CEDAR FAIR L P
Form 10-Q
May 04, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 25, 2012
OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .
Commission file number 1-9444
CEDAR FAIR, L.P.
(Exact name of registrant as specified in its charter)

DELAWARE	34-1560655
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Cedar Point Drive, Sandusky, Ohio 44870-5259
(Address of principal executive offices) (Zip Code)
(419) 626-0830
(Registrant's telephone number, including area code)

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

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

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

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

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

Title of Class	Units Outstanding As Of May 1, 2012
Units Representing Limited Partner Interests	55,423,770

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	3/25/2012	12/31/2011	3/27/2011
ASSETS			
Current Assets:			
Cash and cash equivalents	$7,319	$35,524	$7,255
Receivables	6,693	7,611	10,377
Inventories	44,486	33,069	42,903
Current deferred tax asset	15,120	10,345	14,410
Prepaid advertising	11,139	812	3,382
Income tax refundable	9,013	—	—
Other current assets	10,258	11,154	8,147
	104,028	98,515	86,474
Property and Equipment:			
Land	314,133	312,859	311,565
Land improvements	334,087	333,423	325,040
Buildings	580,121	579,136	576,069
Rides and equipment	1,423,360	1,423,370	1,400,983
Construction in progress	62,951	33,892	38,310
	2,714,652	2,682,680	2,651,967
Less accumulated depreciation	(1,046,162)	(1,044,589)	(951,982)
	1,668,490	1,638,091	1,699,985
Goodwill	245,808	243,490	248,426
Other Intangibles, net	40,607	40,273	40,921
Other Assets	54,193	54,188	64,837
	$2,113,126	$2,074,557	$2,140,643
LIABILITIES AND PARTNERS’ EQUITY			
Current Liabilities:			
Current maturities of long-term debt	$15,921	15,921	11,800
Accounts payable	28,212	12,856	25,090
Deferred revenue	50,754	29,594	45,349
Accrued interest	10,314	15,762	15,337
Accrued taxes	8,820	16,008	5,042
Accrued salaries, wages and benefits	33,562	33,388	26,234
Self-insurance reserves	21,754	21,243	20,648
Current derivative liability	—	50,772	90,758
Other accrued liabilities	6,104	7,899	9,858
	175,441	203,443	250,116
Deferred Tax Liability	135,746	135,446	132,563
Derivative Liability	32,280	32,400	—
Other Liabilities	2,235	4,090	4,368
Long-Term Debt:			
Revolving credit loans	155,004	—	127,114
Term debt	1,140,179	1,140,179	1,168,200

Notes	400,373	400,279	399,531
	1,695,556	1,540,458	1,694,845
Commitments and Contingencies (Note 10)			
Partners' Equity:			
Special L.P. interests	5,290	5,290	5,290
General partner	(1)	—	(2)
Limited partners, 55,424, 55,346 and 55,346 units outstanding at March 25, 2012, December 31, 2011 and March 27, 2011, respectively	96,417	182,438	76,393
Accumulated other comprehensive loss	(29,838)	(29,008)	(22,930)
	71,868	158,720	58,751
	$2,113,126	$2,074,557	$2,140,643

The accompanying Notes to Unaudited Condensed Consolidated Financial Statements are an integral part of these statements.

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CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(In thousands, except per unit amounts)

	Three months ended		Twelve months ended	
	3/25/2012	3/27/2011	3/25/2012	3/27/2011
Net revenues:				
Admissions	$11,670	$10,612	$597,100	$568,410
Food, merchandise and games	12,532	11,782	350,186	337,228
Accommodations and other	3,996	4,475	82,515	71,507
	28,198	26,869	1,029,801	977,145
Costs and expenses:				
Cost of food, merchandise and games revenues	4,087	4,112	92,032	86,850
Operating expenses	71,285	65,128	437,008	413,778
Selling, general and administrative	17,984	20,915	137,495	137,565
Depreciation and amortization	3,846	3,790	123,861	126,697
Loss on impairment of goodwill and other intangibles	—	—	—	2,293
Loss on impairment / retirement of fixed assets, net	92	196	2,461	62,948
	97,294	94,141	792,857	830,131
Operating income (loss)	(69,096)	(67,272)	236,944	147,014
Interest expense	26,803	41,112	142,876	161,783
Net effect of swaps	(970)	1,887	(15,976)	12,506
Loss on early debt extinguishment	—	—	—	35,289
Unrealized/realized foreign currency (gain) loss	(8,192)	(6,888)	8,605	(27,428)
Other (income) expense	(16)	908	(126)	(211)
Income (loss) before taxes	(86,721)	(104,291)	101,565	(34,925)
Provision (benefit) for taxes	(21,539)	(19,599)	9,897	41,401
Net income (loss)	(65,182)	(84,692)	91,668	(76,326)
Net income (loss) allocated to general partner	(1)	(1)	1	(1)
Net income (loss) allocated to limited partners	$(65,181)	$(84,691)	$91,667	$(76,325)
Net income (loss)	$(65,182)	$(84,692)	$91,668	$(76,326)
Other comprehensive income (loss), (net of tax):				
Cumulative foreign currency translation adjustment	(1,169)	(1,286)	1,050	(8,818)
Unrealized income (loss) on cash flow hedging derivatives	339	12,064	(7,958)	59,730
Other comprehensive income (loss), (net of tax)	(830)	10,778	(6,908)	50,912
Total Comprehensive Income (Loss)	$(66,012)	$(73,914)	$84,760	$(25,414)
Basic earnings per limited partner unit:				
Weighted average limited partner units outstanding	55,378	55,343	55,353	55,332
Net income (loss) per limited partner unit	$(1.18)	$(1.53)	$1.66	$(1.38)
Diluted earnings per limited partner unit:				
Weighted average limited partner units outstanding	55,378	55,343	55,847	55,332
Net income (loss) per limited partner unit	$(1.18)	$(1.53)	$1.64	$(1.38)

The accompanying Notes to Unaudited Condensed Consolidated Financial Statements are an integral part of these statements.

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CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 25, 2012
(In thousands)

	Three months ended 3/25/12
Limited Partnership Units Outstanding	
Beginning balance	55,346
Limited partnership unit options exercised	13
Issuance of limited partnership units as compensation	65
	55,424
Limited Partners' Equity	
Beginning balance	$182,438
Net loss	(65,181)
Partnership distribution declared ($0.40 per limited partnership unit)	(22,151)
Expense recognized for limited partnership unit options	48
Tax effect of units involved in option exercises and treasury unit transactions	(437)
Issuance of limited partnership units as compensation	1,700
	96,417
General Partner's Equity	
Beginning balance	—
Net loss	(1)
	(1)
Special L.P. Interests	5,290
Accumulated Other Comprehensive Income (Loss)	
Cumulative foreign currency translation adjustment:	
Beginning balance	(3,120)
Current period activity, net of tax $671	(1,169)
	(4,289)
Unrealized loss on cash flow hedging derivatives:	
Beginning balance	(25,888)
Current period activity, net of tax ($318)	339
	(25,549)
	(29,838)
Total Partners' Equity	$71,868

The accompanying Notes to Unaudited Condensed Consolidated Financial Statements are an integral part of this statement.

