitions, and another (\$901M) in CapX. Free operating cash-flow appears to remain somewhat flat. During this same time period, overall Company LT debt has increased approximately \$406M if the recent debt like PIERS issuance with its mandatory cash redemption feature is viewed as debt rather than equity. Finally, primary common stock outstanding has increased by approximately 15M shares over this same time period. More debt, significant shareholder dilution, and a lack of free operating cash-flow growth despite expanded operations, may have influenced managements' current cash-flow focus.

During this time period, 'same park' system-wide revenues have remained relatively flat, especially when adjusted for inflation. The Bear Case argues that the Company has not executed a successful 'same park' strategy over the years, even with the benefit of a strong economy and a healthy CapX budget. On the positive side, the current cash-flow focus is a decided benefit to shareholders. It is not known whether this focus was imposed on the Company by a loss of patience within the investment and banking community. The Company is now well into its negative cash-flow off-season with substantial debt, a shrinking CapX budget, and what many believe to be a continued weakening economic environment that now includes the possibility of further post Sept 11 events. An unknown at this point is customer demand and overall resiliency. Management has only a limited amount of remaining discretion with respect to the capital structure and CapX. The Company must have adequate CapX to maintain parks, because the average age of depreciable assets Company-wide cannot increase indefinitely.

'De-leveraging' will be difficult in the current economic operating environment. The CFO described the current shareholder population as 'value centric'. PKS might not be considered to be a 'value' stock by Wall Street. Rather, it might be viewed as a de-leveraging equity work out, a rollup currently dealing with large amounts of debt that was necessary to build the business by acquisition. Perhaps shareholders may see 'value' built into a post roll-up Company. During the Q3 01 conference call management mentioned a few tactical moves it would make to optimize revenues, such as targeting the new parks for capital expenditures. Given recent 'same park' performance, the Company will have to demonstrate that these revenue optimization options will result in meaningful long-term value.

Our models calculate cash flow in a manner similar to the definition used by the PKS Credit Facility. In that way, we differ from certain other Wall Street analysts. Free Cash-Flow is defined and modeled as normal EBITDA which accounts for non cash compensation, Partnership Park distribution and management fees, non cash discount interest, non cash amortization of bond issuance costs, less CapX, partnership park investment and other park acquisitions, less net interest expense, and preferred dividends. These cash-flows dictate the operating and financial outlook of the Company's capital structure and drive the Company's financing activity levels. Adjusted EBITDA exceeds normal EBITDA by the Company's share of Partnership Park EBITDA. The Street's concern with Adjusted EBITDA relates to financial discretion/control. The Company, until it receives cash from the Partnership Parks, may have little discretionary cash or free cash-flow to 'de-leverage'.

We assume for FY 02 CapX expenditures of \$140M per management guidance, and allocate these expenditures based upon FY 00 CapX spending patterns. FY 01 required the Company to spend CapX via retrenching. It did not appear to reflect normal spending patterns. We assume no acquisitions, partnership park investment of \$1.5M/quarter (Company partnership park investment totaled \$99M for FY 98, 99, & 00 and \$5.4M Q3 01 YTD) that approximates the Company's amortization of partnership investment due to partnership asset contributions receiving increased useful lives, and cash preferred dividends continuing. We assume net interest expense is a function of average quarterly debt outstanding. We do not forecast interest rates. Rather, we use Q3 01 net interest expense in relation to Q3 01 average debt outstanding, adjusted to reflect the 13 basis point Q4 reduction in the Company's average weighted cost of capital as a result of swap contracts discussed in the November 8<sup>th</sup>, 01 conference call. We feel this is reasonable as the capital structure is essentially fixed rate (see below) for all of FY 02, unless the Company elects to call their cheapest fixed rate debt that is less than the overall average weighted cost of capital.

FY 01 free cash flow experienced a one-time benefit from two park acquisitions (Cleveland and Montreal) made part way through the off-season, thus partially avoiding negative cash-flow off-season carrying costs. The Company did experience a loss of operations and cash-flow early in the season at a Belgium park due to construction delays. Finally, Sept 11 was another one-time negative cash-flow event of approximately (\$17M) EBITDA according to our calculations.

The key driver of FY 02 free cash-flow generation is top line revenue. The only new additional source of Company revenue is the Madrid Park, Spain scheduled to open in May 02. The Company as a 5% shareholder, has a contract to manage this park. Historically, parks take some years to reach their full revenue stride. Therefore, we assume this park will not generate significant positive free cash-flow in 02. We understand that Q3 01 YTD non partnership park 'same park' revenues are down (-1.1%), while 'same park' revenues were slightly positive in FY 00, although once adjusted for inflation, this is not meaningful. Using the above guidance concerning anticipated FY 02 free cash-flow, and assuming a 0% change in overall revenues (amounting to a significant same park improvement, especially adjusted for inflation), we estimate FY 02 free cash flow of approximately \$70M in our 0% scenario, leaving \$33M available for de-leveraging, which accounts for the \$37M discount bond interest expense. This scenario and all other scenarios is 'pro-forma'/as if it did not occur with respect to Sept 11, and first builds back into each scenario an additional \$28M in revenue.

The range of Company free cash flows available for de-leveraging in a normal (no further Sept 11 style events) operating environment is (\$22.5M) with negative (6%) revenue growth and \$45.7M in with +2% revenue growth. Thus, the Company, under a normal operating scenario might have a difficult time significantly 'de-leveraging' our FY 01 ending forecast of nearly \$2.5B in LT debt and PERS/Preferred Stock. Holding revenues flat year over year would be a solid accomplishment if the economy does not improve, and given the recent 'same park' performance. A further Sept 11 style event could be disastrous for the industry. The bottom line of the Bear Case is that regardless of the scenarios we have modeled, free cash flow generation is very small compared to the Company's enormous debt burden.

**Observations:** Company free cash flow generation is a function of EBITDA which accounts for non cash compensation, plus Partnership Park distribution and management fees, non cash discount interest, non cash amortization of bond issuance costs, less CapX, partnership park investment and other park acquisitions, net interest expense, and preferred dividends. The Company has historically undertaken financing activity in order to maintain adequate liquidity. For FY 02 we assume per management guidance, \$140M CapX, historically low partnership park investment of \$6M, no acquisitions, preferred dividends paid in cash, and a net interest expense relationship to debt outstanding based upon 3Q 01 experience, adjusted to reflect the 4Q 01 13 basis point average cost of capital decrease noted in the most recent conference call. Under these assumptions, net cash flow becomes almost entirely a function of revenue growth, assuming continued expense discipline. Where revenue growth scenarios in a non Sept 11 event environment range from +2% to (6%), our models calculate corresponding Company free cash flow available for debt reduction/de-leverage ranging from

+\$45.7M to (\$22.5M). Continued negative or flat 'same park' revenue growth, the possibility of future Sept 11 style events, highly uncertain economic conditions worldwide, and only one (Madrid Spain, minority shareholder/operating partner) new park set to come on-line, may constrain revenue growth.

#### Issue 4: Capital Structure Issues

The Company has a complicated capital structure: common stock, numerous debt issues, preferred stock, a three part credit facility, and partnership interests with off-balance sheet capital implications. The regional park business is capital intensive. Many consider PKS to be a highly leveraged operator within this industry. Some analysts believe the cost of this leverage may have increased significantly in recent years. Specifically, 8 year fixed rate debt, redeemable and thus adjustable after 4 years, issued in April 1998 carried at issuance a coupon interest rate LIBOR (London Interbank Offered Rate, recognized base index for setting adjustable rates) spread of 3.10%. Debt issued with substantially identical terms and conditions in June 1999 and February 2001 had LIBOR spreads at issuance of 3.95% and 4.60%.

The Company CFO maintains that as fixed rate redeemable securities, treasury spreads are a more accurate benchmark than LIBOR. Seven-year (closest duration to 8 year notes) treasury yields ending in 1999, 2000, and December 19, 2001 were 6.54%, 5.18%, and 4.76% respectively. The four-year treasury yields (notes minimum fixed period before redeemable) for the same periods were 6.36%, 5.13%, and 4.20% respectfully. The coupon interest rate for the Company's 1998, 1999, and 2001 debt issuances was 9.25%, 9.75%, and 9.50% (see below) respectfully. **Thus, the Company's coupon interest rate Treasury spread has consistently increased as well.**

While LIBOR and Treasury yields are volatile, yields in both these markets have been trending down for some time. Recent Company debt issuances with substantially identical terms and seniority have slightly increased over this same time period. **Whether using LIBOR or treasury yields, the differential/spread with Company coupon interest on new debt issuance has increased significantly in recent years. Therefore, the Bear Case view is that it is possible the cost of capital increased over-time.**

Company debt currently trades at a slight premium. Were the Company to issue similar debt today, coupon interest would likely be lower. While the credit markets are complex, it is understood the Company has little operating risk during its off-season. PKS historically issues debt late in the off-season/early in the operating season, or closer to the resumption of full scale operating activity. While we do not know, **it is possible that current premiums in existence on Company debt may contract as the operating season approaches attendant with operating risk. They could also expand.**

**Observations:** The theme park business is capital intensive. The Company's cost of capital may have increased over time if consistently increasing debt coupon interest spreads with recognized (LIBOR, 4 and 7 year Treasuries) debt markets over the last several years accurately reflects an increase in the Company's cost of capital. The Company believes treasury spreads are more accurate than LIBOR. PKS debt currently trades at a slight premium. This may not be surprising given both the growing coupon spread these instruments provide over Treasuries versus prior years and the fact that the Company has little operational risk during its extended off-season.

## Issue 5: Debt Financing

The fixed rate bond issues outstanding include:

**Table 2**  
**Debt Financing**

<u>Issue</u>	<u>Gross Amount</u>	<u>Annual Interest</u>	<u>Maturity</u>	<u>Ratings Mdv/S&amp;P</u>	<u>Call Date</u>	<u>Comments</u>
8.875% SFEC Notes	\$170M	(15.1M)	04/01/06	B2/B	04/01/02	Technically PKS banking group debt
9.25% Sr. Notes	\$280M	(25.9M)	04/01/06	B3/B	04/01/02	\$70.7M of proceeds set-aside, for first 6 interest payments/ "pre-funding".
9.75% Sr. Notes	\$430M	(41.9M)	06/15/07	B3/B	06/15/03	
10%Sr.Discount Nts.	\$250M	(41.0M) Starting Oct 03	04/01/08	B3/B	04/01/03	<b>The discount feature results in 5 yr \$160M growth of principal (rather than interest payments) to \$410M. \$75.4M of proceeds restricted until April 03 to provide PKS the ability to meet potential obligations to the limited partners of the Partnership Parks.</b>
9.50% Sr. Notes	\$375M	(35.6M)	02/09	B3/B	02/05	
Total 1	\$1.505B					Total 1 - Does not include 'discount' appreciation
Total 2	\$1.609B					Total 2 - Discounts interest, includes \$ 104M appreciation of discounted issue
Total 3		\$118.5				Total 3 - Annual cash interest payments through March '03. Does not include discounted issue
Total 4		\$159.5				Total 4 - Annual cash interest payments post March '03. Interest only, no principal
Total 5	\$1,665					Total 5 - Includes ALL discount interest

The debt instruments described above do not require principal payments until maturity except if there is a change in control of PKS in which case the Company must repay principle immediately along with a 1% change in control premium. This principal will eventually include the additional \$160M "discount" principal or \$1,665M in total. Debt issuance costs total approximately \$50M, thus reducing "gross" proceeds described above. **Should PKS elect to redeem and re-issue this outstanding fixed rate debt (in a falling interest rate environment), the incremental expense could involve additional significant one-time charges. These charges would likely not fall in any one-year as the various debt instrument call dates are chronologically spaced quite evenly.**

The CFO recently stated the Company might strategically refinance debt when the opportunity presents itself in order to both reduce the Company's weighted average interest cost and extend maturity dates. **Short of actually calling debt in April 02 the Company may not have the ability to lower its interest expense with respect to the fixed rate debt outstanding.** Furthermore, the two bond issues actually callable in FY 02 have coupon rates less than the Company's current weighted average cost of capital of 9.27% and overall current fixed debt weighted cost of capital of 9.57%. It is possible the Company has targeted the 10% Senior Discount Notes with a call date of April 03 as the most attractive capital structure 'target' for any future free cash flow generation.

**Observations:** The Change of Control feature of PKS debt instruments makes the Company less attractive from an acquisition standpoint because the creditors could force redemption at a slight premium that could force any potential suitor to arrange adequate financing to pay down outstanding PKS debt instruments. **Falling interest rates in theory benefit the Company's fixed rate debt, because all bond issues are redeemable.** However, the 10% Sr. Discount notes are the first debt issuance that could be both called (April 03) and simultaneously lower the Company's weighted average cost of capital

## Issue 6: Credit Facility

The \$1.2B credit facility was a significant PKS creditor development during November 1999. This credit facility replaced a \$1.8B credit facility that imposed substantially similar constraints upon PKS, except that it allows management somewhat more discretion with regards to corporate asset disposal. Specifically, the credit facility places broad restrictions on PKS management through an approval/authorization mechanism before any corporate assets in excess of \$25M are disposed of, any additional debt or liens are incurred, stock repurchased, investments made, dividends paid, and any mergers or consolidations acted upon. Additionally, the credit facility requires PKS compliance with certain specified financial ratios and tests. Management stated that as of ending Q3 01, the critical Adjusted EBITDA covenants related to the \$1.2B credit facility would be triggered if Adjusted EBITDA fell below the \$330-335M range. Management did not discuss how this range is arrived or how 'fluid' this covenant potentially remains. Specifically, the credit facility financial covenant ratios (there are 5) tests the 4 most recent quarters' Consolidated EBITDA, not regular or Adjusted EBITDA. Consolidated EBITDA is essentially Company operating income/(loss), plus non-cash items (Depreciation, Amortization, Non Cash Comp etc.), plus cash received from investments accounted for under the equity method, and is tested against the five covenant categories. Consolidated EBITDA is less robust than Adjusted EBITDA as only actual cash distributions from Partnership Parks are relevant, not actual Partnership EBITDA. The banking groups' only interest for covenant compliance purposes are the partnerships actual cash distributions made to the Company.

Currently, covenant compliance appears to be a non-issue. However, after a long off-season that includes negative cash flow and therefore increased debt levels, this covenant and default could become an issue were the Company to badly miss a quarter for whatever reason. This is not a likely scenario. It is, however, a very minority scenario, especially given the revenue volatility proxy and core nature of the tragic September 11<sup>th</sup> experience. Some experts have suggested Sept 11<sup>th</sup> may simply be the first significant salvo in an on-going war against terrorism, similar to long-term sustained conflicts in the Middle East. Many believe that future domestic incidents are inevitable. Regardless, the critical quarters for this covenant are Q2 and Q3. If the Company were to badly miss a critical quarter due to potential further future Sept 11<sup>th</sup> events, the four most recent quarters Consolidated EBITDA performance might not satisfy all the debt covenants. During the Q3 conference call, the CFO did not address the secondary issue; what is the quantifiable consequence of credit facility default? The Company has in the short-term a favorable liquidity factor accruing to the Company's benefit, the build-up in Q3 accounts receivable, based on Q4 00 seasonality, should shrink between \$50-60M in Q4 01. Long-term the Company has vast real-estate holdings that could be liquidated. It is difficult to imagine a scenario that puts the banking group in imminent danger of non-collection. One core issue from a shareholder perspective is exactly how costly this collection process could potentially become.

The multi-tiered variable rate credit facility includes the following critical features:

**Table 3**  
**Credit Facility**

<b>Credit Limit</b>	<b>Interest Rate</b>	<b>Outstanding Ending Q3 01</b>	<b>Terms &amp; Comments</b>
\$600M	Variable	\$600M	Rate based on LIBOR, 6 yr term loan maturing Nov 05. Rates (most recent weighted average 8.35%) may be fixed for 6 months, requires 0.25% quarterly repayments of outstanding amounts commencing Q4 01 and 24.5% Q4 04.
\$300M	Variable	\$0M	Rate based on LIBOR, 5yr revolving credit facility maturing Nov 04. Rates (most recent weighted average 7.27%) may again be fixed up to six months thru swaps, must be repaid in full for 30 consecutive days EACH year
\$300M	Variable	\$0M	Rate based on LIBOR, 5.5yr revolving credit facility maturing May 05. Rates (most recent weighted average 5.94%) may be fixed up to 6mo, permits optional prepayments and re-borrowings, committed amount reduces 2.5% quarterly starting Q4 01, 5% Q4 02, 7.5% Q4 03, and 20% Q4 04.
<b>\$1.2B</b>		\$600M	Total – Principal Outstanding is reduced because of 30-day repayment covenant each year.

The critical credit facility financial covenant closely tracked by the investment community is the Debt to Adjusted EBITDA ratio. The short-term drop (26%) in revenues the Company experienced in Q3 01, post Sept 11, which was not

an industry/directly related event, establishes a new operational volatility benchmark. Were a Sept 11 style event to occur in a less timely fashion, e.g. during the early peak-season, the danger of triggering this covenant, or default, becomes a possibility. Adding to this problem is the nature of the off-season operations, high CapX expenditures, and significant negative cash flow requiring additional use of these facilities.

The credit facility requires a quarterly commitment fee of 0.50% of the unused credit, which will amount to \$.75M in Q4 01 if outstanding balances remain the same. The credit facility begins shrinking cumulatively at a rate of \$9M quarterly beginning Q4 01 and \$16M quarterly beginning Q4 02. The ratio of fixed to variable (credit facility) debt in the PKS capital structure impacts the balance sheet directly to the extent interest rate changes impact the fair market value of the fixed-rate debt, and the income statement to the extent interest rate changes impact floating-rate charges and hence future earnings and cash flows, assuming other factors remain constant. As noted above in the Q3 Conference call section, the weighted average cost of capital dropped since the end of Q3 from 9.4% to 9.27%.

Management broke out the attribution of this decrease. The Company in Q4 made interest rate swaps of approximately \$600M, locking in the credit facility's term loan interest rate at approximately 8.35% per our calculations versus 8.99% in Q2 01. The Company disclosed they committed \$400M worth of swaps until Dec 03 and \$200M until Mar 03. Previous SEC disclosures indicated the Company stated that credit facility rates may be fixed up to 6 months through rate swap activity. Regardless, the Company has at a minimum committed until Q2 03 to today's term loan credit facility interest rate. Thus in the interim, this component of the capital structure retains no further ability to drive down the Company's overall weighted cost of capital.

Regardless, it appears that the minor decrease (13 basis points) in the weighted average cost of capital indicates the current capital structure may not be dynamic/responsive in the short-term. This makes sense, as the variable rate credit facilities currently accounts for approximately 27% of total debt outstanding. Increased utilization of the credit facilities this off-season will increase overall capital structure responsiveness to interest rate movements, unless the Company elects to further 'lock-in' rates through permitted hedging techniques. It is possible the real rate of interest, net of inflation, actually increased in Q3, as interest rates dropped sharply in the broader credit markets. However, it should be noted the entire capital structure is dynamic long-term if the Company elects to utilize call features available on all long-term debt. However one-time charges to call and re-issue debt could be significant.

Six Flags Operations Inc. is a holding Company of the Parent Company. This entity is responsible for all credit facility transactions and responsibilities, including covenant compliance. Broadly speaking, this entity includes all Company operations except the Georgia and Texas partnership park activity. This entity has a significantly different capital structure as no public debt, other than the \$170M 8.875% SFEC Notes, rolls into its balance sheet.

There are five major credit facility financial covenants closely tracked by numerous parties. They are consolidated leverage, interest coverage, secured debt, debt service, and fixed charges ratios. The ratios generally test the entities Consolidated EBITDA, which is essentially operating income/(loss), plus non cash items, plus cash received from investments accounted for under the equity method, against the covenant category. The most closely watched of these covenants is the leverage ratio, which calculates total entity debt divided by the entities' Consolidated EBITDA.

**Table 4**  
**Credit Facility Financial Covenants**

<b>Six Flags Operations Inc. Ending 3Q 01</b>	<b>Most Recent 4 Quarters/ Ending Q3 01</b>	<b>Most Recent 4 Quarters/ Ending Q3 02</b>	<b>Most Recent 4 Quarters/ Ending Q3 03</b>	<b>Most Recent 4 Quarters/ Ending Q3 04</b>
Consolidated Total Debt	\$790.2M	?	?	?
Consolidated EBITDA	\$373.2M	?	?	?
Consolidated Leverage Ratio	2.12	?	?	?
Max Permitted Leverage Ratio	4.00	3.50	3.00	3.00
Consolidated Secured Debt	\$620.2M	?	?	?
Consolidated Secured Debt Ratio	1.66	?	?	?
Max Permitted Secured Debt Ratio	3.00	2.50	2.00	2.00

The Company is currently in compliance with the credit facility debt covenants listed for illustrative purposes. There is a possibility these and other covenants are subject to a degree of active internal management. However, approximately 39% of Six Flags Operations Inc. total debt is actually an 'advance from the Parent Company', and provides by their terms that

they are not debt for covenant purposes and automatically convert to equity if ever considered debt in this regard. PKS would not intentionally cause its holding company compliance difficulties and thus potential default status. The Company has thus effectively structured the credit facility, through the use of the banking group entity and transactions such as the \$500M+ in advances from the Parent Company, in such a manner that makes default an extremely remote scenario.

Regardless, the five financial covenants may exert significant and increasing indirect pressure over time, and may constitute an indirect force behind the Company's recent free cash-flow focus and associated efforts to 'de-leverage'. The credit facilities terms include an approval/authorization mechanism before any corporate assets in excess of \$25M are disposed of, any additional debt or liens are incurred, stock repurchased, investments made, dividends paid, and any mergers or consolidations acted upon that is significant in its indirect influence of Company behavior.

The Company's CFO indicated to us that PKS has always had a free cash flow focus, that the substantial park re-branding efforts and significant acquisition activity in recent years only temporarily diverted this focus. PKS believes it is currently well positioned to begin 'de-leveraging'. The CFO contends that capital expenditures are only tested against financial covenants to the extent they exceed \$85M/year and park acquisitions require banking approval only if such an acquisition exceeds \$175M.

We have reviewed the Company's recent free operating cash flow performance (see the summary table at the beginning of the report). Under our various scenarios, free cash flow generation per our models is not particularly encouraging. Our free operating cash flow models are derived to a large extent from the credit facilities definition of Consolidated EBITDA, Company EBITDA, plus Partnership Park cash distributions, less cash interest expense. The Company per our definition of free operating cash flow generated \$201.7M, \$217.2M and our estimated \$206.6M in FY 99, 00, and 01. We do not know that either the significant park acquisitions or park re-branding efforts have had a positive effect upon free operating cash flow, though management believes this to be the case. We also do not know whether Company creditors may or may not have these concerns. The Company as a result of this activity and despite its best efforts currently has more debt and fixed costs. Thus far it appears that PKS might not make material improvement in its ability to independently service this increased burden.

**Observations:** The Company recently 'locked-in' the Credit Facility's \$600M term loan interest rate until FY 03 at 8.35%, significantly below the current average weighted cost of capital. Potential compliance or default risk remains a remote possibility were another Sept 11 event to occur. As the covenants test the four most recent quarters defined by Consolidated EBITDA, were the Company to experience a Sept 11 style event during the peak summer season, it is remotely possible that a technical default could ensue. The related event scenario we model could result in technical default, but the likelihood of such an event occurring is remote at best. Even then, the Company could potentially sell assets such as excess real estate and avoid default. The Company's lack of material growth in free operating cash flow generation in recent years, despite aggressive capitalization efforts to re-brand and acquire additional parks, may or may not play a pivotal role in influencing Company creditor behavior.

## Issue 7: PIERS & PIES Preferred Stock

Another essential source of PKS financing is Preferred Stock. Material details include:

**Table 5**  
**PIERS and PIES**

<u>Gross Amount</u>	<u>Interest Rate</u>	<u>Shares</u>	<u>Annual Interest</u>	<u>Terms &amp; Comments</u>
\$310.5M	7.50%	5.75M	(23.8M)	PIES (Preferred Income Equity Securities) 3yr issue, matured April 01, redeemed at a 2:1 ratio into 11.5M common shares, plus 279k additional shares in lieu of final dividend payment.
\$287.5M	7.25%	11.5M	(20.85M)	PIERS (Preferred Income Equity Redeemable Shares), proceeds \$277.9M net of underwriting expenses; 8yr 7 month issue, issued Jan 01, matures 15 Aug 09, accrue cumulative dividends payable at the Company's option in cash or common stock. Prior to maturity, shares are convertible at the option of the holder at any time into 1.1990 common shares or an initial conversion price of \$20.85 per common share – conversion price subject to certain adjustments moving forward, particularly as it relates total common stock outstanding. <b>Any time after 15 Feb 04 PKS may cause the PIERS common stock conversion in whole or in part if for 20 trading days within any period of 30 consecutive trading days, the closing price of the PKS common stock exceeds 120% of the then prevailing conversion price. On the maturity date (15 Aug 09) the PIERS have a REQUIRED CASH redemption feature equal to 100% of the liquidation preference (set initially at \$25/share), plus any accrued and unpaid dividends.</b>

The evolution in the PKS preferred capital structure from PIES to PIERS is significant. The PIERS contain more stringent terms than the PIES from a PKS standpoint. The PIERS, unlike the PIES issuance, is not easily converted into common stock. PIERS contain a mandatory cash redemption feature. Furthermore, the PIERS issuance has a higher “real” interest rate, if one accepts the notion that coupon treasury spreads at issuance reflect the real cost of capital. Finally, though not highly material, the PKS decision to further dilute its common stock with a final PIES dividend payment in stock, something it had not done before, may signal that Company management understood that further favorable access to the capital markets in the near term might be difficult.

Company management takes the position that the two preferred instruments were issued for different purposes. The PIES issuance was a yield enhanced common stock designed to attract as large an equity based investor group as possible. This was done during corporate expansion. The PIERS issuance was the first true convertible issuance according to management. Expectations concerning growth and Company expansion played a significant role in the final PIES terms. These similar expectations evolved over the following three years, based upon Company performance. Wall Street views the PIERS issuance terms similar to a debt instrument. The Street views the equity component as somewhat related to stock performance. The PIERS issuance is more risk averse from an investor standpoint.

**Observations:** The PIES preferred financing has contributed in large part to an increase in common shares outstanding. Total shares outstanding increased from September 2000 to September 2001 by 13.6 million (78.7 to 92.3 million). This dilution may have resulted in the PIERS issuance requiring a mandatory cash redemption feature, rather than common stock conversion, and additional dilution. Many experts consider a Preferred issuance final conversion terms a component of the cost of capital. The PIERS coupon treasury spread at issuance was significantly greater than the PIES issuance treasury spread, which may further indicate the cost of Preferred Capital has increased in recent years. It should be noted that PKS preferred instruments trade at a slight premium, indicating the credit markets currently approve of their risk reward features.

## Issue 8: Interest Expense Outlook

Interest expense is a function of both total debt outstanding and the Company's weighted average cost of such debt. During Q3 01 the Company had average long-term debt (including LT debt classified as current) outstanding of \$2,294M (assuming straight-line calculation) and a net interest expense of \$55.3M. Management guidance per the Q3 01

conference call was that the Company would not materially tap credit facilities in Q4 01 and that FY 01 year ending cash on hand would total between \$50-75M. We assume that given the Company's ending Q3 01 cash position of \$123.5M and an anticipated reduction of accounts receivable in Q4 01 of between \$50-60M, that the Company will reduce LT debt \$35M in Q4 or approximately 1.5%, before spiking up again in Q1 02 as a result of off-season negative cash flow.

Our model, per management guidance, assumes (\$185.7M) in net cash interest expense during FY 01, and (\$170.5M) in our FY 02 no event 0% revenue scenario. We forecast GAAP net interest expense dropping only (\$3M) in FY 02 to approximately \$217M. Approximately 75% of the cash interest reduction is due to increased discount interest and amortization of bond issuance, both non-cash interest costs, combined with no further anticipated extraordinary losses regarding debt issuance. Thus, despite the Company's intention to pay down debt, we do not model a significant reduction in net interest expense because the Company will not generate significant free cash flow until 3Q 02 to begin paying down any debt. Were economic conditions to continue deteriorating and/or were another Sept 11 event to occur, PKS might be forced to seek out further financing to manage its significant debt burden of nearly \$2.5B including the PIERS. This could possibly be accomplished through another issuance of convertible securities. If so, further shareholder dilution could potentially ensue.

**Observation:** Revenues and ultimately free cash flow will dictate FY 02 average long-term debt outstanding. The Company is now ending FY 01 and entering the off-season with more long-term debt than ever before; approximately \$2.5B including the debt like \$287.5M face value PIERS Preferred issuance (7.25% dividends, mandatory cash redemption etc.). Equally significant, Q1 is always a large negative cash-flow quarter and Q2 is at best modestly positive (0% No Event Scenario, \$0.5M per our definition of free cash-flow). Thus, the Company is saddled with a high debt load until Q3 02, when free cash-flow generation can again be used to 'de-leverage' the Company. Net interest expense is modeled to be relatively flat between 2001 and 2002 despite the Company's intent to pay down debt. PKS might have to further finance its debt burden with convertible instruments if top-line 'same park' growth does not occur either due to continued weak economic conditions, a simple failure to execute, further Sept 11 style events, or any combination thereof.

## Issue 9: Market Size and Competition

PKS's principal competitor in the regional theme park industry is Cedar Fair (FUN), which owns and operates six theme parks in the USA. FUN is much smaller, less geographically diversified, and disproportionately dependent upon its largest park, Cedar Point, a "destination" park. This park is not directly comparable to PKS in any meaningful sense. FUN is however, the most meaningful PKS industry benchmark, which is really a commentary on the industry more than anything else. The industry is fragmented and unstable. Acquiring companies within this paradigm is the foundation of the PKS business model. There are approximately 80 domestic independent theme parks. We believe the Company could include about 15 of these parks in its acquisition program, along with another potential 15 or so in Europe.

PKS competes with all forms of entertainment including regional and destination theme parks. Due to the post Sept 11 economic environment, there may be a possibility of increased competition from destination theme parks such as Disney. The Sept 11 event disproportionately impacted the major theme park operators. This impact is primarily occurring because of lost business due to the 'airline recession'. Some of this lost business may migrate to regional theme park operators, which describes the Company's 14 domestic mid-market parks. The Company's 15 major market domestic parks may have somewhat more adverse exposure to Sept 11. Competitor destination theme parks may aggressively price their product and increased focus on market share in order to protect fixed cost/asset utilization. It is possible that Sept 11 may be the genesis of an industry pricing war should the economy remain weak.

Other categories of competitive entertainment include TV, especially the newly emerging interactive market, movies, rental & theater, electronic gaming, the newly emerging interactive Internet market, professional and recreational sports, leisure travel, computers, music/concerts, arts/crafts/hobbies, etc. This entertainment "umbrella" is analogous to a grocery store in many respects that includes competing substitutes. Consumers blend preferences and needs. Demographics drive consumption.

The electronic gaming business is the industry most directly targeting the youth market and thus the Company's core demographics. Microsoft launched the Xbox in North America in mid November 2001. Each unit retails for \$300. The average customer spends several hundred more dollars on games at the time of purchase. Microsoft anticipates its North American Xbox sales will exceed \$3B dollars in its first year alone. The Company is also launching additional production and rollout in both Europe and Asia in early 2002, and anticipates total FY 02 Xbox sales in excess of \$5B - the first year

in this business. It is worth noting that Microsoft anticipates spending in excess of \$500M 'hard dollars' marketing this product in its initial launch year, not counting its enormous 'soft dollar' capability to market this product within both its Internet Properties and as a coordinated effort to cross-sell while consumers purchase other products, notably Windows XP. Other major competitors in this business (Sony, Sega, Nintendo, Electronic Arts etc.) are rapidly growing as well, despite the emergence of the Xbox.

How is this relevant to PKS? A battle is being waged for discretionary time as well as the discretionary economic entertainment budget drain occurring within the sweet spot of theme park demographics. Electronic gaming consumes discretionary consumer time. Many consumers spend far in excess of twenty hours a week with such entertainment. Equally important is the nature of this time spent. The sophisticated interactive software component in an increasingly broadband-wired society is powerful. The time consumers 'invest' in such entertainment builds powerful intangible assets not markedly different from standard computing, including as an example, Microsoft Office and its influence on overall productivity in the workforce. This intangible product generation is a newly emerging force in the field of entertainment. Most important, this consumer entertainment 'time investment' is not occurring in a vacuum. The effects of changing consumer behavior, especially the critical youth demographics as a result of this 'time investment' will inextricably create a secular sea change in the entertainment business both domestically and abroad. Many entertainment analysts expect this trend to rapidly accelerate in the coming years.

**Observations:** PKS is by far the largest theme park operator in the USA. However, new forms of competition are significant, both in their broad emergence and their strength to influence both consumer-spending patterns and how consumers elect to invest their discretionary time. Company competitors through interactive products approach will increasingly focus on building consumer 'entertainment' intangible assets. It is unclear whether PKS can adapt to this change in the entertainment marketplace.

#### **Issue 10: Comparative Industry Competitive Analysis – The Cable Industry**

PKS in many respects is in the business of entertainment distribution. The Company does not build park rides/entertainment 'in-house' or spend money on R&D. Rather, the Company acquires and maintains a portfolio of parks as a platform for entertainment, and then goes about the business of optimizing this portfolio through the purchase of park rides/entertainment and the licensing of intellectual property to enhance these rides/entertainment. The emergence of the wired interactive entertainment world is increasingly dependent upon Cable properties, DSL, and now Satellite as an electronic/broadband distribution platform, not unlike PKS in the non-wired world. Only the scope of this distribution is broader than entertainment, while including a rapidly growing business service component. For our purposes we will focus on cable, which is the most established of the three. Cable is the platform most experts believe will capture the long-term lion's share of this rapidly emerging interactive electronic distribution marketplace. While we understand that Cable companies are not theme park companies, the dynamics of both are worthwhile comparing.

Three major relatively pure cable plays in our analysis are Cox Communications, Charter Corp, and Comcast Corp, all of which are rapidly capitalizing their respective businesses as a result in large part due to the emergence of electronic/broadband interactive entertainment. Generally speaking, these companies are fully-integrated, diversified broadband communications companies with interests in domestic cable distribution systems, telecommunications and technology and broadband networks. This is their core business, though some are also in the business of program network creation, cellular & personal communications systems etc. Clearly, they are not 'pure' entertainment distribution platforms either, as increasingly there is a growing business service component within this electronic/broadband distribution platform.

The business model distinctions between the cable electronic/broadband distribution platform and the off-line PKS entertainment distribution platform are numerous: First, cable properties are extremely scalable, not limited by geography (size & quality of real estate). Second, little to no seasonality and demographic risk exists within this distribution platform, as consumers demand for electronic/broadband distribution, whether individual or business, is generally non cyclical, especially for large geographically diversified cable operators. Third, little to no event or legal/accident risk exists as this platform is distributed to both homes and businesses. Thus, there is no public aggregation component. Fourth, the electronic/broadband distribution platform lends itself to both recurring revenues and the opportunity to actively cross-sell captive customers with additional products and services year-round. Fifth, customers using the electronic/broadband distribution platform are increasingly interacting and investing their human capital with products

and services, and are apt to generate valuable intangible assets within this environment, assets that are critical to brand building.

Business model similarities between the cable electronic/broadband distribution platform and the off-line PKS entertainment distribution platform are somewhat limited. First, both platforms predominantly acquire entertainment and seek to optimize this entertainment component within their distribution environment in order to enhance customer experience. This optimization is a function of both increasing attendance/market penetration and increasing captive customer spending or 'per cap spending'. Second, both platforms are quite regulated for predominantly consumer protection reasons. Third, both industries are capital intensive and experience significant depreciation charges, although 'copper wire' depreciation is more difficult in many respects to quantify than, as an example, park ride depreciation.

**Table 6**  
**Cable Electronic/Broadband vs. Theme Parks as Entertainment Distribution Platforms**

<u>Comparative Financial Metrics – Jan 2002 (3)</u>	<u>Charter</u>	<u>Cox</u>	<u>Comcast</u>	<u>Cedar Fair</u>	<u>PKS</u>
Market Capitalization	4.9B	24.8B	34.1B	1.21B	1.43B
Recent Stock Share Price	\$16.60	\$41.29	\$36.02	\$23.91	\$15.48
Price to Sales Ratio	1.16	6.45	3.75	2.63	1.31
Price to Cash Flow Ratio (NOT Free Cash Flow)	14.49	16.21	7.40	10.87	10.81
Latest Quarterly Sales vs. Prior Year %	24.42	14.38	20.18	7.05	4.45
Latest FY Sales vs. Prior Year %	27.28	19.64	19.53	3.96	5.28
5 Year Sales Growth %	284.40	22.21	19.57	16.73	89.24
Current Gross Margin %	86.50	75.88	73.80	88.98	52.83
5 Year Average Gross Margin %	74.52	76.29	69.87	89.30	49.25
LT Debt to Latest FY's EBITDA (1)	10.42	5.79	4.65	0.90	6.01
LT Debt to Last 4 Quarter's EBITDA (1)	9.12	5.15	4.22	0.87	6.03
Total LT Debt & Liab to Latest FY's EBITDA (2)	10.74	5.79	5.36	2.18	6.93
Total LT Debt&Liab:Last 4 Quarter's EBITDA (2)	9.40	5.15	4.87	2.09	6.95
EBITDA Margin Latest 4 Quarters (1)	45.90	38.78	29.40	33.29	34.16
EBITDA Margin Latest FY (1)	46.22	39.27	30.06	32.75	36.67
EBITDA Margin 5 Year Average (1)	41.33	39.82	28.88	35.80	31.14
LT Debt to Equity (2)	4.95	0.79	0.78	0.41	1.44
Total Debt to Equity (2)	4.95	0.79	0.81	1.01	1.66
Last 4 Quarter's Revenues (000's)	3,739,993	3,927,608	9,257,700	485,282	1,050,981
Year Over Year Change LT Debt (000's) (1)	3,487,000	150,673	2,883,400	(114,600)	(2,002)
Yr Over Yr Change LT Debt & Liab (000's) (2)	1,928,285	150,673	3,351,500	38,662	300,557
Last 4 Quarter's Cash Interest Paid (000's) (2)	905,757	477,845	677,500	20,672	217,642
Last 4 Quarter's CapX (000's)	3,127,634	2,282,668	2,272,000	93,487	169,538
Last 4 Quarter's Acquisitions (000's)	1,847,686	0	943,800	0	132,048
Last 4 Quarter's Investments/(Sale) (000's)	38,470	(1,235,099)	(406,200)	0	9,976
Yr Over Yr Change Primary Avg. Shares (000's)	69,285	(558)	42,700	(758)	13,613
Yr Over Yr Change Diluted Avg. Shares (000's)	69,285	(2,007)	(14,100)	(748)	15,856
Senior Debt Rating	B	BBB	BBB	NA	B

(1) Analysis ignores PKS Partnership EBITDA/Adjusted EBITDA, as these are equity investments where available cash for distribution to PKS has historically been significantly less than partnership EBITDA allocation. These investments have significant LT liabilities related to Limited Partners. LT Debt is regular debt only, not PIERS.

- (2) Equity for PKS purposes does not include \$287M PIERS Preferred issuance, as this is a debt equivalent; mandatory cash conversion, 7.25% coupon interest, etc. Therefore, PKS Preferred dividends roll into cash interest expense. Total LT Debt also includes Other LT Liabilities, most of which relates to the PIERS Preferred Stock, and Current Portion Due on LT Debt Outstanding.
- (3) All Companies have December 31<sup>st</sup> year-end.

The cable industry was the consummate cash cow industry until the latter 1990's, when the wide spread potential of electronic broadband first became apparent. Many experts attribute this industry vision, combined with the impetuous to drive both the industry's rapid capitalization and consolidation to Paul Allen, co-founder of Microsoft Corporation and CEO of Charter Communications. The industry has in excess of 1000 domestic players. Charter had sales in FY 98 of only \$63M. Charter, similar to PKS, primarily acquired its market share and anticipates sales of nearly \$4B in FY 01. It is apparent that both Comcast and Cox have less than stellar 5-year sales growth, particularly Comcast, which has more actively acquired cable properties. Charter in many respects forced these companies into an industry capitalization arm's race of sorts. Paul Allen has deep pockets and a commitment to developing an interactive cable system.

