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(As restated)

Statement of Operations

Net revenues

$
1,068,454

$
1,028,472

$
977,592

$
916,075

$
996,232

Operating income [(1)]

233,675

227,946

151,669

183,890

134,521

Income (loss) before taxes [1]

133,614

73,173

(30,382
)

48,754

5,369

Net income (loss) [1]

101,857

65,296

(33,052
)

34,184

6,380

Net income (loss) per unit - basic [1]

1.83

1.18

(0.60

)

0.62

0.12

Net income (loss) per unit - diluted [1]

1.82

1.17

(0.60
)

0.61

0.12

Balance Sheet Data

Total assets [1]

$
2,019,865

$
2,047,168

$
2,065,877

$
2,130,932

$
2,173,229

Working capital (deficit)

2,904

(104,928
)

(98,518
)

(70,212
)

(50,705
)
Long-term debt

1,532,180

1,556,379

1,579,703

1,626,346

1,724,075

Partners' equity [(1)]

154,451

136,350

121,628

113,839

94,008

Distributions

Declared per limited partner unit

$
1.60

$
1.00

$
0.25

$
1.23

$
1.92

Paid per limited partner unit

1.60

1.00

0.25

1.23

1.92

Other Data

Depreciation and amortization [1]

$
126,306

$
125,837

$
128,856

$
134,398

$
125,240

Adjusted EBITDA [6]

390,954

374,576

359,231

316,512

355,890

Capital expenditures

96,232

90,190

71,706

69,136

83,481

Combined attendance (7)

23,300

23,386

22,794

21,136

22,720

Combined in-park guest per capita spending (8)

$
41.95

$
40.03

$
39.21

$
39.56

$
40.13

Notes:

(1) Historical figures that appeared in our Original 2012 Form 10-K have been adjusted to reflect changes due to the restatement for the asset disposition as described in Note 1 to the Consolidated Financial Statements in Item 8.

(2) Operating results for 2012 include a non-cash charge of $25.0 million for the impairment of long-lived assets at Wildwater Kingdom.

(3) Operating results for 2010 include a loss on debt extinguishment of $35.3 million and a non-cash charge of $62.0 million for the impairment of long-lived assets at Great America, the majority of which were originally recorded with the PPI acquisition.

(4) Operating results for 2009 include a gain of $23.1 million for the sale of excess land near Canada's Wonderland and a $4.5 million non-cash charge for the impairment of trade-names originally recorded with the PPI acquisition.

(5) Operating results for 2008 include an $87.0 million non-cash charge for the impairment of goodwill and other indefinite-lived intangibles originally recorded with the PPI acquisition in 2006.

(6) Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, other non-cash items, and adjustments as defined in our current credit agreement. Adjusted EBITDA is not a measurement of operating performance computed in accordance with GAAP and should not be considered as a substitute for operating income, net income or cash flows from operating activities computed in accordance with GAAP. We believe that Adjusted EBITDA is a meaningful measure of park-level operating profitability and we use it for measuring returns on capital investments, evaluating potential acquisitions, determining awards under incentive compensation plans, and calculating compliance with certain loan covenants. Adjusted EBITDA may not be comparable to similarly titled measures of other companies. A reconciliation of net income (loss) to Adjusted EBITDA is provided below.

(7) Combined attendance includes attendance figures from the eleven amusement parks, all separately gated outdoor water parks, and Star Trek: The Experience, which closed in September 2008.

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(8) Combined in-park guest per capita spending ("per capita spending") includes all amusement park, outdoor water park, causeway tolls and parking revenues for the amusement park and water park operating seasons. Revenues from indoor water park, hotel, campground, marina and other out-of-park operations are excluded from per capita statistics.

Reconciliation of Net Income (Loss) to Adjusted EBITDA:

	2012	2011	2010	2009	2008
	(In thousands)				
	(As restated)	(As restated)			
Net income (loss)	$101,857	$65,296	$(33,052)	$34,184	$6,380
Interest expense	110,619	157,185	150,285	124,706	129,561
Interest income	(68)	(157)	(1,154)	(44)	(970)
Provision (benefit) for taxes	31,757	7,877	2,670	14,570	(1,011)
Depreciation and amortization	126,306	125,837	128,856	134,398	125,240
EBITDA	370,471	356,038	247,605	307,814	259,200
Loss on early extinguishment of debt	—	—	35,289	—	—
Other expense, net	—	—	—	—	361
Net effect of swaps	(1,492)	(13,119)	18,194	9,170	—
Unrealized foreign currency (gain) loss	(9,181)	9,830	(17,464)	—	—
Equity-based compensation	3,265	(239)	(89)	(26)	716
Loss on impairment of goodwill and other intangibles	—	—	2,293	4,500	86,988
Loss on impairment/retirement of fixed assets, net	30,336	11,355	62,752	244	8,425
Gain on sale of other assets	(6,625)	—	—	(23,098)	—
Terminated merger costs	—	230	10,375	5,619	—
Refinancing costs	—	955	—	832	200
Licensing dispute settlement costs	—	—	—	1,980	—
Class action settlement costs	—	—	276	9,477	—
Other non-recurring costs (1)	4,180	9,526	—	—	—
Adjusted EBITDA	$390,954	$374,576	$359,231	$316,512	$355,890

(1) Other non-recurring costs as defined in the 2010 Amended Credit Agreement, include litigation expenses and costs for SEC compliance matters related to Special Meeting requests, costs associated with the relocation of a future ride, and costs associated with the transition to a new advertising agency.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Management's discussion and analysis has been revised solely to reflect the effects of the restatement of the Consolidated Financial Statements in this Form 10-K/A. See Note 1 to the Consolidated Financial Statements included in Item 8 and the "Explanatory Note" included in the forepart of this Form 10-K/A.

Business Overview

We generate our revenues primarily from sales of (1) admission to our parks, (2) food, merchandise and games inside our parks, and (3) hotel rooms, food and other attractions outside our parks. Our principal costs and expenses, which include salaries and wages, advertising, maintenance, operating supplies, utilities and insurance, are relatively fixed and do not vary significantly with attendance.

Each of our properties is run by a park general manager and operates autonomously. Management reviews operating results, evaluates performance and makes operating decisions, including the allocation of resources, on a property-by-property basis.

Discrete financial information and operating results are prepared at the individual park level for use by the CEO, who is the Chief Operating Decision Maker (CODM), as well as by the Chief Financial Officer, the Chief Operating Officer, the Executive Vice President, Operations, and the park general managers.

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The following table presents certain financial data expressed as a percent of total net revenues and selective statistical information for the periods indicated.

For the years ended December 31,	2012					2011					2010				
	(amounts in millions, except attendance, per capita spending and percentages)														
Net revenues:	(As restated)					(As restated)									
Admissions	$612.1		57.3		%	$596.0		57.9		%	$568.8		58.2		%
Food, merchandise and games	342.2		32.0		%	349.5		34.0		%	337.3		34.5		%
Accommodations and other	114.1		10.7		%	83.0		8.1		%	71.5		7.3		%
Net revenues	1,068.4		100.0		%	1,028.5		100.0		%	977.6		100.0		%
Operating costs and expenses	684.7		64.1		%	663.3		64.5		%	632.0		64.6		%
Depreciation and amortization	126.3		11.8		%	125.8		12.2		%	128.9		13.2		%
Loss on impairment of goodwill and other intangibles	—		—		%	—		—		%	2.3		0.2		%
Loss on impairment / retirement of fixed assets	30.3		2.8		%	11.4		1.1		%	62.8		6.4		%
Gain on sale of other assets	(6.6	)	(0.6	)%		—		—		%	—		—		%
Operating income	233.7		21.9		%	228.0		22.2		%	151.6		15.5		%
Interest and other expense, net	110.6		10.3		%	158.0		15.4		%	149.2		15.3		%
Net effect of swaps	(1.5	)	(0.1	)%		(13.1	)	(1.3	)%		18.2		1.9		%
Loss on early debt extinguishment	—		—		%	—		—		%	35.3		3.6		%
Unrealized / realized foreign currency (gain) loss	(9.0	)	(0.8	)%		9.9		1.0		%	(20.6	)	(2.1	)%	
Provision for taxes	31.7		3.0		%	7.9		0.8		%	2.6		0.3		%
Net income (loss)	$101.9		9.5		%	$65.3		6.3		%	$(33.1	)	(3.4	)%	
Other data:															
Combined attendance (in thousands)	23,300					23,386					22,794				
Combined in-park guest per capita spending	$41.95					$40.03					$39.21				

Critical Accounting Policies

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our consolidated financial statements, which were prepared in accordance with accounting principles generally accepted in the United States of America. These principles require us to make judgments, estimates and assumptions during the normal course of business that affect the amounts reported in the Consolidated Financial Statements and related notes. The following discussion addresses our critical accounting policies, which are those that are most important to the portrayal of our financial condition and operating results or involve a higher degree of judgment and complexity (see

Note 3 to our Consolidated Financial Statements for a complete discussion of our significant accounting policies). Application of the critical accounting policies described below involves the exercise of judgment and the use of assumptions as to future uncertainties, and, as a result, actual results could differ from these estimates and assumptions.

Property and Equipment

Property and equipment are recorded at cost. Expenditures made to maintain such assets in their original operating condition are expensed as incurred, and improvements and upgrades are capitalized. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. The composite method is used for the group of assets acquired as a whole in 1983, as well as for the groups of like assets of each subsequent business acquisition. The unit method is used for all individual assets purchased.

Upon the normal retirement of an asset within a composite group, our practice generally had been to extend the depreciable life of that composite group beyond its original estimated useful life. In conjunction with the preparation of our financial statements in 2012, management determined that this methodology was not appropriate. As a result, we revised the useful lives of our composite groups to their original estimated useful life (ascribed upon acquisition) and corrected previously computed depreciation expense (and accumulated depreciation) in the Original 2012 Form 10-K filed on February 25, 2013. We evaluated the amount and nature of these adjustments and concluded that they were not material to either our prior annual or quarterly financial statements. Nonetheless, the historical financial statement amounts included in that filing had been updated for this corrected estimate.

In certain situations under the composite method, disposals are considered unusual and, accordingly, losses are not included in the composite depreciation pool but are rather charged immediately to expense. In 2013, the Partnership's initial determination of whether a specific asset retired under the composite method of depreciation in 2011 was normal was reviewed in connection with responding to an open SEC comment letter. We ultimately concluded that this particular disposition was unusual and that an $8.8 million charge should be reflected in the 2011 financial statements. The financial statements are being restated herein for this matter.

In its Original 2012 Form 10-K, the Partnership announced plans to move off the composite depreciation method of accounting beginning in 2013. In the process of changing accounting methods and responding to an open SEC comment letter, the Partnership determined that its accounting treatment under the composite depreciation method for the retirement of a ride at one of its parks in 2011 was in error. In particular, the discrete charge related to that retirement (totaling $8.8 million on a pre-tax basis) should have been recorded to the income statement in 2011 rather than being deferred and recorded in the composite pool as was disclosed in the 2011 Form 10-K as originally filed. The Partnership originally determined that the asset retirement was normal, and thereby the composite method of depreciation resulted in $8.8 million (net book value after salvage) being recorded in Accumulated Depreciation in the Partnership's 2011 Annual Report on Form 10-K. The amount remaining in Accumulated Depreciation in the Partnership's Original 2012 Form 10-K was $7.8 million. The correction of this error results in adjustments to the financial statements that decrease pre-tax earnings and increase accumulated depreciation in 2011 by $8.8 million and increase pre-tax earnings and decrease accumulated depreciation in 2012 by $1.0 million. The adjustments have no impact on results of operations or balance sheet for 2010. See Note 1 to the Consolidated Financial Statements for additional information.

The Partnership believes that pursuant to generally accepted accounting principles, changing from the composite method of depreciation to the unit method of depreciation is a change in accounting estimate that is effected by a change in accounting principle, which should be accounted for prospectively. This prospective application will result in the discontinuance of the composite method of depreciation for all prior acquisitions with the existing net book value of each composite pool allocated to the remaining individual assets (units) in that pool with each unit assigned an appropriate remaining useful life on an individual unit basis. Once under the unit method of depreciation, all gains or losses on prospective asset retirements will result in an adjustment to earnings rather than to accumulated depreciation which is the case for normal retirements under the composite method of depreciation. We do not believe such a change will have a material effect on our financial position or liquidity in future periods, but it is possible that future asset retirements could have a material impact on earnings in the periods such items occur.

Impairment of Long-Lived Assets

The carrying values of long-lived assets, including property and equipment, are reviewed whenever events or changes in circumstances indicate that the carrying values of the assets may not be recoverable. An impairment loss may be recognized when estimated undiscounted future cash flows expected to result from the use of the assets, including disposition, are less than the carrying value of the assets. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying amounts of the assets. Fair value is generally determined based on a discounted cash flow analysis. 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.

The determination of both undiscounted and discounted cash flows requires management to make significant estimates and consider an anticipated course of action as of the balance sheet date. Subsequent changes in estimated undiscounted and discounted cash flows arising from changes in anticipated actions could impact the determination of whether impairment exists, the amount of the impairment charge recorded and whether the effects could materially impact the consolidated financial statements.

At the end of the third quarter of 2012, the Partnership concluded based on 2012 operating results through the third quarter and updated forecasts, that a review of the carrying value of operating long-lived assets at Wildwater Kingdom was warranted. After performing its review, the Partnership determined that a portion of the park's fixed assets were impaired. Also, at the end of the third quarter of 2012, the Partnership concluded that market conditions had changed on the adjacent non-operating land of Wildwater Kingdom. After performing its review of the updated market value of the land, the Partnership determined the land was impaired. The Partnership recognized a total of $25.0 million of fixed-asset impairment for operating and non-operating assets during the third quarter of 2012.

There was no impairment of long-lived assets in 2011.

Goodwill and Other Intangible Assets

Goodwill and other indefinite-lived intangible assets, including trade-names, are reviewed for impairment annually, or more frequently if indicators of impairment exist. 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; the testing for recoverability of a significant asset group within a reporting unit; 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.

An impairment loss may be recognized if the carrying value of the reporting unit is higher than its fair value, which is estimated using both an income (discounted cash flow) and market approach. The amount of impairment is determined by comparing the implied fair value of reporting unit goodwill to the carrying value of the goodwill in the same manner as if the reporting unit was being acquired in a business combination. If the implied fair value of goodwill is less than the recorded goodwill, an impairment charge is recorded for the difference. Goodwill and trade-names have been assigned at the reporting unit, or park level, for purposes of impairment testing.

Until December 2010, goodwill related to parks acquired prior to 2006 was tested annually for impairment as of October 1, while goodwill and other indefinite-lived intangibles, including trade-name intangibles, related to the PPI acquisition in 2006 were tested annually for impairment as of April 1. Effective in December 2010, we changed the date of our annual goodwill impairment tests from April 1 and October 1 to December 31 to more closely align the impairment testing procedures with our long-range planning and forecasting process, which occurs in the fourth quarter each year. We believe the change is preferable since the long-term cash flow projections are a key component in performing our annual impairment tests of goodwill. In addition, we changed the date of our annual impairment test for other indefinite-lived intangibles from April 1 to December 31.

