

SeaWorld Entertainment, Inc.
Form 424B4
April 04, 2014
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**Filed pursuant to Rule 424(b)(4)
Registration No. 333-194751**

15,000,000 Shares

SeaWorld Entertainment, Inc.

Common Stock

The selling stockholders identified in this prospectus are offering 15,000,000 shares of common stock of SeaWorld Entertainment, Inc. The selling stockholders will receive all of the net proceeds from this offering and we will not receive any of the proceeds from the sale of the shares of common stock being sold by the selling stockholders.

We have agreed to repurchase, concurrently with the closing of this offering, 1.75 million shares of our common stock directly from the selling stockholders in a private, non-underwritten transaction. This repurchase was approved by the special committee comprised of two of our independent, disinterested directors as being in the best interests of the Company and its stockholders other than the selling stockholders. The repurchase will be consummated concurrently with the closing of this offering and involves a price per share payable by the Company equal to the price per share that would be paid to the selling stockholders by the underwriters in this offering. The completion of this share repurchase is conditioned upon, among other things, the completion of this offering, but the completion of this offering is not conditioned upon the completion of such share repurchase.

The common stock of SeaWorld Entertainment, Inc. is listed on the New York Stock Exchange (the NYSE) under the symbol SEAS. The last reported sale price of SeaWorld Entertainment, Inc. s common stock on the NYSE on April 3, 2014 was \$30.01 per share.

*Investing in our common stock involves risks. See **Risk Factors** beginning on page 18.*

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

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	Per Share	Total
Public offering price	\$ 30.00	\$ 450,000,000
Underwriting discount and commissions(1) ..	\$ 1.125	\$ 16,875,000
Proceeds, before expenses, to the selling stockholders ..	\$ 28.875	\$ 433,125,000

(1) See Underwriting (Conflicts of Interest) for additional disclosure regarding the underwriting discount, commissions and estimated offering expenses.

To the extent that the underwriters sell more than 15,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 2,250,000 shares from the selling stockholders at the public offering price less the underwriting discount and commissions. The selling stockholders will receive all of the proceeds from the sale of any such additional shares to the underwriters.

The underwriters expect to deliver the shares against payment in New York, New York on April 9, 2014.

Goldman, Sachs & Co.

J.P. Morgan

Deutsche Bank Securities

BofA Merrill Lynch

Barclays

Citigroup

Wells Fargo Securities

Blackstone Capital Markets

Macquarie Capital

Lazard Capital Markets

KeyBanc Capital Markets

Piper Jaffray

Drexel Hamilton

Ramirez & Co., Inc.

Telsey Advisory Group

Prospectus dated April 3, 2014.

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Unless otherwise indicated or the context otherwise requires, financial data in this prospectus reflects the consolidated business and operations of SeaWorld Entertainment, Inc. and its consolidated subsidiaries.

Neither we nor the selling stockholders have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. Neither we nor the selling stockholders take responsibility for, and cannot provide assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

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MARKET AND INDUSTRY DATA

Market data and industry statistics and forecasts used throughout this prospectus are based on the good faith estimates of management, which in turn are based upon management's reviews of independent industry publications, reports by market research firms and other independent and publicly available sources. Although we believe that these third-party sources are reliable, we do not guarantee the accuracy or completeness of this information and have not independently verified this information. Similarly, internal Company surveys, while believed by us to be reliable, have not been verified by any independent sources. Unless we indicate otherwise, market data and industry statistics used throughout this prospectus are for the year ended December 31, 2013.

In this prospectus (i) references to the TEA/AECOM Report refer to the 2012 *Theme Index: The Global Attractions Attendance Report*, TEA/AECOM, 2013 and (ii) references to the IBISWorld Report refer to the *IBISWorld Industry Report 71311: Amusement Parks in the US* dated June 2013. Unless otherwise noted, attendance rankings included in this prospectus are based on the TEA/AECOM Report and theme park industry statistics are based on the IBISWorld Report.

Although we are not aware of any misstatements regarding the industry data that we present in this prospectus, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under Risk Factors, Special Note Regarding Forward-Looking Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus.

TRADEMARKS, SERVICE MARKS AND TRADENAMES

We own or have rights to use a number of registered and common law trademarks, service marks and trade names in connection with our business in the United States and in certain foreign jurisdictions, including SeaWorld Entertainment, SeaWorld Parks & Entertainment, SeaWorld®, Shamu®, Busch Gardens®, Aquatica, Discovery Cove®, Sea Rescue and other names and marks that identify our theme parks, characters, rides, attractions and other businesses. In addition, we have certain rights to use Sesame Street® marks, characters and related indicia through certain license agreements with Sesame Workshop (f/k/a Children's Television Workshop) (Sesame Workshop).

Solely for convenience, the trademarks, service marks, and trade names referred to in this prospectus are without the ® and symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks, and trade names. This prospectus contains additional trademarks, service marks and trade names of others, which are the property of their respective owners. All trademarks, service marks and trade names appearing in this prospectus are, to our knowledge, the property of their respective owners.

BASIS OF PRESENTATION

On December 1, 2009, investment funds affiliated with The Blackstone Group L.P. and certain co-investors, through SeaWorld Entertainment, Inc. and its wholly-owned subsidiary, SeaWorld Parks & Entertainment, Inc. (SWPEI), acquired 100% of the equity interests of Sea World LLC (f/k/a SeaWorld, Inc.) and SeaWorld Parks & Entertainment LLC (f/k/a Busch Entertainment Corporation) from certain subsidiaries of Anheuser-Busch Companies, Inc. We refer to this acquisition and related financing transactions as the 2009 Transactions. As a result of the 2009 Transactions, Blackstone and the other co-investors own, through SW Delaware L.P. (f/k/a SW Cayman L.P.),

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SW Delaware A L.P. (f/k/a SW Cayman A L.P.), SW Delaware B L.P. (f/k/a SW Cayman B L.P.), SW Delaware C L.P. (f/k/a SW Cayman C L.P.), SW Delaware D L.P. (f/k/a SW Cayman D L.P.), SW Delaware E L.P. (f/k/a SW Cayman E L.P.), SW Delaware F L.P. (f/k/a SW Cayman F L.P.), SW Delaware Co-Invest L.P. (f/k/a SW Cayman Co-Invest L.P.), SW Delaware (GS) L.P. (f/k/a SW Cayman (GS) L.P.) and SW Delaware (GSO) L.P. (f/k/a SW Cayman (GSO) L.P.) (collectively, the Partnerships), common stock of SeaWorld Entertainment, Inc. The Partnerships are the selling stockholders in this offering. For a more complete description of the Partnerships, see Principal and Selling Stockholders and Certain Relationships and Related Party Transactions Limited Partnership Agreements and Equityholders Agreement.

As used in this prospectus, unless otherwise noted or the context otherwise requires, (i) references to the Company, we, our or us refer to SeaWorld Entertainment, Inc. and its consolidated subsidiaries, (ii) references to the Issuer refer to SeaWorld Entertainment, Inc. exclusive of its subsidiaries, (iii) references to Blackstone or the Sponsor refer to certain investment funds affiliated with The Blackstone Group L.P., (iv) references to the Investor Group refer, collectively, to Blackstone and other co-investors in the Partnerships, (v) references to the 2009 Advisory Agreement refer to the Amended and Restated 2009 Advisory Agreement among SeaWorld Parks & Entertainment, Inc. (f/k/a SW Acquisitions Co., Inc.), Sea World Parks & Entertainment LLC, Sea World LLC and affiliates of Blackstone, (vi) references to ABI refer to Anheuser-Busch, Incorporated, (vii) references to guests refer to our theme park visitors, (viii) references to customers refer to any consumer of our products and services, including guests of our theme parks, and (ix) references to the underwriters refer to the firms listed on the cover page of this prospectus.

All references herein to a fiscal year refer to the 12 months ended December 31 of such year, and references to the first, second, third and fourth fiscal quarters refer to the three months ended March 31, June 30, September 30 and December 31, respectively.

Information presented as of December 31, 2013 and 2012 and for the fiscal years ended December 31, 2013, 2012 and 2011 is derived from our audited consolidated financial statements for those periods included elsewhere in this prospectus. Information presented as of December 31, 2011 and 2010 and for the fiscal year ended December 31, 2010 and the one month period ended December 31, 2009 is derived from our audited consolidated statements of operations and comprehensive income (loss), stockholders' equity and cash flows for the fiscal year ended December 31, 2011 and 2010 and the one month period ended December 31, 2009 not included in this prospectus. The results for the one month period ended December 31, 2009 include the results of operations of the Company from December 1, 2009 to December 31, 2009, which is the period in which we first became an independent, stand-alone entity following the 2009 Transactions.

The historical consolidated financial statements and financial data included in this prospectus are those of SeaWorld Entertainment, Inc. and its consolidated subsidiaries. The historical consolidated financial information and financial data for the periods prior to the 2009 Transactions (the Predecessor Financial Information) is not presented in this prospectus because it is not comparable and therefore not meaningful to a prospective investor. The Predecessor Financial Information does not fully reflect our operations on a stand-alone basis and we believe would not materially contribute to an investor's understanding of our historical financial performance. The Predecessor Financial Information prepared on a basis comparable with our consolidated financial statements included in this prospectus is not available and cannot be provided without unreasonable effort and expense. We believe that the omission of the Predecessor Financial Information will not have a material impact on an investor's understanding of our financial results and condition and related trends.

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PROSPECTUS SUMMARY

This summary highlights certain significant aspects of our business and this offering. This is a summary of information contained elsewhere in this prospectus, is not complete and does not contain all of the information that you should consider before making your investment decision. You should carefully read the entire prospectus, including the information presented under the section entitled Risk Factors and the consolidated financial statements and the notes thereto, before making an investment decision. This summary contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from future results contemplated in the forward-looking statements as a result of certain factors such as those set forth in Risk Factors and Special Note Regarding Forward-Looking Statements. When making an investment decision, you should also read the discussion under Basis of Presentation above for the definition of certain terms used in this prospectus and a description of certain transactions and other matters described in this prospectus.

Company Overview

We are a leading theme park and entertainment company delivering personal, interactive and educational experiences that blend imagination with nature and enable our customers to celebrate, connect with and care for the natural world we share. We own or license a portfolio of globally recognized brands including SeaWorld, Shamu and Busch Gardens. Over our more than 50 year history, we have built a diversified portfolio of 11 destination and regional theme parks that are grouped in key markets across the United States, many of which showcase our one-of-a-kind collection of approximately 86,000 marine and terrestrial animals. Our theme parks feature a diverse array of rides, shows and other attractions with broad demographic appeal which deliver memorable experiences and a strong value proposition for our guests. In addition to our theme parks, we have recently begun to leverage our brands into media, entertainment and consumer products.

During the year ended December 31, 2013, we hosted approximately 23.4 million guests in our theme parks, including approximately 3.7 million international guests. In the year ended December 31, 2013, we had total revenues of \$1,460.3 million and net income of \$50.5 million. Our increasing revenue and growing profit margins, combined with our disciplined approach to capital expenditures and working capital management, enable us to generate strong and recurring cash flow.

Our portfolio of branded theme parks includes the following names:

SeaWorld. SeaWorld is widely recognized as the leading marine-life theme park brand in the world. Our SeaWorld theme parks, located in Orlando, San Antonio and San Diego, each rank among the most highly attended theme parks in the industry and offer up-close interactive experiences and a variety of live performances, including shows featuring Shamu in specially designed amphitheaters. We offer our guests numerous animal encounters, including the opportunity to work with trainers and feed marine animals, as well as themed thrill rides and theatrical shows that creatively incorporate our one-of-a-kind animal collection.

Busch Gardens. Our Busch Gardens theme parks are family-oriented destinations designed to immerse guests in foreign geographic settings. They are renowned for their beauty and award-winning landscaping and gardens and allow our guests to discover the natural side of fun by offering a family experience featuring a variety of attractions and rollercoasters in a richly-themed environment. Busch Gardens Tampa presents our collection of exotic animals

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from Africa, Asia and Australia. Busch Gardens Williamsburg, which has been named the Most Beautiful Park in the World by the National Amusement Park Historical Association for 23 consecutive years, showcases European-themed cultural and culinary experiences, including high-quality theatrical productions.

Aquatica. Our Aquatica branded water parks are premium, family-oriented destinations that are based in a South Seas-themed tropical setting. Aquatica water parks build on the aquatic theme of our SeaWorld brand and feature high-energy rides, water attractions, white-sand beaches and an innovative and entertaining presentation of marine and terrestrial animals. We position our Aquatica water parks as companion water parks to our SeaWorld theme parks in Orlando and San Diego and we have an Aquatica water park situated within our SeaWorld San Antonio theme park.

Discovery Cove. Discovery Cove is a reservations only, all-inclusive, marine-life day resort adjacent to SeaWorld Orlando. Discovery Cove offers guests personal, signature experiences, including the opportunity to swim and interact with dolphins, take an underwater walking reef tour and enjoy pristine white-sand beaches and landscaped private cabanas. Discovery Cove presently limits its attendance to approximately 1,300 guests per day and features premium culinary offerings in order to provide guests with a more relaxed, intimate and high-end luxury resort experience.

Sesame Place. Sesame Place is the only U.S. theme park based entirely on the award-winning television show Sesame Street. Located between Philadelphia and New York City, Sesame Place is a destination where parents and children can share in the spirit of imagination and experience Sesame Street together through whirling rides, water slides, colorful shows and furry friends. In addition, we have introduced Sesame Street brands in our other theme parks through Sesame Street-themed rides, shows, children's play areas and merchandise.

