

CEDAR FAIR, L.P.
RECONCILIATION OF ADJUSTED EBITDA
(In thousands)

	Three months ended		Twelve months ended	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016
Net income	\$ 57,547	\$ (6,796)	\$ 215,476	\$ 177,688
Interest expense	23,131	21,994	85,603	83,863
Interest income	(456)	(93)	(855)	(177)
Provision (benefit) for taxes	(62,657)	6,079	1,112	71,418
Depreciation and amortization	26,985	13,701	153,222	131,876
EBITDA	44,550	34,885	454,558	464,668
Loss on early debt extinguishment	6	—	23,121	—
Net effect of swaps	(3,762)	(10,099)	(45)	(1,197)
Non-cash foreign currency (gain) loss	5,944	9,190	(29,041)	(14,345)
Non-cash equity compensation expense	4,061	11,587	13,789	18,496
Loss on impairment/retirement of fixed assets, net	9,671	7,205	12,728	12,587
Gain on sale of other assets	—	—	(1,877)	—
Employment practice litigation costs	171	—	4,867	—
Other ⁽¹⁾	480	698	877	1,039
Adjusted EBITDA ⁽²⁾	<u>\$ 61,121</u>	<u>\$ 53,466</u>	<u>\$ 478,977</u>	<u>\$ 481,248</u>

- (1) Consists of certain costs as defined in the Company's 2017 Credit Agreement and prior credit agreements. These items are excluded in the calculation of Adjusted EBITDA and have included certain legal expenses, costs associated with certain ride abandonment or relocation expenses, and severance expenses. This balance also includes unrealized gains and losses on short-term investments.
- (2) Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, other non-cash items, and adjustments as defined in the 2017 Credit Agreement and the 2013 Credit Agreement. The Company believes Adjusted EBITDA is a meaningful measure as it is widely used by analysts, investors and comparable companies in our industry to evaluate our operating performance on a consistent basis, as well as more easily compare our results with those of other companies in our industry. Further, management believes 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 is provided in the discussion of results of operations that follows as a supplemental measure of our operating results and is not intended to be a substitute for operating income, net income or cash flows from operating activities as defined under generally accepted accounting principles. In addition, Adjusted EBITDA may not be comparable to similarly titled measures of other companies.