For both 2012 and 2011, we completed the review of goodwill and other indefinite-lived intangibles as of December 31, 2012 and December 31, 2011, respectively, and determined the goodwill was not impaired at either balance sheet date.

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, we have prospectively applied the change in the annual goodwill impairment testing date from December 31, 2010.

It is possible that our assumptions about future performance, as well as the economic outlook and related conclusions regarding the valuation of our reporting units (parks), could change adversely, which may result in additional impairment that would have a material effect on our financial position and results of operations in future periods. At December 31, 2012, all reporting units with goodwill had fair values in excess of their carrying values by greater than 10%.

Self-Insurance Reserves

Reserves are recorded for the estimated amounts of guest and employee claims and expenses incurred each period that are not covered by insurance. Reserves are established for both identified claims and incurred but not reported (IBNR) claims. Such amounts are accrued for when claim amounts become probable and estimable. Reserves for identified claims are based upon our own historical claims experience and third-party estimates of settlement costs. Reserves for IBNR claims, which are not material to our consolidated financial statements, are based upon our own claims data history, as well as industry averages. All reserves are periodically reviewed for changes in facts and circumstances and adjustments are made as necessary.

Derivative Financial Instruments

Derivative financial instruments are only used within our overall risk management program to manage certain interest rate and foreign currency risks from time to time. We do not use derivative financial instruments for trading purposes.

Derivative financial instruments used in hedging transactions are assessed both at inception and quarterly thereafter to ensure they are effective in offsetting changes in the cash flows of the related underlying exposures. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the change in fair value of the derivative instrument is reported as a component of “Other comprehensive income (loss)” and reclassified into earnings in the period during which the hedged transaction affects earnings. Changes in fair value of derivative instruments that do not qualify as effective hedging activities are reported as “Net effect of swaps” in the consolidated statement of operations. Additionally, the “Accumulated other comprehensive income (loss)” related to interest rate swaps that become ineffective is amortized over the remaining life of the interest rate swap, and reported as a component of “Net effect of swaps” in the consolidated statements of operations.

Revenue Recognition

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. All other revenues are recognized on a daily basis based on actual guest spending at our facilities, or over the park operating season in the case of certain marina revenues and certain sponsorship revenues. Revenues on admission tickets for the next operating season, including season passes, are deferred in the year received and recognized as revenue in the following operating season.

Admission revenues include amounts paid to gain admission into our parks, including parking fees. Revenues related to extra-charge attractions, including our premium benefit offerings, are included in Accommodations and other revenue.

Income Taxes

The Partnership's legal structure includes both partnerships and corporate subsidiaries. As a publicly traded partnership, the Partnership is subject to an entity-level tax (the "PTP tax"). Accordingly, the Partnership itself is not subject to corporate income taxes; rather, the Partnership's tax attributes (except those of the corporate subsidiaries) are included in the tax returns of its partners. The Partnership's corporate subsidiaries are subject to entity-level income taxes. The Partnership's "Provision for taxes" includes both the PTP tax and the income taxes from the corporate subsidiaries.

The Partnership's corporate subsidiaries account for income taxes under the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future book and tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are determined using enacted tax rate expected to apply in the year in which those temporary differences are expected to be recovered or settled.

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The Partnership records a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion, or all, of a deferred tax asset will not be realized. Through December 31, 2011, the Partnership had recorded a $17.3 million valuation allowance related to the deferred tax asset for foreign tax credit carryforwards. The need for this allowance was based on several factors including the accumulated federal net operating loss carryforward, the ten-year carryforward period allowed for excess foreign tax credits, experience to date of foreign tax credit limitations, and management's long term estimates of domestic and foreign source income.

During 2012, we claimed and received refunds of $10.4 million for foreign taxes paid in previous years. The recovery of prior year taxes resulted in a redetermination of the foreign tax credit carryforwards and a $6.1 million reduction in the valuation allowance related to these carryforwards. Also during 2012, we continued to utilize the federal tax net operating loss carryforward and updated our long term estimates of domestic and foreign source income. Based on these updated estimates, we believe no additional adjustments to the valuation allowance was warranted. The total valuation allowance reduction results in a $6.0 million tax benefit in 2012. As of December 31, 2012, we had $31.2 million of deferred tax assets associated with the foreign tax credit carryforwards and an $11.3 million related valuation allowance.

There is inherent uncertainty in the estimates used to project the amount of foreign tax credit carryforwards that are more likely than not to be realized. It is possible that our future income projections, as well as the economic outlook and related conclusions regarding the valuation allowance could change, which may result in additional valuation allowance being recorded or may result in additional valuation allowance reductions, which may have a material negative or positive effect on our reported financial position and results of operations in future periods.

Results of Operations

2012 vs. 2011

The following table presents key operating and financial information for the years ended December 31, 2012 and 2011 (amounts in thousands, except per capita spending and percentages):

	12/31/12	12/31/11	Increase (Decrease) $	Increase (Decrease) %
	(As restated)	(As restated)		
Net revenues	$1,068,454	$1,028,472	$39,982	3.9 %
Operating costs and expenses	684,762	663,334	21,428	3.2 %
Depreciation and amortization	126,306	125,837	469	0.4 %
Loss on impairment/retirement of fixed assets	30,336	11,355	18,981	N/M
Gain on sale of other assets	(6,625)	—	(6,625)	N/M
Operating income	$233,675	$227,946	$5,729	2.5 %
Other Data:				
Adjusted EBITDA [1]	$390,954	$374,576	$16,378	4.4 %
Adjusted EBITDA margin	36.6 %	36.4 %	—	0.2 %
Attendance	23,300	23,386	(86)	(0.4)%
Per capita spending	$41.95	$40.03	$1.92	4.8 %
Out-of-park revenues	$116,767	$117,556	$(789)	(0.7)%

N/M - Not meaningful

(1) for additional information regarding Adjusted EBITDA, including how we define and use Adjusted EBITDA, as well as a reconciliation from net income, see Item 6, "Selected Financial Data," on pages 4-5.

Consolidated net revenues totaled $1,068.5 million in 2012, increasing $40.0 million, from $1,028.5 million in 2011. The 4% increase in revenues reflects a 5%, or $1.92, increase in average in-park guest per capita spending compared with a year ago and a less than 1%, or 0.1 million-visit, decrease in attendance. In-park guest per capita spending represents the amount spent per attendee to gain admission to a park, plus all amounts spent while inside the park gates. The increase in per capita spending was primarily due to new premium benefit offerings and the positive impact of new customer messaging and dynamic pricing. The slight decrease in attendance for 2012 compared to 2011 was largely due to less than favorable weather that the parks experienced during the fourth quarter of 2012. Despite the slight decrease in overall attendance, the parks experienced growth in the number of season passes sold, as well as season pass visits, which was a focus of management heading into the 2012 season. The growth in season-pass visits was the result of an increased marketing focus toward season passes at several of our parks, resulting in a record number of season passes sold in 2012.

The increase in 2012 revenues was somewhat offset by a decrease of less than 1%, or approximately $0.8 million, in out-of-park revenues, which represents the sale of hotel rooms, food, merchandise and other complementary activities located outside of the park gates. The decrease in out-

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of-park revenues was primarily driven by softness in our overall hotel properties performance in 2012. The increase in revenues for the fiscal year also reflects the negative impact of currency exchange rates and the weakening U.S. dollar on our Canadian operations (approximately $4.0 million) during 2012.

Operating costs and expenses increased $21.4 million, or 3%, to $684.7 million versus $663.3 million for 2011 and were in line with expectations. The increase in costs and expenses was the result of a $3.0 million increase in cost of goods sold, a $20.5 million increase in operating expenses, offset somewhat by a $2.1 decrease in selling, general and administrative costs. The 3% increase in cost of goods sold is consistent with anticipated cost increases associated with our efforts to improve the quality of food and other product offerings at the parks in 2012. Operating expenses increased due to several factors, including higher employment-related costs, higher operating supply costs, and higher self-insurance expenses. Employment-related costs increased approximately $11.0 million due to normal merit increases, increases in health-related benefit costs, additional staffing levels associated with new premium benefit offerings and other initiatives aimed at improving the overall guest experience, and non-recurring severance payments. Operating supplies and expenses increased approximately $4.6 million due primarily to initiatives to expand or enhance live entertainment at the parks, as well as incremental costs associated with our new e-commerce platform. During the year, public liability and workers compensation expense increased $3.3 million due to claim settlements and an increase in our reserves based on management's estimates of future claims. The decrease in selling, general and administrative costs was due to a decrease in employment-related costs ($1.5 million) and professional and administrative costs ($7.6 million), offset by an increase in operating supplies ($4.8 million) and advertising fees ($2.4 million). The decrease in employment costs was primarily due to a decrease in costs associated with a legal accrual made in 2011, offset somewhat by higher wages and benefits due to normal merit increases and additional staffing. Professional and administrative fees decreased primarily due to a reduction in litigation expenses and costs for SEC compliance matters related to Special Meeting requests in 2011. The operating supplies and advertising increases were due to incremental costs to support 2012 operating initiatives including general infrastructure improvements. The overall increase in costs and expenses also reflects the positive impact of exchange rates on our Canadian operations ($1.3 million) during 2012.

The loss on impairment/retirement of fixed assets, net, during 2012 totaled $30.3 million, reflects a non-cash charge of $25.0 million for the partial impairment of operating and non-operating assets at Wildwater Kingdom along with losses on other retirements in the normal course of business. During 2012, two non-core assets were sold at gains totaling $6.6 million. In 2011, a charge of $11.4 million for the retirement of fixed assets was recorded, which includes the retirement of a composite asset as described in more detail in Note 1 to the consolidated financial statements.

Depreciation and amortization expense for 2012 increased $0.5 million compared with 2011 due to the increase in capital spending in 2012 when compared with the prior year. After depreciation and amortization, as well as impairment charges and all other non-cash costs, operating income for 2012 increased $5.7 million to $233.7 million from $227.9 million in 2011.

Interest expense for the year decreased $46.6 million to $110.6 million from $157.2 million in 2011. The reduction in interest expense was primarily attributable to an approximate 300 basis point (bps) decline in our effective interest rate, the result of lower fixed rates on London InterBank Offered Rate (LIBOR) within our interest-rate swap contracts. The average fixed LIBOR rate in our swap agreements declined from 5.62% in 2011 to 2.48% in 2012. Additionally during 2012, $25.0 million of term debt principal payments were made, reducing our average debt outstanding.

During 2012, the net effect of our swaps was recorded as a benefit to earnings of $1.5 million compared to a benefit to earnings of $13.1 million in 2011. The difference reflects the regularly scheduled amortization of amounts in Accumulated Other Comprehensive Income ("AOCI") related to the swaps, which were offset by gains from marking the ineffective and de-designated swaps to market and foreign currency gains related to the U.S.-dollar denominated Canadian term loan in the current period. During 2012, we also recognized a $9.0 million net benefit to earnings for unrealized/realized foreign currency gains, which included a $9.2 million unrealized foreign currency gain on the U.S.-dollar denominated debt held at our Canadian property.

A provision for taxes of $31.7 million was recorded in 2012, consisting of a provision for the tax attributes of our corporate subsidiaries of $23.0 million and a provision for publicly traded partnership (PTP) taxes of $8.8 million. This compares with a provision for taxes of $7.9 million in 2011, consisting of a benefit for the tax attributes of our corporate subsidiaries of $0.4 million and a provision for PTP taxes of $8.3 million.

After interest expense and provision for taxes, net income for the period totaled $101.9 million, or $1.82 per diluted limited partner unit, compared with net income of $65.3 million, or $1.17 per unit, a year ago.

We believe Adjusted EBITDA is a meaningful measure of our operating results (for additional information regarding Adjusted EBITDA, including how we define and use Adjusted EBITDA, as well as a reconciliation from net income, see Note 6 in Item 6, “Selected Financial Data,” on pages 4-5). In 2012, Adjusted EBITDA increased $16.4 million, or 4%, to $391.0 million, with our Adjusted EBITDA margin (Adjusted EBITDA divided by net revenues) increasing 20 bps to 36.6% from 36.4% in 2011. The increase in Adjusted EBITDA was due to the increase in revenues resulting from the successful introduction of our new premium benefit offerings and dynamic pricing initiatives, as well as the successful expansion of our season pass base.

Results of Operations

2011 vs. 2010

The following table presents key operating and financial information for the years ended December 31, 2011 and 2010 (amounts in thousands, except per capita spending and percentages):

	12/31/11 (As restated)	12/31/10	Increase (Decrease) $	%
Net revenues	$1,028,472	$977,592	$50,880	5.2 %
Operating costs and expenses	663,334	632,022	31,312	5.0 %
Depreciation and amortization	125,837	128,856	(3,019)	(2.3)%
Loss on impairment of goodwill and other intangibles	—	2,293	(2,293)	N/M
Loss on impairment/retirement of fixed assets	11,355	62,752	(51,397)	N/M
Operating income	$227,946	$151,669	$76,277	50.3 %
Other Data:				
Adjusted EBITDA (1)	$374,576	$359,231	$15,345	4.3 %
Adjusted EBITDA margin	36.4 %	36.7 %	—	(0.3)%
Attendance	23,386	22,794	592	2.6 %
Per capita spending	$40.03	$39.21	$0.82	2.1 %
Out-of-park revenues	$117,556	$108,761	$8,795	8.1 %

N/M - Not meaningful

(1) for additional information regarding Adjusted EBITDA, including how we define and use Adjusted EBITDA, as well as a reconciliation from net income, see Item 6, "Selected Financial Data," on pages 4-5.

Consolidated net revenues totaled $1,028.5 million in 2011, increasing $50.9 million, from $977.6 million in 2010. The 5% increase in revenues reflects a 3%, or 0.6 million-visit, increase in attendance from a year ago and a 2%, or $0.82, increase in average in-park guest per capita spending for the year. In-park guest per capita spending represents the amount spent per attendee to gain admission to a park, plus all amounts spent while inside the park gates. The improved attendance for 2011 compared to 2010 was largely due to increases in season passes sold and season-pass visits. The growth in season-pass visits was the result of an increased marketing focus toward season passes at several of our parks, resulting in a significant increase in the number of season passes sold.

The increase in 2011 revenues also reflects an increase of 8%, or approximately $8.8 million, in out-of-park revenues, which represents the sale of hotel rooms, food, merchandise and other complementary activities located outside of the park gates. The increase in out-of-park revenues was primarily driven by an increase in occupancy and average-daily-room rates at most of our hotel properties. The increase in revenues for the fiscal year also reflects the impact of currency exchange rates and the weakening U.S. dollar on our Canadian operations (approximately $7.5 million) during 2011.