While Charter may represent the PKS business acquisition model within the cable industry, the company that best captures the cable industry's organic growth is Cox. This Company made NO acquisitions and has sold in excess of \$1.2B in non-core properties within the last year, rather than embark upon a path of rapid debt build-up. Despite the lack of acquisitions and substantial non-core property sales, the Company still managed recent quarterly revenue growth in excess of 14% and FY growth of nearly 20%. Clearly, their core organic growth, consisting of both household penetration and existing household expenditures levels achieved significantly greater growth. Charter and Comcast also grew their respective businesses. Much of that growth was through acquisition. Isolating organic growth is difficult.

Within the regional theme park industry, Cedar Fair (FUN) because they had no acquisitions, managed organic quarterly growth of approximately 7% and FY growth of nearly 4%. PKS had significant park acquisition activity that made overall quarterly revenue growth of +4% and FY growth of 5% possible. However, organic 'same park' growth was negative at approximately (2.6%). We estimate 2001 FY growth at approximately (1%). This estimate reflects Company management blending partnership park/non consolidated performance into their overall 'same park' (0.5%) 3Q 01 YTD reporting. PKS had nominal 'same park' growth in FY 2000. A disproportionate share of this growth occurred within the non-consolidated partnership park network. It is worth noting, this 'same park' performance substantially lagged the CPI or any other recognized inflation index in FY 00.

**Observations:** Both theme parks and cable properties are in the business of entertainment distribution. Significant business model distinctions include scalability, seasonality, demographics, Sept 11 style event exposure, legal/accident risk, recurring revenues, ability to cross-sell, and intangible asset formation – all of which favor cable properties. Similarities include a network optimization strategy that includes increasing attendance/market penetration and captive customer 'per capita' spending. Additionally, both platforms are heavily regulated for predominantly consumer protection reasons and are capital intensive in nature. The cable industry and Cox in particular offer an excellent industry comparative analysis. Cox financial metrics versus PKS include far superior organic growth, EBITDA debt coverage, and leverage/Debt/Equity characteristics. The comparative business models of Cedar Fair (FUN) and PKS, while somewhat different, demonstrate that in the regional theme park industry, FUN's financial structure and organic growth was superior to that of PKS. This growth in part, reflected the fact that FUN did not recently acquire additional park properties.

### Issue 11: New PKS Business Model

The "business model" of the Marine World Park may provide a viable way for PKS to expand the Company's presence in parks, without the typical associated up front capital costs. If the economy continues to stay in recession, management might be tempted to stray from its stated policy of not acquiring park(s) in 2002; "cherry picking at risk regional municipal run parks, privately run parks lacking effective access to capital, or parks not viewed as adequate contributors of shareholder value by existing ownership. La Ronde, Enchanted Village, and Sea World of Ohio are prime examples. This business model does not include building new parks from scratch, which is prohibitively expensive, especially as the cost of capital in recent years is greater than park-operating margins.

The business model rationale is that municipalities will eventually be forced to choose between job losses and a loss in entertainment, and in the case of private parks, bankruptcy. Regardless, municipalities might step in because theme parks have historically constituted a critical element of the over-all regional standard of living. Convincing an operator such as

PKS will require economic incentives (tax abatement/credits, subsidized rent, “risk sharing” etc.). It is possible that PKS will opt to first assume park management similar to the Marine World model, and maintain an option to buy a controlling stake at a later date. Clearly, this approach is something the bankers and the financial community endorse: the opportunity to increase PKS cash flow without material incremental capital requirements, plus possible taxpayer and/or seller subsidized economic concessions.

Beginning in February 2002, the Company will have an exclusive five year option to purchase Marine World at a purchase price equal to the greater of the then principal amount of certain debt obligations of the seller, expected to total approximately \$52M, or the fair market value of the seller’s interest in the park (based on a formula relating to the seller’s 20% share of Marine World’s cash flow). The seller in Marine World’s case, is an agency of the city of Vallejo. Relevant considerations from the municipality’s perspective include their level of overall debt, other companies’ level of interest in the park management contract and/or the park itself, plus the overall performance of the park both financially and non financially. Management has indicated that no action is expected in FY 02. Clearly the Company prefers continuing debt service and payment of 20% of combined park free cash flow versus purchase and absorption of the municipality’s park debt. **The fact that management does not anticipate exercising its option in FY 02 might indicate that significant park free cash flow is not anticipated.** The contrary is also possible. We do not know.

PKS with La Ronde acquired an interest in a park from a municipal authority. The Company may have extracted significant economic subsidies including a below fair market value lease. **Communicating any such subsidies to the financial community may put PKS in the awkward position of potentially alienating the immediate-park community via negative press.** There is little or no meaningful PKS disclosure regarding this transaction. We know PKS was provided a substantial (2000 season) period to manage the park before fully committing to the acquisition in May 01, and hence, an excellent opportunity to first “kick the tires”.

Sea World of Ohio and Enchanted Village illustrate typical theme park consolidation economics in the non public sector. Park operators for their own internal reasons want to get out of the business. By exiting they often allow an operator such as PKS to consolidate the immediate market area. This market consolidation results in a less competitive market area from a forward looking pricing standpoint, cost synergies in areas such as sales, marketing and other standard park overhead. The presence of a large committed theme park operator such as PKS creates a significant barrier to entry for any would be competitors. These consolidation forces were clearly a factor in the Sea World of Ohio purchase. Enchanted Village presented the Company with an opportunity to move into the large Seattle market area, which lacks a major theme park operator. The terms were also capital friendly PKS committed less than \$20M of capital, much of which was common stock. Furthermore, PKS contracted a long-term park property lease with the seller.

Another example of PKS management acting on this newly evolving business model is reflected in the anticipated opening of the Madrid Spain Movie World Park. The Company elected to take over Time Warner’s position in this deal in 1999. The managing 5% owners have a capital commitment of only \$8.5M. PKS was able to avoid building a park from scratch because serious public support in the form of capitalization subsidies did not exist.

**Observations:** The consolidation of the theme park industry is placing many public and private parks at risk, creating a buyers market. The PKS business model has historically contributed to industry consolidation. **This consolidation is logical given both the capital intensive nature of the business, capital costs that recently far exceed operating margins, and less than stellar ‘same park’ performance. The Company’s overall leverage, commitment to free cash flow/de-leveraging, and credit facility restrictions and covenants may limit acquisition activity at a time when it is clearly a buyers market.** Economic incentives captured during negotiations (often with municipalities) are difficult to quantify as neither the buyer nor the seller benefits from sharing this information. Clearly, tax credits, below fair market leases, and risk sharing in a multitude of forms appear not to be items municipal authorities/politicians nor park operators such as PKS care to share with the regional “attending” population.

## **Issue 12: Capital Expenditures and Potential Acquisition Commitments**

Company Q3 2001 guidance stated that the Company does not intend to acquire additional assets until it increases cash flow to reduce debt. PKS recently added several parks (Enchanted Village and Wild Waves, Seattle, WA. and Sea World of Ohio). Management indicated “there is an opportunity over the next several years to increase park revenue, attendance and cash flow, with relatively modest capital expenditures.” PKS management has gone on the record with respect to La Ronde, committing \$58.7M in capital expenditures over 4 seasons commencing in 2002. Little regarding the development

of Movie World Madrid (Spain) has been disclosed, other than “the Company is paid a development fee from the owner and will manage the park on a long-term basis along with holding a minority interest in the park’s ownership”.

Management stated that CapX of \$140M is anticipated in FY 02, including a relatively consistent level (\$125-150M) per year thereafter for the next several years. Currently, CapX must be tested against credit facility covenants, and then only to the extent expenditures exceed \$85M/year. It appears unlikely management will lose discretion over CapX spending. Any future acquisitions require direct credit facility banker approval only if an acquisition exceeds \$175M. However, given that these same bankers control the right of management to incur any additional debt/liens, any such future park acquisition(s) may likely be of a capital friendly nature, similar to Enchanted Village.

**Observations:** Management has provided clear guidance with respect to both CapX and its intent to target much of this CapX towards recently acquired parks. If management were to pursue a park(s) acquisition, it is likely that such an acquisition would be of a capital friendly nature, similar to Enchanted Village. Rather than committing significant amounts of debt or cash, Enchanted Village included common stock issued combined with a long-term lease of park real property.

**Table 7  
Six Flags Acquisitions**

<u>Date</u>	<u>Park</u>	<u>Location</u>	<u>Price Millions \$</u>
Aug 95	Funtime	Ohio and New York	\$60.0
Oct 96	Elitch Gardens	Denver, CO	62.5
Nov 96	Waterworld	Concord & Sacramento Ca	17.3
Dec 96	The Great Escape	Lake George, NY	33.0
Feb 97	Riverside	Springfield, Ma	22.2
Apr 97	Marine World	Vallejo, CA	NA
Nov 97	Kentucky Kingdom	Louisville, KY	64.0
Mar 98	Walibi Parks	Europe	139.5
Apr98	Six Flags Parks	12 Park chain-misc	1,671.0
May 99	Reino Aventura	Mexico City, Mexico	59.6
May 99	White Water	Atlanta, GA	40.7
May 99	Splashtown	Houston, TX	20.4
Nov 99	Movie World and other licenses	Dusseldorf, Germany	180.3
Dec 00	Wild Waves/Enchanted Village	Seattle, WA	19.3
Dec 00	La Ronde	Montreal Quebec	20.0
Jan 01	Sea World, Ohio	Aurora, OH	110.0

### Issue 13: Balance Sheet Issues, Leverage, & Liquidity

The Company received a significant positive adjustment to the balance sheet in FY 01: the net PIERS issuance of \$278M (\$287.5M Gross). While the PIERS are not technically debt, these securities have many characteristics of convertible debt. These shares may be converted into common stock if the prevailing closing stock price exceeds the then established conversion price by 20% for 20 trading days within a 30 trading day period. As a result of the PIERS issuance, the Company was able to both finance acquisitions and pay down its credit facility, thus freeing up significant potential liquidity in the process. There is a possibility that additional non-debt securities may be necessary to service the Company’s debt, as operational free cash generation might not suffice.

Specifically, the Company’s LT debt ending Q3 was \$2,226M and all other debt, most of which is ST in nature, was \$392M. These numbers exclude the \$279M PIERS issuance. Comparable LT and ST debt levels ending Q2 01 were \$2,282M and \$336M, including other LT debt (primarily credit facility) of \$388M. The Company appears to be redoubling its efforts to reduce corporate leverage in light of both the economic downturn and Sept 11. Even if one views the PIERS issuance as debt (because of its 7.25% annual interest) and not equity/contributed capital, total debt still fell within Q3 from \$3,006M to \$2,896M. It is important to note that ending Q3 is the ‘high-water’ mark for FY balance sheet strength in this highly seasonal business. Total ending Q3 00 debt was \$2,629M, nearly identical to total ending Q3 01 debt, excluding the PIERS issuance.

Ending Q3 01 equity totaled \$1,546M vs. ending Q3 00 equity of \$1,613M. Thus, the technical (excluding PIERS) PKS debt to equity ratio has increased in the last year from 1.63 ending Q3 00 to 1.69 ending Q3 01. The Q3 01 debt to equity ratio if PIERS are included as debt rather than equity, which appears appropriate from a Non-GAAP/economic reality standpoint, increases to 1.87. The Company's anticipated FY 01 EBITDA to support this increased leverage marginally decreased to \$360M from FY 2000 EBITDA of \$369M, while the economic outlook has substantially worsened.

Two critical factors make year over year EBITDA comparisons difficult. The Company spent in FY 00 in excess of \$334M in capital expenditures, while in FY 01 capital expenditures (per recent management Q3 Conference Call) are expected to total \$175M and only \$140M in FY 02. Thus, management is now potentially under-investing/running off its asset base, because the Company's depreciation and amortization run-rate is approximately \$200M/year. How long PKS can run off its asset base before possibly damaging the core business remains to be seen. Working in the Company's favor is the pending application of FASB statement 142, which will have the effect of eliminating the Company's significant on going goodwill amortization expense related to goodwill of approximately \$55M year. Statement 142 is not a non cash item that will not affect the Company's cash-flow, nor will it impact the age of the Company's depreciable asset base as it relates to CapX expenditures. FASB statement 142 will act as window-dressing for reported earnings moving forward.

The cost and risk associated with increased Company leverage is potentially much greater than in year's prior where consumer spending deterioration was non-existent. The downturn of the worldwide business climate post Sept 11 is clearly a serious issue to all business environments. Management stated in the Q3 01 conference call the Company has ample liquidity of approximately \$724M, \$600M derived from two available credit facilities and the remainder in cash. Management is sending a strong signal, given the economic downturn and Sept 11, that free cash flow generation or additional liquidity is priority number one. Through reduced capital expenditures and park acquisitions, management intends to do its part to facilitate increased liquidity. What is unclear, most critical to liquidity, and not subject to management control, is anticipated EBITDA. Management recently offered no FY 02 EBITDA guidance in a November 9, 2001 conference call. Clearly consumer confidence and therefore park attendance remains a significant unknown.

**Observations:** Company liabilities continue to grow on a year over year basis, despite efforts to reclassify debt as contributed capital via the PIERS issuance. Company equity continues to contract. While overall EBITDA has held up thus far on a 'same park' basis, YTD EBITDA growth has been increasingly negative. Management anticipates cutting capital expenditures 48% for FY 01 vs. FY 00, and further cut such expenditures of 20% in FY 02. This appears to be an important material discretionary management financial 'lever'. Excessive discretion may possibly pose a long-term problem to the core business. It appears that current liquidity is more than adequate for operational requirements. However, the Bear Case notes significant economic uncertainty for the foreseeable future. This case includes the possibility of a continued economic downturn, and/or a future Sept 11 category event, resulting in a continued deterioration of liquidity and equity. Debt, in this Bear Case scenario, would thus continue to constitute a larger percentage of a shrinking capital structure.

#### **Issue 14: FASB Accounting and/or Reporting Issues**

The Company should report approximately \$1.2B in goodwill as of January 1, 2002, subject to the recent FASB pronouncement Statement 142. This statement will require that goodwill with indefinite useful lives shall no longer be amortized. However, Statement 142 will require that assets with useful lives be tested for impairment, at least annually. In connection with the transitional Goodwill evaluation, Statement 142 will require Goodwill with a definite useful life to be assessed for impairment as of the date of adoption (effective Jan 1, 2002). To the extent Goodwill's carrying amount exceeds its implied fair value, the loss must be recognized no later than the end of the year of adoption (Dec 31, 2002) and recognized as the cumulative effect of a change in accounting principle, or an extraordinary item, in the Company's consolidated statement of operations.

PKS might have attributed the excess it paid over book value, or goodwill, to appreciation as it relates to the indefinite useful life assets such as real estate and replacement cost including depreciable/definite useful life assets such as buildings, rides, other park assets etc. The ratio of indefinite useful life assets vs. definite useful life assets will drive the FASB Statement 142 risk. Management recently disclosed that "virtually all of the Company's intangible assets are of indefinite useful life". It appears the Company will largely benefit from Statement 142 as this change will likely improve the Company's earnings moving forward.

**Observations:** The higher the percentage of goodwill attributed to indefinite life assets such as land, the more it is possible this FASB pronouncement will have a net positive effect on PKS earnings moving forward. This class of asset will no longer be subject to amortization. The higher the ratio of definite useful life assets constituting PKS organizational goodwill, the stronger the likelihood this pronouncement might have a net negative effect on PKS earnings as impairment creates reporting downside, not upside. Either way this is a non-cash item and has little to no relevance to the Company's ability to produce free cash-flow.

#### **Issue 15: Intangible Assets, +99% Goodwill**

The \$1.24 billion of intangible assets on the balance sheet (the vast majority [99%] being goodwill) represents the excess paid for park assets by PKS over book value. The FY 2000 goodwill run-rate of approximately \$55M implies an average useful life of nearly 25 years. Given management's assertions that 6% of revenues needs to be re-invested in capital items per partnership park agreements, and therefore a useful proxy; the ratio of indefinite/definite life assets related to goodwill on its face is approximately 1:2. Management recently disclosed that, "virtually all of the Company's intangible assets are of indefinite useful life".

The \$1.24B goodwill in question implies, using the ratio above, that approximately \$826M relates to definite life depreciable assets acquired and approximately \$413M to indefinite life assets. This equates to a 16-year write-off, rather than a 25-year write off. This is consistent with partnership park capital planning. However, per the PKS balance sheet, ending FY 2000, definite life assets constituted +90% of all real (non intangible) assets. This implies, if one assumes that park acquisitions are consistent from an asset mix standpoint, Company management has attributed 90% of Goodwill to definite/depreciable life assets. These assets, therefore, have an implied useful life of 20.5 years (90% of goodwill divided by FY 2000 run-rate) not 16 years. Management again disclosed that "virtually all of the Company's intangible assets are of indefinite useful life".

Asset impairment is a function of both asset revenue generation and the costs associated with such revenue generation. Net cash flows are then discounted accordingly. Most definite life PKS assets are heavily dependent on the revenue generation (park rides etc) side of the equation. Any significant and sustained drop off in asset turnover/utilization due to falling park attendance could possibly result in impairment under FASB Statement 142 and result in an extraordinary loss due to a cumulative effect of a change in accounting principle. However, since management allocated virtually all of goodwill to indefinite useful life assets any impairment under FASB Statement 142 appears to be a remote possibility at best.

**Observations:** Management recently disclosed that virtually all of the Company's intangible assets are of indefinite useful life. PKS will benefit in terms of FASB Statement 142 window dressing, or improved operating earnings because this statement provides that goodwill with indefinite useful lives no longer be amortized, rather tested for impairment annually. Because amortization is a non cash item it is doubtful that FASB Statement 142 has any real economic relevance.

#### **Issue 16: Other Balance Sheet Issues – Net Operating Losses (NOLs)**

The Company has as of the ending Q2 2001, approximately \$860M in net operating loss carry-forwards (NOL) available for federal income tax purposes that expire in 2020. Management believes it will more than likely realize the benefits of these NOLs. Given how fast PKS is accruing NOLs and the worldwide downturn in the economy, this likelihood appears to be diminishing.

**Observation:** The NOLs would be of value to any profitable PKS suitor.

#### **Issue 17: Real Estate**

The Company appears to have provided little disclosure with respect to fair market value of either land owned, liens against real property, or the lease liabilities themselves. A total of 11 parks (out of 38 operational) have some type of leasehold arrangement. The other park properties are "fee ownership". The lessor is the limited partner of the partnership in two of the leases. With three other leases, PKS owns a minority of each park's real property. Two other leases do not have an arms-length (Marine World Vallejo, CA, PKS manages park, nominal rent) arrangement (Seller of Enchanted

Village, Seattle, WA, maintained real property ownership), and therefore only 4 of the companies 11 leases have the appearance of an arm's length transaction. These facts imply the Company and the lessor's interests in most cases are aligned rather than adversarial.

During 2000, 1999, and 1998, the Company recognized approximately \$3.9M, \$2M, and \$1M respectively, of rental expense under these rent agreements. Total rental expense, including office space, was approximately \$9.3M, \$7.4M, and \$7.9M for the years ending December 31, 2000, 1999, and 1998 respectively. Minimum operating lease commitments ending December 31, 2000 total \$81.4M with \$66.9M occurring in 2005 and thereafter. The Company disclosed regarding its lease commitments "in certain cases rent is based upon percentage of revenues earned by the applicable park". The annual rent is therefore not material and is included in the Company's consolidated operating expenses

The Company has granted to its lenders under its \$1.2B credit facility agreement, a mortgage on substantially all of its United States properties. This is customary for bank loans of this nature. The Company has extensive real estate holdings, including raw undeveloped land. These holdings provide ample additional security to the banking group and make a technical default highly unlikely. The Company could, for instance, if it were in a bind, sell excess land and/or leaseback property if there was an urgent credit facility cash crunch. Furthermore, as all real estate is carried at cost, any transfer of property to the banking group would not result in a direct reduction in Company equity.

**Observations:** The Company currently has 11 parks under lease. Only 4 of these leases are truly arms-length in nature. The Company owns the remaining parks and significant raw land. All domestic property acts as collateral for the Credit Facility banking group. The Company's real estate in a disaster scenario (probably much greater than the \$294M land, \$299M land improvement, and \$540M building book values ending FY 2000) would act as collateral, and thus would not be available to shareholders under Chapter 11 or other bankruptcy filings.

#### **Issue 18: Park Acquisition Accounting**

Management does not normally restate prior results in the year of an acquisition. In the case of a material acquisition, the Company may provide certain supplemental disclosures to assist investors. For example, management provided supplemental disclosures throughout 1999 with respect to both the Six Flags and the Walibi acquisitions, which were acquired by Premier Parks. Typically, little supplemental information is provided because acquisitions relative to the balance of the operations are not nearly as large. Performance of acquired park(s) are then included starting from the day of the acquisition.

The Company benefits in two ways because most acquisitions have historically occurred during the off-season. First, part of the negative off-season cash flow is avoided in the year of acquisition. Second, revenues are neither materially impacted nor are they deferred. Thus, an apples-oranges comparison shows more aggregate Company revenue growth in the year of acquisition, while avoiding some negative cash flow off-season expense. These dynamics will influence both the Sea World of Ohio and the La Ronde acquisition performance in 2001. There is no quantifiable disclosure that assists the investment community in ascertaining the 'same park' performance of recently acquired park(s) (e.g. La Ronde) in the year acquired. Recently acquired parks are disclosed in filings by management. It is probable these park(s) will receive significant CapX and other re-branding efforts to build top-line future growth.

**Observations:** Company park acquisitions historically occur in the off-season. Performance of all acquired parks starts from the day of acquisition. The result of such accounting is a one-time economic benefit in the year of acquisition. Off-season negative cash-flow carrying costs are somewhat avoided, while the benefits of normal revenue recognition during the operating season remain fully intact. No 'same park' revenue disclosure is normally provided with respect to recently acquired parks. Management appears to anticipate that the Company, through its CapX and re-branding efforts, will add value to recently acquired park(s) in the form of forward looking top-line growth.

#### **Issue 19: Domestic vs. International Park Distribution**

There is a distinction in domestic vs. international market distribution strategy. These strategic distinctions are somewhat linked to a generally higher population density in Europe and parks situated in Mexico & Canada. This population density includes superior public transportation compared to domestic regional mid-market parks. These 10 international parks are primarily situated in major markets. A core park distribution question is whether approximately 14 domestic mid-market parks will contribute to a utilitarian business model moving forward. The answer may be related to

population demographics. Europeans are on average, an older population with a significantly smaller average family size. Thus, a major destination in the business and/or tourist market is an important business model component. Otherwise, park attendance might not justify investment. Most leading experts believe that domestic aging and shrinking family size demographics are lagging Europe, rather than leading. It appears this 'population positioning' may be a long-term secular concern because approximately 14 domestic parks are mid-market regional operations. The Company counters this argument explaining the benefits of the current demographic youth bubble in the US, and cites the fact that 15 parks can more appropriately be described as major market destination parks. Critics would argue this is transitory; we really are aging and our family size is shrinking as a population. The Bear Case argues today's youth is less culturally attuned to the theme parks, and therefore less likely to attend than preceding generations.

Company management disclosed to us that their acquisition strategy never included a mid-market focus. However, approximately half the core domestic park portfolio appears to have a mid-market focus. The mid-market approach personifies the classic regional theme park business. Most attendees find the entertainment affordable because it is close to home. Therefore attendance is more stable and predictable. Low attendance volatility may likely indicate more mature park markets in the aggregate. It is unlikely that the Company's major market situated parks have this same regional flair. It is possible that some major market attendees may well travel by air. During an economic downturn the focus may be placed on the relatively steady regional component to the business. Conversely, during periods of economic growth the focus may shift towards the major market situated parks. The truth may be somewhere in-between. However, an aging population, shrinking family size, and mature mid-mark park economics may indeed disproportionately affect the Company's 14 mid-market domestic parks, and thus possibly influence the Company's continued push into major 'destination' markets.

An additional park distribution problem may relate to new park/acquisition behavior. Since 1999, the Company has made 4 park international acquisitions, all destination sites. During the same period of time, the Company acquired domestic acquisitions. Three of these acquisitions (Houston, Atlanta, and Cleveland) were essentially park expansions, referred to as "synergy-driven" acquisitions. These acquisitions are intended to consolidate their respective markets. The last acquisition, Enchanted Village, was consummated in the Seattle market. This market (business and tourist in the summer) is on the cusp of major market status given a steadily growing population base. PKS management appears to have wisely abandoned the domestic mid-market regional park strategy, excluding 1998 Time Warner Six Flags purchase. The last mid-market regional park acquisition was consummated in 1997. It appears the Company adopted this strategy due to a combination of inter-related factors; long-term erosion of park attendance demographics and an effort to diversify operational risk.

It is important to understand the distribution of park revenues. Domestic park revenue, including partnership parks, increased 5.7% (4.5% attendance & 1.1% per capita) in Q3 while international revenue decreased (4.7%). Further complicating Q3 domestic performance, 'same park' revenue decreased (2.3%). Thus, the entire system-wide 'same park' revenue decreased (-2.6%). Mitigating 'same park' deterioration, new park revenue (Seattle, Montreal, and Cleveland acquisitions) revenue is estimated at \$38.6M, or 158% of overall Q3 revenue growth of \$24.3M. New park revenue performance year over year remains unclear. As previously stated, the Company does not distribute park-by-park performance, citing competitive reasons. It should be noted that both Montreal and Cleveland were acquired (May 2, 2001 & Feb 9, 2001 respectfully) during the off-season. Thus, the Company experienced a one-time benefit, avoiding a significant period of off-season negative cash-flow operations. This fact will result in FY 02 'same park' expense pressure.

European performance appeared to be counter-intuitive. Europe historically accounts for approximately 12% of total Company sales. Revenues Q3 YTD decreased (8.5%) on a constant currency basis (<3.5% attendance <5% per capita spending), yet in Q3, the revenue decrease was only (4.7%) on a year over year basis. Possible explanations include Q2 weather and a partial loss of park operations in Belgium due to capital project delays. Regardless, economic conditions have steadily deteriorated during the current fiscal year. Management did not note this difficult partial recovery of European operations. Management mentioned in a recent disclosure that the new Spanish Park scheduled to open in May 02 is anticipated to generate approximately \$2.5M in management fees in FY 02.

Why did Q3 'same park' revenues decline? The revenue numbers may indicate the following. First, new parks appear to have performed well, while partnership parks held their own (Q3 YTD Revenues +3.2%). Second, European operations, while down year over year, may have bottomed and might possibly be trending up. Third, mature non-partnership domestic parks may have been somewhat disappointing. Partially offsetting the 'same park' reduction in Q3 revenues of

(2.6%) is a lesser reduction in 'same park' EBITDA of (0.5%). Adjusted EBITDA margins increased in Q3 01 to 62.3% from 61.1% in Q3 00; however, FY 01 Q3 YTD margins decreased to 43.4% from 43.9% in 00.

**Table 8**  
**Domestic and International Parks**

<b>6 FLAGS + NAME - Domestic</b>	<b>LOCATION</b>
America	Largo, Maryland 40 <sup>th</sup> largest USA
AstroWorld	Houston, TX 35 <sup>th</sup> largest
Darien Lake -Camping Resort	Darien Lake, NY 39 <sup>th</sup> largest
Elditch Gardens	Denver, CO 42 <sup>nd</sup> largest
Fiesta Texas	San Antonio, TX
Frontier City	Oklahoma City, OK
Georgia	Austell, GA
Great Adventure	Jackson, NJ 12 <sup>th</sup> largest
Great America	Gurnee, Illinois 21 <sup>st</sup> largest
Great Escape	Lake George, NY
Hurricane Harbor, California	Valencia, CA
Hurricane Harbor, New Jersey	Jackson, NJ
Hurricane Harbor, Texas	Arlington, TX 21 <sup>st</sup> largest
Kentucky Kingdom	Louisville, KY 49 <sup>th</sup> largest
Magic Mountain	Valencia, CA 15 <sup>th</sup> largest
Marine World	Vallejo, CA 30 <sup>th</sup> largest
New England	Springfield, MA 31 <sup>st</sup> largest
Splashtown	Spring, TX 12 <sup>th</sup> largest
St. Louis	St. Louis, MO 33 <sup>rd</sup> largest
Texas	Arlington, TX
Waterworld USA Concord	Concord, Ca.
Waterworld USA Sacramento	Sacramento, CA
Waterworld USA Texas	Houston, TX
White Water Atlanta	Marietta, GA
White Water Bay	Oklahoma City, OK
Wild Safari	Jackson, NJ
Wild Waves/Enchanted Village	Seattle, WA
Worlds of Adventure	Aurora, OH
Wyandot Lake	Columbus, OH
<b>6 FLAGS + NAME - INTERNATIONAL</b>	<b>INTERNATIONAL</b>
Belgium – aka Walibi-Wavre	Brussels, Belgium
Bellewaerde	Ypers, Belgium
Holland	Close to Amsterdam, The Netherlands
La Ronde	Montreal, Canada
Mexico	Close to Mexico City, Mexico
Movie World Madrid	Close to Madrid, Spain (scheduled to open May 2002)
Walibi Aquitaine	Close to Bordeaux and Toulouse, France
Walibi Rhone-Alpe	Close to Lyon-Geneva-Grenoble, France
Walibi Schtroumpf	Close to Metz, France
Warner Brothers Movie World	Close to Dusseldorf, Germany

**Observations:** The aging population and shrinking family size prevalent in Europe may have forced the Company to somewhat ignore the regional mid-market park distribution strategy moving forward. Management correctly realized an intelligent alternative was to develop a major market strategy in Europe, combined with a domestic park portfolio with a similar major market focus. Most leading experts believe domestic demographics are lagging Europe rather than vice-versa. The 15 major market domestic parks appear in the aggregate to be well positioned demographically. The 14 domestic mid-market parks may however be both situated in more mature markets in the aggregate, and adversely positioned to disproportionately bear the brunt of negative 'population positioning'. This may be both a near-term cyclical and a long-term secular problem, which is part substantiated by recent poor 'same park' performance, and which may begin to more closely track European 'same park' performance. However, because 6 parks contribute approximately 50% of overall EBITDA, as long as these 14 domestic mid-market parks simply hold their own, they should not act as too serious a drag on overall Company profitability.

## Issue 20: How Much Sustainable Free Cash-Flow Can Partnership Parks Generate?

Partnership Parks (PP) per the Company 10K filings, account for approximately 21% of total Company sales. The following 10 Issues address these questions:

1. Do PP's generate enough sustainable free cash flow to materially subsidize Company debt service on an ongoing operational basis?
2. Does the PP accumulated aggregate depreciable asset base have a greater degree of depreciation than non-partnership operations?
3. Have Partnership operations been undercapitalized in recent years?
4. Will Partnership parks going forward have to reverse the depreciable asset aging process by increasing CapX?
5. Will Partnership free cash flow distributions be at risk in the long term?
6. Will operating Partnership parks on a 'lean and mean' basis remain sustainable?

These Partnership parks consist of Georgia and Texas limited (each two distinct parks) partnerships, as well as Marine World and Movie World, scheduled to open in Madrid Spain May 2002. The Company's minority equity stakes range from 5% of Movie World to 35% of Texas LP. Accounting treatment for minority partnerships is non-consolidation, or equity accounting. This results in a roll-up number, the change in aggregate Company partnership equity hitting the Company income statement in Other Income, a non-cash item.

**Observations:** We are not certain why Marine World receives an equity accounting treatment. The Company has no equity stake in a classic sense. Rather, the Company has a 5-year exclusive option to purchase the park beginning in February 2002 and a 55-year lease beginning in January 1998, with a minimum nominal rent of \$1/year, plus minimum investment/capitalization requirements. The true economic rent contained within the lease, which refers to the Company as a tenant, is contained within the Revenue Sharing Agreement (RSA). The lease appears to be an arm's length performance based lease, rather than a partnership in the traditional sense of either jointly working and/or maintaining an equity interest in property together.

## Issue 21: Partnership Park Off Balance Sheet Debt

**All partnership parks need capital.** Partnership accounting currently benefits the Company by keeping partnership park debt off of the PKS balance sheet: \$91M of this debt consists of Company loans to partnership parks. These loans are currently classified as investments on the Company balance sheet. **As of ending FY 2000, partnership non-affiliated third party debt totaled approximately an additional \$86M.** Most of this debt relates to municipal bonds not guaranteed by the Company. Marine World guarantees these bonds with the remainder being of a capital lease nature. **Although the consolidated partnership balance sheet is only provided annually, it appears partnership debt has grown somewhat because Q3 YTD 01 interest expense increased 6% year over year. The partnerships appear to be capitalized, because YTD Q3 01 amortization and depreciation increased \$10.4M year over year to \$22.2M.** It may be the Company has extended further affiliate loans at a low rate of interest and that partnership partners are contributing assets. It appears that partnership profits are being re-invested. **It is possible that the partnerships may have taken on increased third party debt, or some combination thereof. We cannot be certain. These partnerships may continue to be capitalized, based upon the YTD growth in depreciation and amortization.**

The largest component of partnership park leverage is the overall remaining \$430 million of non-Company LP partnership equity. This amounts to a long-term Company obligation. The LP's have the legal right, as of ending Q3 01, to require PKS to purchase a maximum of \$128M in LP shares over the next 4 quarters. This amount increases cumulatively approximately \$30M annually. **The Company has a dedicated credit line of \$75M for such an event that would in FY 02 be a worst-case liquidity event of \$53M.** It is important to note that while partnership park debts will migrate/consolidate with PKS over the long-term as long as any non-Company LP partnership shareholders exist, consolidation treatment will probably not occur. The reason is that the partnership agreement contains a clause that prevents normal (debt & inter-Company loan) consolidation treatment by testing for control and thus equity ownership as long as any limited partners exist. The earliest LP shareholders can legally tender all their shares to PKS is the 2012 time frame and the latest 2028.

Partnership park performance appears to be disappointing despite what appears to be a large increase in invested capital over the last year, given the nearly doubling of the Q1 YTD depreciation run-rate and the smaller increase in YTD interest expense. YTD 2001 Q3 net income of \$52.9M represents an increase of a 4.4% year over year. Continued rapid increases in partnership park capitalization (whether affiliate debt, third party debt, retained earnings, or contributed assets) may not represent an effective use of partnership capital. The build-up in capitalization may represent additional fixed costs that could possibly reduce these partnership parks' long-term ability to generate free cash flow, and thus PKS distributions. Management disclosed that non-Marine World partnership parks Q3 01 YTD revenues increased 6.9% and EBITDA 17.1%. It is possible that Marine World, which is included in aggregate partnership park performance within company SEC reporting, may have somewhat under-performed management expectations because overall partnership park Q3 01 YTD revenues are up only 3.2%. This represents, however, a superior park performance versus the overall park portfolio performance. Management indicated to us it believes Marine World's performance has been very good.

**Observations:** Partnership parks are highly leveraged if the \$430M 'mortgage' owed to the Georgia and Texas Limited Partners, combined with all the affiliate and third party debt is factored into the analysis that will technically consolidate long-term. The affiliate debt would then become additional contributed capital. A possible concern stems from the recent lack of partnership profit growth, despite what appears to be vigorous attempts to further capitalize these parks. We do not know how the partnership capital structure is being built. The consolidated partnership balance sheet is only provided annually. Debt consolidation and inter-Company loan treatment (reduction in investment asset) is not an issue due to a result of well-crafted partnership agreements. Partnership park economics are highly material to PKS shareholders from a partnership cash distribution standpoint. Partnership ROIC may have hit a plateau because most partnership parks are well established and therefore quite mature within their respective markets.

## Issue 22: Partnership Park LP Shareholder Issues

The Company has significant 'off balance-sheet' leverage, primarily due to the investment in partnership parks and the relationship the Company established with its limited partners. Specifically, the Company has a 'mortgage' on the Texas and Georgia partnerships of approximately \$430M. This mortgage currently requires "interest" payments or distributions to all LP shareholders of \$50.2M a year (approximately \$15.9M goes directly to PKS as an aggregate 32% LP shareholder). These distributions are inflation indexed and have a historical CAGR of 2.6%. Additionally, the mortgage is payable in principal up to 5% per year, accumulating to the extent not purchased in any given year. Since the partnership was formed in 1997, PKS has made immaterial LP share purchases. This potential current liability (ending Q3 02) now stands at approximately \$128M or 30% of the original \$430M mortgage. **The Company has \$75M available in a dedicated escrow account available to fund this obligation.** Furthermore, \$430M is the minimum obligation. If these parks are highly profitable from a weighted four-year EBITDA average, the LP units are adjusted upward to reflect this performance.

After required distributions, other partnership park cash flow considerations include annual capital expenditures equal to 6% of prior year's revenues, except in the case of Marine World where there is no on-going CapX requirement. The partnerships must then service their debt, which is especially material in Marine World's case, and set aside adequate operational cash reserves. The Company then receives a management fee equal to 3% of the prior year's gross revenues, except in Marine World's case 250K/yr plus additional performance incentives up to 250K/yr. Thereafter, any remaining available cash is distributed to the Company in accordance with the L.P. agreement, after provisions for reasonable reserves: 92.5% Texas, 95% Georgia, and 80% of free cash in the case of Six Flags Marine World (Vallejo, Ca).

As a practical matter, the non PKS Limited Partners are passive investors who receive approximately a guaranteed 7.4% annual inflation indexed dividend/distribution (\$34.3 distribution on \$430M 'mortgage'). It is unclear to us whether LP's are able to treat annual distributions as a return of capital and thus receive favorable tax deferral treatment or if regular dividend treatment is applicable. Regardless, these annual distributions are both highly attractive in today's rate environment, guaranteed by the Company, and secondarily guaranteed by AOL Time Warner.

The LP economic incentives are the following: LPs are guaranteed annual inflation adjusted distributions and a pre-set value for their shares. If partnership parks maintain superior EBITDA levels over any four-year period, the LPs shares are adjusted upward accordingly to reflect park performance with no limit on upside share appreciation. Thus LPs participate in upside share appreciation and have no downside. Time Warner is on the hook should the Company, as the managing partner, not make these required distributions for whatever reason. If superior EBITDA were to result, it is possible, but

not probable, that the LPs might redeem at least some of their shares to back to the Company. This is the only scenario that would likely result in material early share redemption, and could force the Company to acquire shares priced at the top of the market/valuation. The number of shares depends upon both LP cumulative 5% redemption level/when redemption occurs, and individual LP preferences. Mitigating this risk are tax implications of LP share redemption including capital gains/loss of tax deferral.

By way of example, Texas Limited Partners received an initial floor/minimum valuation of \$374.8 million dollars. However, if the parks have a superior EBITDA four-year performance, the valuation receives an upward adjustment to 8.5x EBITDA no matter how large is park EBITDA. Thus, the LPs have a guaranteed floor valuation for their shares and unlimited upside.

**Observations:** The LP Partnership Park \$430M “mortgage” is not currently consolidated onto the Company balance sheet and will not consolidate any time prior to 2012 because the partnership agreement supercedes GAAP ‘control’ accounting treatment. While it may be improbable, limited partners have the right to exercise the sale of an additional 5% of the total LP shares, or approximately \$30M, annually on a cumulative basis. The net effect is that the limited partners can now legally sell 30% of their outstanding shares within the next year, or at any time approximately \$128M. Compelling deterrents to early LP share redemption are the annual distributions’ favorable risk adjusted returns, potential share valuation upward adjustment, tax considerations, and the credit protection afforded by AOL Time Warner in a worst-case scenario.

### **Issue 23: Marine World History**

The Marine World park arrangement starting in April 1997 was a management contract of the park, paying the Company a minimum of \$250K/year and up to \$500K/year for superior sales performance. The Marine World sales benchmark contractually stands at \$36.25M/year with 20% of revenue above \$35M accruing to PKS up to an additional \$250K/year. The CFO stated this threshold should be easily obtained as he expects FY 01 sales of \$50M+. The management contract provides the Company control over all operational matters, including critical decisions involving the budget process including CapX, sales and marketing and park operational scheduling.

Marine World has ample underutilized real estate. In 1998, the Company entered into a 55 year 55 acre property lease with the ownership structure of Marine World. The lease allows for the option of up to an additional 55 years. The Company quickly developed a new theme park on the leased land. The Revenue Sharing Agreement (RSA, the precise legal language/clause was not available within either Premier Park’s 1997 or 1998 electronic Edgar-online 10K/Annual Report) contained within the lease entitles the Company to receive, in addition to the Management fee, 80% of the cash-flow generated by the combined park operations after first deducting operating expenses and existing ownership debt service. The remaining 20% goes to the current ownership structure.

