

FINAL TRANSCRIPT

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SIX - Q1 2008 Six Flags, Inc. Earnings Conference Call

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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the first-quarter 2008 Six Flags earnings conference call. My name is Danielle and I will be your coordinator for today. (OPERATOR INSTRUCTIONS).

As a reminder, this conference is being recorded for replay purposes. I would now like to turn the presentation over to Ms. Lissa Brown, Corporate Director of Communications. Please proceed.

Lissa Brown - Six Flags, Inc. - Corporate Director of Communications

Good afternoon. I'm Lissa Brown, Six Flags' Corporate Director of Communications. This afternoon, the Company released its financial and operating results for the first quarter ending March 31, 2008. A copy of the earnings release is available on the Company's Website at www.SixFlags.com under the heading "Investors." Here with me today are our President and CEO, Mark Shapiro, and our Executive Vice President and Chief Financial Officer, Jeff Speed.

Before I turn the call over to them, they have asked me to remind you that in compliance with SEC Regulation FD, a Web-cast of this call is being made available to the media and the general public as well as analysts and investors. The Company cautions you that comments made during the call will include forward-looking statements within the meaning of the federal securities laws. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those

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described in such statements. You may refer to the Company's 2007 annual report on Form 10-K, which is also present on our Website, for a detailed discussion of these risks.

Because the Web-cast is open to all constituents and prior notification has been widely and unselectively disseminated, all contents on the call will be considered fully disclosed. In accordance with the SEC Regulation G, non-GAAP financial measures used in the earnings release and in the Company's oral presentation today are required to be reconciled to the most directly comparable GAAP measure. These reconciliations are available to investors in the earnings release.

Now I would like to turn the call over to Mark Shapiro, our President and Chief Executive Officer.

Mark Shapiro - *Six Flags, Inc. - CEO*

Thank you, Lissa. Good afternoon, everyone. Short and sweet here, as most of our results have been announced prior to today.

I think just overall, the bottom line for us is it's been a positive start this year, whichever way you look at it -- attendance, revenue, spending. Clearly, the attendance was exceptionally strong, driven by the Easter shift. I think overall, just so you have a view where we sit, we expect our attendance, at least what we've internally guided, to flatten out as we approach Memorial Day. Remember, as much as you benefit from the first quarter and the Easter shifting, now this quarter you will suffer from not having Easter.

We also have fewer operating days this quarter, where we decided to open our Kentucky Park, our Washington D.C. Park, and our Atlanta Kids Park, American Adventures later, so we lose some operating days. And we essentially lost a week in some parks where spring break and Easter fell in the same week as previously and didn't this year; very similar to what the airlines faced, where consumers have that choice that, they like to travel and get away on spring break week. But then they also do it for Easter break week or Easter break weekend.

In some markets for us, those actually fell in the same week. So we will benefit next year from getting it back. But you get hurt a little bit this year as they are one week, and you don't have those two travel opportunities; no two vacation weeks like normal. So we expect come Memorial Day, we'll enter into our full-time operating season with the attendance about flat, and that's right on plan with what we internally guided.

Our group interest appears to be firm. We're holding steady, up single digits. And with regard to our season passes, it's actually interesting what's going on with our "advanced sales" for season passes. I think like most retail companies, you read and, of course a lot of earnings reports the last couple weeks, our advanced sales or season passes tailed off a bit. But the good news is that we are actually seeing a spike in our one day online ticket sales, and that's clearly a large component of what's driving our guest spending, which is up -- our guest spending is up 13% in the first quarter.

These, of course, are guests that come in at a higher ticket per cap, and then they spend more once inside because they are not frequent visitors. They also tend to stay longer. So that's good news for us.

Our one-day ticket sales spike is really being driven by two things when you break it down in my estimation. First of all, it's by design. We launched and are launching special value pricing in many markets. We were going to do this regardless of the economy, but it's playing into our favor with the economy. And that's a marketing campaign of everyone pays kid's price. It's a value message, more for less, compelling price. And we expected that people would gravitate towards the one-day ticket sales and away from the season tickets once we put this offer out there, and that's what's happening. In fact, all the marketing actually pushes people to SixFlags.com; that's our call to action. So we expected to see some shifts.

I think the second reason why you see a big lift in the one-day ticket sales is really what Disney talked about on the call the other day. Somebody asked -- or I should just say really Bob Eiger had mentioned that the theme parks are less susceptible these days

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to the recession or the economic falloff because long-term booking just isn't what it used to be for Disney. Because of the Internet explosion, it really allows for more easy, last-minute booking, more spur of the moment, and that's really analogous to our business. We are less reliant on needing a grocery store coupon or a McDonald's coupon or a Coke can. Now that you have SixFlags.com and the Internet explosion, it's just easier to go to the Web.

And hence, in our marketing, that's where we're pushing people. Plus, the benefit for us of them going online is they can print at home; and by printing at home, they wait in no lines, which makes it easier for us to give them a good experience from the very first step into the park. And then secondly, we capture all their data; we get a lot of CRM. So we are quite pleased with the way that is playing out right now.

To frame it up for you specifically, in terms of how that is playing out, keep in mind we generally sell about 2.2, 2.1, 2.3, different every year, total Season Pass units each year. So about this time, we are like halfway there, a million season passes sold. And that's relatively where we are as I sit here today.