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Our theme parks are consistently recognized among the top theme parks in the world and rank among the most highly-attended in the industry. We generally locate our theme parks in geographical clusters, which improves our ability to serve guests by providing them with a varied, comprehensive vacation experience and valuable multi-park pricing packages, as well as improving our operating efficiency through shared overhead costs. The following table summarizes our theme park portfolio as of December 31, 2013:

Location	Theme					
	Park	Year Opened	Animal Habitats ⁽²⁾	Rides ⁽³⁾	Shows ⁽⁴⁾	Other ⁽⁵⁾
Orlando, FL		1973	17	14	18	27
		2000	5	3	0	5
		2008	5	13	0	4
Tampa, FL		1959	17	28	16	39
		1980	0	12	0	7
San Diego, CA		1964	25	10	20	17
		1996 ⁽¹⁾	2	8	0	4
San Antonio, TX		1988	12	23	33	50
Williamsburg, VA		1975	7	38	14	43
		1984	1	15	1	9
Langhorne, PA		1980	0	23	13	22
Total⁽⁶⁾			91	187	115	227

- (1) On November 20, 2012, we acquired the Knott's Soak City Chula Vista water park from a subsidiary of Cedar Fair, L.P. This water park was renovated, rebranded and relaunched as Aquatica San Diego on June 1, 2013.
- (2) Represents animal habitats without a ride or show element, often adjacent to a similarly themed attraction.
- (3) Represents mechanical dry rides, water rides and water slides (including wave pools and lazy rivers).
- (4) Represents annual and seasonal shows with live entertainment, animals, characters and/or 3-D or 4-D experiences.
- (5) Represents our 2013 portfolio for events, distinctive experiences and play areas, which collectively may include special limited time events; distinctive experiences often limited to small groups and individuals and/or requiring a supplemental fee (such as educational tours, immersive dining experiences and swimming with animals); and pure play areas, typically designed for children or seasonal special events, often without a queue (such as water splash areas or Halloween mazes).
- (6) The total number of animal habitats, rides, shows, play areas, events and distinctive experiences in our theme park portfolio varies seasonally.

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Our Competitive Strengths

Brands That Consumers Know and Love. We believe that our brands attract and appeal to guests from around the world and have been established as a part of popular culture. Our brand portfolio is highly stable, which we believe reduces our exposure to changing consumer tastes. We use our brands and intellectual property to increase awareness of our theme parks, drive attendance to our theme parks and create out-of-park experiences for our guests as a way to connect with them before they visit our theme parks and to stay connected with them after their visit. Such experiences include various media and consumer product offerings, including websites, advertisements and media programming, toys, books, apparel and technology accessories. For example, we have developed iPhone and Android smartphone applications for our SeaWorld and Busch Gardens theme parks, which have been downloaded over 1.5 million times from June 2011 through December 2013. We have also recently begun to leverage our brands into media, entertainment and consumer products. Since its debut in 2012 through December 2013, our Sea Rescue television program has attracted over 118 million viewers and has been rated as the number one show in its timeslot in a number of major U.S. markets. More recently, in October 2013, we introduced our newest television program, The Wildlife Docs, which attracted over 17 million viewers from October through December 2013.

Differentiated Theme Parks. We own and operate 11 theme parks, including five of the top 20 theme parks in North America as measured by attendance, according to the TEA/AECOM Report. Our theme parks are beautifully themed and deliver high-quality entertainment, aesthetic appeal, shopping and dining and have won numerous awards, including Amusement Today's Golden Ticket Awards for Best Landscaping. Our theme parks feature seven of the 50 highest rated steel rollercoasters in the world, led by Apollo's Chariot, the #5 rated steel rollercoaster in the world, and have won the top three spots in Amusement Today's annual Golden Ticket Award for Best Marine Life Park since the award's inception in 2006, according to Amusement Today's 2013 Golden Ticket Awards (the 2013 Amusement Today Annual Survey). We have over 600 attractions that appeal to guests of all ages, including 91 animal habitats, 115 shows and 187 rides. In addition, we have over 300 restaurants and specialty shops. Our theme parks appeal to the entire family and offer a broad range of experiences, ranging from emotional and educational animal encounters to thrilling rides and exciting shows.

Diversified Business Portfolio. Our portfolio of theme parks is diversified in a number of important respects. Our theme parks are located across the United States, which helps protect us from the impact of localized events. Each theme park showcases a different mix of zoological, thrill-oriented and family-friendly attractions. This varied portfolio of entertainment offerings attracts guests from a broad range of demographics and geographies. Our theme parks appeal to both regional and destination guests, which provides us with a stable attendance base while allowing us to benefit from improvements in macroeconomic conditions, including increased consumer spending and international travel.

One of the World's Largest Zoological Collections. We believe we are attractively positioned in the industry due to our ability to display our extensive animal collection in a differentiated and interactive manner. We believe we have one of the world's largest zoological collections with approximately 86,000 animals, including approximately 8,000 marine and terrestrial animals and approximately 78,000 fish. With 29 killer whales, we have the largest group of killer whales in human care. We have established successful and innovative breeding programs that have produced 31 killer whales, 159 dolphins and 135 sea lions, among other species, and our marine animal populations are characterized by their substantial genetic diversity. More than 80% of our marine mammals were born in human care.

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Strong Competitive Position. Our competitive position is protected by the combination of our powerful brands, extensive animal collection and expertise and attractive in-park assets located on valuable real estate. Our animal collection and zoological expertise, which have evolved over our more than five decades of caring for animals, would be very difficult to replicate. We have made extensive investments in new marketable attractions and infrastructure and we believe that our theme parks are well capitalized. The limited supply of real estate suitable for theme park development coupled with high initial capital investment, long development lead-times and zoning and other land use restrictions constrain the number of large theme parks that can be constructed.

Proven and Experienced Management Team and Employees with Specialized Animal Expertise. Our senior management team, led by Jim Atchison, our Chief Executive Officer and President, includes some of the most experienced theme park executives in the world, with an average tenure of more than 30 years in the industry. The management team is comprised of highly skilled and dedicated professionals with wide ranging experience in theme park operations, zoological operations, product development, business development and marketing. In addition, we are one of the world's foremost zoological organizations with an average of more than 1,500 employees in 2013 dedicated to animal welfare, training, husbandry and veterinary care.

Proximity of Complementary Theme Parks. Our theme parks are grouped in key locations near large population centers across the United States, which allows us to realize revenue and operating expense efficiencies. Having theme parks located within close proximity to each other also enables us to cross market and offer bundled ticket and travel packages. In addition, closely located theme parks provide operating efficiencies including sales, marketing, procurement and administrative synergies as overhead expenses are shared among the theme parks within each region. We intend to continue to capitalize on this strength through our 2012 acquisition of Knott's Soak City Chula Vista water park in California, which we rebranded and relaunched as Aquatica San Diego on June 1, 2013 near our SeaWorld San Diego theme park.

Attractive, Growing Profit Margins and Strong Cash Flow Generation. Our attractive and growing profit margins, combined with our disciplined approach to capital expenditures and working capital management, enable us to generate strong and recurring cash flow. Five of our 11 theme parks are open year-round, reducing our seasonal cash flow volatility. In addition, we have substantial tax assets which we expect to be available to defer a portion of our cash tax burden going forward.

Care for Our Community and the Natural World. Caring for our community and the natural world is a core part of our corporate identity and resonates with our guests. We focus on three core philanthropic areas: children, education and environment. Through the power of entertainment, we are able to inspire children and educate guests of all ages. We support numerous charities and organizations across the country. For example, we are the primary supporter and corporate member of the SeaWorld & Busch Gardens Conservation Fund, a non-profit conservation foundation, which makes grants to wildlife research and conservation projects that protect wildlife and wild places worldwide. In addition, in collaboration with the government and other members of accredited stranding networks, we operate one of the world's most respected programs to rescue ill and injured marine animals, with the goal to rehabilitate and return them back to the wild. Our animal experts have helped more than 23,000 ill, injured, orphaned and abandoned animals for more than four decades.

Our Strategies

We plan to grow our business by increasing our existing theme park revenues through strategies designed to drive higher attendance and increase in-park per capita spending, as well as by creating

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new sources of revenue through expansion of our theme parks, new theme park development and extending our brands into new media, entertainment and consumer products. We believe that our strategies complement each other as they lead to increased brand strength and awareness and drive revenue growth and profitability. Our strategies include the following components:

Continue to Create Memorable Experiences for Our Guests. Our mission is to use the power of educational entertainment to continue to inspire our guests to celebrate, connect with and care for the natural world we share. We provide our guests with innovative and immersive theme park experiences, such as our 3-D, 360 degree TurtleTrek attraction, which opened in 2012 at SeaWorld Orlando, and our Antarctica: Empire of the Penguin attraction, which opened in 2013 also at SeaWorld Orlando, and immerses guests into a penguin habitat. We also offer guests exciting rides, animal encounters and beautifully-themed entertainment that are difficult to replicate, such as in-water experiences with beluga whales at SeaWorld Orlando and our Cheetah Hunt ride, which is a launch coaster that opened in 2011 and runs alongside a cheetah habitat at Busch Gardens Tampa. As a result of these distinctive offerings, our guest surveys routinely report very high Overall Satisfaction scores, with 97% of respondents in 2013 ranking their experience good or excellent. Going forward, we will continue to develop high-quality experiences for our guests, focused on integrating our impressive animal collection with creatively themed settings and products that our guests will remember long after they leave our theme parks. In November 2013, we launched www.AnimalVision.com, which allows our guests to deepen their connection with animals at our theme parks through on-habitat cameras that stream 24/7 footage of our animal habitats to customized interactive websites.

Drive Increased Attendance to Our Theme Parks. We plan to drive increased attendance to our theme parks by continually introducing new attractions, differentiated experiences and enhanced service offerings. Because of the historic correlation between capital investment and increased attendance, we plan to add to our award-winning portfolio of assets and spend capital in support of marketable events, such as SeaWorld's 50th Anniversary Celebration. We also plan to increase awareness of our theme parks and brands through effective media and marketing campaigns, including the targeted use of online and social media platforms. For example, since their introduction in 2006, our YouTube channels have attracted approximately 29 million views, and we believe that we can continue to use traditional and new media to increase awareness of our brands and drive attendance to our theme parks.

Expand In-Park Per Capita Spending through New and Enhanced Offerings. We believe that by providing our guests additional and enhanced offerings at various price points, we can drive further spending in our theme parks. For example, we introduced an all-day-dining deal for a supplemental fee, which we believe has resulted in increased in-park per capita spending. In addition, we have developed iPhone and Android smartphone applications for our SeaWorld and Busch Gardens theme parks, which offer GPS navigation through the theme parks and interactive theme park maps that show the nearest dining locations, gift shops and ATMs and provide real-time updates on wait times for rides. Our guests have quickly adopted these products with over 1.5 million downloads of our smartphone applications from June 2011 through December 2013. We believe that going forward, there are significant avenues to expand guest offerings in ways that both increase guest satisfaction and provide us with incremental revenue.

Grow Revenue through Disciplined and Dynamic Pricing. We are focused on increasing our revenues through a variety of ticket options and disciplined pricing and promotional strategies. We offer an array of tailored admission options, including season passes and multi-park tickets to motivate the purchase of higher value products and increase in-park per capita spending. In addition, to increase non-peak demand we offer seasonal and special events and concerts, some of

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which are separately priced. We have begun deploying a dynamic pricing model, which will enable us to adjust admission prices for our theme parks based on expected demand.

Increase Profitability through Operating Leverage and Rigorous Cost Management. Adding incremental attendance and driving additional in-park per capita spending affords us with an opportunity to realize gains in profitability because of the fixed cost base and high operating leverage of our business. We also employ rigorous cost management techniques to drive additional operating efficiencies. For example, we utilize a centralized procurement and strategic sourcing team and participate in several cooperative buying organizations to leverage our purchases company-wide and have also recently consolidated our marketing spending with a single agency to streamline our marketing efforts.

Pursue Disciplined Capital Deployment, Expansion and Acquisition Opportunities. We pursue a disciplined capital deployment strategy focused on the development and improvement of rides, attractions and shows, as well as seek to leverage our strong brands and expertise to pursue selective domestic and international expansion and acquisition opportunities. As part of this strategy, we seek to replicate successful capital investments in particular attractions across multiple theme parks, as we did with our Journey to Atlantis watercoaster that premiered in SeaWorld Orlando and was later introduced in the other SeaWorld theme parks. We have been successful in grouping our theme parks and water parks near each other, which allows us to operate companion theme parks with reduced overhead costs and creates revenue opportunities through multi-park tickets and other joint marketing initiatives. For example, in November 2012, we acquired Knott's Soak City Chula Vista water park, which we rebranded and relaunched as Aquatica San Diego on June 1, 2013, near our SeaWorld San Diego theme park. We also evaluate new domestic theme park opportunities as well as potential joint venture opportunities that would allow us to expand internationally by combining our brands and zoological and operational expertise with third-party capital.

Leverage and Expand Our Brands to Increase Awareness and Create New Opportunities. Our brands are highly regarded and are primarily based on our own intellectual property, which provides us with opportunities to leverage our intellectual property portfolio and develop new media, entertainment and consumer products. For example, on May 24, 2013, we opened Antarctica: Empire of the Penguin at our SeaWorld Orlando theme park that features a new animated penguin character, Puck, and coincides with the launch of new in-park merchandise, mobile gaming and consumer products designed around the Puck character. In addition, we are able to expand into new media platforms by partnering with others to create new, powerful entertainment opportunities. In 2012, we launched Sea Rescue, a Saturday morning television show airing on the ABC Network featuring our work to rescue injured animals in coordination with various government agencies and other rescue organizations. Since its debut through December 2013, Sea Rescue has attracted over 118 million viewers and has been rated as the number one show in its timeslot in a number of major U.S. markets. More recently, in October 2013, we introduced our newest television program, The Wildlife Docs, which attracted over 17 million viewers from October through December 2013.