Operating costs and expenses increased $31.3 million, or 5%, to $663.3 million versus $632.0 million for 2010 and were in line with expectations. The increase in costs and expenses was the result of a $5.4 million increase in cost of goods sold, a $19.4 million increase in operating expenses, and a $6.4 increase in selling, general and administrative costs. The increase in operating expenses was primarily attributable to higher wages of $11.5 million, $4.8 million of higher maintenance costs and $2.6 million of higher operating supply costs. The cost of operating supplies trended up primarily as a result of higher attendance. The increase in wages was largely due to increased seasonal labor hours as a result of expanded operating hours at several parks, additional attractions and guest services, and the overall effect of increased attendance. The increase in selling, general and administrative costs reflects the impact of $9.7 million of non-recurring costs incurred in 2011, including litigation expenses and costs for SEC compliance matters related to Special Meeting requests, as well as costs associated with the relocation of a future ride and costs associated with the transition to a new advertising agency. Additionally, selling, general and administrative costs increased due to an increase in costs associated with our long-term executive compensation plans resulting in large part from the increase in the market price of our units during the period. The 2011-to-2010 comparison was impacted by approximately $10.4 million of expense recorded in 2010 for the terminated merger and a $2.5 million non-recurring payroll tax credit received in 2010. The overall increase in costs and expenses also reflects the negative impact of exchange rates on our Canadian operations ($2.9 million) during 2011.

During 2011, we recognized $11.4 million in non-cash charges for the retirement of assets, which includes the retirement of a composite asset as described in more detail in Note 1 to the consolidated financial statements. This compares to a non-cash charge of $62.0 million at Great America for the partial impairment of its fixed assets and a $0.8 million charge for asset retirements across all properties. Additionally, non-cash charges of $1.4 million and $0.9 million were recorded during the second and fourth quarters of 2010, respectively, for the partial impairment of trade-names originally recorded at the time of the PPI acquisition. Although the acquisition of the PPI parks continues to meet our collective operating and profitability goals, the performance of certain acquired parks fell below our original expectations in 2010, which when coupled with a higher cost of capital, resulted in the impairment charges recorded in 2010. It is important to note that each of the acquired PPI parks produces positive cash flow, and that trade-name write-downs and fixed asset impairment losses do not affect cash, Adjusted EBITDA or liquidity.

Depreciation and amortization expense for 2011 decreased $3.0 million resulting primarily from the impairment charge taken on the fixed assets of California's Great America at the end of 2010. After depreciation and amortization, as well as impairment charges and all other operating costs, operating income for 2011 increased $76.2 million to $227.9 million from $151.7 million in 2010.

Interest expense for the 2011 increased $6.9 million to $157.2 million from $150.3 million in 2010, primarily due to an increase in the amortization of loan fees of $4.3 million, which were incurred as a result of the July 2010 debt refinancing, as well as the February 2011 amendment to the credit agreement. Additionally, interest expense increased due to higher average interest-rates as a result of refinancing a portion of term debt with the bond indenture in July 2010. This increase in rates was slightly offset by a decline in rates on our derivative portfolio during the fourth quarter of 2011, as $1.0 billion of derivatives matured and were replaced by derivatives with lower effective interest rates. Also, as the result of the July 2010 refinancing, a $35.3 million loss on the early extinguishment of debt was recognized and recorded in the statement of operations for 2010.

During 2011, the net effect of our swaps increased $31.3 million to a non-cash benefit to earnings of $13.1 million, reflecting gains from marking the ineffective and de-designated swaps to market, offset somewhat by the regularly scheduled amortization of amounts in "Accumulated Other Comprehensive Income" ("AOCI") related to the swaps and foreign currency losses related to the U.S.-dollar denominated Canadian term loan in the current period. During the year, we also recognized a $9.9 million charge to earnings for unrealized/realized foreign currency losses, $8.8 million of which represents unrealized foreign currency losses on the U.S.-dollar denominated notes issued in July 2010 and held by our Canadian subsidiary.

A provision for taxes of $7.9 million was recorded in 2011, consisting of a benefit for the tax attributes of our corporate subsidiaries of $0.4 million and a provision for publicly traded partnership (PTP) taxes of $8.3 million. This compares with a provision for taxes of $2.7 million in 2010, consisting of a benefit of $5.2 million for corporate subsidiaries and a provision of $7.9 million for PTP taxes.

After interest expense and provision for taxes, net income for 2011 totaled $65.3 million, or $1.17 per diluted limited partner unit, compared with net loss of $33.1 million, or $0.60 per unit, in 2010.

In 2011, Adjusted EBITDA (for additional information regarding Adjusted EBITDA, including how we define and use Adjusted EBITDA, as well as a reconciliation from net income, see Note 6 in Item 6, “Selected Financial Data,” on pages 4-5) increased $15.4 million, or 4%, to $374.6 million, with our Adjusted EBITDA margin (Adjusted EBITDA divided by net revenues) decreasing 30 bps to 36.4% from 36.7% in 2010. The margin compression was primarily the result of a shift in the mix of operating profit in 2011 toward our lower margin parks.

Financial Condition

With respect to both liquidity and cash flow, we ended 2012 in sound condition. The working capital ratio (current assets divided by current liabilities) of 1.0 at December 31, 2012 was the result of our highly seasonal business. Receivables and inventories are at normally low seasonal levels and credit facilities are in place to fund current liabilities, capital expenditures, partnership distributions, and pre-opening expenses as required.

Operating Activities

Net cash from operating activities in 2012 increased $67.7 million to $285.9 million from $218.2 million in 2011. The increase in operating cash flows between years was primarily attributable to the increase in the operating results of our parks in 2012 over 2011 and deferred taxes, somewhat offset by a negative change in working capital.

Net cash from operating activities in 2011 increased $36.1 million to $218.2 million from $182.1 million in 2010. The increase in operating cash flows between years was primarily attributable to the increase in the operating results of our parks in 2011 and the positive change in working capital.

Investing Activities

Investing activities consist principally of capital investments we make in our parks and resort properties. During 2012, we sold two non-core assets and received net proceeds of $16.0 million. Total cash spent on capital expenditures was $96.2 million in 2012. Including the effect of the two asset sales, net cash used for investing activities in 2012 totaled $80.2 million, compared to $90.2 million in 2011 and $71.7 million in

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2010. The 2012 capital expenditures plan was larger than the prior year. The change between 2011 and 2010 was due to the timing of capital expenditures for rides being placed into service for the 2012 season.

Historically, we have been able to improve our revenues and profitability by continuing to make substantial capital investments in our park and resort facilities. This has enabled us to maintain or increase attendance levels, as well as to generate increases in guest per capita spending and revenues from guest accommodations. For the 2013 operating season, we will be investing approximately 9% of net revenues in marketable capital investments across our properties, with the highlight of the 2013 program being the addition of GateKeeper, a 164-foot-tall winged-steel coaster, at Cedar Point. In addition to GateKeeper, the tallest and fastest wooden coaster in Northern California, called Gold Stryker, will be making its debut at California's Great America.

In addition to these new thrill rides, we are also investing in other capital improvements across our parks, including the introduction of new dinosaur attractions at Carowinds, Valleyfair and Worlds of Fun. Additionally, we will be combining Worlds of Fun and Oceans of Fun into a single admission ticket, while significantly upgrading the water park attractions at Oceans of Fun. Finally, we will also be enhancing entertainment offerings and continuing our infrastructure upgrades across our properties.

Financing Activities

Net cash utilized for financing activities in 2012 totaled $163.0 million, compared with $100.7 million in 2011 and $112.7 in 2010. An increase in distribution payments in 2012 ($88.8 million vs. $55.3 million in 2011) and the settlement of a Canadian cross-currency derivative contract in the first quarter of 2012 ($50.5 million) were somewhat offset by an increase in cash from operating activities. Net cash utilized for financing activities in 2011, which reflected the February 2011 refinancing of our debt, decreased $12.0 million compared with 2010. An increase in distribution payments in 2011 ($55.3 million vs. $13.8 million in 2010) was somewhat offset by an increase in cash from operating activities.

Liquidity and Capital Resources

In July 2010, we issued $405 million of 9.125% senior unsecured notes (the "notes") in a private placement, including $5.6 million of original issue discount to yield 9.375%. The notes mature in 2018. Concurrently with this offering, we entered into a new $1,435 million credit agreement (the "2010 Credit Agreement"), which includes 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 our previous credit facilities. On February 25, 2011, we 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. Certain terms of the amendment are described below.

Terms of the 2010 Credit Agreement include a $260 million revolving credit facility. Under the 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 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.

The extended U.S. term loan, as amended on February 25, 2011, amortizes at $11.8 million per year and matures in December 2017. In May 2012, the Partnership prepaid $16 million of long-term debt to meet its obligation under the Excess Cash Flow ("ECF") provision of the Credit Agreement. As a result of this prepayment, as well as additional optional long-term debt prepayments made in August 2011 and September 2012 of $18 million and $9 million, respectively, the Partnership has no scheduled term-debt principal payments until the first quarter of 2015. The extended U.S. term loan bears interest at a rate of LIBOR plus 300 bps, with a LIBOR floor of 100 bps. Until our amendment to the 2010 Credit Agreement, the U.S. term loan bore interest at a rate of LIBOR plus 400 bps, with a LIBOR floor of 150 bps.

At December 31, 2012, we had $1,131.1 million of variable-rate term debt, $401.1 million of the fixed-rate notes, and no borrowings outstanding under our revolving credit facility. After letters of credit, which totaled $16.4 million at December 31, 2012, we had $243.6 million of available borrowings under our revolving credit facility. Of our total term debt outstanding at the end of the year, none is scheduled to mature within the next twelve months.

Our $405 million face value of notes require semi-annual interest payments 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%.

In 2006, we entered into several fixed-rate interest rate swap agreements totaling $1.0 billion. The weighted average fixed-LIBOR rate on those interest rate swaps, which matured in October 2011, was 5.6%. Based upon our scheduled quarterly regression analysis testing for the effectiveness of the accounting treatment of these swaps, as well as changes in the forward interest rate yield curves used in that testing, the swaps were deemed to be ineffective beginning in October 2009 and continued through their maturity. This resulted in the swaps not qualifying for hedge accounting during the fourth quarter of 2009 through October of 2011.

In 2007, we entered into two cross-currency swap agreements, which matured in February 2012 and effectively converted $268.7 million of term debt at the time, and the associated interest payments, from U.S. dollar denominated debt at a rate of LIBOR plus 200 bps to 6.3% fixed-

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rate Canadian dollar denominated debt. As a result of paying down the underlying Canadian term debt with net proceeds from the sale of surplus land near Canada's Wonderland in August 2009, the notional amounts of the underlying debt and the cross-currency swaps no longer matched. Because of the mismatch of the notional amounts, we determined the swaps would no longer be highly effective going forward, resulting in the de-designation of the swaps as of the end of August 2009. Based on the change in currency exchange rates from the time we originally entered into the cross-currency swap agreements in 2007, the termination liability of the swaps has increased steadily over time. In order to minimize further downside risk to the swaps' termination value, in May 2011 we entered into several foreign currency swap agreements to fix the exchange rate on 50% of the liability. In July 2011, we fixed the exchange rate on another 25% of the swap liability, leaving only 25% exposed to further fluctuations in currency exchange rates. Based on currency exchange rates in place at the termination date and the exchange rates contracted in the foreign currency swap agreements, the cash termination costs of the cross-currency swaps totaled $50.5 million on February 17, 2012.

In addition to the above mentioned covenants and provisions, the Amended 2010 Credit Agreement contains an initial three-year requirement that at least 50% of our aggregate term debt and senior notes be subject to either a fixed interest rate or interest rate protection. As of December 31, 2012, we were in compliance with this requirement as discussed below.

In order to maintain fixed interest costs on a portion of our domestic term debt beyond the expiration of the swaps that matured in October 2011, in September 2010 we entered into several forward-starting swap agreements that effectively convert a total of $600 million of LIBOR based variable-rate debt to fixed rates beginning in October 2011. The weighted average fixed rate on these LIBOR based interest rate swaps, which mature in December 2015, is 2.57%.

In order to monetize the difference in the LIBOR floors, in March 2011 we entered into several additional forward-starting basis-rate swap agreements ("March 2011 swaps") that, when combined with the September 2010 swaps, effectively convert $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%.

On May 2, 2011, we entered into four additional forward-starting interest-rate swap agreements ("May 2011 forward-starting swaps") that effectively convert another $200 million of variable-rate debt to fixed rates beginning in October 2011. These swaps, which have been designated as cash flow hedges, mature in December 2015 and fix LIBOR at a weighted average rate of 2.54%. The fair market value of all $800 million of forward-starting swap agreements at December 31, 2012 was a liability of $32.3 million, which was recorded in "Derivative Liability" on the consolidated balance sheet.

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

($'s in thousands)	Forward-Starting 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	%

The Amended 2010 Credit Agreement requires us to maintain specified financial ratios, which if breached for any reason, including a decline in operating results due to economic or weather conditions, could result in an event of default under the agreement. The most critical of these ratios is the Consolidated Leverage Ratio. At the end of 2012, this ratio was set at 6.00x Consolidated Total Debt (excluding the revolving debt)-to-Consolidated EBITDA. As of December 31, 2012, our Consolidated Total Debt (excluding revolving debt)-to-Consolidated EBITDA ratio was 3.94x, providing $133.6 million of Consolidated EBITDA cushion on the Consolidated Leverage Ratio. We were also in compliance with all other covenants under the Amended 2010 Credit Agreement as of December 31, 2012.

The Amended 2010 Credit Agreement, also includes provisions that allow us to make restricted payments up to $20 million annually, at the discretion of the Board of Directors, so long as no default or event of default has occurred and is continuing. These restricted payments are not subject to any specific covenants. Additional restricted payments are allowed to be made based on an excess-cash-flow formula, should our pro-forma consolidated leverage ratio be less than or equal to 4.50x Consolidated Total Debt (excluding the revolving debt)-to-Consolidated EBITDA (as defined), measured on a quarterly basis. Per the terms of the indenture governing our notes, our ability to make restricted payments is permitted should our trailing-twelve-month Total-Indebtedness-to-Consolidated-Cash-Flow Ratio be less than or equal to 4.75x Consolidated Total Indebtedness (including average revolving debt)-to-Consolidated EBITDA, measured on a quarterly basis. In accordance with these provisions, on November 6, 2012, we announced the declaration of a distribution of $0.40 per limited partner unit, which was paid on December 17, 2012, bringing the total distributions paid in fiscal 2012 distribution to $1.60 per unit.

Existing credit facilities and cash flows from operations are expected to be sufficient to meet working capital needs, debt service, partnership distributions and planned capital expenditures for the foreseeable future.

Contractual Obligations

The following table summarizes certain obligations (on an undiscounted basis) at December 31, 2012 (in millions):

	Payments Due by Period				
	Total	2013	2014-2015	2016-2017	2018 - Thereafter
Long-term debt [1]	$2,067.3	$103.5	$216.7	$1,267.1	$480.0
Capital expenditures [2]	83.8	78.7	5.1	—	—
Lease & other obligations [3]	160.1	16.8	14.2	11.1	118.0
Total	$2,311.2	$199.0	$236.0	$1,278.2	$598.0

(1) Represents maturities and mandatory prepayments on long-term debt obligations, plus contractual interest payments on all debt. See Note 6 in “Notes to Consolidated Financial Statements” for further information.