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CEDAR FAIR, L.P.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three months ended		Twelve months ended	
	3/25/2012	3/27/2011	3/25/2012	3/27/2011
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES				
Net income (loss)	$(65,182)	(84,692)	$91,668	$(76,326)
Adjustments to reconcile net income (loss) to net cash from (for) operating activities:				
Non-cash expense	737	(1,227)	149,101	107,512
Loss on early extinguishment of debt	—	—	—	35,289
Loss on impairment of goodwill and other intangibles	—	—	—	2,293
Loss on impairment / retirement of fixed assets, net	92	196	2,461	62,948
Net effect of swaps	(970)	1,887	(15,976)	12,506
Net change in working capital	(12,228)	14,072	(9,337)	(3,758)
Net change in other assets/liabilities	(4,381)	(14,519)	2,612	28,851
Net cash from (for) operating activities	(81,932)	(84,283)	220,529	169,315
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES				
Capital expenditures	(27,468)	(20,303)	(97,355)	(67,064)
Net cash (for) investing activities	(27,468)	(20,303)	(97,355)	(67,064)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES				
Net borrowings (payments) on revolving credit loans	155,004	103,914	27,890	(88,887)
Term debt borrowings	—	22,938	—	1,197,938
Note borrowings	—	—	—	399,383
Derivative settlement	(50,450)	—	(50,450)	—
Term debt payments, including early termination penalties	—	—	(23,900)	(1,526,890)
Distributions paid to partners	(22,151)	(4,428)	(73,070)	(18,261)
Exercise of limited partnership unit options	48	—	53	7
Payment of debt issuance costs	—	(20,490)	(723)	(63,754)
Excess tax benefit from unit-based compensation expense	(437)	—	(437)	—
Net cash from (for) financing activities	82,014	101,934	(120,637)	(100,464)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(819)	142	(2,473)	94
CASH AND CASH EQUIVALENTS				
Net increase (decrease) for the period	(28,205)	(2,510)	64	1,881
Balance, beginning of period	35,524	9,765	7,255	5,374
Balance, end of period	$7,319	$7,255	$7,319	$7,255
SUPPLEMENTAL INFORMATION				
Cash payments for interest expense	$30,471	$44,672	$139,126	$149,978
Interest capitalized	752	399	2,188	945
Cash payments for income taxes	138	66	6,207	16,572

The accompanying Notes to Unaudited Condensed Consolidated Financial Statements are an integral part of these statements.

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CEDAR FAIR, L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED MARCH 25, 2012 AND MARCH 27, 2011

The accompanying unaudited condensed consolidated financial statements have been prepared from the financial records of Cedar Fair, L.P. (the Partnership) without audit and reflect all adjustments which are, in the opinion of management, necessary to fairly present the results of the interim periods covered in this report.

Due to the highly seasonal nature of the Partnership's amusement and water park operations, the results for any interim period are not indicative of the results to be expected for the full fiscal year. Accordingly, the Partnership has elected to present financial information regarding operations and cash flows for the preceding fiscal twelve-month periods ended March 25, 2012 and March 27, 2011 to accompany the quarterly results. Because amounts for the fiscal twelve months ended March 25, 2012 include actual 2011 season operating results, they may not be indicative of 2012 full calendar year operations.

(1) Significant Accounting and Reporting Policies:

The Partnership's unaudited condensed consolidated financial statements for the periods ended March 25, 2012 and March 27, 2011 included in this Form 10-Q report have been prepared in accordance with the accounting policies described in the Notes to Consolidated Financial Statements for the year ended December 31, 2011, which were included in the Form 10-K filed on February 29, 2012. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (the Commission). These financial statements should be read in conjunction with the financial statements and the notes thereto included in the Form 10-K referred to above.

(2) Interim Reporting:

The Partnership owns and operates eleven amusement parks, six separately gated outdoor water parks, one indoor water park and five hotels. Virtually all of the Partnership's revenues from its seasonal amusement parks, as well as its outdoor water parks and other seasonal resort facilities, are realized during a 130- to 140-day operating period beginning in early May, with the major portion concentrated in the third quarter during the peak vacation months of July and August.

To assure that these highly seasonal operations will not result in misleading comparisons of current and subsequent interim periods, the Partnership has adopted the following accounting and reporting procedures for its seasonal parks: (a) revenues on multi-day admission tickets are recognized over the estimated number of visits expected for each type of ticket and are adjusted periodically during the season, (b) depreciation, advertising and certain seasonal operating costs are expensed during each park's operating season, including certain costs incurred prior to the season which are amortized over the season, and (c) all other costs are expensed as incurred or ratably over the entire year.

(3) Long-Lived Assets:

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances that would indicate that the carrying value of the assets may not be recoverable. In order to determine if an asset has been impaired, assets are grouped and tested at the lowest level for which identifiable, independent cash flows are available. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include, among others: a significant decline in expected future cash flows; a sustained, significant decline in equity price and market capitalization; a significant adverse change in legal factors or in the business climate; unanticipated competition; and slower growth rates. Any adverse change in these factors could have a significant impact on the recoverability of these assets and could have a material impact on our consolidated financial statements.

The long-lived asset impairment test involves a two-step process. The first step is a comparison of each asset group's carrying value to its estimated undiscounted future cash flows expected to result from the use of the assets, including disposition. Projected future cash flows reflect management's best estimates of economic and market conditions over the projected period, including growth rates in revenues and costs, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates and future estimates of capital expenditures. If the carrying value of the asset group is higher than its undiscounted future cash flows, there is an indication that impairment exists and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of the asset group to its carrying value in a manner consistent with the highest and best use of those assets. The Partnership estimates fair value using an income (discounted cash flows) approach, which uses an asset group's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital reflective of

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current market conditions. If the implied fair value of the assets is less than their carrying value, an impairment charge is recorded for the difference.

At the end of the fourth quarter of 2010, the Partnership concluded based on 2010 operating results, as well as updated forecasts, that a review of the carrying value of long-lived assets at California's Great America was warranted. After performing its review, the Partnership determined that a portion of the park's fixed assets, the majority of which were originally recorded with the PPI acquisition, were impaired. As a result, the Partnership recognized $62.0 million of fixed-asset impairment during the fourth quarter of 2010 which was recorded in "Loss on impairment / retirement of fixed assets, net" on the condensed consolidated statement of operations. There has been no subsequent impairment on these assets.

(4) Goodwill and Other Intangible Assets:
In accordance with the applicable accounting rules, goodwill is not amortized, but, along with indefinite-lived trade-names, is evaluated for impairment on an annual basis or more frequently if indicators of impairment exist. Until December 2011, goodwill related to parks acquired prior to 2006 was tested annually tested for impairment as of October 1, while goodwill and other indefinite-lived intangibles, including trade-name intangibles, related to the Paramount Parks (PPI) acquisition in 2006 were tested annually for impairment as of April 1. Effective in December 2010, the Partnership changed the date of its annual goodwill impairment tests from April 1 and October 1 to December 31 to more closely align the impairment testing procedures with its long-range planning and forecasting process, which occurs in the fourth quarter each year. The Partnership believes the change was preferable since the long-term cash flow projections are a key component in performing its annual impairment tests of goodwill. In addition, the Partnership changed the date of its annual impairment test for other indefinite-lived intangibles from April 1 to December 31.