Continue our Support of Species Conservation, Sustainability and Animal Welfare. Our zoological know-how and coast-to-coast presence provide us with significant opportunities to contribute to global species conservation, sustainability and animal welfare initiatives. For example, our employees regularly assist in animal rescue efforts, and the non-profit SeaWorld & Busch Gardens Conservation Fund, of which we are the primary supporter and corporate member, makes grants to wildlife research and species conservation projects worldwide. Our species conservation efforts and philanthropic activities generate positive

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awareness and goodwill for our business. These efforts are a core part of our corporate culture and identity and resonate with our customers.

Our Industry

We believe that the theme park industry is an attractive sector characterized by a proven business model that generates significant cash flow and has clear avenues for growth. Theme parks offer a strong consumer value proposition, particularly when compared to other forms of out-of-home entertainment such as concerts, sporting events, cruises and movies. As a result, theme parks attract a broad range of guests and generally exhibit strong margins across regions, operators, park types and macroeconomic conditions.

According to the IBISWorld Report, the U.S. theme park industry, which hosts approximately 315 million visitors per year, is comprised of a large number of venues ranging from a small group of high attendance, heavily-themed destination theme parks to a large group of lower attendance local theme parks and family entertainment centers. According to the TEA/AECOM Report, the United States is the largest theme park market in the world with five of the ten largest theme park operators and 12 of the 25 most-visited theme parks in the world. In 2013, the U.S. theme park industry was expected to generate approximately \$14.7 billion in revenues, according to the IBISWorld Report.

Risks Related to Our Business and this Offering

Investing in our common stock involves substantial risks, and our ability to successfully operate our business is subject to numerous risks, including those that are generally associated with operating in the theme park industry and the broader entertainment industry. Some of the more significant challenges and risks include the following:

we could be adversely affected by a decline in discretionary consumer spending or consumer confidence. Difficult economic conditions and the unavailability of discretionary income may adversely impact attendance figures and guest spending patterns at our theme parks, which could adversely affect our revenue and profitability;

various factors beyond our control, including natural disasters, bad weather or forecasts of bad weather, an outbreak of infectious disease affecting our animals and a rise in oil prices and travel costs, could adversely affect attendance and guest spending patterns at our theme parks;

our inability to protect our valuable intellectual property rights, including as a result of intellectual property infringement claims by others resulting in the loss of our intellectual property rights, could adversely affect our business;

incidents or adverse publicity involving the risk of accidents, illnesses, environmental incidents and other incidents concerning our theme parks or the theme park industry generally could harm our brands and reputation, as well as negatively impact our revenue and profitability;

adverse litigation judgments or settlements could reduce our profitability or limit our ability to operate our business;

changes in or violations of federal and state regulations governing the treatment of animals, or the loss of licenses and permits required to exhibit animals, could materially adversely affect our business;

featuring animals at our theme parks involves some degree of risk to our employees and guests which could materially adversely affect us;

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the loss of key personnel, including members of our senior management team who have extensive experience in the industry, may adversely affect our business;

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the restrictions in our debt agreements may limit our flexibility in operating our business;

our substantial leverage could, among other things, adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, and prevent us from meeting our obligations under our indebtedness; and

other factors set forth under **Risk Factors** in this prospectus.

Before you participate in this offering, you should carefully consider all of the information in this prospectus, including matters set forth under the heading **Risk Factors**.

Recent Developments

Preliminary Attendance Data

Our consolidated financial and operating data for the quarter ended March 31, 2014 is not yet available. We have not yet closed our books and our independent registered public accounting firm, Deloitte & Touche LLP, has not completed its review of our results for the quarter ended March 31, 2014. Set forth below are certain preliminary attendance data that we expect to report for the quarter ended March 31, 2014:

Attendance is expected to be approximately 3.045 million guests

Our actual results may differ materially from these estimates due to the completion of our financial closing procedures, final adjustments and other developments that may arise between now and the time that the consolidated financial statements and operating data for this period are finalized. The preliminary estimates have been prepared by and are the responsibility of management. Deloitte & Touche LLP has not audited, reviewed, compiled or performed any procedures and does not express an opinion or any other form of assurance with respect to these preliminary estimates.

2013 Secondary Offering and Share Repurchase

On December 17, 2013, selling stockholders affiliated with Blackstone completed a registered secondary offering of 18,000,000 shares of our common stock at a price of \$30.00 per share. The selling stockholders received all of the net proceeds from the sale of these shares and the Company paid all expenses related to this secondary offering, other than the underwriting discount and commissions. Concurrently with the secondary offering, the Company repurchased 1,500,000 shares of our common stock directly from the selling stockholders in a private, non-underwritten transaction at a price per share equal to the price per share paid to the selling stockholders by the underwriters in the secondary offering. This repurchase was approved by a special committee comprised of two of our independent, disinterested directors as being in the best interests of the Company and our stockholders other than the selling stockholders. All repurchased shares were recorded as treasury stock at a cost of \$44.2 million.

Initial Public Offering

On April 24, 2013, we completed an initial public offering of our common stock at a price to the public of \$27.00 per share. In the initial public offering, the Company issued and sold 10,000,000 shares of common stock and the selling stockholders offered and sold 19,900,000 shares of common stock, including 3,900,000 shares of common stock pursuant to the exercise in full of the underwriters' option to purchase additional shares. Our initial public offering raised net proceeds to the Company,

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after deducting underwriting discounts and commissions, expenses and transaction costs, of \$245.4 million, a portion of which was used to redeem \$140.0 million aggregate principal amount of our 11% Senior Notes due 2016 (the *Senior Notes*), to make a one-time payment of \$46.3 million to an affiliate of Blackstone in connection with the termination of the 2009 Advisory Agreement and to repay \$37.0 million of our Term B Loan (as defined below) under our senior secured credit agreement (the *Senior Secured Credit Facilities*). The Company did not receive any of the proceeds from the sale of the shares sold by the selling stockholders in our initial public offering.

Amendments to Our Senior Secured Credit Facilities

On May 14, 2013 and August 9, 2013, we entered into Amendment No. 5 and Amendment No. 6, respectively (collectively, the *Amendments*), to our Senior Secured Credit Facilities. Pursuant to the Amendments, among other things, we refinanced our Term A Loan (as defined below) and Term B Loan into new Term B-2 Loans (as defined below), extended the final maturity date of our term loan facilities, reduced future principal and interest payments, provided for additional future borrowings and made certain other amendments.

Antarctica: Empire of the Penguin

On May 24, 2013, we opened Antarctica: Empire of the Penguin, a realm within our SeaWorld Orlando theme park themed to the snowy continent that includes a new attraction with innovative ride technology. Antarctica immerses guests into a penguin habitat and features the new animated penguin character, Puck. The attraction coincides with the launch of new in-park merchandise, mobile gaming and consumer products designed around the Puck character.

Aquatica San Diego

In November 2012, we acquired the Knott's Soak City Chula Vista water park in California from a subsidiary of Cedar Fair L.P. This water park was rebranded and relaunched as Aquatica San Diego on June 1, 2013 after undergoing extensive renovations. Aquatica San Diego is located near our SeaWorld San Diego theme park and is the latest theme park to be added to our portfolio.

Share Repurchase

We have agreed to repurchase, concurrently with the closing of this offering, 1.75 million shares of our common stock from the selling stockholders. This repurchase was approved by the special committee comprised of two of our independent, disinterested directors as being in the best interests of the Company and its stockholders other than the selling stockholders. The completion of the share repurchase is conditioned upon, among other things, the completion of this offering, but the closing of this offering is not conditioned upon the consummation of the share repurchase, and there can be no assurance that the share repurchase will be consummated.

In connection with the repurchase, we entered into an agreement with the selling stockholders to repurchase, concurrently with the closing of this offering, 1.75 million shares of our common stock directly from such selling stockholders in a private, non-underwritten transaction at a price per share equal to the price paid by the underwriters in this offering. We refer to this repurchase as the *share repurchase*. We intend to fund the share repurchase with cash on hand. As a result, the funding of the share repurchase will, if completed, decrease the amount of cash on our balance sheet. The consummation of the share repurchase will be contingent on the satisfaction of customary closing conditions.

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The description and the other information in this prospectus regarding the share repurchase is included in this prospectus solely for informational purposes. Nothing in this prospectus should be construed as an offer to sell, or the solicitation of an offer to buy, any of our common stock subject to the share repurchase.

Corporate History and Information

SeaWorld Entertainment, Inc. was incorporated in Delaware on October 2, 2009 in connection with the 2009 Transactions and changed its name from SW Holdco, Inc. to SeaWorld Entertainment, Inc. on December 13, 2012. We completed our initial public offering in April 2013 and our common stock is listed on the New York Stock Exchange under the symbol SEAS.

Our principal executive offices are located at 9205 South Park Center Loop, Suite 400, Orlando, Florida 32819, and our telephone number is (407) 226-5011. We maintain a website at www.seaworldentertainment.com, as well as a number of other theme park specific and marketing websites. The information contained on our websites or that can be accessed through our websites neither constitutes part of this prospectus nor is incorporated by reference herein.

Our Sponsor

Blackstone is one of the world's leading investment and advisory firms. Blackstone's alternative asset management businesses include the management of corporate private equity funds, real estate funds, hedge fund solutions, credit-oriented funds and closed-end mutual funds. Blackstone also provides various financial advisory services, including financial and strategic advisory, restructuring and reorganization advisory and fund placement services. Through its different investment businesses, as of December 31, 2013, Blackstone had assets under management of approximately \$265.8 billion.

Affiliates of Blackstone no longer control a majority of the voting power of our outstanding common stock. However, Blackstone will continue to be able to significantly influence us and their interests may not in all cases be aligned with our or your interests. For a discussion of certain risks, potential conflicts and other matters associated with Blackstone's ownership of our common stock, see Risk Factors Risks Related to Our Business and Our Industry. Affiliates of Blackstone will continue to be able to significantly influence our decisions and their interests may conflict with ours or yours in the future, Description of Capital Stock and Certain Relationships and Related Party Transactions.

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THE OFFERING

Common stock offered by the selling stockholders	15,000,000 shares of common stock.
Common stock to be outstanding after this offering and the share repurchase	90,014,580 shares of common stock (assuming a repurchase by the Company of 1.75 million shares of common stock from the selling stockholders).
Option to purchase additional shares of common stock from the selling stockholders	2,250,000 shares of common stock
Use of proceeds	The selling stockholders will receive all of the net proceeds from the sale of the shares of our common stock in this offering, including upon the sale of shares if the underwriters exercise their option to purchase additional shares, from the selling stockholders in this offering. We will not receive any of the proceeds from the sale of the shares of common stock by the selling stockholders.
Share repurchase	We have entered into an agreement with the selling stockholders to repurchase, concurrently with the closing of this offering, 1.75 million shares of our common stock directly from such selling stockholders in a private, non-underwritten transaction at a price per share equal to the price paid by the underwriters in this offering. The share repurchase was approved by the special committee comprised of two of our independent, disinterested directors. The completion of the share repurchase is conditioned upon, among other things, the completion of this offering, but the completion of this offering is not conditioned upon the completion of the share repurchase.
Risk factors	See Risk Factors beginning on page 17 and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Dividend policy	In June 2013, our Board of Directors adopted a policy to pay, subject to legally available funds, a regular quarterly cash dividend. Pursuant to this policy, the Company paid quarterly cash dividends of \$0.20 per share on July 1, 2013, October 1, 2013 and January 3, 2014. On March 4, 2014, the Company declared a cash dividend of \$0.20 per share payable on April 1, 2014.

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We intend to continue to pay cash dividends on our common stock, subject to our compliance with applicable law, and depending on, among other things, our results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, restrictions in our debt agreements and in any preferred stock, business prospects and other factors that our Board of Directors may deem relevant. However, the payment of any future dividends will be at the discretion of our Board of Directors and our Board of Directors may, at any time, modify or revoke our dividend policy on our common stock. See [Dividend Policy](#) and [Description of Indebtedness](#) for a description of the restrictions on our ability to pay dividends.

NYSE ticker symbol

SEAS.

Conflicts of Interest

Affiliates of Blackstone Advisory Partners L.P. own (through their ownership of Class A Units and Class B Units in certain of the Partnerships that own our common stock) in excess of 10% of our issued and outstanding common stock and, as selling stockholders in this offering, will receive in excess of 5% of the net proceeds of this offering. Because Blackstone Advisory Partners L.P. is an underwriter in this offering and its affiliates are expected to receive more than 5% of the net proceeds of this offering and because affiliates of Blackstone Advisory Partners L.P. own in excess of 10% of our issued and outstanding common stock, Blackstone Advisory Partners L.P. is deemed to have a conflict of interest under Rule 5121 (Rule 5121) of the Financial Industry Regulatory Authority, Inc. (FINRA). Accordingly, this offering will be conducted in accordance with Rule 5121. Pursuant to Rule 5121, the appointment of a qualified independent underwriter is not necessary in connection with this offering as a bona fide public market, as defined in Rule 5121, exists for our common stock. See [Underwriting \(Conflicts of Interest\)](#).

The number of shares of our common stock to be outstanding immediately after the consummation of this offering and the share repurchase is based on 91,764,580 shares of common stock outstanding as of March 17, 2014, and does not give effect to 14,528,669 shares of common stock reserved for future issuance under our 2013 omnibus incentive plan (the 2013 Omnibus Incentive Plan) as of March 17, 2014.

If the share repurchase is completed concurrently with the closing of this offering and the underwriters' option to purchase additional shares in this offering is exercised in full, in each case, at a net proceeds to the selling stockholders in excess of \$30.22 per share, we expect it to result in vesting of all our 2.25x exit vesting restricted stock awards. If such vesting event occurs, we expect to recognize additional non-cash equity compensation expense in an aggregate amount of approximately \$32.9 million and to pay accumulated dividends on such shares in an aggregate amount of approximately \$1.2 million, in each case, in the fiscal quarter in which such vesting event occurs. See [Management Compensation Discussion and Analysis](#) and Note 18 - Equity-Based Compensation in the notes to the consolidated financial statements included elsewhere in this prospectus for additional information.