(2) Represents contractual obligations in place at year-end for the purchase of new rides and attractions. Obligations not denominated in U.S. dollars have been converted based on the currency exchange rates as of December 31, 2012.

(3) Represents contractual lease and purchase obligations in place at year-end.

Off-Balance Sheet Arrangements

We had $16.4 million of letters of credit, which are primarily in place to backstop insurance arrangements, outstanding on our revolving credit facility as of December 31, 2012. We have no other significant off-balance sheet financing arrangements.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks from fluctuations in interest rates, and to a lesser extent on currency exchange rates on our operations in Canada and, from time to time, on imported rides and equipment. The objective of our financial risk management is to reduce the potential negative impact of interest rate and foreign currency exchange rate fluctuations to acceptable levels. We do not acquire market risk sensitive instruments for trading purposes.

We manage interest rate risk through the use of a combination of fixed-rate long-term debt, interest rate swaps that fix a portion of our variable-rate long-term debt, and variable-rate borrowings under our revolving credit facility. Translation exposures with regard to our Canadian operations are not hedged.

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the change in fair value of the derivative instrument is reported as a component of “Other comprehensive income (loss)” and reclassified into earnings in the period during which the hedged transaction affects earnings. Changes in fair value of derivative instruments that do not qualify as effective hedging activities are reported as “Net effect of swaps” in the consolidated statement of operations. Additionally, the “Other comprehensive income (loss)” related to interest rate swaps that become ineffective is amortized over the remaining life of the interest rate swap, and reported as a component of “Net effect of swaps” in the consolidated statement of operations.

After considering the impact of interest rate swap agreements, at December 31, 2012, approximately $1.2 billion of our outstanding long-term debt represents fixed-rate debt and approximately $331.1 million represents variable-rate debt. Assuming an average balance on our revolving credit borrowings of approximately $61 million, a hypothetical 100 bps increase in 30-day LIBOR on our variable-rate debt would lead to an increase of approximately $2.6 million in annual cash interest costs due to the impact of our fixed-rate swap agreements.

A uniform 10% strengthening of the U.S. dollar relative to the Canadian dollar would result in a $5.3 million decrease in annual operating income.

Impact of Inflation

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Substantial increases in costs and expenses could impact our operating results to the extent such increases could not be passed along to our guests. In particular, increases in labor, supplies, taxes, and utility expenses could have an impact on our operating results. The majority of our employees are seasonal and are paid hourly rates which are consistent with federal and state minimum wage laws. Historically, we have been able to pass along cost increases to guests through increases in admission, food, merchandise and other prices, and we believe that we will continue to have the ability to do so over the long term. We believe that the effects of inflation, if any, on our operating results and financial condition have been and will continue to be minor.

Forward Looking Statements

Some of the statements contained in this report (including the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section) that are not historical in nature are forward-looking statements within the meaning of Section 27A of the Securities and Exchange Act of 1933 and Section 21E of the Securities and Exchange Act of 1934, including statements as to our expectations, beliefs and strategies regarding the future. These forward-looking statements may involve risks and uncertainties that are difficult to predict, may be beyond our control and could cause actual results to differ materially from those described in such statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Important factors, including those listed under Item 1A in the Original 2012 Form 10-K could adversely affect our future financial performance and cause actual results, or our beliefs or strategies, to differ materially from our expectations. We do not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the filing date of this document.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The information appearing under the subheading "Quantitative and Qualitative Disclosures About Market Risk" under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 15 of this Report is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Quarterly operating results for 2012 and 2011 are presented in the table below (in thousands, except per unit amounts):

(Unaudited)	Net revenues	Operating income (loss)	Net income (loss)	Net income (loss) per limited partner unit-basic	Net income (loss) per limited partner unit-diluted
2012 (As restated)					
1st Quarter [1]	$28,198	$(69,329)	$(65,415)	$(1.18)	$(1.18)
2nd Quarter [2]	357,606	87,326	36,583	0.65	0.65
3rd Quarter [2] [3]	553,445	204,565	141,013	2.54	2.52
4th Quarter [2]	129,205	11,113	(10,324)	(0.19)	(0.19)
	$1,068,454	$233,675	$101,857	$1.83	$1.82

2011 (As restated)					
1st Quarter [1]	$26,869	$(67,506)	$(84,926)	$(1.53)	$(1.53)
2nd Quarter	284,490	51,783	4,282	0.08	0.08
3rd Quarter	572,268	245,752	152,218	2.75	2.73
4th Quarter [2]	144,845	(2,083)	(6,278)	(0.11)	(0.11)
	$1,028,472	$227,946	$65,296	$1.18	$1.17

(1) As a result of the immaterial correction discussed in Note 1 to the consolidated financial statements, these amounts have been adjusted. The impact of this correction was to reduce net income by $233 and $234 for the quarterly periods ended March 25, 2012 and March 27, 2011, respectively.
(2) As a result of the correction related to the 2011 ride retirement as discussed in Note 1 to the consolidated financial statements, these amounts have been adjusted. The impact of this correction was to increase net income by $261, $325, and $55 for the quarterly periods ended July 1, 2012, September 30, 2012, and December 31, 2012, respectively and to decrease net income by $5,450 for the quarterly period ended December 31, 2011.

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(3) The third quarter of 2012 included a non-cash charge of $25 million for the impairment of long-lived assets at Wildwater Kingdom.

Note: To assure that our highly seasonal operations will not result in misleading comparisons of interim periods, the Partnership has adopted the following reporting procedures: (a) seasonal operating costs are expensed over the operating season, including some costs incurred prior to the season, which are deferred and amortized over the season, and (b) all other costs are expensed as incurred or ratably over the entire year.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the Board of Directors and Unitholders of Cedar Fair, L.P.
Sandusky, Ohio

We have audited the accompanying consolidated balance sheets of Cedar Fair, L.P. and subsidiaries (the "Partnership") as of December 31, 2012 and 2011, and the related consolidated statements of operations and comprehensive income, partners' equity, and cash flows for each of the three years in the period ended December 31, 2012. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Cedar Fair, L.P. and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated financial statements, the accompanying 2012 and 2011 consolidated financial statements have been restated.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Partnership's internal control over financial reporting as of December 31, 2012, based on the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2013 (May 10, 2013 as to the effects of the material weakness described in Management's Report on Internal Control over Financial Reporting (as revised)), which report expressed an adverse opinion on the Partnership's internal control over financial reporting because of a material weakness.

/s/ Deloitte & Touche LLP
Cleveland, Ohio
February 25, 2013 (May 10, 2013 as to the effects of the restatement discussed in Note 1)

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

	12/31/2012	12/31/2011
ASSETS	(As restated)	(As restated)
Current Assets:		
Cash and cash equivalents	$78,830	$35,524
Receivables	18,192	7,611
Inventories	27,840	33,069
Current deferred tax asset	8,184	10,345
Other current assets	8,060	11,966
	141,106	98,515
Property and Equipment:		
Land	303,348	312,859
Land improvements	339,081	333,423
Buildings	584,854	579,136
Rides and equipment	1,450,231	1,423,370
Construction in progress	28,971	33,892
	2,706,485	2,682,680
Less accumulated depreciation	(1,162,213)	(1,071,978)
	1,544,272	1,610,702
Goodwill	246,221	243,490
Other Intangibles, net	40,652	40,273
Other Assets	47,614	54,188
	$2,019,865	$2,047,168
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$—	$15,921
Accounts payable	10,734	12,856
Deferred revenue	39,485	29,594
Accrued interest	15,512	15,762
Accrued taxes	17,813	16,008
Accrued salaries, wages and benefits	24,836	33,388
Self-insurance reserves	23,906	21,243
Current derivative liability	—	50,772
Other accrued liabilities	5,916	7,899
	138,202	203,443
Deferred Tax Liability	153,792	130,427
Derivative Liability	32,260	32,400
Other Liabilities	8,980	4,090
Long-Term Debt:		
Term debt	1,131,100	1,140,179
Notes	401,080	400,279
	1,532,180	1,540,458
Commitments and Contingencies (Note 11)		
Partners' Equity:		
Special L.P. interests	5,290	5,290
General partner	1	—
	177,660	160,068

Limited partners, 55,618, and 55,346 outstanding at December 31, 2012 and December 31, 2011, respectively		
Accumulated other comprehensive loss	(28,500)	(29,008)
	154,451	136,350
	$2,019,865	$2,047,168

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

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

For the years ended December 31,	2012	2011	2010
Net revenues:	(As restated)	(As restated)	
Admissions	$612,069	$596,042	$568,762
Food, merchandise and games	342,214	349,436	337,356
Accommodations and other	114,171	82,994	71,474
	1,068,454	1,028,472	977,592
Costs and expenses:			
Cost of food, merchandise and games revenues	95,048	92,057	86,619
Operating expenses	451,403	430,851	411,402
Selling, general and administrative	138,311	140,426	134,001
Depreciation and amortization	126,306	125,837	128,856
Loss on impairment of goodwill and other intangibles	—	—	2,293
Loss on impairment / retirement of fixed assets, net	30,336	11,355	62,752
Gain on sale of other assets	(6,625)	—	—
	834,779	800,526	825,923
Operating income	233,675	227,946	151,669
Interest expense	110,619	157,185	150,285
Net effect of swaps	(1,492)	(13,119)	18,194
Loss on early debt extinguishment	—	—	35,289
Unrealized/realized foreign currency (gain) loss	(8,998)	9,909	(20,563)
Other (income) expense	(68)	798	(1,154)
Income (loss) before taxes	133,614	73,173	(30,382)
Provision for taxes	31,757	7,877	2,670
Net income (loss)	101,857	65,296	(33,052)
Net income allocated to general partner	1	1	—
Net income (loss) allocated to limited partners	$101,856	$65,295	$(33,052)
Net income (loss)	101,857	65,296	(33,052)
Other comprehensive income (loss), (net of tax):			
Cumulative foreign currency translation adjustment	369	933	(6,475)
Unrealized income on cash flow hedging derivatives	139	3,767	60,048
Other comprehensive income, (net of tax)	508	4,700	53,573
Total comprehensive income	$102,365	$69,996	$20,521
Basic earnings (loss) per limited partner unit:			
Weighted average limited partner units outstanding	55,518	55,345	55,316
Net income (loss) per limited partner unit	$1.83	$1.18	$(0.60)
Diluted earnings per limited partner unit:			
Weighted average limited partner units outstanding	55,895	55,886	55,316
Net income (loss) per limited partner unit	$1.82	$1.17	$(0.60)

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

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

For the years ended December 31,	2012	2011	2010
	(As restated)	(As restated)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	$101,857	$65,296	$(33,052)
Adjustments to reconcile net income (loss) to net cash from operating activities:			
Depreciation and amortization	126,306	125,837	128,856
Non-cash equity based compensation expense	4,476	(239)	(89)
Loss on early debt extinguishment	—	—	35,289
Loss on impairment of goodwill and other intangibles	—	—	2,293
Loss on impairment / retirement of fixed assets, net	30,336	11,355	62,752
Gain on sale of other assets	(6,625)	—	—
Net effect of swaps	(1,492)	(13,119)	18,194
Amortization of debt issuance costs	10,417	10,000	5,671
Unrealized foreign currency (gain) loss on notes	(8,758)	8,753	(17,464)
Other non-cash income	—	—	(1,893)
Deferred income taxes	27,502	677	(14,664)
Excess tax benefit from unit-based compensation expense	(1,208)	—	—
Change in operating assets and liabilities:			
(Increase) decrease in current assets	(1,420)	1,686	(11,855)
(Increase) decrease in other assets	(2,739)	173	6
Increase (decrease) in accounts payable	170	(1,144)	652
Increase (decrease) in accrued taxes	1,883	835	(2,242)
Increase (decrease) in self-insurance reserves	2,676	(206)	(383)
(Decrease) increase in deferred revenue and other current liabilities	(1,345)	14,170	7,653
Increase (decrease) in other liabilities	3,897	(5,897)	2,391
Net cash from operating activities	285,933	218,177	182,115
CASH FLOWS FOR INVESTING ACTIVITIES			
Sale of other assets	16,058	—	—
Capital expenditures	(96,232)	(90,190)	(71,706)
Net cash for investing activities	(80,174)	(90,190)	(71,706)
CASH FLOWS FOR FINANCING ACTIVITIES			
Net (payments) borrowings on revolving credit loans - previous credit agreement	—	—	(86,300)
Net (payments) borrowings on revolving credit loans - existing credit agreement	—	(23,200)	23,200
Term debt borrowings	—	22,938	1,175,000
Note borrowings	—	—	399,383
Derivative settlement	(50,450)	—	—
Term debt payments, including early termination penalties	(25,000)	(23,900)	(1,566,890)
Distributions paid to partners	(88,813)	(55,347)	(13,834)
Payment of debt issuance costs	—	(21,214)	(43,264)
Exercise of limited partnership unit options	76	5	7
Excess tax benefit from unit-based compensation expense	1,208	—	—
Net cash for financing activities	(162,979)	(100,718)	(112,698)
	526	(1,510)	126

EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS			
Net increase (decrease) for the year	43,306	25,759	(2,163)
Balance, beginning of year	35,524	9,765	11,928
Balance, end of year	$78,830	$35,524	$9,765
SUPPLEMENTAL INFORMATION			
Cash payments for interest expense	$101,883	$153,326	$129,815
Interest capitalized	1,322	1,835	1,343
Cash payments for income taxes, net of refunds	1,783	6,135	19,074

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

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CEDAR FAIR, L.P.
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
(In thousands, except per unit amounts)

For the years ended December 31,	2012	2011	2010
Limited Partnership Units Outstanding	(As restated)	(As restated)	
Beginning balance	55,346	55,334	55,234
Limited partnership unit options exercised	16	—	42
Issuance of limited partnership units as compensation	256	12	58
	55,618	55,346	55,334
Limited Partners' Equity			
Beginning balance	$160,068	$150,047	$195,831
Net income (loss)	101,856	65,295	(33,052)
Partnership distribution declared (2012 - $1.60; 2011 - $1.00; 2010 - $0.25)	(88,813)	(55,347)	(13,834)
Income recognized for limited partnership unit options	345	(239)	(89)
Limited partnership unit options exercised	76	5	7
Tax effect of units involved in option exercises and treasury unit transactions	1,208	127	545
Issuance of limited partnership units as compensation	2,920	180	639
	177,660	160,068	150,047
General Partner's Equity			
Beginning balance	—	(1)	(1)
Partnership distribution declared	—	—	—
Net income	1	1	—
	1	—	(1)
Special L.P. Interests	5,290	5,290	5,290
Accumulated Other Comprehensive Income (Loss)			
Cumulative foreign currency translation adjustment:			
Beginning balance	(3,120)	(4,053)	2,422
Current year activity, net of tax (($213) in 2012, $245 in 2011, ($2,952) in 2010)	369	933	(6,475)
	(2,751)	(3,120)	(4,053)
Unrealized loss on cash flow hedging derivatives:			
Beginning balance	(25,888)	(29,655)	(89,703)
Current year activity, net of tax (($210) in 2012, $5,508 in 2011, ($5,825) in 2010)	139	3,767	60,048
	(25,749)	(25,888)	(29,655)
	(28,500)	(29,008)	(33,708)
Total Partners' Equity	$154,451	$136,350	$121,628

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

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Notes To Consolidated Financial Statements

(1) Restatement of Consolidated Financial Statements:

We have made one correction to the 2010 financial statements, two separate corrections to the 2011 financial statements and one correction to the 2012 financial statements relating to our use of the composite depreciation method.

