



2 0 0 2   A N N U A L   R E P O R T



**Six Flags**



# CANADA

# UNITED STATES

# MEXICO

# EUROPE

# CONTENTS

Enchanted Village & Wild Waves  
Seattle

La Ronde  
Montreal

Six Flags Darien Lake  
Buffalo/Rochester

The Great Escape  
Lake George

Six Flags New England  
Boston/Hartford/Springfield

Waterworld USA  
Sacramento

Six Flags Elitch Gardens  
Denver

Six Flags Great America  
Chicago

Six Flags Worlds of Adventure  
Cleveland

Great Adventure & Wild Safari Animal Park  
New York/Philadelphia

Six Flags Marine World  
Vallejo/San Francisco

Waterworld USA  
Concord

Six Flags St. Louis

Wyandot Lake  
Columbus

Six Flags America  
Washington D.C./Baltimore

Six Flags Hurricane Harbor  
New York/Philadelphia

Six Flags Magic Mountain  
Los Angeles

Six Flags Hurricane Harbor  
Los Angeles

White Water Bay  
Oklahoma City

Frontier City  
Oklahoma City

Six Flags Kentucky Kingdom  
Louisville

Six Flags Over Georgia  
Atlanta

Six Flags White Water  
Atlanta

Six Flags Hurricane Harbor  
Dallas

Six Flags Over Texas  
Dallas

Six Flags Fiesta Texas  
San Antonio

Six Flags New Orleans

Six Flags AstroWorld  
Houston

Six Flags SplashTown  
Houston

Six Flags Mexico  
Mexico City



## PARK LOCATIONS

- THEME PARK
- WATER PARK

Six Flags Holland  
Amsterdam, Holland

Bellewaerde  
Leper, Belgium

Six Flags Belgium  
Brussels, Belgium

Warner Bros. Movie World  
Düsseldorf, Germany

Walibi Lorraine  
Metz, France

## EUROPE

Walibi Rhône-Alpes  
Lyon, France

Walibi Aquitaine  
Toulouse/Bordeaux  
France

Warner Bros. Movie World  
Madrid, Spain

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## **The World's Thrill Capital.**

**W**ITH 39 THEME AND WATER PARKS IN EIGHT COUNTRIES, SIX FLAGS OWNS AND OPERATES MORE PARKS THAN ANY OTHER COMPANY IN THE WORLD. OF THOSE PARKS, 24 ARE SIX FLAGS-BRANDED. ■ SIX FLAGS HAS 29 PARKS IN THE U.S. ALONE AND 15 OF THE LARGEST THEME PARKS IN NORTH AMERICA. NEARLY TWO-THIRDS OF THE POPULATION OF THE CONTINENTAL UNITED STATES LIVES WITHIN 150 MILES OF ONE OF OUR PARKS.

## T O U R S H A R E H O L D E R S

**T**he depth and duration of the severe economic downturn in the United States and elsewhere made 2002 a very difficult operating environment for nearly all businesses, and Six Flags was no exception. To be sure, we were significantly less affected than a number of other U.S.-based leisure and entertainment companies, particularly the destination parks and hotel operators, who saw declines of as much as 20-30% or more in their operating cash flows. However our performance for the year, though stable, was still well below our expectations with a modest decline in consolidated revenues of approximately 0.8%.

Historically, the regional theme park industry has proven to be relatively less affected by economic downturns than destination assets. At Six Flags, 90% of our customers come from within 150 miles of each park, over 55% of our business comes on a group, season pass or other form of pre-sold ticket, and we deliver a substantial entertainment value for an affordable price. The proximity of our patrons and this strong price-value relationship prevented the poor economy from having a more severe impact on our performance. We also recognize that certain decisions we made in advance of the 2002 season regarding allocation of capital investment, reduction in media expenditures, and modification of discount levels exacerbated the impact of the economic downturn in a few key markets and prevented us from achieving our performance goals.

After a comprehensive review of our pricing and marketing strategies for each park, and with a carefully constructed capital program touching a large number of our parks, we believe we have made the adjustments necessary to put our Company back on a growth path in 2003 notwithstanding our expectation that the economic environment is unlikely to improve meaningfully over the course of the season.