But overall Season Pass attendance, not the units, the actual attendance, is down 15%. In the meantime, the one-day ticket sales, the promotional category, people buying online and coming into the park is up 50%. And of course, the guest spending reflects the bonus of getting these people in for one-days.

Look, having said all that, we do believe we're going to get a Season Pass spike when the rebate checks come out, but we're going to continue to manage and market value messaging, everyone pays kid's price, easy-to-use, easy to navigate, easy to print at home, SixFlags.com and really try to push more one-day ticket sales without falling too far off on the season passes. And again, we're right online where we thought we would be on the season passes. In fact, the million passes really puts us right on track for the 2 million or so season passes we expect to sell this year. So hopefully the one-day tickets end up being incremental attendance as opposed to just a shift.

It should also be noted in this environment, a lot of gas questions out there. I pulled two stats that I thought were apropos here, that people are willing to drive. We still believe and are hopeful that it's the long distance travel, it's the plasma screen for your living room that gets sacrificed in this economy, and it's the close-to-home entertainment options, those that are offering more for less, value, the first defined entertainment, something for the whole family, they move up on the ladder. And interestingly to note, to-date, our attendance at our Dallas Park, Six Flags Over Texas, we are actually up in attendance 11%. Those people driving 51 to 100 miles to get to the parks. And, of course, 75% of our attendance is 50 to 100 miles or up to 100 miles, I should say. So being up 11% is good for us.

Our Six Flags Great Adventure Park in New York, New Jersey, we are actually -- our spring break was up 20 -- excuse me, 33%; those people traveling 51 to 100 miles. So people are willing to take the drive, and there is no question of looking for the value message. That's the deal on the attendance.

The story for us continues to be spending. Our spending has stayed strong through April, driven by better service, faster throughput, our brand name strategy is working. The guest recognition, I think word-of-mouth of our strong guest satisfaction scores, the experience we're now delivering at Six Flags is taking hold. It's allowing for people to stay longer and spend more, and that's exactly what's happening.

Our investment in e-commerce is paying off as our revenue is up there. And just overall, tenant guest has more to do at Six Flags these days. Our diversified entertainment strategy is playing a much bigger role than ever before. There's more entry points for our guests to spend.

Now having said that, for the record, I just want to make sure everyone is clear, those of you that are new to the Six Flags story. Nobody should be expecting our guest spending to be up 13% on the year. Historically, 5% of our attendance or I should say up to 5% of our attendance is in the first quarter. So this is an ant with regard to our overall beehive of our business here. So nobody should be looking for 13%.

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Jeff and I have guided to a 1% increase in total revenue, excuse me, just in guest spending per cap this year. It's not going to be 13%. We are clearly well above 1% right now, but it's still very, very early.

Bottom line is we're cautiously optimistic, but much remains to be seen with this economy. All we can do is stress the great service; the clean parks; the code of conduct, which is better than ever; position ourselves as a close-to-home entertainment option; market our new capital, which is all coming out around Memorial Day weekend, again, the seven coasters, the seven parks. So everything we're doing right now is outside of really the new capital, which hasn't hit yet; and it's all on time right now; and continue to pound the value message.

We are -- essentially, you look at our competitors, where, in most markets, we are priced lower, yet offering more and quality service, which is being recognized by the guest. So that's a powerful proposition for rebate check time, which is currently going on right now.

I should also mention that we do expect to benefit from July 4th falling on a weekend as opposed to midweek like it did last year.

On the other ancillary business fronts, our other growth engines, corporate alliances and our international licensing are brewing very nicely. Our international conversations are hot and heavy. Nothing new to report today. But we are in advanced discussions with some of the markets we previously mentioned on these calls.

And on the corporate lines fronts, we are right on target with our \$51 million that we've guided to. We actually have an exciting partnership we're working on with Chrysler as we speak. That's where the business is, that's where it's going, and here is Jeff on the details and first-quarter results.

Jeff Speed - *Six Flags, Inc. - EVP and CFO*

Thanks, Mark. Good afternoon. As Lissa mentioned, a short while ago, we released our operating results for the first quarter. I would just like to take a few moments to review the results and provide some commentary, and then we'll open it up to Q&A.

Starting with the top line, as we previously announced last month, our revenues for the quarter increased \$18 million or 35% compared to the 2007 first quarter. The increased revenue reflects a \$5.60 or 13% increase in total revenue per capita to \$47.11, and a \$228,000 increase in attendance to 1.4 million.

The growth in our total revenue per capita includes a \$4.52 increase in per capita guest spending, which is comprised of both ticket and in-park spending; as well as increased sponsorship, licensing and other fees of approximately \$3.4 million for the quarter.

Our guest spending per capita was driven by increased spending on all major categories, including admissions, food and beverage, rentals, retail, games and parking. Our increased attendance for the quarter was driven by the shift in the Easter season, as Mark mentioned, from the second quarter last year to the first quarter this year, resulting in a 15% increase in park operating days in the first quarter of this year.

As a point of reference, in the first quarter of 2005, which was the last time Easter was in the first quarter, attendance for that quarter reached approximately \$1.5 million on eight additional park operating days compared to the \$1.4 million of attendance that we delivered in the first quarter of this year.