It appears that the RSA contains no on-going CapX requirement. Thus, Company park management responsibilities require the submission of a CapX plan that fulfills its fiduciary duties. There is a clause within the lease that mandates a minimum investment of \$7M and a maximum investment of \$50M. Both of these numbers are somewhat fluid because the RSA is quite complex. The lower figure is not relevant, as the Company has already made substantial investment. The larger figure may be exceeded if an approved bond-rating agency determines the investment will not result in cash flow so large as to create federal income for the Marine World ownership structure. This would occur if the 20% cash-flow distribution exceeded the Company’s existing debt service, which we estimate for FY 2000 at \$5.5M, or if total distributable RSA cash flow were to exceed \$27.5M.

This clause is an effective tool to limit over-all park development and creates an additional Company incentive to buy-out the existing ownership structure as debt service costs shrink over-time. If the Company were to purchase Marine World, this clause would be moot, as Marine World would no longer have a ‘partnership interest’. Marine World debt, which the Company does not guarantee, was \$68.6M ending 1998 and \$61.2M ending 2000. The disclosures pertaining to this debt, project an outstanding balance of \$52M at the time the Company can first (February 2002) exercise its 5 year exclusive option to purchase the park outright. Management does not anticipate any activity related to this option in FY 02.

The original management contract expires in Feb 2002. We anticipate the Company will make every attempt to renew its management contract because control over the combined park operations has significant value. The benefits of the Park management contract are clear. Control of the entire park, both the original Marine World Park and the Company

financed expansion on the leased park property, establishes important synergies often sought in acquisitions. Synergies include shared sales and marketing efforts, CapX coordination, and a stronger customer experience as the separate parks create a revenue model that appeals to a broader section of the population.

**Observations:** The Company's relationship with Marine World has evolved from a management contract to now include a revenue sharing agreement contained within the 55-year property lease. The Company still has no equity in the park itself. Beginning in early 2002, the Company will have an exclusive 5-year option to purchase Marine World. It is important that the Company retains the park management contract and thus control over the combined park operations.

#### **Issue 24: Marine World - Potential Impact upon Partnership Park Financial Statements**

Other than a balance sheet, no disclosure is provided that consolidates all three Company partnership interests. We have used our professional judgment in constructing the reality of these entities. The Company does not guarantee the original Marine World long-term debt of \$68.6M, which stood at \$61.2M ending FY 2000. This obligation remains with the current park ownership structure and rolls into our theoretical balance sheet as LT debt. We view it unlikely that any affiliate loans made should be attributed to the Marine World ownership structure. No major legal documents mention affiliate loans related to Marine World, including Lease, Management Contract, or Option to buy. The Credit Facility specifically precludes Marine World and all wholly owned Company subsidiaries from affiliate status, which is founded upon a 10% voting control threshold. As a practical matter, the partnership has no joint equity in any assets and still has no long-term fixed commitment related to equity. Management recently disclosed that Marine World does not participate in affiliate loan transactions.

We assume the contribution on the asset side of the balance sheet made by the Marine World ownership structure is the park itself, probably a typical theme park asset mix heavily weighted with depreciable assets and land. Book value with information provided to the public is difficult if not impossible to calculate. Finally, the RSA 'Partnership' came into existence upon the Company signing the 55-year lease, well into the off-season (January 1998). Consequently, there should not be a material amount of current assets or liabilities that Marine World committed to partnership at formation. Therefore, the theoretical Marine World partnership 'plug' is equity. We view as a positive that book value of contributed assets exceeds total liabilities. Otherwise, the result would be a negative equity contribution. It is not possible for us to know given Company disclosure.

The Company's contribution to this partnership balance sheet consists of assets with an offsetting equity adjustment. The Company invested between \$35-40M in 1998, adding 14 'new' rides. We do not know whether these assets, which amount to CapX, were really new or were assets taken from somewhere within the Company, or some combination. We do know the Company has re-assessed the useful lives of aggregate partnership asset contributions and is currently amortizing this difference. This 're-assessment' can only occur with used assets, as new assets do not contain 'judgment', and therefore additional amortization, regarding useful lives.

**This amortization, which currently has a run-rate of \$4.7M/year, effectively reduces the Company's investment in all partnerships.** We have no ability to quantify the potential magnitude of this issue because there is no disclosure regarding which partnerships received various asset contributions with respect to useful life adjustments. **The Company discloses "there is a substantial difference between the carrying value of the Company's investment in the theme parks and the net book value of the theme parks. The difference is being amortized over 20 years for the Partnership Parks over the expected useful life of the rides and equipment installed by the Company at Six Flags Marine World".** We do know that all such differences will result in the amortization of the Company's investment in partnerships.

Management stated to us that it has not recycled assets into Marine World. The capital investments have been entirely funded by PKS. These investments are included in the theme park partnership line. Management did not provide any additional insight into its stated policy amortizing the carrying value of the Company's investment in partnership parks in accordance with the stated re-assessment of partnership park asset useful lives.

**Observations:** The Company contributed meaningful depreciable revenue generating assets to Marine World with an offset to equity. The Marine World municipal ownership structure contributed a known amount of debt; park assets, and an equity amount that offsets accounting entries. These entries are dependent upon the book value of the assets contributed that are unknown to us. Company partnership asset contributions in excess of their book value are amortized over 20 years as an adjustment to partnership investment. It is impossible to know the magnitude of such contributions.

## Issue 25: Marine World Economics

Though this partnership does not result in an entity that creates equity in the traditional sense, equity is created in a theoretical sense through ‘ownership’ of the 80:20 cash flow split. The Company and the current ownership structure of Marine World do not share title to assets within their partnership arrangement. This same ownership structure has no interest in any other Company regular or partnership parks.

The 80:20 cash flow split is after on-going park operating expenses are paid and interest payments are made to service the debt, which we estimate at approximately \$5.5M for FY 01. It is possible that Company management has two agendas besides maximizing park operational performance. First, as the park manager, the Company might be inclined to present a robust CapX plan, encouraging current Marine World ownership to aggressively reinvest their 20% discretionary cash flow into additional park CapX. Second, the Company might not invest new Company CapX at Marine World, when it can recycle CapX into this park. The Company may have an opportunity to re-examine asset useful lives for used CapX contributions, and thus the potential to increase Partnership investment more than the book value of the asset(s) in question. This partnership equity investment in excess of book value is then amortized over expected useful life in Marine World’s case. The Company may not be inclined to share 20% of revenues stemming from new CapX with a third party. Again, these are our unfounded speculations. The Company indicated to us that it has not “recycled” CapX into Marine World. We can think of no other reasonable investment contribution to this partnership that would result in asset life ‘re-assessment’ that has taken place. Management did not clarify this issue to us.

Because the Company has full management discretion for the entire park, it can contribute CapX items as it sees fit and maintain clear title to those park assets. The economics of this arrangement are compelling. The Company may have not committed long-term capital to the park, other than revenue generating assets it contributes, which might be cherry picked from assets experiencing Company-wide CapX displacement, or simply normal rotation of assets within the park network to maintain a ‘fresh’ customer experience. The lack of partner equity integration at Marine World may be a factor in making this type of partnership transaction attractive because title remains clear due the fact that assets are not commingled.

**Observations:** The Company may seek to maximize combined Marine World Park operations cash flow with two strategies. First, the Company might contribute ‘second hand internal Company CapX’. Second, the Company might make a persuasive case to the Marine World ownership structure to continue aggressively funding their CapX program with their 20% partnership revenue allocation. We can only speculate on these alternatives because filings do not disclose the composition of assets nor their transfer or distribution. It is possible that the Company has not followed either of these strategies and in fact explicitly stated that “no recycled CapX” has been used at Marine World.

## Issue 26: Texas and Georgia LP Partnership History

In early 1998, the Company purchased a minority managing stake in each partnership, which effectively represented Time Warner’s managing equity interest in the partnerships. The limited partners originally sold their managing interest to Time Warner for what appears to be one dominant reason, guaranteed annual distributions. The Company, upon purchasing Time Warner’s interest, assumed the distribution responsibilities. As a condition to this transaction, the limited partners demanded that Time Warner continue to guarantee these distributions. Time Warner’s best distribution insurance is ensuring the partnership parks continue as viable economic entities, which includes adequate subsequent CapX. The partnerships annual CapX hurdle is 6% of a rolling five-year average revenue cycle. After required distributions and CapX, any available cash, allowing for reasonable operating cash reserves, will first go towards the Company 3% of prior year’s park revenues management fee and then allocated in favor of the Company 92.5:7.5 in the case of Texas LPs and 95:5 in the case of the Georgia LPs.

The Georgia (SFOG) and Texas (SFOT) partnerships in their entirety were originally valued at a minimum of \$250M and 374.8M respectfully. The Company officially subsequently ‘purchased’ approximately 25% of SFOG and 35% of SFOT for an original combined cost of \$180.6M with subsequent LP unit purchases of \$7.7M. We do not know how much of this cost was in cash. We do know that total cash investments in partnerships per the statement of cash flows totals approximately \$148.5M from beginning 1997 to ending Q3 2001, yet the consolidated Company balance sheet has total Company partnership investment of \$195.6M. It may be that the balance sheet ‘plug’ contains subsequent equity investments made in Spain, which are limited to \$8.5M. We also know the Company issued in 1998 a +\$40.7M

convertible note, which was subsequently converted into 1.08M shares of common stock, in order to acquire the White Water Atlanta Park. This park was then contributed to the SFOG partnership in exchange for partnership equity and a partnership affiliate loan per Company disclosures.

We do not know what assets the Company contributed to these partnerships if any, to make up for a minimum partnership investment cash shortfall of \$47M that exists between the balance sheet and the statement of cash flows. Any affiliate loans made to the partnerships should not also be booked as an increase in partnership investments. This would result in the creation of two assets (partnership investment and affiliate loan) and the removal of only one asset related to the affiliate loan. Management attributed the \$47M difference, per our conversations, to the White Water Atlanta Park transaction.

The final possibility with regards to the \$47M shortfall of cash contributed to the partnership investment entails a partnership distribution 'with-holding' taking place for the last several years. As the disclosed statement of cash flows are quite limited, we do not know whether this activity took place. The net effect would be the Company using these distributions, which for the Company totals \$15.9M in FY 01, to partially pay for its partnership investment. It may be unlikely this activity took place in FY 2000 as Partnership Park operating cash distributions to the Company totaled \$33.6M. However, in 1998 and 1999 these same combined distributions totaled only \$33.5M per the Company statement of cash flows. We do not know whether or not the possibility of Company partnership withholding of distributions took place in lieu of additional required partnership investment.

Partnership affiliate loans ending FY 2000 total \$91.1M. An affiliate per the partnership agreement is defined as an entity controlling 10% or more partnership voting rights. Some of the pertinent restrictions on affiliate loans are as follows: loans must bear interest at not more than prime, be payable only to the extent of available cash or after distributions, rent, and all other interest expense obligations are satisfied, be unsecured, be pre-payable anytime, and provide that at the earliest dissolution of the limited partnership, considered contributed capital are no longer due.

A possible additional acceptable use of affiliate loans may include CapX. We do not know what else the partnership could want the Company to acquire on its behalf and thus trigger an affiliate loan transaction, other than CapX or a park acquisition such as White Water Atlanta. There appears to be a strong incentive for the Company to make CapX affiliate loans, because these loans are considered permissible CapX expenditures per the partnership agreement as it relates to the 6% CapX requirement. **The limited partners, once their distributions are in hand, have a preference to spend real hard dollars on new CapX rather than soft dollars on less than new CapX. The Company takes the lion's share of residual cash after required distributions and CapX. Presumably new CapX would offer these parks more assurance with respect to future partnership park revenue generation, all else being equal. The Company might prefer contributing its used CapX from existing CapX inventory in the form of affiliate loans. This might free up additional partnership cash for distribution and set the stage for a potential re-evaluation of CapX useful life similar to what was described in Marine World above.** The limited partners thus may need some sort of economic incentive to incur CapX affiliate loans from the Company which could well amount to existing Company park CapX, rather than the new off the factory floor variety.

Company management in a disclosure stated that "all of the CapX at the partnership parks has been new, not 'recycled', and since affiliate loans are paid only after the minimum annual distributions have been covered, the limited partners don't have much incentive one way or another." Company management elected not to provide any additional guidance concerning the amortization of SFOT and SFOG investment, other than the stated policy amortizing the carrying value of the Company's investment in these partnership parks in accordance with their stated 're-assessment' of partnership park asset useful lives over 20 years. Other than CapX it remains difficult to understand what the Company could possibly offer the partnership parks in terms of 'investment' that would result in a 're-assessment' of the investment's useful life.

**Clearly, the limits on interest, payment priority, and the expiration (no longer due) upon dissolution of the limited partnership make affiliate loans enticing from a partnership perspective.** Another material factor might be the actual transaction itself. Exactly how much CapX (fair market value) is the partnership obtaining for the affiliate loan in question? As a practical matter, the Company cannot make an affiliate loan to itself. By way of theoretical example, were the Texas Partnership to enter a \$10M CapX affiliate loan with the Company, 35% of the 'loan' or \$3.5M would essentially be a partnership capital contribution in non-cash form/CapX. Finally, the Company might in this example, determine a new useful life for the CapX asset in question. This difference might result in partnership investment in excess of CapX book value and amortized over 20 years.

**Observations:** It is possible the Company non-cash capital contributions to the Texas and Georgia partnerships might be integrated into both the White Water Atlanta park acquisition and other CapX expenditures that have their origin in Company activity. White Water may, for instance, be accounted for as a \$30.6M affiliate loan attributed to Georgia LPs and the residual of \$10.2M, a Company investment in partnerships. With regards to CapX affiliated loan transactions, we do not know the exact process that led to significant partnership investment book value differences that are now being amortized over 20 years. **The Company informed us that the partnership parks contain no ‘recycled’ CapX.** This activity may possibly explain the minimum \$47M disconnect between Company cash partnership investment expenditures and the total amount of partnership investment on the Company balance sheet. Company management attributes this \$47 difference to the White Water Atlanta park transaction and the associated affiliate loan transaction supporting this acquisition. Finally, the Company treats affiliate loans as additional partnership investments and therefore the White Water transaction does not reconcile the \$47M difference between historical statement of cash flow partnership investments, and the carrying cost of partnership unit ownership that is not subject to amortization.

## **Issue 27: Texas and Georgia Partnership Economics**

**It may be possible the Company, through the use of affiliate transactions related to CapX, has effectively side-stepped the 6% of revenue CapX requirement.** This is entirely permissible in both the SFOT and SFOG partnership agreements. If the White Water Atlanta park acquisition did result in a \$30.6M affiliate loan (assuming the \$40.7M Convertible Note issued at face value), it is possible the vast majority of the remaining \$61M in affiliate loans are CapX in nature. We cannot be sure that our assumption is correct. **Therefore, as affiliate loans related to CapX qualify for the 6% threshold test, it appears there may have been a smaller amount cash spent on CapX at these partnership parks.** We are uncertain whether this is true or not. The CFO recently indicated on a conference call that FY 2001 Texas and Georgia Partnership Parks had approximately \$160M in revenue. Conservatively assuming this revenue base has existed for the past four years, this would produce a minimum CapX requirement of \$9.6M/year or \$38.4M in the aggregate. **Realistically, these parks have experienced revenue growth. The accumulated actual CapX requirement is somewhat less than \$38.4M.** Finally, the 6% revenue CapX requirement is based upon a 5 year rolling average.

It is worth noting that the Company does not break out CapX by park, bundling their partnership CapX into the overall Company CapX budget. This level of non-disclosure with respect to CapX and partnership CapX in particular, makes it very difficult to gauge the partnerships true sustainable free cash flow. We do know that required partnerships cash distributions in FY 01 are \$50.2M on an expected EBITDA of \$75M per the Q3 conference call. This distribution burden/EBITDA of 67% compares with the Company’s expected FY 01 cash interest expense of \$185.6M to regular EBITDA of \$360M or 51.6%, (\$220M GAAP interest, less discount interest of \$33.6M, less bond issuance cost amortization of \$9.4M, plus extraordinary loss related to early debt extinguishments of \$8.5M). **While it is true that approximately \$15.2M of partnership park distributions go to the Company, presumably this cash-flow will one day be used to acquire these partnerships’ \$430M mortgage outstanding. It is also worth noting that the 3% management fee paid to the Company leaves that much less partnership park financial flexibility. Fully 70% of EBITDA is committed to distributions before addressing re-investment. This fixed distribution burden is substantially greater than the Company’s non-partnership park portfolio.**

**While moving CapX into partnership parks via affiliate loans and investment in partnerships has financial merits, the most important is increased partnership free cash flow and thus ultimately Company cash distributions.** There may be costs we cannot ascertain. We cannot be certain. **A possible concern is the nature of the CapX contributed to the partnership park.** There appears to be little incentive/benefit for the Company to acquire truly new CapX if the asset is then simply passed on or through to the partnership, because the affiliate note received has questionable economic value. We do not know why the Company would spend its valuable capital/liquidity in this manner. These views are speculation on our part because we do not know Company CapX allocation. Our speculation is based on what appears to be rational economic behavior from the Company’s perspective. **Management stated that no ‘recycled’ CapX has been used within these partnership parks.** Management does not disclose the genesis of the amortization in partnership investment, which they state is amortized based on a ‘re-assessment’ of asset useful lives.

**CapX affiliate loan transactions may or may not be recycled Company CapX that do not require additional Company capital/liquidity. This may create an opportunity to re-evaluate asset useful life, and therefore satisfy the partnership’s 6% CapX requirement.** While we do not know, it is possible that the unseen cost of such transactions might be that too much used Company CapX is being allocated in partnership parks. **Older CapX, even if the GAAP useful life is extended, should everything else be equal, requires increased maintenance and repair costs, and increases the risk of failures**

resulting in increased operational risk management. The possibility exists that customer satisfaction/goodwill and ultimately park revenues might diminish as older CapX might provide a reduced customer experience. We simply do not know given Company disclosure if there are any other costs related to affiliate loans and ultimately CapX that might be considered ‘opportunity’ in nature, rather than a direct cash hit.

**Observations:** The substantial use of affiliate loans, while financially beneficial in the short-term, might be potentially somewhat costly. The incentives are strong for both limited partners and the Company to use affiliate loans as a mechanism to satisfy the partnerships on-going 6% of prior year revenues CapX requirement and thus increase free cash flow available for distribution. Additionally, LP’s incur loans on favorable terms that may legally never be repaid were the partnership to dissolve. Therefore, the Company is potentially provided a captive market place for its used CapX and the opportunity to re-evaluate such assets useful lives, and thus a potential immediate partnership equity infusion that is then amortized over 20 years. The potential costs of extensive used CapX include increased maintenance and repairs, higher park operational risk management, and diminished customer satisfaction/reduced park revenues. Management states that no ‘recycled’ CapX has been used in either SFOT or SFOG. However, the Company continues to amortize partnership investment in excess of carrying value, and links this amortization to a ‘re-assessment’ of asset useful lives.

**Issue 28: Partnership Financial Model Methodology**

The key driver of partnership EBITDA performance is revenue growth, which is to a large extent dependent upon the park’s immediate regional economy. From a Company standpoint, the park mix of EBITDA performance is critical. Without knowing specifics with respect to partnership operations, Marine World appears to have the lowest break-even point. The only non-operational expense item is the debt service, which we estimate at approximately \$5.5M for FY 2001. However, the trade-off is a more equitable 80:20 split of distributable free cash. The partnership parks are the opposite, considerable non-operational expense items including the annual distributions, the 6% CapX funding requirement, and therefore a higher break-even point, albeit a less equitable split of distributable free cash. Therefore, it appears Marine World distributable free cash flow is less volatile than either Texas or Georgia partnership parks. The volatility of the Bay area economy might mitigate this difference.

The controllable park expenditures that best correlate with future revenue growth in our view are operational expenses (Sales, Marketing, Park Operations, and COGS in particular) as a percentage of revenue, the overall ratio of depreciable assets to accumulated depreciation, along with the absolute level of park CapX. Presumably, operational expenses are an indication of effort made on behalf of the customer, and the amount of accumulated depreciation an indication of the overall quality of CapX/park rides, everything else being equal. Because the Company only discloses net partnership depreciable assets, we estimated the partnership’s gross depreciable asset base. This estimate was based on the existing ratio of Company non-partnership revenues to gross depreciable assets responsible for generating those revenues.

**Table 9  
Partnership Reconstruction**

<u>Ratios</u>	<u>Partnership FY 00</u>	<u>Company FY 00</u>	<u>Partnership Q3 YTD 01</u>	<u>Company Q3 YTD 01</u>
Operating Expense: Revenue Ratio	63.9%	63.3%	56.8%	61.1%
Accumulated Depreciation: Depreciable Asset Ratio	46.3%	14.3%	NA	18.8%

Neither ratio appears to bode particularly well for partnership park growth prospects. Even if partnership parks depreciable assets were 25% more efficient than the Company’s non-partnership parks, the ratio of accumulated depreciation to depreciable assets would still be 35%. It is possible that the partnership parks asset base is older than the non-partnership parks. We do not know for certain because individual assets are not disclosed in filings. Company operating expenditures are significantly greater as a percentage of revenue than partnership parks. This is our best available ‘sales effort’ metric. While both ratios favor the partnership parks from a financial efficiency standpoint, neither suggests these parks are aggressively reinvesting profits. Apparently it is possible that the superior operating margins are not being channeled into CapX. These same margins may not be sustainable over the long-term. Company management advised us that it is incorrect to assert that these parks have an older asset base or rely on materially different visitation patterns. PKS believes each market is different, with different cost structures. The above numbers, however, imply a partnership park asset base that may be older on balance.

As the partnership parks are in larger destination type markets (Atlanta, Dallas, and San Francisco), they may be somewhat more dependent upon air-travel for park attendance than most Company parks. The Bear Case outlook is negative in this regard as the travel recession is still very much a reality. Consequently, we anticipate that were another Sept 11 event to occur, the partnership parks would suffer a disproportionate incremental loss of business compared to the overall Company non-partnership park network.

Partnership parks may have relatively little operating margin upside, because their margins are higher and might not be sustainable. The potentially aging depreciable asset base might require a greater amount of maintenance and service on a forward-looking basis. The linkage between Company CapX expenditures and partnership CapX may also be under pressure. As the Company cuts its anticipated FY 02 CapX budget to \$140M from \$334M in FY 00 and \$175M in FY 01, there may be less available new or used CapX available for the partnership parks. Statements regarding CapX, while hopefully logical, are speculative in nature on our part, as the Company provides no disclosure. This issue is critical with respect to SFOT and SFOG partnerships. They may or may not have to increasingly go it alone and internally fund CapX, rather than potentially absorbing used Company CapX through the affiliate loan mechanism. This would leave less discretionary dollars available for distribution.

**Observations:** Individual partnership park revenue performance is difficult to forecast because of dependence on the local economy. The Company's partnership parks are less diversified from the whims of local economies than the Company's aggregate non-partnership park operations. Complete aggregation for reporting disclosure/lack of transparency is yet another variable making forecasting difficult at best. The SFOT and SFOG partnership parks have in the aggregate, a large annual financial distribution burden (\$50.2M FY 01 CAGR of 2.6%) that does not include the 3% Management fee. This includes superior operating margins, and the appearance of a potentially relatively older asset base, none of which suggest these parks are trending favorably towards significant excess capacity to aggressively re-invest into CapX. Company CapX available for distribution to the partnership parks may be shrinking. This could reduce free cash flow available for distribution, as partnership parks, excluding Marine World, increasingly must internally-fund CapX. For these reasons we model Company allocation of partnership EBITDA (known as Adjusted EBITDA less regular EBITDA) and actual partnership park distributable cash to lag Company non-partnership park operations by 10% (e.g. 2% revenue growth modeled at 1.8% for partnership parks) for all scenarios.

## Issue 29: Partnership Park Model Assumptions

We believe it is necessary to thoroughly understand Partnership accounting to understand the complexity of the Company. Partnership disclosure is extremely limited. Management guidance in the November Q3 conference call stated that aggregate FY 01 Partnership EBITDA should approximate \$75M. The key partnership metrics available include:

**Table 10**  
**Partnership (SFOT, SFOG, & Marine World) Estimated Financial Model**

<b>PKS Consolidated Reporting (000's)</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>Est. 2001</b>
Company Equity – Operations	24,054	26,180	11,883	27,414
PKS Partnership Cash Distributions	15,850	17,656	33,581	32,182
Partnership Cash Investment	(60,739)	(51,931)	(23,699)	(7,044)
Net Partnership Cash Flow	(44,889)	(34,275)	9,882	25,138
<b>PKS Consolidated Reporting (000's)</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>Est. 2001</b>
Partnership Total Revenue	201,933	225,274	208,196	222,596
Partnership Total Expense	148,129	166,900	167,456	176,159
Partnership Income	53,804	58,374	40,740	46,437
Partnership EBITDA	73,430	86,643	75,144	75,000
PKS Partnership EBITDA allocation (Adjusted EBITDA less EBITDA)	23,703	44,188	33,207	47,475
Required Partnership Distributions	46,500	47,700	48,900	50,200

Partnership Park Cash Distributions represent actual cash flow to PKS. The source of these distributions is partnership park EBITDA. Three dynamic components to conversion of partnership EBITDA to actual Company partnership cash distributions are:

1. Mandatory distributions receive annual inflation indexing which has averaged 2.6%.
2. The Company receives a Management fee of 3% of PRIOR year partnership park revenues.
3. The Company receives approximately 90% of aggregate partnership fully discretionary cash after required distributions, CapX, debt service, etc.

The financial effect of these three variables upon actual Company partnership cash distributions is a projected reduction of (\$1.4M) in Company partnership cash distributions on essentially flat year over year partnership EBITDA.

**Observations:** The key driver of partnership EBITDA performance is revenue growth, which is to a large extent is dependent upon the park's immediate regional economy. From a Company standpoint, the park mix of EBITDA performance is critical. Without knowing specifics with respect to partnership operations, Marine World appears to have the lowest break-even point, as the only non-operational expense item is the debt service, which we estimate at approximately \$5.5M for FY 2001. However, the trade-off is that there is a more equitable 80:20 split of distributable free cash. The partnership parks are the opposite, due to large amounts of non-operational expense items. These include the required distributions of \$50.2M for FY 01, and a minimum 6% (rolling 5 year average) CapX requirement based on park prior revenues. This results in a higher break-even point with a less equitable split of (92.5:7.5 and 95:5) of distributable free cash in favor of the Company. Our model assumes the weighted average incremental distribution of fully discretionary cash flows has an aggregate ratio of 90:10 in favor of the Company. Before any such cash flows are distributed, partnership parks must first pay the Company a management fee, which is 3% of prior year's revenues in the case of Georgia and Texas.

### Issue 30: Legal Exposure & On-going Risk Management

The Cartwright case is still pending and has not resulted in any judgment. This action is fully covered by Company insurance. Company management indicated in the Q3 01 conference call that the insurance coverage recently re-negotiated requires \$1M in self-insurance/deductible per event. The annual cost of such coverage increased approximately \$2M. The magnitude of operational businesses legal risk appears to be significant, creating a strong incentive to look abroad and invest in friendlier business climates. This is exactly what the Company management has done post 1997. Furthermore, the Company may actively attempt to negotiate legal operational risk sharing with municipalities and/or other park operators that fall within the Six Flags umbrella at some future date.

The Six Flags Time Warner (TWE) lawsuit resulted in aggregate compensatory and punitive damages of \$197.3M and \$257M respectfully. The Company has no exposure to this litigation because of indemnification received as part of the Company's overall purchase of Six Flags that included TWE's partnership park managing interest. The litigation thus far has resulted in a finding against TWE for a breach of fiduciary duty as the partnership parks' former managing partner. TWE has paid the partnership park LP's the compensatory damages, but is continuing to litigate the punitive damages. The Company's LP's have a solid track record thus far in partnership litigation issues, even against a major business entity such as TWE. This apparent established willingness to litigate on the part of the LP's does create some additional legal risk to the Company everything else being equal. TWE continues to maintain a broad strategic licensing relationship with the Company and will continue for the foreseeable future. TWE has already guaranteed all required partnership park annual distributions to the Company's limited partners through 2028, currently amounting to \$50.2M annually, in the event that the Company as the managing partner cannot make these distributions. It is unlikely the on-going litigation is material to this complex relationship.

Insurance actuaries did not remotely anticipate the Sept 11 tragedy and the massive economic collateral damage to both the tourism and the airline industries. Consumer confidence was initially shattered, and appears to be rebounding. The Company was both directly and indirectly impacted by the Sept 11 event. No one can anticipate the "event" risk this industry faces in the future. Much of this risk is tied to potential lost revenues, which is especially worrisome to the Company's seasonal and capital intensive business model dependent upon high asset utilization for profitability. Insurance companies may evaluate their exposure to these kinds of liabilities and price their policies accordingly moving forward. We do not know if and when Sept 11 category insurance will be available and at what cost, though broadly speaking post Sept 11, any coverage related to terrorist events is no longer included in standard insurance policies.

Company management stated in the most recent quarterly conference call that park ‘event’ operational insurance policy (\$100M coverage per event, \$1M self-insurance/deductible) was recently re-negotiated. Even though Company insurance claim performance remains outstanding, recently renegotiated insurance coverage saw premiums increase approximately \$2M/year. **It is likely the events surrounding Sept 11 could have materially factored into the premium increase, because perceived industry operational risk is now greater.** Management did not disclose whether the new umbrella policy covers direct Sept 11 category event risk. **The primary Company event risk is economic, and is almost entirely a function of lost business.**

**High fixed cost seasonal industries such theme parks might be considered economically fragile. Although the regional theme park business is not so dependent upon airline traffic, it is difficult to make a distinction between the two business categories.** The Company has a significant portfolio of parks in both the mid-market, or classic regional business, and the domestic destination market. **The Company may be modestly affected by airline traffic deterioration.** Much like the airline industry, the Company is highly dependent upon high asset utilization to offset the highly seasonal nature of the business. High asset utilization is code for strong park attendance, which in turn necessitates consumer confidence.

A theme park industry bailout is unlikely were another significant Sept 11 event to occur. Senior members of the Bush Administration are on the record limiting Sept 11 category bailouts to the transportation and insurance industries, both considered critical to the underlying economic infrastructure. **Many experts view the Bush Administration as pro-business and in particular, anti product liability/pro tort reform. It appears that the Company’s fastest growing operational risk falls within this newly emerging “event” risk domain.** The Company’s traditional operating risk was litigation stemming from park accidents. This traditional risk may well be experiencing marginal reductions, as potential product liability/tort reform policy from the new administration bodes well for the theme park industry. Obviously, continued operational vigilance is the best line of defense, rather than testing the murky judicial waters that vary significantly by park domain. **Finally, should a post Sept 11<sup>th</sup> event(s) occur, it might just as easily occur in Europe rather than the USA.**

**Observations:** The Six Flags Time Warner Enterprises (TWE) case highlights a fundamental conflict between limited and managing partners in a partnership relationship. The magnitude of potential economic legal liability stems from such relationships. This litigation is yet to be resolved. The on-going Cartwright case is ample evidence that park accidents, and thus Company liability, remain a material component in the Company’s efforts to manage operational risk. The Company’s annual insurance cost recently increased \$2M/year. The Company must now ‘self-insure’ the first \$1M for each event. We do not know whether the Company now has Sept 11<sup>th</sup> event category insurance. **Although the Cartwright case is on going, the Company has no economic exposure other than on-going litigation costs. The Bush Administration may have “capped” Company product liability in the near-term, assuming the Company maintains its strong park operational track record. It appears that Sept 11 event risk has created a new category of operational risk for the Company. This new category of risk is purely economic and relates to lost business rather than direct costs such as litigation and damage findings. Given the Company’s seasonal, capital intensive, and modest profit margin business model, this new category of event risk from an economic standpoint may in fact far exceed traditional legal operational risk.**

### **Issue 31: Brand and Legal Risk**

Branding appears to be a two-sided issue. PKS has made significant progress with the Six Flags brand name. PKS intends to re-brand most if not all of its parks. The Company has re-branded 10 of its current parks, and plans to re-brand another 3-5 in the intermediate future. Of the Company’s US parks, 23 of 25 are re-branded while 3 of 10 international parks carry the Six Flags brand name. The cost per branded park is expensive, ranging between \$20 and \$40 million. The costs are apparently worth the expenditures. The Company re-branded 4 parks in 1998 and 4 more parks in 1999. PKS reported that during 1998 and 1999, seven re-branded parks increased attendance by 16.7%. Furthermore, the 1999 and 2000 seasons saw eight re-branded parks increase attendance by 33.3%. Branded parks can attract additional corporate sponsorship.

Branding is arguably quite important; however, it difficult to quantify. **As a practical matter, when a visitor wants to visit Magic Mountain, people visit ‘Magic Mountain’, not ‘Six Flags Magic Mountain’.** Management acknowledged to us that at well-established parks such as Magic Mountain, the Six Flags brand itself may not be the most influential factor in influencing visitation. **However, it is clear that the Company has been successful at inducing visitation to re-branded parks. Independent tests show it as one of the best-known brands among teens in the country.**

Most leading brand experts acknowledge the extreme difficulty in both brand establishment and maintenance within the youth demographic markets. There are few significant youth focused brands that have withstood the ravages of time because these markets are notoriously fickle and suspicious. This difficulty stems from a broad based rejection/unresponsiveness of Madison Avenue Marketing techniques due to this demographic group's counter-culture flair in seeking out non-mainstream products and services that are unique, cool, and lifestyle based. Viacom's MTV, arguably the most successful current youth brand of all, had a near disaster when their product fell out of favor. The Company had to scramble to 're-connect' with its viewing audience by re-establishing respect, admiration, and trust order to remain an entrenched 'lifestyle' of choice of the youth demographic.

A significant challenge facing the Company in its attempt to both build and maintain its brand is as follows. If PKS parks are currently considered unique, and/or a lifestyle component by today's youth market, this same demographic group could potentially rapidly loose interest in the PKS brand, or theme parks in general. Companies such as Viacom, Microsoft, or Time Warner can quickly react and release another music video, video game, or movie in order to enhance or protect their brand. PKS cannot 'turn on a dime', because the business is seasonal and capital intensive. It is difficult for PKS to stay 'connected' and fine-tune their brand with the youth demographic markets relative to other entertainment competition.

Brand sophistication is another issue. Entertainment is becoming interactive. Consumers of entertainment will, in this process, invest their human capital, which will increasingly drive the development of intangible asset creation. These intangible assets form the foundation of brand building. Consumers who invest hundreds and potentially thousands of hours within the interactive entertainment umbrella will personally have a large stake in their entertainment (see issue #28). It should be noted there are significant interactive social networks forming as a result. The NFL's Raiders have accomplished this feat in the non-electronic entertainment world. The 'Raider Nation' is a core group of fans that have extended the Raider brand through a heavy investment of their human capital and in the process developed a community based upon the Raider brand. Entertainment branding is far from static. Interactive entertainment is rapidly changing the nature of entertainment brand building. Is the Six Flags brand evolving through the creation of interactive entertainment leading to intangible asset formation founded upon both personal investment and community? Clearly Microsoft is using this approach with its electronic gaming product, Xbox, to target youth demographics worldwide.

PKS's ability to build a meaningful brand is also inter-related to legal risk. Brands such as Coca-Cola, typically represent a significant component of a Company's value. A brand is built upon effective marketing of aspirations, images, and lifestyle. The "product" itself is of lesser importance than is the brand. PKS is situated in an industry that does not easily lend itself to brand building. The Company's balance sheet may or may not be considered strong enough to build its brand without corporate partnership assistance. PKS has no R&D line-item within its P&L. The balance sheet has little in the way of effective headquarter corporate marketing because the Company's parks have a multitude of themes and target demographics. PKS is increasingly dependent for brand recognition upon strategic alliances (AOL Time Warner, Perrier Group, Kodak, Chevy, etc.). These alliance partners are concerned that PKS legal risk and the associated negative press could place their brands at risk. These partners are therefore in a position of strength in negotiating with PKS.

Brand building also involves establishing a social component or a lifestyle, giving consumers leverage to influence the behavior of supporting companies. The PKS situation is unusual because, rather than build a brand based on lifestyle, management uses the parks and the associated attendance as a platform for other companies to build their brands. A theme park experience is not related to a "lifestyle". The fundamental problem facing PKS is that companies interested in "touching" 45M+ consumers are highly concerned with the specter of both on-going and future, highly publicized personal injury claims, while being tainted in the process by negative brand building. It might be assumed that a Company such as AOL Time Warner would pay PKS a substantial sum of money to promote its various cartoon and comic book characters, such as Bugs Bunny, Daffy Duck, Batman, Superman and others. The reality is that PKS pays a \$2.5M annual license fee, subject to periodic scheduled increases, payable on a per-theme park basis. Management counters this argument pointing up the following: AOL Time Warner provides PKS with the exclusive (except in certain markets such as Asia and Las Vegas) theme park use of their animated intellectual property. PKS believes this is a license the Company accesses for rates materially less than similar arrangements for use of those well known and valuable set of characters. PKS believes this arrangement is very valuable for the company, citing that these agreements are far different than the typical sponsorship arrangements. PKS believes their agreements are also very valuable to AOL Time Warner, yet Time Warner also receives remuneration in addition to receiving product exposure via PKS park attendees.

PKS has not disclosed financial details related to its other licensing and strategic alliance relationships. Company management stated it has many sponsors who enjoy the ability to touch the PKS customer base including Coca-Cola and Pepsi among others. PKS should generate approximately \$22M in sponsorship revenue in FY 01. We do not know whether this 'sponsorship' revenue is soft or hard dollars, or a combination thereof, and whether it materializes in the form of price concessions the Company is able to extract from certain sponsors.

**Observations:** PKS has historically been successful building the Six Flags brand name, especially within the critical 16 – 24 year-old core demographic target market. Simple brand maintenance over the long term in this demographic group has proven challenging to even companies such as Viacom's MTV. Increasingly, entertainment is becoming interactive and branding is thus dependent upon the formation of intangible assets linked to investment of consumer discretionary time. It is unclear if the PKS business model capable of branding in this manner. Brands are increasingly lifestyle driven. PKS is not in the lifestyle business. Finally, the specter of park accidents may somewhat limit the PKS brand and ultimately corporate sponsorship. Given the emphasis of building meaningful intangible assets and brands in particular, corporate valuation has become increasingly brand dependent.

### **Issue 32: Company Park Themes & Revenue Optimization**

Each of the Company's 39 stand-alone/non integrated owned and operated parks (29 domestic, 1 Mexico, 1 Canada 8, in Europe including 1 pending in Madrid Spain) are individually "themed" from an entertainment standpoint, presumably to maximize ROI. These themes fall under two general categories, family and individual entertainment. The entertainment mix by park is a diverse combination of traditional thrill and high-tech state of the art rides, water attractions, themed areas, concerts and shows, restaurants, game venues, wildlife attractions and merchandise outlets. The Company is actively repositioning this entertainment mix from traditional pure instant gratification to contain an increasingly interactive, educational, and/or environmental component. These initiatives will move the Company slightly away from its traditional park ride business and require additional financial and human capital at a time when cash flow and a reduced CapX budget are paramount. The value of these initiatives is unclear to us.

**Observations:** The Company is continually trying to find the best mix of revenue stream on a park-by-park basis and intends to gradually change the revenue mix by increasingly incorporating interactive, educational, and/or environmental components within the park portfolio.

### **Issue 33: Management and Employee Status**

Management discloses the purchase price of each park, acreage, including acreage available for development, attendance for certain parks, aggregated and financial numbers. Management does not disclose park-by-park year over revenue numbers, growth or lack thereof, which parks receive certain CapX for maintenance, which parks sent which assets to other parks, or analysis of attendance for each park. We understand that six parks account for approximately 50% of EBITDA. Investors do not know which parks are the beneficiaries of various promotions, discounted tickets, or average comparable structural revenues. Thus, Wall Street has very little idea regarding which parks are doing well, and which parks are doing poorly. Management has informed the investment community that it will not disclose these same park comparative numbers due to competitive reasons. The above indicates that management does not have an established track record of sharing information.