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Unless we indicate otherwise or the context otherwise requires, all information in this prospectus:

assumes an offering of 15,000,000 shares by the selling stockholders and no exercise of the underwriters' option to purchase additional shares; and

reflects an eight-for-one stock split of our common stock and an increase in our authorized capital stock to 1,000,000,000 shares of common stock, par value \$0.01 per share, effected on April 8, 2013.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following tables set forth our summary historical consolidated financial and operating data for the periods and as of the dates indicated.

We derived the summary consolidated financial data for the years ended December 31, 2013, 2012 and 2011 and as of December 31, 2013 and 2012 from our audited consolidated financial statements included elsewhere in this prospectus. See Basis of Presentation.

Our historical operating results are not necessarily indicative of future operating results.

The summary historical consolidated financial data set forth below should be read in conjunction with Capitalization, Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the notes thereto included elsewhere in this prospectus.

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	Year Ended December 31,		
	2013	2012	2011
	(Amounts in thousands, except per share and per capita amounts)		
Statement of comprehensive income data:			
Net revenues			
Admissions	\$ 921,016	\$ 884,407	\$ 824,937
Food, merchandise and other	539,234	539,345	505,837
Total revenues	1,460,250	1,423,752	1,330,774
Costs and expenses			
Cost of food, merchandise and other revenues	114,192	118,559	112,498
Operating expenses (exclusive of depreciation and amortization shown separately below)	739,989	726,509	687,999
Selling, general and administrative	187,298	184,920	172,368
Termination of advisory agreement	50,072		
Secondary offering costs	1,407		
Depreciation and amortization	166,086	166,975	213,592
Total costs and expenses	1,259,044	1,196,963	1,186,457
Operating income	201,206	226,789	144,317
Other income (expense), net	241	1,563	(1,679)
Interest expense	93,536	111,426	110,097
Loss on early extinguishment of debt and write-off of discounts and deferred financing costs	32,429		
Income before income taxes	75,482	116,926	32,541
Provision for income taxes	25,004	39,482	13,428
Net income	\$ 50,478	\$ 77,444	\$ 19,113
Net income attributable to common stockholders	\$ 50,478	\$ 77,444	\$ 19,113
Per share data⁽¹⁾:			
Basic net income per share	\$ 0.58	\$ 0.94	\$ 0.23
Diluted net income per share	\$ 0.57	\$ 0.93	\$ 0.23
Cash dividends declared per share	\$ 0.60	\$ 6.07	\$ 1.34
Weighted-average number of shares used in per share amounts:			
Basic	87,537	82,480	81,392
Diluted	88,152	83,552	82,024
Other financial and operating data:			
Adjusted EBITDA ⁽²⁾	\$ 439,128	\$ 415,206	\$ 382,059
Capital expenditures	\$ 166,258	\$ 191,745	\$ 225,316
Attendance	23,391	24,391	23,631
Total revenue per capita ⁽³⁾	\$ 62.43	\$ 58.37	\$ 56.31

	As of December 31,		
	2013	2012	2011
Consolidated balance sheet data (at end of period):			
Cash and cash equivalents	\$ 116,841	\$ 45,675	\$ 66,663
Total assets	\$ 2,582,273	\$ 2,521,052	\$ 2,547,095
Total long-term debt	\$ 1,641,233	\$ 1,823,974	\$ 1,417,887
Total equity	\$ 654,132	\$ 449,848	\$ 872,467

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- (1) All share and per share amounts reflect an eight-for-one stock split of our common stock effected on April 8, 2013.
- (2) Under the indenture governing the Senior Notes and under our Senior Secured Credit Facilities, our ability to engage in activities such as incurring additional indebtedness, making investments, refinancing certain indebtedness, paying dividends and entering into certain merger transactions is governed, in part, by our ability to satisfy tests based on Adjusted EBITDA.

The Senior Notes and our Senior Secured Credit Facilities generally define Adjusted EBITDA as net income (loss) before interest expense, income tax expense (benefit), depreciation and amortization, as further adjusted to exclude certain unusual, non-cash, and other items permitted in calculating covenant compliance under the indenture governing the Senior Notes and our Senior Secured Credit Facilities.

- (3) Calculated as total revenue divided by total attendance.

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We believe that the presentation of Adjusted EBITDA is appropriate to provide additional information to investors about the calculation of, and compliance with, certain financial covenants in the indenture governing the Senior Notes and in our Senior Secured Credit Facilities. Adjusted EBITDA is a material component of these covenants. In addition, investors, lenders, financial analysts and rating agencies have historically used EBITDA-related measures in our industry, along with other measures to evaluate a company's ability to meet its debt service requirement, to estimate the value of a company and to make informed investment decisions. We also use Adjusted EBITDA in connection with certain components of our executive compensation program as described under Management Compensation Discussion and Analysis.

Adjusted EBITDA is not a recognized term under generally accepted accounting principles in the United States (GAAP), and should not be considered in isolation or as a substitute for a measure of our liquidity or performance prepared in accordance with GAAP and is not indicative of income from operations as determined under GAAP. Adjusted EBITDA and other non-GAAP financial measures have limitations which should be considered before using these measures to evaluate our liquidity or financial performance. Adjusted EBITDA, as presented by us, may not be comparable to similarly titled measures of other companies due to varying methods of calculation.

We believe that the most directly comparable GAAP measure to Adjusted EBITDA is net income (loss). The following table sets forth a reconciliation of net income to Adjusted EBITDA:

	For the Year Ended December 31,		
	2013	2012	2011
	(Amounts in thousands)		
Net income	\$ 50,478	\$ 77,444	\$ 19,113
Provision for income taxes	25,004	39,482	13,428
Loss on early extinguishment of debt and write-off of discounts and deferred financing costs ^(a)	32,429		
Interest expense	93,536	111,426	110,097
Depreciation and amortization	166,086	166,975	213,592
Secondary offering costs ^(b)	1,407		
Termination of advisory agreement ^(c)	50,072		
Advisory fees ^(d)	2,799	6,201	6,012
Equity-based compensation expense ^(e)	6,026	1,681	823
Debt refinancing costs ^(f)	892	1,000	441
Other adjusting items ^(g)	843	630	
Other non-cash expenses ^(h)	9,556	10,367	12,468
Carve-out costs ⁽ⁱ⁾			6,085
Adjusted EBITDA	\$ 439,128	\$ 415,206	\$ 382,059

- (a) Reflects a \$15.4 million premium paid for the early redemption of \$140.0 million of our Senior Notes using net proceeds from our initial public offering in April 2013, along with a write-off of approximately \$5.5 million in related discounts and deferred financing costs and a write-off of approximately \$11.5 million of certain capitalized debt issuance costs in connection with Amendment No. 5 to our Senior Secured Credit Facilities.
- (b) Reflects fees and expenses incurred in connection with the secondary offering of our common stock in December 2013. The selling stockholders received all of the net proceeds from the offering and we paid all expenses related to the offering, other than underwriting discounts and commissions. No shares were sold by us in the secondary offering.
- (c) Reflects a one-time fee of \$46.3 million paid to an affiliate of Blackstone in connection with the termination of the 2009 Advisory Agreement, and a related write-off of prepaid advisory fees of \$3.8 million. In connection with our initial public offering, the 2009 Advisory Agreement was terminated on April 24, 2013 in accordance with its terms.
- (d) Reflects historical fees paid to an affiliate of Blackstone under the 2009 Advisory Agreement.
- (e) Reflects non-cash compensation expenses associated with the grants of equity compensation.
- (f) Reflects costs which were expensed related to the amendments to our Senior Secured Credit Facilities.
- (g) Reflects costs related to our acquisition of the Knott's Soak City Chula Vista water park and pre-opening costs related to Aquatica San Diego.
- (h) Reflects non-cash expenses related to miscellaneous asset write-offs and non-cash gains/losses on foreign currencies which were expensed.
- (i) Reflects certain carve-out costs and savings related to our separation from ABI and the establishment of certain operations at the Company on a stand-alone basis. These amounts primarily consist of the cost of third-party professional services, relocation expenses, severance costs and cost savings related to the termination of certain employees.

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RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider each of the following risks as well as the other information included in this prospectus, including Selected Historical Consolidated Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and related notes, before investing in our common stock. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. In such a case, the trading price of the common stock could decline and you may lose all or part of your investment in the Company.

Risks Related to Our Business and Our Industry

We could be adversely affected by a decline in discretionary consumer spending or consumer confidence.

Our success depends to a significant extent on discretionary consumer spending, which is heavily influenced by general economic conditions and the availability of discretionary income. The recent severe economic downturn, coupled with high volatility and uncertainty as to the future global economic landscape, has had and continues to have an adverse effect on consumers' discretionary income and consumer confidence.

Difficult economic conditions and recessionary periods may adversely impact attendance figures, the frequency with which guests choose to visit our theme parks and guest spending patterns at our theme parks. The actual or perceived weakness in the economy could also lead to decreased spending by our guests. For example, in 2009 and 2010, we experienced a decline in attendance as a result of the global economic crisis, which in turn adversely affected our revenue and profitability. Both attendance and total per capita spending at our theme parks are key drivers of our revenue and profitability, and reductions in either can materially adversely affect our business, financial condition and results of operations.

Various factors beyond our control could adversely affect attendance and guest spending patterns at our theme parks.

Various factors beyond our control could adversely affect attendance and guest spending patterns at our theme parks. These factors could also affect our suppliers, vendors, insurance carriers and other contractual counterparties. Such factors include:

war, terrorist activities or threats and heightened travel security measures instituted in response to these events;

outbreaks of pandemic or contagious diseases or consumers' concerns relating to potential exposure to contagious diseases;

natural disasters, such as hurricanes, fires, earthquakes, tsunamis, tornados, floods and volcanic eruptions and man-made disasters such as the oil spill in the Gulf of Mexico, which may deter travelers from scheduling vacations or cause them to cancel travel or vacation plans;

bad weather and even forecasts of bad weather, including abnormally hot, cold and/or wet weather, particularly during weekends, holidays or other peak periods;

changes in the desirability of particular locations or travel patterns of our guests;

low consumer confidence;

oil prices and travel costs and the financial condition of the airline, automotive and other transportation-related industries, any travel-related disruptions or incidents and their impact on travel; and

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actions or statements by U.S. and foreign governmental officials related to travel and corporate travel-related activities (including changes to the U.S. visa rules) and the resulting public perception of such travel and activities.

Any one or more of these factors could adversely affect attendance and total per capita spending at our theme parks, which could materially adversely affect our business, financial condition and results of operations.

Our intellectual property rights are valuable, and any inability to protect them could adversely affect our business.

Our intellectual property, including our trademarks, service marks, domain names, copyrights, patent and other proprietary rights, constitutes a significant part of the value of the Company. To protect our intellectual property rights, we rely upon a combination of trademark, copyright, patent, trade secret and unfair competition laws of the United States and other countries, as well as contract provisions and third-party policies and procedures governing internet/domain name registrations. However, there can be no assurance that these measures will be successful in any given case, particularly in those countries where the laws do not protect our proprietary rights as fully as in the United States. We may be unable to prevent the misappropriation, infringement or violation of our intellectual property rights, breaching any contractual obligations to us, or independently developing intellectual property that is similar to ours, any of which could reduce or eliminate any competitive advantage we have developed, adversely affect our revenues or otherwise harm our business.

We have obtained and applied for numerous U.S. and foreign trademark and service mark registrations and will continue to evaluate the registration of additional trademarks and service marks or other intellectual property, as appropriate. We cannot guarantee that any of our pending applications will be approved by the applicable governmental authorities. Moreover, even if the applications are approved, third parties may seek to oppose or otherwise challenge these registrations. A failure to obtain registrations for our intellectual property in the United States and other countries could limit our ability to protect our intellectual property rights and impede our marketing efforts in those jurisdictions.

We are actively engaged in enforcement and other activities to protect our intellectual property rights. If it became necessary for us to resort to litigation to protect these rights, any proceedings could be burdensome, costly and divert the attention of our personnel, and we may not prevail. In addition, any repeal or weakening of laws or enforcement in the United States or internationally intended to protect intellectual property rights could make it more difficult for us to adequately protect our intellectual property rights, negatively impacting their value and increasing the cost of enforcing our rights.

We may be subject to claims for infringing the intellectual property rights of others, which could be costly and result in the loss of significant intellectual property rights.

We cannot be certain that we do not and will not infringe the intellectual property rights of others. We have been in the past, and may be in the future, subject to litigation and other claims in the ordinary course of our business based on allegations of infringement or other violations of the intellectual property rights of others. Regardless of their merits, intellectual property claims can divert the efforts of our personnel and are often time-consuming and expensive to litigate or settle. In addition, to the extent claims against us are successful, we may have to pay substantial money damages or discontinue, modify, or rename certain products or services that are found to be in violation of another party's rights. We may have to seek a license (if available on acceptable terms, or at all) to continue offering products and services, which may significantly increase our operating expenses.

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Incidents or adverse publicity concerning our theme parks or the theme park industry generally could harm our brands or reputation as well as negatively impact our revenues and profitability.

Our brands and our reputation are among our most important assets. Our ability to attract and retain customers depends, in part, upon the external perceptions of the Company, the quality of our theme parks and services and our corporate and management integrity. The operation of theme parks involves the risk of accidents, illnesses, environmental incidents and other incidents which may negatively affect the perception of guest and employee safety, health, security and guest satisfaction and which could negatively impact our brands or reputation and our business and results of operations. An accident or an injury at any of our theme parks or at theme parks operated by competitors, particularly an accident or an injury involving the safety of guests and employees, that receives media attention, is the topic of a book, film, documentary or is otherwise the subject of public discussions, may harm our brands or reputation, cause a loss of consumer confidence in the Company, reduce attendance at our theme parks and negatively impact our results of operations. Such incidents have occurred in the past and may occur in the future. In addition, other types of adverse publicity concerning our business or the theme park industry generally could harm our brands, reputation and results of operations. The considerable expansion in the use of social media over recent years has compounded the impact of negative publicity.