Continuing with that 2005 comparison, our growth in total revenue per capita compared to first quarter 2005 is particularly significant, growing by over \$14 or 44% from \$32.62 to \$47.11 and our 2008 first-quarter revenue of \$68 million, exceeding the

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2005 quarter by \$19 million or 38%. Again, as a reminder, our first quarter is typically up to 5% of our total year; so it is the start of the year, but pretty compelling comparisons nonetheless.

Now, turning to our costs, compared to the 2007 first quarter, our costs and expenses, excluding cost of sales and non-cash and other items, decreased 6% or \$8 million, primarily reflecting reduced marketing and contained labor costs, despite the fact that the current quarter had 15% more park operating days and 19% more attendance.

In terms of our non-cash costs compared to the prior-year quarter, they increased by approximately \$2 million, reflecting increases in stock-based compensation, loss on fixed assets, and depreciation and amortization. Adjusted EBITDA for the first quarter of 2008 was a loss of \$54 million, compared to a loss of \$69 million in the first quarter of 2007. This 22% or \$15 million improvement reflects the quarter's increased revenues and reduced cash operating costs, which were also drivers of an 18% or \$21 million improvement in loss from operations.

As for other notable P&L items for the quarter, our interest expense for the quarter decreased by over \$5 million to approximately \$47 million, reflecting lower rates due to overall market conditions; execution of a \$600 million interest rate swap related to our floating-rate term loan; as well as the benefits of the prior-year refinancing of our senior secured credit facility.

Minority interest in losses was reduced from \$10 million to less than \$1 million in the quarter. This is a result of the purchase in July 2007 of the share of Six Flags Discovery Kingdom that was previously owned by the City of Vallejo, California.

We also experienced an increased loss of \$1.6 million from equity in investees, reflecting our investment in Dick Clark Productions, which was negatively impacted by the first-quarter cancellation of the Golden Globe Awards as a result of the Hollywood writer's strike.

Other expense and income taxes increased as well, reflecting a non-cash marked-to-market adjustment on our interest rate swaps, and increased Mexican, Texas, and New York state taxes, respectively.

Regarding cash and liquidity, we ended the first quarter with \$13 million in unrestricted cash and \$131 million available on our \$275 million credit line. At the end of April, we had drawn \$175 million on our \$275 million revolver, and we expect to reduce that balance with the positive cash flow we historically generate during our upcoming full-time operating season. As a result, we continue to be comfortable with our current cash and liquidity position, and are well within our single financial maintenance covenant in our credit facility.

That's the extent of my comments this afternoon. With that, I think we're ready to take Q&A. Mark?

Mark Shapiro - *Six Flags, Inc. - CEO*

Operator, we're ready for Q&A.

QUESTIONS AND ANSWERS

Operator

(OPERATOR INSTRUCTIONS). David Miller, SMH Capital.

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David Miller - SMH Capital - Analyst

Congratulations on the stellar results. Hope it continues into the current quarter. Just a couple questions for you Mark; or Jeff, feel free to chime in here. Can you just talk about exactly how many parks were open during the first quarter out of the 21 in the portfolio, and how long they were open?

And then also, secondly, there's seemingly a lot of pent-up demand out here in Los Angeles for the Thomas the Tank Engine attraction, which I think goes online for you guys in a couple weeks. You have had some issues attracting families to Magic Mountain. I'm actually kind of curious as to why you decided to put Thomas the Tank Engine in I think it's Western Massachusetts, and also Atlanta, and not some of the larger parks, perhaps New Jersey and Chicago. And then that's it. Thanks very much.

Mark Shapiro - Six Flags, Inc. - CEO

Hey, David. So I'll start at the top and you have to remind on the rest of the questions. The first is that -- we do have 21 parks. Remember, one of them is New Orleans. So that's out. Montreal hasn't opened yet. Lake George hasn't opened yet. Kentucky opens this weekend, so that was not open in the first quarter. Washington D.C. was not open. And American Adventures, our kids park in Atlanta, was not open, and Chicago was not open. So rather than do percentages for you, those are the parks that were not open in the first quarter.

Now, in April here, we have added Chicago, of course. We've added D.C. And as I mentioned, you've got Kentucky coming this weekend. And then next weekend, you've got Montreal, Lake George, and then Memorial Day, you've got our kids park in Atlanta, and New Orleans is never happening. So that's where we are in terms of the parks that weren't open.

As far as Thomas the Tank Engine goes, we are going at it two ways at Magic Mountain this year. We're launching a \$10 million coaster or I should say relaunching, revamped X2, and that is squarely aimed at the high-end thrill seekers. I consider myself a thrill seeker. I still wouldn't ride it. I'm talking the high-end thrill seekers that love upside-down and being flipped around and you name it. It's one of the best coasters on the planet. It will be the only five dimensional coaster. So we're going right at the sweet spot on Magic Mountain.

Having said that, we have a strong proportion of -- or a strong component of families that go to that park every year. And our brand is a family brand. We are in the family entertainment space.

And while that one park is a bit dissimilar to the rest of our portfolio in the fact that it's skews more towards the high-end thrill seekers, because it's been marketed that way, because it has more coasters than any other Six Flags theme park, and because you have Disney and Knott's there, so I think it's found its niche going high-end thrill, that doesn't mean we're going to give up on the families. And we still need to be able to cater to those families.