Wall Street views PKS as somewhat of a recession resistant stock with a predictable, stable and sustainable top line. Aggregate numbers may be considered to be misleading. Some analysts view management's maintenance of its parks similar to that of an airline company maintaining its old fleet vs. its new fleet. We do not know where maintenance dollars are being spent, maintenance cost per park, nor more important, cash flow or depreciation per park. We have, however, calculated estimated cash flow for certain Partnership parks including reviewing 1,400+ pages of filings in 1997 (Issue 27). Maintaining an old fleet is more costly each year, both in dollars allocated and in cash flow generated on a per park basis. It is certainly the Company's prerogative to disclose aggregate numbers, similar to other GAAP reporting policies in other public companies.

The top three management officers paid themselves \$9.23 million (Company proxy statement 6/2001). Salaries totaled \$1,819,952. Other Compensation was \$7,409,533, or a total of \$9,229,485. The Bull Case argues that management is compensated by incentives tied primarily to EBITDA targets and performance. Bonuses include restricted stock and cash. These same Executives agreed not to take cash bonuses to which they were entitled for FY 2000 under their Employment

Agreements and instead received compensation in restricted stock. Management has a vested interest in EBITDA performance and PKS share prices.

By way of comparison, Disney's recently reported that CEO Michael Eisner and President Bob Iger received salaries of \$1M with no bonus compensation. Three other top Disney officers received bonuses in FY 01 totaling \$2.3M. This was the second time in three years that Eisner did not receive a bonus. The filing noted Disney's falling attendance at Company theme parks pre Sept 11, combined with significant write-downs related to their Internet properties.

The Bear Case notes management's record includes the following; for every \$1.90 of long-term debt acquired, the Company bought \$3.60 of assets. This debt constitutes 53% of assets acquired. One of the Company's current problems is generating positive free cash flow to assist in financing the Company's interest payments to adequately maintain its assets. Negative cash flow has hindered this process, although we understand assets have been and are maintained properly. As maintenance costs increase, the saleable value of physical assets decrease over time. While land values are clearly understated, the Bear Case question is, 'over the past six years, what are the assets worth, what did the Company buy, what assets did the Company transfer, and are the assets worth what the Company paid for in the first place?' The Bear Case notes the Rate of Return on Assets (ROA) from 1997-2002, fell from +2.31% to our estimated -2.62% in 2002. The Bear Case questions whether the numerous park acquisitions and associated build-up in debt are justified based upon recent operational free cash flow (see issue #3) performance. The Bear Case questions the quality of corporate assets and their ability to generate adequate free cash flow generation to service them. The Bull Case states budgeted CapX will more than adequately maintain corporate and partnership assets.

As of March 1, 2001, the Company employed 3,081 full-time employees, and employed over 40,000 seasonal employees during the FY 2000 operating season. The Company had as of this date approximately 1,300 full-time employees who devote substantially all of their time and effort to maintaining the parks and their rides and attractions. Approximately 7.9% of full-time and 5.7% of seasonal employees are subject to labor agreements with local chapter of national unions. The Company has never experienced a strike or work stoppage and considers its employee relations to be good.

**Observations:** Senior management turnover is low. Management has partially transferred certain material operational and strategic decision making to certain Company's creditors. Over the past six years, one measure of Company net liquid value has fallen from (\$78) million to our estimated (\$1.83) billion in 2002. Despite a rapid expansion of the park portfolio and a large build-up in debt necessary to make such acquisitions, the Company's operating free cash performance (Issue #3) continues to languish. Ultimately this is management's responsibility. Finally, management stock ownership and incentives appear tied into management performance. We are especially impressed with the Company CFO. His complete review of our Issues has been extremely helpful.

#### **Issue 34: Federal and Local Regulatory Issues**

The Company uses for all park acquisitions, an extensive stock purchase template that is both broad in scope and in-depth with respect logistical acquisition details, especially as it relates to regulatory oversight of park operations. Specifics include ensuring tax issues, employee benefit plans (ERISA), necessary licenses, permits, certificates, orders, authorizations and approvals, have met all required registrations and filings with all Governmental bodies required in connection with the ownership or use of the assets or to the conduct of the business.

Particular attention to acquisitions is placed on the ability to conduct business as of the closing date as it has been historically the case. Finally, with respect to environmental matters, except as disclosed, there have been directly or indirectly, no use, manufacture, generation, refining, storage, transport, disposal or treatment of hazardous substances by or on behalf of any seller.

**Observations:** The Company, through the use of a comprehensive legal park acquisition template, has effectively placed many material Federal and local regulatory burdens upon the seller.

#### **Issue 35: Earnings Model Analysis**

We estimate a FY 2001 net operating loss of (\$49.6M) and EPS of (\$.85/share) vs. FY 2002 net operating loss of (\$37M) and basic EPS of (\$0.63/share). These estimates ignore the possibility of FASB Accounting Statement 142 (Issues #10 & #11) revisions in FY 2002, which have no economic/cash-flow relevance. Revenue growth has stalled and 'same park'

performance has recently been disappointing. Our forecast assumes the Company will halt negative 'same park' revenue growth, although in inflation adjusted terms there is less certainty. We forecast revenue growth of approximately \$28M on a +\$1.054B base, or +2.6%. This growth essentially represents the Sept 11 effect per our model, meaning the Company would have obtained this level of revenue in FY 01 had the events of Sept 11 not taken place. Operational expenses are forecast to increase only \$11M or +1% year over year. We forecast interest expense to drop only \$3M as average quarterly debt outstanding does not drop materially. However, cash interest expense is anticipated to drop \$15M year over year.

We anticipate the Company will generate enough free cash flow, even with a reduced CapX budget, to marginally reduce year over year LT debt by \$33M. Our '0% scenario' forecast ignores the possibility of further Sept 11 events, does not take into account extraordinary items, anticipates 'same park' revenue growth will be flat, assumes no further share dilution, and does not anticipate any major economic changes within the economy. Finally, margins improve slightly across the board under this forecast.

**Observation:** We forecast FY 2002 projected net operating loss (\$37M) and basic EPS of (\$0.63/share) vs. FY 2001 net operating loss of (\$49.6M) and basic EPS of (\$0.85/share). The forecast's free cash-flow generation available for debt reduction is limited to only \$33M. Given the event risk created by Sept 11, a now officially confirmed recession both at home and abroad, and recent Company flat or negative 'same park' performance in a decidedly superior operating environment, this forecast contains little in the way of upside and significant downside. We have modeled a +2%, 0%, -3%, -6% and two 'disaster' event related scenarios.

### Issue 36: Post Sept 11 Disaster Scenario(s) – Related and Unrelated Event Scenarios

In the theme park business a Sept 11 event scenarios creates a definite shock or artificial elasticity or responsiveness of demand. We feel it is realistic to model 'post Sept 11 event' scenarios. Wall Street has modeled, for the most part, future expectations without disaster scenarios. We do not feel this modeling is realistic in a post Sept 11 world. Entertainment is highly discretionary because numerous competing substitute product choices exist. This is an opposite analogy to air travel. Theme parks, as areas of mass public aggregation, are considered an industry to be exposed to domestic event risk.

We assume in our 'Related' event scenario that another event similar to Sept 11 occurs in Q2, only this time the event directly impacts/occurs within a theme park, either domestic or international. The affect is modeled after Sept 11 and the airline industry in particular, though using the economic model in place at the Company. In this case, the revenue reduction is (25%) the month of occurrence and spillover is the complete affect of both the entire quarter and the remainder of the Fiscal Year at the same (25%) level. We do not consider a direct PKS event scenario because of the number of theme parks positioned in the high profile/destination niche, although a theme park incident is not beyond one's imagination if one takes Bin Laden at his word and his goal to damage our economic system.

We assume in our 'Unrelated' event scenario that another event similar to Sept 11 occurs in Q2. The affect is modeled after Sept 11, a (25%) revenue reduction the month of occurrence and overall quarterly reduction of (10%) with no spillover/affect the following quarter. We consider an Unrelated event as much more likely than either an industry event or an event occurring within a PKS park as few domestic PKS theme parks are positioned in the high profile/destination niche as a percent of domestic parks operating in this niche.

Finally, the model also assumes a scenario containing a continued difficult economic climate with 2002 revenues dropping 6% should a moderate post 'event' occur. This estimate is very conservative in light of recent Disney guidance with respect to their disappointing theme park operations. FY 2002 expenses in this scenario drop (1%), which is a substantial improvement over our FY 2001 forecast that assumes less than 4.6% revenue growth and +8.3% increase in the Company's expense base. The expense exceptions are COGS and General Operating Expenses that we assume are the two major "expense variable" levers for all scenarios and that management can quickly pull these levers to contain costs in a rapidly reduced revenue environment. These levers model at 75% COGS and General Operating (variable seasonal head count), meaning for every 1\$ drop in revenues these expenses items are able to respond. For example, if COGS was incrementally \$0.20 on that dollar of sales, management could eliminate \$0.15 for each lost dollar of revenue.

**Observations:** PKS has an economic model somewhat similar to the airline industry, a high fixed cost structure combined with stronger seasonality. PKS is not overly dependent on airline traffic. PKS is highly dependent upon

strong/stable consumer confidence and therefore at risk were another Sept 11 style event to occur. This risk becomes acute were the event to occur within the theme park industry. It is appropriate to model 'post Sept 11' event scenarios.

### Issue 37: Outlook

**Revenue Side of the Equation: The Bull Case** notes FY 2001 was a difficult year given both the worldwide economy sliding into recession and the events of Sept 11. The Company has hit bottom. The Company has spent several years making significant acquisitions, combined with extensive CapX largely related to re-branding Company parks. The Company is now in a position to fully optimize these efforts through substantial revenue growth, even if substantial economic growth does not materialize. Finally, the Bull Case views the events surrounding Sept 11 as more or less a one-time occurrence.

**The Expense Side of the Equation: The Bull Case** views the economic downturn as an excellent opportunity to extract concessions from the Company's extensive vendor base. The Company also anticipates significantly less wage inflation than in the recent past. If the economy continues to struggle, there may be an opportunity to re-issue callable debt in early Q2 02 and significantly lower the Company's weighted average cost of capital in the process.

**The Bull Case** acknowledges that PKS understands liquidity is priority number one. This Case anticipates that PKS will expand its use of the \$1.2B credit facility in the near-term. From strictly a capital structure standpoint, this may make sense as interest rates historically drop in economic downturns. Thus, an increase in weighting of adjustable rate debt instruments as a percent of debt on the balance sheet is an intelligent corporate direction. It is possible that PKS will seek a time extension/commitment of this credit facility, which begins contracting in Q4 01 at a rate of \$9M/quarter. Any adjustments to the credit facility will entail additional fees in the short-term. If successful the Company will in all likelihood largely eliminate most potential PKS bankruptcy scenarios stemming from additional event(s), if the Company continues to operate in a somewhat stable economic environment. PKS might act quickly because the cost of additional credit is certainly linked to all domestic 'events'.

Management plans to operate in a reduced CapX environment. PKS may mitigate this decision through increased ride maintenance efforts coupled with an increase in movement of park assets/rides between parks. This may occur in an effort to optimize overall revenues. Management is confident that 'same park' revenue growth will occur and that a mild recession may in fact benefit the Company's 'same park' efforts. If interest rates drop far enough, we expect the Company to aggressively call and re-issue debt. The current emphasis on cash-flow may not materialize if enough attractive parks become available in this rapidly consolidating industry. This may be a better use of capital as the economy and the 'event' has shifted serious leverage to park operators in acquisition mode.

**Revenue Side of the Equation: The Bear Case** notes that the Company may be facing two daunting demographic challenges, an aging population, and a shrinking family size. The net effect of these demographics is to reduce each park's regional 'captive market' size at a time when the Company's brand is facing new competition for the prized youth demographic market. The Company is now directly competing in the entertainment market with the explosion of interactive computing, gaming, and TV, all equipped with technology designed to make this electronic entertainment reality based. Given the recent Sept 11 'event' it is possible to envision a scenario(s) where revenues take a substantial hit should there be another September 11, 2001. It is difficult to envision a scenario where revenue grow substantially over a sustained period of time.

**The Expense Side of the Equation: The Bear Case** also notes that the Company faces equally difficult challenges regarding corporate expenses. The capital intensive fixed cost structure of the business is not one that lends itself well to a rapidly slowing economy in a state of shock over the Sept 11 event. The Sept 11 event has created a domestic 'tourism' recession. PKS first and foremost needs to drive attendance into the parks during a time period when and the state of consumer confidence, especially as it relates to travel and entertainment, is at an all time low. The country is 'at war'. Consumer spending and confidence is very low. Legal risks continue to plague the industry. The Sept 11 'event' may lead to higher insurance premiums, especially as theme parks fit the profile of a possible target.

**The Bear Case** understands that the cost of capital has increased steadily over the last several years. The Company currently has the highest debt/equity ratio in its history as a public company. Creditors have a certain degree of control as to how the business runs and operates. Strategically, due to excessive debt, PKS might not be well positioned to take advantage of the downturn in the economy, participating in a 'buyers market' with respect to other park operators in this

**consolidating industry.** A meaningful PKS positive is a capital structure that long-term, is fully adjustable with respect to declining interest rates. All PKS bond issues are redeemable and the Credit Facility is adjustable rate in nature. In addition, management has emphasized its cash position is adequate within this economic environment. **Should the country experience another Sept 11 event, the Company's cash position may be in question.**

**Observations:** Park attendance of +45 million people appears to be too diverse a revenue stream to substantially change in a short amount of time. Despite these impressive numbers and a substantial increase in park count, the Company's operating cash-flow has continued to under-perform, which takes on added importance as the Company substantially increased leverage in order to build park attendance. Any future Sept 11 'event' has the capability of severely injuring business models that are high fixed cost/capital-intensive and seasonal in nature. One only has to look at the airline industry to understand these economics. Regardless of recent poor operating cash-flow performance and possible future Sept 11 event risk, the Company faces increasing direct competition for the youth demographic. These competitors' business models are first and foremost brand focused.

**Conclusion:** The **Bull Case** and **Bear Case** observations are not necessarily opinions of Dirty Dozen Research: No Agenda. Both cases represent conceptual thought generally held by the investment community.

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## Appendix

### Model Assumptions

#### PKS Financial Statement Modeling Notes and Assumptions:

ALL FY 2002 SCENARIOS ASSUME NO WTC/SEPT 11 EVENT - therefore per our calculations and Management guidance, FY 02 baseline revenues increase approximately \$28M and is considered our 0% Scenario. EVERY Scenario receives this pro-forma/as if Sept 11<sup>th</sup> DID NOT OCCUR before modeling a given scenario...

- 1) Liquidity management will occur both through expansion of credit facility - LT debt in nature. Assume the Company credit facility covenants are satisfied and technical default does not occur in any scenario.
- 2) Balance Sheet Forecasts are FY ending in nature as operating seasonality skews non-year over year comparisons.
- 3) Current assets are a function of FY projected/modeled revenues, linked to historical ratio of such assets to revenues.
- 4) Current liabilities are modeled to track, based on historical ratios, current assets.
- 5) Mix of current assets & current liabilities not forecast to change, only amounts, based projected/modeled revenues.
- 6) Projected Net Income/(Loss) flows directly into retained earnings in all scenarios.
- 7) LT Debt is a key balance sheet item and links to overall Asset levels and free cash flow. Projected Asset levels are well understood and largely a function of Depreciable Assets, CapX, Accumulated Depreciation, Land, Goodwill, Amortization, Current Assets (see above), Other LT Assets which acts as a plug to capture the residual accounting impact of positive/(negative) free cash-flow, and net income/(loss) on the asset side of the balance sheet.
- 8) We define FREE CASH-FLOW as EBITDA (which includes non cash compensation adjustment), plus Partnership Park distributions, non cash discount bond interest expense, non cash amortization of bond issuance costs, less, CapX, Partnership Park investment, acquisitions, net interest expense, and preferred dividends. Debt reduction/'de-leveraging' must take into account the growth in discount bond interest, projected to increase \$37M in FY 02, in lieu of cash interest expense.
- 9) Partnership Park (PP) cash distributions, NOT PP EBITDA, defines the PP effect upon Company Free Cash-Flow. The term Adjusted EBITDA reflects the Company's share of Partnership EBITDA AND regular EBITDA. The confusion? The Company has FULL discretion over regular EBITDA, but NOT their allocation of PP EBITDA. PP's must first commit their EBITDA to internal requirements before making cash distributions. Our model accounts for these requirements that include on-going operating expenses, CapX, debt service, and maintenance of adequate cash reserves; mandated cash distributions to PP shareholders have a historical CAGR of 2.6%, and were \$50.2M in FY 01. Remaining residual cash is then first allocated to the Company's Park Management Fee - 3% of prior year PP revenues, except in the case of Marine World. Approximately 90%, the modeled weighted average incremental PP impact, of any remaining cash is then distributed to the Company.
- 10) PP FY 01 EBITDA guidance per the Nov 8th 01 conference call was \$75M. All scenarios track PP cash distribution to PP EBITDA ratios for guidance. FY 2000 is our benchmark. This may be too optimistic as PP operating distributions to PKS were \$33.6M, much greater than FY 98 & 99 distributions of \$15.9M & \$ 17.7M. Modeled PP EBITDA incorporates all \$ distribution rules in #9 above, and assumes PP aggregate park revenue mix is constant year over year. We model (see report for extensive analysis) PP to under-perform in each scenario by 10% of scenario's incremental change. For example, if a scenario models revenues to decrease -3%, we model the PP's to decrease -3.3%. Due in part to what we believe to be an older depreciable asset base, already superior margins (less upside), and on average a more mature/saturated customer base.

- 11) PP Scenarios incorporate #9 and #10 above and then track/model regular Company EBITDA for a given scenario.
- 12) We do not model any extraordinary items and assume PP investment will approximate FY 01 run-rate of \$6M/year. This level approximates amortization run-rate of the Company's investment in PP, which is due to useful lives of Company contributed assets to PP receiving re-assessment. Finally, we do not model any acquisitions.
- 13) Assume PKS equity stake in PP will not change in FY 02 and that PP distributions, which are indexed, continue to grow at their historical CAGR of 2.6%. Distributions historically are made in the 3Q and 4Q, with approximately 60% of such distributions falling in 3Q - our modeling is consistent with historical distributions for cash-flow purposes. Furthermore, assume PP DO NOT return any capital/special distributions above and beyond normal distributions. We view this as reasonable in light of #12/investment drying-up and the need for PP to both self-finance CapX and generate free cash-flow to 'de-leverage' their balances sheets.
- 14) Other Income per the model reflects Company changes in PP Equity, a non cash item accounting item.
- 15) After income/(loss) is allocated to retained earnings, cash-flow drives LT Debt levels, and Other Equity is the residual plug on the liability and equity side of the balance sheet.
- 16) LT Debt is projected to decline \$35M in 4Q 01; the Company has ample liquidity heading into the off-season and a sizeable A/R balance, which should convert into additional liquidity. Recent management guidance indicated additional debt would likely not be required during the negative cash-flow off-season until early 1Q 02.
- 17) Interest Expense is based upon average quarterly LT Debt times the latest weighted average cost of capital of 9.27%. This WACC was provided in the Nov 8th 01 conference call and is current as of that date. No attempt is made to forecast interest rates within the model/this WACC is used for all FY 02 scenarios. LT debt increase/(decrease) post Q4 01 is a function of free cash flow generation in a given scenario, and thus determines average quarterly LT debt outstanding.
- 18) The PIERS (Preferred Stock) discount will continue amortize 200k/quarter in the model scenarios, we assume for all scenarios that quarterly interest of \$5.2M will be paid.
- 19) Assume YTD 3Q 01 Capital Expenditures of \$136.4M will total \$175 for the FY 01 per management guidance. Total CapX plan in FY 02 projected to total \$140M per management guidance.
- 20) Assume YTD 3Q 01 Acquisitions of \$132.2M will not increase for the remainder of FY 01 and NO acquisitions are anticipated/modeled for FY 02. If an acquisition were made, must likely offer material 'de-leveraging' benefits, or reduce overall Company Debt/EBITDA ratio. Company creditors not sold on recent 'same park' performance, making the likelihood of FY 02 acquisitions low in our view. Any acquisitions will likely have similar balance sheet characteristics (depreciable assets, goodwill, etc.) as PKS overall.
- 21) We do not make distinction between Acquisition and Capital Expenditures for depreciable asset purposes; anticipate Company to focus bulk of 'capital plan' on improving recently acquired parks per recent management guidance.
- 22) All assumed debt increase/(decrease) occurs in LT Debt, though possible Other LT Liabilities may be where any debt increase/(decrease) is 'booked'. The credit facility, which is LT Debt in nature, will act as the Company liquidity shock absorber, increasing when free cash-flow is negative, decreasing when free cash-flow is positive.
- 23) All scenarios true-up revenues to account for Sept 11<sup>th</sup> as a one-time event. The Q3 adjustment amounts to 3.1% increase in revenues as 9 business days (3, 3-day weekends) out of 73, or +12.4% of Q3 operations, were impacted adversely. We view weekend operations post Labor Day as representative of average Q3 park attendance. Management disclosed that business was down (26%) these last 9 business days in Q3. The Q4 impact, per management disclosure, is (10%), which we view as reasonable as park weekend operations, with a few exceptions, cease in early November. Therefore, we increased Q4 model revenues 10% - overall FY 01 Sept

11<sup>th</sup> Revenue impact of approximately (\$28M) or (\$14-16M) EBITDA. The two variable expense items below (#24) were also affected per our Sept 11<sup>th</sup> modeling.

- 24) Assume COGS and Operating Expenses, which include extensive seasonal part-time headcount, are the primary levers management can pull in a decreased revenue environment. Reduction/increase in these line items is 75% responsive to changes in revenues. For example, if revenues drop 20%, these line items drop 15% in response, somewhat but not totally responsive.
- 25) Depreciation run-rate for 3Q 01 was \$37.5M and is the starting point. Estimated depreciation driven off of the level of Net Depreciable Assets, which is a function of CapX and Accumulated Depreciation. Amortization of intangibles in Q3 2001 (where no additional acquisitions were made) had a run-rate of \$12.2M or \$48.8M annualized. We do not expect any material 'run-off' of intangibles, which have an average overall useful life of +25 years based on last quarter's amortization. Furthermore, we do not model FASB Statements 141 and 142 to impact already acquired intangible assets and thus corresponding amortization schedule. Were amortization to materially halt in FY 02, there is no meaningful economic impact upon the Company.
- 26) Unrelated Sept 11<sup>th</sup> Event Scenario is assumed to occur at the beginning of Q2. Impact similar to Sept 11<sup>th</sup>, overall reduction in quarterly revenues of 10%, which is modeled after Sept 11<sup>th</sup>, high revenue losses in the first few weeks (25%), but fairly rapid recovery back to normal operations after a month or so. Sept 11<sup>th</sup> adjustment (see #23) made prior to this scenario, and assumes 0% revenue growth.
- 27) Related Event Scenario likely WILL NOT occur in a PKS park, rather somewhere in the theme park industry. Similar to the impact felt by the airline industry as a result of Sept 11<sup>th</sup> - sustained 25% reduction in revenues for remainder of FY.
- 28) Fully diluted EPS assume a PIERS common stock conversion and therefore no preferred dividends (FY 02 \$20.8M).
- 29) Estimated Cash from Operations equals prior year Cash from Operations, plus change in EBITDA between current and prior year period. Statement of Cash Flow item, not a Free Cash Flow calculation per our model.
- 30) Assume PKS does not issue any additional Common Stock nor issue any additional Debt, both entirely possible.
- 31) Assume all Preferred Dividends are paid in Cash not Common Stock.
- 32) ROE Decomposition is macro analysis, important to note that the composition of equity has altered as the PIERS Preferred Stock, while technically +\$278M in equity and \$287.5M upon maturity, has numerous debt features including a sizable 7.25% dividend and a mandatory cash redemption feature.

## Recent Developments

1. December 2000 - PKS acquired Enchanted Village, a water park near Seattle, WA, for approximately \$19.3M in shares of the Company's common stock. PKS leased the 65-acre plot of land on a long-term basis. This is the only park located in the rapidly growing Seattle-Tacoma metro area. This park is "under-utilized" because it lacks a full complement of rides. Revenue outlets have generally not benefited from significant marketing programs. This is the first "pure" non-regional mid-market market consolidation since 1997.
2. February 2001 - PKS acquired Sea World of Ohio for \$110M cash. Sea World is a 230 acre marine wildlife park located adjacent to the Company's existing operations at Six Flags Ohio. This acquisition enhances the Company's regional destination experience. It is intended to secure and enhance the Company's competitive position in a market with favorable demographics. PKS believes Sea World offers compelling operational efficiencies.
3. May 2001 - PKS acquired La Ronde, a theme park located in Montreal Canada, for approximately \$20M and a commitment of an additional \$60M in capital improvements over the next four seasons. PKS leased the 141 acre plot of land on a long-term basis. Management believes significant opportunities exist to enhance both park attendance and associated revenues in the years to come, in part because prior Management never committed to a meaningful marketing campaign.
4. PKS announced it continued to manage the development and construction of a new theme park in Spain, stating it anticipates an opening during spring 2002.
5. January 2001 - PKS consummated the public offering of 11.5M Preferred Income Equity Redeemable Shares (PIERS), each representing one-hundredth of a share of the Company's 7.25% Convertible Preferred Stock. PKS received net proceeds of \$278.1M, a portion of which was used to fund the Sea World of Ohio acquisition.
6. February 2001 - PKS sold an offering of \$375M principal amount of 9.5% Sr. Notes due in 2009. The net proceeds of \$363.8M were used to refinance existing indebtedness, including \$124.7M principal amount of 9.75% Sr. Notes due in 2007, and \$223.0M principal amount of borrowings under the Company's Sr. Credit Facility (which can be re-borrowed).

**Long Range Forecast Post Sept 11 – No Event +2% Revenue Scenario**

**SIX FLAGS INC  
Annual ROE Decomposition  
NO EVENT +2% Revenue SCENARIO**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96
(1) Net Sales	1,103.25	1,053.84	1,006.98	926.98	813.62	193.9	93.45
(2) Pretax Income	-13.29	-45.05	-46.33	5.23	76.34	23.71	3.26
(3) Net Income	-29.86	-49.58	-51.95	-30.52	34.84	14.1	1.76
(4) Total Assets	4,262.58	4,313.28	4,191.33	4,161.57	4,052.46	611.32	304.8
(5) Shareholders Equity	1,730.20	1,734.35	1,544.98	1,615.61	1,626.56	323.75	113.18
<b>Pretax Margin % (2/1)</b>	<b>-1.2%</b>	<b>-4.3%</b>	<b>-4.6</b>	<b>0.56</b>	<b>9.38</b>	<b>12.23</b>	<b>3.49</b>
<b>x Tax Retent % (3/2)</b>	<b>224.64%</b>	<b>110.05%</b>	<b>112.13</b>	<b>-583.56</b>	<b>45.64</b>	<b>59.45</b>	<b>54.11</b>
<b>= Profit Margin % (3/1)</b>	<b>-2.71%</b>	<b>-4.70%</b>	<b>-5.16</b>	<b>-3.29</b>	<b>4.28</b>	<b>7.27</b>	<b>1.89</b>
<b>x Assets Utilization (1/4)</b>	<b>0.26</b>	<b>0.24</b>	<b>0.24</b>	<b>0.22</b>	<b>0.2</b>	<b>0.32</b>	<b>0.31</b>
<b>= ROA % (3/4)</b>	<b>-0.70%</b>	<b>-1.15%</b>	<b>-1.24</b>	<b>-0.73</b>	<b>0.86</b>	<b>2.31</b>	<b>0.58</b>
<b>x Leverage (4/5)</b>	<b>2.46</b>	<b>2.49</b>	<b>2.71</b>	<b>2.58</b>	<b>2.49</b>	<b>1.89</b>	<b>2.69</b>
<b>= ROE % (3/5)</b>	<b>-1.73%</b>	<b>-2.86%</b>	<b>-3.36</b>	<b>-1.89</b>	<b>2.14</b>	<b>4.35</b>	<b>1.56</b>

Conclusion: We anticipate continued poor ROE and ROE subcomponent performance. The FY 01 \$287.5M PIERS Preferred Issuance, with a mandatory cash redemption, feature has significantly changed the nature of PKS Equity for comparative purposes.

**SIX FLAGS INC**  
**Annual Risk Rating/Bankruptcy**  
**NO EVENT +2% Revenue SCENARIO (1)**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95
<b>Growth Rates</b>								
Net ROA %	-0.70%	-1.15%	-1.24	-0.73	0.86	2.31	0.58	-0.68
Long Term Debt Growth (YTY %)	-2.09%	-5.77%	5.31	18.27	766.36	45.69	63.97	332.78
Asset Growth (YTY %)	-1.18%	2.91%	0.72	2.69	562.9	100.56	75.86	280.59
<b>Components of Net Liquidated Value</b>								
Cash @ 100%	59.25	59.52	42.97	138.13	400.57	84.29	4.04	28.79
Marketable Securities @ 98%	0	0	12.51	0	0	0	0	0
Receivables @ 90%	36.53	36.69	36.69	26.28	28.33	5.88	1.06	0.87
Other Current Assets @ 80%	19.36	19.44	28.68	45.78	188.22	3.75	2.73	1.88
Inventory @ 50%	15.17	15.23	14.29	11.8	10.85	2.77	2.1	1.45
Net Plant @ 25%	587.03	589.75	564.47	516.18	463.67	112.56	61.33	29
<b>Subtotal</b>	<b>717.34</b>	<b>720.64</b>	<b>699.62</b>	<b>738.16</b>	<b>1,091.64</b>	<b>209.26</b>	<b>71.27</b>	<b>61.99</b>
- Current Liabilities (100%)	186.78	187.59	143.58	159.3	357.19	33.78	16.85	11.58
	<b>530.56</b>	<b>533.05</b>	<b>556.04</b>	<b>578.86</b>	<b>734.45</b>	<b>175.48</b>	<b>54.42</b>	<b>50.41</b>
- Long Term Debt (100%)	2,140.30	2,186.04	2,319.91	2,202.93	1,862.68	215	147.57	90
	<b>-1,609.74</b>	<b>-1,652.99</b>	<b>-1,763.87</b>	<b>-1,624.07</b>	<b>-1,128.23</b>	<b>-39.52</b>	<b>-93.16</b>	<b>-39.59</b>
- Other Liabilities (100%)	205.304	205.304	182.86	183.72	206.03	38.79	27.19	25.82
	<b>-1,815.04</b>	<b>-1,858.30</b>	<b>-1,946.73</b>	<b>-1,807.79</b>	<b>-1,334.26</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.42</b>
<b>Net of Liabilities</b>	<b>-1,815.04</b>	<b>-1,858.30</b>	<b>-1,946.73</b>	<b>-1,807.79</b>	<b>-1,334.26</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.42</b>
- Preferred Stock	-1	0	0.01	0.01	0.01	0	0	0.2
<b>= Net Liquid Value</b>	<b>-1,816.04</b>	<b>-1,858.30</b>	<b>-1,946.74</b>	<b>-1,807.80</b>	<b>-1,334.27</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.62</b>
Average Shares	92.31	92.31	78.74	77.66	139.36	37.1	17.88	7.88
<b>NET Liquid Value per Share</b>	<b>-19.67</b>	<b>-20.13</b>	<b>-24.72</b>	<b>-23.28</b>	<b>-9.57</b>	<b>-2.11</b>	<b>-6.73</b>	<b>-8.33</b>

Conclusion: The anticipated differential between debt growth and asset growth is significant, and due to projected continued 5 year trend of negative ROA operating performance. Net Liquid Value/share is based upon Dupont Bankruptcy model. Assigns a 25% valuation to net park assets and park real property, which has a \$294M book value and ignores PKS interest in Partnership Parks and Other LT assets which currently have \$585M book value. Regardless, Net liquid value per/share remains clearly negative.

(1) No Event +2% Scenario anticipates modest 2002 economic recovery, and improved 'same park' performance from FY 2001 (2.6%).

**Note: Under this scenario, Net Liquid Value has fallen from \$-78 million to an estimated \$-1.816 billion over a five year period.**

**SIX FLAGS INC**  
**Annual Ratios and Turnover Rates**  
**NO EVENT +2% Revenue SCENARIO (1)**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95
<u>Current Assets / Current Liabilities</u>								
Current Assets / Current Liabilities %	82.7%	82.7%	112.1	155.78	192.91	299.17	76.17	302.21
Cash / Current Liabilities %	31.7%	31.7%	29.93	86.71	112.14	249.53	23.99	248.51
Receivables / Current Liabilities %	21.7%	21.7%	28.4	18.33	8.81	19.35	7	8.33
Inventory / Current Liabilities %	16.2%	16.2%	19.91	14.81	6.08	16.42	24.92	25.07
<u>Turnover Rates and % of Sales</u>								
Inventory Turnover	3.13	3.02	3.67	19.63	29.38	21.42	15.07	12.45
Receivables Turnover	27.12	15.39	28.78	30.55	42.8	50.25	87.13	45.23
Account Payables Turnover	22.44	21.38	24.2	29.34	33.57	11.32	10.73	10.86
Account Receivables / Sales %	3.68%	3.87%	4.05	3.15	3.87	3.37	1.26	2.33
Inventory / Sales %	2.75%	2.89%	2.84	2.54	2.67	2.86	4.49	7
Total Assets / Sales %	386.37%	409.29%	416.23	448.94	498.08	315.27	326.18	417.67
Account Payables / Sales %	4.47%	4.68%	4.5	4.09	3.11	11.96	11.83	15.33

Conclusion: Current assets and liabilities not meaningful as we anticipate PKS will have adequate short-term liquidity due to an expected increase in credit facility utilization. Concerning, continued weak Asset/Revenue ratio performance.

- (1) No Event +2% Scenario anticipates modest 2002 economic recovery, and improvement over FY 2001 'same park' performance of (2.6%).

## No Event +2% Revenue Scenario – Forecast Balance Sheet

Six Flags, Inc. Ticker: PKS  
**DETAILED ANNUAL BALANCE SHEET**  
(Thousands of U.S. Dollars)

	Estimate <u>12/31/02</u>	Estimate <u>12/31/01</u>	As of <u>9/30/01</u>	As of <u>06/30/01</u>	As of <u>12/31/00</u>	As of <u>12/31/99</u>	As of <u>12/31/98</u>
<b>ASSETS</b>							
Cash & Equivs.	59,255	59,519	123,547	76,822	42,978	138,131	400,578
Receivables	40,590	40,771	96,157	87,635	40,771	29,208	31,484
Inventories	30,334	30,469	30,469	40,830	28,588	23,590	21,703
Prepaid Expenses	24,196	24,304	24,304	39,974	35,855	32,793	29,200
Equity	-	-	-	-	-	-	-
Deferred Charges	-	-	-	-	-	-	-
Restricted Sec.	-	-	-	-	12,773	24,430	206,075
Total Current Assets	154,375	155,063	274,477	245,261	160,965	248,152	689,040
Land	294,215	294,215	294,215	294,215	294,215	293,924	-
Deprec Capital Items	2,674,213	2,534,213	2,495,608	2,445,973	2,291,712	1,978,495	1,548,152
Other LT Assets	114,323	104,668	103,168	69,962	103,851	120,012	118,986
L.T. Investments	481,857	481,857	481,857	493,261	462,014	469,101	395,097
Intangibles	1,163,901	1,212,701	1,224,901	1,237,108	1,206,609	1,259,568	1,278,189
Depreciation	(620,303)	(469,435)	(431,914)	(392,955)	(328,027)	(207,680)	(104,806)
Other/Equipment	-	-	-	-	-	-	127,807
Total Assets	4,262,581	4,313,282	4,442,312	4,392,825	4,191,339	4,161,572	4,052,465
<b>LIABILITIES</b>							
Accts. Pay/Other	49,063	49,282	49,282	94,989	45,315	37,918	25,285
Cur.Port.LT Debt	5,225	5,225	5,225	79,923	2,401	2,055	198,038
Accrued Interest	42,849	43,040	43,040	31,367	24,353	23,566	33,269
Accrued Comp.	-	-	-	6,963	6,963	19,368	17,548
Accrued Insur.	-	-	-	-	-	-	28,727
Other Accrued	89,642	90,042	90,042	122,596	64,552	76,395	54,331
Total Current Liabs	186,780	187,589	187,589	335,838	143,584	159,302	357,198
Long Term Debt	2,140,297	2,186,042	2,221,042	2,281,538	2,319,912	2,202,933	1,866,151
Capital Leases	-	-	-	-	-	-	-
Total LT Debt	2,140,297	2,186,042	2,221,042	2,281,538	2,319,912	2,202,933	1,866,151
Other LT Liabs.	51,557	51,557	55,148	326,313	37,937	41,761	50,573
Deferred Taxes	153,747	153,747	153,747	62,507	144,919	141,960	151,978
Total Liabilities	2,532,381	2,578,935	2,617,526	3,006,196	2,646,352	2,545,956	2,425,900
<b>SHAREHOLDER EQUITY</b>							
Preferred Stock	279,585	278,785	278,585	-	12	12	12
Common Stock	2,308	2,308	2,309	2,308	2,001	1,958	1,912
Paid In Capital	1,741,555	1,741,555	1,743,374	1,741,555	1,725,890	1,700,305	1,640,532
Retained Erngs.	(235,376)	(205,519)	(116,700)	(259,241)	(128,928)	(53,681)	133
Treasury Stock	-	-	-	-	-	-	-
Other Equity	(57,872)	(82,782)	(82,782)	(97,993)	(53,988)	(32,978)	(16,024)
Total Equity	1,730,200	1,734,347	1,824,786	1,386,629	1,544,987	1,615,616	1,626,565
Total Liab & Equity	4,262,581	4,313,282	4,442,312	4,392,825	4,191,339	4,161,572	4,052,465
Shares Outstanding	92,312	92,312	92,312	92,312	80,069	78,351	76,489

**Asset Side**

Conclusion: Current Assets remain proportionate to revenues because we assume liquidity will be available through credit facility. Depreciable Assets and Accumulated Deprec are predictable and influenced on the margin by CapX expenditures. Land is fixed, assume additional capital will not be spent in this area. Goodwill and amortization are understood and marginally influenced by acquisitions, which we assume will not occur. LT investments are a function of Company Partnership Park investments, which we model at \$6M/FY run-rate. The asset 'plug' is Other LT Assets for our purposes, and after all adjustments accounts for residual changes driven by Net Income/(Loss) and cash-flow increases/(decreases) within the Asset side of the balance sheet.

**Liability & Equity Side**

Conclusion: Current Liabilities are linked to Current Assets, which remain proportionate to revenues. Retained Earnings reflect anticipated net income/(loss). We do not anticipate any debt or common stock issuance, just an extension and expansion of the credit facility if necessary. LT Debt will change via changes in credit facility, and these changes will be driven by over-all increases/(decreases) in cash-flow. Preferred Stock/PIERS will continue to amortize the original discount at a rate of 200k/quarter. Finally, the plug is Other Equity which, after adjustments accounts for residual changes driven by Net Income/(Loss) and cash-flow increases/(decreases).