During 2010, the Partnership tested goodwill for impairment as of April 1, 2010 or October 1, 2010, as applicable, and again as of December 31, 2010. The tests indicated no impairment of goodwill as of any of those dates. During 2010, the Partnership tested other indefinite-lived intangibles for impairment as of April 1, 2010 and December 31, 2010. After performing the April 1, 2010 impairment test, it was determined that a portion of trade-names at certain PPI parks were impaired as the carrying values of those trade-names exceeded their fair values. As a result the Partnership recognized $1.4 million of trade-name impairment during the second quarter of 2010. This impairment was driven mainly by an increase in the Partnership’s cost of capital in 2010 and lower projected growth rates for certain parks as of the test date. After performing the December 31, 2010 test of indefinite-lived intangibles, it was determined that a portion of the trade-names at California's Great America, originally recorded with the PPI acquisition, were impaired. As a result, the Partnership recognized $0.9 million of additional trade-name impairment during the fourth quarter of 2010 which was recorded in "Loss on impairment of goodwill and other intangibles" on the consolidated statement of operations.

The change in accounting principle related to changing the annual goodwill impairment testing date did not delay, accelerate, avoid or cause an impairment charge. As it was impracticable to objectively determine operating and valuation estimates for periods prior to December 31, 2010, the Partnership has prospectively applied the change in the annual goodwill impairment testing date from December 31, 2010.

The Partnership tested goodwill and other indefinite-lived intangibles for impairment on December 31, 2011 and no impairment was indicated. In September 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2011-08, “Intangibles — Goodwill and Other,” which gives an entity the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step goodwill impairment test. If an entity believes, as a result of its qualitative assessment, that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the two-step goodwill impairment test is required. We adopted this guidance during the first quarter of 2012 and it did not impact the Partnership's consolidated financial statements.

A summary of changes in the Partnership's carrying value of goodwill for the three months ended March 25, 2012 is as follows:

(In thousands)	Goodwill (gross)	Accumulated Impairment Losses	Goodwill (net)
Balance at December 31, 2011	$323,358	$(79,868)	$243,490
Foreign currency translation	2,318	—	2,318
March 25, 2012	$325,676	$(79,868)	$245,808

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At March 25, 2012, December 31, 2011, and March 27, 2011 the Partnership's other intangible assets consisted of the following:

March 25, 2012	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
(In thousands)			
Other intangible assets:			
Trade names	$40,163	$—	$40,163
License / franchise agreements	775	331	444
Total other intangible assets	$40,938	$331	$40,607
December 31, 2011			
(In thousands)			
Other intangible assets:			
Trade names	$39,835	$—	$39,835
License / franchise agreements	760	322	438
Total other intangible assets	$40,595	$322	$40,273
March 27, 2011			
(In thousands)			
Other intangible assets:			
Trade names	$40,534	$—	$40,534
License / franchise agreements	668	291	377
Non-compete agreements	200	190	10
Total other intangible assets	$41,402	$481	$40,921

Amortization expense of other intangible assets for the three months ended March 25, 2012 and March 27, 2011 was $9,000 and $18,000, respectively. The estimated amortization expense for the remainder of 2012 is $26,000. Estimated amortization expense is expected to total less than $100,000 in each year from 2012 through 2015.

(5) Long-Term Debt:

In July 2010, the Partnership issued $405 million of 9.125% senior unsecured notes, maturing in 2018, in a private placement, including $5.6 million of Original Issue Discount to yield 9.375%. Concurrently with this offering, the Partnership entered into a new $1,435 million credit agreement (the "2010 Credit Agreement"), which included a $1,175 million senior secured term loan facility and a $260 million senior secured revolving credit facility. The net proceeds from the offering of the notes, along with borrowings under the 2010 Credit Agreement, were used to repay in full all amounts outstanding under the previous credit facilities.

Terms of the 2010 Credit Agreement included a reduction in the Partnership's previous $310 million revolving credit facilities to a combined $260 million facility. Under the 2010 Credit Agreement, the Canadian portion of the revolving credit facility has a limit of $15 million. U.S. denominated loans made under the revolving credit facility bear interest at a rate of LIBOR plus 400 basis points (bps) (with no LIBOR floor). Canadian denominated loans made under the Canadian portion of the facility also bear interest at a rate of LIBOR plus 400 bps (with no LIBOR floor). The revolving credit facility, which matures in July 2015, also provides for the issuance of documentary and standby letters of credit.

In February 2011, the Partnership amended the 2010 Credit Agreement (as so amended, the "Amended 2010 Credit Agreement") and extended the maturity date of the U.S. term loan portion of the credit facilities by one year. The extended U.S. term loan, which amortizes at $11.8 million per year beginning in 2011, matures in December 2017 and bears interest at a rate of LIBOR plus 300 bps, with a LIBOR floor of 100 bps. As the result of an optional $18.0 million debt prepayment made in August 2011, the Partnership has no remaining scheduled term-debt principal payments due within the next twelve months, but we are required to make a prepayment due to the Excess Cash Flow ("ECF") provision in the Amended 2010 Credit Agreement based on our Senior Secured Leverage Ratio as of December 31, 2011. As a result of the ECF provision and as described in the mandatory debt repayment section of the debt agreement, the mandatory prepayment of $15.9 million must be made by June 30, 2012, and is recorded on the Consolidated Balance Sheet in "Current maturities of long-term debt."

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The Partnership's $405 million of senior unsecured notes pay interest semi-annually in February and August, with the principal due in full on August 1, 2018. The notes may be redeemed, in whole or in part, at any time prior to August 1, 2014 at a price equal to 100% of the principal amount of the notes redeemed plus a “make-whole” premium together with accrued and unpaid interest, if any, to the redemption date. Thereafter, the notes may be redeemed, in whole or in part, at various prices depending on the date redeemed. Prior to August 1, 2013, up to 35% of the notes may be redeemed with the net cash proceeds of certain equity offerings at 109.125%.

The Amended 2010 Credit Agreement requires the Partnership to maintain specified financial ratios, which if breached for any reason, including a decline in operating results, could result in an event of default under the agreement. The most critical of these ratios is the Consolidated Leverage Ratio which is measured on a trailing-twelve month quarterly basis. The Consolidated Leverage ratio is set at 6.0x consolidated total debt- (excluding the revolving debt) to-Consolidated EBITDA and will remain at that level through the end of the third quarter in 2013, and the ratio will decrease further each fourth quarter beginning with the fourth quarter of 2013. As of March 25, 2012, the Partnership’s Consolidated Leverage Ratio was 4.19x, providing $112.5 million of consolidated EBITDA cushion on the ratio as of the end of the first quarter. The Partnership was in compliance with all other covenants under the Amended 2010 Credit Agreement as of March 25, 2012.

The Amended 2010 Credit Agreement also includes provisions that allowed the Partnership to make restricted payments of up to $20 million. These restricted payments are not subject to any specific covenants. Beginning in 2012, additional restricted payments are allowed to be made based on an Excess-Cash-Flow formula, should the Partnership’s pro-forma Consolidated Leverage Ratio be less than or equal to 4.50x. Per the terms of the indenture governing the Partnership's notes, the ability to make restricted payments in 2012 and beyond is permitted should the Partnership's trailing-twelve-month Total-Indebtedness-to-Consolidated-Cash-Flow Ratio be less than or equal to 4.75x, measured on a quarterly basis.

In addition to the above, among other covenants and provisions, the Amended 2010 Credit Agreement contains an initial three-year requirement (from July 2010) that at least 50% of our aggregate term debt and senior notes be subject to either a fixed interest rate or interest rate protection.

(6) Derivative Financial Instruments:

Derivative financial instruments are only used within the Partnership’s overall risk management program to manage certain interest rate and foreign currency risks from time to time. The Partnership does not use derivative financial instruments for trading purposes.