Especially since Jeff and I came on board, much of the research has shown that parents want more for everybody to do. And two years ago, the perception of Six Flags was great for young adults, great for teenagers, great for high-end thrill seekers. What we're doing, of course, is broadening our presence, broadening our appeal, and going towards the tweens and the toddlers as well. And Thomas the Tank Engine is meant to fill out that bill.

David Miller - SMH Capital - Analyst

Mark, let me just rephrase the question if I might. We are projecting the Thomas the Tank Engine attraction to be a huge success for you guys. And I guess my question is, why -- (technical difficulty) is obvious. But why Georgia and Western Massachusetts, and why not say Chicago and Jackson, New Jersey?

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Mark Shapiro - *Six Flags, Inc. - CEO*

In due time, everybody will get it. That's my answer to you. You know, last year we put it in New England. Where else did we put it? I thought we put it in one more place -- San Francisco. We put in our San Francisco park. This year, we're adding it to Atlanta and L.A., and next year we'll add it to one or two more parks.

We have a partnership with [In] Entertainment and we expect to grow that partnership and exercise all the terrific intellectual properties they have, from Thomas the Tank Engine to Bob the Builder. So you can look for more of that to be spread across and sprinkled across the Six Flags parks in the year to come, years to come. We just can't do it in every single park all in one fell swoop.

So Atlanta, which launched the huge, high-end Goliath super coaster a couple years ago, you've got to keep balancing the portfolio of rides and entertainment options. So they went hard with Goliath. That was something we inherited, and we came back with a nice family play in Thomas the Tank Engine.

And that's really the way we will play it as we look at it year to year. Sometimes we can do both in one year. Sometimes we got to go odd years. But my commitment is that we will have a new ride or attraction in every park every year. That's really our goal here.

A lot -- and historically, they would take a year off on some parks. Some parks get it this year. The next year, some -- other parks didn't get it. And that was victim really of the fact that they were putting in \$20 million to \$30 million coasters, so they didn't have enough money to spread to every park. Our goal is to spread at least some money for some new ride or attraction in every park every year.

David Miller - *SMH Capital - Analyst*

Okay wonderful, and congratulations again, guys.

Operator

Kit Spring, Stifel Nicolaus.

Kit Spring - *Stifel Nicolaus - Analyst*

So was there anything in your per caps that particularly skewed it in the first quarter? And can you give us a outlook on how group sales are trending? I think that is a pretty significant part -- around a third of attendance or revenues typically?

Mark Shapiro - *Six Flags, Inc. - CEO*

Yes, let me just say that I already mentioned in my brief comments that our -- I said our "group sales" appear to be firm. We are holding steady, up single digit to last year. And that is actually through April. And that's all I'm going to say about that. Jeff?

Jeff Speed - *Six Flags, Inc. - EVP and CFO*

Yes, on the per caps in the first quarter, one notable thing that skews the per cap is sponsorship and licensing growth in that quarter spread over a much smaller attendance base than other quarters has a more significant impact on the growth in that quarter. That's one notable item.

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Kit Spring - *Stifel Nicolaus - Analyst*

Okay. And then I noticed on Cedar Fair's call that they're adding a lot of shows at several of their parks to improve the guest experience, which is it seems to be the opposite as to what you are doing with your cost-cutting program; I think that was a major part of your cost-cutting program.

Mark Shapiro - *Six Flags, Inc. - CEO*

Yes, that's not the case actually at all. What I would tell you is what we mentioned on our cost-cutting program is that we have generally -- I don't know, call it three to five theaters in many of our parks. And we were taking, on average, one theater per park. And instead of doing a show, we were going to do a film from the Dick Park library, original content that we produced. So that's really how that was going to play out. Again, just changing one. And of course, we would save money from not having the labor and not having the show expense, not having some of the music licenses that historically had gone with those shows.

Having said that, in the other three to four theaters in every park, we changed out our shows every year, and really that's all they are doing and a lot of our competitors do. Some do add some new shows. You do two one year, you do three the next, you might do four the next. You might come back to two. It really depends on what your capital plan is.

A lot of parks or companies that aren't going to put a new ride in will go show heavy. Or if they are not putting in a big expense ride, they will add a lot of shows. We actually did that in our Washington D.C. park last year. We weren't adding any new capital, so we added five new shows.

Keep in mind, we had had four to five shows the year before. We just changed them out. And that is what you will find at Six Flags parks this year. We will sub one film for a show in most parks. But on top of that, the other three to four shows will still change out, and San Antonio is a good example. That park has won the Golden Ticket for the best show park in the country the last several years and I think seven or eight strong consecutively.

But each year, Martin Bozer and his team, they change out the show. So you are never getting -- unless it's a legendary show or an institution like the Rockville High show -- you are never getting the same show year in and year out. You are always getting something fresh. It's a new country twist, or it's a new Latino twist, or it's a new pop rock twist, or it's a cirque show. Whatever it might be, we're always trying to switch it up so that you don't feel like you're getting the same deck of cards.

Jeff Speed - *Six Flags, Inc. - EVP and CFO*

And Kit, in terms of the expense savings, just to put it in perspective -- and obviously we've gone through the various components of our cost efficiency program -- labor was a big component in terms of seasonal labor and full-time labor through an early retirement program, as well as marketing efficiencies. But the taking out inefficient rides and attractions, to put it in perspective, it was about 30 rides across our portfolio, rides/attractions that we took out, where they were just inefficient from an operational perspective. And only about 10 shows that we substituted with basically films, entertainment films in those theaters, just to put it in perspective.