- The first correction to the 2011 and 2010 financial statements - which was reflected in our Original 2012 Form 10-K - related to a misapplication of the composite depreciation method. Upon the normal retirement of an asset within a composite group, our practice generally had been to extend the depreciable life of that composite group beyond its original estimated useful life. In conjunction with the preparation of our financial statements in 2012, management determined that this methodology was not appropriate. As a result, we revised the useful lives of our composite groups to their original estimated useful life (ascribed upon acquisition) and corrected previously computed depreciation expense (and accumulated depreciation). These adjustments are shown in the tables below under the heading “immaterial correction.” We titled such amount immaterial because we had originally evaluated the amount and nature of these adjustments and concluded that they were not material to either our prior annual or quarterly financial statements.
- The second correction, which impacts the 2011 and 2012 financial statements - reflects a determination subsequent to our Original 2012 Form 10-K filing that a disposition from our composite group of assets was considered to be unusual. In certain situations under the composite method, disposals are considered unusual and, accordingly, losses are not included in the composite depreciation pool but are rather charged immediately to expense. In 2013, the Partnership's initial determination of whether a specific asset retired under the composite method of depreciation in 2011 was normal was reviewed in connection with responding to an open SEC comment letter. We ultimately concluded that such disposition was unusual and that a $8.8 million charge should be reflected in the 2011 financial statements. The financial statements are being restated herein to make this correction (and the related adjustments are shown in the table below under the heading "Restatement.")

The tables below reflect the impact on the financial statements of all of the above described corrections. The "As originally filed" amounts in the 2011 and 2010 columns represent amounts as filed in the Partnership's Original 2011 Form 10-K filed on February 29, 2012. The "As originally filed" amounts in the 2012 columns represent amounts as filed in the Partnership's Original 2012 Form 10-K filed on February 25, 2013. The "As restated with immaterial correction" amounts in the 2011 and 2010 columns represent amounts as filed in the Partnership's Original 2012 Form 10-K filed on February 25, 2013.

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Balance Sheets		
(In thousands)	12/31/2012	12/31/2011
Accumulated depreciation		
As originally filed	$(1,154,456)	$(1,044,589)
Immaterial correction	—	(18,599)
As restated with immaterial correction	(1,154,456)	(1,063,188)
Restatement	(7,757)	(8,790)
As restated	$(1,162,213)	$(1,071,978)
Total assets		
As originally filed	$2,027,622	$2,074,557
Immaterial correction	—	(18,599)
As restated with immaterial correction	2,027,622	2,055,958
Restatement	(7,757)	(8,790)
As restated	$2,019,865	$2,047,168
Deferred Tax Liability		
As originally filed	$156,740	$135,446
Immaterial correction	—	(1,679)
As restated with immaterial correction	156,740	133,767
Restatement	(2,948)	(3,340)
As restated	$153,792	$130,427
Limited Partners' Equity		
As originally filed	$182,469	$182,438
Immaterial correction	—	(16,920)
As restated with immaterial correction	182,469	165,518
Restatement	(4,809)	(5,450)
As restated	$177,660	$160,068

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Statements of Operations and Comprehensive Income For the years ended December 31, (In thousands, except per unit amounts)	2012	2011	2010
Depreciation and amortization			
As originally filed	$127,339	$123,805	$126,796
Immaterial correction	—	2,032	2,060
As restated with immaterial correction	127,339	125,837	128,856
Restatement	(1,033)	—	—
As restated	$126,306	$125,837	$128,856
Loss on impairment / retirement of fixed assets, net			
As originally filed	$30,336	$2,565	$62,752
Immaterial correction	—	—	—
As restated with immaterial correction	30,336	2,565	62,752
Restatement	—	8,790	—
As restated	$30,336	$11,355	$62,752
Income (loss) before tax			
As originally filed	$132,581	$83,995	$(28,322)
Immaterial correction	—	(2,032)	(2,060)
As restated with immaterial correction	132,581	81,963	(30,382)
Restatement	1,033	(8,790)	—
As restated	$133,614	$73,173	$(30,382)
Provision (benefit) for taxes			
As originally filed	$31,365	$11,837	$3,245
Immaterial correction	—	(620)	(575)
As restated with immaterial correction	31,365	11,217	2,670
Restatement	392	(3,340)	—
As restated	$31,757	$7,877	$2,670
Net income (loss)			
As originally filed	$101,216	$72,158	$(31,567)
Immaterial correction	—	(1,412)	(1,485)
As restated with immaterial correction	101,216	70,746	(33,052)
Restatement	641	(5,450)	—
As restated	$101,857	$65,296	$(33,052)
Basic earnings per limited partner unit:			
As originally filed	$1.82	$1.30	$(0.57)
Immaterial correction	—	(0.02)	(0.03)
As restated with immaterial correction	1.82	1.28	(0.60)
Restatement	0.01	(0.10)	—
As restated	$1.83	$1.18	$(0.60)
Diluted earnings per limited partner unit:			
As originally filed	$1.81	$1.29	$(0.57)
Immaterial correction	—	(0.02)	(0.03)
As restated with immaterial correction	1.81	1.27	(0.60)
Restatement	0.01	(0.10)	—
As restated	$1.82	$1.17	$(0.60)

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(2) Partnership Organization:

Cedar Fair, L.P. (together with its affiliated companies, the "Partnership") is a Delaware limited partnership that commenced operations in 1983 when it acquired Cedar Point, Inc., and became a publicly traded partnership in 1987. The Partnership's general partner is Cedar Fair Management, Inc., an Ohio corporation (the “General Partner”) whose shares are held by an Ohio trust. The General Partner owns a 0.001% interest in the Partnership's income, losses and cash distributions, except in defined circumstances, and has full responsibility for management of the Partnership. At December 31, 2012 there were 55,617,901 outstanding limited partnership units listed on The New York Stock Exchange, net of 1,444,082 units held in treasury. During 2012, 1,500,000 limited partnership units were issued into treasury in accordance with the 2008 Omnibus Incentive Plan. Units totaling 271,614 were subsequently issued for option exercises and as compensation. At December 31, 2011, there were 55,346,287 outstanding limited partnership units listed, net of 215,696 units held in treasury.

The General Partner may, with the approval of a specified percentage of the limited partners, make additional capital contributions to the Partnership, but is only obligated to do so if the liabilities of the Partnership cannot otherwise be paid or there exists a negative balance in its capital account at the time of its withdrawal from the Partnership. The General Partner, in accordance with the terms of the Partnership Agreement, is required to make regular cash distributions on a quarterly basis of all the Partnership's available cash, as defined in the Partnership Agreement. In accordance with the Partnership agreement and restrictions within the Partnership's Amended 2010 Credit Agreement, the General Partner paid $1.60 per limited partner unit in distributions, or approximately $88.8 million in aggregate, in 2012.

(3) Summary of Significant Accounting Policies:

The following policies are used by the Partnership in its preparation of the accompanying consolidated financial statements.

Principles of Consolidation The consolidated financial statements include the accounts of the Partnership and its subsidiaries, all of which are wholly owned. Intercompany transactions and balances are eliminated in consolidation.

Foreign Currency The financial statements of the Partnership's Canadian subsidiary are measured using the Canadian dollar as its functional currency. Assets and liabilities are translated into U.S. dollars at current currency exchange rates, while income and expenses are translated at average monthly currency exchange rates. Translation gains and losses are included as components of accumulated other comprehensive loss in partners' equity.

In 2012, the Partnership recognized a $9.0 million benefit to earnings for unrealized/realized foreign currency gains, $9.2 million of which represented an unrealized foreign currency gain on the U.S.-dollar denominated debt held at its Canadian property. In 2011, the Partnership recognized a $9.9 million charge to earnings for unrealized/realized foreign currency losses, $8.8 million of which represented an unrealized foreign currency loss on the U.S.-dollar denominated notes held at its Canadian property. All other transaction gains and losses included in the 2012, 2011 and 2010 consolidated statements of operations were not material.

Segment Reporting Each of the Partnership's parks operates autonomously, and management reviews operating results, evaluates performance and makes operating decisions, including the allocation of resources, on a property-by-property basis. In addition to reviewing and evaluating performance of the business at the individual park level, the structure of the Partnership's management incentive compensation systems are centered around the operating results of each park as an integrated operating unit. Therefore, each park represents a separate operating segment of the Partnership's business. Although the Partnership manages its parks with a high degree of autonomy, each park offers and markets a similar collection of products and services to similar customers. In addition, the parks all have similar economic characteristics, in that they all show similar long-term growth trends in key industry metrics such as attendance, guest per capita spending, net revenue, operating costs and operating profit. Therefore, the Partnership operates within the single reportable segment of amusement/water parks with accompanying resort facilities.

Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during each period. Actual results could differ from those estimates.

Cash and Cash Equivalents The Partnership considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Inventories The Partnership's inventories primarily consist of purchased products, such as merchandise and food, for sale to its customers. Inventories are stated at the lower of cost or market using the first-in, first-out (FIFO) or average cost methods of accounting at the park level.

Property and Equipment Property and equipment are recorded at cost. Expenditures made to maintain such assets in their original operating condition are expensed as incurred, and improvements and upgrades are generally capitalized. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. The composite method is used for the group of assets acquired as a whole in 1983, as well as for the groups of like assets of each subsequent business acquisition. The unit method is used for all individual assets purchased. Depreciation expense totaled $126.3 million in 2012, $125.8 million in 2011, and $128.9 million in 2010. As a result of the retirements and impairments of fixed assets at our parks in 2012, a total of $30.3 million was charged to earnings and was recorded in "Loss on impairment / retirement of fixed assets, net" on the consolidated statements of operations. This amount includes a $25.0 million charge for the impairment of assets at Wildwater Kingdom as discussed in Note 4. As a result of the sale of two non-core assets, $6.6 million was recorded in "Gain on sale of other assets" on the consolidated statement of operations and comprehensive income.

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Under the composite depreciation method, assets with similar estimated lives are grouped together and the several pools of assets are depreciated on an aggregate basis. No gain or loss is recognized on normal retirements of composite assets. Instead, the net book value of a retired asset reduces accumulated depreciation for the composite group. Unusual retirements of composite assets could result in the recognition of a gain or loss. Under the unit method of depreciation, individual assets are depreciated over their estimated useful lives, with gains and losses on all asset retirements recognized currently in income.

As a result of the unusual retirement of a ride from a composite group at one of the parks in 2011, $8.8 million of net book value has been recorded in Loss on impairment/retirement of fixed assets, net.

The weighted average useful lives combining both methods are approximately:

Land improvements	21 years
Buildings	25 years
Rides	18 years
Equipment	9 years

The Partnership has determined that it is preferable to change from the composite method of depreciation to the unit method of depreciation with the change being effective January 1, 2013. The Partnership believes that pursuant to generally accepted accounting principles, changing from the composite method of depreciation to the unit method of depreciation is a change in accounting estimate that is effected by a change in accounting principle, which should be accounted for prospectively. This prospective application will result in the discontinuance of the composite method of depreciation for all prior acquisitions with the existing net book value of each composite pool allocated to the remaining individual assets (units) in that pool with each unit assigned an appropriate remaining useful life on an individual unit basis. Once under the unit method of depreciation, all gains or losses on prospective asset retirements will be reflected in earnings rather than any such items accounted for as adjustments to accumulated depreciation, which is the case for normal retirements under the composite method of depreciation. The Partnership does not believe such a change will have a material effect on the consolidated financial position or cash flows in future periods, but it is possible that future asset retirements could have a material impact on earnings in the periods such items occur.

Impairment of Long-Lived Assets   Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360 “Property, Plant, and Equipment” requires that long-lived assets be 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. An impairment loss may be recognized when estimated undiscounted future cash flows expected to result from the use of the asset, including disposition, are less than the carrying value of the asset. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying amounts of the assets. Fair value is generally determined based on a discounted cash flow analysis. 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.

Goodwill   FASB ASC 350 “Intangibles - Goodwill and Other” requires that goodwill no longer be amortized, but instead be tested for impairment. An impairment charge would be recognized for the amount, if any, by which the carrying amount of goodwill exceeds its implied fair value. The fair value of a reporting unit and the related implied fair value of its respective goodwill are established using a combination of an income (discounted cash flow) approach and market approach. Goodwill is reviewed annually for impairment, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. All of the Partnership's goodwill is allocated to its reporting units and goodwill impairment tests are performed at the reporting unit level. As discussed in Note 5, during 2010 the Partnership changed the testing date for its annual goodwill impairment tests from April 1 and October 1 to December

31 each year. The Partnership performed its annual goodwill impairment tests as of December 31, 2012 and concluded there was no impairment of the carrying value of the goodwill.

Other Intangible Assets The Partnership's other intangible assets consist primarily of trade-names and license and franchise agreements. The Partnership assesses the indefinite-lived trade-names for impairment separately from goodwill. After considering the expected use of the trade-names and reviewing any legal, regulatory, contractual, obsolescence, demand, competitive or other economic factors that could limit the useful lives of the trade-names, in accordance with FASB ASC 350, the Partnership determined that the trade-names had indefinite lives. Pursuant to FASB ASC 350, indefinite-lived intangible assets are no longer amortized, but rather are reviewed, along with goodwill, annually for impairment or more frequently if impairment indicators arise. The Partnership's license and franchise agreements are amortized over the life of the agreement, generally ranging from five to twenty years.

Self-Insurance Reserves Reserves are recorded for the estimated amounts of guest and employee claims and expenses incurred each period that are not covered by insurance. Reserves are established for both identified claims and incurred but not reported (IBNR) claims. Such amounts are accrued for when claim amounts become probable and estimable. Reserves for identified claims are based upon the Partnership's own historical claims experience and third-party estimates of settlement costs. Reserves for IBNR claims, which are not material to our consolidated financial statements, are based upon the Partnership's own claims data history, as well as industry averages. All reserves are periodically reviewed for changes in facts and circumstances and adjustments are made as necessary. At December 31, 2012 and 2011 the accrued reserves totaled \$23.9 million and \$21.2 million, respectively.

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Derivative Financial Instruments   The Partnership is exposed to market risks, primarily resulting from changes in interest rates and currency exchange rates. To manage these risks, it may enter into derivative transactions pursuant to its overall financial risk management program. The Partnership has only limited involvement with derivative financial instruments and does not use them for trading purposes.

