

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

	Three months ended		Nine months ended	
	9/24/2017	9/25/2016	9/24/2017	9/25/2016
Net income	\$ 191,315	\$ 174,987	\$ 157,929	\$ 184,484
Interest expense	21,638	20,957	62,472	61,869
Interest income	(351)	(58)	(399)	(84)
Provision for taxes	73,747	62,918	63,769	65,339
Depreciation and amortization	70,060	64,685	126,237	118,175
EBITDA	356,409	323,489	410,008	429,783
Loss on early debt extinguishment	—	—	23,115	—
Net effect of swaps	(952)	1,650	3,717	8,902
Non-cash foreign currency (gain) loss	(29,156)	7,360	(34,985)	(23,535)
Non-cash equity compensation expense	3,126	2,160	9,728	6,909
Loss on impairment / retirement of fixed assets, net	1,347	1,355	3,057	5,382
Gain on sale of investment	(1,877)	—	(1,877)	—
Employment practice litigation costs	4,696	—	4,696	—
Other ⁽¹⁾	49	1	397	341
Adjusted EBITDA⁽²⁾	\$ 333,642	\$ 336,015	\$ 417,856	\$ 427,782

- (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.