	Estimate 12/31/02	Estimate 12/31/01	As of 9/30/01	As of 06/30/01	As of 12/31/00	As of 12/31/99	As of 12/31/98
Debt/Equity	1.24	1.26	1.22	1.70	1.50	1.36	1.27
Debt & Pref'd/Equity	1.40	1.42	1.37	1.70	1.50	1.36	1.27
Debt/Total Capital	0.554	0.558	0.550	0.630	0.600	0.577	0.559
Debt & Pref'd/T.Capital	0.626	0.629	0.618	0.630	0.601	0.577	0.559

**Long Range Forecast Post SEPT 11 – No Event 0% Revenue Scenario**

**SIX FLAGS INC**  
**Annual ROE Decomposition**  
**NO EVENT 0% Revenue SCENARIO**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96
(1) Net Sales	1,081.62	1,053.84	1,006.98	926.98	813.62	193.9	93.45
(2) Pretax Income	-26.04	-45.05	-46.33	5.23	76.34	23.71	3.26
(3) Net Income	-37.05	-49.58	-51.95	-30.52	34.84	14.1	1.76
(4) Total Assets	4,255.39	4,313.28	4,191.33	4,161.57	4,052.46	611.32	304.8
(5) Shareholders Equity	1,704.73	1,734.35	1,544.98	1,615.61	1,626.56	323.75	113.18
<b>Pretax Margin % (2/1)</b>	<b>-2.4%</b>	<b>-4.3%</b>	<b>-4.6</b>	<b>0.56</b>	<b>9.38</b>	<b>12.23</b>	<b>3.49</b>
<b>x Tax Retent % (3/2)</b>	<b>142.24%</b>	<b>110.05%</b>	<b>112.13</b>	<b>-583.56</b>	<b>45.64</b>	<b>59.45</b>	<b>54.11</b>
<b>= Profit Margin % (3/1)</b>	<b>-3.43%</b>	<b>-4.70%</b>	<b>-5.16</b>	<b>-3.29</b>	<b>4.28</b>	<b>7.27</b>	<b>1.89</b>
<b>x Assets Utilization (1/4)</b>	<b>0.25</b>	<b>0.24</b>	<b>0.24</b>	<b>0.22</b>	<b>0.2</b>	<b>0.32</b>	<b>0.31</b>
<b>= ROA % (3/4)</b>	<b>-0.87%</b>	<b>-1.15%</b>	<b>-1.24</b>	<b>-0.73</b>	<b>0.86</b>	<b>2.31</b>	<b>0.58</b>
<b>x Leverage (4/5)</b>	<b>2.50</b>	<b>2.49</b>	<b>2.71</b>	<b>2.58</b>	<b>2.49</b>	<b>1.89</b>	<b>2.69</b>
<b>= ROE % (3/5)</b>	<b>-2.17%</b>	<b>-2.86%</b>	<b>-3.36</b>	<b>-1.89</b>	<b>2.14</b>	<b>4.35</b>	<b>1.56</b>

Conclusion: We anticipate continued poor ROE and ROE subcomponent performance. The FY 01 \$287.5M PIERS Preferred Issuance, with a mandatory cash redemption, feature has significantly changed the nature of PKS Equity for comparative purposes.

**SIX FLAGS INC**  
**Annual Risk Rating/Bankruptcy**  
**NO EVENT 0% Revenue SCENARIO (1)**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95
<b>Growth Rates</b>								
Net ROA %	-0.87%	-1.15%	-1.24	-0.73	0.86	2.31	0.58	-0.68
Long Term Debt Growth (YTY %)	-1.51%	-5.77%	5.31	18.27	766.36	45.69	63.97	332.78
Asset Growth (YTY %)	-1.34%	2.91%	0.72	2.69	562.9	100.56	75.86	280.59
<b>Components of Net Liquidated Value</b>								
Cash @ 100%	61.09	59.52	42.97	138.13	400.57	84.29	4.04	28.79
Marketable Securities @ 98%	0	0	12.51	0	0	0	0	0
Receivables @ 90%	37.66	36.69	36.69	26.28	28.33	5.88	1.06	0.87
Other Current Assets @ 80%	19.96	19.44	28.68	45.78	188.22	3.75	2.73	1.88
Inventory @ 50%	15.64	15.23	14.29	11.8	10.85	2.77	2.1	1.45
Net Plant @ 25%	587.03	589.75	564.47	516.18	463.67	112.56	61.33	29
<b>Subtotal</b>	<b>721.37</b>	<b>720.64</b>	<b>699.62</b>	<b>738.16</b>	<b>1,091.64</b>	<b>209.26</b>	<b>71.27</b>	<b>61.99</b>
- Current Liabilities (100%)	192.39	187.59	143.58	159.3	357.19	33.78	16.85	11.58
	<b>528.98</b>	<b>533.05</b>	<b>556.04</b>	<b>578.86</b>	<b>734.45</b>	<b>175.48</b>	<b>54.42</b>	<b>50.41</b>
- Long Term Debt (100%)	2,152.96	2,186.04	2,319.91	2,202.93	1,862.68	215	147.57	90
	<b>-1,623.98</b>	<b>-1,652.99</b>	<b>-1,763.87</b>	<b>-1,624.07</b>	<b>-1,128.23</b>	<b>-39.52</b>	<b>-93.16</b>	<b>-39.59</b>
- Other Liabilities (100%)	205.304	205.304	182.86	183.72	206.03	38.79	27.19	25.82
	<b>-1,829.28</b>	<b>-1,858.30</b>	<b>-1,946.73</b>	<b>-1,807.79</b>	<b>-1,334.26</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.42</b>
<b>Net of Liabilities</b>	<b>-1,829.28</b>	<b>-1,858.30</b>	<b>-1,946.73</b>	<b>-1,807.79</b>	<b>-1,334.26</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.42</b>
- Preferred Stock	-1	0	0.01	0.01	0.01	0	0	0.2
<b>= Net Liquid Value</b>	<b>-1,830.28</b>	<b>-1,858.30</b>	<b>-1,946.74</b>	<b>-1,807.80</b>	<b>-1,334.27</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.62</b>
Average Shares	92.31	92.31	78.74	77.66	139.36	37.1	17.88	7.88
<b>NET Liquid Value per Share</b>	<b>-19.83</b>	<b>-20.13</b>	<b>-24.72</b>	<b>-23.28</b>	<b>-9.57</b>	<b>-2.11</b>	<b>-6.73</b>	<b>-8.33</b>

Conclusion: The anticipated differential between debt growth and asset growth is significant, and due to projected continued 5 year trend of negative ROA operating performance. Net Liquid Value/share is based upon Dupont Bankruptcy model. Assigns a 25% valuation to net park assets and park real property, which has a \$294M book value and ignores PKS interest in Partnership Parks and Other LT assets which currently have \$585M book value. Regardless, Net liquid value per/share remains clearly negative.

(1) No Event 0% Scenario anticipates no 2002 economic recovery, and modest improvement with 'same park' performance from FY 2001 (2.6%) performance.

**Note: Under this scenario, Net Liquid Value has fallen from \$-78 million to an estimated \$-1.830 billion over a five year period.**

**SIX FLAGS INC**  
**Annual Ratios and Turnover Rates**  
**NO EVENT 0% Revenue SCENARIO (1)**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95
<b><u>Current Assets / Current Liabilities</u></b>								
Current Assets / Current Liabilities %	82.7%	82.7%	112.1	155.78	192.91	299.17	76.17	302.21
Cash / Current Liabilities %	31.8%	31.7%	29.93	86.71	112.14	249.53	23.99	248.51
Receivables / Current Liabilities %	21.7%	21.7%	28.4	18.33	8.81	19.35	7	8.33
Inventory / Current Liabilities %	16.3%	16.2%	19.91	14.81	6.08	16.42	24.92	25.07
<b><u>Turnover Rates and % of Sales</u></b>								
Inventory Turnover	3.04	3.02	3.67	19.63	29.38	21.42	15.07	12.45
Receivables Turnover	26.18	15.39	28.78	30.55	42.8	50.25	87.13	45.23
Account Payables Turnover	21.66	21.38	24.2	29.34	33.57	11.32	10.73	10.86
Account Receivables / Sales %	3.87%	3.87%	4.05	3.15	3.87	3.37	1.26	2.33
Inventory / Sales %	2.89%	2.89%	2.84	2.54	2.67	2.86	4.49	7
Total Assets / Sales %	393.43%	409.29%	416.23	448.94	498.08	315.27	326.18	417.67
Account Payables / Sales %	4.56%	4.68%	4.5	4.09	3.11	11.96	11.83	15.33

Conclusion: Current assets and liabilities not meaningful as we anticipate PKS will have adequate short-term liquidity due to an expected increase in credit facility utilization. Concerning, continued weak Asset/Revenue ratio performance.

(1) No Event 0% Scenario anticipates no significant 2002 economic slowdown, rather a modest recovery in 'same park' performance from FY 2001 (2.6%).

## No Event 0% Revenue Scenario – Forecast Balance Sheet

Six Flags, Inc. Ticker: PKS  
 DETAILED ANNUAL BALANCE SHEET  
 (Thousands of U.S. Dollars)

	Estimate <u>12/31/02</u>	Estimate <u>12/31/01</u>	As of <u>9/30/00</u>	As of <u>06/30/01</u>	As of <u>12/31/00</u>	As of <u>12/31/99</u>	As of <u>12/31/98</u>
<b>ASSETS</b>							
Cash & Equivs.	61,087	59,519	123,547	76,822	42,978	138,131	400,578
Receivables	41,845	40,771	96,157	87,635	40,771	29,208	31,484
Inventories	31,272	30,469	30,469	40,830	28,588	23,590	21,703
Prepaid Expenses	24,944	24,304	24,304	39,974	35,855	32,793	29,200
Equity	-	-	-	-	-	-	-
Deferred Charges	-	-	-	-	-	-	-
Restricted Sec.	-	-	-	-	12,773	24,430	206,075
Total Current Asset	159,149	155,063	274,477	245,261	160,965	248,152	689,040
Land	294,215	294,215	294,215	294,215	294,215	293,924	-
Land Improvement			168,679	337,358	299,261	223,068	-
Other LT Assets	102,359	104,668	103,168	69,962	103,851	120,012	118,986
L.T. Investments	481,857	481,857	481,857	493,261	462,014	469,101	395,097
Intangibles	1,163,901	1,212,701	1,224,901	1,237,108	1,206,609	1,259,568	1,278,189
Depreciation	(620,303)	(469,435)	(431,914)	(392,955)	(328,027)	(207,680)	(104,806)
Other/Equipment	-	-	-	-	-	-	127,807
Total Assets	4,255,390	4,313,282	4,442,312	4,392,825	4,191,339	4,161,572	4,052,465
<b>LIABILITIES</b>							
Accts. Pay/Other	50,581	49,282	49,282	94,989	45,315	37,918	25,285
Cur.Port.LT Debt	5,225	5,225	5,225	79,923	2,401	2,055	198,038
Accrued Interest	44,174	43,040	43,040	31,367	24,353	23,566	33,269
Accrued Comp.	-	-	-	6,963	6,963	19,368	17,548
Accrued Insur.	-	-	-	-	-	-	28,727
Other Accrued	92,415	90,042	90,042	122,596	64,552	76,395	54,331
Total Current Liabs	192,395	187,589	187,589	335,838	143,584	159,302	357,198
Long Term Debt	2,152,957	2,186,042	2,221,042	2,281,538	2,319,912	2,202,933	1,866,151
Capital Leases	-	-	-	-	-	-	-
Total LT Debt	2,152,957	2,186,042	2,221,042	2,281,538	2,319,912	2,202,933	1,866,151
Other LT Liabs.	51,557	51,557	55,148	326,313	37,937	41,761	50,573
Deferred Taxes	153,747	153,747	153,747	62,507	144,919	141,960	151,978
Total Liabilities	2,550,656	2,578,935	2,617,526	3,006,196	2,646,352	2,545,956	2,425,900
<b>SHAREHOLDER EQUITY</b>							
Preferred Stock	279,585	278,785	278,585	-	12	12	12
Common Stock	2,308	2,308	2,309	2,308	2,001	1,958	1,912
Paid In Capital	1,741,555	1,741,555	1,743,374	1,741,555	1,725,890	1,700,305	1,640,532
Retained Erngs.	(242,567)	(205,519)	(116,700)	(259,241)	(128,928)	(53,681)	133
Treasury Stock	-	-	-	-	-	-	-
Other Equity	(76,147)	(82,782)	(82,782)	(97,993)	(53,988)	(32,978)	(16,024)
Total Equity	1,704,735	1,734,347	1,824,786	1,386,629	1,544,987	1,615,616	1,626,565
Total Liab & Equity	4,255,390	4,313,282	4,442,312	4,392,825	4,191,339	4,161,572	4,052,465
Shares Outstanding	92,312	92,312	92,312	92,312	80,069	78,351	76,489

**Asset Side**

Conclusion: Current Assets remain proportionate to revenues because we assume liquidity will be available through credit facility. Depreciable Assets and Accumulated Deprec are predictable and influenced on the margin by CapX expenditures. Land is fixed, assume additional capital will not be spent in this area. Goodwill and amortization are understood and marginally influenced by acquisitions, which we assume will not occur. LT investments are a function of Company Partnership Park investments, which we model at \$6M/FY run-rate. The asset 'plug' is Other LT Assets for our purposes, and after all adjustments accounts for residual changes driven by Net Income/(Loss) and cash-flow increases/(decreases) within the Asset side of the balance sheet.

**Liability & Equity Side**

Conclusion: Current Liabilities are linked to Current Assets, which remain proportionate to revenues. Retained Earnings reflect anticipated net income/(loss). We do not anticipate any debt or common stock issuance, just an extension and expansion of the credit facility if necessary. LT Debt will change via changes in credit facility, and these changes will be driven by over-all increases/(decreases) in cash-flow. Preferred Stock/PIERS will continue to amortize the original discount at a rate of 200k/quarter. Finally, the plug is Other Equity which, after adjustments accounts for residual changes driven by Net Income/(Loss) and cash-flow increases/(decreases).

	Estimate 12/31/02	Estimate 12/31/01	As of 9/30/01	As of 06/30/01	As of 12/31/00	As of 12/31/99	As of 12/31/98
Debt/Equity	1.266	1.263	1.220	1.703	1.503	1.365	1.269
Debt & Pref'd/Equity	1.430	1.424	1.373	1.703	1.503	1.365	1.269
Debt/Total Capital	0.559	0.558	0.550	0.630	0.600	0.577	0.559
Debt & Pref'd/T.Capital	0.631	0.629	0.618	0.630	0.601	0.577	0.559

**Long Range Forecast Post Sept 11 – No Event -3% Revenue Scenario**

**SIX FLAGS INC  
Annual ROE Decomposition  
NO EVENT -3% Revenue SCENARIO**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96
(1) Net Sales	1,049.17	1,053.84	1,006.98	926.98	813.62	193.9	93.45
(2) Pretax Income	-62.17	-45.05	-46.33	5.23	76.34	23.71	3.26
(3) Net Income	-58.83	-49.58	-51.95	-30.52	34.84	14.1	1.76
(4) Total Assets	4,233.61	4,313.28	4,191.33	4,161.57	4,052.46	611.32	304.8
(5) Shareholders Equity	1,649.01	1,734.35	1,544.98	1,615.61	1,626.56	323.75	113.18
<b>Pretax Margin % (2/1)</b>	<b>-5.9%</b>	<b>-4.3%</b>	<b>-4.6</b>	<b>0.56</b>	<b>9.38</b>	<b>12.23</b>	<b>3.49</b>
<b>x Tax Retent % (3/2)</b>	<b>94.62%</b>	<b>110.05%</b>	<b>112.13</b>	<b>-583.56</b>	<b>45.64</b>	<b>59.45</b>	<b>54.11</b>
<b>= Profit Margin % (3/1)</b>	<b>-5.61%</b>	<b>-4.70%</b>	<b>-5.16</b>	<b>-3.29</b>	<b>4.28</b>	<b>7.27</b>	<b>1.89</b>
<b>x Assets Utilization (1/4)</b>	<b>0.25</b>	<b>0.24</b>	<b>0.24</b>	<b>0.22</b>	<b>0.2</b>	<b>0.32</b>	<b>0.31</b>
<b>= ROA % (3/4)</b>	<b>-1.39%</b>	<b>-1.15%</b>	<b>-1.24</b>	<b>-0.73</b>	<b>0.86</b>	<b>2.31</b>	<b>0.58</b>
<b>x Leverage (4/5)</b>	<b>2.57</b>	<b>2.49</b>	<b>2.71</b>	<b>2.58</b>	<b>2.49</b>	<b>1.89</b>	<b>2.69</b>
<b>= ROE % (3/5)</b>	<b>-3.57%</b>	<b>-2.86%</b>	<b>-3.36</b>	<b>-1.89</b>	<b>2.14</b>	<b>4.35</b>	<b>1.56</b>

Conclusion: We anticipate continued poor ROE and ROE subcomponent performance. The FY 01 \$287.5M PIERS Preferred Issuance, with a mandatory cash redemption, feature has significantly changed the nature of PKS Equity for comparative purposes.

**SIX FLAGS INC**  
**Annual Risk Rating/Bankruptcy**  
**NO EVENT -3% Revenue SCENARIO (1)**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95
<b><u>Growth Rates</u></b>								
Net ROA %	-1.39%	-1.15%	-1.24	-0.73	0.86	2.31	0.58	-0.68
Long Term Debt Growth (YTY %)	0.30%	-5.77%	5.31	18.27	766.36	45.69	63.97	332.78
Asset Growth (YTY %)	-1.85%	2.91%	0.72	2.69	562.9	100.56	75.86	280.59
<b><u>Components of Net Liquidated Value</u></b>								
Cash @ 100%	59.25	59.52	42.97	138.13	400.57	84.29	4.04	28.79
Marketable Securities @ 98%	0	0	12.51	0	0	0	0	0
Receivables @ 90%	36.53	36.69	36.69	26.28	28.33	5.88	1.06	0.87
Other Current Assets @ 80%	19.36	19.44	28.68	45.78	188.22	3.75	2.73	1.88
Inventory @ 50%	15.17	15.23	14.29	11.8	10.85	2.77	2.1	1.45
Net Plant @ 25%	587.03	589.75	564.47	516.18	463.67	112.56	61.33	29
<b>Subtotal</b>	<b>717.34</b>	<b>720.64</b>	<b>699.62</b>	<b>738.16</b>	<b>1,091.64</b>	<b>209.26</b>	<b>71.27</b>	<b>61.99</b>
- Current Liabilities (100%)	186.78	187.59	143.58	159.3	357.19	33.78	16.85	11.58
	<b>530.56</b>	<b>533.05</b>	<b>556.04</b>	<b>578.86</b>	<b>734.45</b>	<b>175.48</b>	<b>54.42</b>	<b>50.41</b>
- Long Term Debt (100%)	2,192.51	2,186.04	2,319.91	2,202.93	1,862.68	215	147.57	90
	<b>-1,661.95</b>	<b>-1,652.99</b>	<b>-1,763.87</b>	<b>-1,624.07</b>	<b>-1,128.23</b>	<b>-39.52</b>	<b>-93.16</b>	<b>-39.59</b>
- Other Liabilities (100%)	205.304	205.304	182.86	183.72	206.03	38.79	27.19	25.82
	<b>-1,867.26</b>	<b>-1,858.30</b>	<b>-1,946.73</b>	<b>-1,807.79</b>	<b>-1,334.26</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.42</b>
<b>Net of Liabilities</b>	<b>-1,867.26</b>	<b>-1,858.30</b>	<b>-1,946.73</b>	<b>-1,807.79</b>	<b>-1,334.26</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.42</b>
- Preferred Stock	-1	0	0.01	0.01	0.01	0	0	0.2
<b>= Net Liquid Value</b>	<b>-1,868.26</b>	<b>-1,858.30</b>	<b>-1,946.74</b>	<b>-1,807.80</b>	<b>-1,334.27</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.62</b>
Average Shares	92.31	92.31	78.74	77.66	139.36	37.1	17.88	7.88
<b>NET Liquid Value per Share</b>	<b>-20.24</b>	<b>-20.13</b>	<b>-24.72</b>	<b>-23.28</b>	<b>-9.57</b>	<b>-2.11</b>	<b>-6.73</b>	<b>-8.33</b>

Conclusion: The anticipated differential between debt growth and asset growth is significant, and due to projected continued 5 year trend of negative ROA operating performance. Net Liquid Value/share is based upon Dupont Bankruptcy model. Assigns a 25% valuation to net park assets and park real property, which has a \$294M book value and ignores PKS interest in Partnership Parks and Other LT assets which currently have \$585M book value. Regardless, Net liquid value per/share remains clearly negative.

- (1) No Event -3% Scenario anticipates continued negative 'same park' performance (FY01 -2.6%) rather than a significant economic slow-down.

**Note: Under this scenario, Net Liquid Value has fallen from \$-78 million to an estimated \$-1.868 billion over a five year period.**

**SIX FLAGS INC**  
**Annual Ratios and Turnover Rates**  
**NO EVENT -3% Revenue SCENARIO (1)**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95
<u>Current Assets / Current Liabilities</u>								
Current Assets / Current Liabilities	82.7%	82.7%	112.1	155.78	192.91	299.17	76.17	302.21
Cash / Current Liabilities %	31.7%	31.7%	29.93	86.71	112.14	249.53	23.99	248.51
Receivables / Current Liabilities %	21.7%	21.7%	28.4	18.33	8.81	19.35	7	8.33
Inventory / Current Liabilities %	16.2%	16.2%	19.91	14.81	6.08	16.42	24.92	25.07
<u>Turnover Rates and %</u>								
Inventory Turnover	3.35	3.02	3.67	19.63	29.38	21.42	15.07	12.45
Receivables Turnover	25.79	15.39	28.78	30.55	42.8	50.25	87.13	45.23
Account Payables Turnover	21.34	21.38	24.2	29.34	33.57	11.32	10.73	10.86
Account Receivables / Sales %	3.87%	3.87%	4.05	3.15	3.87	3.37	1.26	2.33
Inventory / Sales %	2.89%	2.89%	2.84	2.54	2.67	2.86	4.49	7
Total Assets / Sales %	403.52%	409.29%	416.23	448.94	498.08	315.27	326.18	417.67
Account Payables / Sales %	4.70%	4.68%	4.5	4.09	3.11	11.96	11.83	15.33

Conclusion: Current assets and liabilities not meaningful as we anticipate PKS will have adequate short-term liquidity due to an expected increase in credit facility utilization. Concerning is the continued weak Asset/Revenue ratio performance.

(1) No Event -3% Scenario anticipates no significant 2002 economic slowdown, rather continued weak 'same park' performance (2.6%) FY 2001.

## No Event -3% Revenue Scenario – Forecast Balance Sheet

Six Flags, Inc. Ticker: PKS  
 DETAILED ANNUAL BALANCE SHEET  
 (Thousands of U.S. Dollars)

	Estimate 12/31/02	Estimate 12/31/01	As of 9/30/01	As of 06/30/01	As of 12/31/00	As of 12/31/99	As of 12/31/98
<b>ASSETS</b>							
Cash & Equivs.	59,255	59,519	123,547	76,822	42,978	138,131	400,578
Receivables	40,590	40,771	96,157	87,635	40,771	29,208	31,484
Inventories	30,334	30,469	30,469	40,830	28,588	23,590	21,703
Prepaid Expenses	24,196	24,304	24,304	39,974	35,855	32,793	29,200
Equity	-	-	-	-	-	-	-
Deferred Charges	-	-	-	-	-	-	-
Restricted Sec.	-	-	-	-	12,773	24,430	206,075
Total Current Asset	154,375	155,063	274,477	245,261	160,965	248,152	689,040
Land	294,215	294,215	294,215	294,215	294,215	293,924	-
Land Improvement			168,679	337,358	299,261	223,068	-
Building/Improv.				567,872	540,349	485,303	-
Prop. & Equip.				1,540,744	1,452,102	1,270,124	1,548,152
Deprec Capital Items	2,674,213	2,534,213	2,495,608	2,445,973	2,291,712	1,978,495	1,548,152
Other LT Assets	85,353	104,668	103,168	69,962	103,851	120,012	118,986
L.T. Investments	481,857	481,857	481,857	493,261	462,014	469,101	395,097
Intangibles	1,163,901	1,212,701	1,224,901	1,237,108	1,206,609	1,259,568	1,278,189
Other/Equipment	-	-	-	-	-	-	127,807
Total Assets	4,233,610	4,313,282	4,442,312	4,392,825	4,191,339	4,161,572	4,052,465
<b>LIABILITIES</b>							
Accts. Pay/Other	49,063	49,282	49,282	94,989	45,315	37,918	25,285
Cur.Port.LT Debt	5,225	5,225	5,225	79,923	2,401	2,055	198,038
Accrued Interest	42,849	43,040	43,040	31,367	24,353	23,566	33,269
Accrued Comp.	-	-	-	6,963	6,963	19,368	17,548
Accrued Insur.	-	-	-	-	-	-	28,727
Other Accrued	89,642	90,042	90,042	122,596	64,552	76,395	54,331
Total Current Liabs	186,780	187,589	187,589	335,838	143,584	159,302	357,198
Long Term Debt	2,192,513	2,186,042	2,221,042	2,281,538	2,319,912	2,202,933	1,866,151
Capital Leases	-	-	-	-	-	-	-
Total LT Debt	2,192,513	2,186,042	2,221,042	2,281,538	2,319,912	2,202,933	1,866,151
Other LT Liabs.	51,557	51,557	55,148	326,313	37,937	41,761	50,573
Deferred Taxes	153,747	153,747	153,747	62,507	144,919	141,960	151,978
Total Liabilities	2,584,596	2,578,935	2,617,526	3,006,196	2,646,352	2,545,956	2,425,900
<b>SHAREHOLDER EQUITY</b>							
Preferred Stock	279,585	278,785	278,585	-	12	12	12
Common Stock	2,308	2,308	2,309	2,308	2,001	1,958	1,912
Paid In Capital	1,741,555	1,741,555	1,743,374	1,741,555	1,725,890	1,700,305	1,640,532
Retained Erngs.	(264,347)	(205,519)	(116,700)	(259,241)	(128,928)	(53,681)	133
Treasury Stock	-	-	-	-	-	-	-
Other Equity	(110,087)	(82,782)	(82,782)	(97,993)	(53,988)	(32,978)	(16,024)
Total Equity	1,649,014	1,734,347	1,824,786	1,386,629	1,544,987	1,615,616	1,626,565
Total Liab & Equity	4,233,610	4,313,282	4,442,312	4,392,825	4,191,339	4,161,572	4,052,465
Shares Outstanding	92,312	92,312	92,312	92,312	80,069	78,351	76,489

**Asset Side**

Conclusion: Current Assets remain proportionate to revenues because we assume liquidity will be available through credit facility. Depreciable Assets and Accumulated Deprec are predictable and influenced on the margin by CapX expenditures. Land is fixed, assume additional capital will not be spent in this area. Goodwill and amortization are understood and marginally influenced by acquisitions, which we assume will not occur. LT investments are a function of Company Partnership Park investments, which we model at \$6M/FY run-rate. The asset 'plug' is Other LT Assets for our purposes, and after all adjustments accounts for residual changes driven by Net Income/(Loss) and cash-flow increases/(decreases) within the Asset side of the balance sheet.

**Liability & Equity Side**

Conclusion: Current Liabilities are linked to Current Assets, which remain proportionate to revenues. Retained Earnings reflect anticipated net income/(loss). We do not anticipate any debt or common stock issuance, just an extension and expansion of the credit facility if necessary. LT Debt will change via changes in credit facility, and these changes will be driven by over-all increases/(decreases) in cash-flow. Preferred Stock/PIERS will continue to amortize the original discount at a rate of 200k/quarter. Finally, the plug is Other Equity which, after adjustments accounts for residual changes driven by Net Income/(Loss) and cash-flow increases/(decreases).

	Estimate 12/31/02	Estimate 12/31/01	As of 9/30/01	As of 06/30/01	As of 12/31/00	As of 12/31/99	As of 12/31/98
Debt/Equity	1.33	1.26	1.22	1.70	1.50	1.36	1.27
Debt & Pref'd/Equity	1.50	1.42	1.37	1.70	1.50	1.36	1.27
Debt/Total Capital	0.571	0.558	0.550	0.630	0.600	0.577	0.559
Debt & Pref'd/T.Capital	0.644	0.629	0.618	0.630	0.601	0.577	0.559

**Long Range Forecast Post SEPT 11 – No Event -6% Revenue Scenario**

**SIX FLAGS INC  
Annual ROE Decomposition  
NO EVENT -6% Revenue SCENARIO**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96
(1) Net Sales	1,016.72	1,053.84	1,006.98	926.98	813.62	193.9	93.45
(2) Pretax Income	-75.46	-45.05	-46.33	5.23	76.34	23.71	3.26
(3) Net Income	-66.60	-49.58	-51.95	-30.52	34.84	14.1	1.76
(4) Total Assets	4,225.84	4,313.28	4,191.33	4,161.57	4,052.46	611.32	304.8
(5) Shareholders Equity	1,630.84	1,734.35	1,544.98	1,615.61	1,626.56	323.75	113.18
<b>Pretax Margin % (2/1)</b>	<b>-7.4%</b>	<b>-4.3%</b>	<b>-4.6</b>	<b>0.56</b>	<b>9.38</b>	<b>12.23</b>	<b>3.49</b>
<b>x Tax Retent % (3/2)</b>	<b>88.26%</b>	<b>110.05%</b>	<b>112.13</b>	<b>-583.56</b>	<b>45.64</b>	<b>59.45</b>	<b>54.11</b>
<b>= Profit Margin % (3/1)</b>	<b>-6.55%</b>	<b>-4.70%</b>	<b>-5.16</b>	<b>-3.29</b>	<b>4.28</b>	<b>7.27</b>	<b>1.89</b>
<b>x Assets Utilization (1/4)</b>	<b>0.24</b>	<b>0.24</b>	<b>0.24</b>	<b>0.22</b>	<b>0.2</b>	<b>0.32</b>	<b>0.31</b>
<b>= ROA % (3/4)</b>	<b>-1.58%</b>	<b>-1.15%</b>	<b>-1.24</b>	<b>-0.73</b>	<b>0.86</b>	<b>2.31</b>	<b>0.58</b>
<b>x Leverage (4/5)</b>	<b>2.59</b>	<b>2.49</b>	<b>2.71</b>	<b>2.58</b>	<b>2.49</b>	<b>1.89</b>	<b>2.69</b>
<b>= ROE % (3/5)</b>	<b>-4.08%</b>	<b>-2.86%</b>	<b>-3.36</b>	<b>-1.89</b>	<b>2.14</b>	<b>4.35</b>	<b>1.56</b>

Conclusion: We anticipate continued poor ROE and ROE subcomponent performance. The FY 01 \$287.5M PIERS Preferred Issuance, with a mandatory cash redemption, feature has significantly changed the nature of PKS Equity for comparative purposes.

## Annual Risk Rating/Bankruptcy NO EVENT -6% Revenue SCENARIO (1)

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95
<b>Growth Rates</b>								
Net ROA %	-1.58%	-1.15%	-1.24	-0.73	0.86	2.31	0.58	-0.68
Long Term Debt Growth (YTY %)	1.03%	-5.77%	5.31	18.27	766.36	45.69	63.97	332.78
Asset Growth (YTY %)	-2.03%	2.91%	0.72	2.69	562.9	100.56	75.86	280.59
<b>Components of Net Liquidated Value</b>								
Cash @ 100%	57.42	59.52	42.97	138.13	400.57	84.29	4.04	28.79
Marketable Securities @ 98%	0	0	12.51	0	0	0	0	0
Receivables @ 90%	35.40	36.69	36.69	26.28	28.33	5.88	1.06	0.87
Other Current Assets @ 80%	18.76	19.44	28.68	45.78	188.22	3.75	2.73	1.88
Inventory @ 50%	14.70	15.23	14.29	11.8	10.85	2.77	2.1	1.45
Net Plant @ 25%	587.03	589.75	564.47	516.18	463.67	112.56	61.33	29
<b>Subtotal</b>	<b>713.31</b>	<b>720.64</b>	<b>699.62</b>	<b>738.16</b>	<b>1,091.64</b>	<b>209.26</b>	<b>71.27</b>	<b>61.99</b>
- Current Liabilities (100%)	181.16	187.59	143.58	159.3	357.19	33.78	16.85	11.58
	<b>532.15</b>	<b>533.05</b>	<b>556.04</b>	<b>578.86</b>	<b>734.45</b>	<b>175.48</b>	<b>54.42</b>	<b>50.41</b>
- Long Term Debt (100%)	2,208.53	2,186.04	2,319.91	2,202.93	1,862.68	215	147.57	90
	<b>-1,676.38</b>	<b>-1,652.99</b>	<b>-1,763.87</b>	<b>-1,624.07</b>	<b>-1,128.23</b>	<b>-39.52</b>	<b>-93.16</b>	<b>-39.59</b>
- Other Liabilities (100%)	205.304	205.304	182.86	183.72	206.03	38.79	27.19	25.82
	<b>-1,881.68</b>	<b>-1,858.30</b>	<b>-1,946.73</b>	<b>-1,807.79</b>	<b>-1,334.26</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.42</b>
<b>Net of Liabilities</b>	<b>-1,881.68</b>	<b>-1,858.30</b>	<b>-1,946.73</b>	<b>-1,807.79</b>	<b>-1,334.26</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.42</b>
- Preferred Stock	-1	0	0.01	0.01	0.01	0	0	0.2
<b>= Net Liquid Value</b>	<b>-1,882.68</b>	<b>-1,858.30</b>	<b>-1,946.74</b>	<b>-1,807.80</b>	<b>-1,334.27</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.62</b>
Average Shares	92.31	92.31	78.74	77.66	139.36	37.1	17.88	7.88
<b>NET Liquid Value per Share</b>	<b>-20.39</b>	<b>-20.13</b>	<b>-24.72</b>	<b>-23.28</b>	<b>-9.57</b>	<b>-2.11</b>	<b>-6.73</b>	<b>-8.33</b>

Conclusion: The anticipated differential between debt growth and asset growth is significant, and due to projected continued 5 year trend of negative ROA operating performance. Net Liquid Value/share is based upon Dupont Bankruptcy model. Assigns a 25% valuation to net park assets and park real property, which has a \$294M book value and ignores PKS interest in Partnership Parks and Other LT assets which currently have \$585M book value. Regardless, Net liquid value

- (1) No Event -6% Scenario anticipates significant 2002 economic slowdown, and continued difficulty with 'same park' tracking FY 2001 (2.6%) performance.

**Note: Under this scenario, Net Liquid Value has fallen from \$-78 million to an estimated \$-1.883 billion over a five year period.**

**SIX FLAGS INC**  
**Annual Ratios and Turnover Rates**  
**NO EVENT -6% Revenue SCENARIO (1)**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95
<u><i>Current Assets / Current Liabilities</i></u>								
Current Assets / Current Liabilities %	82.6%	82.7%	112.1	155.78	192.91	299.17	76.17	302.21
Cash / Current Liabilities %	31.7%	31.7%	29.93	86.71	112.14	249.53	23.99	248.51
Receivables / Current Liabilities %	21.7%	21.7%	28.4	18.33	8.81	19.35	7	8.33
Inventory / Current Liabilities %	16.2%	16.2%	19.91	14.81	6.08	16.42	24.92	25.07
<u><i>Turnover Rates and % of Sales</i></u>								
Inventory Turnover	2.99	3.02	3.67	19.63	29.38	21.42	15.07	12.45
Receivables Turnover	25.38	15.39	28.78	30.55	42.8	50.25	87.13	45.23
Account Payables Turnover	21.00	21.38	24.2	29.34	33.57	11.32	10.73	10.86
Account Receivables / Sales %	3.87%	3.87%	4.05	3.15	3.87	3.37	1.26	2.33
Inventory / Sales %	2.89%	2.89%	2.84	2.54	2.67	2.86	4.49	7
Total Assets / Sales %	415.63%	409.29%	416.23	448.94	498.08	315.27	326.18	417.67
Account Payables / Sales %	4.85%	4.68%	4.5	4.09	3.11	11.96	11.83	15.33

Conclusion: Current assets and liabilities not meaningful as we anticipate PKS will have adequate short-term liquidity due to an expected increase in credit facility utilization. Concerning, continued weak Asset/Revenue ratio performance.

(1) No Event -6% Scenario anticipates significant 2002 economic slowdown, and continued 'same park' performance difficulty from FY 2001 (2.6%).

## No Event -6% Revenue Scenario – Forecast Balance Sheet

Six Flags, Inc. Ticker:  
PKS  
**DETAILED ANNUAL BALANCE SHEET**  
(Thousands of U.S. Dollars)

	Estimate 12/31/02	Estimate 12/31/01	As of 9/30/01	As of 06/30/01	As of 12/31/00	As of 12/31/99	As of 12/31/98
<b>ASSETS</b>							
Cash & Equivs.	57,422	59,519	123,547	76,822	42,978	138,131	400,578
Receivables	39,335	40,771	96,157	87,635	40,771	29,208	31,484
Inventories	29,396	30,469	30,469	40,830	28,588	23,590	21,703
Prepaid Exp	23,448	24,304	24,304	39,974	35,855	32,793	29,200
Equity	-	-	-	-	-	-	-
Deferred Charge	-	-	-	-	-	-	-
Restricted Sec.	-	-	-	-	12,773	24,430	206,075
Total Current Asset	149,600	155,063	274,477	245,261	160,965	248,152	689,040
Land	294,215	294,215	294,215	294,215	294,215	293,924	-
Deprec Capital Items	2,674,213	2,534,213	2,495,608	2,445,973	2,291,712	1,978,495	1,548,152
Other LT Assets	82,354	104,668	103,168	69,962	103,851	120,012	118,986
L.T. Investments	481,857	481,857	481,857	493,261	462,014	469,101	395,097
Intangibles	1,163,901	1,212,701	1,224,901	1,237,108	1,206,609	1,259,568	1,278,189
Depreciation	(620,303)	(469,435)	(431,914)	(392,955)	(328,027)	(207,680)	(104,806)
Other/Equip	-	-	-	-	-	-	127,807
Total Assets	4,225,837	4,313,282	4,442,312	4,392,825	4,191,339	4,161,572	4,052,465
<b>LIABILITIES</b>							
Accts. Pay/Other	47,546	49,282	49,282	94,989	45,315	37,918	25,285
Cur.Port.LT Debt	5,225	5,225	5,225	79,923	2,401	2,055	198,038
Accrued Interest	41,524	43,040	43,040	31,367	24,353	23,566	33,269
Accrued Comp.	-	-	-	6,963	6,963	19,368	17,548
Accrued Insur.	-	-	-	-	-	-	28,727
Other Accrued	86,870	90,042	90,042	122,596	64,552	76,395	54,331
Total Current Liabs	181,165	187,589	187,589	335,838	143,584	159,302	357,198
Long Term Debt	2,208,527	2,186,042	2,221,042	2,281,538	2,319,912	2,202,933	1,866,151
Capital Leases	-	-	-	-	-	-	-
Total LT Debt	2,208,527	2,186,042	2,221,042	2,281,538	2,319,912	2,202,933	1,866,151
Other LT Liabs.	51,557	51,557	55,148	326,313	37,937	41,761	50,573
Deferred Taxes	153,747	153,747	153,747	62,507	144,919	141,960	151,978
Total Liabilities	2,594,995	2,578,935	2,617,526	3,006,196	2,646,352	2,545,956	2,425,900
<b>SHAREHOLDER EQUITY</b>							
Preferred Stock	279,585	278,785	278,585	-	12	12	12
Common Stock	2,308	2,308	2,309	2,308	2,001	1,958	1,912
Paid In Capital	1,741,555	1,741,555	1,743,374	1,741,555	1,725,890	1,700,305	1,640,532
Retained Erngs.	(272,120)	(205,519)	(116,700)	(259,241)	(128,928)	(53,681)	133
Treasury Stock	-	-	-	-	-	-	-
Other Equity	(120,486)	(82,782)	(82,782)	(97,993)	(53,988)	(32,978)	(16,024)
Total Equity	1,630,841	1,734,347	1,824,786	1,386,629	1,544,987	1,615,616	1,626,565
Total Liabilities & Equity	4,225,837	4,313,282	4,442,312	4,392,825	4,191,339	4,161,572	4,052,465
Shares Outstanding	92,312	92,312	92,312	92,312	80,069	78,351	76,489

**Asset Side**

Conclusion: Current Assets remain proportionate to revenues because we assume liquidity will be available through credit facility. Depreciable Assets and Accumulated Depreciation are predictable and influenced on the margin by CapX expenditures. Land is fixed, assume additional capital will not be spent in this area. Goodwill and amortization are understood and influenced on the margin by acquisitions, which we assume will not occur. LT investments a function of Company investments in Partnership Parks, which we model at \$6M/FY run-rate. The asset 'plug' is Other LT Assets for our purposes, which after all adjustments accounts for residual changes driven by Net Income/(Loss) and cash-flow increases/(decreases) within the Asset side of the balance sheet.

**Liability & Equity Side**

Conclusion: Current Liabilities are linked to Current Assets, which remain proportionate to revenues. Retained Earnings reflect anticipated net income/(loss). We do not anticipate any debt or common stock issuance, just an extension and expansion of the credit facility if necessary. LT Debt will change via changes in credit facility, and these changes will be driven by increases/(decreases) in cash-flow. Preferred Stock/PIERS will continue to amortize original discount at a rate of 200k/quarter. Finally, plug is Other Equity, which after all adjustments accounts for residual changes driven by Net Income/(Loss) and cash-flow increases/(decreases).