Kit Spring - *Stifel Nicolaus - Analyst*

Okay, thank you.

Operator

Joe Stauff, CRT Capital.

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Joe Stauff - CRT Capital - Analyst

Good afternoon. Thanks for taking the call. Just a couple quick items. One, can you -- is there any update in New Orleans with respect to that litigation?

The second question is, could you please remind us, second quarter of '07, your attendance growth was up roughly 3%, just under 2.9. Just kind of give us -- remind us of sort of the relative kind of weather comps. Obviously, and the other things that -- all things being equal -- could affect, just from a comp perspective, that attendance growth. I know that accident occurred in very late June, so that obviously had a more material effect on third quarter. And then, I have one final follow-up, please.

Jeff Speed - Six Flags, Inc. - EVP and CFO

Yes, New Orleans -- we -- as we sort of disclosed in our K and talked about I think pursuant to a question on the year-end earnings, we were not successful in getting the summary judgment that we had requested in connection with the insurance litigation. So we are continuing the litigation and have filed an appeal of that particular summary judgment ruling. So that's going forward. We believe that there's been some favorable case law that has come down since the summary judgment ruling.

And like I said, we have filed a formal appeal. We are going to appeal the ruling. And meanwhile, discussions, ongoing discussions with the insurance company, so who knows where that goes.

Joe Stauff - CRT Capital - Analyst

And so, is that fair to characterize -- I mean fair or unfair to characterize that it's likely something that's going to take some time to conclude?

Jeff Speed - Six Flags, Inc. - EVP and CFO

Certainly, if nothing gets -- if discussions don't result in any settlement, that would be the case.

Mark Shapiro - Six Flags, Inc. - CEO

There will be nothing in this calendar year.

Joe Stauff - CRT Capital - Analyst

Got it. Okay.

Mark Shapiro - Six Flags, Inc. - CEO

Talk about the June -- obviously the accident and the weather impact.

Jeff Speed - Six Flags, Inc. - EVP and CFO

Yes, in terms of Q2 comps, we had a great June last year. I mean we were up I think about 13% in June last year, which, although we had some challenging weather in Texas in June, we had generally good weather across the Eastern Seaboard and Eastern

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half of the U.S., where we have a significant proportion of our parks. So the weather did benefit us other than in Texas in terms of that performance.

The unfortunate accident in Louisville didn't impact us till post -- that end of June -- basically it hit us in July, as well as Texas weather in San Antonio, and Dallas in the July period.

So June will be a difficult comp, but July should be quite a bit easier comp, given we lost about \$500,000 in attendance during about a three to four-week period in July.

Mark Shapiro - *Six Flags, Inc. - CEO*

The only thing I would add to that, Joe, before we get ahead of ourselves here, is while we had -- we got crushed in Texas, there's no question in July, and early summer. We had a terrific East Coast weather pattern. So I don't expect that we're going to mimic -- we can only be so lucky, that East Coast weather pattern. So you will have some offset. I don't expect to be closing down the park like we had to in Dallas and San Antonio several days because of rain. But your -- on the weekends, we really lucked out on East Coast last year.

Joe Stauff - *CRT Capital - Analyst*

And you were talking specifically in July, or are you talking June?

Mark Shapiro - *Six Flags, Inc. - CEO*

I'm talking the whole summer. We had a -- the East Coast had a very good summer weather last year, and while we got crushed in Texas, and that's disconcerting because it's two big parks with great reputations that just day in and day out, they just bring in the attendance, so it killed us, and we actually had to close down a bunch of days. You know, we did benefit on the East Coast of having good weather.

I think the other thing that will be favorable to our comps, and this kind of goes in line to Kit, back to your question as well, is, aside from the shows not up, we're going to benefit from our concerts.

We had a Thursday night concert series last year which was well-received, very, very strong in several of our parks. Not only did we bring it back, but we extended it this year, plus we added a Sunday concert series, and we just announced it. Our Thursday concert series is sponsored by Starburst, among others, got to be; and on Sunday, our concert series is sponsored by Konami and Dance Dance Revolution and their new game. So we've got sponsors, we've got partners on these concerts.

And concerts, as long as you have the good weather, they really bring in the attendance, especially the high-end concerts that we are booking. I mean we are booking some of the hottest names out there right now from Natasha Bedingfield to Flo Rida. So we feel good about where we're going to be. These aren't just retreads that we've propped back up from years past.

Joe Stauff - *CRT Capital - Analyst*

And, obviously, to get in and attend those concerts, you have to pay the ticket gate, right?

Mark Shapiro - *Six Flags, Inc. - CEO*

You have to pay at the ticket gate, or of course, it's free with a Season Pass.

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Joe Stauff - CRT Capital - Analyst

Got it.

Mark Shapiro - Six Flags, Inc. - CEO

So, you know, a park like Atlanta, back to David's question even, they've got Thomas the Tank Engine, yes, and that goes to the families. But they've got a Thursday concert series, which was very successful for them last year, plus they have a Sunday concert series. Most parks don't have both. They have both. So they have over 25 concerts at Six Flags Over Georgia this year, which is a very, very compelling proposition.