The Partnership accounts for the use of derivative financial instruments according to FASB ASC 815 “Derivatives and Hedging”. For derivative instruments that hedge the exposure of variability in short-term rates, designated as cash flow hedges, the effective portion of the change in fair value of the derivative instrument is reported as a component of “Other comprehensive income (loss)” and reclassified into earnings in the period during which the hedged transaction affects earnings. For the ineffective portion of a derivative, the change in fair value, if any, is reported in “Net effect of swaps” in earnings together with the changes in fair value of derivatives not designated as hedges. Derivative financial instruments used in hedging transactions are assessed both at inception and quarterly thereafter to ensure they are effective in offsetting changes in either the fair value or cash flows of the related underlying exposures.

Revenue Recognition   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. All other revenues are recognized on a daily basis based on actual guest spending at the Partnership's facilities, or over the park operating season in the case of certain marina revenues and certain sponsorship revenues. Revenues on admission tickets for the next operating season, including season passes, are deferred in the year received and recognized as revenue in the following operating season.

Admission revenues include amounts paid to gain admission into our parks, including parking fees. Revenues related to extra-charge attractions, including our premium benefit offerings, are included in Accommodations and other revenue.

Advertising Costs   The Partnership expenses all costs associated with its advertising, promotion and marketing programs over each park's operating season, including certain costs incurred prior to the season that are amortized over the season. Advertising expense totaled $55.4 million in 2012, $53.0 million in 2011 and $51.8 million in 2010. Certain costs incurred through year-end for the following year's advertising programs are included in prepaid expenses.

Unit-Based Compensation   The Partnership accounts for unit-based compensation in accordance with FASB ASC 718-20 “Compensation - Stock Compensation” which requires measurement of compensation cost for all equity-based awards at fair value on the date of grant and recognition of compensation over the service period for awards expected to vest. The Partnership uses a binomial option-pricing model for all grant date estimations of fair value.

Income Taxes   The Partnership's legal structure includes both partnerships and corporate subsidiaries. As a publicly traded partnership, the Partnership is subject to an entity-level tax (the "PTP tax"). Accordingly, the Partnership itself is not subject to corporate income taxes; rather, the Partnership's tax attributes (except those of the corporate subsidiaries) are included in the tax returns of its partners. The Partnership's corporate subsidiaries are subject to entity-level income taxes.

Neither the Partnership's financial reporting income, nor the cash distributions to unitholders, can be used as a substitute for the detailed tax calculations that the Partnership must perform annually for its partners. Net income from the Partnership is not treated as “passive income” for federal income tax purposes. As a result, partners subject to the passive activity loss rules are not permitted to offset income from the Partnership with passive losses from other sources.

The Partnership's corporate subsidiaries account for income taxes under the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future book and tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are determined using enacted tax rates expected to apply in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income at the time of enactment of such change in tax rates. Any interest or penalties due for payment of income taxes are included in the provision for income taxes. The Partnership's total provision for taxes includes PTP taxes owed (see Note 10).

Earnings Per Unit   For purposes of calculating the basic and diluted earnings per limited partner unit, no adjustments have been made to the reported amounts of net income (loss). The unit amounts used are as follows:

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(In thousands except per unit amounts)	2012 (As restated)	2011 (As restated)	2010
Basic weighted average units outstanding	55,518	55,345	55,316
Effect of dilutive units:			
Unit options (Note 8)	43	—	—
Phantom units (Note 8)	334	541	—
Diluted weighted average units outstanding	55,895	55,886	55,316
Net income (loss) per unit - basic	$1.83	$1.18	$(0.60)
Net income (loss) per unit - diluted	$1.82	$1.17	$(0.60)

Weighted average unit options of 11,600, 63,000, and 304,000 were excluded from the diluted earnings per unit calculation as they were anti-dilutive for 2012, 2011, and 2010, respectively.

Accounting pronouncements

In June 2011, the FASB issued ASU 2011-05, "Presentation of Comprehensive Income," which requires that an entity report comprehensive income in either a single continuous statement of comprehensive income which contains two sections, net income and other comprehensive income, or in two separate but continuous statements. ASU 2011-05 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The Partnership adopted ASU 2011-05 and it did not have a material impact on its consolidated financial statements.
In September 2011, the FASB issued ASU 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. ASU 2011-08 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The Partnership adopted this guidance and there was no impact the Partnership's consolidated financial statements.
In May 2011, the FASB issued an amendment to the fair value measurement guidance and disclosure requirements that established common U.S. Generally Accepted Accounting Principles ("GAAP") and International Financial Reporting Standards ("IFRS") measurement and reporting standards. The new requirements were effective for the first interim or annual period beginning after December 15, 2011 and were to be applied prospectively. The Partnership adopted the new requirements in the first quarter of 2012 and the adoption of this guidance did not have a material effect on its consolidated financial position, results of operations, or cash flows.
On February 5, 2013 the FASB issued an amendment to the disclosure requirements for reporting reclassifications out of accumulated other comprehensive income ("AOCI"). The update is effective for the first interim or annual period beginning after December 15, 2012. The new amendments require presentation, either on the statement of income or in the notes, of the effect on the line items of net income of significant amounts reclassified out of AOCI directly to net income in their entirety in the same reporting period. The update also requires the new disclosure to be cross referenced to other disclosures currently required under U.S. GAAP in the financial statements. The Partnership will adopt the new requirements in the first quarter of 2013 and it is not expected to have a material effect on its consolidated financial position, results of operations or cash flows.

Reclassifications   Certain prior year balances have been reclassified to conform with current year presentation.

(4) 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 of operating assets 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 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.

Non-operating assets are evaluated for impairment based on changes in market conditions. When changes in market conditions are observed, impairment is estimated using a market-based approach. If the estimated fair value of the non-operating assets is less than their carrying value, an impairment charge is recorded for the difference.

At the end of the third quarter of 2012, the Partnership concluded based on 2012 operating results through the third quarter and updated forecasts, that a review of the carrying value of operating long-lived assets at Wildwater Kingdom was warranted. After performing its review, the Partnership determined that a portion of the park's fixed assets were impaired. Also, at the end of the third quarter of 2012, the Partnership concluded that market conditions had changed on the adjacent non-operating land of Wildwater Kingdom. After performing its review of the updated market value of the land, the Partnership determined the land was impaired. The Partnership recognized a total of $25.0 million of non-operating and operating fixed-asset impairment during the third quarter of 2012 which was recorded in "Loss on impairment / retirement of fixed assets, net" on the consolidated statement of operations and comprehensive income.

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 is recorded in "Loss on impairment / retirement of fixed assets, net" on the consolidated statement of operations and comprehensive income.

(5) Goodwill and Other Intangible Assets:

Goodwill and other indefinite-lived intangible assets, including trade-names, are reviewed for impairment annually, or more frequently if indicators of impairment exist. 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; the testing for recoverability of a significant asset group within a reporting unit; 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 goodwill impairment test involves a two-step process. The first step is a comparison of each reporting unit's fair value to its carrying value. The Partnership estimates fair value using both an income (discounted cash flows) and market approach. The income approach uses a reporting unit's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions. The projection uses 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, future estimates of capital expenditures and changes in future working capital requirements. A market approach estimates fair value by applying cash flow multiples to the reporting unit's operating performance. The multiples are derived from comparable publicly traded companies with similar operating and investment characteristics of the reporting units.

If the carrying value of the reporting unit is higher than its fair value, there is an indication that impairment may exist 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 reporting unit goodwill to the carrying value of the goodwill in the same manner as if the reporting unit was being acquired in a business combination. If the implied fair value of goodwill is less than the recorded goodwill, an impairment charge is recorded for the difference.

A relief-from-royalty model is used to determine whether the fair value of trade-names exceed their carrying amounts. The fair value of the trade-names is determined as the present value of fees avoided by owning the respective trade-name.

Until December 2010, goodwill related to parks acquired prior to 2006 was 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 is 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.

The Partnership tested goodwill and other indefinite-lived intangibles for impairment on December 31, 2012 and no impairment was indicated. 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

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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 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 is recorded in "Loss on impairment of goodwill and other intangibles" on the consolidated statement of operations and comprehensive income.

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.

A summary of changes in the Partnership's carrying value of goodwill is as follows:

(In thousands)	Goodwill (gross)	Accumulated Impairment Losses	Goodwill (net)
Balance at December 31, 2010	$326,127	$(79,868)	$246,259
Foreign currency exchange translation	(2,769)	—	(2,769)
Balance at December 31, 2011	323,358	(79,868)	243,490
Foreign currency exchange translation	2,731	—	2,731
Balance at December 31, 2012	$326,089	$(79,868)	$246,221

The Partnership's other intangible assets consisted of the following at December 31, 2012 and 2011:

	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
	(Amounts in thousands)			
December 31, 2012				
Other intangible assets:				
Trade names	—	$40,222	$—	$40,222
License / franchise agreements	14.3 years	790	360	430
Total other intangible assets	14.3 years	$41,012	$360	$40,652
December 31, 2011				
Other intangible assets:				
Trade names	—	$39,835	$—	$39,835
License / franchise agreements	15.0 years	760	322	438
Total other intangible assets	15.0 years	$40,595	$322	$40,273

Amortization expense of other intangible assets for 2012, 2011, and 2010 was $38,000, $58,000, and $73,000, respectively. Amortization expense of other intangible assets held at December 31, 2012, is expected to total less than $50,000 in each of the years 2013-2017.

(6) Long-Term Debt:

Long-term debt at December 31, 2012 and 2011:

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(In thousands)	2012	2011
Revolving credit facility (due 2015)	$—	$—
Term debt [(1)]		
February 2011 Amended U.S. term loan averaging 4.0% at 2011 (due 2011-2017)	1,131,100	1,156,100
Notes		
July 2010 U.S. fixed rate note at 9.125% (due 2018)	401,080	400,279
	1,532,180	1,556,379
Less: current portion	—	15,921
	$1,532,180	$1,540,458

(1) These average interest rates do not reflect the effect of interest rate swap agreements entered into on variable-rate term debt (see Note 7).

In July 2010, the Partnership issued $405 million of 9.125% senior unsecured notes ("the 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 $1,435.0 million credit agreement (the 2010 Credit Agreement), which includes a $1,175.0 million senior secured term loan facility and a $260.0 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 Partnership's previous credit facilities. The facilities provided under the 2010 Credit Agreement are collateralized by substantially all of the assets of the Partnership.

In February 2011, the Partnership amended its 2010 Credit Agreement (as so amended, the “Amended 2010 Credit Agreement”) to extend the maturity date of the U.S. term loan portion of the credit facilities by one year. The extended U.S. term loan matures in December 2017 and bears interest at a rate of LIBOR plus 300 bps, with a LIBOR floor of 100 bps. In May 2012, the Partnership prepaid $16.0 million of long-term debt to meet its obligation under the Excess Cash Flow ("ECF") provision of the Credit Agreement. As a result of this prepayment as well as the August 2011 $18.0 million debt prepayment and a $9.0 million optional prepayment made in September 2012, the Partnership has no scheduled term-debt principal payments until the first quarter of 2015.

Cedar Fair, L.P., Canada’s Wonderland Company ("Cedar Canada"), and Magnum Management Corporation ("Magnum") are the co-issuers of the notes and co-borrowers of the senior secured credit facilities. Both the notes and senior secured credit facilities 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). There are no non-guarantor subsidiaries.

Revolving Credit Loans   Terms of the Amended 2010 Credit Agreement include a combined $260.0 million facility. Under the agreement, the Canadian portion of the revolving credit facility has a limit of $15.0 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 of 2015, also provides for the issuance of documentary and standby letters of credit. As of December 31, 2012, no borrowings under the revolving credit facility were outstanding and standby letters of credit totaled $16.4 million. After letters of credit, the Partnership had $243.6 million of available borrowings under its revolving credit facility as of December 31, 2012. The maximum outstanding balance during 2012 was $187.1 million under the revolving credit facility. The Amended 2010 Credit Agreement requires the Partnership to pay a commitment fee of 50 bps per annum on the unused portion of the credit facilities.

Term Debt The credit facilities provided under the Amended 2010 Credit Agreement include a $1,175.0 million U.S. term loan maturing on December 15, 2017. As of December 31, 2012, the U.S. term loan, bore interest at a rate of LIBOR plus 300 bps, with a LIBOR floor of 100 bps.

At December 31, 2012, the scheduled annual maturities of term debt were as follows (in thousands):

	2013	2014	2015	2016	2017	Total
U.S. Term loan maturing in 2017	$—	$—	$10,100	$11,800	$1,109,200	$1,131,100

The fair value of the term debt at December 31, 2012, was approximately $1,117.1 million, based on borrowing rates available as of that date to the Partnership on long-term debt with similar terms and maturities. The fair value of the term debt at December 31, 2011, was approximately $1,159.3 million, based on borrowing rates available to the Partnership on long-term debt with similar terms and maturities at December 31, 2011.

The Partnership may prepay some or all of its term debt maturing in 2017 without premium or penalty at any time.

Notes The notes issued by the Partnership in July 2010 require semi-annual interest payments 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 fair value of the notes at December 31, 2012, was approximately $353.8 million based on public trading levels as of that date. The fair value of the notes at December 31, 2011, was approximately $368.1 million, based on public trading levels as of that date.

As market conditions warrant, the Partnership may from time to time repurchase debt securities issued by the Partnership, in privately negotiated or open market transactions, by tender offer, exchange offer or otherwise.
Covenants The 2010 Amended Credit Agreement requires the Partnership to maintain specified financial ratios, which if breached for any reason, including a decline in operating results due to economic or weather conditions, could result in an event of default under the agreement. The most critical of these ratios is the Consolidated Leverage Ratio. As of December 31, 2012 this ratio is set at 6.0x Consolidated Total Debt (excluding the revolving debt)-to-Consolidated EBITDA. As of December 31, 2012, the Partnership’s Consolidated Total Debt (excluding revolving debt)-to-Consolidated EBITDA (as defined) ratio was 3.94x, providing $133.6 million of Consolidated EBITDA cushion on the Consolidated Leverage Ratio. The Partnership was also in compliance with all other covenants as of December 31, 2012.

The 2010 Amended Credit Agreement also includes provisions that allow the Partnership to make restricted payments of up to $20.0 million annually at the discretion of the Board of Directors. These restricted payments are not subject to any specific covenants. 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 Consolidated Total Debt (excluding the revolving debt)-to-Consolidated EBITDA. Per the terms of the indenture governing the notes, the ability to make restricted payments is permitted should the Partnership's trailing-twelve-month Total-Indebtedness-to-Consolidated-Cash-Flow Ratio be less than or equal to 4.75x Consolidated Total Indebtedness (including average revolving debt)-to-Consolidated EBITDA, measured on a quarterly basis.

In addition to the above mentioned covenants and provisions, the 2010 Amended Credit Agreement contains an initial three-year requirement that at least 50% of the Partnership's aggregate term debt and senior notes be subject to either a fixed interest rate or interest rate protection.

The Partnership's policy is to capitalize interest on major construction projects. In 2012, interest payments of $1.3 million were capitalized, as compared to interest of $1.8 million in 2011 and $1.8 million capitalized in 2010.