	Estimate 12/31/02	Estimate 12/31/01	As of 9/30/01	As of 06/30/01	As of 12/31/00	As of 12/31/99	As of 12/31/98
Debt/Equity	1.36	1.26	1.22	1.70	1.50	1.36	1.27
Debt & Pref'd/Equity	1.53	1.42	1.37	1.70	1.50	1.36	1.27
Debt/Total Capital	0.576	0.558	0.550	0.630	0.600	0.577	0.559
Debt & Pref'd/T.Capital	0.649	0.629	0.618	0.630	0.601	0.577	0.559

**Long Range Forecast Post SEPT 11 – Unrelated Event -& 0% Revenue Scenario**

**SIX FLAGS INC  
Annual ROE Decomposition  
Unrelated Beginning Q2 EVENT SCENARIO**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96
(1) Net Sales	1,045.97	1,053.84	1,006.98	926.98	813.62	193.9	93.45
(2) Pretax Income	-58.43	-45.05	-46.33	5.23	76.34	23.71	3.26
(3) Net Income	-55.26	-49.58	-51.95	-30.52	34.84	14.1	1.76
(4) Total Assets	4,237.18	4,313.28	4,191.33	4,161.57	4,052.46	611.32	304.8
(5) Shareholders Equity	1,619.77	1,734.35	1,544.98	1,615.61	1,626.56	323.75	113.18
<b>Pretax Margin % (2/1)</b>	<b>-5.6%</b>	<b>-4.3%</b>	<b>-4.6</b>	<b>0.56</b>	<b>9.38</b>	<b>12.23</b>	<b>3.49</b>
<b>x Tax Retent % (3/2)</b>	<b>94.58%</b>	<b>110.05%</b>	<b>112.13</b>	<b>-583.56</b>	<b>45.64</b>	<b>59.45</b>	<b>54.11</b>
<b>= Profit Margin % (3/1)</b>	<b>-5.28%</b>	<b>-4.70%</b>	<b>-5.16</b>	<b>-3.29</b>	<b>4.28</b>	<b>7.27</b>	<b>1.89</b>
<b>x Assets Utilization (1/4)</b>	<b>0.25</b>	<b>0.24</b>	<b>0.24</b>	<b>0.22</b>	<b>0.2</b>	<b>0.32</b>	<b>0.31</b>
<b>= ROA % (3/4)</b>	<b>-1.30%</b>	<b>-1.15%</b>	<b>-1.24</b>	<b>-0.73</b>	<b>0.86</b>	<b>2.31</b>	<b>0.58</b>
<b>x Leverage (4/5)</b>	<b>2.62</b>	<b>2.49</b>	<b>2.71</b>	<b>2.58</b>	<b>2.49</b>	<b>1.89</b>	<b>2.69</b>
<b>= ROE % (3/5)</b>	<b>-3.41%</b>	<b>-2.86%</b>	<b>-3.36</b>	<b>-1.89</b>	<b>2.14</b>	<b>4.35</b>	<b>1.56</b>

Conclusion: We anticipate continued poor ROE and ROE subcomponent performance. The FY 01 \$287.5M PIERS Preferred Issuance, with a mandatory cash redemption, feature has significantly changed the nature of PKS Equity for comparative purposes.

**SIX FLAGS INC**  
**Annual Risk Rating/Bankruptcy**  
**Unrelated EVENT +0% Revenue SCENARIO (1)**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95
<b>Growth Rates</b>								
Net ROA %	-1.30%	-1.15%	-1.24	-0.73	0.86	2.31	0.58	-0.68
Long Term Debt Growth (YTY %)	1.82%	-5.77%	5.31	18.27	766.36	45.69	63.97	332.78
Asset Growth (YTY %)	-1.76%	2.91%	0.72	2.69	562.9	100.56	75.86	280.59
<b>Components of Net Liquidated Value</b>								
Cash @ 100%	59.07	59.52	42.97	138.13	400.57	84.29	4.04	28.79
Marketable Securities @ 98%	0	0	12.51	0	0	0	0	0
Receivables @ 90%	36.42	36.69	36.69	26.28	28.33	5.88	1.06	0.87
Other Current Assets @ 80%	19.30	19.44	28.68	45.78	188.22	3.75	2.73	1.88
Inventory @ 50%	15.12	15.23	14.29	11.8	10.85	2.77	2.1	1.45
Net Plant @ 25%	587.03	589.75	564.47	516.18	463.67	112.56	61.33	29
<b>Subtotal</b>	<b>716.94</b>	<b>720.64</b>	<b>699.62</b>	<b>738.16</b>	<b>1,091.64</b>	<b>209.26</b>	<b>71.27</b>	<b>61.99</b>
- Current Liabilities (100%)	186.23	187.59	143.58	159.3	357.19	33.78	16.85	11.58
	<b>530.72</b>	<b>533.05</b>	<b>556.04</b>	<b>578.86</b>	<b>734.45</b>	<b>175.48</b>	<b>54.42</b>	<b>50.41</b>
- Long Term Debt (100%)	2,225.88	2,186.04	2,319.91	2,202.93	1,862.68	215	147.57	90
- Other Liabilities (100%)	205.304	205.304	182.86	183.72	206.03	38.79	27.19	25.82
<b>Net of Liabilities</b>	<b>-1,900.46</b>	<b>-1,858.30</b>	<b>-1,946.73</b>	<b>-1,807.79</b>	<b>-1,334.26</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.42</b>
- Preferred Stock	-1	0	0.01	0.01	0.01	0	0	0.2
<b>= Net Liquid Value</b>	<b>-1,901.46</b>	<b>-1,858.30</b>	<b>-1,946.74</b>	<b>-1,807.80</b>	<b>-1,334.27</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.62</b>
Average Shares	92.31	92.31	78.74	77.66	139.36	37.1	17.88	7.88
<b>NET Liquid Value per Share</b>	<b>-20.60</b>	<b>-20.13</b>	<b>-24.72</b>	<b>-23.28</b>	<b>-9.57</b>	<b>-2.11</b>	<b>-6.73</b>	<b>-8.33</b>

Conclusion: The anticipated differential between debt growth and asset growth is significant, and due to projected continued 5 year trend of negative ROA operating performance. Net Liquid Value/share is based upon Dupont Bankruptcy model. Assigns a 25% valuation to net park assets and park real property, which has a \$294M book value and ignores PKS interest in Partnership Parks and Other LT assets which currently have \$585M book value. Regardless, Net liquid value per/share remains clearly negative.

- (1) Unrelated Event +0% Scenario anticipates no 2002 economic recovery, modest improvement regarding 'same park' performance from FY 2001 (2.6%), and an Unrelated Event similar to WTC/Sept 11 - business off over-all 10% in the quarter of occurrence/Q2, but no sustained residual effect.

**Note: Under this scenario, Net Liquid Value has fallen from \$-78 million to an estimated \$-1.901 billion over a five year period.**

**SIX FLAGS INC**  
**Annual Ratios and Turnover Rates**  
**Unrelated EVENT +0% Revenue SCENARIO (1)**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95
<u>Current Assets / Current Liabilities</u>								
Current Assets / Current Liabilities %	82.6%	82.7%	112.1	155.78	192.91	299.17	76.17	302.21
Cash / Current Liabilities %	31.7%	31.7%	29.93	86.71	112.14	249.53	23.99	248.51
Receivables / Current Liabilities %	21.7%	21.7%	28.4	18.33	8.81	19.35	7	8.33
Inventory / Current Liabilities %	16.2%	16.2%	19.91	14.81	6.08	16.42	24.92	25.07
<u>Turnover Rates and % of Sales</u>								
Inventory Turnover	3.01	3.02	3.67	19.63	29.38	21.42	15.07	12.45
Receivables Turnover	25.75	15.39	28.78	30.55	42.8	50.25	87.13	45.23
Account Payables Turnover	21.30	21.38	24.2	29.34	33.57	11.32	10.73	10.86
Account Receivables / Sales %	3.87%	3.87%	4.05	3.15	3.87	3.37	1.26	2.33
Inventory / Sales %	2.89%	2.89%	2.84	2.54	2.67	2.86	4.49	7
Total Assets / Sales %	405.09%	409.29%	416.23	448.94	498.08	315.27	326.18	417.67
Account Payables / Sales %	4.71%	4.68%	4.5	4.09	3.11	11.96	11.83	15.33

Conclusion: Current assets and liabilities not meaningful as we anticipate PKS will have adequate short-term liquidity due to an expected increase in credit facility utilization. Concerning, continued weak Asset/Revenue ratio performance.

- (1) Unrelated Event +0% Scenario anticipates no real 2002 economic recovery, modest improvement with 'same park' performance from FY 2001 (2.6%) performance, and an Unrelated Event similar to WTC/Sept 11 - business off over-all 10% in Q2 but no sustained residual effect.

## Unrelated Event –0% Revenue Scenario – Forecast Balance Sheet

Six Flags, Inc. Ticker: PKS  
 DETAILED ANNUAL BALANCE SHEET  
 (Thousands of U.S. Dollars)

	Estimate 12/31/02	Estimate 12/31/01	As of 9/30/01	As of 06/30/01	As of 12/31/00	As of 12/31/99	As of 12/31/98
<b>ASSETS</b>							
Cash & Equivs.	59,074	59,519	123,547	76,822	42,978	138,131	400,578
Receivables	40,466	40,771	96,157	87,635	40,771	29,208	31,484
Inventories	30,241	30,469	30,469	40,830	28,588	23,590	21,703
Prepaid Expenses	24,122	24,304	24,304	39,974	35,855	32,793	29,200
Equity	-	-	-	-	-	-	-
Deferred Charges	-	-	-	-	-	-	-
Restricted Sec.	-	-	-	-	12,773	24,430	206,075
Total Current Assets	153,904	155,063	274,477	245,261	160,965	248,152	689,040
Land	294,215	294,215	294,215	294,215	294,215	293,924	-
Deprec Capital Items	2,674,213	2,534,213	2,495,608	2,445,973	2,291,712	1,978,495	1,548,152
Other LT Assets	89,391	104,668	103,168	69,962	103,851	120,012	118,986
L.T. Investments	481,857	481,857	481,857	493,261	462,014	469,101	395,097
Intangibles	1,163,901	1,212,701	1,224,901	1,237,108	1,206,609	1,259,568	1,278,189
Depreciation	(620,303)	(469,435)	(431,914)	(392,955)	(328,027)	(207,680)	(104,806)
Other/Equipment	-	-	-	-	-	-	127,807
Total Assets	4,237,178	4,313,282	4,442,312	4,392,825	4,191,339	4,161,572	4,052,465
<b>LIABILITIES</b>							
Accts. Pay/Other	48,914	49,282	49,282	94,989	45,315	37,918	25,285
Cur.Port.LT Debt	5,225	5,225	5,225	79,923	2,401	2,055	198,038
Accrued Interest	42,718	43,040	43,040	31,367	24,353	23,566	33,269
Accrued Comp.	-	-	-	6,963	6,963	19,368	17,548
Accrued Insur.	-	-	-	-	-	-	28,727
Other Accrued	89,369	90,042	90,042	122,596	64,552	76,395	54,331
Total Current Liabs	186,227	187,589	187,589	335,838	143,584	159,302	357,198
Long Term Debt	2,225,875	2,186,042	2,221,042	2,281,538	2,319,912	2,202,933	1,866,151
Capital Leases	-	-	-	-	-	-	-
Total LT Debt	2,225,875	2,186,042	2,221,042	2,281,538	2,319,912	2,202,933	1,866,151
Other LT Liabs.	51,557	51,557	55,148	326,313	37,937	41,761	50,573
Deferred Taxes	153,747	153,747	153,747	62,507	144,919	141,960	151,978
Total Liabilities	2,617,406	2,578,935	2,617,526	3,006,196	2,646,352	2,545,956	2,425,900
<b>SHAREHOLDER EQUITY</b>							
Preferred Stock	279,585	278,785	278,585	-	12	12	12
Common Stock	2,308	2,308	2,309	2,308	2,001	1,958	1,912
Paid In Capital	1,741,555	1,741,555	1,743,374	1,741,555	1,725,890	1,700,305	1,640,532
Retained Erngs.	(260,779)	(205,519)	(116,700)	(259,241)	(128,928)	(53,681)	133
Treasury Stock	-	-	-	-	-	-	-
Other Equity	(142,897)	(82,782)	(82,782)	(97,993)	(53,988)	(32,978)	(16,024)
Total Equity	1,619,772	1,734,347	1,824,786	1,386,629	1,544,987	1,615,616	1,626,565
Total Liab & Equity	4,237,178	4,313,282	4,442,312	4,392,825	4,191,339	4,161,572	4,052,465
Shares Outstanding	92,312	92,312	92,312	92,312	80,069	78,351	76,489

**Asset Side**

Conclusion: Current Assets remain proportionate to revenues because we assume liquidity will be available through credit facility. Depreciable Assets and Accumulated Deprec are predictable and influenced on the margin by CapX expenditures. Land is fixed, assume additional capital will not be spent in this area. Goodwill and amortization are understood and marginally influenced by acquisitions, which we assume will not occur. LT investments are a function of Company Partnership Park investments, which we model at \$6M/FY run-rate. The asset 'plug' is Other LT Assets for our purposes, and after all adjustments accounts for residual changes driven by Net Income/(Loss) and cash-flow increases/(decreases) within the Asset side of the balance sheet.

**Liability & Equity Side**

Conclusion: Current Liabilities are linked to Current Assets, which remain proportionate to revenues. Retained Earnings reflect anticipated net income/(loss). We do not anticipate any debt or common stock issuance, just an extension and expansion of the credit facility if necessary. LT Debt will change via changes in credit facility, and these changes will be driven by over-all increases/(decreases) in cash-flow. Preferred Stock/PIERS will continue to amortize the original discount at a rate of 200k/quarter. Finally, the plug is Other Equity which, after adjustments accounts for residual changes driven by Net Income/(Loss) and cash-flow increases/(decreases).

	Estimate 12/31/02	Estimate 12/31/01	As of 9/30/01	As of 06/30/01	As of 12/31/00	As of 12/31/99	As of 12/31/98
Debt/Equity	1.38	1.26	1.22	1.70	1.50	1.36	1.27
Debt & Pref'd/Equity	1.55	1.42	1.37	1.70	1.50	1.36	1.27
Debt/Total Capital	0.579	0.558	0.550	0.630	0.600	0.577	0.559
Debt & Pref'd/T.Capital	0.652	0.629	0.618	0.630	0.601	0.577	0.559

**Long Range Forecast Post SEPT 11 – Related Event -& 0% Revenue Scenario**

**SIX FLAGS INC  
Annual ROE Decomposition  
Related Beginning Q2 EVENT SCENARIO**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96
(1) Net Sales	820.01	1,053.84	1,006.98	926.98	813.62	193.9	93.45
(2) Pretax Income	-235.26	-45.05	-46.33	5.23	76.34	23.71	3.26
(3) Net Income	-162.11	-49.58	-51.95	-30.52	34.84	14.1	1.76
(4) Total Assets	4,130.33	4,313.28	4,191.33	4,161.57	4,052.46	611.32	304.8
(5) Shareholders Equity	1,379.03	1,734.35	1,544.98	1,615.61	1,626.56	323.75	113.18
Pretax Margin % (2/1)	-28.7%	-4.3%	-4.6	0.56	9.38	12.23	3.49
x Tax Retent % (3/2)	68.91%	110.05%	112.13	-583.56	45.64	59.45	54.11
= Profit Margin % (3/1)	-19.77%	-4.70%	-5.16	-3.29	4.28	7.27	1.89
x Assets Utilization (1/4)	0.20	0.24	0.24	0.22	0.2	0.32	0.31
= ROA % (3/4)	-3.92%	-1.15%	-1.24	-0.73	0.86	2.31	0.58
x Leverage (4/5)	3.00	2.49	2.71	2.58	2.49	1.89	2.69
= ROE % (3/5)	-11.76%	-2.86%	-3.36	-1.89	2.14	4.35	1.56

Conclusion: We anticipate continued poor ROE and ROE subcomponent performance. The FY 01 \$287.5M PIERS Preferred Issuance, with a mandatory cash redemption, feature has significantly changed the nature of PKS Equity for comparative purposes.

**SIX FLAGS INC**  
**Annual Risk Rating/Bankruptcy**  
**Related EVENT +0% Revenue SCENARIO (1)**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95
<b><u>Growth Rates</u></b>								
Net ROA %	-3.92%	-1.15%	-1.24	-0.73	0.86	2.31	0.58	-0.68
Long Term Debt Growth (YTY %)	9.74%	-5.77%	5.31	18.27	766.36	45.69	63.97	332.78
Asset Growth (YTY %)	-4.24%	2.91%	0.72	2.69	562.9	100.56	75.86	280.59
<b><u>Components of Net Liquidated Value</u></b>								
Cash @ 100%	46.31	59.52	42.97	138.13	400.57	84.29	4.04	28.79
Marketable Securities @ 98%	0	0	12.51	0	0	0	0	0
Receivables @ 90%	28.55	36.69	36.69	26.28	28.33	5.88	1.06	0.87
Other Current Assets @ 80%	15.13	19.44	28.68	45.78	188.22	3.75	2.73	1.88
Inventory @ 50%	11.85	15.23	14.29	11.8	10.85	2.77	2.1	1.45
Net Plant @ 25%	587.03	589.75	564.47	516.18	463.67	112.56	61.33	29
<b>Subtotal</b>	<b>688.88</b>	<b>720.64</b>	<b>699.62</b>	<b>738.16</b>	<b>1,091.64</b>	<b>209.26</b>	<b>71.27</b>	<b>61.99</b>
- Current Liabilities (100%)	147.12	187.59	143.58	159.3	357.19	33.78	16.85	11.58
	<b>541.75</b>	<b>533.05</b>	<b>556.04</b>	<b>578.86</b>	<b>734.45</b>	<b>175.48</b>	<b>54.42</b>	<b>50.41</b>
- Long Term Debt (100%)	2,398.87	2,186.04	2,319.91	2,202.93	1,862.68	215	147.57	90
- Other Liabilities (100%)	205.304	205.304	182.86	183.72	206.03	38.79	27.19	25.82
<b>Net of Liabilities</b>	<b>-2,062.42</b>	<b>-1,858.30</b>	<b>-1,946.73</b>	<b>-1,807.79</b>	<b>-1,334.26</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.42</b>
- Preferred Stock	-1	0	0.01	0.01	0.01	0	0	0.2
<b>= Net Liquid Value</b>	<b>-2,063.42</b>	<b>-1,858.30</b>	<b>-1,946.74</b>	<b>-1,807.80</b>	<b>-1,334.27</b>	<b>-78.32</b>	<b>-120.35</b>	<b>-65.62</b>
Average Shares	92.31	92.31	78.74	77.66	139.36	37.1	17.88	7.88
<b>NET Liquid Value per Share</b>	<b>-22.35</b>	<b>-20.13</b>	<b>-24.72</b>	<b>-23.28</b>	<b>-9.57</b>	<b>-2.11</b>	<b>-6.73</b>	<b>-8.33</b>

Conclusion: The anticipated differential between debt growth and asset growth is significant, and due to projected continued 5 year trend of negative ROA operating performance. Net Liquid Value/share is based upon Dupont Bankruptcy model. Assigns a 25% valuation to net park assets and park real property, which has a \$294M book value and ignores PKS interest in Partnership Parks and Other LT assets which currently have \$585M book value. Regardless, Net liquid value per/share remains clearly negative.

- (1) Related Event +0% Scenario anticipates no 2002 economic recovery, modest improvement regarding 'same park' performance from FY 2001 (2.6%), and an WTC/Sept 11 - except occurring within the Theme Park Industry, business off over-all 25% in Q2, and for the remainder of the FY.

**Note: Under this scenario, Net Liquid Value has fallen from \$-78 million to an estimated \$-2.063 billion over a five year period.**

**SIX FLAGS INC**  
**Annual Ratios and Turnover Rates**  
**Related EVENT +0% Revenue SCENARIO (1)**

Fiscal Year End for SIX FLAGS INC(PKS ) falls in the month of December.

	12/31/02	12/31/01	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95
<i>Current Assets / Current Liabilities</i>								
Current Assets / Current Liabilities %	82.0%	82.7%	112.1	155.78	192.91	299.17	76.17	302.21
Cash / Current Liabilities %	31.5%	31.7%	29.93	86.71	112.14	249.53	23.99	248.51
Receivables / Current Liabilities %	21.6%	21.7%	28.4	18.33	8.81	19.35	7	8.33
Inventory / Current Liabilities %	16.1%	16.2%	19.91	14.81	6.08	16.42	24.92	25.07
<i>Turnover Rates and % of</i>								
Inventory Turnover	2.83	3.02	3.67	19.63	29.38	21.42	15.07	12.45
Receivables Turnover	22.62	15.39	28.78	30.55	42.8	50.25	87.13	45.23
Account Payables Turnover	18.72	21.38	24.2	29.34	33.57	11.32	10.73	10.86
Account Receivables / Sales %	3.87%	3.87%	4.05	3.15	3.87	3.37	1.26	2.33
Inventory / Sales %	2.89%	2.89%	2.84	2.54	2.67	2.86	4.49	7
Total Assets / Sales %	503.70%	409.29%	416.23	448.94	498.08	315.27	326.18	417.67
Account Payables / Sales %	6.01%	4.68%	4.5	4.09	3.11	11.96	11.83	15.33

Conclusion: Current assets and liabilities not meaningful as we anticipate PKS will have adequate short-term liquidity due to an expected increase in credit facility utilization. Concerning, continued weak Asset/Revenue ratio performance.

- (1) Related Event +0% Scenario anticipates no real 2002 economic recovery, modest improvement with 'same park' performance from FY 2001 (2.6%) and a related event similar to WTC/Sept 11 - except occurring within the Theme Park Industry, business off over-all 25% in Q2, and for the remainder of the FY.

## Related Event –0% Revenue Scenario – Forecast Balance Sheet

Six Flags, Inc. Ticker: PKS  
 DETAILED ANNUAL BALANCE SHEET  
 (Thousands of U.S. Dollars)

	Estimate 12/31/02	Estimate 12/31/01	As of 9/30/01	As of 06/30/01	As of 12/31/00	As of 12/31/99	As of 12/31/98
<b>ASSETS</b>							
Cash & Equivs.	46,312	59,519	123,547	76,822	42,978	138,131	400,578
Receivables	31,724	40,771	96,157	87,635	40,771	29,208	31,484
Inventories	23,708	30,469	30,469	40,830	28,588	23,590	21,703
Prepaid Expenses	18,911	24,304	24,304	39,974	35,855	32,793	29,200
Equity	-	-	-	-	-	-	-
Deferred Charges	-	-	-	-	-	-	-
Restricted Sec.	-	-	-	-	12,773	24,430	206,075
Total Current Assets	120,655	155,063	274,477	245,261	160,965	248,152	689,040
Land	294,215	294,215	294,215	294,215	294,215	293,924	-
Deprec Capital Items	2,674,213	2,534,213	2,495,608	2,445,973	2,291,712	1,978,495	1,548,152
Other LT Assets	15,789	104,668	103,168	69,962	103,851	120,012	118,986
L.T. Investments	481,857	481,857	481,857	493,261	462,014	469,101	395,097
Intangibles	1,163,901	1,212,701	1,224,901	1,237,108	1,206,609	1,259,568	1,278,189
Depreciation	(620,303)	(469,435)	(431,914)	(392,955)		(207,680)	(104,806)
Other/Equipment	-	-	-	-	-	-	127,807
Total Assets	4,130,327	4,313,282	4,442,312	4,392,825	4,191,339	4,161,572	4,052,465
<b>LIABILITIES</b>							
Accts. Pay/Other	38,347	49,282	49,282	94,989	45,315	37,918	25,285
Cur.Port.LT Debt	5,225	5,225	5,225	79,923	2,401	2,055	198,038
Accrued Interest	33,490	43,040	43,040	31,367	24,353	23,566	33,269
Accrued Comp.	-	-	-	6,963	6,963	19,368	17,548
Accrued Insur.	-	-	-	-	-	-	28,727
Other Accrued	70,062	90,042	90,042	122,596	64,552	76,395	54,331
Total Current Liabs	147,124	187,589	187,589	335,838	143,584	159,302	357,198
Long Term Debt	2,398,871	2,186,042	2,221,042	2,281,538	2,319,912	2,202,933	1,866,151
Capital Leases	-	-	-	-	-	-	-
Total LT Debt	2,398,871	2,186,042	2,221,042	2,281,538	2,319,912	2,202,933	1,866,151
Other LT Liabs.	51,557	51,557	55,148	326,313	37,937	41,761	50,573
Deferred Taxes	153,747	153,747	153,747	62,507	144,919	141,960	151,978
Total Liabilities	2,751,299	2,578,935	2,617,526	3,006,196	2,646,352	2,545,956	2,425,900
<b>SHAREHOLDER EQUITY</b>							
Preferred Stock	279,585	278,785	278,585	-	12	12	12
Common Stock	2,308	2,308	2,309	2,308	2,001	1,958	1,912
Paid In Capital	1,741,555	1,741,555	1,743,374	1,741,555	1,725,890	1,700,305	1,640,532
Retained Erngs.	(367,630)	(205,519)	(116,700)	(259,241)	(128,928)	(53,681)	133
Treasury Stock	-	-	-	-	-	-	-
Other Equity		(82,782)			(53,988)		
	(276,790)		(82,782)	(97,993)		(32,978)	(16,024)
Total Equity	1,379,028	1,734,347	1,824,786	1,386,629	1,544,987	1,615,616	1,626,565
Total Liab & Equity	4,130,327	4,313,282	4,442,312	4,392,825	4,191,339	4,161,572	4,052,465
Shares Outstanding	92,312	92,312	92,312	92,312	80,069	78,351	76,489

## Asset Side

Conclusion: Current Assets remain proportionate to revenues because we assume liquidity will be available through credit facility. Depreciable Assets and Accumulated Depreciation are both predictable and influenced on the margin by CapX expenditures. Land is fixed and we assume additional capital will not be spent in this area. Goodwill and amortization are understood and influenced on the margin by acquisitions, which we assume will not occur. LT investments are a function of Company investments in Partnership Parks, which we model at a \$6M/FY run-rate. The asset 'plug' is Other LT Assets for our purposes, which after all adjustments accounts for residual changes driven by Net Income/(Loss) and cash-flow increases/(decreases) within the Asset side of the balance sheet.

## Liability & Equity Side

Conclusion: Current Liabilities are linked to Current Assets, which remain proportionate to revenues. Retained Earnings reflect anticipated net income/(loss). We do not anticipate any debt or common stock issuance, just an extension and expansion of the credit facility if necessary. LT Debt will change via changes in credit facility, and these changes will be driven by over-all increases/(decreases) in cash-flow. Preferred Stock/PIERS will continue to amortize the original discount at a rate of 200k/quarter. Finally, the plug is in Other Equity, which after all adjustments accounts for residual changes driven by Net Income/(Loss) and cash-flow increases/(decreases).

	Estimate 12/31/02	Estimate 12/31/01	As of 9/30/01	As of 06/30/01	As of 12/31/00	As of 12/31/99	As of 12/31/98
Debt/Equity	1.74	1.26	1.22	1.70	1.50	1.36	1.27
Debt & Pref'd/Equity	1.95	1.42	1.37	1.70	1.50	1.36	1.27
Debt/Total Capital	0.635	0.558	0.550	0.630	0.600	0.577	0.559
Debt & Pref'd/T.Capital	0.709	0.629	0.618	0.630	0.601	0.577	0.559



**+2% Revenue Fcst**

Dirty Dozen Research: No Agenda												Variable in the short-term			
Six Flags, Inc. Ticker: PKS															
Income Statement Model												Fcst YTD Actual		"NO EVENT" Scenario	
(Thousands of U.S. Dollars)												2000 Seasonality		2001 Seasonality	
												& Judgment		+2% Revenues/Recovery	
	FY00A	FY01E	FY02E	Q100A	Q200A	Q300A	Q400A	Q101A	Q201A	Q301A	Q401E	Q102E	Q202E	Q302E	Q402E
Theme Park	544,809	577,277	604,523	12,349	188,526	296,411	47,523	14,419	195,246	317,717	49,895	14,707	199,151	334,118	56,547
Restaurant/Food/Other	462,172	476,568	498,727	18,544	152,553	251,028	40,047	20,750	161,212	254,067	40,539	21,165	164,436	267,182	45,943
<b>Total Revenue</b>	<b>1,006,981</b>	<b>1,053,845</b>	<b>1,103,250</b>	<b>30,893</b>	<b>341,079</b>	<b>547,439</b>	<b>87,570</b>	<b>35,169</b>	<b>356,458</b>	<b>571,784</b>	<b>90,434</b>	<b>35,872</b>	<b>363,587</b>	<b>601,299</b>	<b>102,491</b>
<b>Operating Expenses</b>	<b>376,060</b>	<b>410,838</b>	<b>426,139</b>	<b>59,193</b>	<b>117,875</b>	<b>137,154</b>	<b>61,838</b>	<b>64,518</b>	<b>130,441</b>	<b>146,917</b>	<b>68,962</b>	<b>65,486</b>	<b>132,398</b>	<b>152,515</b>	<b>75,741</b>
Sell./Gen./Admin.	165,980	191,122	193,859	34,008	61,986	46,719	23,267	34,922	75,999	52,824	27,377	34,922	75,999	52,824	30,114
Non Cash Comp	12,584	8,260	8,467	3,147	3,145	3,147	3,145	1,357	2,419	2,420	2,064	1,357	2,419	2,420	2,271
<b>Cost of Sales</b>	<b>95,652</b>	<b>91,868</b>	<b>95,104</b>	<b>2,468</b>	<b>32,355</b>	<b>51,829</b>	<b>9,000</b>	<b>2,987</b>	<b>31,519</b>	<b>48,520</b>	<b>8,842</b>	<b>3,032</b>	<b>31,992</b>	<b>50,369</b>	<b>9,712</b>
<b>Operational Exp</b>	<b>650,276</b>	<b>702,089</b>	<b>723,569</b>	<b>98,816</b>	<b>215,361</b>	<b>238,849</b>	<b>97,250</b>	<b>103,784</b>	<b>240,378</b>	<b>250,681</b>	<b>107,246</b>	<b>104,797</b>	<b>242,807</b>	<b>258,127</b>	<b>117,838</b>
<b>Gross Profit</b>	<b>356,705</b>	<b>351,756</b>	<b>379,681</b>	<b>(67,923)</b>	<b>125,718</b>	<b>308,590</b>	<b>(9,680)</b>	<b>(68,615)</b>	<b>116,080</b>	<b>321,103</b>	<b>(16,812)</b>	<b>(68,924)</b>	<b>120,780</b>	<b>343,172</b>	<b>(15,347)</b>
<b>EBITDA</b>	<b>369,289</b>	<b>360,017</b>	<b>388,147</b>	<b>(64,776)</b>	<b>128,863</b>	<b>311,737</b>	<b>(6,535)</b>	<b>(67,258)</b>	<b>118,499</b>	<b>323,523</b>	<b>(14,747)</b>	<b>(67,567)</b>	<b>123,199</b>	<b>345,592</b>	<b>(13,076)</b>
Adjusted EBITDA	402,496	407,492	435,101	(67,963)	146,744	344,327	(20,612)	(71,337)	141,892	360,937	(24,000)	(71,698)	146,957	383,096	(23,254)
Partner Park Distrib	33,581	32,182	31,096	0	0	22,083	11,498	0	0	12,093	20,089	0	0	18,658	12,439
Net Operating Cash	176,161	157,336	185,466	(61,063)	56,447	250,026	(69,249)	(98,401)	101,995	231,203	(77,461)	(98,710)	106,695	253,272	(75,790)
Capital Expenditures	(334,226)	(175,000)	(140,000)	(117,985)	(132,136)	(50,962)	(33,143)	(52,951)	(54,478)	(28,966)	(38,605)	(49,421)	(55,349)	(21,347)	(13,883)
Park Invest & Acq	(23,582)	(139,209)	(6,000)	(12,752)	3,588	(10,103)	(4,315)	(113,108)	(23,955)	(646)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Depreciation	179,989	197,364	199,668	42,132	44,627	46,320	46,910	48,263	49,679	49,701	49,721	49,937	50,257	49,954	49,520
Devel. Write-Down	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non Interest Exp</b>	<b>830,265</b>	<b>899,453</b>	<b>923,237</b>	<b>140,948</b>	<b>259,988</b>	<b>285,169</b>	<b>144,160</b>	<b>152,047</b>	<b>290,057</b>	<b>300,382</b>	<b>156,967</b>	<b>154,734</b>	<b>293,065</b>	<b>308,081</b>	<b>167,358</b>
Interest Exp (GAAP)	(224,767)	(220,024)	(216,122)	(53,055)	(58,987)	(56,305)	(56,420)	(56,014)	(56,616)	(55,299)	(52,095)	(54,181)	(58,292)	(54,795)	(48,854)
Other Inc-PartnerEq'ty	1,714	20,582	22,819	(13,898)	8,953	15,890	(9,231)	(17,535)	15,283	26,928	(4,094)	(17,624)	15,829	28,581	(3,967)
<b>Income B4 Taxes</b>	<b>(46,337)</b>	<b>(45,050)</b>	<b>(13,291)</b>	<b>(177,008)</b>	<b>31,057</b>	<b>221,855</b>	<b>(122,241)</b>	<b>(190,427)</b>	<b>25,068</b>	<b>243,031</b>	<b>(122,722)</b>	<b>(190,667)</b>	<b>28,059</b>	<b>267,005</b>	<b>(117,688)</b>
Income Taxes	5,622	4,528	16,566	(63,116)	15,303	87,205	(33,770)	(67,976)	11,420	94,987	(33,903)	(68,062)	12,783	104,357	(32,512)
<b>Income After Taxes</b>	<b>(51,959)</b>	<b>(49,578)</b>	<b>(29,857)</b>	<b>(113,892)</b>	<b>15,754</b>	<b>134,650</b>	<b>(88,471)</b>	<b>(122,451)</b>	<b>13,648</b>	<b>148,044</b>	<b>(88,819)</b>	<b>(122,605)</b>	<b>15,276</b>	<b>162,648</b>	<b>(85,176)</b>
Discount Bond Interest	30,495	33,608	37,038	7,348	7,529	7,714	7,904	8,098	8,297	8,501	8,711	8,925	9,144	9,369	9,600
Amort Bond Issuance	8,573	9,371	9,468	2,397	1,995	2,075	2,106	2,279	2,358	2,367	2,367	2,367	2,367	2,367	2,367
<b>Pri/Bas EPS Ex.XOrd</b>	<b>-0.96</b>	<b>-0.85</b>	<b>-0.55</b>	<b>-1.53</b>	<b>0.13</b>	<b>1.64</b>	<b>-1.19</b>	<b>-1.65</b>	<b>0.09</b>	<b>1.54</b>	<b>-1.02</b>	<b>-1.38</b>	<b>0.11</b>	<b>1.71</b>	<b>-0.98</b>
Extraordinary Item	0	(8,529)	0	0	0	0	0	(8,301)	(228)	0	0	0	0	0	0
Pri/Bas EPS In. XOrd	-0.96	-0.95	-0.55	-1.53	0.13	1.64	-1.19	-1.76	0.08	1.54	-1.02	-1.38	0.11	1.71	-0.98
Primary/Basic Avg Shr	78,735	89,157	92,314	78,489	78,677	78,701	79,073	80,081	91,919	92,314	92,314	92,314	92,314	92,314	92,314
Common Dividend/Shr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dilution Adjustment	0	0	0	0	0	5,822	0	0	0	0	0	0	0	0	0
Diluted Average Shares	82,002	96,480	106,453	78,489	79,849	90,597	79,073	80,081	92,934	106,453	106,453	106,453	106,453	106,453	106,453
Dilutd EPS Excl Xord	-0.92	-0.51	-0.28	-1.53	0.12	1.42	-1.19	-1.65	0.09	1.39	-0.83	-1.15	0.14	1.53	-0.80

<b>+2% Revenue Fcst</b>	<b>FY00A</b>	<b>FY01E</b>	<b>FY02E</b>	<b>Q100A</b>	<b>Q200A</b>	<b>Q300A</b>	<b>Q400A</b>	<b>Q101A</b>	<b>Q201A</b>	<b>Q301A</b>	<b>Q401E</b>	<b>Q102E</b>	<b>Q202E</b>	<b>Q302E</b>	<b>Q402E</b>
Dilutd EPS Incl XOrd	-0.92	-0.60	-0.28	-1.53	0.12	1.42	-1.19	-1.76	0.08	1.39	-0.83	-1.15	0.14	1.53	-0.80
<b>Margins %</b>															
Gross Margins	0.905	0.913	0.914	0.920	0.905	0.905	0.897	0.915	0.912	0.915	0.902	0.915	0.912	0.916	0.905
Operating Margins	0.354	0.334	0.344	-2.199	0.369	0.564	-0.111	-1.951	0.326	0.562	-0.186	-1.921	0.332	0.571	-0.150
EBITDA Margins	0.367	0.342	0.352	-2.097	0.378	0.569	-0.075	-1.912	0.332	0.566	-0.163	-1.884	0.339	0.575	-0.128
Pre Tax Margins	-0.046	-0.043	-0.012	-5.730	0.091	0.405	-1.396	-5.415	0.070	0.425	-1.357	-5.315	0.077	0.444	-1.148
Net Margins	-0.052	-0.047	-0.027	-3.687	0.046	0.246	-1.010	-3.482	0.038	0.259	-0.982	-3.418	0.042	0.270	-0.831
<b>Percent of Sales %</b>															
Theme Parks/Sales %	0.541	0.548	0.548	0.400	0.553	0.541	0.543	0.410	0.548	0.556	0.552	0.410	0.548	0.556	0.552
Food/Merch/Sales %	0.459	0.452	0.452	0.600	0.447	0.459	0.457	0.590	0.452	0.444	0.448	0.590	0.452	0.444	0.448
Operating Exp/Sales %	0.646	0.666	0.656	3.199	0.631	0.436	1.111	2.951	0.674	0.438	1.186	2.921	0.668	0.429	1.150
Sell./Gen./Adm/Sales %	0.165	0.181	0.176	1.101	0.182	0.085	0.266	0.993	0.213	0.092	0.303	0.974	0.209	0.088	0.294
Cost of Sales/Sales %	0.095	0.087	0.086	0.080	0.095	0.095	0.103	0.085	0.088	0.085	0.098	0.085	0.088	0.084	0.095
Depreciation/Sales %	0.179	0.187	0.181	1.364	0.131	0.085	0.536	1.372	0.139	0.087	0.550	1.392	0.138	0.083	0.483
Other/Sales %	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Dev WriteDown/Sales%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NET Int Exp/Sales %	0.222	0.189	0.175	2.167	0.147	0.074	0.750	2.091	0.116	0.050	0.621	2.002	0.117	0.044	0.515
Total Expense/Sales %	0.601	0.645	0.641	4.754	0.754	0.418	1.002	2.731	0.655	0.429	1.160	2.803	0.646	0.421	1.156
<b>Growth %</b>															
EBITDA % Yr - Yr	0.158	-0.025	0.078	-0.733	-0.099	0.236	0.832	-0.038	-0.080	0.038	-1.257	-0.005	0.040	0.068	0.113
Adj EBITDA Yr - Yr	0.108	0.012	0.068	-0.254	0.030	0.097	0.472	-0.050	-0.033	0.048	-0.164	-0.005	0.036	0.061	0.031
Sales % Yr Over Yr	0.086	0.047	0.047	-0.424	0.023	0.160	0.286	0.138	0.045	0.044	0.033	0.020	0.020	0.052	0.133
EPS % Yr Over Yr	-0.806	0.009	0.420	-0.320	-0.601	0.153	0.072	-0.151	-0.332	-0.057	0.146	0.211	0.293	0.105	0.039
EBITDA/Int Expense	1.64	1.64	1.80												