Joe Stauff - CRT Capital - Analyst

Okay, beautiful. Last question, please. Have you guys thought or about given sort of your obviously the efforts, and you're going to constrain costs this year versus last, would it be fair to assume that costs in 2009 would be more normalized, that being up inflationary type levels?

Jeff Speed - Six Flags, Inc. - EVP and CFO

Yes, that would be fair.

Joe Stauff - CRT Capital - Analyst

Okay, thanks, guys.

Jeff Speed - Six Flags, Inc. - EVP and CFO

I mean obviously that -- depending on what happens with any further minimum wage movement and those sort of things. But you're talking -- inflationary to slight premium to inflation in terms of cost structure going forward.

I guess just one other footnote to that June question. Last year, we also benefited from an extra Saturday in June last year, which helped us.

Joe Stauff - CRT Capital - Analyst

Thanks, guys.

Operator

Patrick [Bartell], Monarch.

Patrick Bartell - Monarch Capital - Analyst

A quick question. You gave us the revolver balance at the end of April. Where are the LCs on that revolver?

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Jeff Speed - *Six Flags, Inc. - EVP and CFO*

They've stayed pretty constant or right around 30.

Patrick Bartell - *Monarch Capital - Analyst*

Okay. And then the next question, of the 51 that you've guided for sponsorship revenue, how much is already in the book the year running for the quarter roughly?

Mark Shapiro - *Six Flags, Inc. - CEO*

We don't release that specifically. I mean we simply can't. You run into advertisers that know you're -- they read the papers -- and they know you are looking for this last little window of money, and it becomes a tough negotiation, so we won't break that out in terms of how we're doing. We're going to hit the 51. That I can promise you.

Jeff Speed - *Six Flags, Inc. - EVP and CFO*

And through the quarter, we disclose that the sponsorship and licensing combined was a little over \$11 million for the quarter.

Patrick Bartell - *Monarch Capital - Analyst*

Right. Okay. Thank you.

Operator

Frank [Longobarti], [Elsentra].

Frank Longobarti - *Elsentra - Analyst*

I have a few questions on attendance. Would you be able to tell us change in attendance year-to-date through the end of February -- April?

Mark Shapiro - *Six Flags, Inc. - CEO*

No. We're just giving first-quarter results today.

Frank Longobarti - *Elsentra - Analyst*

Okay.

Mark Shapiro - *Six Flags, Inc. - CEO*

I've guided you that come Memorial Day we should be relatively flat on attendance.

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Frank Longobarti - *Elsentra - Analyst*

Right. Okay. So I just need a little help understating that because I understand the Easter shift helped your first quarter. But at your investor day, you also said that you had I guess one of the best spring breaks in six or seven years, correct?

Mark Shapiro - *Six Flags, Inc. - CEO*

Yes, in New York we did, correct. Just in New York, in New York.

Investor day was a Great Adventure, and I was speaking about Great Adventure spring break.

Frank Longobarti - *Elsentra - Analyst*

Okay, and that was the 22% figure I think you gave the attendance of?

Jeff Speed - *Six Flags, Inc. - EVP and CFO*

That was for getting at the geographic origin, so within the 50 --

Mark Shapiro - *Six Flags, Inc. - CEO*

33% is what I said.

Jeff Speed - *Six Flags, Inc. - EVP and CFO*

33 --

Mark Shapiro - *Six Flags, Inc. - CEO*

33% is what our attendance in spring break at Great Adventure was -- in spring break was up 33% for those driving 51 to 100 miles.

Frank Longobarti - *Elsentra - Analyst*

For (multiple speakers)?

Mark Shapiro - *Six Flags, Inc. - CEO*

So spring break happens. Right? People usually -- well they stay home, but a lot of people take vacations. And our attendance, obviously, we had phenomenal weather, by the way. But people made the choice. Obviously a lot of people either must have been staying home or they are reconnecting with Six Flags. Not only did they come in droves, but they made the drive.

Frank Longobarti - *Elsentra - Analyst*

Okay, so I'm sorry -- New York, New Jersey Jacksonville park, the attendance was up 33% for those traveling 51 to 100?

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Mark Shapiro - *Six Flags, Inc. - CEO*

Correct.

Frank Longobarti - *Elsentra - Analyst*

And what was the total attendance up?

Mark Shapiro - *Six Flags, Inc. - CEO*

I didn't give that.

Frank Longobarti - *Elsentra - Analyst*

Okay, and you won't give that.

Mark Shapiro - *Six Flags, Inc. - CEO*

Correct.

Frank Longobarti - *Elsentra - Analyst*

Okay. So perhaps you probably won't answer this question either. But so again, I understand the Easter shift, but with New Jersey, having -- it's going to be one of your bigger parks, having one of the best spring breaks in six or seven years; I'm just -- that would imply to me that second quarter would be kind of up in attendance and you're kind of projecting to flat through Memorial Day. So is it just that that spring break is compensating for the Easter shift, or are we seeing something else happen here?

Mark Shapiro - *Six Flags, Inc. - CEO*

I don't think you should be making any projections on the whole second quarter based on a week of spring break, first of all. I mean Jeff just got done telling you that we had a great June last year and June is in Q2. So I can't forecast the future, what the weather is going to be, how the economy is going to impact us. I can just tell you how well we are positioned on our value and our entertainment proposition. But I can't -- I would be careful about making those kinds of projections.