(7) 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 has effectively converted a total of $800 million of its variable-rate debt to fixed rates through the use of several interest rate swap agreements entered into in September 2010, March 2011, and May 2011. Cash flows related to these interest rate swap agreements are included in interest expense over the term of the agreements. 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 accumulated other comprehensive income (AOCI) through the date of de-designation are being amortized through December 2015, to a balance of $3.9 million to offset the change in fair value during the period of de-designation as discussed below. Of the $6.0 million remaining in AOCI as of December 31, 2012, $2.1 million has yet to be amortized.

On March 15, 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 convert $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.

On May 2, 2011, the Partnership entered into four additional forward-starting interest-rate swap agreements ("May 2011 forward-starting swaps") that effectively convert 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%.

The combined fair market value of the September 2010 swaps, the March 2011 swaps, and the May 2011 forward-starting swaps was a liability of $32.3 million and $32.4 million, at December 31, 2012 and December 31, 2011, respectively, and was recorded in “Derivative Liability” on the consolidated balance sheet.

Prior to the forward swaps taking effect in October 2011, 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. Cash flows related to these interest rate swap agreements are included in interest expense over the term of the agreements. These swap agreements expired in October 2011. The Partnership designated these interest rate swap agreements and hedging relationships as cash flow hedges. As a part of our quarterly regression analysis testing of the effectiveness of these cash flow swaps, the swaps were deemed to be ineffective as of October 2009. As a result of this ineffectiveness, losses recorded in AOCI were amortized through October 2011. The amount recorded in AOCI to be amortized was $91.8 million at the time of ineffectiveness, all of which was amortized into earnings as of December 31, 2011.

The Partnership had also effectively converted $268.7 million of term debt related to its wholly owned Canadian subsidiary from variable U.S. dollar denominated debt to fixed-rate Canadian dollar denominated debt through the use of cross-currency swap agreements. The Partnership originally designated these cross-currency swaps as foreign currency cash flow hedges. Cash flows related to these swap agreements, which expired in February 2012, were included in interest expense over the term of the agreement. The fair market value of the cross-currency swaps was a liability of $37.6 million at December 31, 2011, which was recorded in "Current derivative liability" on the consolidated balance sheet. As a result of paying down a portion of the underlying Canadian term debt with net proceeds from the sale of surplus land near Canada's Wonderland in August 2009, the notional amounts of the underlying debt and the cross currency swaps no longer matched. Because of the mismatch of the notional amounts, the Partnership determined the swaps were no longer highly effective, resulting in the de-designation of the swaps as of the end of August 2009. As a result of this de-designation, losses recorded in AOCI are being amortized through February 2012 (the original hedge period). The amount recorded in AOCI to be amortized was $15.1 million at the time of de-designation and was fully amortized in February 2012.

In May 2011, the Partnership entered into several foreign currency swap agreements to fix the exchange rate on approximately 50% of the termination payment associated with the cross-currency swap agreements due in February 2012 and in July 2011 the Partnership entered into another foreign currency swap agreement to fix the exchange rate on an additional 25% of the termination payment. The fair market value of these foreign currency swap agreements was a liability of $13.2 million at December 31, 2011, which was recorded in "Current derivative liability" on the consolidated balance sheet. 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 thousands):	Consolidated Balance Sheet Location	Fair Value as of December 31, 2012	Fair Value as of December 31, 2011
Derivatives designated as hedging instruments:			
Interest rate swaps	Derivative Liability	(32,260)	(32,400)
Total derivatives designated as hedging instruments:		(32,260)	(32,400)
Derivatives not designated as hedging instruments:			
Foreign-currency swaps	Current derivative liability	—	(13,155)
Cross-currency swaps	Current derivative liability	—	(37,617)
Total derivatives not designated as hedging instruments:		—	(50,772)
Net derivative liability		$(32,260)	$(83,172)

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The following table presents our forward-starting fixed-rate swaps, which became effective October 1, 2011 and mature December 15, 2015, along with their notional amounts and their fixed interest rates which compare to 30-day LIBOR of 0.21% as of December 31, 2012.

($'s in thousands)	Forward-Starting 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	%

The following table presents our fixed-rate swaps, which matured October 3, 2011, along with their notional amounts and their fixed interest rates, 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	%	825	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	%	$255,825	7.32	%

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Effects of Derivative Instruments on Income and Other Comprehensive Income (Loss):

(In thousands):	Amount of Gain (Loss) recognized in 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)		
	Twelve months ended 12/31/12	Twelve months ended 12/31/11		Twelve months ended 12/31/12	Twelve months ended 12/31/11		Twelve months ended 12/31/12	Twelve months ended 12/31/11
Interest rate swaps	$140	$(35,353)	Interest Expense	$(12,027)	$(3,023)	Net effect of swaps	$—	$47,987

(In thousands):	Amount and Location of Gain (Loss) Recognized in Income on Derivative		
Derivatives not designated as Cash Flow Hedging Relationships		Twelve months ended 12/31/12	Twelve months ended 12/31/11
Interest rate swaps (1)	Net effect of swaps	$—	$(3,342)
Cross-currency swaps (2)	Net effect of swaps	(4,999)	16,098
Foreign currency swaps	Net effect of swaps	6,278	(13,665)
		$1,279	$(909)

(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 gain recognized in income on the ineffective portion of both designated and not designated derivatives noted in the table above, $16 thousand of expense representing the amortization of amounts in AOCI for the swaps and a $0.2 million foreign currency gain during the year related to the U.S. dollar denominated Canadian term loan was recorded during the fiscal year in the consolidated statements of operations. The net effect of these amounts resulted in a benefit to earnings for the year of $1.5 million recorded in “Net effect of swaps.”

For 2011, in addition to the $47.1 million of gain recognized in income on the ineffective portion of both designated and not designated derivatives noted in the table above, $33.6 million of expense representing the amortization of amounts in AOCI for the swaps and a $0.4 million foreign currency loss during the year related to the U.S. dollar denominated Canadian term loan was recorded during the fiscal year in the consolidated statements of operations. The net effect of these amounts resulted in a benefit to earnings for the year of $13.1 million recorded in “Net effect of swaps.”

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 50% of its aggregate term debt to fixed rates under the terms of its 2010 Amended Credit Agreement.

(8) Partners' Equity:

Special L.P. Interests In accordance with the Partnership Agreement, certain partners were allocated $5.3 million of 1987 and 1988 taxable income (without any related cash distributions) for which they received Special L.P. Interests. The Special L.P. Interests do not participate in cash distributions and have no voting rights. However, the holders of Special L.P. Interests will receive in the aggregate $5.3 million upon liquidation of the Partnership.

Equity-Based Incentive Plans In August 2000, the Partnership's unitholders approved the establishment of an Equity Incentive Plan allowing the award of up to 4.8 million unit options and other forms of equity as determined by the Compensation Committee of the Board of Directors as an element of compensation to senior management and other key employees. Grants were made by the Compensation Committee through December 31, 2008. Following the adoption of the 2008 Omnibus Incentive Plan (Omnibus Plan), the Board of Directors prohibited any further grants under the Equity Incentive Plan. The Omnibus Plan was approved by the Partnership's unitholders in May of 2008 and superseded and replaced the following incentive compensation plans: our Amended and Restated Senior Management Long-Term Incentive Compensation Plan, our Amended and Restated 2000 Equity Incentive Plan, and our Amended and Restated 2000 Senior Executive Management Incentive Plan. The Omnibus Plan provides an opportunity for officers, directors, and eligible persons to acquire an interest in the growth and performance of our units and provides employees annual and long-term incentive awards as determined by the Board of Directors. Under the Omnibus Plan, the Compensation Committee of the Board of Directors may grant unit options, unit appreciation rights, restricted units, performance awards, other unit awards, cash incentive awards and long-term incentive awards.

Phantom Units

During 2012, 15,000 “phantom units” were awarded at an average grant price of $27.91. These awards generally vest over an approximately four-year period and can be paid with cash, limited partnership units, or a combination of both. The effect for outstanding “phantom units” has been included in the diluted earnings per unit calculation, as a portion of the awards are expected to be settled in limited partnership units.

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Approximately $3.4 million, $5.4 million and $3.5 million in compensation expense related to “phantom units” was recognized in 2012, 2011 and 2010, respectively. These amounts are included in “Selling, General and Administrative Expense” in the accompanying consolidated statements of operations and comprehensive income.

At year-end, the Partnership had 225,459 “phantom units” outstanding, 147,017 of which were vested, at the December 31, 2012 closing price of $33.45 per unit. The aggregate market value of the “phantom units” vested at year-end has been reflected on the balance sheet with the current portion recorded in "Accrued salaries and wages" and the long-term portion recorded in “Other Liabilities.” At December 31, 2012, the current and long-term portions were $0.5 million and $4.4 million, respectively. At December 31, 2011, the current and long-term portions were $9.7 million and $1.6 million, respectively. At December 31, 2012, unamortized compensation related to unvested phantom unit awards totaled approximately $2.6 million, which is expected to be amortized over a weighted average period of 1.9 years.

Performance Units

During 2012, 46,759 “performance units” were awarded at a grant price of $29.53 per unit. The number of “performance units” issuable is contingently based upon certain performance targets over a three-year period. The current awards vest ratably over the term of the grant. A prior award of performance units vested 50% in March 2012 and will vest 50% in March 2013. Assuming targets are achieved, the "performance units" can be paid with cash, limited partnership units, or a combination of both. The effect for outstanding “performance units” in which the performance conditions have not been met are appropriately excluded from the diluted earnings per unit calculation. Performance units in which the performance conditions have been met are included in diluted earnings per unit. Approximately $3.4 million, $2.6 million and $0.9 million in 2012, 2011 and 2010, respectively, was recorded in compensation expense related to “performance units” and is included in “Selling, General and Administrative Expense” in the accompanying consolidated statements of operations and comprehensive income.

At year-end, the Partnership had 161,619 “performance units” outstanding at the December 31, 2012 closing price of $33.45 per unit. The estimated aggregate market value of the “performance units” contingently issuable at year-end has been reflected on the balance sheet, with the current portion being recorded in "Accrued salaries and wages" and the long-term portion in “Other Liabilities.” At December 31, 2012 the current and long-term portions were $3.8 million and $0.5 million, respectively. At December 31, 2011, the market value of both the current and long-term portions were $2.1 million. At December 31, 2012, unamortized compensation related to unvested “performance unit” awards totaled approximately $1.1 million, which is expected to be amortized over a weighted average period of 2.0 years.

Restricted Units

During 2012, restricted unit grants of 93,517 and 97,394, were awarded at a restricted grant price $29.53 and $35.52, respectively. Restricted units vest ratably over a three-year period and the restrictions on these units lapse at the end of the three-year period. During the time of restriction, the units accumulate distribution-equivalents, which, when the units are fully vested, can be paid out in cash or units. Approximately $1.2 million was recorded in compensation expense related to restricted units and is included in "Selling, General, and Administrative Expense" in the accompanying consolidated statement of operations and comprehensive income. As of December 31, 2012, the amount of distribution equivalents accrued and recorded on the balance sheet in "Other liabilities" was approximately $0.2 million.

The intrinsic value of restricted units that vested in 2012 was approximately $0.1 million.

At December 31, 2012, unamortized compensation expense related to unvested restricted unit awards totaled approximately, $5.0 million, which is expected to be amortized over a weighted average period of 2.5 years.

Unit Options
Options are issued with an exercise price no less than the market price of the Partnership's units on the day before the date of grant. Variable-price options have an exercise price that declines by the value of cash distributions declared on the underlying limited partnership units. Options granted in 2012 vest ratably over a three-year period and have a maximum term of ten years. Options granted in prior years vest ratably over a five-year period, or when other conditions are met, and have a maximum term of ten years. As of December 31, 2012, the Partnership had 600 variable-price options and 293,422 fixed-price options outstanding under the Equity Incentive Plan. There were no unit options granted in 2011 and 2010.

During 2012, 280,672 unit options were granted at a fair value of $4.92. The significant assumptions used to determine the fair value of these options include the stock option exercise price equals the grant price, the options have a maximum term of ten years, the expected volatility is 37.2%, the assumed risk-free interest rate is 2.31% and the units receive an annual distribution of $1.60 per unit.

Non-cash compensation expense relating to unit options in 2012 totaled $0.3 million. No non-cash compensation expense relating to unit options was recognized in 2011 or 2010.

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A summary of unit option activity in 2012 and 2011 is presented below:

	2012		2011	
	Unit Options	Weighted Average Exercise Price	Unit Options	Weighted Average Exercise Price
Outstanding, beginning of year	224,500	$24.40	341,500	$23.10
Granted	280,672	29.53	—	—
Exercised	(206,150)	24.19	(6,300)	20.29
Forfeited	(5,000)	23.81	(110,700)	20.60
Outstanding, end of year	294,022	$29.45	224,500	$24.40
Options exercisable, end of year	83,518	$29.26	224,500	$24.40

Cash received from unit option exercises totaled approximately $76,000 in 2012, $5,000 in 2011, and $7,000 in 2010.

The following table summarizes information about vested unit options outstanding at December 31, 2012:

Vested Options Outstanding

Type	Range of Exercise Prices	Unit Options	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
Variable	$15.07 — $15.07	600	0.8 years	$15.07
Fixed	$28.45 — $29.53	82,918	8.9 years	$29.36
Outstanding at year-end	$15.07 — $29.53	83,518	8.9 years	$29.26

Aggregate intrinsic value ($'s in thousands)	$350

A summary of the status of the Partnership's nonvested unit options at December 31, 2012 is presented below:

	Unit Options	Weighted Average Grant-Date Fair Value
Nonvested, beginning of year	—	$—
Granted	280,672	29.53
Vested	(70,168)	29.53
Nonvested, end of year	210,504	$29.53

The total intrinsic value of options exercised during the years ended December 31, 2012, 2011 and 2010 was $0.4 million, $0.0 million, and $0.5 million, respectively.

The Partnership had 210,504 unvested unit options at December 31, 2012. In addition, the Partnership had $1.0 million of unamortized compensation expense related to unvested options which is expected to be amortized over a weighted average period of 2.3 years.

The Partnership has a policy of issuing limited partnership units from treasury to satisfy option exercises and expects its treasury unit balance to be sufficient for 2013, based on estimates of option exercises for that period.

(9) Retirement Plans:

The Partnership has trusteed, noncontributory retirement plans for the majority of its full-time employees. Contributions are discretionary and amounts accrued were approximately $3.9 million in 2012, $3.9 million in 2011 and $4.1 million in 2010. These plans also permit employees to contribute specified percentages of their salary, matched up to a limit by the Partnership. Matching contributions, net of forfeitures, approximated $1.7 million in 2012, $1.6 million in 2011 and $1.5 million in 2010.

In addition, approximately 222 employees are covered by union-sponsored, multi-employer pension plans for which approximately $1.3 million, $1.2 million and $1.1 million were contributed for the years ended December 31, 2012, 2011, and 2010, respectively. The Partnership has no plans to withdraw from any of the multi-employer plans. The Partnership believes that the withdrawal liability from any such withdrawal, as defined by the Multi-employer Pension Plan Amendments Act of 1980, would not be material.