We are mindful of the significant decline in our share price due to our failure to meet our growth targets in 2002. We expect that a rebound in performance in 2003 will demonstrate that this severe decline fails to reflect the true value of our assets and



their long-term performance potential. We also recognize that our ability to generate free cash flow (after capital expenditures, cash interest expense and preferred stock dividends) and to use that free cash flow to reduce our outstanding indebtedness over the next few years will be an important factor in driving our share price in the public market. I can assure you that our primary strategic focus over the intermediate term is to drive revenue and cash flow growth at our existing parks with controlled investment levels in order to generate free cash flow.

## 2002 PERFORMANCE

Revenues from consolidated operations in 2002 were \$1.04 billion, down \$8 million or 0.8% from 2001. This small decrease resulted from a 7.8% decline in attendance at the consolidated parks, offset by a 7.6% increase in total per capita spending at those parks. Our performance difficulties in 2002 were concentrated in five domestic markets and stemmed from several factors — including misallocation of capital investment, with no new attractions in any of our four largest markets, too rapid an elimination of certain deep discount



**JIM DANNHAUSER**  
Chief Financial Officer

**KIERAN BURKE**  
Chairman &  
Chief Executive Officer

**GARY STORY**  
President &  
Chief Operating Officer

programs (particularly in our New Jersey and Dallas parks), and too deep a reduction in media expenditures. These factors were exacerbated by the economic slowdown, which increased the impact of those actions and restrained our other parks from outperforming expectations and offsetting the shortfall in those five markets. The balance of our parks actually performed reasonably well given the challenging operating environment, with aggregate performance exceeding the prior year. We were especially pleased with the per capita spending gains we achieved at most parks, with increases coming in both admission per capita and in-park spending. We also saw a solid performance at our European parks, which experienced a nice improvement over 2001.

While 2002 was a very difficult year, there were some other bright spots and accomplishments to report to you. On August 23, 2002, we acquired Jazzland, a theme park located on over 200 acres outside New Orleans, which was built just three years ago at a cost of \$135 million and whose prior owner had sought protection under the federal bankruptcy laws. We acquired Jazzland for the assumption of \$16.8 million of pre-existing liabilities of the park and aggregate cash payments of \$5.4 million. As part of our 2003 capital program, we have rebranded the park as “Six Flags New Orleans,” adding a number of new rides and attractions with extensive theming based on our licensed characters from Warner Bros. and DC Comics. We expect the park to make a solid contribution to 2003 cash flow and to grow nicely in succeeding seasons.



**W**e continue to make steady progress in our sponsorship and promotional efforts with a number of national brands. Most significantly, we reached an agreement with the Coca-Cola Company, Inc. for the exclusive pouring rights to our parks worldwide. In addition to substantial cash fees, this ten-year partnership will deliver unprecedented marketing support to our parks, greatly enhancing our own advertising and promotional efforts. By way of example, in addition to millions of dollars in additional cooperative media support, our park ticket offers will appear on over two billion cans in North America in 2003. This alliance also enables us to execute nationwide

promotions with Coke and other mutual partners. One such joint promotion this summer will involve in-theater commercials at Loews Cineplex Entertainment Corporation theaters nationwide. The spots will invite movie patrons to visit theater concession stands to pick up discount coupons to Six Flags theme parks.

## 2003 OUTLOOK

Our capital and marketing programs for 2003 are well underway. We are investing approximately \$130 million in our parks for this season. I am happy to report that our projects are on schedule and on budget. This is a powerful capital program, which includes a major attraction at each of our four largest parks, a rebranding of the recently acquired New Orleans park, the continued development of our Seattle and Montreal parks, and marketable attractions in a large number of other markets. As part of the capital program, we are also relocating rides to several parks, significantly stretching our capital dollars and delivering exciting rides to many more parks than we otherwise could. By taking advantage of our extensive ride inventories, and with this level of cash investment, we will open new marketable attractions in fourteen of our nineteen domestic theme parks. We plan to keep our capital investment in a range of \$100-130 million per year for the foreseeable future. This should enable us to generate a substantial level of free cash flow this year and in succeeding seasons, which will allow us to reduce our outstanding indebtedness over the next several years.