Animals in our care are important to our theme parks, and they could be exposed to infectious diseases.

Many of our theme parks are distinguished from those of our competitors in that we offer guest interactions with animals. Individual animals, specific species of animals or groups of animals in our collection could be exposed to infectious diseases. While we have never had any such experiences, an outbreak of an infectious disease among any animals in our theme parks or the public's perception that a certain disease could be harmful to human health may materially adversely affect our animal collection, our business, financial condition and results of operations.

We are subject to complex federal and state regulations governing the treatment of animals which can change and to claims and lawsuits by activist groups before government regulators and in the courts.

We operate in a complex and evolving regulatory environment and are subject to various federal and state statutes and regulations and international treaties implemented by federal law. The states in which we operate also regulate zoological activity involving the import and export of exotic and native wildlife, endangered and/or otherwise protected species, zoological display and anti-cruelty statutes. We incur significant compliance costs in connection with these regulations and violation of such regulations could subject us to fines and penalties and result in the loss of our licenses and permits, which, if occurred, could impact our ability to display certain animals. Future amendments to existing statutes, regulations and treaties or new statutes, regulations and treaties may potentially restrict our ability to maintain our animals, or to acquire new ones to supplement or sustain our breeding programs or otherwise adversely affect our business. For instance, in March of 2014 a bill was proposed by a California lawmaker that seeks to restrict our ability to display certain animals in that state.

Additionally, from time to time, animal activist and other third-party groups may make claims before government agencies, bring lawsuits against us, and/or attempt to generate negative publicity associated with our business. Such activities sometimes are based on allegations that we do not properly care for some of our featured animals. On other occasions, such activities are specifically designed to change existing law or enact new law in order to impede our ability to retain, exhibit, acquire or breed animals. While we seek to structure our operations to comply with all applicable federal and state laws and vigorously defend ourselves when sued, there are no assurances as to the outcome of future claims and lawsuits that could be brought against us. In addition, negative publicity associated with such activities could adversely affect our reputation and results of operations.

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Featuring animals at our theme parks involves risks.

Our theme parks feature numerous displays and interactions that include animals. All animal enterprises involve some degree of risk. All animal interaction by our employees and our guests in attractions in our theme parks, where offered, involves risk. While we maintain strict safety procedures for the protection of our employees and guests, injuries or death, while rare, have occurred in the past. For example, in February 2010, a trainer was killed while engaged in an interaction with a killer whale. Following this incident, we were subject to an inspection by the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA), which resulted in three citations concerning alleged violations of the Occupational Safety and Health Act and certain regulations thereunder. We have appealed certain of these citations and the appeal process is ongoing. In connection with this incident, we reviewed and revised our safety protocols and made certain safety-related facility enhancements. This incident has also been and continues to be the subject of significant media attention, including extensive television and newspaper coverage, a documentary and a book, as well as discussions in social media. This incident and similar events that may occur in the future may harm our reputation, reduce attendance and negatively impact our business, financial condition and results of operations.

In addition, six killer whales are presently on loan to a third party. Although the occurrence of any accident or injury involving these killer whales would be outside of our control, any such occurrence could negatively affect our business and reputation.

We maintain insurance of the type and in amounts that we believe is commercially reasonable and that is available to animal enterprise related businesses in the theme park industry. We cannot predict the level of the premiums that we may be required to pay for subsequent insurance coverage, the level of any self-insurance retention applicable thereto, the level of aggregate coverage available, or the availability of coverage for specific risks.

If we lose licenses and permits required to exhibit animals and/or violate laws and regulations, our business will be adversely affected.

We are required to hold government licenses and permits, some of which are subject to yearly or periodic renewal, for purposes of possessing, exhibiting and maintaining animals. Although our theme parks' licenses and permits have always been renewed in the past, in the event that any of our licenses or permits are not renewed or any of our licenses or permits are revoked, portions of the affected theme park might not be able to remain open for purpose of displaying or retaining the animals covered by such license or permit. Such an outcome could materially adversely affect our business, financial condition and results of operations.

In addition, we are subject to periodic inspections by federal and state agencies and the subsequent issuance of inspection reports. While we believe that we comply with, or exceed, requisite care and maintenance standards that apply to our animals, government inspectors can cite us for alleged statutory or regulatory violations. In unusual instances when we are cited for an alleged deficiency, we are most often given the opportunity to correct any purported deficiencies without penalty. It is possible, however, that in some cases a federal or state regulator could seek to impose monetary fines on us. In the past, when we have been subjected to governmental claims for fines, the amounts involved were not material to our business, financial condition or results of operations. However, while highly unlikely, we cannot predict whether any future fines that regulators might seek to impose would materially adversely affect our business, financial condition or results of operations.

Moreover, many of the statutes under which we operate allow for the imposition of criminal sanctions. While neither of the foregoing situations are likely to occur, either could negatively affect the business, financial condition or results of operations at our theme parks.

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A significant portion of our revenues are generated in the States of Florida, California and Virginia and in the Orlando market. Any risks affecting such markets, such as natural disasters and travel-related disruptions or incidents, may materially adversely affect our business, financial condition and results of operations.

Approximately 55%, 21% and 11% of our revenues in 2013 were generated in the States of Florida, California and Virginia, respectively. In addition, our revenues and results of operations depend significantly on the results of our Orlando theme parks. The Orlando theme park market is extremely competitive, with a high concentration of theme parks operated by several companies.

Any risks described in this prospectus, such as the occurrence of natural disasters and travel-related disruptions or incidents, affecting the States of Florida, California and Virginia generally or our Orlando theme parks in particular may materially adversely affect our business, financial condition or results of operations, especially if they have the effect of decreasing attendance at our theme parks or, in extreme cases, cause us to close any of our theme parks for any period of time. For example, in 2004, the State of Florida was impacted by Hurricanes Charley, Frances and Jeanne, which caused extensive physical damage and power outages in various parts of the State of Florida. Although we attempted to manage our exposure to such events by implementing our hurricane preparedness plan, our theme parks located in Orlando and Tampa, Florida experienced closures of several days as a result of these storms.

Because we operate in a highly competitive industry, our revenues, profits or market share could be harmed if we are unable to compete effectively.

The entertainment industry, and the theme park industry in particular, is highly competitive. Our theme parks compete with other theme, water and amusement parks and with other types of recreational facilities and forms of entertainment, including movies, home entertainment options, sports attractions, restaurants and vacation travel.

Principal direct competitors of our theme parks include theme parks operated by The Walt Disney Company, Universal Studios, Six Flags, Cedar Fair, Merlin Entertainments and Hershey Entertainment and Resorts Company. The principal competitive factors of a theme park include location, price, originality and perceived quality of the rides and attractions, the atmosphere and cleanliness of the theme park, the quality of its food and entertainment, weather conditions, ease of travel to the theme park (including direct flights by major airlines), and availability and cost of transportation to a theme park. Certain of our direct competitors have substantially greater financial resources than we do, and they may be able to adapt more quickly to changes in guest preferences or devote greater resources to promotion of their offerings and attractions than us. Our competitors may be able to attract guests to their theme parks in lieu of our own through the development or acquisition of new rides, attractions or shows that are perceived by guests to be of a higher quality and entertainment value. As a result, we may not be able to compete successfully against such competitors.

If we lose key personnel, our business may be adversely affected.

Our success depends in part upon a number of key employees, including members of our senior management team who have extensive experience in the industry. The loss of the services of our key employees could have a materially adverse effect on our business. Presently, we do not have employment agreements with any of our key employees.

Increased labor costs and employee health and welfare benefits may reduce our results of operations.

Labor is a primary component in the cost of operating our business. We devote significant resources to recruiting and training our managers and employees. Increased labor costs due to

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competition, increased minimum wage or employee benefit costs or otherwise, would adversely impact our operating expenses. The Patient Protection and Affordable Care Act of 2010 and the amendments thereto contain provisions which could materially impact our future healthcare costs. While the legislation's ultimate impact is not yet known, it is possible that these changes could significantly increase our compensation costs, which would reduce our net income and adversely affect our cash flows.

Unionization activities or labor disputes may disrupt our operations and affect our profitability.

Although none of our employees are currently covered under collective bargaining agreements, we cannot guarantee that our employees will not elect to be represented by labor unions in the future. If some or all of our employees were to become unionized and collective bargaining agreement terms were significantly different from our current compensation arrangements, it could adversely affect our business, financial condition or results of operations. In addition, a labor dispute involving some or all of our employees may disrupt our operations and reduce our revenues, and resolution of disputes may increase our costs.

Although we maintain binding policies that require employees to submit to a mandatory alternative dispute resolution procedure in lieu of other remedies, as employers, we may be subject to various employment-related claims, such as individual or class actions or government enforcement actions relating to alleged employment discrimination, employee classification and related withholding, wage-hour, labor standards or healthcare and benefit issues. Such actions, if brought against us and successful in whole or in part, may affect our ability to compete or materially adversely affect our business, financial condition or results of operations.

Our business depends on our ability to meet our workforce needs.

Our success depends on our ability to attract, train, motivate and retain qualified employees to keep pace with our needs, including employees with certain specialized skills in the field of animal training and care. If we are unable to do so, our results of operations and cash flows may be adversely affected.

In addition, we employ a significant seasonal workforce. We recruit year-round to fill thousands of seasonal staffing positions each season and work to manage seasonal wages and the timing of the hiring process to ensure the appropriate workforce is in place. There is no assurance that we will be able to recruit and hire adequate seasonal personnel as the business requires or that we will not experience material increases in the cost of securing our seasonal workforce in the future. Increased seasonal wages or an inadequate workforce could materially adversely affect our business, financial condition or results of operations.

Our growth strategy may not achieve the anticipated results.

Our future success will depend on our ability to grow our business, including through capital investments to improve existing and create new theme parks, rides, attractions and shows, as well as in-park product offerings and product offerings outside of our theme parks. Our growth and innovation strategies require significant commitments of management resources and capital investments and may not grow our revenues at the rate we expect or at all. As a result, we may not be able to recover the costs incurred in developing our new projects and initiatives or to realize their intended or projected benefits, which could materially adversely affect our business, financial condition or results of operations.

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We may not be able to fund theme park capital expenditures and investment in future attractions and projects.

A principal competitive factor for a theme park is the originality and perceived quality of its rides and attractions. We need to make continued capital investments through maintenance and the regular addition of new rides and attractions. Our ability to fund capital expenditures will depend on our ability to generate sufficient cash flow from operations and to raise capital from third parties. We cannot assure you that our operations will be able to generate sufficient cash flow to fund such costs, or that we will be able to obtain sufficient financing on adequate terms, or at all, which could cause us to delay or abandon certain projects or plans.

The high fixed cost structure of theme park operations can result in significantly lower margins if revenues decline.

A large portion of our expenses is relatively fixed because the costs for full-time employees, maintenance, animal care, utilities, advertising and insurance do not vary significantly with attendance. These fixed costs may increase at a greater rate than our revenues and may not be able to be reduced at the same rate as declining revenues. If cost-cutting efforts are insufficient to offset declines in revenues or are impracticable, we could experience a material decline in margins, revenues, profitability and reduced or negative cash flows. Such effects can be especially pronounced during periods of economic contraction or slow economic growth, such as the recent economic recession.

If we are unable to maintain certain commercial licenses, our business, reputation and brand could be adversely affected.

We rely on licenses from Sesame Workshop to use the Sesame Place tradename and trademark and certain other intellectual property rights, including titles, marks, characters, logos and designs from the Sesame Street television series within our Sesame Place theme park and with respect to Sesame Street themed areas within certain areas of some of our other theme parks, as well as in connection with the sales of certain Sesame Street themed products. Our use of these intellectual property rights is subject to the approval of Sesame Workshop and the licenses may be terminated in certain limited circumstances or in the event of our bankruptcy. Furthermore, the current term of both the Sesame Place theme park license and the multi-park license expire on December 31, 2021, and there is no assurance that we will be able to renegotiate the use of such intellectual property on commercially acceptable terms or at all. The new terms of the licenses may significantly increase our operating expenses, or otherwise adversely affect our business.

ABI is the owner of the Busch Gardens trademarks and domain names. ABI has granted us a perpetual, exclusive, worldwide, royalty-free license to use the Busch Gardens trademark and certain related domain names in connection with the operation, marketing, promotion and advertising of certain of our theme parks, as well as in connection with the production, use, distribution and sale of merchandise sold in connection with such theme parks. Under the license, we are required to indemnify ABI against losses related to our use of the marks. If we were to lose or have to renegotiate this license, our business may be adversely affected.

Changes in consumer tastes and preferences for entertainment and consumer products could reduce demand for our entertainment offerings and products and adversely affect the profitability of our business.

The success of our business depends on our ability to consistently provide, maintain and expand theme park attractions as well as create and distribute media programming, online material and consumer products that meet changing consumer preferences. In addition, consumers from outside the United States constitute an increasingly important portion of our theme park attendance, and our

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success depends in part on our ability to successfully predict and adapt to tastes and preferences of this consumer group. If our entertainment offerings and products do not achieve sufficient consumer acceptance or if consumer preferences change, our business, financial condition or results of operations could be materially adversely affected.

Our existing debt agreements contain, and future debt agreements may contain, restrictions that may limit our flexibility in operating our business.