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(10) Income and Partnership Taxes:

Federal and state tax legislation in 1997 provided a permanent income tax exemption to existing publicly traded partnerships (PTP), such as Cedar Fair, L.P., with a PTP tax levied on partnership gross income (net revenues less cost of food, merchandise and games) beginning in 1998. In addition, 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. As such, the Partnership's "Provision for taxes" includes amounts for both the PTP tax and for income taxes on the Partnership's corporate subsidiaries.

The Partnership's 2012 tax provision totals $31.8 million, which consists of an $8.7 million provision for the PTP tax and a $23.0 million provision for income taxes. This compares to the Partnership's 2011 tax provision of $7.9 million, which consisted of a $8.3 million provision for the PTP tax and a $0.4 million benefit for income taxes, and the 2010 tax provision of $2.7 million which consisted of a $7.9 million provision for the PTP tax and a $5.2 million benefit for income taxes. The calculation of the provision for taxes involves significant estimates and assumptions and actual results could differ from those estimates.

Significant components of income (loss) before taxes are as follows:

(In thousands)	2012	2011	2010
Domestic	$113,132	$93,926	$(31,015)
Foreign	20,482	(20,753)	633
	$133,614	$73,173	$(30,382)

The provision (benefit) for income taxes is comprised of the following:

(In thousands)	2012	2011	2010
Income taxes:			
Current federal	$(1,081)	$399	$1,174
Current state and local	743	894	1,748
Current foreign	(4,152)	(2,381)	6,493
Total current	(4,490)	(1,088)	9,415
Deferred federal, state and local	9,237	1,866	(8,883)
Deferred foreign	18,265	(1,189)	(5,781)
Total deferred	27,502	677	(14,664)
	$23,012	$(411)	$(5,249)

The provision (benefit) for income taxes for the Partnership's corporate subsidiaries differs from the amount computed by applying the U.S. federal statutory income tax rate of 35% to the Partnership's income (loss) before taxes.

The sources and tax effects of the differences are as follows:

(In thousands)	2012	2011	2010

Income tax provision (benefit) based on the U.S. federal statutory tax rate	$46,765	$25,611	$(10,634)
Partnership loss (income) not deductible (includible) from (in) corporate income	(21,273)	(16,188)	4,115
State and local taxes, net of federal income tax benefit	3,486	1,674	(930)
Valuation allowance	(6,030)	(10,460)	4,425
Tax credits	(2,100)	(1,791)	(2,706)
Nondeductible expenses and other	2,164	743	481
	$23,012	$(411)	$(5,249)

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Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of deferred tax assets and liabilities as of December 31, 2012 and 2011 are as follows:

(In thousands)	2012		2011	
Deferred tax assets:				
Options and deferred compensation	$7,741		$10,236	
Accrued expenses	4,519		3,841	
Foreign tax credits	31,162		40,439	
Tax attribute carryforwards	10,948		20,209	
Derivatives	10,661		6,808	
Intangibles	—		508	
Other	4,126		1,789	
Deferred tax assets	69,157		83,830	
Valuation allowance	(11,253	)	(17,283	)
Net deferred tax assets	57,904		66,547	
Deferred tax liabilities:				
Property	(190,976	)	(181,629	)
Intangibles	(3,864	)	—	
Foreign currency translation	(8,672	)	(5,000	)
Deferred tax liabilities	(203,512	)	(186,629	)
Net deferred tax liability	$(145,608	)	$(120,082	)

As of December 31, 2012, the Partnership had $31.2 million of foreign tax credit carryforwards available for U.S. federal income tax purposes. During 2012, the Partnership claimed a refund for foreign taxes paid in previous years. The recovery of prior year taxes resulted in a redetermination of the foreign tax credit carryforwards and a $6.1 million reduction in the valuation allowance related to these carryforwards. Also during 2012, the Partnership utilized the federal tax net operating loss carryforward and updated its long term estimates of domestic and foreign source income. As of December 31, 2012, a $11.3 million valuation allowance has been recorded to reflect uncertainties regarding the use of the remaining available foreign tax credits before they begin expiring in 2016.

Additionally, as of December 31, 2012, the Partnership had $10.9 million of tax attribute carryforwards consisting of alternative minimum tax credits ($0.8 million), general business credits ($4.8 million) and the tax effect of state net operating loss carryforwards ($5.3 million). Alternative minimum tax credits do not expire. The general business credits will begin to expire in 2027. The state net operating loss carryforwards will expire from 2017 to 2027. The Partnership expects to fully realize these tax attribute carryforwards. As such, no valuation allowance has been recorded relating to these tax attribute carryforwards.

As of December 31, 2012, the Partnership adjusted its deferred tax assets and liabilities to reflect the impact of changes to the enacted statutory tax rates in Canada ($1.6 million tax provision).

The net current and non-current components of deferred taxes recognized as of December 31, 2012 and 2011 in the consolidated balance sheets are as follows:

(In thousands)	2012	2011

Net current deferred tax asset	$8,184	$10,345
Net non-current deferred tax liability	(153,792)	(130,427)
Net deferred tax liability	$(145,608)	$(120,082)

The Partnership has recorded deferred tax assets of $2.2 million and $2.6 million as of December 31, 2012 and 2011, respectively, to account for the tax effect of derivatives and foreign currency translation adjustments included in Other Comprehensive Income.

The Partnership has unrecognized income tax benefits as of December 31, 2012. The following is a reconciliation of beginning and ending amounts unrecognized tax benefits:

	(in thousands)
Balance, beginning of year	$—
Increase from current year tax positions	1,100
Increase from prior year's tax positions	—
Decrease from settlements with taxing authority	—
Decrease from expiration of statute of limitations	—
Balance, end of year	$1,100

At December 31, 2012 a total of $1.1 million of unrecognized tax benefits was recorded for state and local income tax positions, there were no unrecognized tax positions during 2011 or 2010. If recognized, the tax benefits would decrease the Partnership taxes by $1.1 million.

The Partnership recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. Related to the unrecognized tax benefits noted, the Partnership accrued interest of $0.3 million and penalties of $0.2 million during 2012. The Partnership does not anticipate a significant change to the amount of unrecognized tax benefits over the next 12 months.

The Partnership and its corporate subsidiaries are subject to taxation in the U.S., Canada and various state and local jurisdictions. The tax returns of the Partnership are subject to examination by state and federal tax authorities. With few exceptions, the Partnership and its corporate subsidiaries are no longer subject to examination by the major taxing authorities for tax years before 2009.

(11) Operating Lease Commitments and Contingencies:

Operating Lease Commitments

The Partnership has commitments under various operating leases at its parks. Minimum lease payments under non-cancelable operating leases as of December 31, 2012 are as follows (in thousands):

2013	$6,276
2014	6,073
2015	5,687
2016	5,567
2017	5,483
Thereafter	118,000
	$147,086

The amount due after 2017 includes the land lease at California's Great America which is renewable in 2039. Lease expense, which includes short-term rentals for equipment and machinery, for 2012, 2011 and 2010 totaled $12.0 million, $9.7 million and $9.4 million, respectively.

Contingencies

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

(12) Fair Value Measurements:

The FASB's ASC 820 "Fair Value Measurement" 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 820 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 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.

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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 liabilities measured at fair value as of December 31, 2012 and 2011 on a recurring basis:

(In thousands)	Total	Level 1	Level 2	Level 3
December 31, 2012				
Interest rate swap agreements (1)	$(32,260)	$—	$(32,260)	$—
Total	$(32,260)	$—	$(32,260)	$—
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)	—
Total	$(83,172)	$—	$(83,172)	$—

(1) Included in "Derivative Liability" on the Consolidated Balance Sheet
(2) Included in "Current derivative liability" on the Consolidated Balance Sheet

Fair values of the interest rate and cross-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 decreasing the derivative liabilities by approximately $0.9 million as of December 31, 2012. The Partnership monitors the credit and non-performance risk associated with its derivative counter-parties and believes them to be insignificant and not warranting a credit adjustment at December 31, 2012.
At the end of the third quarter in 2012, the Partnership concluded based on operating results, as well as updated forecasts, and changes in market conditions, that a review of the carrying value of long-lived assets at Wildwater Kingdom was warranted. After performing its review, the Partnership determined that a portion of the park's fixed assets were impaired. Based on Level 3 unobservable valuation assumptions and other market inputs, the assets were marked to a fair value of $19.8 million, resulting in an impairment charge of $25.0 million for operating and non-operating assets during the quarter.

There were no assets or liabilities measured at fair value on a non-recurring basis as of December 31, 2011.

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.

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 2010.

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 2010.

(13) 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 Apollo 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.

(14) 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 6). 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.

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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 December 31, 2012 and December 31, 2011 and for the periods ended December 31, 2012, December 31, 2011, and December 31, 2010. In lieu of providing separate audited financial statements for the guarantor subsidiaries, the accompanying condensed consolidating financial statements have been included.

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 December 31, 2012 and December 31, 2011 balance sheets in the accompanying condensed consolidating financial statements.

The following schedules have been adjusted to reflect the restatement and immaterial correction discussed in Note 1.

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2012 (As restated)
(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	$25,000	$444	$50,173	$3,213	$—	$78,830
Receivables	4	101,093	71,099	498,555	(652,559)	18,192
Inventories	—	1,724	2,352	23,764	—	27,840
Current deferred tax asset	—	3,705	816	3,663	—	8,184
Other current assets	563	17,858	530	5,490	(16,381)	8,060
	25,567	124,824	124,970	534,685	(668,940)	141,106
Property and Equipment, net	439,506	1,013	268,157	835,596	—	1,544,272
Investment in Park	485,136	772,183	115,401	53,790	(1,426,510)	—
Goodwill	9,061	—	125,942	111,218	—	246,221
Other Intangibles, net	—	—	17,835	22,817	—	40,652
Deferred Tax Asset	—	36,443	—	90	(36,533)	—
Intercompany Receivable	877,612	1,070,125	1,116,623	—	(3,064,360)	—
Other Assets	22,048	14,832	8,419	2,315	—	47,614
	$1,858,930	$2,019,420	$1,777,347	$1,560,511	$(5,196,343)	$2,019,865
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Accounts payable	$147,264	$213,279	$16,101	$286,649	$(652,559)	$10,734
Deferred revenue	—	—	4,996	34,489	—	39,485
Accrued interest	98	64	15,350	—	—	15,512
Accrued taxes	4,518	—	6,239	23,437	(16,381)	17,813
Accrued salaries, wages and benefits	—	17,932	1,214	5,690	—	24,836
Self-insurance reserves	—	5,528	1,754	16,624	—	23,906
Other accrued liabilities	1,110	2,502	140	2,164	—	5,916
	152,990	239,305	45,794	369,053	(668,940)	138,202
Deferred Tax Liability	—	—	63,460	126,865	(36,533)	153,792
Derivative Liability	19,309	12,951	—	—	—	32,260
Other Liabilities	—	5,480	—	3,500	—	8,980
Long-Term Debt:						
Term debt	1,131,100	1,131,100	1,131,100	—	(2,262,200)	1,131,100
Notes	401,080	401,080	401,080	—	(802,160)	401,080
	1,532,180	1,532,180	1,532,180	—	(3,064,360)	1,532,180
Equity	154,451	229,504	135,913	1,061,093	(1,426,510)	154,451
	$1,858,930	$2,019,420	$1,777,347	$1,560,511	$(5,196,343)	$2,019,865

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING BALANCE SHEET
December 31, 2011 (As restated)
(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	412,095	(536,177)	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	455,542	(547,029)	98,515
Property and Equipment, net	455,579	1,044	266,111	887,968	—	1,610,702
Investment in Park	513,369	655,801	114,810	36,906	(1,320,886)	—
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
	$1,893,502	$1,982,773	$1,777,561	$1,515,496	$(5,122,164)	$2,047,168
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	202,566	(536,177)	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	266,629	(578,871)	203,443
Deferred Tax Liability	—	—	58,463	119,610	(47,646)	130,427
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	136,350	227,895	57,579	1,035,412	(1,320,886)	136,350
	$1,893,502	$1,982,773	$1,777,561	$1,515,496	$(5,122,164)	$2,047,168

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2012 (As restated)
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$145,715	$258,136	$140,418	$927,668	$(403,483)	$1,068,454
Costs and expenses:						
Cost of food, merchandise and games revenues	—	—	10,316	84,732	—	95,048
Operating expenses	5,380	176,356	47,863	625,287	(403,483)	451,403
Selling, general and administrative	6,495	86,615	11,135	34,066	—	138,311
Depreciation and amortization	37,660	40	18,199	70,407	—	126,306
Loss on impairment / retirement of fixed assets, net	25,997	—	6	4,333	—	30,336
Gain on sale of other assets	(862)	—	—	(5,763)	—	(6,625)
	74,670	263,011	87,519	813,062	(403,483)	834,779
Operating income (loss)	71,045	(4,875)	52,899	114,606	—	233,675
Interest expense, net	48,524	29,328	40,870	(8,171)	—	110,551
Net effect of swaps	(138)	121	(1,475)	—	—	(1,492)
Unrealized / realized foreign currency gain	—	—	(8,998)	—	—	(8,998)
Other (income) expense	749	(9,507)	2,020	6,738	—	—
(Income) loss from investment in affiliates	(90,022)	(66,150)	(14,597)	(31,759)	202,528	—
Income (loss) before taxes	111,932	41,333	35,079	147,798	(202,528)	133,614
Provision (benefit) for taxes	10,075	(9,856)	3,413	28,125	—	31,757
Net income	$101,857	$51,189	$31,666	$119,673	$(202,528)	$101,857
Other comprehensive income (loss), (net of tax):						
Cumulative foreign currency translation adjustment	369	—	369	—	(369)	369
Unrealized income on cash flow hedging derivatives	139	114	21	—	(135)	139
Other comprehensive income, (net of tax)	508	114	390	—	(504)	508
Total Comprehensive Income	$102,365	$51,303	$32,056	$119,673	$(203,032)	$102,365

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CEDAR FAIR, L.P.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2011 (As restated)
(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	$141,149	$251,064	$126,972	$ 901,120	$ (391,833)	$1,028,472
Costs and expenses:						
Cost of food, merchandise and games revenues	—	—	9,932	82,125	—	92,057
Operating expenses	5,491	165,409	45,765	606,019	(391,833)	430,851
Selling, general and administrative	10,073	84,270	11,314	34,769	—	140,426
Depreciation and amortization	37,283	47	17,325	71,182	—	125,837
Loss on impairment / retirement of fixed assets, net	990	—	(61)	10,426	—	11,355
	53,837	249,726	84,275	804,521	(391,833)	800,526
Operating income	87,312	1,338	42,697	96,599	—	227,946
Interest expense, net	84,391	15,030	52,814	4,793	—	157,028
Net effect of swaps	(12,214)	718	(1,623)	—	—	(13,119)
Unrealized / realized foreign currency loss	—	—	9,909	—	—	9,909
Other (income) expense	1,705	(7,798)	2,349	4,699	—	955
(Income) loss from investment in affiliates	(60,251)	(11,912)	(6,945)	15,573	63,535	—
Income (loss) before taxes	73,681	5,300	(13,807)	71,534	(63,535)	73,173
Provision (benefit) for taxes	8,385	(23,000)	2,970	19,522	—	