Here we are in May, we really just started May, do I can't really tell you how that's playing out either. And as I mentioned, the reason why we internally have guided for attendance to be around flat is for three reasons. One, you are going up against Easter comps. Two, you have fewer operating days. Three parks specifically, Kentucky, D.C. and the Atlanta kids park are opening much later than they did last year. And third, we essentially lost a week of spring break in several markets, where Easter and spring break, like in San Antonio, fell into the same week this year. So you don't have those two opportunities for families to travel.

Having said that, we did have a great spring break in New York and we believe we have a terrific entertainment play going on. Our everyone pays kid's price is really gaining traction. Our guest satisfaction scores and kind of the rebirth of Six Flags is taking hold. We have better service, faster throughput, and our brand name strategies are all combining to give us a big lift on the guest spending, and we hope that will continue.

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Frank Longobarti - *Elsentra - Analyst*

Okay. That's helpful. Thanks for the clarification.

Operator

(OPERATOR INSTRUCTIONS). Barrett Enon (sic), Brownstone Asset Management.

Barrett Naylor - *Brownstone Asset Management - Analyst*

Did you guys your revolver balance the end of April? I didn't hear that.

Jeff Speed - *Six Flags, Inc. - EVP and CFO*

Yes, we did.

Barrett Naylor - *Brownstone Asset Management - Analyst*

How much was it?

Jeff Speed - *Six Flags, Inc. - EVP and CFO*

It was \$175 million at the end of April.

Barrett Naylor - *Brownstone Asset Management - Analyst*

Now is that a typically high draw for this time of year or is that normal?

Jeff Speed - *Six Flags, Inc. - EVP and CFO*

No, that's right in line. Right in line. It's actually probably on the lower side, obviously, because we have fewer parks than we did this time last year. But it's upwards of \$200 million through the low point from Jan 1 to the low point. Depending -- it depends on your capital spend as well for the year, but that's anywhere from \$175 million to \$200 million is pretty normal.

Barrett Naylor - *Brownstone Asset Management - Analyst*

And then I guess it starts coming down after the second quarter?

Jeff Speed - *Six Flags, Inc. - EVP and CFO*

Yes. It actually starts coming down within the second quarter. But yes, the big cash flow months are obviously July and August.

Barrett Naylor - *Brownstone Asset Management - Analyst*

Okay, and just make sure I heard you clearly. You said that you don't expect a ruling or a settlement in your favor in this coming year for the insurance proceeds down in New Orleans?

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Mark Shapiro - *Six Flags, Inc. - CEO*

That's correct.

Jeff Speed - *Six Flags, Inc. - EVP and CFO*

Yes, you shouldn't expect it.

Barrett Naylor - *Brownstone Asset Management - Analyst*

No settlement, no ruing this year?

Mark Shapiro - *Six Flags, Inc. - CEO*

We do not expect it.

Barrett Naylor - *Brownstone Asset Management - Analyst*

Okay. And then for the last question, I was curious about the peers. I know you added that new bullet point in your presentation for the investor day about the Delaware law and then I guess the negative stockholders' equity.

How exactly does that work and what sort of your -- I noticed that you've outlined several different strategies for taking out the peers. But how are you sort of thinking about the peers now, in terms of both those things?

Jeff Speed - *Six Flags, Inc. - EVP and CFO*

I'm not sure I understand the question.

Barrett Naylor - *Brownstone Asset Management - Analyst*

Well first thing I'm trying to understand how that Delaware law works.

Jeff Speed - *Six Flags, Inc. - EVP and CFO*

You should probably talk to Delaware Council. I don't want to give Delaware legal advice. But there are certain restrictions under Delaware corporate law in terms of paying dividends and/or cash redemptions on equity when there is not legal funds available therefore. So that is the extent of the highlight in the presentation is that there may well be restrictions on what we can do at the mandatory redemption date under Delaware law. And so it was just to flag that in the context of the various options that we laid out.

Barrett Naylor - *Brownstone Asset Management - Analyst*

Okay. And I guess in terms of the maturities, is that something you're going to deal with next year? Or is that something you proactively work on to deal with ahead of time?

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Jeff Speed - Six Flags, Inc. - EVP and CFO

We are looking at alternatives all the time. I'm not in a position to put out there the timing of when we might do something or in what form at this point. We're really focused on executing the strategy this season, having a good year and the rest will take care of itself.

Barrett Naylor - Brownstone Asset Management - Analyst

Okay, thank you.

Operator

Jane Pedreira, Lehman Brothers.

Jane Pedreira - Lehman Brothers - Analyst

I just had two questions. I guess the first one is again relating back to that Delaware law. Would that affect other payments that you might make to the partnership parks, either relating to the partnership puts or CapEx, or are there any other ways that this Delaware law would impact your business operations?

Jeff Speed - Six Flags, Inc. - EVP and CFO

Not to my knowledge. It's just a specific provision that deals with payments with respect to equity.

Jane Pedreira - Lehman Brothers - Analyst

But the partnership puts are also equity.

Jeff Speed - Six Flags, Inc. - EVP and CFO

Well they are partnership interest. They're not corporate equity.

Jane Pedreira - Lehman Brothers - Analyst

Okay. And then I was just trying to find -- if you could give us any guidance at all as you are increasing more and more sponsorship revenue. I'm assuming that enhances your margins overall. But can you give us any guidance at all on how we should look at the profitability of that sponsorship revenue?