The Partnership had effectively converted a total of $1.0 billion of its variable-rate debt to fixed rates through the use of several interest rate swap agreements through October 1, 2011. Cash flows related to these interest rate swap agreements were included in interest expense over the term of the agreements. These interest rate swap agreements expired in October 2011. The Partnership had designated all of these interest rate swap agreements and hedging relationships as cash flow hedges.

In order to maintain fixed interest costs on a portion of its domestic term debt beyond the expiration of the swaps entered into in 2006 and 2007, in September 2010 the Partnership entered into several forward-starting swap agreements ("September 2010 swaps") to effectively convert a total of $600 million of variable-rate debt to fixed rates beginning in October 2011. As a result of the February 2011 amendment to the 2010 Credit Agreement, the LIBOR floor on the term loan portion of its credit facilities decreased to 100 bps from 150 bps, causing a mismatch in critical terms of the September 2010 swaps and the underlying debt. Because of the mismatch of critical terms, the Partnership determined the September 2010 swaps, which were originally designated as cash flow hedges, were no longer highly effective, resulting in the de-designation of the swaps as of the end of February 2011. As a result of this ineffectiveness, gains of $7.2 million recorded in AOCI through the date of de-designation are being amortized through December 2015, $6.5 million of which remained to be amortized in AOCI as of March 25, 2012.

In March 2011, the Partnership entered into several additional forward-starting basis-rate swap agreements ("March 2011 swaps") that, when combined with the September 2010 swaps, effectively converted $600 million of variable-rate debt to fixed rates beginning in October 2011. The September 2010 swaps and the March 2011 swaps, which have been jointly designated as cash flow hedges, mature in December 2015 and fix LIBOR at a weighted average rate of 2.46%. For the period that the September 2010 swaps were de-designated, their fair value decreased by $3.3 million, the offset of which was recognized as a direct charge to the Partnership's earnings and recorded to “Net effect of swaps” on the consolidated statement of operations along with the regular amortization of “Other comprehensive income (loss)” balances related to these swaps. No other ineffectiveness related to these swaps was recorded in any period presented.

In May 2011, the Partnership entered into four additional forward-starting basis-rate swap agreements ("May 2011 swaps") that effectively converted another $200 million of variable-rate debt to fixed rates beginning in October 2011. These swaps, which were designated as cash flow hedges, mature in December 2015 and fix LIBOR at a weighted average rate of 2.54%.

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The fair market value of the September 2010 swaps, the March 2011 swaps, and the May 2011 swaps at March 25, 2012 was a liability of $32.3 million, which was recorded in “Derivative Liability” on the condensed consolidated balance sheet.

In 2007, the Partnership entered into two cross-currency swap agreements, which effectively converted $268.7 million of term debt at the time, and the associated interest payments, related to its wholly owned Canadian subsidiary from variable U.S. dollar denominated debt to fixed-rate Canadian dollar denominated debt. The Partnership originally designated these cross-currency swaps as foreign currency cash flow hedges. Cash flows related to these swap agreements were included in interest expense over the term of the agreement. These swap agreements expired in February 2012.

In May 2011 and July 2011, the Partnership entered into several foreign currency swap agreements to fix the exchange rate on approximately 75% of the termination payment associated with the cross-currency swap agreements that expired in February 2012. The Partnership did not seek hedge accounting treatment on these foreign currency swaps, and as such, changes in fair value of the swaps flowed directly through earnings along with changes in fair value on the related, de-designated cross-currency swaps. In February 2012, all of the cross-currency and related currency swap agreements were settled for $50.5 million.

Fair Value of Derivative Instruments in Condensed Consolidated Balance Sheet:

(In thousands):	Condensed Consolidated Balance Sheet Location	Fair Value as of March 25, 2012	Fair Value as of December 31, 2011	Fair Value as of March 27, 2011
Derivatives designated as hedging instruments:				
Interest rate swaps	Other Assets	$—	$—	$3,808
Interest rate swaps	Current derivative liability	—	—	(33,493)
Interest rate swaps	Derivative Liability	(32,280)	(32,400)	
Total derivatives designated as hedging instruments		$(32,280)	$(32,400)	$(29,685)
Derivatives not designated as hedging instruments:				
Foreign currency swaps	Current derivative liability	$—	$(13,155)	$—
Cross-currency swaps	Current derivative liability	—	(37,617)	(57,265)
Total derivatives not designated as hedging instruments		$—	$(50,772)	$(57,265)
Net derivative liability		$(32,280)	$(83,172)	$(86,950)

The following table presents our September 2010 swaps, March 2011 swaps, and May 2011 swaps, which became effective October 1, 2011 and mature December 15, 2015, along with their notional amounts and their fixed interest rates.

($'s in thousands)	Interest Rate Swaps	
	Notional Amounts	LIBOR Rate
	$200,000	2.40 %
	75,000	2.43 %
	50,000	2.42 %
	150,000	2.55 %
	50,000	2.42 %
	50,000	2.55 %
	25,000	2.43 %

	50,000	2.54	%
	30,000	2.54	%
	70,000	2.54	%
	50,000	2.54	%
Total $'s / Average Rate	$ 800,000	2.48	%

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The following table presents our fixed-rate swaps, which matured in October 2011, and the cross-currency swap which matured in February 2012, along with their notional amounts and their fixed interest rates:

($'s in thousands)	Interest Rate Swaps		Cross-currency Swaps	
	Notional Amounts	LIBOR Rate	Notional Amounts	Implied Interest Rate
	$200,000	5.64 %	$255,000	7.31 %
	200,000	5.64 %	150	9.50 %
	200,000	5.64 %		
	200,000	5.57 %		
	100,000	5.60 %		
	100,000	5.60 %		
Total $'s / Average Rate	$1,000,000	5.62 %	$255,150	7.31 %

Effects of Derivative Instruments on Income (Loss) and Other Comprehensive Income (Loss) for the three-month periods ended March 25, 2012 and March 27, 2011:

(In thousands):	Amount of Gain (Loss) Recognized in Accumulated OCI on Derivatives (Effective Portion)		Amount and Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)			Amount and Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)		
Derivatives designated as Cash Flow Hedging Relationships	Three months ended 3/25/12	Three months ended 3/27/11		Three months ended 3/25/12	Three months ended 3/27/11		Three months ended 3/25/12	Three months ended 3/27/11
Interest rate swaps	$120	$955	Interest Expense	$(2,793)	$—	Net effect of swaps	$—	$14,494
Total	$120	$955		$(2,793)	$—		$—	$14,494

(In thousands):	Amount and Location of Gain (Loss) Recognized in Income on Derivative		
Derivatives not designated as Cash Flow Hedging Relationships		Three months ended 3/25/12	Three months ended 3/27/11
Interest rate swaps (1)	Net effect of swaps	—	(3,342)
Cross-currency swaps (2)	Net effect of swaps	(4,999)	(1,812)
Foreign currency swaps	Net effect of swaps	6,278	—
		$1,279	$(5,154)

(1) The September 2010 swaps became ineffective and were de-designated in February 2011.
(2) The cross-currency swaps became ineffective and were de-designated in August 2009.

In addition to the $1.3 million of net gain recognized in income on the ineffective portion of derivatives and on the derivatives not designated as cash flow hedges (as noted in the tables above), $0.5 million of expense representing the regular amortization of amounts in AOCI for the swaps and $0.2 million of foreign currency gain in the quarter related to the U.S. dollar denominated Canadian term loan were recorded in the condensed consolidated statements of operations for the quarter. The net effect of these amounts resulted in a benefit to earnings for the quarter of $1.0 million recorded in “Net effect of swaps.”