**+0% Revenue Fcst**

Dirty Dozen Research: No Agenda												Variable in the short-term					
Six Flags, Inc. Ticker: PKS																	
Income Statement Model												Fcst YTD Actual		"NO EVENT" Scenario			
(Thousands of U.S. Dollars)												2000 Seasonality		2001 Seasonality			
												& Judgment		+0% Revenues/Recovery			
	FY00A	FY01E	FY02E	Q100A	Q200A	Q300A	Q400A	Q101A	Q201A	Q301A	Q401E	Q102E	Q202E	Q302E	Q402E		
Theme Park	544,809	577,277	592,670	12,349	188,526	296,411	47,523	14,419	195,246	317,717	49,895	14,419	195,246	327,566	55,438		
Restaurant/Food/Other	462,172	476,568	488,948	18,544	152,553	251,028	40,047	20,750	161,212	254,067	40,539	20,750	161,212	261,943	45,043		
<b>Total Revenue</b>	<b>1,006,981</b>	<b>1,053,845</b>	<b>1,081,617</b>	<b>30,893</b>	<b>341,079</b>	<b>547,439</b>	<b>87,570</b>	<b>35,169</b>	<b>356,458</b>	<b>571,784</b>	<b>90,434</b>	<b>35,169</b>	<b>356,458</b>	<b>589,509</b>	<b>100,481</b>		
<b>Operating Expenses</b>	<b>376,060</b>	<b>410,838</b>	<b>419,977</b>	<b>59,193</b>	<b>117,875</b>	<b>137,154</b>	<b>61,838</b>	<b>64,518</b>	<b>130,441</b>	<b>146,917</b>	<b>68,962</b>	<b>64,518</b>	<b>130,441</b>	<b>150,311</b>	<b>74,707</b>		
Sell./Gen./Admin.	165,980	191,122	191,122	34,008	61,986	46,719	23,267	34,922	75,999	52,824	27,377	34,922	75,999	52,824	27,377		
Non Cash Comp	12,584	8,260	8,260	3,147	3,145	3,147	3,145	1,357	2,419	2,420	2,064	1,357	2,419	2,420	2,064		
<b>Cost of Sales</b>	<b>95,652</b>	<b>91,868</b>	<b>93,726</b>	<b>2,468</b>	<b>32,355</b>	<b>51,829</b>	<b>9,000</b>	<b>2,987</b>	<b>31,519</b>	<b>48,520</b>	<b>8,842</b>	<b>2,987</b>	<b>31,519</b>	<b>49,641</b>	<b>9,579</b>		
<b>Operational Exp</b>	<b>650,276</b>	<b>702,089</b>	<b>713,085</b>	<b>98,816</b>	<b>215,361</b>	<b>238,849</b>	<b>97,250</b>	<b>103,784</b>	<b>240,378</b>	<b>250,681</b>	<b>107,246</b>	<b>103,784</b>	<b>240,378</b>	<b>255,196</b>	<b>113,727</b>		
<b>Gross Profit</b>	<b>356,705</b>	<b>351,756</b>	<b>368,533</b>	<b>(67,923)</b>	<b>125,718</b>	<b>308,590</b>	<b>(9,680)</b>	<b>(68,615)</b>	<b>116,080</b>	<b>321,103</b>	<b>(16,812)</b>	<b>(68,615)</b>	<b>116,080</b>	<b>334,314</b>	<b>(13,246)</b>		
<b>EBITDA</b>	<b>369,289</b>	<b>360,017</b>	<b>376,793</b>	<b>(64,776)</b>	<b>128,863</b>	<b>311,737</b>	<b>(6,535)</b>	<b>(67,258)</b>	<b>118,499</b>	<b>323,523</b>	<b>(14,747)</b>	<b>(67,258)</b>	<b>118,499</b>	<b>336,734</b>	<b>(11,181)</b>		
Adjusted EBITDA	402,496	407,492	423,397	(67,963)	146,744	344,327	(20,612)	(71,337)	141,892	360,937	(24,000)	(71,337)	141,892	374,202	(21,359)		
Partner Park Distrib	33,581	32,182	30,599	0	0	22,083	11,498	0	0	12,093	20,089	0	0	18,360	12,240		
Net Operating Cash	176,161	157,336	174,112	(61,063)	56,447	250,026	(69,249)	(98,401)	101,995	231,203	(77,461)	(98,401)	101,995	244,414	(73,895)		
Capital Expenditures	(334,226)	(175,000)	(140,000)	(117,985)	(132,136)	(50,962)	(33,143)	(52,951)	(54,478)	(28,966)	(38,605)	(49,421)	(55,349)	(21,347)	(13,883)		
Park Invest & Acq	(23,582)	(139,209)	(6,000)	(12,752)	3,588	(10,103)	(4,315)	(113,108)	(23,955)	(646)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)		
Depreciation	179,989	197,364	199,668	42,132	44,627	46,320	46,910	48,263	49,679	49,701	49,721	49,937	50,257	49,954	49,520		
Down-Down	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Total Non Int Exp</b>	<b>830,265</b>	<b>899,453</b>	<b>912,753</b>	<b>140,948</b>	<b>259,988</b>	<b>285,169</b>	<b>144,160</b>	<b>152,047</b>	<b>290,057</b>	<b>300,382</b>	<b>156,967</b>	<b>153,721</b>	<b>290,635</b>	<b>305,149</b>	<b>163,247</b>		
Interest Exp (GAAP)	(224,767)	(220,024)	(216,931)	(53,055)	(58,987)	(56,305)	(56,420)	(56,014)	(56,616)	(55,299)	(52,095)	(54,178)	(58,343)	(55,071)	(49,340)		
Other Inc-Partner Eq'ty	1,714	20,582	22,022	(13,898)	8,953	15,890	(9,231)	(17,535)	15,283	26,928	(4,094)	(17,535)	15,283	27,918	(3,644)		
<b>Income B4 Taxes</b>	<b>(46,337)</b>	<b>(45,050)</b>	<b>(26,045)</b>	<b>(177,008)</b>	<b>31,057</b>	<b>221,855</b>	<b>(122,241)</b>	<b>(190,427)</b>	<b>25,068</b>	<b>243,031</b>	<b>(122,722)</b>	<b>(190,265)</b>	<b>22,763</b>	<b>257,207</b>	<b>(115,749)</b>		
Income Taxes	5,622	4,528	11,003	(63,116)	15,303	87,205	(33,770)	(67,976)	11,420	94,987	(33,903)	(67,918)	10,370	100,527	(31,977)		
<b>Income After Taxes</b>	<b>(51,959)</b>	<b>(49,578)</b>	<b>(37,047)</b>	<b>(113,892)</b>	<b>15,754</b>	<b>134,650</b>	<b>(88,471)</b>	<b>(122,451)</b>	<b>13,648</b>	<b>148,044</b>	<b>(88,819)</b>	<b>(122,347)</b>	<b>12,393</b>	<b>156,679</b>	<b>(83,773)</b>		
Discount Bond Interest	30,495	33,608	37,038	7,348	7,529	7,714	7,904	8,098	8,297	8,501	8,711	8,925	9,144	9,369	9,600		
Amort Bond Issuance	8,573	9,371	9,468	2,397	1,995	2,075	2,106	2,279	2,358	2,367	2,367	2,367	2,367	2,367	2,367		
Preferred Dividends	(23,288)	(26,293)	(20,844)	(5,822)	(5,822)	(5,822)	(5,822)	(9,850)	(5,671)	(5,561)	(5,211)	(5,211)	(5,211)	(5,211)	(5,211)		
<b>Pri/Bas EPS Ex.XOrd</b>	<b>-0.96</b>	<b>-0.85</b>	<b>-0.63</b>	<b>-1.53</b>	<b>0.13</b>	<b>1.64</b>	<b>-1.19</b>	<b>-1.65</b>	<b>0.09</b>	<b>1.54</b>	<b>-1.02</b>	<b>-1.38</b>	<b>0.08</b>	<b>1.64</b>	<b>-0.96</b>		
Extraordinary Item	0	(8,529)	0	0	0	0	0	(8,301)	(228)	0	0	0	0	0	0		
<b>Pri/Bas EPS In. XOrd</b>	<b>-0.96</b>	<b>-0.95</b>	<b>-0.63</b>	<b>-1.53</b>	<b>0.13</b>	<b>1.64</b>	<b>-1.19</b>	<b>-1.76</b>	<b>0.08</b>	<b>1.54</b>	<b>-1.02</b>	<b>-1.38</b>	<b>0.08</b>	<b>1.64</b>	<b>-0.96</b>		
Primary/Basic Avg Shr	78,735	89,157	92,314	78,489	78,677	78,701	79,073	80,081	91,919	92,314	92,314	92,314	92,314	92,314	92,314		
Common Dividend/Shr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Dilution Adjustment	0	0	0	0	0	5,822	0	0	0	0	0	0	0	0	0		
Diluted Average Shares	82,002	96,480	106,453	78,489	79,849	90,597	79,073	80,081	92,934	106,453	106,453	106,453	106,453	106,453	106,453		

<b>+0% Revenue Fcst</b>	<b>FY00A</b>	<b>FY01E</b>	<b>FY02E</b>	<b>Q100A</b>	<b>Q200A</b>	<b>Q300A</b>	<b>Q400A</b>	<b>Q101A</b>	<b>Q201A</b>	<b>Q301A</b>	<b>Q401E</b>	<b>Q102E</b>	<b>Q202E</b>	<b>Q302E</b>	<b>Q402E</b>
Dilutd EPS Excl Xord	-0.92	-0.51	-0.35	-1.53	0.12	1.42	-1.19	-1.65	0.09	1.39	-0.83	-1.15	0.12	1.47	-0.79
Dilutd EPS Incl XOrd	-0.92	-0.60	-0.35	-1.53	0.12	1.42	-1.19	-1.76	0.08	1.39	-0.83	-1.15	0.12	1.47	-0.79
<b>Margins %</b>															
Gross Margins	0.905	0.913	0.913	0.920	0.905	0.905	0.897	0.915	0.912	0.915	0.902	0.915	0.912	0.916	0.905
Operating Margins	0.354	0.334	0.341	-2.199	0.369	0.564	-0.111	-1.951	0.326	0.562	-0.186	-1.951	0.326	0.567	-0.132
EBITDA Margins	0.367	0.342	0.348	-2.097	0.378	0.569	-0.075	-1.912	0.332	0.566	-0.163	-1.912	0.332	0.571	-0.111
Pre Tax Margins	-0.046	-0.043	-0.024	-5.730	0.091	0.405	-1.396	-5.415	0.070	0.425	-1.357	-5.410	0.064	0.436	-1.152
Net Margins	-0.052	-0.047	-0.034	-3.687	0.046	0.246	-1.010	-3.482	0.038	0.259	-0.982	-3.479	0.035	0.266	-0.834
<b>Percent of Sales %</b>															
Theme Parks/Sales %	0.541	0.548	0.548	0.400	0.553	0.541	0.543	0.410	0.548	0.556	0.552	0.410	0.548	0.556	0.552
Food/Merch/Sales %	0.459	0.452	0.452	0.600	0.447	0.459	0.457	0.590	0.452	0.444	0.448	0.590	0.452	0.444	0.448
Operating Exp/Sales %	0.646	0.666	0.659	3.199	0.631	0.436	1.111	2.951	0.674	0.438	1.186	2.951	0.674	0.433	1.132
Sell./Gen./Adm/Sales %	0.165	0.181	0.177	1.101	0.182	0.085	0.266	0.993	0.213	0.092	0.303	0.993	0.213	0.090	0.272
Cost of Sales/Sales %	0.095	0.087	0.087	0.080	0.095	0.095	0.103	0.085	0.088	0.085	0.098	0.085	0.088	0.084	0.095
Depreciation/Sales %	0.179	0.187	0.185	1.364	0.131	0.085	0.536	1.372	0.139	0.087	0.550	1.420	0.141	0.085	0.493
Other/Sales %	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sales/Sales%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NET Int Exp/Sales %	0.222	0.189	0.180	2.167	0.147	0.074	0.750	2.091	0.116	0.050	0.621	2.039	0.121	0.046	0.527
Total Expense/Sales %	0.601	0.645	0.643	4.754	0.754	0.418	1.002	2.731	0.655	0.429	1.160	2.830	0.652	0.424	1.134
<b>Growth %</b>															
EBITDA % Yr - Yr	0.158	-0.025	0.047	-0.733	-0.099	0.236	0.832	-0.038	-0.080	0.038	-1.257	0.000	0.000	0.041	0.242
Adj EBITDA Yr - Yr	0.108	0.012	0.039	-0.254	0.030	0.097	0.472	-0.050	-0.033	0.048	-0.164	0.000	0.000	0.037	0.110
Sales % Yr Over Yr	0.086	0.047	0.026	-0.424	0.023	0.160	0.286	0.138	0.045	0.044	0.033	0.000	0.000	0.031	0.111
EPS % Yr Over Yr	-0.806	0.009	0.338	-0.320	-0.601	0.153	0.072	-0.151	-0.332	-0.057	0.146	0.213	-0.077	0.063	0.054
EBITDA/Int Expense	1.64	1.64	1.74												

**-3% Revenue Fcst**

Dirty Dozen Research: No Agenda												Variable in the short-term			
Six Flags, Inc. Ticker: PKS															
Income Statement Model												Fcst YTD Actual			
(Thousands of U.S. Dollars)												2000 Seasonality			
												"NO EVENT" Scenario			
												2001 Seasonality			
												-3% Revenues/No Recovery			
	FY00A	FY01E	FY02E	Q100A	Q200A	Q300A	Q400A	Q101A	Q201A	Q301A	Q401E	Q102E	Q202E	Q302E	Q402E
Theme Park	544,809	577,277	574,890	12,349	188,526	296,411	47,523	14,419	195,246	317,717	49,895	13,986	189,389	317,739	53,775
Restaurant/Food/Other	462,172	476,568	474,279	18,544	152,553	251,028	40,047	20,750	161,212	254,067	40,539	20,128	156,376	254,085	43,691
<b>Total Revenue</b>	<b>1,006,981</b>	<b>1,053,845</b>	<b>1,049,169</b>	<b>30,893</b>	<b>341,079</b>	<b>547,439</b>	<b>87,570</b>	<b>35,169</b>	<b>356,458</b>	<b>571,784</b>	<b>90,434</b>	<b>34,114</b>	<b>345,764</b>	<b>571,824</b>	<b>97,467</b>
<b>Operating Expenses</b>	<b>376,060</b>	<b>410,838</b>	<b>410,733</b>	<b>59,193</b>	<b>117,875</b>	<b>137,154</b>	<b>61,838</b>	<b>64,518</b>	<b>130,441</b>	<b>146,917</b>	<b>68,962</b>	<b>63,066</b>	<b>127,506</b>	<b>147,005</b>	<b>73,155</b>
Sell./Gen./Admin.	165,980	191,122	191,122	34,008	61,986	46,719	23,267	34,922	75,999	52,824	27,377	34,922	75,999	52,824	27,377
Non Cash Comp	12,584	8,260	8,260	3,147	3,145	3,147	3,145	1,357	2,419	2,420	2,064	1,357	2,419	2,420	2,064
<b>Cost of Sales</b>	<b>95,652</b>	<b>91,868</b>	<b>101,746</b>	<b>2,468</b>	<b>32,355</b>	<b>51,829</b>	<b>9,000</b>	<b>2,987</b>	<b>31,519</b>	<b>48,520</b>	<b>8,842</b>	<b>2,920</b>	<b>30,810</b>	<b>58,636</b>	<b>9,380</b>
<b>Operational Exp</b>	<b>650,276</b>	<b>702,089</b>	<b>711,861</b>	<b>98,816</b>	<b>215,361</b>	<b>238,849</b>	<b>97,250</b>	<b>103,784</b>	<b>240,378</b>	<b>250,681</b>	<b>107,246</b>	<b>102,265</b>	<b>236,734</b>	<b>260,886</b>	<b>111,976</b>
<b>Gross Profit</b>	<b>356,705</b>	<b>351,756</b>	<b>337,308</b>	<b>(67,923)</b>	<b>125,718</b>	<b>308,590</b>	<b>(9,680)</b>	<b>(68,615)</b>	<b>116,080</b>	<b>321,103</b>	<b>(16,812)</b>	<b>(68,151)</b>	<b>109,030</b>	<b>310,938</b>	<b>(14,510)</b>
<b>EBITDA</b>	<b>369,289</b>	<b>360,017</b>	<b>345,568</b>	<b>(64,776)</b>	<b>128,863</b>	<b>311,737</b>	<b>(6,535)</b>	<b>(67,258)</b>	<b>118,499</b>	<b>323,523</b>	<b>(14,747)</b>	<b>(66,794)</b>	<b>111,449</b>	<b>313,358</b>	<b>(12,445)</b>
Adjusted EBITDA	402,496	407,492	387,651	(67,963)	146,744	344,327	(20,612)	(71,337)	141,892	360,937	(24,000)	(70,796)	132,607	348,463	(22,623)
Partner Park Distrib	33,581	32,182	24,170	0	0	22,083	11,498	0	0	12,093	20,089	0	0	14,502	9,668
Net Operating Cash	176,161	157,336	142,887	(61,063)	56,447	250,026	(69,249)	(98,401)	101,995	231,203	(77,461)	(97,937)	94,945	221,038	(75,159)
Capital Expenditures	(334,226)	(175,000)	(140,000)	(117,985)	(132,136)	(50,962)	(33,143)	(52,951)	(54,478)	(28,966)	(38,605)	(49,421)	(55,349)	(21,347)	(13,883)
Park Invest & Acq	(23,582)	(139,209)	(6,000)	(12,752)	3,588	(10,103)	(4,315)	(113,108)	(23,955)	(646)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Depreciation	179,989	197,364	199,668	42,132	44,627	46,320	46,910	48,263	49,679	49,701	49,721	49,937	50,257	49,954	49,520
Down-Down	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non Int Exp</b>	<b>830,265</b>	<b>899,453</b>	<b>911,529</b>	<b>140,948</b>	<b>259,988</b>	<b>285,169</b>	<b>144,160</b>	<b>152,047</b>	<b>290,057</b>	<b>300,382</b>	<b>156,967</b>	<b>152,202</b>	<b>286,991</b>	<b>310,839</b>	<b>161,496</b>
Interest Exp (GAAP)	(224,767)	(220,024)	(218,833)	(53,055)	(58,987)	(56,305)	(56,420)	(56,014)	(56,616)	(55,299)	(52,095)	(54,172)	(58,405)	(55,633)	(50,623)
Other Inc-Partner Eq'ty	1,714	20,582	19,019	(13,898)	8,953	15,890	(9,231)	(17,535)	15,283	26,928	(4,094)	(17,402)	14,283	25,997	(3,859)
<b>Income B4 Taxes</b>	<b>(46,337)</b>	<b>(45,050)</b>	<b>(62,175)</b>	<b>(177,008)</b>	<b>31,057</b>	<b>221,855</b>	<b>(122,241)</b>	<b>(190,427)</b>	<b>25,068</b>	<b>243,031</b>	<b>(122,722)</b>	<b>(189,663)</b>	<b>14,651</b>	<b>231,349</b>	<b>(118,512)</b>
Income Taxes	5,622	4,528	(3,347)	(63,116)	15,303	87,205	(33,770)	(67,976)	11,420	94,987	(33,903)	(67,703)	6,674	90,421	(32,740)
<b>Income After Taxes</b>	<b>(51,959)</b>	<b>(49,578)</b>	<b>(58,827)</b>	<b>(113,892)</b>	<b>15,754</b>	<b>134,650</b>	<b>(88,471)</b>	<b>(122,451)</b>	<b>13,648</b>	<b>148,044</b>	<b>(88,819)</b>	<b>(121,959)</b>	<b>7,976</b>	<b>140,928</b>	<b>(85,772)</b>
Discount Bond Interest	30,495	33,608	37,038	7,348	7,529	7,714	7,904	8,098	8,297	8,501	8,711	8,925	9,144	9,369	9,600
Amort Bond Issuance	8,573	9,371	9,468	2,397	1,995	2,075	2,106	2,279	2,358	2,367	2,367	2,367	2,367	2,367	2,367
Preferred Dividends	(23,288)	(26,293)	(20,844)	(5,822)	(5,822)	(5,822)	(5,822)	(9,850)	(5,671)	(5,561)	(5,211)	(5,211)	(5,211)	(5,211)	(5,211)
<b>Pri/Bas EPS Ex.XOrd</b>	<b>-0.96</b>	<b>-0.85</b>	<b>-0.86</b>	<b>-1.53</b>	<b>0.13</b>	<b>1.64</b>	<b>-1.19</b>	<b>-1.65</b>	<b>0.09</b>	<b>1.54</b>	<b>-1.02</b>	<b>-1.38</b>	<b>0.03</b>	<b>1.47</b>	<b>-0.99</b>
Extraordinary Item	0	(8,529)	0	0	0	0	0	(8,301)	(228)	0	0	0	0	0	0
Pri/Bas EPS In. XOrd	-0.96	-0.95	-0.86	-1.53	0.13	1.64	-1.19	-1.76	0.08	1.54	-1.02	-1.38	0.03	1.47	-0.99
Primary/Basic Avg Shr	78,735	89,157	92,314	78,489	78,677	78,701	79,073	80,081	91,919	92,314	92,314	92,314	92,314	92,314	92,314

<b>-3% Revenue Fcst</b>	<b>FY00A</b>	<b>FY01E</b>	<b>FY02E</b>	<b>Q100A</b>	<b>Q200A</b>	<b>Q300A</b>	<b>Q400A</b>	<b>Q101A</b>	<b>Q201A</b>	<b>Q301A</b>	<b>Q401E</b>	<b>Q102E</b>	<b>Q202E</b>	<b>Q302E</b>	<b>Q402E</b>
Common Dividend/Shr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dilution Adjustment	0	0	0	0	0	5,822	0	0	0	0	0	0	0	0	0
Diluted Average Shr	82,002	96,480	106,453	78,489	79,849	90,597	79,073	80,081	92,934	106,453	106,453	106,453	106,453	106,453	106,453
Dilutd EPS Excl Xord	-0.92	-0.51	-0.55	-1.53	0.12	1.42	-1.19	-1.65	0.09	1.39	-0.83	-1.15	0.07	1.32	-0.81
Dilutd EPS Incl XOrd	-0.92	-0.60	-0.55	-1.53	0.12	1.42	-1.19	-1.76	0.08	1.39	-0.83	-1.15	0.07	1.32	-0.81
<b>Margins %</b>															
Gross Margins	0.905	0.913	0.903	0.920	0.905	0.905	0.897	0.915	0.912	0.915	0.902	0.914	0.911	0.897	0.904
Operating Margins	0.354	0.334	0.322	-2.199	0.369	0.564	-0.111	-1.951	0.326	0.562	-0.186	-1.998	0.315	0.544	-0.149
EBITDA Margins	0.367	0.342	0.329	-2.097	0.378	0.569	-0.075	-1.912	0.332	0.566	-0.163	-1.958	0.322	0.548	-0.128
Pre Tax Margins	-0.046	-0.043	-0.059	-5.730	0.091	0.405	-1.396	-5.415	0.070	0.425	-1.357	-5.560	0.042	0.405	-1.216
Net Margins	-0.052	-0.047	-0.056	-3.687	0.046	0.246	-1.010	-3.482	0.038	0.259	-0.982	-3.575	0.023	0.246	-0.880
<b>Percent of Sales %</b>															
Theme Parks/Sales %	0.541	0.548	0.548	0.400	0.553	0.541	0.543	0.410	0.548	0.556	0.552	0.410	0.548	0.556	0.552
Food/Merch/Sales %	0.459	0.452	0.452	0.600	0.447	0.459	0.457	0.590	0.452	0.444	0.448	0.590	0.452	0.444	0.448
Operating Exp/Sales %	0.646	0.666	0.678	3.199	0.631	0.436	1.111	2.951	0.674	0.438	1.186	2.998	0.685	0.456	1.149
Sell./Gen./Adm/Sales %	0.165	0.181	0.182	1.101	0.182	0.085	0.266	0.993	0.213	0.092	0.303	1.024	0.220	0.092	0.281
Cost of Sales/Sales %	0.095	0.087	0.097	0.080	0.095	0.095	0.103	0.085	0.088	0.085	0.098	0.086	0.089	0.103	0.096
Depreciation/Sales %	0.179	0.187	0.190	1.364	0.131	0.085	0.536	1.372	0.139	0.087	0.550	1.464	0.145	0.087	0.508
Other/Sales %	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sales/Sales%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NET Int Exp/Sales %	0.222	0.189	0.190	2.167	0.147	0.074	0.750	2.091	0.116	0.050	0.621	2.098	0.128	0.052	0.559
Total Expense/Sales %	0.601	0.645	0.660	4.754	0.754	0.418	1.002	2.731	0.655	0.429	1.160	2.874	0.661	0.446	1.138
<b>Growth %</b>															
EBITDA % Yr - Yr	0.158	-0.025	-0.040	-0.733	-0.099	0.236	0.832	-0.038	-0.080	0.038	-1.257	0.007	-0.059	-0.031	0.156
Adj EBITDA Yr - Yr	0.108	0.012	-0.049	-0.254	0.030	0.097	0.472	-0.050	-0.033	0.048	-0.164	0.008	-0.065	-0.035	0.057
Sales % Yr Over Yr	0.086	0.047	-0.004	-0.424	0.023	0.160	0.286	0.138	0.045	0.044	0.033	-0.030	-0.030	0.000	0.078
EPS % Yr Over Yr	-0.806	0.009	0.088	-0.320	-0.601	0.153	0.072	-0.151	-0.332	-0.057	0.146	0.215	-0.645	-0.047	0.032
EBITDA/Int Expense	1.64	1.64	1.58												

**-6% Revenue Fcst**

Dirty Dozen Research: No Agenda												Variable in the short-term			
Six Flags, Inc. Ticker: PKS															
Income Statement Model												Fcst YTD Actual			
(Thousands of U.S. Dollars)												2000 Seasonality			
												2001 Seasonality			
												-6% Revenues/Recession			
	FY00A	FY01E	FY02E	Q100A	Q200A	Q300A	Q400A	Q101A	Q201A	Q301A	Q401E	Q102E	Q202E	Q302E	Q402E
Theme Park	544,809	577,277	557,110	12,349	188,526	296,411	47,523	14,419	195,246	317,717	49,895	13,554	183,531	307,912	52,112
Restaurant/Food/Other	462,172	476,568	459,611	18,544	152,553	251,028	40,047	20,750	161,212	254,067	40,539	19,505	151,539	246,226	42,340
<b>Total Revenue</b>	<b>1,006,981</b>	<b>1,053,845</b>	<b>1,016,720</b>	<b>30,893</b>	<b>341,079</b>	<b>547,439</b>	<b>87,570</b>	<b>35,169</b>	<b>356,458</b>	<b>571,784</b>	<b>90,434</b>	<b>33,059</b>	<b>335,071</b>	<b>554,139</b>	<b>94,452</b>
<b>Operating Expenses</b>	<b>376,060</b>	<b>410,838</b>	<b>401,489</b>	<b>59,193</b>	<b>117,875</b>	<b>137,154</b>	<b>61,838</b>	<b>64,518</b>	<b>130,441</b>	<b>146,917</b>	<b>68,962</b>	<b>61,615</b>	<b>124,571</b>	<b>143,700</b>	<b>71,603</b>
Sell./Gen./Admin.	165,980	191,122	191,122	34,008	61,986	46,719	23,267	34,922	75,999	52,824	27,377	34,922	75,999	52,824	27,377
Non Cash Comp	12,584	8,260	8,260	3,147	3,145	3,147	3,145	1,357	2,419	2,420	2,064	1,357	2,419	2,420	2,064
Cost of Sales	95,652	91,868	89,592	2,468	32,355	51,829	9,000	2,987	31,519	48,520	8,842	2,853	30,101	47,457	9,181
<b>Operational Exp</b>	<b>650,276</b>	<b>702,089</b>	<b>690,463</b>	<b>98,816</b>	<b>215,361</b>	<b>238,849</b>	<b>97,250</b>	<b>103,784</b>	<b>240,378</b>	<b>250,681</b>	<b>107,246</b>	<b>100,746</b>	<b>233,090</b>	<b>246,401</b>	<b>110,226</b>
<b>Gross Profit</b>	<b>356,705</b>	<b>351,756</b>	<b>326,258</b>	<b>(67,923)</b>	<b>125,718</b>	<b>308,590</b>	<b>(9,680)</b>	<b>(68,615)</b>	<b>116,080</b>	<b>321,103</b>	<b>(16,812)</b>	<b>(67,687)</b>	<b>101,981</b>	<b>307,738</b>	<b>(15,773)</b>
<b>EBITDA</b>	<b>369,289</b>	<b>360,017</b>	<b>334,518</b>	<b>(64,776)</b>	<b>128,863</b>	<b>311,737</b>	<b>(6,535)</b>	<b>(67,258)</b>	<b>118,499</b>	<b>323,523</b>	<b>(14,747)</b>	<b>(66,330)</b>	<b>104,400</b>	<b>310,158</b>	<b>(13,709)</b>
Adjusted EBITDA	402,496	407,492	373,715	(67,963)	146,744	344,327	(20,612)	(71,337)	141,892	360,937	(24,000)	(70,255)	123,321	344,535	(23,887)
Partner Park Distrib	33,581	32,182	20,067	0	0	22,083	11,498	0	0	12,093	20,089	0	0	12,040	8,027
Net Operating Cash	176,161	157,336	131,837	(61,063)	56,447	250,026	(69,249)	(98,401)	101,995	231,203	(77,461)	(97,473)	87,896	217,838	(76,423)
Capital Expenditures	(334,226)	(175,000)	(140,000)	(117,985)	(132,136)	(50,962)	(33,143)	(52,951)	(54,478)	(28,966)	(38,605)	(49,421)	(55,349)	(21,347)	(13,883)
Park Invest & Acq	(23,582)	(139,209)	(6,000)	(12,752)	3,588	(10,103)	(4,315)	(113,108)	(23,955)	(646)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Depreciation	179,989	197,364	199,668	42,132	44,627	46,320	46,910	48,263	49,679	49,701	49,721	49,937	50,257	49,954	49,520
Down-Down	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non Int Exp</b>	<b>830,265</b>	<b>899,453</b>	<b>890,131</b>	<b>140,948</b>	<b>259,988</b>	<b>285,169</b>	<b>144,160</b>	<b>152,047</b>	<b>290,057</b>	<b>300,382</b>	<b>156,967</b>	<b>150,684</b>	<b>283,347</b>	<b>296,355</b>	<b>159,746</b>
Interest Exp (GAAP)	(224,767)	(220,024)	(219,694)	(53,055)	(58,987)	(56,305)	(56,420)	(56,014)	(56,616)	(55,299)	(52,095)	(54,167)	(58,473)	(55,941)	(51,113)
Other Inc-Partner Eq'ty	1,714	20,582	17,643	(13,898)	8,953	15,890	(9,231)	(17,535)	15,283	26,928	(4,094)	(17,269)	13,283	25,704	(4,075)
<b>Income B4 Taxes</b>	<b>(46,337)</b>	<b>(45,050)</b>	<b>(75,461)</b>	<b>(177,008)</b>	<b>31,057</b>	<b>221,855</b>	<b>(122,241)</b>	<b>(190,427)</b>	<b>25,068</b>	<b>243,031</b>	<b>(122,722)</b>	<b>(189,060)</b>	<b>6,533</b>	<b>227,548</b>	<b>(120,482)</b>
Income Taxes	5,622	4,528	(8,860)	(63,116)	15,303	87,205	(33,770)	(67,976)	11,420	94,987	(33,903)	(67,488)	2,976	88,935	(33,284)
<b>Income After Taxes</b>	<b>(51,959)</b>	<b>(49,578)</b>	<b>(66,601)</b>	<b>(113,892)</b>	<b>15,754</b>	<b>134,650</b>	<b>(88,471)</b>	<b>(122,451)</b>	<b>13,648</b>	<b>148,044</b>	<b>(88,819)</b>	<b>(121,572)</b>	<b>3,557</b>	<b>138,612</b>	<b>(87,198)</b>
Discount Bond Interest	30,495	33,608	37,038	7,348	7,529	7,714	7,904	8,098	8,297	8,501	8,711	8,925	9,144	9,369	9,600
Amort Bond Issuance	8,573	9,371	9,468	2,397	1,995	2,075	2,106	2,279	2,358	2,367	2,367	2,367	2,367	2,367	2,367
Preferred Dividends	(23,288)	(26,293)	(20,844)	(5,822)	(5,822)	(5,822)	(5,822)	(9,850)	(5,671)	(5,561)	(5,211)	(5,211)	(5,211)	(5,211)	(5,211)
<b>Pri/Bas EPS Ex.XOrd</b>	<b>-0.96</b>	<b>-0.85</b>	<b>-0.95</b>	<b>-1.53</b>	<b>0.13</b>	<b>1.64</b>	<b>-1.19</b>	<b>-1.65</b>	<b>0.09</b>	<b>1.54</b>	<b>-1.02</b>	<b>-1.37</b>	<b>-0.02</b>	<b>1.45</b>	<b>-1.00</b>
Extraordinary Item	0	(8,529)	0	0	0	0	0	(8,301)	(228)	0	0	0	0	0	0
Pri/Bas EPS In. XOrd	-0.96	-0.95	-0.95	-1.53	0.13	1.64	-1.19	-1.76	0.08	1.54	-1.02	-1.37	-0.02	1.45	-1.00
Primary/Basic Avg Shr	78,735	89,157	92,314	78,489	78,677	78,701	79,073	80,081	91,919	92,314	92,314	92,314	92,314	92,314	92,314
Common Dividend/Shr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

<b>-6% Revenue Fcst</b>	<b>FY00A</b>	<b>FY01E</b>	<b>FY02E</b>	<b>Q100A</b>	<b>Q200A</b>	<b>Q300A</b>	<b>Q400A</b>	<b>Q101A</b>	<b>Q201A</b>	<b>Q301A</b>	<b>Q401E</b>	<b>Q102E</b>	<b>Q202E</b>	<b>Q302E</b>	<b>Q402E</b>
Dilution Adjustment	0	0	0	0	0	5,822	0	0	0	0	0	0	0	0	0
Diluted Average Shares	82,002	96,480	106,453	78,489	79,849	90,597	79,073	80,081	92,934	106,453	106,453	106,453	106,453	106,453	106,453
Dilutd EPS Excl Xord	-0.92	-0.51	-0.63	-1.53	0.12	1.42	-1.19	-1.65	0.09	1.39	-0.83	-1.14	0.03	1.30	-0.82
Dilutd EPS Incl XOrd	-0.92	-0.60	-0.63	-1.53	0.12	1.42	-1.19	-1.76	0.08	1.39	-0.83	-1.14	0.03	1.30	-0.82
<b>Margins %</b>															
Gross Margins	0.905	0.913	0.912	0.920	0.905	0.905	0.897	0.915	0.912	0.915	0.902	0.914	0.910	0.914	0.903
Operating Margins	0.354	0.334	0.321	-2.199	0.369	0.564	-0.111	-1.951	0.326	0.562	-0.186	-2.047	0.304	0.555	-0.167
EBITDA Margins	0.367	0.342	0.329	-2.097	0.378	0.569	-0.075	-1.912	0.332	0.566	-0.163	-2.006	0.312	0.560	-0.145
Pre Tax Margins	-0.046	-0.043	-0.074	-5.730	0.091	0.405	-1.396	-5.415	0.070	0.425	-1.357	-5.719	0.019	0.411	-1.276
Net Margins	-0.052	-0.047	-0.066	-3.687	0.046	0.246	-1.010	-3.482	0.038	0.259	-0.982	-3.677	0.011	0.250	-0.923
<b>Percent of Sales %</b>															
Theme Parks/Sales %	0.541	0.548	0.548	0.400	0.553	0.541	0.543	0.410	0.548	0.556	0.552	0.410	0.548	0.556	0.552
Food/Merch/Sales %	0.459	0.452	0.452	0.600	0.447	0.459	0.457	0.590	0.452	0.444	0.448	0.590	0.452	0.444	0.448
Operating Exp/Sales %	0.646	0.666	0.679	3.199	0.631	0.436	1.111	2.951	0.674	0.438	1.186	3.047	0.696	0.445	1.167
Sell./Gen./Adm/Sales %	0.165	0.181	0.188	1.101	0.182	0.085	0.266	0.993	0.213	0.092	0.303	1.056	0.227	0.095	0.290
Cost of Sales/Sales %	0.095	0.087	0.088	0.080	0.095	0.095	0.103	0.085	0.088	0.085	0.098	0.086	0.090	0.086	0.097
Depreciation/Sales %	0.179	0.187	0.196	1.364	0.131	0.085	0.536	1.372	0.139	0.087	0.550	1.511	0.150	0.090	0.524
Other/Sales %	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sales/Sales%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NET Int Exp/Sales %	0.222	0.189	0.199	2.167	0.147	0.074	0.750	2.091	0.116	0.050	0.621	2.161	0.135	0.055	0.584
Total Expense/Sales %	0.601	0.645	0.659	4.754	0.754	0.418	1.002	2.731	0.655	0.429	1.160	2.920	0.671	0.434	1.150
<b>Growth %</b>															
EBITDA % Yr - Yr	0.158	-0.025	-0.071	-0.733	-0.099	0.236	0.832	-0.038	-0.080	0.038	-1.257	0.014	-0.119	-0.041	0.070
Adj EBITDA Yr - Yr	0.108	0.012	-0.083	-0.254	0.030	0.097	0.472	-0.050	-0.033	0.048	-0.164	0.015	-0.131	-0.045	0.005
Sales % Yr Over Yr	0.086	0.047	-0.035	-0.424	0.023	0.160	0.286	0.138	0.045	0.044	0.033	-0.060	-0.060	-0.031	0.044
EPS % Yr Over Yr	-0.806	0.009	-0.001	-0.320	-0.601	0.153	0.072	-0.151	-0.332	-0.057	0.146	0.218	-1.213	-0.064	0.017
EBITDA/Int Expense	1.64	1.64	1.52												