Our existing debt agreements contain, and documents governing our future indebtedness may contain, numerous financial and operating covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, our ability to incur additional indebtedness, pay dividends and other distributions, make capital expenditures, make certain loans, investments and other restricted payments, enter into agreements restricting our subsidiaries' ability to pay dividends, engage in certain transactions with stockholders or affiliates, sell certain assets or engage in mergers, acquisitions and other business combinations, amend or otherwise alter the terms of our indebtedness, alter the business that we conduct, guarantee indebtedness or incur other contingent obligations and create liens. Our existing debt agreements also require, and documents governing our future indebtedness may require, us to meet certain financial ratios and tests. Our ability to comply with these and other provisions of the existing debt agreements is dependent on our future performance, which will be subject to many factors, some of which are beyond our control. The breach of any of these covenants or non-compliance with any of these financial ratios and tests could result in an event of default under the existing debt agreements, which, if not cured or waived, could result in acceleration of the related debt and the acceleration of debt under other instruments evidencing indebtedness that may contain cross-acceleration or cross-default provisions. Variable rate indebtedness subjects us to the risk of higher interest rates, which could cause our future debt service obligations to increase significantly.

Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under our indebtedness.

We are highly leveraged. As of December 31, 2013, our total indebtedness was approximately \$1,641.2 million. Our high degree of leverage could have important consequences, including the following: (i) a substantial portion of our cash flow from operations is dedicated to the payment of principal and interest on indebtedness, thereby reducing the funds available for operations, future business opportunities and capital expenditures; (ii) our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate purposes in the future may be limited; (iii) certain of the borrowings are at variable rates of interest, which will increase our vulnerability to increases in interest rates; (iv) we are at a competitive disadvantage to lesser leveraged competitors; (v) we may be unable to adjust rapidly to changing market conditions; (vi) the debt service requirements of our other indebtedness could make it more difficult for us to satisfy our financial obligations; and (vii) we may be vulnerable in a downturn in general economic conditions or in our business and we may be unable to carry out activities that are important to our growth.

Our ability to make scheduled payments of the principal of, or to pay interest on, or to refinance indebtedness depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors beyond our control, including the availability of financing in the international banking and capital markets. If unable to generate sufficient cash flow to service our debt or to fund our other liquidity needs, we will need to restructure or refinance all or a portion of our debt, which could cause us to default on our obligations and impair our liquidity. Any refinancing of our indebtedness could be at higher interest

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rates and may require us to comply with more onerous covenants that could further restrict our business operations. We from time to time may increase the amount of our indebtedness, modify the terms of our financing arrangements, issue dividends, make capital expenditures and take other actions that may substantially increase our leverage.

Despite our significant leverage, we may be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with our significant leverage.

Our operating results are subject to seasonal fluctuations.

We have historically experienced and expect to continue to experience seasonal fluctuations in our annual theme park attendance and revenue, which are typically higher in our second and third quarters, partly because six of our theme parks are only open for a portion of the year. Approximately two-thirds of our attendance and revenues are generated in the second and third quarters of the year and we typically incur a net loss in the first and fourth quarters. In addition, school vacations and school start dates also cause fluctuations in our quarterly theme park attendance and revenue.

Furthermore, the operating season at some of our theme parks, including Adventure Island, Aquatica San Diego, Busch Gardens Williamsburg, Water Country USA and Sesame Place, is of limited duration. In addition, most of our expenses for maintenance and costs of adding new attractions at our seasonal theme parks are incurred when the operating season is over, which may increase the need for borrowing to fund such expenses during such periods.

When conditions or events described in this section occur during the operating season, particularly during the second and third quarters, there is only a limited period of time during which the impact of those conditions or events can be mitigated. Accordingly, such conditions or events may have a disproportionately adverse effect on our revenues and cash flow.

We may not realize the benefits of acquisitions or other strategic initiatives.

Our business strategy may include selective expansion, both domestically and internationally, through acquisitions of assets or other strategic initiatives, such as joint ventures, that allow us to profitably expand our business and leverage our brands. The success of our acquisitions depends on effective integration of acquired businesses and assets into our operations, which is subject to risks and uncertainties, including realization of anticipated synergies and cost savings, the ability to retain and attract personnel, the diversion of management's attention from other business concerns, and undisclosed or potential legal liabilities of an acquired businesses or assets. Additionally, any international transactions are subject to additional risks, including the impact of economic fluctuations in economies outside of the United States, difficulties and costs of staffing and managing foreign operations due to distance, language and cultural differences, as well as political instability and lesser degree of legal protection in certain jurisdictions, currency exchange fluctuations and potentially adverse tax consequences of overseas operations.

Adverse litigation judgments or settlements resulting from legal proceedings in which we may be involved in the normal course of our business could reduce our profits or limit our ability to operate our business.

We are subject to allegations, claims and legal actions arising in the ordinary course of our business, which may include claims by third parties, including guests who visit our theme parks, our employees or regulators. The outcome of many of these proceedings cannot be predicted. If any of these proceedings were to be determined adversely to us, a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against us, our business, financial condition and results of operations could be materially adversely affected.

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Our insurance coverage may not be adequate to cover all possible losses that we could suffer and our insurance costs may increase.

We seek to maintain comprehensive insurance coverage at commercially reasonable rates. Although we maintain various safety and loss prevention programs and carry property and casualty insurance to cover certain risks, our insurance policies do not cover all types of losses and liabilities. There can be no assurance that our insurance will be sufficient to cover the full extent of all losses or liabilities for which we are insured, and we cannot guarantee that we will be able to renew our current insurance policies on favorable terms, or at all. In addition, if we or other theme park operators sustain significant losses or make significant insurance claims, then our ability to obtain future insurance coverage at commercially reasonable rates could be materially adversely affected.

We may be unable to purchase or contract with third-party manufacturers for our theme park rides and attractions.

We may be unable to purchase or contract with third parties to build high quality rides and attractions and to continue to service and maintain those rides and attractions at competitive or beneficial prices, or to provide the replacement parts needed to maintain the operation of such rides. In addition, if our third-party suppliers' financial condition deteriorates or they go out of business, we may not be able to obtain the full benefit of manufacturer warranties or indemnities typically contained in our contracts or may need to incur greater costs for the maintenance, repair, replacement or insurance of these assets.

Our operations and our ownership of property subject us to environmental requirements, and to environmental expenditures and liabilities.

We incur costs to comply with environmental requirements, such as those relating to water use, wastewater and storm water management and disposal, air emissions control, hazardous materials management, solid and hazardous waste disposal, and the clean-up of properties affected by regulated materials.

We have been required and continue to investigate and clean-up hazardous or toxic substances or chemical releases, and other releases, from current or formerly owned or operated facilities. In addition, in the ordinary course of our business, we generate, use and dispose of large volumes of water, including saltwater, which requires us to comply with a number of federal, state and local regulations and to incur significant expenses. Failure to comply with such regulations could subject us to fines and penalties and/or require us to incur additional expenses. Although we are not now classified as a large quantity generator of hazardous waste, we do store and handle hazardous materials to operate and maintain our equipment and facilities and have done so historically.

We cannot assure you that we will not be required to incur substantial costs to comply with new or expanded environmental requirements in the future or to investigate or clean-up new or newly identified environmental conditions, which could also impair our ability to use or transfer the affected properties and to obtain financing.

Cyber security risks and the failure to maintain the integrity of internal or guest data could result in damages to our reputation and/or subject us to costs, fines or lawsuits.

We collect and retain large volumes of internal and guest data, including credit card numbers and other personally identifiable information, for business purposes, including for transactional or target marketing and promotional purposes, and our various information technology systems enter, process, summarize and report such data. We also maintain personally identifiable information about our employees. The integrity and protection of our guest, employee and Company data is critical to our business and our guests and employees have a high expectation that we will adequately protect their

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personal information. The regulatory environment, as well as the requirements imposed on us by the credit card industry, governing information, security and privacy laws is increasingly demanding and continues to evolve. Maintaining compliance with applicable security and privacy regulations may increase our operating costs and/or adversely impact our ability to market our theme parks, products and services to our guests. We face various security threats, including cyber security attacks on our data and/or information technology infrastructure. Although we utilize various procedures and controls to monitor and mitigate these threats, there can be no assurance that these procedures and controls will be sufficient to prevent penetrations or disruptions to our systems. Furthermore, a penetrated or compromised data system or the intentional, inadvertent or negligent release or disclosure of data could result in theft, loss, fraudulent or unlawful use of guest, employee or Company data which could harm our reputation or result in remedial and other costs, fines or lawsuits.

The suspension or termination of any of our business licenses may have a negative impact on our business.

We maintain a variety of business licenses issued by federal, state and local authorities that are renewable on a periodic basis. We cannot guarantee that we will be successful in renewing all of our licenses on a periodic basis. The suspension, termination or expiration of one or more of these licenses could materially adversely affect our revenues and profits. In addition, any changes to the licensing requirements for any of our licenses could affect our ability to maintain the licenses.

We have a limited operating history as a stand-alone company, which makes it difficult to predict our future prospects and financial performance.

Following the 2009 Transactions, we began operating as a stand-alone company, and, as a result, have a limited operating history as an independent company. Accordingly, you should consider our future prospects in light of the risks and challenges encountered by a company with a limited operating history. There can be no assurance that we will be able to successfully meet the challenges, uncertainties, expenses and difficulties encountered by us or that we will be successful in accomplishing our objectives. Our limited operating history as a stand-alone company makes it difficult to predict our future prospects and financial performance.

Affiliates of Blackstone will continue to be able to significantly influence our decisions and their interests may conflict with ours or yours in the future.

Immediately following this offering of common stock and the share repurchase, affiliates of Blackstone will beneficially own approximately 25.0% of our common stock. As a result, investment funds associated with or designated by affiliates of Blackstone will have the ability to elect members of our Board of Directors and thereby continue to influence our policies and operations, including the appointment of management, future issuances of our common stock or other securities, the payment of dividends, if any, on our common stock, the incurrence or modification of debt by us, amendments to our amended and restated certificate of incorporation and amended and restated bylaws and the entering into of extraordinary transactions, and their interests may not in all cases be aligned with your interests. In addition, Blackstone may have an interest in pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to you. For example, Blackstone may be interested in making acquisitions that increase our indebtedness or in selling revenue-generating assets. Additionally, in certain circumstances, acquisitions of debt at a discount by purchasers that are related to a debtor can give rise to cancellation of indebtedness income to such debtor for U.S. federal income tax purposes.

Blackstone is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. For example, Blackstone owns a stake in Merlin Entertainments Group, which operates the Legoland theme parks, and certain other investments in the leisure and hospitality industries.

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Our amended and restated certificate of incorporation provides that none of Blackstone, any of its affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his director and officer capacities) or his or her affiliates will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. Blackstone also may pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. So long as affiliates of Blackstone continue to own a significant amount of our combined voting power, even if such amount is less than 50%, Blackstone will continue to be able to influence our decisions and, so long as Blackstone and its affiliates collectively own at least 5% of all outstanding shares of our stock entitled to vote generally in the election of directors, it will be able to appoint individuals to our Board of Directors under the stockholders agreement. In addition, Blackstone will be able to influence the outcome of all matters requiring stockholder approval and prevent a change of control of the Company or a change in the composition of our Board of Directors and could preclude any unsolicited acquisition of the Company. The concentration of ownership could deprive you of an opportunity to receive a premium for your shares of common stock as part of a sale of the Company and ultimately might affect the market price of our common stock.

Risks Related to this Offering and Ownership of Our Common Stock

Our stock price may change significantly following the offering, and you may not be able to resell shares of our common stock at or above the price you paid or at all, and you could lose all or part of your investment as a result.

The trading price of our common stock has been, and is likely to continue to be, volatile. The stock market recently has experienced significant volatility. This volatility often has been unrelated or disproportionate to the operating performance of particular companies. You may not be able to resell your shares at or above the offering price due to a number of factors such as those listed in Risks Related to Our Business and Our Industry and the following:

results of operations that vary from the expectations of securities analysts and investors;

results of operations that vary from those of our competitors;

changes in expectations as to our future financial performance, including financial estimates and investment recommendations by securities analysts and investors;

declines in the market prices of stocks generally, or those of amusement and theme parks companies;

strategic actions by us or our competitors;

announcements by us or our competitors of significant contracts, new products, acquisitions, joint marketing relationships, joint ventures, other strategic relationships or capital commitments;

changes in general economic or market conditions or trends in our industry or markets;

changes in business or regulatory conditions;

future sales of our common stock or other securities;

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investor perceptions or the investment opportunity associated with our common stock relative to other investment alternatives;

the public's response to press releases or other public announcements by us or third parties, including our filings with the SEC;

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announcements relating to litigation;

guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;

the development and sustainability of an active trading market for our stock;

changes in accounting principles; and

other events or factors, including those resulting from natural disasters, war, acts of terrorism or responses to these events.

These broad market and industry fluctuations may adversely affect the market price of our common stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our common stock is low.

In the past, following periods of market volatility, stockholders of public companies have often instituted securities class action litigation. If we were involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation.

We cannot assure you that we will continue to pay dividends on our common stock, and our indebtedness could limit our ability to continue to pay dividends on our common stock.

We intend to continue to pay cash dividends on our common stock, subject to our compliance with applicable law, and depending on, among other things, our results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, restrictions in our debt agreements and in any preferred stock, business prospects and other factors that our Board of Directors may deem relevant. However, the payment of any future dividends will be at the discretion of our Board of Directors and there can be no assurance that we will continue to pay dividends in the future. For more information, see Dividend Policy.

If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.

The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. Furthermore, if one or more of the analysts who do cover us downgrade our stock or our industry, or the stock of any of our competitors, or publish inaccurate or unfavorable research about our business, the price of our stock could decline. If one or more of these analysts ceases coverage of the Company or fail to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.

Future sales, or the perception of future sales, by us or our existing stockholders in the public market following this offering could cause the market price for our common stock to decline.