Jeff Speed - Six Flags, Inc. - EVP and CFO

Yes, I mean the sponsorship -- we kind of touched on it before a little bit, Jane, in terms of every deal differs in terms of the activation required and so forth. We've got a built-in, obviously, sales force, and obviously that's a relatively fixed cost. But we generally look on that business and particularly also the international licensing and fees, that it's 80% plus kind of margins.

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Mark Shapiro - *Six Flags, Inc. - CEO*

Some are as high as that, Jane.

Jane Pedreira - *Lehman Brothers - Analyst*

So what would be a realistic range?

Mark Shapiro - *Six Flags, Inc. - CEO*

We're not going to give you a range.

Jane Pedreira - *Lehman Brothers - Analyst*

Okay.

Mark Shapiro - *Six Flags, Inc. - CEO*

Jane, it's a sensitive subject, clearly. We have advertising partners here that are paying us for exposure and advertising and retail activation and experiential marketing and sampling. And I'm not going to break out how much we are making off of them.

Jane Pedreira - *Lehman Brothers - Analyst*

Okay. And then I know you announced a couple new things this year. One was the we experience I think. And then there was also a sponsorship deal with a scooter company. Can you give us any sense for how the economics of those deals work?

Mark Shapiro - *Six Flags, Inc. - CEO*

No, they are all -- they are wide-ranging. Some deals are multimillion dollars annually, and some deals range all the way down to local sponsorships for \$2,000. I mean, honestly, Jane, that's the range. It's a huge field, wide and vast. We've got folks at the New York office selling national partnerships. We've got folks at the parks that are lined up to sell regional partnerships. And then we've got account executives that are out there selling literally yellow pages door-to-door, Joe's Cleaners sponsoring in our parks; and those might range all the way to \$2000 per. But you could add up a lot of \$2,000.

Jane Pedreira - *Lehman Brothers - Analyst*

Okay, but on the ones where they are like a scooter, do they have a separate gate and there is incremental revenue? Or is that all included with the admission?

Mark Shapiro - *Six Flags, Inc. - CEO*

There's nobody we up-charge. If we're not going to up-charge for concerts, we're certainly not going to up-charge to ride a scooter.

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Jane Pedreira - *Lehman Brothers - Analyst*

Okay.

Mark Shapiro - *Six Flags, Inc. - CEO*

There are up-charges in our parks historically. There's been a bungee jump type things, go carts.

Jane Pedreira - *Lehman Brothers - Analyst*

That's what I thought.

Mark Shapiro - *Six Flags, Inc. - CEO*

Yes, but they're not tied to advertising partnerships.

Jane Pedreira - *Lehman Brothers - Analyst*

Okay. That's what I was trying to get more a sense of how the not numbers, but just how it works generally. So you give them the land for free, they exhibit their items, and it's free to the customer?

Mark Shapiro - *Six Flags, Inc. - CEO*

There are different deals, Jane. Our advertisers, some of them buy just the media package. They won't set up anything in the park. Now that we have Six Flags CDs, they're just buying media. They want their commercials running X minutes per hours, this kind of frequency, this kind of CPM, this area, this ride, you name it. Some are a sampling. Some are signing people up. Chase is signing people up to credit cards in the parks. You name it. It's all about sampling, experiential marketing, retail activation, media, signage, outdoor signage, indoor restroom signage, radio, Six Flags radio. There's a -- we've spent some -- we've made an investment and we've built a team to essentially assemble a wide array of assets, so that for every advertiser, they can pick their own goody bag.

It's the outdoor experiential solution. You know what? Go online. Buy a VIP package and you will come out, and I will give you the personal tour of Six Flags media networks.

Jane Pedreira - *Lehman Brothers - Analyst*

Okay, yes. I was sorry to miss your analyst day.

Mark Shapiro - *Six Flags, Inc. - CEO*

Well, that's free. I want you to do the online VIP. It's about \$200. You can come on there. I'm just kidding, Jane. Good to hear from you.

Operator

David Miller, SMH Capital.

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David Miller - SMH Capital - Analyst

So I have a couple of follow-ups. Jeff, on Dick Clark, can you disclose what the licensing fee would have been for the Golden Globes had the Golden Globes not been canceled? And also, within that, I believe So You Think You Can Dance starts to re-air on Fox on May 22. I think I have that correct. Can you disclose what the licensing fees are there as it applies to the 40% interest in Dick Clark? Thanks very much.

Jeff Speed - Six Flags, Inc. - EVP and CFO

Okay, let me -- very brief. No and no. Sorry about that. We just can't -- we can't disclose that obviously. As deals come up for renewal across the portfolio, we can't obviously, put numbers out there.

David Miller - SMH Capital - Analyst

Fair enough. Thank you.

Operator

At this time, there are no more questions in the queue. I would like to turn the presentation back over to management for any closing remarks.

Mark Shapiro - Six Flags, Inc. - CEO

Well, I thank everybody for taking the time today, and look forward to talking to you on the second-quarter results call. Enjoy the rest of your spring, early part of your summer. Come on out to Six Flags. Thank you.

Operator

Ladies and gentlemen, this concludes your presentation. You may now disconnect and have a great day.

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