For the three-month period ended March 27, 2011, in addition to the $9.3 million gain recognized in income on the ineffective portion of derivatives noted in the table above, $11.5 million of expense representing the amortization of amounts in AOCI for the swaps and $0.3 million of foreign currency gain in the quarter related to the U.S. dollar denominated Canadian term loan were recorded in “Net effect of swaps” in the condensed consolidated statements of operations. The net effect of these amounts resulted in a charge to earnings of $1.9 million recorded in “Net effect of swaps.” For the period, an additional $9.5 million of amortization of amounts in AOCI for the cross-currency swaps was recorded as a charge to earnings in "Loss on early extinguishment of debt"

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in the condensed consolidated statements of operations as a result of the debt refinancing and the reduction of the majority of the U.S. dollar denominated Canadian term loan.

Effects of Derivative Instruments on Income (Loss) and Other Comprehensive Income (Loss) for the twelve-month periods ended March 25, 2012 and March 27, 2011:

(In thousands):	Amount of Gain (Loss) Recognized in Accumulated OCI on Derivatives (Effective Portion)		Amount and Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)			Amount and Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)		
Derivatives designated as Cash Flow Hedging Relationships	Twelve months ended 3/25/12	Twelve months ended 3/27/11		Twelve months ended 3/25/12	Twelve months ended 3/27/11		Twelve months ended 3/25/12	Twelve months ended 3/27/11
Interest rate swaps	$ (36,088)	$ 7,249	Interest Expense	$ (5,816)	$ —	Net effect of swaps	$ 33,493	$ 44,181

(In thousands):	Amount and Location of Gain (Loss) Recognized in Income on Derivative		
Derivatives not designated as Cash Flow Hedging Relationships		Twelve months ended 3/25/12	Twelve months ended 3/27/11
Interest rate swaps (1)	Net effect of swaps	$ —	$ (3,342)
Cross-currency swaps (2)	Net effect of swaps	12,911	(3,918)
Foreign currency swaps	Net effect of swaps	(7,387)	—
		$ 5,524	$ (7,260)

(1) The September 2010 swaps became ineffective and were de-designated in February 2011.

(2) The cross-currency swaps became ineffective and were de-designated in August 2009.

In addition to the $39.0 million of gain recognized in income on the ineffective portion of derivatives and on the derivatives not designated as cash flow hedges (as noted in the tables above), $22.7 million of expense representing the amortization of amounts in AOCI for the swaps and a $0.3 million foreign currency loss in the twelve month period related to the U.S. dollar denominated Canadian term loan was recorded during the trailing twelve months ended March 25, 2012 in the condensed consolidated statements of operations. The net effect of these amounts resulted in a benefit to earnings for the trailing twelve month period of $16.0 million recorded in “Net effect of swaps.” For the twelve month period ending March 27, 2011, in addition to the $36.9 million of gain recognized in income on the ineffective portion of derivatives noted in the table above, $48.5 million of expense representing the amortization of amounts in AOCI for the swaps and a $0.9 million foreign currency loss in the twelve month period related to the U.S. dollar denominated Canadian term loan was recorded during the trailing twelve months ended March 27, 2011 in the condensed consolidated statements of operations. The net effect of these amounts resulted in a charge to earnings for the trailing twelve month period of $12.5 million recorded in “Net effect of swaps.” For the period, an additional $9.5 million of amortization of amounts in AOCI for the cross-currency swaps was recorded as a charge to earnings in "Loss on early extinguishment of debt" in the condensed consolidated statements of operations as a result of the debt refinancing and the reduction of the majority of the U.S. dollar denominated Canadian term loan.

The amounts reclassified from AOCI into income for the periods noted above are in large part the result of the Partnership’s initial three-year requirement to swap at least 75% of its aggregate term debt to fixed rates under the terms of the Amended 2010 Credit Agreement.

(7) Fair Value Measurements:

The FASB Accounting Standards Codification (ASC) relating to fair value measurements emphasizes that fair value is a market-based measurement that should be determined based on assumptions (inputs) that market participants would use in pricing an asset or liability. Inputs may be observable or unobservable, and valuation techniques used to measure fair value should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Accordingly, the FASB's ASC establishes a hierarchal disclosure framework that ranks the quality and reliability of information used to determine fair values. The hierarchy is associated with the level of pricing observability utilized in measuring fair value and defines three levels of inputs to the fair

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value measurement process—quoted prices are the most reliable valuation inputs, whereas model values that include inputs based on unobservable data are the least reliable. Each fair value measurement must be assigned to a level corresponding to the lowest level input that is significant to the fair value measurement in its entirety.
The three broad levels of inputs defined by the fair value hierarchy are as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The table below presents the balances of assets and liabilities measured at fair value as of March 25, 2012, December 31, 2011, and March 27, 2011 on a recurring basis:

	Total	Level 1	Level 2	Level 3
March 25, 2012				
(In thousands)				
Interest rate swap agreements (1)	$(32,280)	$—	$(32,280)	$—
Net derivative liability	$(32,280)	$—	$(32,280)	$—
December 31, 2011				
Interest rate swap agreements (1)	$(32,400)	$—	$(32,400)	$—
Cross-currency swap agreements (2)	(37,617)	—	(37,617)	—
Foreign currency swap agreements (2)	(13,155)	—	(13,155)	—
Net derivative liability	$(83,172)	$—	$(83,172)	$—
March 27, 2011				
Interest rate swap agreements (3)	$3,808	$—	$3,808	$—
Interest rate swap agreements (2)	(33,493)	—	(33,493)	—
Cross-currency swap agreements (2)	(57,265)	—	(57,265)	—
Net derivative liability	$(86,950)	$—	$(86,950)	$—

(1) Included in "Derivative Liability" on the Unaudited Condensed Consolidated Balance Sheet
(2) Included in "Current derivative liability" on the Unaudited Condensed Consolidated Balance Sheet
(3) Included in "Other assets" on the Unaudited Condensed Consolidated Balance Sheet

Fair values of the interest rate, cross-currency and foreign currency swap agreements are determined using significant inputs, including the LIBOR and foreign currency forward curves, that are considered Level 2 observable market inputs. In addition, the Partnership considered the effect of its credit and non-performance risk on the fair values provided, and recognized an adjustment increasing the net derivative liability by approximately $1.0 million as of March 25, 2012. The Partnership monitors the credit and non-performance risk associated with its derivative counterparties and believes them to be insignificant and not warranting a credit adjustment at March 25, 2012.
There were no assets measured at fair value on a non-recurring basis at March 25, 2012, December 31, 2011, or March 27, 2011.

In 2010, the Partnership concluded based on operating results, as well as updated forecasts, that a review of the carrying value of long-lived assets at California's Great America was warranted. After performing its review, the

Partnership determined that a portion of the park's fixed assets, the majority of which were originally recorded with the PPI acquisition, were impaired. As a result, it recognized $62.0 million of fixed-asset impairment during the fourth quarter of 2010.

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After completing its 2010 annual review of indefinite-lived intangibles for impairment, the Partnership concluded that a portion of trade-names originally recorded with the PPI acquisition were impaired. As a result, the Partnership recognized approximately $2.3 million of trade-name impairment during second and fourth quarters of 2010. A relief-from-royalty model is used to determine whether the fair value of trade-names exceeds their carrying amount. The fair value of the trade-names is determined as the present value of fees avoided by owning the respective trade-name.