After this offering, the sale of a substantial number of shares of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

Upon the consummation of this offering and the share repurchase, we will have a total of 90,014,580 shares of common stock outstanding (based on the number of shares outstanding as of March 17, 2014). All shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act of 1933, as amended (the Securities Act), except that any shares

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held by our affiliates, as that term is defined under Rule 144 of the Securities Act (Rule 144), including our directors, executive officers and other affiliates (including affiliates of Blackstone) may be sold only in compliance with the limitations described in Shares Eligible for Future Sale.

The 24,187,557 shares held by the Partnerships and certain of our directors, officers and employees immediately following the consummation of this offering and the share repurchase will represent approximately 26.9% of our total outstanding shares of common stock following this offering and the share repurchase, based on the number of shares outstanding as of March 17, 2014. Such shares will be restricted securities within the meaning of Rule 144 and subject to certain restrictions on resale following the consummation of this offering. Restricted securities may be sold in the public market only if they are registered under the Securities Act or are sold pursuant to an exemption from registration such as Rule 144, as described in Shares Eligible for Future Sale.

In connection with this offering, we, our directors, executive officers and the selling stockholders have each agreed with the underwriters, subject to certain exceptions (including with respect to any shares to be sold in the share repurchase), not to dispose of or hedge any of our or their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 60 days after the date of this prospectus, except with the prior written consent of the representatives of the underwriters. See Underwriting (Conflicts of Interest).

Upon the expiration of the lock-up agreements described above, shares held by the Partnerships and certain of our directors, officers and employees will be eligible for resale, subject to volume, manner of sale and other limitations under Rule 144. In addition, pursuant to a registration rights agreement entered into in connection with the 2009 Transactions, we granted the Partnerships the right, subject to certain conditions, to require us to register the sale of their shares of our common stock under the Securities Act. By exercising their registration rights and selling a large number of shares, the Partnerships could cause the prevailing market price of our common stock to decline. Following the completion of this offering and the share repurchase, the shares covered by registration rights will represent approximately 25.0% of our outstanding common stock (or 22.5%, if the underwriters exercise in full their option to purchase additional shares). Registration of any of these outstanding shares of common stock would result in such shares becoming freely tradable without compliance with Rule 144 upon effectiveness of the registration statement. See Shares Eligible for Future Sale.

As restrictions on resale end or if these stockholders exercise their registration rights, the market price of our shares of common stock could drop significantly if the holders of these shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of common stock or other securities.

In addition, the shares of our common stock reserved for future issuance under the 2013 Omnibus Incentive Plan will become eligible for sale in the public market once those shares are issued, subject to provisions relating to various vesting agreements, lock-up agreements and Rule 144, as applicable. A total of 15,000,000 shares of common stock was reserved for issuance under the 2013 Omnibus Incentive Plan, of which 14,528,669 shares of common stock remain available for future issuance at March 17, 2014. The special pricing committee of the Board of Directors may determine the exact number of shares to be reserved for future issuance under the 2013 Omnibus Incentive Plan at its discretion.

In the future, we may also issue our securities in connection with investments or acquisitions. The amount of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of our common stock. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to you.

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Anti-takeover provisions in our organizational documents could delay or prevent a change of control.

Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders.

These provisions provide for, among other things:

a classified Board of Directors with staggered three-year terms;

the ability of our Board of Directors to issue one or more series of preferred stock;

advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings;

certain limitations on convening special stockholder meetings;

the removal of directors only for cause and only upon the affirmative vote of the holders of at least 66²/₃% in voting power of all the then-outstanding shares of stock of the Company entitled to vote thereon, voting together as a single class, if Blackstone and its affiliates beneficially own, in the aggregate, less than 40% in voting power of the stock of the Company entitled to vote generally in the election of directors; and

that certain provisions may be amended only by the affirmative vote of the holders of at least 66²/₃% in voting power of all the then-outstanding shares of stock of the Company entitled to vote thereon, voting together as a single class, if Blackstone and its affiliates beneficially own, in the aggregate, less than 40% in voting power of the stock of the Company entitled to vote generally in the election of directors.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third-party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. Following this offering, affiliates of Blackstone will own, in the aggregate, less than 40% in voting power of the stock of the Company entitled to vote in the election of directors. See Description of Capital Stock.

We are no longer a controlled company within the meaning of the NYSE rules and the rules of the SEC; however, we may continue to rely on exemptions from certain corporate governance requirements during a one year transition period.

Blackstone no longer owns a majority of our outstanding common stock and we are no longer a controlled company within the meaning of the corporate governance standards contained in Section 303A of the NYSE Listed Company Manual. Consequently, the NYSE rules require that we (i) appoint a majority of independent directors to our Board of Directors within one year of December 17, 2013, the date we no longer qualified as a controlled company and (ii) appoint at least one independent director to each of the compensation and nominating and governance committees on the date we no longer qualified as a controlled company, at least a majority of independent directors within 90 days of such date and that the compensation and nominating and governance committees be composed entirely of independent directors within one year of such date. During these transition periods, we may continue to utilize the available exemptions from certain corporate governance requirements as permitted by the NYSE rules.

Accordingly, during the transition periods you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

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In addition, although we are no longer a controlled company, Blackstone will continue to be able to significantly influence our decisions. See Risk Factors Risks Related to Our Business and Our Industry Affiliates of Blackstone will continue to be able to significantly influence our decisions and their interests may conflict with ours or yours in the future, Description of Capital Stock and Certain Relationships and Related Party Transactions.

We may be unsuccessful in implementing required internal controls over financial reporting.

As a result of becoming a public company, pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, our management will be required to report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal controls over financial reporting.

In connection with the audit for the years ended December 31, 2013, 2012 and 2011, we identified certain deficiencies in our internal controls over financial reporting. If we fail to remediate the deficiencies identified, fail to remediate any significant deficiencies or material weaknesses that may be identified in the future, or encounter problems or delays in the implementation of internal controls over financial reporting, we may be unable to conclude that our internal controls over financial reporting are effective. Any failure to develop or maintain effective controls or any difficulties encountered in our implementation of our internal controls over financial reporting could result in material misstatements that are not prevented or detected on a timely basis, which could potentially subject us to sanctions or investigations by the SEC or other regulatory authorities. Ineffective internal controls could cause investors to lose confidence in us and the reliability of our financial statements and cause a decline in the price of our common stock.

Non-U.S. holders who own or owned more than a certain ownership threshold may be subject to United States federal income tax on gains realized on the disposition of our common stock.

We believe that we are currently a U.S. real property holding corporation for U.S. federal income tax purposes. So long as our common stock continues to be regularly traded on an established securities market, a non-U.S. holder (as defined in Material United States Federal Income and Estate Tax Consequences to Non-U.S. Holders) who purchases common stock in this offering and holds or held (at any time during the shorter of the five year period preceding the date of disposition or the holder's holding period) more than 5% of our common stock will be subject to United States federal income tax on the disposition of our common stock. Non-U.S. holders should consult their own tax advisors concerning the consequences of disposing of shares of our common stock.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws. All statements, other than statements of historical facts included in this prospectus, including statements concerning our plans, objectives, goals, beliefs, business strategies, future events, business conditions, our results of operations, financial position and our business outlook, business trends and other information referred to under Prospectus Summary, Risk Factors, Dividend Policy, Management's Discussion and Analysis of Financial Condition and Results of Operations and Business are forward-looking statements. When used in this prospectus, the words estimates, expects, contemplates, anticipates, projects, plans, intends, believes, forecasts, may, should and variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not historical facts, and are based upon our current expectations, beliefs, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond our control. Our expectations, beliefs, estimates and projections are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs, estimates and projections will result or be achieved and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

There are a number of risks, uncertainties and other important factors, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking statements contained in this prospectus. Such risks, uncertainties and other important factors that could cause actual results to differ include, among others, the risks, uncertainties and factors set forth above under Risk Factors, and the following risks, uncertainties and factors:

a decline in discretionary consumer spending or consumer confidence;

various factors beyond our control adversely affecting attendance and guest spending at our theme parks;

inability to protect our intellectual property or the infringement on intellectual property rights of others;

incidents or adverse publicity concerning our theme parks;

featuring animals at our theme parks;

the loss of licenses and permits required to exhibit animals;

significant portion of revenues generated in the States of Florida, California and Virginia and the Orlando market;

inability to compete effectively;

loss of key personnel;

increased labor costs;

unionization activities or labor disputes;

inability to meet workforce needs;

inability to fund theme park capital expenditures;

high fixed cost structure of theme park operations;

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inability to maintain certain commercial licenses;

changing consumer tastes and preferences;

restrictions in our debt agreements limiting flexibility in operating our business;

our substantial leverage;

seasonal fluctuations;

inability to realize the benefits of acquisitions or other strategic initiatives;

adverse litigation judgments or settlements;

inadequate insurance coverage;

inability to purchase or contract with third party manufacturers for rides and attractions;

environmental regulations, expenditures and liabilities;

cyber security risks;

suspension or termination of any of our business licenses;

our limited operating history as a stand-alone company; and

the ability of affiliates of Blackstone to significantly influence our decisions.

There may be other factors that may cause our actual results to differ materially from the forward-looking statements, including factors disclosed under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this prospectus. You should evaluate all forward-looking statements made in this prospectus in the context of these risks and uncertainties.

We caution you that the risks, uncertainties and other factors referenced above may not contain all of the risks, uncertainties and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. All forward-looking statements in this prospectus apply only as of the date made and are expressly qualified in their entirety by the cautionary statements included in this prospectus. We undertake no obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances.

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USE OF PROCEEDS

The selling stockholders will receive all of the net proceeds from the sale of the shares of our common stock in this offering. Pursuant to the registration rights agreement entered into in connection with the 2009 Transactions, we will pay all expenses (other than the underwriting discount and commissions) of the selling stockholders in connection with this offering. We will not receive any of the proceeds from the sale of the shares of our common stock by the selling stockholders, including any sales pursuant to the option to purchase additional shares.

Table of Contents**PRICE RANGE OF COMMON STOCK**

Our common stock has traded on the NYSE under the symbol SEAS since April 19, 2013. Prior to that date, there was no public market for our common stock. The following table sets forth the high and low closing sales prices per share of our common stock, as reported by the NYSE, for the periods indicated:

	High	Low
<u>2013</u>		
Quarter ended June 30, 2013 (from April 19, 2013)	\$ 38.88	\$ 32.32
Quarter ended September 30, 2013	\$ 38.92	\$ 28.65
Quarter ended December 31, 2013	\$ 32.82	\$ 27.66

The closing sale price of our common stock, as reported by the NYSE, on April 3, 2014 was \$30.01. As of March 17, 2014, there were 150 holders of record of our common stock.

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DIVIDEND POLICY

In 2011 and 2012, we declared special dividends of \$110.1 million and \$500.0 million, respectively, to our stockholders (net of required withholdings).

In June 2013, our Board of Directors adopted a policy to pay a regular quarterly cash dividend. Pursuant to this policy, we paid quarterly cash dividends of \$0.20 per share on July 1, 2013, October 1, 2013 and January 3, 2014. On March 4, 2014, we declared a cash dividend of \$0.20 per share payable on April 1, 2014.

We intend to continue to pay cash dividends on our common stock, subject to our compliance with applicable law, and depending on, among other things, our results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, restrictions in our debt agreements and in any preferred stock, business prospects and other factors that our Board of Directors may deem relevant. However, the payment of any future dividends will be at the discretion of our Board of Directors and our Board of Directors may, at any time, modify or revoke our dividend policy on our common stock.

Our ability to pay dividends depends on our receipt of cash dividends from our operating subsidiaries, which may further restrict our ability to pay dividends as a result of the laws of their jurisdiction of organization, agreements of our subsidiaries or covenants under any existing and future outstanding indebtedness we or our subsidiaries incur. In particular, the ability of our subsidiaries to distribute cash to SeaWorld Entertainment, Inc. to pay dividends is limited by covenants in our Senior Secured Credit Facilities and the indenture governing the Senior Notes. See Management's Discussion and Analysis of Financial Condition and Results of Operations and Description of Indebtedness for a description of the restrictions on our ability to pay dividends.

Table of Contents**CAPITALIZATION**

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2013.

You should read this table in conjunction with the information contained in Use of Proceeds, Selected Historical Consolidated Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and Description of Indebtedness, as well as the consolidated financial statements and the notes thereto included elsewhere in this prospectus.

	As of December 31, 2013 (Dollars in thousands, except per share amount)
Cash and cash equivalents ⁽¹⁾	\$ 116,841
Long-term debt, including current portion of long-term debt:	
Senior Secured Credit Facility:	
Revolving Credit Facility	\$
Term B-2 Loans	1,397,975
Senior Notes	260,000
Unamortized discount on long term-debt	(16,742)
Total debt	1,641,233
Stockholders' equity:	
Preferred stock, \$0.01 par value, 100,000,000 shares authorized, no shares issued or outstanding at December 31, 2013	
Common stock, \$0.01 par value, 1,000,000,000 shares authorized, 89,900,453 shares issued at December 31, 2013 ⁽¹⁾⁽²⁾	899
Additional paid-in capital	689,394
Accumulated other comprehensive gain	11
Retained earnings	7,991
Treasury stock ⁽¹⁾	(44,163)
Total stockholders' equity ⁽³⁾	654,132
Total capitalization ⁽¹⁾	\$ 2,295,365

- (1) We will use cash on hand to fund the share repurchase and any repurchased shares will no longer be outstanding but will be held in treasury. As a result of the share repurchase, the amounts of our cash and cash equivalents, treasury stock, total stockholders' equity and total capitalization will be adjusted accordingly. If the share repurchase is completed concurrently with the closing of this offering and the underwriters' option to purchase additional shares in this offering is exercised in full, in each case, at a net proceeds to the selling stockholders in excess of \$30.22 per share, we expect it to result in vesting of all our 2.25x exit vesting restricted stock awards. If such vesting event occurs, we expect to recognize additional non-cash equity compensation expense in an aggregate amount of approximately \$32.9 million and to pay accumulated dividends on such shares in an aggregate amount of approximately \$1.2 million, in each case, in the fiscal quarter in which such vesting event occurs. See Management Compensation Discussion and Analysis and Note 18 - Equity-Based Compensation in the notes to the consolidated financial statements included elsewhere in this prospectus for additional information.
- (2) The number of shares issued excludes 3,378,764 unvested shares of common stock held by certain participants in the Company's equity compensation plan and includes 1,500,000 shares of treasury stock held by the Company.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following tables set forth our selected historical consolidated financial and operating data as of the dates and for each of the fiscal years ended December 31, 2013, 2012, 2011 and 2010, and for the one month period ended December 31, 2009.