With an excellent array of exciting rides hitting our major parks and calibrated corrections of our 2002 pricing and marketing missteps in certain markets, we believe we can deliver a



successful 2003 season. We anticipate generating consolidated revenue growth of 4-5%, driven by an attendance increase of 3.5-4% and a per capita spending increase of 1-1.5%. The expected growth should result primarily from a rebound in performance at the parks that had disappointing seasons last year. We are encouraged that to achieve our targets, the attendance at our parks does not need to reach beyond levels that have been exceeded in the last several years. We will also benefit in 2003 from the performance of our new New Orleans park which opens this month as Six Flags New Orleans.

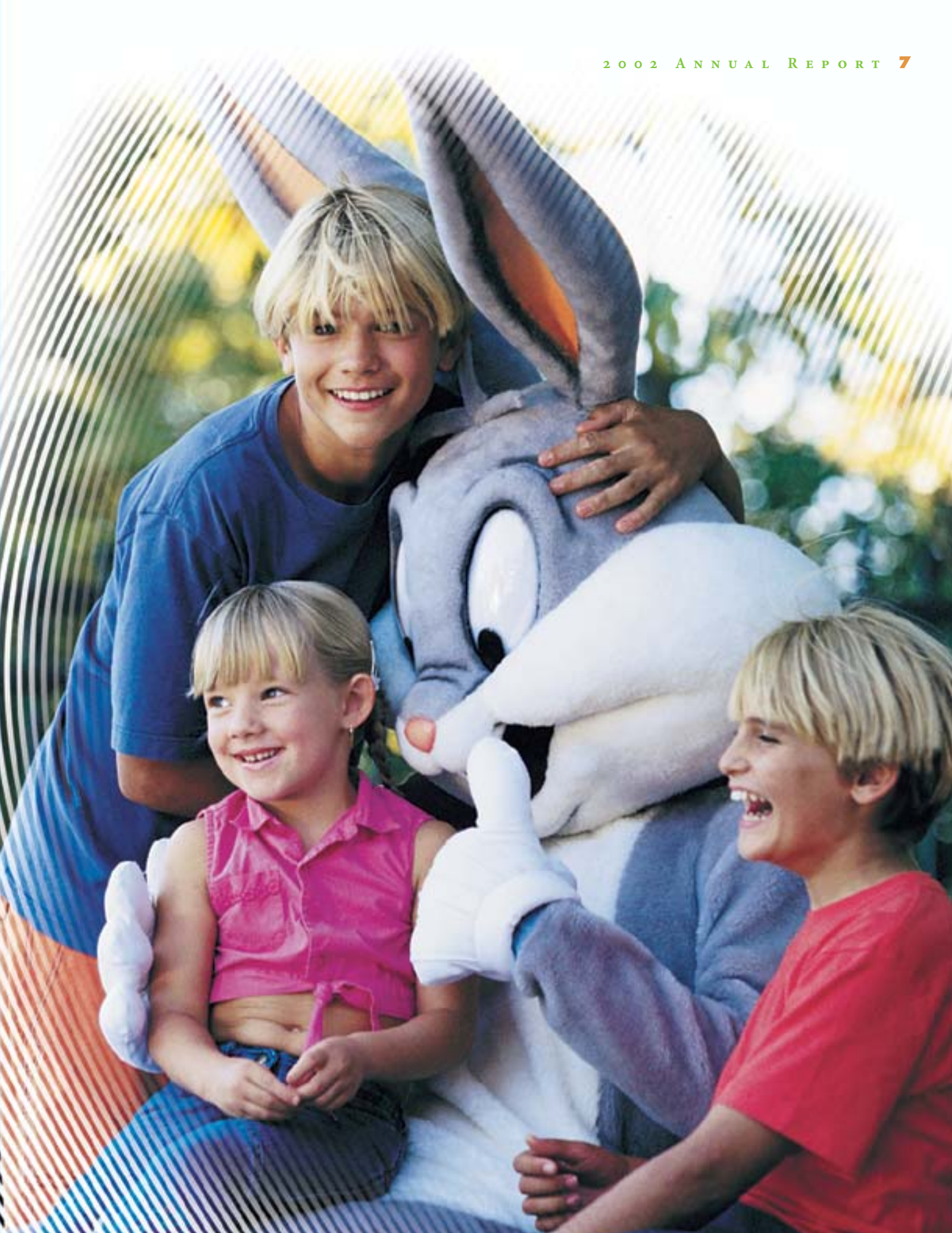
**W**e are in great shape from a liquidity perspective to pursue our business plan. Last year, we refinanced our two public debt issues nearest-in, in terms of maturity, and we amended and extended our bank facility.