The fair value of term debt at March 25, 2012 was approximately $1,156.3 million based on borrowing rates currently available to the Partnership on long-term debt with similar terms and average maturities. The fair value of the Partnership's notes at March 25, 2012 was approximately $355.5 million based on borrowing rates available as of that date to the Partnership on notes with similar terms and maturities. The fair value of the term debt and notes were based on Level 2 inputs.

(8) Earnings per Unit:

Net income (loss) per limited partner unit is calculated based on the following unit amounts:

	Three months ended		Twelve months ended	
	3/25/2012	3/27/2011	3/25/2012	3/27/2011
	(In thousands except per unit amounts)			
Basic weighted average units outstanding	55,378	55,343	55,353	55,332
Effect of dilutive units:				
Unit options	—	—	2	—
Phantom units	—	—	492	—
Diluted weighted average units outstanding	55,378	55,343	55,847	55,332
Net income (loss) per unit - basic	$(1.18)	$(1.53)	$1.66	$(1.38)
Net income (loss) per unit - diluted	$(1.18)	$(1.53)	$1.64	$(1.38)

The effect of unit options on the three and twelve months ended March 25, 2012, had they not been out of the money or antidilutive, would have been 2,000 and 47,000 units, respectively. The effect of out-of-the-money and/or antidilutive unit options on the three and twelve months ended March 27, 2011, had they not been out of the money or antidilutive, would have been 79,000 and 250,000 units, respectively.

(9) Income and Partnership Taxes:

Under the applicable accounting rules, income taxes are recognized for the amount of taxes payable by the Partnership’s corporate subsidiaries for the current year and for the impact of deferred tax assets and liabilities, which represent future tax consequences of events that have been recognized differently in the financial statements than for tax purposes. The income tax provision (benefit) for interim periods is determined by applying an estimated annual effective tax rate to the quarterly income (loss) of the Partnership’s corporate subsidiaries. For 2012, the estimated annual effective rate includes the effect of an anticipated adjustment to the valuation allowance that relates to foreign tax credit carry-forwards arising from the corporate subsidiaries. The amount of this adjustment has a disproportionate impact on the annual effective tax rate that results in a significant variation in the customary relationship between the provision for taxes and income before taxes in interim periods. In addition to income taxes on its corporate subsidiaries, the Partnership pays a publicly traded partnership tax (PTP tax) on partnership-level gross income (net revenues less cost of food, merchandise and games). As such, the Partnership’s total provision (benefit) for taxes includes amounts for both the PTP tax and for income taxes on its corporate subsidiaries.

During the quarter the Partnership accrued $1.0 million for unrecognized tax benefits including interest and/or penalties related to state and local tax filing positions. The Partnership recognizes interest and/or penalties related to unrecognized tax benefits in the income tax provision. The Partnership does not anticipate that the balance of the unrecognized tax benefit will change significantly over the next 12 months.

(10) Contingencies:

The Partnership is a party to a number of lawsuits arising in the normal course of business. In the opinion of management, none of these matters is expected to have a material effect in the aggregate on the Partnership's financial statements.

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(11) Termination of Agreement with Private Equity Firm:

On April 6, 2010, the Partnership and the affiliates of Apollo Global Management (Apollo) mutually terminated the merger agreement originally entered into on December 16, 2009. Consistent with the terms of the agreement, the Partnership paid Apollo \$6.5 million to reimburse them for certain expenses incurred in connection with the transaction. In addition, both parties released each other from all obligations with respect to the proposed merger transaction, as well as from any claims arising out of or relating to the merger agreement. The \$6.5 million paid to Apollo in April was recognized as a charge to earnings in “Selling, general and administrative” in the second quarter of 2010. The Partnership incurred approximately \$10.4 million in costs associated with the terminated merger during 2010, and a total of \$16.0 million of costs since the merger was initially announced.

(12) Consolidating Financial Information of Guarantors and Issuers:

Cedar Fair, L.P., Canada's Wonderland Company ("Cedar Canada"), and Magnum Management Corporation ("Magnum") are the co-issuers of the Partnership's 9.125% notes (see Note 5). The notes have been fully and unconditionally guaranteed, on a joint and several basis, by each 100% owned subsidiary of Cedar Fair (other than Cedar Canada and Magnum) that guarantees the Partnership's senior secured credit facilities. There are no non-guarantor subsidiaries.

The following consolidating schedules present condensed financial information for Cedar Fair, L.P., Cedar Canada, and Magnum, the co-issuers, and each 100% owned subsidiary of Cedar Fair (other than Cedar Canada and Magnum), the guarantors (on a combined basis), as of March 25, 2012, December 31, 2011, and March 27, 2011 and for the three and twelve month periods ended March 25, 2012 and March 27, 2011. In lieu of providing separate unaudited financial statements for the guarantor subsidiaries, we have included the accompanying consolidating condensed financial statements.

Since Cedar Fair, L.P., Cedar Canada and Magnum are co-issuers of the notes and co-borrowers under the Amended 2010 Credit Agreement, all outstanding debt has been equally reflected within each co-issuer's March 25, 2012, December 31, 2011 and March 27, 2011 balance sheets in the accompanying consolidating condensed financial statements.

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING BALANCE SHEET
March 25, 2012
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$—	$397	$119	$6,803	$—	$7,319
Receivables	—	82,892	59,911	370,246	(506,356)	6,693
Inventories	—	3,321	3,678	37,487	—	44,486
Current deferred tax asset	—	11,014	772	3,334	—	15,120
Other current assets	359	5,907	11,851	12,293	—	30,410
	359	103,531	76,331	430,163	(506,356)	104,028
Property and Equipment (net)	478,928	1,035	279,363	909,164	—	1,668,490
Investment in Park	467,408	669,235	118,514	28,943	(1,284,100)	—
Intercompany Note Receivable	—	104,165	—	—	(104,165)	—
Goodwill	9,061	—	125,528	111,219	—	245,808
Other Intangibles, net	—	—	17,776	22,831	—	40,607
Deferred Tax Asset	—	47,646	—	—	(47,646)	—
Intercompany Receivable	889,442	1,239,210	1,294,302	—	(3,422,954)	—
Other Assets	26,323	16,288	9,608	1,974	—	54,193
	$1,871,521	$2,181,110	$1,921,422	$1,504,294	$(5,365,221)	$2,113,126
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Current maturities of long-term debt	$15,921	$15,921	$15,921	$—	$(31,842)	$15,921
Accounts payable	60,297	232,001	26,302	215,968	(506,356)	28,212
Deferred revenue	—	—	5,413	45,341	—	50,754
Accrued interest	3,089	1,706	5,519	—	—	10,314
Accrued taxes	4,925	340	261	3,294	—	8,820
Accrued salaries, wages and benefits	—	26,989	781	5,792	—	33,562
Self-insurance reserves	—	4,212	1,716	15,826	—	21,754
Other accrued liabilities	462	3,312	226	2,104	—	6,104
	84,694	284,481	56,139	288,325	(538,198)	175,441
Deferred Tax Liability	—	—	58,801	124,591	(47,646)	135,746
Derivative Liability	19,403	12,877	—	—	—	32,280
Other Liabilities	—	2,235	—	—	—	2,235
Intercompany Note Payable	—	—	—	104,165	(104,165)	—
Long-Term Debt:						
Revolving credit loans	155,004	155,004	155,004	—	(310,008)	155,004
Term debt	1,140,179	1,140,179	1,140,179	—	(2,280,358)	1,140,179
Notes	400,373	400,373	400,373	—	(800,746)	400,373
	1,695,556	1,695,556	1,695,556	—	(3,391,112)	1,695,556