The selected financial data as of December 31, 2013 and 2012 and for each of the fiscal years ended December 31, 2013, 2012 and 2011 have been derived from our audited consolidated financial statements included elsewhere in this prospectus and the selected financial data as of December 31, 2011 and 2010 and for the fiscal year ended December 31, 2010 and for the one month period ended December 31, 2009 have been derived from our audited consolidated financial statements not included in this prospectus. Our historical operating results are not necessarily indicative of future operating results.

On December 1, 2009, investment funds affiliated with Blackstone and certain co-investors, through SeaWorld Entertainment, Inc. and its wholly-owned subsidiary, SWPEI, acquired 100% of the equity interests of Sea World LLC and SeaWorld Parks & Entertainment LLC (f/k/a Busch Entertainment Corporation) from subsidiaries of Anheuser-Busch Companies, Inc. The Predecessor Financial Information is not presented in this prospectus because it is not comparable and therefore not meaningful to a prospective investor. The Predecessor Financial Information does not fully reflect our operations on a stand-alone basis and we believe would not materially contribute to an investor's understanding of our historical financial performance. The Predecessor Financial Information prepared on a basis comparable with our consolidated financial statements included in this prospectus is not available and cannot be provided without unreasonable effort and expense. We believe that the omission of the Predecessor Financial Information would not have a material impact on an investor's understanding of our financial results and condition, cash flows and related trends.

The following tables should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the notes thereto included elsewhere in this prospectus.

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	2013	Year Ended December 31, 2012 2011		2010	One Month Period Ended December 31, 2009 ⁽¹⁾
		(Amounts in thousands, except per share and per capita amounts)			
Statement of comprehensive income data:					
Net revenues					
Admissions	\$ 921,016	\$ 884,407	\$ 824,937	\$ 730,368	\$ 45,060
Food, merchandise and other	539,234	539,345	505,837	465,735	27,918
Total revenues	1,460,250	1,423,752	1,330,774	1,196,103	72,978
Costs and expenses					
Cost of food, merchandise and other revenues	114,192	118,559	112,498	97,871	5,472
Operating expenses (exclusive of depreciation and amortization shown separately below)	739,989	726,509	687,999	673,829	51,957
Selling, general and administrative	187,298	184,920	172,368	159,506	11,544
Termination of advisory agreement	50,072				
Secondary offering costs	1,407				
Depreciation and amortization	166,086	166,975	213,592	207,156	17,973
Acquisition-related expenses					67,966
Total costs and expenses	1,259,044	1,196,963	1,186,457	1,138,362	154,912
Operating income (loss)	201,206	226,789	144,317	57,741	(81,934)
Other income (expense), net	241	1,563	(1,679)	1,937	30
Interest expense	93,536	111,426	110,097	134,383	11,501
Loss on early extinguishment of debt and write-off of discounts and deferred financing costs	32,429				
Income (loss) before income taxes	75,482	116,926	32,541	(74,705)	(93,405)
Provision for (benefit from) income taxes	25,004	39,482	13,428	(29,241)	(35,664)
Net income (loss)	\$ 50,478	\$ 77,444	\$ 19,113	\$ (45,464)	\$ (57,741)
Net income (loss) attributable to common stockholders	\$ 50,478	\$ 77,444	\$ 19,113	\$ (45,464)	\$ (57,741)
Per share data⁽²⁾:					
Net income (loss) per share, basic	\$ 0.58	\$ 0.94	\$ 0.23	\$ (0.56)	\$ (0.71)
Net income (loss) per share, diluted	\$ 0.57	\$ 0.93	\$ 0.23	\$ (0.56)	\$ (0.71)
Cash dividends declared per share	\$ 0.60	\$ 6.07	\$ 1.34	\$	\$
Weighted-average common shares outstanding					
Basic	87,537	82,480	81,392	80,800	80,800
Diluted	88,152	83,552	82,024	80,800	80,800
Other financial and operating data:					
Capital expenditures	\$ 166,258	\$ 191,745	\$ 225,316	\$ 120,196	\$ 3,149
Attendance	23,391	24,391	23,631	22,433	1,402
Total revenue per capita ⁽³⁾	\$ 62.43	\$ 58.37	\$ 56.31	\$ 53.32	\$ 52.05

As of December 31,
2013 2012 2011 2010
(Amounts in thousands)

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Consolidated balance sheet data (at end of period):

Cash and cash equivalents	\$ 116,841	\$ 45,675	\$ 66,663	\$ 123,697
Total assets	\$ 2,582,273	\$ 2,521,052	\$ 2,547,095	\$ 2,621,281
Total long-term debt	\$ 1,641,233	\$ 1,823,974	\$ 1,417,887	\$ 1,410,529
Total equity	\$ 654,132	\$ 449,848	\$ 872,467	\$ 949,795

- (1) Reflects our financial results from December 1, 2009 to December 31, 2009, which is the period in which we first became an independent, stand-alone entity in connection with the 2009 Transactions.
- (2) All share and per share amounts reflect an eight-for-one stock split of our common stock effected on April 8, 2013.
- (3) Calculated as total revenue divided by total attendance.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains management's discussion and analysis of our financial condition and results of operations and should be read together with Selected Historical Consolidated Financial Data and the historical consolidated financial statements and the notes thereto included elsewhere in this prospectus. This discussion contains forward-looking statements that reflect our plans, estimates and beliefs and involve numerous risks and uncertainties, including but not limited to those described in the Risk Factors section of this prospectus. Actual results may differ materially from those contained in any forward-looking statements. You should carefully read Special Note Regarding Forward-Looking Statements and Risk Factors.

Business Overview

We are a leading theme park and entertainment company delivering personal, interactive and educational experiences that blend imagination with nature and enable our customers to celebrate, connect with and care for the natural world we share. We own or license a portfolio of globally recognized brands, including SeaWorld, Shamu and Busch Gardens. Over our more than 50 year history, we have built a diversified portfolio of 11 destination and regional theme parks that are grouped in key markets across the United States, many of which showcase our one-of-a-kind collection of approximately 86,000 marine and terrestrial animals. Our theme parks feature a diverse array of rides, shows and other attractions with broad demographic appeal which deliver memorable experiences and a strong value proposition for our guests. In addition to our theme parks, we have recently begun to leverage our brands into media, entertainment and consumer products. During the year ended December 31, 2013, we hosted approximately 23.4 million guests, including approximately 3.7 million international guests. In the year ended December 31, 2013, we had total revenues of \$1,460.3 million and net income of \$50.5 million.

Key Business Metrics Evaluated by Management

Attendance

We define attendance as the number of guest visits to our theme parks. Increased attendance drives increased admissions revenue to our theme parks as well as total in-park spending. The level of attendance at our theme parks is a function of many factors, including the opening of new attractions and shows, weather, global and regional economic conditions, competitive offerings and overall consumer confidence in the economy.

Total Revenue Per Capita

Total revenue per capita, defined as total revenue divided by total attendance, consists of admission per capita and in-park per capita spending:

Admission Per Capita. We calculate admission per capita for any period as total admissions revenue divided by total attendance. Theme park admissions accounted for approximately 63% of our revenue for the year ended December 31, 2013. Over the same period of time, we reported \$39.37 in admission per capita, representing an increase of 8.6% from \$36.26 for the year ended December 31, 2012. Admission per capita is driven by ticket pricing, the mix of tickets purchased (such as single day, multi-day and annual pass) and the mix of attendance by theme parks visited.

In-Park Per Capita Spending. We calculate in-park per capita spending for any period as total food, merchandise and other revenue divided by total attendance. For the year ended December 31, 2013, food, merchandise and other revenue accounted for approximately 37% of our total revenue. Over the same time period, we reported \$23.05 of in-park per capita spending,

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representing an increase of 4.3% from \$22.11 for the year ended December 31, 2012. In-park per capita spending is driven by pricing changes, penetration levels (percentage of guests purchasing), new product offerings, the mix of guests and the mix of in-park spending.

Trends Affecting Our Results of Operations

Our success depends to a significant extent on discretionary consumer spending, which is heavily influenced by general economic conditions and the availability of discretionary income. The recent severe economic downturn, coupled with high volatility and uncertainty as to the future global economic landscape, has had and continues to have an adverse effect on consumers' discretionary income and consumer confidence. Difficult economic conditions and recessionary periods may adversely impact attendance figures, the frequency with which guests choose to visit our theme parks and guest spending patterns at our theme parks. Historically, our revenue and attendance growth have been highly correlated with domestic economic growth, as reflected in the gross domestic product (GDP) and the overall level of growth in domestic consumer spending. For example, in 2009 and 2010, we experienced a decline in attendance as a result of the global economic crisis, which in turn adversely affected our revenue and profitability. We expect that forecasted moderate improvements in GDP and growth in domestic consumer spending will have a positive impact on our future performance. Both attendance and total revenue per capita at our theme parks are key drivers of our revenue and profitability, and reductions in either can materially adversely affect our business, financial condition, results of operations and cash flows.

Seasonality and Unaudited Selected Quarterly Financial Data

The theme park industry is seasonal in nature. Based upon historical results, we generate the highest revenues in the second and third quarters of each year, in part because six of our theme parks are only open for a portion of the year. Approximately two-thirds of our attendance and revenues are generated in the second and third quarters of the year and we typically incur a net loss in the first and fourth quarters. The mix of revenues by quarter is relatively constant, but revenues can shift between the first and second quarters due to the timing of Easter or between the first and fourth quarters due to the timing of Christmas and New Year's. Even for our five theme parks open year-round, attendance patterns have significant seasonality, driven by holidays, school vacations and weather conditions. One of our goals in managing our business is to continue to generate cash flow throughout the year and minimize the effects of seasonality. In recent years, we have begun to encourage attendance during non-peak times by offering a variety of seasonal programs and events, such as kids festivals, special concert series, and Halloween and Christmas events. In addition, during seasonally slow times, operating costs are controlled by reducing operating hours and show schedules. Employment levels required for peak operations are met largely through part-time and seasonal hiring.

For unaudited selected quarterly financial data for the years ended December 31, 2013 and 2012, see Note 20-Summary Quarterly Financial Data (Unaudited) in the notes to the consolidated financial statements included elsewhere herein. In the opinion of management, such selected quarterly information includes all adjustments, consisting solely of normal recurring adjustments, necessary for the fair statement of the results of operations for such periods. Such information should be read in conjunction with our consolidated financial statements and notes thereto included elsewhere in this prospectus. Such quarterly data is not necessarily indicative of our operating results for any future period.

Principal Factors Affecting Our Results of Operations

Revenues

Our revenues are driven primarily by attendance in our theme parks and the level of per capita spending for admission to the theme parks and per capita spending inside the theme parks for culinary,

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merchandise and other in-park experiences. The level of attendance in our theme parks is a function of many factors, including the opening of new attractions and shows, weather, global and regional economic conditions, competitive offerings and consumer confidence. Admission per capita is driven by ticket pricing, the mix of ticket type purchased (such as single day, multi-day and annual pass) and the mix of attendance by theme parks visited. In-park per capita spending is driven by pricing changes, penetration levels (percentage of guests purchasing), new product offerings, the mix of guests and the mix of in-park spending. For other factors affecting our revenues, see **Risk Factors Risks Related to Our Business and Our Industry**.

In addition to the theme parks, we are also involved in entertainment, media and consumer product businesses that leverage our intellectual property. While these businesses currently do not represent a material percentage of our revenue, they are important strategic drivers in terms of consumer awareness and brand building. We aim to expand these businesses into a greater source of revenue in the future.

Costs and Expenses

The principal costs of our operations are employee salaries, employee benefits, advertising, maintenance, animal care, utilities and insurance. Factors that affect our costs and expenses include commodity prices, costs for construction, repairs and maintenance, other inflationary pressures and attendance levels. A large portion of our expenses is relatively fixed because the costs for full-time employees, maintenance, animal care, utilities, advertising and insurance do not vary significantly with attendance. For factors affecting our costs and expenses, see **Risk Factors Risks Related to Our Business and Our Industry**.

We barter theme park admission products for advertising and various other products and services. The fair value of the admission products is recognized into revenue and related expenses at the time of the exchange and approximates the fair value of the goods or services received.

Results of Operations

The following discussion provides an analysis of our audited consolidated financial data for the years ended December 31, 2013, 2012 and 2011. This data should be read in conjunction with our consolidated financial statements and the notes thereto included elsewhere in this prospectus.

Comparison of the Years Ended December 31, 2013 and 2012

The following table presents key operating and financial information for the years ended December 31, 2013 and 2012:

	For the Year Ended December 31,	
	2013	2012
	(In thousands, except per capita data)	
Statement of comprehensive income data:		
Net revenues:		
Admissions	\$ 921,016	\$ 884,407
Food, merchandise and other	539,234	539,345
Total revenues	1,460,250	1,423,752

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	For the Year Ended December 31,	
	2013	2012
	(In thousands, except per capita data)	
Costs and expenses:		
Cost of food, merchandise and other revenues	\$ 114,192	\$ 118,559
Operating expenses (exclusive of depreciation and amortization shown separately below)	739,989	726,509
Selling, general and administrative	187,298	184,920
Termination of advisory agreement	50,072	
Secondary offering costs	1,407	
Depreciation and amortization	166,086	&