With those transactions concluded, we now have no public debt maturities until 2007, no meaningful amortization in our bank debt until 2008 and our working capital facilities committed to June 2008. So we have no debt pressure and ample liquidity and financing in place to drive our park performance.



In terms of 2003 performance, our operating season is just getting started, with a limited number of parks primarily commencing weekend operations. We are pleased with the solid opening performance of our parks that are in operation. In addition, while it is still very early, we are also very pleased with where we stand systemwide in terms of year-to-date season pass sales and hard ticket group bookings, with both categories pacing ahead of 2002. It is far too early in the season to extrapolate definitive conclusions from these numbers, but it is a good beginning given the continued weak economy and the geopolitical uncertainty.

In an extremely uncertain environment, where there is very little visibility about the depth and duration of what has already been a long and difficult economic downturn and where no one can predict the outcome of the geopolitical issues that abound, we remain confident in the long-term future of our Company because of the many strengths and assets we have built over time.




**W**e are today the world's largest regional theme park operator with thirty-nine parks (quadruple the number of our nearest competitor) in eight countries serving an expected 47 million guests in 2003. Our parks are located in geographically diverse markets across North America and Europe, and they include a broad spectrum of family-oriented entertainment venues. Our theme parks offer a diverse selection of state-of-the-art and traditional thrill rides, water attractions, animal, marine mammal and sealife exhibits, themed areas, concerts and shows, restaurants, game venues and merchandise outlets. In the aggregate, our theme parks contain nearly 1,500 rides, including over 190 roller coasters, making us the leading provider of thrill rides in the industry.

With 29 U.S. parks, Six Flags has achieved an unparalleled national footprint — one which provides geographic diversity and which simply cannot be duplicated. Our reach is extensive. Approximately two-thirds of the population of the continental United States live within a 150-mile radius of one of our parks. Our parks serve each of the ten largest metropolitan areas of the country and seventeen of the top twenty-five. We own fifteen of the most highly attended theme parks in North America.



Internationally, we currently operate eight parks in five European countries, including two Six Flags-branded parks, one located in Belgium and one in the Netherlands, and two major Warner Bros. Movie World parks, one each in Germany and Spain. We also own the largest park in Mexico City, with over 20 million residents living within 50 miles of the park. Our La Ronde park in Montreal, our first park in Canada, will be branded a Six Flags park for the 2004 season.

Enhancing our unique network of parks is our preeminent brand and our character licenses. We have worldwide ownership of the Six Flags name, the dominant brand in the regional theme park industry. Our exclusive long-term licenses from Warner Bros. and DC Comics give us access to a stunning array of characters and intellectual property whose breadth and scope appeal to our entire family audience. The impact of branding on our



business has been tremendous. We will continue to add our Six Flags brand name and our licensed characters to the parks we own or acquire to accelerate their growth and to enhance the family entertainment experience of our guests.

Before closing, I would like to mention how very pleased we are that Robert J. McGuire has agreed to stand for election to our Board of Directors at our Annual Stockholders' meeting in May. Mr. McGuire has a broad range of governmental and private sector experience. He is the former New York City Police Commissioner, former

Chairman and Chief Executive Officer of Pinkerton's Inc. and former President of Kroll Associates, Inc. We believe that Mr. McGuire will make an excellent addition to our Board, expanding membership to eight, with five independent members. We are extremely gratified that Mr. McGuire has agreed to join our Board upon stockholders' vote.

I look forward to reporting to you on our progress in 2003 and what we hope will be a successful year.

Sincerely,



Kieran E. Burke

*Chairman and Chief Executive Officer*