Equity	71,868	185,961	110,926	987,213	(1,284,100)	71,868
	$1,871,521	$2,181,110	$1,921,422	$1,504,294	$(5,365,221)	$2,113,126

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING BALANCE SHEET
December 31, 2011
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$—	$512	$31,540	$3,472	$—	$35,524
Receivables	—	62,408	69,285	411,852	(535,934)	7,611
Inventories	—	1,547	2,703	28,819	—	33,069
Current deferred tax asset	—	6,239	772	3,334	—	10,345
Other current assets	508	13,461	1,027	7,822	(10,852)	11,966
	508	84,167	105,327	455,299	(546,786)	98,515
Property and Equipment (net)	469,877	1,044	266,218	900,952	—	1,638,091
Investment in Park	521,441	661,533	118,514	40,550	(1,342,038)	—
Intercompany Note Receivable	—	93,845	—	—	(93,845)	—
Goodwill	9,061	—	123,210	111,219	—	243,490
Other Intangibles, net	—	—	17,448	22,825	—	40,273
Deferred Tax Asset	—	47,646	—	—	(47,646)	—
Intercompany Receivable	887,344	1,084,112	1,141,302	—	(3,112,758)	—
Other Assets	27,641	16,158	9,353	1,036	—	54,188
	$1,915,872	$1,988,505	$1,781,372	$1,531,881	$(5,143,073)	$2,074,557
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Current maturities of long-term debt	$15,921	$15,921	$15,921	$—	$(31,842)	$15,921
Accounts payable	175,968	144,868	25,631	202,323	(535,934)	12,856
Deferred revenue	—	—	2,891	26,703	—	29,594
Accrued interest	198	131	15,433	—	—	15,762
Accrued taxes	3,909	—	7,374	15,577	(10,852)	16,008
Accrued salaries, wages and benefits	—	26,916	1,076	5,396	—	33,388
Self-insurance reserves	—	3,977	1,711	15,555	—	21,243
Current derivative liability	—	—	50,772	—	—	50,772
Other accrued liabilities	1,247	5,568	252	832	—	7,899
	197,243	197,381	121,061	266,386	(578,628)	203,443
Deferred Tax Liability	—	—	58,501	124,591	(47,646)	135,446
Derivative Liability	19,451	12,949	—	—	—	32,400
Other Liabilities	—	4,090	—	—	—	4,090
Intercompany Note Payable	—	—	—	93,845	(93,845)	—
Long-Term Debt:						
Term debt	1,140,179	1,140,179	1,140,179	—	(2,280,358)	1,140,179
Notes	400,279	400,279	400,279	—	(800,558)	400,279
	1,540,458	1,540,458	1,540,458	—	(3,080,916)	1,540,458

Equity	158,720	233,627	61,352	1,047,059	(1,342,038)	158,720
	$1,915,872	$1,988,505	$1,781,372	$1,531,881	$(5,143,073)	$2,074,557

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING BALANCE SHEET
March 27, 2011
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$—	$494	$4,393	$2,368	$—	$7,255
Receivables	4,971	70,218	100,370	480,445	(645,627)	10,377
Inventories	—	3,050	3,478	36,375	—	42,903
Current deferred tax asset	—	10,222	779	3,409	—	14,410
Other current assets	187	3,335	3,340	7,410	(2,743)	11,529
	5,158	87,319	112,360	530,007	(648,370)	86,474
Property and Equipment (net)	476,102	1,078	276,949	945,856	—	1,699,985
Investment in Park	442,520	594,576	118,514	47,212	(1,202,822)	—
Intercompany Note Receivable	—	270,188	20,000	—	(290,188)	—
Goodwill	9,061	—	128,147	111,218	—	248,426
Other Intangibles, net	—	—	18,147	22,774	—	40,921
Deferred Tax Asset	—	44,257	—	—	(44,257)	—
Intercompany Receiveable	896,807	1,217,635	1,275,247	—	(3,389,689)	—
Other Assets	32,880	20,549	10,182	1,226	—	64,837
	$1,862,528	$2,235,602	$1,959,546	$1,658,293	$(5,575,326)	$2,140,643
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Current maturities of long-term debt	$11,800	$11,800	$11,800	$—	$(23,600)	$11,800
Accounts payable	50,550	321,609	48,631	226,326	(622,026)	25,090
Deferred revenue	—	—	5,518	39,831	—	45,349
Accrued interest	6,969	1,660	6,708	—	—	15,337
Accrued taxes	4,144	170	—	3,471	(2,743)	5,042
Accrued salaries, wages and benefits	—	19,813	912	5,509	—	26,234
Self-insurance reserves	—	3,232	1,569	15,847	—	20,648
Current derivative liability	33,493	—	57,265	—	—	90,758
Other accrued liabilities	1,976	5,366	510	2,006	—	9,858
	108,932	363,650	132,913	292,990	(648,369)	250,116
Deferred Tax Liability	—	—	62,831	113,989	(44,257)	132,563
Other Liabilities	—	4,368	—	—	—	4,368
Intercompany Note Payable	—	20,000	—	270,188	(290,188)	—
Long-Term Debt:						
Revolving credit loans	127,114	127,114	127,114	—	(254,228)	127,114
Term debt	1,168,200	1,168,200	1,168,200	—	(2,336,400)	1,168,200
Notes	399,531	399,531	399,531	—	(799,062)	399,531
	1,694,845	1,694,845	1,694,845	—	(3,389,690)	1,694,845

Equity	58,751	152,739	68,957	981,126	(1,202,822)	58,751
	$1,862,528	$2,235,602	$1,959,546	$1,658,293	$(5,575,326)	$2,140,643

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended March 25, 2012
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$1,456	$2,577	$266	$ 27,932	$ (4,033)	$28,198
Costs and expenses:						
Cost of food, merchandise and games revenues	—	—	—	4,087	—	4,087
Operating expenses	1,335	20,436	5,657	47,890	(4,033)	71,285
Selling, general and administrative	1,332	13,696	760	2,196	—	17,984
Depreciation and amortization	463	9	—	3,374	—	3,846
Loss on impairment / retirement of fixed assets, net	82	—	10	—	—	92
	3,212	34,141	6,427	57,547	(4,033)	97,294
Operating loss	(1,756)	(31,564)	(6,161)	(29,615)	—	(69,096)
Interest expense (income), net	11,158	6,615	10,403	(1,389)	—	26,787
Net effect of swaps	173	332	(1,475)	—	—	(970)
Unrealized / realized foreign currency loss	—	—	(8,192)	—	—	(8,192)
Other (income) expense	187	(3,035)	197	2,651	—	—
Loss from investment in affiliates	50,491	23,083	3,230	24,916	(101,720)	—
Loss before taxes	(63,765)	(58,559)	(10,324)	(55,793)	101,720	(86,721)
Provision (benefit) for taxes	1,417	(11,672)	(2,334)	(8,950)	—	(21,539)
Net loss	$(65,182)	$(46,887)	$(7,990)	$ (46,843)	$ 101,720	$(65,182)
Other comprehensive income (loss), (net of tax):						
Cumulative foreign currency translation adjustment	(1,169)	—	(1,169)	—	1,169	(1,169)
Unrealized income (loss) on cash flow hedging derivatives	339	98	21	—	(119)	339
Other comprehensive income (loss), (net of tax)	(830)	98	(1,148)	—	1,050	(830)
Total Comprehensive (Loss)	$(66,012)	$(46,789)	$(9,138)	$ (46,843)	$ 102,770	$(66,012)