**0% Revenue Unrelated Event Fcst**

Dirty Dozen Research: No Agenda													Variable in the short-term		
Six Flags, Inc. Ticker: PKS															
Income Statement Model													Fcst - YTD results		
(Thousands of U.S. Dollars)													2000 Seasonality		
													Unrelated EVENT Beginning		
													Q2 Scenario 01 Seasonality		
													Otherwise 0% Revenues		
	FY00A	FY01E	FY02E	Q100A	Q200A	Q300A	Q400A	Q101A	Q201A	Q301A	Q401E	Q102E	Q202E	Q302E	Q402E
Theme Park	544,809	577,277	573,145	12,349	188,526	296,411	47,523	14,419	195,246	317,717	49,895	14,419	175,721	327,566	55,438
Restaurant/Food/Other	462,172	476,568	472,826	18,544	152,553	251,028	40,047	20,750	161,212	254,067	40,539	20,750	145,091	261,943	45,043
<b>Total Revenue</b>	<b>1,006,981</b>	<b>1,053,845</b>	<b>1,045,972</b>	<b>30,893</b>	<b>341,079</b>	<b>547,439</b>	<b>87,570</b>	<b>35,169</b>	<b>356,458</b>	<b>571,784</b>	<b>90,434</b>	<b>35,169</b>	<b>320,812</b>	<b>589,509</b>	<b>100,481</b>
<b>Operating Expenses</b>	<b>376,060</b>	<b>410,838</b>	<b>410,193</b>	<b>59,193</b>	<b>117,875</b>	<b>137,154</b>	<b>61,838</b>	<b>64,518</b>	<b>130,441</b>	<b>146,917</b>	<b>68,962</b>	<b>64,518</b>	<b>120,658</b>	<b>150,311</b>	<b>74,707</b>
Sell./Gen./Admin.	165,980	191,122	191,122	34,008	61,986	46,719	23,267	34,922	75,999	52,824	27,377	34,922	75,999	52,824	27,377
Non Cash Comp	12,584	8,260	8,260	3,147	3,145	3,147	3,145	1,357	2,419	2,420	2,064	1,357	2,419	2,420	2,064
Cost of Sales	95,652	91,868	91,362	2,468	32,355	51,829	9,000	2,987	31,519	48,520	8,842	2,987	29,155	49,641	9,579
<b>Operational Exp</b>	<b>650,276</b>	<b>702,089</b>	<b>700,938</b>	<b>98,816</b>	<b>215,361</b>	<b>238,849</b>	<b>97,250</b>	<b>103,784</b>	<b>240,378</b>	<b>250,681</b>	<b>107,246</b>	<b>103,784</b>	<b>228,231</b>	<b>255,196</b>	<b>113,727</b>
<b>Gross Profit</b>	<b>356,705</b>	<b>351,756</b>	<b>345,034</b>	<b>(67,923)</b>	<b>125,718</b>	<b>308,590</b>	<b>(9,680)</b>	<b>(68,615)</b>	<b>116,080</b>	<b>321,103</b>	<b>(16,812)</b>	<b>(68,615)</b>	<b>92,581</b>	<b>334,314</b>	<b>(13,246)</b>
<b>EBITDA</b>	<b>369,289</b>	<b>360,017</b>	<b>353,295</b>	<b>(64,776)</b>	<b>128,863</b>	<b>311,737</b>	<b>(6,535)</b>	<b>(67,258)</b>	<b>118,499</b>	<b>323,523</b>	<b>(14,747)</b>	<b>(67,258)</b>	<b>95,000</b>	<b>336,734</b>	<b>(11,181)</b>
Adjusted EBITDA	402,496	407,492	365,917	(67,963)	146,744	344,327	(20,612)	(71,337)	141,892	360,937	(24,000)	(71,337)	110,941	347,672	(21,359)
Partner Park Distrib	33,581	32,182	(15,252)	0	0	22,083	11,498	0	0	12,093	20,089	0	0	(9,151)	(6,101)
Net Operating Cash	176,161	157,336	150,614	(61,063)	56,447	250,026	(69,249)	(98,401)	101,995	231,203	(77,461)	(98,401)	78,496	244,414	(73,895)
Capital Expenditures	(334,226)	(175,000)	(140,000)	(117,985)	(132,136)	(50,962)	(33,143)	(52,951)	(54,478)	(28,966)	(38,605)	(49,421)	(55,349)	(21,347)	(13,883)
Park Invest & Acq	(23,582)	(139,209)	(6,000)	(12,752)	3,588	(10,103)	(4,315)	(113,108)	(23,955)	(646)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Depreciation	179,989	197,364	199,668	42,132	44,627	46,320	46,910	48,263	49,679	49,701	49,721	49,937	50,257	49,954	49,520
Down-Down	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Non Int Exp</b>	<b>830,265</b>	<b>899,453</b>	<b>900,606</b>	<b>140,948</b>	<b>259,988</b>	<b>285,169</b>	<b>144,160</b>	<b>152,047</b>	<b>290,057</b>	<b>300,382</b>	<b>156,967</b>	<b>153,721</b>	<b>278,488</b>	<b>305,149</b>	<b>163,247</b>
Interest Exp (GAAP)	(224,767)	(220,024)	(220,500)	(53,055)	(58,987)	(56,305)	(56,420)	(56,014)	(56,616)	(55,299)	(52,095)	(54,178)	(58,620)	(56,254)	(51,448)
Other Inc-Partner Eq'ty	1,714	20,582	16,709	(13,898)	8,953	15,890	(9,231)	(17,535)	15,283	26,928	(4,094)	(17,535)	11,949	25,938	(3,644)
<b>Income B4 Taxes</b>	<b>(46,337)</b>	<b>(45,050)</b>	<b>(58,426)</b>	<b>(177,008)</b>	<b>31,057</b>	<b>221,855</b>	<b>(122,241)</b>	<b>(190,427)</b>	<b>25,068</b>	<b>243,031</b>	<b>(122,722)</b>	<b>(190,265)</b>	<b>(4,347)</b>	<b>254,044</b>	<b>(117,858)</b>
Income Taxes	5,622	4,528	(3,166)	(63,116)	15,303	87,205	(33,770)	(67,976)	11,420	94,987	(33,903)	(67,918)	(1,980)	99,291	(32,559)
<b>Income After Taxes</b>	<b>(51,959)</b>	<b>(49,578)</b>	<b>(55,260)</b>	<b>(113,892)</b>	<b>15,754</b>	<b>134,650</b>	<b>(88,471)</b>	<b>(122,451)</b>	<b>13,648</b>	<b>148,044</b>	<b>(88,819)</b>	<b>(122,347)</b>	<b>(2,367)</b>	<b>154,753</b>	<b>(85,299)</b>
Discount Bond Interest	30,495	33,608	37,038	7,348	7,529	7,714	7,904	8,098	8,297	8,501	8,711	8,925	9,144	9,369	9,600
Amort Bond Issuance	8,573	9,371	9,468	2,397	1,995	2,075	2,106	2,279	2,358	2,367	2,367	2,367	2,367	2,367	2,367
<b>Pri/Bas EPS Ex.XOrd</b>	<b>-0.96</b>	<b>-0.85</b>	<b>-0.82</b>	<b>-1.53</b>	<b>0.13</b>	<b>1.64</b>	<b>-1.19</b>	<b>-1.65</b>	<b>0.09</b>	<b>1.54</b>	<b>-1.02</b>	<b>-1.38</b>	<b>-0.08</b>	<b>1.62</b>	<b>-0.98</b>
Extraordinary Item	0	(8,529)	0	0	0	0	0	(8,301)	(228)	0	0	0	0	0	0
Pri/Bas EPS In. XOrd	-0.96	-0.95	-0.82	-1.53	0.13	1.64	-1.19	-1.76	0.08	1.54	-1.02	-1.38	-0.08	1.62	-0.98
Primary/Basic Avg Shr	78,735	89,157	92,314	78,489	78,677	78,701	79,073	80,081	91,919	92,314	92,314	92,314	92,314	92,314	92,314
Common Dividend/Shr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dilution Adjustment	0	0	0	0	0	5,822	0	0	0	0	0	0	0	0	0

<b>0% Revenue Unrelated Event Fcst</b>	<b>FY00A</b>	<b>FY01E</b>	<b>FY02E</b>	<b>Q100A</b>	<b>Q200A</b>	<b>Q300A</b>	<b>Q400A</b>	<b>Q101A</b>	<b>Q201A</b>	<b>Q301A</b>	<b>Q401E</b>	<b>Q102E</b>	<b>Q202E</b>	<b>Q302E</b>	<b>Q402E</b>
Diluted Average Shares	82,002	96,480	106,453	78,489	79,849	90,597	79,073	80,081	92,934	106,453	106,453	106,453	106,453	106,453	106,453
Dilutd EPS Excl Xord	-0.92	-0.51	-0.52	-1.53	0.12	1.42	-1.19	-1.65	0.09	1.39	-0.83	-1.15	-0.02	1.45	-0.80
Dilutd EPS Incl XOrd	-0.92	-0.60	-0.52	-1.53	0.12	1.42	-1.19	-1.76	0.08	1.39	-0.83	-1.15	-0.02	1.45	-0.80
<b>Margins %</b>															
Gross Margins	0.905	0.913	0.913	0.920	0.905	0.905	0.897	0.915	0.912	0.915	0.902	0.915	0.909	0.916	0.905
Operating Margins	0.354	0.334	0.330	-2.199	0.369	0.564	-0.111	-1.951	0.326	0.562	-0.186	-1.951	0.289	0.567	-0.132
EBITDA Margins	0.367	0.342	0.338	-2.097	0.378	0.569	-0.075	-1.912	0.332	0.566	-0.163	-1.912	0.296	0.571	-0.111
Pre Tax Margins	-0.046	-0.043	-0.056	-5.730	0.091	0.405	-1.396	-5.415	0.070	0.425	-1.357	-5.410	-0.014	0.431	-1.173
Net Margins	-0.052	-0.047	-0.053	-3.687	0.046	0.246	-1.010	-3.482	0.038	0.259	-0.982	-3.479	-0.007	0.263	-0.849
<b>Percent of Sales %</b>															
Theme Parks/Sales %	0.541	0.548	0.548	0.400	0.553	0.541	0.543	0.410	0.548	0.556	0.552	0.410	0.548	0.556	0.552
Food/Merch/Sales %	0.459	0.452	0.452	0.600	0.447	0.459	0.457	0.590	0.452	0.444	0.448	0.590	0.452	0.444	0.448
Operating Exp/Sales %	0.646	0.666	0.670	3.199	0.631	0.436	1.111	2.951	0.674	0.438	1.186	2.951	0.711	0.433	1.132
Sell./Gen./Adm/Sales %	0.165	0.181	0.183	1.101	0.182	0.085	0.266	0.993	0.213	0.092	0.303	0.993	0.237	0.090	0.272
Cost of Sales/Sales %	0.095	0.087	0.087	0.080	0.095	0.095	0.103	0.085	0.088	0.085	0.098	0.085	0.091	0.084	0.095
Depreciation/Sales %	0.179	0.187	0.191	1.364	0.131	0.085	0.536	1.372	0.139	0.087	0.550	1.420	0.157	0.085	0.493
Other/Sales %	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sales/Sales%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NET Int Exp/Sales %	0.222	0.189	0.195	2.167	0.147	0.074	0.750	2.091	0.116	0.050	0.621	2.039	0.145	0.051	0.548
Total Expense/Sales %	0.601	0.645	0.650	4.754	0.754	0.418	1.002	2.731	0.655	0.429	1.160	2.830	0.685	0.422	1.113
<b>Growth %</b>															
EBITDA % Yr - Yr	0.158	-0.025	-0.019	-0.733	-0.099	0.236	0.832	-0.038	-0.080	0.038	-1.257	0.000	-0.198	0.041	0.242
Adj EBITDA Yr - Yr	0.108	0.012	-0.102	-0.254	0.030	0.097	0.472	-0.050	-0.033	0.048	-0.164	0.000	-0.218	-0.037	0.110
Sales % Yr Over Yr	0.086	0.047	-0.007	-0.424	0.023	0.160	0.286	0.138	0.045	0.044	0.033	0.000	-0.100	0.031	0.111
EPS % Yr Over Yr	-0.806	0.009	0.129	-0.320	-0.601	0.153	0.072	-0.151	-0.332	-0.057	0.146	0.213	-1.974	0.050	0.037
EBITDA/Int Expense	1.64	1.64	1.80												

**0% Revenue Related Event Fcst**

Dirty Dozen Research: No Agenda													Variable in the short-term			
Six Flags, Inc. Ticker: PKS																
Income Statement Model													Fcst - YTD results			
(Thousands of U.S. Dollars)													2000 Seasonality			
													Related EVENT Beginning			
													Q2 Scenario 01 Seasonality			
													Otherwise 0% Revenues			
	FY00A	FY01E	FY02E	Q100A	Q200A	Q300A	Q400A	Q101A	Q201A	Q301A	Q401E	Q102E	Q202E	Q302E	Q402E	
Theme Park	544,809	577,277	448,107	12,349	188,526	296,411	47,523	14,419	195,246	317,717	49,895	14,419	146,435	245,675	41,579	
Restaurant/Food/Other	462,172	476,568	371,898	18,544	152,553	251,028	40,047	20,750	161,212	254,067	40,539	20,750	120,909	196,457	33,782	
<b>Total Revenue</b>	<b>1,006,981</b>	<b>1,053,845</b>	<b>820,005</b>	<b>30,893</b>	<b>341,079</b>	<b>547,439</b>	<b>87,570</b>	<b>35,169</b>	<b>356,458</b>	<b>571,784</b>	<b>90,434</b>	<b>35,169</b>	<b>267,344</b>	<b>442,132</b>	<b>75,361</b>	
<b>Operating Expenses</b>	<b>376,060</b>	<b>410,838</b>	<b>353,551</b>	<b>59,193</b>	<b>117,875</b>	<b>137,154</b>	<b>61,838</b>	<b>64,518</b>	<b>130,441</b>	<b>146,917</b>	<b>68,962</b>	<b>64,518</b>	<b>105,983</b>	<b>122,351</b>	<b>60,699</b>	
Sell./Gen./Admin.	165,980	191,122	191,122	34,008	61,986	46,719	23,267	34,922	75,999	52,824	27,377	34,922	75,999	52,824	27,377	
Non Cash Comp	12,584	8,260	8,260	3,147	3,145	3,147	3,145	1,357	2,419	2,420	2,064	1,357	2,419	2,420	2,064	
Cost of Sales	95,652	91,868	76,786	2,468	32,355	51,829	9,000	2,987	31,519	48,520	8,842	2,987	25,609	40,407	7,783	
<b>Operational Exp</b>	<b>650,276</b>	<b>702,089</b>	<b>629,719</b>	<b>98,816</b>	<b>215,361</b>	<b>238,849</b>	<b>97,250</b>	<b>103,784</b>	<b>240,378</b>	<b>250,681</b>	<b>107,246</b>	<b>103,784</b>	<b>210,011</b>	<b>218,001</b>	<b>97,923</b>	
<b>Gross Profit</b>	<b>356,705</b>	<b>351,756</b>	<b>190,286</b>	<b>(67,923)</b>	<b>125,718</b>	<b>308,590</b>	<b>(9,680)</b>	<b>(68,615)</b>	<b>116,080</b>	<b>321,103</b>	<b>(16,812)</b>	<b>(68,615)</b>	<b>57,333</b>	<b>224,130</b>	<b>(22,563)</b>	
<b>EBITDA</b>	<b>369,289</b>	<b>360,017</b>	<b>198,546</b>	<b>(64,776)</b>	<b>128,863</b>	<b>311,737</b>	<b>(6,535)</b>	<b>(67,258)</b>	<b>118,499</b>	<b>323,523</b>	<b>(14,747)</b>	<b>(67,258)</b>	<b>59,752</b>	<b>226,550</b>	<b>(20,498)</b>	
Adjusted EBITDA	402,496	407,492	204,432	(67,963)	146,744	344,327	(20,612)	(71,337)	141,892	360,937	(24,000)	(71,337)	64,513	241,931	(30,676)	
Partner Park Distrib	33,581	32,182	(25,894)	0	0	22,083	11,498	0	0	12,093	20,089	0	0	(15,537)	(10,358)	
Net Operating Cash	176,161	157,336	(4,135)	(61,063)	56,447	250,026	(69,249)	(98,401)	101,995	231,203	(77,461)	(98,401)	43,248	134,230	(83,212)	
Capital Expenditures	(334,226)	(175,000)	(140,000)	(117,985)	(132,136)	(50,962)	(33,143)	(52,951)	(54,478)	(28,966)	(38,605)	(49,421)	(55,349)	(21,347)	(13,883)	
Park Invest & Acq	(23,582)	(139,209)	(6,000)	(12,752)	3,588	(10,103)	(4,315)	(113,108)	(23,955)	(646)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	
Depreciation	179,989	197,364	199,668	42,132	44,627	46,320	46,910	48,263	49,679	49,701	49,721	49,937	50,257	49,954	49,520	
Down-Down	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Non Int Exp</b>	<b>830,265</b>	<b>899,453</b>	<b>829,388</b>	<b>140,948</b>	<b>259,988</b>	<b>285,169</b>	<b>144,160</b>	<b>152,047</b>	<b>290,057</b>	<b>300,382</b>	<b>156,967</b>	<b>153,721</b>	<b>260,268</b>	<b>267,955</b>	<b>147,443</b>	
Interest Exp (GAAP)	(224,767)	(220,024)	(228,105)	(53,055)	(58,987)	(56,305)	(56,420)	(56,014)	(56,616)	(55,299)	(52,095)	(54,178)	(59,044)	(58,944)	(55,940)	
Other Inc-Partner Eq'ty	1,714	20,582	2,230	(13,898)	8,953	15,890	(9,231)	(17,535)	15,283	26,928	(4,094)	(17,535)	6,949	18,049	(5,233)	
<b>Income B4 Taxes</b>	<b>(46,337)</b>	<b>(45,050)</b>	<b>(235,258)</b>	<b>(177,008)</b>	<b>31,057</b>	<b>221,855</b>	<b>(122,241)</b>	<b>(190,427)</b>	<b>25,068</b>	<b>243,031</b>	<b>(122,722)</b>	<b>(190,265)</b>	<b>(45,020)</b>	<b>133,282</b>	<b>(133,255)</b>	
Income Taxes	5,622	4,528	(73,148)	(63,116)	15,303	87,205	(33,770)	(67,976)	11,420	94,987	(33,903)	(67,918)	(20,509)	52,092	(36,813)	
<b>Income After Taxes</b>	<b>(51,959)</b>	<b>(49,578)</b>	<b>(162,110)</b>	<b>(113,892)</b>	<b>15,754</b>	<b>134,650</b>	<b>(88,471)</b>	<b>(122,451)</b>	<b>13,648</b>	<b>148,044</b>	<b>(88,819)</b>	<b>(122,347)</b>	<b>(24,511)</b>	<b>81,190</b>	<b>(96,443)</b>	
Discount Bond Interest	30,495	33,608	37,038	7,348	7,529	7,714	7,904	8,098	8,297	8,501	8,711	8,925	9,144	9,369	9,600	
Amort Bond Issuance	8,573	9,371	9,468	2,397	1,995	2,075	2,106	2,279	2,358	2,367	2,367	2,367	2,367	2,367	2,367	
<b>Pri/Bas EPS Ex.XOrd</b>	<b>-0.96</b>	<b>-0.85</b>	<b>-1.98</b>	<b>-1.53</b>	<b>0.13</b>	<b>1.64</b>	<b>-1.19</b>	<b>-1.65</b>	<b>0.09</b>	<b>1.54</b>	<b>-1.02</b>	<b>-1.38</b>	<b>-0.32</b>	<b>0.82</b>	<b>-1.10</b>	
Extraordinary Item	0	(8,529)	0	0	0	0	0	(8,301)	(228)	0	0	0	0	0	0	
<b>Pri/Bas EPS In. XOrd</b>	<b>-0.96</b>	<b>-0.95</b>	<b>-1.98</b>	<b>-1.53</b>	<b>0.13</b>	<b>1.64</b>	<b>-1.19</b>	<b>-1.76</b>	<b>0.08</b>	<b>1.54</b>	<b>-1.02</b>	<b>-1.38</b>	<b>-0.32</b>	<b>0.82</b>	<b>-1.10</b>	
Primary/Basic Avg Shr	78,735	89,157	92,314	78,489	78,677	78,701	79,073	80,081	91,919	92,314	92,314	92,314	92,314	92,314	92,314	
Common Dividend/Shr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Dilution Adjustment	0	0	0	0	0	5,822	0	0	0	0	0	0	0	0	0	

<b>0% Revenue Related Event Fcst</b>	<b>FY00A</b>	<b>FY01E</b>	<b>FY02E</b>	<b>Q100A</b>	<b>Q200A</b>	<b>Q300A</b>	<b>Q400A</b>	<b>Q101A</b>	<b>Q201A</b>	<b>Q301A</b>	<b>Q401E</b>	<b>Q102E</b>	<b>Q202E</b>	<b>Q302E</b>	<b>Q402E</b>
Diluted Average Shares	82,002	96,480	106,453	78,489	79,849	90,597	79,073	80,081	92,934	106,453	106,453	106,453	106,453	106,453	106,453
Dilutd EPS Excl Xord	-0.92	-0.51	-1.52	-1.53	0.12	1.42	-1.19	-1.65	0.09	1.39	-0.83	-1.15	-0.23	0.76	-0.91
Dilutd EPS Incl XOrd	-0.92	-0.60	-1.52	-1.53	0.12	1.42	-1.19	-1.76	0.08	1.39	-0.83	-1.15	-0.23	0.76	-0.91
<b>Margins %</b>															
Gross Margins	0.905	0.913	0.906	0.920	0.905	0.905	0.897	0.915	0.912	0.915	0.902	0.915	0.904	0.909	0.897
Operating Margins	0.354	0.334	0.232	-2.199	0.369	0.564	-0.111	-1.951	0.326	0.562	-0.186	-1.951	0.214	0.507	-0.299
EBITDA Margins	0.367	0.342	0.242	-2.097	0.378	0.569	-0.075	-1.912	0.332	0.566	-0.163	-1.912	0.224	0.512	-0.272
Pre Tax Margins	-0.046	-0.043	-0.287	-5.730	0.091	0.405	-1.396	-5.415	0.070	0.425	-1.357	-5.410	-0.168	0.301	-1.768
Net Margins	-0.052	-0.047	-0.198	-3.687	0.046	0.246	-1.010	-3.482	0.038	0.259	-0.982	-3.479	-0.092	0.184	-1.280
<b>Percent of Sales %</b>															
Theme Parks/Sales %	0.541	0.548	0.546	0.400	0.553	0.541	0.543	0.410	0.548	0.556	0.552	0.410	0.548	0.556	0.552
Food/Merch/Sales %	0.459	0.452	0.454	0.600	0.447	0.459	0.457	0.590	0.452	0.444	0.448	0.590	0.452	0.444	0.448
Operating Exp/Sales %	0.646	0.666	0.768	3.199	0.631	0.436	1.111	2.951	0.674	0.438	1.186	2.951	0.786	0.493	1.299
Sell./Gen./Adm/Sales %	0.165	0.181	0.233	1.101	0.182	0.085	0.266	0.993	0.213	0.092	0.303	0.993	0.284	0.119	0.363
Cost of Sales/Sales %	0.095	0.087	0.094	0.080	0.095	0.095	0.103	0.085	0.088	0.085	0.098	0.085	0.096	0.091	0.103
Depreciation/Sales %	0.179	0.187	0.243	1.364	0.131	0.085	0.536	1.372	0.139	0.087	0.550	1.420	0.188	0.113	0.657
Other/Sales %	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sales/Sales%	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NET Int Exp/Sales %	0.222	0.189	0.275	2.167	0.147	0.074	0.750	2.091	0.116	0.050	0.621	2.039	0.195	0.092	0.812
Total Expense/Sales %	0.601	0.645	0.733	4.754	0.754	0.418	1.002	2.731	0.655	0.429	1.160	2.830	0.753	0.473	1.214
<b>Growth %</b>															
EBITDA % Yr - Yr	0.158	-0.025	-0.449	-0.733	-0.099	0.236	0.832	-0.038	-0.080	0.038	-1.257	0.000	-0.496	-0.300	-0.390
Adj EBITDA Yr - Yr	0.108	0.012	-0.498	-0.254	0.030	0.097	0.472	-0.050	-0.033	0.048	-0.164	0.000	-0.545	-0.330	-0.278
Sales % Yr Over Yr	0.086	0.047	-0.222	-0.424	0.023	0.160	0.286	0.138	0.045	0.044	0.033	0.000	-0.250	-0.227	-0.167
EPS % Yr Over Yr	-0.806	0.009	-1.094	-0.320	-0.601	0.153	0.072	-0.151	-0.332	-0.057	0.146	0.213	-4.819	-0.467	-0.081
EBITDA/Int Expense	1.64	1.64	1.80												



## Full Year PKS Income Statement

Six Flags, Inc. Ticker: PKS  
ANNUAL INCOME STATEMENT  
(Thousands of U.S. Dollars)

	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95	12/31/94
Rent	0	0	0	0	0	0	0
Theme Park	544,809	500,417	423,461	94,611	41,162	21,863	13,936
Interest	0	0	0	0	0	0	0
Gain from Sale	0	0	0	0	0	0	0
Hotel & Marina	0	0	0	0	0	0	0
Restaurant/Food/Other	462,172	426,567	369,242	99,293	52,285	19,633	10,963
<b>Total Revenue</b>	<b>1,006,981</b>	<b>926,984</b>	<b>792,703</b>	<b>193,904</b>	<b>93,447</b>	<b>41,496</b>	<b>24,899</b>
Operating	376,060	353,728	297,266	81,356	42,425	19,775	12,358
Sell./Gen./Admin.	165,980	163,526	126,985	35,422	16,927	9,272	5,448
Noncash Comp.	12,584	12,725	6,362	1,125	0	0	0
Cost of Sales	95,652	90,699	82,127	23,025	11,101	4,635	2,553
Depreciation	179,989	154,264	109,841	19,792	8,533	3,866	1,997
Down-Down	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>830,265</b>	<b>774,942</b>	<b>622,581</b>	<b>160,720</b>	<b>78,986</b>	<b>37,548</b>	<b>22,356</b>
Interest Expense	-232,336	-193,965	-149,820	-25,714	-12,597	-5,578	-2,299
Other, Net	9,283	47,153	56,042	16,244	1,398	-177	-74
<b>Income Before Taxes</b>	<b>-46,337</b>	<b>5,230</b>	<b>76,344</b>	<b>23,714</b>	<b>3,262</b>	<b>-1,807</b>	<b>170</b>
Income Taxes	5,622	24,460	40,716	9,615	1,497	-762	68
<b>Income After Taxes</b>	<b>-51,959</b>	<b>-19,230</b>	<b>35,628</b>	<b>14,099</b>	<b>1,765</b>	<b>-1,045</b>	<b>102</b>
Minority Interest	0	0	0	0	0	0	0
Preferred Dividends	-23,288	-23,288	-17,466	0	-603	-529	0
<b>Pri/Bas EPS Ex. XOrd</b>	<b>-0.96</b>	<b>-0.55</b>	<b>0.27</b>	<b>0.39</b>	<b>0.07</b>	<b>-0.20</b>	<b>0.02</b>
Extraordinary Item	0	-11296	-788	0	0	-140	0
<b>Pri/Bas EPS In. XOrd</b>	<b>-0.96</b>	<b>-0.69</b>	<b>0.26</b>	<b>0.39</b>	<b>0.07</b>	<b>-0.22</b>	<b>0.02</b>
Primary/Basic Avg Shr	78,735	77,656	66,430	35,876	17,206	7,876	5,621
Common Dividends/Shr	0	0	0	0	0	0	0
Diluted Average Shares	78,735	77,656	68,518	36,876	17,944	7,876	5,621
Dilutd EPS Excl XOrd	-0.96	-0.55	0.27	0.38	0.07	-0.20	0.02
Dilutd EPS Incl XOrd	-0.96	-0.69	0.25	0.38	0.07	-0.22	0.02

## Full Year PKS Statement of Cash Flows

**Six Flags, Inc. Ticker: PKS**

**ANNUAL STATEMENT OF CASH FLOWS**

**INDIRECT METHOD (Thousands of U.S. Dollars)**

	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95	12/31/94
<b>OPERATING CASH FLOWS</b>							
Net Income	-51,959	-30,526	34,840	14,099	1,765	-1,185	102
Depreciation	179,989	154,264	109,841	19,792	8,533	3,866	1,997
Deferred Taxes	2,217	17,146	38,698	6,737	1,433	-808	24
Amort./Other	0	0	0	0	0	317	94
Sale Of Assets	9,987	3,557	920	-46	-51	0	-9
Equity Interest	21,698	-8,524	-8,240	0	0	0	0
Minority Interest	132	-6	960	0	0	0	0
Int. Accret.-Notes	30,733	34,402	28,713	0	0	0	0
Int. Accret.-Invest.	0	-6,182	-7,267	0	0	0	0
Non-Cash Items	12,584	31,551	7,676	1,125	0	230	0
Amort of Debt Issued	8,573	6,755	5,351	1,918	811	0	0
Accounts Receivable	-11,558	5,359	-17,816	-5,272	-215	5,794	-496
Taxes Receivable	0	0	995	-995	0	0	0
Inventories/Prepaid	-8,011	-2,191	-12,154	-1,150	-2,360	-455	-422
Deposits/Other	7,588	9,416	-25,185	6,237	-3,947	0	0
Other Operating	787	-9,706	23,484	5,481	146	5,253	-741
Payable/Accrued	-26,599	-7,966	-61,806	-776	5,216	-2,366	511
Cash From Operations	176,161	197,349	119,010	47,150	11,331	10,646	1,060
<b>INVESTING CASH FLOWS</b>							
Sale Of RE/Equip.	0	0	0	0	0	0	14
Invest. In Partner.	0	0	0	0	0	-63	-83
Capital Expenditures	-334,226	-391,655	-205,754	-129,049	-38,995	-10,732	-10,108
Theme Park Invest.	-23,699	-51,931	-60,739	-6,595	0	0	0
Other Investing	20,745	180,362	-360,978	-60,050	-116,154	-63,344	0
Acq. of Park Comp.	117	-242,954	-1,037,412	-21,376	0	0	0
Cash From Investing	-337,063	-506,178	-1,664,883	-217,070	-155,149	-74,139	-10,177
<b>FINANCING CASH FLOWS</b>							
Preferred Dividends	-23,288	-23,288	-11,644	0	0	0	0
Purch./Sale of Stock	3,645	2,801	1,256,319	189,530	65,306	20,000	4,185
LT Debt Issued	403,000	1,391,024	1,361,703	132,500	57,574	93,500	8,451
LT Debt Repayment	-316,408	-1,291,910	-703,639	-66,576	-1,082	-17,487	-5,079
Line of Credit Paid	0	0	0	0	0	0	0
Debt Issuance Costs	0	-29,139	-41,641	-5,289	-2,724	0	0
Other	0	0	0	0	0	-5,099	-100
Cash From Financing	66,949	49,488	1,861,098	250,165	119,074	90,914	7,457
Foreign Exch Effects	-1,200	-3,106	1,065	0	0	0	0
Net Change In Cash	-95,153	-262,447	316,290	80,245	-24,744	27,421	-1,660
Cash Interest Paid	192,247	162,511	92,272	18,315	11,640	2,018	2,178
Cash Taxes Paid	66	220	497	3,697	64	-22	38

## Quarterly Statement of Cash Flows

Six Flags, Inc. Ticker: PKS

QUARTERLY STATEMENT OF CASH FLOWS

INDIRECT METHOD (Thousands of U.S. Dollars)

	06/30/01	03/31/01	12/31/00	09/30/00	06/30/00	03/31/00	12/31/99
<b>OPERATING CASH FLOWS</b>							
Net Income	-117,332	-130,752	-51,959	36,512	-98,138	-113,892	-30,526
Depreciation	97,942	48,263	179,989	133,079	86,759	42,132	154,264
Deferred Taxes	-63,348	-73,064	2,217	40,078	-48,156	-63,406	17,146
Accret. of Notes Pay	16,659	8,116	30,733	22,671	14,992	7,318	34,402
Accret. of Invest.	0	0	0	-2,982	-1,656	-1,438	-6,182
Amort. of Debt Cost	4,637	2,279	8,573	6,467	4,392	2,397	6,755
Sale Of Assets	127	-41	9,987	0	0	0	3,557
Equity-Partnership	77	18,796	21,698	10,644	5,080	14,155	-8,524
Accounts Receivable	-44,679	-7,840	-11,558	-46,900	-45,012	-9,637	5,359
Inventories/Prepaid	-15,670	-11,379	-8,011	3,905	-19,702	-10,296	-2,191
Other	922	-46	7,588	4,641	4,074	2,959	9,416
Payable/Accrued	95,300	13,530	-26,599	9,684	83,614	46,584	-7,966
Accrued Interest	7,014	18,991	787	18,040	2,845	18,707	-9,706
Def. Charges/Other	0	0	0	0	0	0	0
Non-Cash Items	21,945	14,746	12,584	9,439	14,667	3,147	31,551
Minority Interest	0	0	132	132	0	207	-6
Cash From Operations	3,594	-98,401	176,161	245,410	3,759	-61,063	197,349
<b>INVESTING CASH FLOWS</b>							
Capital Expenditures	-107,429	-52,951	-334,226	-301,083	-250,121	-117,985	-391,655
Invest.-Theme Park	-5,199	-1,692	-23,699	-19,267	-17,539	-12,752	-51,931
Sale RE/Equipment	2,420	2,420	0	0	0	0	0
Other Investing	18,457	4,781	20,745	22,282	15,138	0	214,940
Acquisitions	-131,864	-111,416	117	0	0	0	-277,532
Cash From Investing	-223,615	-158,858	-337,063	-298,068	-252,522	-130,737	-506,178
<b>FINANCING CASH FLOWS</b>							
Preferred Dividends	-12,423	-5,822	-23,288	-17,466	-11,644	-5,822	-23,288
Subordinated Debt	0	0	0	0	0	0	0
LT Debt Repayment	-561,416	-480,636	-316,408	-306,473	-92,542	-42,242	-1,291,910
LT Debt Issued	559,427	504,427	403,000	303,000	301,000	161,000	1,391,024
Common Stock Issued	1,234	282	3,645	3,498	3,498	2,221	2,801
Preferred Stock	277,934	278,130	0	0	0	0	0
Debt Issuance Costs	-10,760	-10,012	0	0	0	0	-29,139
Cash From Financing	253,996	286,369	66,949	-17,441	200,312	115,157	49,488
Foreign Exch Effects	-131	-203	-1,200	-2,288	-1,060	-4,311	-3,106
Net Change In Cash	33,844	28,907	-95,153	-72,387	-49,511	-80,954	-262,447
Cash Interest Paid	88,499	29,587	192,247	127,903	93,922	26,897	162,511
Cash Taxes Paid	2,189	0	66	0	0	0	220

## Full Year PKS Balance Sheet

Six Flags, Inc. Ticker: PKS  
ANNUAL BALANCE SHEET  
(Thousands of U.S. Dollars)

	12/31/00	12/31/99	12/31/98	12/31/97	12/31/96	12/31/95
<b>ASSETS</b>						
Cash & Equivs.	42,978	138,131	400,578	84,288	4,043	28,787
Receivables	40,771	29,208	31,484	6,537	1,180	965
Inventories	28,588	23,590	21,703	5,547	4,200	2,904
Prepaid Expenses	35,855	32,793	29,200	3,690	3,416	2,352
Restricted Sec.	12,773	24,430	206,075	0	0	0
Total Current Assets	160,965	248,152	689,040	101,057	12,839	35,008
Land	294,215	293,924	0	0	0	0
Land Improvement	299,261	223,068	0	0	0	0
Building/Improv.	540,349	485,303	0	0	0	0
Prop. & Equip.	1,452,102	1,270,124	1,548,152	448,134	246,441	118,818
Other LT Assets	103,851	120,012	118,986	14,072	15,839	9,068
L.T. Investments	462,014	469,101	395,097	6,459	0	0
Intangibles	1,206,609	1,259,568	1,278,189	45,936	30,795	13,241
Depreciation	-328,027	-207,680	-104,806	-35,474	-17,845	-9,905
Other/Equipment	0	0	127,807	31,137	16,734	7,088
Total Assets	4,191,339	4,161,572	4,052,465	611,321	304,803	173,318
<b>LIABILITIES</b>						
Accts. Pay/Other	45,315	37,918	25,285	10,051	11,059	6,361
Cur.Port.LT Debt	2,401	2,055	198,038	795	1,492	1,065
Accrued Interest	24,353	23,566	33,269	9,785	4,304	4,158
Accrued Comp.	6,963	19,368	17,548	3,110	0	0
Accrued Insur.	0	0	28,727	0	0	0
Other Accrued	64,552	76,395	54,331	10,038	0	0
Total Current Liabs	143,584	159,302	357,198	33,779	16,855	11,584
Long Term Debt	2,319,912	2,202,933	1,866,151	215,000	147,574	90,000
Capital Leases	0	0	0	1,231	1,768	3,213
Total Long Term Debt	2,319,912	2,202,933	1,866,151	216,231	149,342	93,213
Other LT Liabs.	37,937	41,761	50,573	4,025	4,846	3,465
Deferred Taxes	144,919	141,960	151,978	33,537	20,578	19,145
Total Liabilities	2,646,352	2,545,956	2,425,900	287,572	191,621	127,407
<b>SHAREHOLDER EQUITY</b>						
Preferred Stock	12	12	12	0	0	200
Common Stock	2,001	1,958	1,912	944	569	244
Paid In Capital	1,725,890	1,700,305	1,640,532	354,235	144,642	79,261
Retained Erngs.	-128,928	-53,681	133	-17,241	-31,340	-33,105
Treasury Stock	0	0	0	-689	-689	-689
Other Equity	-53,988	-32,978	-16,024	-13,500	0	0
Total Equity	1,544,987	1,615,616	1,626,565	323,749	113,182	45,911
Shares Outstanding	80,069	78,351	76,489	37,746	22,733	9,715

## Quarterly Balance Sheet

Six Flags, Inc. Ticker: PKS  
**QUARTERLY BALANCE SHEET**  
(Thousands of U.S. Dollars)

	06/30/01	03/31/01	12/31/00	09/30/00	06/30/00	03/31/00	12/31/99	09/30/99	06/30/99
<b>ASSETS</b>									
Cash & Equivs.	76,822	71,885	42,978	65,744	88,620	57,177	138,131	170,692	142,034
Receivables	87,635	48,611	40,771	79,850	74,220	38,845	29,208	72,545	68,164
Inventory/Prepaid	40,830	36,401	28,588	31,904	44,582	34,026	23,590	28,095	36,607
Prepaid Expenses	39,974	40,112	35,855	20,574	31,503	32,653	32,793	24,661	24,488
Restricted Invest.	0	12,950	12,773	25,545	25,197	37,798	24,430	216,851	214,280
Tax Receivable	0	0	0	0	0	0	0	0	0
<b>Total Current Assets</b>	<b>245,261</b>	<b>209,959</b>	<b>160,965</b>	<b>223,617</b>	<b>264,122</b>	<b>200,499</b>	<b>248,152</b>	<b>512,844</b>	<b>485,573</b>
Property/Plant	2,740,188	2,653,921	2,585,927	2,531,854	2,508,003	2,382,656	2,272,419	2,059,686	1,976,749
Depreciation	-392,955	-360,440	-328,027	-297,771	-263,184	-234,341	-207,680	-177,590	-150,843
Partnership Investment	387,347	369,534	386,638	393,260	388,721	383,234	384,637	381,888	350,227
Deferred Charges	49,952	51,929	46,967	49,073	51,148	53,143	55,540	47,956	48,267
Deposits	55,962	56,930	56,884	59,831	60,398	61,513	64,472	54,405	55,971
Intangibles	1,237,108	1,258,327	1,206,609	1,218,717	1,230,951	1,244,406	1,259,568	1,244,142	1,255,631
Other Assets	0	0	0	0	0	0	0	0	0
Investment	69,962	70,418	75,376	64,049	70,215	72,534	84,464	95,189	95,683
<b>Total Assets</b>	<b>4,392,825</b>	<b>4,310,578</b>	<b>4,191,339</b>	<b>4,242,630</b>	<b>4,310,374</b>	<b>4,163,644</b>	<b>4,161,572</b>	<b>4,218,520</b>	<b>4,117,258</b>
<b>LIABILITIES</b>									
Accts. Pay/Other	94,989	55,756	45,315	72,213	107,575	53,624	37,918	59,713	84,835
Accrued Interest	31,367	43,344	24,353	41,606	26,411	42,273	23,566	36,711	23,359
Other. Current Liab.	129,559	83,964	71,515	74,047	123,355	132,068	95,763	64,736	89,393
Current Port. LT Debt	79,923	102,340	2,401	969	211,958	122,012	2,055	210,584	265,931
Current Port of Leases	0	0	0	0	0	0	0	2,329	2,329
Credit Facility	0	0	0	0	0	0	0	0	0
<b>Total Current Liabs</b>	<b>335,838</b>	<b>285,404</b>	<b>143,584</b>	<b>188,835</b>	<b>469,299</b>	<b>349,977</b>	<b>159,302</b>	<b>374,073</b>	<b>465,847</b>
Long Term Debt	2,281,538	2,262,498	2,319,912	2,223,218	2,216,480	2,209,052	2,202,933	1,878,702	1,881,692
<b>Total Long Term Debt</b>	<b>2,281,538</b>	<b>2,262,498</b>	<b>2,319,912</b>	<b>2,223,218</b>	<b>2,216,480</b>	<b>2,209,052</b>	<b>2,202,933</b>	<b>1,883,233</b>	<b>1,887,521</b>
Other LT Liabs.	326,313	326,030	37,937	35,256	35,832	35,221	41,761	48,077	49,824
Deferred Taxes	62,507	49,930	144,919	182,038	89,804	78,554	141,960	196,584	116,698
<b>Total Liabilities</b>	<b>3,006,196</b>	<b>2,923,862</b>	<b>2,646,352</b>	<b>2,629,347</b>	<b>2,811,415</b>	<b>2,672,804</b>	<b>2,545,956</b>	<b>2,501,967</b>	<b>2,519,890</b>
<b>SHAREHOLDER EQUITY</b>									
Preferred Stock	0	12	12	12	12	12	12	12	12
Common Stock	2,308	2,002	2,001	1,967	1,967	1,965	1,958	1,953	1,950
Paid In Capital	1,741,555	1,726,854	1,725,890	1,705,840	1,705,158	1,703,243	1,700,305	1,689,426	1,689,338
Retained Erngs.	-259,241	-259,862	-128,928	-34,635	-163,463	-173,395	-53,681	46,969	-64,039
Treasury Stock	0	0	0	0	0	0	0	0	0
Other Equity	-97,993	-82,290	-53,988	-59,901	-44,715	-40,985	-32,978	-21,807	-29,893
<b>Total Equity</b>	<b>1,386,629</b>	<b>1,386,716</b>	<b>1,544,987</b>	<b>1,613,283</b>	<b>1,498,959</b>	<b>1,490,840</b>	<b>1,615,616</b>	<b>1,716,553</b>	<b>1,597,368</b>
Shares Outstanding	92,312	91,889	80,069	78,701	78,701	78,683	78,351	78,249	78,141

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