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended March 27, 2011
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$2,057	$3,653	$863	$ 26,006	$ (5,710)	$26,869
Costs and expenses:						
Cost of food, merchandise and games revenues	—	—	—	4,112	—	4,112
Operating expenses	1,475	18,777	5,617	44,969	(5,710)	65,128
Selling, general and administrative	3,442	14,611	923	1,939	—	20,915
Depreciation and amortization	436	11	—	3,343	—	3,790
Loss on impairment / retirement of fixed assets, net	196	—	—	—	—	196
	5,549	33,399	6,540	54,363	(5,710)	94,141
Operating loss	(3,492)	(29,746)	(5,677)	(28,357)	—	(67,272)
Interest expense, net	23,240	2,555	12,320	2,916	—	41,031
Net effect of swaps	(1,101)	1,293	1,695	—	—	1,887
Unrealized / realized foreign currency (gain)	—	—	(6,888)	—	—	(6,888)
Other (income) expense	1,176	(1,291)	838	266	—	989
Loss from investment in affiliates	57,512	30,561	2,461	12,413	(102,947)	—
Loss before taxes	(84,319)	(62,864)	(16,103)	(43,952)	102,947	(104,291)
Provision (benefit) for taxes	373	(8,722)	(3,683)	(7,567)	—	(19,599)
Net loss	$(84,692)	$(54,142)	$(12,420)	$ (36,385)	$ 102,947	$(84,692)
Other comprehensive income (loss), (net of tax):						
Cumulative foreign currency translation adjustment	(1,286)	—	(1,286)	—	1,286	(1,286)
Unrealized income on cash flow hedging derivatives	12,064	359	58	—	(417)	12,064
Other comprehensive income (loss), (net of tax)	10,778	359	(1,228)	—	869	10,778
Total Comprehensive (Loss)	$(73,914)	$(53,783)	$(13,648)	$ (36,385)	$ 103,816	$(73,914)

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Twelve Months Ended March 25, 2012
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$140,548	$249,988	$126,375	$ 903,046	$ (390,156)	$1,029,801
Costs and expenses:						
Cost of food, merchandise and games revenues	—	—	9,932	82,100	—	92,032
Operating expenses	5,351	167,068	45,805	608,940	(390,156)	437,008
Selling, general and administrative	7,963	83,355	11,151	35,026	—	137,495
Depreciation and amortization	36,864	45	17,290	69,662	—	123,861
(Gain) loss on impairment / retirement of fixed assets, net	876	—	(51)	1,636	—	2,461
	51,054	250,468	84,127	797,364	(390,156)	792,857
Operating income (loss)	89,494	(480)	42,248	105,682	—	236,944
Interest expense, net	72,309	19,090	50,897	488	—	142,784
Net effect of swaps	(10,940)	(243)	(4,793)	—	—	(15,976)
Unrealized / realized foreign currency loss	—	—	8,605	—	—	8,605
Other (income) expense	716	(9,542)	1,708	7,084	—	(34)
(Income) loss from investment in affiliates	(73,688)	(24,969)	(9,880)	25,725	82,812	—
Income (loss) before taxes from continuing operations	101,097	15,184	(4,289)	72,385	(82,812)	101,565
Provision (benefit) for taxes	9,429	(25,950)	4,332	22,086	—	9,897
Net income (loss)	$91,668	$41,134	$(8,621)	$ 50,299	$ (82,812)	$91,668
Other comprehensive income (loss), (net of tax):						
Cumulative foreign currency translation adjustment	1,050	—	1,050	—	(1,050)	1,050
Unrealized income (loss) on cash flow hedging derivatives	(7,958)	(9,638)	254	—	9,384	(7,958)
Other comprehensive income (loss), (net of tax)	(6,908)	(9,638)	1,304	—	8,334	(6,908)
Total Comprehensive Income (Loss)	$84,760	$31,496	$(7,317)	$ 50,299	$ (74,478)	$84,760

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Twelve Months Ended March 27, 2011
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$136,215	$245,319	$113,504	$ 863,240	$(381,133)	$977,145
Costs and expenses:						
Cost of food, merchandise and games revenues	—	—	8,921	77,929	—	86,850
Operating expenses	5,628	165,022	42,449	581,812	(381,133)	413,778
Selling, general and administrative	13,525	77,263	11,006	35,771	—	137,565
Depreciation and amortization	35,565	95	16,205	74,832	—	126,697
Loss on impairment of goodwill and other intangibles	—	—	—	2,293	—	2,293
Loss on impairment / retirement of fixed assets, net	928	—	20	62,000	—	62,948
	55,646	242,380	78,601	834,637	(381,133)	830,131
Operating income	80,569	2,939	34,903	28,603	—	147,014
Interest expense, net	92,243	27,472	39,688	1,180	—	160,583
Net effect of swaps	3,622	1,293	7,591	—	—	12,506
Loss on early extinguishment of debt	24,831	—	10,458	—	—	35,289
Unrealized / realized foreign currency (gain)	—	(3,079)	(24,349)	—	—	(27,428)
Other (income) expense	1,739	(5,996)	2,649	2,597	—	989
Loss from investment in affiliates	26,470	22,043	4,922	12,522	(65,957)	—
Income (loss) before taxes from continuing operations	(68,336)	(38,794)	(6,056)	12,304	65,957	(34,925)
Provision for taxes	7,990	18,290	6,533	8,588	—	41,401
Net income (loss)	$(76,326)	$(57,084)	$(12,589)	$ 3,716	$ 65,957	$(76,326)
Other comprehensive income (loss), (net of tax):						
Cumulative foreign currency translation adjustment	(8,818)	—	(8,818)	—	8,818	(8,818)
Unrealized income on cash flow hedging derivatives	59,730	2,275	8,051	—	(10,326)	59,730
Other comprehensive income (loss), (net of tax)	50,912	2,275	(767)	—	(1,508)	50,912
Total Comprehensive Income (Loss)	$(25,414)	$(54,809)	$(13,356)	$ 3,716	$ 64,449	$(25,414)

CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Three Months Ended March 25, 2012
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
NET CASH FROM (FOR) OPERATING ACTIVITIES	$(176,434)	$18,220	$(37,239)	$(6,627)	$120,148	$(81,932)
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES						
Investment in joint ventures and affiliates	54,033	52,300	2,208	11,607	(120,148)	—
Capital expenditures	(8,374)	—	(7,125)	(11,969)	—	(27,468)
Net cash from (for) investing activities	45,659	52,300	(4,917)	(362)	(120,148)	(27,468)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES						
Net borrowings on revolving credit loans	153,000	—	2,004	—	—	155,004
Derivative settlement	—	—	(50,450)	—		(50,450)
Intercompany (payments) receipts	—	(10,320)	—	10,320	—	—
Distributions (paid) received	(22,225)	74	—	—	—	(22,151)
Capital (contribution) infusion	—	(60,000)	60,000	—	—	—
Exercise of limited partnership unit options	—	48	—	—	—	48
Excess tax benefit from unit-based compensation expense	—	(437)	—	—	—	(437)
Net cash from (for) financing activities	130,775	(70,635)	11,554	10,320	—	82,014
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	—	—	(819)	—	—	(819)
CASH AND CASH EQUIVALENTS						
Net increase (decrease) for the period	—	(115)	(31,421)	3,331	—	(28,205)
Balance, beginning of period	—	512	31,540	3,472	—	35,524
Balance, end of period	$—	$397	$119	$6,803	$—	$7,319

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CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Three Months Ended March 27, 2011